



**COFFS HARBOUR CITY COUNCIL
ORDINARY MEETING
(CITY SERVICES COMMITTEE)
COUNCIL CHAMBER
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR
6 JULY 2006**

**Commencing at the conclusion of
City Business Units Committee Meeting**

Contents

ITEM	DESCRIPTION	PAGE
	CITY SERVICES DEPARTMENT REPORTS	1
S39	SENIORS WEEK 2006	1
S40	MINUTES OF THE ARTS & CULTURAL DEVELOPMENT ADVISORY COMMITTEE MEETINGS HELD ON 20 MARCH AND 15 MAY 2006	7
S41	ADOPTION OF A MECHANISM FOR ENGAGING THE MULTICULTURAL COMMUNITY	16
S42	FLOODPLAIN MANAGEMENT ADVISORY COMMITTEE	21
S43	WORKS BRANCH REPORT	26
S44	GRAVEL ROADS - GRADING	29
S45	LOCAL GOVERNMENT (GENERAL) REGULATIONS - PART 7 TENDERING - LOCAL PREFERENCE	34



COFFS HARBOUR CITY COUNCIL

ORDINARY MEETING

(CITY SERVICES COMMITTEE)

6 JULY 2006

Mayor and Councillors

CITY SERVICES DEPARTMENT REPORTS

S39 SENIORS WEEK 2006

Purpose:

To report to Council on the activities of Seniors Week 2006.

Description of Item:

The Coffs Harbour Senior Citizens Week Committee is a community based committee that comprises senior citizens, Council staff and representatives of local businesses. The committee has met on a regular basis since late 2005 to plan and coordinate a program to promote, celebrate and acknowledge the positive contribution the older members of our community.

The following people were members of the Senior Citizens Week Committee for 2006:

- Barbara Lawson (Senior Citizen)
- Keith Whalan (Senior Citizen)
- Danae Paul (Park Beach Plaza)
- Gordon Whittle (Senior Citizen)
- Dawn Bennett (Senior Citizen)
- Barbara Pearce (Senior Citizen)
- Dorothy Harley (Senior Citizen)
- Betty Pittaway (Senior Citizen)
- Lola Fowler (Senior Citizen)
- Susan Clark (Coffs Harbour City Council)

Cont'd

S39 - Seniors Week 2006 (Cont'd)

This year, due to the Commonwealth Games, Seniors Week, which normally takes place in March, was rescheduled to the first week in April. This resulted in Seniors Week and Youth Week running concurrently.

The Senior Citizens Week Committee looked at staging three events, the Official Opening on Sunday, 2 April at the Coffs Harbour Ex-Services Club, a photography competition sponsored by Fletcher Photographics and the traditional bus tour sponsored by Park Beach Plaza on Wednesday, 5 April.

Unfortunately, entries for the photography competition were not sufficient and the event had to be cancelled. However, Fletcher Photographics is still interested in contributing so the committee will look to organising a fundraising activity for 2007 later in the year. In addition, attendance at the official opening was disappointing. This was surprising given that the event had been well advertised through the Advocate and via leaflets and pamphlets.

This year's theme was "Live Life" and although the attendance at some of the activities provided by the committee were not pleasing, the Calendar of Events (copy attached), coordinated by the committee, was packed with an exciting range of activities. From the traditional bus trip, Expo, Workshops and Information Sessions, Croquet, Thai Chi and Life Ball classes, a Bingo Day, free fees at many of the resorts golfing facilities and free entry into the Pet Porpoise Pool and the Racing Club and of course the old favourite movie ticket deals. The week certainly had a lot to offer to anyone wanting to participate and "Live Life".

The Senior Citizens Week Committee aimed to provide a program of events that catered to the interests of all seniors with activities at minimal or no cost.

This year the Woolgoolga Seniors Centre, who received funding from the NSW Department of Ageing, Disability and Home Care, provided a good cross-selection of activities for the local community. Coordinated by the committee's newest member Lorraine Monkhouse the activities highlighted Seniors Week in a positive and constructive way and gave seniors from the Woolgoolga area the opportunity to be involved more closely than has been afforded to them in the past.

2006 Seniors Week Awards

Recognition of the valuable contribution made by older people to our local community through the Local Seniors Week Awards is an integral part of Seniors Week. Nominations were called for in late 2005, recipients were selected by the committee for their substantial contribution to the well-being of older people in the Coffs Harbour local government area. The awards were presented by Cr Palmer who officially opened Seniors Week at the Coffs Harbour Ex-Services Club on Sunday, 2 April.

Local Seniors Week Award recipients were:

- Peter McKeown
- Ray Gunn
- Shirley McMullen
- May Whelan
- Margaret Crawley
- Warren Meredith
- Keith Sisson
- Joan Howlett

Cont'd

S39 - Seniors Week 2006 (Cont'd)

Sustainability Assessment:

- **Environment**

There are no environmental issues.

- **Social**

Seniors Week aims to provide a positive understanding of ageing. The week's celebrations also provide a unique opportunity to recognise and acknowledge the valuable contributions that older people make to our community.

- **Economic**

Broader Economic Implications

Unfortunately, this year the committee were not successful in their bid for a Seniors Week grant from the NSW Department of Ageing, Disability and Home Care (DADHC). These grants are becoming increasingly difficult to obtain as the committee is competing against a range of other organisations across the local government area.

This year also saw a drop in sponsorship from local businesses. Park Beach Plaza, a major sponsor in the past, dropped its donation from \$2,500 plus in-kind support to \$1,00 and no in-kind support. Additionally, both local business representatives did not attend any of the planning meetings. There has been a change in their Marketing Manager incumbent.

Contributions from all avenues enables the committee to develop a program of events at no cost to seniors with an exception of a \$12 charge for the full day bus trip.

The lack of funds meant that some activities had to be shelved. The income/expenditure for the week's activities are as follows:

Income

Council Donation	\$2,250
Seniors Week Committee Bank Account (fundraising)	\$ 690
Park Beach Plaza Donation	\$2,000
Raffle Tickets/Bus Ticket Sales	<u>\$1,180</u>
	\$5,120

Costs

Public Liability Insurance	\$1,432
Pacific City Coaches (bus trip - 2 busses)	\$1,562
Coramba Hotel (meal for bus trip)	\$ 900
Advertising (Advocate)	\$ 749
St Johns Ambulance	<u>\$ 150</u>
	\$4,893

Cont'd

S39 - Seniors Week 2006 (Cont'd)

As you can see the balance from this year's activities leaves the committee with only \$227 to commence planning next year's events. Council also assists in providing a cross-section of in-kind support such as the printing of pamphlets and brochures and covers the committee's postage and administrative costs.

Public liability insurance results in a major financial burden for the committee each year. The cost of insurance cover for Seniors Week 2006, provided through the NSW Meals on Wheels Association Community Sector Insurance Program, amounts to \$1,431.41 and is due each July.

Management Plan Implications

The Coffs Harbour City Council made a donation of \$2,250 towards organising events for Seniors Week 2006. From this donation \$1,500 is allocated to paying public liability insurance for the week. Due to a drop in local business contributions and DADHC funding becoming more difficult to acquire, the committee are looking for Council to increase its contribution in its 2006/2007 budget.

Consultation:

The Seniors Citizens Week Committee has met on a monthly basis since October 2005 to plan and coordinate activities for Seniors Week 2006.

The feedback from most of the activities was very positive. Some helpful suggestions about how to improve the week is being investigated and will be factored into planning next year's events.

Some members of the committee have elected to retire following this year's events and these positions will be filled following a call for expressions of interest.

Related Policy and / or Precedents:

There is no related policy in regard to this matter.

Statutory Requirements:

There are no statutory requirements in relation to this matter.

Issues:

The Senior Citizens Week Committee has sent Certificates of Appreciation and thank you letters to supporting organisations and groups.

Recommendation:

That the Coffs Harbour Senior Citizens Week Committee members be thanked for their efforts in staging Seniors Week 2006.

Attachments:

SENIORS WEEK 2006 - CALENDAR OF EVENTS

SUNDAY, 2 APRIL— SENIORS WEEK ~ LIVE LIFE ! OFFICIAL OPENING

**Seniors/Youth Week Official Launch/Awards Ceremony & Free Concert
Commencing 9.30am Coffs Ex-Services Club Auditorium — Enquiries 6648 4833**

Official Opening of the Week, Presentation of Local Seniors Week Awards and entertainment. Tickets available from the Club. No Pre-Bookings

MONDAY, 3 APRIL

Opal Cove Resort, A full week of Golf, no green fees to seniors presenting identification. (equipment & club hire not included) Further details 6651 0510

A Taste of Tai Chi, an experience not to be missed, instructor Chris Young held at the Community Village, Earl Street, Coffs Harbour Monday 3rd, Sessions 9-10am and 5-6pm

ADULT/SENIORS Contact 6652 6997

TUESDAY, 4 APRIL

PARK BEACH PLAZA - BINGO ! Enjoy the morning playing Bingo, 2-4pm, includes morning tea, Prizes galore, Plaza vouchers, hot cross buns, scratchies and more

Bookings essential, limited seating call 6652 4366

Novotel Pacific Bay Resort, 9 holes free to all seniors presenting identification. Call 6659 7006

Seniors Expo, Woolgoolga Seniors Centre, Come and see what's available for Seniors in Woolgoolga, It's free ! For more details call 6654 7311

Mobility Scooters Information Day, ARE YOU MOBILE ?, Marian Grove Retirement Village, Marian Grove, Toormina 10.30am-12.30am Call 6648 4414

WEDNESDAY, 5 APRIL— WHAT A PICTURE ! WHAT A PHOTOGRAPH !

FLETCHERS PHOTOGRAPHICS Amateur Photography Competition, "acting your age, what the". Exhibition all week at the Bunker Cartoon Gallery, judging @ 5.30 p.m. Wed, 5th Enq.6648 4833. Entries libraries, Council, website & Fletchers Photographics

Cultural Day, Woolgoolga Seniors Centre, Free Lunch, Free Entry, An event not to be missed. More information call 6654 7311

SENIORS BUS TRIP, \$12 covers trip, morning tea & lunch. Always a Hoot, Tickets available from Coffs Harbour City Council, Call 6648 4833 for more details.

THURSDAY, 6 APRIL—IT'S HEALTHY THURSDAY

SportzCentral, Life Ball "Give it A Go Morning" 10am-11am includes morning tea. Exercise for seniors in a friendly, fun atmosphere, comfortable clothes & shoes required.

More details call 6651 2501

Sawtell Croquet Club—Come & Try Croquet 10am, Sausage Sizzle at 12 noon, flat shoes, hat and sunscreen required. For catering purposes call Jane on 6658 1840 and June on 6658 1546.

All equipment supplied.

Woolgoolga Croquet Club —Come & Try Day, 9am-3pm, Ganderton Street, opp. Library. Just the gentle exercise your looking for ? Call John 6656 1080 for details.

Seniors Health Expo, 9am-4.00pm Woolgoolga Seniors Centre, Details 6654 7311

THURSDAY, 6 APRIL

Dementia and Memory Information Seminar, Thurs 6 April, 10.30am 11.30am, Sawtell RSL, registrations essential call Alzheimer's Australia on 8875 4673

FRIDAY, 7 APRIL

Advance Care Planning Workshop, Fri 7th April, Southern Cross Uni, Hogbin Drive, O BLOCK Theatre 11am—1pm. Details Contact Leanne 6659 3197. A step by step, plain English explanation of the processes and documentation required to make sure your wishes are known and respected.

A MUST ATTEND !

Seniors Sports Day, Woolgoolga Seniors Centre Exercise is important for everyone so try these to see what suits you, Lifeball, Move it, Indoor Bowls & Team Events, Starts 9.30am Call 6654 7311
Mobility Scooters Information Day, ARE YOU MOBILE ?, Village Life Retirement Village, Taloumbi Road, 9.30am-11.30am Call 6648 4414

SUNDAY, 9 APRIL - **Pet Porpoise Pool, FREE entry** for Seniors only, 2pm Session Call for details on 6652 6133, Thank you to our Friends at the Pet Porpoise Pool

MONDAY, 10 APRIL—**A LITTLE EXTRA TREAT !**

COFFS HARBOUR RACING CLUB, “The Plantation Fresh Race Day” Entry free to Seniors, entrance into the members stand. For more details call 6652 1488

MOVIE DEAL from SAWTELL CINEMAS—Discount Tickets \$5 Seniors Only, All Tickets ! All Sessions ! Sun 2nd — Wed 5th April.

Coffs Harbour City Library & Information Service Competition—Enter the *Live Life* Questionnaire Competition and you could *WIN !* Entry Forms available from all libraries Closes 4pm 1st April. 2006 For more details call 6648 4900

WE WISH TO ACKNOWLEDGE OUR SPONSORS

The Advocate, Park Beach Plaza, Fletchers Photographics, Coffs Harbour City Council, Pet Porpoise Pool, Novotel Pacific Bay Resort, Opal Cove Resort, SportzCentral, Woolgoolga Seniors Centre, Sawtell Cinemas, Coffs Harbour Racing Club, Mobility Scooters, DADHC and many others, thank you

Best Wishes for a great Seniors Week, Live Life !

**S40 MINUTES OF THE ARTS & CULTURAL DEVELOPMENT ADVISORY COMMITTEE
MEETINGS HELD ON 20 MARCH AND 15 MAY 2006**

Purpose:

To present the minutes of the Arts & Cultural Development Advisory Committee meetings held on 20 March and 15 May 2006. The meeting of 17 April 2006 was cancelled.

Description of Item:

The Arts & Cultural Development Advisory Committee met on 20 March and 15 May 2006. The minutes of these meetings are attached.

Sustainability Assessment:

- **Environment**

There are no environmental impacts.

- **Social**

The resolutions of the committee improve the capacity of the Arts & Cultural Development Advisory Committee to develop arts and cultural issues.

- **Economic**

Broader Economic Implications

There are no economic implications.

Management Plan Implications

There are no management plan implications.

Consultation:

Arts & Cultural Development Advisory Committee.

Issues:

There were no recommendations from the meeting on 20 March 2006.

The meeting held on 15 May 2006 recommended that:

- A sub-committee of the Arts & Cultural Development Advisory Committee be formed for the purpose of implementing public art projects. This recommendation was adopted by Council on 18 April 2005.
- Pamille Berg's report on the City Arts & Cultural Development Plan be presented to Council and this committee as a reference document on arts and cultural development before work commences on the Brelsford Park Cultural Precinct and City Park. This report is being assessed by the Economic Development Manager.

Cont'd

S40 - Minutes of the Arts & Cultural Development Advisory Committee Meetings held on 20 March and 15 May 2006 (Cont'd)

- The committee forward a submission to Council on the proposed Multipurpose Centre building design, parking and traffic management. This submission has been forwarded to Council.
- The committee request that budget and operational changes at the Jetty Theatre comes through the Jetty Theatre Advisory Committee for comment and then be brought to this committee for recommendation to Council before being introduced. This recommendation is to facilitate community groups concerns being raised when changes are planned.
- The committee requests that the management plan and city budget dealing in arts and cultural development for comment and recommendation to Council. This would allow the committee input into the budget process before adoption by Council.
- Council staff brief the committee on budget allocation for arts, culture and community development. This would allow the committee an overview of expenditure in arts, culture and facilities in the forthcoming financial year.
- If the Arts & Cultural Development Advisory Committee meetings are cancelled they be rescheduled in the same week, with or without a Council representative present. It should be noted that a member of Council staff should be at meetings held on Council premises outside office hours.
- A representative of the committee be on the interview panel for the Museum/Gallery Director position. It should be noted that this is a decision for the General Manager.

Recommendation:

That the minutes of the Arts & Cultural Development Advisory Committee be noted.

Attachments:

IR 1369002

ARTS AND CULTURAL DEVELOPMENT ADVISORY COMMITTEE MEETING

20 MARCH 2006

MINUTES

Meeting commenced at 5.00 pm

PRESENT: Cr Jennifer Bonfield, Gordon Amann, Shirley Barnett, Richard Holloway and Leigh Summers

IN ATTENDANCE: Malcolm McLeod

1. APOLOGIES

Cr Ian Hogbin, Cr Gavin Smithers and Carol Hellmer

2. ADOPTION OF MINUTES

(The meeting scheduled for 20 February 2006 was postponed till 6 March 2006.)

MOVED (Amann/Barnett) that the minutes of the meeting held on 6 March 2006 be accepted as a true and accurate record of the meeting.

CARRIED

3. CORRESPONDENCE - IN/OUT

In

Sports Central Update

Out

Nil

4. BUSINESS ARISING

Discussion occurred that after a meeting between the Cultural Development Officer (CDO) and the Aboriginal Elders Group the Elders would nominate the next Aboriginal representation on the committee.

The chair briefed the committee on the Harbour Master Plan.

Discussion occurred on the Port Macquarie Cultural Centre and the visit of Craig Milburn to address the committee and Council on 12 April 2006.

Chair has had discussion with the Lilly Pilly Art Group to have an A&CDAC meeting at Woolgoolga to have a debrief of the last exhibition.

Discussion occurred on the Sports Central Update.

Discussion occurred on budget outcomes for the CDO through the chair.

5. GENERAL BUSINESS

Discussion occurred on the timeframe to advertise the Gallery/Museum Director position.

Discussion also occurred on a structure to include the Library, Jetty Theatre, Gallery, Museum and possibly the Bunker under one management position.

Discussion occurred on storage sheds for theatre groups and if the groups would contribute finances towards land and construction. CHATS has intimated they would contribute \$30,000.00, no other group has made a commitment but it was suggested by the theatre representative that \$70,000.00 could be possible through all the groups. It was suggested that to purchase a commercial storage building for approximately \$200,000.00 might be the best option. It was also suggested that a Council contribution and grants could make up the shortfall.

Discussion occurred on groups being auspiced through Council.

Discussion occurred on the TAFE and Student Design Centre being awarded \$20,000.00 for integrating design into the manufacturing sector.

Discussion occurred on the possibility of bringing the Surfing Museum and/or collection into Council.

Discussion occurred on oral histories stored in the Museum.

6. RECOMMENDATIONS

No recommendation from this meeting to Council.

7. NEXT MEETING

**MONDAY, 15 MAY 2006 COMMENCING AT 5.00 PM
COFFS HARBOUR CITY COUNCIL CHAMBER, COUNCIL'S ADMINISTRATION BUILDING
CNR COFF AND CASTLE STREETS, COFFS HARBOUR**

Meeting closed at 6.10 pm

ARTS AND CULTURAL DEVELOPMENT ADVISORY COMMITTEE MEETING

15 MAY 2006

MINUTES

Meeting commenced at 5.00 pm

PRESENT: Cr Ian Hogbin, Gordon Amann, Shirley Barnett, Leigh Summers, John Arkan and Carol Hellmer

IN ATTENDANCE: Malcolm McLeod and Cr Gavin Smithers

1. APOLOGIES

Cr Jennifer Bonfield and Richard Holloway

2. ADOPTION OF MINUTES - 20 MARCH 2006

The meeting of 17 April 2006 was cancelled.

MOVED (Summers/Amann) that the minutes of the meeting held on 20 March 2006 be accepted as a true and accurate record of the meeting.

CARRIED

3 BUSINESS ARISING

4. CORRESPONDENCE - IN/OUT

Media Release Public Art and Programs - Hastings Council

5. GENERAL BUSINESS

5.1 Brelsford Park Public Art

Discussion occurred for this committee to have early input into the overall design of Brelsford Park in particular Public Art within the project.

MOVED (Amann/Hellmer) that Cherelle Brooke, CHCC's Landscape Architect, be invited to address the next A&CDAC meeting to give an overview on the Brelsford Park garden redevelopment with reference to Public Art provision in the project.

CARRIED

5.2 Surfing Museum

Discussion occurred on the continued approach to the Surfing Museum for the possibility of the collection reverting to Council at some future date and an oral history is collected on the collection.

5.3 Cultural Committees

Discussion occurred on why Council does not consult with the A&CDAC on all matters relevant to arts and cultural development and how this and other cultural committees can best be restructured to have meaningful input into Council decision making on arts and cultural matters.

5.4 Public Art in the LGA

Discussion occurred on the need to have public art in the LGA and the Brelsford Park landscape plan and a working group from the A&CDAC being involved in this process.

MOVED (Summers/Amann) the committee recommends that a sub-committee of this committee be formed for Public Art, made up of a practicing architect, two practicing public artists, a landscape architect, an art practitioner, community member, CHCC Planning representative, CHCC Finance representative and CHCC's Cultural Development Officer. This committee would meet as required.

CARRIED

5.5 Arts & Cultural Development

Discussion occurred on the importance of Pamille Berg's report in relationship to the Brelsford Park Cultural precinct and why the committee and community haven't seen the report. Concern was expressed that the work has commenced on the Brelsford Park Cultural Precinct and City Park prior before the report being released.

MOVED (Hellmer/Barnett) the committee request that Pamille Berg's report on the city's Arts & Cultural Development Plan be presented to this committee and Council as a working document.

CARRIED

5.6 Brelsford Park Multipurpose Centre

Extensive discussion occurred on the Brelsford Park Multipurpose Centre. The committee agreed that a submission on the proposed building design, parking and traffic management be sent to Council.

MOVED (Amann/Arkan) the committee resolved to submit to Council concerns on the proposed building design, parking and traffic management on the proposed Multipurpose Centre and future development of the Cultural Precinct, Brelsford Park (copy attached).

CARRIED

5.7 Jetty Theatre

Discussion occurred on the Jetty Theatre including ticketing, licensing and price increases. The deputy chair is having a meeting this week with Council's General Manager and relevant Council staff and will report back to the Jetty Theatre Advisory Committee.

MOVED (Barnett/Amann) the committee request that budget and operational changes at the Jetty Theatre comes through the Jetty Theatre Advisory Committee for comment and then be brought to this committee for recommendation to Council before being introduced.

CARRIED

5.8 Cultural Budgets

Extensive discussion occurred on budgets for arts and cultural and in relationship to spending in the budget on other areas i.e., sport, roads, and facilities.

Discussion occurred on Council staff briefing the committee on budget spending in relationship to arts and cultural.

MOVED (Hogbin/Amann) the committee requests that the management plan and city budget dealing in arts and cultural development comes through the committee for comment and recommendation to Council i.e., in the process of developing the annual budget

CARRIED

MOVED (Hellmer/Barnett) the committee request Council staff brief the committee on budget allocation and spending on arts and cultural and other community costs

CARRIED

5.9 Cancellation of Meetings

Discussion occurred on the cancellation of a Jetty Memorial Theatre Advisory Committee meeting and an arts and Cultural Development Advisory Committee meeting.

MOVED (Barnett/ Summers) the committee resolved that if committee meetings are cancelled they will be rescheduled in the same week or they will go ahead without a Council officer present.

CARRIED

5.10 Museum/Gallery Director Position

Short discussion occurred on the timeframe appointment and interview panel for the Museum/Gallery Director position.

MOVED (Amann/ Barnett) The committee requests a representative on the interview panel for the Museum/Gallery Director position.

CARRIED

6. NEXT MEETING MONDAY, 19 JUNE 2006 COMMENCING AT 5.00 PM COMMITTEE ROOM 2 COFFS HARBOUR CITY COUNCIL, ADMINISTRATION BUILDING CNR COFF AND CASTLE STREETS, COFFS HARBOUR

Meeting closed at 7.00 pm

Attachment:

Submission to Council on the proposed building design, parking and traffic management of the proposed Multipurpose Centre and future development of the Cultural Precinct, Brelsford Park.

Arts & Cultural Development Advisory Committee

Our Ref: 1374214

16 May 2006

Stephen Sawtell
General Manager
Coffs Harbour City Council
Locked Bag 155
Coffs Harbour 2450

Dear Stephen

Submission Brelsford Park Multi – Purpose Centre

The Arts & Cultural Advisory Committee would like to thank you for this opportunity to submit its reservations on aspects of the proposed Brelsford Park Multi-Purpose Centre.

At a special meeting of the committee on 8 May, and the monthly meeting on 15 May 2006, the following concerns were raised in relation to the proposed Brelsford Park Multi-Purpose Centre.

Parking:

- 45 degree angle parking on Harbour Drive will reduce the flow of traffic in the already busy street, as it will make it a 2 lane road. Is it going to be 45, or 60 degree parking as with the rest of the CBD? The committee strongly recommends no parking on Harbour Drive, as this will be a main thoroughfare when Hogbin Drive is completed.
- There are only 2 disabled parking spaces. This is insufficient as Coffs Harbour has an ageing population. It is also questioned whether 6 disabled parking spaces would be enough.
- The committee questions if the amount of car spaces will be sufficient to the long term needs of the precinct.
- The committee questions if adequate Bus parking has been allowed for the long term needs of the precinct.
- The committee would like to see and review the overall parking provisions for the whole of the Cultural Precinct and City Park area.

Traffic:

- As with parking above, the issue of reducing the lane numbers on Harbour Drive to allow for 45 or 60 degree angle parking will congest the area significantly.
- For traffic options at Albany Street, there were issues associated with traffic lights and a roundabout, particularly because of the eastern rise, they could possibly be dangerous options. The committee thought the third option was the preferred option (one way street).

Building:

- A 9pm curfew will not work with a multi-purpose centre that is anticipating usage by groups for rehearsals and performances as they often run quite late.
- The access to the building is an issue with quite a few steps at the street level side and the long ramp.
- Toilet numbers were an issue. It was thought insufficient to have only 5 female toilets and 1 disabled toilet. Service providers for people with disabilities are looking for venues for their events to take place, and this might restrict the option of them using the centre.
- There is a need for a mother's room, particularly with the possibility of playgroups using the centre.
- The committee wishes to be involved with the architects on the three public art areas and what might be appropriate.
- The committee is concerned that there appears to be no wheelchair access from other sides of the building. The current plans have wheelchair access only from the front, which means that someone coming through the garden would have to go all the way around to the front of the building. A lot of people will come from that way, therefore the access is important. It also makes it difficult for wheelchair access to garden/park during usage breaks.
- The committee is concerned by the overall levels of the building in relationship to the other buildings that will make up the Cultural Precinct. The concern is that there will not be flat wheelchair friendly access to all the buildings under the proposed covered colonnade walkways when the cultural precinct is completed.
- The committee queries whether the Multi-Purpose Centre building could be further into the ground to allow for easier wheelchair access.
- The committee would like to review the elevations and 3D marquette of the Multi-Purpose Centre, if one has been supplied by the architects, to ascertain levels for the building.
- The committee would request the designs with the marquette go on longer public display for comment.
- The committee is concerned if all discussions in regards to access have had consultation with the Access Committee.
- The committee strongly feels that the future positioning of the Performance Centre Building should be in the centre of the proposed Cultural Precinct making it the focal building to the park and amphitheatre, and more accessible for breakout rooms when the Performance Centre is used for conferences.
- The committee feels strongly that Pamille Berg's report on the city's Arts & Cultural Development plan be presented to Council and this committee as a working document on arts & cultural development, and is taken into account before work commences on the Brelsford Park Cultural Precinct and City Park.
- The committee feels the Multi-Purpose Centre building appears to have no historic or iconic architecture merit to where it sits within the landscape and the committee queries how this buildings architecture fits into the style of buildings to be erected in future major development within the LGA.

Yours faithfully

Members

Arts & Cultural Advisory Committee

S41 ADOPTION OF A MECHANISM FOR ENGAGING THE MULTICULTURAL COMMUNITY

Purpose:

To seek approval for the implementation of a mechanism that will allow Council to effectively engage culturally and linguistically diverse (CALD) people in the community.

Description of Item:

There are at least 16 nationalities currently represented in Coffs Harbour at the present time. Some of these are long term residents who arrived as refugees and/or migrants over a long period of time. There are also many new and emerging communities. One of the challenges for Council is to identify mechanisms which will meet a variety of needs, celebrate the different cultures and have consideration for the diversity of life experiences and levels of understanding of bureaucratic processes in Australia.

In November 2005 Council held a multicultural forum which was well attended by a cross-section of the multicultural community and service providers. Issues discussed included:

- An outline of Council's current and possible future role in relation to multicultural issues.
- The identification of those issues.
- Discussion of ways for participation to address the issues identified.
- How can we experience multiculturalism; and
- What is the next step?

From this forum the concept of a Multicultural Reference Group was formed. This informal group is made up of representatives from Council, culture specific persons, multicultural organisations and service groups. They have been meeting regularly to discuss the diverse needs of the local multicultural community.

During the time the multicultural forums were being conducted, Council was also developing and consulting on its Social and Community Strategic Plan 2006-2010. This Plan seeks to address planning anomalies across various community groups including the multicultural community. After extensive consultation and assessment Council resolved to adopt the Social and Community Strategic Plan 2006-2010 at its meeting on 6 April 2006.

The Plan under access and equity looked at the issues pertaining to the target group culturally and linguistically diverse (CALD) people. The following points were identified through the community consultation of the plan:

- Access to information.
- Outlet for culture, music, food etc.
- Opportunities for CALD and general community to interact.
- Specialist services for new arrivals and refugees.
- Recognised consultation process with Punjabi community.

The Plan outlines various strategies to address these issues including the establishment of effective mechanisms for engagement of CALD communities and service providers working with the CALD clients.

Cont'd

S41 - Adoption of a Mechanism for Engaging the Multicultural Community (Cont'd)

The multicultural community has, via various methods of consultation, identified the following as having a high priority:

"The need to develop a relationship with Council, promote community participation in the planning, management and delivery of services and activities and positively promote cultural differences and the benefits those differences can have on the whole community."

To help clarify the Reference Group's role in the community, its relationship with Council and how it might achieve its objectives, a working party was formed.

The mandate for the working party was to develop some recommendations for the Reference Group's consideration regarding:

- The role of the group;
- Its relationship to Council and the wider community; and
- Its objectives and roles.

The working party proposed that a Multicultural Reference Group be established and that it adopt the following as its role:

"To enhance the profile of multiculturalism in the community."

The working party also put forward some objectives for the Multicultural Reference Group that include:

1. Meeting with members of the ethnic/multicultural communities (at a grass root level) by means of:
 - Social events/festivals/informal occasions.
 - Two-way dissemination of information.
 - Large and small gatherings.
2. A Consultative Role
 - Feedback to Council, the whole community, government bodies and others.
 - Gather and share information.
3. Facilitating Community Development
 - Self help and empower through partnerships (local services, government bodies, Council and others).
 - Link into networks.
 - Assist in self-determination.

In addition to this the working party also looked at possible mechanisms by which Council could engage the multicultural community, whilst satisfying the role and objectives of the Multicultural Reference Group. The following mechanisms were explored:

- Establishment of Committee of Council;
- Development of an incorporated body; or
- Establishment of a formal Multicultural Reference Group.

These options were workshopped at various consultations and the results are dealt with later in this report.

Cont'd

S41 - Adoption of a Mechanism for Engaging the Multicultural Community (Cont'd)

Sustainability Assessment:

- **Environment**

There are no environmental issues associated with this proposal.

- **Social**

In 1999 the State government introduced the Local Government (General) Regulation requiring all Councils develop a social/community plan every five years. Council's Social and Community Strategic Plan 2006-2010 was adopted at its City Services meeting held on 6 April 2006. It identified, among other issues, the need to establish effective mechanisms for the engagement of CALD communities and service providers working with the CALD clients.

- **Economic**

Broader Economic Implications

There are no economic implications.

Management Plan Implications

Should Council resolve to appoint the group a 377 Committee of Council there would be minimal financial impact on Council's Management Plan apart from those of similar advisory committees such as the Indigenous Advisory Committee. These impacts would be in terms of administrative and secretariat support.

If it was resolved that the Group become an incorporated body some financial assistance may be required from the outset to cover items such as incorporation fees, insurances and the like.

If it is resolved that a Multicultural Reference Group be established there would be little impact on Council's Management Plan.

Consultation:

Various means of consultation within the multicultural community have been held and these have included:

- The initial forum.
- Subsequent forums and workshops.
- Consultations held at Council, TAFE and the Community Village.
- Requests from other Councils as to what successful mechanisms have been used by them to engage their multicultural communities.
- Assistance from the Local Government & Shires Association; and
- Advice sought from other multicultural bodies i.e., North Coast Multicultural Network and the Community Relations Commission.

These consultations have included:

- Anglicare;
- Interpreter services;

Cont'd

S41 - Adoption of a Mechanism for Engaging the Multicultural Community (Cont'd)

- TAFE;
- Indigenous community representative;
- Warrina Women and Children's Refuge;
- Coffs Harbour Refugee and Support Services;
- PCYC
- Jumpstart
- CentreLink
- Work Directions
- Coffs Harbour Health Campus
- Community Settlement Scheme
- Woolgoolga & Coffs Harbour Neighbourhood Centre; and the
- local multicultural community among others.

Related Policy and / or Precedents:

There are no related policy of precedents.

Statutory Requirements:

There are no statutory requirements.

Issues:

Issues to be considered include but are not limited to:

- What type of engagement mechanism best suits Council and the local multicultural community?

Once this has been determined:

- What are the requirements of that mechanism; and finally
- How can Council, through the preferred mechanism, best assist the Group to achieve its goals and support its ongoing development.

An engagement mechanism needs to be set up so that it allows the multicultural communities the freedom to achieve its objectives whilst satisfying Council's requirement to have a system in place which allows the engagement of those communities.

Some members of the multicultural community have indicated that their need is as uncomplicated as needing a space for informal meetings and the dissemination of information. Others have called for something more formal that will allow them to stage festivals and other similar activities, whilst others have indicated the need for a stronger voice to advocate for better services in the area and to have an effective relationship with Council.

It may be that some of the needs identified in the consultations will be addressed when the Coffs Harbour Neighbourhood Centre is fully operational, predicted to take place later in the year.

This then raises the question "what type of engagement mechanism best serves the needs of all?".

Cont'd

S41 - Adoption of a Mechanism for Engaging the Multicultural Community (Cont'd)

There are three options examined in this report and they are:

1. Establishment of 377 Committee of Council (an Advisory Committee)

This course of action may result in the Multicultural Reference Group having an unrealistic expectation that Council is the mechanism by which all its objectives will be met, leaving very little room for self-determination.

It is evident by the consultations that the needs and objectives of the Multicultural Reference Group would not be satisfied by becoming a Committee of Council.

2. Establishment of a Multicultural Incorporated Association

The multicultural communities do not appear at this time ready to pursue this course of action. However, with guidance and training this could be an option for the future.

3. Establishment of a Multicultural Reference Group

There is logic behind the Group being established as a formal Multicultural Reference Group to which Council is able to refer issues and also have issues and ideas referred from the Group back to Council.

There is significant ethnic diversity in the current informal Group. There are varying levels of expertise and the scope of the role and objectives identified by the Group, via the consultations is also quite diverse. There are some segments of the multicultural community that are unaware of the work initiated by Council so far and ongoing consultation will be undertaken to address this. However, other sectors of the community have a strong background in government processes and recognise the need for proactive engagement with all levels of government.

The challenge for Council is to engage across the multicultural communities and embrace and celebrate this area's diversity. One way to do this is for Council to recognise and endorse the establishment of a Multicultural Reference Group. Council could also formally appoint Councillors to the Group.

It is proposed that the Multicultural Reference Group be the mechanism for engagement with the CALD communities with a review period of 18 months.

Implementation Date / Priority:

Should Council choose to adopt the recommendation that there be a formal establishment of the Multicultural Reference Group, implementation to be immediate.

Recommendation:

That:

- 1. Council recognise and endorse the establishment of the Multicultural Reference Group to be the mechanism for the engagement of the Coffs Harbour multicultural communities by Council.**
- 2. The role of the Multicultural Reference Group be to enhance the profile of multiculturalism in the community.**
- 3. Nominations be called for Multicultural Reference Group representatives.**
- 4. Council appoint a Councillor/s to the Group.**
- 5. The outcomes of the Multicultural Reference Group be reviewed and reported back to Council in December 2007.**

S42 FLOODPLAIN MANAGEMENT ADVISORY COMMITTEE

Purpose:

To report minutes of the Floodplain Management Advisory Committee of 29 May 2006.

Description of Item:

All items were of a routine nature except for the following recommendations of the Committee, which require consideration of Council.

4. Coffs Creek Floodplain Risk Management Plan

FMAC6 that a report be put to Council for the adoption of the 'Coffs Creek Floodplain Risk Management Plan'.

5. 10th Anniversary of 1996 Coffs Creek Flood

FMAC7 that the Sub-Committee develop a program to use the occasion of the 10th Anniversary of the November 1996 flood to educate the public on flood issues.

6. Committee Membership

FMAC8 that the number of community representatives on the Floodplain Management Advisory Committee be increased from 3 to 4.

Recommendation:

- 1. That Council note the minutes of the Floodplain Management Advisory Committee Meeting held on 29 May 2006.**
- 2. That a report be put to Council for the adoption of the 'Coffs Creek Floodplain Risk Management Plan'.**
- 3. That the Sub-Committee develop a program to use the occasion of the 10th Anniversary of the November 1996 flood to educate the public on flood issues.**
- 4. That the number of community representatives on the Floodplain Management Advisory Committee be increased from 3 to 4.**

Attachments:

**COFFS HARBOUR CITY COUNCIL
FLOODPLAIN MANAGEMENT ADVISORY COMMITTEE**

29 MAY 2006

The meeting of the Floodplain Management Advisory Committee (FMAC) commenced at 4.00pm.

Present: Councillor Bill Palmer, Coffs Harbour City Council (Chairperson)
Councillor Gavin Smithers, Coffs Harbour City Council
Mr Martin Rose, Coffs Harbour City Council
Mr George Stulle, Coffs Harbour City Council
Mr Kevin Gibson, Department of Infrastructure, Planning & Natural Resources
Ms Dee Wallace, Community Representative, Regional Landcare Inc

Invited Guests: Michael Stubbs, SES
Peter Minturn, SES
John Croger
Lynette Styles
Stephen Pratt
Steve Pitsis, CHCC (LEMO)
Angela O'Brien, CHCC

Apologies: Apologies were called for but none were submitted.

2. CONFIRMATION OF MINUTES

FMAC5 **RECOMMENDED** (Wallace/Smithers) that the minutes of the Floodplain Management Advisory Committee meeting of 20 February 2006 be confirmed.

3. BUSINESS ARISING

- (i) Local Flood Plan (LFP).
The Coffs Harbour City 'Local Flood Plan' is a sub-plan of the Coffs Harbour City Local Disaster Plan (DISPLAN). Officers from Council, SES and DNR met on 4 May 2006 to discuss the Local Flood Plan and its need for a review as the current document was produced in 1997. Invited guest Peter Minturn, Region Controller and Michael Stubbs, Business Manager along with Bob White, Local Controller of the SES gave the Committee background on the LFP and the process for its review. Bob will be obtaining a template from the State SES and he and Michael will be revising the document and seeking local information and feedback from Council and DNR.

Steve Pitsis Council's Construction Engineer has recently been appointed Local Emergency Management Officer (LEMO). The LEMO has a strategic, operational and managerial role in Council's commitment to the DISPLAN. Steve informed the Committee that Council had a \$25,000 grant for disaster management education. The SES also informed the Committee that there is an education component to the LFP.

4. COFFS CREEK FLOODPLAIN RISK MANAGEMENT PLAN

The Coffs Creek Floodplain Risk Management Plan was put on public exhibition from 1 April to 28 April 2006. No submissions were received from the public. The plan has been developed following the guidelines of the State Government's 'Floodplain Development Manual'. The process has involved data collection, preparation of a Flood Study and Floodplain Risk Management Study leading to the development of the plan.

The plan contains a range of recommended measures to mitigate the impacts of flooding. The measure ranges from the construction of detention basins in the West Coffs Creek catchment to planning controls based around flood risk mapping proposed from the catchment.

FMAC6

RECOMMENDED that a report be put to Council for the adoption of the 'Coffs Creek Floodplain Risk Management Plan'.

5. 10th ANNIVERSARY OF 1996 COFFS CREEK FLOOD

The 10th Anniversary of the November 1996 flood, the most severe flood ever recorded on Coffs Creek, will occur in November this year. The anniversary provides an opportunity to promote work done and being done by Council to mitigate flooding plus educate the public on flood issues. The Coffs Creek Floodplain Risk Management Plan recommends community education plus the SES also have funds for education.

The Committee decided to have a Sub-Committee to drive the process. Sub-committee members nominated were:-

Kevin Gibson, DNR - chairman
Bob White - SES
Dee Wallace - Community
Steve Pitsis - CHCC, LEMO
Bill Palmer - CHCC
Martin Rose - CHCC
Angela O'Brien - CHCC

It was recommended that the Committee meet on 19 June 2006 to start to develop a program.

FMAC7 **RECOMMENDED** that the Sub-Committee develop a program to use the occasion of the 10th Anniversary of the November 1996 flood to educate the public on flood issues.

6. COMMITTEE MEMBERSHIP

Council received two expressions of interest from advertisements run for 'Community Membership' of the Committee plus Stephen Pratt was also approached to be on the Committee. These three people were invited to the committee meeting as guests and they are Stephen Pratt, John Croger and Lynette Styles.

The committee was looking for two new Community members to fill vacant spots for a total of 3 community members on the Committee. Discussions were had and it was put forward that the number of Community members be increased from 3 to 4 and if no other Expressions of Interest in being a community representative were received, then the three nominations received be accepted.

FMAC8 **RECOMMENDED** that the number of community representatives on the Floodplain Management Advisory Committee be increased from 3 to 4.

7. ROLES AND GUIDELINES

The 'Roles and Guidelines' of the Committee be updated and forwarded with the next Agenda.

8. VIDEO OF 'YARRAWEE' SHOWING STREAM CLEANING

Time did not permit the viewing of the video. It was suggested Council make a copy of the video so that it could be viewed at a later more convenient date by the Committee.

9. PROJECT UPDATE

- (i) Council has made a submission to the State Government for funding for Airborne Laser Scanning (ALS) for the LGA. ALS provides digital terrain models that would be of great assistance in flood modelling and mapping. The ALS information would be used by other Departments so the funding request was for a portion of the overall price.
- (ii) Boambee-Newports Creek Flood Study. Council is still waiting for a draft flood study from the Consultant Webb McKeown & Associates. Delivery of the draft has been very slow and Council has been pressuring Webb McKeown to provide the draft.
- (iii) Bakers Road Detention Basin. Council is progressing with the detailed design of the basin. Upstream property owners have been approached in regard to land acquisition. The property owners immediately downstream of basin wall have also been consulted regarding the proposed wall and access issues to their property.

10. GENERAL BUSINESS

None.

11. DATE OF NEXT MEETING

The next meeting of the FMAC will be held on Monday, 21 August 2006.

The meeting concluded at 5.15pm.

S43 WORKS BRANCH REPORT

Purpose:

To advise Council of the progress of construction and maintenance programs undertaken by Works Branch up to 22 June, 2006.

Description of Item:

Capital Works Program:

1. Completed Works to 22 June 2006

- Road Rehabilitation Bruxner Park Korora (4559m²)
Pacific, San Francisco, Columbus Aves, Park Beach Fibredeck seals (3600m²)
- Footpaths/Cycleways Linden Avenue Boambee (250m)
- Pedestrian access wks Shephards Lane, Coffs Creek Bridge (130m footpath works)
- Drainage Fortitude Close Boambee East (26m of 375mm dia with pits and road reinstatement)
- Cul-de-sacs asphalt Eight locations (2800m²)

2. Works continuing or planned for commencement - June/ July 2006

- Road Rehabilitation Murphy Crescent (2200m²)
- Hogbin Drive Hogbin Drive Stage 2 southern extension – sewer and water relocations
Harbour Drive roundabout drainage and pre-works
- Drainage Pollack Esplanade Woolgoolga (53.35m of 600mm dia, 40.38m of 750mm dia, 10m of 450 box grated drain)
- Nth Beaches Cycleway Cycleway (3840m), stormwater drainage (20m), retaining wall (45m²)
- Footpaths/Cycleways SH10 footpath and kerb modifications (350m)
Beacon Hill cycleway (700m)
- PAMPS Sawtell Road / Walco Drive median and pram ramps
Nana Glen Grafton Street median
Combine Street median pram ramps and footpath (35m)
Park Beach / Phillip Street Park Beach
- Pacific Highway Street North Bonville Road
Lighting

The Local Roads Rehabilitation program has been completed with the exception of deferred works at Gatelys Road where Country Energy are to work in the area and Dibbs Lane is currently fit for purpose and expected to be upgraded when adjoining properties are developed. The Roads to Recovery road rehabilitation work will be completed in June 2006.

The remaining Nuisance Drainage Program will be completed in June 06 by day labour staff.

Cont'd

S43 - Works Branch Report (Cont'd)

The PAMPS program will be completed by contractors in June 2006. The cycleway programs have been completed however the Northern Beaches cycleway will carryover into the 2006/2007 financial year. Additional RTA funded cycleway works on the highway will also be completed in June 06. The footpaths program scope has been reduced to take into account less actual resident contribution return than budgeted.

The major bridge repair program will be completed this financial year however it is anticipated cathodic protection works for Fred Hansen Bridge will carry over into the July 2006. Harry Jensen Bridge will follow on once Fred Hansen is complete.

Attached for Council's information is a summary of expenditure verses budget for 2005/06 Capital Works Program.

Maintenance Report

1. Bridges – Major Repair Works

The refurbishment of Murphys Bridge at Upper Corindi is currently being undertaken. These works were necessary in order to replace rotting girders found within the bridge.

2. Works at Jetty Level Crossing

As part of the upgrade of the Jetty level crossing, minor pavement correction works have been programmed in order to facilitate the placement of thermoplastic cross hatching. Regrettably, the transition across the railway line will not be improved until specialised equipment is utilised by Australian Railway Track Corporation to address and adjust the settlement and levels of the railway line.

Recommendation:

That:

- 1. Council notes the progress report on construction and maintenance works undertaken by Works Branch up to 22nd June, 2006.**
- 2. Council notes the individual program expenditures are being monitored and are within the allocated 2005/2006 budget.**

Attachments:

**Works Branch-Construction Projects Budget/Expenditure
2005/2006 Program
AS AT DATE: 22-Jun-06**

Description	Original Budget	Revised Budget	Actual Expenditure	% Project Complete	% Costs Expended
Local Roads					
Sealed Roads Reseals	\$625,000	\$644,000	\$651,307	100%	103%
Sealed Roads Reseals - Asphalt	\$59,000	\$59,000	\$53,775	100%	91%
Sealed Roads Rehabilitation	\$922,000	\$1,015,000	\$878,997	81%	87%
Dust Sealing	\$160,000	\$160,000	\$146,969	107%	92%
Unsealed Roads Gravel Resheeting	\$115,000	\$126,014	\$112,732	100%	89%
Total:	\$1,881,000	\$2,004,014	\$1,843,780		
Federal Roads to Recovery					
Residential Street Rehabilitation	\$205,000	\$205,000	\$163,340	95%	80%
Gravel Resheeting	\$50,000	\$50,000	\$46,697	100%	93%
Sealed Roads Reseals	\$116,792	\$116,792	\$118,388	100%	101%
Total:	\$371,792	\$371,792	\$328,425		
Regional Roads					
3 X 3 Program	\$131,000	\$131,000	\$129,919	100%	99%
Regional Roads Repair Program	\$421,000	\$421,000	\$421,157	100%	100%
Total:	\$552,000	\$552,000	\$551,076		
Drainage					
Drainage Impts / Nuisance Flooding	\$220,000	\$220,000	\$199,311	91%	91%
Total:	\$220,000	\$220,000	\$199,311		
Bridges					
Major Repairs	\$168,000	\$201,281	\$155,276	77%	77%
Cathodic Protection (Fred Hanson Bridge)	\$100,000	\$200,000	\$6,805	3%	3%
Total:	\$268,000	\$401,281	\$162,081		
Footpaths / Cycleways					
Footpath Construction	\$303,000	\$325,636	\$225,365	88%	69%
PAMPS Footpath Works	\$64,645	\$64,645	\$47,054	75%	73%
Cycleway Projects	\$115,000	\$656,090	\$352,118	55%	54%
Total:	\$482,645	\$1,046,371	\$624,537		

S44 GRAVEL ROADS - GRADING

Purpose:

To report to Council the status of unsealed road maintenance grading and practice.

Description of Item:

To provide detail regarding the grading of unsealed roads as requested by Councillor Featherstone at the Council meeting of 15 June 2006.

Minutes confirmed at Council meeting 15 June 2006.

1. Gravel Roads - Grading

Councillor Featherstone raised the issue of grading of gravel roads within the city area and requested a report be brought back to Council on the use of the two graders, in particular the hourly use, so it can be determined whether the graders can be managed better or there is a need to purchase another grader, as only three quarters of the gravel roads in the City are graded once a year.

The unsealed road network maintained by Council is 139km including 12km of regional main road. Council employs two rural road maintenance crews responsible for the maintenance grading of unsealed roads. These crews also fulfill other functions such as gravel resheeting, dust sealing, private works, shoulder grading (sealed rural roads), mitre and table drain clearing, Department of Lands works, maintenance of Englands Road, Coramba and Lowanna transfer stations.

Council grades the entire network an average of twice per year. Each grading crew is on a scheduled run, however grading resources are allocated on a priority basis within the run. Some roads where there is heavy logging traffic, steep terrain or are flood-prone receive up to three grades per year whereas lower maintenance roads are graded only once.

Attached for Council's information is a record of maintenance grading carried out in 2005/06.

Sustainability Assessment:

- **Environment**

Council's grading crews have been trained in and employ sediment and erosion control techniques in accordance with the Department of Environment & Conservation guidelines. Furthermore, Works Branch is currently co-operating with the Northern Rivers Catchment Management Authority in formulating a Rural Roadside Management Plan that will ensure that the roadside environment is treated appropriately. Since all grading activities are undertaken within the existing footprint of the roadway the environmental impacts are negligible.

- **Social**

Unsealed roads are predominantly in rural areas of the LGA. In recent years, the land use and demographics of these areas have changed. Previously land holdings have been established farms or rural industries where the property owner would travel the unsealed road at perhaps weekly intervals. Many properties now are used as 'lifestyle acreages' where the property owner travels the unsealed road twice per day to employment elsewhere.

S44 - Gravel Roads - Grading (Cont'd)

This change in land use has resulted in :

1. Accelerated pavement deterioration as the traffic volumes rise.
2. A higher level of service being expected by residents who are not accustomed to the variable conditions of rural unsealed roads.

Works Branch is satisfied that the level of service provided is adequate and comparable to the service provided by two Councils north of Coffs Harbour City Council and one south. An assistance to the maintenance grading program and unsealed road network condition has been the allocation of funds to gravel resheeting from the Federal Roads to Recovery program.

- **Economic**

Broader Economic Implications

The efficiency of Council's maintenance grading activities is comparable to surrounding Councils. Adjacent Councils operate identical plant and crew sizes in similar circumstances.

In recent years, the CPI increase applied to the unsealed road maintenance has been eroded by higher diesel and operating costs. If diesel fuel continues to rise, Council will need to consider an increase in real terms to the unsealed roads maintenance allocation to continue the current level of service provided.

Issues:

The plant utilised in the grading operation is booked out in accordance with Council's Plant Policy. Minimum hire times have been established for major plant in an identical way to that which plant is hired out in the private sector. For example, if a grader is actively used on a job for five hours, and five hours is the recorded running time on the machine regardless, eight hours hire will be charged to the job. This is the standard way in which the civil plant contracting industry operates, and provides plant to principle contractors.

The 2005/06 running hours on the rural maintenance graders are as follows:

Plant ID	Plant Description	Machine Hours
V7570	Caterpillar 12H Motor Grader	960
V7650	Caterpillar 12H Motor Grader	1057

Council works crews are employed on a 38 hour a week basis. Operational employees work 40 hours per week to accrue one rostered day off a month. Councils adjacent to Coffs Harbour City Council employ operational staff on a nine day fortnight arrangement working an additional 30 minutes per day. This allows a longer daily production time, however is mitigated by nil running time on the machine every tenth day. These comparable Councils have similar annual running times on their graders to Coffs Harbour.

Recommendation:

That Council notes the operation and level of service provided for the maintenance grading of unsealed roads.

Attachments:

Unsealed Road	Location	Length	Number of Grades in 2005/06
ALICE CLOSE	CORINDI	110	2
ANDERSON RUSSELL RD	BONVILLE	710	2
AVONDALE ROAD	LOWER BUCCA	944	3
BAKES RD	BONVILLE	188	2
BARBARESCOS RD	UPPER ORARA	1300	1
BATTERY RD	NANA GLEN	603	3
BERGER CL	UPPER ORARA	210	0
BLACKADDER ROAD	CORINDI	62	2
BONITA DR	CORINDI	13	1
BOTTLE BRUSH DRIVE	CORINDI	118	2
BREWERS RD	NANA GLEN	748	2
BUSHMANS RANGE RD	LOWANNA	9173	4
BUTLERS RD	BONVILLE	600	3
CAMP CK RD	LOWANNA	7284	3
CASSIDYS RD	BONVILLE	2228	2
CAVANAGHS RD	LOWANNA	820	2
CEDAR CL	KARANGI	126	2
CENTENARY DR	WOOLGOOLGA	456	1
COCHRANES POOL RD	UPPER ORARA	317	2
COLDWATER CK RD	NANA GLEN	904	2
CONDONS RD	SANDY BEACH	296	1
CORFES RD	BO-BO	2860	3
COX LANE	CORINDI	550	2
CRADLE CK RD	LOWANNA	3510	2
DAIRYVILLE RD	UPPER ORARA	150	2
DINGO CK RD	UPPER ORARA	1050	2
DUFFUS RD	CORINDI	2713	3
DUNCANS RD	CORAMBA	370	1
EAST BONVILLE RD	BONVILLE	240	2
EASTBANK RD	CORAMBA	826	2
ELLEMS QUARRY RD	NANA GLEN	786	3
ENGLANDS RD	BOAMBEE	1256	2
FLINTY RD	CORINDI	281	2
FLORA RESERVE RD	WOOLGOOLGA	951	2

Unsealed Road	Location	Length	Number of Grades in 2005/06
FRIDAYS CK RD	UPPER ORARA	444	2
GILLARDS RD	BUCCA	1159	2
GREYS RD	BO-BO	298	3
GUNDARENE RD	LOWANNA	2756	3
HALLGATHS RD	BUCCA	427	2
HAWTHORNE CL	CORINDI	177	1
HERDS RD	BUCCA	846	2
HOLLOWAYS RD	SANDY BEACH	753	1
HUNTER CL STH	SAPPHIRE	14	2
JOHNSONS RD	SANDY BEACH	554	2
KEOGHS RD	BONVILLE	360	3
KIRTONS RD	BO-BO	191	2
LORNE ST	LOWANNA	61	2
LOVETTS RD	KORORA	560	1
LOWANNA MOLETON RD	LOWANNA	7961	3
LOWANNA STN RD	LOWANNA	295	3
LOWER BOBO RD	BO-BO	3815	4
M R ONE TWENTY	LOWANNA	12280	3
MACKAYS RD	COFFS HARBOUR	947	3
MARDELLS RD	BUCCA	3490	2
MASTERS RD	LOWANNA	620	1
MCCLELLANDS RD	BUCCA	1994	2
MCPHERSONS RD	NANA GLEN	267	2
MIDDLE BOAMBEE RD	BOAMBEE	200	1
MOLE CK RD	LOWANNA	4630	2
MORROWS ROAD	NANA GLEN	450	2
MOUNT CORAMBA RD	BUCCA	536	1
MURPHYS RD	CORINDI	468	1
NANA CK RD	NANA GLEN	1454	4
NEWMANS RD	WOOLGOOLGA	437	1
OLD COAST RD	SAPPHIRE	1183	2
OLD REPTON RD	BONVILLE	1490	2
ONEILS RD	CORAMBA	316	1
POPERAPERIN CK RD	KARANGI	70	2
PRINCE ST L	LOWANNA	104	3
PUHOS RD	SANDY BEACH	592	1

Unsealed Road	Location	Length	Number of Grades in 2005/06
RED RIDGE ROAD	CORINDI	1745	3
RANDALLS RD	BUCCA	1806	1
RANGE ROAD	CORINDI	1035	2
RANGE ROAD EAST	CORINDI	350	2
RED RANGE ROAD	CORINDI	6907	2
RIDGE CLOSE	CORINDI	421	1
SECCOMBES RD	BO-BO	1025	2
SHARPE DRIVE	CORINDI	19	2
SHERWOOD CREEK RD	CORINDI	3218	3
SOUTH BOAMBEE RD	BOAMBEE	48	1
STANLEY ST	LOWANNA	27	3
TAYLORS CK RD	BUCCA	1142	1
TAYLORS ROAD	CORINDI	531	2
THORTON RD	NANA GLEN	980	2
TIMMSVALE RD	LOWANNA	1635	1
TOMS ROAD	CORINDI	292	1
TOPPERS DRIVE	CORINDI	1200	2
TRAFALGAR ST	WOOLGOOLGA	50	1
TRAMWAY DRIVE	WOOLGOOLGA	600	1
UPPER BOBO RD	BO-BO	7111	4
UPPER CORINDI RD	CORINDI	2551	2
VALERY RD	BONVILLE	4150	2
WALTERS RD	UPPER ORARA	650	2
WEARS RD	BUCCA	3774	2
WEST KORORA RD	COFFS HARBOUR	436	1
WHITNEYS RD	BO-BO	2227	2
WOODWARD CL	CORINDI	190	2

S45 LOCAL GOVERNMENT (GENERAL) REGULATIONS - PART 7 TENDERING - LOCAL PREFERENCE

Purpose:

To advise Council of a review undertaken into the sustainability of Council's policy for assessing tenders and quotations particularly in respect to giving a preference to local suppliers and to recommend changes to the policy.

Description of Item:

In September 1997 Council adopted a policy for assessing tenders called the Tender Value Selection System (TVSS). This system provides an objective methodology for determining the best value for money offer or the most advantageous tender.

Essentially the TVSS policy requires that all tenders, quotations and consultant proposals above \$20,000 in value be assessed and scored against project specific criteria, which are weighted to reflect their relative importance. The tender assessed as having the highest total weighted score, and therefore identified as the best value for money offer, becomes the recommended tender.

The policy includes a mechanism for providing local preference by including the business address of the Tenderer as a mandatory assessment criteria. A local business is given the maximum score for its address while a non-local business gets a pro-rata score based on the proportion of the work carried out by local subcontractors and suppliers. The score is then given a weighting of 10% to reflect its relative importance compared to the other assessment criteria.

The policy was reviewed in November 2001 to correct an anomaly in the formula used to calculate the score for the tender price and to consider the possibility of increasing, or decreasing, the weighting to be applied to the business address criterion. Council resolved to amend the price scoring formula but to leave the local preference weighting unchanged at 10% (Finance and Administration report of 22 November 2001).

The TVSS has been working well for the eight years of its operation. The effect of scoring the tenderer's business address has not had a significant financial impact until a series of tenders were called for the effluent reuse main from Bucca Road, Moonee to Orlando Street, Coffs Harbour.

The effluent reuse main was progressively tendered in eight sections. In three of the contracts the business address criteria played the pivotal role in determining who became the recommended tenderer. In each case the contract was awarded to the same local business over non-local tenderers who were cheaper. The financial impact of the application of local preference in these three cases was an unsubsidised cost premium of \$635,660 exclusive of GST. The combined value of the three tenders was \$M7.12.

A sustainability assessment of the business address criterion has been undertaken and showed that this criterion is not sustainable in its current form.

The challenge is to amend the TVSS policy to reflect Council's desire to support local businesses but at the same time having robust assessment methodology with defensible evaluation criteria consistent with legislative and government policy framework to ensure Council gets the best value for money.

Cont'd

S45 - Local Government (General) Regulations - Part 7 Tendering - Local Preference
(Cont'd)

Sustainability Assessment:

- **Environment**

During the term of the contract, both local and non-local contractors will behave the same unless their Environmental Plan and construction methodology suggests otherwise. Local contractors may have a better knowledge of Council's waste strategy and recycling opportunities and may be geared up to comply which should be included in their Plan. These aspects will be reviewed and scored under a sustainability criterion rather than the business address criterion.

The risk of polluting the environment is not dependent on the contractor's business address but rather the characteristics of the particular project being tendered and the methodology of construction or supply. The address criterion is therefore irrelevant for pollution control.

- **Social**

- Business Attraction, Retention, Leadership and Self Determination

The policy aims to encourage the expansion of local businesses and increase business investment. Local companies may be encouraged to diversify their activities with the knowledge they have a buffer against their non-local competition when they tender for Council work. However, the Policy reduces competition and thereby removes a significant driver towards best practice. The Policy can be seen as a subsidy for local inefficient businesses.

The Policy aims to promote the establishment of new businesses and job opportunities. New businesses can add to the skills, knowledge and expertise available in the area, however, these businesses may choose to bring their own skilled employees with them rather than employ locals.

There is no evidence currently available to show that the policy has been successful in attracting new businesses to the area or reducing local unemployment.

Non-local contractors still provide temporary employment opportunities and support local goods and services providers. This is accounted for in the policy as the proportion of the work carried out by local subcontractors and suppliers is taken into consideration in the scoring.

In major civil construction work, the business address of the contractor generally does not contribute to the success or otherwise of the project as measured in cost, quality or time performance. There have been some exceptions with local contractors performing exceptionally well in bridge building and pipe laying contracts but, generally, criteria other than business address have been sufficient to identify these tenders as the most advantageous offers.

Smaller scale supply only and minor services type contracts may attract a higher "after sale" support service because of the need to protect local reputation in the community.

Cont'd

S45 - Local Government (General) Regulations - Part 7 Tendering - Local Preference
(Cont'd)

- Equity

The business address criterion does not present equal opportunity. It discriminates against non-local firms and gives an advantage to locals.

The ICAC has reservations about local preference schemes and commented, as follows, in a report *“Taking the Con out of Contracting – Guidelines for Managing Corruption Risks in Local Government Procurement and Contract Administration”*:-

“Some councils favour giving a preference to local contractors. Local preference is a term used to describe the practice of giving council work to businesses and contractors who are located in the council area, often on the basis that this directly helps develop and promote local businesses and industry, and indirectly, creates healthier social infrastructure.

However, such practices conflict with competitive tendering requirements and raise doubts about whether best value for money solutions are achieved by local preference arrangements. Additionally, such arrangements can create negative perceptions about the probity of council practices and conflicts of interests for council employees and councillors. In some circumstances, local preference practices have created situations where corruption has flourished.”

And

“Many councils have local preference policies for a variety of reasons. On the other hand, many councils also recognise problems with local preference policies and do not advocate their use.

Local preference policies present a moderate to high corruption risk in our opinion. This is because they can be anti-competitive in application, create circumstances for conflicts of interest to arise and may result in the council being captured into using the same service provider. Some councils have ‘informal’ local preference practices that are not captured in their procurement policies and for which there are no established protocols.

Social harmony within the city amongst local contractors may be enhanced under the policy as they see a more secure future in gaining work with Council. Conversely, the policy does not promote wider social harmony, as one class of society (the non-local contractor) is disadvantaged.

The second highest scoring tenderer on the Macauley’s to Diggers Beach Effluent Main Contract criticised Council in the local media for its local preference policy. An oral complaint was also received from another tenderer stating that company will no longer tender for Coffs Harbour contracts due to unfair treatment. This tenderer stated that there is a body of out-of-town contractors who believe Coffs is a closed shop and are not operating in accordance with State and Federal Government tendering practices

Cont'd

S45 - Local Government (General) Regulations - Part 7 Tendering - Local Preference (Cont'd)

- **Safety**

In the past, metropolitan based contractors have generally had a higher level of OH&S awareness and compliance presumably due to the higher levels of activity and larger sized projects to offset compliance costs and higher levels of governance. This is changing and local contractors are improving. OH&S is still an important aspect of tender selection so it is given a separate assessment criterion and is thus independent of business address.

- **Economic**

Council is paying higher prices to support local contractors. This has been evidenced in contracts awarded for the construction of the recycled water main between Coffs and Monee where Council paid a premium of \$635k to award three contracts primarily on the basis of the tenderer's local business address. Such premiums do not attract government subsidy under the Sewerage Scheme.

Council paid in yr 2000 an extra \$260k for a local contractor to undertake the Airport Terminal Upgrade.

The application of the business address criterion has no financial limit and therefore can, and has, resulted in high cost premiums. Special exemption was granted by Council to the Regional Resource Recovery project and the Mullaway/Arararra Sewerage Scheme due to the potential financial impact that the application of the policy could have.

Ratepayers may consider they are not getting value for money and the premiums could be better spent on other infrastructure and services.

Under the current assessment system, if competing tenders are assessed on the basis of price and business address only (all other criteria assumed to be equal) a non-local tender has to be about 13% to 15% cheaper than the local tender to have a chance of winning. In the current competitive market with low profit margins, this hurdle is very difficult for the out-of-town tenderer to overcome. This will result in downward pressure on prices that can be counterproductive due to the risk of financial failure of the contractor.

Discouraging non-local tenderers will reduce competition and lead to higher tender prices.

Consultation:

During the drafting of this report the Contracts and Subdivisions Manager, Administration Manager, Economic Development Manager and the Controller of Purchasing and Stores were consulted for their input.

Research on the Institute of Public Works Engineering Australia internet forum and submissions to the 2002 Productivity Commission on the Review of Section 2D of the Trade Practices Act 1974: Local Government Exemptions, highlighted that the significance of local preference policies in Local Government purchasing has been in decline. Very few NSW councils have local preference policies and most of these are in small rural councils. The decline mirrors the demise of local (state) preference policies at the State Government level.

Cont'd

S45 - Local Government (General) Regulations - Part 7 Tendering - Local Preference (Cont'd)

The Local Government and Shires Association of NSW submission to the Commission identified the major cause for the decline being the pressure to deliver value for money, concerns about possible exposure to Part IV of the Trade Practices Act which regulates restrictive trade practices, rationalisation of service delivery by suppliers and greater reliance on centralised purchasing arrangements such as State Government Contracts and cooperative tenders organised by Regional Organisations of Councils.

Related Policy and / or Precedents:

Prior to the TVSS, Council had in place a Local Preference Policy that primarily assessed tenders based on price and gave local businesses an advantage by discounting their price. All other things being equal, the tender was assessed on the adjusted price, providing it met specification requirements, with the lowest priced tender being recommended.

This policy was superseded in September 1997 by the TVSS as the Local Preference Policy was found to contravene the Local Government (Tendering) Regulation and be inconsistent with the principles contained in the Code of Practice and Code of Tendering for the Construction Industry and the National Competition Policy.

A review of the TVSS was carried out in November 2001 specifically as it related to local preference and local employment generation. Council found no justification to change the percentage weighting applied to the local business address (10%) but did resolve to change the manner in which the tender price was scored.

The current version of the TVSS is detailed at Attachment A.

Statutory Requirements:

Council is bound by, and has obligations under, the following legislation, policy, codes and guidelines:

- Local Government Act 1993
- Local Government (General) Regulation 2005
- NSW Government Procurement Policy and Guidelines Paper
- NSW Government Code of Practice for Procurement
- Trade Practices Act
- National Competition Policy
- ICAC Managing Corruption Risks in Local Government Procurement and Contract Administration
- Coffs Harbour City Council Purchasing Policy and Procedures

Value for public money to achieve positive outcomes for the community is the core principle underpinning procurement at all levels of government.

The conditions of tendering must be the same for each tenderer on any particular tender and the evaluation of tenders must be based on the conditions of tendering and selection criteria as defined in the tender documents.

Cont'd

S45 - Local Government (General) Regulations - Part 7 Tendering - Local Preference (Cont'd)

The NSW Code of Practice for Procurement sets standards of behaviour one of which is to not engage in any practices that aim to give a potential tenderer an improper advantage over another.

The draft Tendering Guidelines for NSW Government released by the Department of Local Government in January 2006 states:-

“The implementation of local preference policies is not necessarily inconsistent with the National Competition Policy. However, the use of local preference in the evaluation of tenders and awarding of contracts possesses inherent risks in terms of anti-competitiveness and the maintenance of defensibility, accountability and probity.”

The ICAC has similar reservations as reported under Sustainability.

Under Clause 178 of the Local Government (General) Regulation a council may accept a tender that, having regard to all the circumstances, appears to it to be the most advantageous to it. This allows a local supplier to be chosen on a case-by-case basis, even if more expensive, based on the weighting of other factors which might make it “most advantageous”.

The range of factors include the cost of goods and services and/or infrastructure, including whole-of-life costing, as well as experience, past performance, availability and financial strength of the tenderer and the possibility of developing local industry and social and environmental responsibilities. In other words, contracts will be awarded to the service provider who offers the best value for government’s money, rather than lowest price.

The TVSS is the mechanism that Council uses to determine the most advantageous tender and complies with the Local Government (General) Regulation on the basis that the business address is one of a number of factors taken into account in determining the most advantageous tender.

Under Section 55 of the Local Government Act a council is not required to invite tenders for the purchase of goods, materials and services specified by the State Contracts Control Board or the Department of Administrative Services of the Commonwealth. Similarly, Council can purchase goods and services without prior tendering through co-operative bulk tenders organised by Regional Organisations of Councils, Strategic Purchasing and the Local Government and Shires Association provided that expenditure is less than \$150,000 for each event.

Under Council's Purchasing Policy and Procedures preference is given to purchasing from local suppliers who are capable of supplying to Council's specification and delivery requirements and who are willing to supply under the terms, conditions and for the price set by the relevant State Contract without first having to invite quotations or tenders, eg toiletry, electrical equipment, batteries, safety clothing, office furniture, chemicals, courier services and fencing. Local suppliers are already receiving preference, irrespective of the tender assessment policy, for goods and services supplied under group purchasing arrangements.

Cont'd

S45 - Local Government (General) Regulations - Part 7 Tendering - Local Preference (Cont'd)

Council's Purchasing Policy further requires the following:-

EXPENDITURE AMOUNT	PROCUREMENT METHOD
Up to \$2,500	Competitive quotations not required
\$2,501 to \$10,000	Minimum of 3 verbal quotations
\$10,001 to \$50,000	Minimum of 3 written quotes
\$50,001 to \$149,999	Advertised for open quotes
Over \$150,000	Advertised for open Tenders in accordance with Local Government (General) Regulation

The policy could be seen, depending upon interpretation, as either restricting trade or enhancing trade to locals for amounts of less than \$50,000. Local trade could be favoured for convenience as well as local preference by only seeking local quotes, yet it could be argued that the policy is allowing greater numbers of persons to quote thus enhancing trade.

Issues:

The recent experience with the effluent reuse pipeline tenders has brought into question the sustainability of the local preference component in the tender assessment. It has shown that a local tenderer can outscore a non-local tenderer even though the local tenderer is up to 13% more expensive. On large contracts the difference in tender prices can represent a substantial sum of money.

The question remains on the effluent reuse pipeline tenders whether the non-local, second highest scoring tenderer at a reduced price, could have provided a satisfactory job.

For the three pipeline tenders in question, all won by the same local contractor, it is considered that the right decision was made on each occasion. The return on the additional investment has been good as evidenced by the excellent performance of the contractor. The contractor has excelled in the areas of quality; OH&S risk management, public relations in highly developed urban areas (Diggers Beach), environmental management, low contract variations and good time performance. Significantly less administrative effort on the part of Council officers was required to manage this contractor in comparison with others. The company employed up to eight local people and operated out of Korora. This contractor has set the bar very high for competitors and the non-price tender assessment scores reflect this.

The local contractor in question is generally more expensive than others because it includes in its tender all the costs necessary to cover the risks of doing business. The higher degree of safety and quality comes at a price. There are, however, other non-local contractors willing to accept higher levels of risk as well as lower profit margins. These contractors have significantly undercut the tender price of the local contractor but have not been successful due in part to the local preference component of the scoring.

Cont'd

S45 - Local Government (General) Regulations - Part 7 Tendering - Local Preference (Cont'd)

The local preference is driving down the prices of non-locals to the point where contractors may either cease tendering or their tender prices do not return sufficient cash to enable them to match the high standard of the local contractor without resorting to practices like spurious claims for contract variations. They are at a significant disadvantage.

The application of the TVSS over the past four years has resulted in the award of 124 contracts to the value of \$M68 with some 56% being awarded to local businesses. In every case the business address of the tenderer has been taken into account but in only six cases, valued at \$8.1M, has it been the determining factor. It is the other criteria such as experience, performance, availability, expertise, proposed methodology, equipment specifications, etc, that have been the main factors determining which tender represents the best value for money.

Local businesses are winning the tenders based on their own merits and not on where their office is located. This demonstrates the maturity of the local market and the lack of need for artificial supports like business location.

If local preference was not applied over the past four years, and price took up the additional 10% weighting used by the business address criterion, it would only have an effect on the six cases mentioned above. Three effluent main contracts would have gone to cheaper non-local tenderers, one bitumen sealing contract would have gone to a better performing non-local, an airport hanger building would have gone to a cheaper non-local offering 15 year warranty rather than one year and the then current non-local airport cleaner would have kept the contract and maintained continuity of local labour. The savings would amount to \$645,000 excluding GST.

The problem comes when a non-local tenderer submits a very favourable low price but the local tenderer gets the favouritism afforded by their address.

Local preference was in place prior to the TVSS and applied to the first \$500,000 of any tender. It is believed that the local preference was originally established to support small businesses who were struggling to establish themselves in the local area. It was never intended to give businesses which were capable of financing large projects a leg up.

Contractors of the calibre of the local business who won the effluent reuse contracts are quite capable of winning contracts without local preference if they are prepared to be more competitive with their pricing. This was recently demonstrated on the Mullaway/Arrawarra Sewerage Pump Station Contract where Council waived the business address criterion and the same local contractor won the contract on its own merits.

Two options were therefore investigated to try and limit the financial impact of applying a local preference. These options are detailed in Attachment B and are those mentioned in the ICAC report *Taking the Con out of Contracting, Point 2*, viz; to use the address to split otherwise equal tenders or to score the address for all tenders. The latter option is recommended but the business address is only to be considered when the average price of all tenders/quotations/consultant proposals received for the works is less than \$50,000 in value.

Another issue that requires clarification is the definition of what constitutes a local business. The current definition is:-

"... one that is operating within the City of Coffs Harbour and which maintains a locally staffed company office within the City of Coffs Harbour."

Cont'd

S45 - Local Government (General) Regulations - Part 7 Tendering - Local Preference (Cont'd)

A non-local tenderer could set up a temporary businesses in Coffs Harbour in order to claim local preference, win a contract, repatriate profits and then disestablish after the contract has ended. A more rigorous definition is required. It is suggested that, to qualify for local preference, the entity must:-

Have had a permanent business office located within the boundaries of the City of Coffs Harbour for a minimum period of twelve (12) months prior to bids being sought.

A business that is located outside the boundaries of Coffs Harbour but whose employees live inside the Council boundary would not be entitled to the benefits of the policy because there is no contractual assurance that employees will remain with the contractor after award. If, however, those same employees were in fact local subcontractors then there would be a binding subcontract and the portion of work carried out by the subcontractors would be entitled to the policy.

Implementation Date / Priority:

If Council resolves in accordance with the recommendation then the new policy can be brought into effect within four weeks to allow sufficient time for any current tenders, based on the old policy, to be awarded and Council's standard tender documentation to be amended.

Recommendation:

That Council's Tender Value Selection System (TVSS) continue but with the following amendments:-

- a. The business address of the tenderer only be considered, assessed and scored as part of the tender evaluation process when the average price of all tenders/quotations/proposals, as the case may be, is less than or equal to \$50,000 exclusive of GST.**
- b. A tenderer is considered to have a local business address when the entity has a permanent business office located within the boundaries of the City of Coffs Harbour for a minimum period of twelve (12) months prior to bids being sought.**
- c. A business that is located outside the boundaries of Coffs Harbour but whose employees live inside the Council boundary would not be entitled to the benefits of the policy**
- d. This policy shall only apply to tenders, quotations and consultant proposals for works and services sought in accordance with the Local Government Act, Local Government (General) Regulations 2005 and Coffs Harbour City Council Purchasing Policy and Procedures.**

**G Newton
Director of City Services (Acting)**

Attachments:

Attachment A

CURRENT POLICY FOR TENDER VALUE SELECTION SYSTEM

Selection Criteria

Select project specific assessment criteria for tenders and clearly specify in advertisements and tender documentation.

The criteria must be objective and cover the critical aspects of the project. The tenderer’s business address is to be one criteria.

A local business is defined as one that is operating within the boundary of the City of Coffs Harbour and where they maintain a locally staffed company office within the City of Coffs Harbour.

Weighting of Selection Criteria

Weight the criteria to reflect their relative importance. The weighting for a local business address is to be 10%.

Weighting for the assessment criteria are to be determined prior to calling tenders but not disclosed to tenderers.

Scoring the Tender

Each criteria is to be scored in the range 0 to 5 depending on how well the tender satisfies the criteria.

Allocation of point scores is to be as follows:-

Excellent	- top 5%	5 points
Very Good	- in the first quartile	4 points
Good, better than average	- second quartile	3 points
Acceptable	- third quartile	2 points
Marginally adequate, success likely but not assured	- lower quartile	1 point
Will fail to satisfy required standards	- lower quartile	0 points

Half or decimal points may be allocated at the discretion of the assessor.

Scoring Tender Price

Price is to be scored using the following formula which ranks the tenders in relation to the mean (average) or median (mid point) tendered price as follows:-

Price formula:

$$P = 2.5 + 5(\$M - \$T) / \$M$$

Where:

- \$T = Tender price
- \$M = the median price for three or more tenders, or the average price if two are being considered. An abnormally low price (say > 30% from the median) should be rejected.

The price score is then standardised (or factored up) as follows:-

Standardise formula:

$$P_s = (P / P_h) \times 5$$

Where:

P_s = standardised score

P = price score determined by the price formula

P_h = highest price score of all tenders determined by the price formula.

Scoring Business Address

The Tenderer's business address would be scored on the scale 0 to 5 with a local business address receiving the maximum score. In the case of a non local supplier/contractor using local subcontractors, the score would be on a pro-rata basis in proportion to the tender cost that relates to local subcontractors, eg:-

Business Address	Local Content %	Score (5 x local content %)	Weighting %	Weighted Score
Local	100	5	10	0.50
Non Local	50	2.5	10	0.25
Non Local	0	0	10	0.00

Selection

For the purpose of selecting the most advantageous tender, all assessment criteria are to be scored, weighted and then summed to determine the highest overall score which becomes the recommended tender.

Applicability

This policy shall only apply to tenders, quotations and consultant proposals for works and services above \$20,000 in value.

TVSS AMMENDMENT OPTIONS

In the report *“Taking the Con out of Contracting – Guidelines for Managing Corruption Risks in Local Government Procurement and Contract Administration”* the ICAC suggested two possible options for applying local preference in the tender process:-

Option 1:

“...local preference to be applied only after all factors have been considered and the proponents are otherwise equal ...” ...ICAC

This option still relies on the TVSS to consider all the relevant factors but the business address is no longer scored. The recommended tender is still the one with the highest TVSS score and the option applies to all tenders irrespective of price. The TVSS may still identify a higher priced tender as the best tender.

The change introduced by this option is that the business address is only considered when the TVSS shows that the tenders are otherwise equal. The tenders would be considered equal if and when the total weighted scores out of 5 are within 0.05 points (1%) of each other.

For tenders with equal TVSS scores, the lowest priced tender is recommended unless one of the tenders has a local business address in which case the local tender is recommended provided the premium that Council would have to pay for the local is less than some predetermined amount. If the price difference exceeds the premium then the contract would go to the cheapest tender.

It is suggested that the premium should be a fixed percentage of the GST exclusive lowest priced tender, say 10% up to a maximum of say \$15k, or some lesser amount that Council may determine.

e.g. 1.

Tenderer	Tender Price
Local	\$1,450,000
Non-local	\$1,400,000

TVSS (without the business address criteria) is applied which happens to result in the local tenderer scoring highest because of better non-price criteria like performance, safety, reliability and quality. The TVSS scores and weightings testify that the additional \$50,000 to accept the more expensive tender represents value for money. The local tenderer would win the job on the basis of scoring well against relevant assessment criteria and on a level playing field with the non-local tenderer. The tender would be awarded to the local tenderer for \$1.45M.

Conversely, if the non-local tenderer scores the highest then it is recommended at \$1.4M.

If the TVSS scores for both tenders turn out to be equal (within 0.05 of each other) then the cheaper non local tender becomes the recommended tender because the premium that Council would have to pay for the local tenderer exceeds the maximum allowable \$15k. The tender would be awarded to the non-local for \$1.4M.

e.g. 2.

Tenderer	Tender Price
Local	\$43,000
Non-local	\$40,000

The same scenarios as example 1 would apply except that if the TVSS scores are equal then the local tender would be recommended as the cost to go for a local over a non-local (\$3,000) is less than 10% of the lowest priced tender (10% of \$40,000 = \$4,000) and less than the maximum of \$15k.

This option creates a level playing field where tenderers compete on the basis of criteria that are relevant to the work at hand. The business address only comes into play to separate Tenders that are otherwise equal. The option is clear in its application and supports local contractors by giving preference within reasonable financial limits. The maximum exposure to increased costs to support local businesses is \$15k per contract.

In this option no allowance is made in the scoring for non-local tenderers proposing to use local subcontractors and suppliers. All non-locals are considered equal users of local resources. This overcomes the risk of tenderers changing to out-of-town subcontractors after award.

If this option is applied retrospectively to all the 124 tenders and major quotes awarded over the past four years it would have an effect on only five decisions. Those decisions, which include the effluent pipeline contracts above, would have gone to non-locals instead of locals for a saving to Council of \$645,000. Of course, if those five tenderers were to now submit bids under this option, knowing the changes to local preference, then they may lower their prices and still win the contracts.

Option 2:

“..local preferenceto be a separately weighted item against which all proponents are scored, either by adding the appropriate weighting from the local supplier or subtracting the weighting from non-local suppliers”ICAC

In this option it is proposed to continue the current policy but limit the assessment of the business address to only those offers where the average price of all offers is equal to or less than \$50k (excl GST). Where the average quote is above \$50k, the business address is not considered or scored in the assessment.

This option differs from Option 1 in that, when the average price is less than \$50k, the business address contributes to the TVSS score rather than only being considered if and when the scores are equal. Local preference is built into the scoring for offers less than or equal to \$50k rather than being considered after the TVSS score is calculated. The recommended offer is still the one with the highest TVSS score irrespective of price.

In the case of a non local tenderer proposing to use local subcontractors, the score for business address would be on a pro-rata basis in proportion to the tender cost that relates to local subcontractors.

Limiting the range of application of the business address criterion reduces the financial impact of local preference but Council may still face price premiums in the sub \$50k range to accept a local over a non-local. The premium cannot be capped as the fundamental assumption is that the TVSS will identify the most advantageous quote after scoring all the relevant criteria including address. The importance of price is already built into the process via its weighting. This is the fundamental problem that this report is trying to address with a new policy and Option 2, while limiting the risk to only those quotes less than \$50k in value, does not remove it.

e.g. 1

Tenderer	Tendered Price
Local	\$200,000
Non-local	\$150,000

Average price is above \$50,000 therefore the business address criterion is not applied nor scored.

The TVSS is applied and identifies the local tenderer as being the best value for money due to scoring highest in the non-price criteria such as performance, safety, quality, management, etc. The tender is awarded to the local tenderer for \$200,000.

No unfair advantage is given by the business address but there is exposure to an additional cost of \$50,000.

The TVSS scores and weightings testify that the additional \$50,000 to accept the local tender represents value for money. The local tenderer has won the job on the basis of scoring well against relevant assessment criteria and on a level playing field with the non-local tenderer.

Conversely, if the non-local tenderer scores the highest then it is recommended at \$150,000.

If the scores for both tenders turn out to be equal (within 0.05 of each other) then the cheaper non local tender is recommended as the lower price would reinforce it being the best value for money offer.

e.g. 2

Tenderer	Tendered Price
Local	\$50,000
Non-local	\$40,000

Average quotation/tender price is equal to or below \$50k therefore the business address criterion is applied to all offers and scored.

The TVSS is applied and if the local tender scores highest then that tender is recommended even though Council would be paying a cost premium of \$10,000. The TVSS is still identifying the best value for money offer but it is being influenced by the business address.

If the scores for both tenders turn out to be equal (within 0.05 of each other) then the cheaper non local tender is recommended as the lower price would reinforce it being the best value for money offer.

By limiting the use of the business address criterion to quotations/tenders below or equal to \$50,000 in average value will reduce Council's exposure to cost premiums due to local preference.

Option 2 creates a level playing field in the range above the \$50k average price because tenderers compete on the same basis irrespective of where their business is located.

If this option is applied retrospectively to all the 124 tenders and major quotes awarded over the past four years it would have the same effect as Option 1. The effluent main contracts would have gone to non-locals for cost savings of \$645k. The inclusion of the business address criterion in quotes less than \$50k would have had little effect on Council's outlays due to the inbuilt local preference in Council's Purchasing Policy and Procedures.

REVISED POLICY FOR TENDER VALUE SELECTION SYSTEM (June 2006)

Amendment

Selection Criteria

Select project specific assessment criteria for tenders and clearly specify in advertisements and tender documentation.

The criteria must be objective and cover the critical aspects of the project.

Definition of Local Business

June 2006

A Tenderer is considered to have a local business address when the entity has a permanent business office located within the boundaries of the City of Coffs Harbour for a minimum period of twelve (12) months prior to bids being sought.

A business that is located outside the boundaries of Coffs Harbour but whose employees live inside the Council boundary would not be entitled to the benefits of the policy. However, if those same employees were in fact local subcontractors then the portion of work carried out by the subcontractors would be entitled to the policy.

June 2006

Weighting of Selection Criteria

Weight the criteria to reflect their relative importance. The weighting for a local business address is to be 10%.

Weightings for the assessment criteria are to be determined prior to the closing date of tenders but not disclosed to tenderers.

June 2006

Scoring the Tender

Each criteria is to be scored in the range 0 to 5 depending on how well the tender satisfies the criteria.

Allocation of point scores is to be as follows:-

Excellent	- top 5%	5 points
Very Good	- in the first quartile	4 points
Good, better than average	- second quartile	3 points
Acceptable	- third quartile	2 points
Marginally adequate, success likely but not assured	- lower quartile	1 point
Will fail to satisfy required standards	- lower quartile	0 points

Half or decimal points may be allocated at the discretion of the assessor.

Scoring Tender Price

Price is to be scored using the following formula which ranks the tenders in relation to the mean (average) or median (mid point) tendered price as follows:-

Price formula:

$$P = 2.5 + 5(\$M - \$T) / \$M$$

Where:

\$T = Tender price

\$M = the median price for three or more tenders, or the average price if two are being considered. An abnormally low price (say > 30% from the median) should be rejected.

The price score is then standardised (or factored up) as follows:-

Standardise formula:

Nov 2001

$$Ps = (P / Ph) \times 5$$

Where:

Ps = standardised score

P = price score determined by the price formula

Ph = highest price score of all tenders determined by the price formula.

Scoring Business Address

The Tenderer's business address would be scored on the scale 0 to 5 with a local business address receiving the maximum score. In the case of a non local supplier/contractor using local subcontractors, the score would be on a pro-rata basis in proportion to the tender cost that relates to local subcontractors, eg:-

Business Address	Local Content %	Score (5 x local content %)	Weighting %	Weighting Score
Local	100	5	10	0.50
Non Local	50	2.5	10	0.25
Non Local	0	0	10	0.00

Selection

For the purpose of selecting the most advantageous tender, all assessment criteria are to be scored, weighted and then summed to determine the highest overall score which becomes the recommended tender.

Applicability

This policy shall only apply to tenders, quotations and consultant proposals for works and services sought in accordance with the Local Government Act, Local Government (General) Regulations 2005 and Coffs Harbour City Council Purchasing Policy and Procedures. June 2006

The business address criterion shall only be considered, assessed and scored when the average price of all tenders/quotations/consultant proposals, as the case may be, is less than or equal to \$50,000 exclusive of GST. June 2006