



COFFS HARBOUR CITY COUNCIL
ORDINARY MEETING
COUNCIL CHAMBERS
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR
23 FEBRUARY 2012

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	A portion of this report is confidential for the reason of Section 10A (2): (d) commercial information of a confidential nature that would, if disclosed: (i) prejudice the commercial position of the person who supplied it, or (ii) confer a commercial advantage on a competitor of the council, or (iii) reveal a trade secret. and in accordance with Section 10A (1) the meeting may be closed to the public.



COFFS HARBOUR CITY COUNCIL

ORDINARY MEETING

23 FEBRUARY 2012

Mayor and Councillors

GENERAL MANAGER'S REPORT

GM12/3 STATEMENT OF BUSINESS ETHICS

Purpose:

The purpose of this report is to review and update the Statement of Business Ethics

Description of Item:

The Statement of Business Ethics provides an ethical framework for individuals and organisations that enter into a business relationship with Coffs Harbour City Council.

Sustainability Assessment:

- **Environment**

This is not applicable to this report.

- **Social**

This is not applicable to this report.

- **Civic Leadership**

The purpose of Council policies is to ensure transparency and accountability in local government. The implementation enables Council to identify and respond the community. This is consistent with the *Coffs Harbour 2030 Community Strategic Plan* strategy *LC2.2.1: Enable and support all levels of government to serve the local community.*

- **Economic**

There are no economic impacts as a result of this report.

Broader Economic Implications

There are no broad economic impacts associated with the implementation of the recommendations

Delivery Program/Operational Plan Implications

The ongoing development and review of Council policies and plans are accommodated within Council's budget structure. This expenditure is monitored through Council's monthly and quarterly budget reviews

Consultation:

This is not applicable to this report.

Statutory Requirements:

This is not applicable to this report.

Issues:

The Statement of Business Ethics replaces the previous Statement.

Implementation Date / Priority:

Implementation is immediate.

Recommendation:

That Council adopts the Statement of Business Ethics.

Attachments:



Statement of Business Ethics

Forward



This Statement of Business Ethics provides an ethical framework for individuals & organisations that enter into a business relationship with Coffs Harbour City Council.

That business may include the supply of goods &/or services, use of contractors &/or consultants & other business partnerships & alliances.

It provides guidelines on what to expect from Council & what we will expect from you. This Statement will set out the mutual obligations, roles & constraints that apply to all parties involved in the business relationship.

All individuals & organisations that deal with Council must apply these standards of ethical behaviour – this is not an additional requirement of doing business with us but an integral part of our business model.

This Statement is designed to ensure that all our business relationships are fair, productive & ethical for all.

Steve McGrath
General Manager

Our business principles

Best value for money – this is determined by taking into account factors such as quality, supplier experience, past performance, reliability, service, timeliness, initial & whole of life cost, WH &S, sustainability & local content. It does not necessarily mean 'lowest price'

Fairness & impartiality – Fairness means being objective, reasonable & even handed. It does not mean pleasing everyone. If some people are adversely affected by a particular decision, that may be unfortunate, but not necessarily unfair. We strive to be fair by ensuring that our processes are appropriate & demonstrate this by being open & accountable, wherever practicable. This does not mean that we will always go to open public tender. We will deal exclusively with parties in exceptional circumstances & where we can demonstrate valid reasons, in accordance with the Local Gov Act.

What you can expect of us

All staff & delegates of Council are bound by our Code of Conduct & they are expected to:

- be accountable for their actions & act in the public interest;
- act honestly & ethically;
- disclose any situation that involves or could be perceived to involve a conflict of interest;
- respond to reasonable requests for information & advice without delay;
- encourage fair & open competition while seeking value for money;
- protect commercial-in-confidence information;
- not solicit or accept financial or other benefits for performing official duties.

All potential suppliers will be treated with impartiality & fairness & we will ensure that they are given equal access to information.

What we expect of you

We require individuals & organisations that do or expect to do business with Council to observe the following principles:

- act ethically & honestly in all dealings with Council
- declare any real or perceived conflicts of interest
- not offer Council employees, contractors & suppliers any financial inducements, gifts, benefits, entertainment or employment opportunities to influence the conduct of their duties
- respect the obligation of Council employees, contractors & suppliers to comply with its procurement policies & procedures
- prevent the unauthorised release of privileged or commercial-in-confidence information
- refrain from discussing Council business or information with the media
- not to directly or indirectly canvass support from Council staff or delegates during a formal tender period
- deliver value for money
- act without discrimination
- comply with privacy legislation



Statement of Business Ethics

Why you must comply

Our Statement of Business Ethics is about being able to conduct business in a fair & ethical manner that advances both the interests & objectives of Coffs Harbour City Council & as well as your business.

There may be consequences for not complying with this Statement. Demonstrated corrupt or unethical conduct could lead to:

- termination of contracts & tendering opportunities
- loss of future works;
- loss of reputation
- matters being referred to investigating authorities
- dismissal for Council employees & delegates
- potential criminal charges

Practical guidelines

Gifts & benefits

The Council discourages our business partners offering gifts & benefits to our staff. We award business on the basis of merit taking into account what is 'best value for money'.

Gifts & benefits should not be given in connection with any current or prospective business dealings & Council officials are not permitted to ask for any incentive or reward for doing their job.

Conflicts of interest

All Council employees & staff are required to disclose any potential, actual or perceived conflicts of interest. We extend this requirement to all our business partners & suppliers.

Conflicts of interest exist when it is likely that a Councillor or staff member may be influenced, or perceived to be influenced, by a personal interest in carrying out their public duty.

Councillors, staff & customers doing business with Council are required to disclose in writing any perceived or actual conflicts of interest. Conflicts of interest should be disclosed in writing.

Confidentiality & intellectual property rights

Information which is marked confidential, or which a reasonable person would expect to be confidential, should be treated as such.

In business relationships with Council, parties will respect each other's intellectual property rights & will formally negotiate any access, licence or use of intellectual property.

Other employment or business

Staff shall not engage in outside employment or business that relates to the business of Council, or could conflict, with their duties with the Council. They can only engage in such a second job or business if they have the written approval of the General Manager.

Communication

All communication between parties should be clear, direct & accountable.

Ideally all meetings between Council staff or its delegates should be on Council premises or on-site. A written record of any decision or commitment made at the meeting must be made & endorsed by all parties.

Who to contact for more information

If you have any enquires about this document or wish to report or have concerns about corrupt conduct, maladministration or serious waste of public funds, please contact one of Council's Directors, the General Manager or Council's Manager of Governance Services.

The Public Interest Disclosures Act protects public officials disclosing corruption related matters from reprisal of detrimental action & ensures disclosures are dealt with properly.

External reporting can also be made to:

- ICAC
- NSW Division of Local Government
- NSW Ombudsman

Purpose:

To provide a progress report on the first six months of implementation of Council's 2011/2015 Delivery Program.

Description of Item:

Coffs Harbour City Council began implementing its 2011/2015 Delivery Program on 1 July 2011, under the Integrated Planning and Reporting provisions (IPR) of the Local Government Act, 1993.

The Delivery Program must include a method of assessment to determine the effectiveness of Council's principal activities in achieving the objectives of the *Coffs Harbour 2030* Community Strategic Plan. Progress reports must be provided to Council at least every 6 months.

The *Six-Monthly Progress Report (for the period 1 July to 31 December 2011) on the Coffs Harbour City Council 2011/2015 Delivery Program* is tabled at this time. The document is posted on Council's website. A printed copy is available in the Councillors' Room. Once adopted, printed copies will also be available at Council's display locations.

The ongoing *Coffs Harbour 2030* project includes the proposed development of community/sustainability indicators to help measure performance against the 2030 Plan. The Delivery Program was adopted with a set of interim "Objective Measures" to assist the assessment process until appropriate indicators are available.

The Six-Monthly Progress Report identifies specific achievements or challenges recorded during the reporting period. It also attempts to provide an overview of the way in which Council's performance has contributed towards achieving each 2030 Objective. It is evident that additional benchmark/baseline data is required to support effective reporting at this level on an ongoing basis.

It is recommended that the Six-Monthly Progress Report be adopted for public release.

Sustainability Assessment:

- **Environment**

There are no environmental impacts associated with the preparation or content of this report.

- **Social**

There are no social impacts associated with the preparation or content of this report.

- **Civic Leadership**

The IPR framework enables Council to identify and respond to community aspirations and co-ordinate the provision of appropriate works and services to help achieve the city's strategic objectives. This is consistent with the *Coffs Harbour 2030* Community Strategic Plan strategy *LC2.2.1: Enable and support all levels of government to serve the local community.*

- **Economic**

Broader Economic Implications

There are no broad economic impacts associated with the preparation or content of this report.

Delivery Program/Operational Plan Implications

The annual development and review of the Delivery Program and Operational Plan are accommodated within Council's budget structure. This expenditure is monitored through Council's monthly and quarterly budget reviews. The establishment and review of benchmark/baseline data (to assist future reporting) may necessitate the provision of additional Council resources.

Consultation:

The preparation of this report involved consultation with Senior Staff, Managers and project supervisors across Council.

Related Policy and / or Precedents:

Section 404 of the Local Government Act 1993 applies. In summary, it requires that:

- A council must have a Delivery Program, detailing the principal activities it will undertake to achieve the objectives established in the Community Strategic Plan, within the resources available under the Resourcing Strategy.
- The Delivery Program must include a method of assessment to determine the effectiveness of each principal activity detailed in the Delivery Program in achieving the objectives at which the activity is directed.
- The General Manager must ensure that progress reports are provided to the council, with respect to the principal activities detailed in the Delivery Program, at least every 6 months.

Issues:

The Six-Monthly Progress Report is an overview of the effectiveness of Council's principal activities in *implementing the strategies* and *achieving the objectives* of the *Coffs Harbour 2030 Community Strategic Plan*. It refers to the period 1 July to 31 December 2011.

In the 2011/2015 Delivery Program, Council's 'principal activities' are identified as its Budget Programs. Each Budget Program encompasses a range of related projects and services. The projects and services are aligned with one or more of the Strategies that are set out in the *Coffs Harbour 2030 Plan*. The implementation of 2030 Strategies contributes to the achievement of the 2030 Objectives.

GM12/4 - 2011/2015 Delivery Program - Six Monthly Progress Report (Cont'd)

The IPR alignment can be viewed as:

Coffs Harbour 2030 Plan		
Theme		
Outcome	Delivery Program	
Objective	Objective	Operational Plan
Strategy	Strategy	Strategy
	Budget Program	Budget Program
	Projects (4 years)	Projects/Services (1 year)

Council's Quarterly Performance Reporting helps to measure the implementation of *strategies*; using *Performance Planning* software, we are able to track the progress of projects and services according to Budget Program (as set out in Council's Operational Plan). This measures "outputs" with the assistance of traffic lights and performance percentage figures.

To assess our progress in achieving *objectives*, we need to take a broader view of the combined impacts of Council activities in delivering "outcomes". Interim "Objective Measures" are included in the 2011/2015 Delivery Program to assist this process. The development of long-term, community/sustainability indicators is an ongoing project for Coffs Harbour 2030. The interim Objective Measures in the Delivery Program will be reviewed as sustainability indicators are finalised.

There are 41 Objectives in the 2011/2015 Delivery Program. Comments are provided on the contribution that Budget Programs have made to the achievement of those Objectives during the period.

In addition, this report provides the 'traffic light' status and achievement percentage (as generated by *Performance Planning*) for every Council Budget Program for the six months to 31 December 2011.

Similarly, a 'traffic light' status and achievement percentage shows the six-monthly progress of each specific Project identified in the Delivery Program for 2011/2012.

In some instances, the absence of baseline/benchmark data limits Council's ability to comment on any change in status in regard to the Objective. The establishment and review of appropriate baseline/benchmark data is a process that is to be addressed as part of the development of community/sustainability indicators for the *Coffs Harbour 2030 Plan*.

Implementation Date / Priority:

If adopted by Council, the Six-Monthly Progress Report on the 2011/2015 Delivery Program will be released immediately.

Recommendation:

That Council adopts the Six-Monthly Progress Report (for the period 1 July to 31 December 2011) on the Coffs Harbour City Council 2011/2015 Delivery Program.

GM12/5 OPERATIONAL PLAN REPORTING FOR THE QUARTER ENDED 31 DECEMBER 2011

Purpose:

To report on the progress of implementation of Council's 2011/2012 Operational Plan.

Description of Item:

Under the Integrated Planning and Reporting (IPR) framework, Council developed an Operational Plan for the 2011/2012 financial year to guide operational activity and to monitor performance.

This report addresses the progress of that activity from 1 October 2011 to 31 December 2011.

The performance of individual projects and services is recorded in detail in Council's *Performance Planning* system, a software tool designed to assist the organisation to monitor progress at an operational level. The system generates a summary report, tracking the performance of Council's 57 Budget Programs as well as the major projects within each Program.

A printed copy of the report - titled *2011/2012 Quarterly Operational Report – October to December 2011* - is available in the Councillors' Room. The report will also be posted on Council's website.

A list of significant achievements for the quarter is provided as an Attachment to this report.

Sustainability Assessment:

This report monitors performance against measures applied to Council's projects and services, as set out in the 2011/2012 Operational Plan. The individual projects and services are aligned (through Council's Budget Programs) with the Quadruple Bottom Line objectives of the *Coffs Harbour 2030 Community Strategic Plan*. Their performance measure assessments are based on social, environmental, economic, and civic leadership principles. Accordingly, an overall assessment is not required for the tabling of the report.

Consultation:

Managers from all Council departments have submitted performance reports for operational activities within their areas of responsibility.

Statutory Requirements:

Sections 404 and 405 of the Local Government Act 1993 detail a council's obligations in regard to its Delivery Program and Operational Plan.

There is no legislative or policy requirement for Council to report quarterly on the operational performance measures within the 2011/2012 Operational Plan. However it is considered prudent management practice to monitor these measures to ensure that targets are being met and that the delivery of Council works and services is consistent with community expectations.

Issues:

The booklet entitled *2011/2012 Quarterly Operational Report – October to December 2011* is generated from Council's *Performance Planning* software package. It shows the current status of each of Council's 57 Budget Programs, using a percentage progress figure and summary comments from the officers responsible for each Program. Where a Program includes significant projects – either Capital Projects or Major Operating Projects – a progress report on those projects is also included.

In general, Council aims at achieving a 100% result as the expected level of achievement for each Budget Program at the conclusion of each quarter of the 2011/2012 year. The percentage achievement figure is an aggregate of the progress scores for the individual projects and services within each Program.

Council's 2011/2012 Operational Plan identifies 182 projects in progress during the December quarter. Projects are classified as 'one-off' activities, often with set start and finish dates and individual budgets. The Operational Plan also identifies 143 services – these are ongoing activities carried out as the day-to-day business of Council. The delivery of services is measured through the use of Key Performance Indicators (KPIs) which generally compare achievements against set targets or timeframes.

The *Performance Planning* software utilizes "traffic lights" to indicate the progress towards completion of performance measures. A green light indicates that the measure is either "on track" or achieved. An amber light indicates the status is "manageable", and a red light indicates the activity is "at risk".

Of Council's 57 Budget Programs, 47 are reported as being "on track" for the December quarter; eight are reported as "manageable" and two are reported as "at risk", with the comments below provided as background.

Program	December 2011 Status
240 (Public Health and Safety)	91% (Manageable) Additional time needs to be dedicated to the core public health elements by inspections of regulated premises. In particular, this resourcing capacity issue relates to ensuring our inspection regime occurs for cooling towers, food premises, skin penetration premises and caravan parks. Resourcing the Senior EHO position should assist in providing capacity for other EHO's to focus on their inspection regime esp for food premises. This position should be filled very soon, to commence say late March/early April.

GM12/5 - Operational Plan Reporting for the Quarter ended 31 December 2011 (Cont'd)

<p>320 (Leasing and Management)</p>	<p>100% (Manageable)</p> <p>Whilst satisfactory performance in leasing is being achieved, asset management of properties will become increasingly problematic within the existing budgetary constraints. Current budgets allow for only reactive maintenance at best.</p> <p>Additional funding will be required to ensure ongoing pro active maintenance to better ensure maximum utility of real estate assets.</p> <p>Areas which will require urgent attention include the sealed roadways and carparks to council owned or controlled properties, such as the Community Village. Increasing usage demands are raising the risk profile of these assets and exposing Council to potential claims for damages.</p> <p>Extension of the Corporate asset management software to include buildings is essential to enable Maintenance staff to start building a functional asset management schedule and budget</p>
<p>330 (Swimming Pools)</p>	<p>100% (Manageable)</p> <p>Leasing arrangements are satisfactory for the period.</p> <p>The property manager has previously reported plant and equipment issues at the Nana Glen pool. These issues remain. It is expected that major replacement costs will be incurred in the near future as the domestic equipment reaches its functional life span.</p> <p>Similarly the previously reported leakage issue at the Woolgoolga pool is ongoing. The Lessee has reported excessive water usage accounts (the cost of which council is paying pending remediation of the leak). Arrangements have been made for the company that has undertaken previous leak repair work to re-inspect the pool at the commencement of the off season (April onwards)</p> <p>On both accounts, additional funding will be required to meet the cost of remediation.</p> <p>Subsidy arrangements for the Coffs Harbour Pool are being revisited in light of the refurbishments.</p>

GM12/5 - Operational Plan Reporting for the Quarter ended 31 December 2011 (Cont'd)

512 (Asset Systems)	<p>60% (Manageable)</p> <p>The focus for the assets team has been the end-of-year financial audit and this involved a significant amount of work. The audit was unqualified and this is a reflection of the work done by the team. Ongoing data migration and integration with finance system along with meeting audit requirements for current year will be the next challenges and these will be made difficult with staff absences and resignations stretching resources.</p>
531 (Regional Roads)	<p>100% (Manageable)</p> <p>The overall performance of Council's regional roads within the December quarter has been satisfactory. The prevalent activities undertaken within the December quarter were the AC patching of MR 151 (Coramba Road) and the shoulder grading of MR120 (Eastern Dorrigo Way).</p> <p>Consideration needs to be given to allocating funding towards necessary concrete repairs to the piers of Harry Jenson Bridge on Hogbin Drive. The saltwater environment has created cracking and spalling of concrete piers.</p> <p>The maintenance of Regional Roads is funded through the RMS Block Grant Funding. Pavement and roadside maintenance activities have been programmed according to risk against available funding.</p> <p>Wet weather is adding to construction times and costs for projects; also causing road failures and hence more patching.</p> <p>No capital works were planned for the December Quarter. Resealing Works are planned for the March quarter including sections on Coramba Road, Sawtell Road, Lyons Road and Eastern Dorrigo Way</p>

GM12/5 - Operational Plan Reporting for the Quarter ended 31 December 2011 (Cont'd)

<p>535 (Local Roads)</p>	<p>80.00% (At Risk)</p> <p>Wet weather is adding costs and time delays to the road rehabilitation program; also more demand on pothole patching and road deterioration.</p> <p>The works response to the June 11 natural disaster event has resulted in the YTD expenditure being approximately \$90K greater than the allocated YTD Budget. It is intended to rein this over-expenditure in to budget; however, this will mean a lower level of service for the remaining quarters for local road maintenance.</p> <p>The long term increase in road maintenance costs should also be noted - - if greater funding is not secured, long term reductions in levels of service and increased maintenance costs are inevitable.</p> <p>Local Roads Customer Requests: 121 relating to potholes on local roads (108 completed in quarter).</p> <p>29 CRs re potholes on high traffic roads (26 completed)</p> <p>27 CRs re failed pavement on local roads (27 completed).</p>
<p>545 (Drainage)</p>	<p>25% (At Risk)</p> <p>The detention basin component of the flood mitigation program is at risk because of frustrations with land acquisitions.</p> <p>The drainage maintenance program is trending 45% over the YTD budget as a result of a need to undertaken open drainage work in the northern beaches following the June 11 Natural Disaster event. Future work is to be managed and undertaken on a prioritised basis according to available funding.</p> <p>Drainage Customer requests regarding possible threats to property: 9 (8 completed in quarter)</p> <p>CRs re general drainage maintenance: 112 (102 completed).</p>

GM12/5 - Operational Plan Reporting for the Quarter ended 31 December 2011 (Cont'd)

610 (General Untied Funding)	100% (Manageable) Council's Rates & Charges outstanding debt % for the quarter ending December 2011 was 7.10%. This is slightly higher than the 7.05% reported for the September 2011 quarter. In comparison the % for the December quarter last year (2010) was 6.78%, and the year before that (2009) was 6.43%. Unfortunately this upward trend is probably a sign of the tougher economic times. History indicates that this percentage should be roped in a little by 30 June.
790 (Water Untied Funding)	100% (Manageable) As per Program 610 above.
890 (Sewer Untied Funding)	100% (Manageable) As per Program 610 above.

Council's electronic records management system provides data related to completion of tasks assigned across the organisation. A total of 4,255 tasks were recorded in the system for the December quarter with 4,042 tasks (82.4%) being attended to within the required timeframe. This compares to 82.6% for the September quarter and 81.9% in the December quarter in 2010.

The quarterly performance reporting process includes an ongoing review of Key Performance Indicators to ensure that measures provide an accurate and meaningful assessment of the effectiveness of Council's operational activities.

Implementation Date / Priority:

Management will continue to monitor the organisation's performance with a view to improving service delivery.

Recommendation:

That Council:

- 1. Notes the operational status of Budget Programs for the quarter ended 31 December 2011, as outlined in the body of this report.**
- 2. Continues to monitor its performance with a view to improving service delivery.**

Attachments:

DECEMBER QUARTER - SIGNIFICANT ACHIEVEMENTS

- Council facilitated “On Ya Bike” Day in October to promote cycling as an alternative to motor transport. Over 200 people took part.
- The Coffs Harbour Business Centres Hierarchy Review was placed on public exhibition with the release of a Discussion Paper and two community shop-front sessions.
- Work began in October on the replacement of picnic shelters on Jordan Esplanade in the latest stage of the \$1.1m upgrade of the Jetty Foreshore.
- A Children's Art and Culture Festival was staged with the Regional Botanic Gardens and the Art Gallery as venues.
- A successful Show Us Ya Dish cooking competition was staged to promote local food production at the weekly Growers' Markets in the City Centre.
- Coffs Harbour Water and local TAFE students unveiled a new WaterWise Garden as part of the National Water Week launch at the North Coast Regional Botanic Garden.
- The Our Living Coast Sustainable Living Festival was staged from 30 October to 6 November showcasing environmentally sustainable ideas, products, and practices.
- In November, the Bunker Cartoon Gallery hosted the Digitoon exhibition (a selection from the 24th Rotary Cartoon Awards) and Exposed, a collection of works by over 70 students enrolled at North Coast Institute of TAFE NSW. December saw the Echoes from the Past Dutch community arts exhibition and the Summer Fun Cartoons collection.
- On Sunday 20 November, thousands of people turned out for Coffs Harbour's Sesquicentennial celebrations were staged including a massive float parade and a community concert at the Harbour foreshore.
- Council facilitated a battery recycling promotion as part of National Recycling Week.
- Council extended its commitment to improving natural resource management in the region with the renewal of its Memorandum of Understanding with the Northern Rivers Catchment Management Authority.
- The Coffs Harbour Regional Gallery staged the Eutick Memorial Still Life Award (the nation's premier still life prize); the popular exhibition was complemented by a boutique music festival.
- Council and local business groups launched a proposal to seeking support for a business rate variation to help continue the development of the CBD and kick-start new business-related projects.
- Council and the National Parks and Wildlife Service erected fencing and launched a publicity campaign to help protect an endangered Little Terns nesting site at Hearn's Lake Beach.
- Council formally adopted an Estuary Management Plan to ensure the future health of Pipe Clay Lake at Corindi.
- Arrangements finalised for an NRL pre-season match between the South Sydney Rabbitohs and New Zealand's Vodafone Warriors at BCU International Stadium in February 2012.
- At a site on Coffs Creek in Bray Street, Council started testing the first of eight monitoring stations that will form the initial stage of Council's \$400,000 Flood Early Warning System.
- Funding totalling \$20,000 was provided to community groups for projects under the Coffs Harbour 2030 Community Strategic Plan.
- Council officially launched its digital strategy 'Switched On Coffs'.
- Council's Bicycle Users Committee launched a free booklet outlining many of the Coffs Coast's most popular cycling routes.
- Council approved plans to install old floodlighting from BCU International Stadium at Fitzroy Oval to support local AFL teams.
- Over the Christmas/ New Year period, Council facilitated the NightRider bus service as a Crime Prevention Initiative in partnership with the Department of Justice and Attorney General.

GM12/6 COFFS HARBOUR CITY COUNCIL v MINISTER FOR PLANNING AND INFRASTRUCTURE & ORS - LAND AND ENVIRONMENT COURT PROCEEDINGS NO. 11/40219

Purpose:

For Council to make a determination on whether to appeal the decision - Coffs Harbour City Council v Minister for Planning and Infrastructure & Ors - Land and Environment Court Proceedings No. 11/40219 (Sandy Shores) to the Court of Appeal.

Description of Item:

On 23 December 2010 the Department of Planning (DoP) wrote to Council to advise that the Minister had granted Concept Approval for up to 200 lots at Sandy Beach North (Sandy Shores).

The Determination resulted in a development that was some six times larger than that endorsed by Council's adopted Hearnes Lake/Sandy Beach Development Control Plan (DCP) and draft Local Environmental Plan (Amendment 29).

Council challenged the validity of the approval in the Land and Environment Court, with the hearing taking place in Sydney on the 28 and 29 June 2011. Judgement was handed down on the 23 January 2012. The judgement dismissed Council's claims.

After the judgement, Council's lawyers lodged, on Council's behalf, a Notice of Intention to Appeal which extended the timeframe for filing an appeal to three months from the date of judgement. This enabled Council to obtain advice on the prospects of successfully appealing the decision. Advice has been obtained from Mr John Griffiths SC. A copy of the advice is a separate confidential attachment to this report as it is subject to legal and professional privilege (see letter from Sparke Helmore Lawyers attached to this report).

Sustainability Assessment:

- **Environment**

The environmental impacts are indeterminable at this time. As with the Land and Environment Court proceedings the issues raised in the appeal would be administrative review matters. Any appeal will not be based on the merits of the proposed development.

- **Social**

Council has a role to play in representing the social interests of its community. The views of the community vary greatly on this issue.

- **Civic Leadership**

This report is in line with the 2030 theme:

LC2.2 We welcome civic leadership to help achieve better outcomes for Coffs Harbour.

- **Economic**

Broader Economic Implications

The broader economic implications are not fully known at this time.

Delivery Program/Operational Plan Implications

There have been no provisions made in the 2011/12 or the 2012/13 budget for any appeal. Any costs incurred will need to be included as a budget variation report to Council at a later stage.

Consultation:

Consultation has occurred with Council's legal representatives, Sparke Helmore Lawyers, in the preparation of this report.

Related Policy and / or Precedents:

Not applicable to this report.

Statutory Requirements:

Not applicable to this report.

Issues:

Having regard to the legal advice contained within the separate confidential attachment to this report, it is now a matter for Council to determine if it wishes to proceed to the Court of Appeal.

As set out in the attached advice the future development applications for this site will be assessed by Council under Part 4 of the *Environmental Planning and Assessment Act*.

Council will be bound to ensure its assessment is consistent with the Concept Approval. It is noted that the Concept Approval contains conditions that ensures the development will be responsible for on-site infrastructure and some off-site infrastructure subject to future evaluation (eg off-site pedestrian, cycle and road, and drainage works).

If Council resolves to appeal, a resolution will be required to the effect of:

'That Council issue instructions to appeal the judgement handed down by the Land and Environment Court, in Proceedings No. 11/40219 and progress the matter in the Court of Appeal.'

Alternatively, if Council determines not to proceed with an appeal that Council makes a resolution to the following effect:

'That Council resolves not to appeal the judgement handed down by the Land and Environment Court, in Proceedings No. 11/40219.'

Implementation Date / Priority:

Implementation of the decisions surrounding this report will be immediate.

Recommendation:

A matter for Council to provide direction on.

**Steve McGrath
General Manager**

Attachments:



Our ref: NLS: COF006-8
Your ref: Steve McGrath

13 February 2012

The General Manager
Coffs Harbour City Council
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Dear Steve

**Coffs Harbour City Council v Minister for Planning and Infrastructure & Ors
Land and Environment Court Proceedings No. 11/40219**

We refer to the above matter and **enclose** advice received from Dr John Griffiths SC and Mr James Hutton regarding the prospects of the Council successfully appealing the decision in the above matter.

The advice is subject to legal professional privilege and should not be disclosed outside of a confidential Council session. If the advice is obtained by the other parties to the proceedings, the Council's position in any appeal proceedings is likely to be significantly prejudiced. To avoid any inadvertent disclosure of the advice, we strongly recommend that copies of the advice be limited and that each copy is collected after the confidential session.

The Council should be aware of the costs consequences if it decides to appeal and we have provided a separate privileged advice on this issue. That advice should also be considered by the Council only in confidential session.

If the Council decides not to appeal, the Concept Plan Approval granted by the Minister will continue to apply to the land. In the Land and Environment Court proceedings, the Court accepted the Minister's submission that the recent repeal of the Part 3A provisions under the *Environmental Planning and Assessment Act 1979 (EPA Act)* meant that future applications for approval of development subject to the Concept Plan Approval would be assessed by the Council under Part 4 of that Act.

The relevant provisions in *State Environmental Planning Policy (Major Development) 2005* have now been repealed. Schedule 6A of the EPA Act has been amended to provide the following:

- (a) Development that is *only* the subject of an approved concept plan (ie. no environmental assessment requirements have been issued for the particular development) will not continue to be subject to Part 3A under transitional arrangements (clauses 2 and 3A of Schedule 6A);

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A handwritten signature in black ink, appearing to be 'J. McGrath', written over a faint circular stamp.

- (b) If Part 4 applies to development that is the subject of an approved concept plan, the consent authority must not grant consent for the further development unless it is satisfied that the development is generally consistent with the terms of the concept plan approval (clause 3B(2)(d) of Schedule 6A);
- (c) An approved concept plan may be modified under the former s75W of the EPA Act.

Accordingly, applications for future development of the project will be subject to Part 4 of the EPA Act and the Council will be the consent authority.

Yours faithfully



Daryl Gray
Partner
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Encl.

LAND USE HEALTH & DEVELOPMENT DEPARTMENT REPORT

L12/9 COFFS HARBOUR DRAFT LOCAL ENVIRONMENTAL PLAN 2012

Purpose:

The purpose of this report is to seek Council's endorsement of recommended modifications to draft Coffs Harbour Local Environmental Plan 2012 (draft LEP 2012) in order to:

1. implement appropriate recommendations from the Review of the Business Centres Hierarchy (BCH) Final Report, as reported to Council on 15 December 2011; and
2. undertake minor additional amendments as outlined in this report.

The draft Plan, once gazetted, will apply to the entire local government area (LGA) and will repeal the provisions of both Coffs Harbour Local Environmental Plan 2000 (LEP 2000) and Coffs Harbour City Centre Local Environmental Plan 2011.

The draft Plan was last endorsed by Council on 23 June 2011 (under the name of draft Coffs Harbour Local Environmental Plan 2011). The subject report details alterations which have been made to the draft LEP since it was last endorsed by Council. If items are not mentioned in the report, it means there is no change made to the LEP in relation to that item since previously endorsed.

The report recommends that Council adopt draft LEP 2012 as presented and refer the necessary documentation to NSW Planning and Infrastructure (NSW P&I) for certification to enable the Plan to be publicly exhibited. It further recommends that upon complying with all Certificate conditions the Plan be publicly exhibited. A copy of draft LEP 2012 (both the written instrument and supporting maps) is attached separately.

Background:

In September 2004 the Minister for Planning announced new planning reforms to create a more efficient planning system. The Standard Instrument (LEPs) Order was introduced as part of this suite of reforms to provide a standard approach to LEP content and writing. LEPs prepared under the standard instrument format will eventually exist for every LGA throughout the State of NSW and are required to be consistent with State and regional directions and strategies in addition to delivering all mandatory development controls.

Both Coffs Harbour City Centre LEP 2011 for the defined Coffs Harbour City Centre area and the City-wide draft Coffs Harbour LEP 2012 for the remainder of the LGA, have been prepared in accordance with the Standard Instrument Orders. The City Centre LEP has now been made and is in force.

City-wide draft LEP 2012 has been prepared with the intent of updating LEP 2000 by bringing it into alignment with the Standard Instrument LEP format being applied across the State. It is an administrative LEP, which has been prepared as much as possible to create zones and land use permissibilities that are "*like for like*" with LEP 2000.

Coffs Harbour City Council resolved at its Ordinary Meeting of 24 March 2011:

- 1. That Council instruct staff to immediately review the intent of the centre's hierarchy and the resultant zoning and planning controls contained within the proposed B6 zoning within the draft City Centre Local Environmental Plan and Development Control Plan.*
- 2. The outcomes of this review to be reported back to Council through the City-wide Standard Instrument Local Environmental Plan process.*

It was considered that the review of the Business Centres Hierarchy needed to be conducted across all proposed business zones throughout the LGA, with special emphasis given to the City Centre LEP study area. The review was prepared in the form of a Discussion Paper, which was reported to Council on 13 October 2011. The resolution of Council from that meeting states:

- 1. Coffs Harbour City Council exhibit the Discussion Paper for the Coffs Harbour Business Centres Hierarchy Review for a period of 28 days.*
- 2. Two community shopfront information sessions be arranged; one in the Council Chamber and one in Woolgoolga, during the Discussion Paper's public exhibition period. Dates of these sessions are to be advertised in advance in the local paper.*
- 3. The Business Centres Hierarchy Review be finalised (taking into account submissions received during the exhibition of the Discussion Paper) and reported to Council.*
- 4. Council acknowledge the findings of this Discussion Paper for the purpose of weighting assessments of any Development Applications which may be lodged under the soon to be 'made' City Centre Local Environmental Plan and Development Control Plan.*
- 5. The exhibition of the City-wide draft Coffs Harbour Local Environmental Plan 2011 and Development Control Plan be delayed to allow them to be amended to incorporate recommendations from the adopted BCH Final Report.*
- 6. Council negotiate with NSW Planning and Infrastructure to revise the timeframe for delivery of draft Coffs Harbour Local Environmental Plan 2011 in order to allow it to be updated in accordance with findings of the adopted BCH Final Report.*
- 7. Council negotiate with NSW Planning and Infrastructure seeking to secure the second installment of funding from the Acceleration Fund to accord with a revised timeframe for delivery of the draft Coffs Harbour Local Environmental Plan 2011.*

The Discussion Paper was exhibited during October and November 2011. It was updated taking into account submissions received during the exhibition period, and reported back to Council on 15 December 2011, in the form of the Review of the Coffs Harbour BCH Final Report. Key findings from the Final Report were that:

- The Business Centres Hierarchy is both appropriate and extremely important for long term growth of Coffs Harbour as a regional city so as to ensure that centres outside of the City Centre CBD do not detract from the primacy of the CBD.
- The existing CBD lacks critical mass and additional development in this location is important to enable it to achieve the vitality and vibrancy of a regional centre.
- The CBD generally has a low intensity of development and is able to accommodate considerable additional retail and office development.

- The existing Business Centres Hierarchy should be reinforced and strengthened by modifying draft LEP 2012 and the associated draft Coffs Harbour Development Control Plan 2012 (draft DCP 2012) controls, with recommended changes aimed at simplifying controls, improving urban design components and providing stronger support for the CBD. This involves changing some elements of the recently made Coffs Harbour City Centre LEP 2011, when it is rolled into the provisions of the City-wide draft LEP 2012.

The resolution of Council from that meeting of 15 December 2011 states:

1. *That Council adopts the Review of Coffs Harbour BCH Final Report.*
2. *That appropriate recommendations from the adopted Review of Coffs Harbour BCH Final Report be used to inform amendments to draft Coffs Harbour Local Environmental Plan 2011.*
3. *That the amended draft Coffs Harbour Local Environmental Plan 2011 be reported to Council early in 2012.*
4. *That Council note the issues raised in the public submissions received in response to the community engagement process for the Review of the Coffs Harbour Business Centres Hierarchy.*
5. *That Council inform all submission writers of Council's decision.*

The recommended changes to draft LEP 2012 as a result of recommendations contained within the Review of the Coffs Harbour BCH Final Report was reported to Council on 9 February 2012. At this meeting Council resolved:

That the matter be deferred to the meeting of 23 February 2012 and a briefing to be held prior to the meeting.

These recommended changes are the subject of this report and are outlined fully elsewhere.

As a separate matter, draft LEP 2012 was reported to Council for endorsement on 23 June 2011 (under the name of draft Coffs Harbour Local Environmental Plan 2011). The resolution of Council dated 23 June 2011 states:

1. *That Council seek authority from NSW Planning and Infrastructure to issue a certificate under Section 65 of the Environmental Planning and Assessment Act, 1979 to allow draft Coffs Harbour Local Environmental Plan 2011 to be exhibited.*
2. *That upon complying with all conditions established at Section 65 certification, draft Coffs Harbour City Local Environmental Plan 2011 be exhibited for a period of six weeks in accordance with NSW Planning and Infrastructure's project timeframe.*

Council staff negotiated with NSW P&I to gain Section 65 certification to publicly exhibit the Plan in accordance with the above resolution. A conditional certificate was received from NSW P&I dated 14 October 2011. Draft LEP 2012 has been updated to incorporate changes required in the Certificate. These are outlined fully elsewhere in this report.

Description of Item:

The purpose of this report is to seek Council's endorsement of proposed modifications to draft LEP 2012 since it was last endorsed by Council on 23 June 2011. If items are not mentioned in the report, it means there is no change made to the LEP in relation to that item since previously endorsed.

Modifications to draft LEP 2012 are summarised in the following, discussed in the 'Issues' section of this report and outlined in full in Attachment 1 of this report. Attachment 1 provides a table showing an itemised list of all modifications to the draft LEP which are requested for endorsement by Council. This table is broken into 3 parts, being:

- A. recommendations contained within the BCH Final Report;
- B. instructions from the Section 65 Certificate dated 14 October 2011; and
- C. other minor amendments.

Attachment 1 references all amendments that have been made to the draft written instrument including clauses, land use tables and maps, and also provides a written comment regarding each individual amendment. It should be read in conjunction with this report to Council.

• Recommendations from the Review of the BCH Final Report

As reported to Council on 15 December 2011, the Review of the Coffs Harbour BCH Final Report recommended a number of changes as follows:

- modification to the application of some draft LEP 2012 business zones, as well as to some draft LEP and draft DCP clauses and controls in certain locations of the LGA from what was previously proposed within the draft LEP;
- amendments to some permissible uses in the land use tables for specific business zones;
- provision of limits on the maximum gross floor area of 750m² for individual premises in the B4 Mixed Use zone in order to protect the commercial centre hierarchy, with controls implemented through the draft LEP rather than the draft DCP;
- provision of a limit on the maximum gross floor area allowable for business and office premises of 150m² for individual lots in the B6 Enterprise Corridor Zone in order to protect the commercial centre hierarchy, with controls implemented through the draft LEP rather than the draft DCP;
- amendments to additional permitted use provisions and built form controls in the draft LEP and the draft DCP for certain sites within the LGA;
- care in the application of business zone and built form controls in Woolgoolga.

It is considered that it is appropriate to amend draft LEP 2012 to accommodate a number of these recommendations and to ensure consistency in the application of policy across the LGA. Recommendations to modify provisions contained in draft Coffs Harbour Development Control Plan 2012 will be separately reported to Council at a future date.

- **Updates in accordance with the Section 65 Certificate dated 14 October 2011**

The Section 65 Certificate allowing Council to publicly exhibit the draft Plan in accordance with Council's resolution of 23 June 2011, was received from NSW P&I dated 14 October 2011. This is included as Attachment 2 of this report. This certificate required several amendments to the draft LEP, as follows:

- use of the draft instrument as attached to the Certificate issued by NSW P&I, which made minor modifications including wording changes to certain clauses which did not affect the intent of these clauses; some amendments to the landuse tables, including removal of 'mining' and open cut mining' in several zones where they are covered by the Mining State Environmental Planning Policy; and removal of the boundary adjustment clause that had been requested by Council for inclusion in the draft Plan;
- modification of maps accompanying the draft LEP for Lot 66, DP 551005, Pacific Highway Moonee Beach to reflect the concept plan approval for the Part 3A application 05_0064 granted on 14 June 2011;
- a requirement that Council address the concept plan approval for the Part 3A application 05_0083 for Lot 22, DP 1070182 and Lots 497 and 498, DP227298, Pacific Highway and Pine Crescent, Sandy Beach, by modifying maps for exhibition showing the concept approval for the site, either within the draft LEP or as a separate attachment for exhibition purposes.

All changes as requested by NSW P&I have been made to the draft Plan to comply with conditions of the Section 65 Certificate.

- **Additional minor amendments**

Several amendments have also been made to the Standard Instrument LEP and local clauses since last endorsed by Council in June 2011. It is proposed that draft LEP 2012 be modified to incorporate these amendments. These amendments are itemised fully in Attachment 1 of this report, and include:

- the reintroduction of a clause (optional subclause 4.2A) to allow for boundary adjustments in rural areas, which was included in the draft LEP endorsed by Council in June 2011, but removed by NSW P&I prior to certification of the draft LEP, which has now been made re-available for use by NSW P&I (with some wording changes);
- the inclusion of optional subclause 5.9(9) to restrict the operation of routine agricultural management activities in certain zones to close a legal loophole in the Standard Instrument LEP;
- amendments to map title and reference numbering, and rectification of minor map anomalies to ensure area footprints on various map sheets are consistent;
- revision of the Height of Buildings Map Sheet in relation to the Toormina Gardens Shopping Centre, to ensure it is afforded the same height of building provisions as Park Beach Plaza and Moonee Beach shopping centres; and
- revision of the Lot Size Map sheets to ensure that private open space zones are dealt with in a consistent manner across the LGA.

It is considered that it is appropriate to amend draft LEP 2012 to accommodate these amendments.

The draft LEP 2012 written instrument and associated maps have now been updated as a result of changes listed above. A copy of draft LEP 2012, including written instrument, maps, plain English version LEP, updated Information Sheets and Strategic Management Plan is provided to all Councillors and a printed version of the maps and all documents are available in the Councillor's room for perusal prior to consideration by Council.

A copy of all Section 62 correspondence from Government agencies is also available, including a summary document advising how the various Government agency requirements have been included in draft LEP 2012.

Sustainability Assessment:

- **Environment**

Environmental protection measures incorporated under draft LEP 2012 are adapted from the existing LEP 2000 wherever possible and in accordance with instructions received from NSW P&I. It is not anticipated that the draft Plan will result in any deterioration of environmental protection measures. Further environmental work is being completed via vegetation ground-truthing around the LGA to inform the Standard LEP. Once this work is finalised and adopted by Council a planning proposal to amend the LEP and incorporate necessary changes will be put to Council.

- **Social**

Draft LEP 2012 aims to improve health and safety for residents, protect and enhance the character and livability of our communities, and ensure equal access to services for all.

- **Civic Leadership**

Draft LEP 2012 will provide clear direction to the elected Council as governing body and for staff in administering the final LEP, and will guide future development within the LGA. This is consistent with the Coffs Harbour Community Strategic Plan outcomes PL1 "*We have designed our built environment for sustainable living*", PL2 "*We have created through our urban spaces, a strong sense of community, identity and place*", and LE3 "*We manage our resources and development sustainably*".

- **Economic**

Broader Economic Implications

Draft LEP 2012 aims to improve employment and educational opportunities for residents, to best foster opportunities for businesses and industries that serve our community, and to make efficient use of existing and future infrastructure.

Delivery Program/Operational Plan Implications

The preparation of draft LEP 2012 is endorsed in the current Operational Plan. As much work as possible has been undertaken in-house, and the draft LEP aims to "*slide across*" as much of existing LEP 2000 as possible within the constraints of NSW P&I requirements. This approach sought to ensure costs to Coffs Harbour City Council were minimised.

Consultation:

Section 62 consultation was commenced in 2007 for the draft LEP, however some letters have continued to be received from government agencies over the life of the plan preparation. These have been provided to Council as part of the Section 62 consultation requirements over the time.

Most recently, a letter has been received dated 22 December 2011 from the State Property Authority (Attachment 3). Contents of this letter have not resulted in any additional amendments to draft LEP 2012, however the matter of the Beryl Street site is addressed later in this report.

Separate consultation has been undertaken for the Review of Coffs Harbour BCH Final Report. Results and recommendations from this consultation were reported to Council on 15 December 2011. Copies of submissions and summaries were provided to Councillors at that time.

The purpose of this report to Council is to seek Council's endorsement of draft LEP 2012, which will allow Council to re-seek a Section 65 Certificate to exhibit the draft Plan and associated documents.

It is anticipated that NSW P&I will require several months to process the draft LEP and to issue a Certificate. At this stage it is anticipated draft LEP 2012 could be placed on public exhibition from as early as May 2012 (depending on the date the Certificate is received). Draft information sheets, including a plain English version of the draft LEP, have already been prepared to assist with community engagement. A draft community engagement plan is prepared and will be updated and finalised once the Certificate is received to exhibit the draft Plan.

It should be noted that Council at its meeting of 8 July 2010 resolved the LEP would be exhibited for a period of two months. The most recent timelines provided by NSW P&I propose the LEP will only be exhibited for a six week period.

Related Policy and / or Precedents:

Council has completed draft LEP 2012 in accordance with the Standard Instrument (LEPs) Orders 2006 and the Environmental Planning and Assessment Act and Regulations. All statutory requirements of these planning instruments have been complied with.

In preparing a draft LEP Council is required to ensure that the LEP is either consistent, or justifiably inconsistent, with the surrounding land use patterns and local character. Ensuring the plan is within the strategic context set by other State, regional and local policy is also necessary. Draft LEP 2012 is consistent with, or justifiably inconsistent, with:

- the NSW State Plan;
- the Mid North Coast Regional Strategy;
- State Environmental Planning Policies;
- Ministerial Section 117(2) Directions;
- the Coffs Harbour 2030 Plan;
- the Our Living City Settlement Strategy;
- the Coffs Harbour Industrial Lands Strategy;
- the Coffs Harbour Rural Residential Strategy; and
- the Coffs Harbour Business Lands Strategy.

Statutory Requirements:

- P&I's Standard Instrument (LEPs) Orders (gazetted March 2006, amended September 2006 and July 2008);
- the Mid North Coast Regional Strategy;
- various Ministerial 117 Directions; and
- Planning Practice Notes issued by NSW P&I.

Issues:

Issues associated with recommended amendments are discussed in the following.

1. Recommendations from the Review of the BCH Final Report

The BCH Final Report makes the statement that its recommendations are made to strengthen the Business Centres Hierarchy and the primacy of the CBD. Particularly with regard to the B5 Business Development zone and the B6 Enterprise Corridor zone, the statement is made on page 34 that *'care needs to be taken that development in these zones does not erode the vitality of centres, particularly the City Centre CBD. While relatively low land costs or rent and frequently larger site sizes makes the B6 Enterprise Corridor a superficially attractive place for retail and offices to locate, this "attraction" should not be allowed to over-ride the policy imperative of supporting the City Centre and other centres by taking damaging actions such as permitting a wide range of land uses to locate in the B6 Enterprise Corridor zone'*.

Whilst many of the recommendations contained within the BCH Final Report were already contained in the draft LEP as presented to Council in June 2011, there are several recommended amendments worthy of inclusion in draft LEP 2012. It is considered that adopting the following amendments to the draft LEP will strengthen the commercial core of the CBD and reinforce the Business Centres Hierarchy, in accordance with the aims and objectives of draft LEP 2012. Several of the recommended amendments relate to draft DCP 2012. These will be addressed when the DCP is reported to Council at a later date.

The following changes have been made to draft LEP 2012 as presented to Council for adoption.

- Amendments to B1 Neighbourhood Centre Zones

- Amendments to the Land Use Table to prohibit entertainment facilities, research stations and waste or resource transfer stations in the B1 zone, because there are minimal areas with this zone throughout the LGA and these should be preserved for neighbourhood centre uses.

- Amendments to B2 Local Centre Zones

- Amendment to the Sawtell Town Centre from a B4 Mixed Use to a B2 Local Centre, with the aim of strengthening Sawtell as a local centre.
- Amendment to the Woolgoolga Beach Street area from a B4 Mixed Use to a B2 Local Centre, with the aim of strengthening Woolgoolga Beach Street area as a local centre.

- Amendments to the Land Use Table to allow additional forms of residential accommodation, home occupation and home industries, as well as sex service premises to the B2 zone and to remove light industrial uses and other uses which are less appropriate for this zone.
- **Amendments to B3 Commercial Core Zone**
 - Amendment to the Coffs Ex-Services Club from RE2 Private Recreation to B3 Commercial Core, as the site is located within the existing mapped CBD area and in order to allow a wider range of commercial uses on the site.
 - Amendment to the 3 small B4 Mixed Use zones adjoining the B3 Commercial Core zone, by including them into the B3 Commercial Core of the city as they already accommodate uses that are considered suitable for inclusion in the commercial core of the city.
 - Amendments to the Land Use Table to allow home industries to the B3 zone and to remove light industrial uses and other uses which are less appropriate for this zone.
- **Amendments to B4 Mixed Use Zones**
 - Addition of Clause 7.4 in the draft LEP to restrict the development for business, office or retail premises on land within Zone B4 to premises that are not greater than 750 square metres gross floor area per premise.
 - Amendments to the Land Use Table to allow additional forms of residential accommodation in the B4 zone and to remove high technology industries and other uses which are less appropriate for this zone.
- **Amendments to B5 Business Development Zones**
 - Amendments to the Land Use Table to allow additional forms of industrial training facilities and other large footprint uses in the B5 zone and to remove amusement centres, entertainment facilities, functions centres and other uses which are less appropriate for this zone.
- **Amendments to B6 Enterprise Corridor Zones**
 - Addition of Clause 7.4 in the draft LEP to restrict the development for business or office premises on land within Zone B6 to premises that are not greater than 150 square metres gross floor area per allotment to reflect provisions of Coffs Harbour City Centre Development Control Plan 2011.
 - Amendments to the Land Use Table to allow for bed and breakfast accommodation, sex services premises and other suitable uses and to remove amusement centres, entertainment facilities and function centres which are less appropriate for this zone.

- Amendment to Schedule 1 of the draft LEP in relation to the Bray Street Tourist Service Centre site. Reasons are as follows.

The BCH Final Report recommended rezoning the Bray Street Tourist Service Centre site to an SP3 Tourist zone or if not allowed by NSW P&I, to a B4 Mixed Use zone. NSW P&I made a submission to the Business Centres Hierarchy Discussion Paper advising it did not consider the use of the SP3 zone appropriate in this location. However, it could also be argued that the B4 Mixed Use zone is not appropriate in this location, as it would allow for broad scale office and business uses on the site, thus representing an undesirable outcome for the CBD. It is considered that the B6 zone should be retained over this site, however additional permissible uses built into a list in Schedule 1 for the site, to reflect existing uses at the site.

- **Amendments to Specific Sites in the B6 Enterprise Corridor Zone**

- ***Retail Development at Halls Road, Coffs Harbour***

Amendment to Schedule 1 (Additional Permitted Uses) of the draft LEP to ensure that development of the Halls Road site does not exceed 750 square metres per individual premises and to a maximum of 3000 square metres for the allotment. The BCH Final Report made this recommendation in order to protect the Business Centres Hierarchy, but at the same time to permit a similar scale development as the successful Bray Street neighbourhood centre to serve the local community (pg 36).

- ***Shops at the Bailey Centre, Coffs Harbour***

Amendment to Schedule 1 (Additional Permitted Uses) of the draft LEP to ensure that the development of the Bailey Centre site does not allow for shops which exceed 750 square metres per individual premises. The BCH Final Report made this recommendation in order to protect the Business Centres Hierarchy, but at the same time to allow the Bailey Centre to continue as a permissible use in this locality, but not to expand as one or two large retail spaces which could have an undesirable outcome for the CBD (pg 36).

- ***Shops at the Corner of Stadium Drive and Pacific Highway, Coffs Harbour South***

Amendment to Schedule 1 (Additional Permitted Uses) of the draft LEP to remove the ability to develop the B6 zoned land on the corner of Stadium Drive and the Pacific Highway for shops. The BCH Final Report made this recommendation in order to protect the Business Centres Hierarchy. It states that retail and other intensive commercial development is not desirable on this site because it would detract from other planned commercial development in the area and could lead to the development of another hub for bulky goods retailing and for general business, such as a shopping centre, south of the City, which would detract from other existing and proposed centres (pg 35).

- **Public Administration Building at the Corner of Beryl Street and Pacific Highway, Coffs Harbour**

Amendment to Schedule 1 (Additional Permitted Uses) of the draft LEP to remove additional provisions for the development of a public administration building on the corner of Beryl Street and the Pacific Highway, Coffs Harbour. Reasons are as follows.

The BCH Final Report makes the following statements with regard to this site: *'A critical issue is to prevent the development of large scale office buildings outside of the City Centre CBD. If a large new office building was built outside of the City Centre CBD, rather than on redeveloped land within the City Centre CBD, it will lead to existing users vacating lower grade floorspace within the City Centre when they move to the new building. The vacant lower grade office floorspace will take some time to fill, and drain energy and investment from the City Centre, as has happened in Newcastle (it is a significant reason but not the only reason for the difficulties in Newcastle's City Centre). Furthermore, it would decrease the demand for additional office floorspace to be provided in the City Centre CBD.'*

There is considerable potential for growth and intensification in the City Centre and other centres without retail and office uses having to "spill out" into land zoned B6 Enterprise Corridor or other adjacent zones. The City Centre CBD is mainly one to two storey development, and contains a number of larger sites in a single ownership; it is underdeveloped and has plenty of scope for new development to respond to market demand. There is no supporting economic impact analysis or urban design analysis provided in the City Centre Plan documentation to justify and support these specific provisions for the Beryl site. There appears to be no justification for large scale retail or office development outside of the City Centre CBD area' (pg 38-39).

This matter was brought to Council's attention in the BCH report to Council on 15 December 2011, where the content of two submissions in support of the development of the site, and one opposing it, were reported and addressed by the consultant who prepared the Review of BCH Final Report.

The consultant has provided comment that the State Environmental Planning Policy (Infrastructure), in conjunction with Clause 4.6 of the draft LEP which allows for variations to development standards, will allow the development of public administration buildings in the B6 Enterprise Corridor zone and emergency services facilities (which include a Police Station) in both the B6 and IN1 Industrial zones on the site, without the LEP needing to make special provisions for these land uses.

The consultant further notes that the government office block has not provided Council with an economic analysis to support a development of this nature in this location. It is concluded by the consultant that no decision making should be made to endorse the development of this site by the State Government until an Economic Impact Statement for the site has been considered and endorsed by Council. As such, the BCH Final Report upholds recommendations to remove additional provisions for public administration buildings from draft LEP 2012.

Council needs to be aware that the public administration building was included in Coffs Harbour City Centre LEP 2011, which was endorsed by Council on 16 December 2010. The State Property Authority has been preparing plans for the site. At a Technical Liaison Meeting on 14 October 2011 the proponent discussed the plans for the site with Council officers. No development application has yet been received for the site.

A further letter has been received from the State Property Authority (SPA) dated 22 December 2011 as part of the Section 62 consultation for the draft LEP (refer Attachment 3). This letter requests that differences between development restrictions under existing LEPs and new draft LEP 2012 are minimised, and that no amendments are made to the draft LEP that would reduce and/or omit the currently permissible uses on their landholdings *“to the extent that they no longer adequately reflect the current nature of the existing improvements”*.

This is a complex issue, however it is considered that in terms of the aims and objectives of the draft Plan, and the Business Centres Hierarchy review, measures should be put in place to reinforce the CBD.

- ***Supermarket on the Corner of Pullen Street and Pacific Highway, Woolgoolga (Raj Mahal site)***

Amendment to Schedule 1 (Additional Permitted Uses) of the draft LEP by adding an item to allow development for the purpose of retail premises (supermarket only not exceeding 3850 square metres gross floor area and floor space ratio of 0.33:1) with consent. Reasons are as follows.

The BCH Final Report recommended that the Beach Street locality should be the focus for retail and commercial development in Woolgoolga, and this area should also be the preferred location for a supermarket. However, it further states that in the event that Council continues to pursue a rezoning of the Raj Mahal site for a supermarket, the report states this should be restricted by limiting the maximum floorspace ratio on the site to 0.3:1, thus restricting the permissible use to say 3000m² for development of a supermarket and no specialty retail development (pg 39). It also recommends completion of a net community benefit assessment, consistent with NSW Planning and Infrastructure's draft Centres Policy.

At the Ordinary Meeting of Council on 9 February 2012, Council endorsed the planning proposal for this site, to limit development to *“a supermarket only with a total floorspace of 3,850m² and a floor space ratio of 0.33:1”*. Draft LEP 2012 has been amended to reflect the intent of this planning proposal for the site.

The BCH Final Report further recommends that strategic master planning be undertaken in Woolgoolga in order to improve its attractiveness as a tourist destination and to address future development of the local centre precinct. It also recommends that the floor space ratio in the Beach Street B2 zone be increased from 1:1 to 2:1. However, it is considered that this is pre-emptive and that no additional changes should be made until further strategic master planning is undertaken in Woolgoolga. No amendments to the draft LEP are proposed in this regard.

- **Amendments to SP3 Tourist Zones**

- Amendments to the Land Use Table to remove emergency services facilities as a permissible use in the SP3 zone.

- **Amendments to Floor Space Ratios**

- Amendments to Floor Space Ratio provisions as discussed in the following.

The BCH Final report recommended some amendments to the Floor Space Ratio clauses, both to simplify the framework derived for the draft LEP, to remove the floor space ratio controls from residential development, and/or removal or review of subclause 4.4(2A) of draft LEP 2012 to develop a more appropriate framework for floor space ratio based penalties.

Feedback has been received from NSW P&I during the preparation of the draft LEP, who advise that floorspace subclauses should be retained in draft LEP 2012, but that there may be scope to review and revise the content.

As a result, it is proposed to simplify the floor space ratio (FSR) of the draft LEP, by reducing the number of increments in the FSR legend from twelve down to nine, meaning that the legend has been modified and all maps amended. The FSR increment of 0.8:1 is retained for the B6 zones between Halls Road and the railway overpass at Orlando Street on the Pacific Highway. All other B6 zones north and south of this area are included in the 0.5:1 increment. Residential zones R1 General Residential, R2 Low Density Residential and R3 Medium Density Residential have been removed from the Floor Space Ratio maps.

It is recommended that the site amalgamation subclause 4.4(2A) is retained at present. However it is further recommended that the use of this clause be monitored over a two year period, and it be reviewed after that time.

- **Amendments to Design Excellence Provisions**

- Amendment to the Design Excellence clause and its location in the draft LEP such that it applies to more than the City Centre Plan area. Proposed amendments are as follows:

The BCH Final Report recommended that Council should reconsider the design excellence provisions. It recommends that the design excellence clause should be applied to a wider area than the City Centre Plan area, that other provisions be included in urban design guidelines, that an Urban Design Advisory Panel be used for independent urban design advice and that design competition provisions be removed from the Plan.

It is considered that it is appropriate to retain the design excellence clause, and for Council's Land Use Planning branch to undertake policy work as funds permit with regard to development of urban design guidelines and how they are to be implemented. As a result it is proposed to relocate this clause into Part 7 of the draft LEP such that it applies to the whole of the LGA. It is further recommended that it is applied to business, and general, medium and high density residential zones initially. The draft clause has been reworded to this effect, and to include an objective to the clause.

Subclauses relating to design competitions on key sites were removed from the last version of the draft LEP reported to Council in June 2011, however they still exist in City Centre LEP 2011. Once the City Centre LEP is repealed by draft LEP 2012, the design competition requirements for the City Centre will cease to exist. Since they were previously removed from the draft City-wide LEP, no further amendment to the current version of draft LEP 2012 is necessary.

2. Amendments Required by the Section 65 Certificate dated 14 October 2011

The Section 65 Certificate received from NSW P&I dated 14 October 2011 required certain amendments to the draft LEP. Two Part 3A applications listed in the Certificate and letter attached to the Certificate, require Council to modify the plans prior to exhibition. These Part 3A matters are:

- modification of maps accompanying the draft LEP for Lot 66, DP 551005, Pacific Highway Moonee Beach to reflect the concept plan approval for the Part 3A application 05_0064 granted on 14 June 2011; and
- a requirement that Council address the concept plan approval for the Part 3A application 05_0083 for Lot 22, DP 1070182 and Lots 497 and 498, DP227298, Pacific Highway and Pine Crescent, Sandy Beach granted on 20 December 2010, by modifying maps for exhibition showing the concept approval for the site, either within the draft LEP or as a separate attachment for exhibition purposes. Council challenged the validity of the concept approval, via a judicial review in 2011. However Council was advised on 23 January 2012 this appeal was dismissed.

The draft LEP has been amended in relation to Part 3A application 05_0064, in accordance with requirements of the Section 65 Certificate. The Land Zoning Maps and the Lot Size Maps relative to this land parcel have been updated to reflect the concept approval.

In relation to Part 3A application 05_0083, the draft LEP has been retained as previously reported to Council. However, the requested exhibition material has been prepared as a separate attachment for public exhibition purposes, as per NSW P&I instructions.

All other changes as requested by NSW P&I have been made to the draft Plan to comply with conditions of the Section 65 Certificate. The draft LEP, once endorsed by Council, will then again be submitted to NSW P&I with the request for a new Certificate to exhibit the Plan. It will then be necessary to comply with any new conditions contained within the new Certificate.

3. Other Minor Amendments

Several amendments have also been made to the Standard Instrument LEP and local clauses since last reported to Council in June 2011. These include:

- Boundary Adjustment Clause

Council held negotiations with NSW P&I during early 2010 regarding the need for a clause that addresses boundary adjustments between existing undersized allotments. NSW P&I provided Council with Clause 4.2A 'Lot size exceptions for certain rural subdivisions', which was included when the draft LEP was reported to Council on 23 June 2011.

Council received an instruction from NSW P&I that this clause needed to be removed, because it conflicted with mandatory clauses 2.6 Subdivision and 4.6 Exceptions to Development Standards of the Standard Instrument. It was further advised that NSW P&I was considering amending the Standard Instrument in due course to address this issue.

In the interim, Moree Plains LEP 2011 was made on 9 December 2011 to allow for rural boundary adjustments in certain circumstances. Since subclause 4.2A has been included in Moree Plains LEP 2011, this clause is now available for use in other LEPs around the state. It is recommended that Council includes this clause in draft LEP 2012.

Optional subclause 4.2A is added to draft LEP 2012 to achieve the intent as previously requested for a boundary adjustment clause in rural areas.

- **Option Subclause for Vegetation Protection**

A new optional subclause was developed by NSW P&I in 2011 for use by Councils, to restrict the operation of routine agricultural management activities (RAMAs) in certain zones, being R5 Large Lot Residential, E2 Environmental Conservation, E3 Environmental Management or E4 Environmental Living zones. The NSW Government is currently undertaking a review of the Native Vegetation Regulation 2005, which underpins the Native Vegetation Act 2003. Use of this subclause closes a legal loophole which will allow for clearing in environmental protection zones in the new Standard Instrument, while the review of the Act is underway.

Council's Biodiversity staff have requested that this subclause be added. Accordingly, optional subclause 5.5(9) is added to draft LEP 2012 to assist to protect vegetation in E2 zones and R5 zones.

- **Minor Amendments to Various Map Sheets**

All map sheets have been updated with the new draft LEP title (draft Coffs Harbour Local Environmental Plan 2012) and reference numbering as required by NSW P&I in order to allow the draft Plan to be exhibited. Additional minor mapping anomalies which were identified between some map sheets have also been amended to ensure area footprints across map sheets are identical.

A zone error has also been identified at the rear of the Homebase site in the Coffs Harbour City Centre LEP 2011, which has resulted in an environmental protection zone inadvertently being included in the B5 Business Development zone. This error is rectified by amendments included in draft LEP 2012.

- **Height of Buildings Map Sheet at Toormina Gardens Shopping Centre**

Toormina Gardens Shopping Centre was reported to and endorsed by Council in June 2011 with a provision for height of buildings of only 8.5 metres. This is not consistent with other shopping centre zones for example at Park Beach Plaza and Moonee. It is considered this was an oversight and should be rectified to allow Toormina Gardens Shopping Centre to develop to the same height as other centres. The Height of Buildings Map has been amended to increase Toormina Gardens Shopping Centre from 8.5 metres to 15.5 metres so it is consistent with other centres.

- **Lot Size Maps for all RE2 Private Recreation Zones Within the LGA**

An anomaly has been noticed for RE2 Private Open Space zoned lands throughout the LGA. The draft LEP as reported to Council in June 2011 shows some RE2 zoned lands as having no minimum lot size, and others with various minimum lot sizes. Council currently does not apply minimum lot sizes to public or private open space zoned lands in LEP 2000, and none have been added to the Coffs Harbour City Centre LEP 2011.

For consistency, it is recommended that all RE2 zoned lands be treated equally and all sites be removed from the minimum lot size maps. The Lot Size Maps have been amended for the entire LGA to ensure that RE2 zones have no minimum lot size recorded on them.

4. Subdivision Clause and Minimum Lot Size Map

Council commenced negotiations with NSW P&I in April 2010 regarding how provisions contained within LEP 2000 relating to subdivision of lots with more than one minimum lot size provision could best be addressed in the Standard Instrument LEP to produce good outcomes for the long term management of environmental conservation zones. A written submission was lodged with NSW P&I in May 2010 to outline Council's issues of concern.

Council wrote to NSW P&I on 12 April 2011 seeking a clause to allow the LEP to proceed to exhibition. This letter identified that the issue of more than one minimum lot size provision on a lot would also be affecting other LGAs and it would be appropriate for NSW P&I to provide a solution that produces good planning outcomes for long term management of environmental conservation zones across the State of NSW.

Council received a letter from NSW P&I dated 23 May 2011 instructing that the clause could not be used, because a clause could not override a lot size to less than that shown on the Lot Size Map. Council was advised that the matter could only be rectified via amendments to the Standard Instrument LEP, which would require lengthy consultation across the State of NSW to resolve the problem. NSW P&I advised it would help Council with a "*work-around*" to address the issue in the interim period until (or if ever) the Standard Instrument LEP is modified.

NSW P&I's identified solution was to remove the clause and to modify the Lot Size Map to reduce or remove the minimum lot size for the E2 Environmental Conservation zoned lands (the equivalent zone to the Environmental Protection 7A Habitat and Catchment zone in LEP 2000). This is a significant change from LEP 2000, which has a minimum subdivision size of 40 hectares of lands zoned 7A, and a 'split lot clause' which allows for the 7A zoned land with an area of less than 40 hectares to be subdivided.

Whilst this was not considered the optimum outcome for the long term management of environmental conservation zones within the LGA, there previously appeared to be no other alternative to progress the draft LEP. As a result, the draft local clause "*Subdivision of land where more than one minimum lot size provisions applies*" was removed from the draft written instrument and the Lot Size Map was modified so that there is no minimum lot size for the E2 zone in all areas of the LGA. This was reported to and endorsed by Council in June 2011.

In December 2011, Moree Plains Local Environmental Plan 2011 was made. It contains a new draft local clause 4.2A (which is proposed for inclusion in draft Coffs Harbour LEP 2012 to address the issue of boundary adjustments). It is noted from the wording of that clause, that it appears to permit subdivision in certain circumstances to sizes smaller than the Lot Size Map (which would appear to override the Lot Size Map). As such, it is considered that it may be possible to request NSW P&I to provide a similarly worded clause (to override the Lot Size Map) for use in draft Coffs Harbour LEP 2012 to achieve the intent of the split lot subdivision clause. It is understood that NSW P&I is currently working to provide a clause that will address this issue.

It is recommended that Council enter into negotiations with NSW P&I to supply Council with a clause to insert into draft LEP 2012 prior to exhibition to achieve the intent of split lot zones to produce good outcomes for the long term management of environmental conservation zones. Council could then modify the Lot Size Map by reinstating the 40 hectare minimum in E2 Environmental Protection zones prior to exhibition. It is recommended that Council endorse the inclusion of such a clause and modification of maps in such a manner, should a clause become available prior to exhibition.

5. Project Timing

The timeframe for this project has been established by NSW P&I. Council has received acceleration grant funding from NSW P&I to assist with the finalisation of the draft LEP. Council received a letter from NSW P&I dated 6 February 2012, advising that approval has been granted to revision of the funding agreement, such that Council must now submit its Section 68 Submission (requesting that the draft LEP be made) by 2 November 2012, in order to receive grant funding.

Reporting the draft LEP to the February 2012 Council meeting is crucial to the timing of milestones in project delivery. Gaining Council approval to seek a Section 65 Certificate (to allow the draft LEP to be exhibited) from NSW P&I at this meeting is equally important to meeting the target date for Milestone 2 and ultimately the making of the Plan.

6. Section 65 Certification

Council awaits the latest timeframe from NSW P&I for delivery of the draft LEP. It is expected that the earliest time for exhibition will be May 2012. It is anticipated that the Section 65 Certificate may contain certain conditions to be met by Council prior to public exhibition.

Implementation Date / Priority:

The Standard LEP project timeframe has been determined by P&I. Council is required to have the LEP made in accordance with P&I timeframes. As such, seeking Section 65 Certification from P&I as soon as possible is crucial to project timing.

Recommendation:

1. That Council endorse draft Coffs Harbour Local Environmental Plan 2012.
2. That Council seek authority from NSW Planning and Infrastructure to issue a certificate under Section 65 of the Environmental Planning and Assessment Act, 1979 to allow draft Coffs Harbour Local Environmental Plan 2012 to be exhibited.
3. That upon complying with all conditions established at Section 65 certification, draft Coffs Harbour City Local Environmental Plan 2012 be exhibited for a period of six weeks (or such other period to be advised by NSW Planning and Infrastructure) in accordance with NSW Planning and Infrastructure's project timeframe.
4. That Council seek a suitable split lot subdivision clause from NSW Planning and Infrastructure for insertion into draft Coffs Harbour Local Environmental Plan 2012 (and any modification of the Lot Size Maps to suit the intention of the clause), as a condition of the certificate under Section 65 of the Environmental Planning and Assessment Act, 1979, should such a clause become available prior to the exhibition of draft Coffs Harbour Local Environmental Plan 2012.
5. All persons directly affected by the draft Plan be advised of Council's decision by notification in relevant newspapers at the time the draft Plan is placed on exhibition.

Chris Chapman
Director
Land Use, Health & Development

Record of Amendments made to draft Coffs Harbour Local Environmental Plan 2012
For Adoption by Council 23 February 2012

No.	Recommendation	Comment	Action
A	<p>Recommendations Contained Within Review of BCH Final Report</p>	<p>Council Comment to Recommendations of BCH Final Report</p>	<p>Council Actions in Response to Recommendations of BCH Final Report</p>
1.	<p>It is recommended that the listed centres and locations are assigned land use zones as shown in BCH Final Report Table 1 (summary).</p>	<ul style="list-style-type: none"> - Many of the recommendations contained within the BCH Final Report were already contained in the draft LEP as presented to Council in June 2011. - Amendments listed in column to the right follow the recommendations contained within the Final Report, with the exception of the Bray Street site. NSW P&I stated in their submission to the BCH Discussion Paper that this site is inappropriate for an SP3 zone as much of the site contains non-tourist uses. Adding this site to Schedule 1 (as noted in column to right) will allow the uses of amusement centres, entertainment facilities and function centres to continue as permissible uses at the site, whilst at the same time maintaining the zone which has been applied in Coffs Harbour City Centre LEP 2011. 	<ul style="list-style-type: none"> - Amend Land Zoning Map sheet LZS_006D Sawtell Town Centre from B4 Mixed Use to B2 Local Centre. - Amend Land Zoning Map sheet LZS_005C Woolgoolga Beach Street commercial area from B4 Mixed Use to B2 Local Centre; and the Raj Mahal site from B4 to B6. - Amend Land Zoning Map sheet LZS_006B being 3 small B4 Mixed Use zones near the city centre B3 Commercial Core zone to include in the B3 zone (Lyster Street, Albany Street, Market/Daley Streets). - Amend Land Zoning Map sheet LZS_006B being Coffs Ex-Services Club site from RE2 Private Recreation to B3 Commercial Core. - Leave the Bray Street Tourist Service Centre site in zone B6, but add it to Schedule 1 for permissible added uses of amusement centres, entertainment facilities and function centres to accommodate all existing development.
2.	<p>It is recommended that land uses are permissible within specific business zones as shown in Appendix 1 of the BCH Final Report.</p>	<ul style="list-style-type: none"> - Appendix 1 of the Final Report gives a list of recommendations for uses to be included and removed as permissibilities from the B1-B6 Business and SP3 Tourist zones. These predominantly focus on business, industrial and residential type landuses, however the recommendation does also address some other functions such as the permissibility of services and 	<ul style="list-style-type: none"> - Amend Land Use Tables by making the following land uses "permitted without consent" in the zone: <i>B6 Enterprise Corridor</i> Home businesses. - Amend Land Use Tables by making the following land uses "permitted with consent" in the zone:

No.	Recommendation	Comment	Action
		<p>roads.</p> <ul style="list-style-type: none"> - Each of these uses has been assessed individually. It is considered that a number of recommendations are suitable for inclusion in the draft LEP, however others are not considered suitable because of the way the draft LEP addresses landuses in various other zones of the LGA, and essentially because they do not relate to, or affect, business uses and the business centres hierarchy. For example, the Final Report recommends that 'roads' be listed as 'permitted without consent' in all the business and the SP3 zones, however this would be inconsistent with other zones of the LGA, which require consent for roads. As such, recommendations such as this contained in the Final Report has not been included in the draft LEP amendments. - The final changes to land use permissibilities are listed right, and the Land Use Matrix has been amended to reflect these changes. In general terms, the key changes to land use table zones as outcomes of these recommendations are as follows: <ul style="list-style-type: none"> o Little change to the B1 Zone, as there is little available land for this zone and it should be preserved for uses most relevant to this zone. o Add additional forms of residential accommodation to the B2 zone, but remove light industrial uses, depots and exhibition homes. o Remove light industrial uses from the 	<p><i>B2 Local Centre</i> Home industries; Home occupation (sex services); Multi dwelling housing; Residential flat buildings; Sex services premises.</p> <p><i>B3 Commercial Core</i> Home industries.</p> <p><i>B4 Mixed Use</i> Multi dwelling housing; Residential flat buildings.</p> <p><i>B5 Business Development</i> Industrial training facilities; Mortuaries; Plant nurseries; Research stations; Timber yards.</p> <p><i>B6 Enterprise Corridor</i> Bed and breakfast accommodation; Home occupations (sex services); Mortuaries; Research stations; Sex services premises; Vehicle sales or hire premises.</p> <p>- Amend Land Use Tables by making the following land uses "prohibited" in the zone: <i>B1 Neighbourhood Centre</i> Entertainment facilities; Research stations; Waste or resource transfer stations. <i>B2 Local Centre</i> Exhibition homes; Exhibition villages; Light industries; Mortuaries; Self storage units; Transport depots; Warehouse or distribution centres; Waste or resource transfer stations. <i>B3 Commercial Core</i> Industrial retail outlets; Light industries;</p>

No.	Recommendation	Comment	Action
		<p>B3 zone.</p> <ul style="list-style-type: none"> o Add additional forms of residential accommodation to the B4 zone and remove marine uses. o Remove amusement centres, entertainment facilities and function centres from the B5 zone and add some other big footprint uses so as to maximise the business use of this zone. o Remove amusement centres, entertainment centres and function centres from the B6 zone, add home businesses and add bed and breakfast tourist accommodation. o Remove registered clubs from the SP3 zone. 	<p>Mortuaries; Transport depots; Waste or resource transfer stations. <i>B4 Mixed Use</i> Boat sheds; Charter and tourism boating facilities; High technology industries; Moorings; Waste or resource transfer stations. <i>B5 Business Development</i> Amusement centres; Entertainment facilities; Function centres; Transport depots. <i>B6 Enterprise Corridor</i> Amusement centres; Entertainment facilities; Function centres. <i>SP3 Tourist</i> Emergency services facilities.</p> <ul style="list-style-type: none"> - Amend the Land Use Matrix that will accompany the draft LEP for exhibition purposes.
3.	<p>It is recommended that the retail, business and office floorspace of individual premises in the B4 Mixed Use zone be limited to a maximum gross floor area of 750 sq. metres by the inclusion of a suitable clause in draft LEP 2012.</p>	<ul style="list-style-type: none"> - It is considered the recommendation that the B4 Mixed Use zone be more carefully applied and business and office space uses be more refined is a valid means to reinforcing the Business Centres Hierarchy for the LGA. - Council staff have sourced draft clauses from the recently made Dubbo LEP 2011, and have worded the proposed amendments to the draft clause generally in accordance with these clauses. - Draft Clause 7.4 has been prepared for inclusion in the draft LEP. It is possible that NSW P&I may amend wording prior to exhibition of the Plan. This draft clause 	<ul style="list-style-type: none"> - Amend draft LEP 2012 by the addition of a local provision worded similar to that contained in Dubbo LEP 2011 as follows: 7.4 Commercial premises in certain business zones [local] (1) The objective of this clause is maintain the commercial hierarchy of Coffs Harbour by encouraging commercial development of an appropriate scale across business zones. (2) Development consent must not be granted to development for business, office or retail premises on land within Zone B4 Mixed Use if the gross floor

No.	Recommendation	Comment	Action
4.	<p>It is recommended that retail premises in the B6 Enterprise Corridor Zone is only permitted in the area including and adjacent to the Bailey Centre, and on Halls Road (Lot 10 DP 1076396), shown in Schedule 3 of the Coffs Harbour Local Environmental Plan 2000, and limited to a maximum gross floor area of 750 sq. m. for each individual retail premise; and that this provision is incorporated into draft LEP 2012.</p> <p>It is recommended that vacant land at the intersection of the Pacific Highway and Stadium Drive is not developed for retail and other intensive commercial development because it would detract from other planned commercial development in the area (pg 35).</p>	<p>also addresses issues raised in Line Item 5 of this table (150m2 office and business uses in the B6 zone).</p> <ul style="list-style-type: none"> - With regard to subclause (3), this references development lot size to the date that the Coffs Harbour City Centre LEP was made (16 December 2010) in order to reflect the current City Centre DCP provisions into the draft LEP. <ul style="list-style-type: none"> - It is considered the recommendation to carefully apply provisions for shops in the B6 zone, rather than just reflecting the contents of LEP 2000, is valid. Modifications as recommended will assist to reinforce the Business Centres Hierarchy of the LGA. - It is proposed that Schedule 1 of the draft LEP be amended to carefully detail the extent of retail development in the specified locations. - It is further considered that the recommendation to remove the Stadium Drive site from Schedule 1 is appropriate, as a mechanism to strengthen the aims and objectives of the draft LEP and the Business Centres Hierarchy of the LGA. 	<p>area of that development will exceed 750 square metres per premise.</p> <p>(3) Development consent must not be granted to development for business or office premises on land within Zone B6 Enterprise Corridor if the total gross floor area of that development will exceed 150 square metres per allotment existing as of 16 December 2010.</p> <ul style="list-style-type: none"> - Amend Schedule 1 Additional permitted uses to limit development on the Halls Road and Bailey Centre sites in accordance with recommendations of the BCR Final Report, being: <ul style="list-style-type: none"> - Item 5, Halls Road site, replace words in subclause (2) with the following: (2) Development for the purposes of retail premises not exceeding 750 square metres per individual premises and to a maximum of 3000 square metres gross floor area for the allotment is permitted. - Item 7, Bailey Centre site, replace words in subclause (2) with the following: <ul style="list-style-type: none"> (2) Development for the purposes of shops not exceeding 750 square metres per individual premises is permitted. - Amend Schedule 1 Additional permitted uses by removal of Item 9 (Use of certain land at Stadium Drive Coffs Harbour) to remove the ability to develop shops on this land.

No.	Recommendation	Comment	Action
5.	It is recommended that office and business premises in the B6 Enterprise Corridor Zone are limited to a maximum gross floor area of 150 sq. m. on each lot ; and a suitable clause included in the draft LEP 2012.	<ul style="list-style-type: none"> - See line item 3 of this table. 	<ul style="list-style-type: none"> - Amended as outlined in Line item 3 of this table.
6.	It is recommended that small scale medium density residential development is permissible with consent (as part of a mixed use development) in the B6 Enterprise Corridor Zone, and this provision incorporated in to draft LEP 2012.	<ul style="list-style-type: none"> - NSW P&I has advised that residential development in the B6 zone can only be as part of a mixed use development. Shop top housing is considered the most suitable form of development in this zone, which is already permitted in the draft LEP. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required.
7.	It is recommended that the additional permitted use of a public administration building shown in the City Centre Local Environmental Plan 2011 Schedule 1 Items 2 and 3 (certain land at Beryl Street Coffs Harbour) is deleted.	<ul style="list-style-type: none"> - The public administration building was included in Coffs Harbour City Centre LEP 2011, which was endorsed by Council on 16 December 2010. - The State Property Authority has been preparing development application plans for the site. At a Technical Liaison Meeting on 14 October 2011 the proponent discussed the plans for the site with Council officers. No development application has been received for the site to date, however it is understood that a development application is being prepared. - Both the State Property Authority (SPA) and NSW P&I provided submissions to the draft BCH Discussion Paper, stating that the additional permitted uses for this site should be retained. - A further letter has been received from the State Property Authority (SPA) dated 22 December 2011 as part of the Section 62 consultation for the draft LEP. This letter 	<ul style="list-style-type: none"> - Amend draft LEP 2012 by removing items 2 and 3 in Schedule 1 Additional permitted uses. - Amend Schedule 1 by renumbering the schedule and all Additional Permitted Uses map sheets to reflect the new numbers.

No.	Recommendation	Comment	Action
8.	<p>It is recommended that the 1996 Woolgoolga Master Plan be reviewed and updated and that Council undertake other investigations in conjunction with the business and wider communities to develop a comprehensive forward plan and implementation program for Woolgoolga. (Note: Given the impact of the bypass, RMS (formerly RTA) funding may be available to assist this work.)</p>	<p>requests that differences between development restrictions under existing LEPs and new draft LEP 2012 are minimised, and that no amendments are made to the draft LEP that would reduce and/or omit the currently permissible uses on their landholdings "to the extent that they no longer adequately reflect the current nature of the existing improvements".</p> <ul style="list-style-type: none"> - This is a complex issue, however it is considered that in terms of the aims and objectives of the draft Plan, and the Business Centres Hierarchy review, measures should be put in place to reinforce the CBD. It is noted that the SPA letter references that zonings should reflect existing improvements on the land. As the public administration building is not yet built, and there are no existing improvements of this nature on the site, it is considered satisfactory to remove Items 2 and 3 from Schedule 1 in order to assist to reinforce the CBD. <ul style="list-style-type: none"> - Policy matter for inclusion in Land Use Planning's Planning Program as funds permit. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required as a result of this recommendation.

No.	Recommendation	Comment	Action																										
9.	It is recommended that the apparent inconsistency of Figures 3.8 and 8.6 in the City Centre Development Control Plan in relation to the building form along Harbour Drive at the Jetty is clarified consistent with the maintenance of the unique streetscape.	<ul style="list-style-type: none"> - Address in draft Coffs Harbour Development Control Plan 2012. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required. 																										
10.	It is recommended that provisions for maximum building height and floor space ratio shown in the City Centre Local Environmental Plan 2011 Schedule 1 Items 2 and 3 (certain land at Beryl Street Coffs Harbour) are deleted.	<ul style="list-style-type: none"> - Addressed in line item 7 of this table. 	<ul style="list-style-type: none"> - Amend draft LEP 2012 by removing items 2 and 3 in Schedule 1 Additional permitted uses. 																										
11.	<p>It is recommended that the simplified Floor Space Ratio framework shown in Table 6 of this Review (see below) is adopted, and that the City Centre Local Environmental Plan 2011 or its successor is amended as appropriate.</p> <table border="1" data-bbox="922 1406 1394 1906"> <thead> <tr> <th>Current Proposed FSR</th> <th>Proposed FSR</th> </tr> </thead> <tbody> <tr><td>0.5</td><td>0.5</td></tr> <tr><td>0.8</td><td>1.0</td></tr> <tr><td>1.0</td><td>1.0</td></tr> <tr><td>1.3</td><td>1.5</td></tr> <tr><td>1.6</td><td>1.5</td></tr> <tr><td>1.8</td><td>2.0</td></tr> <tr><td>2.0</td><td>2.0</td></tr> <tr><td>2.25</td><td>2.5</td></tr> <tr><td>2.5</td><td>2.5</td></tr> <tr><td>3.0</td><td>3.0</td></tr> <tr><td>3.7</td><td>3.5</td></tr> <tr><td>4.5</td><td>4.5</td></tr> </tbody> </table>	Current Proposed FSR	Proposed FSR	0.5	0.5	0.8	1.0	1.0	1.0	1.3	1.5	1.6	1.5	1.8	2.0	2.0	2.0	2.25	2.5	2.5	2.5	3.0	3.0	3.7	3.5	4.5	4.5	<ul style="list-style-type: none"> - It is considered that the recommended simplified framework should be adopted, with the exception of retaining the FSR of 0.8:1 for the B6 zones along the Pacific Highway between Halls Road and the Pacific Highway rail overpass, Coffs Harbour. The B6 zones should retain an FSR of 0.8:1 rather than jump up to 1:1, because of the other built form controls that will apply to the land, and in order to be consistent with the aims and objectives of the draft LEP in relation to business centres hierarchy for the LGA. - Additionally, it is proposed that all B6 zones north and south of the Halls Road to rail overpass have a consistent FSR of 0.5:1 applied. This will further assist to reinforce the aims and objectives of the draft LEP. 	<ul style="list-style-type: none"> - Amend the legend of all Floor Space Ratio map sheets to be consistent with the recommendations of the BCH Final Report, with the exception of retaining the FSR of 0.8:1 along the Pacific Highway B6 zones between Halls Road and the Pacific Highway rail overpass, Coffs Harbour. - Amend Floor Space Ratio map sheet FSR_006B to merge the mapped areas in accordance with the table left. - Amend Floor Space Ratio map sheet FSR_005C to show all B6 zoned land along the Pacific Highway frontage at Woolgoolga as reduced from FSR 0.8:1 to 0.5:1, including the Raj Mahal site. - Amend Floor Space Ratio map sheet FSR_005E to reflect the B2 and B4 zone footprint at Moonee Beach. Retain as an FSR of 1:1.
Current Proposed FSR	Proposed FSR																												
0.5	0.5																												
0.8	1.0																												
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4.5	4.5																												

No.	Recommendation	Comment	Action
12.	It is recommended that Council consider applying a floor space ratio of 2:1 to the Woolgoolga town centre (currently 1:1).	<ul style="list-style-type: none"> - It is considered pre-emptive to increase the FSR at Woolgoolga without undertaking a masterplan for the development of the town. Retain this area as FSR of 1:1, and address as a policy matter for inclusion in Land Use Planning's Planning Program as funds permit. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required at this time.
13.	It is recommended that Council review the application of maximum floorspace ratio controls to residential development throughout the LGA and amend draft LEP 2012 accordingly.	<ul style="list-style-type: none"> - It is considered that there is no need to apply floorspace ratio controls to residential zones within the LGA, as other built form controls also apply (such as heights and setbacks). 	<ul style="list-style-type: none"> - Amend Floor Space Ratio map sheet FSR_006B to remove FSRs from development in R1 General Residential, R2 Low Density Residential and R3 Medium Density Residential zones.
14.	It is recommended that Section 2.3 of the City Centre Development Control Plan is amended to be consistent with Section 4.6 in relation to a requirement that development in the Gateway precinct "address the street".	<ul style="list-style-type: none"> - Address in draft Coffs Harbour Development Control Plan 2012. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required.
15.	It is recommended that Section 4.2 of the City Centre Development Control Plan is amended to show the Pacific Highway frontage of Park Beach Plaza as having a minimum requirement of "a street address".	<ul style="list-style-type: none"> - Address in draft Coffs Harbour Development Control Plan 2012. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required.
16.	It is recommended that Council consider the application of the Design Excellence clause to other parts of the LGA, particularly key locations such as the Sawtell Town Centre, to ensure a consistent approach to the quality of building design.	<ul style="list-style-type: none"> - The BCH Final Report recommends that Council should consider a sliding scale of design excellence requirements and a policy for all design provisions and variations to these provisions in due course. It is further recommended that the LEP is an appropriate place to locate the basic provisions for design excellence, with detailed thresholds and criteria located in the associated DCP and Council 	<ul style="list-style-type: none"> - Amend draft LEP 2012 by the relocation of Clause 8.4 Design Excellence from Part 8 of the Plan which relates only to the defined City Centre area, to Part 7 of the Plan which relates to the entire Local Government Area. - Relocate other clauses in Part 8 also to Part 7 of the draft LEP and delete Part 8. Reword clauses as appropriate to reflect

No.	Recommendation	Comment	Action
		<p>policy documents.</p> <ul style="list-style-type: none"> - It is considered that the Design Excellence clause should be widened to all parts of the LGA, and applied at least in the short term to all Business zones and R1, R3 and R4 residential zones, but not the low density residential R2 zone. - It is further considered that a clause objective should be provided to assist Council officers in administering the clause. 	<p>the intent of whether they apply to the CBD or the City Centre Plan area.</p> <ul style="list-style-type: none"> - Provide an objective to the clause, as follows: 7.5(1) The objective of this clause is to ensure that development exhibits design excellence, which contributes to the natural, cultural, visual and built character values of the Coffs Harbour LGA
17.	<p>It is recommended that the Coffs Harbour Development Control Plan/City Centre Development Control Plan is amended to include a clause requiring developments that meet or exceed specified criteria (such as a certain building height) to submit an urban design report with a Development Application (which would be more elaborate than the "design excellence" statement required with all Development Applications). (note: alternatively this proposed requirement may be able to be achieved through a LEP amendment or a Policy). In addition, the application of the design excellence clause and how it applies to specific classes of development should be detailed in a policy or the relevant Development Control Plan.</p>	<ul style="list-style-type: none"> - Address in draft Coffs Harbour Development Control Plan 2012. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required.
18.	<p>It is recommended that Council establish an Urban Design Advisory Panel to be used on occasions when additional or independent urban design advice is required.</p>	<ul style="list-style-type: none"> - Policy matter for inclusion in Land Use Planning's Planning Program as funds permit. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required.

No.	Recommendation	Comment	Action
19.	It is recommended that Council develop criteria to be used to determine when it is appropriate to use the services of the Urban Design Advisory Panel	<ul style="list-style-type: none"> - Policy matter for inclusion in Land Use Planning's Planning Program as funds permit. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required.
20.	It is recommended that Clause 6.11 (4)-6.11(5) of the Coffs Harbour City Centre Local Environmental Plan 2011 are replaced with new subclauses requiring review of proposed development by the proposed Urban Design Advisory Panel in specified circumstances (note: alternatively this proposed requirement may be able to be achieved through a DCP or a Policy)	<ul style="list-style-type: none"> - The draft LEP was already endorsed by Council on 23 June 2011 with subclauses 4-9 removed. The policy issue is a matter for inclusion in Land Use Planning's Planning Program as funds permit. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required.
21.	<p>It is recommended that:</p> <ul style="list-style-type: none"> (i) Clauses 6.11(6), (7) and (9) of the City Centre Local Environmental Plan 2011 are deleted, and (ii) Council develop a policy to define the circumstances under which a variation in the development standards under Clause 4.6 of the Standard Instrument (which is included in the Coffs Harbour City Centre Local Environmental Plan 2011), such as floor space ratio or building height, may be considered in the City Centre and surrounds, and consider whether to incorporate a suitable provision in the City Centre Local Environmental Plan 2011 and/or Coffs Harbour City Centre Development Control Plan/ Coffs Harbour Development Control 	<ul style="list-style-type: none"> - Item (i). The draft LEP was already endorsed by Council on 23 June 2011 with subclauses 4-9 removed. - Item (ii). Policy matter for inclusion in Land Use Planning's Planning Program as funds permit. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required.

No.	Recommendation	Comment	Action
22.	<p>Plan.</p> <p>It is recommended that the Coffs Harbour City Centre Local Environment Plan 2011 subclauses 4.4 (2A) and (2B) (site amalgamations) are deleted.</p>	<ul style="list-style-type: none"> - The BCH Final Report recommends that Council considers either site amalgamations or rationalising the list of floor space ratios. - Line item 11 of this table addresses the rationalisation of the floor space ratio listing. It is considered this is sufficient at this time. - This is a policy issue for inclusion in Land Use Planning's Planning Program as funds permit. It is recommended that the site amalgamations be monitored for 2 years, and reviewed after this time. 	<ul style="list-style-type: none"> - No amendment to draft LEP 2012 required at this time.
23.	<p>Raj Mahal Site. If this site is to proceed to rezoning for supermarket purposes, retail development on the site should be controlled by restricted retail to the development of a supermarket, by limiting the amount of gross floor area to a suitable figure (such as 3000m²) and limiting the maximum floorspace ratio on the site to 0.3:1.</p>	<ul style="list-style-type: none"> - At the Ordinary Meeting of Council on 9 February 2012, Council endorsed the planning proposal for this site, to limit development to "a supermarket only with a total floorspace of 3,850m² and a floor space ratio of 0.33:1". Draft LEP 2012 has been amended to reflect the intent of this planning proposal for the site. 	<ul style="list-style-type: none"> - Amend Schedule 1 Additional permitted uses by adding Item 10 (Use of certain land at Pullen Street Woolgoolga) to say the following: <ul style="list-style-type: none"> (1) This clause applies to land at Pullen Street, Woolgoolga, being Lot 500, DP 776362 and Lot 1, DP 579511, shown as "10" on the Additional Permitted Uses Map. (2) Development for the purpose of retail premises (supermarket only not exceeding 3850 square metres gross floor area and floor space ratio of 0.33:1) is permitted with consent.

No.	Recommendation	Comment	Action
B	S65 Certificate dated 14 October 2011	Council Comment to S65 Certificate Requirements	Council Actions in Response to S65 Certificate
24.	Council is to use the amended copy of the LEP attached to the certificate dated October 2011 for exhibition purposes	<ul style="list-style-type: none"> - The certified copy of the draft LEP already had some minor edits completed by NSW P&I (refer paragraph 1 of page 2 of letter, referencing 'mining' and 'open cut mining'). Other minor modifications included wording changes to 3.3(2)(k), 4.1(4A), 4.1B(3), none of which affect the intent of the affected clauses. At a pre-S64 meeting on 18 January 2012 DoPI advised that the SEPP Infrastructure covers schools in the rural areas and that these could now be removed from the RU2 Rural Landscape zone; and that extractive industries must be permitted with consent in the B1 Neighbourhood Centre and B4 Mixed Use zones because light industries are permissible in these zones and SEPP (Mining, Petroleum Production and Extractive Industries) requires that extractive industries should also be permissible here. 	<ul style="list-style-type: none"> - Most amendments have already been made by NSW P&I. Several additional minor amendments have been made by Council. This is included in the list for noting by Councillors, including: amend the land use table for the RU2 Rural Landscape zone by removing Educational establishments because they are covered by State Environmental Planning Policy Infrastructure; removal of extractive industries as prohibited in the B1 Neighbourhood Centre and B4 Mixed Use zones because light industries are now to be permissible in these zones;
25.	Council is to amend the maps accompanying the draft LEP for Lot 66, DP 551005, Pacific Highway, Moonsee Beach to reflect the concept plan approval for the Part 3A application 05_0064 granted on 14 June 2011.	<ul style="list-style-type: none"> - The Part 3A concept approval was issued on 14 June 2011. It is considered appropriate to amend the draft maps to reflect the boundaries of the concept approval. 	<ul style="list-style-type: none"> - Amend Land Zoning Map sheet LZN_005E to show the R2 Low Density Residential zone extended to the footprint area approved under Part 3A application 05_0064. - Amend Lot Size Map sheet LSM_005E to show the permitted minimum lot size as 400m2 for the same area as shown on the land zoning map.

No.	Recommendation	Comment	Action
26.	Council is to prepare and exhibit at the same time as draft LEP 2012 amended maps for Lot 22 DP 1070182 and Lots 497 and 498, DP 227298, Pacific Highway and Pine Crescent, Sandy Beach to reflect the concept plan approval for the Part 3A Application 05_0083 granted on 20 December 2010.	<ul style="list-style-type: none"> - The Part 3A concept approval was issued on 20 December 2010. Council appealed the concept approval. The matter was handed down from the Land and Environment Court on 23 January 2012, advising that Council's appeal was not upheld. The draft exhibition material has been prepared to accompany draft LEP 2012 during the exhibition period. 	<ul style="list-style-type: none"> - No changes to draft LEP 2012 as reported to Council in June 2011. - Provide draft maps for exhibition being replacement Land Zoning Map sheet LZN_005D and Lot Size Map sheet LSM_005D to show the R2 Low Density Residential zone extended to the footprint area approved under Part 3A application 05_0083.

No.	Recommendation	Comment	Action
C	Other Minor Amendments	Council Comment to Minor Amendments	Council Actions Regarding Minor Amendments
27.	Optional Subclause 4.2A It is proposed that draft LEP 2012 include a clause to enable boundary adjustments in rural areas, in certain circumstances. NSW P&I has recently made the Moree Plains LEP 2011, containing a similar clause titled '4.2A Exceptions to minimum lot sizes for certain rural subdivisions'.	<ul style="list-style-type: none"> - Council held negotiations with NSW P&I during early 2010 regarding the need for a clause that addresses boundary adjustments between existing undersized allotments. NSW P&I provided Council with Clause 4.2A 'Lot size exceptions for certain rural subdivisions', which was included when the draft LEP was reported to Council on 23 June 2011. - Council received an instruction from NSW P&I that this clause needed to be removed, because it conflicted with mandatory clauses 2.6 Subdivision and 4.6 Exceptions to Development Standards of the Standard Instrument. It was further advised that NSW P&I was considering amending the Standard Instrument in due course to address this issue. - In the interim, Moree Plains LEP 2011 was made on 9 December 2011 to allow for rural boundary adjustments in certain circumstances. Since subclause 4.2A has been included in Moree Plains LEP 2011, this clause is now available for use in other LEPs around the state. It is recommended that Council includes this clause in draft LEP 2012. 	<ul style="list-style-type: none"> - Amend draft LEP 2012 by the addition of Clause 4.2A Exceptions to minimum lot sizes for certain rural subdivisions, with wording as published in Moree Plains LEP 2011 on 9 December 2011.
28.	Optional Subclause 5.9(9) Include subclause 5.9(9) in draft LEP 2012.	<ul style="list-style-type: none"> - This new optional subclause was developed by NSW P&I in 2011 for use by Councils, to restrict the operation of routine agricultural management activities (RAMAs) in certain zones, being R5 Large Lot Residential, E2 Environmental Conservation, E3 Environmental 	<ul style="list-style-type: none"> - Amend draft LEP 2012 by the inclusion of subclause 5.9(9), with wording as published in the Standard Instrument LEP.

No.	Recommendation	Comment	Action
29.	Minor amendments to various map sheets	<p>Management of E4 Environmental Living zones. The NSW Government is currently undertaking a review of the Native Vegetation Regulation 2005, which underpins the Native Vegetation Act 2003. Use of this subclause closes a legal loophole which will allow for clearing in environmental protection zones in the new Standard Instrument, while the review of the Act is underway. Council's Biodiversity staff have requested that this subclause be added to the new draft LEP for exhibition purposes.</p> <ul style="list-style-type: none"> - The draft LEP when last presented to Council was titled draft Coffs Harbour Local Environmental Plan 2011. Now it is draft Coffs Harbour Local Environmental Plan 2012. This has necessitated reproducing every map sheet with new title and reference numbering in accordance with the new title. There is no changed intent from this amendment. - A mapping error has been found in the Homebase site of the City Centre LEP 2011, where the rear of the site which was zoned 7A Environmental Protection under LEP 2000 was inadvertently zoned to B5 Business Development in the City Centre LEP. This is an opportunity to correct this map error on all relative map sheets of the draft LEP. - During the course of this review several minor anomalies have been noticed in the LEP map sheets as previously reported to Council. These are predominantly associated with minor adjustments where 	<ul style="list-style-type: none"> - Amend all map sheets with the new draft LEP title and reference numbering. - Amend the zone boundary in the location of Homebase, Coffs Harbour, to reinstate the environmental protection zone at the site, by amending the rear of the site on Land Zoning map sheet LZS_006B, from B5 Business Development zone to E2 Environmental Conservation. Also, amend Floor Space Ratio map sheet FSR_006B and Height of Buildings map sheet HOB_006B to reflect the zone footprint. - Amend minor map errors to correct minor map errors. - Amend Height of Buildings map sheet HOB_006C to increase Toormina Gardens Shopping Centre from 8.5 metres to 15.5 metres so that it is consistent with other centres. - Amend Lot Size Maps for the entire LGA to ensure that no lands zoned RE2 Private Open Space are shown on the Lot Size

No.	Recommendation	Comment	Action
		<p>the lot size map boundary has not fully accorded with the zone footprint for example. These have been rectified, with no changed intent.</p> <ul style="list-style-type: none"> - Toormina Gardens Shopping Centre was reported to and endorsed by Council in June 2011 with a provision for height of buildings of only 8.5 metres. This is not consistent with other shopping centre zones for example at Park Beach Plaza and Moonee. It is considered this was an oversight and should be rectified to allow Toormina Gardens Shopping Centre to develop to the same height as other centres. - An anomaly has been noticed for RE2 Private Open Space zoned lands throughout the LGA. The draft LEP as reported to Council in June 2011 shows some RE2 zoned lands as having no minimum lot size, and others with various minimum lot sizes. Council currently does not apply minimum lot sizes to public or private open space zoned lands in LEP 2000, and none have been added to the Coffs Harbour City Centre LEP 2011. For consistency, it is recommended that all RE2 zoned lands be treated equally and all sites be removed from the minimum lot size maps. 	<p>Map with a minimum lot size.</p>



Mr S McGrath
General Manager
Coffs Harbour City Council
Locked Bag 155
COFFS HARBOUR NSW 2450

Our ref: G09/001667-1
Your ref: 2826325

Attention: Ms Sharon Smith
Special Projects Manager, SLEP

Dear Mr McGrath

Coffs Harbour Local Environmental Plan 2011 – Certificate to exhibit draft Plan

I am writing in response to your letter received 6 July 2011 requesting certification of the draft Coffs Harbour Local Environmental Plan 2011. I am pleased to advise that I have endorsed the draft Plan for exhibition and have attached the section 65 certificate and a copy of the certified draft Plan.

As an opinion has not been issued by Parliamentary Counsel that the plan may be legally made, the Department has issued this certificate on the understanding that Council, when exhibiting the draft LEP, makes it clear to the public that the draft Plan may be changed to satisfy legal drafting requirements. Council must also provide a plain English version of the Plan for exhibition explaining what the Plan does.

Please note that references to the particular sections of the Act in this letter relate to the previous plan making provisions repealed on 1 July 2009.

Council is reminded to place the relevant State Environmental Planning Policies, any Regional Environmental Plans (deemed SEPPs) and section 117 Directions that apply on exhibition with the certified draft Plan.

It has been identified that the draft LEP is inconsistent with the section 117 Directions 1.5 Rural Lands, 2.1 Environment Protection Zones, 3.2 Caravan Parks and Manufactured Home Estates, and 4.4 Planning for Bushfire Protection. As the delegate of the Director General, I have approved that the inconsistencies have been justified in Council's section 64 report on consistency of the draft LEP with relevant policy, EPIs and directions and are of minor significance in this case. Council is required to place this letter on exhibition to demonstrate that these inconsistencies have been addressed and are of minor significance.

The draft LEP is considered to be inconsistent with the SEPP (Mining, Petroleum Production and Extractive Industries) 2007 by including "mining" and "open cut mining" in the land use table of several zones when this land use is permissible under the Mining SEPP. These land uses have been removed where appropriate for the purposes of exhibition.

Schedule 2 of the section 65 certificate includes conditions requiring amendments to be made to the draft LEP maps before exhibition takes place.

It is noted that the zoning map accompanying the draft *Coffs Harbour Local Environmental Plan 2011* in relation to Lot 22, DP 1070182, and Lots 497 and 498 DP 227298 Pacific Highway and Pine Crescent, Sandy Beach is not consistent with the Part 3A application 05_0083 determination made on 20 December 2010 in relation to this site.

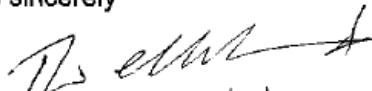
I understand that this determination is the subject of a Court challenge for which no judgment has been made. Council is therefore requested to prepare and exhibit at the same time as the draft LEP, documentation explaining the extent of the existing Part 3A approval for residential development. This documentation should include zoning, lots size and any other maps covering the site which are relevant to the determination. This will enable the draft LEP maps to be amended post-exhibition, should the Court dismiss the appeal.

Council should ensure that any final draft plan and maps submitted to the Department following community consultation are consistent with the Act and Regulations. Council should also note that the Department and Parliamentary Counsel may modify some local model clauses and your plan may need to be amended accordingly. The Department's Regional office can assist Council to review the final plan before submission to the Minister.

I would like to thank Coffs Harbour City Council for progressing the draft plan in a highly professional manner and look forward to your ongoing commitment to finalise this new planning instrument.

If you have any questions in relation to this matter, please contact Steve Murray, Regional Director of the Department of Planning and Infrastructure's Northern Region Office on 02 6641 6600.

Yours sincerely



Tom Gellibrand 14/10/11
**Deputy Director General
Plan Making and Urban Renewal**

Enclosures:
s65 certificate for Coffs Harbour LEP 2011;
Certified draft Coffs Harbour LEP 2011



**ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979
SECTION 65(2) CERTIFICATE**

As a delegate of the Director General of the Department of Planning and Infrastructure, I, Tom Gellibrand, under section 65(2) of the *Environmental Planning and Assessment Act, 1979* (the Act), certify that the draft plan named in Schedule 1 may be publicly exhibited under section 66 of the Act subject to the condition that the draft LEP be amended as set out in Schedule 2.

Signed

A handwritten signature in black ink, appearing to read 'Tom Gellibrand'.

Tom Gellibrand
**Deputy Director General
Plan Making and Urban Renewal**

Dated 14 October 2011

Schedule 1

Draft Coffs Harbour Local Environmental Plan 2011 submitted to the Director General under the former section 64 of the Act on 30 June, 2011.

Schedule 2 conditions

Prior to exhibition Coffs Harbour City Council is required to:

- (i) amend the draft *Coffs Harbour Local Environmental Plan 2011* as submitted by Council in accordance with the amended copy of the plan attached to this certificate marked 'Exhibition Draft' and dated October 2011
- (ii) amend the maps accompanying the draft *Coffs Harbour Local Environmental Plan 2011* for Lot 66, DP 551005, Pacific Highway, Moonee Beach to reflect the concept plan approval for the Part 3A application 05_0064 granted on 14 June 2011 in relation to this site.



Thursday, 22 December 2011

Mr Chris Chapman
 Director, Land Use, Health and Development
 Coffs Harbour City Council
 Locked Bag 155
 Coffs Harbour NSW 2450

Dear Mr Chapman

RE: Cnr Hood and High Streets, City Centre AND 2-16 Beryl Street, Coffs Harbour AND Fawcett Street, Woolgoolga

In accordance with Section 62 of the Environmental Planning and Assessment Act (E P & A Act 1979), the State Property Authority (SPA), on behalf of Forests NSW, would like to make the following comments regarding the proposed implementation of the Standard Instrument Local Environmental Plan (LEP) as it may relate to the abovementioned property/s.

As part of this process SPA will be consulting with Council and the Department of Planning to ensure that existing and future land use zones are suitable to the needs of Forests NSW and that any differences between the development restrictions under each existing LEP and the proposed development restrictions under the Standard Instrument LEP are minimised.

In principle, SPA does not support:-

- Councils strictly applying zoning guidelines, without due regard to the individual circumstances of each property, so that the proposed zonings reduce and/or omit the currently permissible uses to the extent that they no longer adequately reflect the current nature of the existing improvements e.g. office buildings being zoned RE1 or SP1 or SP2.
- SP1 and SP2 zonings. These zonings are particularly to be avoided as they provide minimal certainty in terms of future development of Government property and can have a detrimental impact upon the future disposal of Government land that has become surplus to Government requirements when it is put to the open market. This especially applies to properties currently zoned "Special Uses", Conservation and/or Public Recreation. Refer to Standard Instrument Practice Note 10-001.
- Zonings remaining equivalent (for example 3 (d) Mixed Use to B4 Mixed Use) but with more onerous restrictions i.e. floor space ratios (FSR) and/or height limits being applied to government properties as this may also negatively impact the future utility and/or future development potential for the site/s.

Should you require additional information, please contact the undersigned on (02) 9723 3819.

Sincerely

Warren Thomas
 Acting Director, Commercial Transactions
 CC: Mr Geoff Coggins, Assets and Estates Manager, Forests NSW

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CITY SERVICES DEPARTMENT REPORTS

CS12/5 COMMITTEE MEMBERSHIP

Purpose:

To recommend to Council appointments of a number of community members to management and advisory committees.

Description of Item:

This report seeks approval from Council for appointments to the following committees:

- Sportz Central Management Committee
- Yandaarra Aboriginal Consultative Committee
- Woolgoolga Community Village Management Committee.

Sustainability Assessment:

- **Environment**

There are no environmental issues associated with this report.

- **Social**

The valuable contribution made by community members in the various roles of management and advisory committees adds to the significant social capital and sense of connectedness, while also providing a service Council would otherwise be unable to provide.

- **Civic Leadership**

This approach is addressed in Coffs Harbour 2030 through:

LC1 We are healthy and strong

LC1.3 We live in a safe, caring and inclusive community

LC1.3.2 Build community structures based on the values of care, inclusion and connectedness

LC1.3.3 Promote the importance of being party of a community

- **Economic**

Broader Economic Implications

There are no economic implications of the recommendations in this report.

Delivery Program/Operational Plan Implications

There are no delivery program or operational plan implications of the recommendations in this report.

CS12/5 - Committee Membership (Cont'd)

Consultation:

Consultation has been undertaken with the existing members of the relevant committees.

Related Policy and / or Precedents:

This process is in line with precedents set in the past.

Statutory Requirements:

This addresses requirements under the Local Government Act.

Issues:

The following community members have expressed interest in participating on the below committees. All these nominations have been approved for recommendation to Council at a relevant committee meeting:

- Sportz Central Management Committee
Mr Stuart Malouf
- Yandaarra Aboriginal Consultative Committee
Mr Dean Evers
- Woolgoolga Community Village Management Committee
Ms Anna Miley

Implementation Date / Priority:

The relevant committees and prospective members will be notified immediately following Council's decision.

Recommendation:

That the following committee member nominations be appointed to their relevant committees:

- **Sportz Central Management Committee**
Mr Stuart Malouf
- **Yandaarra Aboriginal Consultative Committee**
Mr Dean Evers
- **Woolgoolga Community Village Management Committee**
Ms Anna Miley

CS12/6 COMMUNITY FACILITIES MANAGEMENT, ADVISORY COMMITTEES AND COMMUNITY DEVELOPMENT INITIATIVES UPDATE FOR 2011

Purpose:

To provide a report on the current operational status of Council's community facility management, advisory committees and community development initiatives.

Description of Item:

The Management Committees are responsible for the care, control and management of some of Council's community facilities and the Advisory Committees are responsible for the provision of advice on various issues including future development. These committees are established under Section 355 of the Local Government Act 1993. The committees are made up of volunteer local community members. The use of Section 355 Committees reflects Council's level of encouragement to actively engage and utilise the expertise within its community.

A number of community development initiatives throughout 2011 were well supported, guided and partnered with the community. These initiatives were to safeguard, educate, culturally enrich and celebrate community.

A brief summary of each operation is presented under three separate headings: Community Facility Management Committees, Advisory Committees and Community Development Initiatives. These are as follows:

COMMUNITY FACILITY MANAGEMENT COMMITTEES**Ayrshire Park Management Committee**

Ayrshire Park is a sports and community recreation area located in the heart of Middle Boambee on Ayrshire Park Road.

Operating Budget - Total operating revenue was \$4,312 for the year ended 30 June 2011 with the operating expenses of \$3,293 providing \$1,019 in retained funds. The park is the home base for the Boambee Soccer Club.

Management - The committee consists of a number of community members with a strong commitment to ensuring the long term viability of the park.

Bayldon Community Centre Management Committee

Bayldon Community Centre is located on Toormina Road and provides a large hall with a licensed capacity for 100 persons, meeting and counselling rooms. The Centre was opened in 1992 and was a joint venture project between the Department of Housing and Council.

Operating Budget - Achieved revenue of \$14,099 for the year ended 30 June 2011, expenses amounted to \$11,502 resulting in a profit of \$2,597. This is an excellent financial result for the Centre, attributable to increased usage amounting to \$3,000 in increased revenue. Revenue is obtained from regular user groups including the Child and Family Health Centre, Juvenile Justice, yoga, dance classes, sports training, Go-for-fun Children's Health program, indigenous gentle exercise classes, the Australian Christian College, craft classes, birthday and social functions.

CS12/6 - Community Facilities Management, Advisory Committee and Community Development Initiatives Update for 2011 (Cont'd)

Management - The Committee is currently made up of five new members. Volunteers open the Centre from Tuesday to Thursday and offer photocopying and facsimile services. The Committee throughout the year has completed a Business Plan for the Community Centre, prepared a marketing brochure, website page, improved landscaping and external signage, undertaken risk training, obtained customer feedback with comments including "*Facility and volunteers were very satisfactory, bookings were efficient and fees and payment system fair and reasonable*". The Committee is now contracting an interior design consultant to assist with the upgrade of this twenty year old building, the first stage to include the entrance, reception and lounge areas.

Coramba Community Hall Management Committee

Coramba Community Hall is located on Dorrigo Street and provides a large hall with a licensed capacity for 294 persons. The building is heritage listed and includes a memorial stage, hall, kitchen and computer room available for public use.

Operating Budget - Achieved revenue of \$1,738 for the year ended 30 June 2011. Expenses amounted to \$1,814 resulting in an operating deficit of \$76. Revenue continues to be obtained primarily through hall hire with regular user groups including church groups, P&C, schools, land care groups, education seminars, yoga, karate and casual hirers.

Management - The Committee is made up of dedicated local community representatives who continue to freely donate their time, promote the facility, explore opportunities for increased usage and work on enhancing the hall's facilities.

Eastern Dorrigo Showground and Community Hall Management Committee

Known as Ulong Hall and located off Pine Avenue at Ulong, the hall has a licensed capacity for 200 persons and includes a large kitchen and shower facilities. The showground has the potential for uses such as camping, caravanning and auto clubs etc whilst the hall is currently utilised by the Tallwood Teddies Playgroup. The hall is occasionally used by the community for private events. The venue was utilised during the World Rally Championships in 2011.

Operating Budget - Revenue of \$921 was achieved for the year ended 30 June 2011 while \$1,203 expenditure was recorded for the same period. Resulting in a deficit of \$282.

Management - The Committee is always looking at ways to generate interest in the venue and are mainly involved in general care and maintenance of the facility.

Lowanna Community Hall Management Committee

Lowanna Community Hall is located on Thrower Avenue and comprises a large hall with a licensed capacity for 200 persons.

Operating Budget - Operates on a shoestring budget with revenue of \$2,023 for year ended 30 June 2011, expenses of \$2,220 resulting in a loss of \$196. Cleaning, mowing and general upkeep is undertaken by volunteer members. The majority of the revenue is obtained from the Preschool who use the hall two days per week. More recently there has been a revival in the local community members seeking to increase use of the hall for social dance evenings, market days and private hire for 21sts, weddings etc. The hall is also utilised for the local Heartstart meetings.

Management - The Committee is working towards generating greater community usage of the hall.

Lower Bucca Community Hall Management Committee

Lower Bucca Community Hall is located approximately 15 km north west of Coffs Harbour providing a central meeting point and an asset to the local community with very affordable rates for social events and activities.

Operating Budget - Revenue of approximately \$12,929 was achieved for the year ended 30 June 2011. Expenses amounted to approximately \$3,400 indicating reconciled balance of \$34,520 as at 30 June 2011. Revenue is derived from rental intake from two main sources. The Lower Bucca Community Pre-school has been operating out of the main community hall for 22 years which provides pre-school services four days out of the week. The residential property adjacent to the community hall is currently providing secured income.

Management - Lower Bucca Community Hall consists of four committee members who meet voluntarily each month to ensure operations of the hall are maintained. Highlights for 2011 include the Lower Bucca Community Pre-school celebrating the opening of their bathroom facility, sun shelter and external paving area with over 100 guests in attendance. Many of the guests had pre-purchased engraved pavers to be laid on a remembrance patio. In 2012 the Committee and Pre-school plan to upgrade certain areas around the main building with a focus on the adjoining tennis court.

Nana Glen Sport, Recreation and Equestrian Centre Management Committee

The Centre features a large picturesque sporting and recreational area off Morrows Road. Polo Crosse fields, dressage arena, equestrian cross country course, undercover stables and cricket pitch are the main features together with a large kiosk, toilets, showers and storage sheds on site. This sports facility is home to competitions that attract local, regional, national and international competitors. The Management Committee also care, control and manage the Nana Glen Tennis Courts.

Operating Budget - Revenue of approximately \$17,000 was achieved for the year ended 30 June 2011. Expenses amounted to approximately \$16,500 indicating an overall profit of \$500. Revenue is obtained from regular user groups including Coffs Harbour Polo Crosse, Coffs Harbour Pony Club, North Coast Equestrian Club, Woolgoolga trail riders, Macksville Pony Club, Grafton Motor Homes Group and the Nana Glen Cricket Club. Other regular users include Eventing NSW, local schools, Rural Fire Brigade as well as community social functions such as social sports, weddings and birthday celebrations.

Management - The Committee is made up of community representatives and representatives of the various user groups. They have a long history of sound management practices and have faced the challenge of repairing flood damaged grounds, buildings, facilities and amenities. They have upgraded the grounds to provide a quality equestrian cross country venue which attracts both state and national competitors. The Committee has implemented infectious disease preventative measures for the site and commenced an Emergency Animal Disease Action Plan in light of the recent outbreaks of the Hendra Virus within NSW. Hiring Agreements have been updated and risk training undertaken by the Committee.

Sportz Central Management Committee

Sportz Central is a regional three championship court indoor sports stadium with a licensed capacity for 1,000 people. Originally built as two courts in 1987 and expanded to three courts in 1998. The three international sized basketball courts are modified into five junior courts for local competition.

Operating Budget - Achieved revenue of \$306,000 for the year ended 30 June 2011, expenses totalled \$290,000 providing a profit of \$15,000. Kiosk revenue has increased from \$136,000 last year to \$171,000 following the upgrade. The stadium is home to sports groups such as basketball, volleyball, netball, wheelchair basketball, school sports, multi sports, disability sports, Soccatoos preschool indoor soccer, home school sports days, lifeball for seniors and table tennis. Regional, state and national sporting competitions and cultural events are held at Sportz Central including Basketball State League, Oz Opera, University Games, Basketball Northern Junior League, State Quad Rugby, National Handball, National martial arts, regional Primary School Sports Association Competitions, regional Catholic School Competitions, children's drama, dance performances, International Day for People with a disability celebrations and roller derby.

Management - The Committee and Stadium management continue to try and broaden the types of sports and cultural shows with next year featuring a professional equine national touring performance of Elcaballoblanco. Up to 5,000 people visit the stadium a week, with over 2,000 children and parents on a Saturday alone.

The Committee throughout the year have completed a Business Plan for the stadium, overseen the upgrade of amenities and change rooms to include energy and water saving initiatives such as sensor lights and dual flush toilets with grant funding of \$22,967 from the State Government Department of Environment, Climate Change and Water, undertaken risk training, completed the installation of shower partitions with grants funds of \$4,085 from the State Government Department of Communities, Sport & Recreation, finalised the building expansion with grant funding of \$457,000 from the Federal Department of Infrastructure, Transport & Regional Development and Local Government, obtained customer feedback with comments including "*management is always on top of bookings and are helpful, facility has large spaces and caters for a range of sports and the fees are a little on the expensive side when compared to other similar facilities in the region*". The Committee carry out the management appraisal, undertake conflict resolution and are now investigating improved court lighting. Sportz Central was home to a sold out NBL Preseason Basketball game between the Melbourne Tigers and Gold Coast Blaze and the recently acquired portable stage has been highly sought after for a range of community events.

Woolgoolga Community Village Management Committee

Woolgoolga Community Village is located on Boundary Street and comprises the Village Community Hall, Meals on Wheels kitchen, Seniors Centre, Tourist information Office, Neighbourhood Centre and Library. The hall is a mud brick building with a licensed capacity for 100 persons.

CS12/6 - Community Facilities Management, Advisory Committee and Community Development Initiatives Update for 2011 (Cont'd)

Operating Budget - The facility made a profit of \$3,400 for the year ended 30 June 2011 from revenue of \$21,000. The primary income source is the rental obtained from the Neighbourhood Centre, with 80% of this income returned to Council. Other regular rentals include Meals on Wheels, Neighbour Aid and the Tourist Information Office. The regular user groups at the community hall are Woolgoolga Family Playgroup, Red Cross Society, Orchid Society, Woopi Twirlers, yoga, Sikh dance groups, belly dance and drumming groups. In addition there is casual use such as community meetings, social functions, weddings and birthday parties.

Management - The Committee continually improve the venue to maintain and attract community groups. Throughout the year they have completed a Business Plan, improved external signage, obtained customer feedback with comments including "*fees and charges are good value, volunteers always helpful when taking bookings, prompt invoice and receipts and everything provided and clean*". The Committee has built a covered alfresco area with tables and chairs and are looking at renovating the existing toilets.

ADVISORY COMMITTEES

Access Advisory Committee

The committee has met ten times this year and has discussed and addressed many access issues affecting the Coffs Harbour LGA. The Access Sub-committee has also carried out several on-site visits to assess and advise on access issues. In addition the sub-committee has also been consulted by Council staff regarding the approvals of new developments. This committee is very proactive with a full complement of members.

Multicultural Reference Group

The Multicultural Reference Group (MRG) has now been established for over six years from 2006-2011. The role of the Group is to enhance the profile of multiculturalism in the community in partnership with Council, other service providers and community groups. The MRG meet on a monthly basis and have undertaken initiatives to meet the Group's objectives. Highlights include the very successful Multicultural Harmony Day Festival. Held annually on the third Sunday in March its theme is "Everyone Belongs" and is timed to coincide with Harmony Day. Over 3,500 attended the festival this year and this figure is expected to grow given the interest in the community. The festival is a positive demonstration of the City's tolerance and understanding for the differing cultures that now call Coffs Harbour home. Additionally, because of Council's financial support the event is free for anyone to attend and also plays a significant factor in its continuing development. This year, sponsorship was sought and successfully obtained from the Miimi Aboriginal Corporation and South Cares to incorporate more Aboriginal content. This positive community festival continues to gather momentum and is keenly supported by the community.

In December 2010, after comprehensive consultation through the MRG, Council adopted its Multicultural Policies & Services Program to better plan and implement the principals of multiculturalism locally. In June 2011 to recognise Refugee Week, the Australian Refugee (short) Film Festival was again screened to sold out audiences at the Jetty Memorial Theatre. This year the event, with support from MRG members, was hosted, managed and run by members of the refugee community providing them with a platform to tell their stories and give them the skills and confidence to undertake other similar activities. The MRG does not receive a regular budget allocation apart from those monies allocated to the Festival. Grants and partnerships are continually being sought to support MRG initiatives.

Yandaarra Aboriginal Consultative Committee

Council's original Aboriginal Consultative Committee was established in 1998 to provide information and guidance to Council on Aboriginal issues and policy development. The Committee was also seen as a point of communication between Council and the Coffs Harbour Aboriginal community. The committee has accomplished a number of goals through the position of Aboriginal Community Development Officer within Coffs Harbour City Council. The Committee continues to build and enhance the relationship between Council and the Aboriginal Community by establishing a forum for the local Aboriginal community to provide advice to Council. 2011 was another successful year for the Yandaarra Committee with the official opening of NAIDOC Week with the annual flag raising ceremony at the Council Chamber and afterwards with over 100 people in attendance to witness the presentation of NAIDOC Week awards by Mayor Keith Rhoades and the Chairperson of the Yandaarra Aboriginal Consultative Committee, with Uncle Trevor Wilson presenting awards. Coffs Harbour City Council continues to strengthen their commitment with their involvement with the Grace Roberts Awards held once again at the Novotel Pacific Bay to acknowledge her achievements, hard work and dedication to improving the quality of life for local Aboriginal people. The winner of the 2011 Grace Roberts Awards was worthy recipient Mark Flanders.

The Yandaarra Aboriginal Consultative Committee and the Coffs Harbour City Council are planning to undertake a review and will be encouraging local Aboriginal community members to be involved in the committee to ensure consultation between Council and the Aboriginal community are maintained and strengthened.

COMMUNITY DEVELOPMENT INITIATIVES 2011

Coffs Coast Outdoor Environmental Education, Cultural Heritage Training Program and Performance Venue Muttonbird Island

Coffs Harbour City Council in partnership with National Parks & Wildlife, Arts Mid North Coast and the Gumbaynggirr Elders received funding to construct this State Tourism award winning educational performance centre at the base of Muttonbird Island. The creation of this project informs residents and visitors to the Coffs Coast of aboriginal cultural significance, the Solitary Island Marine Park and National Parks and Wildlife Services Coffs Coast Aboriginal Discovery Program. The venue is available to the Coffs Coast community for performance and educational use.

Crime Prevention

The NSW Bureau of Crime Statistics and Research has reported an 8.3% reduction in incidents of malicious damage to property in the Coffs Harbour area from July 2009 to June 2011. Various Federal, State and Local government partnership initiatives contribute to this including The Nightrider Late Night Transport Project which has been operating on and off since 2003 with funding received from the Department of Justice and Attorney General NSW, Roads and Traffic Authority, Coffs Harbour Liquor Accord and Coffs Harbour City Council. In the Coffs Harbour Crime Prevention and Safety Plan 2008-2011 Section 2 "Malicious Damage" it cites the lack of late night transport and the shortage and expense of taxis which make it difficult for young people to get home and is a contributing factor in incidences of malicious damage to property, drink diving and drink walking as well as alcohol related assaults. The Nightrider has been running successfully during this time over the Christmas/New Year periods, Coffs Cup, NRL & AFL games as well as major music concerts and also managed to run services during the World Rally Championships. The Nightrider has alleviated the pressure on the taxis on these peak celebratory nights by removing large crowds more efficiently out of the CBD. For the first time 2009/2010 the Nightrider ran a service to northern beaches and Woolgoolga at 2.30am on Saturday mornings which was very well patronised. Unfortunately all funding will be expended after the 2011 Christmas period but all efforts will be made to obtain further funding to continue this very successful and much needed late night transport service.

Crime prevention community resources were produced including a Community Safety fridge magnet designed with the message "Crime, Report it, don't ignore it" displaying all the relevant contact numbers for life threatening and non-life threatening situations. These magnets were made available through Council's main administration reception, NSW Police, Neighbourhood centres, Community Village and libraries as well as other relevant outlets.

International Day of People with a Disability

This year's International Day of People with a Disability (IDPWD) was celebrated with a series of fun events at Sportz Central. IDPWD is a unique community event raising awareness about issues related to disability, but more importantly, it's about celebrating the abilities of people with disabilities. The event continues to grow each year with over 500 people in attendance for 2011. The day is also about changing misconceptions surrounding disability and creating an environment that encourages everyone's participation in sport, careers, leisure activities and social networks. The day provides an excellent opportunity to acknowledge the contribution that people with disabilities make to our community and to recognise those who facilitate the lives of people with disabilities.

Japanese Festival of Children's Day

This is a national award winning community event jointly initiated between Coffs Harbour City Council, the Friends of the Botanic Garden and the Coffs Harbour Australia-Japan Society. The Festival has grown to attract crowds of over 2,500 people. This family picnic day festival celebrates traditional Japanese food, culture, education and entertainment. The purpose of the festival is to celebrate our Sister City relationship with Sasebo, promoting cultural awareness, education and cooperation. The history of the Festival stems from the culturally significant Japanese Children's Day Festival. The Festival comes from an ancient story about carp, which swam up a waterfall and turned into dragons. The carp, or koi in Japanese, became symbols of perseverance. Following the tragic events in Japan throughout 2011 the Festival was able to support our sister city and the people of Japan by sending condolences and prayers of well being.

Sesquicentennial Celebrations

The Sesquicentennial Celebration Organising Committee made up of Council staff, members of the general public and local business, worked collaboratively during 2011 to achieve the 150 Year's of Coffs Harbour event. A float parade commenced the day's celebrations and included entries from all sectors of the community, including: kids clubs, service providers, the local migrant and refugee community, government and emergency organisations, service clubs, sporting bodies and networks, community groups and Council representation. In excess of 4,000 people lined Harbour Drive to witness the vibrant mix of parade entries as it made its way to the Jetty Foreshore. Here, all ages enjoyed the rest of the day's activities, from the very young to the not so young, which included an enhanced Harbour Side Markets, kids activities, community group and information stands. A 150 Year Celebration Birthday Cake, depicting edible photos provided enough cake for all to enjoy. Local bands and performance groups and an array of taste tempting food stalls all added to the day's festive atmosphere. Celebrations included a Flotilla Sail Past, Sesquicentennial Sail Race and spectacular concert provided by headline acts Brian Cadd and Russell Morris who entertained the delighted crowd, creating a fitting end to a great day. Feedback from the community was overwhelmingly positive with comments of *"bring it on Coffs Harbour, let's not leave it another 150 years until we have the next one."*

Smoke-Free Outdoor Areas Initiative

Over the past 12 months Council in partnership with the Cancer Council and other local health providers have worked together to implement smoke-free outdoor area initiatives to provide a healthier environment for the community and improve the natural environment by reducing the amount of cigarette butt litter. As a result Council adopted its Smoke-Free Outdoor Areas Policy in late 2010 which prohibits smoking within ten metres of all playgrounds within the LGA and, as funding allowed, broadened this to include other community facilities and areas.

International Women's Day

This year was a special year to celebrate International Women's Day as it was its centenary year. In partnership with local service providers and the general public, Council hosted a morning tea at the Cavanbah Centre that highlighted the achievements of women in the local community, specifically women with a disability or women who work with people with a disability. The event was free to attend and focused on thanking those women in our community who are making a difference either as a role model or provider.

Woolgoolga Whale Watch Headland Mural Public Art Project

Coffs Harbour City Council in partnership with the Northern Beaches Woolgoolga Chamber of Commerce employed local artist Lee Holmes to create a major mural on the water tower at Woolgoolga Whale Watch Headland. This mural depicts the Solitary Island Marine Park ecological habitat. Lee Holmes worked in conjunction with the National Marine Science Centre to create realistic depictions of the local underwater environment of the marine park. This project was designed to increase tourist numbers to this area which is regarded as the premier land based position for whale watching on the NSW mid north coast.

Sustainability Assessment:

- **Environment**

There are no environmental issues.

- **Social**

The care, control and management of these local community facilities by local residents and local community groups enables a sense of community ownership, community involvement and development and overall community well being.

The advice provided by the various advisory committees is invaluable as a consultative and information mechanism.

The community benefits greatly from these committed volunteers who undertake bookings, financial management and coordination of future development at little to no cost to Council.

The community development initiatives lead the way to inform, safeguard, educate, culturally enrich and celebrate community.

- **Civic Leadership**

- **Economic**

Broader Economic Implications

The Management Committees who ended the financial year in surplus utilised these funds for either ongoing operations, maintenance and/or development of the facilities for which they are responsible. In relation to the facilities which had a deficit result this was overcome from funds held from previous years.

Delivery Program/Operational Plan Implications

The Committees are in line with the current Delivery Program/Operational Plan.

Consultation:

This report includes information provided by the volunteers on Council's community committees.

Statutory Requirements:

These Management and Advisory Committees are established under Section 355 and regulated by Section 377 of the Local Government Act.

Issues:

These Committees are made up of unpaid volunteers who are prepared to offer their personal time for their community and in many instances they provide valuable advice and experience. The Committees achieve good management, promote community consultation and use and endeavour to maximise income with minimal cost. The Committees continue to seek community support and funding opportunities to improve the facilities.

CS12/6 - Community Facilities Management, Advisory Committee and Community Development Initiatives Update for 2011 (Cont'd)

The Committees continue to seek Council's financial support for further development as the need arises.

Recommendation:

- 1. That Council note the valuable assistance, advice and good management of Council's community facilities and advisory committees by volunteer members.**
- 2. That a letter under the signatures of the Mayor and General Manager be sent to each committee congratulating them on their achievements over the last 12 months.**

Purpose:

To inform Council about the results of the 2009/10 NSW Water Supply and Sewerage Performance Report in relation to Coffs Harbour's system.

Description of Item:

The NSW Water Supply and Sewerage Performance Monitoring Report outlines the performance of the State's 106 local water utilities and was prepared by the NSW Office of Water. Performance monitoring and benchmarking are an increasingly important management tool that are required under the water initiative and has been strongly endorsed by the Independent Pricing and Regulatory Tribunal (IPART).

Key facts:

- Average NSW residential water use has fallen from 330kL to 175kL per connected property. This is a reduction of 47% over the past 19 years. Coffs Harbour's annual residential water use for 2009/10 was 186kL, just above the state median, but Council has not had any water restrictions since 2003.
- The water supply for over 99% of the urban population in country NSW complied with the Australian Water Guidelines. CHCC complied 100% with the physical, chemical and microbiological quality parameters for both water supply and sewerage.
- CHCC has a new draft Strategic Business Plan and has an existing long term financial plan in place. 91% of utilities in NSW have a strategic business plan.
- Council has a sound water conservation plan in place as well as a water efficiency plan developed in conjunction with Clarence Valley Council through the Regional Water Supply Scheme.
- Water main breaks in NSW have remained much lower than all other States and the capital city utilities, indicating good asset condition. Council's water main breaks have decreased over the years due to its mains renewal program.

Attached are the following documents:

1. CHCC TBL Sewerage Performance 2009-10.
2. CHCC TBL Water Supply Performance 2009-10.
3. CHCC Sewerage Action Plan.
4. CHCC Water Supply Action Plan.
5. TBL Performance Report and Action Plans - Understanding and Using Your Report.

Consultation:

Copies of the full (100 page) benchmarking report are available on the web at www.water.nsw.gov.au and search for "performance monitoring 2009-10".

Statutory Requirements:

Performance monitoring and benchmarking are required under National Competition Policy and the National Water Initiative, are important for public accountability and have been strongly endorsed by the NSW Independent Pricing and Regulatory Tribunal. Performance monitoring is also a key requirement of the NSW Best Practice Management of Water Supply and Sewerage Guidelines, which drive the NSW Best Practice Management Framework.

Implementation Date / Priority:

Report supplied to Council in September 2011.

Recommendation:

That Council note the Performance Monitoring Report and the 2009-10 NSW Water Supply and Sewerage document in relation to Coffs Harbour's systems.

**Ben Lawson
Director, City Services**

Attachments:

Coffs Harbour City Council TBL Sewerage Performance 2009-10

SEWERAGE SYSTEM - Coffs Harbour Council has 5 sewage treatment works providing secondary, advanced secondary and tertiary treatment. The system comprises 114,500 EP treatment capacity (Intermittent Extended Aeration (Activated Sludge), Trickling Filter and Biological Nutrient Removal), 116 pumping stations, 164 km of rising mains and 489 km of gravity trunk mains and reticulation. Treated effluent is discharged to land and ocean.

PERFORMANCE - Residential growth for 2009-10 was 1.5% which is higher than the statewide median. Coffs Harbour City Council achieved 100% compliance with Best Practice requirements. The typical residential bill was \$698 which was above the statewide median of \$530 (Indicator 12). The economic real rate of return was 2.6% which was greater than the statewide median (Indicator 46). The operating cost per property (OMA) was \$485 which was well above the statewide median of \$360 (Indicator 50). Sewage odour complaints were above the statewide median of 0.6 (Indicator 21). Council complied with the requirements of the environmental regulator for effluent discharge. The current replacement cost of system assets was \$391M (\$16,000 per assessment), cash and investments were \$73M, debt was \$131M and revenue was \$24.6M (excluding capital works grants).

COMPLIANCE WITH BEST-PRACTICE MANAGEMENT GUIDELINES REQUIREMENTS

(1) Complete current strategic business plan & financial plan	YES	(2e) Pricing - DSP with commercial developer charges	Yes
(2) (2a) Pricing - Full Cost Recovery without significant cross subsidies	Yes	(2f) Pricing - Liquid trade waste approvals & policy	Yes
(2b) Pricing - Complying Residential Charges	Yes	(3) Complete performance reporting (by 15 September)	YES
(2c) Pricing - Complying Non-Residential Charges	Yes	(4) Integrated water cycle management strategy	YES
(2d) Pricing - Complying Trade Waste Fees and Charges	Yes	COMPLIANCE WITH ALL REQUIREMENTS	100%

TRIPLE BOTTOM LINE (TBL) PERFORMANCE INDICATORS

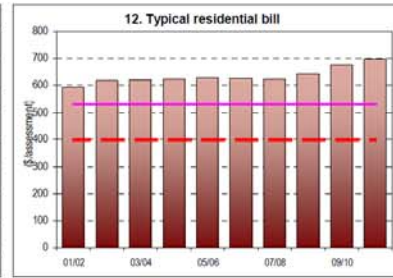
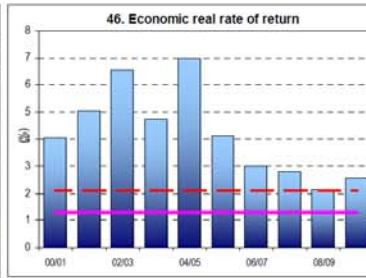
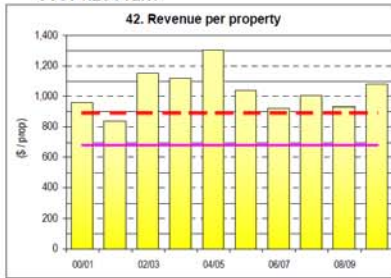
Category	Indicator	Description	Unit	LWU RESULT	RANKING			STATEWIDE MEDIAN
					>10,000 properties	All LWUs	Col 3	
				Col 1	Col 2	Col 3	Col 4	
UTILITY CHARACTERISTICS	C5	1 Population served: 64,800						
		Number of assessments: 24,400						
	C8	2 Number of connected properties:	22,890					
	C6	3 Number of residential connected properties:	21,290					
	A6	4 New residences connected to sewerage (%)		1.5 %	1	1	0.9	
	W18	5 Properties served per kilometre of main		35 Prop/km			40	
		6 Volume of sewage collected (ML)		6,440 ML			4,900	
		7 Renewals expenditure (% of current replacement cost of system assets)		0.7 %	1	1	0.3	
	8 Employees per 1000 properties		1.8 per 1,000 prop		3	3	1.6	
SOCIAL CHARGES & BILLS - 2010-11	P4	Description of residential tariff structure:	access charge/prop, independent of land value (Note 5)					
	P4.1	11 Residential access charge / assessment (\$)		\$ 698	5	5	525	
	P6	12 Typical residential bill / assessment (\$)		\$ 698	4	5	530	
		13 Typical developer charge / equivalent tenement (\$)		\$ 8,380	1	1	4,200	
		14 Non-residential sewer usage charge (c/kL)		178 c/kL	2	1	105	
		16 Urban properties without reticulated sewerage service (%)		16.1 %	5	5	3.9	
	E3	17 Percent of sewage treated to a tertiary level (%)		100 %	1	1	93	
	E4	18 Percent of sewage volume treated that complied (%)		100 %	1	1	99	
	E5	19 Sewage treatment works compliant at all times		5 of 5				
		21 Odour complaints per 1000 properties		1.8 per 1,000 prop		5	5	0.6
SOCIAL HEALTH SERVICE LEVELS	C11	22 Service complaints per 1000 properties		4 per 1,000 prop		2	2	10
	C16	23a Average sewerage interruption (minutes)		120 min		3	3	118
		25 Total days lost (%)		6.9 %		5	5	2.5
	W19	26 Volume of sewage collected per property (kL)		284 kL		1	2	220
	W26	26a Total recycled water supplied (ML)		1,030 ML		2	1	620
ENVIRONMENTAL NATURAL RESOURCE MANAGEMENT	W27	27 Recycled water (% of effluent recycled)		16 %		2	3	11
	E8	28 Biosolids reuse (%)		100 %		1	1	100
		30 Energy consumption per Megalitre (kiloWatt hours)		1,156 kWh		5	5	910
		31 Renewable energy consumption (% of total energy consumption)		100 %		1	1	0
	E12	32 Net greenhouse gas emissions - WS & Sge (net tonnes CO2 equivalents per 1000 properties)		450		4	5	350
		33 90 Percentile licence limits for effluent discharge: BOD 50 mg/L; SS 50 mg/L						
		34 Compliance with BOD in licence (%)		100 %		1	1	100
		35 Compliance with SS in licence (%)		100 %		1	1	100
	A12	36 Sewer main breaks and chokes per 100 km of main		37 per 100km main		3	3	39
	E13	37 Sewer overflows per 100 km of main		4 per 100km main		2	3	15
	39 Non res & trade waste % of total sge volume		%				18	
ECONOMIC FINANCE	F6	42 Revenue per property - Sge (\$)		\$ 1080				680
		43 Revenue from non-residential plus trade waste charges (% of total revenue)		21 %		2	3	18
		44 Revenue from trade waste charges (% of total revenue)		1.6 %		4	2	2.3
	F18	46 Economic real rate of return - Sge (%)		2.6 %		1	1	1.3
	46a	Return on assets - Sge (%)		1.6 %		2	3	1.6
	F22	47 Net Debt to equity - Sge (%)		23 %		1	1	-2
	F23	48 Interest cover - Sge		3		4	4	3
	48a	Loan payment per property - Sge (\$)		\$ 690		1	1	38
	F24	47b Net profit after tax - WS & Sge (\$'000)		\$'000 18,860				303
		49 Operating cost (OMA) per 100 km of main (\$'000)		\$'000 1,890		4	5	1,490
ECONOMIC EFFICIENCY	F12	50 Operating cost (OMA) per property (\$) Note 8		\$ 485		5	5	360
		51 Operating cost (OMA) per kilolitre (cents)		c/kL 171		3	4	164
		52 Management cost per property (\$)		\$ 164		5	5	128
		53 Treatment cost per property (\$)		\$ 175		5	5	115
		54 Pumping cost per property (\$)		\$ 99		5	5	55
		55 Energy cost per property (\$)		\$ 52		5	5	26
		56 Sewer main cost per property (\$)		\$ 35		2	2	40
	F15	57 Capital Expenditure per property (\$)		\$ 580		2	2	252

NOTES:

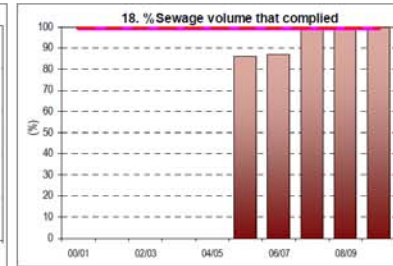
- Council's ranking in Col 2 is based on a comparison of its result in Col 1 with the percentiles for LWUs with >10,000 properties. This is on a % of LWUs basis - see also Note 2.
- Council's ranking in Col 3 is based on a comparison of its result in Col 1 with the percentiles for all LWUs. This is also on a % of LWUs basis as this is relevant for comparing the performance of an LWU with all other LWUs - see attachment.
- The Statewide Median (Col 4) is on a % of connected properties basis. It best reveals statewide performance giving due weight to larger LWUs & reducing the effect of smaller LWUs.
- Annual review of the key projections & actions in your LWU's Strategic Business Plan (SBP) are required, together with annual updating of your LWU's Financial Plan. The SBP should be updated after 4 years.
- Non-residential: Access Charge \$682*water meter factor*discharge factor, sewer usage charge - 178c/kL.
- Non-residential customers provided 21% of the revenue from annual charges, usage and trade waste charges.
- Compliance with Total N in Licence was 100%. Compliance with Total P in Licence was 100%.
- The operating cost (OMA)/property was \$485. Components were: management (\$164), operation (\$118), maintenance (\$87), energy (\$52), chemical (\$13) and effluent/biosolids (\$50).

(Results shown for 10 years together with 2009/10 Statewide Median and Top 20%)

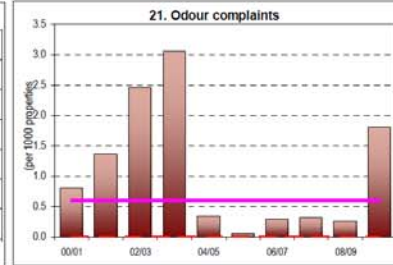
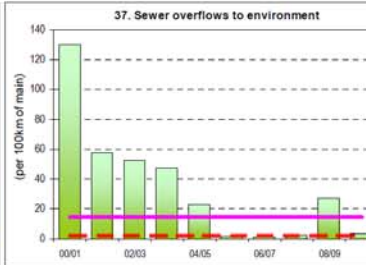
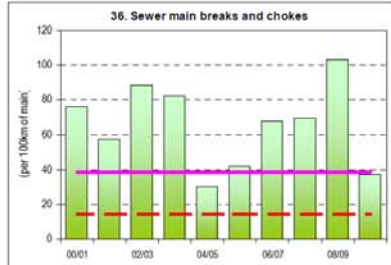
COST RECOVERY



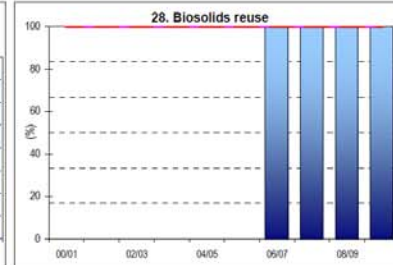
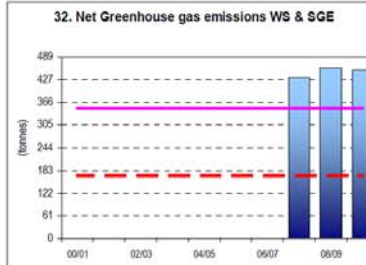
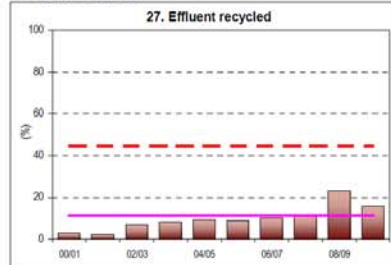
COMPLIANCE



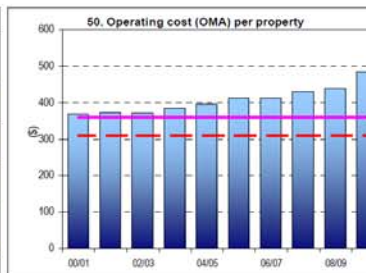
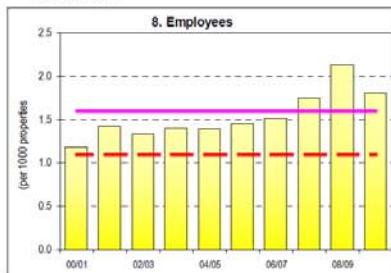
CUSTOMER SERVICE/RELIABILITY



ENVIRONMENT



EFFICIENCY



NOTES:

1. Costs are in Jan 2010\$.

LEGEND
 2009-10 State Median (blue solid line)
 2009-10 Top 20% (red dashed line)

WATER SUPPLY SYSTEM - Coffs Harbour City Council serves a population of 66,000 (24,050 connected properties). Water is drawn from Orara River to supply Coffs Harbour, Sawtell and Woolgoolga. Council has 2 dams with a total storage capacity of 5870 ML. Coffs Harbour also receives a bulk supply from Clarence Valley's 30,000ML Shannon Creek Dam. The Coffs Harbour City Council system comprises 2 lime/CO2 dosing works (43 ML/d), 18 service reservoirs (83 ML) 7 pumping stations, 43.2 ML/d delivery capacity into the distribution system, 168 km of transfer and trunk mains and 459 km of reticulation. The water supply is unfiltered (chlorinated).

PERFORMANCE - Coffs Harbour City Council achieved 100% compliance with Best Practice requirements. The typical residential bill was \$535 which was above the statewide median of \$430 (Indicator 14). The economic real rate of return was 6.3% which was greater than the statewide median (Indicator 43). The operating cost (OMA) per property was \$300 which was less than the statewide median of \$350 (Indicator 49). Water quality complaints were similar to the statewide median of 4 (Indicator 25). Compliance with microbiological water quality was 100% with 3 of 3 zones compliant (Indicator 20), physical compliance was 100% (Indicator 19) and chemical compliance was 100% with 3 of 3 zones compliant (Indicator 19b). Current replacement cost of system assets was \$407M (\$15,900 per assessment), cash and investments were \$44.6M, debt was \$108.7M and revenue was \$32.3M (excluding capital works grants).

COMPLIANCE WITH BEST-PRACTICE MANAGEMENT GUIDELINES REQUIREMENTS

(1) Complete Current Strategic Business Plan & Financial Plan	YES	(3) Sound water conservation implemented	YES
(2) (2a) Pricing - Full Cost Recovery, without significant cross subsidies	Yes	(4) Sound drought management implemented	YES
(2b) & (2c) Pricing - Complying Residential Charges	Yes	(5) Complete performance reporting (by 15 September)	YES
(2c) Pricing - Complying non-Residential Charges	Yes	(6) Integrated water cycle management strategy	YES
(2d) Pricing - DSP with Commercial Developer Charges	Yes	COMPLIANCE WITH ALL REQUIREMENTS	100%

TRIPLE BOTTOM LINE (TBL) PERFORMANCE INDICATORS

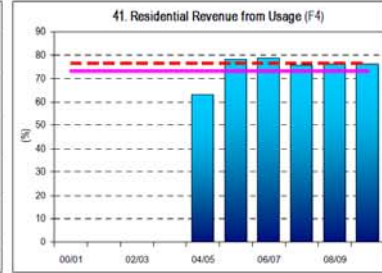
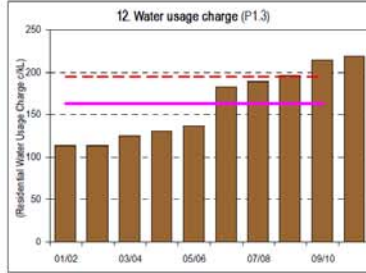
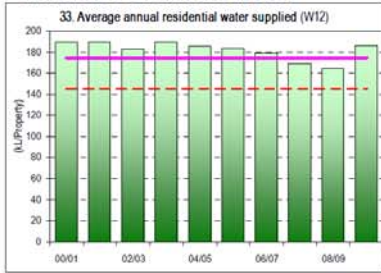
Category	Indicator	Description	Unit	LWU RESULT	RANKING			STATEWIDE MEDIAN
					>10,000 properties	All LWUs	Statewide Median	
UTILITY CHARACTERISTICS	C1	Population served: 66000						
	C4	Number of connected properties: 24050						
	C2	Residential connected properties (% of total)		94 %	1	1	91	
	A3	New residences connected to water supply (%)		1.8 %	1	1	1.0	
	W11	Properties served per kilometre of water main	prop/km	39			32	
		Rainfall (% of average annual rainfall)		146 %	1	1	104	
		Total urban water supplied at master meters (ML)	ML	6,620			6,800	
		Peak week to average consumption (%)		121 %	1	1	145	
		Renewals expenditure (% of current replacement cost of system assets)		0.1 %	5	5	0.3	
		Employees per 1000 properties	per 1,000 prop	1.5	4	3	1.4	
SOCIAL CHARGES & BILLS 2009-10	P1	Residential tariff structure: inclining block; independent of land value						
	P3	Residential water usage charge (c/kL) for usage <365 c/kL (Note 5)	c/kL	219	1	1	163	
		Residential access charge per assessment (\$)	\$	127	3	1	130	
		Typical residential bill per assessment (\$)	\$	535	5	3	430	
		Typical developer charge per equivalent tenement (\$)	\$	8,760	1	1	4,700	
	H6	Urban population without reticulated water supply (%)		0.5 %	3	2	0.8	
	H3	Risk based drinking water quality plan?		Yes				
		Physical water quality compliance (%)		100 %	1	1	100	
		Chemical water quality compliance (%)		100 %	1	1	100	
		Microbiological (E. coli) water quality compliance (%)		100 %	1	1	100	
SOCIAL HEALTH	H3	%population with microbiological compliance		100 %	1	1	100	
	C9	Water quality complaints per 1000 properties	per 1,000 prop	4	4	4	4	
	C10	Water service complaints per 1000 properties	per 1,000 prop	10	3	3	3	
	C17	Average frequency of unplanned interruptions per 1000 properties	per 1,000 prop	20	3	3	37	
	C15	Average duration of interruption (min)	min	120	1	2	159	
	A8	Number of water main breaks per 100 km of water main	per 100km	11	3	3	10	
		Drought water restrictions (% of time)		0 %	1	1	87	
		Total days lost (%)		6.1 %	5	5	2.4	
	ENVIRONMENTAL NATURAL RESOURCE MANAGEMENT	W12	Average annual residential water supplied per property (kL)	kL	186	4	2	175
		33a	Average annual residential water supplied - COASTAL (kL/property)	kL	186	5	4	150
33b		Average annual residential water supplied - INLAND (kL/property)	kL				252	
A10		Real losses (leakage) (L/service connection/day)	L/connect/d	50	2	1	70	
35		Energy consumption per Megalitre (kiloWatt hours)	kWh	436	2	2	670	
36		Renewable energy consumption (% of total energy consumption)	%	100	1	1	0	
E12		Net greenhouse gas emissions - WS & Sge (net tonnes CO2 - equivalents per 1000 properties)		450	5	4	390	
F5		Revenue per property - water (\$)	\$	1340	5	5	647	
F4		Residential revenue from usage charges (% of residential bills)		76 %	1	1	73	
F17		Economic real rate of return - Water (%)		6.3 %	1	1	0.7	
ECONOMIC FINANCE	F22	Return on assets - Water (%)		4.9 %	1	1	0.9	
	F23	Net Debt to equity - Water (%)		25 %	1	1	-1.0	
	F23	Interest cover - Water		4	4	4	4.5	
	47	Loan payment per property - Water (\$)	\$	685	1	1	65	
	F24	Net profit after tax - WS & Sge (\$'000)	\$'000	19,860	1	1	0	
	48	Operating cost (OMA) per 100km of main (\$'000)	\$'000	1,170	3	3	1,140	
	F11	Operating cost (OMA) per property (\$) (Note 5)	\$/prop	300	2	1	350	
	50	Operating cost (OMA) per kilolitre (cents)	c/kL	109	3	3	116	
	51	Management cost per property (\$)	\$/prop	134	4	3	134	
	52	Treatment cost per property (\$)	\$/prop	55	4	2	39	
ECONOMIC EFFICIENCY	53	Pumping cost per property (\$)	\$/prop	14	2	1	31	
	54	Energy cost per property (\$)	\$/prop	7	2	1	18	
	55	Water main cost per property (\$)	\$/prop	54	3	2	56	
	F14	Capital Expenditure per property (\$)	\$/prop	261	3	2	282	

NOTES:

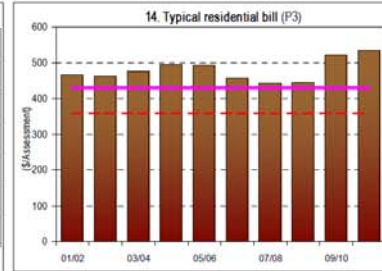
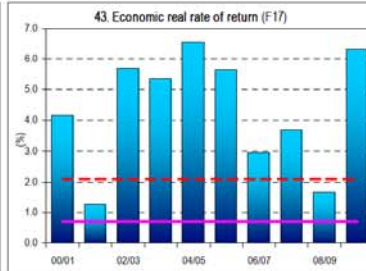
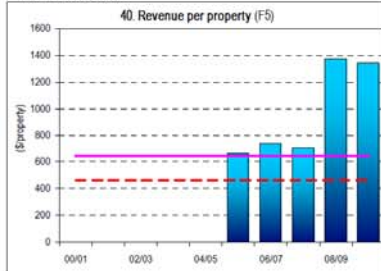
- The ranking compared with LWUs with >10,000 properties connected properties (Col 2) is on a % of LWUs basis - relevant for comparing performance with similar sized LWUs - see attachment.
- The ranking compared with all LWUs (Col 3) is on a % of LWUs basis - relevant for comparing performance with all other LWUs - see attachment.
- The Statewide Median (Col 4) is on a % of connected properties basis. It best reveals statewide performance by giving due weight to larger LWUs & reducing the effect of smaller LWUs - see attachment.
- Annual review of key projections and actions in LWU's Strategic Business Plan (SBP) are required, together with annual updating of LWU's financial plan. The SBP should be updated after 4 years.
- Non-residential Tariff: Access Charge based on Meter Size: 40mm \$508, Two Part Tariff; For all usage = 219c/kL. Water supplied to non-residential customers was 26% of potable water supplied excluding non-revenue water. Non-residential customers provided 23% of the revenue from annual charges and usage charges.
- The operating cost (OMA)/property was \$300. Components were: management (\$134), operation (\$71), maintenance (\$72), energy (\$7) & chemical (\$18).

(Results shown for 10 years together with 2009-10 Statewide Median and Top 20%)

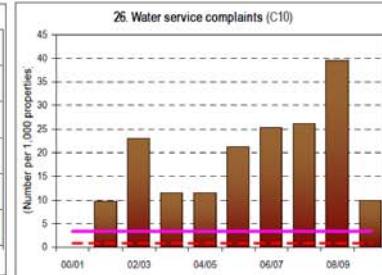
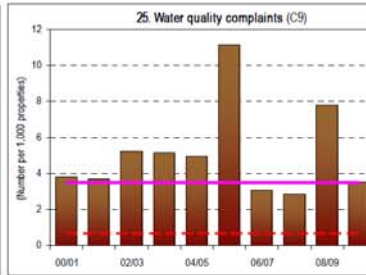
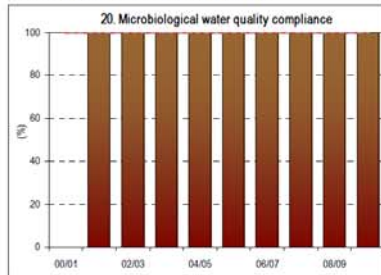
RESIDENTIAL USE/REVENUE FROM USAGE



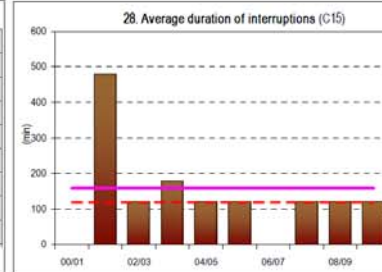
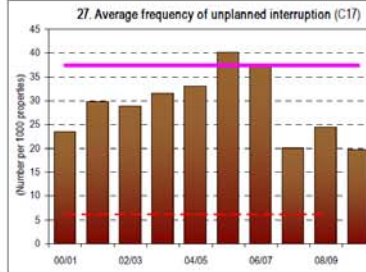
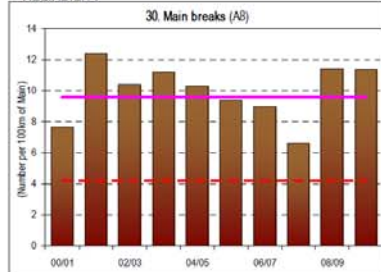
COST RECOVERY



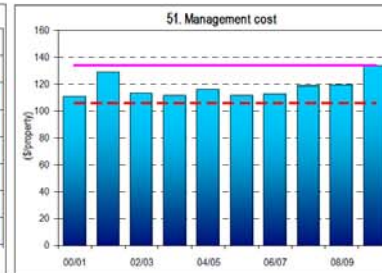
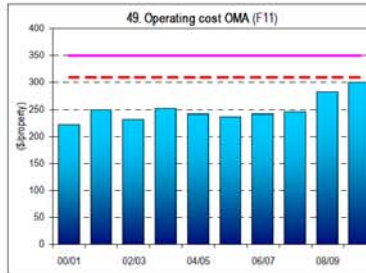
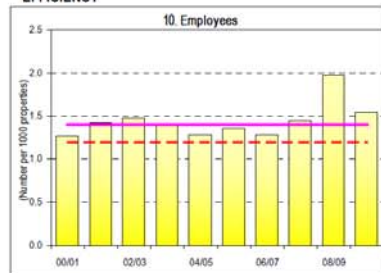
WATER QUALITY/CUSTOMER SERVICE



RELIABILITY



EFFICIENCY



NOTES:

- Costs are in Jan 2010\$.
- Microbiological water quality compliance 1999-00 to 2003-04 was on the basis of 1996 NHMRC/ARMCANZ Australian Drinking Water Guidelines for E. coli; from 2004-05 compliance was on the basis of the 2004 NHMRC/NRMMC Australian Drinking Water Guidelines.

LEGEND
 2009-10 State Median (dashed red line)
 2009-10 Top 20% (solid purple line)

Coffs Harbour City Council Sewerage – Action Plan Page 1

Summary

In 2009-10, Coffs Harbour City Council complied with all the sewerage requirements of the *NSW Best-Practice Management Guidelines* and its performance has generally been at the higher end of the scale in comparison to other similar size water utilities throughout Australia.

Key actions from Council's Strategic Business Plan:

- completion of the upgrade of the Coffs Harbour Water Reclamation Plant
- decommissioning of the Sawtell Sewage Treatment Plant

INDICATOR		RESULT ²		COMMENT/DRIVERS	ACTION
	Best-Practice Management Guidelines	Complied with all the Best Practice Requirements ¹	Very good	Compliance demonstrates effectiveness and sustainability of water supply and sewerage business.	
CHARACTERISTICS					
5	Connected property density	35 per km of main	Lower than the statewide median of 40	A connected property density below about 30 can significantly increase the cost per property of providing services.	Coffs Harbour has lower density urban development than other areas, but is looking at increasing this in certain areas.
7	Renewals expenditure	0.7% Highest ranking (1, 1)	Very good	Adequate funds must be programmed for works outlined in the Asset Management Plan – page 2 of Performance Monitoring Report.	Significant funds have been allocated on sewerage infrastructure renewals over the next 30 years.
8	Employees	1.8 per 1,000 props Median ranking (3, 3)	Satisfactory	The number of employees per 1,000 properties is a good indicator of operating and management costs.	
SOCIAL – CHARGES					
12	Typical residential bill ³ (TRB)	\$698 per assessment Low ranking (4, 5)	May require review	TRB should be consistent with projection in the financial plan. Drivers – OMA Management Cost and Capital Expenditure.	The TRB is consistent with projections in the financial plan. Capital expenditure has been high recently with the construction of new sewage treatment plants.
13	Typical Developer Charges	\$8380 per assessment Highest ranking (1, 1)	Very good	Compare with Current Replacement Cost.	
14	Non-residential sewer usage charge	178c/kL High ranking (2, 1)	Good	Compare with operating cost per kL.	
SOCIAL - HEALTH					
16	Urban Properties without reticulated sewerage service	16.1% Lowest ranking (5, 5)	May require review		The only urban properties without reticulated sewerage services are those in Nana Glen, Coramba and Red Rock, which are not proposed to be serviced at present
17	Percent sewage treated to tertiary level	100% Highest ranking (1, 1)	Very good		
18	Percent of sewage volume that complied	100% Highest ranking (1, 1)	Very good	Key indicator of compliance with regulator.	
19	Sewage treatment works compliant at all times	5 of 5	Very good	Key indicator of compliance with regulator.	
SOCIAL – LEVELS OF SERVICE					
21	Odour Complaints	1.8 per 1,000 props Lowest ranking (5, 5)	May require review	Critical indicator of customer service and operation of treatment works.	Council is addressing this issue on a case by case system and this is reducing the number of complaints
22	Service complaints	4 per 1,000 props High ranking (2, 2)	Good	Key indicator of customer service.	
23	Average Duration of Interruption	120 minutes Median ranking (3, 3)	Satisfactory	Key indicator of customer service, condition of network and effectiveness of operation.	
25	Total Days Lost	6.9% Lowest ranking (5, 5)	May require review		This has been high due to injuries, but has been significantly reduced in the last year. The aging workforce

1. Review of Council's TBL Performance Report and Preparation of an **Action Plan** to Council required annually.

Strategic Business Plan review and update required after 3 years. **Financial Plan** update required annually.

IWCM Strategy review and update required after 6 years. **Liquid Trade Waste Regulation Policy** in accordance with the 'NSW Liquid Trade Waste Regulation Guidelines, 2009' required by June 2011. **Development Servicing Plan** review and updating is required after 5 years.

2. The ranking relative to similar size LWUs is shown first (Col. 2 of TBL Report) followed by the ranking relative to all LWUs (Col. 3 of TBL Report).

3. Review and comparison of the 2010-11 **Typical Residential Bill (Indicator 12)** with the projection in your Strategic Business Plan is **mandatory**. In addition, if both indicators 46 and 46a are negative, you must report your proposed 2011-12 typical residential bill to achieve full cost recovery.

Coffs Harbour City Council Sewerage – Action Plan Page 2

INDICATOR	RESULT	COMMENT/DRIVERS	ACTION
ENVIRONMENTAL			
26	Volume of sewage collected per property 284 kL Highest ranking (1, 2)		Compare sewage collected to water supplied. Council has budgeted for funds to prevent infiltration into the sewerage system.
27	Percentage effluent recycled 16% High ranking (2, 3)	Good	Key environmental indicator. Drivers – availability of potable water, demand, proximity to customers, environment. This may increase, depending on the weather, with the new reclaimed water mains being installed.
28	Biosolids reuse 100% Highest ranking (1, 1)	Very good	Key environmental indicator.
32	Net Greenhouse gas emissions (WS & Sge) 450 t CO2/1000 props Low ranking (4, 5)	May require review	Drivers – gravity vs pumped networks, topography, extent of treatment. Council has 120 sewage pump stations, due to the topography and high quality treatment, which has resulted in additional use of power. This has been minimised with variable speed drives on the larger stations.
34	Compliance with BOD in licence 100% Highest ranking (1, 1)	Very good	Key indicator of compliance with regulator requirements.
35	Compliance with SS in licence 100% Highest ranking (1, 1)	Very good	Drivers – algae in maturation ponds, impact of drought.
36	Sewer main breaks and chokes 37 per 100km of main Median ranking (3, 3)	Satisfactory	Drivers – condition and age of assets, ground conditions. Council is addressing this as part of the sewerage rehabilitation works.
37	Sewer overflows to the environment 4 per 100km of main High ranking (2, 3)	Good	Drivers – condition of assets, wet weather and flooding.
ECONOMIC			
39	Non-residential percentage of sewage collected		For non-residential, compare % of sewage collected to indicator 43 (% of revenue).
43	Non-residential revenue 21% High ranking (2, 3)	Good	See 39 above.
46	Economic Real Rate of Return (ERRR) 2.6% Highest ranking (1, 1)	Very good	Reflects the rate of return generated from operating activities (excluding interest income and grants) An ERRR or ROA of > 0% is required for full cost recovery. Where ERRR is negative, investigate reasons and ensure charges are sufficient to ensure financial viability..
46 a	Return on assets 1.6% High ranking (2, 3)	Good	Reflects the rate of return generated from operating activities (including interest income) An ERRR or ROA of >0% is required for full cost recovery.
47	Net debt to equity 23% Highest ranking (1, 1)	Very good	LWUs facing significant capital investment are encouraged to make greater use of borrowings.
48	Interest cover 2.7 Median ranking (3, 3)	Satisfactory	Drivers – in general, an interest cover of > 2 is satisfactory.
48 a	Loan payment \$690 per prop Highest ranking (1, 1)	Very good	The component of TRB required to meet debt payments. Drivers – expenditure on capital works, short term loans.
50	Operating cost (OMA) \$485 per prop Lowest ranking (5, 5)	May require review	Prime indicator of the financial performance of an LWU. Drivers – development density, level of treatment, management cost, topography, number of discrete schemes and economies of scale. Operating costs are high due to the high power cost.
52	Management cost \$164 per prop Lowest ranking (5, 5)	May require review	Drivers – number of discrete schemes, number of employees. Typically about 40% of OMA.
53	Treatment cost \$175 per prop Lowest ranking (5, 5)	May require review	Drivers – type and level of treatment, economies of scale. The level of treatment is high to meet the standards required by the public and government.
54	Pumping cost \$99 per prop Lowest ranking (5, 5)	May require review	Drivers – topography, development density, effluent recycling. Operating costs are high due to the high power cost
56	Sewer main cost \$35 per prop High ranking (2, 2)	Good	Drivers – topography, development density, effluent recycling.
57	Capital expenditure \$580 per prop High ranking (2, 2)	Good	An indicator of the level of investment in the business. Drivers – age and condition of assets, asset life cycle.

Coffs Harbour City Council Water Supply – Action Plan Page 1

Summary

In 2009-10, Coffs Harbour City Council complied with all the water supply requirements of the *NSW Best-Practice Management Guidelines* and its performance has generally been at the higher end of the scale in comparison to other similar size water utilities throughout Australia.

Key actions from Council's Strategic Business Plan:

- duplicate trunk main to Red Hill Balance Tanks from Water Treatment Plant

INDICATOR		RESULT ²		COMMENT/DRIVERS	ACTION
	Best-Practice Management Guidelines	Complied with all the Best Practice Requirements ¹	Very good	Compliance demonstrates effectiveness and sustainability of water supply business. 100% compliance is required for eligibility to pay an 'efficiency dividend'.	
CHARACTERISTICS					
5	Connected property density	39 per km of main Median ranking (3, 1)		A connected property density below 30 can significantly increase the cost per property of providing services, as will also a high number of small discrete water supply schemes.	
9	Renewals expenditure	0.1% Lowest ranking (5, 5)	May require review	Adequate funds must be programmed for works outlined in the Asset Management Plan – page 2 of Performance Monitoring Report.	Council has updated its Asset Management Plan and allowed significant funds to be allocated to water supply renewals over the next 30 years.
10	Employees	1.5 per 1,000 props Low ranking (4, 3)	May require review	The number of employees per 1,000 properties is a good indicator of operating and management costs.	Close to the State Wide average of 1.4, with the assets generally in good condition due to the preventative maintenance being carried out.
SOCIAL - CHARGES					
12	Residential water usage charge	219 c/kL Highest ranking (1, 1)	Very good	Benefits of strong pricing signals are shown on page 5 of the Performance Monitoring Report.	
13	Residential access charges	\$127 per assessment Median ranking (3, 1)	Satisfactory	≥ 75% of residential revenue should be generated through usage charges (≥ 50% for LWUs with < 4,000 properties).	Over 75% of residential revenue generated through usage charges
14	Typical residential bill ³ (TRB)	\$535 per assessment Lowest ranking (5, 3)	May require review	TRB should be consistent with projection in the financial plan. Drivers – OMA Management Cost and Capital Expenditure.	TRB consistent with projections in financial plan. High capital costs recently due to the Regional Water Supply Scheme and the new Water Treatment Plant.
15	Typical developer charges	\$8760 per ET Highest ranking (1, 1)	Very good	Disclose any cross subsidy in Development Servicing Plan (DSP).	
SOCIAL - HEALTH					
19	Physical quality compliance	100% Highest ranking (1, 1)	Very good		
19	Chemical quality compliance	100% Highest ranking (1, 1)	Very good		
20	Microbiological compliance ⁴	100% Highest ranking (1, 1)	Very good	Critical indicator. LWUs should develop a risk based water quality management plan.	Council is developing a new risk based Drinking Water Quality plan.
SOCIAL – LEVELS OF SERVICE					
25	Water quality complaints	4 per 1,000 props Low ranking (4, 4)	May require review	Critical indicator of customer service. Can be influenced by the type of business – e.g. unfiltered supply.	Complaints are dropping due to the good water quality from the new Water Treatment Plant
26	Service complaints	10 per 1,000 props Median ranking (3, 3)	Satisfactory	Key indicator of customer service.	
27	Average frequency of unplanned interruptions	20 per 1,000 props Median ranking (3, 3)	Satisfactory	Key indicator of customer service, condition of network and effectiveness of operation.	
30	Number of main breaks	11 per 100km of main Median ranking (3, 3)	Satisfactory	Drivers – condition and age of water mains, ground conditions.	Monitoring breaks, including past performance and trends.
32	Total Days Lost	6.1% Lowest ranking (5, 5)	May require review		

1. Review of Council's TBL Performance Report and Preparation of an **Action Plan** to Council required annually.

Strategic Business Plan review and update required after 4 years. **Financial Plan** update and report to Council required annually. **New IWCM Strategy** required after 8 years. **Liquid Trade Waste Regulation Policy** in accordance with the 'NSW Liquid Trade Waste Regulation Guidelines, 2009' required by June 2011. **Development Servicing Plan** review and updating is required after 5 years.

2. The ranking relative to similar size LWUs is shown first (Col. 2 of TBL Report) followed by the ranking relative to all LWUs (Col. 3 of TBL Report).

3. Review and comparison of the 2010-11 **Typical Residential Bill (Indicator 14)** with the projection in your Strategic Business Plan is **mandatory**. In addition, if both indicators 43 and 44 are negative, you must report your proposed 2011-12 typical residential bill to achieve full cost recovery.

Coffs Harbour City Council Water Supply – Action Plan Page 2

INDICATOR		RESULT		COMMENT/DRIVERS	ACTION
ENVIRONMENTAL					
33	Average annual residential water supplied	186 kL per prop Low ranking (4, 2)	May require review	Drivers – available water supply, climate, location (Inland or coastal), pricing signals (Indicator 3), restrictions.	Close to median for state of 175 kL/prop, but no restrictions applied in Coffs Harbour.
34	Real losses (leakage)	50 L/c/d High ranking (2, 1)	Good	Loss reduction is important where an LWU is facing drought water restrictions or the need to augment its water supply system.	
ECONOMIC					
41	Residential revenue from usage charges	76% of residential bills Highest ranking (1, 1)	Very good	See 13.	
43	Economic Real Rate of Return (ERRR)	6.3% Highest ranking (1, 1)	Very good	Reflects the rate of return generated from operating activities (excluding interest income and grants) An ERRR or ROA of > 0% is required for full cost recovery.	
44	Return on assets	4.9% Highest ranking (1, 1)	Very good	Reflects the rate of return generated from operating activities (including interest income) An ERRR or ROA of >0% is required for full cost recovery.	
45	Net debt to equity	25% Highest ranking (1, 1)	Very good	LWUs facing significant capital investment are encouraged to make greater use of borrowings – page 12 of Performance Monitoring Report.	
46	Interest cover	4.45 Median ranking (3, 3)	Satisfactory	Drivers – in general, an interest cover > 2 is satisfactory.	
47	Loan payment	\$585 per prop Highest ranking (1, 1)	Very good	The component of TRB required to meet debt payments. Drivers – expenditure on capital works, short term loans.	
49	Operating cost (OMA)	\$300 per prop High ranking (2, 1)	Good	Prime indicator of the financial performance of an LWU. Drivers – development density, level of treatment, management cost, topography, number of discrete schemes and economies of scale.	Review components carefully to ensure efficient operating cost.
51	Management cost	\$134 per prop Low ranking (4, 3)	May require review	Typically about 40% of the OMA. Drivers – No. of employees. No. of small discrete water schemes.	Council is investigating these costs.
52	Treatment cost	\$55 per prop Low ranking (4, 2)	May require review	Drivers – type and quality of water source. Size of treatment works	New Water Treatment Plant produces very high quality drinking water, but chemical and power costs are high.
53	Pumping cost	\$14 per prop High ranking (2, 1)	Good	Drivers – topography, development density and location of water source.	
55	Water main cost	\$54 per prop Median ranking (3, 2)	Satisfactory	Drivers – age and condition of mains. Ground conditions. Development density.	
56	Capital expenditure	\$261 per prop Median ranking (3, 2)	Satisfactory	An indicator of the level of investment in the business. Drivers – age and condition of assets, asset life cycle and water source.	

G TBL Performance Reports and Action Plans – Understanding and Using Your Report

G1 Introduction

This appendix has been prepared to assist Councillors with their Council's *2009-10 Triple Bottom Line (TBL) Performance Reports* for water supply and sewerage. It will also help the Water and Sewerage Manager prepare a sound Action Plan to Council. Action plans should include a strategy for addressing any areas of under-performance. A sample Action Plan is shown on page 62 of the *2009-10 NSW Performance Monitoring Report*. The NSW Office of Water prepares the annual TBL report for each Local Water Utility's water supply business and for its sewerage business together with an Action Plan template for completion by the Water and Sewerage Manager. A copy of the TBL report is also provided to IPART.

The TBL reports show your LWU's key performance indicators (column 1), your ranking compared to other LWUs in your size range (column 2) and your ranking relative to all NSW LWUs (column 3). Column 4 shows the Statewide medians which are calculated from the 50 percentile result for all connected properties (statewide). This best reveals Statewide performance by giving due weight to larger LWUs and reducing the effect of smaller LWUs.

There are four size ranges: > 10,000, 3,000 to 10,000, 1,500 to 3,000 and 200 to 1,500 connected properties. Rankings shown in Columns 2 and 3 of the TBL Report are based on the top 20% of LWUs for each indicator being ranked 1 and the bottom 20% being ranked 5 (LWUs in the range 40% to 60% are ranked 3).

G2 Factors Impacting on Performance

When comparing reported performance with other utilities, LWUs should take account of the wide range of factors which can impact on effectiveness and efficiency of a business. An indicator with a low ranking may not necessarily imply poor performance, for example, business efficiencies and effectiveness are functions of:

- **Number of connected properties** - there are significant economies of scale for large LWUs,
- **Type of services provided** - eg. whether the LWU provides a full water supply system or whether is a reticulator or bulk supplier,
- **Provision of bulk storage and/or long transfer systems** - these costs are not incurred by LWUs relying on groundwater or those receiving a regulated supply from a State Water dam.
- **Regional topography and soil types** affects pumping costs, frequency of main breaks and useful life,
- **Regional rainfall and evaporation,**
- **Water quality at the source** – for example, a good quality groundwater will require minimal water treatment,
- **Standard of nutrient removal facilities** at the sewage treatment works,

An understanding of such factors is essential for valid interpretation of performance data. Utilities are encouraged to compare and contrast their performance with other LWUs having similar characteristics. Further factors to assist your LWU in its assessment of performance are listed below.

G2.1 UTILITY CHARACTERISTICS

- **Properties served per km** – lower density of urban development significantly increases the infrastructure cost, particularly for those LWUs with very low densities (ie. < 20 properties per km).
- **Renewals** – each LWU should ensure that its Typical Residential Bill (see below) is adequate and consistent with the projection in its 30 year strategic business plan to ensure it is raising sufficient revenue for developing, maintaining and renewing the required infrastructure. It should also examine its total asset management policy and ensure that the necessary funds are directed to maintenance and renewals.
- **Employees per 1000 properties** – this is a good indicator of operating and management costs (see page 130).

G2.2 SOCIAL FACTORS - Affordability

- **Typical Residential Bill (TRB)** – is the principal indicator of the overall cost of a water supply or sewerage system (it is the annual bill paid by a residential customer using the utility's average annual residential water supplied). The main element of the TRB is the operating cost (OMA – operation, maintenance and administration). The TRB should be consistent with the projection in your LWU's 30 year strategic business plan.
- **Residential Water Usage Charge (c/kL)** – Highest charges are automatically ranked "1" and lowest charges as "5". These rankings however, should be compared with your TRB and whether your LWU is achieving full cost recovery, and the required residential revenue from water usage charges, in which case a low water usage charge may be a good result.

Please note that Circular LWU 11 of March 2011 has removed the need for LWUs to use inclining block tariffs. In addition, the **NSW Government encourages LWUs to use a two-part tariff with a uniform water usage charge** per kL for all water use (see page 4 of the *2009-10 NSW Performance Monitoring Report*)

G2.3 SOCIAL FACTORS - Health

- **Risk based drinking water quality management plan** – each LWU should develop and implement such a drinking water quality management plan on a priority basis (tools and assistance are available from the NSW Office of Water - see page 7 of the *2009-10 NSW Performance Monitoring Report*).
- **Microbiological water quality compliance (%)** – This is the **most important** water supply health indicator and all LWUs should aim for a value of 100%. LWUs with less than 98% do not comply with the *Australian Drinking Water Guidelines, 2004* and must develop and implement a corrective strategy (see page 7 of the *2009-10 NSW Performance Monitoring Report*). If your LWU failed to achieve microbiological compliance in either of the last 2 financial years, the corrective action implemented and whether it was successful must be reported in your LWU's annual Action Plan to Council.

- **'Boil water alerts'** – if your LWU has issued any 'boil water alerts' in the last 18 months, the corrective action implemented and whether it was successful must be reported in your LWU's annual Action Plan to Council.

Assistance is available to your LWU from your NSW Office of Water Regional Water and Sewerage Inspector (page 34 of the *2009-10 NSW Benchmarking Report*).

G2.4 SOCIAL FACTORS - Customer Service

- **Water quality complaints** – water quality may depend for example, on whether the supply is unfiltered, good quality groundwater or whether a fully treated supply is provided.
- **Odour complaints** – This is an important indicator of the effectiveness of sewage treatment and transfer. LWUs with a high number of complaints (ranking of 5) should investigate the reasons for the complaints, including past performance, as indicated in page two of their TBL Report.
- **Number of water main breaks** – water mains with a high incidence of breaks (say treble the statewide median) may indicate that renewals are required.

G2.5 ENVIRONMENTAL FACTORS

- **Average annual residential water supplied** – is influenced by the number of connected properties, geographic location, climate, strength of the utility's pricing signals (NWI Indicator F4 – percent of residential revenue from usage charges – see G2.6 below) and the presence of drought water restrictions. Inland LWUs have significantly higher residential water supplied due to their hotter and drier climate and the use of evaporative air coolers. The weighted median value for inland LWUs was 252kL/connected property (percentage of connected properties basis). The weighted median for coastal LWUs was 150kL/property.
- **Real Losses (Leakage)** – At present, many LWUs do not have sufficient data to determine the true extent of leakage in their system (refer note 8 on page 25 of the *2009-10 NSW Performance Monitoring Report*). It is strongly recommended that each LWU undertake a reservoir drop test or detailed waste metering, with the assistance of a leakage control specialist, such as the LGA & SA and Water Directorate, Water Loss Program (Ian Maggs on 9242 4127).
- **Sewer main chokes and collapses** – sections of sewer main with a high incidence of chokes and collapses (say treble the statewide median) require close attention.
- **Sewer overflows to the environment** – are untreated sewage spills and may increase during wet weather due to infiltration of sewage mains and flooding. They do not include discharges or overflows contained within emergency storages.

G2.6 ECONOMIC FACTORS - Financial

- **Residential revenue from usage charges (%)** – The *Best Practice Management Guidelines 2007* require LWUs with greater than 4,000 properties to raise at least 75% of residential revenue from water usage charges, while LWUs with 4,000 or fewer properties, including LWUs with a dual supply must raise at least 50% of residential revenue from usage charges. The strategic benefits of providing such **strong pricing signals** are highlighted on page 5 of the *NSW Performance Monitoring Report*.

- **Economic real rate of return (ERRR)** – reflects the rate of return from operating activities (ie. excluding interest income, grants for acquisition of assets and gain/loss on disposal of assets). Water and sewerage charges should be sufficiently high to achieve full cost recovery. All LWUs should aim to achieve a positive ERRR. LWUs which have met all the Best-Practice Management requirements are encouraged to pay an 'efficiency dividend' from the surplus of their water and sewerage businesses to the Council's general revenue (see page 11 of the *NSW Performance Monitoring Report*). Refer also to Circular LWU 11 of March 2011.
- **Net Debt to equity** – LWUs facing significant capital investment are encouraged to make greater use of borrowings to reduce their TRB. This avoids unfairly burdening existing customers and facilitates inter-generational equity (see page 12 of the *NSW Performance Monitoring Report*).
- **Loan payment (\$/property)** – A high loan payment per property indicates a relatively high capital cost per property, recent construction of significant capital works or use of short-term loans. 20-year loans are generally optimal (see page 12 of the *NSW Performance Monitoring Report*).
- **Interest cover** – this ratio provides an indicator of the LWU's ability to meet interest commitments. The interest cover is nil for a business incurring a loss. As a general guide, an interest cover >2 is a good interest cover position. This should be considered in conjunction with the comment on making greater use of borrowings for capital investment.
- **Net profit after tax (NPAT) ratio** – this is NPAT divided by the revenue. LWUs should have a positive NPAT ratio. LWUs facing major capital expenditure for expanding system capacity may need a relatively high value for this indicator in order to help fund this investment.

G2.7 ECONOMIC FACTORS - Efficiency

Operating cost (OMA – operation, maintenance and administration) per property is a prime indicator of the performance of an LWU. The **components of operating cost** are:

- **Management cost** – includes administration, engineering and supervision and is typically almost 40% of the total operating cost. The number of employees per 1,000 properties can be a useful indicator of the operating and management costs and hence the efficiency of an LWU. LWUs with a number of separate water supply schemes and those with smaller water or sewage treatment works will need a higher level of employees per 1000 properties in order to effectively manage their systems.
- **Treatment cost (water)** – is dependent on the type and quality of the water source and the types of treatment used. In addition, there are great economies of scale for the operation of larger water treatment works (ie. facilities involving at least filtration and disinfection).
- **Treatment cost (sewage)** – is dependent on type of treatment and discharge requirements. Where the discharge licence conditions are stringent involving for example, a low level of phosphorus, treatment costs will be high. There are significant economies of scale for operation of larger treatment works.
- **Pumping cost (water)** – is influenced by topography and distance to the water source. For example, Country Energy and Goldenfields Water have a high pumping cost due to the distance required to pump from the water source, while Fish River Water Supply is almost a fully gravitational supply, with negligible pumping costs. For water supply, there are significant economies of scale in pumping cost per connected property.

CORPORATE BUSINESS DEPARTMENT REPORTS

CB12/10 ENVIRONMENTAL LEVY PROGRAM REVIEW

Purpose:

To provide Council with recommendations following the review of the Environmental Levy Program.

Description of Item:

At Council's meeting of 14 July 2011, it was resolved that:

1. Coffs Harbour City Council conducts a review of the Environmental Levy Program with a view of reassessing its aims, goals and objectives, and
2. A report be brought back to Council for its determination.

Following extensive consultation internally, with committee members and a briefing with Councillors, a review has been undertaken of the program. The review document is attached to this report. The review examined:

- the history of the program,
- the membership criteria for the Working Group,
- project selection,
- the allocation of funds across various types of projects,
- the wages coming from the fund for staff salaries,
- the number of projects funding against the number of applications received,
- the percentage of projects funded for public versus private land,
- the balance between planning / strategic projects versus projects on the ground,

Summary of the key findings are:

1. Coffs Harbour City Council was one of the first councils to introduce an Environmental Levy in NSW.
2. Several larger projects have received annual funding and for the most parts these amounts increase each year.
3. That while wages have grown over time to represent a substantial amount of annual funding this has enabled the delivery of outcomes in accordance with the Terms of Reference for the Environmental Levy.
4. Large amounts of funding have been allowed to roll forward each year, if not fully spent.
5. Quarterly reports, while being completed in most quarters, have not been completed for all quarters.
6. That historically some late submissions had been considered despite the criteria not permitting this.
7. Additional assessment criteria have been added over time to cover strategic integration, monitoring and evaluation frameworks and accountability.
8. Due to the nature of the program and in the interest of the members, the non pecuniary interest in projects is high with only a small amount of fund in 2012 allocated to unrepresented projects, however all members do declare the necessary interests and the process is in place to ensure this happens.

9. The program has succeeded in attracting additional sources of funding from state and federal government and community groups.
10. The Environmental Levy Co-ordinator position needs to focus more on accountability of funds and follow-up on projects.
11. The review of the Environmental Levy Policy documents need to consider all of Council's strategic documents that guide environmental planning.
12. Educational programs provide high value and many of the other projects that are funded provide educational services.
13. There needs to be a balance maintained between private and public land as some private landowners maintain areas of significant environmental value.
14. The Orara River Restoration Project has received substantial funding and is an example of a well run community project.
15. There are opportunities for Council to develop better partnerships with community groups through improved communication which could result in the attraction of more external funding in the local government area.

Sustainability Assessment:

- **Environment**

This report is dealing with a review of the actual program not with the works that are provided by the program, therefore there are no direct environmental impacts associated with the report. However, it is acknowledged that the Environmental Levy Program has achieved significant environmental benefits to the local government area since its commencement in 1997.

- **Social**

There are no direct social impacts as a result of this report.

- **Civic Leadership**

This report works towards achieving the outcomes identified in the Coffs Harbour 2030 Community Strategic Plan and covers areas such as building pride and identity in the community, looking after the environment and promoting healthy living.

- **Economic**

Broader Economic Implications

The Environmental Levy has seen a total of \$10.4 million being funded since 1998. In many cases the funding provided to community groups has been matched both by direct cash dollars from other grants, such as catchment management authorities and other state and federal government programs, and also by substantial 'in kind' and labour contributions. This has provided a significant economic impact into the local region.

Delivery Program/Operational Plan Implications

The Environmental Levy is factored into the Delivery Program and Operational Plan.

CB12/10 - Environmental Levy Program Review (Cont'd)

Consultation:

Throughout the review, consultation has occurred with key staff involved directly with the Environmental Levy from Finance, Bush Regeneration, Weed Control and Biodiversity. Members of the committee have also been consulted. The report has also been discussed on several occasions with the Executive Team.

Related Policy and / or Precedents:

Council regularly reviews its funding programs.

Statutory Requirements:

Council is required to ensure it is expending the rates collected in the manner in which they were approved. This review assists in ensuring that this requirement is met.

Issues:

Council needs to determine the future direction of the Environmental Levy Program. A range of issues were raised in the review document.

Implementation Date / Priority:

The recommendations would be implemented immediately.

Recommendation:

That Council adopt the 10 recommendations in the attached Environmental Levy Review document.

Attachments:



ENVIRONMENTAL LEVY PROGRAM REVIEW

February 2012

NOM11/16 ENVIRONMENTAL LEVY PROGRAM REVIEW

Introduction

A review has been undertaken of the environmental levy program as a result of Council Resolution 136 on 14 July 2011 to review the program with a view to re-assessing its aims, goals and objectives with a report to be brought back to Council for determination.

History of the Environmental Levy Program

The proposal of an environmental levy was put forward to Council at a special meeting held on 29 April 1997. The basis of the proposal included issues identified as follows:

- The increasing difficulties in framing a balanced budget
- The need for Council to allocate resources increasingly to research and consultation for the communities growing environmental consciousness
- The acquisition of an open space network to provide recreational opportunities and conserve the environment
- Community infrastructure in particular footpaths, cycleways and walkways
- Foreshore development and heritage works including Council's obligation to maintain the reconstructed jetty along with stormwater control

Certain expenditure within the management plan at the time were identified as being able to be funded from the proposed environmental levy. These identified expenditures included land acquisitions, planning studies that stem from environmental issues and coastal hazard and estuary management studies.

The importance of Council being clearly accountable and transparent in the application of the environmental levy monies and the relative priority for the application of the levy requiring community consultation in conjunction with Councils management plan process were identified as being key issues. Council, on 12 June 1997 resolved to apply to the Minister for Local Government for a special rate variation. The special rate variation of 7.3% in its general income was approved on 4 July 1997 for the 1997/1998 financial year on the condition that Council continues to review its operations to identify where further efficiencies and tangible savings can be achieved. The rate is levied in accordance with the Local Government Act and is pegged to annual rate increases.

A community consultation process followed and this included an environmental forum on 26 August 1997 to discuss environmental issues and to identify a possible program of works to be undertaken as a result of the introduction of the environmental levy. Presentations were made by community representatives on 9 specific categories of environmental issues identified in submissions received from the community leading up to the forum. The forum resulted in the resolution that a working group consisting of Councillors, staff and community representatives be formed to review the terms of reference and identifying criteria for the application of levy funds.

The assessment criteria were developed by the working group at this time, the assessment criteria formed the basis of the environmental levy policy which was adopted in June 1997, amended in October 1997 and again in May 2002. The policy states that in order for funds to be applied to environmental works the projects must meet the following criteria:

- Protect and enhance the environment
- Provide potential to attract outside funding sources
- Be community based
- Meet a critical environmental need
- Improve aesthetic quality of our natural environment and amenity

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The policy also outlines that the assessment and determination of applications will be based on the following criteria:

- Address an identified priority or priorities in Councils most recent State of the Environment Report
- Generate a community benefit
- That any works on private land must prove a 'public benefit' rather than only benefiting an individual group.

Review of the Membership Criteria of Environmental Working Group and Length of Service

The Environmental Working Group is a committee of council appointed under S355 of the Local Government Act. Section 380 requires Council to review committees within 12 months of the election of a new council. The working group was established in order to allow for project submissions to be reviewed and assessed as viable or not based on the criteria in order to make recommendations to Council on the allocation of funds. It was determined at the environmental forum that the working group comprises four community representatives, two councillors and two staff.

It is important for the Committee to consist of independent persons without material interests in any of the projects being assessed to ensure that the submission assessments are conducted in a fair and unbiased manner to ensure decisions are objective and to maximise transparency.

The Environmental Working Group members are required to apply for membership into the working group with the most appropriate people selected for inclusion in the group. The group have developed systems and processes and clear criteria for the assessment of applications. The process generally works effectively and forms the basis of the recommendations that are made to Council.

Review of the Criteria of Project Selection

The environmental levy assessment criteria were last revised in 2008 with minimal updates or changes made. The adopted Environmental Levy Policy identifies eight specific criteria to provide a basis for assessment and allocation of funds raised through the environmental levy, this policy was last reviewed in 2005.

The current project submission assessment criteria include the original eight criteria as set out in the environmental levy policy and an additional three assessment criteria are also included, these are:

- The requirement of strategic integration with any of council's relevant strategic documents, regional strategic documentation and whether a strategic plan for the project exists
- Accountability which assesses a projects ability to offer appropriate financial accountability
- Strong monitoring and evaluation framework examining how the project will monitor the achievement of project objectives, monitor on ground changes, include measureable performance indicators and the ability of a project co-ordinator to provide Council with quarterly reports

All project submissions are measured against the criteria by the working group members with one overall assessment sheet filled in for all projects that applied for funding.

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Review of the allocation of funds across various types of projects

A review has been undertaken of the allocation of funds across various types of projects over the past 12 years from the 2000 to 2011 financial years. Projects vary greatly in both funding levels and duration. Recurring projects and those that represent substantial funding amounts have been identified and where applicable grouped with other similar projects. Smaller stand alone projects in any one year have been grouped and classified as other projects. (See Appendix 1)

The allocation of funds annually has been a transparent process with all project applications assessed and scored against the funding criteria by the working group with recommendations made to Council in regards to the actual annual allocation.

The review has revealed that the total funding allocated between 2000 and 2011 was \$10,436,994. Three large projects represent 49% of the total funding allocation as follows:

- The Orara River Rehabilitation Project which has received funding each year in the review period from \$152,500 in 2000 increasing slightly each year to \$190,000 in 2011 to a total of approximately \$2 million dollars over the 12 year period. This represents approximately 19% of the total environmental levy funding program over the same period. The project aims to carry out structural erosion and regeneration works along the Orara River with a focus on stock management fencing where stock impacts are causing riverbank erosion and preventing natural vegetation regeneration. Landholders are working on approximately 40km of stream length and carrying out bush regeneration activities over a total area of approximately 60ha where approximately 100 landholders continue to maintain the work and manage the sites.
- The Bushland Regeneration project, a Council based project has been funded annually to date. It has received approximately 16% of the total environmental levy funding or \$1,711,003 over the same period. The environmental levy is the core wages funding for a bushland regeneration officer, bushland regeneration assistant and bushland regeneration labourer along with the plant, equipment and materials for the three permanent staff within the bushland regeneration team. These staff are employed for priority widespread weed control and regeneration projects in the areas of mapped very high ecological significance. Funding has grown significantly from \$73,000 in 2000 to \$129,000 in 2001 and has increased annually to approximately \$160,000 in 2011.
- The Environmental Weed Control Program is a Council based project which has also been funded annually over the 12 year period to a total of \$1,427,407. Funding has fluctuated over the years from approximately \$90,000 initially to a peak of approximately \$150,000 in 2007 and has decreased each year subsequently to have an allocation of \$100,000 in 2011. The project is considered a key component of natural area management within the local government area and is aimed at specifically targeting and reducing the impact of Weeds of National Significance (WONS) and serious environmental weeds of the Local Government Area. Where possible, Council seeks to form partnerships to attract matching grants to value add to Environmental Levy dollars with \$121,335 in grant funding successfully gained in 2011.

Walkway and cycleway projects have occurred across most financial years with an allocation of approximately 5% of total environmental levy funding across the 12 year period. These stand alone projects range in size, larger projects include the 2010 allocation of \$85,000 to the West Cooffs to CBD Cycleway (Stage 1) and 2009 allocation to the NSW Coastline Cycleway Project of \$62,500.

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Over time, the environmental levy funding has also been used for many one off projects including but not limited to:

- The Roberts Hill Land Acquisition which between 2000 and 2002 received \$129,610
- The Stormwater Management Plan Works was allocated \$145,000 in the same period
- In 6 out of the 12 years several projects have been funded in relation to adaption for Climate Change, Energy Efficiency, Sustainability and Green Power Projects ranging in size from \$6,000 to \$64,091 to a total of approximately \$190,000 being spent in this area.

The most recent 2011/2012 Environmental Funding allocation was \$1,105,374, of this approximately 32% or \$358,424 was allocated to external projects which included a \$195,000 allocation to the Orara River Project and \$87,442 to Coffs Harbour Regional Landcare. The remaining \$75,982 or less than 7% of total funding was allocated to 6 other smaller external projects. 12 other external projects were denied funding.

Council projects received the remaining \$746,950 in 2011/12 environmental levy funding as follows:

• Conservation and Sustainable Management of Biodiversity Wages	\$193,000
• Bushland Regeneration Wages	\$190,000
• Environmental Weed Control Program	\$ 80,000
• Solitary Islands Coastal Walk	\$ 80,000
• Environmental Levy Co-ordination	\$ 48,450
• Koala Plan of Management 2011 – Revision of Mapping	\$ 35,000
• Biodiversity Monitoring Program, Stage 2	\$ 30,000
• Education Program: Improving Agriculture Practices within catchments	\$ 20,000
• Green Schools Sustainability Fund	\$ 20,000
• Botanic Gardens Education Officer	\$ 15,000
• Pipe Clay Lake: Stormwater Community Education Program	\$ 10,500
• Protection of Sensitive Estuarine Environs – Boambee and Newport Cks	\$ 10,000
• Coffs Ambassadors Volunteer Interpretive Tours	<u>\$ 15,000</u>
	\$746,950

In this funding allocation a combined \$590,909 was allocated to projects to which working group members declared non-pecuniary interests with an additional \$478,450 allocated to Council projects with only \$36,015 allocated to unrepresented community groups.

Review of the wages coming out of the fund for staff salaries

The wages being funded out of the environmental levy have been reviewed across the 2000 to 2011 financial years. Projects that have been funded specifically for wages include the Sustainable Management of Biodiversity in LGA and Environmental Levy Co-ordination. These positions are fully funded by the environmental levy. Wages have also been identified as being major components of the bushland regeneration and environmental weed control and eradication projects.

In total \$4,001,205 has been spent on wages over the 12 year period out of total funding of \$10,436,994 over the same period. Of these wages, approximately 68% were utilised in relation to ground works on the projects with the remaining 32% being more closely identified as having a planning and strategic purpose.

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Bushland regeneration funding includes council staff and agency staff wages of \$1,341,463 which represent approximately 78.4% of the total bushland regeneration project expenditure of \$1,711,003 over this time. Similarly, wages of \$1,070,556 represent approximately 75% of the environmental weed control and eradication project expenditure of \$1,427,407. The Bushland regeneration and environmental weed control eradication projects are aligned to the Environmental Levy Policy and assessment criteria along with the State of the Environment Report and aspects of Vision 2030 in respect of having active programs to restore, improve and protect the environment to conserve its unique biodiversity for future generations.

The bush regeneration and environmental weeds works outcomes since 2000 have provided extensive habitat improvement throughout Councils Natural Area Reserves since the inception of the environmental levy program and some of these program achievements include the following:

- EL Revegetation 18.5 Hectares planted
- EL Bush Regeneration 92 Hectares
- EL Camphor 14.3 Hectares cleared
- EL Bitou Bush 13 Hectares cleared
- EL Glory Lily 18 Hectares cleared
- EL Privet 10.13 Hectares cleared
- EL Pinus 0.6 Hectares cleared
- Assistance to Land care sites 143 Hectares

Conservation and Sustainable Management of Biodiversity has been funded from the environmental levy since 2003. In the 2003 financial year \$43,000 was approved for the Biodiversity Program with funding of \$60,000 for a sustainability officer. Since this time funding for the program which is predominantly wages has increased annually. In 2010 the program received funding from the environmental levy of \$167,000, in 2011 \$180,000 and the latest 2012 funding allocation in this respect was \$223,000 which included a total of \$193,000 for Conservation and Sustainable Management of Biodiversity wages and a further \$30,000 was allocated to the Biodiversity Monitoring Program, Stage 2.

The biodiversity unit provides strategic direction and guidance for most biodiversity related issues within Council. The day to day operations are driven by priority actions embodied in Councils strategies, plans and policies. Some of the major actions the biodiversity unit undertakes include:

- Provision of expert advice in relation to Development Applications and assessment of Part 5 Activities, pursuant to Councils statutory obligations under the Environmental Planning and Assessment Act, Threatened Species Conservation Act and Environment Protection and Biodiversity Conservation Act and the relevant Regulations.
- Contribution to Local Environmental Plans in development of environmental requirements of LEP2000 and more recently the City Centre LEP and draft City Wide LEP and associated Development Control Plans (DCP's) and preparation, implementation and monitoring of Biodiversity Strategies, policies and management plans.
- Investigation of approximately 80 breaches of Council's Tree Preservation Order per year which involves issuing notices of entry, collection of evidence, formal interviews and preparation of illegal vegetation removal reports with approximately 20 investigations resulting in fines for development without consent and 5 proceeding to court hearings.

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- Development and maintenance of biodiversity information, in the form of guidelines, printed information and Councils website to inform developers and the general public with up to 10 Bio Guides developed over the past 4 years on specific issues to assist the public to interpret and understand relevant environmental legislation and Council policy.
- Representing Council on a large number of technical and management committees to provide technical advice on biodiversity management and ecological issues. Other activities include educational forums, presentations, workshops and school education.

Review of the number of projects funded against applications

A review was undertaken of the level of funding in relation to the number of projects that applied over the past 5 years between the current 2012 financial year and the 2008 financial year. The review revealed on average there are 35 project applications a year with a minimum of 30 applications received and the maximum of 39 applications were received in the 2011 and current 2012 financial years respectively.

The number of projects approved is on average 19 or 55% of projects that apply. The maximum number of projects approved was 21 in the current 2012 financial year and the minimum number of projects approved was 15 in the 2009 financial year. Approximately 64% of the projects approved over this time were Council projects. In the 2011 financial year 82% of projects approved were Council projects and in 2009 only 53% of projects approved were Council projects. Some projects are approved for the full amount requested but in the majority of cases only a portion of the funding applied for is granted. (See Appendix 2)

Review of the percentage of projects funded for public versus private land

The review revealed that the majority of projects funded are for public land (81%). Two projects were identified as being predominantly on private land.

- The Orara River Restoration project, received approximately 19% of total funding and involved approximately 100 land holders
- Biodiversity Action Strategy projects which accounted for 1% of total funding allocated

The majority of other projects were undertaken on public land, the largest of these projects over the term of funding were annual bushland regeneration and environmental weed control and weed eradication projects which together represented 30% of total funding.

Review of the balance between planning/strategic projects versus ground works

The individual projects varied greatly in respect of purpose and duration. Some were entirely for planning and strategic purposes while other projects were only in relation to ground works. Overall approximately 75% or \$7,858,579 of total funding to date has been allocated to ground works with the remaining 25% or \$2,578,414 being of a strategic nature.

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Key Review Findings & Additional Considerations

Coffs Harbour City Council was one of the first councils to introduce an Environmental Levy in NSW and as such should be leading the way in its application of funds to current priority environmental issues in the LGA.

Several larger projects have received annual funding and for the most part these amounts increase each year. Council must be careful not to continue to fund projects simply because they have been funded in the past. Each year, each project should be objectively measured against the criteria and annually assessed on past performance and its merits and its ability to address a priority issue as detailed in the Coffs Harbour 2030 Plan or Regional State of the Environment Report.

Wages have grown over time to represent a substantial amount of annual funding and without careful consideration may in time represent an even higher portion of total funding or consume the environmental levy. The levy was developed to fund projects which would not normally be funded from Council's general rate revenue. Wages funded from the levy need to be clearly linked to desired outcomes and should be assessed annually against outcomes achieved.

Large amounts of funding are being allowed to be rolled forward each year if not fully spent when the funding approval letter states funds should be spent within the financial year within which they were allocated to the project. This has become a substantial issue with \$446,742 rolled forward to allocated projects from 2009/10 to 2010/11 and \$308,515 rolled forward in the financial year prior to this. This can sometimes be a result of awaiting matching grants but may also indicate possible inaccurate initial budgeting or inadequate accountability of funding recipients to spend money within the required timeframes.

Quarterly reports are required to be presented to the executive as regular updates on the progress of projects. These appear to have been completed in most quarters since the inception of the project in differing formats; however, these do not appear to have been prepared in the 2010/2011 financial year. These are an important part of the review process to ensure funds are spent in the year they are granted.

Environmental levy audit requirements prevent consideration of late applications. The review revealed there have been instances over time that internal Council submissions were registered after the submission deadlines.

Additional assessment criteria have been added over time to those adopted in the policy which requires all projects to have strategic integration, a good monitoring and evaluation framework and accountability. There is a possibility the Council proposed projects meet these additional criteria while smaller external projects may not be able to meet the additional criteria reducing the balance between internal and external environmental projects.

The working group non-pecuniary interests in projects is high with only \$36,015 in 2012 funding being allocated to unrepresented community projects. It has been approximately 15 years since a community forum was held to gain input and feedback from the community.

A key aim of the levy was to attract additional funding for works from sources such as State and Federal Government Grants, Community Group Contributions and works in kind. In assessing project submissions those that bring maximum value to the community through matched funding are likely to yield better outcomes for the LGA. It is also acknowledged that to date external community projects have been a huge success with substantial matched additional funding and in kind volunteer labour. Therefore, external projects should possibly represent a higher proportion of the funding allocation in order to maximise additional external funding and works in kind.

NOM11/16 ENVIRONMENTAL LEVY PROGRAM REVIEW

The environmental levy needs to be administered appropriately to ensure the effective application of environmental levy funds. Accordingly, the Environmental Levy Co-ordinator position is a legitimate environmental levy expense that ensures the proper administration and coordination of environmental levy projects is undertaken. It is important however to ensure that if funds are applied for this purpose that the time funded is spent in administering and co-ordinating environmental levy projects to the extent of the funding amount. This will improve accountability of funding recipients and the timeliness of expenditure inline with approved budgets.

Addressing an indentified key environmental pressure or further action issue in the current Comprehensive State of Environment Report is an essential criterion for applicants. Some of the issues identified in this report are directly connected to Council operations. The review of the EL Policy document needs to consider all of Councils strategic documents that guide environmental planning.

Environmental consciousness was a consideration in the initial environmental levy proposal, an investment in environmental and sustainability educational programs for children in the LGA could provide widespread future benefits. It is acknowledged that educational programs are conducted through environmental levy funding by community groups resulting in a valuable contribution to environmental education to schools, industry specific groups and the community as a whole over the years. The direct environmental levy investment in education in the 2012 financial year is \$14,000. This amount does not include the additional education programs that may be funded through community groups. Education and awareness are recurrent themes in Coffs Harbour 2030 Plan, Coffs Harbour Biodiversity Action Strategy and Regional State of the Environment Report.

Private landholders may maintain areas with significant environmental value. The majority of funding to date has been for projects on public land with only one large project on private lands being funded. Environmental levy funding to date has benefited private landholders in only one geographic location. Many significant environmental issues may be overlooked if only public land projects are approved.

The Orara River Restoration Project has received substantial environmental levy funding to date and is an example of a well run community project. However, consideration should be given to whether sufficient Council resources have been spent in this regard and future restoration works should be the responsibility of landholders. If water supply quality is identified as a significant issue and future funding is required in this respect possible contributions from other sources could be considered in place of heavy reliance on environmental levy funding.

There are opportunities to formulate better Council partnerships with community groups. Through better communication and establishing these partnerships Council and the community together are able to attract more outside funding into the local government area.

NOM11/16 ENVIRONMENTAL LEVY PROGRAM REVIEW

Recommendations

1. Council determine its current and future environmental priorities based on current environmental policies, plans and strategies.
2. Council redraft the Environmental Levy Policy and criteria to align with an overall Local Government Area Environmental Strategy to be funded by the Environmental Levy or in part by the Environmental Levy.
3. Quarterly Reports be standardised, presented to the Executive and Council and form the basis of the Environmental Levy Co-ordinators follow up actions for the next quarter.
4. The submission deadline should be enforced regardless of whether applications are lodged from internal or external sources to ensure fairness and equity in the allocation of funding.
5. The roll forward of funds should be reduced and only be considered in exceptional circumstances. If funds allocated in a financial year are not spent within the required time frame, the unspent funds should be allocated back to the funding pool for reallocation in the next round of funding and be open to new funding applicants.
6. A policy be adopted in respect of the role, responsibilities and membership eligibility of the Environmental Working Group to ensure all non-pecuniary interests are minimised.
7. The assessment criteria should be completed and filed for each individual project application with copies of completed assessments kept as part of an audit trail for each project submission received. This assessment criteria form should also show those members of the working group who are unable to vote as a related party to show they were appropriately excluded from voting on the matter.
8. Funded projects must be accountable, effectively managed and monitored and should require appropriate acquittal with the initial financial and non financial objectives reviewed and evaluated against actual outcomes upon completion. External projects with funding in excess of \$20,000 should require an acquittal conclusion from a qualified accountant that funds have been spent in accordance with funding agreements with an amount up to \$200 allocated within the approved budget for the acquittal. Internal projects should be equally accountable with applicable section managers signing off objectives and outcomes have been achieved.
9. That the Council projects of Environmental Levy Administration, Weeds Control, Bush Regeneration and Biodiversity be funded directly from the Environmental Levy and that these funds be deducted from the fund prior to the consideration of the committee.
10. All current and past working group members be recognised for their contribution to the success of the environmental levy to date.

CB12/11 QUARTERLY BUDGET REVIEW STATEMENT FOR DECEMBER 2011

Purpose:

To provide the quarterly budget review statement and report on the estimated budget position as at 31 December 2011.

The following attachments are included with this report:

Attachment A - Budget Review Income and Expenses Statement by Program

Attachment B - Budget Review Capital Budget

Attachment C - Budget Review Cash and Investments position

Attachment D - Budget Review Key Performance Indicators

Attachment E - Budget Review Contracts and Other Expenses

Description of Item:

As part of the new Integrated Planning and Reporting (IP&R) framework for local government, the Division of Local Government has developed a minimum set of budget reports to assist Council in meeting their legislative requirements. These documents are collectively known as the Quarterly Budget Review Statement (QBRs) and form part of the framework of Clause 203 of the Local Government (General) Regulation 2005. This regulation requires a council's Responsible Accounting Officer to submit quarterly budget review statement to the governing body of Council. These minimum statements are contained within Attachments A through E of this report. The table below summarises this quarter's budget variations.

Estimated Budget Position as at 31 December 2011:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 23 June 2011	182,220 (D)	4,897,205 (D)	3,591,600 (D)
Approved Variations to 30 Sept 2011	(118,364) (S)	Nil	Nil
Recommended variations for quarter ending 31 December 2011	(77,662) (S)	Nil	Nil
Estimated result 2011/12 as at 31 December 2011	<u>(13,806) (S)</u>	<u>4,897,205 (D)</u>	<u>3,591,600 (D)</u>
General Account			Deficit/(Surplus)
Staff position duplicated within two programs (EDU and Admin)			(39,780) (S)
Grant funding approval received from Office of Environment & Heritage for 2011/12 Coffs Creek Estuary Management Plan			(50,000) (S)
Matched revenue funding required for Coffs Creek Estuary Management Plan transferred from Campbell's Beach Protection Works project per Council meeting 10/11/11 (CS11/44)			(34,396) (S)
2011/12 Coffs Creek Estuary Management Plan per Council meeting 10/11/11 (CS11/44)			84,396 (D)

CB12/11 - Quarterly Budget Review Statement for December 2011 (Cont'd)

Newmans Road Cycleway (Strawberry Close to Vista Close)	150,000 (D)
Newmans Road Cycleway funded by Section 94 (under West Woolgoolga Developer Contributions Plan)	(150,000) (S)
Realign Development/Construction Certificate fees income to expected level of activity to end of June 2012	100,000 (D)
Surplus in library staff salaries	(35,000) (S)
Library strategic business plan implementation	35,000 (D)
Reflect RFS approved 11/12 allocations per Commissioner's circular against those applied for and originally budgeted. Major savings arise due to major reduction in Bushfire Station Upgrade, Equipment and brigade vehicle allocations and consequently Council's 11.7% contribution	(102,626) (S)
Bruxner Park/ Ulidarra Eucalypt Ecotourism Project	80,000 (D)
TQUAL Grants (Tourism Quality Projects) funding of Bruxner Park/Ulidarra Eucalypt Project	(40,000) (S)
Contribution from Forest NSW for Bruxner Park/Ulidarra Eucalypt Project	(15,000) (S)
Contribution from National Parks and Wildlife Service for Bruxner Park/Ulidarra Eucalypt Project	(10,000) (S)
Internal contribution from WASIP grant funds (Non-Domestic Waste) for Bruxner Park/Ulidarra Eucalypt Project	(15,000) (S)
Additional ordinary rates income above budget forecast	(49,958) (S)
Increased pensioner expenses due to increase in rebates granted	20,000 (D)
Increased pensioner rate subsidy income relating directly to \$20K increase in rebates expense	(10,000) (S)
Increase in interest income due to increase in annual percentage rate and increase in outstanding debt levels	(17,832) (S)
Coffs Harbour Coastal Headlands Environmental Protection, Education and Ecotourism projects (CHEPEEP)	564,820 (D)
Environmental Levy Funding related to walkways used as a matching funding source for CHEPEEP projects	(110,000) (S)
Coffs Coast Regional Park Trust funds used as a matching funding source for CHEPEEP projects	(200,820) (S)
Our Living Coast grant funds used as a matching funding source for CHEPEEP projects	(254,000) (S)
Fitzroy Oval Lighting Project (funded Community Facilities Reserve) per Council Meeting 15/12/11	42,000 (D)
Community Facilities Reserve funding for Fitzroy Oval Lighting Project	(42,000) (S)
Revision of likely property rentals revenue	(70,000) (S)
Perform urgent asbestos assessments on Council buildings	20,000 (D)
Initiate Branding Project	15,000 (D)

CB12/11 - Quarterly Budget Review Statement for December 2011 (Cont'd)

Perform procurement review	6,500 (D)
Surplus Information Services staff costs due to vacancies yet to be advertised plus staff on extended long service leave not backfilled	(40,000) (S)
Utilise some IT staff surpluses to extend role of strategic consultant	20,000 (D)
Contribution to NSW Fire Brigade greater than budgeted	47,634 (D)
Realign Subdivision Construction Certificate fees income to expected level of activity to end of June 2012	23,400 (D)
Domestic Truck Turning Areas per Council resolution 15/12/11	(38,429) (S)
Domestic Englands Road Works per Council resolution 15/12/11	(200,000) (S)
Domestic LEMP Works per Council resolution 15/12/11	5,250 (D)
Domestic Landfill Amenities per Council resolution 15/12/11	907 (D)
Domestic Waste Charges per Council resolution 15/12/11	(12,210) (S)
Balance transferred to Domestic Waste Reserve per Council resolution 15/12/11	244,482 (D)
Non-Domestic Englands Rd Tip Liquid Waste Transfer Service per Council resolution 15/12/11 (L11/38)	(5,000) (S)
Non-Domestic Landfill Gas Extraction Management per Council resolution 15/12/11 (L11/38)	(45,000) (S)
Non-Domestic Truck Turning Areas per Council resolution 15/12/11 (L11/38)	(1,571) (S)
Non-Domestic Greenwaste Processing Service per Council resolution 15/12/11 (L11/38)	(30,000) (S)
Non-Domestic Concrete Crushing per Council resolution 15/12/11 (L11/38)	(20,000) (S)
Non-Domestic Greenwaste Processing Service per Council resolution 15/12/11 (L11/38)	
Non-Domestic Englands Rd Works per Council resolution 15/12/11 (L11/38)	(200,000) (S)
Non-Domestic LEMP Works per Council resolution 15/12/11 (L11/38)	5,250 (D)
Domestic Landfill Amenities per Council resolution 15/12/11 (L11/38)	906 (D)
Non-Domestic Lowanna Transfer Station Security Improvements per Council resolution 15/12/11 (L11/38)	(30,000) (S)
Non-Domestic Waste Charges per Council resolution 15/12/11 (L11/38)	(100,890) (S)
Non-Domestic Tipping Fees per Council resolution 15/12/11 (L11/38)	2,200,000 (D)
Balance transferred to Non-Domestic Waste Reserve per Council resolution 15/12/11 (L11/38)	(1,773,695) (S)
Total	<u>(77,662) (S)</u>
Water Account	
Total	<u>Nil</u>
Sewer Account	
Total	<u>Nil</u>

Sustainability Assessment:

This report is one of procedure only.

- **Environment**

There are no perceived short or long-term environmental impacts.

- **Social**

There are no perceived short or long term social impacts.

- **Civic Leadership**

Council strives to reach a balanced budget position by June 30 each year in conjunction with meeting its short term priorities.

- **Economic**

Delivery Program/Operational Plan Implications

The Original budget for the General Account adopted on 23 June 2011 provided for a deficit of \$182,220.

For substantial budget adjustments the associated Council reports have addressed the triple bottom line factors independently in 2011/12.

Consultation:

Managers and their relevant staff have been provided with electronic budget reports for each program on a monthly basis. Requested variations and variations adopted by Council have been included in the report.

Statutory Requirements:

As discussed above, under local government regulations the Responsible Accounting Officer is required to submit a quarterly budget review to Council. There is no obligation to provide monthly reviews but it has been recommended they be completed as part of prudent financial management.

Responsible Accounting Officers Statement

The Responsible Accounting Officer believes the Quarterly Budget Review Statement indicates the financial position of the Council is satisfactory, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

CB12/11 - Quarterly Budget Review Statement for December 2011 (Cont'd)

Recommendation:

1. The Quarterly Budget Review Statements be noted.
2. That the budget adjustments be approved and the current budget position be noted.

Estimated Budget Position as at 31 December 2011:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 23 June 2011	182,220 (D)	4,897,205 (D)	3,591,600 (D)
Approved variations to September 2011	(118,364) (S)	Nil	Nil
Recommended variations for quarter ending 31 December 2011	(77,662) (S)	Nil	Nil
Estimated result 2011/12 as at 31 December 2011	<u>(13,806) (S)</u>	<u>4,897,205 (D)</u>	<u>3,591,600 (D)</u>

COFFS HARBOUR CITY COUNCIL
 BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
 INCOME & EXPENSES BY PROGRAM - GENERAL FUND

	ORIGINAL Budget 2011/12	Approved Changes Sep-21 Rev	Dec Rev	REVISED Budget	Recommended Changes for Dec	PROJECTED Budget 2011/12	ACTUAL YTD
INCOME							
Community Facilities	2,370,450	1,309,234	300,000	3,979,684	-	3,979,684	3,979,684
Civic Management	6,800	128,340	-	132,940	-	132,940	129,340
Coffs Coast Marketing	755,800	50,936	128,774	935,210	87,500	1,022,710	550,677
Land Use Planning	170,300	355,405	(84,000)	441,705	-	441,705	298,238
Land Use Assessment & Management	1,794,830	64,173	(81,073)	1,800,171	(100,000)	1,800,171	803,238
Environmental Management	271,800	2,722,242	10,950	3,004,812	110,000	3,114,812	2,793,544
Public Health & Safety	200,000	35,554	21,045	266,629	-	266,629	216,344
Ranger Services	412,150	-	-	412,150	-	412,150	212,652
Domestic Resource Recovery	12,344,872	21,361	-	12,366,233	(227,272)	12,138,961	11,935,354
Non-Domestic Resource Recovery	6,736,965	175,946	-	6,912,911	(102,479)	6,810,436	5,161,146
Property & Commercial	525,525	204,724	2,425	736,675	3,700	740,375	665,266
Leasing & Asset Management	1,551,680	209,556	-	1,761,238	70,000	1,831,238	1,263,208
Swimming Pools	65,100	-	-	65,100	-	65,100	64,716
Airport	7,035,305	96,957	-	7,132,262	(329,000)	6,803,262	4,547,331
Sports Development	1,221,359	234,691	(197,278)	1,258,771	42,000	1,310,771	1,177,229
Admin & Corp Governance	5,040,012	241,848	11,000	5,295,960	28,022	5,323,982	2,878,011
Governance & Legal Services	87,850	58,979	-	146,829	15,000	161,829	155,528
Rural Fire Service	2,695,133	303,664	-	2,998,797	(1,110,164)	1,888,633	1,295,186
Information Services	820,700	542,577	-	1,363,277	(311,000)	1,332,177	1,298,979
Telecommunications & New Technology	890,400	-	9,350	899,750	299,500	979,250	282,900
Finance	962,196	12,919	-	975,115	(27,000)	948,115	465,274
Plant	10,496,423	733,700	24,966	11,257,089	-	11,257,089	7,202,807
Program Support	108,781	51,519	-	160,300	-	160,300	74,779
HR & Organisational Development	54,420	1,000	-	54,520	-	54,520	44,195
City Services Support	186,700	-	-	186,700	-	186,700	186,700
Assets Systems	338,085	105,897	-	443,982	890	444,872	243,334
Library Services	1,030,050	84,351	39,262	1,104,663	(287,097)	923,566	848,234
Community Development	259,800	102,995	-	362,795	11,270	373,685	323,508
Economic Development	680,000	70,887	-	750,887	-	750,887	497,642
Environmental Lab	111,000	1,972	5,500	118,472	-	118,472	33,164
City Works	8,350,150	639,072	9,980	8,999,202	440,820	9,439,722	7,905,989
Recreational Services	2,026,000	259,093	-	2,285,093	(1,938)	2,283,155	1,641,693
Regional Roads	12,632,920	2,174,190	18,180	14,825,190	390,534	15,265,724	14,395,212
Local Roads	1,060,300	227,113	-	1,287,413	210,300	1,501,245	1,319,313
Engines	243,700	773,466	9,983	1,026,654	146,214	1,173,066	84,895
Footpaths, Cycleways & Bus Shelters	64,850	757,617	106,187	928,654	10,408	939,060	939,060
Parking	201,700	-	-	201,700	-	201,700	51,254
Quarries	4,320,355	12,619,240	-	16,939,598	2,160,000	19,099,598	16,239,494
Street & Toler Cleaning	19,000	47,893	-	66,893	16,620	83,433	28,238
Drainage	354,190	146,328	4,818	505,334	-	505,334	1,019,402
Harbour & Jetty	925,806	4,020,672	58,095	5,006,574	140,443	5,146,317	4,574,246
City Works - Private Works	146,000	21,344	-	167,344	-	167,344	21,344
Survey & Design	101,000	-	-	101,000	(27,900)	73,200	34,531
Street Lighting	41,941,784	-	(1,599,932)	40,351,932	587,900	40,939,832	33,197,322
Subdivisions & Contracts							
United Funding							
TOTAL INCOME	131,515,554	29,579,843	1,046,451	160,045,946	1,976,559	162,027,535	130,947,879

This document forms part of Coffs Harbour City Councils Quarterly Budget Review Statement for the quarter ended 31/12/11 and should be read in conjunction with other documents in the CBRIS

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
INCOME & EXPENSES BY PROGRAM - GENERAL FUND

	ORIGINAL Budget 2011/12		Approved Changes Other than by OERS		REVISED Budget		Recommended Changes for Dec	PROJECTED Budget 2011/12	ACTUAL YTD
			Other than by OERS	Sept Nov	Dec Nov				
EXPENSES									
Community Facilities	2,370,450	1,309,234	300,000			3,979,684	-	3,979,684	1,400,555
Civic Management	1,327,033	138,340	596			1,463,949	1,000	1,464,949	748,532
Coffs Coast Marketing	2,001,760	50,986	128,774			2,181,540	87,500	2,269,040	1,299,737
Land Use Planning	1,146,296	355,405	(84,000)			1,417,701	-	1,417,701	623,310
Land Use Assessment & Management	2,125,039	44,178	61,073			2,230,290	-	2,230,290	1,125,627
Environmental Management	1,194,611	2,722,242	10,650			3,927,503	110,000	4,037,503	1,152,374
Public Health & Safety	1,150,904	35,554	20,460			1,206,918	-	1,206,918	597,976
Ranger Services	851,833	-	-			851,833	-	851,833	415,643
Domestic Resource Recovery	12,344,872	21,361	-			12,366,233	(227,272)	12,138,961	7,927,374
Non-Domestic Resource Recovery	67,363,965	179,946	-			67,543,911	(102,479)	67,441,432	2,636,259
Property & Commercial	984,037	204,724	-			1,188,761	(26,300)	1,162,461	363,604
Leasing & Asset Management	2,624,675	209,566	4,000			2,838,241	20,000	2,858,241	1,495,917
Swimming Pools	621,915	-	-			621,915	-	621,915	375,944
Airport	7,038,305	98,957	-			7,137,262	(329,000)	6,808,262	3,656,600
Sports Development	2,736,355	234,691	(187,278)			2,783,768	42,000	2,825,768	1,528,634
Admin & Corp Governance	1,418,594	241,948	11,000			1,671,542	(48,848)	1,622,694	847,353
Governance & Legal Services	1,610,249	58,979	-			1,669,228	86,900	1,756,128	1,335,194
Rural Fire Services	2,977,369	303,664	-			3,281,033	(1,212,750)	2,068,283	797,476
Information Services	4,168,320	542,577	-			4,710,897	(93,100)	4,617,797	2,048,610
Telecommunications & New Technology	7,168,968	-	9,350			7,178,318	288,590	7,466,908	829,150
Finance	4,150,790	12,919	-			4,163,709	(11,368)	4,152,341	2,198,006
Plant	10,489,423	733,700	24,988			11,257,089	-	11,257,089	6,093,976
Program Support	398,164	51,519	100			429,683	-	429,683	190,219
HR & Organisational Development	1,297,816	-	-			1,297,816	-	1,297,816	667,959
City Services Support	845,739	-	-			845,739	-	845,739	463,082
Assets Systems	339,158	-	-			339,158	-	339,158	171,437
Library Services	1,984,498	106,997	-			2,091,495	(78)	2,091,417	961,855
Community Development	2,876,574	84,351	33,262			2,994,187	(267,129)	2,727,058	1,291,305
Economic Development	1,028,013	102,995	-			1,131,008	11,270	1,142,278	625,574
Environmental Lab	680,000	70,897	-			750,897	-	750,897	347,989
City Works	962,131	1,972	5,000			969,103	-	969,103	521,130
Recreational Services	12,003,487	629,072	9,660			12,642,219	455,820	13,098,039	2,676,571
Regional Roads	2,130,855	259,093	-			2,389,948	(1,938)	2,388,010	1,065,479
Local Roads	17,991,820	2,174,190	25,680			20,991,790	380,534	20,472,324	8,968,429
Bridges	1,191,800	227,113	-			1,418,913	-	1,418,913	679,400
Footpaths, Cycleways & Bus Shelters	586,910	773,468	2,183			1,362,561	146,214	1,508,775	366,456
Parking	620,001	757,617	106,197			1,483,815	10,406	1,494,221	593,623
Quarries & Toler Cleaning	201,700	-	-			201,700	-	201,700	140,029
Street & Toilet Cleaning	791,900	-	-			791,900	-	791,900	364,233
Drainage	4,590,555	12,818,243	-			17,408,798	2,160,000	19,568,798	2,596,059
Harbour & Jetty	179,200	47,963	-			227,163	17,675	244,838	107,391
City Works - Private Works	354,190	146,326	4,818			505,334	-	505,334	1,348,454
Survey & Design	3,395,028	4,020,872	66,086			7,479,986	139,398	7,619,384	2,065,024
Street Lighting	737,700	21,344	-			759,044	-	759,044	313,015
Subsidies & Contracts	501,828	-	-			501,828	(4,500)	497,328	246,345
United Funding	5,247,242	-	(1,708,771)			3,538,471	1,000	3,539,471	3,636,471
TOTAL EXPENSES	131,697,773	29,579,843	-1,184,814			160,112,802	1,920,927	162,033,729	89,843,011
NET OPERATING RESULT SURPLUS/(DEFICIT)	(182,218)	-	118,363			(63,856)	77,662	13,806	61,301,868

This document forms part of Coffs Harbour City Council's Quarterly Budget Review Statement for the quarter ended 31/12/11 and should be read in conjunction with other documents in the OERS

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
INCOME & EXPENSES BY PROGRAM - GENERAL FUND

Add Back:									
Capital Expenses	27,695,806	24,622,477	427,752	52,748,065	555,795	53,301,860	10,592,939		
Less:									
Transfers to & from Reserves	27,561,312	26,040,637	146,656	53,751,605	1,460,426	55,221,231	55,221,231		
Loan Drawdowns	-	-	-	-	-	-	-		
Advance Repayments	40,419	-	-	40,419	-	40,419	20,184		
Asset Sales	959,209	-	2,425	961,635	-	961,635	463,552		
NET OPERATING RESULT FROM CONTINUING OPERATIONS	(1,545,314)	(1,418,160)	392,834	(2,070,640)	(835,659)	(2,906,699)	15,199,840		
Less:									
Capital Grants	2,671,763	-	14,200	2,687,563	1,082,160	3,749,723	1,627,593		
Capital Contributions	4,423,000	19,033	-	4,442,033	156,692	4,598,715	4,370,691		
NET OPERATING RESULT BEFORE CAPITAL ITEMS	(8,141,077)	(1,418,160)	399,031	(9,170,236)	(2,396,811)	(11,257,047)	1,019,896		

Note
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REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget

Recommended Changes for December
The detail of what recommended changes are requested are included in the Description of Items section in the report

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
INCOME & EXPENSES BY PROGRAM - SEWER FUND

	ORIGINAL Budget 2011/12	Approved Changes Other than by OBRSS	Sept Rev	REVISED Budget	Recommended Changes for Dec	PROJECTED Budget 2011/12	ACTUAL YTD
INCOME							
Management Expenses	1,030	28,669	-	29,699	-	29,699	27,761
Maintenance & Operating	6,926,299	378,907	-	7,305,206	-	7,305,206	6,966,420
Miscellaneous	-	29,693	-	29,693	-	29,693	29,693
Capital Expenses	33,996,300	9,083,623	-	43,079,923	-	43,079,923	36,685,490
Unified Funding	24,545,021	-	-	24,545,021	-	24,545,021	21,019,954
TOTAL INCOME	65,468,650	9,520,892	-	74,989,542	-	74,989,542	64,728,418
	ORIGINAL Budget 2011/12	Approved Changes Other than by OBRSS	Sept Rev	REVISED Budget	Recommended Changes for Dec	PROJECTED Budget 2011/12	ACTUAL YTD
EXPENSES							
Management Expenses	3,878,611	28,669	-	4,008,280	-	4,008,280	1,935,732
Maintenance & Operating	14,194,070	378,907	-	14,572,977	-	14,572,977	6,763,553
Miscellaneous	15,955,269	29,693	-	15,984,962	-	15,984,962	7,043,684
Capital Expenses	33,996,300	9,083,623	-	43,079,923	-	43,079,923	7,822,803
Unified Funding	935,000	-	-	935,000	-	935,000	935,000
TOTAL EXPENSES	69,060,250	9,520,892	-	78,581,142	-	78,581,142	24,500,772
NET OPERATING RESULT SURPLUS/(DEFICIT)	(3,591,600)	-	-	(3,591,600)	-	(3,591,600)	40,227,646
Add Back:							
Capital Expenses	38,643,789	9,083,623	-	47,727,412	-	47,727,412	7,492,967
Less:							
Transfers to & from Reserves	29,991,100	9,520,992	-	39,511,992	-	39,511,992	39,511,992
Loan Drawdowns	-	-	-	-	-	-	-
Advance Repayments	-	-	-	-	-	-	-
Asset Sales	-	-	-	-	-	-	15,636
NET OPERATING RESULT FROM CONTINUING OPERATIONS	5,061,989	(437,269)	-	4,623,820	-	4,623,820	8,192,966
Less:							
Capital Grants	3,146,000	-	-	3,146,000	-	3,146,000	-
Capital Contributions	3,286,300	-	-	3,286,300	-	3,286,300	3,308,531
NET OPERATING RESULT BEFORE CAPITAL ITEMS	(1,371,211)	(437,269)	-	(1,808,480)	-	(1,808,480)	4,884,454

Note
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REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget

Recommended Changes for September
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COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
INCOME & EXPENSES BY PROGRAM - WATER FUND

	ORIGINAL Budget 2011/12	Approved Changes Ordnance by ORES Sept Rev	REVISED Budget	Recommended Changes for Dec	PROJECTED Budget 2011/12	ACTUAL YTD
INCOME						
Management Expenses	3,000	65,750	68,750	-	68,750	66,683
Maintenance & Operating	4,977,750	449,965	5,427,615	-	5,427,615	5,390,422
Miscellaneous	-	2,997	2,997	-	2,997	2,697
Capital Expenses	7,114,700	2,594,844	9,709,344	-	9,709,344	6,443,450
Regional Water Supply	-	513,124	513,124	-	513,124	513,124
Unfunded	17,626,998	-	17,626,998	-	17,626,998	8,461,352
TOTAL INCOME	29,722,448	3,626,980	33,349,528	-	33,349,528	20,877,726

	ORIGINAL Budget 2011/12	Approved Changes Ordnance by ORES Sept Rev	REVISED Budget	Recommended Changes for Dec	PROJECTED Budget 2011/12	ACTUAL YTD
EXPENSES						
Management Expenses	3,336,414	65,750	3,402,164	-	3,402,164	1,644,932
Maintenance & Operating	1,028,656	449,965	1,478,431	-	1,478,431	4,741,941
Miscellaneous	13,236,973	2,997	13,239,970	-	13,239,970	5,721,946
Capital Expenses	7,114,700	2,594,844	9,709,344	-	9,709,344	4,655,992
Regional Water Supply	-	513,124	513,124	-	513,124	-
Unfunded	645,000	-	645,000	-	645,000	645,000
TOTAL EXPENSES	34,619,683	3,626,980	38,246,733	-	38,246,733	17,409,811
NET OPERATING RESULT SURPLUS/(DEFICIT)	(4,897,205)	-	(4,897,205)	-	(4,897,205)	3,467,917

Add Back:						
Capital Expenses	1,043,364	3,107,768	13,650,132	-	13,650,132	4,124,513
Less:						
Transfers to & from Reserves	5,073,900	3,626,980	8,699,980	-	8,699,980	8,699,980
Loan Drawdowns	-	-	-	-	-	-
Advance Payments	-	-	-	-	-	-
Asset Sales	-	-	-	-	-	16,364
NET OPERATING RESULT FROM CONTINUING OPERATIONS	460,259	(518,312)	(58,053)	-	(58,053)	(1,123,914)

Less:						
Capital Grants	-	-	-	-	-	-
Capital Contributions	3,114,000	-	3,114,000	-	3,114,000	3,114,000
NET OPERATING RESULT BEFORE CAPITAL ITEMS	(2,653,741)	(518,312)	(3,172,053)	-	(3,172,053)	(4,237,914)

Note
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REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget
Recommended Changes for September
The detail of what recommended changes are requested are included in the Description of Item section in the report

This document forms part of Coffs Harbour City Council's Quarterly Budget Review Statement for the quarter ended 31/12/11 and should be read in conjunction with other documents in the OBRs

**COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
CAPITAL BUDGET - GENERAL FUND**

	ORIGINAL	APPROVED CHANGES		REVISED	RECOMMENDED	PROJECTED	ACTUAL
	Budget 2011/12	Other Items/2011/12	Sept Rev	Dec Rev	Change for Dec	Budget 2011/12	YTD
CAPITAL FUNDING							
Rates and other Unfunded Funding	7,671,121	1,889,398	7,500	9,367,507	195,327	8,562,834	3,173,161
Internal Restrictions							
- Airport	1,022,000	83,409	-	1,085,409	150,000	935,409	45,211
- Boat Moort Resv	-	121,387	-	121,387	-	121,387	116,340
- Non-Comestic Waste Management	470,000	-	-	470,000	223,844	246,156	12,313
- Community Facilities Reserve	336,054	107,367	-	443,421	42,000	485,421	142,628
- Car Parking Upgrade	-	-	38,000	38,000	-	38,000	-
- Environmental Levy	83,000	113,990	-	193,990	110,000	83,990	1,616
- Future Fund	-	600,000	-	600,000	-	600,000	214,175
- Jelly Moort Reserve	-	-	-	-	-	-	-
- Pine Creek Reserve	1,022,396	-	-	1,022,396	-	1,022,396	229
- Environmental Laboratory	50,000	70,887	-	120,887	120,887	120,887	12,471
- Grant in Advance	783,802	783,802	-	783,802	6,828	756,974	20,912
- Plant	1,241,020	382,000	-	1,623,020	-	1,623,020	894,282
- Private Works	-	-	300,000	300,000	-	300,000	-
- Land Sale Reserve	-	134,147	-	134,147	-	134,147	-
- Open Space Resv	425,000	9,695	-	433,695	-	433,695	184
- RFS Reserve	54,000	284,577	-	338,577	-	338,577	238,261
- Stormwater Restrictions	360,000	-	-	360,000	-	360,000	-
- Domestic Waste Management	8,542,000	3,016,065	83,187	11,641,272	193,843	11,835,115	188,861
- SRA - Inland	2,600,000	-	-	2,600,000	66,894	2,666,894	2,600,000
- Contribution	118,000	213,363	37,549	368,912	30,002	398,914	107,535
- Grant	2,638,885	2,670,605	(38,478)	5,270,992	1,079,875	6,350,867	2,260,912
- Sales Income	1,015,380	351,700	-	1,367,080	-	1,367,080	-
- Loan	-	13,891,467	-	13,891,467	-	13,891,467	582,838
New Loans	-	-	-	-	-	-	-
Income from Sale of Assets	-	-	-	-	-	-	-
TOTAL CAPITAL FUNDING	27,895,836	24,822,477	427,752	52,743,065	555,795	53,301,860	13,582,939

This document forms part of Coffs Harbour City Councils Quarterly Budget Review Statements for the quarter ended 31/12/11 and should be read in conjunction with other documents in the OBRs

**COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
CAPITAL BUDGET - GENERAL FUND**

	ORIGINAL	Approved Changes		REVISED	Recommended	PROJECTED	ACTUAL
	Budget 2011/12	Oct Rev	Sept Rev	Budget	for Dec	Budget 2011/12	YTD
		Dec Rev	Mar Rev				
CAPITAL EXPENDITURE							
Loan Repayments (Principal)	3,529,288	-	-	3,529,288	-	3,529,288	1,485,351
New Assets							
Buildings	1,115,000	267,594	-	1,382,594	579,093	903,501	30,398
Furniture & Fillings	17,000	1,042	-	18,042	-	18,042	4,260
Land Improvements	200,000	-	-	200,000	200,000	-	-
Land - Operational	6,850,000	178,626	-	7,028,626	3,700	7,032,326	5,000
Community Land	-	-	-	-	-	-	-
Bulk Earthworks (non-depreciable)	-	59,618	-	59,618	-	59,618	254
Library Books	-	-	-	-	-	-	-
Office Equipment	261,000	545,503	-	806,503	34,360	840,863	313,364
Other Assets	1,038,948	526,803	(15,000)	1,550,751	7,498	1,543,343	188,669
Other Structures	508,000	1,377,701	-	1,885,701	106,000	1,775,701	38,876
Plant & Equipment	3,468,120	894,367	-	4,272,707	802,260	3,470,427	1,030,845
Water Supply Network	-	-	-	-	-	-	-
Roads, Bridges & Footpaths	5,208,396	1,962,892	279,870	7,471,248	31,391	7,439,857	3,487,649
Stormwater Drainage	1,089,914	14,946,513	(187,278)	15,849,149	2,195,000	18,044,149	996,057
Renewals (Replacement)							
Buildings	-	37,844	-	37,844	906	38,750	5,086
Furniture & Fillings	-	221,452	-	221,452	-	221,452	120,201
Land Improvements	-	67,547	24,660	92,227	-	92,227	18,071
Land - Operational	-	-	-	-	-	-	-
Community Land	-	-	-	-	-	-	-
Bulk Earthworks (non-depreciable)	-	-	-	-	-	-	-
Library Books	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-
Other Assets	-	1,318,927	300,800	1,619,727	-	1,619,727	664,347
Other Structures	34,205	195,270	-	229,475	34,205	195,270	-
Plant & Equipment	-	72,774	-	72,774	-	72,774	-
Water Supply Network	-	-	-	-	-	-	-
Roads, Bridges & Footpaths	4,376,965	2,031,011	25,660	6,433,656	84,206	6,517,862	2,211,726
Stormwater Drainage	-	46,383	-	46,383	-	46,383	149
TOTAL CAPITAL EXPENDITURE	27,695,895	24,622,477	427,752	52,746,065	555,795	53,301,860	10,592,939

Note:
ORIGINAL BUDGET +/- approved budget changes in previous quarters - REVISED Budget
REVISED BUDGET +/- recommended budget changes this quarter - PROJECTED Budget
Recommended Changes for December
The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
CAPITAL BUDGET - WATER FUND

	ORIGINAL Budget 2011/12	Approved Changes			REVISED Budget	PROJECTED Budget 2011/12	ACTUAL YTD
		Other Items by Qtrs	Sept Fev	Dec Fev			
CAPITAL FUNDING							
Water Fund	6,190,864	-	-	-	6,190,864	6,190,864	2,425,491
External Restrictions	2,500,700	3,107,789	-	-	5,608,489	5,608,489	1,899,022
Unexpended Loan SSA	1,740,000	-	-	-	1,740,000	1,740,000	-
TOTAL CAPITAL FUNDING	10,431,564	3,107,789	-	-	13,539,352	13,539,352	4,124,513

	ORIGINAL Budget 2011/12	Approved Changes			REVISED Budget	PROJECTED Budget 2011/12	ACTUAL YTD
		Other Items by Qtrs	Sept Fev	Dec Fev			
CAPITAL EXPENDITURE							
Loan Repayments (Principal)	6,183,249	-	-	-	6,183,249	6,183,249	2,341,023
New Assets	7,416	-	-	-	7,416	7,416	2,013
Office Equipment	3,150,700	978,441	-	-	4,129,141	4,069,141	406,354
Water Supply Network	95,000	58,262	-	-	153,262	153,262	17,273
Plant & Equipment	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-
Renewals (Replacement)	-	-	-	-	-	-	-
Office Equipment	995,000	2,071,075	-	-	3,066,075	3,126,075	1,275,395
Water Supply Network	-	-	-	-	-	-	-
Plant & Equipment	-	-	-	-	-	-	82,455
Other Assets	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	10,431,564	3,107,789	-	-	13,539,352	13,539,352	4,124,513

Note
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REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget
Recommended Changes for December
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COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
CAPITAL BUDGET - SEWER FUND

	ORIGINAL Budget 2011/12	Other than by OBRs	Sept Rev	Approved Changes Dec Rev	Mar Rev	REVISED Budget	Recommended Changes for Dec	PROJECTED Budget 2011/12	ACTUAL YTD
CAPITAL FUNDING									
Sewer Fund	7,343,789	-	-	-	-	7,343,789	-	7,343,789	2,383,572
External Restrictions	30,710,000	9,064,630	-	-	-	39,774,630	-	39,774,630	5,109,385
Unexpended Loan	585,000	-	-	-	-	585,000	-	585,000	-
Grant	-	18,993	-	-	-	18,993	-	18,993	-
TOTAL CAPITAL FUNDING	38,643,789	9,083,623	-	-	-	47,727,412	-	47,727,412	7,492,957

	ORIGINAL Budget 2011/12	Other than by OBRs	Sept Rev	Approved Changes Dec Rev	Mar Rev	REVISED Budget	Recommended Changes for Dec	PROJECTED Budget 2011/12	ACTUAL YTD
CAPITAL EXPENDITURE									
Loan Repayments (Principal)	7,343,789	-	-	-	-	7,343,789	-	7,343,789	2,383,081
New Assets									
Office Equipment	55,000	-	-	-	-	55,000	-	55,000	491
Sewer Network	27,205,000	8,104,772	-	-	-	35,309,772	-	35,309,772	4,435,041
Plant & Equipment	40,000	-	-	-	-	40,000	-	40,000	41,020
Renewals (Replacement)	-	-	-	-	-	-	-	-	-
Office Equipment	4,000,000	978,851	-	-	-	4,978,851	-	4,978,851	531,357
Sewer Network	-	-	-	-	-	-	-	-	-
Plant & Equipment	-	-	-	-	-	-	-	-	101,877
TOTAL CAPITAL EXPENDITURE	38,643,789	9,083,623	-	-	-	47,727,412	-	47,727,412	7,492,957

Note
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REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget
Recommended Changes for December
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COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
CASH AND INVESTMENTS

Reserve Type	Opening Balance 1/07/2011	Add / (Subtract) ORIGINAL Budget Transfers 2011/12	Approved Changes			Add Interest Apportioned	REVISED Balance	Recommended Budget Transfers for Dec	PROJECTED Closing Balance 30/06/2012	YTD Actual
			Other than by QBRs	Sept Rev	Dec Rev					
Total Cash and Investments	171,818,000	-	-	-	-	-	171,818,000	171,818,000	167,581,453	
attributable to:										
External Restrictions (see below)	129,965,000	(32,833,442)	(18,163,925)	614,862	-	1,219,589	82,801,884	330,378	83,132,260	127,673,050
Internal Restrictions (see below)	38,837,000	(1,242,543)	(9,433,201)	1,943,102	-	740,242	30,748,661	(1,799,802)	28,948,859	37,532,147
Unrestricted	3,014,000	34,075,985	25,597,126	(2,557,764)	-	(1,959,831)	58,285,455	1,489,428	59,734,881	2,378,256
	171,818,000	-	-	-	-	-	171,818,000	-	171,818,000	167,581,453
External Restrictions										
General:										
Developer Contributions (S94)	12,867,000	(8,242,000)	(3,014,585)	(83,187)	-	-	1,527,228	85,894	1,613,122	1,082,775
Domestic Waste	1,524,000	1,194,251	(21,361)	-	-	19,847	2,716,737	244,482	2,961,219	559,879
Stormwater Management Levy	511,000	-	-	-	-	13,135	524,135	-	524,135	649,073
Other	38,000	-	-	-	-	-	38,000	-	38,000	-
Water:										
Unexpended Loans	25,529,000	(877,700)	(3,107,768)	-	-	-	21,543,532	-	21,543,532	24,186,810
Unexpended Grants	-	-	-	-	-	-	-	-	-	-
Developer Contributions	257,000	-	-	343,391	-	-	600,391	-	600,391	722,525
Water Supplies (Revenue)	16,019,000	-	(518,312)	-	-	665,983	16,166,671	-	16,166,671	30,397,040
Sewer:										
Unexpended Loans	50,856,000	(24,889,000)	(9,064,830)	-	-	-	16,702,370	-	16,702,370	45,785,117
Unexpended Grants	19,000	(19,993)	-	-	-	-	7	-	7	-
Developer Contributions	58,000	-	-	354,458	-	-	412,458	-	412,458	527,346
Sewer Services (Revenue)	22,487,000	-	(437,269)	-	-	520,824	22,570,355	-	22,570,355	23,762,485
Total External Restrictions	129,965,000	(32,833,442)	(18,163,925)	614,862	-	1,219,589	82,801,884	330,378	83,132,260	127,673,050
Internal Restrictions										
Airport	727,000	145,298	(98,957)	-	-	23,085	798,408	(29,000)	767,408	1,311,039
Asset Replacement & Maintenance	229,000	34,213	(121,367)	-	-	3,459	145,285	-	145,285	120,130
Community Facilities	207,000	72,400	(138,830)	-	-	14,852	157,822	-	157,822	1,280,875
EDF Equipment	443,000	(54,000)	(284,577)	-	-	8,351	112,774	-	112,774	245,491
Unexpended Contributions	213,000	-	(213,060)	-	-	-	(60)	-	(60)	38,895
Historical Jetty R & M	189,000	-	-	-	-	4,231	193,231	-	193,231	193,121
Future Fund	736,000	348,174	(819,857)	38,060	-	15,405	517,782	-	517,782	634,765
Business Development	739,000	50,000	(59,582)	84,189	-	16,951	840,588	-	840,588	799,826
Project Contingency	636,000	90,000	(59,582)	114,189	-	14,920	795,547	-	795,547	723,305
Private Works - General Fund Reserve	673,000	-	(59,582)	114,189	-	15,325	742,952	-	742,952	715,458
Non Domestic Waste	1,485,000	(1,029,869)	(37,551)	1,000,000	-	34,140	1,451,720	(1,773,695)	(321,975)	1,988,098
Employees Leave Entitlement	2,202,000	133,103	-	-	-	59,335	2,394,438	-	2,394,438	3,270,577
Unexpended Grants	6,243,000	-	(4,712,867)	-	-	-	1,530,133	1,893	1,532,026	1,305,853
Open Space Land	317,000	(330,000)	(8,805)	-	-	5,553	(16,252)	-	(16,252)	156,921
Lab Equipment Replacement	169,000	30,648	(70,867)	-	-	4,240	133,001	-	133,001	282,329
Rural Fire Service	14,000	-	(21,169)	-	-	304	(6,865)	-	(6,865)	13,863
Plant Replacement	2,876,000	381,952	(382,000)	620,475	-	69,112	3,565,539	-	3,565,539	3,502,623
Environmental Levy	546,000	-	(481,909)	-	-	11,848	-	1,000	1,000	443,589
RTA Pine Creek Handover (Operating)	35,000	(35,000)	-	-	-	-	-	-	-	-
RTA Pine Creek Handover (Capital)	2,896,000	(1,022,396)	-	-	-	85,479	1,939,083	-	1,939,083	2,978,599
RTA - SH10 Garden Works	229,000	(57,088)	-	-	-	4,982	176,916	-	176,916	213,255
Moonee Beach Rd Upgrade	153,000	-	(134,147)	-	-	3,429	22,282	-	22,282	156,505
Unexpended Loan Funds	13,438,000	-	(1,950,692)	(38,000)	-	-	11,449,308	-	11,449,308	13,301,323
Car Parking Upgrade	2,015,000	-	-	-	-	45,126	2,060,126	-	2,060,126	2,059,858
Future Road Network	877,000	-	-	-	-	20,125	897,125	-	897,125	947,797
Flood Mitigation Works	550,000	-	-	-	-	300,000	850,000	-	850,000	850,402
	38,837,000	(1,242,543)	(9,433,201)	1,943,102	-	740,242	30,748,661	(1,799,802)	28,948,859	37,532,147

Investments

Per Council's monthly Bank Balances and Investments report the RAO provides a statement that Council's investments have been made in accordance with the Local Government Act 1993, Regulations and Council's investment policy.

Reconciliation

Per Council's monthly Bank Balances and Investments report the total Cash and Investments have been reconciled with funds invested and cash at bank.

Cash

The last bank reconciliation was to the period ended 31/12/11 and was completed 16/01/12.

Note

Opening Balances for Unexpended grants, Unexpended loans and unexpended contributions were extracted from Closing Balance at 30/6/11 per Note 6(c) of financial statements.

This document forms part of Coffs Harbour City Council's Quarterly Budget Review Statements for the quarter ended 31/12/11 and should be read in conjunction with other documents in the QBRs.

**COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
KEY PERFORMANCE INDICATORS STATEMENT**

RATIO	CALCULATION	WHAT IS BEING MEASURED	FIGURE	SUSTAINABLE TARGET
Sources of Revenue Ratio (Consolidated)	Own source revenue (all income excluding grants and contributions) divided by total income from continuing operations	Council's reliance on funding from sources other than grants and contributions. The greater the reliance on own source revenue the more control council has over its income stream	82.79%	> 65%
Rates and Annual Charges Coverage Ratio (General Fund)	Rates and annual charges outstanding divided by income from continuing operations	The degree of dependence upon revenues from rates and annual charges and to assess the security of Council's income	28.36%	55% to 75%
Asset Sustainability Ratio (Consolidated)	Capital amounts spent on rehabilitation and replacement of existing assets divided by the level proposed in the infrastructure and asset management plan	The extent to which assets are being replaced at the rate they are wearing out	29.00%	90% to 110%
Debt Service Ratio (Consolidated)	Debt service cost divided by income from continuing operations excluding capital items and specific purpose grants and contributions	The impact of loan principal and interest repayments on the discretionary revenue of council	32.76%	< 10% Sustainable 10% to 15% Satisfactory > 15% Unsustainable
Rates and Annual Charges Outstanding (Consolidated)	Rates and annual charges outstanding divided by rates and annual charges collectable	The impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts	7.10%	7%

This document forms part of Coffs Harbour City Councils Quarterly Budget Review Statement for the quarter ended 31/12/11 and should be read in conjunction with other documents in the QBRs

COFFS HARBOUR CITY COUNCIL
 BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
 PART A - CONTRACTS LISTING

CONTRACTOR	CONTRACT DETAIL & PURPOSE	CONTRACT VALUE (Ex GST)	COMMENCEMENT DATE	COMPLETION DATE	BUDGETED (Y/N)
Inteflow Pty Ltd	Sewer Relining	496,747	18/12/2011	1/03/2012	Y
RMP Abrasive Blasting	Painting of Cotindi Reservoir	191,341	25/11/2011	2/04/2012	Y

Notes

1. Minimum reporting level is 1% of estimated income from continuing operations or \$50,000 whichever is the lesser
2. Contracts to be listed are those entered into during the quarter and have yet to be fully performed, excluding contractors that are on Council's preferred supplier list
3. Contracts for employment are not required to be included

This document forms part of Coffs Harbour City Council's Quarterly Budget Review Statement for the quarter ended 31/12/11 and should be read in conjunction with other documents in the OBRs

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2011
PART B - CONSULTANCY AND LEGAL EXPENSES

EXPENSE	EXPENDITURE YTD	BUDGETED (Y/N)
Consultancies	432,794	Y
Legal Fees	223,506	Y

Definition of Consultant

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

This document forms part of Coffs Harbour City Council's Quarterly Budget Review Statement for the quarter ended 30/9/11 and should be read in conjunction with the other documents in the QBRs

CB12/12 LOANS POLICY FOR COMMUNITY GROUPS

Purpose:

To gain approval for a revision of Council's policy in relation to loans to incorporated community groups which provide services on behalf of Council on Council land.

Description of Item:

Capital upgrades to sporting and other community facilities are an important part of asset management, which unfortunately often falls outside the realities of Council's budgets.

Many incorporated groups and associations, which provide services on behalf of Council on Council land, seek to undertake these works themselves and are unable to secure loans from banking institutions as they do not own the land on which they provide services.

A copy of Council's current policy titled "Loans to Community Organisations" is attached. Also attached is the proposed new policy titled "Loans to Community Groups". Apart from updating the format of the policy, the new policy distinguishes between larger loans and smaller loans. It is proposed that loans over \$150,000 will only be funded by Council obtaining an external loan, whilst loans of \$150,000 or less will continue to be funded from internal reserve funds. This will lessen the potential financial pressure on internal reserves which are held for specific purposes but which are not currently required.

In the past, on the basis of a Council report, Council has agreed to make loans available provided the groups are in a financial position to meet repayments in a reasonable time frame and subject to an appropriate loan rate. Most loans for smaller amounts have been made from internal reserves and larger loans have usually been made from external borrowings by Council. Most internal loans have been at 6.5% and external loans have been at the rate and terms achieved by Council. The revised policy is designed to formally put in place what has generally been in operation.

It should be noted that the policy also recommends that the maximum loans in place, at any one time, be \$2 million for external loans and \$1 million for internal loans. This is considered manageable without putting undue pressure on Council's own borrowing program and internal reserves.

Each application will be submitted to Council for consideration:

The current list of outstanding loans, as at 21 December 2011, is:

1.	Sportz Central	\$128,020
2.	Toormina Sport and Recreation Club (Loan 1)	5,000
3.	Toormina Sport and Recreation Club (Loan 2)	10,290
4.	Westside Tennis Club	3,115
	Total	\$146,425

CB12/12 - Loans Policy for Community Groups (Cont'd)

It should be noted that at times the total of outstanding loans has been considerable higher. For example, in the year 2000, loans outstanding were \$825,290 and included:

1.	Sawtell Tennis Club	\$ 33,044
2.	Westside Tennis Club (Loan 1)	44,334
3.	Westside Tennis Club (Loan 2)	15,953
4.	Indoor Stadium (now Sportz Central)	278,703
5.	Coffs Tennis Club	29,522
6.	Coffs Rugby League Club	83,734
7.	Coffs Harbour Hockey Association	280,000
8.	Englands Park Tennis Club	60,000
	Total	\$825,290

Sustainability Assessment:

- **Environment**

There are no direct impacts associated with this policy. Any capital or upgrade project would need to have appropriate environmental assessments, if necessary, for it, as part of the approval process.

- **Social**

Sports grounds and other sporting and community facilities are a valuable resource and are highly valued by the community. Groups providing facilities are usually fulfilling a service which Council is unable to financially provide and which are being made available within the financial reach of a broad cross section of the community. Participating in sport and other community activities produces a range of benefits including improved physical fitness, enhanced mental health, skill development, increased self esteem, and opportunities for social networking.

In relation to sport, these benefits extend to not only players but officials and spectators, and provide opportunities to strengthen family units by encouraging families to spend time together. Sports rely heavily on the assistance of many volunteers which provides the volunteers with social connection opportunities and enhanced self esteem.

Key initiatives of state and federal governments is development and support of programs and facilities that promote physical activity across all ages, in particular children where increasing levels of obesity and type 2 diabetes are of increasing concerns and add unnecessarily to the disease burden of the community.

- **Civic Leadership**

This proposal works towards achieving the outcomes identified within the Coffs Harbour 2030 Community Strategic Plan and is directly connected to the themes "Places for Living" and "Looking after our Community".

Relevant strategies include:

- Build pride and identity in Coffs Harbour as a community and a place;
 - Create facilities and services that allow the community to reach its full development potential;
 - Develop inclusive community, sporting and recreational activities;
 - Promote healthy living;
 - Encourage the provision of facilities, services and resources which attract and support young people;
 - Provide opportunities for all, including the Aboriginal community, to contribute to the local economy.
 - Facilitate shared learning and skill sharing opportunities across generational and cultural groups.
 - Create youth friendly places in all community hubs.
 - Create community structures which capitalise on intergenerational knowledge, experience and capacity.
 - Create facilities and services that allow the community to reach its full development potential.
 - Create opportunities for enhancement of the community's sense of well being.
- **Economic**

Broader Economic Implications

Upgrading existing community facilities' infrastructure and providing new infrastructure will enhance the livability of Coffs Harbour and its attractiveness as a destination for new residents and encourage retention of existing residents.

Specifically in relation to sporting facilities, providing a range of facilities at different levels delivers opportunities for participants to move along sporting pathways from novice to elite. Opportunities to access such facilities can be a key determinant for people choosing where to live, particularly young families. Attracting a younger demographic will bring economic benefits to Coffs Harbour and the region. Additionally, quality sporting facilities will attract sport service providers further boosting the supports industry and local economy.

Encouraging groups to undertake and fund community projects will ultimately mean more projects are completed than Council could achieve on its own.

Delivery Program/Operational Plan Implications

The structure of any loan would ensure that there is no impact on Council's Delivery Program and Operational Plan, as it is proposed that internal loans would be funded from reserve funds and that loans requiring external borrowing would incorporate loan repayments identical to those incurred by Council (including loan principle, interest and any financial institution fees).

Consultation:

Council's Sports Unit and Finance Branch have worked together on this report.

CB12/12 - Loans Policy for Community Groups (Cont'd)

Related Policy and / or Precedents:

Council has been making loans to community groups providing services on behalf of Council on Council land for many decades. As mentioned previously in this report, Council's current policy is attached.

Statutory Requirements:

Upgrading and providing sporting and other community facilities meets part of council's obligation to effectively provide and manage community resources under the *Local Government Act 1993*.

Section 356(1) of the *Local Government Act 1993* states: "A council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions."

Issues:

Council needs to be certain that each community group has the ability to repay any agreed loan, and to ensure that the term and interest rate are reasonable. The attached policy will form the criteria to allow Council to consistently assess applications for external loans and enter into arrangements with successful applicants.

Implementation Date / Priority:

If approved, the revised policy would be implemented immediately.

Recommendation:

That Council approve the revised lending policy to incorporated groups and associations.

FINANCIAL MANAGEMENT - ASSOCIATED POLICIES

LOANS TO COMMUNITY ORGANISATIONS

1. GENERAL CONDITIONS

- (a) Council will only lend where the applicant:-
 - i. Is a community based organisation.
 - ii. Provides a service on behalf of Council on Council land.
 - iii. Provides a letter from its banker that it will not lend the funds required.
 - iv. Satisfies Council that it can meet the repayments in accordance with terms and conditions.
 - v. Provides the information and documents as set out below in "2. Information to be Provided by Applicant".
- (b) The application is to be received at least three weeks prior to the Council Meeting at which it will be considered.
- (c) Council's decision in respect of each application will be final. Council shall take into account the application received, funds available for lending and any other matter considered relevant.
- (d) Loan terms conditions are:-
 - i. Interest rate to be at the "Indicative Borrowing Rate for Local Government", as issued by the NSW Treasury, for the term of the loan.
 - ii. The interest rate will be set at the date that funds are fully drawn down.
 - iii. Maximum term of ten (10) years.
 - iv. Repayments monthly by bank transfer direct to Council's Bank Account.
 - v. All costs, including legal costs, in relation to the loan, being met by the applicant.
- (e) Loan draw down conditions are:-
 - i. Council at its discretion will determine the method of payment, i.e. whether by interim payments to the organisation or by direct payment of invoices involved.
 - ii. Appropriate invoices (including GST if applicable) will be rendered on Council for each payment.
 - iii. Interest will accrue in respect of all payments made by Council to or for the applicant until the loan commences.
 - iv. the loan will commence on the date that the final payment is made by Council
 - v. Accrued interest is to be paid in full within one (1) month of the date of commencement of the loan.

2. INFORMATION TO BE PROVIDED BY THE APPLICANT: -

- (a) Financial reports (preferably audited) covering the preceding three (3) financial years.
- (b) A financial report for the current year covering the period to the preceding quarter of the date of the application.

cont'd

FINANCIAL MANAGEMENT - ASSOCIATED POLICIES

LOANS TO COMMUNITY ORGANISATIONS (cont'd)


- (c) A Business Plan encompassing at least the following:
 - i. A report on the business of the organisation, membership numbers, and details of the estimated cost of the project and the benefit which will accrue.
 - ii. A Financial Plan showing in some detail last years actual, this years expected and a further five years anticipated, incomes and expenditure, including an allowance for loan repayments related to the project.
 - iii. Details of the strategy, e.g. operating and marketing, to be put in place to ensure that anticipated increased income is received, if applicable.

ADOPTED: 25/5/2000

AMENDED:

REVIEWED: 27/4/2000

Department:	Finance and Administration
Principal Activity:	Financial Management / Loans
Related Legislation:	Nil

Locked Bag 155, Coffs Harbour, NSW 2450 ABN 79 126 214 487	COFFS HARBOUR CITY COUNCIL	
Loans to Community Groups Policy		
Policy Statement: To provide the basis for providing loans to incorporated community groups which provide services on behalf of Council on Council land.		
Director or Manager Responsible for Communication, Implementation and Review: Director of Corporate Business.		
Does this document replace an existing policy? Yes Loans to Community Organisations Policy May 2000 (File No 1878).		
Other Related Council Policy or Procedure: Loans to Community Groups Procedure February 2012		
Related Legislation, Department of Local Government Circulars or Guideline: Local Government Act 1993 Section 356(1)		
Application: This policy is to be complied with in respect of all applications for loans received from community groups.		
Distribution: This document will be made available to community groups which express an interest in receiving assistance in the form of loan funds. <input checked="" type="checkbox"/> Internet <input checked="" type="checkbox"/> Intranet <input type="checkbox"/> Email <input type="checkbox"/> Noticeboard <input checked="" type="checkbox"/> Dataworks		
Approved by: Executive Team [Meeting date] Council [Meeting date & Resolution No.]	Signature: _____ General Manager	
Council Branch Responsible: Finance	Date of next Review:	

1. Introduction

This policy has been developed to outline the basis and conditions on which Council will approve loans to community groups which provide services on behalf of Council on Council land. These groups are not eligible to loans from Financial Institutions as they do not own the land on which they provide services.

Section 356(1) of the *Local Government Act 1993* states: 'A council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.'

2. Definitions

Council Land:	This is land either directly owned and controlled by Council or is Crown Land under the care and control of Council.
Incorporated community group:	A group that is formally incorporated under relevant state or national legislation.
Loan :	Funds provided to approved group at a set interest rate and term.

3. Policy content

3.1 General Conditions

- 3.1.1 Council will only lend where the applicant is an incorporated community group which provides services on behalf of Council on Council land.
- 3.1.2 The applicant is to provide detailed information that addresses the project and financial criteria detailed in the procedure.
- 3.1.3 Council is satisfied that loan repayments can be met on the basis of the terms and conditions of the loan.

3.2 Assessment

The assessment of the applications will be conducted by an assessment group made up of the Executive Manager Finance and relevant Managers/Directors.

4. Consultation

Consultation has occurred with Council's Sports Unit and Finance Branch in the developed of this policy.

5. Responsibilities

Executive Manager Finance is responsible for the implementation of this policy

Relevant Managers and Directors will be required to provide background information and recommendations in relation to applications covered in their areas of work.

6. References

Local Government Act 1993 Section 356

7. Appendices

Nil

8. Table of Amendments

Amendment	Authorised by	Approval reference	Date

DRAFT

CB12/13 COMMUNITY FACILITIES PROGRAM

Purpose:

To provide Council with recommendations in relation to the ongoing management of the Community Facilities Program.

Description of Item:

1. Background

In relation to the 2006/07 Management Plan, Council developed a program of capital works totalling \$41.1m. This included a significant amount of funding from grants, loans, reserves, sale of land and contributions.

Included in the program were eleven projects to be funded from new loan funds augmented by other income sources. This program of works was titled the 'Community Facilities Program'. The funding of the new loan repayments became an application for a rate variation. The total proposed expenditure on capital works was \$21.504m of which \$8.299m was to be funded from the new loan funds. As well the proposed rate increase would cover maintenance expenditures related to the Brelsford Park Precinct and Nana Glen Pool proposed works.

The Rate Variation Application was approved by the then Department of Local Government and it was subsequently put in place. Of significance is that the Department did not put a sunset clause on its approval and therefore the rates do not have to be reduced when the loan put in place is fully repaid.

2. Program Spending to Date

The program of works that have been undertaken to date included:

- Hogbin Drive Extension
- City Park (Brelsford Park)
- Nana Glen Improvements
- Woolgoolga Town Improvements
- Sawtell Headland Improvements
- Nana Glen Pool
- Sawtell Town Improvements
- Jetty Strip Improvements
- Jetty Structure Restoration
- Middle Creek Bridge Replacement
- Coral Street Bridge Replacement

To 30 June 2011, a total of \$31.459m has been received from all funding sources and \$29.941m expended, including loan repayments. The balance of \$1.518m is expected to fund the completion of a number of projects including City Park projects, Woolgoolga Netball Courts and the Richardson Park drainage upgrade during the current financial year. In 2012, a total of \$450k will also have been contributed to the purchase and upgrade of the new Museum property.

CB12/13 - Community Facilities Program (Cont'd)

3. Current Commitments

The reserve balance at 30 June 2011 is \$206,788. The current forecast for 2011/12 provides for the following transactions:

Revenues:

Rate Variation Income	1,690,950
Private Works Reserve (Public Amenities Upgrade)	300,000
Interest Earned	<u>25,000</u>
Total Revenue	<u>\$2,015,950</u>

Expenditure:

Loan Repayments	1,128,486
City Park Projects	1,249,930
Museum Development	77,326
Public Amenities Upgrade	300,000
Richardson Park Drainage	194,806
Woolgoolga Netball Courts	141,248
Coffs Coast Sport & Leisure Park	29,263
Sawtell Headland Improvements	30,041
Maintenance – Pool and City Park	<u>220,000</u>
Total Expenditure	<u>\$3,371,100</u>

The allocation to the Woolgoolga Netball Courts is based on matching grant funds being received.

Based on the forecast revenue and expenditure for 2011/12, it is anticipated that the Community Facilities Reserve balance will be \$163,241 at 30 June 2012.

At this point in time a commitment has been made to fund \$300k per annum from 2011/12 for a Public Amenities Upgrade Program to be reviewed in relation to the 2015/16 financial year. The first year's funding of \$300k is being funded from the Private Works Reserve and from 2012/2013 \$300k is to be funded from the Community Facilities Reserve annually. The allocation of funds towards a Community Project Grant Program, commencing at \$100k in 2012/2013 and growing to \$300k in 2016/2017 is also included for consideration.

4. Funds Available

The rates income attributable to the Community Facilities Program includes forecast increases of 3.5% (allowable rate increase plus growth).

The loan repayments funded in the Community Facilities Program are \$1.128m per annum. The final payment of \$324k is due in 2016/17.

Maintenance and operational expenses are allowed in the Community Facilities Program at present, related to two projects from the original program, ie, the Nana Glen Pool and City Park Improvements. In 2011/12 expenditures are estimated to be \$220k. It is proposed in this report that these two projects are the only projects for which operational/maintenance funding will be provided. For any new projects, related operational/maintenance costs would be covered in General Fund budgets, ie, in the Operational Plan and Delivery Program.

CB12/13 - Community Facilities Program (Cont'd)

In relation to the comments below, about future funding available, the only maintenance and operating expenses included relate to the Brelsford Park and Nana Glen Pool projects.

Rate revenues have increased by \$46k in 2011/12.

In 2012/13, \$538k in net funds is forecast to be available subject to projects running to budget and there being surplus funds of \$163,241 carried forward from 2011/12. This is allocated as \$300k to the Public Amenities Upgrade Program and \$100k for a possible Community Project Grants Program, should it proceed (see below). The resulting anticipated Community Facilities Reserve balance as at 30 June 2013 is \$138k.

Given that rate revenue in the Community Facilities Program is expected to increase at 3.5% per annum and loan repayments are fixed over the term of the loan, the net funds available will increase each year.

In 2013/14, the Community Project Grants Program could increase to \$150k; in 2014/15 to \$200k, in 2015/16 to \$250k and in 2016/17 to \$300k (the maximum amount envisaged).

In 2016/17, when the final quarterly instalment is paid on the loan, it is forecast that net annual funds available for new projects will be \$753k. This is after allowing for a continuation of the Amenities Upgrade Program and the Community Project Grants Program.

In 2017/18, when the loan is fully repaid, after allowing for the two programs (with inflation built in), the forecast net funds available are forecast to be \$1.12m. This amount will increase by an inflation amount annually.

5. Expenditure Principles

Expenditure from the funds that become available in 2016/2017 should be:

- Works linked to the Asset Management Plan,
- Works linked to the Open Space Plan,
- Works linked to the Sports Facility Plan,
- Works linked to other capital based plans held by Council.

Funding should be provided whereby it maximises the dollars, eg:

- Securing matching funds,
- Should be used for capital works only,
- There should be annual reporting to the community,
- The overall program should always be kept separate and not consumed into the General Fund so that it is seen as a distinct program by the community.

6. Opportunities for Expenditure

There are a number of areas in which the Community Facilities Program funds can be expended. Three areas are set out below.

1. The development of a Community Projects Grants Program.
2. Allocation of funds to meet the needs of the Asset Management Plans, Sport Facility Plans etc.
3. Opportunity to take out loans to forward fund other projects.

CB12/13 - Community Facilities Program (Cont'd)

It is being recommended that a Community Projects Grants fund be established in line with the broad information below. This fund would build up over the next five years to have a funding pool of \$300,000 and then be increased by CPI in line with funds collected by the special rate.

Additionally the balance of funds should be expended on direct community infrastructure that is seen as high priority in the asset management plans. These projects would be identified and prioritised with a recommended five year program of works. This program of works may, if deemed appropriate, include taking out of loans to forward fund identified works.

The results of this will see the following commitments for the Community Facilities Program that is funded from the special rate:

- A **Community Grants Program** commencing in 2012/13 with \$100,000 building to \$300,000 in 2016/17.
- A **Public Amenities Program** commencing in 2011/12 with \$300,000 to be reviewed in 2016.
- **Maintenance** coverage for Nana Glen Pool and Brelsford Park Playground totalling \$220,000 plus CPI.
- The balance of funds targeting **Asset Management Plan Community Infrastructure** priorities.

THE CONCEPT OF A COMMUNITY PROJECTS GRANTS PROGRAM

A Community Grants Program would see the establishment of a source of funds that community groups can access for capital improvement works for the community.

The fund would:

- Have projects linked to the identified needs such as items in the 2030, Asset Management Plan, Sports Facility Plan, Open Space Strategy or other planning documents from Council.
- Target areas for sports, cultural, community infrastructure and City beautification works.
- Be available to not for profit organisations including service clubs.
- Have a funding pool building up to \$300,000 per year.
- Require at least \$2 of community contribution for \$1 commitment from the fund. The community commitment must have a minimum \$1 of cash (or other external grant) and the other \$1 can be in kind.
- Have a small grants section for projects up to \$15,000 maximum (\$5,000 grant) with a pool of \$50,000 and a large grants program for projects over \$15,000 (balance of funding pool).
- Need to look at existing grants and donations programs and consider combining these into the one program. If the separate programs were to remain we would need to consider excluding projects that already have Council funding of some type.

Timeframes and Assessment

- The Grant Program would be advertised annually.
- Initial assessment would be undertaken by staff in line with criteria approved by the Council.
- There could be an online system developed to allow for online submission of all applications.
- A report would be provided to Council with recommendations for the funding with Council making the final determination of fund allocation.
- Projects to be completed within twelve months from time of grant approval.

CB12/13 - Community Facilities Program (Cont'd)

- Criteria for the program and specific applications would cover areas such as:
 - i. Amount of matching funds;
 - ii. Link of project to identified needs in the various adopted plans/strategies of Council;
 - iii. Geographical coverage across the LGA;
 - iv. Lack of other suitable funding avenues;
 - v. Ability of the group to undertake the project;
 - vi. Coverage for ongoing maintenance and replacement;
 - vii. Be based in Coffs Harbour LGA; or deliver projects benefiting the Coffs Harbour area;
 - viii. Be not-for-profit;
 - ix. Have appropriate public liability insurances;
 - x. Have an ABN and be incorporated or be auspiced by an organisation that has an ABN and incorporation status;
 - xi. Projects that are aimed at a cross-section of the community;
 - xii. Promote the development of a wide range of community organisations and projects;
 - xiii. Increase the participation, accessibility and range of quality community organisations and projects for the residents;
 - xiv. Assist in the provision of innovative community projects;
 - xv. Facilitate the equitable distribution of community resources and programs;
 - xvi. Complement Council's declared vision and mission;
 - xvii. Have some environmental outcome – and/or financial savings ie on electricity, usage costs etc.

The Community Grants Program would not fund:

- Any project which does not meet the eligibility criteria;
- Projects retrospectively (projects that have already commenced or are complete);
- Any project of a commercial nature that is for personal profit;
- Ongoing operating, organisational and maintenance costs;
- Administration costs including uniforms and newsletters;
- Core business of Council and government departments;
- Projects which have received other funding from Council (for the same project);
- Works on private property.

Issues for further consideration:

Are equipment purchases considered appropriate? Example - photocopiers, table tennis robot, computers, sports equipment, etc?

Suggested Community Grants Funding Pool

2012/13 - \$100,000

2013/14 - \$150,000

2014/15 - \$200,000

2015/16 - \$250,000

2016/17 - \$300,000

From 2017/18 – Previous Years Allocation plus CPI

Sustainability Assessment:

- **Environment**

There are no environmental impacts as a result of this report.

- **Social**

The Community Facilities Program, which is funded through a special rate, has provided significant benefit to the community over the previous years. The ongoing management of this program and the development of the Community Grants Program will again aid the social wellbeing of the local community.

- **Civic Leadership**

Council has a responsibility to ensure the rate revenue generated through this special rate is effectively managed and targeted. Council is demonstrating its leadership through being open with the community in relation to the ongoing management of this program and through the need to link this expenditure to its strategic planning as outlined in the report.

- **Economic**

Broader Economic Implications

There are no major broader economic implications as a result of this report.

Delivery Program/Operational Plan Implications

The funds are included in the Operational Plan and Delivery Program.

Consultation:

The report has been developed through a consultative process that has included input from a range of managers and also several reports to the Executive Team. A briefing has also been held with the Councillors in December in relation to the program.

Related Policy and / or Precedents:

Council runs several small grants programs in various areas and the suggested Community Grants Program would build on the experience of these other grants programs.

Statutory Requirements:

Council is required to account for the special rates expenditure raised through the Community Facilities Program's special rate.

Issues:

The key issues relate to the distribution of the funding pool across various areas such as existing maintenance commitments, the Public Amenities Program, proposed Community Grants Program and the Asset Management Plan community infrastructure priorities.

It is important that as Council considers developing new assets that it ensures 'whole of life' costing is considered in any of these decisions.

Implementation Date / Priority:

The Community Grants Program would be initiated from 1 July 2012.

Recommendation:

- 1. That Council endorses the overall framework of the Community Facilities Program as outlined in the report.**
- 2. That the Community Grants Program commence from 1 July 2012 as outlined in the report.**

CB12/14 CENTRAL BUSINESS DISTRICT SPECIAL RATE VARIATION APPLICATION

Purpose:

To seek Council's endorsement to apply to the Independent Pricing and Regulatory Tribunal (IPART) for a ten year extension to the existing CBD Special Rate.

Description of Item:

Reports have been presented to Council on 26 May, 27 October and 15 December 2011 in relation to this matter.

At the Council meeting of 15 December 2011 it was resolved:

1. That Council writes to IPART notifying it of its intention to make an application for an extension of the current CBD Special Rate.
2. That ongoing consultation takes place with the relevant ratepayers to discuss implications of the rate and the possible program of works.

Staff notified IPART of the Council's intention to lodge the Special Rate Variation (SRV). Staff have continued to consult with the ratepayers impacted by the proposed SRV. Details of the consultation are included under the 'Consultation' heading below.

The feedback from those who have responded to the consultation is summarized below:

- There is strong support for the continuation of the existing CBD Special Rate.
- A CBD Masterplan should be the first step in addressing the works to be undertaken with the funds.
- That the Masterplan form the detailed program of works to be undertaken with the funds raised.
- That a Section 355 committee (or similar) be established with representatives of Council and those paying the rate.
- That the committee be responsible to oversee the planning, expenditure and reporting of the funds collected.
- That the funds be expended in the area in which the funds are collected.
- That the funds broadly address traffic flow, pedestrian movement, car parking and streetscaping.
- That ongoing discussion take place over the coming 2 – 3 years with property owners in the wider area initially considered.

The proposed directions as set out above are sound and allow for the strategic development of the CBD through a Masterplan. They also ensure that those paying the rate are intrinsically involved and responsible for the way in which the funds are allocated and accounted for. The proposed Section 355 committee structure has been used successfully in other local government areas.

The Special Rate Variation application is to be submitted on 24 February 2012. Given the very tight timeframes, staff have been working on this in anticipation that the recommendations in the report will be approved.

IPART plan to announce the results of the SRV applications in June. Should the application be approved the first step will be the development of a Masterplan for the CBD. This will require a brief to be developed and consultants appointed to undertake the work.

It is proposed that in order to ensure the Masterplan can commence as soon as possible after 1 July 2012 that staff continue to work with the CBD Special Rate Working Group and other relevant ratepayers to develop draft Terms of Reference for a Section 355 CBD Masterplan Committee and a draft brief that can be used in advertising for suitable consultants to undertake the Masterplan process. A further report would then come back to Council prior to 1 July with recommendations in relation to the formation of a CBD Masterplan Committee and a draft brief.

By taking this action work will be able to commence as soon as possible after the IPART announcement.

A strong theme that came from the meetings was that while the wider CBD property owners did not support a SRV for their area now they are interested in continued discussions with the view of the possible introduction of a SRV in the future. This SRV may be introduced incrementally so as to minimize any impacts.

Sustainability Assessment:

- **Environment**

There are no environmental impacts as a result of the recommendations in this report.

- **Social**

A vibrant CBD is critical for the social benefits of a large number of people as it is a place to meet, to congregate, to engage in business etc. These activities are an important part of the social fabric of any vibrant and growing community.

- **Civic Leadership**

This proposal works towards achieving the outcomes identified within the Coffs Harbour 2030 Community Strategic Plan and is directly connected to the themes 'Places for Living' and 'Looking after our Community'.

Relevant strategies include:

- Build pride and identity in Coffs Harbour as a community and a place;
- Create facilities and services that allow the community to reach its full development potential;
- Develop inclusive community, sporting and recreational activities;
- Promote healthy living;
- Encourage the provision of facilities, services and resources which attract and support young people;
- Provide opportunities for all, including the Aboriginal community, to contribute to the local economy.
- Create community structures which capitalise on intergenerational knowledge, experience and capacity.
- Create opportunities for enhancement of the community's sense of well being.

- **Economic**

Broader Economic Implications

The past CBD special rate has had significant broader economic impact as can be seen by the fact that vacancies in the CBD have dropped from 20% to 3-5%, crime rates have dropped and valuations have increased. It is believed that the ongoing development of projects across a greater CBD area would bring broader benefits.

Delivery Program/Operational Plan Implications

If the SRV application is approved for the CBD, the funds will be included in the Delivery Program and Operational Plan.

Consultation:

Consultation has continued to take place since the December Council Meeting. Letters were sent to all relevant ratepayers in early January inviting them to meetings on 24 and 30 January 2012. The letters also sought written comment and provided a specific email and postal address for responses.

Two meetings were held on 24 January 2012 to seek input and suggestions from the relevant ratepayers. Discussion covered possible works and locations, the amount to collect, area to be covered by the rate, reporting and accountability.

The CBD Special Rate Working Group met on 27 January 2012 to discuss the input from these two meetings and written responses that had been received and to collate the ideas in order to present them to the 30 January meeting.

On 30 January 2012 a final meeting was held at which the collated information was presented for discussion and input. The outcomes of that meeting are as set out above.

Council has also received written responses from individuals and groups of property owners who have met of their own volition and provided direct input into the consultative process.

Staff have also held discussion with IPART representatives to seek clarification on some matters and to discuss the proposed direction. It has been emphasized with IPART that there is strong support for this direction by the property owners and that while a 10 year program of works cannot be provided immediately it will be provided when the Masterplan is undertaken.

Strategic Alignment

The proposal aligns with Council's 2030 in relation to the provision of a vibrant CBD and also in relation to Council undertaking consultation with the community.

Related Policy and / or Precedents:

Council has previously sought and been granted a CBD Special Rate.

Statutory Requirements:

Council would need to make a Special Rate application under Section 508 of the *Local Government Act*.

Implementation Date / Priority:

The application will be submitted on 24 February. Consultation in relation to the possible Section 355 committee (or similar) and scope of works for the Masterplan will commence immediately.

Recommendation:

- 1. That Council makes a Special Rate Variation Application to IPART for 10 Year extension to the existing CBD Special Rate.**
- 2. That a report come to Council detailing the Terms of Reference for a CBD Masterplan Committee and a draft brief for the development of the CBD Masterplan.**

CB12/15 TENDER: SUPPLY & DELIVERY OF BULK FUELS

Purpose:

To report on the tenders received by Regional Procurement Initiative (division of Hunter Council Incorporated) on behalf of the Mid North Coast Procurement Alliance Group of Councils for the Supply and Delivery of Bulk Fuels and to gain Council approval.

Description of Item:

Coffs Harbour City Council is a financial and Associate Member of the Regional Procurement Initiative for the Mid North Coast Procurement Alliance Group of Councils.

Regional Procurement Initiative on behalf of the Mid North Coast Procurement Alliance Group of Councils called tenders for the Supply and Delivery of Bulk Fuels, Tender No T41112MNC that closed on Tuesday 3 May 2011.

Tenders were evaluated on the following criteria:

- Price – terminal gate price for distillate product
- Price – margin
- Price – freight differential
- Ability to provide small order quantities
- Referees
- Previous experience
- Quality assurance
- OHS&R
- Ecologically sustainable developments.

Tenders were received from the following companies:

1. Central Pty Ltd t/as Reliance Petroleum
2. Hastings Co-operative Ltd.

Conforming Tenders

Both of the above two companies were conforming to tender document requirements.

Sustainability Assessment:

- **Environment**

On behalf of the Mid North Coast Procurement Alliance Group of Councils Regional Procurement Initiative have addressed major environmental issues in the form of a compulsory questionnaire in the Tender Schedules as follows:

- Do the companies have an environmental policy?
- Is there an identified manager responsible for ensuring that Ecological Sustainable Development (ESD) principles are implemented and maintained?

- Is the organisation able to provide documented evidence that the environmental impacts of each of the activities, services or products that it offers have been considered?
- Are details of the ESD principles included in the organisation's training and induction program?
- Are there records for legislative and regulatory requirements and permits?

As per Regional Procurements Tender documents the successful tenderer must comply with the *Protection of the Environment Operations Act, 1997* at all times with respect to pollution from noise, air, water, land and waste sources etc.

- **Social**

There are no adverse social implications involved in this contract for the supply and delivery of bulk fuels (distillate, E10 and unleaded) to Council's Marcia Street Depot and Englands Road Waste Station sites. Both Marcia Street Depot and Englands Road Waste Station are located in isolated/light residential areas and deliveries will occur between 8.00am and 3.30pm Monday to Friday thus having no after hours impact on the few existing residents.

Historically Council has not received complaints from the local community in relation to the coming and going of bulk fuel vehicles. Both tenderers successfully completed schedules on whether they had an OHS&R management plan which was paramount to being tender compliant.

The tenderers also responded positively with information on whether WorkCover NSW had issued their organisation with any prohibition notices, improvement notices or fines in the past 12 months.

- **Civic Leadership**

This tender does show Council's leadership within the community by promoting our own procurement policy guidelines and simultaneously meeting Local Government (General) Regulation 2005 – Part 7 Tendering Guidelines. This process is seen as transparent and accountable on behalf of Coffs Harbour City Council in achieving best outcome.

- **Economic**

Broader Economic Implications

Council invested considerable funds in the replacement of in-ground fuel tanks at Marcia Street Depot which were installed in January 2010 and now contain distillate, unleaded and E10 fuels. The fuels are purchased on a quantity required only basis with an emphasis on ensuring that each fuel product's tank is filled to its capacity. This procedure was introduced to protect Council against any possible industrial action or supply issues that could occur within the fuel industry.

Product stewardship was addressed in the tender documents with tenderers completing schedules on the fuel manufacturers' quality assurance management systems and its accreditation to ISO Standard.

Delivery Program/Operational Plan Implications

The approval of this tender will have no added economic impact, as the current procedures of the ordering and supply of fuels will continue through Council's Finance One Inventory Management system and issued to vehicles and plant on a 'need only' basis. Price comparisons were benchmarked against the Department of Commerce and Procurement Australia Bulk Fuel contracts (over 2 x 21 day periods in November 2011 and January 2012) before a decision was determined to recommend to Council the Regional Procurement tender T41112MNC for the supply and delivery of bulk fuels.

Consultation:

Consultation was undertaken with the Workshop Superintendent who has in the past had major issues with the quality of the fuels from previous suppliers. He was supportive of the tender process undertaken and confident of the quality of the fuel products to be supplied by the recommended tenderer.

Related Policy and / or Precedents:

Tendering procedures were carried out by Regional Procurement Initiative in accordance with Council's own policy and procedures. Regional Procurement's Tender Value Selection System was applied during the tender review process to determine the most advantageous offer. Regional Procurement's policy is that the tender with the highest weighted score becomes the recommended tender unless a Panel of suppliers is endorsed.

Statutory Requirements:

The calling, receiving and reviewing of tenders was carried out in accordance with the Local Government (General) Regulation 2005-Section 7 Tendering.

Issues:

Council currently has a contract T40809MNC with Regional Procurement for the Supply and Delivery of Bulk Fuels which expires on 29 February 2012. Coffs Harbour City Council and Bellingen Council were the only Mid North Council's that took up this tender offer in August 2008 with the remaining Mid North Coast Councils either failing to adhere to the statutory requirements for tendering or alternatively purchased their fuels from the over priced Department of Commerce 366 Fuel Contract.

At the request of MIDGOC members, Regional Procurement again called a further tender T41112MNC for the Supply and Delivery of Bulk Fuels and commencing 1 July 2011. This addressed the needs of Gloucester Shire, Great Lakes, Kempsey and Greater Taree Councils who had previously failed to come on board with the fuel contract T40809MNC.

The main issue for Coffs Harbour City Council was to determine whether the new Regional Procurement contract T41112MNC represented value for money when our current contract expires on the 29 February 2012.

Fuel pricing figures were obtained from the successful tenderer (distillate only) for two 21 day periods in November 2011 and January 2012 and these figures were benchmarked against the current Department of Commerce 366 fuel contract as well as the Procurement Australia fuel contract 1110/0103. The outcome of this price benchmarking exercise is outlined in the confidential section of this report.

Implementation Date / Priority:

The contract is for a two (2) year period with a further one (1) year option expected to commence from the date of Council Resolution.

Recommendation:

That Council considers and approves tenders received by Regional Procurement Initiative on behalf of Coffs Harbour City Council and the Mid North Coast Alliance Group of Councils for the Supply and Delivery of Bulk Fuels T41112MNC, as detailed in the confidential attachment.

Purpose:

To report to Council on tenders received for the provision of investment advisory services, Contract RFT-502-TO and to gain Council approval to accept a tender.

Description of Item:

Council's investment policy outlined that a tender process would be entered into for investment advisory services for a three (3) year period. This policy also sets out that Advisors must be independent persons who have no actual or potential conflict of interest in relation to investment products being recommended and that are free to choose the most appropriate product within the terms and conditions of Councils Investment policy. Through this tender, Council is seeking:

- To appoint an independent investment advisor to provide expert assistance with the management of Council's investment portfolio;
- Reliable and efficient service with clearly documented and measurable performance criteria;
- A mutually, pro-active and beneficial relationship with the selected service provider;
- Value added investment advisory services.

Requests for tenders were called in *The Sydney Morning Herald* and on Council's electronic Tenderlink portal. Tenders closed at 3.30pm on Tuesday 22 November 2011.

Tenders were received from the following:

- CPG Research and Advisory Pty Limited
- Denison Financial Advisory Pty Limited
- DKM Investment Services Pty Limited
- Ibbotson Associates Australia Limited
- JBWere Pty Limited
- Laminar Group Pty Limited
- Morgan Stanley Smith Barney
- Oakvale Capital Limited
- Structured Credit Research & Advisory Pty Limited.

Tenders were evaluated using both price and non-price criteria:

- The best value for money, accounting for both price and non price factors, and the need to ensure benefits are commensurate with costs;
- Fees and pricing structure of the investment advisory services package for the contract period;
- Demonstrated knowledge of Local Government and capacity to implement and deliver the products and services sought;
- Company reputation;
- Formal qualifications and relevant experience of key staff;
- Access to and convenience of investment advisory services;
- Quality assurance, conflicts and integrity statements;
- Quality and timeliness of reporting;
- Ability to determine valuations of investments;

CB12/16 - Tender: Provision of Investment Advisory Services - Contract No. RFT-502-TO (Cont'd)

- Support available to supplement the resources nominated for the quoted scope of advisory services and the relevance, nature and scope of other products and services offered;
- Demonstrated value added investment advisory services.

All nine tenders were reviewed in detail, with the top four scoring tenders selected and invited to make a presentation to Council, as an opportunity to clarify any of the proposals detailed in their tenders.

Sustainability Assessment:

- **Environment**

The provision of investment advisory services has no environmental impact.

- **Social**

There are no direct social consequences of this contract.

- **Civic Leadership**

Council strives to maximise its investment returns in accordance with its investment policy and the Ministerial Investment Order.

- **Economic**

Broader Economic Implications

There are no direct broader economic implications of this contract.

Delivery Program/Operational Plan Implications

There are no direct Delivery Program or Operational Plan implications.

Consultation:

This report has been prepared in consultation with Council's Acting Executive Manager - Finance, Management Accountant – Compliance and Special Projects Accountant.

Related Policy and / or Precedents:

Tendering procedures were carried out in accordance with Council policy. Council's Tender Value Selection System was applied during the tender review process to determine the most advantageous offer. Council's policy is that the tender with the highest weighted score becomes the recommended tender.

Statutory Requirements:

Section 55(1)(f) of the *Local Government Act 1993*, requires that Council must invite tenders before entering into a contract other than the provision of banking, borrowing or investment services.

CB12/16 - Tender: Provision of Investment Advisory Services - Contract No. RFT-502-TO (Cont'd)

The decision to go to tender, ensures an accurate and transparent assessment of each tenders proposal, and hence the calling, receiving and reviewing of tenders was carried out in accordance with Part 7 of the Local Government (General) Tendering Regulations 2005.

Issues:

In order to provide investment services to Council, tender requirements included previous experience working with and a good understanding of local government; some tenders did not have a demonstrated knowledge of our requirements and previous local government experience. This was reflected in the tender pricing which varied significantly from tender to tender.

Implementation Date / Priority:

The commencement date is 1 March 2012. The contract is for a period of three (3) years.

Recommendation:

That Council considers and approves tenders received for the Provision of Investment Advisory Services, Contract No. RFT-502-TO as detailed in the confidential attachment.

**Craig Milburn
Director, Corporate Business**