



COFFS HARBOUR CITY COUNCIL
ORDINARY MEETING
COUNCIL CHAMBERS
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR
12 APRIL 2012

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	(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.	

ITEM	DESCRIPTION	PAGE
CB12/28	<p>TENDER: PROVISION OF TRAFFIC CONTROL SERVICES</p> <p>A portion of this report is confidential for the reason of Section 10A (2):</p> <p>(d) commercial information of a confidential nature that would, if disclosed:</p> <p>(i) prejudice the commercial position of the person who supplied it, or</p> <p>(ii) confer a commercial advantage on a competitor of the council, or</p> <p>(iii) reveal a trade secret.</p> <p>and in accordance with Section 10A (1) the meeting may be closed to the public.</p>	110

CITY SERVICES DEPARTMENT REPORTS

CONFIDENTIAL ITEMS

The following items either in whole or in part may be considered in Closed Meeting for the reasons stated:

CS12/9	<p>TENDER: CONSTRUCTION OF SLOPE REMEDIATION WORKS, KALANG ROAD, BELLINGEN - CONTRACT NO. RFT-530-TO</p> <p>A portion of this report is confidential for the reason of Section 10A (2):</p> <p>(d) commercial information of a confidential nature that would, if disclosed:</p> <p>(i) prejudice the commercial position of the person who supplied it, or</p> <p>(ii) confer a commercial advantage on a competitor of the council, or</p> <p>(iii) reveal a trade secret.</p> <p>and in accordance with Section 10A (1) the meeting may be closed to the public.</p>	117
CS12/10	<p>TENDER: ANNUAL CONTRACT FOR SUPPLY OF QUARRY PRODUCTS</p> <p>A portion of this report is confidential for the reason of Section 10A (2):</p> <p>(d) commercial information of a confidential nature that would, if disclosed:</p> <p>(i) prejudice the commercial position of the person who supplied it, or</p> <p>(ii) confer a commercial advantage on a competitor of the council, or</p> <p>(iii) reveal a trade secret.</p> <p>and in accordance with Section 10A (1) the meeting may be closed to the public.</p>	123
CS12/11	<p>TENDER: COFFS HARBOUR TO BOAMBEE CREEK SEWER RISING MAIN REMOVAL AND DISPOSAL OF 250MM AC PIPE</p> <p>A portion of this report is confidential for the reason of Section 10A (2):</p> <p>(d) commercial information of a confidential nature that would, if disclosed:</p> <p>(i) prejudice the commercial position of the person who supplied it, or</p> <p>(ii) confer a commercial advantage on a competitor of the council, or</p> <p>(iii) reveal a trade secret.</p> <p>and in accordance with Section 10A (1) the meeting may be closed to the public.</p>	131

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COFFS HARBOUR CITY COUNCIL

ORDINARY MEETING

12 APRIL 2012

Mayor and Councillors

GENERAL MANAGER'S REPORTS

GM12/8 NOTICE OF DRAFT POLICY TO BE PLACED ON PUBLIC EXHIBITION - LIQUID TRADE WASTE POLICY

Purpose:

To advise Council and the community of the public exhibition of the draft Liquid Trade Waste Policy.

Description of Item:

This policy sets out how council will regulate sewerage and trade waste discharges to its sewerage system in accordance with the NSW Framework for Regulation of Sewerage and Trade Waste.

The policy is concerned with the approval, monitoring and enforcement process for liquid trade wastes discharged to Council's sewerage system and the levying of commercial sewerage and liquid trade waste fees and charges.

It has been developed to ensure the proper control of liquid trade waste and hence protection of public health, worker safety, the environment, and Council's sewerage system. The policy also promotes waste minimisation, water conservation, water recycling and biosolids reuse.

Sewerage systems are generally designed to cater for waste from domestic sources that are essentially of predictable strength and quality. Council may accept trade waste into its sewerage system as a service to businesses and industry.

The NSW Office of Water develops and updates the Liquid Trade Waste Regulation Guidelines, the Model Trade Waste Regulation Policy and related documents. The Office of Water also provides its concurrence to the local water utilities (LWU) approval of high risk and medium risk dischargers, as well as authorising 'assumed concurrence' to suitably qualified LWUs for medium risk discharges and consenting to LWU trade waste policies.

Cont'd

Sustainability Assessment:

- **Environment**

The policy promotes waste minimisation, water conservation, water recycling and biosolids reuse.

- **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 policy has been prepared in consultation with the NSW Office of Water.

Related Policy and / or Precedents:

This document replaces Council's Trade Waste Policy dated 5 April 2007.

Statutory Requirements:

Local water utilities are required by the NSW Office of Water to adopt and implement a liquid trade waste regulation policy.

Issues:

The Liquid Trade Waste Policy replaces the previous policy and has been developed based on the model policy for liquid trade waste regulation issued by the NSW Office of Water.

Cont'd

GM12/8 Notice of Draft Policy to be Placed on Public Exhibition - Liquid Trade Waste Policy ...(Cont'd)


Implementation Date / Priority:

Implementation for public exhibition is immediate.

Recommendation:

- 1. In accordance with Section 160 (2) of the Local Government Act 1993, Council gives public notice of its intention to adopt the Liquid Trade Policy as attached, placing it on public exhibition for a period of 28 days to invite submissions.**
- 2. Following the exhibition period, Council considers a further report including a summary of any submissions received.**

Attachments:

<p>COFFS HARBOUR CITY COUNCIL</p> <p>Looked Bag 156, Coffs Harbour, NSW 2450 ABN 79 128 214 487</p> 	
<p align="center">Liquid Trade Waste Policy</p>	
<p>Policy Statement</p> <p>The Liquid Trade Waste Policy sets out guidelines for the regulation of non-residential discharges to Council's reticulated Sewerage System. The policy will be administered by Council's Liquid Trade Waste Officers.</p>	
<p>Related Legislation, Circulars or Guidelines (as amended)</p> <ul style="list-style-type: none">• <i>Local Government Act 1993 No. 30 and Regulation</i>• <i>Local Government (General) Regulation 2005</i>• <i>NSW Office of Water – Liquid Trade Waste Regulation Guidelines 2009</i>• <i>Best Practice Management of Water Supply & Sewerage Guidelines 2007</i>	
<p>Does this Document Replace an Existing Policy, Procedure or Plan? Yes</p> <p>This document replaces Council's Trade Waste Policy dated 5 April 2007</p>	
<p>Related Council Policy or Procedure</p> <ul style="list-style-type: none">• Water Charging Policy• Backflow Prevention and Cross Connection Control Policy• Water Meter - Service Installation Policy• Urban Rainwater Tank Policy	
<p>Application and Distribution</p> <p>It is mandatory for all Council officials to comply with this Policy.</p> <p>This Policy is available on Council's website under Council Policies.</p>	
<p>Approved by:</p> <p>Executive Team 21 March 2012</p> <p>Council [Meeting date and Resolution No.]</p>	<p>Signature:</p> <p>..... <i>General Manager</i></p>
<p>Responsible Council Branch:</p>	<p>Review Date:</p>

Key Responsibilities

Position	Directorate	Responsibility
Mayor	Council	To lead Councillors in their understanding of, and compliance with, this Policy and Guidelines.
General Manager	Executive	To lead staff (either directly or through delegated authority) in their understanding of, and compliance with, this Policy and Guidelines. To approve resources to develop, implement and review this Policy and Guidelines.
Directors	All Directorates	To communicate, implement and comply with this Policy and related Guidelines.
Manager Strategic Infrastructure	City Services	To ensure that the policy is administered effectively and that all dischargers meet the compliance guidelines.
All Council officials	Council	To comply with this Policy, Guidelines and related procedures.

Liquid Trade Waste Policy

Policy Guidelines

1. Introduction

Liquid wastes generated by industry, small businesses, commercial enterprises, etc are often referred to as trade wastes. Trade wastes require permission from the relevant authority to be discharged directly to the environment, eg receiving waters, onto land or into sewers. This document is concerned with liquid trade wastes discharged into Council owned sewerage systems.

Sewerage systems are generally designed to cater for waste from domestic sources, which are essentially of predictable strength and quality. Liquid Trade wastes, by comparison, may exert greater demands on sewerage systems and if uncontrolled, can cause serious problems to the sewerage system or the environment.

1.1 What is Liquid Trade Waste?

Liquid trade waste is defined in the Local Government (General) Regulation 2005 as below:

Liquid trade waste means all liquid waste other than sewerage of a domestic nature.

Liquid trade waste discharges to the sewerage system include liquid wastes discharged from:

- 1.1.1 Business/commercial premises (eg. beautician, florist, hairdresser, hotel, motel, restaurant, butcher, service station, supermarket, dentist);
- 1.1.2 Community/public premises (including craft club, school, college, university, hospital and nursing home);
- 1.1.3 Industrial premises;
- 1.1.4 Trade activities (eg. mobile carpet cleaner);
- 1.1.5 Any commercial activities carried out at residential premises;
- 1.1.6 Sale yards, racecourses and from stables and kennels not associated with domestic households; and
- 1.1.7 Septic tank waste, chemical toilet waste, waste from marine pump-out facilities and established sites for the discharge of pan content from mobile homes/caravans to the sewerage system.

While septic tank, pan and ship-to-shore pump out waste are defined as liquid trade waste, specific procedures need to be applied to their management as the waste is often transported or pump-out from its source. Accordingly, specific references to these wastes are provided in this policy where necessary.

1.2 Liquid Trade Waste excludes:

- 1.2.1 Toilet, hand wash basin*, shower and bath wastes derived from all the premises and activities mentioned above;
- 1.2.2 Wastewater from residential toilets, kitchens, bathrooms or laundries (ie. domestic sewage);
- 1.2.3 Common use (non-residential) kitchen and laundry facilities in a caravan park;
- 1.2.4 Residential swimming pool backwash.

* Used for personal hygiene only

2. Criteria for Approval to Dispose of Liquid Trade Waste into Council's Sewerage System

2.1 Liquid Trade Waste Acceptance Principles

Council's decision to accept trade waste into the sewer will be based on the discharge meeting Council's requirements. This trade waste policy has been adopted to identify Council's requirements for industry and the community and to achieve the following objectives:-

- 2.1.1 To manage discharges to sewerage systems.
- 2.1.2 To provide an environmentally responsible liquid waste management service to the non-residential sector.
- 2.1.3 To protect public health.
- 2.1.4 To ensure the safety of Council's employees.
- 2.1.5 To ensure that wastes permitted into the sewer, can be treated, reused and/or returned to the natural environment without harm.
- 2.1.6 To protect the community's assets from unsafe or unsuitable substances.
- 2.1.7 To encourage waste minimisation.
- 2.1.8 To provide a financial incentive for waste minimisation.
- 2.1.9 To apply a charging structure to industry which:
 - Recovers cost of services (is a user pays system).
 - Encourages industry to comply with Council requirements.
 - Encourages industrial development.
- 2.1.10 To ensure that all liquid trade waste discharges are subject to a formal approval between Council and industry.
- 2.1.11 To ensure compliance of liquid trade waste discharges with the approved conditions.
- 2.1.12 To obtain appropriate and accurate information regarding volume, composition, concentration, mass loads and periodicity of liquid trade waste discharges to the sewerage system to assist in the effective operation and future augmentation of these sewer systems and treatment plants.

2.2 Guideline Limits and Prohibited Substances

Council will consider each application individually and place limits on liquid trade waste discharges to the sewer. Pollutant limits may be adjusted according to the situation. To assist applicants, guideline limits for acceptance of liquid trade waste into sewers are presented in **Schedule A**.

Some substances are not suitable for discharge to the sewer. Substances prohibited from sewers are given in Schedule B.

The guideline limits and prohibited substances are reviewed periodically by Council and Department of Water & Energy (DWE).

2.3 Stormwater Discharges from Open Areas

Stormwater is a prohibited discharge under this policy and relevant regulation (refer to **Schedule B**). The ingress of stormwater into the sewerage system can cause operational problems to the system and result in sewer overflows, as the sewerage system does not have the capacity for such flows. Therefore, Council does not generally accept the discharge of stormwater to the sewerage system.

However, it is recognised that it may not always be possible or practical to prevent all stormwater entering into the sewerage system at some liquid trade waste premises. The discharge of limited quantities of first flush water from such areas will be considered where roofing cannot be provided because of safety or other important considerations.

Before the stormwater will be considered for discharge to the sewerage system, the applicant must provide the following information:

- 2.3.1 Reasons why the area cannot be fully or partially roofed and bunded to exclude rainwater;
- 2.3.2 The dimensions and a plan of the open area under consideration;
- 2.3.3 The estimated volume of the stormwater discharge;
- 2.3.4 Information on rain gauging;
- 2.3.5 Where a first-flush system is proposed, details on how the stormwater will be diverted to the drainage system after the first flush is accepted (the first-flush to be limited to first 10mm of storm run-off);
- 2.3.6 Measures proposed for diverting stormwater away from the liquid trade waste generating area; and
- 2.3.7 Report on other stormwater management options considered and why they are not feasible.

2.4 Food Waste Disposal Units

The use of food waste disposal units (also known as in-sinkerators, in-sink food waste disposers, or garbage grinders) is not permitted. Existing installations in hospitals and nursing homes may be permitted, provided that wastewater is discharged through an adequately sized grease arrestor. For existing premises, a food waste disposal charge will be levied based on the number of beds in the hospital or nursing home (refer to section 3.6.6 on page 14).

If the hospital or nursing home kitchen is refurbished, the food waste disposal unit must be removed.

2.5 Devices that Macerate or Pulverise Waste

Macerators and any other similar devices that are used for pulverising of solid waste are not authorised to connect to Council's sewerage system (Refer MP52-2005 – Manual of Authorization Procedures for Plumbing & Drainage Products, Standards Australia). Solid waste includes, but is not limited to, sanitary napkin, placenta, disposable nappy, mache bedpan and urine containers.

Therefore Council will not accept any discharges from such devices into its sewerage system.

2.6 Use of Additives in Pre-treatment Systems

Council does not allow solvents, enzymes, bioadditives and odour control agents to be used in pre-treatment systems (except neutralising chemicals designed for the pre-treatment) except by specific written application and subsequent approval.

3. Matters Relating to Liquid Trade Waste Approvals

3.1 General

The discharge of liquid trade waste into the sewer is permitted only when Council has issued a formal approval. No discharge shall be made to Councils sewer until an approval has been signed.

The approval will set out the conditions associated with the discharge of the liquid trade waste to sewer. The conditions will be binding on the applicant and be subject to any clause imposed by Council.

Provision shall be made in the approval for the following:-

- 3.1.1 If the owner/generator is found to be in breach of the Approval or in the opinion of Council the waste is adversely affecting the sewerage system or the environment, then the Approval may be cancelled and Council may disconnect the premises (at no cost to the discharger).
- 3.1.2 Under the 'Protection of the Environment Operations Act, 1997, Council could be liable for significant penalties if its effluent discharge is considered to be in breach of the requirements of the Act. Therefore, provision will be made for the recovery of any costs (including penalties, compensation, restoration and legal fees) from the person/body whose discharge to sewer caused the breach.
- 3.1.3 Council maintains its rights to enter sites and inspect liquid trade waste systems.

3.2 Applicant Procedures

To apply for a liquid trade waste approval, the discharger is required to lodge an application in writing to Council (using the application form provided by Council). If a person wishes to discharge liquid trade waste to the sewerage system but is not the owner of the premises, the person must obtain the owner's consent to the application. Supporting documents such as plans and specifications of the means of discharge including any associated pre-treatment plant are required. The applicant needs to provide the following relevant information in their submission:

- 3.2.1 **Rate of Discharge:**
This includes the average per day, maximum per day, per hour and per second and hours of the day during which discharge takes place.
- 3.2.2 **Normal hours of operation.**
- 3.2.3 **Alternative water supply (metered or non-metered, eg. bores, rainwater tanks).**
- 3.2.4 **Characteristics of wastes including:**
 - Nature of source.
 - Expected maximum and average concentration of pollutants.
 - Type of process/activity generating the liquid trade waste.

- 3.2.5 Details of any proposed pre-treatment facilities, location and site plan. Details should include:
- Internal wastewater drainage.
 - Treatment process details.
 - Pump size.
 - Operational characteristics.
 - Operational procedures.
- 3.2.6 Flow diagram and hydraulic profile of proposed treatment facilities.
- 3.2.7 Maintenance schedule for pretreatment equipment.
- 3.2.8 Stormwater drainage plan.
- 3.2.9 The applicant shall supply any additional details as requested by Council.
- 3.2.10 Measures for prevention of stormwater ingress into the sewerage system.
- 3.2.11 Manifest showing the location, nature and chemical composition of all substances stored/used on site.
- 3.2.12 Methods of disposal for other wastes that are not discharged to the sewerage system.
- 3.2.13 Any relevant environmental impact assessments.

Both the Owner (or Agent) and the Generator should sign the Application for approval. Both the Owner and the Generator should be signatories to the negotiated approval with Council. Both the Owner and the Generator should have a copy of the approval so that all parties are aware of their responsibilities.

3.3 Approvals

If Council supports an application and has notice that concurrence of the Director General Department of Water & Energy can be assumed for the relevant liquid trade waste, Council will approve the application. Council will prepare and issue an approval with the conditions set out for the discharge of the liquid trade waste to sewer. No discharge will be made to Council's sewers until an approval has been issued. An applicant may make a minor amendment or withdraw an application before it is approved by Council. An applicant may also apply to Council to renew or extend an approval, in accordance with section 107 of the Local Government Act.

Otherwise, Council will seek concurrence from the Department of Water & Energy. If the application is refused by Council or the Department of Water & Energy, Council will notify the applicant of the grounds for refusal.

An approval to discharge liquid trade waste to Council's sewer is not transferable. A new application must be lodged and a new approval obtained if there is a change of the approval holder or the activity. Council must be notified of change of ownership and/or occupier in all cases, whether a new approval is required or not, to allow updating of records.

3.4 Discharge Classifications

Liquid trade waste discharges are divided into 3 classifications:

- 3.4.1 Concurrence Classification A – liquid trade waste dischargers for which Council may automatically assume concurrence to the approval subject to certain requirements.

- 3.4.2 Concurrence Classification B – liquid trade waste dischargers whereby Council may apply to the Director-General, DEUS for assumed concurrence to the approval subject to certain requirements; and
- 3.4.3 Concurrence Classification C – all other liquid trade waste dischargers that do not fall within Concurrence Classification A or Concurrence Classification B, and therefore require Council to apply to DEUS for concurrence.
- 3.4.4 Concurrence Classification S – the acceptance of septic tank, pan waste and ship-to-shore pump-out. Council may apply to the Director General, DWE for assured concurrence to the approval subject to certain conditions.

3.5 Liquid Trade Waste Charges

Liquid Trade Waste Charging Categories

Three classifications of liquid trade waste have been established for concurrence purposes, Classification A, B and C (refer section 3.4). For liquid trade waste charging purposes liquid trade waste dischargers are divided into three charging categories, Category 1, 1A, 2, 2S and 3.

- 3.5.1 Classification A dischargers fall into Charging Category 1 or Category 1A.
- 3.5.2 Classification B dischargers fall into Charging Category 2, except for a few dischargers with low impact on the sewerage system which fall into Category 1A.
- 3.5.3 Classification S dischargers fall into Charging Category 2S.
- 3.5.4 Classification C dischargers fall into Charging Category 3.

3.6 Category 1 Discharger

Category 1 liquid trade waste dischargers are those conducting an activity deemed by Council as requiring nil or only minimal pre-treatment equipment and whose effluent is well defined and of a relatively low risk to the sewerage system. Also included are Classification A or B activities with prescribed pre-treatment but low impact on the sewerage system.

Liquid trade waste dischargers requiring nil or minimal pre-treatment include:

Classification A activities - Retail food outlets with no hot food prepared and/or foods that generate an oily/greasy waste: bakery (only bread baked on-site), bistro (sandwiches, coffee only), café/coffee shop/coffee lounge, canteen, community hall (minimal food), day care centre, delicatessen, fruit and vegetable shop, hotel, ice cream parlour (take away only), juice bar, mixed business, motel, nightclub, nut shop, pizza cooking/reheating (no preparation or washing up on-site, pizza heated and sold for consumption off-site), potato peeling (small operation), sandwich shop/salad bar, take away food outlet.

Classification A activities – Other commercial activities: animal wash, hairdressing/beautician, crafts <200 L/d, dental surgery (plaster casts, no X-ray unless digital), doctor's surgery (plaster casts, no X-ray), florist, funeral parlour, mobile cleaning units, morgue, jewellery shop, optical service (retail), pet shop, public swimming pool, tray work/manual development, venetian blind cleaning, veterinary (no X-ray).

3.7 Category 1A Discharger¹

Category 1A liquid trade waste dischargers are those conducting an activity deemed by Council as requiring prescribed pre-treatment but having low impact on the sewerage system as their effluent is usually of low strength.

Liquid trade waste dischargers with prescribed pre-treatment but low impact on the sewerage system include:

Classification A or B activities: boiler blowdown, cooling tower, educational facilities (primary and secondary school, tertiary institution laboratory), industrial boilers, jewellery (stone cutting), laboratory, laundry, medical centre (no X-ray), mobile garbage bin washing, optical services, plants retail, vehicle washing.

3.8 Category 2 Discharger

Category 2 liquid trade waste dischargers are those conducting an activity deemed by Council as requiring a prescribed type of liquid trade waste pre-treatment equipment and whose effluent is well characterised.

Liquid Trade Waste dischargers with prescribed pre-treatment² include:

Classification A activities - Premises that prepare and/or serve hot food or foods that generate an oily/greasy waste: bakery (pies, sausage rolls, quiches, cakes, pastries with creams or custards), bistro, boarding house/hostel kitchen, butcher, café/coffee shop/coffee lounge, cafeteria, canteen, fast food outlet, chicken/poultry shop, club, community hall³, commercial kitchen/caterer, nursing home, patisserie, supermarket, doughnut shop, fish shop (cooking on-site), function centre, hotel, ice cream parlour, motel, nightclub, pizza cooking, restaurant, sandwich shop/salad bar, take away food outlet.

Other commercial Classification A activities: car detailing, craft activities > 200 L/d, dental surgery with X-ray, lawnmower repairs, mechanical workshop, stone working, veterinary (with X-ray), waterless mini-lab.

Classification B activities: auto dismantler, bus/coach depot, construction equipment maintenance and cleaning, equipment hire maintenance and cleaning, glass cutting and grinding, graphic arts, medical centre (with X-ray), hospital (with or without X-ray), optical services (at medical or educational facilities, workshops), oyster processing – shucking, panel beating, photographic lab, radiator repairer, screen printing, service station forecourt, shopping complex, water wash mini-lab, X-ray radiologist.

Other Classification A activities: fish shop (fresh fish for retail).

3.9 Category 2S Discharger

Category 2S dischargers are those conducting an activity of transporting and/or discharging septic tank or pan waste content into the sewerage system.

Liquid trade waste dischargers include the following Classification 2S activities:

¹ Excludes low impact activities, listed under Category 1.

² Excludes low impact activities, listed under Category 1.

³ If the type and size of kitchen fixtures installed enable catering for large functions.

Classification S activities: bus/rail coaches/caravan/motor home/caravan park waste dump points, mooring/marina dump points, pan waste, portable chemical toilet waste, septage, septic tank effluent, ship-to-shore pump-outs (galley waste and toilet waste).

3.10 Category 3 Discharger (large or industrial waste dischargers)

Category 3 liquid trade waste dischargers are those conducting an activity which is of an industrial nature and/or which results in the discharge of large volumes (over 20 kL/d) of liquid trade waste to the sewerage system. Any Category 1 or 2 discharger whose volume exceeds 20 kL/d becomes a Category 3 discharger.

Large liquid trade waste dischargers and other Classification C activities include: abattoir, bakery (wholesale), brewery, cooling towers, cosmetics/perfumes manufacture, dairy processing milk /cheese /yoghurt /ice cream etc.), food processing (cereals /cannery /confectionary /edible oils /fats /essence /flavours /fish /fruit juice /gelatine /honey /meat pickles /smallgoods /vinegar /yeast manufacture etc.), fruit and vegetable, processing, flour milling, glue manufacturer, egg processing, pet food processing, plants nursery (open areas), potato processing, poultry processing, saleyards, seafood processing, soft drink /cordial manufacture, starch manufacture, sugar refinery, tanker washing, tip leachate, transport depot/terminal, water treatment backwash, wholesale meat processing, winery, wine /spirit manufacture.

Dischargers of industrial waste include the following Classification C activities: acid pickling, adhesive /latex, agricultural and veterinary drugs, anodising, bitumen and tar, bottle washing, cardboard and carton manufacture, carpet manufacture, caustic degreasing, chemicals manufacture and repacking, contaminated site treatment, cyanide hardening, detergent/soaps manufacture, drum washing, electroplating, engine gearbox reconditioning, extrusion and moulding (plastic/metal), feather washing, fellmonger, felt manufacture, fertilisers manufacture, fibreglass manufacture, filter cleaning, foundry, galvanising, glass manufacturing, ink manufacture, laboratories, liquid wastewater treatment facility (grease trap receipt depot and other pump-out waste depot), metal finishing, metal processing (refining /rumbling /non-cyanide heat treatment /phosphating /photo engraving /printed circuit etching /sheet metal fabrication etc.), mirrors manufacture, oil recycling (petrochemical) and refinery, paint stripping, paint manufacture, paper manufacture, pharmaceuticals manufacture, powder coating, printing (newspaper, lithographic), sandblasting, slipway, tannery, timber processing (joinery and furniture /plywood /hardwood), textile manufacture (wool dyeing /spinning /scouring), waxes and polishes.

4. Liquid Trade Waste Fees and Charges

4.1 Phasing-In Of Charges

As indicated on Page 18 of the Guidelines for Best Practice Management Water Supply and Sewerage, May 2004, the non-residential sewerage bills for customers facing a large increase as a result of implementing best-practice pricing are to be phased in over a period of 3 years. Similarly, large increases in liquid trade waste fees and charges may be phased in over a period of up to 3 years.

Council provides sewerage and liquid trade waste services on a commercial basis, with cost recovery through sewerage and liquid trade waste fees and charges. Council's proposed fees and charges are advertised annually for public comment in its draft Management Plan. In addition to the liquid trade waste fees and charges described below, Council may elect to include any liquid trade waste charges shown in Appendix E of Water Supply, Sewerage and Trade Waste Pricing Guidelines, Department of Land & Water Conservation, 2002.

Liquid trade waste discharged to the sewerage system from industrial, commercial or other non-residential customers can impose significant costs on sewage transport and treatment facilities. To recover these costs and to ensure removal of existing significant cross-subsidies from residential customers, in addition to a two-part tariff with an appropriate sewer usage charge/kL for non-residential sewerage, appropriate fees and charges are levied for liquid trade waste.

Council's liquid trade waste fees and charges may include the following ; application fee, annual liquid trade waste fee, re-inspection fee, liquid trade waste usage charge, septic tank and pan waste disposal charge, excess mass charge, food waste disposal charge, non-compliance excess mass charge and non-compliance penalty .

4.2 Application Fee

The application fee recovers the cost of administration and technical services provided by Council in processing applications for approval to discharge liquid trade waste to the sewerage system. The application fee will be allocated on the basis of the category into which the discharger is classified and reflects the complexity of processing the application. Application fees will be set annually by Council.

4.3 Annual Liquid Trade Waste Fee

The purpose of this fee is to recover the cost incurred by Council for administration and the scheduled inspections each year to ensure a liquid trade waste discharger's ongoing compliance with the conditions of their approval.

As part of an inspection, Council or its agents may undertake monitoring of the liquid trade waste discharges from premises or business. Such monitoring may include but is not limited to, flow measurement and the sampling of the liquid trade waste. Where more than four instances of such monitoring is undertaken by Council, or its agents, in a financial year, the cost involved may be recovered from the discharger.

Annual liquid trade waste fees are proportionate to the complexity of their inspection and administration requirements. Annual liquid trade waste fees will be set by Council. Where the discharger is required to pay for monitoring this will be charged on the basis of full cost recovery.

4.4 Re-inspection Fee

Where non-compliance with the conditions of an approval has been detected and the discharger is required to address these issues, Council will undertake re-inspections to confirm that remedial action has been satisfactorily implemented. Council will impose a fee for each re-inspection. The re-inspection fee will be set annually by Council on the basis of full cost recovery. A re-inspection may include the monitoring of liquid trade waste discharges, the cost of which may be recovered from the discharger.

4.5 Liquid Trade Waste Usage Charge

The liquid trade waste usage charge is imposed to recover the additional cost of transporting and treating liquid trade waste from Category 2 dischargers.

Liquid Trade Waste Usage Charge (\$) = Q x \$X/kL.

Where Q = Volume (kL) of liquid trade waste discharged to sewer.

X= current a liquid trade waste usage charge outlined in Council's current Fees and Charges.

Note: As indicated on page 30 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, existing Category 2 dischargers who have not installed and maintained appropriate pre-treatment facilities will be required to pay a liquid trade waste usage charge outlined in Council's current Fees and Charges.

4.6 Septic and Pan Waste Disposal Charge

This charge is imposed to recover the cost of accepting and treating septic tank and pan waste.

Septic and pan waste disposal charge = Q x S/kL

Where:

Q = Volume of waste water discharger to sewer.

S = Charging rate in \$/kL for portable toilet, septic tank effluent or septage as indicated in Council's Management Plan.

4.7 Excess Mass Charges

Excess mass charges will apply for substances discharged in excess of the deemed concentrations in domestic sewage shown in Table 5 below. For excess mass charge calculation, equation (1) below will be applied.

Table 5 – Deemed Concentration of Substances in Domestic Sewage

SUBSTANCE	CONCENTRATION (mg/L)
Biochemical Oxygen Demand (BOD ₅)	300
Suspended Solids	300
Total Oil and Grease	50
Ammonia (as Nitrogen)	35
Total Kjeldahl Nitrogen	50
Total Phosphorus	10
Total Dissolved Solids	1000
Sulphate (SO ⁴)	50 [#]

[#] The concentration in the potable water supply to be used if it is higher than 50mg/L

NB. Substances not listed above are deemed not to be present in domestic sewage.

$$\text{Liquid Trade Waste Excess Mass Charge (\$)} = \frac{(S - D) \times Q \times U}{1,000} \quad (1)$$

Where S = Concentration (mg/L) of substance in sample.

D = Concentration (mg/L) of substance deemed to be present in domestic sewage.

Q = Volume (kL) of liquid trade waste discharged to the sewerage system.

U = Unit prices (\$/kg) for disposal of substance to the sewerage system.

Unit prices used in equation (1) for calculation of excess mass charges are as shown in Council Annual Management Plan.

If Council approves the acceptance limits for BOD higher than 600mg/L, an exponential type equation for calculations will be used for calculation of the unit price (\$/kg) as shown in equation (2) below. Equation (2) provides a strong incentive for dischargers to reduce the strength of waste. In addition, equation (5) will be used where the discharger has failed to meet their approved BOD limit on at least 2 instances in a financial year.

Equation for BOD > 600mg/L

$$U \text{ for BOD } (\$/\text{kg}) = 2C \times \frac{(\text{Actual BOD} - 300\text{mg/L})}{600\text{mg/L}} \times 1.05^{\frac{(\text{Actual BOD} - 600\text{mg/L})}{(600\text{mg/L})}} \quad (2)$$

Where C = the charge (\$/kg) for BOD₅ 600mg/L.

For example if C = \$0.54/kg, equation (2) would result in the following excess mass charges:

**For BOD₅ 600mg/L charge of \$0.54/kg
 BOD₅ 1200mg/L charge of \$1.70/kg
 BOD₅ 2400mg/L charge of \$4.38/kg**

In the case of pH:

Equation (3) is used for the waste with pH being outside the approved range. This equation provides an incentive for dischargers to apply appropriate pH correction so their waste remains within the approved pH limits. Where a large discharger fails to meet their pH limits on 2 or more occasions in a financial year, Council will require the discharger to install and permanently maintain a pH chart recorder or data logger as control of pH is critical to minimising odour and corrosion problems in the sewerage system.

Charge for pH where it is outside the approved range for the discharger.

$$\text{Charge for pH } (\$/\text{kL}) = K \times (\text{actual pH} - \text{approved pH})^* \times 2^{(\text{actual pH} - \text{approved pH})^*} \quad (3)$$

K= pH coefficient = 0.3 (2002/03\$) and needs to be adjusted in accordance with changes in the CPI.

** absolute value to be used.*

Example: Council has approved the pH range 8.0 to 9.0 for a large discharger generating high strength liquid trade waste in order to prevent corrosion and odour problems in the sewerage system.

Case 1: pH measured 7.0

$$\text{Charge } (\$/\text{kL}) = 0.3 \times [7 - 8] \times 2^{|7 - 8|} = \$0.6/\text{kL}$$

Case 2: pH measured 11.0

$$\text{Charge } (\$/\text{kL}) = 0.3 \times [11 - 9] \times 2^{|11 - 9|} = \$2.4/\text{kL}$$

4.8 Food Waste Disposal Charge⁴

Where Council has approved installation of a food waste disposal unit for a hospital, nursing home or other eligible facility, the following additional food waste disposal charge will be payable annually.

$$\text{Food Waste Disposal Charge (\$)} = B \times U_F$$

Where B = Number of beds in hospital or nursing home.

U_F = Annual unit price (\$/bed) for a food waste disposal unit at a hospital or nursing home.

Note: The recommended annual unit price is \$20/bed (2002/03\$).

4.9 Non-compliance Excess Mass Charges

Where a discharge quality fails to comply with the approved concentration limits of substances specified in Council's approval conditions (or the acceptance criterion listed in Council's liquid trade waste policy), Council incurs additional costs in accepting and treating that waste. Council may also face problems with the effluent and biosolids management.

In order to recover Council's costs for non-compliant excess mass charges, equation (4) shall apply, except for BOD where equation (5) overleaf shall apply.

Non-Compliance Excess Mass Charges (\$)

$$= \frac{(S - A) \times Q \times 2U}{1,000} + \frac{(S - D) \times Q \times U}{1,000} \quad (4)$$

Where:

S = Concentration (mg/L) of substance in sample.

A = Maximum concentration (mg/L) of pollutant as specified in Council's approval (or liquid trade waste policy).

Q = Volume (kL) of liquid trade waste discharged for the period of non-compliance.

U = Unit prices (\$/kg) for disposal of pollutant to sewerage system, as per Section 4.6.

D = Concentration (mg/L) of substance deemed to be present in domestic sewage.

Non-compliance excess mass charges for BOD will be calculated by using the unit price in (\$/kg) as shown in equation (5) below:

U for BOD non-compliance Excess Mass Charge

$$= 2C \times \frac{(A - 300 \text{ mg/L})}{600 \text{ mg/L}} \times 1.05 \frac{(A - 600 \text{ mg/L})}{600 \text{ mg/L}} + 4C \times \frac{(\text{Actual BOD} - A)}{600 \text{ mg/L}} \times 1.05 \frac{(\text{Actual BOD} - A)}{600 \text{ mg/L}} \quad (5)$$

⁴ For existing installations only. New installations are not permitted.

For example, if $C = \$0.54/\text{kg}$, BOD_5 measured level is 2400mg/L and the acceptance limit in Council's approval is 600mg/L , equation (5) would result in a non-compliance excess mass charge of $\$8.04/\text{kg}$.

The non-compliance excess mass charges shown above are in lieu of the excess mass charges in Section 4.6.

NB. Council will continue applying the above non-compliance excess mass charge until the quality of discharge complies with Council's approved quality (or the liquid trade waste policy) limits, within the time frame determined by Council for remedying the problem. If the discharger fails to rectify the problem within this time frame, the discharger may be required to cease discharging liquid trade waste into Council's sewerage system and may also be required to pay a 'non-compliance penalty' as indicated in the following section.

4.10 Responsibility for Payment of Fees and Charges

Property (land) owners are responsible for the payment of fees and charges for water supply, sewerage and liquid trade services provided by Council. This includes property owners of marina, caravan park, etc, if a dump point located at their premises is connected to the sewerage system. Where another party (lessee) leases premises, any reimbursement of the lessor (property owner) for such fees and charges is a matter for the lessor and the lessee.

Council will charge a septic waste disposal charge for services it provides to transporters of septic and pan waste tinkered and discharged to the sewerage system.

Table 6 - Summary of Liquid Trade waste Fees and Charges⁵

CHARGE CATEGORY	APPLICATION FEE	ANNUAL NON-RESIDENTIAL SEWERAGE BILL WITH APPROPRIATE SEWER USAGE CHARGE	ANNUAL LIQUID TRADE WASTE FEE	RE-INSPECTION FEE (when required)	LIQUID TRADE WASTE USAGE CHARGE/kL	SEPTIC WASTE DISPOSAL CHARGE	EXCESS MASS CHARGES	NON-COMPLIANCE EXCESS MASS CHARGES (if required)	NON-COMPLIANCE PENALTY (if required)
1	Yes	Yes	Yes	Yes	No	No	No	No	Yes
1A	Yes	Yes	Yes	Yes	No ⁶	No	No	No	Yes
2	Yes	Yes	Yes	Yes	Yes ⁷	No	No	No	Yes
2S	Yes	Yes	Yes	Yes	No	Yes ⁸	No	No	Yes
3	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes

NB. All dischargers of liquid trade waste to Council's sewerage system should be aware that they are subject to prosecution and imposition of fines under the Local Government Act 1993, the Protection of the Environment (Operations) Act 1997 and Regulations. In addition to fines, Council may recover costs of damages and fines incurred by Council as a result of an illegal liquid trade waste discharge.

Accounts for annual liquid trade waste fee will be forwarded as part of the general rate notice. Liquid trade waste usage charge will be on the water bill.

All other charges such as re-inspection fee, excess mass charge, will be forwarded by an account from Council. The amount thereof shall be a debt due by the owner and in the event of default, shall thereafter bear interest at such rate per centum by per annum as shall be fixed by Council resolution. The amount owing, including interest, shall be recoverable in the same manner as general rates and shall until paid, be a charge on the land, and in addition may be recovered as a debt from any subsequent owner.

⁵ In addition, a Food Waste Disposal Charge/bed will apply where Council has approved the use of an existing food waste disposal unit for a hospital, nursing home or other eligible facility (refer to Section 4.7).

⁶ A liquid trade waste usage charge, outlined in Council's Fees and Charges, will be applied for Category 1A dischargers and for Category 2 dischargers who have not installed or properly maintained appropriate pre-treatment equipment.

⁷ A liquid trade waste usage charge, outlined in Council's Fees and Charges, will be applied for Category 1A dischargers and for Category 2 dischargers who have not installed or properly maintained appropriate pre-treatment equipment.

⁸ Only applicable if the discharger has a dump point located at their premises which is connected to the sewerage systems.

4.11 Penalties

Any person committing a breach of this policy or who refuses or neglects to comply with any requirements therein contained or of any order given pursuant thereto, may be liable to a penalty as provided under Sections 626, 628, 634-639 of the Local Government Act, 1993 and the Protection of the environment Operations Act 1997, Section 120(1) (Pollution of any waters by a discharger who fails to comply with the conditions of approval for discharge of liquid trade waste to sewer).

Any person who fails to comply with an Approval will be subject to the terms of the Approval.

4.12 Non-compliance Penalty

The non-compliance penalty covers instances where Council may seek compensation for its costs relating to legal action, damage to infrastructure, incurred fines and other matters resulting from illegal, prohibited or unapproved liquid trade waste discharged to the sewerage system. Also included are fines under:

- 4.12.1 Protection of the Environment Operations Act 1997, section 120 (1) (Pollution of any waters by a discharger who fails to comply with the conditions of approval for discharge of liquid trade waste to sewer);
- 4.12.2 Local Government Act, 1993, section 627 (Failure to comply with an approval), section 628 (Failure to comply with an order). Non-compliance penalties will be pursued by legal action.

5. Monitoring

After discharge of an approved liquid trade waste has commenced, adherence to the conditions of discharge will be monitored. It is the owner/generators responsibility to ensure that both the quality and quantity of the waste discharged to sewer are in accordance with Council's requirements. Monitoring frequencies specified in such documents are minimum requirements only. They do not relieve the discharger from the responsibility of additional monitoring and/or remedial action should it be suspected that either the quantity or quality is not in accordance with Council's requirements.

In addition to the above, and to ensure compliance with Councils acceptance standards and the conditions of the Approval, authorised officers of Coffs Harbour City Council may enter premises to carry out inspections and collect samples for analysis. These rights will normally be outlined in the Approval. If more inspections and testing are required because of a breach of the Liquid Trade Waste Approval, these costs will be recovered from the holder of the approval.

Samples are to be collected and analysed in accordance with Standard Methods for Examination of Water and Wastewater (current edition APHA-AWWA-WPCF), and every effort is to be made to ensure that such samples truly represent the nature and extent of the discharge.

The most suitable location for monitoring the effluent is at the point of connection to the sewerage system. This will usually be an inspection chamber, shaft or boundary trap.

The discharger may need to install a suitable method of flow measurement.

Council may require the discharger to:

- Install a permanent primary measurement device;
- Measure the volume and flow rate using the permanently installed flow measurement system (such as a flow metering system); or
- Install a flow measurement device on a temporary basis and obtain enough data to determine a basis for assessing the flow rate and volume; and
- Provide a system which allows obtaining a flow weighted composite sample.

For small waste dischargers, usually a grab sample collected on a random basis is suitable to assess effluent quality. However, for large commercial or industrial premises, continual sampling of the discharge, linked to flow monitoring may be required. Composite samples may then be collected and the effluent quality determined in terms of concentration and total mass of contaminants. Approvals will normally specify the monitoring requirements for larger establishments.

For problem wastes such as those received from metal finishers, the Approval may place a limit on the total mass, instantaneous concentration and/or mean concentration of particular constituents of the discharge. Detailed monitoring may therefore be required by both the generator and Council to determine compliance for major industries.

6. Maintenance of Equipment

A person who discharges liquid trade waste into a sewer, pursuant to an Approval, shall, at all times and at the persons own expense, maintain and keep all pipes, equipment and apparatus used for conveyance, measurement, sampling and treatment of liquid trade waste in good repair, in a clean and efficient state and in proper and accurate working condition. The disposal of residue waste such as grease, oils and sludge must be carried out in accordance with the Local Council and Environmental Protection Authority requirements.

7. Modification and Revocation of Approvals

Council reserves the right to modify or revoke an approval to discharge liquid trade waste to the sewerage system in any of the following circumstances:

- If the approval was obtained by fraud, misrepresentation or concealment of facts;
- For any cause arising after the granting of the approval which, had it arisen before the approval was granted, would have caused the council not to have granted the approval;
- For failure to comply with a requirement made by or under the Local Government Act 1993 relating to a condition of the approval; or
- For failure to comply with a condition of the approval.

8. Prevention of Waste of Water

Water must be used efficiently and must be recycled where practicable. It is an offence under section 637 of the Local Government Act 1993 and its relevant regulation to waste or misuse water.

Dilution of liquid trade waste with water from any non-process source including Council's water supply, bore water, groundwater and/or stormwater as a means of reducing pollutant concentration is therefore strictly prohibited.

9. Effluent Improvement Plans

Where the existing liquid trade waste discharged does not meet Council's requirements, the applicant may be required to submit an 'effluent improvement plan' setting out how Council's requirements will be met. The proposed plan must detail the methods/actions proposed to achieve the discharge limits and a timetable for implementation of the proposed actions. Such actions may include more intensive monitoring, improvements to work practices and/or pre-treatment facilities to improve the effluent quality and reliability.

10. Due Diligence Programs and Contingency Plans

For Concurrence Classification A, a discharger is not required to submit either a due diligence program or a contingency plan.

A discharger may be required to submit a due diligence program and a contingency plan for Concurrence Classification B or Classification S where it is considered that the discharge may pose a potential threat to the sewerage system. If required a due diligence program and contingency plan must be submitted to Council within six months and three months respectively of receiving a liquid trade waste approval.

For Concurrence Classification C, a discharger must provide a due diligence program and contingency plan to Council within six months and three months respectively of receiving a liquid trade waste approval.

It should be noted that:

- 10.1** If the discharger has an accredited environmental management system in place, a due diligence program and contingency plan will not be required. However, proof of accreditation must be provided to Council with the application.
- 10.2** Where Council considers there is potential risk to the sewerage system from a discharge, it may request a due diligence program and contingency plan be submitted prior to commencing the discharge.

11. Schedule A – Guideline Limits for Acceptance of Liquid Trade Waste into Sewers

While variations to the following standards may be considered under special circumstances, those set out below may be taken as a general guide to requirements which will be specified under most circumstances.

Parameters	Limits
1. Flow rates	The maximum daily and instantaneous rate of discharge (kL/hr. or L/sec.) is set on the available capacity of the sewer. Larger dischargers are required to provide a balancing tank to even out the load on the sewage treatment works.
2. BOD5 and Suspended Solids	Normally approved at 300mg/L each. Where there is sufficient capacity at the sewage treatment works or sufficient dilution in the receiving sewer, up to 600mg/L may be accepted. Higher concentrations may be acceptable for low mass loading if the treatment works is not overloaded and odour would not be a problem.
3. COD	Normally not to exceed BOD by more than three times. This ratio is given as a guide only to prevent the discharge of non- biodegradable waste.
4. Temperature	Less than 38°C.
5. Ph	Within the range of 7.0 to 9.0.
6. Oil and Grease	100mg/L if the volume of the discharge does not exceed 10% of the design capacity of the treatment works and 50mg/L if the volume is greater than 10%.
7. Detergents	All industrial detergents are to be biodegradable. A limit on the concentration of 50mg/L (as MBAS) may be imposed for manufacturers using surfactants in their processes.
8. Colour	No visible colour when waste is diluted to the equivalent dilution afforded by domestic sewage flow.
9. Dissolved Solids	Concentration to be less than 4000 mg/L.
10. Radioactive substances	Discharge to comply with Radiation Control Act, 1990

Parameters	Limits	
11. Heavy metals and other substances		
a) Heavy Metals	Maximum Concentration	Daily Mass Limit (g/day)
Aluminium	100 mg/L	
Cadmium	2 mg/L	6
Chromium*	5 mg/L	15
Cobalt	5 mg/L	15
Copper	5 mg/L	15
Iron	100 mg/L	
Lead	2 mg/L	6
Manganese	10 mg/L	30
Mercury	0.02 mg/L	0.05
Molybdenum	10 mg/L	30
Nickel	5 mg/L	15
Selenium	5 mg/L	15
Silver#	2 mg/L	6
Tin	5 mg/L	15
Zinc	5 mg/L	15

Total heavy metals excluding aluminium, iron, manganese and molybdenum, to be less than 30 mg/L, and may be subject to total mass loading requirements.

* Where hexavalent chromium (Cr^{6+}) is present in the process water, pre-treatment will be required to reduce it to the trivalent state (Cr^{3+}), prior to discharge into the sewer. Discharge of hexavalent chromium (Cr^{6+}) from chromate compounds used as corrosion inhibitors in cooling towers is not permitted.

This limit is applicable to large dischargers. The concentration of silver in photo processing waste where a balancing tank is provided is not to exceed 5 mg/L.

Parameters	Limits
b) Other Substances	Maximum Concentration
Ammonia (as N)	50 mg/L
Arsenic	1 mg/L
Benzene	0.1 mg/L
Benzene, Toluene, Ethyl benzene, Xylene (BTEX)	1 mg/L
Boron	25 mg/L
Bromine	5 mg/L
Chlorine	10 mg/L
Cyanide	5 mg/L
Fluoride	20 mg/L
Formaldehyde *	50 mg/L

Parameters		Limits
	Pesticides- general -organophosphate -organochlorine	0.1 mg/L nil nil
	Phenolic compounds (except pentachlorophenol)	
	Petroleum Hydrocarbon (non- flammable)	30 mg/L
	Phenolic compounds	10 mg/L
	Polynuclear Aromatic Hydrocarbons (PAHs)	5 mg/L
	Nitrogen (total Kjeldahl)	100 mg/L
	Sulphate	100 mg/L
	Sulphide	1 mg/L
	Sulphite	15 mg/L
	Total Phosphorus	20 mg/L

*The acceptance of chemical toilet waste which contains formaldehyde will be assessed on the available dilution in the sewerage system.

12. Schedule B – Substances Excluded from the Sewerage System

- organochlorine weedicides, fungicides, pesticides, herbicides and substances of a similar nature and/or wastes arising from the preparation of these substances;
- organophosphorus pesticides and/or waste arising from the preparation of these substances;
- any substances liable to produce noxious or poisonous vapours in the sewerage system;
- organic solvents and mineral oil;
- any flammable or explosive substance;
- discharges from 'Bulk Fuel Depots';
- chromate from cooling towers;
- natural or synthetic resins, plastic monomers, synthetic adhesives, rubber and plastic emulsions;
- rain, surface, seepage or subsoil water, unless specifically permitted;
- solid matter;
- any substance assessed as not suitable to be discharged into the sewerage system;
- waste liquids that contain pollutants at concentrations which inhibit the sewage treatment process – refer Guidelines for Sewerage Systems: Acceptance of Liquid Trade Waste (Industrial Waste) (ARMCANZ/ANZECC, 1994); and
- any other substances listed in a relevant regulation.

13. Definitions

Here is the meaning of some terms used in the Guidelines:

Term	Definition
Approved	Means approved by Council.
Assumed Concurrence	Council may apply to the Department of Water & Energy (DWE) for delegation to assume concurrence for Classification B or Classification S activities. If granted, Council will no longer need to forward such applications to DWE for concurrence.
Biochemical Demand (BOD₅)	Oxygen Biochemical Oxygen Demand of BOD ₅ is defined as the amount of oxygen utilised by micro-organisms in the process of decomposition of organic material in wastewater over a period of 5 days at 20°C. In practical terms, BOD is a measure of biodegradable organic content of waste.
Biosolids	Primarily organic solid product produced by sewage processing. Until such solids are suitable for beneficial use, they are defined as wastewater solids or sewage sludge.
Chemical Oxygen Demand (COD)	This is a measure of oxygen to oxidise organic matter in wastewater by a strong chemical oxidant. COD is a measure of the total organic content both biodegradable and refractory.
DWE Concurrence	Is required before a council may approve an application for the discharge of liquid trade waste or septic tank and pan waste to the sewerage system. It is a requirement under Section 90(1) of the Local Government Act that Council obtain the written concurrence of the Director-General of the Department of Water & Energy, (DWE) prior to approving such waste to be discharged to the Council's sewerage system.
Domestic Sewage	The water borne waste derived from human origin, comprising faecal matter, urine and liquid household wastes from water closet pans, sinks, baths, basin and similar fixtures designed for use in private dwellings, but excludes septic waste and pan contents.
Effluent	The liquid discharged following a wastewater treatment process.
Generator	Any person, company or body whose activity produces or has the potential to produce liquid trade waste.
Heavy Metals	Metals of high atomic weight. In high concentrations these can exert a toxic effect.
Industrial Discharges	Industrial liquid trade waste is defined as liquid waste generated by industrial or manufacturing processes. For the purpose of this Policy, most of the processes defined in Concurrence Classification C are industrial discharges
Liquid Trade Waste	Liquid trade waste means all liquid waste other than sewage of a domestic nature.
Mandatory Concurrence	For the liquid waste in Classification C, councils will need to obtain concurrence from DWE on each occasion.

Term	Definition
Ph	This is a measure of acidity or alkalinity of an aqueous solution. pH 7 is neutral, below 7 is acidic and above is alkaline.
Prescribed Equipment	Pre-treatment Is defined as standard non-complex equipment used for pre-treatment of liquid trade waste, eg. a grease arrestor, an oil arrestor/separator, solids arrestor, cooling pit (refer to Table 7 of Liquid Trade Waste Management Guidelines, DWE, 2005).
Pre-treatment Facilities	Means any apparatus or equipment used to modify the characteristics of an effluent prior to its discharge into a sewer and includes grease traps, oil separators, dilution pits, filters etc.
Prohibited Substance	Means substances which may not be discharged to a sewer owned or operated by Council without the prior written permission of Council. A list of such substances is attached to this document as Schedule B.
Sewage	Includes all faecal matter, urine, household slops, and household liquid refuse.
Sewage of Domestic Nature	Includes human faecal matter and urine and waste water associated with ordinary kitchen, laundry and ablution activities of a household, but does not include waste in or from a sewage management facility.
Sewage Facility	Management A human waste storage facility or a waste treatment device intended to process sewage and includes a drain connected to such a facility or device.
Sewer	Means any conduit vested in Council for the carriage of sewage and includes pumping stations connected therewith.
Sewerage System	Includes all sewers, appliances, plant, machinery, and any other sewerage works of Council.
Sludge	The solids which are removed from wastewater or liquid trade waste by treatment.
Standard Methods	Means 'Standard Methods of Examination of Water and Wastewater' as published jointly by the American Public Health Association, the American Water Works Association and the Water Pollution Control Federation.
Suspended Solids	Suspended Solids refer to the insoluble solid matter suspended in wastewater that can be separated by laboratory filtration and is retained on a filter.
Trade Waste	Means liquid trade or factory wastes, or chemicals or other impurities from any business, trade or manufacturing premises other than domestic sewage, stormwater or unpolluted water.

14. References

NSW Office of Water – Liquid Trade Waste Regulation Guidelines 2009, "2005 Model Policy".

Purpose:

For Council to adopt the Public Interest Disclosures Internal Reporting Policy.

Description of Item:

The *Protected Disclosures Act 1994* was renamed the *Public Interest Disclosures Act 1994* (PID Act) in March 2011.

The PID Act sets out the system under which people working within the NSW public sector can make reports about corrupt conduct, serious maladministration, serious and substantial waste, a failure to properly fulfill functions under the *Government Information (Public Access) Act 2009*, and pecuniary interest contravention under the *Local Government Act 1993*.

This policy has been developed to comply with the legislative changes and to demonstrate Council's commitment to encouraging reporting and supporting those who report wrongdoing under the provisions of the PID Act.

The NSW Ombudsman is responsible for promoting public awareness and understanding of the PID Act and monitoring its operation. A trainer from the Ombudsman's office attended Council in March 2012 and conducted awareness training sessions that were available to all staff.

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.

Cont'd

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 policy was prepared based on the NSW Ombudsman's model internal reporting policy.

Related Policy and / or Precedents:

Internal Reporting System - Protected Disclosures Act 1994.

Statutory Requirements:

Under section 6D of the *Public Interest Disclosures Act 1994*, public authorities are required to have a policy and procedures for receiving, assessing and dealing with public interest disclosures.

Issues:

The Public Interest Disclosures Internal Reporting Policy replaces the Internal Reporting System - Protected Disclosures Act 1994.


Implementation Date / Priority:

Implementation is immediate.

Recommendation:

That Council adopts the Public Interest Disclosures Internal Reporting Policy.

Attachments:

<p>COFFS HARBOUR CITY COUNCIL </p> <p>Locked Bag 155, Coffs Harbour, NSW 2460 ABN 79 128 214 487</p>	
<h2>Public Interest Disclosures Internal Reporting Policy</h2>	
Policy Statement: Corrupt conduct, maladministration, serious and substantial waste of public money, government information contravention and other wrongdoing will not be tolerated by Coffs Harbour City Council. This policy establishes the commitment and framework to support and protect staff who report wrongdoing.	
Director or Manager Responsible for Communication, Implementation and Review: General Manager	
Does this document replace an existing policy? Internal Reporting System- Protected Disclosures Act 1994 Yes	
Related Council Policy or Procedures: Code of Conduct adopted December 2008 Complaints and other Feedback Policy adopted December 2008	
Related Legislation, Department of Local Government Circulars or Guideline: Public Interest Disclosures Act 1994 No 92 DLG Circular 11-31 Amendment to the Public Interest Disclosures Act 1994	
Application: It is mandatory for all to staff, Councillors and Council officials to comply with this policy	
Distribution: This policy will be held electronically and available for all staff and Councillors to access. <input checked="" type="checkbox"/> Internet <input checked="" type="checkbox"/> Intranet <input type="checkbox"/> Email <input checked="" type="checkbox"/> Noticeboard <input checked="" type="checkbox"/> Datworks	
Approved by: Executive Team: 8 March 2012 Council [Meeting date & Resolution No.]	Signature: <hr/> <i>General Manager</i>
Council Branch Responsible: General Manager	Date of next Review:

Responsibilities

Position	Directorate	Responsibility
Mayor	Council	Receive reports made about the General Manager.
General Manager	Executive	Under section 6e of the PID Act, including ensuring that: <ul style="list-style-type: none"> • Council has an internal reporting policy. • Council staff are aware of the contents of the policy and the protections under the PID Act for people who make public interest disclosures (PIDs). • Council complies with the policy and its obligations under the PID Act. • The policy designates at least one staff member as being responsible for receiving PIDs.
Directors	All Directorates	Establishing and maintaining a positive reporting environment that encourages staff to adopt an 'if in doubt, report' approach. Refer staff to appropriate officers as outlined in the policy.
Managers	All directorates	Establishing and maintaining a positive reporting environment that encourages staff to adopt an 'if in doubt, report' approach. Refer staff to appropriate officers as outlined in the policy.
All Council officials	Council	To comply with this policy, guidelines and related procedures.
Supervisors	All directorates	Establishing and maintaining a positive reporting environment that encourages staff to adopt an 'if in doubt, report' approach. Refer staff to appropriate officers as outlined in the policy.
Disclosures Coordinator		Receive reports, assess them and refer them to be dealt with appropriately.
Disclosures Officers	All Directorates	Receive reports, forward and/ or deal with reports made in accordance with the policy.

1. Introduction

The *Public Interest Disclosures Act 1994* (PID Act) sets out a comprehensive framework for protecting public officials who disclose wrongdoing in accordance with the Act.

The Act aims to encourage and facilitate the disclosure, in the public interest, of corrupt conduct, maladministration, serious and substantial waste, and government information contravention in the public sector.

On 1 November 2011, the new legislative changes to the *Public Interest Disclosures Act 1994* (PID Act) came into law with the proclamation of the *Public Interest Disclosures Amendment Act 2011*. One of the important changes is that disclosures made by staff which were previously known as Protected Disclosures are now known as Public Interest Disclosures.

This policy has been developed to comply with the legislative changes and to demonstrate Coffs Harbour City Council's commitment to encouraging reporting and supporting those who report wrongdoing under the provisions of the PID Act.

2. Policy Content

Coffs Harbour City Council (Council) is committed to the highest standards of ethical behaviour in all its dealings and to promoting a culture of trust, integrity and honesty.

Corrupt conduct, maladministration, serious and substantial waste of public money, government information contravention and other wrongdoing will not be tolerated.

The provisions of the PID Act are intended to support accountability and ethical conduct by encouraging and facilitating the disclosure in the public interest of the above.

Council is committed to ensuring that matters raised by staff under the *Public Interest Disclosures Act, 1994* (PID Act) are properly investigated and that staff who make disclosures are protected from reprisals.

Council shows its commitment by:

- Creating a climate of trust, where staff are comfortable and confident about reporting wrongdoing.
- Encouraging staff to come forward if they have witnessed what they consider to be wrongdoing within the Council.
- Keeping the identity of the staff member disclosing wrongdoing confidential, wherever possible and appropriate.
- Protecting staff who make disclosures from any adverse action motivated by their report.
- Dealing with reports thoroughly and impartially and if some form of wrongdoing has been found, taking appropriate action to rectify it.
- Keeping staff who make reports informed of their progress and the outcome.
- Encouraging staff to report wrongdoing within the Council, but respecting any decision to disclose wrongdoing outside the Council — provided that disclosure outside the Council is made in accordance with the provisions of the PID Act.
- Ensuring managers and supervisors at all levels in the Council understand the benefits of reporting wrongdoing, are familiar with this policy, and aware of the needs of those who report wrongdoing.

- Providing adequate resources to:
 - Encourage reports of wrongdoing;
 - Protect and support those who make them;
 - Provide training for key personnel;
 - Investigate allegations;
 - Properly manage any workplace issues that the allegations identify and correct;
 - Any problem that is identified.
- Reassess or review the policy frequently to ensure it is still relevant and effective.

3. What should be reported?

You should report any wrongdoing you see within Council. Reports about the four categories of serious wrongdoing – corrupt conduct, maladministration, serious and substantial waste of public money, government information contravention, and local government pecuniary interest contravention – will be dealt with under the PID Act as public interest disclosures and according to this policy.

a. Corrupt Conduct

Corrupt conduct is the dishonest or partial exercise of official functions by a public official.

For example, this could include:

- The improper use of knowledge, power or position for personal gain or the advantage of others;
- Acting dishonestly or unfairly, or breaching public trust;
- A member of the public influencing a public official to use their position in a way that is dishonest, biased or breaches public trust.

For more information about corrupt conduct, see the NSW Ombudsman's guideline on what can be reported.

b. Maladministration

Maladministration is conduct that involves action or inaction of a serious nature that is contrary to law, unreasonable, unjust, oppressive or improperly discriminatory or based wholly or partly on improper motives.

For example, this could include:

- Making a decision and/or taking action that is unlawful;
- Refusing to grant someone a licence for reasons that are not related to the merits of their application.

For more information about maladministration, see the NSW Ombudsman's guideline on what can be reported.

c. Serious and Substantial Waste in Local Government

Serious and substantial waste is the uneconomical, inefficient or ineffective use of resources that could result in the loss or wastage of local government money. This includes all revenue, loans and other money collected, received or held by, for or on account of the Council.

For example, this could include:

- Poor project management practices leading to projects running over time;
- Having poor or no processes in place for a system involving large amounts of public funds.

For more information about serious and substantial waste, see the NSW Ombudsman's guideline on [What can be Reported](#).

d. Government Information Contravention

A government information contravention is a failure to properly fulfil functions under the *Government Information (Public Access) Act 2009* (GIPA Act).

For example, this could include:

- Destroying, concealing or altering records to prevent them from being released;
- Knowingly making decisions that are contrary to the legislation;
- Directing another person to make a decision that is contrary to the legislation.

For more information about government information contravention, see the NSW Ombudsman's guideline on [what can be reported](#).

e. Local Government Pecuniary Interest Contravention

A local government pecuniary interest contravention is a failure to fulfil certain functions under the *Local Government Act 1993* relating to the management of pecuniary interests. These include obligations to lodge disclosure of interest returns, lodge written declarations and disclose pecuniary interests at Council and Council committee meetings. A pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person.

For example, this could include:

- A senior Council staff member recommending a family member for a Council contract and not declaring the relationship;
- A General Manager holding an undisclosed shareholding in a company competing for a Council contract.

For more information about local government pecuniary interest contravention, see the NSW Ombudsman's guideline on [what can be reported](#).

f. Other Wrongdoing

Although reports about the previous four categories of conduct can attract the specific protections of the PID Act, you should report all activities or incidents that you believe are wrong.

For example, these could include:

- Harassment or unlawful discrimination;
- Reprisal action against a person who has reported wrongdoing;
- Practices that endanger the health or safety of staff or the public.

These types of issues should be reported to a supervisor, in line with Council's policies.

Even if these reports are not dealt with as public interest disclosures, Council will consider each matter and make every attempt to protect the staff member making the report from any form of reprisal.

4. When will a Report be Protected?

Council will support any staff who report wrongdoing. For a report to be considered a public interest disclosure, it has to meet all of the requirements under the PID Act. These requirements are:

- The person making the disclosure must honestly believe on reasonable grounds that the information shows or tends to show wrongdoing.
- The report has to be made to one or more of the following:
 - A position nominated in this policy – see section 9 (b), (c) and (d) below
 - The General Manager
 - One of the investigating authorities nominated in the PID Act – see section 10 below.

Reports by staff and Councillors will not be considered to be public interest disclosures if they:

- Mostly question the merits of government policy, including the policy of the governing body of the Council.
- Are made with the sole or substantial motive of avoiding dismissal or other disciplinary action.

5. How to make a Report?

You can report wrongdoing in writing or verbally. You are encouraged to make a report in writing as this can help to avoid any confusion or misinterpretation.

If a report is made verbally, the person receiving the report must make a comprehensive record of the disclosure and ask the person making the disclosure to sign this record. The staff member should keep a copy of this record.

If you are concerned about being seen making a report, ask to meet in a discreet location away from the workplace.

6. Can a Report be Anonymous?

There will be some situations where you may not want to identify yourself when you make a report. Although these reports will still be dealt with by Council, it is best if you identify yourself. This allows us to provide you with any necessary protection and support, as well as feedback about the outcome of any investigation into the allegations.

It is important to realise that an anonymous disclosure may not prevent you from being identified. If we do not know who made the report, it is very difficult for us to prevent any reprisal action.

7. Maintaining Confidentiality?

Council realises many staff will want their report to remain confidential. This can help to prevent any action being taken against you for reporting wrongdoing.

We are committed to keeping your identity, and the fact you have reported wrongdoing, confidential.

However, there may be situations where this may not be possible or appropriate. We will discuss with you whether it is possible to keep your report confidential.

If confidentiality cannot be maintained, we will develop a plan to support and protect you from risks of reprisal. You will be involved in developing this plan. You will also be told if your report will be dealt with under the Council's Code of Conduct, as this may mean certain information will have to be tabled at a Council meeting.

If you report wrongdoing, you should only discuss your report with those dealing with it. This will include the Disclosures Coordinator and the General Manager. If you discuss your report more broadly, you may affect the outcome of any investigation.

8. Who can receive a Report within the Coffs Harbour City Council?

You are encouraged to report general wrongdoing to your supervisor. However the PID Act requires that, for a report to be a public interest disclosure, it must be made to a public official in accordance with the Council's disclosure procedures. For Council, this means this policy and any supporting procedures.

Any supervisor who receives a report that they believe may be a public interest disclosure must refer the staff member making the report to one of the positions listed below. The broader responsibilities of these positions will be outlined in the *[procedures and/or guidance material]* supporting this policy.

If you are Council staff and your report involves a Councillor, you should make it to the General Manager or the Mayor. If you are a Councillor and your report is about another Councillor, you should make it to the General Manager or the Mayor.

The following positions are the only staff within Coffs Harbour City Council who can receive a public interest disclosure.

a. General Manager

You can report wrongdoing directly to the General Manager. The General Manager is responsible for:

- Deciding if a report is a public interest disclosure;
- Determining what needs to be done next, including referring it to other authorities;
- Deciding what needs to be done to correct the problem that has been identified.

The General Manager must make sure there are systems in place in Council to support and protect staff who report wrongdoing.

They are also responsible for referring actual or suspected corrupt conduct to the Independent Commission Against Corruption.

Contact details for the General Manager can be found on Council's intranet (LINCS) and on staff noticeboards.

b. Mayor

If you are making a report about the General Manager, you should make your report to the Mayor. The Mayor is responsible for:

- Deciding if a report is a public interest disclosure;
- Determining what needs to be done next, including referring it to other authorities;
- Deciding what needs to be done to correct the problem that has been identified.

The Mayor must make sure there are systems in place in Council to support and protect staff who report wrongdoing.

If the report is about the General Manager, the Mayor is also responsible for referring actual or suspected corrupt conduct to the Independent Commission Against Corruption.

Contact details for the Mayor can be found on Council's intranet (LINCS).

c. Disclosures Coordinator

The Disclosures Coordinator has a central role in dealing with reports made by staff. They receive them, assess them, and refer them to the people within Council who can deal with them appropriately.

The contact details for the Disclosures Coordinator can be found on Council's intranet (LINCS) and on staff noticeboards.

d. Disclosures Officers

Disclosures officers work with the Disclosures Coordinator, and are responsible for receiving, forwarding and/or dealing with reports made in accordance with this policy.

There are a number of Disclosures Officers whose contact details can be found on Council's intranet (LINCS) and on staff noticeboards.

9. Who can receive a report outside of the Coffs Harbour City Council?

Staff are encouraged to report wrongdoing within Council, but internal reporting is not your only option.

If you follow the guidance below, your report can still be a public interest disclosure.

You can choose to make your report to an investigating authority. You can do this first, or at any stage after your initial report to Council. If your report is about the General Manager or the Mayor, you should consider making it to an investigating authority.

You can also choose to make a report to a Member of Parliament or a journalist, but only in limited circumstances.

a. Investigating Authorities

The PID Act lists a number of investigating authorities in NSW that staff can report wrongdoing to and the categories of wrongdoing each authority can deal with.

In relation to Council, these authorities are:

- the Independent Commission Against Corruption (ICAC) — for corrupt conduct,
- the Ombudsman — for maladministration,
- the Police Integrity Commission (PIC) — for police misconduct,
- the PIC Inspector — for disclosures about the PIC or its staff,
- the Division of Local Government, Department of Premier and Cabinet — for disclosures about local government agencies,
- the ICAC Inspector — for disclosures about the ICAC or its staff,
- The Information Commissioner — for disclosures about a government information contravention.

You should contact the relevant authority for advice about how to make a disclosure to them. Contact details for each investigating authority are provided at the end of this policy.

You should be aware that it is very likely the investigating authority will discuss the case with Council. We will make every effort to assist and cooperate with the investigating authority to ensure the matter is dealt with appropriately and there is a satisfactory outcome. We will also provide appropriate support and assistance to staff who report wrongdoing to an investigating authority.

b. Members of Parliament or Journalists

To have the protection of the PID Act, staff reporting wrongdoing to a Member of Parliament (MP) or a journalist must have already made substantially the same report to one of the following:

- The General Manager;
- A person nominated in this policy;
- An investigating authority in accordance with the PID Act.

Also, Council or the investigating authority that received the report must have either:

- Decided not to investigate the matter;
- Decided to investigate the matter, but not completed the investigation within six months of the original report;
- Investigated the matter but not recommended any action as a result;
- Not told the person who made the report, within six months of the report being made, whether the matter will be investigated.

Most importantly – to be protected under the PID Act – if you report wrongdoing to an MP or a journalist you will need to be able to prove that you have reasonable grounds for believing that the disclosure is substantially true and that it is in fact substantially true.

If you report wrongdoing to a person or an organisation that is not listed above, you will not be protected under the PID Act. This may mean you will be in breach of legal obligations or Council's Code of Conduct – by, for example, disclosing confidential information.

For more information about reporting wrongdoing outside Council, contact the Disclosures Coordinator or the NSW Ombudsman's Public Interest Disclosures Unit. Their contact details are provided at the end of this policy.

10. Feedback to Staff who Report Wrongdoing

Staff who report wrongdoing will be told what is happening in response to their report.

When you make a report, you will be given:

- An acknowledgement that your disclosure has been received;
- The timeframe for when you will receive further updates;
- The name and contact details of the people who can tell you what is happening.

The PID Act requires that you are provided with an acknowledgement letter and a copy of this policy within 45 days of the report being made. Council will aim to provide this information within five working days.

After a decision is made about how your report will be dealt with, you will be given:

- Information about the action that will be taken in response to your report;
- Likely timeframes for any investigation;
- Information about the resources available within Council to handle any concerns you may have
- Information about external agencies and services you can access for support.

This information will be given to you within 10 working days from the date you make your report.

During any investigation, you will be given:

- Information on the ongoing nature of the investigation;
- Information about the progress of the investigation and reasons for any delay;
- Advice if your identity needs to be disclosed for the purposes of investigating the matter, and an opportunity to talk about this.

At the end of any investigation, you will be given:

- Enough information to show that adequate and appropriate action was taken and/or is proposed to be taken in response to your disclosure and any problem that was identified
- Advice about whether you will be involved as a witness in any further matters, such as disciplinary or criminal proceedings.

11. Protection against Reprisals

The PID Act provides protection for people reporting wrongdoing by imposing penalties on anyone who takes detrimental action substantially in reprisal for them making the public interest disclosure.

Council will not tolerate any reprisal action against staff who report wrongdoing. The criminal penalties that can be imposed include imprisonment or fines. Detrimental action is also misconduct that justifies disciplinary action. People who take detrimental action against someone who has made a disclosure can also be required to pay damages for any loss suffered by that person.

Detrimental action means action causing, comprising or involving any of the following:

- Injury, damage or loss;
- Intimidation or harassment;
- Discrimination, disadvantage or adverse treatment in relation to employment;
- Dismissal from, or prejudice in, employment;
- Disciplinary proceedings.

a. Responding to Reprisals

Council will act to protect staff who report wrongdoing from reprisals.

When a report is received, we will ensure that a thorough risk assessment is conducted. This will identify any risks to the member of staff who reported the wrongdoing, as well as strategies to deal with those risks.

If you believe that detrimental action has been or is being taken against you or someone else who has reported wrongdoing in reprisal for making a report, you should tell your supervisor, the Disclosures Coordinator or the General Manager immediately.

All supervisors must report any suspicions they have that reprisal action against a staff member is occurring, or any reports that are made to them, to the Disclosures Coordinator or the General Manager.

If the Disclosures Coordinator becomes aware of reprisal action against a person who has made a disclosure, they will:

- Ensure a senior and experienced member of staff, who has not been involved in dealing with the initial disclosure, will investigate the suspected reprisal;
- Give the results of that investigation to the General Manager for a decision;
- Give the results of that investigation to the Mayor for a decision if the allegation of reprisal action is about the General Manager;
- If it has been established that reprisal action is occurring against someone who has made a disclosure, take all steps possible to stop that activity and protect the member of staff who made the disclosure;
- Take appropriate disciplinary or criminal action against anyone proven to have taken or threatened any action in reprisal for making a disclosure.

If you report reprisal action, you will be kept informed of the progress of any investigation and the outcome.

The General Manager may issue specific directions to help protect against reprisals. If the allegation of reprisal action is about the General Manager, the Mayor may issue similar directions. These may include:

- Issuing warnings to those alleged to have taken reprisal action against the member of staff who made the disclosure;
- Relocating the member of staff who made the disclosure or the subject officer within the current workplace;
- Transferring the member of staff who made the disclosure or the staff member who is the subject of the allegation to another position for which they are qualified;
- Granting the member of staff who made the disclosure or the subject officer leave of absence during the investigation of the disclosure.

These directions will only be taken if the member of staff who made the disclosure agrees to it. The General Manager will make it clear to other staff that this action was taken in consultation with the staff member and with management support and it is not a punishment.

If you have reported wrongdoing and feel that any reprisal action is not being dealt with effectively, contact the Ombudsman or the ICAC, depending on the type of wrongdoing you reported. Contact details for all these investigating authorities are included at the end of this policy.

b. Protection against Legal Action

If you make a disclosure in accordance with the PID Act, you will not be subject to any liability and no action, claim or demand can be taken against you for making the disclosure. You will not have breached any confidentiality or secrecy obligations and you will have the defence of absolute privilege in defamation.

12. Support for those Reporting Wrongdoing

Council will make sure that staff who have reported wrongdoing, regardless of whether they have made a public interest disclosure, are provided with access to any professional support they may need as a result of the reporting process, such as stress management, counselling services, legal or career advice.

We also have staff who will support those who report wrongdoing. They are responsible for initiating and coordinating support, particularly to those who are suffering any form of reprisal.

All supervisors must notify the Disclosures Coordinator if they believe a staff member is suffering any detrimental action as a result of disclosing wrongdoing.

13. Sanctions for making False or Misleading Disclosures

It is important that all staff are aware that it is a criminal offence under the PID Act to wilfully make a false or misleading statement when reporting wrongdoing.

14. Support for the Subject of a Report

Coffs Harbour City Council is committed to ensuring staff who are the subject of a report of wrongdoing are treated fairly and reasonably. If you are the subject of a report, you will be:
Treated fairly and impartially

- Told your rights and obligations under our policies and procedures;
- Kept informed during any investigation;
- Given the opportunity to respond to any allegation made against you;
- Told the result of any investigation.

15. More Information

More information around public interest disclosures is available on our intranet (LINCS). Staff can also access advice and guidance from Council's Disclosures Coordinator and the NSW Ombudsman's website at www.ombo.nsw.gov.au.

16. Resources

The contact details for external investigating authorities that staff can make a public interest disclosure to or seek advice from are listed below.

For disclosures about corrupt conduct:

Independent Commission Against Corruption (ICAC)
Phone: 02 8281 5999
Toll free: 1800 463 909
Tel. typewriter (TTY): 02 8281 5773
Facsimile: 02 9264 5364
Email: icac@icac.nsw.gov.au
Web: www.icac.nsw.gov.au
Address: Level 21, 133 Castlereagh Street, Sydney NSW 2000

For disclosures about maladministration:

NSW Ombudsman
Phone: 02 9286 1000
Toll free (outside Sydney metro): 1800 451 524
Tel. typewriter (TTY): 02 9264 8050
Facsimile: 02 9283 2911
Email: nswombo@ombo.nsw.gov.au
Web: www.ombo.nsw.gov.au
Address: Level 24, 580 George Street, Sydney NSW 2000

For disclosures about serious and substantial waste:

Auditor-General of the NSW Audit Office
Phone: 02 9275 7100
Facsimile: 02 9275 7200
Email: mail@audit.nsw.gov.au
Web: www.audit.nsw.gov.au
Address: Level 15, 1 Margaret Street, Sydney NSW 2000

For disclosures about local government agencies:

Division of Local Government in the Department of Premier and Cabinet
Phone: 02 4428 4100
Tel. typewriter (TTY): 02 4428 4209
Facsimile: 02 4428 4199
Email: dlg@dlg.nsw.gov.au
Web: www.dlg.nsw.gov.au
Address: 5 O'Keefe Avenue, Nowra, NSW 2541

For disclosures about breaches of the GIPA Act:

Information Commissioner
Toll free: 1800 463 626
Facsimile: 02 8114 3756
Email: ocinfo@oc.nsw.gov.au
Web: www.oc.nsw.gov.au
Address: Level 11, 1 Castlereagh Street, Sydney NSW 2000

17. References

Public Interest Disclosures Act 1994 No 92

Government Information (Public Access) Act 2009

Local Government Act 1993

Model Internal Reporting Policy (Local Government) - NSW Ombudsman

Public interest disclosures fact sheets - NSW Ombudsman

18. Table of Amendments

Amendment	Authorised by	Approval reference	Date

Purpose:

This report is to provide information to Councillors and potential candidates about recent changes to election campaign funding and disclosure laws.

Description of Item:

The NSW Parliament recently enacted changes to the *Election Funding, Expenditure and Disclosures Act 1981* which came into force on 9 March 2012. These amendments affect all political parties (registered and non-registered), candidates, groups of candidates, elected members and third party campaigners in NSW. The laws also affect donors including corporations and other entities and individuals on the roll of electors for Federal, State or local government elections.

Information attached is provided by the Election Funding Authority of New South Wales as a summary of amendments. These include a prohibition of political donations other than by individuals on the electoral roll and changes to the meaning of "electoral expenditure" and "electoral communication expenditure".

Sustainability Assessment:

- **Environment**

This is not applicable to this report.

- **Social**

This is not applicable to this report.

- **Civic Leadership**

The community has an expectation that those elected or seeking election to public office will demonstrate civic leadership by acting lawfully. Those elected or seeking election to public office have a responsibility to ensure that they are fully aware of all relevant legislation to ensure they are able to meet those expectations.

- **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

There are no implications for the Delivery Program/Operational Plan as a result of this report.

Cont'd

GM12/10 Changes to Political Donations Laws ...(Cont'd)

Consultation:

This is not applicable to this report.

Statutory Requirements:

This is not applicable to this report.

Issues:

This report is provided for the information of Councillors and potential candidates.

Implementation Date / Priority:

Amendments to the legislation came into force on 9 March 2012.

Recommendation:

That the report is noted.

Attachments:



Advice of changes to political donations laws commencing 9 March 2012

The NSW Parliament recently enacted amendments to election campaign funding and disclosure laws.

I feel it appropriate to bring these changes to your attention as the laws affect all political parties (registered and non-registered), candidates, groups of candidates, elected members and third-party campaigners in NSW. The laws also affect donors including corporations and other entities and individuals on the roll of electors for Federal, State or local government elections.

The amendments came into force on 9 March 2012 and were inserted into the *Election Funding, Expenditure and Disclosures Act 1981* (available for viewing at www.legislation.nsw.gov.au).

A summary of the amendments are as follows:

1. Prohibition of political donations other than by individuals on the electoral roll

It is unlawful for a political donation to a party, elected member, group, candidate or third-party campaigner to be accepted unless the donor is an individual who is enrolled on the roll of electors for State elections, the roll of electors for Federal elections or the roll of electors for local government elections: s.96D(1).

It is unlawful for an individual to make a political donation to a party, elected member, group, candidate or third-party campaigner on behalf of a corporation or other entity: s.96D(2).

It is unlawful for a corporation or other entity to make a gift to an individual for the purpose of the individual making a political donation to a party, elected member, group, candidate or third-party campaigner: s.96D(3).

It is unlawful for an industrial organisation or other entity to pay an annual or other subscription to a party for affiliation with the party. Such subscriptions are gifts by virtue of s.85(3) of the Act and are therefore political donations: s.96D(4).

It is *not* unlawful for branches of parties or associated parties to dispose of property between one another: s.96D(5); however, such dispositions remain gifts and, accordingly, political donations for the purposes of disclosure: s.85(3A).

It is unlawful for a person to receive a reportable loan (other than a loan from a financial institution) from an entity: s.96G(1).

Political donations are those in relation to State elections and elected members of the NSW Parliament, local government elections and elected members of councils or matters unconnected to any election or elected member (e.g. political donations made to a State Party administration account). Political donations are not those made exclusively for the purpose of Federal elections or elected members of the Australian Parliament.

2. Meaning of "electoral expenditure" and "electoral communication expenditure"

The amendments modify the definition of electoral expenditure and electoral communication expenditure as they apply to an entity or other person not being a registered party, elected member, group or candidate. Electoral expenditure and

Election Funding Authority of New South Wales

Level 25, 201 Kent Street Sydney 2000 GPO Box 4046, Sydney 2001 T 02 9290 5400 F 02 9290 5410 I 300 022 011 A.B.N 63 203 011 077 www.efa.nsw.gov.au

electoral communication expenditure *does not* include expenditure incurred by an entity or other person (not being a registered party, elected member, group or candidate) if the expenditure is not incurred for the dominant purpose of promoting or opposing a party or the election of a candidate or candidates or influencing the voting at an election: s.87(4).

3. Aggregation of expenditure caps in respect of State election campaigns

The applicable caps on electoral communication expenditure for a party for a State election campaign now includes the aggregation of electoral communication expenditure incurred by the party and any other electoral communication expenditure incurred by an affiliated organisation of that party: s.95G(6).

An affiliated organisation of a party means a body or other organisation, whether incorporated or unincorporated, that is authorised under the rules of that party to appoint delegates to the governing body of that party or to participate in pre-selection of candidates for that party (or both): s95G(7).

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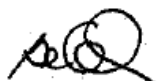
I remind you that a political donation includes (but is not limited to) a gift made to or for the benefit of a political party, candidate, group of candidates, elected member or third-party campaigner and may be monetary or non-monetary (gift in kind).

The information contained in this letter is general in nature in respect of recent changes to the *Election Funding, Expenditure and Disclosures Act 1981*. You should know and understand your obligations and responsibilities under the Act. To assist you the Election Funding Authority will soon publish revised guidebooks and information on its website (www.efa.nsw.gov.au).

The Authority will be conducting information seminars in May, June and July this year for candidates, groups and political parties throughout NSW ahead of the 2012 local government elections. Details of the seminars will be available in the near future on the Authority's website.

If you have any questions in respect of any information contained in this letter please contact the Authority on 1300 022 011.

Yours sincerely



Brian DeCells
Director Funding and Disclosure

GM12/11 DRAFT 2012/16 DELIVERY PROGRAM AND DRAFT 2012/13 OPERATIONAL PLAN

Purpose:

To present Council's Draft 2012/2016 Delivery Program and Draft 2012/2013 Operational Plan. This report recommends the draft documents be adopted for public exhibition.

Description of Item:

Under the Integrated Planning and Reporting (IPR) reforms to the Local Government Act, Council is required to prepare and implement a Delivery Program (to cover a four-year period) and an Operational Plan for each financial year. These documents outline the principal activities and budgets that Council proposes to pursue to help implement the strategies and achieve the objectives set out in the *Coffs Harbour 2030* Community Strategic Plan.

Following an extensive review of Council's operational activities and resources – assisted by an organisation-wide Service Level Review during 2011/2012 - the Draft 2012/2016 Delivery Program and Draft 2012/2013 Operational Plan are presented for consideration by Council. The Draft Operational Plan incorporates Council's Draft Program Budgets, Draft Fees and Charges and Draft Works Schedules for the coming year.

A key component of the Draft 2012/2013 Budget is Council's application to the NSW Government to approve the continuation of the CBD Special Rate. The current Ministerial approval for this rate expires on 30 June 2012. Supported by the local business community, the extension of this special variation has been factored into Council's long term financial strategy for a number of years.

The draft budget also allows for the implementation of a 3.6% increase in 'General Income' (income from ordinary and special rates), announced for 2012/2013 by the Chief Executive Officer for the Independent Pricing and Regulatory Tribunal (IPART) under Local Government 'Rate Pegging' legislation.

As Council continues to experience financial pressures, the development of the Draft 2012/2013 General Fund Budget has aimed for a balanced result. However, the inclusion of a range of priority expenditure items means that the Draft General Fund Budget currently represents a deficit of \$308,365.

This report recommends that Council adopt the Draft 2012/2016 Delivery Program and Draft 2012/2013 Operational Plan to enable them to be placed on public exhibition.

It is intended that the draft and final Delivery Program and Operational Plan documents will be accessed primarily via Council's website, although hard copies will be available at Council's usual display points. Councillors may view a hard copy of the documents in the Councillors' Room.

Sustainability Assessment:

The Delivery Program and Operational Plan models stem from statewide planning reforms that are based on Sustainability and Quadruple Bottom Line (QBL) principles. That is, there is a requirement that each component identify and address social, environmental, economic and civic leadership issues.

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- **Environment**

The Draft Delivery Program and Draft Operational Plan include a number of strategies to assist and contribute to the environmental sustainability of Coffs Harbour.

- **Social**

The public exhibition process will assist community engagement in the finalisation of the Delivery Program and Operational Plan. Consistent with the *Coffs Harbour 2030 Plan*, the draft documents include a range of strategies to enhance the social development of Coffs Harbour.

- **Civic Leadership**

Civic leadership and community engagement go hand in hand; the exhibition of the draft documents facilitates public involvement in the Council's strategic and operational planning process. The Delivery Program and Operational Plan create the platform for Council to provide works and services aimed at achieving the objectives of the *Coffs Harbour 2030 Community Strategic Plan*. This is consistent with the 2030 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 public exhibition process. The Draft Delivery Program and Draft Operational Plan include a number of strategies to assist and contribute to the economic development of Coffs Harbour.

Delivery Program/Operational Plan Implications

Council's current budget allows for the review and development of the Delivery Program and the Operational Plan. This expenditure is monitored through Council's monthly and quarterly budget reviews.

Consultation:

- *Internal*

During the year, Councillors and staff have reviewed Council's strategic priorities and resourcing options to assist with the development of the Draft 2012/2016 Delivery Program and Draft 2012/2013 Operational Plan. This has been assisted by the recommendations from the Promoting Better Practice Review undertaken by Council 2010/2011 in conjunction with the Division of Local Government. The process has been reinforced by the implementation of an organisation-wide Service Level Review during 2011/2012 with a view to identifying possible efficiency initiatives and opportunities for workplace improvements.

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- *Rate Variation Application*

A key feature of the Draft 2012/2016 Delivery Program and Draft 2012/2013 Operational Plan is the proposal to seek a ten-year extension of the CBD Special Rate (see Issues section of this report). A joint initiative of the local business sector and Council, this proposal has been the focus of a separate community engagement strategy. Consultation has included:

- a presentation by Council's General Manager to Coffs Harbour Chamber of Commerce;
- a detailed mail-out to business property owners who currently pay the Special Rate as well as those business property owners within the wider City Centre LEP boundary who do not currently pay a Special Rate. All stakeholders were invited to provide feedback (via a dedicated e-mail address or in writing) to the various proposals;
- an external local research organisation was commissioned to conduct a random telephone survey of business property owners. The survey canvassed opinion towards a proposed continuation of the Special Rate for CBD business owners, and the introduction of such a rate to business property owners in the wider City Centre LEP boundary
- a series of business forums facilitated by Council's General Manager and Director of Corporate Business. All business property owners within the CBD and the wider City Centre LEP area were invited to attend to discuss the future growth of business in the City and the possible extension of the CBD Special Rate. A dedicated e-mail address was again provided for feedback for those stakeholders not attending the forums.

Submissions of support have clearly indicated satisfaction with the level of consultation and with the rigour and fairness of the process.

- *Public Exhibition*

Community engagement is a central part of the IPR framework. The public exhibition of the Draft Delivery Program and Draft Operational Plan extends that engagement.

This report recommends the draft documents be adopted and placed on public exhibition for a 28-day period from Monday, 16 April 2012 until close of business on Monday, 14 May 2012.

Public consultation during this period will include: meetings with management committees of council facilities; consultations with key community groups; public information and website displays, media releases and newspaper advertising. The engagement process will encourage the community to consider the draft documents and make submissions to Council on issues of interest and concern.

Community submissions, a summary of recommended responses to submissions, and a final Draft Delivery Program and Draft Operational Plan will be presented for adoption at the Council meeting on Thursday, 24 May 2012.

Following Ministerial determination, the finalised 2012/2016 Delivery Program and 2012/2013 Operational Plan will be posted on Council's website (it is anticipated that this will take place by 30 June 2012). Where hard copies are required, the documents will be printed and distributed in July 2012.

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Related Policy and / or Precedents:

This is the third year that Council has considered a Draft Delivery Program and Draft Operational Plan, prepared under the Local Government Amendment (Planning and Reporting) Act 2009.

Statutory Requirements:

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

Additional requirements for the Operational Plan are set out in Local Government (General) Regulation 2005 – Clause 201 (relating to the content of Council's annual statement of revenue policy) and Clause 203 (relating to reporting requirements for budget review statements and estimates revisions).

Section 508 of the Local Government Act 1993 details provisions relating to Special Variations.

Issues:

- ***Draft Delivery Program and Draft Operational Plan***

Each year, Council reviews its operations to ensure the organisation is positioned to respond to the Coffs Harbour 2030 Community Strategic Plan. Every activity that Council has nominated to undertake in its 2012/2016 Delivery Program and 2012/2013 Operational Plan is aligned to at least one 2030 Strategy. It will take many agencies and stakeholders – including the community itself – and many years to turn the 2030 Vision into reality. Council is committed to making a substantial contribution to that process.

The Delivery Program is a four-year blueprint of Council's principal activities. It follows the thematic structure of Coffs Harbour 2030. All of the organisation's plans, projects, actions and funding allocations are directly linked to the Delivery Program.

The Operational Plan is a subsidiary of the Delivery Program. The Operational Plan identifies the business of Council during the financial year.

- *Structure*

Up until now, Council's financial framework of Budget Programs has been used as the foundation for the Delivery Program and Operational Plan. During 2011/2012, Council initiated an ongoing, organisation-wide Service Level Review that has effectively established a new, operational framework. It identifies 42 Services that match community perceptions of what Council does. These are Council's "principal activities"; they are directly aligned with Coffs Harbour 2030 and encompass all of the projects and ongoing tasks undertaken by Council.

Council is already using this Service structure to engage with both the community (via the community survey) and the organisation in pursuing opportunities for improvement and optimising levels of service. It is proposed this new Service framework also provide the foundation for the Delivery Program and Operational Plan from now on.

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- *Quadruple Bottom Line*

Council's entire IPR framework is intended to ensure that all interests – social, economic, environmental and governance - are comprehensively addressed. These Quadruple Bottom Line (QBL) principles underpin the establishment, implementation and review of Council's operational activities and guide their alignment – often on a multi-dimensional basis – with the strategic goals of Coffs Harbour 2030.

To help illustrate the outcome-focused intent of Council activities, the Operational Plan features graphic icons that indicate the key QBL area (or areas) that are addressed by each Service Element.

• ***Application for Special Variation to General Income 2012/2013***

Following Council's resolution of 23 February 2012 (C/B 12/14), application has been made to the Independent Pricing and Regulatory Tribunal (IPART) to continue the Business City Centre Special Rate for a further ten-year period.

IPART has already approved a state wide 'Rate Pegging' increase of 3.6% for 2012/2013. On top of this, Council is seeking a further 2.04% increase in 'General Income' (income from ordinary and special rates) - a total increase of 5.04%. This additional income (above the rate pegging limit) represents the proposed continuation of the Business City Centre Special Rate.

The application for additional rate revenue has no impact on Residential, Farmland or Business properties outside the Coffs Harbour CBD.

Council's application can be viewed in full online at www.ipart.nsw.gov.au.

Council will be advised in June 2012 of IPART's decision.

- *Proposed Business City Centre Special Rate Continuation*

The local business community has been working with Council on a proposal to extend a long-running program to revitalise Coffs Harbour's City Centre as a vibrant commercial and community precinct. The program was initiated in 2000 - with funding support from a Special Rate paid by CBD property owners - and has delivered outstanding results. The existing Special Rate is due to expire in June 2012.

A scope of new works has been suggested to support future growth of the City Centre. Unfortunately Council cannot fund a new City Centre works program without additional revenue from the Special Rate.

- *Proposed Financial Impacts*

Council's application to IPART is based on the current level of funding from the Business City Centre Special Rate being maintained and increased by the annual rate pegging allowance over the next ten years.

The following table shows the estimated annual rate revenue to be generated over this period from the proposed Special Rate continuation.

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Estimated Annual Rate Yield from the proposed Business City Centre Special Rate continuation.

Year	Year Starting	Business City Centre Special Rate Yield	Annual Rate Pegging Allowance (%)
1	1/07/2012	\$668,900	3.6
2	1/07/2013	\$688,970	3.0*
3	1/07/2014	\$709,640	3.0*
4	1/07/2015	\$730,925	3.0*
5	1/07/2016	\$752,850	3.0*
6	1/07/2017	\$775,435	3.0*
7	1/07/2018	\$798,700	3.0*
8	1/07/2019	\$822,660	3.0*
9	1/07/2020	\$847,340	3.0*
10	1/07/2021	\$872,760	3.0*
TOTAL		\$7,668,180	

* Please Note: Special Rate yields after 2012/2013 have been calculated using an estimated rate pegging allowance of 3%.

- City Centre *Masterplan Works*

If Council's application is successful, the first step will be the development of a City Centre Masterplan in conjunction with a CBD Masterplan committee.

This Masterplan will develop a program of works to be funded with the proposed Business City Centre Special Rate.

- Impact on *Business City Centre Rates*

The proposed special rate continuation will only have an impact on Business properties within the Coffs Harbour CBD.

If the Business City Centre Special Rate is continued for 2012/2013, the average annual ordinary rate for a Business City Centre property will increase from approximately \$7,000.89 in 2011/2012 to \$7,092.12 for 2012/2013. This represents an average increase of approximately \$91.23 or 1.3%.

If the Special Rate is not continued for 2012/2013, the average annual ordinary rate for a Business City Centre property will decrease from approximately \$7,000.89 in 2011/2012 to \$5,023.99 for 2012/2013. This represents an average decrease of approximately \$1,976.90 or 28.2%.

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• **Variation to General Income – 3.6% ‘Rate Pegging’ Increase**

Should Council not be successful with the proposed special rate variation, the Draft 2012/2013 Operational Plan allows for the implementation of a 3.6% increase in ‘General Income’ (income from ordinary and special rates), announced for 2012/2013 by the Chief Executive Officer for the Independent Pricing and Regulatory Tribunal (IPART) under Local Government ‘Rate Pegging’ legislation.

- *Impact on Ratepayers*

With a 3.6% rate variation, a typical residential ratepayer can expect a total rate increase (including annual and usage charges) of approximately \$166.95 per annum (or \$3.21 per week), which is a 6% increase from 2011/2012.

In this instance, the impact upon the typical residential ratepayer's rate notice and annual water usage accounts is detailed in the following table:

Rates & Charges	2011/2012	2012/2013	Increase	
	(\$)	(\$)	Amount (\$)	%
Residential Ordinary Rate	871.42	903.12	31.70	3.6
Environmental Levy	35.91	37.16	1.25	3.5
Sewerage Access Charge	720.00	760.00	40.00	5.6
Water Access Charge	131.00	135.00	4.00	3.1
Water Usage (250 KL pa)	590.00	620.00	30.00	5.1
Domestic Waste Service	400.00	460.00	60.00	15.0
Stormwater Management	25.00	25.00	0.00	0.0
Totals	2,773.33	2,940.28	166.95	6.0

The following comments should be considered in conjunction with the above information:

1. The average residential ratepayer's land valuation for 2012/2013 is \$184,700 and this valuation has been used in the determination of both the residential ordinary rate and environmental levy for 2012/2013 in the above table.
2. Water usage charges have been averaged at 250 kilolitres per annum.
3. Water, Sewerage, Stormwater Management and Domestic Waste Service charges are not subject to rate pegging restrictions.

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- *Impact on Non-Residential Ratepayers (Farmland, Business or City Centre Business)*

With a 3.6% rate variation, the average non-residential ratepayer can expect an increase to the ordinary rate component of their rate account as shown in the table below:

Ordinary Rate Component ONLY	2011/2012	2012/2013	Increase	
	(\$)	(\$)	Amount (\$)	%
Farmland Ordinary Rate	1,520.70	1,666.66	145.96	9.6
Business Ordinary Rate	3,189.13	3,282.25	93.12	2.9
Business City Centre Ordinary Rate	7,000.89	5,023.99	-1,976.90	-28.2

The following comments should be considered in conjunction with the above information:

1. The average land valuation in 2012/2013 for Farmland is \$416,600, for Business \$427,950 and for City Centre Business is \$670,250 – with these valuations being used in the determination of the ordinary rates in the above table.
2. The reduction in the ordinary rate for City Centre Business is due to the expiration of the City Centre Business Special Rate. Application has been made for a rate variation to continue to apply the Special Rate.
3. The increase in the farmland ordinary rate is due to above average land valuation increases within this category for 2012/2013.

- **Annual and Usage Charges for Non-Residential Properties**

It should be noted that the percentage increase on the total amount of rates and charges payable for some non-residential properties may vary above the typical residential 6% rate increase.

This may be due to the following factors:

1. A 10.86% increase in compliant trade waste usage charges from \$1.38 to \$1.53 per kilolitre.
2. A 10.86% increase in trade waste non-compliant penalty charges from \$1.38 to \$1.53 per kilolitre for category 1 trade waste generators.
3. A 11.2% increase in trade waste non-compliant penalty charges from \$12.68 to \$14.10 per kilolitre for category 2 trade waste generators.

The average total amount of rates and charges for non-residential properties is therefore difficult to calculate due to the varying nature and service requirements of non-residential properties.

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- *Impact on Pensioners*

With a 3.6% rate variation, a typical residential ratepayer receiving a pensioner concession can expect a total rate increase (including annual and usage charges) of approximately \$166.32 per annum (or \$3.20 per week), which is a 7.4% increase from 2011/2012.

In this instance, the impact upon the typical pensioner's rate notice and annual water usage accounts is as follows:

Rates & Charges	2011/12	2012/13	Increase	
	(\$)	(\$)	Amount (\$)	%
Residential Ordinary Rate	621.42	653.12	31.70	5.1
Environmental Levy	17.96	18.58	0.62	3.5
Sewerage Access Charge	632.50	672.50	40.00	6.3
Water Access Charge	65.50	67.50	2.00	3.1
Water Usage (250 KL pa)	568.00	600.00	32.00	5.6
Domestic Waste Service	312.50	372.50	60.00	19.2
Stormwater Management	25.00	25.00	0.00	0.0
Totals	2,242.88	2,409.20	166.32	7.4

The following comments should be considered in conjunction with the above information:

1. The typical residential land valuation is \$184,700 and this valuation has been used in the determination of both the residential ordinary rate and environmental levy in the above table.
2. Water usage charges have been averaged at 250 kilolitres per annum.
3. Water, Sewerage, Stormwater Management and Domestic Waste Service charges are not subject to rate pegging restrictions.
4. The total amount of pensioner rebate granted on the average residential property for 2012/2013 is \$531.08.
5. The percentage increase for a typical pensioner residential ratepayer is greater than for a non-pensioner residential ratepayer as the State Government rebates have not increased for 2012/2013.

- *Pensioner Rebates*

Council will write off about \$3.01 million in pensioner rates and charges in 2012/2013. Of this, Council voluntarily forgoes approximately \$600,000. Council is required to forgo the remaining \$2.41 million under State Government legislation.

The amount Council is reimbursed by the State is approximately \$1.33 million, leaving an overall cost to Council of approximately \$1.68 million.

• **2012/2013 Environmental Levy Program**

The Environmental Levy (being a Special Rate) is calculated with a 'base amount' to raise approximately 48.36% of the levy with the balance raised as an ad valorem rate applied to land values. The purpose of the Environmental Levy is to fund environmental works, and it is levied on all rateable land.

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The program of environmental works for 2012/2013 has not yet been determined, with submissions for project funding closing on 13 April 2012.

- **2012/2016 Financial Estimates**

The Financial Estimates for the four years have been prepared in considerable detail, ie the same detail as the 2012/2013 Budget. A review of the estimates for each fund reveals as follows:

- **General Fund**

The draft four year Estimates each return deficit results as set out below:

Year	Financial Estimate (\$)	
2012/2013	308,365	(Deficit)
2013/2014	299,434	(Deficit)
2014/2015	924,649	(Deficit)
2015/2016	1,557,043	(Deficit)

Operational incomes and expenditures are tightly budgeted and have been subject to constant scrutiny in recent years.

There is little revenue-funded capital expenditures, apart from asset renewal and rehabilitation programs which are not at sufficient levels to meet requirements and reduce backlogs. There are significant capital works planned which are funded from rate variations, trading operations, grants, loans, S94 contributions, reserves, etc.

Council's revenues are not meeting appropriate expenditure levels in relation to operations, particularly infrastructure maintenance, asset renewals and capital works. A range of potential solutions to this situation will need to be explored. It is proposed to address this matter in relation to the 2013/14 financial year through the Long Term Financial Plan, Delivery Program, Asset Management Strategy and Workforce Management Strategy. To assist, Council will use the results from the recently completed Service Review and other reviews in progress. These include:

- Update to Asset Management Plan,
- Revenue and expenditure reviews,
- Community Strategic Plan update.

- **Water and Sewerage Funds**

Both the Water and Sewerage Funds have undertaken massive programs of capital works in recent years. Expenditure has been in excess of \$300 million. These works have been essential to maintain the viability of our city. Work is progressing on the final project: the decommissioning of the Sawtell Sewerage Treatment Plant and the construction of a sewerage trunk main from Sawtell to Coffs Harbour.

This unprecedented program has been funded by a combination of loan funds, developer contributions, reserve funds and grants. Loan funds have been the major source, with \$221 million borrowed.

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Rates and annual charges have been held to reasonable increases in recent years, despite the large increase in loan repayments. This has been achieved by using the cash reserves of each fund to meet annual budgeted deficits.

The draft Delivery Program provides for the deficits to decrease from 2011/12 to 2015/16, as set out below:

Year	Water (\$)		Sewerage (\$)	
2011/2012	4,897,205	(Deficit)	3,591,600	(Deficit)
2012/2013	4,397,830	(Deficit)	3,542,337	(Deficit)
2013/2014	4,115,977	(Deficit)	2,921,413	(Deficit)
2014/2015	1,951,118	(Deficit)	2,217,449	(Deficit)
2015/2016	192,535	Surplus	921,051	(Deficit)

The decrease in deficits is achieved due to growth in assessments, increased developer contributions, annual rates and charges increases and reducing loan repayments.

As can be seen, it is anticipated that the Water Fund's deficits will cease in 2015/2016 with a significant loan being repaid in 2014/15. It is forecast that the Sewerage Fund's deficits will cease in 2016/2017 with a large loan being repaid in 2015/2016.

The viability of both funds is assured in future years.

- *Proposed Loan Borrowings for 2012/2013*

It is anticipated that the following new loans will be drawn in 2012/2013 to fund works as listed.

Borrowings will be sourced through quotations received from major lenders and will be secured by mortgage over Council funds. Loan repayments will be met from airport operations.

Fund	Works	2012/13 \$
General	Airport Runway Renewal Works	5,000,000
Total Borrowings		5,000,000

• **Significant Expenditure 2012/2013**

During the year, Council will continue with the \$12 million program of flood mitigation works initiated in 2010/2011. However, the Operational Plan identifies a range of initiatives to be pursued in the year ahead, including:

- Coramba Water Main development (\$750,000)
- Reclaimed Water Pipeline Stage 2 (\$4 million)
- 2012 Election Expenses (\$380,000)
- Public Amenities Upgrade (\$300,000)
- Bonville Rural Residential Env Studies (\$300,000)
- LEP Review (\$127,336)
- Parks & Streets Litter Bin Contract (\$336,900)

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- Community Village Operations (\$368,700) offset by revenue (\$283,200)
- Runway Overlay Stage 1 (\$100,000) (\$5.5 million project over 2 financial years of which \$5 million loan funded)
- Sports Facilities Ovals Maintenance (\$475,000) offset by Sports Facilities Ovals Hire Income (\$76,600).
- CBD Masterplan Works (Special Rate Variation (\$668,900)
- Insurance Costs (\$1,098,660)
- Payroll HR System (\$260,000)
- Fibre Optic Cabling (\$71,225)
- Library Resources (\$131,500)
- Jetty Theatre Operating Costs (\$568,194) offset by revenue (\$166,000)
- Botanic Gardens – Completion Stage 1 Japanese Garden Dev (\$10,000)
- Local Sealed Roads Rehabilitation (\$1,646,265) (includes \$896,265 Roads to Recovery grant funding)
- Regional Roads Repair Program (\$480,000 - 50% grant funded)
- Bridge Major Repairs (\$785,330)
- Street Cleaning (\$378,100)
- Public Toilet Cleaning (\$285,500)
- Boat Ramp Dredging (\$59,900)
- Historical Jetty Routine Maintenance (\$79,000)
- Street Lighting Operating Costs (\$767,800).

• ***Draft 2012/2013 Fees and Charges***

The Draft 2012/2013 Fees and Charges document provides for most fees and charges to increase by approximately a 3.3% inflationary factor, although many of the administrative fees have remained unchanged.

Of significant note, the GST Act (ie, the A New Tax System (GST) Act 1999) has been amended to replace the mechanism under Division 81 for ensuring Australian taxes and certain government fees and charges are not subject to the Goods and Services Tax (GST) with specific legislation exemptions. The new arrangements applied from 1 July 2011, with the current Division 81 Treasurer's Determination which lists those items exempt from GST, 'grandfathered' for one year until 30 June 2012.

Accordingly, Council is reviewing the GST status of each of the fees and charges listed. The new Division 81 contains three broad categories setting out the taxes, fees and charges that qualify for exemption. These categories are:

- Australian taxes (section 81-5 of the GST Act).
- Fees or charges for the provision, retention, or amendment, under an Australian law, of a permission, exemption, authority or licence (however described) (subsection 81-10(4) of the GST Act).
- Fees or charges paid to an Australian government agency for recording, copying, modifying, receiving, processing, searching for or allowing access to information (subsection 81-5(5) of the GST Act).

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In an effort to seek clarification from the Australian Taxation Office (ATO), Council has engaged Genesis Accounting to analyse Council's existing taxes, fees and charges; to formulate a technical argument to be incorporated in the Ruling application to the ATO and to lodge the ruling application in a group submission to the ATO. Council is currently awaiting the outcome of this ruling application, and hence the GST status of some of Council's fees and charges are likely to alter in the final document, as a result of this ruling by the ATO.

The following notes refer to significant changes within the Fees and Charges document:

- **Building and Development**

Due to contestability, Council has restructured the fees and charges for this Branch. All fees for Construction Certificates, Variations of Construction Certificates, Principal Certifying Authority, Complying Development Certificates and Bushfire Attack Level Assessments, will now be listed as by quotation.

Most other fees within this Branch, such as Development Applications, Subdivision fees, Designated Development, Modification of Development Consent and Advertising are set by legislation. Council has, however, introduced a new fee for Mandatory Swimming Pool Fencing Inspections at \$150 for the initial inspection and \$100 for re-inspection.

- **Waste Management**

In 2012-2013, Waste Management Charges levied by Council on the annual rates notice will increase from \$400.00 to \$460.00 per service. This is a 15% increase which relates in part to a decline in tipping fees received by Council and increasing operational costs primarily for legislative changes impacting the Englands Road CCRR Park, and Section 88 of the Protection of the Environment Operations Act 1997 levy charges. This Waste and Environmental Levy increases by \$10.00 each year plus CPI from 2009/2010 until 2015/16 when it will be approximately \$80.00 per tonne. For 2012-2013 the charge to Council is expected to be approximately \$42.00 per tonne.

The Waste Management services for the former Pristine Waters areas currently delivered under an old contract by Clarence Valley City Council, which expires on 30 June this year, will come under the Coffs Coast Regional Collection Contract from 1 July 2012. This will see a significant increase in the Waste Charge to these assessments, in line with those charged for the balance of the local government area. Residents formerly receiving a 2 bin service at \$250.00 per annum, will now receive the standard 3 bin service at \$460.00 per annum, representing a 84% increase to the annual charge. Additionally, those residents already receiving a 3 bin service at a subsidised annual charge of \$300.00 per annum, will now be charged at \$460 per annum, representing a 53.3% increase to the annual charge.

There has been a significant increase in some of the tipping fees for the Englands Road CCRR Park, and the Woolgoolga and Coramba Waste Transfer Stations, as Council seeks to establish a more appropriate minimum charge for the recovery of infrastructure and operating costs for waste. Most notably, mixed waste diverted to the processing plant for a car or wagon up to 20kg has increased by 84% from \$5.00 to \$9.00, and organics up to 60kg have increased by 100% from \$6.00 to \$12.00.

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Similarly some of the charges for waste directed to the landfill have increased significantly, with mixed dry waste in a vehicle up to 60kg increased 70% from \$10.00 to \$17.00, again to reflect the associated costs. The cost of disposing animals at the landfill has increased from \$13.00 to \$24.00 for small animals and from \$74.00 to \$100.00 for larger animals.

For larger loads charged per tonne, for the processing plant and the landfill, the charge has reduced from \$190 per tonne to \$165.00 per tonne.

- **Airport**

In order to simplify the existing fee structure for General Aviation at the Airport, an annual charge has been introduced for aircraft based at the Airport, being \$450.00 for commercial fixed wing aircraft, \$350.00 for commercial helicopters and \$250.00 for all private aircraft types.

- **Information Services**

Council has introduced fees for scanning of Development Applications. In order to avoid being charged this scanning fee, applicants may supply a copy of their application on CD_ROM, USB or other digital format.

- **City Parks and Reserves**

With regard to Lawn Cemeteries Fees, the cost of the inscribed bronze plaque has been removed from the fee. This will now be charged at cost plus an administration component being 25% of the plaque's costs. The income is now to be receipted to the Finance Branch which is responsible for consultation with applicants and funeral directors and for ordering the plaques. This will result in an increase to the total cost of burial at the lawn cemeteries.

- **Coffs Harbour Laboratory**

The Coffs Harbour Laboratory has introduced a suite of new tests (with a range of applicable fees). These include tests for Basic Water Quality, Agricultural Stock Use, EPA Suite, Comprehensive Waters Package and Dusting Ashing Analysis.

- **Liquid Trade Waste**

The phasing-in of Liquid Trade Waste provisions (in line with Council's Trade Waste Policy) is completed, with the fees being charged in accordance with Best Practice Water Supply, Sewer and Trade Waste Pricing Guidelines.

Implementation Date / Priority:

Subject to Council approval, the Draft 2012/2016 Delivery Program and Draft 2012/2013 Operational Plan will be placed on public exhibition for a 28-day period from Monday, 16 April 2012 until close of business on Monday, 14 May 2012.

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Recommendation:

That Council:

- 1. Adopt the Draft 2012/2016 Delivery Program and Draft 2012/2013 Operational Plan for public exhibition for a 28-day period from Monday, 16 April 2012 until close of business on Monday, 14 May 2012.**
- 2. Consider community submissions on the draft documents prior to adopting the 2012/2016 Delivery Program and Draft 2012/2013 Operational Plan by 31 May 2012.**
- 3. Note that the Draft 2012/2013 Budget is based on a projected deficit of \$308,365 with an undertaking by Council to work to deliver a balanced result by the end of the period.**

**Steve McGrath
General Manager**

CORPORATE BUSINESS DEPARTMENT REPORTS

CB12/24 REQUEST FOR PROPOSAL 23-31 GORDON STREET, COFFS HARBOUR - APPOINTMENT OF EVALUATION PANEL

Purpose:

To appoint an Evaluation Panel for the assessment of proposals for 23-31 Gordon Street, Coffs Harbour.

Description of Item:

On 15 December 2011, Council resolved that a Request for Proposal (RFP) be prepared and advertised in respect of 23-31 Gordon Street, Coffs Harbour. This has occurred with the first advertisement appearing on 1 March 2012.

Part of Council's resolution stated that an assessment panel be appointed including relevant external expertise.

The suggested makeup of the panel is as follows:

- General Manager
- Director of Corporate Business
- Executive Manager, Business Units
- Independent expert Property
- Independent expert Planning

The Probity Advisor will also attend meetings of the panel.

The role of the panel will be to assess proposals against the evaluation criteria contained in the RFP document and make a recommendation to Council.

Sustainability Assessment:

- **Environment**

The appointment of the panel will not per se have any environmental implications.

- **Social**

There will be no social implications.

- **Civic Leadership**

The appointment of a panel demonstrates Council's desire to achieve the best outcome in accordance with probity principles.

- **Economic**

Broader Economic Implications

The appointment of the panel will not per se have any economic implications.

Cont'd

CB12/24 Request for Proposal 23-31 Gordon Street, Coffs Harbour - Appointment of Evaluation Panel ...(Cont'd)

Delivery Program/Operational Plan Implications

There are no budget implications

Consultation:

The make up of the panel has been endorsed by the Probity Advisor.

Related Policy and / or Precedents:

Council has on many occasions appointed various committees, panels and advisory groups to assist and advise Council on many matters.

Statutory Requirements:

There are no statutory requirements that govern the appointment of the panel.

Issues:

The panel needs to have a mix of senior Council representatives and independent experts to advise Council, assuming of course proposals are received by the closing date of 1 May 2012.

Council staff have approached two suitable independent experts being Mr Greg Incoll and Mr Geoff Smyth.

Mr Incoll is a very experienced property consultant who has of recent times briefed Council in relation to its commercial property holdings and continues to advise Council.

Mr Smyth is a local planning consultant with extensive local government and private practice experience.

Both have advised of their availability.

Implementation Date / Priority:

The appointment of the panel is required by 1 May 2012.

Recommendation:

That the Evaluation Panel for the Request for Proposal for 23-31 Gordon Street, Coffs Harbour be as follows:

**General Manager
Director of Corporate Business
Executive Manager, Business Units
Independent expert Property - Mr Greg Incoll
Independent expert Planning - Mr Geoff Smyth**

CB12/25 MONTHLY BUDGET REVIEW FOR FEBRUARY 2012

Purpose:

To report on the estimated budget position as at 29 February 2012

Description of Item:

Estimated Budget Position as at 29 February 2012:

	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 31 Jan 2012	(131,796) (S)	73,794 (D)	80,000 (D)
Recommended variations for February 2012	(57,020) (S)	Nil	Nil
Estimated result as at 29 February 2012	<u>(6,596) (S)</u>	<u>4,970,999 (D)</u>	<u>3,671,600 (D)</u>

General Account

Deficit/(Surplus)

IT staff costs surplus from long term vacancies in GIS Coordinator and Records Manager positions	(65,000) (S)
Bring sale of information products budget into line with projected actual	7,000 (D)
Bring copying and enquiry fees budget into line with projected actual	15,000 (D)
Finance staff costs surplus from staff on extended leave plus staff working reducing hours	(60,000) (S)
Bring telephone charges budget into line with projected actual	7,500 (D)
Agency costs being now substantially offset by credit card surcharge income	(38,000) (S)
Realign Development/Construction Certificate fees income to expected level of activity to end of June 2012	108,000 (D)
Economic Development Plan projected cost	20,000 (D)
National Economic Strategy funds redistributed to Economic Development Plan	(51,520) (S)
Total	<u>(57,020) (S)</u>

Water Account

Total **Nil**

Sewer Account

Total **Nil**

Cont'd

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 the 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:

Under local government regulations Council is required to submit a quarterly budget review to Council. Therefore Council is under no obligation to provide monthly reviews but has recommended they be completed as part of prudent financial management.

The Responsible Accounting Officer believes this report indicates the financial position of the Council is satisfactory, having regard to the original estimate of Income and Expenditure.

Cont'd

Recommendation:

That the budget adjustments be approved and the current budget position be noted.

Estimated Budget Position as at 29 February 2012:

	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 31 Jan 2012	(131,796) (S)	73,794 (D)	80,000 (D)
Recommended variations for February 2012	(57,020) (S)	Nil	Nil
Estimated result as at 29 February 2012	<u>(6,596) (S)</u>	<u>4,970,999 (D)</u>	<u>3,671,600 (D)</u>

Purpose:

Consideration of the key financial indicators for the financial years ended 30 June 2007 through to 30 June 2011.

Description of Item:

On 16 December 2010 Council adopted 17 key financial indicators for the reporting and monitoring of Coffs Harbour City Council's financial performance. These indicators are based on a combination of the South Australian Local Government Association's adopted indicators for all Councils in South Australia, the New South Wales Local Government Managers Associations Sustainable Financial Health Check indicators and indicators used for commercial purposes. Management has reviewed these indicators for their relevance in relation to financial performance over various timeframes, ie short term focus (operational liquidity), elected term focus (fiscal responsibility) and long term/intergenerational equity focus (financial sustainability).

Sustainability Assessment:

- **Environment**

There are no perceived current or future environmental impacts.

- **Social**

There are no perceived current or future social impacts.

- **Civic Leadership**

Access to Council's key financial indicators is made available to the public. Following adoption of this report, the hard copy document can be viewed at Council's Administration Building or at Council's libraries at Coffs Harbour, Toormina and Woolgoolga. The document will also be available on Council's website.

- **Economic**

Broader Economic Implications

There are no perceived current or future broader economic implications.

Delivery Program/Operational Plan Implications

Decisions made in setting previous year budgets and actual performance, have produced the outcomes disclosed in the key financial indicators presented in this report. The key financial indicators provide a focus on the constraints related to the preparation of the Delivery Program and Operational Plan.

Cont'd

Consultation:

Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.
LGMA New South Wales Sustainable Financial Health Checks.

IPART Section 508(2) and Section 508(A) Special Variation Application Form – Part B

Related Policy and / or Precedents:

There is no policy pertaining to key financial indicators and targets for these indicators, however Council is required by legislation to prepare many of these indicators and is recommended to adhere to industry targets.

Statutory Requirements:

The current statutory requirement for financial indicators relates to Note 13 of the Annual Financial Statements, IPART Special Rate Variation Applications and the Quarterly Budget Review Statements process.

The Annual Financial Statements require the following indicators to be disclosed on both a consolidated and individual fund basis:

1. Unrestricted Current Ratio
2. Debt Service Ratio
3. Rates and Annual Charges Coverage Ratio
4. Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage.
5. Building and Infrastructure Renewals Ratio.

The Division of Local Government in Appendix 5 of their Quarterly Budget Review Statement Guidelines (2010) have recommended that Council's "..... develop a suite of financial indicators against which to report to give an indication of its current financial position and long term financial sustainability." To this end Council has reported on the following indicators on a consolidated fund basis:

1. Own Source Revenue Ratio
2. Debt Service Ratio
3. Rates and Annual Charges Coverage Ratio
4. Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage.
5. Building and Infrastructure Renewals Ratio.

IPART also requires Council's as part of a Special Rate Variation application to report on financial indicators showing actual performance for the past and current financial years and projected performance for future financial years under several scenarios (baseline, special variation and project proceeds without special variation). The indicators required by IPART are:

1. Unrestricted Current Ratio
2. Debt Service Ratio
3. Operating Balance Ratio
4. Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage.
5. Building and Infrastructure Renewals Ratio
6. Broad Liabilities Ratio.

Cont'd

Issues:

Council needs to be cognisant of the effect on its current financial position and financial performance as at 30 June 2011 (disclosed in the 2011 Annual Financial Statements), and on the abovementioned financial indicators, when making decisions in the 2011/2012 year that have long and short term financial implications. Targets for indicators have been set based on industry best practice (where available) or management's desired result.

Apart from the abovementioned statutory key financial indicators, it is proposed Council adopt six other key financial indicators (Working Capital, Cash Flow Adequacy Ratio, Operating Result adjusted for Renewal Costs, Employee Costs as a percentage of Rates/Annual Charges/Untied Grants, Employees' Leave Entitlement Ratio and Asset Maintenance Backlog Ratio). Monitoring and reporting on these additional key financial indicators will provide Council with a more robust mechanism for the management of its financial performance.

The indicators that have been removed from the report adopted on 16 December 2010 include; Available Non Restricted Funds, Asset Sustainability Ratio, Revenue Revotes Ratio, Operating Surplus Deficit Ratio, Net Financial Liabilities, Net Financial Liabilities Ratio, Asset Consumption Ratio and Quick Asset Ratio. These indicators have been removed as the information they provide is not as comprehensive and clear as the information obtained from the proposed suite of new key financial indicators. This now reduces the total number of key financial indicators from 17 to 14.

Implementation Date / Priority:

Set out below are the 14 key financial indicators that will be reported and monitored on a consolidated fund basis and where appropriate at an individual fund basis, at a minimum annually, commencing year ended 30 June 2012:

Operational Liquidity Indicators (short term focus):

1. Unrestricted Current Ratio
2. Working Capital
3. Cash Flow Adequacy Ratio
4. Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage.

Fiscal Responsibility Indicators (elected term focus):

5. Operating Balance Ratio
6. Operating Result adjusted for Renewal Costs
7. Own Source Revenue Ratio
8. Employee Costs as a percentage to Rates, Annual Charges and Untied Grants.
9. Rates and Annual Charges Coverage Ratio
10. Debt Service Ratio
11. Broad Liabilities Ratio
12. Employees Leave Entitlement Ratio.

Financial Sustainability Indicators (intergenerational equity/long term focus):

13. Building and Infrastructure Renewals Ratio
14. Asset Maintenance Backlog Ratio.

Cont'd

Attachments:

Attached are the 14 recommended key financial indicators, the associated benchmarks, actual performance in relation to the indicators and required remedial action to achieve desired benchmarks, as at 30 June 2011.

Recommendation:

- 1. That the proposed 14 key financial indicators, and the designated benchmarks be adopted and monitored on a consolidated fund basis and where appropriate and individual fund basis, at a minimum annually, commencing 30 June 2012.**
- 2. The operational plan/delivery program and long term financial planning process are prepared bearing in mind the achievement of the key financial indicator benchmarks contained in this report.**
- 3. That the report on the results achieved as at 30 June 2011 for the key financial indicators be received and noted.**

Attachments:

Financial Indicators and Assumptions

The indicators below have been accessed from the NSW Local Government Association Financial Health Check Indicators, IPART Special Rate Variation Applications and the South Australian Local Government Associations adopted indicators for all Councils in South Australia. Several of these indicators are internationally used in business in relation to financial monitoring.

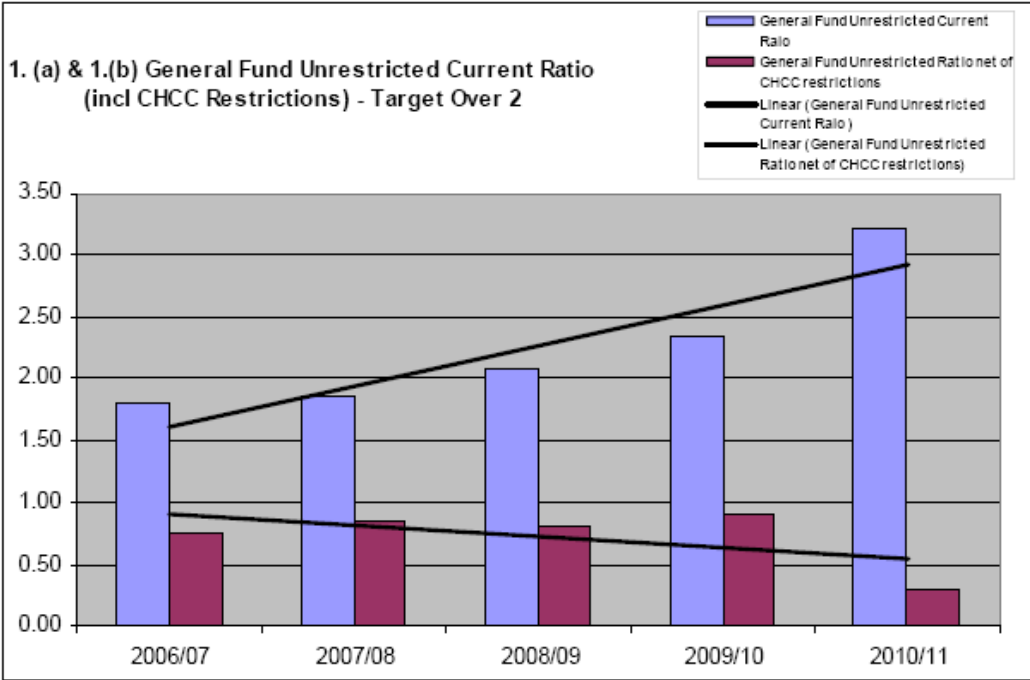
Operational Liquidity (Short Term Focus):

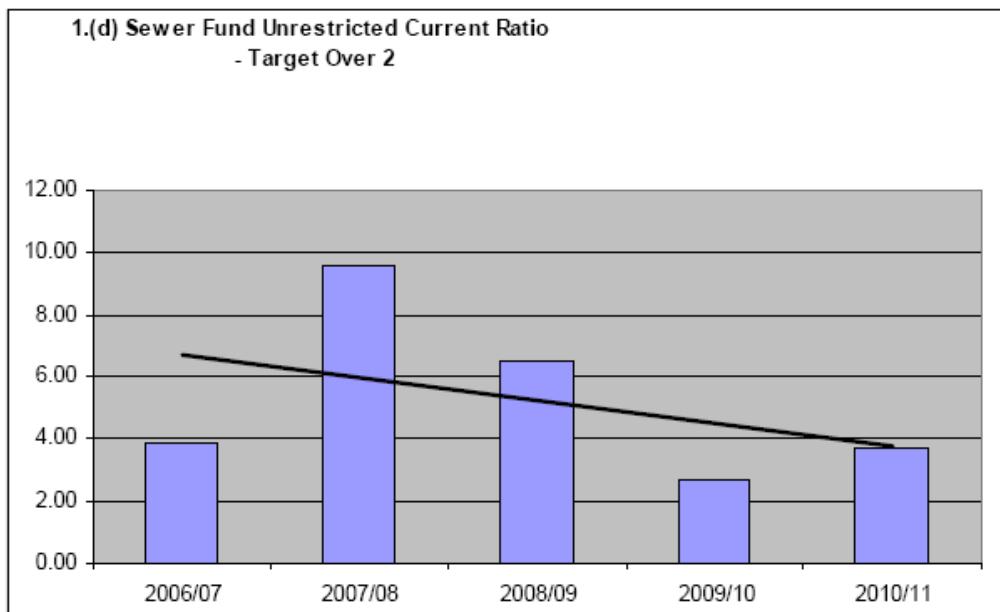
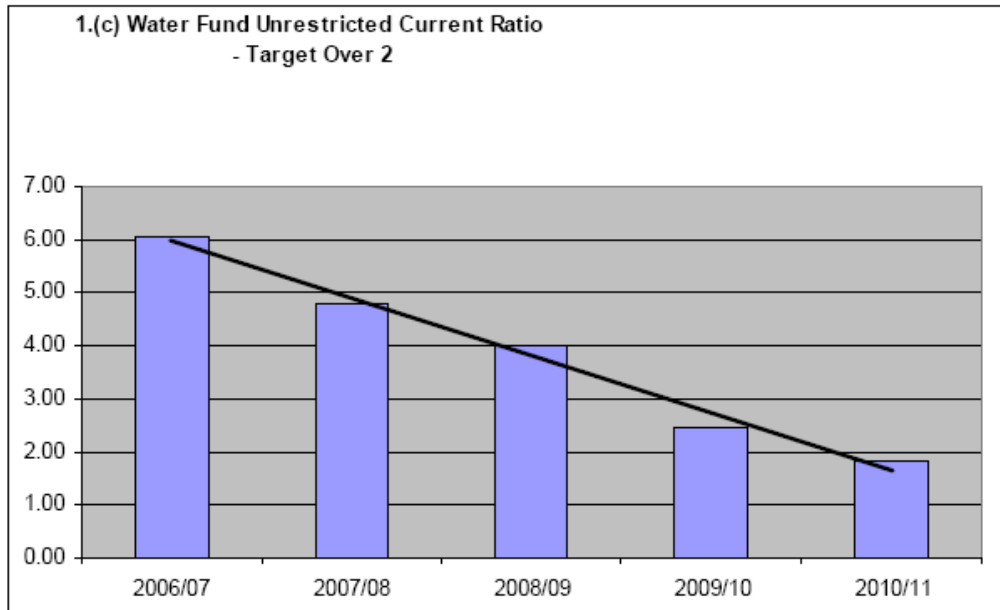
Key Financial Indicator 1 – Unrestricted Current Ratio:

CHCC Target Range - Over 2
LGMA Suggested Target Range - Over 2

Calculated as – Current assets less externally restricted current assets divided by current liabilities less specific purpose current liabilities.

This Indicator shows the solvency of Council and demonstrates its ability to pay its debts as and when they fall due.





In the General Fund result (which is also the consolidated funds result), blue bars indicate that the capacity of Council to meet its short term obligations over the last 5 financial years has improved. A more appropriate measure of Council's solvency is the Unrestricted Current Ratio net of both external & internal restrictions (red bars). This revised indicator shows that for the last 5 financial years Council's General Fund has been insolvent or in other words unable to meet its short term obligations. The ratio has deteriorated in the 2010/11 financial year due largely to a increase in internally restricted cash - new loan borrowings in 2010/11 of \$14.444M related to drainage (\$12M) and Coffs Harbour Swimming Pool Redevelopment (\$2.444M).

Remedial Action Required:

For the General Fund maintaining sufficient cash and liquid investments (maturities less than 12 months) to meet short term commitments is critical.

Council's Delivery Program has projected for the next 4 years deficit positions which will further erode cash & investment reserve balances thereby deteriorating the Unrestricted Current Ratio. Increasing existing income streams, implementation of alternative incomes streams, process improvement and the introduction of austerity measures to reduce expenditure (i.e. service level reductions, reduced oncost rate through measures to reduce workers compensation premium costs, removal of non core services) need to be examined to improve Council's performance for this indicator.

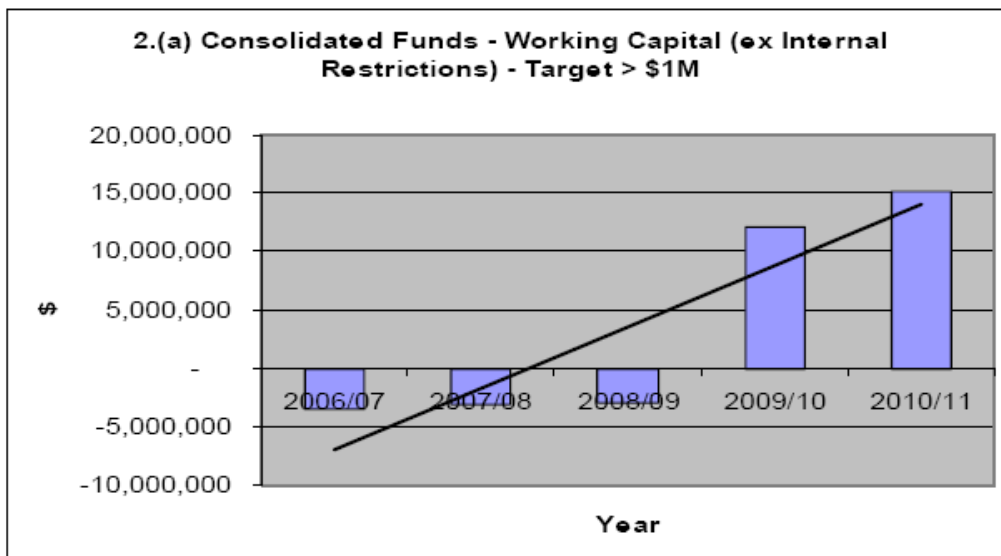
Key Financial Indicator 2 – Working Capital:

CHCC Target Range - Over \$1M

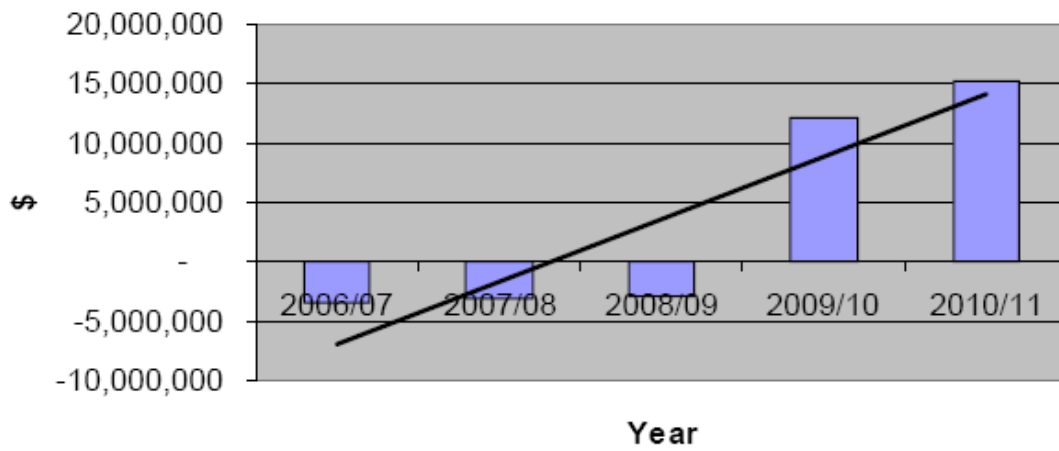
LGMA Suggested Target Range -

Calculated as – Unrestricted Current Assets (excluding internal & external restricted assets) less unrestricted current liabilities.

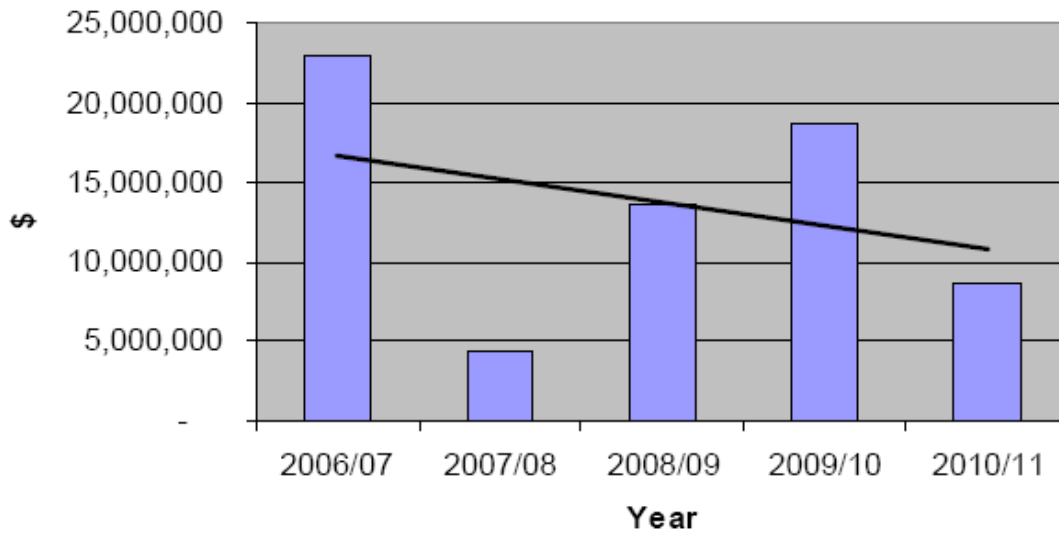
This Indicator demonstrates the level of current assets available to meet unplanned works or to respond to opportunities.

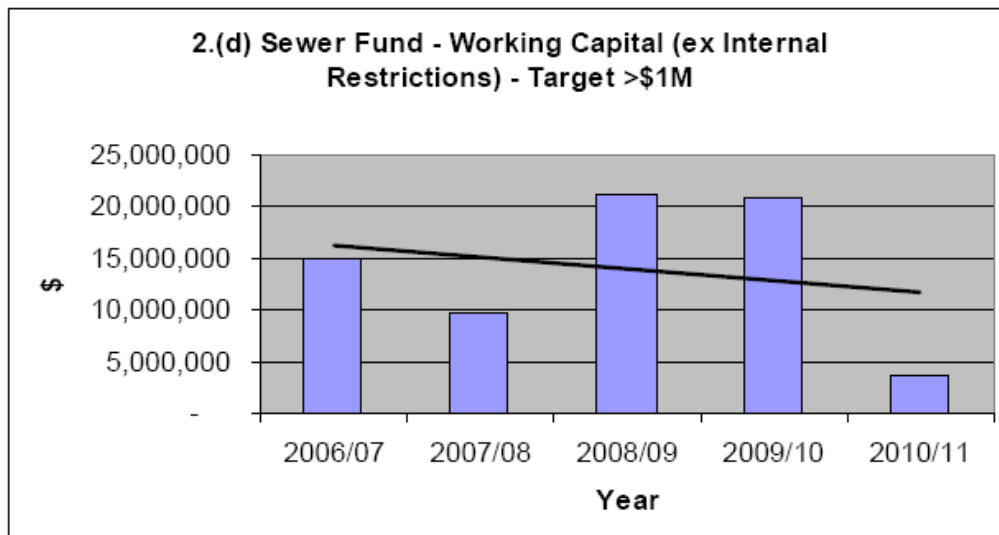


2.(b) General Fund - Working Capital (ex Internal Restrictions) - Target >\$1M



2.(c) Water Fund - Working Capital (ex Internal Restrictions) - Target >\$1M





The indicator shows a level of current assets available in water & sewer funds after external restrictions well in excess of Council's target over the 5 year period. Consolidated funds/general fund in the 2006/07 to 2008/09 financial years show deficit positions for this indicator which has meant there were insufficient current assets in the General Fund to meet short term obligations.

Remedial Action Required:

Nil, as the ratio has improved in the last 2009/10 and 2010/11 financial years.

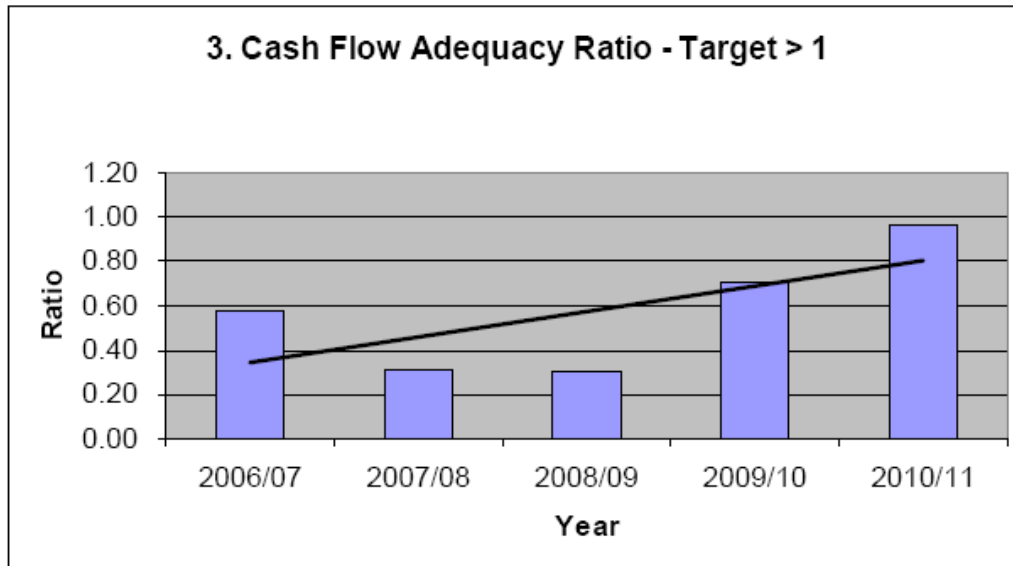
Key Financial Indicator 3 – Cash Flow Adequacy Ratio:

CHCC Target Range – > 1

Calculated as – Cash Flow from Operating Activities divided by Repayment of Long Term Borrowings plus Assets Acquired

This indicator measures ability to cover main cash requirements. Ideally every dollar of new assets purchased or debt repaid should be coming from the current year's surplus. The ratio indicates the ability to meet capital expenditure needs from the cash generated by operating activities rather than financing activities.

A ratio of less than 1 means that debt financing is necessary to fund capital expenditure (this decision needs to be made with regard to Council's debt service ratio's).



This is an area of concern as the ratio is well below the target range and the improvement in results from 2008/09 to 2010/11 is an anomaly as it's largely attributable to the increase in watermain relocation contributions from the RTA, These contributions are expected to reduce from 2011/12 onwards.

Required Remedial Action:

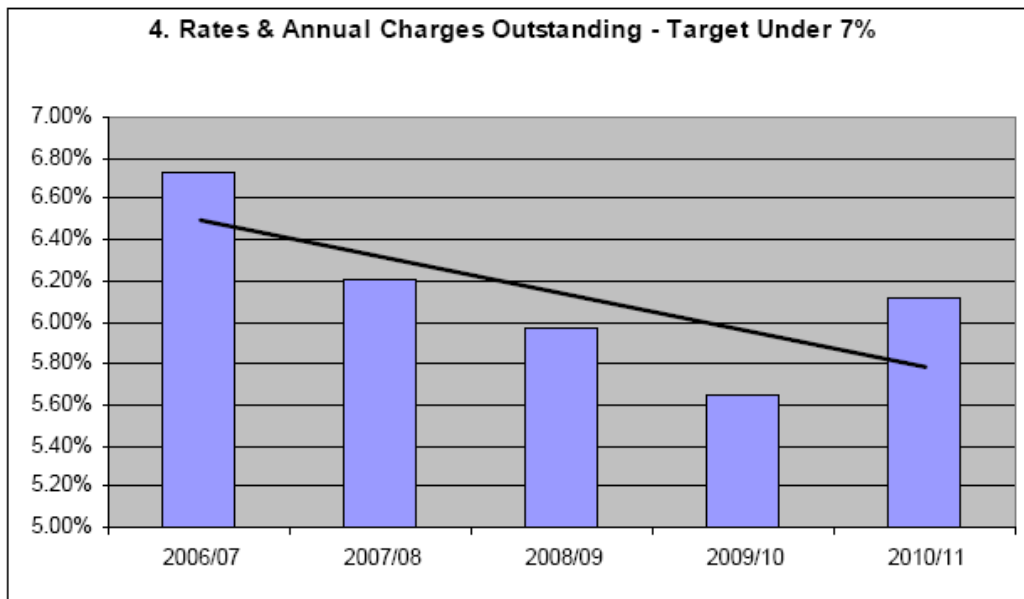
Increasing existing income streams, implementation of alternative income streams, the introduction of austerity measures to reduce expenditure, no further loan borrowings unless additional and requisite untied funding is available to service the debt.

Key Financial Indicator 4 – Rates and Annual Charges Outstanding:

CHCC Target Range - less than 7%

Calculated as – Rates and Annual and Extra Charges Outstanding as percentage of Rates and Annual and Extra Charges Collectible.

Used to determine the efficiency in which Council has recovered any outstanding debt, and is a measure of Council’s solvency.



The increase in the ratio for 2010/11 has occurred due to deterioration in economic conditions. The consequence of an increase in the ratio is a reduction in cash flow. However, rates and annual charges debt are debt secured over property upon which interest is charged.

Required Remedial Action:

Nil as the ratio has been maintained under the target of 7%.

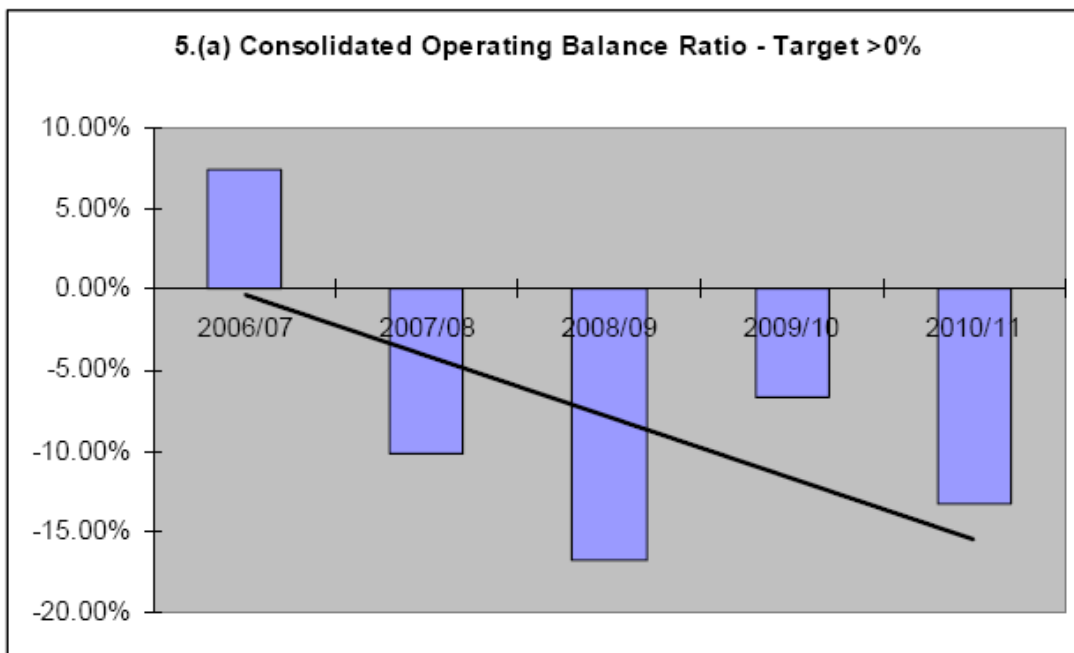
Fiscal Responsibility (elected term focus):

Key Financial Indicator 5 – Operating Balance Ratio:

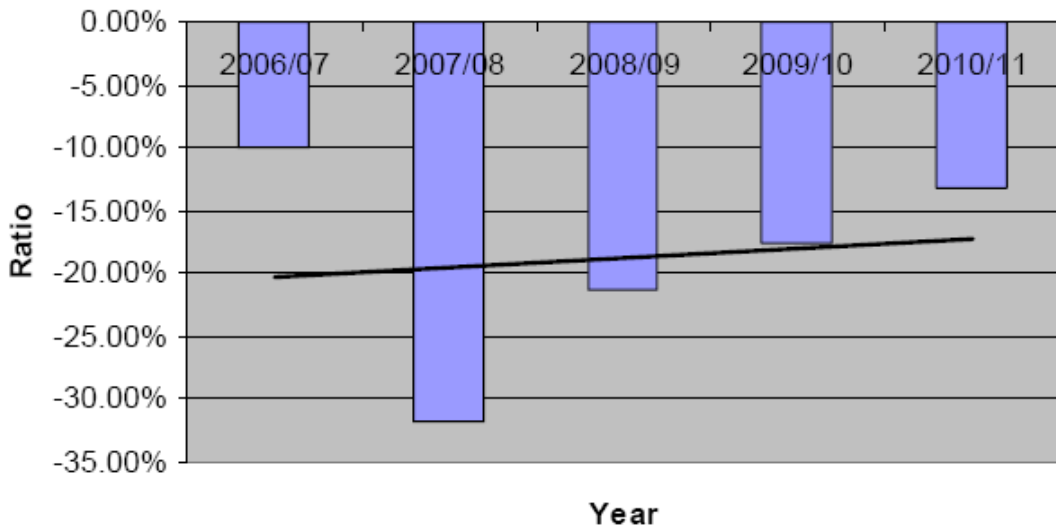
CHCC Target Range - greater than 0%

Calculated as – the net operating result (excluding capital items) as a percentage of operating revenue (excluding capital items).

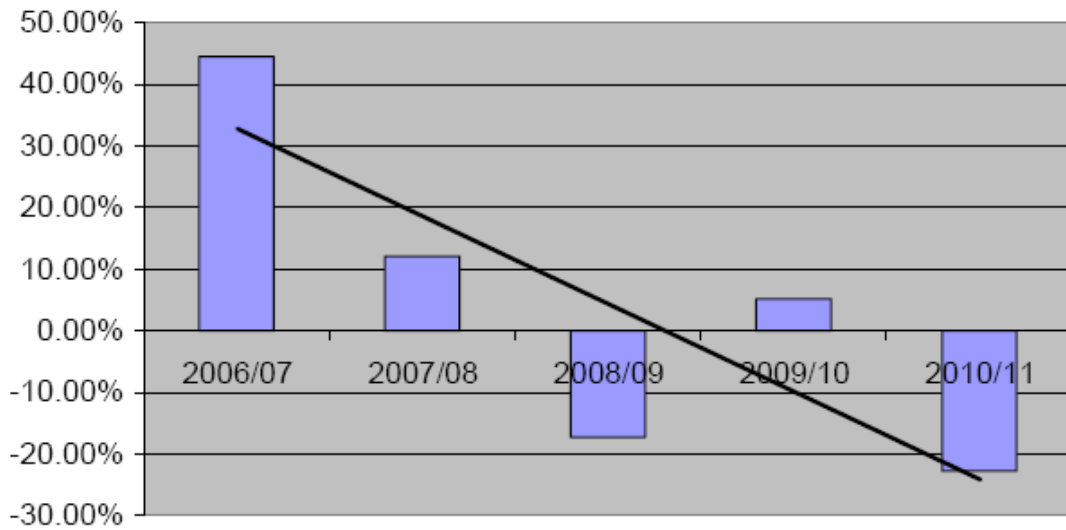
Used to determine the efficiency in which Council has undertaken its operations

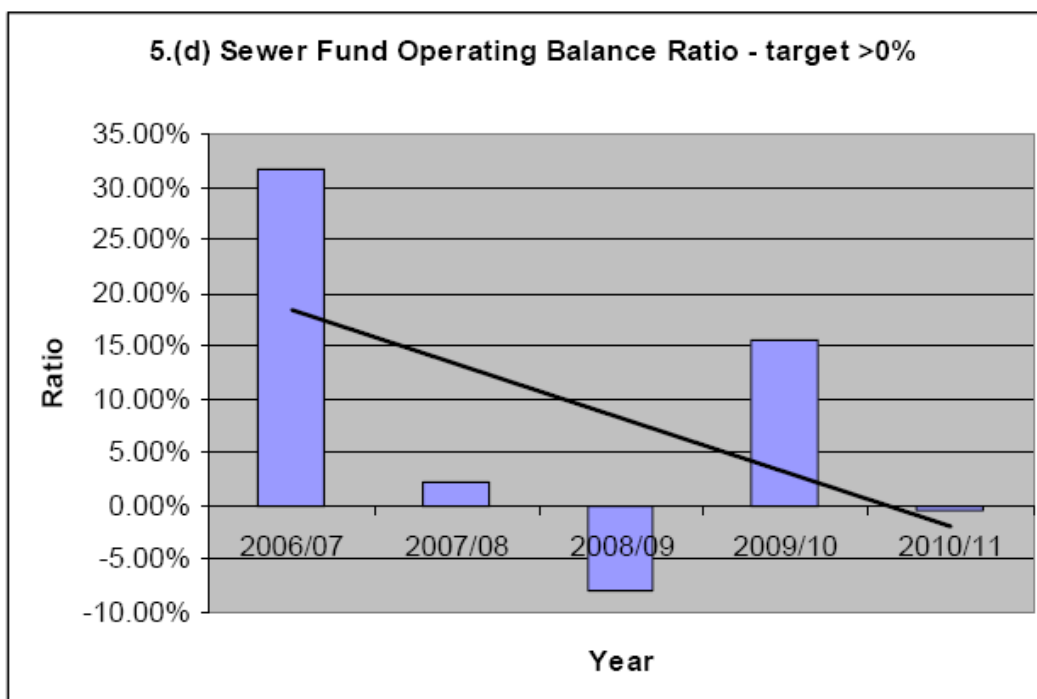


5.(b) General Fund Operating Balance Ratio - Target >0%



5.(c) Water Fund Operating Balance Ratio - Target >0%





The deterioration in the water and sewer fund operations is expected as long term financial plans have forecast that water fund will incur deficit positions up to 2014/15 and sewer fund will incur deficit positions up to 2016/17 as long term debt is repaid. The general fund position whilst improving is unsustainable.

Required Remedial Action:

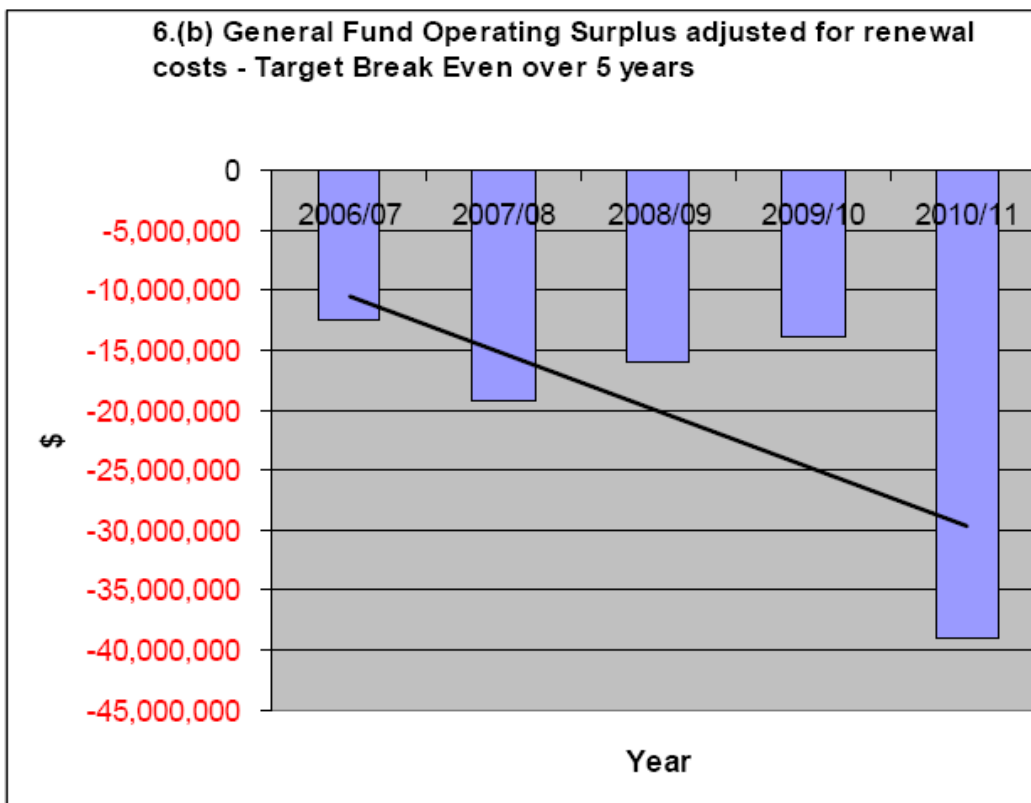
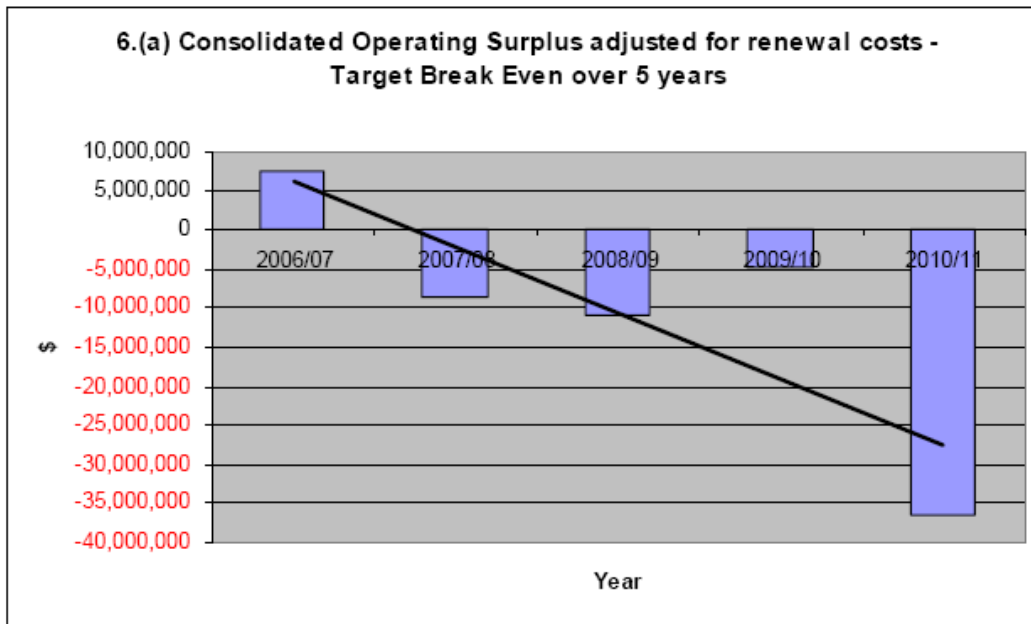
Increasing existing income streams, implementation of alternative income streams, the introduction of austerity measures to reduce expenditure, service level reviews and process improvement.

Key Financial Indicator 6 – Operating Surplus / (Deficit) adjusted for renewals costs

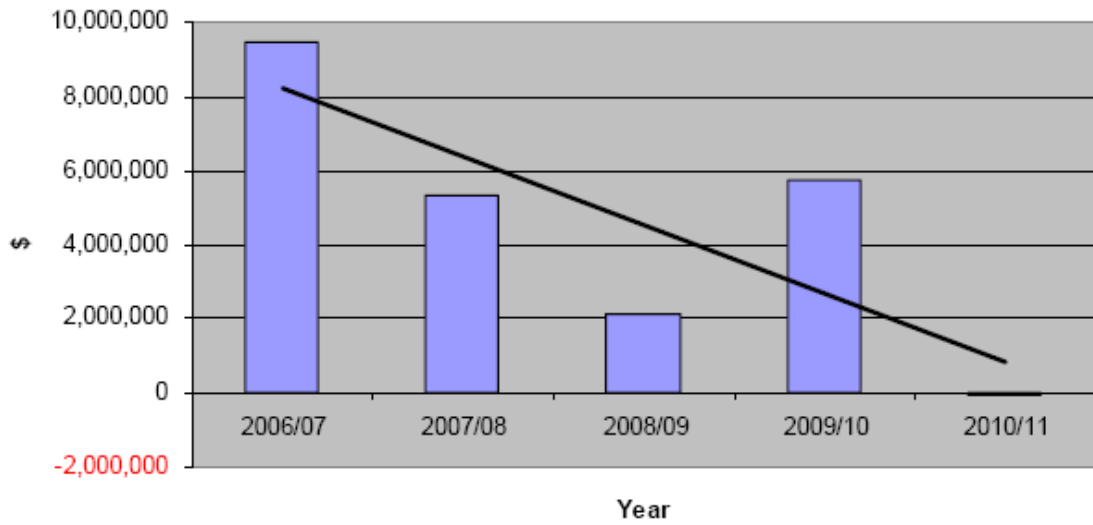
CHCC Target Range - Breakeven over a 5 year period
SALGA Suggested Target Range - This indicator has not been endorsed by the SALGA.

Calculated as - Operating Surplus before Capital Amounts as shown on Income Statement less depreciation plus the estimated cost required to bring assets to a satisfactory condition (renewals costs) as per Special Schedule 7 of the Annual Financial Statements.

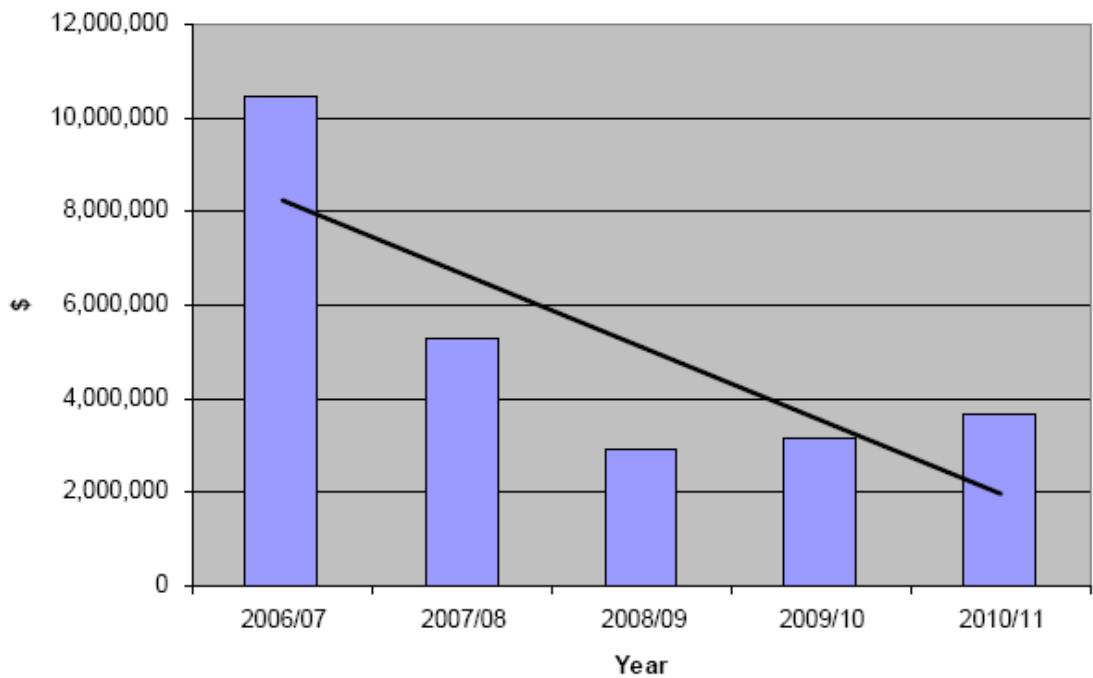
This indicator measures the Council's ability to achieve an operating breakeven position, or better, and for sustainability purposes should be measured over a five year period.



6.(c) Water Fund Operating Surplus adjusted for renewal costs - Target Break Even over 5 years



6.(d) Sewer Fund Operating Surplus adjusted for renewal costs - Target Break Even over 5 years



For General Fund this is a major area of concern as it shows a very strong negative trend in relation to the operating surplus. This level of operating deficit is unsustainable and will lead to increases in infrastructure renewal and maintenance backlogs over time, thereby resulting in deteriorations in the level of service that Council can provide to the community.

Remedial Action Required:

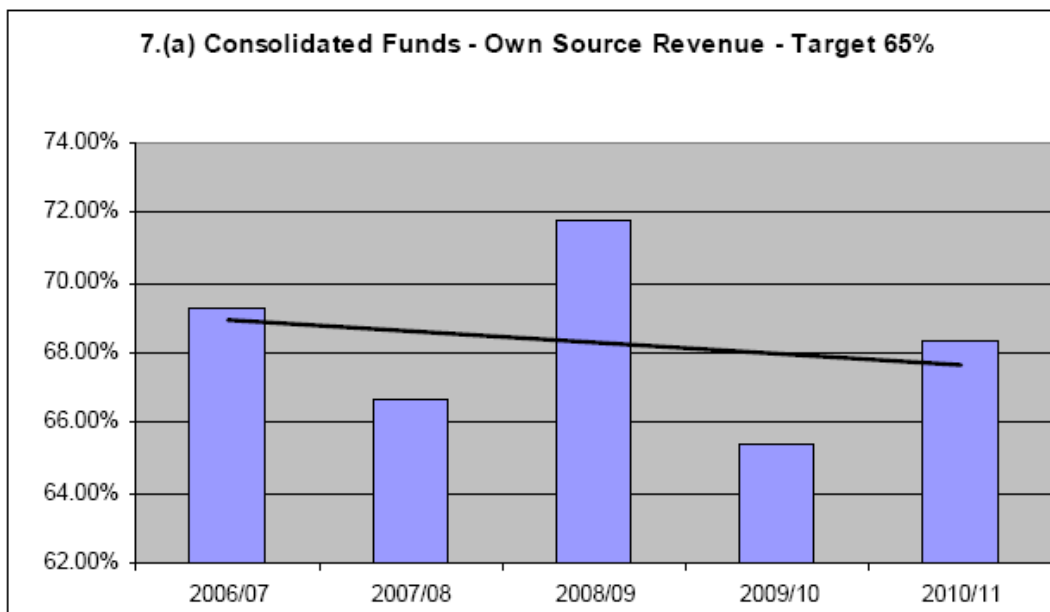
Within General Fund there is a need for increasing existing income streams, implementation of alternative income streams and the introduction of austerity measures to reduce expenditure (i.e. service level reductions, reduced oncost rate through measures to reduce workers compensation premium costs, removal of non core services) in order to avoid projected deficits and adding to the existing infrastructure renewal and maintenance backlogs.

Key Financial Indicator 7 - Own Source Revenue:

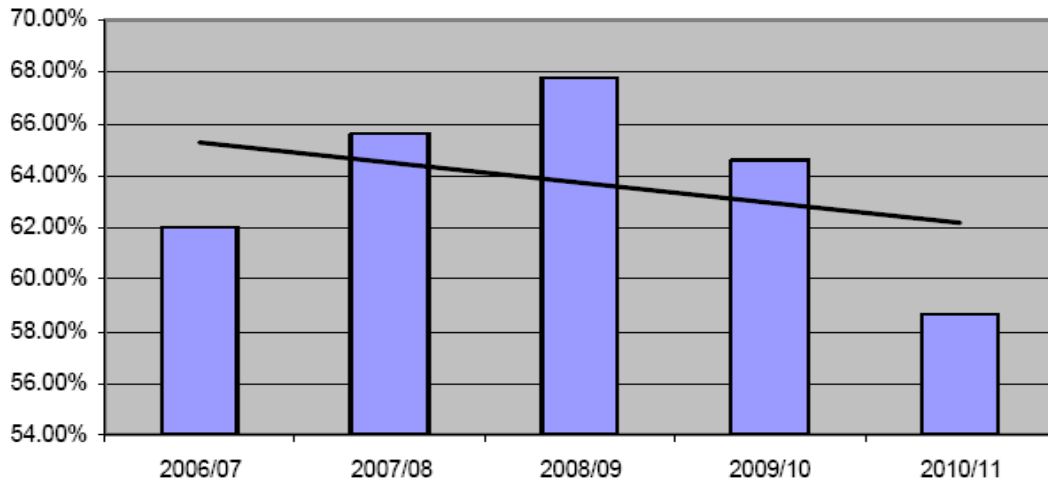
CHCC Target Range - 65%

Calculated as – Own Source Revenue (all income except grants & contributions) divided by Total Income from Continuing Operations

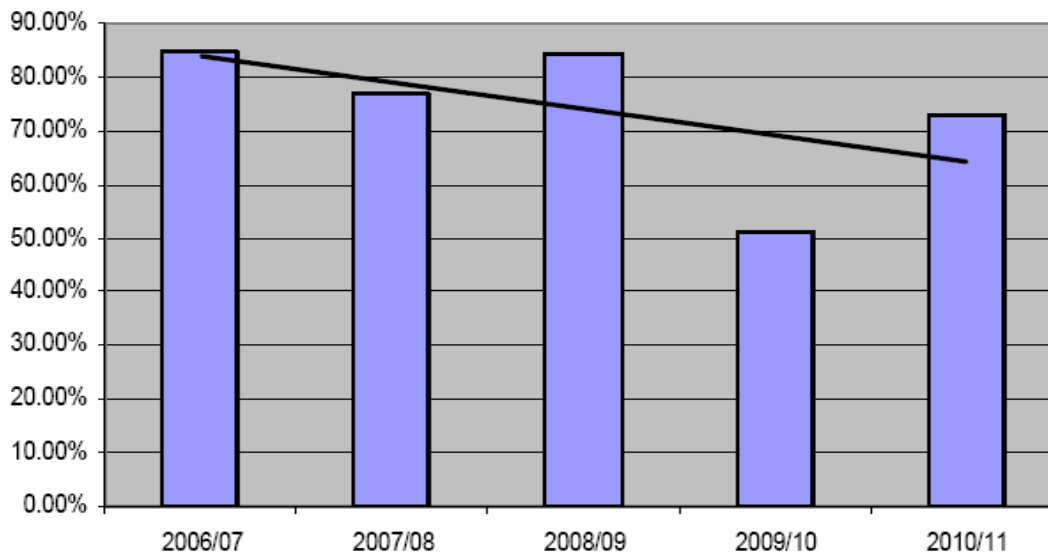
Used to determine Council’s reliance on funding from sources other than Grants and Contributions. The level of funding provided by way of grants and contributions is determined by factors external to council’s area of influence such as State and Commonwealth Government policy. Therefore the greater the reliance on sources of revenue such as rates, user charges and fees, the more control Council has over its income stream.

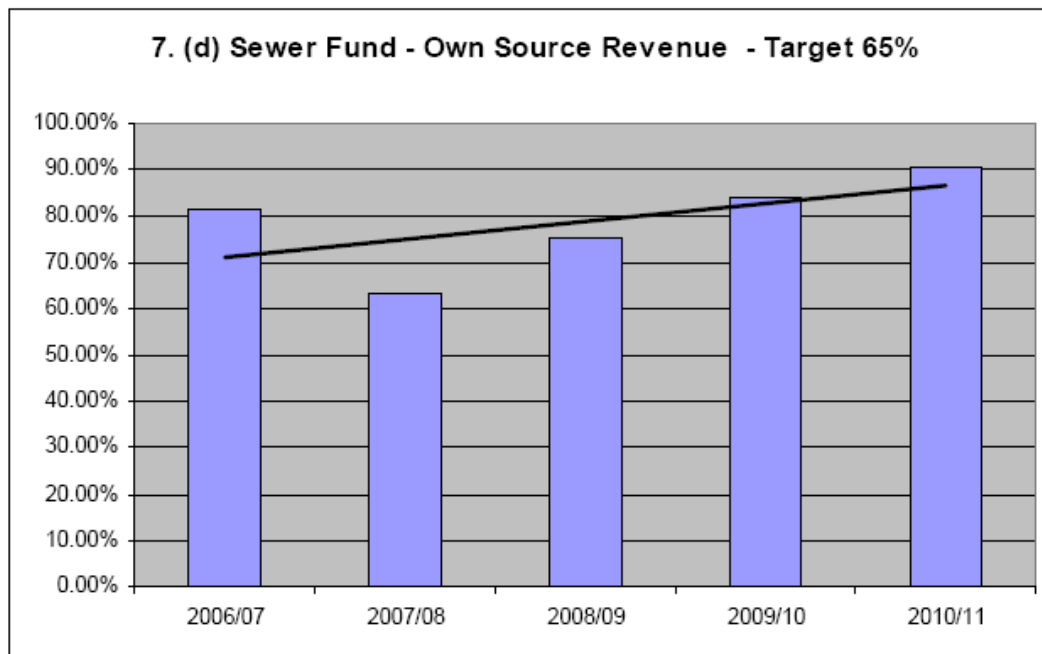


7.(b) General Fund - Own Source Revenue - Target 65%



7.(c) Water Fund - Own Source Revenue - Target 65%





The reduction in own source revenue for General Fund has been caused by an increase in grants due to a new grant for Sports Stadium Lights Upgrade and increased funding for Environmental Protection projects. Contributions for General Fund have increased mainly relating to Pine Creek Handover Works.

The improvement in own source revenue for Water and Sewer Funds has been caused by an decrease in Contributions mainly relating to the RTA Contribution for relocation of watermains between Sapphire and Woolgoolga and the decrease in payments by developers for Section 64 contributions as price rises were imposed after 30/6/10.

Remedial Action Required:

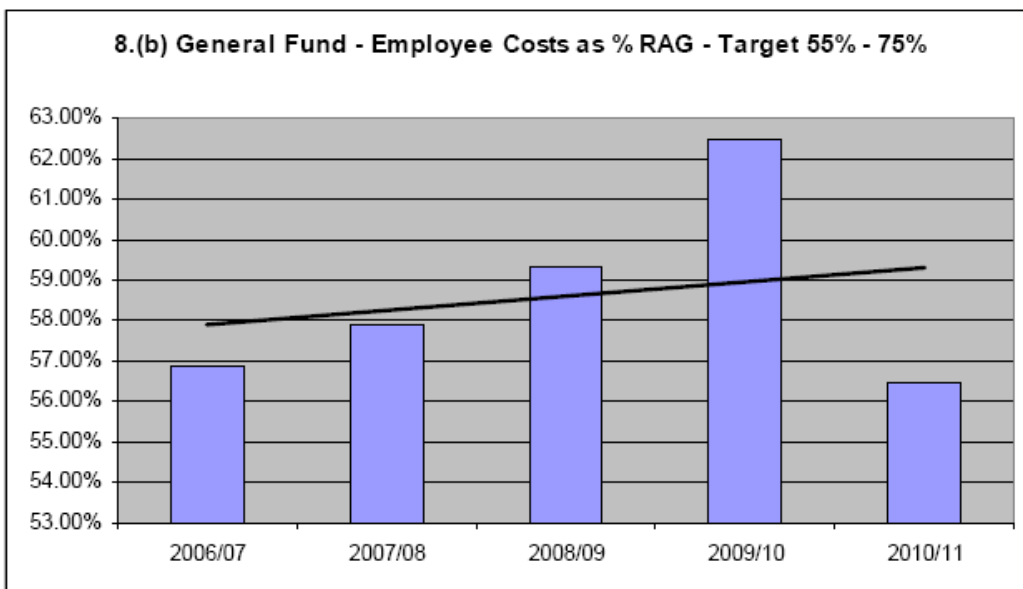
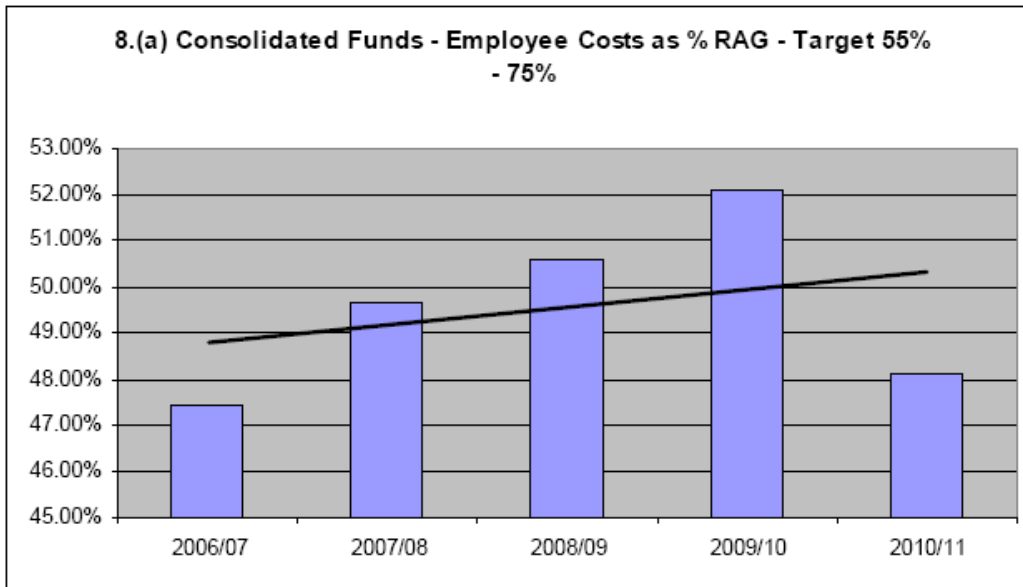
Options available to general fund include special rate variations, increasing user charges (set at full cost recovery), imposing new user charges, increasing income from other commercial sources i.e. telemetry switchboard sales, private works etc.

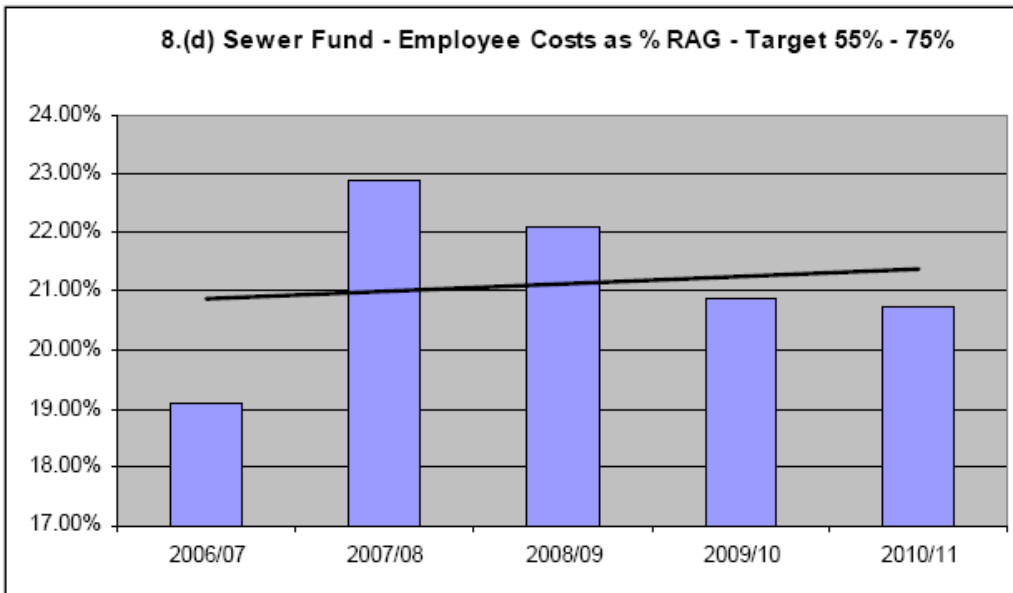
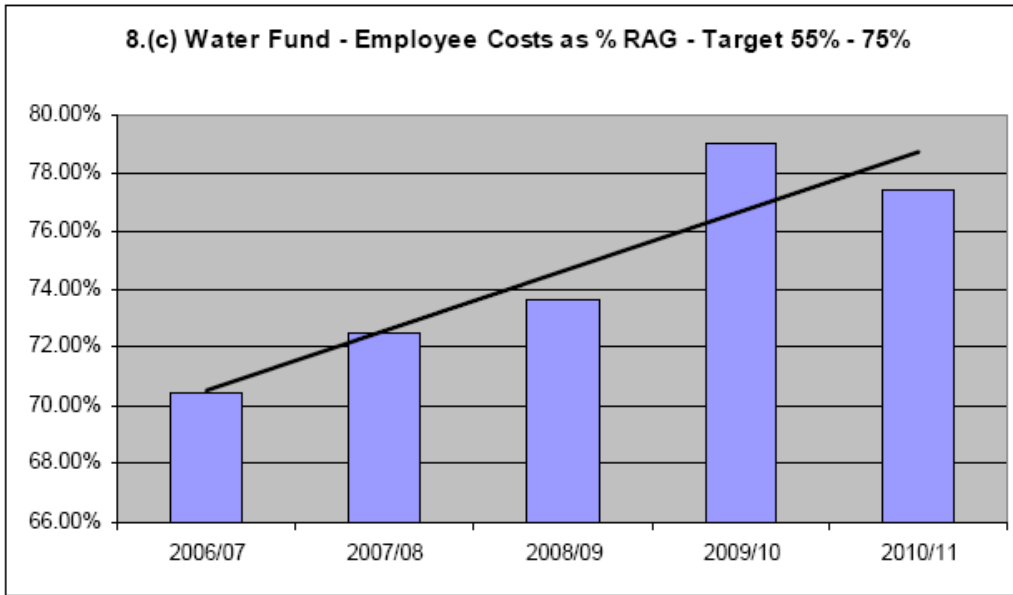
Key Financial Indicator 8 – Rates, Annual Charges and Untied Grants (RAG) spent on Employee Costs

CHCC Target Range – 55% to 75%

Calculated as – Employee Costs divided by Rates, Annual Charges and Untied Grants

This indicator measures the susceptibility of employee costs to income from non discretionary sources.





In all funds except Water Fund, Employee Costs are at manageable levels. The indicator for Water Fund is higher than other funds due to a large portion of Water Funds income being sourced from User Charges.

Required Remedial Action:

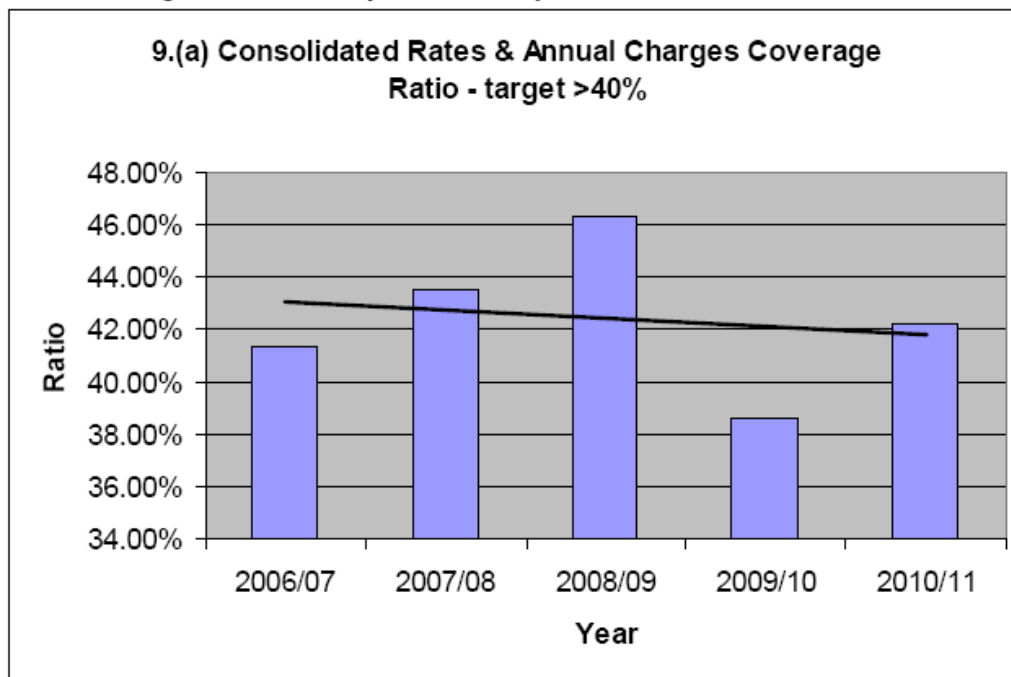
Monitoring of full time equivalent staff levels. Review of allocation of employee costs between Water and Sewer Funds.

Key Financial Indicator 9 - Rates and Annual Charges Coverage Ratio:

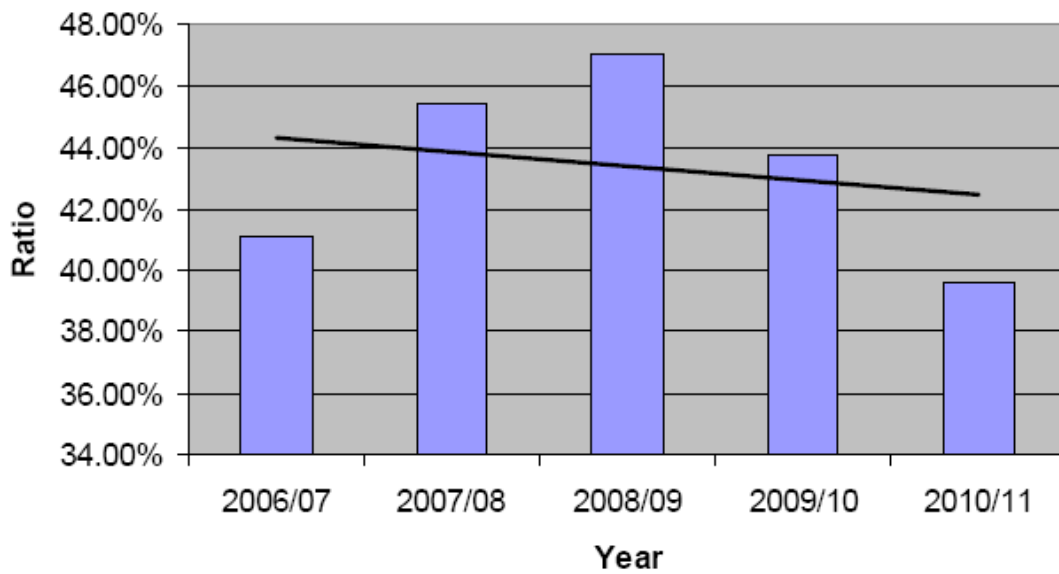
CHCC Target Range - greater than 40%

Calculated as – Rates and Annual Charges divided by Total Income from Continuing Operations

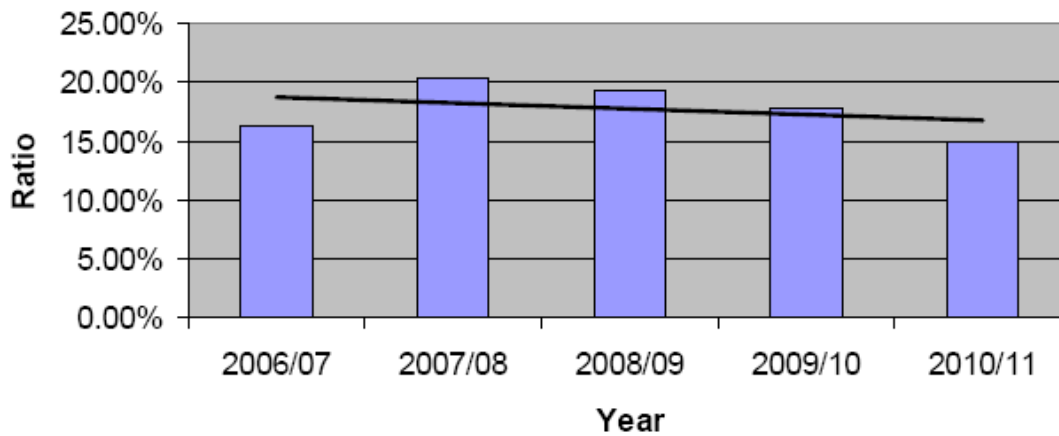
Assesses the degree of Council's dependence upon revenue from rates and annual charges and thereby the security of Council's income.

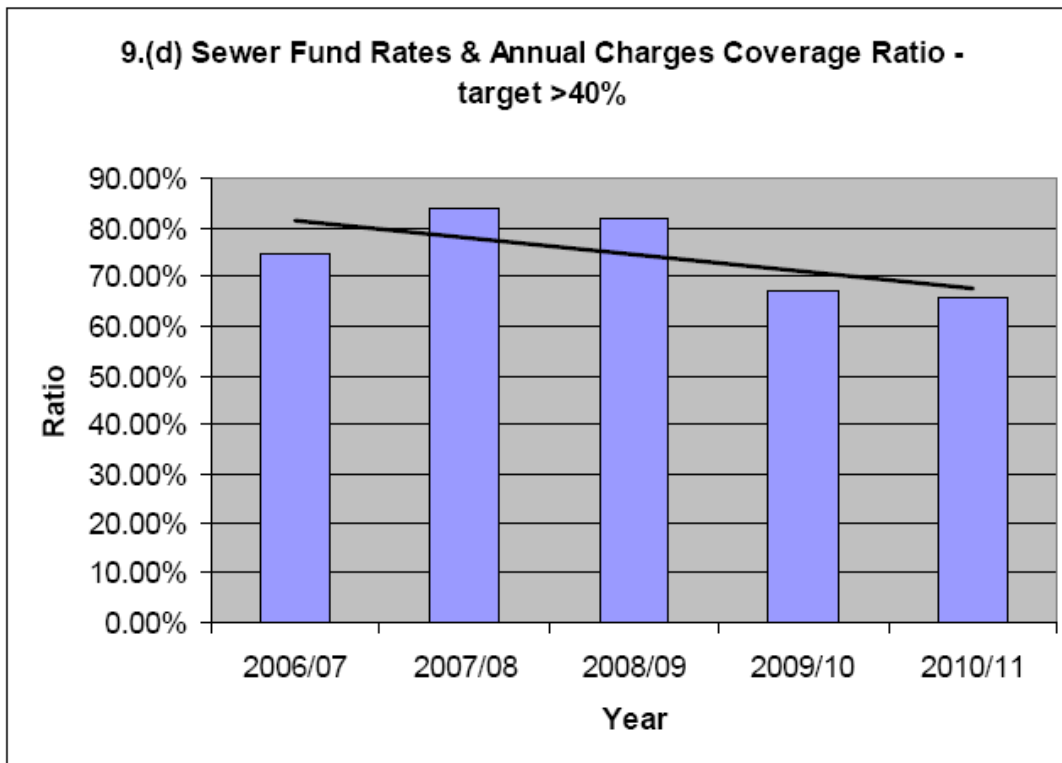


9.(b) General Fund Rates & Annual Charges Coverage Ratio - target >40%



9.(c) Water Fund Rates & Annual Charges Coverage Ratio - target >40%





General Funds performance is concerning as it is demonstrating an increasing dependence on income that is outside of Council's influence i.e. grants and contributions.

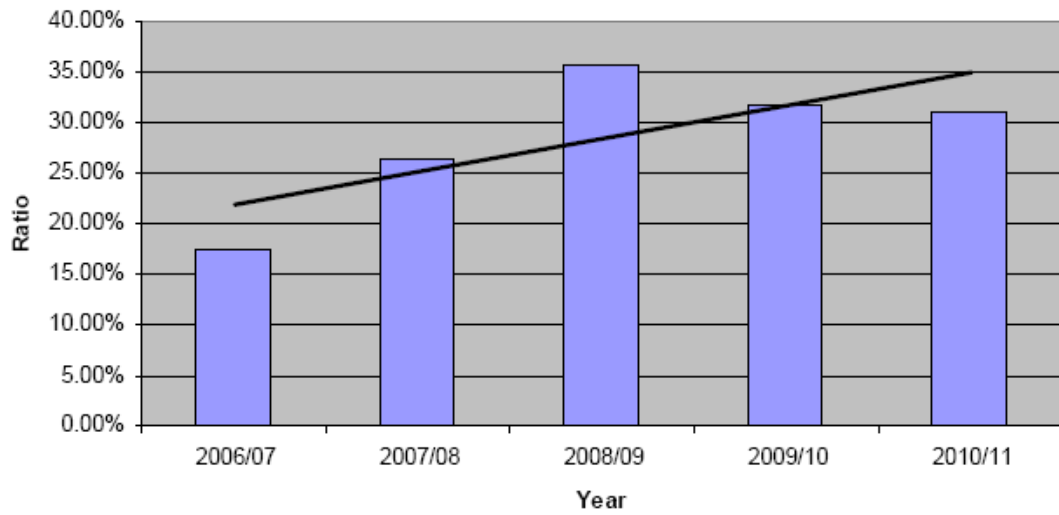
Key Financial Indicator 10 – Debt Service Ratio

CHCC Target Range - Less than 10% General Fund
LGMA Suggested Target Range - Less than 15% General Fund

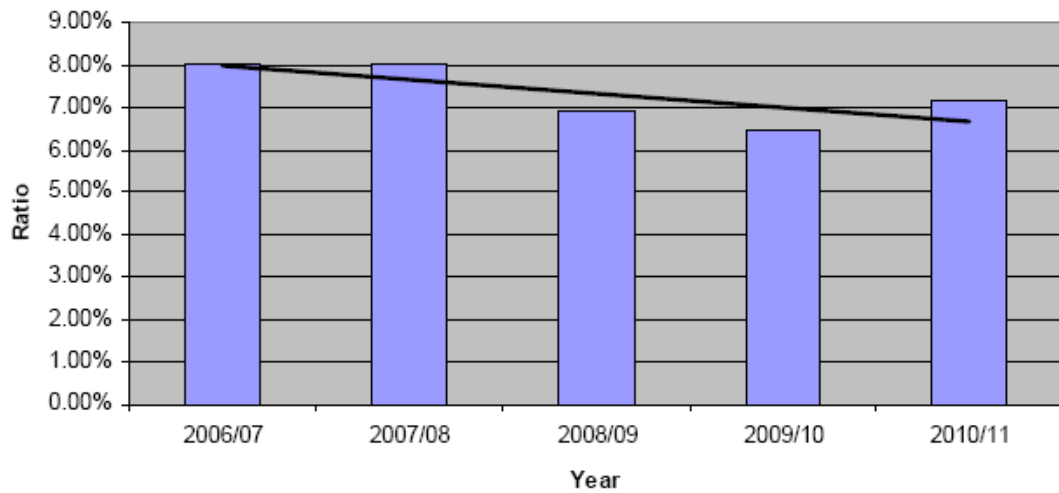
Calculated as – Net debt service cost (principal and interest on loan repayments) divided by total income from continuing operations less special purpose grants.

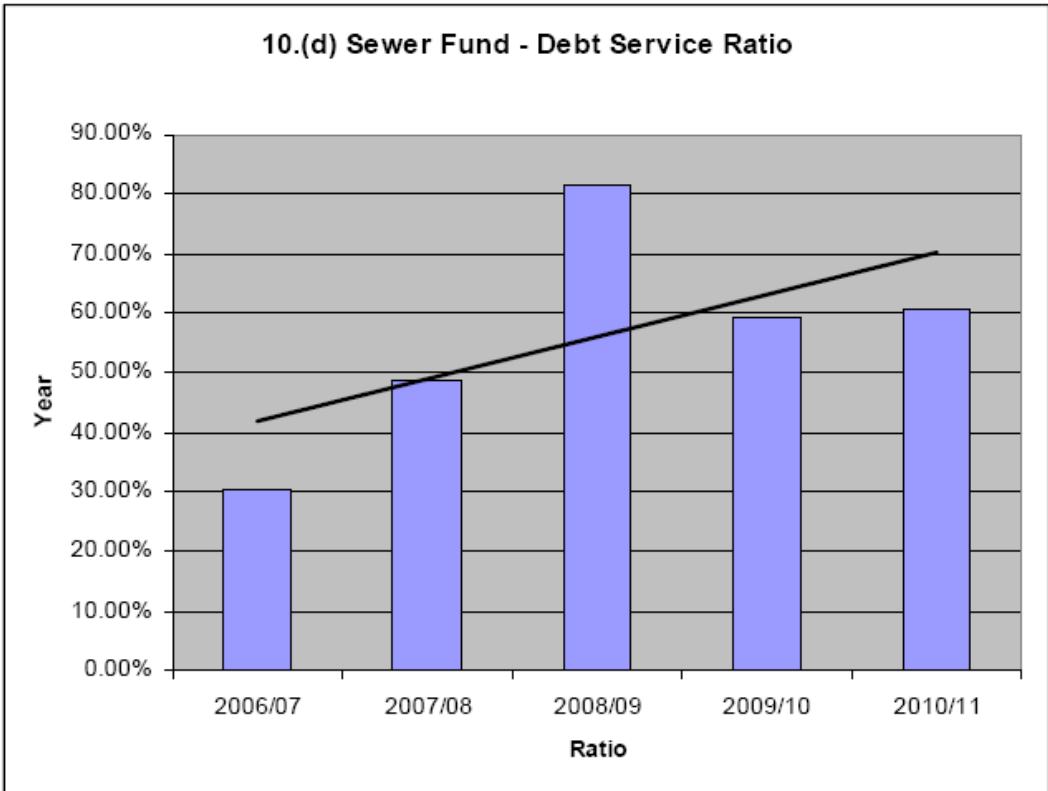
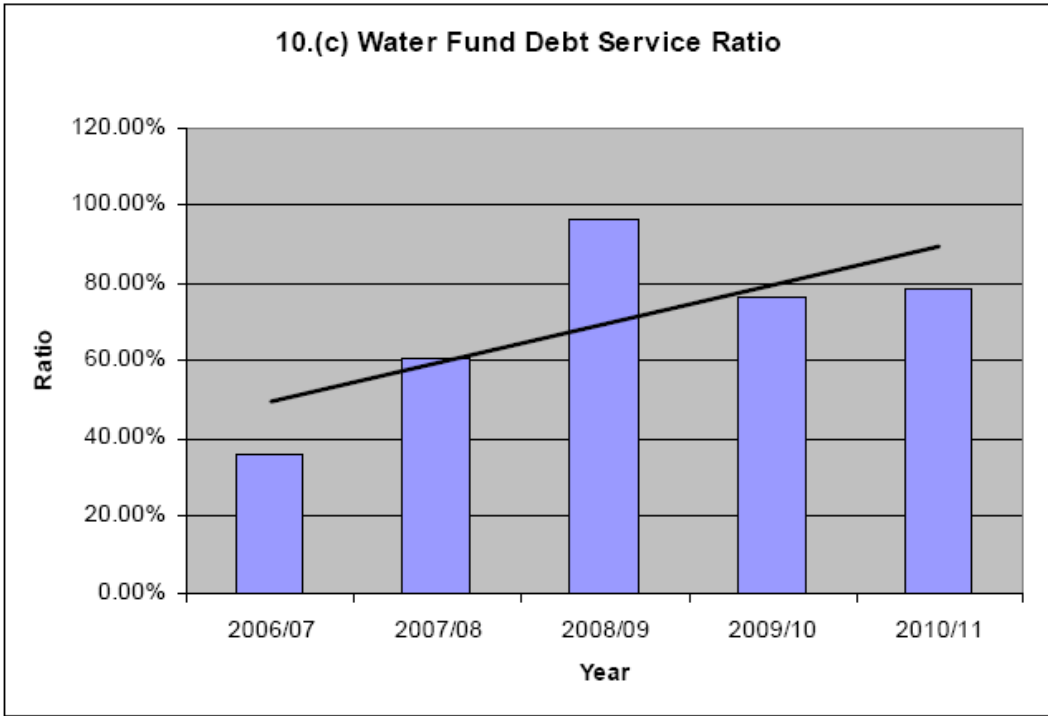
This indicator shows the amount of annual revenue necessary to service annual borrowing obligations.

10. (a) Consolidated Funds - Debt Service Ratio



10.(b) General Fund Debt Service Ratio - Target Under 10%





The consolidated funds debt service ratio has increased significantly in the last 3 financial years due to borrowings for water & sewer infrastructure.

The Debt Service ratio for General Fund is acceptable at the current level and the ratio suggests that there is some room to move with additional borrowings if needed. However this is not recommended unless funded, given the tight budgetary position.

In relation to water and sewer funds, the ratios are high, due to the major borrowings for capital works over the past decade. The ratios will improve significantly over the next five years as further borrowings are not proposed and existing loans are repaid, Long term financial planning demonstrates the sustainability of both funds.

Remedial Action Required:

Loan borrowings for General Fund capital expenditure projects for upgraded or new asset purchases only be undertaken and these be considered on the proviso that sufficient related income will be generated to meet loan repayments and operating costs associated with the proposed capital project.

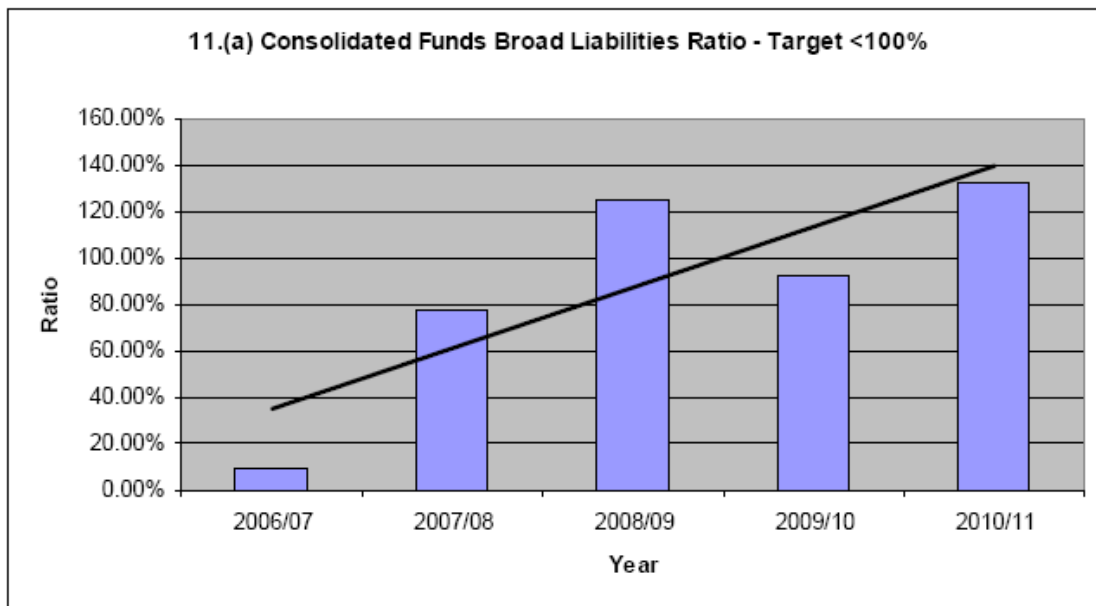
Further borrowings for Water and Sewer fund operations are not considered within the next five years.

Key Financial Indicator 11 – Broad Liabilities Ratio:

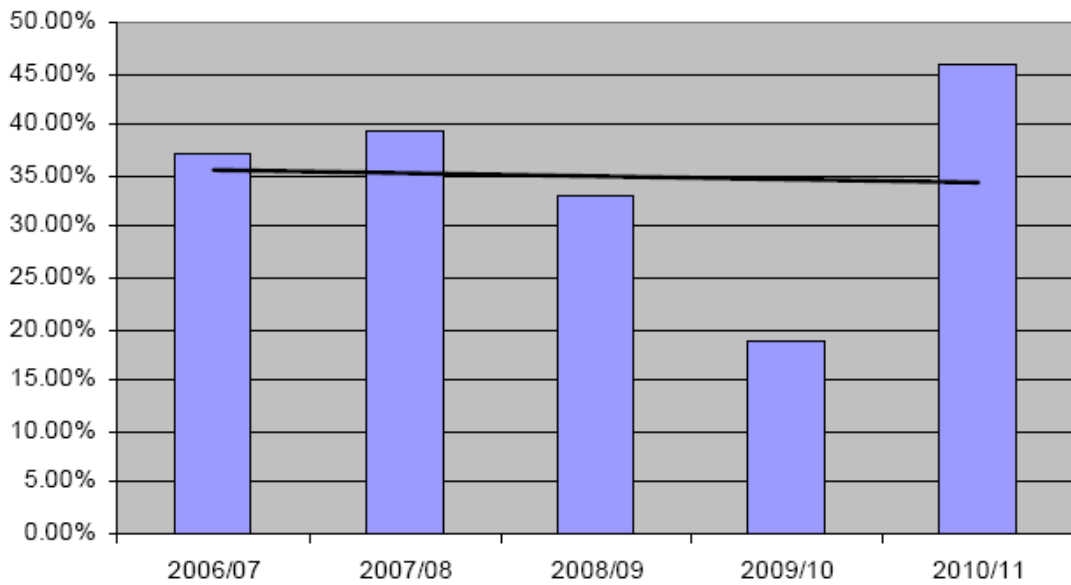
CHCC Target Range - Less than 100%

Calculated as – the net financial liabilities (total liabilities less financial assets) plus cost to clear infrastructure renewal and maintenance backlogs (Special Schedule 7) divided by operating revenue.

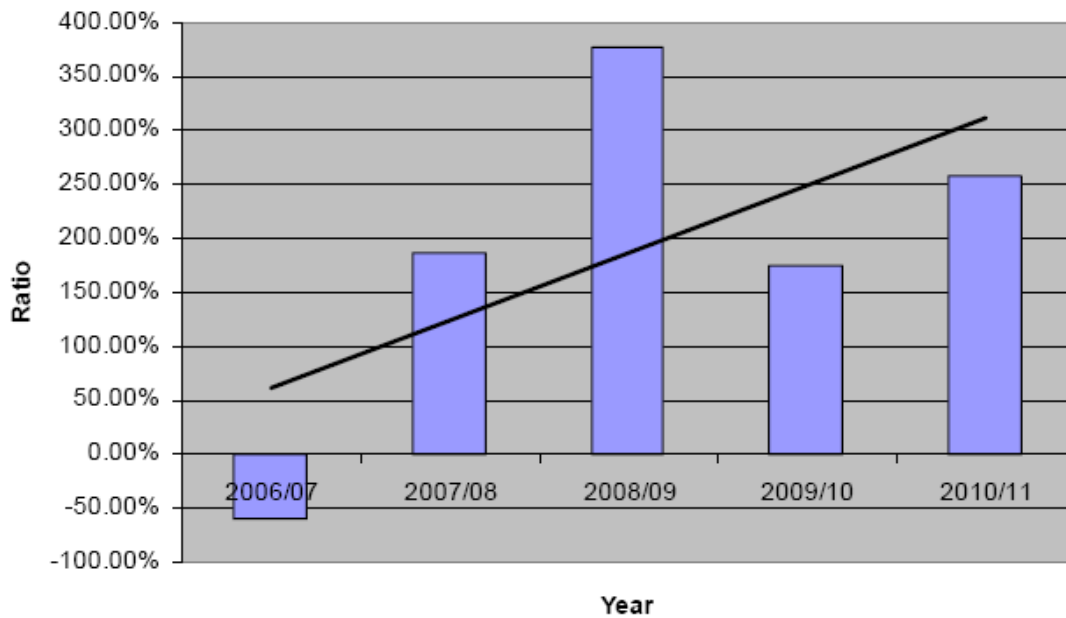
This ratio summarises Council's 'true' balance sheet condition as it includes backlogs for infrastructure. The ratio measures Councils willingness to place a higher priority on applying funds generated from ratepayers to the provision of services and/or infrastructure than accumulating financial assets. This measure allows interested parties to readily equate the outstanding level of a council's financial obligations and required asset renewal and maintenance expenditure against the level of one-year's operating revenue.

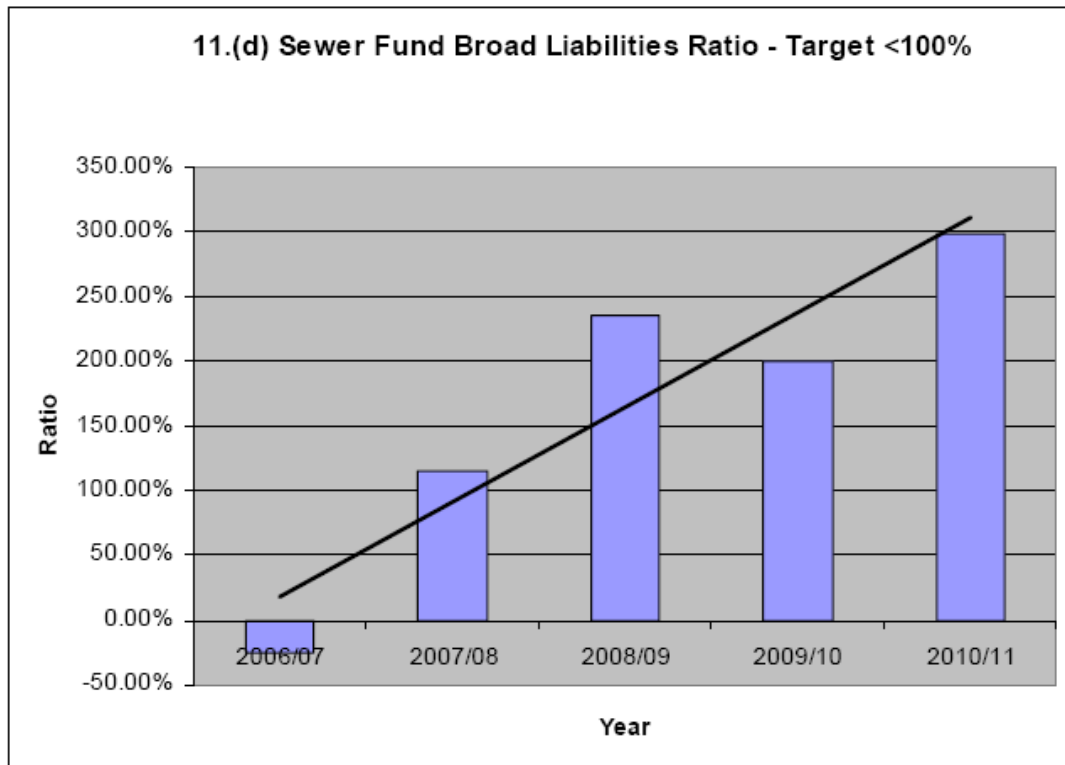


11.(b) General Fund Broad Liabilities Ratio - Target <100%



11.(c) Water Fund Broad Liabilities Ratio - Target <100%





Water and Sewer Funds performance has deteriorated in 2010/11 due to a reduction in investment income for both funds and a reduction in user charges for Water Fund.

Remedial Action Required:

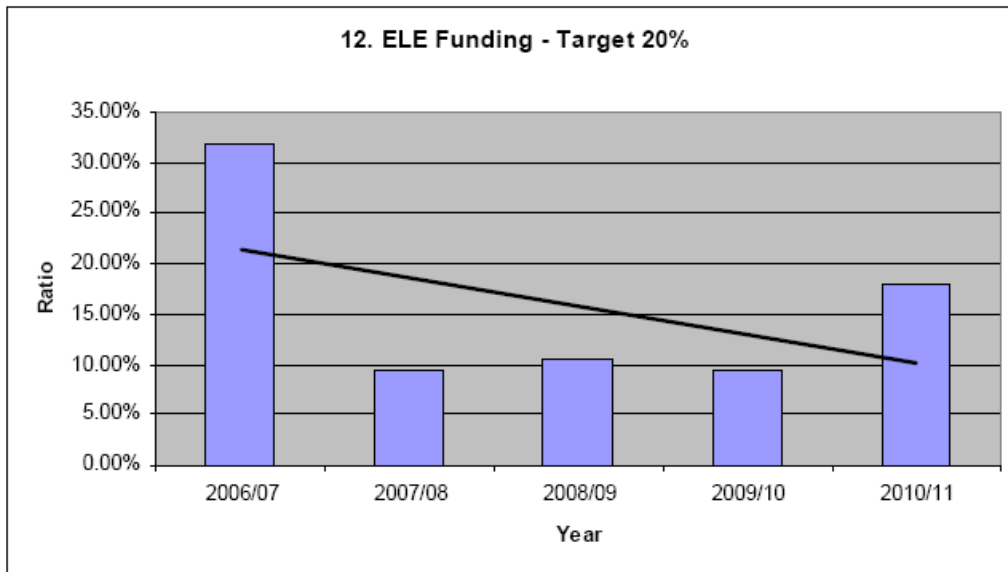
For General Fund the rate at which reserves are being spent needs to be increased. For Water and Sewer Funds no further action is required as the ratio is due to the positive net financial liability balance from large loan borrowing programs in the 2007/08 and 2008/09 financial years which will reduce over time as loan repayments are made and operating income should increase.

Key Financial Indicator 12 – Employee Leave Entitlement (ELE) Funding Ratio:

CHCC Target Range – DLG Best Practice Recommendation 20%

Calculated as – Reserve for Employee Leave Entitlements divided by Employee Leave Entitlements Liability

This indicator measures ability to cover main cash requirements for ELE.



This level of Employee Leave Entitlements reserve is below the target level. Given the ageing workforce there is a higher likelihood of this reserve being called on to meet the needs of retiring staff. The gap between the current level and the 20% target is approximately \$254,000.

Required Remedial Action:

Continue careful management of Employee Leave Entitlements related income and expenses to maintain an acceptable ratio.

Financial Sustainability (long term intergenerational focus):

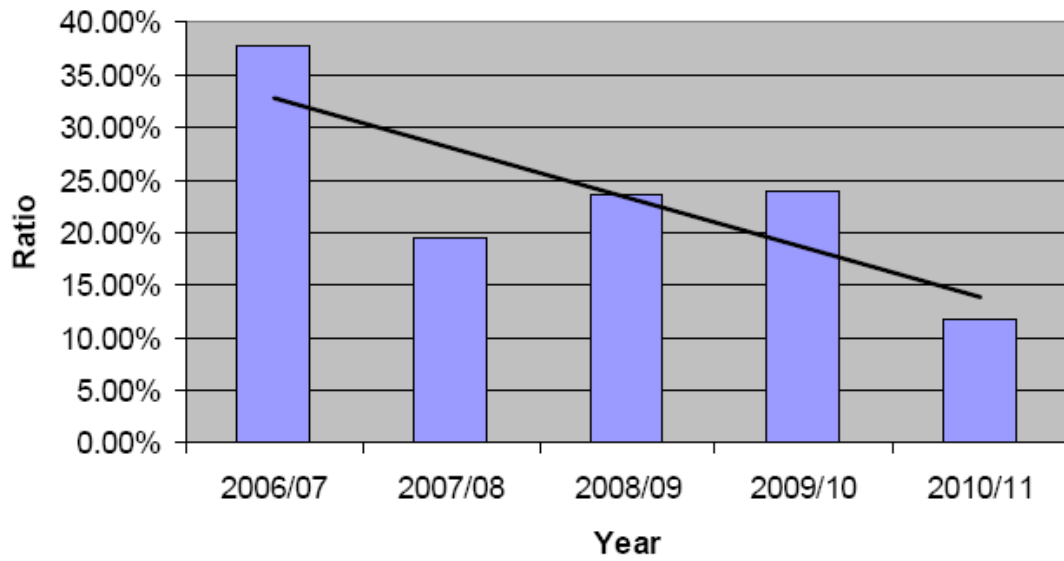
Key Financial Indicator 13 – Building & Infrastructure Renewals Ratio:

CHCC Target Range - greater than 100%
LGMA Suggested Target Range - greater than 100%

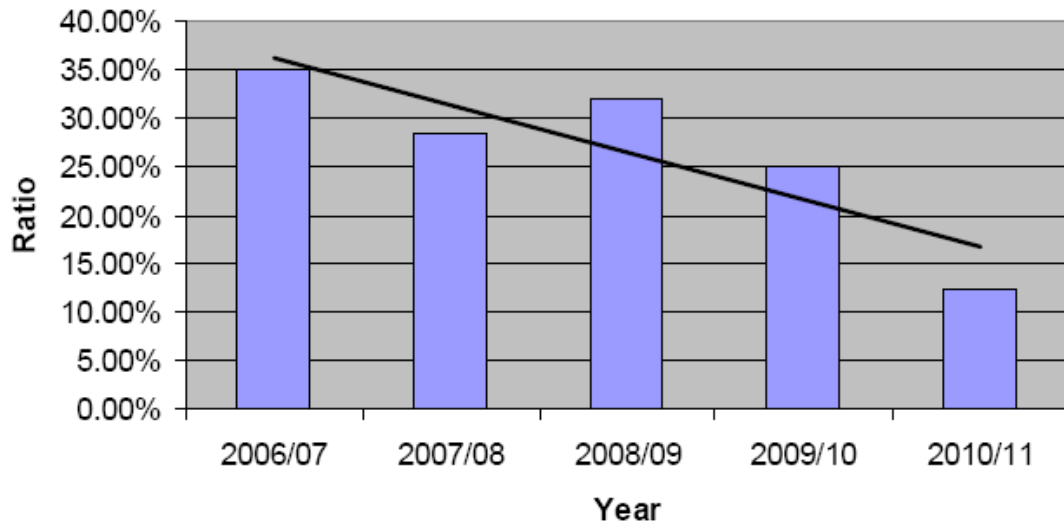
Calculated as – Asset renewals on building and infrastructure as a percentage of depreciation, amortisation and impairment.

This indicator measures the extent to which assets are being replaced at the rate they are wearing out.

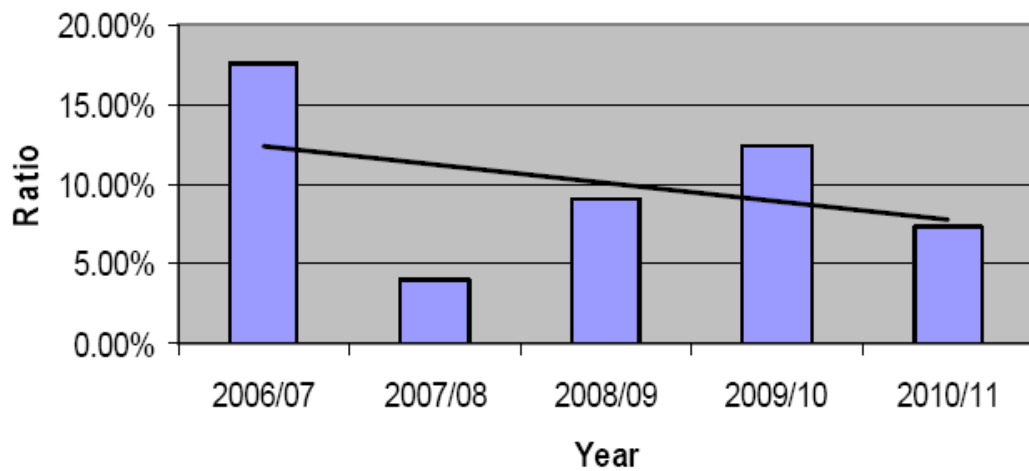
**13.(a) Consolidated Funds Building & Infrastructure
Renewals Ratio - Target 100%**



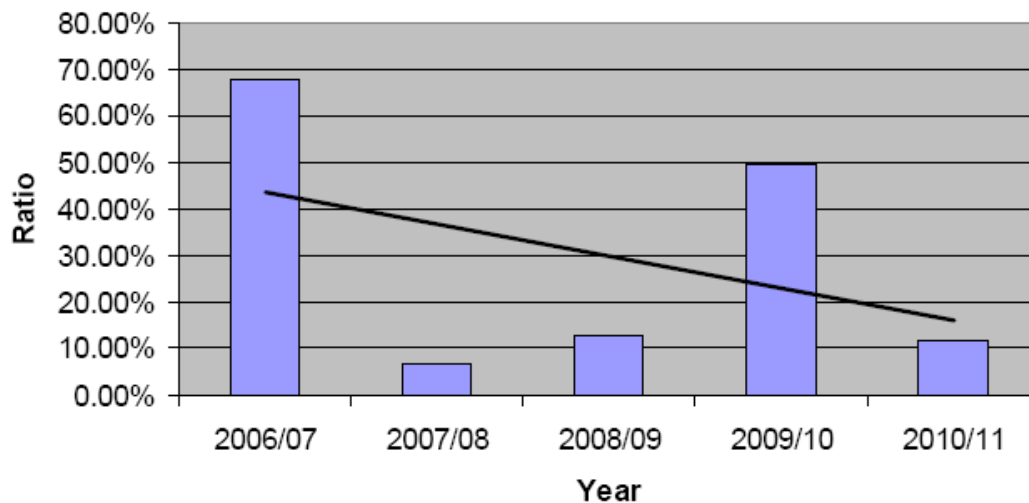
**13.(b) General Fund Building & Infrastructure Renewals
Ratio - Target 100%**



13.(c) Water Fund Building & Infrastructure Renewals Ratio - Target 100%



13.(d) Sewer Fund Building & Infrastructure Renewals Ratio - Target 100%



The downward trend in General Fund is largely a result of an increase in depreciation of transport infrastructure arising from the revaluation process undertaken for that asset category in 2009/10. Renewals expenditure across all funds in 2010/11 decreased by \$1.58M as Council has given upgrades and new assets purchased from capital grants and contributions higher priority.

The gap between what is being spent and what is required to be spent is very large. At the current rate of 12.36% for General Fund, Council's assets replacement is unsustainable as a percentage less than 100 on an ongoing basis indicates that assets may be deteriorating at a greater rate than spending on their renewal or replacement.

Required Remedial Action:

Elimination of forecasted General Fund budget deficits so that surplus funds can be applied to required expenditure on renewals and rehabilitation.

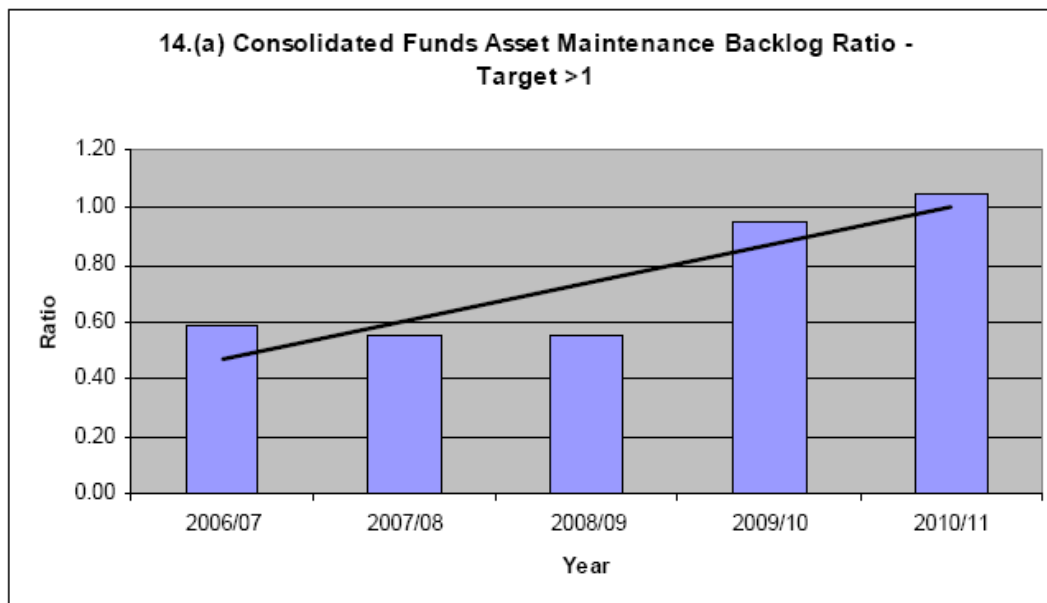
Key Financial Indicator 14 – Asset Maintenance Backlog Ratio:

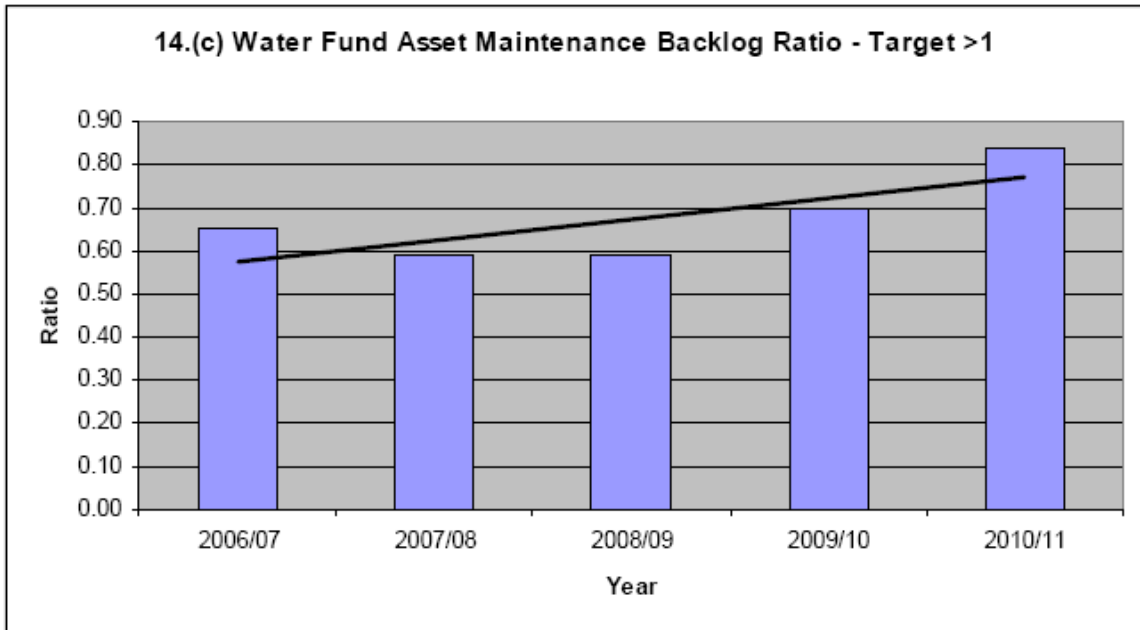
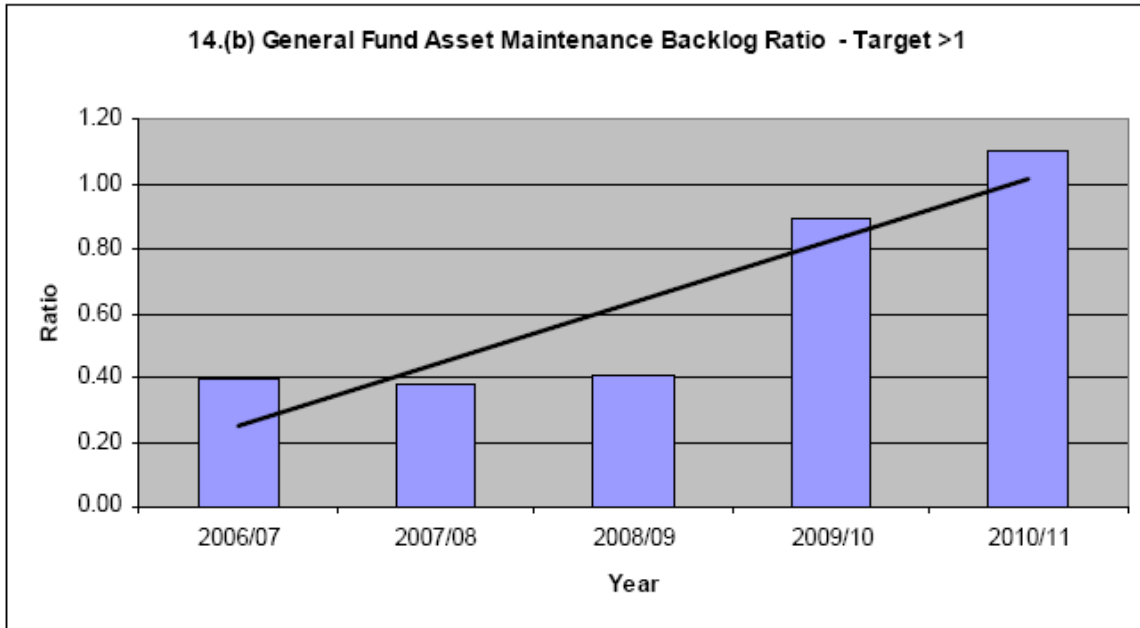
CHCC Target Range – > 1

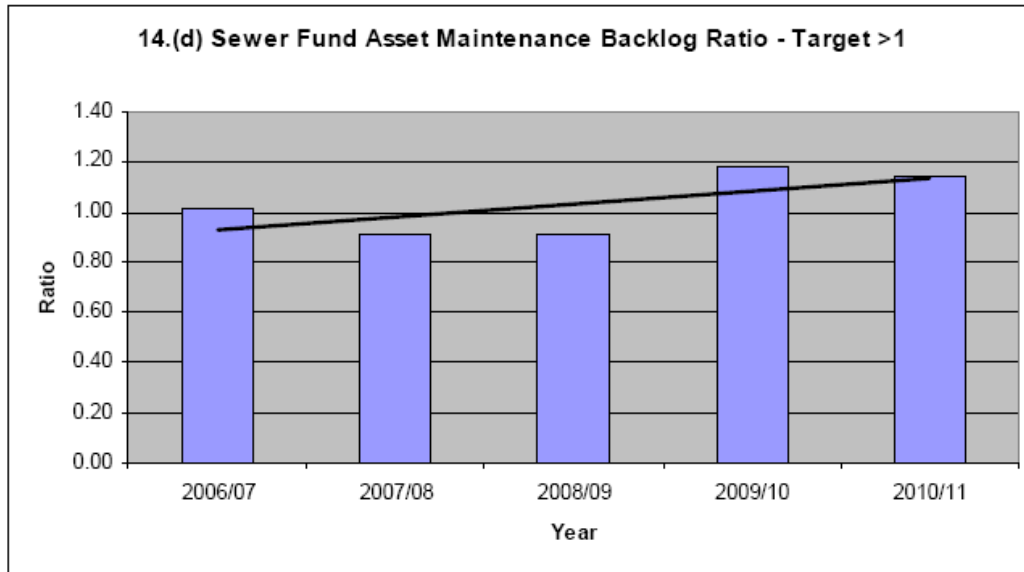
Calculated as – Forecast Asset Maintenance Cost divided by Required Asset Maintenance Cost

Information available from Special Schedule 7 of Annual Financial Statements.

A downward trend in this indicator plus the Building and Infrastructure Renewals Ratio indicates an unsustainable financial position.







The Water Fund performance reflects major upgrades recently completed and the General and Sewer Fund trends reflect ageing infrastructure which requires a high level of maintenance.

Required Remedial Action:

No further action is required for the Sewer Fund as large capital expenditure is planned for this area in 2011/12 thereby reducing maintenance

For General Fund this indicator shows the need for significant renewals funding to be incurred and ramping up of maintenance on existing assets rather than upgrading to new assets.

Purpose:

To seek Council's endorsement of a proposed funding strategy for future events at BCU International Stadium and other venues across the city.

Description of Item:

Council hosts a number of events each year particularly at the BCU International Stadium which have a hosting fee attached. Each time an expression of interest document is received; the relevant section of Council (particularly the Coffs Harbour Sports Unit) submits a proposal and works out a cash and in-kind hosting fee based on the economic benefit expected for the city. These proposals are all subject to Council approval and are often outside the existing operational budget.

Recently the Sports Unit have received proposals from a number of National Sporting Bodies with a strong interest in bringing major participation and spectator events to the city. These events include opportunities such as a proposed FFA Fixture, a national sport senior championships, a potential AFL Pre-Season match and a large entertainment event. Several of these events have the potential to be negotiated for a 2-3 year term, which would ensure some consistency of events at the BCU international Stadium and economic spend within the city.

The timing of these proposals means that Council cannot commit to hosting fees for these events as the 2012/13 Budget is still in draft format, and not likely to be approved until late May. This does not necessarily work with the timeframes that these sporting bodies are working with to announce venues for events and could potentially see these events lost from the city to our competitors.

Feedback from major sporting codes has been that since the installation of the 1500lux digital television standard floodlighting, BCU International Stadium has become an attractive option for national sporting teams/bodies looking to host games in regional areas. A secure events calendar featuring a number of national sporting teams would further enable Council to lobby the Federal Government for funding to secure Stage 1 upgrades at BCU International Stadium, which would include an additional 3000 seats. The secure events calendar would also assist with moving forward with the proposed Centre of Excellence at the venue, that would house local sports administrators and also see elite academy and representative players use Coffs Harbour as their training base.

Major sporting events (both participation and spectator events) are now an important economic driver to many regional areas and the competition for these events is growing rapidly as regional centres continue to invest in sporting infrastructure in the hope of attracting these events. Hosting fees for major events are now a standard and a system needs to be adopted by Council as these are now real costs. No longer are communities able to lobby for these events to come to their city at no cost.

It is anticipated that the economic impact across the range of events currently being discussed would be in excess of \$5 million, with additional opportunities for broadcasting, given the 1500lux floodlighting. Opportunities to market BCU International Stadium and Coffs Harbour as a destination would also bring a number of viable opportunities via websites, marketing collateral and social media outlets.

Cont'd

Secure funding for major events would also enable the Council to actively go and seek events through a detailed strategic planning process, something that the business community has for a long while thought to be lacking. It would also enable Council the opportunity to leverage some opportunities with the local business community in the form of contributing financially to securing some of these events.

The proposal is seeking to utilise existing funds from within the current operational budget to fund these and future sports events. Details of this are outlined in the confidential attachment to this report.

Sustainability Assessment:

- **Environment**

There are no environmental issues resulting from the recommendations of this report.

- **Social**

BCU International Stadium currently hosts a myriad of sporting events, from local school carnivals, to regional, state, national and international events. Increased participation in sport leads to a healthier community. The development of sport at a local level is directly increased as the community will be able to access professional level sportspeople at events held at the Stadium. An increased events calendar creates jobs – directly at the Stadium in areas of food and beverage and event logistics, and indirectly due to the tourism and media benefits that will flow on.

The proposal also allows for funds that are uncommitted at this stage. These funds could (if opportunity arises) be used to attract other cultural events to the area. Council already hosts events such as CoastOut, WinterSun etc. This will allow for a greater balance between sporting and cultural events in the city.

- **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.

Cont'd

- 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

An increased number of spectator and participation events will enhance the livability of Coffs Harbour and its attractiveness as a destination for new residents and encourage retention of existing residents. Opportunities to see elite sporting and cultural events on a regular basis can be a key determinant for people choosing where to live, particularly young families.

Local business will also benefit directly from any major sporting and cultural event coming into the city, with flow-on effects through accommodation and food/beverage providers, supermarkets and shopping centres, small business and hire companies all receiving the economic benefits.

Delivery Program/Operational Plan Implications

There would be no impact on the current Operational Plan as the funding would be covered utilising existing, budgeted funds.

Consultation:

The General Manager, Director Corporate Business, Sports Unit Manager (Acting) and Tourism Manager were all consulted on the funding strategy.

Related Policy and / or Precedents:

The draft BCU International Stadium Business Plan outlines the need for a larger number of major sporting events to be held at BCU International Stadium. Council already funds sporting and cultural events for the city.

Statutory Requirements:

There are no statutory requirements for this funding strategy.

Issues:

Sports Tourism is a major economic driver for the city and a preferred location for a number of national sporting bodies. Coffs Harbour needs to continue to invest in sports tourism to keep the city current in this competitive market. Hosting major events is now a cost that Council needs to factor into its annual budget, as these elite events are no longer available at a nil cost. Likewise, Council will need dedicated funds to attract cultural events such as WinterSun to the area.

Cont'd

CB12/27 Funding Strategy for Events ...(Cont'd)

Should the funding not be approved, Coffs Harbour faces losing a number of preferred events to its competitors due to lack of funding available to secure these events. The reduced number of events in recent years has produced a level of frustration and lack of confidence in the local business community as they continually see events being secured by other regional areas such as Port Macquarie and Tamworth.

The continued lack of events will mean that the recent floodlighting upgrade to 1500lux, at \$2.2 million, would be under-utilised.

Implementation Date / Priority:

Subject to approval, the Events Funding Strategy will be factored into the Draft 2012/13 budget for approval at the May Council meeting.

Recommendation:

That Council approve the Events Funding Proposal outlined in the confidential attachment and build the funding into the 2012/13 budget and future Council budgets.

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 provision of traffic control services 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 Provision of Traffic Control Services, Tender No T91112MNC that closed on Tuesday 28 February 2012.

Tenders were evaluated on the following criteria:

- Tender Price: Establishment costs and hourly rates combined (evaluated by comparing the combined costs across all tenderers);
- Tender Price: Design TCP, VMP, site inspections and long term hire costs combined (evaluated by comparing the combined costs across all tenderers);
- Quality Assurance;
- Work Health & Safety;
- Ecologically sustainable development;
- Previous experience;
- Referees;
- Customer service.

Tenders were received from the following companies:

1. Men At Work
2. Site Group
3. Workforce Road Service Pty Ltd
4. Clearwater Asset Services
5. Altus Traffic
6. Evolution Traffic Control
7. Midcoast Traffic Services
8. Dialtone Traffic Control Pty Ltd
9. Global Traffic Services
10. K & D Traffic Management.

Conforming Tenders

All of the above companies were conforming to tender document requirements.

Cont'd

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**

Council has considered all social implications involved in this contract, particularly in respect of the Provision of Traffic Control services into residential areas and the Central Business Districts (CBD). Managers and supervisors of all operations and construction staff have issued instructions that traffic control services are not to take place before 7.00am Monday to Saturdays in the CBD areas of Coffs Harbour and surrounding suburbs to reduce noise and interruptions. Provisions of traffic control services are scheduled no earlier than 7.00am in residential areas to meet the noise control requirements under the *Protection of the Environmental Operations Act*.

- **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.

It is also to be noted that this contract illustrates Council leadership in encouraging local business participation, resulting in permanent and casual employment for Coffs Harbour residents/ratepayers.

Cont'd

• **Economic**

Broader Economic Implications

The competition in the marketplace for traffic control services has increased remarkably since the commencement of the last contract, and if Council approves the recommended tenderers in this report it can achieve the following savings and benefits:

- No zone site establishment fees for 2 -6 person crews from some suppliers.
- Savings of up to 28% for normal day work hours (6.00am – 6.00pm) Mon-Fri
- Savings of up to 12% for day work “overtime hours” (after an 8 hour shift)
- No accommodation costs in lieu of establishment fees.

Delivery Program/Operational Plan Implications

The approval of this tender will have no major impact on Council, as the awarding of this contract will not commit Council to any set order expenditure over the tender period.

All orders for provision of traffic control services will be based on project requirements that have been approved and budgeted for over each financial year of the term of the contract. It is also to be noted that prices are fixed for the first year of the contract and subject to a CPI increase for each year after in accordance with Clause 3.3 of the General Conditions of Contract.

Consultation:

Consultation was undertaken with Council’s City Services Manager Asset Maintenance and Project Maintenance Engineer, and both were supportive of the tender process with Regional Procurement and confident of the quality of the service to be provided by the recommended tenderers and also encouraged by the potential cost savings.

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:

The only issue identified was determining the cost effective number of suppliers to recommend to Council from the panel of ten (10) conforming suppliers stated above in page one (1) of this report . After consultation with the Asset Maintenance Manager and the Project Maintenance Engineer the decision detailed in the Confidential section of this report was to recommend the four (4) highest scoring tenderers based on the application of the evaluation criteria and weightings.

Cont'd

CB12/28 Tender: Provision of Traffic Control Services ...(Cont'd)

Implementation Date / Priority:

The contract is for a two (2) year period with a further one (1) year option expected to commence from the 1 May 2012.

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 Provision of Traffic Control T91112MNC.

**Craig Milburn
Director
Corporate Business**

CITY SERVICES DEPARTMENT REPORTS

CS12/9 TENDER: CONSTRUCTION OF SLOPE REMEDIATION WORKS, KALANG ROAD, BELLINGEN - CONTRACT NO. RFT-530-TO

Purpose:

To report on tenders received for the supply and installation of soil nails on Kalang Road, Bellingen, NSW, and to gain Council's approval to accept a tender.

Description of Item:

Kalang Road is located within the Bellingen Local Government Area, and has suffered extensive flood damage in certain locations along Kalang Road. Bellingen Shire Council (BSC) have contracted Coffs Harbour City Council (CHCC) to project manage and construct some of the proposed remediation works to restore the road. Remediation works will be undertaken by CHCC day labour staff, supplemented by contractors for various specialised work throughout the project.

The project consists of the stabilising sections of road where runoff water and flood water have scoured into the road, causing instability, loss of road width or potential failure of the road should further damage occur. Stabilising works include soil nailing into unstable batters to prevent landslips and scouring, placement of rock protection at scoured sections and rehabilitation of road pavements where water has caused failures.

All regulatory matters for the project will be controlled by Bellingen Shire Council.

Open tenders were called for the supply and installation of soils nails, advertising in local and capital city newspapers and on Council's Tenderlink portal. Tenders closed 3:30pm on Tuesday 27 March 2012. Eight tenders were received as follows:-

1. Civil Works NSW Pty Limited
2. Geotechnical Engineering
3. Mulligan Drilling Pty Limited
4. Specialised Geo Pty Limited
5. Sporting Services (Const) Pty Limited T/As Pan Civil
6. The Rix Group
7. Warner Company
8. Geovert Pty Limited

Sustainability Assessment:

- **Environment**

Coffs Harbour City Council is in the process of finalising the environment assessments required for the works, and all assessments are to be approved by BSC prior to undertaking any works. CHCC will be working under the environmental controls set forth by the assessments and BSC, and any other relevant controls needed throughout the duration of the project to ensure that environmental effects are minimal.

Cont'd

CS12/9 Tender: Construction of Slope Remediation Works, Kalang Road, Bellingen - Contract No. RFT-530-TO ...(Cont'd)

- **Social**

The proposed works will require the road to be closed to all traffic during certain times of the day. The road at the locations is only one lane, with no site allowance for any detour or thoroughfare. The closure times will be signposted in advance and notices advertised in the local newspaper. Road closure times proposed are 9.30am to 12.00pm and 12.30pm to 3.00pm, Monday to Friday. It is estimated that the work will take four to six weeks to complete.

Following the remediation works, the local community will have more reliable access, and the risk of road failure will be decreased.

- **Economic**

The approval of this contract will have no economic impact on Council as this project is being funded by Bellingen Shire Council. The agreement to complete this work does not include any late completion penalties to Council.

Council involvement with the construction and project management is based on a cost plus arrangement with BSC for all work carried out to deliver the project.

BSC have formally committed to funding these works. (Ref attached letter from BSC dated 4 November 2011)

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. Council's policy is that the tenderer with the highest weighted score becomes the recommended tender.

Statutory Requirements:

The calling, receiving and reviewing of tenders was carried out in accordance with Section 55 of the Local Government Act (the Act) and Part 7 Tendering of the Local Government (General) Regulations 2005, (the Regulations).

Implementation Date / Priority:

It is anticipated that onsite works will commence May 2012 and be completed in June 2012 barring unforeseen delays. These dates also depend on the availability of specialised subcontractors to be used for various parts of the work.

A proposed works schedule is set out below:

- Commencement of works on site by Council staff April 2012
- Commencement of works by contractors May 2012
- Completion of works by Council staff June 2012

Recommendation:

That Council considers tenders received for the supply and installation of soils nails, Kalang Road, Bellingen, Contract No. RFT-430-TO, and move the motion as detailed in the confidential attachment.

Attachments:



BELLINGEN SHIRE COUNCIL

33-39 Hyde Street, Bellingen NSW

All communications to be addressed to the General Manager
P.O. BOX 117 BELLINGEN NSW 2454

ABN: 26 066 993 265
TELEPHONE: (02) 6655 7300
FAX: (02) 6655 2310
EMAIL: council@bellingen.nsw.gov.au
WEBSITE: www.bellingen.nsw.gov.au

Programs Natural Disaster Relief March April 2009 Flood
Wb:wk
Wayne Butler
(02) 6655 7340

4 November 2011

The General Manager
Coffs Harbour City Council
Locked Bag 155
COFFS HARBOUR NSW 2450

Attention: Mr Ben Lawson

Dear Sir,

Bellingen 2009 Flood Slip Repairs – Kalang Road, Bowraville Road and Old Coramba Road

I refer to your letter dated 10 October 2011 regarding a proposal for Coffs Harbour City Council to undertake flood slip repairs along the above roads on behalf of Bellingen Shire Council.

Bellingen Shire Council accepts your proposal to undertake the specified works in accordance with the arrangements described.

Please liaise with Bellingen Council's Road Asset Manager, Warwick Knight (ph 6655 7341) at the commencement of the project.

Yours faithfully,

Wayne Butler
DIRECTOR OF ENGINEERING AND OPERATIONS

Purpose:

To obtain Council approval to accept tenders for inclusion within a panel tender for the supply or supply and delivery of quarry products for a period of 24 months following the awarding of contract.

Description of Item:

Tenders were called and closed on 20 March 2012 for the supply of quarry products for civil works undertaken by Coffs Harbour City Council. These works are scheduled to be undertaken over the following 24 months.

In order to ensure that Council obtained the best value, tenders were called to establish a panel of suitably qualified suppliers of quarry products.

Six tenders were received as follows, each tendering on various items.

1. Coastal Homesites Pty Ltd (Woolgoolga)
2. Espedan Pty Ltd (Central Bucca)
3. Holcim Ltd (North Boambee Road)
4. EMS Quarries Pty Ltd (Dorrigo)
5. Kerita Holdings Pty Ltd T/A (T J Jung Quarries Pty Ltd Redhill)
6. Wyanga Holdings Pty Ltd (Taylors Quarry Corindi)

Sustainability Assessment:

- **Environment**

All quarries are required to operate in accordance with the NSW Department of Mineral Resources operational and environmental guidelines. The rate of use that Council proposes of this non renewable resource is within each quarry's operating licenses.

- **Social**

The quarry products supplied under this contract are mostly used for civil construction works such as sealing aggregate for road surfacing, road base materials for road pavement construction and other material for drainage and gabion retaining walls etc. Quarry products play an integral part in providing and maintaining infrastructure for the community.

- **Economic**

Broader Economic Implications

All quarries are located locally, thus supporting local community employment and business. The amount of quarry products purchased by Council in relation to the total amount sold by the quarries operating within the City of Coffs Harbour is minimal. Current works by Leighton, Fulton Hogan Joint Venture on the Sapphire to Woolgoolga Deviation and ongoing residential subdivisions by developers have assumed the majority share of quarry products sold recently. However, Council provides a consistent and long term stream of income for the local quarries.

Cont'd

Management Plan Implications

The funds for supply of quarry products are available in the annual Works Program.

Related Policy and / or Precedents:

Tendering procedures were carried out in accordance with Council's policy. Council's Tender Evaluation System has been applied during the tender review process, as detailed in the attachment.

Statutory Requirements:

The calling, receiving, opening and reviewing of tenders were carried out in accordance with the Local Government (Tendering) Regulations.

Issues:

In previous years, Council's CityWorks Branch utilised an annual contract for the supply and delivery of aggregate for its bitumen sealing and maintenance activities. The supply of other quarry products such as road base and natural gravel materials needed to be sourced and quoted on a project to project basis. The formation of a panel of suitably qualified contractors commenced in the 2008/2009 financial year to simplify the purchasing requirements of Council as well as reducing the need for each quarry to provide individual quotations.

The distribution of work within the panel of contractors is to be such that it provides the best value for Council. A panel of tenders enables Council to select quarry products from certain Contractors depending upon such considerations as:

1. The ability of a contractor to supply a suitable product
2. The contractors supply rates.
3. Haulage distance and time from quarry to worksite or stockpile
4. The contractor's available resources and performance capabilities
5. The contractor's current commitments.

Implementation Date / Priority:

The contract to supply quarry products under this panel contract will be awarded in April 2012 with practical completion due in April 2014.

Recommendation:

1. **That Council accept the six (6) tenders received**
2. **That Council accepts the tenders received from the above panel of recognised contractors for the products as tendered for Contract RFT-526-TO, Supply of Quarry Products, on the basis that:**
 - **All contractors have demonstrated experience and capacity in fulfilling the requirements of the contract for the quarry products that they can supply.**
 - **The rates as tendered are reasonable.**
 - **It is the most advantageous arrangement for Council to have a panel of suppliers to select from**
3. **That the contract documents be executed under the Common Seal of Council.**

**CS12/11 TENDER: COFFS HARBOUR TO BOAMBEE CREEK SEWER RISING MAIN
REMOVAL AND DISPOSAL OF 250MM AC PIPE**

Purpose:

To report on tenders received for the removal and disposal of redundant Asbestos Cement pipe associated with the Coffs Harbour to Boambee Creek Rising Main Project and to obtain Council approval to accept a tender for the work.

Description of Item:

Two new sewer rising mains are to be constructed between Coffs Harbour Sewer Treatment Plant and Sawtell. This segment of work involves the removal of a redundant 250mm diameter asbestos cement pipe prior to the construction of the new pipe lines.

Tenders were called and closed on 20 March 2012 for the removal and disposal of 4100m of existing buried 250mm Asbestos Concrete pipe. These works are scheduled to be undertaken this financial year (3 months).

In order to ensure that Council obtained the best value, tenders were called to gain prices from suitably qualified Asbestos removal and disposal companies.

Nine submissions were received as follows, each tendering on defined items.

1. AADEMEX Pty Ltd
2. All Clear Demolition Pty Ltd
3. ATS (Australian Technical Services) Pty Ltd
4. Australian Demolition and Scrap Recovery Pty Ltd
5. Coffs Harbour Demolitions Pty Ltd
6. Ledonne Constructions Pty Ltd
7. Malin Excavations Pty Ltd
8. Ross Mitchell & Associates Pty Ltd
9. Shawcorp Pty Ltd

Sustainability Assessment:

- **Environment**

All asbestos removal and disposal companies are required to be licensed under the Work Health Safety (WHS) Act 2011 to carry out asbestos removal work. All licensed asbestos removal and disposal companies are required to operate in accordance with the Workcover NSW "How to Safety Removing Asbestos: Code of Practice".

Cont'd

CS12/11 Tender: Coffs Harbour to Boambee Creek Sewer Rising Main Removal and Disposal of 250mm AC Pipe ...(Cont'd)

- **Social**

The removal of the existing 250mm AC pipe is required to allow for the construction of a 600mm sewerage rising main and a 250mm effluent main connecting the sewerage treatment works at Coffs Harbour with Sawtell allowing for the planned closure of the current Sawtell Sewerage Treatment Works. The removal of the existing asbestos concrete pipe will remove the social liability for future generations.

- **Economic**

Closure of the Sawtell Sewerage Treatment Works will remove the economic liability of upgrading the current works.

Broader Economic Implications

Current social and economic conditions place the responsibility of managing asbestos contaminated sites on the end user. Removal of the current AC pipe will reduce the cost incurred during the construction of the 600mm sewerage pipeline. Upgrading of the pipeline is required to ensure a low risk strategy in sewerage treatment and allow disposal through the Deep Ocean Outfall.

Management Plan Implications

The funds for the Removal and Disposal of the existing 250mm AC pipe are available in the 2011 / 12 Sewerage Fund.

Related Policy and / or Precedents:

Tendering procedures were carried out in accordance with Council's policy. Council's Tender Evaluation System has been applied during the tender review process, as detailed in the attachment.

Statutory Requirements:

The calling, receiving, opening and reviewing of tenders were carried out in accordance with the Local Government (Tendering) Regulations 2005.

Implementation Date / Priority:

The contract to remove and dispose of the 250mm AC pipe under this contract will be awarded in April 2012 with practical completion due in May 2012.

Recommendation:

That Council consider tenders received for the Contract RFT-516-TO, Coffs Harbour to Boambee Creek Sewer Rising Main Removal and Disposal of 250mm AC Pipe, and to move a motion as detailed in the confidential attachment.

**Ben Lawson
Director
City Services**

QUESTION ON NOTICE

QON12/2 RALLY AUSTRALIA - OUTSTANDING MONIES

Purpose:

Councillor Mark Graham asked the following questions:

Does Rally Australia owe money to Coffs Harbour City Council?

If it does, how much money is owed to Council?

Staff Comment:

Rally Australia (RA) currently owe Council \$277,678.12.

Council has been actively pursuing this account as seen from the brief outline below.

13 December 2011 – Accounts place phone call to RA seeking follow-up from their meeting and when we should expect to receive payments. They are waiting on a large sum of money to come from Events NSW which they hoped would have been paid last Friday (9 December) and if this comes through they will certainly be paying some of the monies owed. If it does not come through, Events NSW are now on holidays until the New Year and nothing else can be done until 9 January.

16 January 2012 – Accounts place phone call to RA to follow up on overdue payments. It seems that some monies received prior to Christmas have been expended elsewhere. They are now waiting on further major payments from Events NSW however they are still on Christmas/New Year break until next week. RA has advised they are hoping once these monies are received that they can at least clear the 90+ days' debt (which is the majority of what is owed - \$227k) and has requested CHCC touch base again with them in the week after next when RA should know more.

31 January 2012 - Accounts place phone call to RA to follow up on payments. RA advised that no funds have been forthcoming from Events NSW as expected. RA following up when there will be funds available to clear some of the debt.

2 February 2012 - Accounts place phone call and spoke to RA again who advised that it appears they are not expecting further funds until mid-February and RA is unsure whether our accounts can be cleared at that time until she speaks with Ben Rainsford Chairman RA.

16 February 2012 - Accounts place phone call to RA to obtain update on situation with payments. RA advises that Ben Rainsford had a teleconference this morning and advised that he has updated the General Manager. RA Board agreed to pay all small creditors from funds received to date. They are waiting on final payment from Events NSW to finalise all outstanding accounts.

17 February 2012 – Email to RA from Director Corporate Business chasing up the account.

Response from RA: *“we would not be in a position to settle these accounts until we receive the significant sponsorship payment from Destination NSW which we are still waiting on. We are on the case daily with the State Government to try and get these funds ASAP by outlining the embarrassing predicament they have placed us in by not being able to settle outstanding accounts.”*

Cont'd

QON12/2 Rally Australia - Outstanding Monies ...(Cont'd)

21 March 2012 – Manager Coffs Coast Marketing met with Events NSW to ascertain when they will release the final report into the event and release funding to Rally Australia.

3 April 2012 – Teleconference with Chairman of Rally Australia. One item on the agenda was seeking payment and clear commitment of when funds will be received. RA confirmed that CAMS as the sole shareholder of RA has committed to covering the RA's outstanding accounts if due to unforeseen circumstances funding from Events NSW does not eventuate.