



**COFFS HARBOUR CITY COUNCIL**  
**ORDINARY MEETING**  
**COUNCIL CHAMBERS**  
**COUNCIL ADMINISTRATION BUILDING**  
**COFF AND CASTLE STREETS, COFFS HARBOUR**  
  
**13 MAY 2010**

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## COFFS HARBOUR CITY COUNCIL

### ORDINARY MEETING

13 MAY 2010

Mayor and Councillors

#### NOTICE OF MOTION

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#### NOM10/6 COFFS HARBOUR CITY COUNCIL USING FREE RANGE EGGS

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##### **Purpose:**

Councillor Rodney Degens has given notice of his intention to move:

That Coffs Harbour City Council adopts a policy of using only eggs sourced from certified free range producers. This policy will include but not be limited to the following situations:

All future catering arrangements; contracts will only be made with caterers who can guarantee that they use free range eggs.

The use of free range eggs be stipulated in any future tenders or contracts relating to the supply of food in which Coffs Harbour Council is a party.

Where there is no option but to source food from a vendor who doesn't use free range eggs, 'No eggs' will be the Council's preferred option.

That Coffs Harbour City Council publicise this policy on its website and that the General Manager write directly to all known suppliers of food products to Council notifying them of the new policy position.

That Coffs Harbour City Council applaud other local businesses, organisations and households who adopt a similar policy.

##### **Rationale:**

Due to the exposure of the adverse conditions experienced in the egg industry, particularly the caged hens, there has been a movement worldwide to abolish this practice to the much more humane method of free range egg production. In support of this idea, many parts of Europe are phasing out the caging of hens for egg production and Austria has already banned their use. Many councils in NSW have been adopting policy similar to that being proposed. The practice of producing eggs from such cruel and inhumane conditions has been recognised for some time and Coffs Harbour City Council would be sending a strong, ethical message to all residents if the motion were to be adopted.

## LAND USE HEALTH & DEVELOPMENT DEPARTMENT REPORTS

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### L10/4 DRAFT PRIORITY HABITATS AND CORRIDORS STRATEGY 2010 – 2030

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#### **Purpose:**

To seek Council approval to release the Second Consultation Draft Priority Habitats and Corridors Strategy (PHACS) 2010 - 2030 for a further 28 days.

The report also presents revised draft PHACS mapping and recommends a process to translate this into the draft Standard Instrument Local Environmental Plan (SI LEP).

#### **Description of Item:**

Council recently identified and mapped important environmental attributes at a landscape scale throughout the Coffs Harbour local government area (LGA). This mapping was to inform the environmental layers being developed for the new Coffs Harbour SI LEP as per the NSW Department of Planning (DoP) LEP practice note for Environmental Protection Zones and regional corridor mapping. This is contained in the Mid North Coast Regional Strategy 2009 (MNCRS) which states that *'local environmental plans will include provisions to encourage habitat and corridor establishment in future zoning of land with environmental and rural values'*.

The corridor mapping was originally developed by the Department of Environment, Climate Change and Water (DECCW) and provides a broad framework for corridors which has been adopted into the MNCRS. This was developed at a coarse regional scale and provided broad guidance as to where corridors could potentially be located.

The revised priority habitats and corridors mapping uses the best available information from a range of sources and maps corridors at a local, sub-regional and regional level. It uses the DoP corridor mapping as a guide while recognising its stated limitations in terms of scale and reliability.

Significant changes have been made to the original draft PHACS to address concerns raised by the community in the submissions received during the first public exhibition period (116 days). These changes were made in consultation with relevant state government departments and other stakeholders.

#### **Sustainability Assessment:**

- **Environment**

While the draft Strategy identifies a timeframe between 2010 – 2030 to link with Council's Vision 2030, it is expected to influence environmental outcomes for the next 50 – 100 years. In the face of increasing environmental threats including 'universal' threats such as climate change and regional threats, the linking and buffering of habitat areas is seen as the best practical solution to reducing the impacts of habitat loss, habitat modification, loss of individuals and loss of genetic diversity.

Conservation connectivity and building resilience is a key strategy under the draft PHACS to ensure that our natural systems have the capacity to adapt to shifting climatic zones. Securing, linking and enhancing critical intact habitats throughout the LGA is the most important and immediate step we can take to increase ecosystem resilience.

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There will be broader environmental services associated with the draft PHACS including improved soil, water and air quality within catchments.

- **Social**

The draft Strategy is likely to drive employment opportunities in the areas of bush regeneration and sustainability. Funds raised through the Environmental Levy and Council's proposed Environment Trust, amongst other initiatives may assist landholders, particularly rural landholders manage their corridor areas.

While the broader community will benefit from better catchment management in terms of improved habitat and biodiversity, soil fertility and water quality, the funds generated through the 'Incentives Package' will be primarily directed towards targeted projects in the identified corridors in the rural sector.

The translation of the draft Strategy into environmental zonings will have limited impact on agricultural and private native forestry as Council has received advice that the *Native Vegetation Act 2003* (NV Act) will take precedence over any local government zonings.

Private Native Forestry (PNF) will continue to be a permissible activity if the environmental categories are translated into environmental zones under the Standard LEP, subject to an approval from DECCW. Given that the NV Act will operate within environmental zones, businesses dependant on the local timber industry should remain unaffected.

Routine Agricultural Management Activities (RAMAs) will also be permissible within environmental zones under the NV Act. Accordingly, the draft PHACS will have little impact on the day to day management of native vegetation on rural properties.

The proposed Natural Resources Sensitivity Clause Overlay (NRS Overlay) will ensure that due consideration is given to priority habitats and corridors during the Development Application process and assessing Activities under Part V of the *Environmental Planning and Assessment Act 1979* (EPA Act). The draft PHACS brings together a number of environmental parameters at a landscape level so that developments can be seen within the broader context of environmental values within the LGA.

- **Economic**

**Broader Economic Implications**

The draft Strategy would not impose any additional restrictions on landholders. Landholders would not be required to revegetate, fence or undertake any other activity on their land unless they choose to do so. Neither will the draft PHACS "sterilise" any agricultural land.

During the Development Application process some consideration will need to be given to the draft PHACS. The draft Strategy will ensure that environmental values are considered under the one Strategy rather than a multitude of biodiversity planning documents and provides a logical and practical solution to ensuring that development is appropriately located and is sympathetic to the broader environment.

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Council prepared a Landholder Incentives Guide as part of draft PHACS. The document provides a range of possible incentives for landholders who have priority habitats and corridors mapped over their property. Some of the incentives are available now, while others will take time while policy is developed and considered by Council. The Environment Trust, to be set up by Council is expected to generate a significant amount of funds over time.

The draft PHACS identifies priority areas for voluntary rehabilitation and re-vegetation which will provide the best outcomes for biodiversity and catchment management.

### **Management Plan Implications**

The development of the draft PHACS is being funded from Council's Environmental Levy.

The draft PHACS will inform the SI LEP process and provide information to assist in determination of development applications and activities under Part IV of the Environmental Planning and Assessment Act. These aspects will have no budget implications.

### **Consultation:**

The Second Consultation Draft PHACS will be placed on public exhibition for a period of 28 days commencing Monday, 17 May 2010, subject to Council approval.

Previously, the draft PHACS was placed on public exhibition from 19 November 2009 until 14 March 2010, a total of 116 days.

A Communications strategy has been developed with various sections of Council to ensure this Second Consultation Draft is widely distributed and understood by the community. The strategy includes meetings with key stakeholders, including farming groups, and a number of 'information sessions'. The mediums of print, television and radio will be utilised to further explain the key messages of the Strategy.

### **Related Policy and / or Precedents:**

The *Native Vegetation Act 2003* has a significant bearing on how the environmental zones under the SI LEP are interpreted and therefore managed. Advice to date suggests that the NV Act would prevail over all environmental zones.

### **Statutory Requirements:**

Council is required by law to prepare a SI LEP. The timeframes and requirements of the SI LEP are being driven by the NSW Department of Planning (DoP).

Below is an excerpt from the DoP Practice Note for Environment Protection Zones which describes the requirements for E2 Environmental Conservation:

#### *E2 Environmental Conservation*

*This zone provides the highest level of protection, management and restoration for such lands whilst allowing uses compatible with those values. For areas where a broader range of uses is required (whilst retaining environmental protection), the Department of Planning recommends the use of a zoned E3 Environmental Management.*

**Cont'd**

Environmental values to be mapped include:

- old growth forests
- significant wildlife
- wetlands or riparian corridors
- endangered ecological communities
- significant Aboriginal heritage values
- coastal foreshores, coastal hazards/climate change
- steeply sloping escarpment lands, land slip areas.

**Issues:**

Approximately mid way through the corridors project, the DoP released a Practice Note which described the environmental attributes that each Council was to use to define their environmental zones.

While the environmental values Council adopted aligned closely with the areas proposed by the DoP, there was some divergence regarding the E2 (Environmental conservation) interpretation.

In order to align with these standard requirements provided by the DoP (See draft PHACS Appendix 6), 9,638 hectares originally mapped as Category 2, was downgraded as part of the Second Consultation Draft layer.

The vast majority of the area removed included both secondary koala habitat and vegetation wholly contained within Local, Subregional and Regional corridors that was not assigned one of the environmental values in Table 1 below. Downgrading of some of the land previously assigned Category 2 was necessary to meet the DoP requirements.

These areas are still mapped but are not proposed to be zoned. However, they'll still be subject to the NRS Overlay and available for investment under the proposed Landholder Incentive Scheme.

**Table 1 Category 2 - Environmental values within Second Consultation Draft PHACS**

<b>Category 2 - Environmental values</b>	<b>Area (hectares)</b>
• Existing 7A <sup>(1)</sup>	6,304
• Old growth forest within Local, Subregional and Regional corridors <sup>(2)</sup>	2,680
• Endangered Ecological Communities <sup>(3)</sup>	2,744
• Primary koala habitat	2,046
• Lands subject to State Environmental Planning Policy (SEPP) 14	660
• Lands subject to State Environmental Planning Policy (SEPP) 26	9
• Steep escarpment lands, significant wildlife and coastal hazards by default	Not assigned

**Important note:** Adding the above area figures together in Table 1 will not provide the area total for Category 2 (which is 14,028 ha). By way of explanation, a single patch of forest may be made up one or more environmental values from Table 1.

<sup>(1)</sup> 74 percent of existing 7A (8,500ha) has been included within Category 2, the remainder has either been downgraded to the NRS Overlay or completely excised if the mapping was incorrect, previously cleared or small and isolated from the PHACS corridor network.

<sup>(2)</sup> All old growth forest outside local, sub-regional and regional corridors was removed

**Cont'd**

<sup>(3)</sup> The Endangered Ecological Community layer includes 99.3 percent of over-cleared regional vegetation communities

**Summary of Changes to PHACS**

Based on the submissions received, representations and discussions held with landholders over the initial exhibition period the following changes have been made to the Strategy and associated mapping:

- **Native Vegetation Controls**

At the heart of the draft Strategy are the provisions governing protection of native vegetation within each of the categories. This has caused the greatest level of concern within the community.

Recent advice from the DoP is that the NV Act provisions prevail over the SI LEP and, as such, native vegetation within all Environment zones will be subject to the NV Act rather than any CHCC controls.

In essence, there will be no change in how native vegetation is managed in rural areas under the SI LEP as it will be regulated under the operation of the NV Act.

Further changes include:

1. The draft PHACS has been amended to make it clear that native vegetation identified within **Category 2** and **NRS Overlay** will be subject to the NV Act 2003 and its Regulations;
2. Existing agricultural use rights will prevail in both **Category 2** and **NRS Overlay** on previously mapped 1A agricultural land;
3. Of the original 23 666 hectares identified as Category 2 (orange), 9 638 hectares has been downgraded and made subject to the NRS Overlay, rather than a zone.
4. All **Category 3** areas (previously blue) and **Category 4** areas (previously light brown) are not proposed to be zoned. They are proposed to be subject to the **NRS Overlay** in respect to Development Applications and Activities under Part IV of the EPA Act.

**Table 2 - Changes to vegetation controls between the first and Second Consultation Draft PHACS**

Draft PHACS as exhibited	Second Consultation Draft PHACS
Cat 2 Native vegetation is protected and development consent is required	Native vegetation subject to the Native Vegetation Act and its Regulations.
Cat 3 Native vegetation is protected and development consent is required.	Subject to the Natural Resources Sensitivity clause Native vegetation subject to the Native Vegetation Act and its Regulations.
Cat 4 Native vegetation protected	Subject to the Natural Resources Sensitivity clause
Cat 5 Council policy for public open space zones	No change

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Table 3 - Area changes between PHACS exhibited and PHACS revised

Draft PHACS as exhibited (ha)	Second Consultation Draft PHACS (ha)
Cat 2 - 23,666	Category 2 – 14,028  * Potential additional Category 2 – 1,560 Secondary (A) koala habitat + a small area of Primary koala habitat to be the subject of negotiations re applicable zoning with NSW Department of Planning
Cat 3 – 8 466	Subject to NRS Overlay
Cat 4 - 293	Subject to NRS Overlay
Cat 5 – 1 088	Cat 5 – 538 (Now called Category 3 Rehabilitation and Restoration)
Overlay not included	Subject to NRS Overlay 19 189 (may vary depending on * above)

- **Secondary Koala Habitat**

Under LEP 2000 the majority of Primary Koala Habitat was protected as 7A Environmental protection.

The DoP has expressed a preference in protecting a greater proportion of 'core koala habitat' within the Coffs Harbour LGA. The current definition of 'core koala habitat' is primary, secondary and tertiary habitat under the KPoM 1999. Strictly, under the SEPP 44 definition it probably should just include primary and adjoining secondary koala habitat.

Accordingly, a compromise position would add 1,560 ha of secondary koala habitat that adjoins primary koala habitat, to the Category 2 layer. There is also a small area of Primary Koala Habitat that is currently not included in 7A Zone. These areas may be recommended for an E2 zone under the draft SI LEP depending upon the outcomes of negotiations between Council's planning section and the Department of Planning.

- **Other changes to the document**

An easy to read Executive Summary has been included in the second draft PHACS highlighting most of the major issues including the significant changes that have been included in the Second Consultation Draft.

The following paragraphs have been inserted into the draft Strategy to dispel any perceived restrictions on land management:

- The draft Strategy would not impose any additional impositions on landholders. Landholders would not be required to revegetate, fence or undertake any other activity on their land unless they choose to do so. Neither will the Second Consultation Draft PHACS "sterilise" any agricultural land.
- Existing dwelling and subdivision rights would not be extinguished as a result of the proposals within the Strategy. Any rights currently enjoyed by the property will continue to be permissible activities.

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- ***Draft PHACS Objectives and Actions Tables (Chapter 5)***

Each of the individual actions contained in the tables have been reviewed to ensure they align with information obtained over the exhibition period. Specific actions associated with Native Vegetation; Landholder Incentives Guide; Dwellings and Infrastructure have been scrutinised to ensure the context in which they are drafted is appropriate from a policy and planning perspective.

- ***Editorial Changes***

As a result of the initial public exhibition process a number of submissions pointed out corrections, omissions, inaccuracies or lack of clarity that have been rectified in the second draft PHACS. These editorial corrections have not changed the intent or management objectives of the document and are therefore not considered further here.

**Implementation Date / Priority:**

- ***Second Consultation Draft PHACS Mapping***

**The Department of Planning has set timeframes for the completion of stages within the Standard LEP process. At this stage the deadline for the provision of proposed environmental zones is June 2010.**

In order for Council to provide the scientifically defensible approach to proposed environmental zonings provided by the draft PHACS (and hence provide for biodiversity conservation into the future with all its attendant benefits to the community), it is critical that the revised draft PHACS mapping be interpreted by Council's Planning section and incorporated into the draft Coffs Harbour SI LEP.

The draft PHACS mapping is the basis of the draft environmental layers. There will be further opportunity to refine these environmental layers as the draft SI LEP is being progressed.

- ***Second Consultation Draft PHACS Strategy***

It's proposed that further public consultation on the Second Consultation Draft PHACS be sought for a period of 28 days, after which the draft Strategy will be referred back to Council, on or about 22 July, for formal adoption.

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**Recommendation:**

1. That the Second Consultation Draft Priority Habitats and Corridors Strategy 2010 - 2030, be placed on public exhibition for 28 days.
2. That Council release the environmental categories and overlay of the revised draft Priority Habitats and Corridors mapping layers to the NSW Department of Planning for the purposes of progressing the draft Coffs Harbour Standard Instrument Local Environmental Plan.

These layers would be interpreted as follows within the draft Standard Instrument Local Environmental Plan:

- (a) Category 1 to E1 (National Parks and Nature Reserves)
  - (b) Category 2 to E2 (Environmental Conservation)
  - (c) Categories 3 RE1 (Public Recreation)
  - (d) All remaining areas included within the Natural Resources Sensitivity - Priority Habitats and Corridors Overlay.
3. That the Second Consultation Draft Priority Habitats and Corridors Strategy 2010 - 2030 and draft mapping layers be the subject of further negotiations with the Department of Planning as part of the draft Standard Instrument Local Environmental Plan process.
  4. That, with the benefit of further public input from the community and the Department of Planning, the Second Consultation Draft Priority Habitats and Corridors Strategy 2010 - 2030 and associated mapping be referred back to Council on or about 22 July to consider formal adoption of the document.
  5. That any changes arising from the above be incorporated into the draft Standard Instrument Local Environmental Plan prior to its public exhibition which is currently scheduled for October 2009.

**Purpose:**

The purpose of this report is to provide Council with feedback from the exhibition of the draft Employment Lands Strategy (ELS).

The Strategy has been revised after assessment of the submissions received.

Council's endorsement of the revised Strategy is sought.

The Strategy will be utilised as an information document to assist with the preparation of the Standard Local Environmental Plan (SLEP), currently being prepared by Council staff.

**Description of Item:**

The draft ELS has been prepared to inform Council's future strategic planning decisions, including recommendations for zones to be included in the SLEP project. Key matters investigated as part of the project included:

- A current situational analysis and overview of employment land stock in Coffs Harbour City local government area (LGA);
- An understanding of key issues for employment land in Coffs Harbour City through consultation with key stakeholders;
- Identification of critical land characteristics required by various industry sectors;
- Demand forecasts for employment land in Coffs Harbour City LGA;
- Recommendations for short-term zoning and spatial prioritisation of land to accommodate future employment lands;
- Strategies and actions to ensure a range of developable employment land is available to meet projected demand;
- Advice on preferred zoning categories for inclusion in the SLEP; and
- Consultation with identified stakeholders.

The draft Strategy provided a number of recommendations, which are set out in the "Issues" section of this report.

Council resolved on the 26 November 2009 to place the draft ELS on public exhibition from November 2009 until the end of February 2010. The exhibition period was initially from 3 December 2009 to 26 February 2010 but was extended until the 12 March 2010 after approaches from the community.

At the conclusion of the exhibition period some 485 submissions had been received. These were referred to relevant sections of Council for technical assessment and seeking comments, feedback recommendations to progress the Strategy.

**Sustainability Assessment:****• Environment**

Existing employment generating lands within the LGA have been individually assessed in the draft Strategy. Recommendations were based on a number of constraints, including ecological considerations. Where areas are subject to potential constraint they will be investigated on an individual site basis prior to finalising zones for inclusion in the draft SLEP.

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- **Social**

The document proposes suitable zones depending upon the activity to be carried out. This will ensure that appropriate uses are located in proximity to demand centres, and inappropriate uses are kept separated from one another.

- **Economic**

**Broader Economic Implications**

The draft Strategy is consistent with many of the objectives and strategic actions outlined in the Economic Section of the Our Living City (OLC) Settlement Strategy Interim Document 2008. The provision of sufficient employment lands within the LGA to cater for future population growth will be essential, and this document addresses supply and demand issues to 2031.

**Management Plan Implications**

Funding for this project has been allocated as a component from the SLEP project funds and supplemented with a small grant from Department of State and Regional Development (DSRD). There are no further implications to the Management Plan associated with this project.

**Consultation:**

During preparation of the draft Strategy consultation with a number of State government bodies and stakeholders was undertaken. Some of the key stakeholders included local Chambers of Commerce, DSRD, Coffs Harbour City Council's Economic Development Unit, the Real Estate Industry and the Urban Development Institute of Australia. Consultation was also held with key landholders and business owners.

As part of the community engagement program Council also conducted three community shopfront information sessions. These sessions provided opportunity for the public to view the information and ask Council staff questions about the draft Strategy. The community had the opportunity to provide feedback on forms made available by CHCC staff at each session.

These three community information sessions were held for the general public at three locations:

- **Coffs Harbour – 23 February 2010**

No community attendees

- **Woolgoolga – 24 February 2010**

Ten community attendees

- **Toormina – 25 February 2010**

One community attendee

The submissions received included a large proportion of “proforma” type letters. These letters focused on issues mainly relating to the Woolgoolga area. The proforma type letters were from either members of the community supporting the Northern Beaches residents group OR those members of the community supporting the Woolgoolga and Northern Beaches Chamber of Commerce.

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**Related Policy and / or Precedents:**

Council is undertaking the draft SLEP project as a project in accordance with the Standard Instrument (LEPs) Orders 2006. All statutory requirements of those orders will be complied with. The draft ELS was commissioned to inform the draft SLEP preparation. It will also inform the Council's Growth Management Strategy in accordance with requirements of the Mid North Coast Regional Strategy.

**Statutory Requirements:**

The following statutory documents influenced the preparation of the ELS:

- The Department of Planning Standard Instrument (LEPs) Orders (gazetted March 2006, amended September 2006 and July 2008).
- The Mid North Coast Regional Strategy March 2009.

The Mid North Coast Regional Strategy provides a 25-year land-use framework for forecasted population growth in the Mid North Coast region; new homes and new jobs. The Strategy is based on the latest long-term population projections.

The Strategy supports new retail development in major regional centres and towns rather than in isolated out-of-centre locations. The Strategy believes that this will help build the vibrancy and economic health of these centres. The Regional Strategy identifies four major regional centres at Grafton, **Coffs Harbour**, Port Macquarie and Taree and six major towns at Maclean, **Woolgoolga**, Bellingen, Macksville, Kempsey and Forster–Tuncurry.

- The North Coast Regional Environmental Plan.
- Various Ministerial Directions.

The statutory processes under the Environmental Planning and Assessment Act 1979 and Regulations has been followed in the preparation of the draft Strategy and its exhibition.

**Issues:**

A copy of all the submissions received, have been provided separately, in the Councillors Room.

In general terms the majority of the submissions received focused on Woolgoolga and the implications of the ELS in regard to the future development of the three existing business zoned areas.

The following is a summary of the major issues raised in community consultation and is divided into the issues raised in regard to locality and a general section.

**Cont'd**

**General Matters**

• **Issue 1:**

Concern over the ELS in regard to the future development and potential permitted uses of industrial lands throughout Coffs Harbour.

**Comment:**

While the ELS assessed industrial lands to ensure all employment lands were considered, the Council position on Industrial Land is expressed in the Council adopted and Department of Planning endorsed Industrial Lands Strategy. The recommendations of that document will apply to Industrial lands rather than the suggestions in the ELS.

**Recommendation:**

That CHCC resolve to exclude the sections of the ELS that deal with Industrial zoned lands and maintain their adopted position of endorsement of the Industrial Lands Strategy.

• **Issue 2:**

That the ELS does not address environmental issues in the assessment of proposed zonings (with particular reference to industrial zones).

**Comment:**

The role of the ELS was to identify the future demand and supply of lands for employment purposes.

In general terms it does not identify new "green field" sites for rezoning, rather it suggests what currently zoned lands could be zoned under the Standard Local Environmental Plan.

Again any reference to industrial lands zoning will be reliant upon the Industrial Lands Strategy recommendations. Under that document detailed environmental assessment took place.

**Recommendation:**

That the CHCC resolve to exclude the sections of the ELS that deal with Industrial zoned lands and maintain their adopted position of endorsement of the Industrial Lands Strategy.

That the ELS only be used as a guide for future business and commercial zonings under the SLEP.

• **Issue 3:**

The draft ELS has errors and omissions.

**Comment:**

The errors and omissions have been corrected in the revised version of the ELS.

**Cont'd**

This includes simple errors omissions such as:

- the reference to Woolgoolga as a small local centre. The Mid North Coast Regional Strategy identifies Woolgoolga as a Major Town.
- The location of the Coffs Harbour Base Hospital
- Vacancies within the Moonee Beach Shopping Centre

***Recommendation:***

That the errors and omissions be corrected in the revised version of the ELS for Council adoption.

• ***Issue 4:***

There is a recognized need for additional industrial zoned land in Coffs Harbour.

***Comment:***

The endorsed Coffs Harbour Industrial Lands Strategy (ILS) reinforces this position and deals with the proposed locations for industrial lands within the Coffs Harbour LGA.

***Recommendation:***

That Council resolve to exclude the sections of the ELS dealing with industrial zoned lands and maintain their adopted position of endorsement of the ILS.

• ***Issue 5:***

That the ELS suggests a business park zoning on Isles Industrial Estate, this is in conflict with the ILS.

***Comment:***

The endorsed Coffs Harbour ILS reinforces this position and deals with the proposed locations for industrial lands within the Coffs Harbour LGA.

The suggested zonings of the ILS are to be incorporated into the SLEP.

***Recommendation:***

That Council resolve to exclude the sections of the ELS dealing with industrial zoned lands and maintain their adopted position of endorsement of the ILS.

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• **Issue 6:**

ELS does not provide adequately for the growth and development of the Coffs Harbour City Centre especially in Dalley, Market and Albany Street areas which should be mixed use.

**Comment:**

The Mid North Coast Regional Strategy supports new retail development in major regional centres and identifies **Coffs Harbour** as one of four major regional centres on the Mid North Coast. Council's City Plan project; currently being undertaken jointly with the Department of Planning Taskforce; recognizes the importance of the City Centre Precinct. The City Plan project will result in a Vision, LEP Amendment (LEP47), a DCP and a Civic Improvement Plan (including a S94 Contributions Plan)

**Recommendation:**

That the City Plan Project determine the future zoning of this precinct.

• **Issue 7:**

ELS does not provide for rezoning of land in Coffs Harbour North area, i.e. Walter Morris Close.

**Comment:**

The Mid North Coast Regional Strategy supports new retail development in major regional centres and identifies **Coffs Harbour** as one of four major regional centres on the Mid North Coast. Council's City Plan project; currently being undertaken jointly with the Department of Planning Taskforce; recognizes the importance of the City Centre Precinct. The City Plan project will result in a Vision, LEP Amendment (LEP47), a DCP and a Civic Improvement Plan (including a S94 Contributions Plan)

**Recommendation:**

That the City Plan Project determine the future zoning of this precinct.

### **Woolgoolga Locality**

• **Issue 1:**

Defer the implementation of the ELS as it applies to Woolgoolga in order to progress a new Master plan in consultation with the community.

**Comment:**

The Woolgoolga Town Centre is characterised by three non-contiguous business zones under the LEP.

- Business 3C Town Centre Zone – bordered by Beach Street, Fawcett Street, Trafalgar lane and Queen Street, including Market Street;
- Business 3D Tourist Service Centre Zone – both sides of Clarence Street (Pacific Highway) north of the Pullen Street intersection; and

**Cont'd**

- Business 3E Town Centre Support Zone – bordered by River Street, Clarence Street and the Pacific Highway south of the roundabout.

The current 3D zone does not permit shops.

The debate over the zoning of the three areas in Woolgoolga has been an ongoing matter since LEP 1988. Council has consulted with the community on this issue:-

- in 1996 with the preparation of the Woolgoolga Town Centre Study to provide a strategic plan for the town;
- during 1998 & 1999 with the preparation of LEP 2000,
- during the consideration of LEP Amendment 16 in 2002;
- with the establishment of the Woolgoolga Business Lands Working Group to progress the Woolgoolga Business Lands Review in 2002;
- with consideration to the Woolgoolga Business Lands in 2007;
- with the preparation of the ELS in 2009

It is appropriate that the matter progresses with the SLEP.

The SLEP will be placed on public exhibition allowing further community input.

To progress a new masterplan will likely delay the implementation of the Woolgoolga section of the SLEP. A masterplan process is likely to take several months to complete.

**Recommendation:**

That Council progress the ELS as revised following community consultation and incorporate the findings into the SLEP process.

• **Issue 2:**

Seek to retain the “village character” of Woolgoolga beach side area and allow for larger (supermarket) development to occur adjacent the current Pacific Highway in the location from Pullen Street to the Woolgoolga Creek bridge.

**Comment:**

The majority of community submissions received supported this statement.

Previously, on the 10th May 2007, Council considered a report (LUHD 15) on the Woolgoolga Business Lands Review (WBLR) which included a recommendation to rezone some of the land adjacent the current Pacific Highway in the location north of Pullen Street.

At that time Council resolved to “**Make no amendments to the current LEP and consider review of zones as part of the Standard LEP review. This outcome would enable the WBLR to inform changes to all business zones and would meet the future timing of the bypass in accordance with the requirements of the Department of Planning to progress minor amendments to the LEP in a strategic manner**”

Cont'd

CHCC has carried out Town Centre improvements in recent years, these demonstrate Council's recognition of the importance of Woolgoolga as a centre servicing the growing Northern Beaches population.

It is now appropriate to consider the rezoning of that land again as the ELS is being used to inform the SLEP.

**Recommendation:**

That as part of the SLEP process the land adjacent the current Pacific Highway (either side of the Highway) in the location north of Pullen Street to the Woolgoolga Creek Bridge be zoned to a Business zone permitting retail development.

• **Issue 3:**

Suggest that current residential land in the area bound by Market, Queen, Trafalgar and Nightingale Streets be rezoned to a business zone to allow for expansion of the precinct.

**Comment:**

The majority of Chamber of Commerce member submissions received supported this statement.

Noise, Access, Traffic and Parking issues would need further investigation if this matter was to be considered.

This option also raises equity issues with landowners of existing business zoned lands not being able to achieve retail premises while the landowners of these residential properties are given this opportunity.

**Recommendation:**

That this land not be considered for rezoning from residential to business purposes.

• **Issue 4:**

Suggestion that current residential land on the northern side of Beach Street (opposite existing business zoned lands) be rezoned to a business zone to allow for expansion of the "Village" precinct and to recognize some existing business uses.

**Comment:**

The land from Boundary Street to Wharf Street is currently used for a variety of special (Neighbourhood Centre) and business uses including the Caravan Park. From an urban design and functionality point of view it is logical to formalize this area as a part of the business core of the Village.

**Recommendation:**

That as part of the SLEP process the land on the northern side of Beach Street from Boundary Street to Wharf Street be zoned a Business (Neighbourhood) zone permitting minor retail development.

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Cont'd

- **Issue 5:**

Suggestion that current Business zone is too restrictive and that a more appropriate Business zone be used to allow for expansion of the precinct whilst recognizing some of the existing business uses.

**Comment:**

The Woolgoolga Business Lands review process identified the issue of the restrictive nature of the business zoning of this precinct.

If this precinct was to be rezoned additional facilities would be located adjacent to the Pacific Highway, away from the Town Centre. Vehicular access at both locations will ultimately benefit from the Pacific Highway bypass, however tourist demands for convenient and competitive retail outlets could enhance visitor enjoyment of Woolgoolga by reducing visitor shopping trips outside the Woolgoolga Trade Area.

**Recommendation:**

That as part of the SLEP process the land adjacent the current Pacific Highway in the location north of Pullen Street to the Woolgoolga Creek Bridge be zoned to a Business zone permitting retail development

#### **Park Beach Plaza/Homebase Locality**

- **Issue 1:**

The ELS needs to reinforce the role and importance of the City Centre Precinct i.e. the CBD, Jetty and Park Beach Plaza.

**Comment:**

The Mid North Coast Regional Strategy supports new retail development in major regional centres and identifies **Coffs Harbour** as one of four major regional centres on the Mid North Coast. Council's City Plan project; currently being undertaken jointly with the Department of Planning Taskforce; recognizes the importance of the City Centre Precinct. The City Plan project will result in a Vision, LEP Amendment (LEP47), a DCP and a Civic Improvement Plan (including a S94 Contributions Plan)

**Recommendation:**

That no change is required as the ELS recognizes and reinforces this role and importance.

- **Issue 2:**

Providing current uses permitted are retained and Floor Space ratios allow growth and development, the submission agrees with the ELS proposal to zone Park Beach Plaza and Homebase to B2 Local Centre under the SLEP.

**Cont'd**

**Comment:**

As the PBP is within the City Plan project (LEP 47) area further investigation and research is being carried out on the future zoning and floor space ratios of all business zones within the City Centre. This will determine the most appropriate zone for Park Beach Plaza and Homebase.

**Recommendation:**

That the findings of the City Plan project (LEP 47) determine the future zoning of the Park Beach Plaza and Homebase sites.

- **Issue 3:**

The submission seeks to have land in the York Street Arthur Street area zoned Mixed Business.

**Comment:**

This area is also within the City Plan project (LEP 47) area and further investigation and research is being carried out on the future zoning of these lands within the City Centre. This process will determine the most appropriate zone for area.

**Recommendation:**

That the findings of the City Plan project (LEP 47) determine the future zoning of this York Street site.

### **Sandy Beach Locality**

- **Issue 1:**

The submission promotes the use of a site on the northern end of Grahame Drive as being suitable for the development of a neighbourhood centre.

**Comment:**

Under the SLEP neighbourhood shops (formally general stores) will be permitted in residential zones. The site that is being prompted for consideration as a business zone by the submission is currently residentially zoned.

Consideration to the location of the site in context of the broader Sandy Beach Hearnese Lake catchment must be given together with the future highway and service road network.

This submission and the proposal it promoted was considered by the SLEP Internal Working Group and it was considered that in the future, anticipated to be post 2013, the Sandy Beach catchment will be able to access Woolgoolga without the need to travel on the upgraded Pacific Highway. This will mean that the business zoned areas of Woolgoolga will readily be accessible. Lower order goods (e.g. milk and bread) could readily be provided by general stores or neighbourhood shops within the locality and in a residential zone.

**Cont'd**

**Recommendation:**

That the land prompted in the submission not be rezoned to a business/commercial use.

**Toormina Locality**

• **Issue 1:**

That the ELS does not take into account that one of the main commercial centres has recently been sold to a major multi-national retailer

**Comment:**

The ELS did not specifically investigate single holdings nor holdings of major multi-national retailers. It addresses the supply and demand of business zoned lands within localities.

The current supply of business zoned land in Toormina is in excess of the amount of land required to fulfill the current and forecast future demand, based on a provision rate of 2.1sqmetres per head of population.

This means that with the amount of zoned land exists there is the ability to develop that land to cater for future floorspaces required. It is a commercial decision by the landowner to develop the land to cater for that floorspace.

**Recommendation:**

That the findings of the Industrial Lands Strategy be implemented for the Toormina Precinct.

• **Issue 2:**

There will be a loss of current commercial development should no other sites in the precinct be available.

**Comment:**

The Employment Lands Strategy has investigated the following key matters:

- A current situational analysis and overview of employment land stock in Coffs Harbour City local government area (LGA);
- An understanding of key issues for employment land in Coffs Harbour City through consultation with key stakeholders;
- Identification of critical land characteristics required by various industry sectors;
- Demand forecasts for employment land in Coffs Harbour City LGA;
- Recommendations for short-term zoning and spatial prioritisation of land to accommodate future employment lands;
- Strategies and actions to ensure a range of developable employment land is available to meet projected demand;
- Advice on preferred zoning categories for inclusion in the SLEP; and
- Consultation with identified stakeholders.

**Cont'd**

The Strategy has not identified a shortfall of employment zoned land in the Toormina Precinct.

**Recommendation:**

That the findings of the Industrial Lands Strategy be implemented for the Toormina Precinct.

**Implementation Date / Priority:**

Completion of the Employment Lands Strategy will inform the SLEP. The public exhibition was for an extended period, rather than the statutory 28 day period, from the first week of December to the end February 2010. The public exhibition period was further extended for an additional two week period after approaches from the community.

This process allows the document to be finalised and adopted by Council, thus allowing its recommendations to be incorporated into the SLEP project.

**Recommendation:**

1. That Council adopt the revised Employment Lands Strategy as provided under separate cover to the Councillors, and in accordance with recommendations detailed in the Issues section of this report – by excluding the sections of the Employment Lands Strategy dealing with Industrial zoned lands and maintain adopted position of endorsement of the Industrial Lands Strategy.
2. That the revised Employment Lands Strategy be progressed to the Department of Planning for information.
3. That the revised Employment Lands Strategy be used to inform the Standard Local Environmental Plan project.
4. That Council inform all submission writers of Council's decision.

Mark Salter  
Director  
Land Use, Health & Development

**Attachments:**

**SUMMARY OF SUBMISSIONS**

**DRAFT EMPLOYMENT LANDS STRATEGY**

**Form Letter Submissions**

<b>N<sup>o</sup>. Received</b>	<b>Issues</b>
29	<ul style="list-style-type: none"><li>• Support ELS – Woolgoolga East retain as village.</li><li>• Any large scale development should be where Highway currently is located.</li></ul>
45	<ul style="list-style-type: none"><li>• Support ELS.</li><li>• Large scale in area Pullen, River, Pacific Highway as development in this area will reduce the need for heavy vehicles in “village”.</li><li>• Any lands excluded will be lost opportunities for 20 years.</li></ul>
144	<ul style="list-style-type: none"><li>• Does not agree with not allowing shopping development outside Woolgoolga CBD (gives reasons).</li><li>• Supports major shopping complex in South Woolgoolga – identified for urban investigation and extension of industrial (gives justification/ reasons).</li><li>• Support restriction of overdevelopment of Beach Street.</li><li>• Large retail when needed should be on Highway servicing both sides of Highway and outer suburbs.</li></ul>
113	<ul style="list-style-type: none"><li>• Supports ELS in draft form with no additions or exclusions.</li><li>• Retain Woolgoolga east village atmosphere.</li><li>• Any large scale employment opportunities on River, Pullen and Highway.</li><li>• Support supermarket on land adjacent Highway (gave reasons).</li></ul>
15	<ul style="list-style-type: none"><li>• Supports analysis of Northern Beaches Residents Association.</li><li>• Supports encouragement of development in Highway, River Street areas and not support expansion of beachside area.</li></ul>
12	<ul style="list-style-type: none"><li>• Supports ELS.</li><li>• Lost opportunities if land at Pacific Highway, Pullen and River Streets extended.</li><li>• Appropriate land for expansion of business as population grows and provides for employment opportunities.</li><li>• No rezoning of land in Beach Street, Ganderton and Boundary Street (gave reasons).</li><li>• Supermarket site appropriate on land adjacent Pacific Highway if in Woolgoolga East would destroy village atmosphere.</li></ul>
44	<ul style="list-style-type: none"><li>• Support Council adopting ELS as it would create employment opportunities.</li><li>• Do not want large shops in beach area, want to maintain village feel.</li><li>• Any large scale development should be where Highway currently is located.</li></ul>
14	<ul style="list-style-type: none"><li>• Support Woolgoolga and Northern Beaches Chamber of Commerce to put ELS on hold to undertake collaborative master plan for Woolgoolga</li></ul>
14	<ul style="list-style-type: none"><li>• Support ELS.</li><li>• Retain Woolgoolga east village atmosphere.</li><li>• Any large scale employment opportunities on land adjacent Highway.</li></ul>
24	<ul style="list-style-type: none"><li>• Support Council adopting ELS as it would create employment opportunities.</li><li>• Do not want large shops in beach area, want to maintain village feel.</li><li>• Any large scale development should be where Highway currently is located.</li></ul>

## Individual Submissions

IR N <sup>o</sup> .	Issues
2426962	<ul style="list-style-type: none"> <li>• DECCW supports the removal of flood constrained land (below 1:100) from any proposed employ precincts.</li> <li>• Refers to comments from DECCW on ILS.</li> <li>• ELS does not address environmental constraints, DECCW recommends strategy assess and address the environmental constraints of each precinct to ensure adequate protection of environmental sensitive lands.</li> <li>• In Boambee East precinct adequate buffer via 7A Environmental Protection zone is appropriate between Industrial and Residential uses.</li> </ul>
2430335	<ul style="list-style-type: none"> <li>• Association urges Council to adopt the sections of ELS affecting Woolgoolga.               <ul style="list-style-type: none"> <li>(a) Beachside                   <ul style="list-style-type: none"> <li>- No evidence to support 12,000m<sup>2</sup> retail shortfall</li> <li>- Sufficient scope for small to medium development on commercial sites in Market and by rezoning the north side of Beach Street.</li> <li>- Oppose moves to expand into residential areas.</li> </ul> </li> <li>• Association Vision – preserve and enhance Beachside Village Atmosphere</li> <li>(b) Highway                   <ul style="list-style-type: none"> <li>- Welcome “opening up” of Highway to larger complexes</li> <li>- Council should apply same zoning to all three business precincts.</li> <li>- Association urges Council to approve Strategy as first step towards:                       <ul style="list-style-type: none"> <li>- Preserving Beachside village</li> <li>- Providing better consumer services</li> <li>- Creating employment opportunities.</li> </ul> </li> </ul> </li> </ul> </li> </ul>
2424096	<ul style="list-style-type: none"> <li>• District needs to expand – not possible “East”.</li> <li>• Need to protect present area but bulk – retail – commercial on “old” Highway is appropriate.</li> <li>• Plan needs detail e.g. supermarkets.</li> <li>• Present area “full” needs expansion as per ELS – immediate rezonings needed.</li> </ul>
2414546	<ul style="list-style-type: none"> <li>• Supports ELS.</li> <li>• Request Council to consider property in any future planning and development i.e. residential or commercial.</li> </ul>
2413708	<ul style="list-style-type: none"> <li>• Support business zoning on South Woolgoolga site.</li> <li>• Support allowance for additional business zoning in the ELS.</li> </ul>
2410967 & 2418944	<ul style="list-style-type: none"> <li>• Concern over industrial lands inclusion and recommendations in ELS.</li> <li>• Seek to reinforce role/importance of “City Centre” which includes CBD, PBP and Jetty.</li> <li>• Agree with ELS proposal to rezone PBP and Homebase to B2 – providing current range of permitted uses retained and FSR allows growth and development.</li> <li>• Need for additional industrial zoned land in Coffs Harbour.</li> <li>• Coffs Harbour ILS should prevail.</li> <li>• Industrial land at Isles Industrial Estate - does not mention business park in ILS yet in ELS. This contrary to Council adopted Strategy.</li> <li>• Request not B7 on Isles.</li> </ul>
2420230	<ul style="list-style-type: none"> <li>• ELS does not provide for rezoning of land in Coffs Harbour north area.</li> <li>• Suggests land in Walter Morris Close should be rezoned to business purposes.</li> </ul>
2420232	<ul style="list-style-type: none"> <li>• Recommend business zonings in Woolgoolga be Woolgoolga East Precinct B3 and Woolgoolga Precinct B2.</li> </ul>
2421350	<ul style="list-style-type: none"> <li>• Support ELS.</li> <li>• Support supermarket on land adjacent Highway (gave reasons).</li> </ul>

<b>IR N°.</b>	<b>Issues</b>
2420231	<ul style="list-style-type: none"> <li>• ELS does not provide adequately for growth and development of Coffs Harbour City Centre.</li> <li>• Seek rezoning of land in Dalley/Market/Albany Street to mixed use.</li> </ul>
2431924	<ul style="list-style-type: none"> <li>• General support development of ELS but strategy fails to provide for Sandy Beach.</li> <li>• Propose and justifies site on Graham Drive as appropriate location of a neighbourhood business centre similar to others in Coffs Harbour as identified in ELS.</li> </ul>
2434253	<ul style="list-style-type: none"> <li>• Northern Beaches Residents Association strongly against removal of Woolgoolga section from the ELS.</li> <li>• Strategy is first step towards:</li> <li>• Preserving Beachside village.</li> <li>• Providing better consumer services.</li> <li>• Creating employment opportunities.</li> </ul>
2438054	<ul style="list-style-type: none"> <li>• Support Council adopting ELS as it would create employment opportunities.</li> <li>• Do not want large shops in beach area, want to maintain village feel.</li> <li>• Any large scale development should be where Highway currently is located.</li> </ul>
2441955	<ul style="list-style-type: none"> <li>• Woolgoolga “East Business Precinct” should be zoned B3 Commercial.</li> <li>• Woolgoolga “Business Precinct” should be zoned B2 Local Centre.</li> </ul>
2450557	<ul style="list-style-type: none"> <li>• Submission relates to Woolgoolga only.</li> <li>• Urge Council not to adopt Strategy.</li> <li>• ELS has potential to create fragmented Town Centre.</li> <li>• Old master plan – out of date.</li> <li>• Need new master plan.</li> <li>• Woolgoolga is major town under Mid North Coast Regional Strategy.</li> <li>• No data evidence to demonstrate 12,000m<sup>2</sup> shortfall.</li> </ul>
2449026	<ul style="list-style-type: none"> <li>• Object to draft ELS.</li> <li>• ELS creates additional business zone that fragments current business hierarchy.</li> <li>• ELS creates adverse impact on existing supermarkets.</li> <li>• Recent approvals (tavern and motel) impacts on “village atmosphere”.</li> <li>• Woolgoolga not a village.</li> <li>• Request rezone land on northern side of Beach Street.</li> </ul>
2449901	<ul style="list-style-type: none"> <li>• Disagree strongly with s5.4 re Boambee East, Orlando Street industrial, South Jetty and Woolgoolga industrial – distinct lack of consideration of environmental values.</li> <li>• Woolgoolga East business – parts of Caravan Park should be rezoned for business development (gave reasons).</li> </ul>
2453915	<ul style="list-style-type: none"> <li>• Strongly object to Chamber’s attitude.</li> <li>• Support Council adopting ELS as it would create employment opportunities.</li> <li>• Do not want large shops in beach area, want to maintain village feel.</li> <li>• Any large scale development should be where Highway currently is located.</li> </ul>
245652	<ul style="list-style-type: none"> <li>• Study has not taken into account sale of Busy Bee business centre.</li> <li>• No suitably zoned land to retain local services in the southern suburbs.</li> </ul>
2448233	<ul style="list-style-type: none"> <li>• Support notion of need for full line supermarket in Woolgoolga.</li> <li>• Identify preferred location for full line supermarket in Woolgoolga.</li> <li>• Recommend a zoning for the land to permit a full line supermarket.</li> </ul>
2451010	<ul style="list-style-type: none"> <li>• Supports new master plan for Woolgoolga.</li> <li>• No need for large supermarket in Woolgoolga.</li> <li>• Seek Council restrict further retail development to existing zoned areas.</li> </ul>
2451672	<ul style="list-style-type: none"> <li>• Support need for major supermarket in Woolgoolga.</li> <li>• Supports consideration of Raj Mahal site for supermarket.</li> </ul>
2451680	<ul style="list-style-type: none"> <li>• Support proposal to develop a new master plan for Woolgoolga.</li> </ul>

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<b>IR N°.</b>	<b>Issues</b>
2451768	<ul style="list-style-type: none"><li>• Propose new master plan be developed for Woolgoolga and defer ELS as it applies to Woolgoolga.</li><li>• Support residential land bound by Market, Queen, Trafalgar and Nightingale Streets be rezoned to business.</li><li>• Oppose rezoning of Pacific Highway sector.</li></ul>
2453085	<ul style="list-style-type: none"><li>• Oppose any additional/expanded commercial zoning of Woolgoolga Beachside area.</li><li>• Suggest commercial zoning (Local Business) for Pacific Highway area.</li><li>• Support development of Woolgoolga as “Major Town” with suitable opportunities for employment, shopping and recreation.</li></ul>

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## CORPORATE BUSINESS DEPARTMENT REPORT

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### CB10/24 SUPPLY OF ELECTRICITY FOR LARGE CONTESTABLE SITES AND STREET LIGHTING

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#### **Purpose:**

To seek approval from Council to undertake a Reverse Auction Tender process for the Supply of Electricity for our large Contestable sites and Street Lighting with Regional Procurement Initiative and in association with their partners EnergyAction.

#### **Description of Item:**

Coffs Harbour City Council is a member of Regional Procurement Initiative who provides tenders for goods and services on behalf of the Mid North Coast Group of Councils. Regional Procurement (a division of Hunter Councils Incorp) have approached Council to consider participating as a group member in the calling of a Tender for the supply of Electricity for our large Contestable sites (using greater than 160MWh Electricity per annum) as well as our Street Lighting.

It is proposed to test the market by way of a Reverse Auction Tender with a view to obtaining the best possible outcome. In recent examples of the Reverse Auction process three Hunter Council Members as well as Port Stephens Council averaged savings of 16% each on their large contestable sites in comparison to the current #777 State Government Contract Rates. The same Councils made average savings of 18.6% on their Street Lighting.

There are two major components in the supply of electricity to any property, and they are the Distribution Network and the Retail Supply. When electricity is generated it is distributed via network operators (e.g. Country Energy), and that same electricity can then be purchased from any licensed retail electricity supplier. Since 1st January 2002, all electricity customers in NSW have had the option to choose their retail electricity supplier and enter into a negotiated retail supply contract, or remain with their standard retailer on a regulated tariff.

Factors which tend to increase market prices include weather patterns, drought, reduced generation, and instances where there are significant levels of business simultaneously seeking renewal of energy contracts. Pre-purchasing energy more than twelve (12) months in advance, enables retail suppliers to take advantage of when the market is at an optimum level which in turn helps to even out market volatility.

Council currently purchases electricity for Large Contestable sites (greater than 160MWh of electricity per annum) as well as Street Lighting under contract from Country Energy. The contract for Street Lighting expires on the 31 May 2011 with the Large Contestable sites expiring on the 30 June 2011.

- **Reverse Auction Tender Process**

In a Reverse Auction, the role of buyer and seller is reversed, with the buyer driving the auction, as opposed to the seller. Typically a buyer contracts with a market intermediary, and in this case EnergyAction to conduct all the necessary preparations in conveying the reverse auction. The process includes identifying suppliers, organising the auction, managing the auction event and providing auction data to buyers to facilitate decision making.

**Cont'd**

## CB10/24 Supply of Electricity for Large Contestable Sites and Street Lighting ...(Cont'd)

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EnergyAction on behalf of Council issues a request for proposal (RFP) to purchase "A Lot" of electricity supply. At the designated date and time several suppliers will log on to the auction site and input their offer quotes over a ten (10) minute period. The reverse auction tender process via the internet and in real time results in dynamic bidding and this assists in driving price quotations down as opposed to the traditional tender process.

- **Tender Methodology**

The tender will be based on several criteria as follows:

<b>Criteria</b>	<b>Weighting %</b>
Total Price offered	85
Quality Assurance- Conform/Not Conform Retailer conforms to the Electricity Retail Suppliers Licence Conditions	5
Customer Service Number of obligations breached according to the Energy distribution and retail licences Compliance Report 2007/08	5
ESD- Conform/Not Conform (Annual Greenhouse Gas Benchmark Statement)	5
<b>Total</b>	<b>100</b>

### Sustainability Assessment:

- **Environment**

The reverse auction tender process will provide an opportunity for Council to increase the component of green power purchased, however the financial implications of such increase will be dependent on tender prices submitted. A key part of the review of the tender submission will be the retailer's conformity to IPART Regulations and the sourcing of Green power.

- **Social**

As this reverse auction tender is only for electricity supply component there will be no real social impact.

- **Economic**

Regional Procurement Initiative advise that EnergyAction has called in excess of 2,000 Reverse Auctions with proven results, and guarantees that the outcome will be equal to or better than the NSW #777 State Government Contract rates.

The reality is that with the cost of Electricity to increase dramatically within NSW over the next few years, Council will not realise the current contract rates that we presently experience with Country Energy (expiring 30 June 2011). But as mentioned previously in this report other NSW Councils have accomplished great savings undertaking the Reverse Auction process. In late 2009 a small neighbouring North Coast Council realised a savings of \$40,000.00 per annum on their large contestable sites benchmarking the NSW #777 Contract rates.

**Cont'd**

## **CB10/24 Supply of Electricity for Large Contestable Sites and Street Lighting ...(Cont'd)**

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As a financial member of Regional Procurement, Council does not incur any Tender Management fees for undertaking this Reverse Auction process.

### **Consultation:**

Consultation included discussions with the following Council employees: Executive Manager Governance & Legal Services, Executive Manager Finance, Manager Telecom & New Technology and Plant Administration Officer.

### **Related Policy and / or Precedents:**

There are no precedents by Council in undertaking a Reverse Auction Tender for any subject matter. It is to be once again reinforced that Regional Procurement in partnership with EnergyAction have undertake Reverse Auction Tenders with nineteen (19) NSW Local Councils.

- **Risk Implications**

Nil, as this action process will ensure that the most appropriate price is obtained for the purchased electricity. It is to be noted that all prospective tenderers in the Reverse Auction process are licenced with the Independent Pricing and Regulatory Tribunal of NSW (IPART).

As per Council's Contracts Policy & Guidelines 2009 the Contracts Checklist for External Contracts for the potential ten (10) suppliers of electricity which have authorised by the Risk Co-ordinator and the Director of Corporate Business.

### **Statutory Requirements:**

The Local Government (General) Regulation 2005-Part 7 Tendering Division1 Preliminary 163 Section 55 requires that tenders be called for expenditure over \$150,000.00 GST Inclusive.

### **Issues:**

The major issue for Council is setting a precedent of undertaking a Reverse Auction Tender. The normal tender process is to invite suppliers to provide their offers via Council's physical tender box located in Council's Administrative Building or alternatively via Council's electronic tender box.

As mentioned in the Related Policy and or Precedents the Reverse Auction Tender process for the supply of Electricity has been undertaken by approximately nineteen (19) other NSW Councils who have achieved major cost savings. This process ensures that Council will achieve the best possible outcome and simultaneously meet our statutory requirements.

The NSW State Government is expected to sell off their retail owned suppliers for Electricity that of Country Energy, Integral Energy and Energy Australia within the next 12 months and as a consequence these three (3) retailers cannot bid for contract terms beyond 1 June 2013. It is therefore recommended that Council consider undertaking two (2) Reverse Tender Auctions on the same day, one being for a 24 month contract period and the other for a 36 month contract period, even though the second auction for the 36 month period will be limited by the number of tenderers.

The opinion of EnergyAction is that Council could still receive a better result from the Reverse Auction for the 36 month period even though there will be potentially less tenderers. Participating in a second reverse auction tender will allow Council to make clear and cost effective comparisons.

**Cont'd**

## **CB10/24 Supply of Electricity for Large Contestable Sites and Street Lighting ...(Cont'd)**

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Council is not obliged to accept the outcome of any of the Reverse Auction Tenders if it deems it is not cost effective, and it is also to be noted that as a financial member of Regional Procurement there are no tender management fees.

### **Implementation Date / Priority:**

Due to the nature of the electricity market, tender prices can only be held for a short time and requires formal acceptance within 7 working days of the tender outcome. This situation requires Council to by-pass the normal reporting approval process.

The proposed contract for Street Lighting will commence on the 1 June 2011 and the contract for Large Contestable Sites will commence on the 1 July 2011.

Dependant on the approval of this report, the processes would be:

- Step 1 Notify Regional Procurement Initiative of the approval of this preliminary report and Council's intention to participate in the tender process
- Step 2 Participate in the Reverse Auction tender process undertaken by Regional Procurement Initiative and EnergyAction. Expected Reverse Auction Tender date is 7 June 2010.
- Step 3 Regional Procurement to provide Council with the tender evaluation report and Recommended Tenderer.
- Step 4 A report to Council is prepared by the Purchasing & Supply Manager outlining the tender evaluation report and seeking approval of the recommended tenderer within 7 working days. Report to Council (dependent on all of the above) will on 10 June 2010.
- Step 5 After approval of the report by Council the General Manager will be required to Sign-off on the contract agreement the next day 11 June 2010.

### **Recommendation:**

- 1. Council undertake a Reverse Auction for the supply of electricity for our large Contestable sites and Street Lighting, with Regional Procurement Initiative and their partners EnergyAction for a period of 24 months and 25 months respectively.**
- AND**
- 2. Council undertake a Reverse Auction for the supply of electricity for our large Contestable sites and Street Lighting, with Regional Procurement Initiative and their partners EnergyAction for a period of for a period of 36 months and 37 months respectively.**

**Craig Milburn  
Director  
Corporate Business**

## CITY SERVICES DEPARTMENT REPORTS

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### CS10/11 INTEGRATED WATER CYCLE MANAGEMENT STRATEGY

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#### **Purpose:**

To seek adoption of the Coffs Harbour Water Integrated Water Cycle Management (IWCM) Strategy by Council.

#### **Description of Item:**

This report presents Coffs Harbour Water's Integrated Water Cycle Management (IWCM) Strategy for adoption by Council. The IWCM strategy provides an integrated planning framework that has been used to assist with issues identification and resolution for Coffs Harbour Water and Council's Water Cycle Services over a 30 year planning timeframe.

Integrated Water Cycle Management involves the integration of water supply, sewerage and stormwater so that water is used optimally.

In 2004 the NSW Department of Energy, Utilities and Sustainability introduced a best practice management criterion for local water utilities - Integrated Water Cycle Management (IWCM). Council prepared the Integrated Water Cycle Management Concept Study in August 2006. The IWCM concept study was accepted by the Department upon completion.

The Department subsequently agreed, that as Coffs Harbour City Council was well underway in implementing our water and sewer strategies, an addendum to the concept study by Council would be sufficient for Council to comply with the best practice guidelines.

The addendum addresses several tasks and gaps identified in the IWCM concept study and has now been approved by the NSW Office of Water and is presented to Council for formal adoption.

In essence the IWCM Strategy identifies and prioritises significant issues that need to be managed by Coffs Harbour City Council into the future. Guidance is provided as to how Council is addressing the issues identified, and its intended future course of action.

In adopting the IWCM Strategy, Council continues a proactive approach to sustaining the implementation of best practice management.

The Integrated Water Cycle Management Strategy is comprised of two report documents.

- The first Strategy report is entitled 'Coffs Harbour Water, Integrated Water Cycle Management Concept Study, Final 2006' and was completed by engineering consultants, John Wilson and Partners Pty Ltd (JWP). This report identifies and outlines the significant issues that need to be managed by Coffs Harbour Water. A formal stakeholder consultation process was used for issues determination.
- The second Strategy document is entitled 'Addendum to Coffs Harbour Water Integrated Water Cycle Management Concept Study, Final Report February 2010' and was completed by Council's Strategic Infrastructure section. This report outlines how Council is addressing the issues identified within the Concept Study Report, and Council's intended future course of action.

**Cont'd**

The most significant focus identified within the Strategy is for Council to continue with updating, modelling and then refinement of detailed augmentation and rehabilitation options for the Coffs Harbour Water sewerage transport and water distribution pipeline networks. Completion of this will assist Coffs Harbour Water identify its future pipeline augmentation/replacement priorities and future funding requirements. It will also assist Coffs Harbour City Council in maintaining NSW Office of Water "best practice" management.

The Strategy provides a reference point for future planning decisions. Within the Strategy, Council's existing water systems are documented. The Strategy provides overviews of catchment and water resource information, system and network information, a scope of the services that Council provides, its recent activities and an overview of existing management plans in place for the various water service components.

The adoption of the report will fulfill a compliance prerequisite for continued Government funding assistance.

Both Strategy documents are available for review within the Councillors Room.

More detailed information outlining the IWCM process and Strategy conclusions can be found within relevant sections of the IWCM Addendum Report.

**Sustainability Assessment:**

- **Environment**

There are no adverse environmental impacts resulting from the tabling of this report.

- **Social**

The Strategy assists Council in gaining a better knowledge of its water business and systems. This assists with smarter capital expenditure and better management of Council's infrastructure and natural resources.

- **Economic**

**Broader Economic Implications**

The strategy assists Council to manage its Integrated Water Management priorities more effectively, leading to cost saving opportunities. The adoption of the report will also assist with compliance of prerequisites for continued Government funding assistance.

**Management Plan Implications**

The strategy will assist Council in the managing of its water infrastructure more effectively. No additional funding requirements to Council's Management Plan are called for within the report.

**Cont'd**

**Consultation:**

A project reference group (PRG) was formed to assist with the identification of management issues. The PRG consisted of Council and Coffs Harbour Water staff and representatives from NSW state government agencies, including the NSW Office of Water.

The NSW Office of Water have reviewed the Strategy and are supportive of its adoption. The NSW Office of Water have advised that given that there are no major capital commitments proposed within the strategy, that a formal exhibition process is not necessarily required for fulfilling NSW Office of Water compliance requirements.

**Related Policy and / or Precedents:**

Not applicable.

**Statutory Requirements:**

Not applicable.

**Issues:**

Adoption of the report will assist with fulfilling compliance prerequisites for continued Government funding assistance.

**Implementation Date / Priority:**

It is proposed that on adoption the IWCM strategy be used to assist and guide future issues resolution within Council's water cycle service areas. The IWCM strategy is to be reviewed on a 6 yearly basis, as required by the NSW Office of Water.

**Recommendation:**

**That Council adopt the Coffs Harbour Water Integrated Water Cycle Management Strategy, comprising the following two reports:**

1. "Coffs Harbour Water, Integrated Water Cycle Management Concept Study, Final 2006".
2. "Addendum to Coffs Harbour Water Integrated Water Cycle Management Concept Study, Final Report February 2010".

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**CS10/12 PROFESSIONAL DEVELOPMENT TRIP TO NEW ZEALAND - OPERATORS CONFERENCE**

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**Purpose:**

Requesting Council to note that staff member Les Potter is attending the Water Industry Operations Group of New Zealand, Operators Conference in Hamilton in May 2010.

**Description of Item:**

Les Potter, Council's Operator at the Karangi Water Treatment Plant, was voted as Water Directorate NSW Operator of the Year for 2010 at the Water Industry Operators Association (WIOA) Conference held in Bathurst in April 2010. The award recognised initiative, excellent performance and all round attention to detail.

Judging criteria included continuing education/training achievement; overall plant management and condition; demonstrated attention to OH&S and other regulatory responsibilities; initiative and innovation and demonstrating improved treatment and efficiency.

Les has worked at Council as the Operator at the Karangi Water Treatment Plant for the last 18 years and is Coffs Harbour's second winner of the new professional development trip to New Zealand from 7-15 May 2009 and includes the Operators Conference in Hamilton.

Les joins the WIOA delegation as a participant on this trip along with WIOA Committee people, interested industry reps and other prize winners. The trip includes a study tour of various water and wastewater treatment plants and processes as well as the conference.

In accordance with Council policy, Les Potter will prepare a more detailed report upon his return to work.

**Sustainability Assessment:**

- **Environment**

New operational techniques will be discussed at the conference, which will provide CHCC with the latest information and will have long term benefits for the sustainable development and operation of our Plants and systems.

- **Social**

The conference will provide Les with increased networking opportunities for the benefit of Coffs Harbour Water.

- **Economic**

The prize includes the Study Tour of various water and wastewater plants, attending the conference, air fares and accommodation, all arranged through WIOA. There is no cost to Council except in staff time.

**Cont'd**

**CS10/12 Professional Development Trip to New Zealand - Operators Conference  
...(Cont'd)**

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**Implementation Date / Priority:**

This was a prize from the WIOA conference and did not allow sufficient time for preparation of a report to Council prior to Les Potter's attendance at this conference. Details of the program were only obtained within the last week.

**Recommendation:**

**That Council note Les Potter's attendance at the Water Industry Operations Group of New Zealand Conference to be held in Hamilton, New Zealand from 7-15 May 2010.**

**Jenni Eakins  
Acting Director City Services**

## QUESTIONS ON NOTICE

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### QON10/5 HARMONY DAY

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#### **Purpose:**

Councillor Denise Knight asked the following question:

I would like to congratulate the staff on a wonderful Harmony Day. My question is:

*Why was there no Indigenous people dancing?*

#### **Staff Comment:**

The purpose of the Multicultural Harmony Festival, held annually each year is primarily to showcase and promote the city's diversity through performances, activities, food and music. The local Aboriginal community have been invited to participate at the Festival since its inception in 2007 by providing the Welcome to Country. Additionally, at previous Festivals we have had a local didgeridoo artist perform and this year Mark Flanders provided a cultural presentation and bush tucker walk on the day. Council's Multicultural Reference Group, developers of the Festival, relies heavily on local, not imported, artists to make this community Festival a success. To the Group's knowledge there is currently no traditional local Aboriginal dance group, however they will continue to investigate and invite performance groups of any culture to perform at future Festivals.

**Purpose:**

Councillor Rodney Degens asked the following question:

How does CHCC plan to safeguard the Coffs Harbour Base Hospital against future flooding events?

**Staff Comment:**

As part of the Flood Mitigation program Council currently has consultants engaged in preparation a flood study for the Boambee - Newport's Creek catchment.

The Draft Flood Study is due for completion in July 2010. Council will then proceed with the preparation of a Floodplain Risk Management Study and Plan, in line with the State Government's "Floodplain Management Manual". The Management Study and Plan will include assessment of flood mitigation options for the catchment plus review planning controls in light of the latest flood information and possible impacts of climate change/ sea level rise.

The hospital building floor level is set above the current 1 in 100 year flood level. Car parking and access however is flood effected.