



Coffs Harbour City Council

05 February 2015

ORDINARY MEETING

The above meeting will be held in the Council Chamber, Administration Building, corner Coff and Castle Streets, Coffs Harbour, on:

THURSDAY 12 FEBRUARY 2015

The meeting commences at **5.00pm** and your attendance is requested.

AGENDA

1. Opening of Ordinary Meeting
2. Acknowledgment of Country
3. Disclosure of Interest
4. Apologies
5. Public Addresses / Public Forum
6. Mayoral Minute
7. Mayoral Actions under Delegated Authority
8. Confirmation of Minutes of Ordinary Meeting – 18 December 2014
9. Notices of Motion
10. General Manager's Reports
11. Consideration of Officers' Reports
12. Requests for Leave of Absence
13. Matters of an Urgent Nature
14. Questions On Notice
15. Consideration of Confidential Items (if any)
16. Close of Ordinary Meeting.

Steve McGrath
General Manager



COFFS HARBOUR CITY COUNCIL
ORDINARY MEETING
COUNCIL CHAMBERS
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR
12 FEBRUARY 2015

Contents

ITEM DESCRIPTION

NOTICE OF MOTION

NOM15/1 RENAMING OF RESERVE

GENERAL MANAGER'S REPORT

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

GM15/1 LEGAL APPEAL - APPLICATION TO REVIEW DETERMINATION OF MODIFICATION APPLICATION 43/14DM (955/12DA) - LOT 5 DP 876129, NO. 81D OLD BUCCA ROAD, MOONEE BEACH - ANIMAL ESTABLISHMENT (DOG BOARDING FACILITY)

A portion of this report is confidential for the reason of Section 10A (2):
(g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege,
and in accordance with Section 10A (1) the meeting may be closed to the public

BUSINESS SERVICES DEPARTMENT REPORTS

BS15/1 BANK AND INVESTMENT BALANCES FOR DECEMBER 2014

BS15/2 QUARTERLY BUDGET REVIEW STATEMENT FOR DECEMBER 2014

BS15/3 FIT FOR THE FUTURE IMPROVEMENT PROPOSAL UPDATE

BS15/4 COFFS HARBOUR CITY COUNCIL RESOURCING STRATEGY 2015/2016 TO 2024/2025

BS15/5 APPLICATION FOR A SPECIAL RATE VARIATION (2015/2016 AND 2016/2017)

ITEM	DESCRIPTION
BS15/6	SUPPLY OF ELECTRICITY FOR LARGE CONTESTABLE SITES AND STREET LIGHTING

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

BS15/7	CONTRACT NO RFT-689-TO PROVISION OF INVESTMENT ADVISORY SERVICES
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A portion of this report is confidential for the reason of Section 10A (2):

- (d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council, or
 - (iii) reveal a trade secret.

and in accordance with Section 10A (1) the meeting may be closed to the public.

SUSTAINABLE INFRASTRUCTURE DEPARTMENT REPORTS

SI15/1	FUNDING ALLOCATION FOR S94 CORINDI BEACH DEVELOPMENT AREA
SI15/2	PROPOSED LEASE - WESTSIDE TENNIS FACILITY



COFFS HARBOUR CITY COUNCIL

ORDINARY MEETING

18 DECEMBER 2014

Present: Councillors D Knight (Mayor), N Cowling, R Degens, B Palmer, K Rhoades, M Sultana and S Townley

Staff: General Manager, Director City Infrastructure Services, Director City Planning, Director Community Development, Director Corporate Business and Executive Assistant

The meeting commenced at 5.00 pm with the Mayor, Cr D Knight in the chair.

We respectfully acknowledge the Gumbaynggirr Country and the Gumbaynggirr Aboriginal peoples who are traditional custodians of the land on which we meet and their Elders both past and present.

The Mayor reminded the Chamber that the meeting was to be recorded, and that no other recordings of the meeting would be permitted.

DISCLOSURES OF INTEREST

The General Manager read the following disclosure of interest to inform the meeting:

Councillor	Item	Type of Interest
Cr Rhoades	CP14/48 Illegal Waste Dumping	Non Pecuniary Less Than Significant Conflict as he holds a position on the NSW Environmental Trust Board
Cr Palmer	CIS14/65 City Centre Master Plan Committee - City Square Design Concept Plan	Non Pecuniary Less Than Significant as his wife operates a retail outlet in the CBD

Councillor	Item	Type of Interest
Cr Knight	CP14/43 Development Application No. 0155/15 - Demolition of Existing Building and Construction of a Medical Centre - lot 2 DP 270006 SP 39709, 9 Minorca Place, Toormina	Pecuniary Interest as she owns a property in the area that is being used as a medical facility
General Manager	CB14/78 Rally Australia Events 2015	Non Pecuniary Less Than Significant Conflict as he is a Board member of Rally Australia Ltd (non-remunerated)
General Manager	MM14/5 General Manager's Performance Review 2014	Pecuniary Interest as the matter deals with the process surrounding his performance review

APOLOGY

- 352 RESOLVED** (Sultana/Palmer) that an apology received from Councillor Arkan for unavoidable absence be received and accepted.
- 353 RESOLVED** (Degens/Townley) that leave of absence as requested from Councillor Innes be approved.

PUBLIC ADDRESS

Cr Knight declared a pecuniary interest in the following item, vacated the chamber and took no part in the discussion or voting, the time being 5.05pm, Cr Townley assumed Chairmanship of the meeting.

Time	Speaker	Item
5.00 pm	Peter Holst and Daniel Sutton	CP14/43 – DA 155/15 – Demolition of Existing Building and Construction of a Medical Centre – 9 Minorca Place, Toormina
5.05 pm	Greg Benson, De Groot Benson and Dr Peter McDonald	CP14/43 – DA 155/15 – Demolition of Existing Building and Construction of a Medical Centre – 9 Minorca Place, Toormina

CITY PLANNING DEPARTMENT REPORT

CP14/43 DEVELOPMENT APPLICATION NO. 0155/15 - DEMOLITION OF EXISTING BUILDING AND CONSTRUCTION OF A MEDICAL CENTRE - LOT 2 DP 270006 SP 39709, 9 MINORCA PLACE, TOORMINA

The purpose of this report is to present Development Application No. 155/15 for Council's determination, which is an application for the demolition of an existing commercial building and construction of a three (3) storey medical centre.

354 RESOLVED (Degens/Sultana) that:

1. The request made pursuant to Clause 4.6 of Coffs Harbour Local Environmental Plan 2013 for the variation to the maximum Floor Space Ratio under Clause 4.4 of Coffs Harbour Local Environmental Plan 2013, be supported in this particular case.
2. Development Application No. 0155/15 for demolition of existing building and construction of a Medical Centre at Lot 2 DP 270006 S/P 39709, 9 Minorca Place Toormina, be approved subject to the conditions on Attachment 3.
3. Those persons who made submissions be advised of Council's decision.

The **MOTION** on being put to the meeting was carried unanimously.

Cr Knight returned to the meeting, the time being 5.52pm. Cr Knight resumed Chairmanship of the meeting.

The General Manager declared a pecuniary interest in the following item, vacated the chamber and took no part in the discussion or voting, the time being 5.53pm.

MM14/5 GENERAL MANAGER'S PERFORMANCE REVIEW 2014

355 RESOLVED (Townley/Cowling) that item MM14/5 be referred to Closed Session.

The General Manager returned to the meeting, the time being 5.54pm.

CONFIRMATION AND ADOPTION OF MINUTES

356 RESOLVED (Sultana/Palmer) that the minutes of the Ordinary meeting held on 27 November 2014 be confirmed as a true and correct record of proceedings.

RESCISSION MOTION

RM14/5 DA NO. 0961/14 - DEMOLISH EXISTING DWELLINGS AND CONSTRUCT SERVICE STATION, COMMERCIAL BUILDING AND ADVERTISING STRUCTURE - LOT 20 DP 1034831, LOT 3 DP 564731, LOT 16 DP 22513 - 208-212 PACIFIC HIGHWAY NORTH COFFS HARBOUR - RESCISSION MOTION

357 RESOLVED (Degens/Sultana) that:

Resolution 343 of Ordinary meeting held 27 November 2014 regarding item CP14/37 Development Application No. 0961/14 Demolish Existing Dwellings and Construct Service Station, Commercial Building And Advertising Structure - Lot 20 DP 1034831, Lot 3 DP 564731, Lot 16 DP 22513 - 208-212 Pacific Highway North Coffs Harbour, and reading as follows, be rescinded:

RESOLVED (Palmer/Cowling) that development application No 0961/14 be deferred to allow for further assessment of;

1. the proposed control of storm water run-off using a 20,000 litre SPEL tank and its capacity to prevent over flow spillage directly into Fern Tree Creek at time of heavy, persistent rainfall.
2. alternative methods of disposing of the treated discharge other than releasing it into bio-retention gardens before being discharged into Fern Tree Creek such as discharge into Council's reticulated sewer system.
3. frequency of testing of water quality in Fern Tree Creek
4. conducting a Species Impact Study
5. that the Management of Solitary Marine Park be consulted on any possible impacts on the Marine Park.

VOTED FOR

Cr Degens
Cr Cowling
Cr Knight
Cr Sultana
Cr Palmer
Cr Rhoades

VOTED AGAINST

Cr Townley

358 RESOLVED (Sultana/Degens) that:

1. The objection made pursuant to Clause 4.6 of Coffs Harbour Local Environmental Plan 2013 for the variation to the maximum building height under Clause 4.3(2) of Coffs Harbour Local Environmental Plan 2013 be supported in this particular case.
2. Development Application No. 0961/14 to demolish existing dwellings and construct service station, commercial building and advertising structure at Lot 20 DP 1034831, Lot 3 DP 564731, Lot 16 DP 22513, 208-212 Pacific Highway, North Coffs Harbour be approved subject to the conditions on Attachment 3, with the amendment to the last paragraph of Condition 8 to read "The design details for the stormwater management system shall confirm that all discharge water from the SPEL tank is directed to a reticulated system and will not pollute any receiving waterways."
3. Persons who made a submission on Development Application No. 0961/14 be informed of Council's decision.

The **MOTION** on being put to the meeting was carried unanimously.

NOTICES OF MOTION

NOM14/21 INCLUSION OF THE PORT OF COFFS HARBOUR INTO SHIPPING NETWORK

359 RESOLVED (Degens/Sultana) that:

Council draft a letter to the CEO of RDA MNC (Regional Development Australia Mid North Coast), Ms Lorraine Gordon, for the purpose of:

1. Expressing our strong interest and support for the concept of inclusion of the 'Port of Coffs Harbour' into the shipping network of NSW and Australia as both a commercial and a tourist destination for cruise shipping.
 2. Obtaining any further information regarding this concept, especially in our terms of our capacity to welcome it.
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NOM14/22 REGIONAL CAPITALS AUSTRALIA MEMBERSHIP

360 RESOLVED (Degens/Sultana) that:

Council contact Regional Capitals Australia to invite the RCA Secretariat and one of the board members to Coffs Harbour for the purpose of briefing Council on the alliance and how Coffs Harbour can benefit from membership.

DIVISION

MOVED (Cowling/Sultana) that a division be called, and those members voting for and against the motion were recorded:

VOTED FOR	VOTED AGAINST
Cr Degens	Cr Cowling
Cr Townley	Cr Palmer
Cr Knight	
Cr Sultana	
Cr Rhoades	

NOM14/23 GRAFFITI REMOVAL AND STREET ART AWARENESS COMMITTEE

361 RESOLVED (Sultana/Degens) that Council will engage members of the community by way of invitation to develop a policy on graffiti management and a strategy to undertake prevention, mitigation and education activities to minimise the impact of graffiti vandalism in the local government area.

GENERAL MANAGER'S REPORTS

GM14/31 MODEL CODE OF CONDUCT COMPLAINTS STATISTICS

To provide Council with the Model Code of Conduct complaints statistics report.

- 362 RESOLVED** (Degens/Townley) that the Model Code of Conduct complaint statistics report be noted.
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GM14/32 SURVEY OF COMMUNITY WELLBEING IN COFFS HARBOUR

To inform Council as to the outcomes of the 2014 Survey on Community Wellbeing in Coffs Harbour.

- 363 RESOLVED** (Palmer/Sultana) that:
1. Council note the results of the 2014 Community Wellbeing Survey.
 2. The Final Report on the survey (provided by Jetty Research) be distributed to Council staff and posted on Council's website.
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COMMUNITY DEVELOPMENT DEPARTMENT REPORTS

CD14/21 RESULTS OF ENGAGEMENT REGARDING CULTURAL FACILITIES

To inform Council of the outcomes of the recent community engagement regarding the provision of cultural facilities in Coffs Harbour.

- 364 RESOLVED** (Palmer/Townley) that:
1. Council note the results of the survey regarding the support for the provision of cultural facilities at this time.
 2. Further action in relation to the provision of a new central library, a new regional gallery and a performance space be undertaken once Council's financial sustainability strategy for the ongoing renewal and maintenance of infrastructure assets is finalised.
 3. The further action referred to above would be the subject of a Council report, prior to any such action being taken.
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CD14/22 COMMUNITY SERVICES DIVISION - FACILITIES MANAGEMENT ADVISORY COMMITTEES AND COMMUNITY SERVICES INITIATIVES UPDATE FOR 2014

To provide a report on the current operational status of the community facility management and advisory committees within the Community Services Division and associated community services initiatives.

- 365 RESOLVED** (Degens/Palmer) that Council note the valuable assistance, advice and good management of Council's community facilities and advisory committees by volunteer members and a letter of appreciation be sent to the committees signed by the Mayor.
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**CD14/23 CONTRACT NO. RFT-679-TO DESIGN AND CONSTRUCT -
RESURFACE WOOLGOOLGA NETBALL COURTS**

To advise Council of tenders received for the Resurface of Woolgoolga Netball Courts; and to gain Council approval to accept a tender.

366 RESOLVED (Sultana/Degens) that:

1. Council accept the tender of Court Craft (Aust) Pty Ltd, ABN 41 003 169 015 for Contract no. RFT-679-TO Design and Construct – Resurface Woolgoolga Netball Courts, for the lump sum of \$265,601 including GST on the basis that:
 - a) The tender is the most advantageous tender following the application of Council's Tender Value Selection System.
 - b) The tenderer has the necessary experience in similar works and his ability and performance are satisfactory.
 - c) The tenderer's financial capacity is acceptable.
2. The contract documents be executed under the seal of Council.
3. Council approve the additional funding as detailed in the confidential attachment, being \$35,000 from unallocated loan funds and a maximum of \$32,000 from the general fund surplus.
4. Council write to Woolgoolga District Netball Association confirming the requirement for them to commit \$3,000 per year for a 10 year period into a court maintenance sinking fund.

CITY PLANNING DEPARTMENT REPORTS

**CP14/44 RELEASE OF RESTRICTION ON USE - LOT 5 DP 1093216
JARRAH COURT COFFS HARBOUR**

The purpose of the report is to obtain Council approval to execute the necessary legal documents to release a restriction on use over Lot 5 in DP 1093216.

367 RESOLVED (Townley/Cowling) that:

1. Council execute under seal all necessary documents to release the existing restriction on the use of land, numbered 3 and noted as 'D' over Lot 5 in DP 1093216.
2. All costs associated with this matter be the responsibility of the owners of the relevant lot, requesting release of the restriction.

The **MOTION** on being put to the meeting was carried unanimously.

**CP14/45 NORTH BOAMBEE VALLEY (WEST) INVESTIGATION AREA -
PLANNING PROPOSAL, DRAFT DEVELOPMENT CONTROL PLAN
(COMPONENT E16) AND DRAFT DEVELOPER CONTRIBUTIONS
PLAN**

The purpose of this report is to present for Council's consideration a Planning Proposal (PP) (Attachment 1), draft Development Control Plan (DCP) (Attachment 2) and draft Developer Contributions Plan (CP) (Attachment 3) for the North Boambee Valley (NBV) (West) Investigation Area, with a view to rezoning parts of the Investigation Area in accordance with the findings of the supporting documents of the Planning Proposal.

To achieve this, Council should request a Gateway Determination from NSW Planning and Environment (P&E), to progress zoning amendments to Coffs Harbour Local Environmental Plan (LEP) 2013.

Council has undertaken Planning Studies to support the PP for the NBV (West) Investigation Area, while also preparing the draft Boambee-Newports Creek Flood Risk Management Plan (FRMP). The findings of the Planning Studies and the draft FRMP have been critical to the progress of the NBV (West) PP.

368 RESOLVED (Palmer/Rhoades) that:

1. Council endorse and forward the subject Planning Proposal to NSW Planning and Environment seeking a "Gateway Determination" for the rezoning of parts of the North Boambee Valley (West) Investigation Area as shown in Attachment 1 to this report.
2. Subject to the "Gateway Determination" from NSW Planning and Environment, Council place the Planning Proposal on public exhibition.
3. Subject to the "Gateway Determination" from NSW Planning and Environment, Council place the Draft Coffs Harbour Development Control Plan (Component E16) North Boambee Valley (West) (Attachment 2 to this report) on public exhibition.
4. Subject to the "Gateway Determination" from NSW Planning and Environment, Council place the Draft North Boambee Valley (West) Developer Contribution Plan (Attachment 3 to this report) on public exhibition.
5. A further report be considered by Council, concerning the outcome of the public exhibition.
6. Landowners in the North Boambee Valley (West) Investigation Area be informed of Council's decision.

The **MOTION** on being put to the meeting was carried unanimously.

CP14/46 PLANNING PROPOSAL - PP_2014_COFFS_005_00 FOR ISLES INDUSTRIAL ESTATE, COFFS HARBOUR

The purpose of this report is to present a Planning Proposal (PP) – PP_2014_COFFS_005_00 for Council's consideration.

The report recommends that Council seek a Gateway Determination from NSW Planning and Environment (P&E) to place the PP on public exhibition. The report also recommends that a further report on this matter is considered by Council following exhibition of the PP. The PP is included as Attachment 1 to this report.

369 RESOLVED (Sultana/Palmer) that:

1. Council endorse the Review of B5 Zoning Isles Industrial Estate as contained in Attachment 2 to this report.
2. Council endorse and forward Planning Proposal PP_2014_COFFS_005_00 to NSW Planning and Environment seeking a "Gateway Determination" for the rezoning of lands within the Isles Industrial Estate, North Boambee Valley as shown in Attachment 1 of this report.
3. Subject to the "Gateway Determination" from NSW Planning and Environment, Council place the Planning Proposal on public exhibition.
4. A further report be considered by Council following the outcome of the public exhibition.
5. The affected landowners be informed of Council's decision.

The **MOTION** on being put to the meeting was carried unanimously.

CP14/47 COFFS COAST REGIONAL RESOURCE RECOVERY & WASTE MANAGEMENT STRATEGY CONSULTANT BRIEF

The purpose of this report is to seek Council's endorsement for the Request for Quotation - Consultant Brief to allow for the engagement of an appropriately qualified consultant to prepare a Coffs Coast Regional Resource Recovery and Waste Management Strategy.

370 RESOLVED (Degens/Palmer) that:

1. Coffs Harbour City Council endorse the Request for Quotation - Consultant Brief for the Preparation of Coffs Coast Regional Resource Recovery and Waste Management Strategy (Attachment 1).
2. Following the additional endorsement of the Brief by Bellingen Shire Council and Nambucca Shire Council, that Coffs Coast Waste Services engage an appropriately qualified and suitable consultant to prepare the Coffs Coast Regional Resource Recovery and Waste Management Strategy.

CP14/48 ILLEGAL WASTE DUMPING

This report considers measures that attempt to reduce the increasing incidence of illegal dumping.

371 RESOLVED (Degens/Palmer) that:

2. Council notes the contents of this report and that the Consultant Brief for the Coffs Coast Regional Resource Recovery and Waste Management Strategy addresses illegal dumping.
3. An illegal dumping committee be established and that this committee help inform the final Coffs Coast Regional Resource and Waste Management Strategy.
4. The illegal dumping committee be comprised of interested Councillors, a maximum of 6 community members and necessary Council officer support.
5. The committee report back to Council after 6 months.

CP14/49 COFFS HARBOUR EMISSIONS REDUCTION PLAN - STAGES 1 AND 2

The purpose of this report is to provide Council with an update in respect to the development of the Coffs Harbour Emissions Reduction Plan. The report provides Council with details on the organisation's emissions profile and recommends provisional emissions reduction and renewable energy targets for adoption.

372 RESOLVED (Townley/Degens) that:

1. Council notes the Coffs Harbour Emissions Reduction Plan (Stages 1 - 2) and adopts the following provisional targets:
 - 1.1 Coffs Harbour City Council will reduce its per annum corporate emissions (tonnes CO₂-e) from 2010 levels by 25% by 2020 and by 50% by 2025.
 - 1.2 Coffs Harbour City Council energy use to consist of 25% renewables by 2020, 50% renewables by 2025 and 100% renewables by 2030.
2. A further report be presented to Council in 2015 revisiting the provisional targets in the context of the Coffs Harbour Emissions Reduction Plan (Stage 3).

CORPORATE BUSINESS DEPARTMENT REPORTS

CB14/74 MONTHLY BUDGET REVIEW FOR NOVEMBER 2014

To report on the estimated budget position as at 30 November 2014.

373 RESOLVED (Rhoades/Palmer) that:

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

Estimated Budget Position as at 30 November 2014:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 22 May 2014	(1,557) (S)	3,237,535 (D)	2,536,225 (D)
Approved Variations to 31 October 2014	(51,359) (S)	(219,967) (S)	556,985 (D)
Recommended variations for November 2014	(59,059) (S)	Nil	Nil
Estimated result as at 30 November 2014	<u>(111,975) (S)</u>	<u>3,017,568 (D)</u>	<u>3,093,210 (D)</u>

CB14/75 BANK BALANCES AND INVESTMENT FOR NOVEMBER 2014

To list Council's Bank Balances and Investments as at 30 November 2014.

374 RESOLVED (Rhoades/Degens) that:

1. The bank balances and investments totaling (from loans, Section 94 and other avenues that form the restricted accounts and are committed for future works) one hundred and fifty six million, nine hundred and four thousand, and eleven dollars (\$156,904,011) as at 30 November 2014 be noted.
2. The general fund unrestricted cash and investments totaling one hundred and eighty nine thousand, five hundred and fifty seven dollars (\$240,916) as at 30 November 2014 be noted.

CB14/76 DEBT WRITE-OFF DETERMINATION BY COUNCIL

To fix the amount above which debts to Council may be written off only by resolution of Council.

375 RESOLVED (Palmer/Degens) that:

1. Council fixes \$20,000 as the amount above which debts to Council may be written off only by resolution of Council.
2. Debts to Council of amounts below \$20,000 may be written off either by resolution of Council or by a written order of the General Manager or his/her delegate.

CB14/77 PROCUREMENT POLICY

For Council to adopt the revised Procurement Policy.

376 RESOLVED (Sultana/Palmer) that Council adopts the Procurement Policy attached dated December 2014.

CB14/78 RALLY AUSTRALIA EVENTS 2015

To seek Council's approval for the proposed arrangements for sponsorship of the Rally Australia events for 2015.

377 RESOLVED (Degens/Rhoades) that:

1. The sponsorship arrangements contained in the confidential attachment be approved and funding allocated in the 2015/16 Operational Plan and Budget.
2. The General Manager be delegated authority to execute the sponsorship and hire agreement for 2015 between Coffs Harbour City Council and Rally Australia Pty Ltd.

The meeting adjourned for a short recess, the time being 7.12pm and reconvened at 7.17pm.

CB14/79 TENDER: SUPPLY AND DELIVERY OF READY MIXED CONCRETE

To report and gain Council approval on the tenders received by Regional Procurement Initiative (division of Hunter Council Incorporated) on behalf of the Mid North Coast Procurement Alliance Group of Councils for the supply and delivery of ready mixed concrete.

378 RESOLVED (Rhoades/Degens) that:

1. Council accepts the tender offers for all six (6) Tenderers for the period 1 January 2015 to 31 December 2016 from:
 - Boral Concrete
 - Coffs Harbour Mini-Mix
 - Hanson
 - High Quality Concrete
 - Holcim
 - Hurd Haulage trading as Hy-Tec Concrete

The recommendations are on the basis that:

- a) The tender offers are the most suitable and advantageous following the application of Regional Procurement's tender value selection system.
 - b) The six (6) tenderers form a panel of suppliers all available for use by Council staff. A six panel supplier arrangement allows Council's operation staff to be selective and cost effective in meeting project budget constraints, whilst simultaneously minimising work delays.
 - c) All six (6) suppliers are local to Coffs Harbour and the Mid North Coast, and have the necessary experience in similar works. Five of the suppliers are current contractors to Council for the supply and delivery of ready mixed concrete.
 - d) By actively participating in this Regional Procurement Tender T041415MNC on behalf of the Mid North Coast Procurement Alliance Group of Councils, Coffs Harbour City Council will not breach the Local Government (General) Regulation 2005 - Section 7 Tendering, for annual expenditure over \$150,000.
2. Provision is allowed for a twelve (12) month extension based on a satisfactory supplier performance which may take this tender through to 31 December 2017.

CITY INFRASTRUCTURE SERVICES DEPARTMENT REPORTS

CIS14/64 DRAFT COFFS CREEK COASTAL ZONE MANAGEMENT PLAN

The purpose of this report is to have the Draft Coffs Creek Coastal Zone Management Plan approved by Council for public exhibition.

379 RESOLVED (Palmer/Townley) that Council:

1. Approve the Draft Coffs Creek Coastal Zone Management Plan for public exhibition for a period of 28 days, from 28 January 2015.
2. Council note the minutes of the Coastal Estuary Management Advisory Committee held 29 July 2014.

CIS14/65 CITY CENTRE MASTER PLAN COMMITTEE - CITY SQUARE DESIGN CONCEPT PLAN

To report to Council on City Square Design Concept Plans developed through the City Centre Masterplan Committee.

380 RESOLVED (Cowling/Sultana) that Council endorse the City Square Revitalisation report and the City Square Design concept plans for Public Exhibition from 22 December 2014 to 27 February 2015.

AMENDMENT

MOVED (Rhoades/Degens) that:

Endorse City Square Revitalisation Report and the City Square Design Concept Plans for public exhibition over the period 22 December 2014 to 6 February 2015.

The **AMENDMENT** on being put to the meeting was **LOST**.

The **MOTION** on being put to the meeting was declared **CARRIED**.

CIS14/66 EXPANSION OF THE BRELSFORD PARK 24 HOUR ALCOHOL PROHIBITED AREA TO INCLUDE THE YOUTH SPACE

To recommend the expansion of the Brelsford Park alcohol prohibited area to include the recently constructed Coffs Harbour Youth Space, and the banning of glass containers and anti-social behavior within the Coffs Harbour Youth Space.

381 RESOLVED (Rhoades/Degens) that:

1. Council use the powers granted by Section 632A of the Local Government Act 1993 to prohibit the taking of and/or consumption of alcohol as follows:
 - Coffs Harbour Youth Space, Brelsford Park (Lot 100 DP 865320) - Alcohol Prohibition 24 hours, except for authorised events, as identified in Attachment 1 of this report.
2. Council use the powers granted by Section 632 (1)(e) of the Local Government Act 1993 to prohibit anti-social behavior and glass containers from the Coffs Harbour Youth Space (Lot100 DP 865320) as identified in Attachment 1 of this Report.
3. Notices, to effect all of the above, be displayed at appropriate locations.

CIS14/67 COFFS HARBOUR SPORTSGROUND AND PARKLAND PLANS OF MANAGEMENT AMENDMENTS, NIGHTINGALE STREET, WOOLGOOLGA

To advise Council of the outcome of public consultation in relation to the proposed Coffs Harbour Sportsground and Parkland Plans of Management amendments for Lot 102 DP 632009, Nightingale Street, Woolgoolga.

382 RESOLVED (Palmer/Cowling) that Council adopt the Sportground and Parkland Plans of Management land category amendments in relation to Lot 102 DP 632009, Nightingale Street, Woolgoolga.

CIS14/68 UPDATE ON BOAT RAMP AND DREDGING PROGRAM FUNDING

To inform Council of the current status of actions to upgrade the Coffs Harbour Boat Ramp and sand management issues for Coffs Harbour, and seek a funding allocation for a dredging program.

383 RESOLVED (Degens/Sultana) that Council:

1. Note progress with the boat ramp upgrade, and the intention to work with Crown Lands to develop a preferred sand management option for the harbour.
2. Acknowledge the continued support of the Coffs Harbour Deep Sea Fishing Club and its members with the upgrade.
3. Note further information regarding outcomes of the feasibility study into the option of a sand dredging / local sand placement program for the northern breakwater project.
4. Accept the offer from NSW Government up to \$250,000 as part of Rescuing Our Waterways Program.
5. Allocate \$250,000 in the 2014/15 Operational Plan (or a lesser amount if the \$150,000 application from Environmental Levy is successful) to enable the dredging program to be undertaken.

CIS14/69 TRAFFIC COMMITTEE NO. 4/2014

To confirm the Minutes of the Traffic Committee Meeting held on Friday, 28 November 2014.

384 RESOLVED (Palmer/Sultana) that:

T.38 – No Stopping - Bray Street between Joyce Street and Apollo Drive, south side, Coffs Harbour (R.503240[5371605])

That approval be given for the existing signposted no stopping zone on the western corner of Joyce Street and Bray Street Coffs Harbour be extended 21m west along Bray Street to a total distance of 38m from the kerb line in Joyce Street Coffs Harbour, as per plan T.38-2014.

T.39 - Parking Signage - North Street Coffs Harbour (R.505500[5392815])

That approval be given for a timed 15 minute Parking Zone 7.00am – 6.00pm, Mon – Fri to be installed on the eastern side of North Street for approximately 14m in front of No. 5 North Street, Coffs Harbour, as per plan T.39–2014.

T.40 - No Stopping Zone - Thompsons Road Coffs Harbour (R500530,[5314354])

That no action be taken.

Cont'd

CIS14/69 Traffic Committee No. 4/2014 ...(Cont'd)

T.41 - No Parking – Cnr Beryl Street & Gallipoli Road Coffs Harbour (R.503870,R.503880[5314870])

That no action to be taken and to monitor the situation

T.42 - Coffs Harbour City Transport Interchanges in Park Avenue and Vernon Street – Proposed Scope of Works (R.505670, R.504180[3618886])

That approval of the proposed scope of works be given for the upgrade of public transport interchange facilities in Park Avenue and Vernon Street Coffs Harbour. The works will require reconfiguration of the westbound exit from the Vernon Street/Gordon Street roundabout to one lane and the termination of the Park Avenue eastbound manoeuvring lane at the existing marked crossing. The Park Avenue works will result in one eastbound traffic lane across the marked pedestrian crossing and adjacent the car park bus zone. Proposed lane widths will allow passing room around vehicles turning right into Little Street and vehicles turning into the Park Avenue car park. Concept designs are as per plan T.42-2014

T.43 - Temporary Road Closure Glenreagh Street, Coffs Harbour Saltwater Freshwater Festival – 26 January 2015

That approval be given for the following:

- A 100m no parking zone in Coff Street adjacent Coffs Harbour cemetery for a drop off zone including shuttle buses and taxis.
- Limited access to the Botanic Garden car park for VIP, emergency parking and access for people with a disability
- A temporary no left turn from North Street into Curacoa Street Coffs Harbour for the duration of the festival
- The temporary road closure of Glenreagh Street, Coffs Harbour, on Monday 26 January 2015 from 5.00am to 5.30pm for the purpose of the Saltwater Freshwater Festival.

Approval is subject to:

- the organisers, Saltwater Freshwater Festival, verify that they have liaised with affected traders and residents including a letter drop to affected residents in surrounding streets.
- the organisers be responsible for erection of traffic barriers and control of traffic using accredited traffic controllers, in accordance with the submitted Traffic Management and Traffic Control Plans and police approval in writing.
- the organisers be responsible for all costs associated with the temporary closure and clean up, including advertising.
- VMS in Harbour Drive to advertise relevant messages advising the community of delays and parking arrangements.
- Road closure be advertised and providing no substantive objections are received.
- a debrief with Council Staff and Police after the event.

Cont'd

CIS14/69 Traffic Committee No. 4/2014 ...(Cont'd)

T.44 - Temporary Road Closure - Jordan Esplanade, Coffs Harbour 31 December 2014 [5359559]

That the temporary road closure of Jordan Esplanade, Coffs Harbour, between Marina Drive and car park entry to Jetty on Wednesday, 31 December 2014 from 6.00pm to 10.30pm for the purpose of New Year's Eve celebrations, be advertised and providing no substantive objections are received, the closure be approved subject to:

- a) the organisers, March's Amusements, verify that they have liaised with affected traders and residents and obtain their approval.
- b) the organisers be responsible for erection of traffic barriers and control of traffic using accredited traffic controllers, in accordance with the submitted Traffic Management and Traffic Control Plans and police approval in writing.
- c) traffic Control be in place at the intersections of Jordan Esplanade/Camperdown Street and Camperdown Street/Harbour Drive for exiting traffic at the end of the fireworks display.
- d) the organisers be responsible for all costs associated with the temporary closure and clean up, including advertising.
- e) organisers notifying the public that delays will occur in the vicinity of the Jetty Foreshores with times and advising alternative parking west of the railway line as part of their advertising and with VMS on Harbour Drive.

T.45 - Harbour Drive & Earl Street Coffs Harbour- road safety issue [5261143]

Council to further investigate warrants for a pedestrian crossing at Earl Street, Coffs Harbour to provide the traffic committee with more information.

That approval be given for trial single lane approaches to the roundabout at the intersection of Harbour Drive and Earl Street as per plan T.45-2014.

T.46 – Coral & Pacific Street Corindi Beach road safety issue [5403973]

Approval the installation of barrier (BB) lines (double white lines) on the curve of Coral and Pacific Street Corindi as per plan T.46-2014

CIS14/70 FURTHER LEASE TO EXISTING TENANTS - KIOSKS IN CITY SQUARE

Seeking consent to offer a further lease term to the incumbent tenants of each of the two Kiosks in the City Square.

385 RESOLVED (Degens/Palmer) that:

1. The Council, as registered proprietor of Lot 13 in DP 1031722 known as Kiosk A in City Square, authorise a new lease to Katherine Anne Power or assignee for a term of four years commencing from the day after the expiry of the current lease and on the proviso the lease includes, but is not limited to, terms and conditions as follows:
 - a) Commencing rent will be equivalent to at least market rent as assessed by an independent and registered Valuer.
 - b) The Lessee will indemnify Council from any claim for business interruption of loss arising from activities and construction directly or indirectly associated with the refurbishment of the City Square.
 - c) The Lessee will undertake at the reasonable direction of the Lessor, to refurbish the Kiosk to a standard in keeping with the guidelines for the refurbished City Square adopted by Council from time to time.
 - d) Such other additional clauses as recommended by council legal advisors.
2. That the lease of Lot 13 in DP 1031722 known as Kiosk A in the City Square, between Coffs Harbour City Council as Lessor and Katherine Anne Power (or assigns) as Lessee be executed under Common Seal of Council.
3. The Council, as registered proprietor of Lot 14 in DP 1031722 known as Kiosk B in City Square, authorise a new lease to Craig Ellis or assignee for a term of four years commencing from the day after the expiry of the current lease and on the proviso the lease includes, but is not limited to, terms and conditions as follows:
 - a) Commencing rent will be equivalent to at least market rent as assessed by an independent and registered Valuer.
 - b) The Lessee will indemnify Council from any claim for business interruption of loss arising from activities and construction directly or indirectly associated with the refurbishment of the City Centre Mall.
 - c) The Lessee will undertake at the reasonable direction of the Lessor, to refurbish the Kiosk to a standard in keeping with the guidelines for the refurbished City Square adopted by Council from time to time.
 - d) Such other additional clauses as recommended by council legal advisors.
4. That the lease of Lot 14 in DP 1031722 known as Kiosk B in City Square, between Coffs Harbour City Council as Lessor and Craig Ellis (or assigns) as Lessee be executed under Common Seal of Council.
5. That the cost associated with the negotiation and preparation of the leases of lots 13 and 14 in DP 1031722 be met by the incoming lessee insofar as is permissible under the Retail Leases Act 1993

Cont'd

**CIS14/70 Further Lease To Existing Tenants - Kiosks In City Square
...(Cont'd)**

6. That in the event council and the incumbent tenants of Lots 13 and 14 in DP 1031722 respectively cannot reach agreement on the terms and conditions of a new lease, each lease being independent of the other, the respective premises be advertised for Expression of Interest on the open market and the successful applicant being granted a lease on the proviso the lease includes, but is not limited to, terms and conditions as follows:
- a) Commencing rent will be equivalent to at least market rent as assessed by an independent and registered Valuer.
 - b) The Lessee will indemnify Council from any claim for business interruption of loss arising from activities and construction directly or indirectly associated with the refurbishment of the City Square.
 - c) The Lessee will undertake at the reasonable direction of the Lessor, to refurbish the Kiosk to a standard in keeping with the guidelines for the refurbished City Square adopted by Council from time to time.
 - d) Such other additional clauses as recommended by council legal advisors.
-

CIS14/71 "SANDY SHORES" PROPERTY, SANDY BEACH

To provide advice to Council regarding the value of the "Sandy Shores" property and funding options available to Council for purchase of the property.

- 386 RESOLVED** (Sultana/Palmer) that the report be noted and Council take no further action in regard to this matter as a result of the letter received from Knight Frank dated 12 December 2014.
-

CIS14/72 CONTRACT NO. RFT-680-TO: SUPPLY OF ONE (1) TRAILER TRI AXLE LOW LOADER

Reporting to Council the result of going to tender for the supply of a replacement for Council's tri axle low loader and to gain Council approval to accept a tender.

- 387 RESOLVED** (Sultana/Palmer) that Council accepts the tender submitted by Drake Trailers Pty. Ltd ABN 91 009 761 031 to supply a new Drake Tri-axle Deck widener low loader for \$199,703.90 (GST Inclusive).
-

CIS14/73 TENDER RFT-674-TO: SUPPLY OF ONE TRUCK WITH MOBILE ELEVATING WORK PLATFORM

To report to Council the outcome of going to tender for the supply of a replacement Elevating Work Platform (EWP) and to gain Council approval to accept a tender.

- 388 RESOLVED** (Rhoades/Sultana) that Council accept the tender submitted by GMJ Equipment Pty Ltd ABN 66 005 749 431 to purchase Council's existing Elevating Work Platform and supply a new GMJ Model LL22.350 Elevating Work Platform mounted on a Isuzu FVZ 1400 Auto for \$333,744.00 (GST Inclusive).

REQUESTS FOR LEAVE OF ABSENCE

No requests for leave of absence.

MATTERS OF AN URGENT NATURE

No matters of an urgent nature.

QUESTIONS ON NOTICE

QON14/4 Attracting an a League Football Match to C.Ex Stadium

The report was noted.

QON14/5 Coramba Dog Show

The report was noted.

- 389 RESOLVED** (Rhoades/Sultana) that Council thank Jenni Eakins and Ben Lawson for their contribution and leadership while at Coffs Harbour City Council.

CLOSED SESSION – SECTION 10(A)

The Mayor requested a motion to close the meeting to consider a confidential report as outlined in the meeting agenda, the time was 7.46 pm.

- 390 RESOLVED** (Sultana/Degens) that the meeting be closed to the press and public during consideration of the following items for the reasons as stated:

MM14/5 - General Manager's Performance Review 2014

This report was confidential for the reason of Section 10A(2) of the Local Government Act, 1993:

- (d) Contained 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.

The press and public vacated the chamber.

MM14/5 GENERAL MANAGER'S PERFORMANCE REVIEW 2014

To advise Council of the outcome of the General Manager's Performance Review, which was conducted on 17 & 21 November and 8 December 2014.

- 391 RESOLVED** (Knight) that the outcome of the General Manager's Performance Review be noted.

DIVISION

MOVED (Cowling/Townley) that a division be called, and those members voting for and against the motion were recorded:

VOTED FOR	VOTED AGAINST
Cr Degens	Cr Cowling
Cr Innes	Cr Townley
Cr Knight	Cr Sultana
Cr Palmer	
Cr Rhoades	

OPEN MEETING

The Mayor requested an appropriate motion to enable the meeting to resolve into Open Meeting.

- 392 RESOLVED** (Palmer/Sultana) that the Closed Session now move into Open Meeting.

The Director City Planning read to the meeting the resolution of the Closed Session.

This concluded the business and the meeting closed at 8.32 pm.

Confirmed: 12 February 2015

.....
Denise Knight
Mayor

RENAMING OF RESERVE

Motion:

Cr Cowling has given notice of her intention to move the following:

That reserve No Lot 1 DP 599577 be named Brian Navin Reserve.

Rationale:

Brian passed away in 2012 just three months short of his 100th birthday after serving the district for over 50 years including a term as a Coffs Harbour Councillor.

This reserve is located behind Park Beach Plaza and Northside Shopping Centres. The late Brian Navin was instrumental in the sale of the Gleeson Estate land for the development of Park Beach Plaza. He also built and his estate owns and operates Northside Shopping Centre. This makes this an ideal reserve to bear his name.

Staff comment:

Council prepared a draft Reserve Naming Policy in October 2014 which was placed on public exhibition late last year. The draft policy is currently being reviewed in consideration of submissions received. The review will also incorporate further consultation with the Aboriginal community which is currently under way. It is anticipated that upon completion of the Aboriginal consultation, a draft policy will be returned to Council for adoption. The policy includes a number of criteria relating to inclusion of the names of significant individuals on reserve signage.

It is anticipated that a report will be returned to Council in March 2015, subject to the outcome of the Aboriginal consultation.



REPORT TO ORDINARY COUNCIL MEETING

LEGAL APPEAL - APPLICATION TO REVIEW DETERMINATION OF MODIFICATION APPLICATION 43/14DM (955/12DA) - LOT 5 DP 876129, NO. 81D OLD BUCCA ROAD, MOONEE BEACH - ANIMAL ESTABLISHMENT (DOG BOARDING FACILITY)

REPORTING OFFICER: Group Leader Governance Services
DIRECTOR: General Manager
COFFS HARBOUR 2030: Lc 3.1 Council Supports The Delivery Of High Quality, Sustainable Outcomes For Coffs Harbour
ATTACHMENTS: ATT1 CONFIDENTIAL
ATT2 CONFIDENTIAL

Recommendation:

That Council consider the advice provided and move the motion as detailed in the confidential attachment.

EXECUTIVE SUMMARY

To consider legal advice provided by Council's legal representative in relation to a Land and Environment Court appeal.

The appeal is against Council's refusal to modify the deferred commencement condition relating to the bitumen sealing of the right of carriageway and remove the requirement for a separate development consent for the access and intersection upgrade works specified in the deferred commencement condition issued for an Animal Establishment, comprising a Dog Boarding Facility.

REPORT

Description of Item:

The application to review the determination of the modification application for the Animal Establishment located at 81D Old Bucca Road Moonee Beach was presented to Council for determination on 13 March 2014.

At the meeting, Council resolved the following:

1. *Council confirm its determination to refuse Modification Application 43/14DM (955/12DA) for an Animal Establishment (Dog Boarding Facility) at Lot 5 DP 876129, No. 81D Old Bucca Road, Moonee Beach, under the provisions of Section 96AB of the Environmental Planning and Assessment Act 1979, and advise the proponent of its decision.*
2. *Persons who made submissions in relation to the review of determination for Modification Application 43/14DM, be notified of the decision.*

An appeal against Council's determination of refusal was filed with the Land and Environment Court on 15 September 2014.

As the respondent, Council engaged the services of a legal representative in the appeal.

Legal advice in relation to the Land and Environment Court proceedings is in a confidential attachment to this report (Attachment 2).

A section 34 conference was held on site on Monday 22 December 2014. Conciliation in the Court is undertaken in accordance with Section 34 of the Court Act and this otherwise known as a Section 34 Conference. As this matter was determined by Council, the discussions held in the confidential conference are referred back to Council for a determination.

Issues:

Refer to confidential attachments.

Options:

Discussions with Council's legal advisor in closed session (under s10A(2)(g) of the *Local Government Act 1993*) will detail the relevant options.

Sustainability Assessment:

- **Environment**

These issues were considered by Council when this matter was reported to Council on 13 March 2014.

- **Social**

These issues were considered by Council when this matter was reported to Council on 13 March 2014.

- **Civic Leadership**

These issues were considered by Council when this matter was reported to Council on 13 March 2014.

- **Economic**

Broader Economic Implications

These issues were considered by Council when this matter was reported to Council on 13 March 2014.

Delivery Program/Operational Plan Implications

To continue with the appeal, Council will incur legal representation costs which have not been allowed for in the operational budget.

Risk Analysis:

Addressed within the confidential attachment.

Consultation:

Letters were sent by Council's legal representatives to all objectors, giving them the option of attending the site inspection part of the process. Responses were received from some objectors, and they attended the initial on site section of the conciliation conference.

Related Policy, Precedents and / or Statutory Requirements:

The application to review the determination of Council is made under the provisions of Section 96AB of the *Environmental Planning and Assessment Act 1979*. As a consequence of the review, the council may confirm or change the determination.

Conciliation conferences are convened under s34 of *Land and Environment Court Act 1979*.



REPORT TO ORDINARY COUNCIL MEETING

BANK AND INVESTMENT BALANCES FOR DECEMBER 2014

REPORTING OFFICER:	Acting Group Leader Financial Management
DIRECTOR:	Director Business Services
COFFS HARBOUR 2030:	LC3.1 Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour
ATTACHMENTS:	ATT Bank Balances and Investment Balances as at December 2014

Recommendation:

1. That the bank balances and investments totaling (from loans, Section 94 and other avenues that form the restricted accounts and are committed for future works) one hundred and forty seven million, eight hundred and eighteen thousand, seven hundred and seventy four dollars (\$147,818,774) as at 31 December 2014 be noted.
 2. That the general fund unrestricted cash and investments totaling two hundred and ninety nine thousand, nine hundred and seventy five dollars (\$299,975) as at 31 December 2014 be noted.
-

EXECUTIVE SUMMARY

The purpose is to report on Council's Bank Balances and Investments as at 31 December 2014. Council receives independent advice and invests surplus funds in accordance with Councils Investment Policy to maximise investment income and preserve capital to assist with funding requirements for projects listed under the Coffs Harbour 2030 Community Strategic Plan.

REPORT

Description of Item:

A copy of the state of Bank Balances and Investments as at 31 December 2014 is attached.

It should be noted that Council is required to account for investments in accordance with the Australian International Financial Reporting Standards. Term deposits are shown at face value and all other investment balances at the end of each month reflect market value movements which would be inclusive of accrued interest.

Interest when paid, say quarterly, would result in reductions in the market value of the investments.

The Investment Report reflects the above requirements and reflects the interest earned (or accrued) on each investment, based on the acquisition price.

Reports written by CPG Research & Advisory Pty Ltd (Council's investment portfolio advisors), which examine economic and financial markets data for December 2014, provide an economic and market outlook for 2015, and review the performance of Council's investment portfolio for the month ended 31 December 2014 are available in the Councilors' Resource Centre.

Issues:

There are no issues associated with the report.

Options:

As the report is for noting only, an options analysis is not required.

Sustainability Assessment:

- **Environment**

There are no perceived current or future environmental impacts.

- **Social**

There are no perceived current or future social impacts.

- **Civic Leadership**

Council invests surplus funds to maximise investment income and preserve capital to assist with funding requirements for projects listed under the Coffs Harbour 2030 Community Strategic Plan.

- **Economic**

Broader Economic Implications

Council's investments are held according to the requirements stated within Council's investments policy and the returns are acceptable in relation thereto. In the long term earnings from investments can vary due to economic conditions and financial markets. Council constructs its investment portfolio with consideration of current conditions and to comply with the Office of Local Government (OLG) investment policy guidelines.

Delivery Program/Operational Plan Implications

For December 2014 it is noted that after deducting, from the total bank and investment balances of \$147,818,774 the estimated restricted General, Trust, Water and Sewerage cash and investments (\$147,518,799) the Unrestricted Cash is \$299,975.

Risk Analysis:

The likelihood of risks associated with New South Wales Local Government’s investing funds is now remote due to the conservative nature of investments permitted under statutory requirements. The risk of capital not being returned in relation to each individual investment Council owns is indicated in the attachment.

The main risks for Council’s investment portfolio are liquidity and credit risk, both of which are being managed under the advice of CPG Research & Advisory Pty Ltd. Liquidity risk is the risk that the investor is unable to redeem the investment at a fair price within a timely period and thereby incurs additional costs (or in the worst case is unable to execute its spending plans). Credit risk is the risk of loss of principal stemming from a financial institutions failure to repay that principal when that principal is due. Investors are compensated for assuming credit risk by way of interest payments from the financial institutions issuing the investment security.

Credit risk is rated by various rating agencies. Investment securities in Council’s current portfolio are rated by either Standard and Poors or Fitch, with the majority of the portfolio rated by Standard and Poors. Standard and Poors credit ratings and an explanation of their ratings are as follows:

Rating	Ratings Explanation
AAA	Extremely strong capacity to meet financial commitments. Highest Rating.
AA	Very strong capacity to meet financial commitments.
A	Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances.
BBB	Adequate capacity to meet financial commitments, but more subject to adverse economic conditions.
BBB-	Considered lowest investment grade by market participants.
BB+	Considered highest speculative grade by market participants.
BB	Less vulnerable in the near term but faces major ongoing uncertainties to adverse business, financial and economic conditions.
B	More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments.
CCC	Currently vulnerable and dependent on favorable business, financial and economic conditions to meet financial commitments.
CC	Currently highly vulnerable.
C	Currently highly vulnerable obligations and other defined circumstances.
D	Payment default on financial commitments.

Ratings from ‘AA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Types of investment securities by credit risk ranking from highest to lowest are as follows:

- Deposits/Covered Bonds – these share first ranking
- Senior debt – Floating Rate Notes/Fixed Coupon Bonds.
- Subordinated debt
- Hybrids

- Preference shares
- Equity shares (common shares).

Subordinated debt, hybrids, preference and equity shares are not a permitted investment under the current Ministerial Order. Term deposits of \$250,000 or less per financial institution are covered under the Commonwealth Government Deposit Guarantee Scheme and therefore by default have the same credit rating as the Commonwealth Government, ie AAA.

All credit unions, building societies and mutual banks are Authorised Deposit-taking Institutions (ADI's) and are regulated in the same way as all other Australian banks. ADI's are regulated by the Australian Securities and Investment Commission (ASIC) under the Corporations Act 2001, and by the Australian Prudential Regulatory Authority (APRA) under the Banking Act 1959.

Consultation:

Council's investment advisors, CPG Research & Advisory Pty Ltd have been consulted in the preparation of this report.

Related Policy, Precedents and / or Statutory Requirements:

Council funds have been invested in accordance with Council's *Investment Policy* (POL-049), which was adopted on 27 November 2014.

Local Government Act 1993 – Section 625

Local Government Act 1993 – Investment Order (dated 12 January 2011).

Local Government General Regulation 2005

The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) and 14C(2).

Implementation Date / Priority:

Nil.

Further details are provided as a note on the attachment

Conclusion:

Council should consider the information provided in the report and the Councilors' Resource Centre and adopt the recommendation provided.

BANK BALANCES AND INVESTMENTS AS AT 31 DECEMBER 2014								
	Credit Rating at 31/12/14	Legal Maturity	Acquisition Price \$	Market Value as at 1/12/14 \$	Market Value as at 31/12/14 \$	Income Earned (net of fees) Financial Yr to Date \$	Annualised Monthly Return/ Current Coupon	Risk of capital not being returned
OVERNIGHT FUNDS:								
Cash - Fair Value movements through profit & loss								
NAB - Bank Accounts	AA-			3,999,954	3,813,501	46,200	2.32	Low
UBS Cash Management Trust	AAA			411,067	5,417	7,668	1.65	Low
Members Equity Bank - Business Investment Account	BBB+			73	73	2	3.25	Low
NAB Professional Funds Account	AA-			10,729,177	5,209,535	78,186	2.90	Low
Delphi Bank - Cash M'ment Acc't	A-			137,022	144,482	1,250	2.00	Low
Rabo Direct - High Interest Savings Acc	AA			-	-	153	3.00	Low
Suncorp Business Saver	A+			(4)	(4)	(3)	2.75	Low
ANZ Negotiator Saver - Trust A/c	AA-			135,860	136,229	2,188	3.20	Low
Credit Union Australia Prime Access	BBB+			82	82	-	0.01	Low
Total				15,413,231	9,309,316	135,645		
BENCHMARK RATE - 11 AM INDICATIVE CASH RATE							2.50	
BENCHMARK RATE - AUSBOND BANK BILL INDEX							2.76	
Term Deposits - Fair Value movements through profit & loss								
AMP 24/5/16	A+	24/05/2016	5,000,000	5,000,000	5,000,000	185,260	7.35	Low
AMP 7/5/15	A+	7/05/2015	1,000,000	1,000,000	1,000,000	19,156	3.80	Low
Arab Bank 7/5/18	BBB-	7/05/2018	1,500,000	1,500,000	1,500,000	35,540	4.70	Low
Arab Bank 10/9/15	BBB-	10/09/2015	2,000,000	2,000,000	2,000,000	42,849	4.25	Low
NAB 9/3/15	AA-	9/03/2015	2,000,000	2,000,000	2,000,000	45,067	4.47	Low
NAB 12/3/15	AA-	12/03/2015	2,500,000	2,500,000	2,500,000	56,838	4.51	Low
NAB 18/8/15	AA-	18/08/2015	1,000,000	1,000,000	1,000,000	13,611	3.68	Low
NAB 4/3/16	AA-	4/03/2016	2,000,000	2,000,000	2,000,000	41,135	4.08	Low
NAB 13/5/16	AA-	13/05/2016	1,500,000	1,500,000	1,500,000	25,188	3.98	Low
NAB 2/9/15	AA-	2/09/2015	1,000,000	1,000,000	1,000,000	12,099	3.68	Low
NAB 12/12/19	AA-	12/12/2019	1,000,000	-	1,000,000	2,082	4.00	Low
NAB 14/4/15 - Regional								
Parks Trust	AA-	14/04/2015	1,220,000	1,220,000	1,220,000	12,934	3.55	Low
Delphi Bank 29/1/15*	A-	29/01/2015	2,000,000	2,000,000	2,000,000	36,804	4.39	Low
Delphi Bank 5/8/15*	A-	5/08/2015	2,000,000	2,000,000	2,000,000	67,551	6.70	Low
Bank of Queensland 4/9/17	A-	4/09/2017	2,000,000	2,000,000	2,000,000	56,655	5.65	Low
Bank of Queensland 5/2/18	A-	5/02/2018	3,000,000	3,000,000	3,000,000	77,885	5.15	Low
Bank of Queensland 5/3/18	A-	5/03/2018	2,000,000	2,000,000	2,000,000	51,419	5.10	Low
Bank of Queensland 17/5/17	A-	17/05/2017	1,000,000	1,000,000	1,000,000	23,441	4.65	Low
Bank of Queensland 20/2/18	A-	20/02/2018	1,000,000	1,000,000	1,000,000	23,693	4.70	Low
Bank of Queensland 29/6/16	A-	29/06/2016	1,000,000	1,000,000	1,000,000	37,657	7.47	Low
Bank of Queensland 8/7/15	A-	8/07/2015	1,000,000	1,000,000	1,000,000	36,346	7.21	Low
Bank of Queensland 8/8/16	A-	8/08/2016	2,500,000	2,500,000	2,500,000	83,854	6.69	Low
Bank of Queensland 6/6/17	A-	6/06/2017	2,000,000	2,000,000	2,000,000	54,847	5.44	Low
Bank of Queensland 14/8/15	A-	14/08/2015	1,800,000	1,800,000	1,800,000	58,346	6.43	Low
Bankwest 2/2/15	AA-	2/02/2015	2,000,000	-	2,000,000	5,293	3.45	Low
Bankwest 9/1/15	AA-	3/12/2014	4,000,000	-	4,000,000	10,433	3.40	Low
Rabo Direct 24/3/16	AA	24/03/2016	5,000,000	5,000,000	5,000,000	180,219	7.15	Low
Rabo Direct 10/8/15	AA	10/08/2015	1,000,000	1,000,000	1,000,000	33,959	6.70	Low
Rabo Direct 13/4/15	AA	13/04/2015	1,000,000	1,000,000	1,000,000	22,685	4.50	Low
Rabo Direct 17/8/18	AA	17/08/2018	1,500,000	1,500,000	1,500,000	22,747	4.10	Low
ING 17/8/17	A-	17/08/2017	2,000,000	2,000,000	2,000,000	60,923	6.01	Low
ING 6/9/17	A-	6/09/2017	2,000,000	2,000,000	2,000,000	56,460	5.60	Low
ING 7/5/18	A-	7/05/2018	1,500,000	1,500,000	1,500,000	35,237	4.66	Low
ING 2/3/18	A-	2/03/2018	2,000,000	2,000,000	2,000,000	45,874	4.55	Low
Wide Bay 29/7/16	BBB	29/07/2016	1,000,000	1,000,000	1,000,000	35,792	7.10	Low
Wide Bay 8/8/16	BBB	8/08/2016	1,000,000	1,000,000	1,000,000	35,792	7.10	Low
Wide Bay 12/12/16	BBB	12/12/2016	2,000,000	-	2,000,000	4,315	3.75	Low
ME Bank 18/2/19	BBB+	18/02/2019	3,000,000	3,000,000	3,000,000	76,373	5.05	Low
ME Bank 7/5/19	BBB+	7/05/2019	2,000,000	2,000,000	2,000,000	48,495	4.81	Low
ME Bank 3/6/19	BBB+	3/06/2019	2,000,000	2,000,000	2,000,000	46,882	4.65	Low
ME Bank 11/6/19	BBB+	11/06/2019	1,500,000	1,500,000	1,500,000	35,162	4.65	Low
ME Bank 2/6/17	BBB+	2/06/2017	1,500,000	1,500,000	1,500,000	31,381	4.15	Low
ME Bank 2/9/19	BBB+	2/09/2019	2,000,000	2,000,000	2,000,000	28,077	4.27	Low
Police Credit Union 26/2/15	NR	26/02/2015	1,000,000	1,000,000	1,000,000	23,340	4.63	Low
Police Credit Union 17/5/16	NR	17/05/2016	500,000	500,000	500,000	11,368	4.51	Low
Police Credit Union 1/3/19	NR	1/03/2019	1,000,000	1,000,000	1,000,000	25,458	5.05	Low
Police Credit Union (SA) 30/10/18	NR	30/10/2018	500,000	500,000	500,000	3,538	4.10	Low
Qld Police Credit Union 16/5/16	NR	16/05/2016	2,000,000	2,000,000	2,000,000	41,841	4.15	Low
WAW Credit Union 27/5/16	NR	27/05/2016	1,000,000	1,000,000	1,000,000	20,921	4.15	Low
BCU 2/6/17	NR	2/06/2017	1,000,000	1,000,000	1,000,000	21,425	4.25	Low
Bank of Sydney 4/3/15	NR	4/03/2016	1,000,000	1,000,000	1,000,000	19,660	3.90	Low
CBA 16/5/16	AA-	16/05/2016	1,000,000	1,000,000	1,000,000	22,685	4.50	Low
CBA 17/5/16	AA-	17/05/2016	1,000,000	1,000,000	1,000,000	22,685	4.50	Low
CBA 23/5/16	AA-	23/05/2016	1,000,000	1,000,000	1,000,000	22,937	4.55	Low
CBA 30/5/16	AA-	30/05/2016	1,000,000	1,000,000	1,000,000	22,937	4.55	Low
CBA 6/6/16	AA-	6/06/2016	1,000,000	1,000,000	1,000,000	22,937	4.55	Low
CBA 29/10/17	AA-	29/10/2017	1,947,411	1,947,411	1,947,411	27,811	2.67	Low
Total			95,967,411	86,967,411	95,967,411	2,225,899		

BANK BALANCES AND INVESTMENTS AS AT 31 DECEMBER 2014

	Credit Rating at 31/12/14	Legal Maturity	Acquisition Price \$	Market Value as at 1/12/14 \$	Market Value as at 31/12/14 \$	Income Earned (net of fees) Financial Yr to Date \$	Annualised Monthly Return/Current Coupon	Risk of capital not being returned
Floating Rate Notes:								
<i>Fair Value through Profit & Loss Accounting - movements through profits & loss.</i>								
CBA	AA-	24/12/2015	2,068,006	2,325,317	2,329,938	100,472	3.76	Low
Macquarie Bank	A	9/03/2017	5,000,000	5,296,510	5,242,055	96,636	5.62	Low
Bendigo Bank	A-	14/11/2018	1,010,680	1,018,760	1,021,290	26,503	4.05	Low
Bendigo Bank	A-	17/09/2019	3,007,000	1,006,790	3,009,376	9,686	3.56	Low
Credit Union Australia	BBB+	20/03/2017	1,500,000	1,514,895	1,504,830	29,571	4.08	Low
Credit Union Australia	BBB+	22/12/2017	1,000,000	1,007,320	1,000,500	4,018	3.98	Low
Police Bank Limited	BBB+	21/08/2017	1,000,000	1,000,930	1,008,680	18,069	3.84	Low
Suncorp Metway Limited	A+	20/08/2019	3,000,000	3,012,150	3,025,560	52,442	3.69	Low
Bank of Queensland	A-	6/11/2019	4,000,000	4,013,680	4,028,600	17,480	3.82	Low
Credit Suisse	A	16/07/2019	3,500,000	3,524,955	3,533,005	10,185	3.72	Low
UBS	A-	27/08/2019	2,000,000	1,999,740	2,006,300	24,347	3.70	Low
NAB	AA-	27/11/2019	1,000,000	1,001,200	1,003,450	6,026	3.57	Low
ME Bank	BBB+	17/11/2017	3,000,000	3,004,350	3,013,890	25,380	3.78	Low
Total			31,085,686	29,726,597	31,727,473	420,815		
Capital Protected Notes								
<i>Fair Value through Profit & Loss Accounting - movements through profits & loss.</i>								
Lehman #	D	15/06/2009	300,000	-	-	47,636	0.00	High
Lehman #^	D	15/06/2009	500,000	-	-	-	0.00	High
Total			800,000	-	-	47,636		
Floating Rate Term Deposits:								
Bank of Queensland	A-	26/02/2016	1,500,000	1,500,000	1,500,000	31,262	4.25	Low
ING	A	27/02/2015	2,000,000	2,000,000	2,000,000	41,853	4.25	Low
Total			3,500,000	3,500,000	3,500,000	73,114		
Covered Bonds								
Suncorp Metway Limited	AAA	5/11/2019	2,001,890	1,003,330	2,012,620	6,770	3.44	Low
			2,001,890	1,003,330	2,012,620	6,770		
Floating Rate Transferrable Certificate of Deposit								
Greater Building Society	BBB	15/04/2016	2,000,000	2,030,240	2,031,120	39,754	4.21	Low
ANZ	AA-	11/11/2019	3,250,000	3,263,715	3,270,833	20,833	3.62	Low
Total			5,250,000	5,293,955	5,301,953	39,754		
Other:								
Southern Phone Company Shares	N/A	N/A	2	2	2	-	N/A	Low
Securities No Longer Held			-	7,044,910	-	567,400		
Total			2	7,044,912	2	567,400		
GRAND TOTAL (before fees)				148,949,436	147,818,774	3,517,032		
Less Portfolio Fees (Advice & Salary)						(85,141)		
GRAND TOTAL				148,949,436	147,818,774	3,431,891		

Capital Guaranteed at maturity, ^ Ex Infrastructure IMP, * Fitch Rated

The dates quoted alongside the name of the product for FRN's and Fixed Bonds are first call dates.

First call dates for FRN's & fixed bonds are the likely date of maturity because the investment issuer is severely penalised if monies are not redeemed by that date, via damage in the market to their reputation, increased coupon rates and additional capital requirements by APRA.

Term deposits of \$250,000 or less per financial institution are covered under the Commonwealth Government Deposit Guarantee Scheme & therefore by default have the same credit rating as the Commonwealth Government i.e. AAA.

Income to Profit & Loss

\$ 3,431,891

TOTAL CASH & INVESTMENTS AS AT 31 DECEMBER 2014

\$ 147,818,774

LESS ESTIMATED RESTRICTED EQUITY FOR WATER & SEWER FUNDS

Water Fund	\$	13,847,108	
Sewer Fund	\$	42,964,030	\$ 56,811,137

GENERAL FUND CASH & INVESTMENTS

\$ 91,007,637

LESS TRUST FUND BALANCES AS AT 31 DECEMBER 2014

\$ 1,473,699

LESS ESTIMATED RESTRICTED EQUITY FOR GENERAL FUND (\$94 contributions, grants, reserves).

\$ 89,233,962

ESTIMATED GENERAL FUND UNRESTRICTED CASH & INVESTMENTS AS AT 31 DECEMBER 2014

Unrestricted Cash & Investments as at 30 June 2014	\$	188,000	
Add 2014/15 Budget Surplus as at 30/11/14 (adopted 18/12/14)	\$	111,975	

ESTIMATED GENERAL FUND UNRESTRICTED CASH & INVESTMENTS AS AT AS AT 31 DECEMBER 2014

\$ 299,975

I hereby certify that Council's investments have been made in accordance with the Local Government Act 1993, Regulations and Council's Investment Policy.

Responsible Accounting Officer.



REPORT TO ORDINARY COUNCIL MEETING

QUARTERLY BUDGET REVIEW STATEMENT FOR DECEMBER 2014

REPORTING OFFICER: Program Support Coordinator
DIRECTOR: Director Business Services
COFFS HARBOUR 2030: LC3.1 Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour
ATTACHMENTS: ATT1 QBRS General Budget Review - Income and Expenses Statement by Program
 ATT2 QBRS Sewer Budget Review - Income and Expenses Statement by Program
 ATT3 QBRS Water Budget Review - Income and Expenses Statement by Program
 ATT4 QBRS Budget Review - Capital Budget
 ATT5 QBRS Budget Review - Cash and Investment position
 ATT6 QBRS Budget Review - Key Performance Indicators
 ATT7 QBRS Part A Budget Review – Contracts
 ATT8 QBRS Part B Budget Review – Consultancy and Legal Expenses

Recommendation:

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

Estimated budget position as at 31 December 2014:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 22 May 2014	(1,557) (S)	3,237,535 (D)	2,536,225 (D)
Approved Variations to September 2014	Nil	Nil	400,000 (D)
Approved Variations for October 2014	(51,359) (S)	(219,967) (S)	156,985 (D)
Approved Variations for November 2014	(59,059) (S)	Nil	Nil
Recommended variations for month ending 31 December 2014	32,000 (D)	Nil	71,377 (D)
Estimated result 2014/15 as at 31 December 2014	<u>(79,975) (S)</u>	<u>3,017,568 (D)</u>	<u>3,164,587 (D)</u>

EXECUTIVE SUMMARY

The Office of Local Government has developed a minimum set of budget reports to assist Council in meeting their legislative requirements under Clause 203 of the Regulation. This regulation requires a council's responsible accounting officer to submit quarterly budget



REPORT TO ORDINARY COUNCIL MEETING

review statements to the governing body of Council. These minimum statements are contained within the attachments to this report.

This report summarises the proposed budget adjustments for the quarter and the impact upon the projected budget position for the current financial year. Reference is made to the above Responsible Accounting Officer's (RAO) statement regarding Councils financial position.

REPORT

Description of Item:

As part of the Integrated Planning and Reporting (IP & R) framework for local government, the Office of Local Government has developed a minimum set of budget reports to assist Council in meeting their legislative requirements. These documents are collectively known as the Quarterly Budget Review Statement (QBRs) and form part of the framework of Clause 203 of the Regulation. This regulation requires a council's responsible accounting officer to submit quarterly budget review statements to the governing body of Council. These minimum statements are contained within the attachments to this report.

The table below summarises this quarter's budget variations.

Estimated Budget Position as at 31 December 2014:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 22 May 2014	(1,557) (S)	3,237,535 (D)	2,536,225 (D)
Approved Variations to September 2014	Nil	Nil	400,000 (D)
Approved Variations for October 2014	(51,359) (S)	(219,967) (S)	156,985 (D)
Approved Variations for November 2014	(59,059) (S)	Nil	Nil
Recommended variations for month ending 31 December 2014	32,000 (D)	Nil	71,377 (D)
Estimated result 2014/15 as at 31 December 2014	<u>(79,975) (S)</u>	<u>3,017,568 (D)</u>	<u>3,164,587 (D)</u>

General Account

Deficit/(Surplus)

Recommended variations for December 2014

Surplus funds as a result of cheques received from Council's insurers, Statewide Mutual now allocated to a priority list of risk mitigation projects. Per Council item NOM14/18 at Ordinary meeting 13/11/14	(79,202) (S)
Risk mitigation projects include addressing :	
- Jetty memorial Theatre fire code compliance including replacement of fire doors, hoses, extinguishers and emergency lights	20,000 (D)
- Sawtell Rugby Union Club stair building code compliance, including installation of handrail and guard around air conditioner	3,000 (D)
- Toormina library fire code compliance, primarily creating a pathway from emergency exit of facility	5,000 (D)
- Community Village facility and occupant security including review of security arrangements	20,000 (D)
- CEX stadium player and spectator safety issues, primarily the installation of two traffic calming speed humps	6,000 (D)
- Toormina Oval hirer and spectator safety and property security including the installation of car park lighting	25,202 (D)
Estimated Animal Hazard Plan expenditure reduced	(1,000) (S)
Reductions in income and expense to Airport Reserve	1,000 (D)
Additional funding to design and construct resurface of Woolgoolga netball courts (per Ordinary meeting 18/12/14 - CD14/23)	67,000 (D)
Partial funding of Woolgoolga netball court resurface from unexpended loan reserve	(35,000) (S)

Transport Access Program grant funding approval for Coffs Harbour	
Transport Interchange Constructions works	(976,240) (S)
Park Avenue Transport Interchange Construction works	717,499 (D)
Vernon Street Transport Interchange Construction works	258,741 (D)

Subtotal **32,000 (D)**

Water Account

Recommended Variations for December 2014 Nil

Sewer Account

Recommended variations for December 2014

Residential Sewer Access Charges income reduced due to less property growth than anticipated	71,377 (D)
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Subtotal **71,377 (D)**

Issues:

This report is tabled to meet Council's statutory requirements.

Options:

Council's options in relation to this report are to:

1. Adopt the recommendation provided to Council
2. Amend the recommendation provided to Council and then adopt. This may impact upon the projected bottom line budgeted position.
3. Reject the recommendation provided to Council. This would revert the budget back to its original position prior to the recommendation being sought.

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 cash position by June 30 each year in conjunction with meeting its short term priorities.

- **Economic**

Broader Economic Implications

This report assesses the current years projected budget position only. Any variations approved by Council are subsequently reflected in Councils Delivery Plan and may affect future economic sustainability.

Delivery Program/Operational Plan Implications

The Original budget for the General Account adopted on the 22 May 2014 provided for a deficit of \$1,557.

For substantial budget adjustments the associated council reports have addressed the triple bottom line factors independently in 2014/15.

Risk Analysis:

Not applicable.

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.

Related Policy, Precedents and / or Statutory Requirements:

As discussed above, under local government regulations the responsible accounting officer is required to submit a quarterly budget review to Council. There is no obligation to provide monthly reviews but as part of prudent financial management we have opted to do so, commencing October each year.

Responsible Accounting Officer's Statement:

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

Implementation Date / Priority:

The approved variations will be updated in the affected budgets prior to release for review in the following month

Conclusion:

This report summarises the proposed budget adjustments for the quarter and the impact upon the projected budget position for the current financial year. Reference is made to the above RAO's statement regarding Councils financial position.

COFFS HARBOUR CITY COUNCIL

Att1 - QBRS GENERAL BUDGET REVIEW INCOME & EXPENSES STATEMENT BY PROGRAM

FOR THE QUARTER ENDED 31 DECEMBER 2014

	ORIGINAL	APPROVED CHANGES		REVISED	RECOMMENDED	PROJECTED	ACTUAL
	Budget	Budget		Budget	Changes	Budget	YTD
	2014/15	Other than by QBRS	Sept Rev		for December	2014/15	
INCOME							
Community Facilities	2,275,597	1,001,057	20,000	3,296,654	40,986	3,337,640	2,595,342
Office of the General Manager	1,615	17,120	5,000	23,735	(47)	23,688	11,844
Financial Sustainability	2,019,924	-	-	2,019,924	-	2,019,924	2,019,924
Transfer to Sustainability	1,500,000	-	(9,100)	1,490,900	-	1,490,900	-
CBD Masterplan Works	1,797,950	3,551,860	-	5,349,810	(257,762)	5,092,048	2,799,798
Jetty4Shores Project	1,742,701	330,425	-	2,073,126	322,238	2,395,364	2,206,367
Coffs Coast Tourism & Marketing	563,600	238,552	125,500	927,652	(6,956)	920,696	608,776
Sustainable & Precinct Planning	59,092	659,048	-	718,140	53,746	771,886	424,027
Development Assessment & Building Services	1,838,387	10,727	-	1,849,114	8,795	1,857,909	954,250
Environmental Services	304,702	572,958	-	877,660	689	878,349	523,148
Public Health & Safety	273,028	37,865	-	310,893	13,148	324,041	275,635
Ranger Services	479,294	-	-	479,294	(521)	478,773	230,117
Domestic Waste Management	17,543,349	5,000	(234,253)	17,314,096	71,692	17,385,788	16,766,923
Non-Domestic Waste Management	6,265,581	658,227	(327,703)	6,596,105	49,295	6,645,400	4,048,462
Property Assets	1,761,494	130,832	-	1,892,326	(244,292)	1,648,034	827,505
Swimming Pools	91,614	12,500	-	104,114	(2,641)	101,473	51,300
Airport	10,442,401	592,717	295,000	11,330,118	134,291	11,464,409	5,235,553
Sports Unit	691,497	528,517	-	1,220,014	(45,873)	1,174,141	636,473
Admin & Corp Governance	6,126,822	-	-	6,126,822	(20,337)	6,106,485	3,058,332
Governance & Legal Services	100,500	392,369	-	492,869	79,201	572,070	375,887
Rural Fire Service	2,208,771	308,084	-	2,516,855	302,007	2,818,862	867,790
Corporate Information	774,048	611,913	-	1,385,961	(219,773)	1,166,188	570,064
Telecommunications & New Technology	1,724,930	-	-	1,724,930	143,294	1,868,224	973,007
Finance	969,017	40,522	-	1,009,539	(3,728)	1,005,811	506,054
Plant	14,538,141	2,310,524	-	16,848,665	(3,231)	16,845,434	8,267,595
Program Support	114,700	26,846	-	141,546	-	141,546	31,319
HR & Organisational Development	57,900	-	-	57,900	86,885	144,785	126,885
Customer Services	-	-	-	-	39,500	39,500	28,255
City Services Support	30,291	-	-	30,291	(3,816)	26,475	13,238
Assets Systems	-	-	-	-	-	-	-
Library Services	203,841	309,334	-	513,175	62,631	575,806	382,410
Community Services	498,746	144,118	-	642,864	(3,877)	638,987	253,530
Enterprise Coffs	201,085	129,807	-	330,892	80,506	411,398	293,029
Environmental Lab	797,724	-	-	797,724	118	797,842	326,899
Operational Administration	140,000	68,285	-	208,285	-	208,285	25,410
Recreational Services	5,694,711	1,399,616	(209,156)	6,885,171	(759,039)	6,126,132	2,589,223
Regional Roads	2,994,337	299,648	978,800	4,272,785	(165,252)	4,107,533	1,490,753
Local Roads	11,848,631	3,819,879	520,014	16,188,524	1,089,627	17,278,151	8,294,639
Bridges	1,623,248	241,384	-	1,864,632	(30,426)	1,834,206	1,310,464
Footpaths, Cycleways & Bus Shelters	700,763	390,117	913,000	2,003,880	885,301	2,889,181	569,263
Parking	762,577	1,468,905	154,675	2,386,157	129,391	2,515,548	1,257,774
Quarries	300,900	-	-	300,900	-	300,900	85,506
Street & Toilet Cleaning	-	-	-	-	-	-	-
Drainage	5,642,018	10,809,562	-	16,451,580	(334,947)	16,116,633	8,727,424
Harbour & Jetty	21,229	21,596	-	42,825	(2,656)	40,169	20,085
CityWorks - Private Works	589,900	-	-	589,900	-	589,900	6,659,354
Survey & Design	404,514	1,695,526	17,719	2,117,759	1,286,957	3,404,716	297,690
Street Lighting	154,000	10,839	-	164,839	-	164,839	-
Contracts and Subdivisions	73,600	6,500	-	80,100	-	80,100	51,906
Untied Funding	47,173,422	74,338	-	47,247,760	58,555	47,306,315	36,275,643
TOTAL INCOME	156,122,192	32,927,117	2,249,496	191,298,805	2,833,679	194,132,484	123,944,862

COFFS HARBOUR CITY COUNCIL

Att1 - QBRS GENERAL BUDGET REVIEW INCOME & EXPENSES STATEMENT BY PROGRAM

FOR THE QUARTER ENDED 31 DECEMBER 2014

	ORIGINAL	APPROVED CHANGES		REVISED	RECOMMENDED	PROJECTED	ACTUAL
	Budget	Budget		Budget	Changes	Budget	YTD
	2014/15	Other than by QBRS	Sept Rev		for December	2014/15	
EXPENSES							
Community Facilities	2,275,597	1,001,057	20,000	3,296,654	72,986	3,369,640	1,399,628
Office of the General Manager	1,356,715	17,120	14,987	1,388,822	33,371	1,422,193	779,313
Financial Sustainability	2,019,924	-	-	2,019,924	-	2,019,924	361,601
Transfer to Sustainability	1,000,000	-	-	1,000,000	-	1,000,000	677,292
CBD Masterplan Works	1,797,950	3,551,860	-	5,349,810	(257,762)	5,092,048	345,457
Jetty4Shores Project	1,742,701	330,425	-	2,073,126	322,238	2,395,364	552,280
Coffs Coast Tourism & Marketing	1,851,392	238,552	125,500	2,215,444	(2,338)	2,213,106	1,137,786
Sustainable & Precinct Planning	2,068,462	659,048	-	2,727,510	47,446	2,774,956	1,079,742
Development Assessment & Building Services	2,803,727	10,727	-	2,814,454	(7,405)	2,807,049	1,261,807
Environmental Services	1,276,193	572,958	-	1,849,151	(48,251)	1,800,900	585,638
Public Health & Safety	1,388,754	37,865	13	1,426,632	(6,053)	1,420,579	676,470
Ranger Services	975,897	-	-	975,897	(4,574)	971,323	426,791
Domestic Waste Management	17,543,349	5,000	(234,253)	17,314,096	71,692	17,385,788	8,606,271
Non-Domestic Waste Management	6,265,581	658,227	(327,703)	6,596,105	49,295	6,645,400	1,652,926
Property Assets	3,120,582	130,832	-	3,251,414	(174,192)	3,077,222	1,718,782
Swimming Pools	702,001	12,500	-	714,501	(2,641)	711,860	415,258
Airport	10,442,401	592,717	295,000	11,330,118	134,291	11,464,409	5,717,107
Sports Unit	2,308,951	528,517	-	2,837,468	(48,773)	2,788,695	1,490,140
Admin & Corp Governance	1,423,997	-	(10,000)	1,413,997	(22,887)	1,391,110	667,840
Governance & Legal Services	1,980,100	392,369	-	2,372,469	75,202	2,447,671	1,824,727
Rural Fire Service	2,609,750	308,084	-	2,917,834	308,541	3,226,375	1,015,123
Corporate Information	4,276,688	611,913	(9,100)	4,879,501	(231,473)	4,648,028	2,019,686
Telecommunications & New Technology	1,724,930	-	-	1,724,930	143,294	1,868,224	889,230
Finance	4,505,271	40,522	-	4,545,793	(20,728)	4,525,065	2,196,814
Plant	14,538,141	2,310,524	-	16,848,665	(3,231)	16,845,434	6,068,152
Program Support	399,477	26,846	-	426,323	(1,300)	425,023	197,571
HR & Organisational Development	1,479,900	-	-	1,479,900	78,285	1,558,185	680,084
Customer Services	-	-	-	-	39,500	39,500	24,627
City Services Support	679,491	-	-	679,491	(6,616)	672,875	353,438
Assets Systems	330,450	-	-	330,450	(1,900)	328,550	89,728
Library Services	1,976,416	309,334	-	2,285,750	54,131	2,339,881	1,000,714
Community Services	2,667,301	144,118	-	2,811,419	(32,829)	2,778,590	1,383,196
Enterprise Coffs	972,183	129,807	-	1,101,990	77,006	1,178,996	583,923
Environmental Lab	797,724	-	-	797,724	118	797,842	385,778
Operational Administration	1,078,300	68,285	-	1,146,585	(4,200)	1,142,385	657,235
Recreational Services	9,637,915	1,399,616	(209,156)	10,828,375	(697,539)	10,130,836	4,309,780
Regional Roads	3,099,191	299,648	978,800	4,377,639	(165,252)	4,212,387	1,836,916
Local Roads	17,558,546	3,819,879	520,014	21,898,439	639,627	22,538,066	8,750,931
Bridges	1,730,948	241,384	-	1,972,332	(30,426)	1,941,906	891,288
Footpaths, Cycleways & Bus Shelters	1,076,613	390,117	913,000	2,379,730	885,301	3,265,031	704,598
Parking	1,374,751	1,468,905	154,675	2,998,331	129,391	3,127,722	1,592,560
Quarries	300,900	-	-	300,900	-	300,900	209,871
Street & Toilet Cleaning	892,800	-	-	892,800	-	892,800	417,978
Drainage	5,939,318	10,809,562	-	16,748,880	(334,947)	16,413,933	4,270,676
Harbour & Jetty	195,529	21,596	-	217,125	(2,656)	214,469	102,812
CityWorks - Private Works	589,900	-	-	589,900	-	589,900	5,151,495
Survey & Design	2,383,656	1,695,526	17,719	4,096,901	1,778,757	5,875,658	1,411,972
Street Lighting	979,200	-	-	990,039	-	990,039	363,468
Subdivisions & Contracts	506,000	6,500	-	512,500	(2,900)	509,600	235,946
Untied Funding	7,475,072	74,338	-	7,549,410	(74,338)	7,475,072	1,487,536
TOTAL EXPENSES	156,120,635	32,927,117	2,249,496	191,297,248	2,755,261	194,052,509	80,659,975
NET OPERATING RESULT SURPLUS/(DEFICIT)	1,557	-	-	1,557	78,418	79,975	43,284,888

COFFS HARBOUR CITY COUNCIL

Att1 - QBRS GENERAL BUDGET REVIEW INCOME & EXPENSES STATEMENT BY PROGRAM

FOR THE QUARTER ENDED 31 DECEMBER 2014

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2014/15	Other than by QBRS	Sept Rev	Budget		Budget 2014/15	YTD
Add Back:							
Capital Expenses	27,952,300	25,924,131	2,178,038	56,054,469	3,677,821	59,732,290	16,217,579
Less:							
Transfers to & from Reserves	29,739,580	27,308,084	126,242	57,173,906	(2,728,693)	54,445,213	27,222,607
Loan Drawdowns	-			-	2,200,000	2,200,000	2,200,000
Advance Repayments	54,375			54,375		54,375	37,019
Asset Sales	2,245,600			2,245,600		2,245,600	597,695
NET OPERATING RESULT FROM CONTINUING OPERATIONS	(4,085,698)	(1,383,953)	2,051,796	(3,417,855)	4,284,932	867,077	29,445,146
Less:							
Capital Grants	2,066,769		1,857,327	3,924,096	1,292,844	5,216,940	310,141
Capital Contributions	6,392,540		2,517	6,395,057	1,170,248	7,565,305	3,518,277
NET OPERATING RESULT BEFORE CAPITAL ITEMS	(12,545,007)	(1,383,953)	191,952	(13,737,008)	1,821,840	(11,915,168)	25,616,728

Note

ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget

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

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL

Att2 - QBRs SEWER BUDGET REVIEW INCOME & EXPENSES STATEMENT BY PROGRAM

FOR THE QUARTER ENDED 31 DECEMBER 2014

	ORIGINAL	APPROVED CHANGES		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2014/15	Other than by QBRs	Sept Rev	Budget		Budget 2014/15	YTD
INCOME							
Management Expenses	1,126	86,201	-	87,327	-	87,327	44,532
Maintenance & Operating	13,148,879	-	-	13,148,879	(1,302,296)	11,846,583	5,921,493
Miscellaneous	-	-	-	-	-	-	-
Capital Expenses	12,463,087	14,420,191	(400,000)	26,483,278	-	26,483,278	9,922,379
Untied Funding	27,320,435	-	-	27,320,435	(228,362)	27,092,073	25,156,350
TOTAL INCOME	52,933,527	14,506,392	(400,000)	67,039,919	(1,530,658)	65,509,261	41,044,753

	ORIGINAL	APPROVED CHANGES		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2014/15	Other than by QBRs	Sept Rev	Budget		Budget 2014/15	YTD

EXPENSES							
Management Expenses	4,277,194	86,201	-	4,363,395	-	4,363,395	2,241,527
Maintenance & Operating	22,195,329	-	400,000	22,595,329	(1,302,296)	21,293,033	9,687,312
Miscellaneous	15,732,142	-	-	15,732,142	-	15,732,142	7,139,854
Capital Expenses	12,463,087	14,420,191	(400,000)	26,483,278	-	26,483,278	4,658,795
Untied Funding	802,000	-	-	802,000	-	802,000	401,000
TOTAL EXPENSES	55,469,752	14,506,392	-	69,976,144	(1,302,296)	68,673,848	24,128,487

NET OPERATING RESULT SURPLUS/(DEFICIT) (2,536,225) - (400,000) (2,936,225) (228,362) (3,164,587) 16,916,266

Add Back:

Capital Expenses 18,299,252 14,420,191 (400,000) 32,319,443 - 32,319,443 7,555,611

Less:

Transfers to & from Reserves 16,067,592 13,036,084 (400,000) 28,703,676 (1,302,296) 27,401,380 13,700,690

Loan Drawdowns - - - - - - -

Advance Repayments - - - - - - -

Asset Sales - - - - - - 10,136

NET OPERATING RESULT FROM CONTINUING OPERATIONS (304,565) 1,384,107 (400,000) 679,542 1,073,934 1,753,476 10,761,051

Less:

Capital Grants - 1,470,308 - 1,470,308 - 1,470,308 (121,349)

Capital Contributions 4,945,787 - - 4,945,787 - 4,945,787 2,472,894

NET OPERATING RESULT BEFORE CAPITAL ITEMS (5,250,352) (86,201) (400,000) (5,736,553) 1,073,934 (4,662,619) 8,409,506

Note

ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget

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

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL

Att3 - QBRs WATER BUDGET REVIEW INCOME & EXPENSES STATEMENT BY PROGRAM

FOR THE QUARTER ENDED 31 DECEMBER 2014

	ORIGINAL	APPROVED CHANGES		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2014/15	Other than by QBRs	Sept Rev	Budget		Budget 2014/15	YTD
INCOME							
Management Expenses	3,000	128,542		131,542	-	131,542	64,878
Maintenance & Operating	7,220,554	254,007		7,474,561	(57,291)	7,417,270	3,821,410
Miscellaneous	-	-		-	-	-	-
Capital Expenses	13,426,750	3,333,806		16,760,556	-	16,760,556	6,691,376
Untied Funding	18,866,818	-		18,866,818	219,967	19,086,785	9,951,990
TOTAL INCOME	39,517,122	3,716,355	-	43,233,477	162,676	43,396,153	20,529,654

	ORIGINAL	APPROVED CHANGES		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2014/15	Other than by QBRs	Sept Rev	Budget		Budget 2014/15	YTD
EXPENSES							
Management Expenses	3,591,794	128,542		3,720,336	-	3,720,336	1,768,688
Maintenance & Operating	13,491,378	254,007		13,745,385	(57,291)	13,688,094	6,266,496
Miscellaneous	11,566,235	-		11,566,235	-	11,566,235	5,033,247
Capital Expenses	13,426,750	3,333,806		16,760,556	-	16,760,556	4,097,272
Untied Funding	678,500	-		678,500	-	678,500	339,250
TOTAL EXPENSES	42,754,657	3,716,355	-	46,471,012	(57,291)	46,413,721	17,504,953
NET OPERATING RESULT SURPLUS/(DEFICIT)	(3,237,535)	-	-	(3,237,535)	219,967	(3,017,568)	3,024,702
Add Back:							
Capital Expenses	16,333,239	3,333,806		19,667,045		19,667,045	5,493,900
Less:							
Transfers to & from Reserves	13,131,904	3,716,355	-	16,848,259	(57,291)	16,790,968	8,395,484.00
Loan Drawdowns	-	-	-	-	-	-	-
Advance Repayments	-	-	-	-	-	-	-
Asset Sales	-	-	-	-	-	-	36,173
NET OPERATING RESULT FROM CONTINUING OPERATIONS	(36,200)	(382,549)	-	(418,749)	277,258	(141,491)	86,945
Less:							
Capital Grants	-	-	-	-	-	-	-
Capital Contributions	3,479,700	-	-	3,479,700	-	3,479,700	1,739,850
NET OPERATING RESULT BEFORE CAPITAL ITEMS	(3,515,900)	(382,549)	-	(3,898,449)	277,258	(3,621,191)	(1,652,906)

Note

ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget

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

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL

Att 4 - QBRs BUDGET REVIEW CAPITAL - GENERAL

FOR THE QUARTER ENDED 31 DECEMBER 2014

	ORIGINAL	Approved Changes		REVISED	Recommended	PROJECTED	ACTUAL
	Budget 2014/15	Other than by QBRs	Sept Rev	Budget	Changes for December	Budget 2014/15	YTD
CAPITAL FUNDING							
Rates and other Untied Funding	10,463,224	1,813,738	(159,375)	13,034,466	916,879	13,951,345	3,381,167
Internal Restrictions							
- Airport	2,044,789	592,717	(225,620)	2,573,506	161,620	2,735,126	1,367,726
- Bldg Maint Resv	-	-	-	-	-	-	-
- Non-Domestic Waste Management	100,000	60,000	(40,000)	120,000	-	120,000	-
- Community Facilities Reserve	-	590,860	-	590,860	-	590,860	117,819
- Car Parking Upgrade	-	916,812	154,675	1,121,487	50,000	1,171,487	789,556
- Environmental Levy	-	101,552	-	201,552	100,000	301,552	55,471
- Future Fund	-	-	-	-	-	-	-
- Jetty Maint Reserve	-	-	-	-	-	-	-
- Pine Creek Reserve	-	-	-	-	-	-	-
- Environmental Laboratory	50,000	-	-	50,000	-	50,000	7,005
- Grant in Advance	-	1,617,763	-	1,617,763	-	1,617,763	1,033,736
- Plant	3,426,200	1,606,600	-	5,032,800	-	5,032,800	1,540,739
- Private Works	-	-	-	-	-	-	-
- Land Sale Reserve	-	-	-	-	-	-	-
- Open Space Resv	-	-	-	-	-	-	-
- RFS Reserve	-	-	-	-	-	-	-
- ELE Reserve	-	-	-	-	-	-	-
- CBD Masterplan Reserve	389,098	3,010,438	-	3,399,536	234,844	3,634,380	101,064
- EDP Reserve	-	-	-	-	-	-	-
External Restrictions							
- Domestic Waste Management	100,000	5,000	40,000	145,000	-	145,000	5,000
- S94	1,108,620	2,096,405	548,514	3,472,796	(280,743)	3,192,053	783,515
- S94 - Inkind	4,500,000	-	-	4,500,000	-	4,500,000	4,500,000
- Contribution	78,000	595,681	2,517	1,846,446	1,170,248	3,016,694	271,474
- Grant	2,066,769	2,387,711	1,857,327	7,605,480	1,293,673	8,899,153	1,019,974
- Sales Income	2,245,600	622,900	-	2,868,500	-	2,868,500	-
- Loan	1,380,000	9,905,954	-	11,317,254	31,300	11,348,554	1,243,333
New Loans	-	-	-	-	-	-	-
Income from Sale of Assets	-	-	-	-	-	-	-
TOTAL CAPITAL FUNDING	27,952,300	25,924,131	2,178,038	59,497,446	3,677,821	63,175,267	16,217,579

COFFS HARBOUR CITY COUNCIL
Att 4 - QBRS BUDGET REVIEW CAPITAL - GENERAL
FOR THE QUARTER ENDED 31 DECEMBER 2014

	ORIGINAL	Approved Changes		REVISED	Recommended	PROJECTED	ACTUAL
	Budget 2014/15	Other than by QBRS	Sept Rev	Budget	Changes for December	Budget 2014/15	YTD
CAPITAL EXPENDITURE							
Loan Repayments (Principal)	4,497,517	-	-	4,261,482	(236,035)	4,025,447	2,057,339
New Assets							
Buildings	150,000	191,647	-	649,731	308,084	957,815	151,006
Furniture & Fittings	13,000	-	-	13,000	-	13,000	25
Land Improvements	-	108,675	-	108,675	-	108,675	2,728
Land - Operational	-	918,817	-	918,817	-	918,817	-
Community Land	-	-	-	-	-	-	-
Bulk Earthworks (non-depreciable)	-	-	199,778	199,778	-	199,778	172,248
Library Books	-	-	-	-	-	-	-
Office Equipment	-	390,597	-	390,597	-	390,597	70,422
Other Assets	150,000	670,134	10,544	1,661,921	831,243	2,493,164	158,172
Other Structures	267,000	923,698	(192,850)	1,013,741	15,893	1,029,634	689,321
Plant & Equipment	152,570	19,282	-	8,053,152	7,881,300	15,934,452	1,607,559
Water Supply Network	-	-	-	-	-	-	-
Roads, Bridges & Footpaths	6,466,652	2,880,777	1,836,175	14,819,941	3,636,337	18,456,278	6,225,125
Stormwater Drainage	-	-	-	6,328,561	6,328,561	12,657,122	1,774,848
Renewals (Replacement)							
Buildings	858,000	890,981	-	1,556,465	(192,516)	1,363,949	241,859
Furniture & Fittings	2,000	-	-	2,000	-	2,000	-
Land Improvements	100,000	119,721	(40,000)	180,321	600	180,921	29,472
Land - Operational	100,000	-	-	77,253	(22,747)	54,506	77,254
Community Land	-	-	-	-	-	-	-
Bulk Earthworks (non-depreciable)	-	-	-	-	-	-	-
Library Books	-	-	-	-	-	-	-
Office Equipment	604,550	171,316	-	775,866	-	775,866	72,982
Other Assets	518,525	1,933,813	(102,275)	1,639,662	(710,401)	929,261	168,346
Other Structures	600,000	1,398,073	192,850	2,188,853	(2,070)	2,186,783	66,567
Plant & Equipment	6,680,904	2,265,777	-	1,167,663	(7,779,018)	(6,611,355)	27,569
Water Supply Network	-	-	-	-	-	-	-
Roads, Bridges & Footpaths	5,975,035	1,918,210	273,816	8,112,964	(54,097)	8,058,867	2,407,414
Stormwater Drainage	816,547	11,122,613	-	5,611,847	(6,327,313)	(715,466)	217,323
TOTAL CAPITAL EXPENDITURE	27,952,300	25,924,131	2,178,038	59,732,290	3,677,821	63,410,111	16,217,579

Note

ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget
 REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL
Att 4 - QBRs BUDGET REVIEW CAPITAL - WATER
FOR THE QUARTER ENDED 31 DECEMBER 2014

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2014/15	Other than by QBRs	Sept Rev	Budget		Budget 2014/15	YTD
<u>CAPITAL FUNDING</u>							
Water Fund	6,181,489	-	-	6,181,489	-	6,181,489	3,011,977
External Restrictions							
Unexpended Loan	6,394,800	3,043,311	-	9,438,111	-	9,438,111	1,853,175
S64	3,756,950	290,495	-	4,047,445	-	4,047,445	628,748
TOTAL CAPITAL FUNDING	16,333,239	3,333,806	-	19,667,045	-	19,667,045	5,493,900

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2014/15	Other than by QBRs	Sept Rev	Budget		Budget 2014/15	YTD
<u>CAPITAL EXPENDITURE</u>							
Loan Repayments (Principal)	5,873,389	-	-	5,873,389	-	5,873,389	2,883,567
New Assets							
Office Equipment	-	-	-	-	-	-	-
Water Supply Network	4,981,650	347,112	-	5,328,762	5,093,195	10,421,957	1,847,948
Plant & Equipment	-	-	-	-	-	-	30,698
Other Assets	-	-	-	-	-	-	-
Renewals (Replacement)							
Office Equipment	8,100	-	-	8,100	-	8,100	560
Water Supply Network	5,398,000	2,986,694	-	8,384,694	(5,093,195)	3,291,499	722,963
Plant & Equipment	72,100	-	-	72,100	-	72,100	8,164
Other Assets	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	16,333,239	3,333,806	-	19,667,045	-	19,667,045	5,493,900

Note

ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget
 REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL
Att 4 - QBRs BUDGET REVIEW CAPITAL - SEWER
FOR THE QUARTER ENDED 31 DECEMBER 2014

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2014/15	Other than by QBRs	Sept Rev	Budget		Budget 2014/15	YTD
<u>CAPITAL FUNDING</u>							
Sewer Fund	8,681,952	-	-	8,681,952	-	8,681,952	4,319,709
External Restrictions							
Unexpended Loan	2,734,300	12,531,383	(100,000)	15,165,683	-	15,165,683	2,527,718
S64	6,883,000	418,500	(300,000)	7,001,500	-	7,001,500	133,167
Grant	-	1,470,308	-	1,470,308	-	1,470,308	575,017
TOTAL CAPITAL FUNDING	18,299,252	14,420,191	- 400,000	32,319,443	-	32,319,443	7,555,611

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2014/15	Other than by QBRs	Sept Rev	Budget		Budget 2014/15	YTD
<u>CAPITAL EXPENDITURE</u>							
Loan Repayments (Principal)	8,671,952	-	-	8,671,952	-	8,671,952	4,319,339
New Assets							
Office Equipment	-	-	-	-	-	-	-
Sewer Network	4,950,000	763,800	(400,000)	5,313,800	(496,000)	4,817,800	1,070,699
Plant & Equipment	-	-	-	-	-	-	582
Renewals (Replacement)							
Office Equipment	30,000	38,500	-	68,500	-	68,500	992
Sewer Network	4,398,000	13,617,891	-	18,015,891	496,000	18,511,891	2,138,884
Plant & Equipment	249,300	-	-	249,300	-	249,300	25,115
TOTAL CAPITAL EXPENDITURE	18,299,252	14,420,191	- 400,000	32,319,443	-	32,319,443	7,555,611

Note

ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget

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

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL
Att5 - BUDGET REVIEW CASH AND INVESTMENTS POSITION
FOR THE QUARTER ENDED 31 DECEMBER 2014

Reserve Type	Opening Balance 1/07/2014	Add / (Subtract) ORIGINAL Budget Transfers 2014/15	Approved Changes		Add Interest Apportioned	REVISED Balance	Recommended Budget Transfers for December	PROJECTED Closing Balance 30/06/2014	YTD Actual
			Other than by QBRS	Sept Rev					
Total Cash and Investments	171,504,000	-	-			171,504,000		171,816,000	175,007,014
attributable to:									
External Restrictions (see below)	99,808,000	(10,799,298)	(18,157,922)	102,604	727,784	71,681,168	(12,677)	71,668,491	84,066,346
Internal Restrictions (see below)	49,057,000	(4,933,636)	(22,305,197)	(216,128)	1,139,947	22,741,986	2,670,267	25,412,558	43,054,232
Unrestricted	22,639,000	15,732,934	40,463,119	113,524	(1,867,731)	77,080,846	(2,657,590)	74,734,951	47,886,436
	171,504,000	-	-	-	-	171,504,000	-	171,816,000	175,007,014
External Restrictions									
General:									
Developer Contributions	12,252,000	(1,063,865)	(2,075,978)	(244,649)		8,867,508	(7,877)	8,859,631	843,286
Domestic Waste	1,518,000	(606,333)	-	247,253	31,652	1,190,572	(4,800)	1,185,772	1,750,310
Stormwater Management Levy	-	-	-	-	-	-	-	-	-
Other	64,000	-	-	-	-	64,000	-	64,000	-
Water:									
Unexpended Loans	23,990,000	(6,394,800)	(3,043,311)	-	-	14,551,889	-	14,551,889	22,812,273
Unexpended Grants	-	-	-	-	-	-	-	-	-
Developer Contributions	250,000	-	-	-	-	250,000	-	250,000	1,229,190
Water Supplies (Revenue)	9,265,000	-	(382,549)	-	174,668	9,057,119	-	9,057,119	7,125,494
Sewer:									
Unexpended Loans	29,881,000	(2,734,300)	(12,569,883)	100,000	-	14,676,817	-	14,676,817	27,943,799
Unexpended Grants	-	-	-	-	-	-	-	-	-
Developer Contributions	52,000	-	-	-	-	52,000	-	52,000	1,068,332
Sewer Services (Revenue)	22,536,000	-	(86,201)	-	521,464	22,971,263	-	22,971,263	21,293,662
Total External Restrictions	99,808,000	(10,799,298)	(18,157,922)	102,604	727,784	71,681,168	(12,677)	71,668,491	84,066,346
Internal Restrictions									
Airport	9,000	(24,555)	(592,717)	(36,000)	(3,991)	(648,263)	1,000	(647,263)	(212,031)
Asset Replacement & Maintenance	525,000	5,472	-	-	13,189	543,661	-	543,661	539,625
CBD Masterplan	1,174,000	(1,050,402)	(3,551,860)	-	32,282	(3,395,980)	4,435,826	1,039,846	1,435,659
Community Facilities	1,414,000	(229,854)	(590,860)	(20,000)	34,745	608,031	117,369	725,400	1,386,958
EDP Equipment	759,000	-	-	-	19,077	778,077	-	778,077	778,227
Technology Group	351,000	375,236	-	-	7,619	733,855	-	733,855	611,168
Unexpended Contributions	2,050,000	-	(2,051,033)	-	-	(1,033)	-	(1,033)	224,278
Historical Jetty R & M	231,000	-	-	-	5,807	236,807	-	236,807	236,900
Future Fund	1,404,000	350,062	-	-	37,103	1,791,165	-	1,791,165	1,616,045
Business Development	1,259,000	36,000	-	(5,000)	31,761	1,321,761	-	1,321,761	1,304,738
Project Contingency	1,137,000	-	-	-	28,587	1,165,587	-	1,165,587	1,166,180
Private Works - General Fund Reserve	1,484,000	72,000	-	-	37,660	1,593,660	-	1,593,660	1,557,409
Non Domestic Waste	1,101,000	(252,223)	(76,712)	(453)	24,102	795,714	4,800	800,514	2,284,918
Employees Leave Entitlement	5,271,000	1,106,106	-	-	137,607	6,514,713	(4,003,728)	2,510,985	2,810,288
Revenue Revotes	2,677,000	-	(2,676,764)	-	-	236	-	236	-
Unexpended Grants	2,844,000	(2,844,422)	-	-	-	(422)	-	(422)	1,520,989
Open Space Land	49,000	-	-	-	1,236	50,236	-	50,236	50,418
Lab Equipment Replacement	826,000	149,829	-	-	21,092	996,921	-	996,921	858,109
Rural Fire Service	16,000	-	-	-	417	16,417	-	16,722	17,005
Plant Replacement	6,832,000	(1,025,428)	(1,687,624)	-	181,321	4,300,269	-	4,300,269	7,805,045
Environmental Levy	235,000	(103,737)	(236,597)	-	1,795	(103,539)	-	(103,539)	39,435
RTA Pine Creek Handover (Capital)	743,000	-	-	-	68,691	811,691	-	811,691	811,927
RTA - SH10 Garden Works	110,000	(53,220)	-	-	2,605	59,385	-	59,385	95,114
Unexpended Loan Funds	9,394,000	(1,444,500)	(9,924,218)	-	-	(1,974,718)	2,165,000	190,282	9,142,786
Car Parking Upgrade	2,124,000	-	(916,812)	(154,675)	51,545	1,104,058	(50,000)	1,054,058	1,393,668
Future Road Network	1,949,000	-	-	-	50,383	1,999,383	-	1,999,383	2,134,718
Flood Mitigation Works	3,089,000	-	-	-	355,314	3,444,314	-	3,444,314	3,444,656
	49,057,000	(4,933,636)	(22,305,197)	(216,128)	1,139,947	22,741,986	2,670,267	25,412,558	43,054,232

Investments

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

Reconciliation

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

Cash

The last bank reconciliation was to the period ended 31/12/14 and was completed 14/01/15

Note

Opening Balances for Unexpended grants, Unexpended loans and unexpended contributions were extracted from Closing Balance at 30/6/14 per Note 6(c) of financial statements

This document forms part of Coffs harbour City Council's Quarterly Budget Review Statements for the quarter ended 31/12/14 and should be read in conjunction with other documents in the QBRS

COFFS HARBOUR CITY COUNCIL
Att6 - BUDGET REVIEW KEY PERFORMANCE INDICATORS
FOR THE QUARTER ENDED 31 DECEMBER 2014

RATIO	CALCULATION	WHAT IS BEING MEASURED	FIGURE	SUSTAINABLE TARGET
Sources of Revenue Ratio (Consolidated)	Own source revenue (all income excluding grants and contributions) divided by total income from continuing operations	Council's reliance on funding from sources other than grants and contributions. The greater the reliance on own source revenue the more control council has over its income stream	76.77%	> 65%
Rates and Annual Charges Coverage Ratio (Consolidated)	Rates and annual charges outstanding divided by income from continuing operations	The degree of dependence upon revenues from rates and annual charges and to assess the security of Council's income	50.19%	55% to 75%
Asset Sustainability Ratio (Consolidated)	Capital amounts spent on rehabilitation and replacement of existing assets divided by the level proposed in the infrastructure and asset management plan	The extent to which assets are being replaced at the rate they are wearing out	30.43%	90% to 110%
Debt Service Ratio (Consolidated)	Debt service cost divided by income from continuing operations excluding capital items and specific purpose grants and contributions	The impact of loan principal and interest repayments on the discretionary revenue of council	28.10%	< 10% Sustainable 10% to 15% Satisfactory > 15% Unsustainable
Rates and Annual Charges Outstanding (Consolidated)	Rates and annual charges outstanding divided by rates and annual charges collectable	The impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts	7.01%	7%

This document forms part of Coffs Harbour City Council's Quarterly Budget Review Statement for the quarter ended 31/12/14 and should be read in conjunction with other documents in the QBRs

COFFS HARBOUR CITY COUNCIL
Att 7 - QBRS PART A BUDGET REVIEW - CONTRACTS
FOR THE QUARTER ENDED 31 DECEMBER 2014

Attachment 7

CONTRACTOR	CONTRACT DETAIL & PURPOSE	CONTRACT VALUE (Ex GST)	COMMENCEMENT DATE	COMPLETION DATE	BUDGETED (Y/N)
BMT WBM Pty Ltd	Coffs Creek Flood Study Review	93,060	3/10/2014	13/08/2015	Y
BMT WBM Pty Ltd	Park Beach Flood Study	61,635	3/10/2014	13/08/2015	Y
Earthtec Pty Ltd	Slope Remediation: Four sites within Coffs Harbour LGA	659,950	2/12/2014	1/06/2015	Y
MacDonald Johnston P/L	Supply & Delivery of 1 x Compact Suction Sweeper	164,705	7/10/2014	22/01/2015	Y
LKS Quaero Pty Ltd	Consultancy Services - Transformation to Sustainability Program Support	490,098	28/10/2014	27/10/2017	Y

Notes

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

COFFS HARBOUR CITY COUNCIL

Attachment 8

**Att 8 - QBRS PART B BUDGET REVIEW - CONSULTANCY & LEGAL EXPENSES
FOR THE QUARTER ENDED 31 DECEMBER 2014**

EXPENSE	EXPENDITURE YTD	BUDGETED (Y/N)
Consultancies	631,198	Y
Legal Fees	486,886	Y

Definition of Consultant

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

This document forms part of Coffs Harbour City Council's Quarterly Budget Review Statement for the quarter ended 31/12/14 and should be read in conjunction with the other documents in the QBRS



REPORT TO ORDINARY COUNCIL MEETING

FIT FOR THE FUTURE IMPROVEMENT PROPOSAL UPDATE

REPORTING OFFICER:	Director Business Services
DIRECTOR:	Director Business Services
COFFS HARBOUR 2030:	LC3.1: Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour
ATTACHMENTS:	Nil

Recommendation:

That Council note the Fit for the Future Improvement Proposal update.

EXECUTIVE SUMMARY

This report is to update Council on the results from the Fit for the Future self-assessment tool, progress on the preparation of Council's Improvement Proposal and the interrelationship between Council's current Financial Sustainability Strategies and the Fit for the Future action plan.

Fit for the Future is the State Government's response to the final report from the Independent Local Government Review Panel released in early 2014. The process requires councils to submit proposals to show how they will credibly improve toward meeting the Fit for the Future requirements in four areas:

- Scale and capacity
- Sustainability
- Effective Infrastructure and Service Management
- Efficiency

Scale and capacity was assessed by the Independent Local Government Review Panel and Coffs Harbour City Council was deemed to satisfy this criterion and therefore no immediate merger was recommended. The Improvement Proposal template addresses each of the other three areas through the use of benchmarks. The ratios are focussed on General Fund only with water and sewerage sustainability assessed using a different process. Council is required to demonstrate its improvement toward these benchmarks by 2019/2020 through strategies and associated action plans.

Council since 2011 has been focussed on developing, adopting and now implementing several Financial Sustainability Strategies to become operationally and financially sustainable for the longer term. Based on Council's Financial Sustainability Strategies and the indicative benchmark results, the internal working group is currently drafting the necessary action plans for the Improvement Proposal. The draft Fit for the Future Improvement Proposal will be presented to Council for adoption in due course.

REPORT

Description of Item:

This report is to update Council on the results from the Fit for the Future self-assessment tool, progress on the preparation of Council’s Improvement Proposal and the interrelationship between Council’s current Financial Sustainability Strategies and the Fit for the Future action plan.

Fit for the Future is the State Government’s response to the final report from the Independent Local Government Review Panel released in early 2014. The process requires councils to submit proposals to show how they will credibly improve toward meeting the Fit for the Future requirements in four areas:

- Scale and capacity
- Sustainability
- Effective Infrastructure and Service Management
- Efficiency

Scale and capacity was assessed by the Independent Local Government Review Panel and Coffs Harbour City Council was deemed to satisfy this criterion and therefore no immediate merger was recommended. Consequently, Council is required to prepare an Improvement Proposal for submission by 30 June 2015. A Fit for the Future self-assessment tool, templates and guidance material are available to assist councils to complete their Fit for the Future proposals.

The Improvement Proposal template addresses each of the other three areas through the use of benchmarks. The ratios are focussed on General Fund only with water and sewerage sustainability assessed using a different process. Council is required to demonstrate its improvement toward these benchmarks by 2019/2020 through strategies and associated action plans.

Issues:

The self-assessment tool is used to review Council’s current performance (up to 30 June 2014) and the results are to be used as a baseline position for the Improvement Proposal.

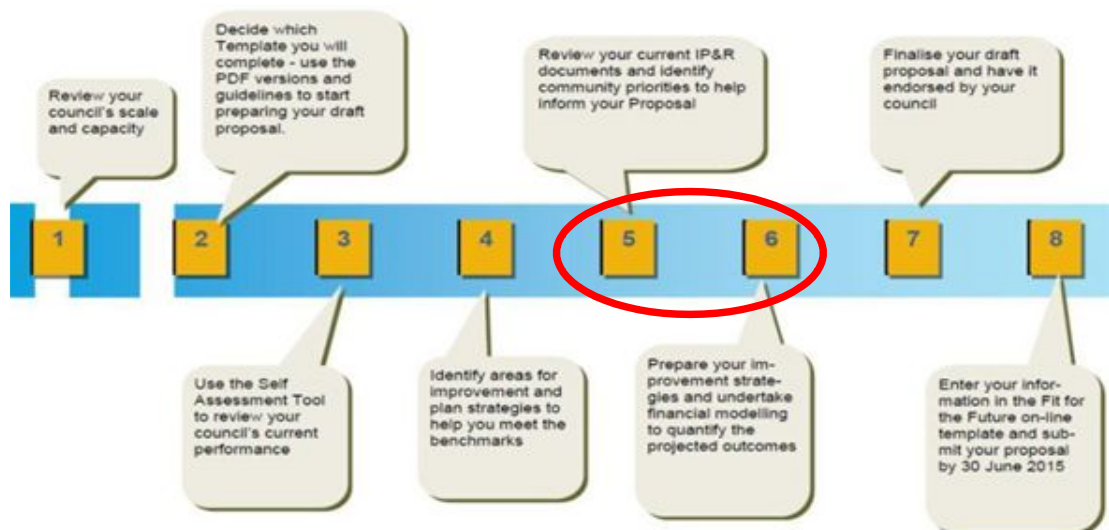
Benchmark Category and Benchmark	Result	Meets FFTF Benchmark
Sustainability		
Operating Performance Ratio (greater or equal to break-even average over 3 years)	-17.00%	NO
Own Source Revenue Ratio (greater than 60% average over 3 years)	73.27%	YES
Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)	37.16%	NO
Effective Infrastructure and Service Management		
Infrastructure Backlog Ratio (less than 2%)	9.15%	NO
Asset Maintenance Ratio (greater than 100% average over 3 years)	79.01%	NO
Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)	6.05%	YES
Efficiency		
A decrease in Real Operating Expenditure per capita over time	Increasing	NO

Clearly from the results above Coffs Harbour City Council is not currently deemed by the benchmarks as 'Fit for the Future'. In particular, the Operating Performance Ratio result indicates an underlying accrual accounting loss of approximately \$12 million. Overall this situation is not unexpected, as Council since 2011 has been focussed on developing, adopting and now implementing several Financial Sustainability Strategies to become operational and financially sustainable for the longer term. Key strategies include:

- Three year Special Rate Variation for the ordinary general rate, of which one year has been implemented and the remaining further two years are proposed, to generate \$6.2 million in additional revenue dedicated for infrastructure maintenance and renewal.
- Transformation to Sustainability (T2S) Program to produce efficiencies and cost reductions in service delivery, currently estimated at \$3.2 million per annum after three years.
- Identifying additional revenue or growth revenue opportunities, such as the returns from Council's commercial business units and the commercialisation of CityWorks.
- Further improving Council's asset management to ensure accurate information is used to optimise maintenance costs, asset renewals (useful lives) and depreciation.

It is important to emphasise that not one strategy can close Council's financial sustainability 'gap' on its own. These strategies represent a package of measures that together can finally achieve a sustainable Council to deliver the community its current services. Staying the course requires leadership and should also put Council in a solid position in the context of any future NSW State Government initiated reform of Local Government.

The time line below is taken from the guide to completing the Council Improvement Template and describes the recommended process to developing the Improvement Proposal. Council's Fit for the Future Improvement Proposal is required to be submitted by 30 June 2015. An internal working group is currently drafting the Improvement Proposal and is currently at steps 5 and 6 in the process below.



The financial modeling from the recent update of the Long Term Financial Plan and ongoing refinements, based on Council's existing Financial Sustainability Strategies is presenting a picture (refer table below) where by the required timeframe of 2019/2020, Council should be able to meet the FFTF benchmarks, or variations are as expected and are of no concern.

The only exception is the Real Operating Expenditure Ratio per Capita, which is not considered appropriate for a growth Council such as Coffs Harbour City Council.

Benchmark Category and Benchmark	Meets FFTF Benchmark 2013/2014	Meets FFTF Benchmark 2019/2020
Sustainability		
Operating Performance Ratio (greater or equal to break-even average over 3 years)	NO	YES
Own Source Revenue Ratio (greater than 60% average over 3 years)	YES	YES
Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)	NO	QUALIFIED YES
Effective Infrastructure and Service Management		
Infrastructure Backlog Ratio (less than 2%)	NO	UNCLEAR
Asset Maintenance Ratio (greater than 100% average over 3 years)	NO	QUALIFIED YES
Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)	YES	YES
Efficiency		
A decrease in Real Operating Expenditure per capita over time	NO	QUALIFIED NO

QUALIFIED YES indicates that financial modeling suggests the benchmark result will be close to the FFTF benchmark; however, the reasons for the gap are as expected, do not impact Council’s financial sustainability, and therefore is of no concern.

QUALIFIED NO indicates that financial modelling suggests the FFTF benchmark is unlikely to be met; however, the suitability of the benchmark to Council’s foreseeable operating environment is questioned.

UNCLEAR indicates that further work is required to properly understand the true value for this benchmark. The Infrastructure Backlog Ratio’s calculation is currently based on highly subjective assumptions. Council is currently part of a MIDROC project to improve the accuracy and consistency of this ratio. These issues are also being addressed more broadly across the local government sector. Therefore, in coming months it is expected that a more robust value for this benchmark can be determined.

Based on Council’s Financial Sustainability Strategies and the indicative benchmark results, the internal working group is currently drafting the necessary action plans for the Improvement Proposal. The draft Fit for the Future Improvement Proposal will be presented to Council for adoption in due course.

Options:

As the report is for noting only, an options analysis is not required.

Sustainability Assessment:

- **Environment**

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

- **Social**

Whilst Council currently delivers an extensive range of services achieving social, environmental and economic outcomes, its ability to do so into the future is dependent upon it being financially sustainable.

- **Civic Leadership**

The financial sustainability of Council – enabling the organisation to maintain current levels of service delivery - contributes towards achieving a broad range of outcomes identified within the *Coffs Harbour 2030* Community Strategic Plan. Direct alignments can be made to the 2030 themes “Looking after our Community” (LC), “Moving Around” (MA) and “Places for Living” (PL). The lead strategy is LC3.1 Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour.

- **Economic**

Broader Economic Implications

Sustainable service delivery - through the generation of savings, improved productivity efficiency and additional rate revenue - offers broad positive growth and economic impacts for the entire city into the future. The impact of the proposed rate increase on ratepayers needs to be balanced against the positive economic impact of maintaining Council programs and services across the local government area.

Delivery Program/Operational Plan Implications

The 2014/2018 Delivery Program and 2014/2015 Operational Plan clearly identify Council’s resourcing challenges and the future decline in levels of service if these challenges are not addressed.

Through its Transformation to Sustainability (T2S) project, Council is pursuing productivity and efficiency improvements and new revenue opportunities to address its annual underlying operating deficit.

On a larger scale, Council’s annual ‘infrastructure maintenance and renewal gap’ (for the General Fund) is still approximately \$4.2 million. If this infrastructure gap is not addressed, asset service levels will decline as community assets deteriorate. This will impact on Council’s ability to meet community strategies captured within the Community Strategic Plan.

Risk Analysis:

The Integrated Planning and Reporting (IPR) Framework provides an approach to assist Council move to financial sustainability, particularly through long term financial planning to fund strategic actions and levels of services. The requirement for additional revenue to maintain the current levels of service, together with the need for cost reductions and efficiencies, is clear from Council’s IPR documents.

Therefore, there is a significant financial risk for Council to manage if Council’s Financial Sustainability Strategies are not fully implemented. Levels of service would need to be revisited with a reduction and/or removal of services. Further, any delay in implementation may risk Council’s ability to demonstrate that it can improve to be deemed Fit for the Future within the State Government’s required timeframe. However service reductions are not consistent with the feedback received from previous community surveys.

Consultation:

The internal working group is comprised of members from the Financial Management and Governance Services Groups within Council, with liaison and consultation with other groups, in particular with the Strategic Asset Planning Group. Once the draft Improvement Proposal is completed further consultation will be undertaken internally and externally before final adoption by Council.

Related Policy, Precedents and / or Statutory Requirements:

There are no specific statutory requirements which underpin the Fit for the Future program. The draft Improvement Proposal is being prepared based on Council's existing Financial Sustainability Strategies and related policies.

Implementation Date / Priority:

This update report is for noting only. The Fit for the Future Improvement Proposal will continue to be progressed and presented in coming months to Council for adoption.

Conclusion:

Fortunately, Council has already developed and is now implementing Financial Sustainability Strategies which enable Council to generally meet the FFTF benchmarks. A draft Improvement Proposal is being progressed and will be presented in coming months for Council's adoption. The Fit for the Future program emphasises the importance of Council staying the course in implementing its strategies.



REPORT TO ORDINARY COUNCIL MEETING

COFFS HARBOUR CITY COUNCIL RESOURCING STRATEGY 2015/2016 TO 2024/2025

REPORTING OFFICER:	Group Leader Customer Services
DIRECTOR:	Director Business Services
COFFS HARBOUR 2030:	LC3.1 Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour
ATTACHMENTS:	ATT Coffs Harbour City Council 2015-2025 Resourcing Strategy

Recommendation:

That Council adopt the Draft 2015/2025 Resourcing Strategy to support:

1. Council's application to the Independent Pricing and Regulatory Tribunal for a Special Rate Variation;
2. The development of the Draft 2015/2019 Delivery Program and the 2015/2016 Operational Plan; and
3. The development of Council's *Fit for the Future* Improvement Proposal

EXECUTIVE SUMMARY

Every NSW council is required to develop a Resourcing Strategy as part of its Integrated Planning and Reporting (IPR) framework. The Resourcing Strategy comprises a Long Term Financial Plan, an Asset Management Strategy and a Workforce Management Plan. The Draft Coffs Harbour City Council 2015/2025 Resourcing Strategy is submitted as an attachment to this report.

The adopted 2014/2024 Resourcing Strategy reflected an application made by Council for a three-year Special Rate Variation. The SRV was sought as part of a multi-faceted approach to address the critical issue of Council's financial sustainability in trying to maintain infrastructure and deliver services for the community. The Independent Pricing and Regulatory Tribunal (IPART) clearly acknowledged the need for the increase in revenue was justified but approved only the first year of the SRV, with the reasoning that Council's community engagement process was ambiguous with respect to the percentage increase in the general rate.

Council has renewed and expanded its community engagement on the organisation's financial challenges and the need for additional revenue, and with a clearer focus on the increase in the general rate, with a view to making a new application to implement years 2 and 3 of the original SRV proposal, in 2015/2016 and 2016/2017.

The Resourcing Strategy has now been re-drafted to support Council's application to IPART for a Special Rate Variation and provide a platform for the development of Council's Draft 2015/2019 Delivery Program. Further, the Strategy will support ongoing work in the preparation of Council's *Fit for the Future* Improvement Proposal.

REPORT

Description of Item:

Council has re-drafted its long-term Resourcing Strategy to support a proposed application to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation in 2015/2016 and 2016/2017. The 2015/2025 Resourcing Strategy will also provide a platform for the development of Council's Draft 2015/2019 Delivery Program. Further, the Strategy will support ongoing work in the preparation of Council's *Fit for the Future* Improvement Proposal.

Under the Integrated Planning and Reporting (IPR) provisions of the NSW Local Government Act 1993, Council is required to prepare a range of strategic and operational plans to guide the delivery of services. The IPR framework is made up of the following:

1. A ten year Community Strategic Plan (Coffs Harbour 2030) identifying the main priorities and aspirations for the future and strategies to achieve them;
2. A four year Delivery Program detailing the principal activities Council will undertake to implement the strategies established in the Community Strategic Plan; and
3. A one year Operational Plan (including budget and schedule of fees and charges) that details the activities Council will undertake to implement the Delivery Program during the year.

Council must also prepare a long-term Resourcing Strategy for the provision of the resources required to support the activities it carries out (as detailed in its Delivery Program) to help implement the Community Strategic Plan.

The Resourcing Strategy must include long-term financial planning, workforce management planning and asset management planning.

Asset Management Strategy 2015 - 2025

A council's asset management is supported by three key documents:

- An asset management policy – endorsed by the council
- An asset management strategy – that identifies assets that are critical to the council's operations and outlines risk management strategies for these assets. The Strategy must also include specific actions required to improve the council's asset management capability and projected resource requirements and timeframes
- Asset management plans – for all assets under a council's control, which identify asset service standards and contain long-term (at least 10 years) projections of asset maintenance, rehabilitation and replacement costs. These costs should then be reflected in the Long-Term Financial Plan

When undertaking its asset management planning, a council will review its assets to determine that they are fit for purpose: that is, that they support the council's achievement of the Delivery Program, and community goals and outcomes identified in the Community Strategic Plan.

Long Term Financial Plan 2015/16 – 2024/25

The Long-Term Financial Plan must project financial forecasts for the council for at least ten years, and be updated annually as part of the development of the Operational Plan. The Long-Term Financial Plan must be used by the council to inform its decision-making during the finalisation of the Community Strategic Plan and the development of the Delivery Program.

The Long-Term Financial Plan must be structured to include:

- projected income and expenditure, a balance sheet and cash flow statement;
- planning assumptions that were used in the Plan's development;
- a sensitivity analysis which highlights the factors and assumptions most likely to impact on the Plan;
- financial modelling for different scenarios, for example a base scenario and a sustainable scenario; and
- methods of monitoring financial performance.

Workforce Management Plan 2015-2019

Councils are required to undertake workforce planning to support the achievement of the Delivery Program. The Workforce Management Strategy is also a four-year plan, addressing the human resources required to achieve the activities identified in the Delivery Program.

A council's workforce planning should consider what people, with what skills, experience and expertise are required to implement the Delivery Program. It provides an opportunity every four years to plan adjustments to the workforce to meet changing priorities and take into account new technologies.

The Workforce Management Strategy should address issues such as:

- an ageing workforce
- succession planning
- how to provide opportunities to create and retain positions for local young people
- incentives and other programs that will support the council to be an employer of choice
- learning and development
- performance management
- recruitment strategies to fill skills gaps
- workforce diversity

It should be noted that the Draft Coffs Harbour City Council 2015/2025 Resourcing Strategy will continue to be refined based on the Mid North Coast Regional Organisation of Councils (MIDROC) Asset Management Improvement Project outcomes as well as the NSW Government's *Fit for the Future* asset management benchmarking structure.

Issues:

Since 2011, Council has been making decisive steps toward addressing an \$8 million cash based “financial sustainability gap”. This gap comprised of a \$6.2 million shortfall in funding for infrastructure maintenance and renewal (just to maintain assets at current service levels) and a \$1.8 million underlying operating cash deficit. However, the underlying accrual accounting deficit (net of capital contributions and grants) is approximately \$12 million. The adopted 2014/2024 Resourcing Strategy identified a range of options to help close the gap:

- Productivity improvements (changing the way services are delivered)
- New revenue opportunities (e.g. commercialisation of council services)
- Reductions in current levels of service delivery
- Additional rate income
- Asset management improvements, including the review of useful lives/depreciation and review of the infrastructure backlog

Transformation to Sustainability (T2S)

During 2014, Council initiated the Transformation to Sustainability (T2S) project to address Council’s underlying operating deficit through an organisational restructure, fundamental productivity and efficiency improvements and the pursuit of new revenue opportunities. The current estimated impact of T2S has been factored into the ‘Sustainable’ model within Council’s Draft 2015-2025 Long Term Financial Plan. It has been estimated that following a three-year implementation phase, T2S would realise savings of \$3.2 million a year for the organisation.

Special Rate Variation

The development of the 2014/2024 Resourcing Strategy was guided by a 2013 community engagement process which demonstrated that the community was prepared to pay more for infrastructure maintenance via a Special Rate Variation in order to maintain current levels of service. Accordingly, Council applied to the Independent Pricing and Regulatory Tribunal (IPART) for a three-year Special Rate Variation – staged over 2014/2015, 2015/2016 and 2016/2017 – to generate approximately \$6.2 million to address the funding shortfall for infrastructure maintenance and renewal. IPART clearly acknowledged the need for the increase in revenue was justified but approved only the first year of the SRV, with the reasoning that Council’s community engagement process was ambiguous with respect to the percentage increase in the general rate.

Council has subsequently renewed and expanded its community engagement on the organisation’s financial challenges and the need for additional revenue, and with a clearer focus on the increase in the general rate, with a view to making a new application to implement years 2 and 3 of the original SRV proposal in 2015/2016 and 2016/2017. The Draft 2015/20125 Resourcing Strategy incorporates this two-year proposed SRV in the ‘Sustainable’ model.

The staged implementation of T2S and the proposed Special Rate Variation means that Council will continue to experience financial pressures for the next few years until a more sustainable position is reached. However, the development of the Draft 2015/2016 General Fund Budget will aim for at least a balanced cash result, even though the accrual result will remain in deficit.

Options:

Council has the following options in regard to this report:

1. **Adopt the recommendation provided to Council** – The finalisation of a Resourcing Strategy is a legislative requirement. Adopting the Strategy will also support Council's SRV application as well as the timely development of the Draft 2015/2019 Delivery Program and the Draft 2015/2016 Operational Plan;
2. **Amend the recommendation provided to Council and then adopt** – Depending on the nature of the amendment, this could delay the finalisation of the Resourcing Strategy with consequent impacts on Council's SRV application (due by 16 February 2015) and the development of the Draft Delivery Program and Draft Operational Plan.
3. **Reject the recommendation provided to Council** – This will necessitate the re-submission of a draft Resourcing Strategy to Council at a later date, with impacts on the Council's SRV application as well as the timely finalisation of the Delivery Program and the Operational Plan.

Sustainability Assessment:

- **Environment**

There are no environmental impacts associated with the preparation or content of this report; however, the draft Resourcing Strategy provides a foundation to support the maintenance and enhancement of Council programs to protect the Coffs Harbour environment.

- **Social**

There are no social impacts associated with the preparation or content of this report; however, the draft Resourcing Strategy provides a foundation to support the maintenance and enhancement of Council programs that assist the Coffs Harbour community.

- **Civic Leadership**

The Resourcing Strategy is a key component of the IPR framework which enables Council to identify and respond to community aspirations and co-ordinate the provision of appropriate works and services to help achieve the city's strategic objectives. This is consistent with the *Coffs Harbour 2030* Community Strategic Plan strategy LC3.1: *Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour.*

- **Economic**

Broader Economic Implications

The draft Resourcing Strategy is predicated on the inclusion of a Special Rate Variation over a two-year period, as part of an ongoing, multifaceted approach to make Council financially sustainable. The impact on ratepayers will have to be balanced against the positive economic impact of maintaining and enhancing Council programs and services across the local government area.

Delivery Program/Operational Plan Implications

The development and implementation of the Resourcing Strategy are accommodated within Council's budget structure. This expenditure is monitored through Council's monthly and quarterly budget reviews.

If adopted, this draft Resourcing Strategy should provide greater financial security for Council in planning and executing Delivery Programs over the next decade.

Risk Analysis:

The preparation of a Resourcing Strategy is a legislative requirement. A risk analysis is not applicable in this instance.

Consultation:

The preparation of the draft Resourcing Strategy involved consultation with Senior Staff and Managers across Council.

Extensive consultation continued during 2014 to build community awareness about Council's financial challenges, to identify community priorities in regard to service delivery levels, and to gauge the community's willingness to pay more to maintain services. This engagement has informed the development of the Special Rate Variation proposal which has been factored into the revenue and expenditure projections of the draft Resourcing Strategy.

Related Policy, Precedents and / or Statutory Requirements:

Section 403 of the Local Government Act 1993 applies. It requires that:

1. A council must have a long-term strategy (called its Resourcing Strategy) for the provision of the resources required to implement the strategies established by the community strategic plan that the council is responsible for.
2. The Resourcing Strategy is to include long-term financial planning, workforce management planning and asset management planning.

Implementation Date / Priority:

Once adopted, the 2015/2025 Resourcing Strategy will be used to inform the development of Council's Draft 2015/2019 Delivery Program (due for release for public exhibition in April 2015). The Resourcing Strategy will be reviewed annually.

Conclusion:

Adequate, responsible and sustainable resourcing will enable Coffs Harbour City Council to provide the range and level of services and works according to the priorities set by the local community in the Coffs Harbour 2030 Plan.

The Draft 2015/2025 Resourcing Strategy, with its associated Transformation to Sustainability initiatives and the Special Rate Variation proposal, represents a sustainable approach to support the development of the Draft 2015/2019 Delivery Program and Draft 2015/2016 Operational Plan.

COFFS HARBOUR CITY COUNCIL

INTEGRATED PLANNING AND REPORTING



DRAFT 2015 - 2025 RESOURCING STRATEGY

ASSETT MANAGEMENT STRATEGY
LONG TERM FINANCIAL PLAN
WORKFORCE MANAGEMENT PLAN



Helping to achieve the 2030 Community Vision

1. Legislative Context

Coffs Harbour City Council is established under the NSW Local Government Act, 1993.

Section 8 of the Act sets out Council's charter – the reason Council exists – which is defined as the following:

- To provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively
- To exercise community leadership
- To exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism
- To promote and to provide and plan for the needs of children
- To properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development
- To have regard to the long term and cumulative effects of its decisions
- to bear in mind that it is the custodian and trustee of public assets and to effectively plan for, account for and manage the assets for which it is responsible
- To engage in long-term strategic planning on behalf of the local community
- To exercise its functions in a manner that is consistent with and promotes social justice principles of equity, access, participation and rights
- To facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government
- To raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants
- To keep the local community and the State government (and through it, the wider community) informed about its activities
- To ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected
- To be a responsible employer.

Chapter 13 of the Act asks the question “how are councils made accountable for their actions?” Sections 402 to 407 of the Act answer this in relation to Strategic Planning, establishing what is known as the Integrated Planning and Reporting Framework.

In consultation with the community, Council has developed our Community Strategic Plan, Coffs Harbour 2030, which identifies the main priorities and aspirations for the future of the Coffs Harbour local government area.

This Resourcing Strategy underpins Council's response to those priorities and aspirations – the means by which Council will provide the resources required to implement the strategies established by the Community Strategic Plan that Council is responsible for.

In accordance with the Act, this Resourcing Strategy includes long-term financial planning, workforce management planning and asset management planning.

The Resourcing Strategy informs Council's Delivery Program that details the principal activities to be undertaken by Council over the next four years to implement the strategies established by the Coffs Harbour 2030 Plan. The Operational Plan specifies the resources and activities of the first year of the Delivery Program.

The Integrated Planning and Reporting Framework is depicted in the following diagram.



2. Background: The Road to Financial Sustainability

In recent years, Coffs Harbour City Council's Resourcing Strategy has been driven by the need to address "Council's unsustainable position." Put simply, Council cannot continue to deliver its existing services to the current standards, let alone achieve new objectives over and above these.

How did this situation arise?

As noted in the Strategy, two key factors common to most local government were the key contributors to this unsustainable position:

- a widening gap between expenditure and revenues
- deterioration of infrastructure

The "widening gap" between expenditure and revenues arises from:

- State Government 'Rate Pegging': legislation that has, over the last 30 years, meant increases in revenue have not kept pace with inflation or CPI.
- Cost Shifting: An LG NSW report has found that in recent years Council has become responsible for 25 extra services that were previously the responsibility of State or Federal Government and that these cost Coffs Harbour City Council \$4.4 million each year to deliver.
- Community Expectations: Council now delivers a wider range of services than it did in the past.

With regards to deterioration of infrastructure, Council is the "custodian and trustee" of public assets including transport, water, sewerage, stormwater drainage, buildings and recreation assets with a replacement value of around \$2 billion.

The competing financial pressures noted above have led to a gradual reduction in funding for infrastructure repair and renewal over a number of years to the point where Council cannot continue to deliver the services it currently does to the current standards.

Council's Infrastructure Investments

Water supply and sewerage infrastructure makes up approximately \$1 billion (around half) of the replacement value of Council assets. Under the NSW Local Government Act, 1993 these services are funded by specific charges and accounted for distinct from "general" activities funded by ordinary rates.

Over the past decade, Council has made substantial investments in the provision of new water and sewerage infrastructure including the construction of a \$60 million Water Treatment Plant at Karangi, a \$90 million Water Reclamation Plant at Coffs Harbour and (with our neighbours, Clarence Valley Council) the \$180 million Shannon Creek Dam and Regional Water Supply Scheme.

These investment decisions have set a foundation for the social, environmental and economic future of the City, ensuring the expected level of service can be delivered. The decisions were supported by 30 year financial plans demonstrating that Council could repay the substantial loans required via water and sewerage charges (initially requiring an increase, but then held to around CPI).

The same approach is clearly required to address the “other half” of Council's infrastructure portfolio – transport, stormwater drainage, buildings and recreation assets together valued at around \$1 billion – which similarly underpin the future of the City, ensuring that current services can be provided into the future.

Coming to grips with Asset and Financial Management Challenges

Since 2011, Council has been focused on a broad-ranging strategy aimed at securing a sustainable financial position to enable the organisation to serve the needs of Coffs Harbour.

It is an ongoing and intensive process which has incorporated:

- An Asset Management Gap Analysis;
- Improvements in the provision of asset-related data (quantity, current condition, deterioration behaviour, current costs to maintain and renew);
- A Council-wide Service Review;
- Extensive Community Engagement (including Customer Satisfaction surveys) on service level options, targeting impacts on service users, budget implications, risks, etc.; and
- The 2012/13 review of Council's Integrated Planning and Reporting framework.

The scale of the challenge facing Council is substantial; in 2014 it was quantified as an \$8-million cash based “financial sustainability gap”. This gap comprised a \$6.2 million shortfall in funding for infrastructure maintenance and renewal (just to maintain assets at current service levels) and a \$1.8 million underlying operating cash deficit. However, the underlying accrual accounting deficit (net of capital contributions and grants) is approximately \$12 million. The adopted 2014/2024 Resourcing Strategy identified a range of options to help close the gap:

- Productivity improvements (changing the way services are delivered)
- New revenue opportunities (e.g. commercialisation of council services)
- Reductions in current levels of service delivery
- Additional rate income
- Asset management improvements, including the review of useful lives/depreciation and review of the infrastructure backlog

Those options are reflected in two core features of the 2015-2025 Resourcing Strategy:

Transformation to Sustainability (T2S)

During 2014, Council initiated the Transformation to Sustainability (T2S) project to address Council's underlying operating deficit through an organisational re-structure, productivity and efficiency improvements and the pursuit of new revenue opportunities. The impact of T2S has been factored into the ‘Sustainable’ model within the 2015-2025 Long Term Financial Plan. It has been estimated that following a three-year implementation phase, T2S could realise savings of more than \$3 million a year for the organisation.

Special Rate Variation

The development of the 2014/2024 Resourcing Strategy was guided by a 2013 community engagement process which demonstrated that the community was prepared to pay more for infrastructure maintenance via a Special Rate Variation (SRV) in order to maintain current levels of service. Accordingly, Council applied to the Independent Pricing and Regulatory Tribunal (IPART) for a three-year Special Rate Variation – staged over 2014/2015, 2015/2016 and 2016/2017 – to generate approximately \$6.2 million to address the funding shortfall for infrastructure maintenance and renewal. IPART acknowledged the need for the increase in

revenue but approved only the first year of the SRV, saying Council's community engagement had been deficient.

Council has subsequently renewed and expanded its community engagement - on the organisation's financial challenges and the need for additional revenue - with a view to making a new application to implement years 2 and 3 of the original SRV proposal in 2015/2016 and 2016/2017. The 2015-2015 Resourcing Strategy incorporates this two-year proposed SRV.

3. The Purpose of this Resourcing Strategy

This 2015-2025 Resourcing Strategy has been prepared to describe the means by which Council will provide the financial, workforce and asset resources required to implement the strategies established by the Community Strategic Plan that Council is responsible for.

Long Term Financial Plan

The Long Term Financial Plan (LTFP) includes two scenarios based on a "Base-Line" and a "Sustainable" financial model.

- The Base-Line Model produces financial projections (at both fund and consolidated levels) over the next ten years based on a 'business as usual' scenario. This model includes revenues generated by the approved 2014/2015 Special Rate Variation (for asset maintenance and renewal) and an associated works program. The Base-Line model is unsustainable. It includes no increase in asset renewals to cover inflation, insufficient expenditure on assets to maintain acceptable standards and a declining operation position. A continuation of this position in future years will result in an unacceptable decline in the standard and usability of infrastructure, particularly roads and recreational facilities and a reduction in general service levels provided by Council.
- The Sustainable Model produces financial projections (at both fund and consolidated levels) over the next ten years based on a progression towards a 'Sustainable' level of service for assets. This level of service requires additional funding to eliminate the annual General Fund infrastructure renewal gap as well as projected net operating result deficits (before capital grants & contributions) in future years. Council's Sustainable Model previously formed the basis of Council's 2014-2018 Delivery Program and will again be used to develop Council's 2015-2019 Delivery Program. The required additional funding to achieve a 'Sustainable' level of service delivery comes from a number of funding sources which include:
 - Savings through productivity and service delivery improvements
 - Commercialisation of Council services
 - New revenue opportunities
 - Additional rate revenue via a proposed Special Rate Variation

Workforce Management Plan

The Workforce Management Plan has been revised to reflect the recent structural changes of the organisation through the Transformation to Sustainability (T2S) program. The Organisational Development Group (formerly known as Human resources and Organisation Development Division), is currently also being remodelled. The new Organisational Development strategy will include a new workforce development plan with greater focus on talent management and succession planning. Hence this workforce management plan will be revised at a later stage.

Asset Management Strategy

Council's Asset Management Policy states Council's commitment to:

- Delivering community priorities for asset-related services within Council's limited funds; and
- Minimising the life-cycle cost to build, operate, maintain and renew these assets.

It notes that Council will prepare, implement and review Asset Management Plans (AMPs) defining how Council plans for, accounts for, and manages the public assets for which it is custodian and trustee.

In line with the Policy, the Asset Management Strategy sets out:

- Where we are now;
- Where we want to be, i.e. to achieve the objectives of the Policy; and
- How we will get there

The Strategy is focused on the corporate level: i.e., Council's capacity and capability to achieve Policy objectives across all asset classes. Improvement plans relevant to particular asset classes are included in each AMP.

It should be noted that the Coffs Harbour City Council 2015/2025 Resourcing Strategy continues the implementation of a number of initiatives related to the Mid North Coast Regional Organisation of Councils (MIDROC) Asset Management Improvement Project as well as the NSW Government's *Fit for the Future* asset management benchmarking structure.

Attachment



COFFS HARBOUR CITY COUNCIL

DRAFT ASSET MANAGEMENT STRATEGY



1. Introduction

1.1 Background

Under the NSW Local Government Act, 1993 Council is required to develop a Community Strategic Plan (Coffs Harbour 2030) that identifies the main priorities and aspirations for the future of the local government area.

The Act requires Council to develop a Resourcing Strategy (of which this Asset Management Strategy forms a part) for the provision of the resources required to implement the strategies established by the Community Strategic Plan that Council is responsible for delivering (via its Delivery Plan).

Given the long-lived nature of most public infrastructure it is vital that Council effectively plan, account for and manage the assets which the Act establishes Council as “custodian and trustee”.

Asset Management Plans set out what asset-related services Council plans to provide based on the priorities in the Community Strategic Plan and funding provided in the “sustainable case” in the Long Term Financial Plan (another component of the Resourcing Strategy).

1.2 Purpose of this Asset Management Strategy

Coffs Harbour City Council's Asset Management Policy states Council's commitment to:

- delivering community priorities for asset-related services within Council's limited funds
- minimising the life-cycle cost to build, operate, maintain and renew these assets.

and notes that Council will prepare, implement and review Asset Management Plans defining how Council plans for, accounts for, and manages the public assets for which it is custodian and trustee.

The full Policy is included in the Appendix to this Strategy. This Asset Management Strategy (AMS) sets out:

- where we are now,
- where we want to be, i.e. to achieve the objectives of the Policy and
- how we will get there

The Strategy is focused on the corporate level: Council's capacity and capability to achieve Policy objectives across all asset classes. An Improvement Plan in section 3 summarises the actions identified and discussed in section 2.

Improvement plans relevant to particular asset classes are included in each AMP.

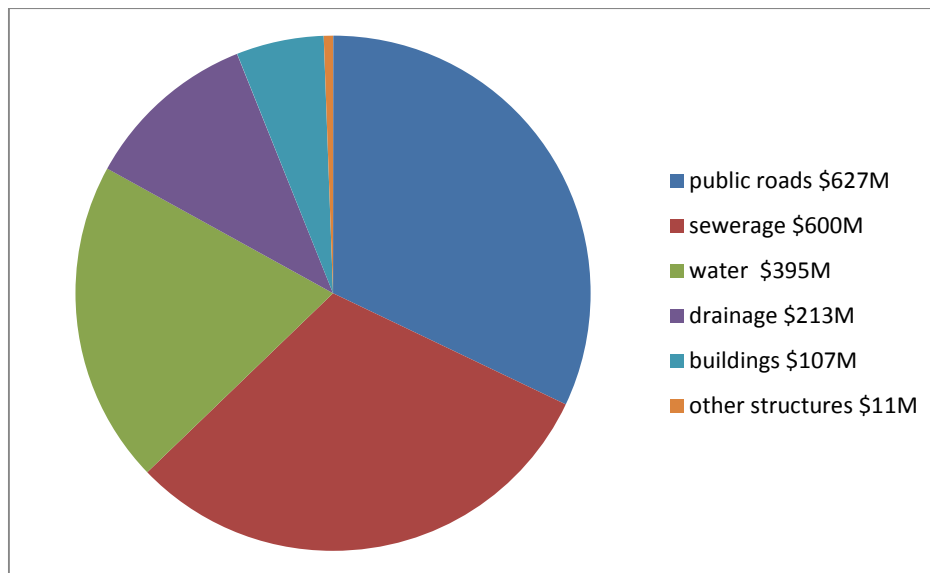
This INTERIM UPDATE to the 2014 AMS has been prepared as supporting information to accompany Council's submission to IPART for a Special Rate Variation.

Appendix B (the only modification in this interim update) firstly outlines progress on the actions from the 2014 Improvement Plan to date.

Appendix B secondly outlines the asset management improvement strategies now underway that will inform a fully revised AMS, due to be completed for adoption by Council by April 2015. These are particularly influenced by the MIDROC AM improvement project (item 14 from the Improvement Plan) and Council's Fit for the Future submission.

1.3 Scope of this Strategy

Council's assets include transport, water supply, sewerage, stormwater drainage, buildings and recreation assets. Together these have a replacement value of around \$2 Billion. The relative value of each asset class is set out in the chart below



The assets making up each asset class is summarised below. Further details are provided in each AMP.

Transport

- 700km sealed roads
- 120 unsealed roads
- 102 concrete and 69 timber bridges
- Coffs Harbour Jetty
- 150km footpaths and cycleways
- 540km kerb and gutter

Sewerage

- 500km gravity mains
- 94km rising (pumping) mains
- 118 pump stations
- 5 treatment plants
- 10km deep sea release
- 59km reclaimed water mains

Water

- 472km service mains (pipes)
- 155km trunk mains
- 9 pump stations
- 2 treatment plants
- 23 reservoirs and dams

Stormwater drainage

- 230km pipes
- 7,785 pits
- 10 detention basins
- 33 gross pollutant traps

Buildings

- 300 buildings including works depots, offices, neighbourhood and community centres, public halls, toilets, commercial buildings used by community groups
- 5 swimming pools

Recreation assets

- 55 playgrounds with over 300 items of equipment
- 80 BBQs
- 100 shelters
- 300 table and chairs
- 287 seats
- 940km retaining wall

2. Asset Management Gap Analysis and Actions

2.1 Levels of Service

Council has undertaken an extensive Community Engagement project regarding levels of service across all services Council delivers.

With regards to asset-related services, only two levels of service were considered: maintaining the current level of service and an 'enhanced' level of service.

Levels of service have a direct correlation to the resources required for delivery of the service, so the issue is fundamental in terms of asset management planning.

The AMP for each asset class identifies established measures of the current level of service and information regarding the desired level of service. The clarity of the current and desired level of service varies considerably between asset classes.

The Integrated Planning and Reporting Framework makes clear that a key part of the preparation of the Community Strategic Plan is that it be formulated having regard to levels of service.

When the Community Strategic Plan is next reviewed following the 2016 local government election, information in regards to current levels of service across all asset classes and the resources implications of varying these (including the provision of new assets) will be essential to facilitate deeper engagement with the community regarding what Council is able to deliver in terms of the community's aspirations and priorities.

ACTION 1: Develop a strategy for the presentation of asset-related levels of service (both current and potential changes to this) to support the review of the Community Strategic Plan in 2016.

2.2 Asset Data Migration

Council's asset-related data sets have historically been kept in a variety of systems and programs creating issues with consistency, data integrity and reporting.

An Asset Data Migration Plan has been prepared with the objective of holding all asset data in Council's corporate Asset Management System, AssetMaster.

The Plan prioritises the various asset classes based on materiality (the value of assets) and other factors, and includes a current status field that will enable progress to be monitored by the Asset Accounting Team and Council's Executive Leadership team.

ACTION 2: Implement **Asset Data Migration Plan** and report on progress.

2.3 Data Collection Program

The Asset Data Migration Plan identifies a number of asset classes for which limited information is held and prioritises the collection of these in order to achieve the objective of all asset-related data being held in the corporate Asset Management System.

Yet more broadly than this, condition data on all assets is in need of improvement and, in fact, ongoing cycles of inspection to track deterioration and identify priorities for major preventative maintenance and renewal.

Action A1 of the 2013 Asset Management Strategy identified the need to improve asset condition data. Whilst some asset classes have progressed, resourcing limitations meant that overall progress has been limited.

One of the tasks in establishing the Strategic Asset Planning function is a review of the resources allocated to physical data collection (field work) against data management (office work). As the new team is established, this will be a focus for management.

A fundamental input to this analysis will be the development of an asset inspection cycle across all asset classes that considers the resourcing required to deliver it.

ACTION 3: develop a 5 year Data Collection program based on the information required to enable effective asset management, statutory requirements and risk.

ACTION 4: Review resources allocated within the Strategic Asset Planning branch to physical data collection (field work) against data management (office work).

2.4 Data Collection Procedures

Asset Data Management Guidelines were developed several years ago establishing controls for the accurate and consistent collection of asset-related data. These need to be reviewed by the Asset Data and Reporting Team in consultation with Council's Geographical Information Systems branch who establish the corporate framework for GIS data generally. This review needs to be coordinated by the Asset Accounting Team given it involves staff from across the organisation.

ACTION 5: Review and update **Asset Data Management Guidelines**.

Action A3 from the 2013 Asset Management Strategy required the development of written procedures for data collection for all asset classes. This has not progressed given resource limitations, but is an important strategy to ensure accurate and consistent information is collected.

ACTION 6: Development of written procedures for collection of asset data for all asset classes. **Asset Data Collection Procedure** should include a **Plan** (ACTION 3 above) for data collection, and consider including the **Asset Data Management Guidelines**.

2.5 Works Order System

A critical means of collecting asset-related information is via the Works Order System implemented during the 2012/13 financial year which captures detailed information on asset creation and disposals as well as the costs of this work.

The implementation of the system was hindered by the lack of clarity in roles under the previous organisational structure (action A2 from the 2013 Strategy), which has now been resolved.

A review of the Works Order System following the 2012/13 financial year (action A4 of the 2013 Strategy) highlighted a number of issues that need to be addressed. The implementation of corrective actions regarding these, and the effective functioning of the Works Order system besides, will be an agenda item for the Asset Accounting Team.

ACTION 7: Review Works Order System at Asset Accounting Team meetings and monitor implementation of improvement actions identified.

Currently, the Works Order system is operated via a spreadsheet developed in-house. This was a 'stop-gap' measure given that an off-the-shelf product was not identified that would serve the varying objectives it needs to – not only collecting asset-related data, but also managing programs, budgets, approvals processes, etc.

Ideally, a database needs to be purchased or developed to perform this function to ensure accuracy and robustness in this critical process.

ACTION 8: define Works Order system requirements and evaluate options for a database satisfying the needs of all users.

2.6 Capitalisation Policy

Council adopted an Asset Capitalisation Policy in 2012, which was refined during the 2012/13 financial year. Given the scale of the changes in terms of implementing the Works Order system in earnest during the 2013/14 financial year it will be important to review this to ensure the data being captured serves the range of needs it needs to.

ACTION 9: review Capitalisation Policy.

2.7 Specifications for Data Submission from Design and Developers

A significant volume of work can be saved for the Strategic Asset Planning division if the asset-related information they receive is in the correct format and therefore able to be simply imported, rather than manipulated or even worse collected from scratch.

Whilst discussions have continued with the Survey and Design branch and the Subdivision branch (both within Engineering Services) further work is required to establish processes that facilitate ease of data importing. The need to do so must be balanced against challenges of imposing such systems externally, i.e. on the development community – this has been one of the key points of discussion with regards to the ADAC (as designed as constructed) system which is being adopted by many councils.

ACTION 10: Review opportunities to facilitate easier importation of asset-related data from both the Survey and Design branch and also from developers.

2.8 Asset Management System

Council currently utilises AssetMaster as the corporate asset management system. Not all asset classes are currently loaded into the system – action 2 is the implementation of the Asset Data Migration Plan.

A key asset class not included is plant and vehicle assets. Investigations into the most appropriate system to satisfy asset accounting and operational management of plant and vehicle assets is continuing.

The need for a database to manage works orders is action 7. Whilst works orders do not need to be undertaken using the same system (but rather generate asset creation and disposal information that can be easily uploaded) the relationship between these systems is important.

Further, Council also operates a number of maintenance management systems (details of which are included in the respective AMPs) which also have an inter-relationship with the assets system.

Review of the Asset Management System suitability and options is considered important at this time.

ACTION 11: Review suitability of Asset Management System (AssetMaster) and options available.

2.9 Accounting Structure

A key barrier to the reconciliation of financial information and asset-related information has been the structure of Council's general ledger (accounting structure).

A project has been underway for several years scoping up a restructure of the ledger as noted by action A5 in the 2013 Strategy.

ACTION 12: Restructure of General Ledger.

2.10 Customer Request System

Customer Requests (CRs) not only enable Council to respond to defects in a timely manner (i.e. between inspections to identify defects by Council staff) but also enable Council to better understand the desired levels of service for the community with a view to improving them where resources permit.

The current CR system has deficiencies from a number of perspectives, including a need to review the categorisation of requests, integration with other systems (particularly those used for prioritising defects for repair and scheduling work) and reporting functionality to enable effective asset management and satisfy legislative obligations.

Whilst the CR system is 'bigger' than simply asset management, this is a key component.

ACTION 13: undertake a needs analysis of Council's customer request system from an assets and infrastructure perspective.

2.11 Establishment of Methodology for Reporting in Special Schedule 7

As noted by the NSW Government's Local Government Infrastructure Audit released in 2013, there is a lack of consistency in the way these figures are reported across the industry.

The Director City Infrastructure Services is Council's representative on the Mid North Coast Regional Organisation of Councils (MIDROC) Roads and Bridges Working Party, which has been working on a common methodology for reporting the infrastructure renewal backlog (referred to in Special Schedule 7 as the "estimated cost to bring up to a satisfactory condition / standard").

ACTION 14: in consultation with MIDROC Roads and Bridges Working Party, seek a common methodology for reporting the infrastructure backlog reported in Special Schedule 7 for roads and bridges, with a view to extending this methodology across all asset classes.

This will inform the **Asset Revaluation and Reporting Methodologies** to be developed for each asset class in ACTION 17.

Another measure reported in Special Schedule 7 that is currently undefined on a common basis across the industry is the "required annual maintenance" figure. As noted in the Transport AMP, this is to be determined following analysis of compliance with the draft Maintenance Defects Levels of Service. Given the variability in available and relevant information on maintenance levels of service available (as discussed in each AMP) this figure is likely to remain specific to an individual asset category, however the possibility of developing a common methodology should be reviewed in future years.

This will also be included in each **Asset Revaluation and Reporting Methodology**.

2.12 Independent Asset Management Gap Analysis

Council has had very limited resources and clear priorities for action in the past few years regarding asset management, however it would be timely to engage an independent consultant to undertake a gap analysis of Council's asset management systems, processes and documentation with a view to informing the preparation of the 2015 Asset Management Strategy.

ACTION 15: undertake an Asset Management Gap Analysis to inform the production of the 2015 Asset Management Strategy.

2.13 Asset Revaluation Methodologies

Council has developed a number of revaluation methodologies for each asset class. These need to be reviewed and a consistent format developed where possible.

ACTION 16: Review and Update **Asset Revaluation and Reporting Methodologies** for all Asset Classes.

3. Improvement Plan

Actions identified in section 3 are summarised in the table below, with responsibilities and timeframes allocated to each.

Progress on these actions will be an agenda item at Asset Accounting Team Meetings, which will be reported to Council's Executive Leadership Team.

Action	Details	Who	When
1	Develop a strategy for the presentation of asset-related levels of service (both current and potential changes to this) to support the review of the Community Strategic Plan in 2016.	Director Sustainable Infrastructure	December 2015
2	Implement Asset Data Migration Plan and report on progress.	Group Leader Strategic Asset Management	Report to AA Team Meetings
3	develop a 5 year Data Collection program based on the information required to enable effective asset management, statutory requirements and risk.	Group Leader Strategic Asset Management	May 2014
4	Review resources allocated within the Strategic Asset Planning branch to physical data collection (field work) against data management (office work).	Group Leader Strategic Asset Management	May 2014
5	Review and update Asset Data Management Guidelines.	AA Team	December 2014
6	Development of written procedures for collection of asset data for all asset classes. Asset Data Collection Procedure should include a Plan (ACTION 3 above) for data collection, and consider including the Asset Data Management Guidelines.	Group Leader Strategic Asset Management	December 2014
7	Review Works Order System at Asset Accounting Team meetings and monitor implementation of improvement actions identified.	AA Team	Each meeting
8	Define Works Order system requirements and evaluate options for a database satisfying the needs of all users.	Group Leader Strategic Asset Management	May 2014
9	Review Capitalisation Policy.	AA Team	August 2014
10	Review opportunities to facilitate easier importation of asset-related data from both the Survey and Design branch and also from developers.	Group Leader Strategic Asset Management	December 2014

11	Review suitability of Asset Management System (AssetMaster) and options available.	AA Team	May 2014
12	Restructure of General Ledger.	Group Leader Financial Management	June 2014
13	Undertake a needs analysis of Council's customer request system from an assets and infrastructure perspective	Group Leader Strategic Asset Management	May 2014
14	In consultation with MIDROC Roads and Bridges Working Party, seek a common methodology for reporting the infrastructure backlog reported in Special Schedule 7 for roads and bridges, with a view to extending this methodology across all asset classes.	Director Sustainable Infrastructure	May 2014
15	Undertake an Asset Management Gap Analysis to inform the production of the 2015 Asset Management Strategy.	Director Sustainable Infrastructure	September 2014
16	Review and Update Asset Revaluation and Reporting Methodologies for all Asset Classes.	Group Leader Strategic Asset Management	May 2014

Appendix A – Interim Update to AMS

As noted in section 1.2, this is an interim update to the 2014 AMS prepared to support the IPART submission for a Special Rate Variation.

A fully revised AMS will be developed for adoption by Council in May 2015, along with other IPR documents, following completion of the MIDROC project (item 14 in the Improvement Plan) which will inform a number of elements of the plan.

This interim update includes the following:

- A1. Status update on items in the Improvement Plan
- A2. Asset Management Improvement Strategies now underway.

A1. Status update on items in the Improvement Plan

The table below presents the current status of actions identified in the Improvement Plan (section 7).

Action	Details	Who	When	Status
1	Develop a strategy for the presentation of asset-related levels of service (both current and potential changes to this) to support the review of the Community Strategic Plan in 2016.	Director Sustainable Infrastructure	December 2015	To come. Part of T2S program.
2	Implement Asset Data Migration Plan and report on progress.	Group Leader Strategic Asset Management	Report to AA Team Meetings	Plan implemented. All major asset classes are now in Assetmaster.
3	Develop a 5 year Data Collection program based on the information required to enable effective asset management, statutory requirements and risk.	Group Leader Strategic Asset Management	May 2014	Complete.
4	Review resources allocated within the Strategic Asset Planning branch to physical data collection (field work) against data management (office work).	Group Leader Strategic Asset Management	May 2014	Initial review undertaken, but further analysis as part of T2S.
5	Review and update Asset Data Management Guidelines.	AA Team	December 2014	Not yet complete.
6	Development of written procedures for collection of asset data for all asset classes. Asset Data Collection Procedure should include a Plan (ACTION 3 above) for data collection, and consider including the Asset Data Management Guidelines.	Group Leader Strategic Asset Management	December 2014	Not yet complete.
7	Review Works Order System at Asset Accounting Team meetings and monitor implementation of improvement actions identified.	AA Team	Each meeting	Ongoing monitoring and review has been undertaken.
8	Define Works Order system requirements and evaluate options for a database satisfying the needs of all users.	Group Leader Strategic Asset Management	May 2014	An interim WO database has been developed in-house pending item 11 and is functioning effectively.
9	Review Capitalisation Policy.	AA Team	August 2014	Complete.
10	Review opportunities to facilitate easier importation of asset-related data from both the Survey and Design branch and also from developers.	Group Leader Strategic Asset Management	December 2014	Still under investigation – there are a number of issues at play in the industry about standardised formats, etc.

11	Review suitability of Asset Management System (AssetMaster) and options available.	AA Team	May 2014	Options investigated and final approval of outcomes and way forward to come.
12	Restructure of General Ledger.	Group Leader Financial Management	June 2014	Completed.
13	Undertake a needs analysis of Council's customer request system from an assets and infrastructure perspective	Group Leader Strategic Asset Management	May 2014	Customer service is a major focus of T2S project.
14	In consultation with MIDROC Roads and Bridges Working Party, seek a common methodology for reporting the infrastructure backlog reported in Special Schedule 7 for roads and bridges, with a view to extending this methodology across all asset classes.	Director Sustainable Infrastructure	May 2014	As per B1.
15	Undertake an Asset Management Gap Analysis to inform the production of the 2015 Asset Management Strategy.	Director Sustainable Infrastructure	September 2014	As per B1.
16	Review and Update Asset Revaluation and Reporting Methodologies for all Asset Classes.	Group Leader Strategic Asset Management	May 2014	Part of the MIDROC project.

A2. Asset Management Improvement Strategies now underway.

As noted in section 1.2, Council is currently implementing a number of asset management improvement strategies influenced particularly by a MIDROC AM improvement project (item 14 from the Improvement Plan) and Council's *Fit for the Future* submission. These are outlined below.

Regional Collaboration on Asset Management Improvement

It is widely recognised that the reliability of infrastructure data within NSW local government is mixed. This brings into question comparisons between councils based on figures reported in Special Schedule 7 and elsewhere (particularly depreciation) which inform *Fit for the Future* ratios and also the auditability of these figures.

The “talking apples and apples about infrastructure” project was initiated by Coffs Harbour City Council within MIDROC specifically to address this issue and as such the project will positively influence all infrastructure related ratios. The project has been recognised as a case study that can help other regions address this issue and it is expected that the principles and many of the outcomes will be applied across the state.

The first component of the project is the development of a consistent methodology for asset condition, valuation, levels of service, backlog and required maintenance. The expected outcomes are consistency of reporting on assets between councils (improving the validity of benchmarking via *Fit for the Future* ratios) and confidence in the figures reported. The outcomes at the regional level will inform, and be informed by, Council's own strategies as discussed below.

The second element of the project involves undertaking an Asset Management Maturity Assessment for each council (based on the National Assessment Framework for Local Government Asset Management and Financial Reporting – refer implementation proposal by ACELG, 2012) to establish a snapshot of asset management practices across the region that will inform a Regional Asset Management Strategy to be implemented by the MIDROC Asset Management Working Group (held accountable by regular reporting to MIDROC Mayors and GMs).

The expected outcomes arising from the second component are more rapid improvement in asset management capability and capacity as a result of collaboration and sharing best practice, as well as reduced duplication and increased economies of scale created by joint initiatives in both asset management planning and, potentially, infrastructure-related service delivery.

Reducing the Backlog

With regards to reducing the backlog, Council is particularly focused on public roads, not only given the revaluation of transport assets is occurring this year, but also because this asset class represents 61% of the WDV of assets and 81% of the backlog for the General Fund. That said, the same principles are being applied to other asset classes.

The work Council is undertaking is informing, and will be informed by, the “talking apples” project through MIDROC.

The basic strategy is that Council is differentiating between asset renewal projects that are urgent (having regard to a range of risk drivers such as traffic speed, volume, the type of hazard, etc.) and those which can be programmed for completion within the short to medium term horizon. The former – deemed “unsatisfactory” – will be retained in reporting as the “backlog” and the latter will be recorded and reported via Council’s Asset Management Plans.

It is important to note (with reference to the commentary on Report on Infrastructure Assets i.e. Special Schedule 7 contained in the OLG Code of Accounting Practice update 22) that this policy approach is supported by Council’s Community Engagement Regarding Levels of Service undertaken in 2013, where a statistically-significant reference panel gave clear feedback to Council that, having regard to the costs of service delivery, they agreed to retain current levels of service across the network as a whole.

Thus, assets falling below a previous-defined standard (based on condition) are not “backlog” because the community has agreed to accept a certain percentage of the network (actual locations will change as the highest priority works are undertaken and other roads deteriorate over time) being in relatively poor condition.

However, in order to ensure that Council complies with its obligations under the NSW Civil Liabilities Act, 2002 (i.e. to assess risks and allocate its limited resources having regard to these) a relatively small percentage of assets will remain classified as “backlog” because they represent an “unsatisfactory” risk.

In addition to this portion of backlog arising from safety risk, it is anticipated that another category of backlog based on “economic risk” will be retained e.g. where some works should be undertaken as at the reporting date so as to avoid significantly higher renewal costs being incurred by Council in future (i.e. an unsustainable way to manage assets). Examples of assets presenting an “economic risk” are resealing of sealed roads to avoid rapid deterioration because of water ingress (meaning the road structure / pavement does not reach its assumed useful life / design life) or renewal of the roof of a building to avoid damage to the remainder of the structure (leading to far greater expense).

Council’s approach to reducing the backlog will be tempered via a “reasonableness” test by benchmarking against other MIDROC councils as part of the “talking apples” project.

The expected outcome of this approach will be a substantial reduction in the numerator of the infrastructure backlog ratio in the 2015/16 reporting year.

By focusing renewal expenditure on these assets identified as being “high risk” (i.e. unsatisfactory) and with a continued increase in funding for infrastructure renewal (via the Special Rate Variation agreed to by the community as part of the 2013 Community Engagement process) Council is confident in being able to significantly reduce the quantum of the backlog, and therefore the infrastructure backlog ratio, further.

Improving Asset Maintenance

While Council could take a “shortcut” and reduce its estimate for required asset maintenance to current allocations in order to achieve the Fit for the Future ratio of greater than 100% average over three years, Council recognises the importance of preventative maintenance, particularly in order to ensure that assets reach their anticipated useful life / design life (if they do not, this will reduce useful life and increase depreciation, negatively impacting on the operating performance ratio).

It is worthy of note, again, that as part of Council's Community Engagement Regarding Levels of Service from 2013, the community agreed to pay more for infrastructure maintenance via a Special Rate Variation in order to maintain current levels of service.

Council has made significant investments in the implementation of the Reflect maintenance management system (particularly for roads, but it is being rolled out across other asset classes) including GPS enabled mobile technology to that means maintenance activities are carried out more efficiently and also gathering data on assets requiring significant maintenance (which then informs renewal programs).

Over the medium term these initiatives, together with a focus on assets having a high maintenance cost (and those presenting an economic risk to Council) it is expected that both the cost of maintenance (the numerator) and required maintenance (the denominator) will decrease, thereby improving the result in the asset maintenance ratio.

Improving Infrastructure Program Management

Council has established an infrastructure program management function with primary responsibility for delivering infrastructure related works programs through both internal and external service providers.

This has resulted in better forward programming and specification of works (doing the right treatment to renew assets), improved information being fed back to the strategic asset planning function (to refine future works programs) and greater accountability for internal service providers (decreasing costs of infrastructure maintenance and renewal).

Improved program management improves all infrastructure-related ratios including:

- Operating performance ratio, because depreciation is reduced by increasing useful life and decreasing renewal cost (both a focus of program management engineers for each asset class)
- Building and asset renewal ratio, because depreciation is reduced
- Infrastructure backlog ratio, because the "backlog" will be better targeted for reduction and the cost of renewal works (by both internal and external providers) will reduce
- Asset maintenance ratio, because actual maintenance costs will reduce as a result of greater accountability
- Real operating expenditure will reduce because of better program management

Improving the Competitiveness of Internal Service Provision.

Council has also established its works department, CityWorks, as a commercialised business unit. In addition to providing services to council, CityWorks provides services to a range of state government and private customers (e.g. \$8.5M reconstruction of Cook Drive and Pacific Highway under an Alliance Contract with RMS, multi-million dollar projects to relocate water and sewerage mains for Leighton-Fulton Hogan Joint Venture and RMS, road and bridge construction for Bellingen Shire Council).

This exposure to the market is improving competitiveness and building capacity, which then applies to works carried out for council thereby reducing the unit cost of renewal works (meaning more work can be completed for current funding) to address "unsatisfactory" assets and therefore reducing the infrastructure backlog ratio.

In addition, dividend payments from external works are a source of additional revenue for council, thereby improving the own source revenue ratio.

Asset Management Improvement objectives, strategies, milestones and outcomes and impacts on *Fit for the Future* ratios are outlined below.

Objective	Strategies	Key milestones	Outcome	Impact on other measures
1. Challenge the validity of current assumptions informing asset valuation	<ul style="list-style-type: none"> a) Undertake a benchmarking exercise against other councils and industry experts to review useful life and renewal cost of all transport assets b) Adopt revised values for useful life and replacement cost 	Completion of revaluation by April 2015.	It is expected that useful lives will increase, increasing WDV (denominator in infrastructure backlog ratio) and therefore improving the result.	The most significant impact is expected to be a reduction in depreciation, and therefore operating expenses (increasing the numerator in operating performance ratio and denominator in building and asset renewal ratio) and therefore improving both results.
2. Review asset renewal strategies	<ul style="list-style-type: none"> a) Review drivers for renewal (levels of service, minimising life cycle cost, risk) b) Review classification of “unsatisfactory” assets c) Formulate new renewal program based on improved prioritisation methodology 	Finalisation of prioritisation methodologies for transport and buildings by April 2015 and production of revised renewal programs and list of backlog infrastructure.	Differentiating between assets that represent a high risk (and are therefore “unsatisfactory”) v’s assets requiring renewal in the medium term will potentially significantly reduce the estimated cost to bring to satisfactory (numerator in infrastructure backlog ratio) and therefore improving the result.	Potential for reduction in infrastructure-related expenditure by better targeting available funds (reducing numerator in real operating expenditure) therefore improving the result.
3. Review asset maintenance strategies	<ul style="list-style-type: none"> a) Detailed analysis of maintenance effort in the context of drivers (levels of service, minimising life-cycle cost, risk) b) Formulate revised maintenance strategies to improve prioritisation and resource 	Completion of review by April 2015	Better targeting maintenance expenditure may reduce required maintenance (denominator in asset maintenance ratio) although this is considered unlikely (Council has identified	More effective maintenance techniques will extend useful life, reducing depreciation (increasing numerator in operating performance ratio and denominator in building and asset renewal ratio) therefore

	effectiveness / efficiency		the need to invest more in preventative maintenance).	improving the result. May reduce required maintenance over time and therefore numerator in real operating expenditure , improving the result.
4. Increased competitiveness of infrastructure-related service provision	<p>a) Increase accountability for internal service providers through more effective program management</p> <p>b) Commercialisation of internal service provider (CityWorks)</p>	Ongoing implementation	Reduction in the unit costs of asset renewal and maintenance work will reduce numerator in infrastructure backlog ratio and denominator in asset maintenance ratio) therefore improving both results.	Increased revenues from commercial activities (increasing the numerator in own source revenue) will improve result.



D R A F T

LONG TERM FINANCIAL PLAN 2015/16 – 2024/25

Introduction

Councils are required to prepare a ten-year resourcing strategy to identify the resources it needs to implement the community strategic plan. An essential element of the resourcing strategy is that it includes provisions for long term financial planning. The Long Term Financial Plan incorporates the principles and strategies contained within Council's Workforce Strategy and Asset Management Planning. The Long Term Financial Plan is for a period of ten years.

What is a Long Term Financial Plan?

A long term financial plan can be best described as a financial decision making and problem solving tool. It is the point at which long term community aspirations are tested against financial realities. It consists of modelling expenditure and revenue projections, based on a number of market based and internal assumptions.

The Long Term Financial Plan is a necessary component of Council's resourcing strategy, it includes the financial modelling of actions and strategies contained within Council's asset management planning and workforce plan.

What is the Purpose of this Long Term Financial Plan?

The primary purpose of this Long Term Financial Plan is to facilitate effective financial decision-making which is informed by the short, medium and long term expectations of the community.

This Long Term Financial Plan seeks to answer the following questions:

- Can we survive the financial pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- How can we go about achieving these outcomes?

The Plan will be an effective tool in modelling the financial impacts of significant growth within the Coffs Harbour Local Government Area. It will identify the additional resources (people, time and finances) required to plan for growth whilst continuing to deliver the services and standard of service our community expects.

The Long Term Financial Plan will be updated quarterly in line with the statutory quarterly review of Council's Operational Plan (budget). Upon adoption of a new Community Strategic Plan every 4 years, a detailed review of the Long Term Financial Plan will be undertaken to ensure it still represents the key directives and service priorities identified in the Community Strategic Plan – *Coffs Harbour 2030*.

Long Term Financial Sustainability

How do we define Long Term Financial Sustainability?

A financially sustainable Council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets without incurring excessive debt or rate increases. This definition has been translated into four key financial sustainability principles:

- Council must achieve a fully funded operating position reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation,
- Council must maintain sufficient cash reserves to ensure that it can meet its short-term working capital requirements,
- Council must have a fully funded capital program, where the source of funding is identified and secured for both capital renewal and new capital works,
- Council must maintain its asset base, by renewing ageing infrastructure and by ensuring cash reserves are set asides for those works which are yet to be identified.

Funding the life cycle of assets is a major issue for all levels of Government. The Percy Allan Report (released 2006) identified that NSW Councils had an infrastructure renewal backlog of \$6.3 billion and an annual renewal gap of \$500 million. The backlog in asset renewal is a direct result of Councils in NSW not being able to cash fund depreciation. This means that as assets are consumed, funds are not being put aside to replace the asset at the end of its useful life.

This is not a result of poor management; Councils simply cannot afford to fund depreciation without compromising existing levels of service.

The problem with this approach is the older assets get, the more they cost a Council to maintain. This in part is being addressed through the implementation of Integrated Planning and Reporting, moving a focus away from simply maintaining assets to managing an assets life cycle.

How is Long Term Financial Sustainability Measured?

Key Financial Indicators (KFIs)

Council in April 2012 adopted a number of Key Financial Indicators (KFI) which are monitored and reported to Council on an annual basis.

These indicators are used as financial health checks to monitor the operational liquidity (short term focus), fiscal responsibility (elected term focus) and financial sustainability (long term/intergenerational focus) of the Council. The indicator targets have been derived through a combination of management policy, Office of Local Government recommendations and industry benchmarking.

These ratios (detailed in the following table) are monitored on a consolidated and individual fund basis.

Key Financial Indicator	Council Target
Unrestricted Current Ratio	2:1
Working Capital (excluding Internal Restrictions)	> \$1,000,000
Cash Flow Adequacy Ratio (measures the ability of cash from operations to pay for asset purchases and loan repayments)	> 1
Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage	< 7%
Operating Result adjusted for Renewal Costs	Break even over 5 years
Own Source Revenue Ratio (Income excluding grants and contributions as a % of total income)	65%
Employee Costs as a % of Rates, Annual Charges and United Grants	Between 55% - 75%
Rates and Annual Charges Coverage Ratio	> 40%
Debt Service Ratio (General Fund)	< 10%
ELE Funding Ratio	20%
Building and Infrastructure Renewal Ratio	> 100%
Operating Balance Ratio	> 0%
Broad Liabilities Ratio	< 100%

Level of Service for Assets

Current asset data places Council's annual 'infrastructure gap' (for the General Fund) around \$4.2 million. If this infrastructure gap is not addressed, asset service levels will decline as community assets deteriorate.

This annual funding gap has an impact on Council's ability to meet community strategies captured within the Community Strategic Plan.

The following asset-specific strategies from the *Coffs Harbour 2030* Plan are impacted by the amount of Council's General Fund asset maintenance and renewal spends.

- Provide infrastructure that supports sustainable living and is resilient to climatic events
- Provide public spaces and facilities that are accessible and safe for all
- Provide safe and accessible play spaces for our children within each community
- Improve the effectiveness of the existing transport system
- Ensure adequate maintenance and renewal of roads, footpaths and cycleways

Addressing the Funding Challenge

The 2015/2019 Delivery Program will be developed on an asset service level using the '**Sustainable Financial Model**' within Council's Long Term Financial Plans. This level of service will require additional funding to eliminate the annual General Fund infrastructure gap (approximately \$4.2M) as well as projected net operating result deficits (before capital grants & contributions) in future years.

Long Term Financial Plan Scenarios

Two of Council's Long Term Financial Plan scenarios are included in this document, being:

1. The 'Base-Line' Financial Model, and
2. The 'Sustainable' Financial Model

The Base-Line Model

Council's Base-Line Model produces financial projections (at both fund and consolidated levels) over the next ten years based on a 'business as usual' scenario. This model includes revenues generated by the approved 2014/2015 Special Rate Variation (for asset maintenance and renewal) and an associated works program.

Council's Base-Line Model contains the following key assumptions:

- Annual increases in rate revenue of 3.5% (including 0.5% for property growth)
- Revenue from annual charges increasing by 4% - 6% per annum (including growth)
- Other Revenues increasing by 3%
- Recurrent grant funding capped at (0% - 3%) increase per annum
- Annual increases of 5% for salary expenditure
- Operational expenditure increases capped at 3% per annum
- Recurrent capital expenditure capped at (0% - 3%) increase per annum
- A set program of capital projects over 10 years
- Existing Loan repayments (per loan repayment schedules)
- Further productivity improvements through the 'Transformation to Sustainability' process

The Base-Line model is unsustainable. It includes no increase in asset renewals to cover inflation, insufficient expenditure on assets to maintain acceptable standards and a declining operation position.

A continuation of this position in future years will result in an unacceptable decline in the standard and usability of infrastructure, particularly roads and recreational facilities and a reduction in general service levels provided by Council.

The Sustainable Model

Council's Sustainable Model produces financial projections (at both fund and consolidated levels) over the next ten years based on a progression towards a 'Sustainable' level of service for assets. This level of service requires additional funding to eliminate the annual General Fund infrastructure maintenance and renewal gap as well as projected net operating result deficits (before capital grants & contributions) in future years.

Council's Sustainable Model previously formed the basis of Council's 2014-2018 Delivery Program and will again be used to develop Council's 2015-2019 Delivery Program.

This Financial Model contains the following key assumptions in addition to those mentioned in the Base-Line Scenario:

- No General Fund budget deficits for the next 10 years
- The value of the General Fund infrastructure backlog will not continue to increase
- No significant increases in unfunded new capital works
- Potential change to service levels upon further review of current service levels
- Increase in General Fund asset maintenance spends
- Increase in General Fund asset renewal spends
- Additional rate funding through a community wide permanent Special Rate Variation over a 2 year period

Funding Options – 'Sustainable' Level of Service

The required additional funding to achieve a 'Sustainable' level of service delivery comes from a number of funding sources which include:

- Savings through productivity and service delivery improvements
- Commercialisation of Council services
- New revenue opportunities
- Additional rate revenue via a proposed Special Rate Variation

Proposed Special Rate Variation

The proposed community-wide Special Rate Variation is a key element of Council’s funding strategy to ensure the sustainable management of Council’s infrastructure assets. All additional revenue generated by the Special Rate Variation (above rate pegging allowances) will be allocated to funding asset maintenance and renewal works.

The proposed Special Rate Variation is a permanent multiple year increase over a two year period commencing from 2015/2016.

The proposed Special Rate Variation will yield an additional \$4.2 million (approximately) in the second year (2016/2017) to be used for additional asset maintenance and renewal of community assets. As the proposed Special Rate Variation is a permanent increase to Council’s rate base, the \$4.2 million after the second year (2016/17) will then increase in future years by the rate pegging allowance.

Allocation of Additional Rate Funds

The proposed Special Rate Variation will generate additional ordinary rate funds (above the pegging increase) in the second year of approximately \$4.2 million to address Council’s annual infrastructure maintenance and renewal gap. The following table shows the proposed allocation of these additional funds for the first two years across particular asset categories and expenditure.

Asset Expenditure	2015/2016	2016/2017
Road Rehabilitation Program	\$800,000	\$1,500,000
Additional Road Maintenance	\$200,000	\$400,000
Other Transport Asset Renewal Program	\$200,000	\$400,000
Building Renewal Program	\$500,000	\$1,000,000
Additional Building Maintenance	\$170,000	\$330,000
Recreational Asset Renewal	\$260,000	\$500,000
Asset Management Expenditure	\$60,000	\$100,000
Totals	\$2,190,000	\$4,230,000

Impact on Ratepayers

As mentioned previously, the 'Sustainable' Financial Model will form the basis of Council's Delivery Program for 2015-2019 (which includes proposed additional rate revenue generated through a Special Rate Variation staged over 2 years). The impact on the average residential property is shown in the table below.

Total rate burden increase for the Average Residential property over next 2 Years with the Proposed Special Rate Variation - 8.14% 2015/2016 and 7.75% 2016/2017

Rates & Charges	CURRENT	Year 1		Year 2		2 Year Compound			
	2014/15	2015/2016	Increase Year 1		2016/2017	Increases from 2014/2015			
	(\$)	(\$)	Amount (\$)	%	(\$)	Amount (\$)	%		
Residential Ordinary Rate	1,004.93	1,090.50	85.57	8.5%	1,175.01	84.51	7.7%	170.08	16.9%
Environmental Levy	39.19	40.23	1.04	2.7%	41.44	1.21	3.0%	2.25	5.7%
Sewerage Access Charge	806.00	814.00	8.00	1.0%	822.00	8.00	1.0%	16.00	2.0%
Water Access Charge	143.00	151.00	8.00	5.6%	157.00	6.00	4.0%	14.00	9.8%
Water Usage (250 KL pa)	657.50	690.00	32.50	4.9%	725.00	35.00	5.1%	67.50	10.3%
Domestic Waste Service	566.00	600.00	34.00	6.0%	636.00	36.00	6.0%	70.00	12.4%
Stormwater Management	25.00	25.00	0.00	0.0%	25.00	0.00	0.0%	0.00	0.0%
Totals	3,241.62	3,410.73	169.11	5.2%	3,581.45	170.72	5.0%	339.83	10.5%
Increase per Week			3.25			3.28		6.54	

Please Note

Rate Pegging does not apply to Sewerage, Water, Waste or Stormwater charges.

Water charges include 250 KL of water usage for a year.

The table on the next page provides a comparison of the Residential Ordinary Rate for Councils in the Group 5 Category of Councils in NSW. This table shows that Council's average Residential Ordinary Rate is the second lowest within the group and well below the overall group average.

Comparative Information for Group 5 NSW Local Government Councils 2014/2015 (Average Approximate Residential Ordinary Rate)

Group 5 Council	Average Approximate Residential Ordinary Rate (\$)
Coffs Harbour	\$1,006
Lake Macquarie	\$1,178
Maitland	\$1,106
Newcastle	\$1,074
Port Macquarie-Hastings	\$1,103
Shoalhaven	\$945
Tweed	\$1,287
Wollongong	\$1,253
Group Average	\$1,104

Long Term Financial Plans (In detail)

The following pages of this document show the two Long Term Financial Plan scenarios for Council's General Fund and a scenario for each of the Water Supply and Sewerage Funds. Each scenario incorporates a Budget Summary, Income Statement, Balance Sheet and Cash Flow Statement (by fund) for the current year (2014/15) and the next ten years.

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
BUDGET SUMMARY - GENERAL FUND											
Scenario: Sustainable Model											
	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Rates & Annual Charges	55,650,175	60,142,141	64,536,092	67,096,911	69,771,049	72,426,777	73,357,387	76,186,250	79,135,518	81,292,972	84,472,574
User Charges & Fees	13,780,459	14,602,811	15,188,242	15,687,519	16,097,188	16,541,704	16,999,260	17,470,245	17,955,057	18,454,108	18,967,823
Interest & Investment Revenue	2,513,716	2,140,909	2,017,115	2,258,512	2,306,758	2,227,885	2,285,476	2,383,345	2,487,853	2,572,998	2,731,792
Other Revenues	6,176,483	8,073,433	8,900,037	9,060,619	9,208,965	9,451,678	9,700,483	9,956,767	10,221,274	10,514,158	10,820,977
Grants & Contributions provided for Operating Purposes	15,389,070	12,551,595	12,668,509	12,801,106	13,102,962	13,419,303	13,719,717	14,027,526	14,342,927	14,666,122	14,998,518
Grants & Contributions provided for Capital Purposes	16,508,341	9,804,107	8,722,512	8,923,472	9,268,477	9,485,830	9,709,703	9,940,293	10,177,800	10,422,433	10,674,404
Total Income from Continuing Operations	110,018,244	107,314,996	112,032,507	115,828,139	119,755,399	123,553,177	125,772,026	129,964,425	134,320,429	137,922,790	142,666,089
Expenses from Continuing Operations											
Employee Benefits & On-Costs	32,077,223	33,138,553	34,496,669	36,220,076	37,253,523	39,060,328	40,951,297	42,930,454	45,002,016	47,170,407	49,440,354
Borrowing Costs	1,863,243	1,607,279	1,323,018	1,120,986	951,713	780,583	616,537	501,548	396,557	323,933	275,596
Materials & Contracts	42,633,499	33,882,537	34,601,044	35,338,273	36,188,521	37,243,435	38,350,549	39,448,612	40,623,075	41,535,145	42,934,793
Depreciation & Amortisation	28,570,444	29,614,899	30,503,231	31,416,243	32,354,562	33,325,199	34,324,955	35,354,703	36,415,345	37,507,805	38,633,039
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	4,770,466	6,307,813	6,513,524	6,754,750	6,884,427	7,043,204	7,155,926	7,321,892	7,441,727	7,615,399	7,560,681
Total Expenses from Continuing Operations	109,914,875	104,551,081	107,437,486	110,850,328	113,632,746	117,452,749	121,399,265	125,557,209	129,878,719	134,152,688	138,844,463
Net Operating Profit/(Loss) for the Year	103,369	2,763,915	4,595,021	4,977,811	6,122,653	6,100,428	4,372,762	4,407,217	4,441,711	3,770,102	3,821,627
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure	(52,492,495)	(28,976,264)	(25,802,958)	(26,652,128)	(27,325,696)	(28,986,578)	(30,107,885)	(27,341,165)	(25,497,444)	(29,743,049)	(26,594,393)
Loan Repayments (External)	(4,261,482)	(4,603,201)	(3,410,406)	(2,722,527)	(2,535,313)	(2,704,834)	(1,967,653)	(1,868,060)	(1,456,857)	(990,401)	(596,217)
New Loan Borrowings (External)	2,200,000	-	-	-	-	-	-	-	-	-	-
New Loan Borrowings (Internal)	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of intangible & tangible Assets	2,923,900	1,519,129	1,262,938	1,298,000	1,362,900	1,328,837	1,334,103	1,178,507	925,908	1,871,225	1,873,482
Deferred Debtors and Advances received (External)	41,785	39,353	40,391	41,504	32,362	18,976	20,348	21,819	9,550	-	-
Non-cash Expense Contra Income	28,570,444	29,614,899	30,503,231	31,416,243	32,354,562	33,325,199	34,324,955	35,354,703	36,415,345	37,507,805	38,633,039
Net Transfers (to)/from Reserves	22,931,954	4,091,521	(2,206,286)	(3,482,839)	(4,987,181)	(3,839,017)	(4,466,556)	(8,572,629)	(12,731,683)	(10,188,367)	(15,655,431)
Total Capital (Balance Sheet) and Reserve Movements	(85,894)	1,685,437	386,910	(101,747)	(1,098,366)	(857,418)	(862,688)	(1,226,824)	(2,335,182)	(1,542,787)	(2,339,520)
Net Result (including Depreciation & Other non-cash items)	17,475	4,449,352	4,981,931	4,876,064	5,024,287	5,243,010	3,510,074	3,180,392	2,106,529	2,227,315	1,482,107
Add back Depreciation Expense (non-cash)	28,570,444	29,614,899	30,503,231	31,416,243	32,354,562	33,325,199	34,324,955	35,354,703	36,415,345	37,507,805	38,633,039
Add back ELE Expense (non-cash)											
Add back Other Expenses (non-cash)	4,500,000	4,635,000	4,774,050	4,917,300	5,163,165	5,318,060	5,477,602	5,641,930	5,811,188	5,985,523	6,165,089
Less Other Income (non-cash)	(33,070,444)	(34,249,899)	(35,277,281)	(36,333,543)	(37,517,727)	(38,643,259)	(39,802,557)	(40,996,633)	(42,226,532)	(43,493,328)	(44,798,128)
Cash Budget Surplus/(Deficit)	17,475	4,449,352	4,981,931	4,876,064	5,024,287	5,243,010	3,510,074	3,180,392	2,106,529	2,227,315	1,482,107

Coffs Harbour City Council												
10 Year Financial Plan for the Years ending 30 June 2025												
INCOME STATEMENT - GENERAL FUND												
Scenario: Sustainable Model												
	Current Year	Projected Years										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	55,650,175	60,142,141	64,536,092	67,096,911	69,771,049	72,426,777	73,357,387	76,186,250	79,135,518	81,292,972	84,472,574	
User Charges & Fees	13,780,459	14,602,811	15,188,242	15,687,519	16,097,188	16,541,704	16,999,260	17,470,245	17,955,057	18,454,108	18,967,823	
Interest & Investment Revenue	2,513,716	2,140,909	2,017,115	2,258,512	2,306,758	2,227,885	2,285,476	2,383,345	2,487,853	2,572,998	2,731,792	
Other Revenues	6,176,483	8,073,433	8,900,037	9,060,619	9,208,965	9,451,678	9,700,483	9,956,767	10,221,274	10,514,158	10,820,977	
Grants & Contributions provided for Operating Purposes	15,389,070	12,551,595	12,668,509	12,801,106	13,102,962	13,419,303	13,719,717	14,027,526	14,342,927	14,666,122	14,998,518	
Grants & Contributions provided for Capital Purposes	16,508,341	9,804,107	8,722,512	8,923,472	9,268,477	9,485,830	9,709,703	9,940,293	10,177,800	10,422,433	10,674,404	
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	
Total Income from Continuing Operations	110,018,244	107,314,996	112,032,507	115,828,139	119,755,399	123,553,177	125,772,026	129,964,425	134,320,429	137,922,790	142,666,089	
Expenses from Continuing Operations												
Employee Benefits & On-Costs	32,077,223	33,138,553	34,496,669	36,220,076	37,253,523	39,060,328	40,951,297	42,930,454	45,002,016	47,170,407	49,440,354	
Borrowing Costs	1,863,243	1,607,279	1,323,018	1,120,986	951,713	780,583	616,537	501,548	396,557	323,933	275,596	
Materials & Contracts	42,633,499	33,882,537	34,601,044	35,338,273	36,188,521	37,243,435	38,350,549	39,448,612	40,623,075	41,535,145	42,934,793	
Depreciation & Amortisation	28,570,444	29,614,899	30,503,231	31,416,243	32,354,562	33,325,199	34,324,955	35,354,703	36,415,345	37,507,805	38,633,039	
Impairment	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses	4,770,466	6,307,813	6,513,524	6,754,750	6,884,427	7,043,204	7,155,926	7,321,892	7,441,727	7,615,399	7,560,681	
Total Expenses from Continuing Operations	109,914,875	104,551,081	107,437,486	110,850,328	113,632,746	117,452,749	121,399,265	125,557,209	129,878,719	134,152,688	138,844,463	
Operating Result from Continuing Operations	103,369	2,763,915	4,595,020	4,977,811	6,122,653	6,100,428	4,372,762	4,407,216	4,441,710	3,770,102	3,821,626	
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	
Net Operating Result for the Year	103,369	2,763,915	4,595,020	4,977,811	6,122,653	6,100,428	4,372,762	4,407,216	4,441,710	3,770,102	3,821,626	
Net Operating Result before Grants and Contributions provided for Capital Purposes	(16,404,972)	(7,040,192)	(4,127,492)	(3,945,661)	(3,145,824)	(3,385,402)	(5,336,942)	(5,533,077)	(5,736,090)	(6,652,331)	(6,852,778)	

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
BALANCE SHEET - GENERAL FUND											
Scenario: Sustainable Model											
	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS											
Current Assets											
Cash & Cash Equivalents	1,971,871	1,956,004	2,251,955	2,637,382	3,103,429	3,523,154	3,893,850	4,438,303	5,136,927	5,731,160	6,542,917
Investments	7,003,162	6,946,808	7,997,887	9,366,742	11,021,923	12,512,590	13,829,126	15,762,768	18,243,953	20,354,391	23,237,369
Receivables	14,019,693	13,853,186	14,553,463	15,054,432	15,581,078	16,154,983	16,627,665	17,257,453	17,956,823	18,602,892	19,356,303
Inventories	2,067,730	1,739,716	1,781,034	1,822,003	1,866,873	1,921,333	1,978,239	2,035,197	2,095,556	2,146,177	2,209,042
Other	1,132,237	997,360	1,022,137	1,047,432	1,072,512	1,102,978	1,133,777	1,165,640	1,198,312	1,227,140	1,257,668
Non-current assets classified as "held for sale"	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000
Total Current Assets	27,681,694	26,980,074	29,093,476	31,414,990	34,132,815	36,702,039	38,949,657	42,146,361	46,118,571	49,548,760	54,090,299
Non-Current Assets											
Investments	30,462,395	30,217,267	34,789,258	40,743,512	47,943,230	54,427,340	60,154,016	68,564,985	79,357,660	88,537,654	101,078,053
Receivables	1,638,602	1,553,523	1,582,211	1,600,711	1,635,753	1,669,749	1,671,985	1,719,959	1,779,811	1,826,057	1,890,549
Infrastructure, Property, Plant & Equipment	1,191,823,151	1,189,665,387	1,183,702,176	1,177,640,061	1,171,248,295	1,165,580,838	1,160,029,665	1,150,837,619	1,138,993,811	1,129,357,830	1,115,445,702
Investment Property	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000
Intangible Assets	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000
Total Non-Current Assets	1,229,801,148	1,227,313,176	1,225,950,644	1,225,861,284	1,226,704,278	1,227,554,928	1,227,732,665	1,226,999,563	1,226,008,282	1,225,598,541	1,224,291,304
TOTAL ASSETS	1,257,482,842	1,254,293,250	1,255,044,121	1,257,276,274	1,260,837,093	1,264,256,966	1,266,682,322	1,269,145,924	1,272,126,853	1,275,147,300	1,278,381,603
LIABILITIES											
Current Liabilities											
Payables	8,187,501	6,885,835	6,430,282	6,382,091	6,336,321	6,332,647	6,324,101	6,218,571	6,183,560	6,394,053	6,371,127
Borrowings	4,603,201	3,410,406	2,722,527	2,535,313	2,704,834	1,967,653	1,868,060	1,456,857	990,401	596,217	541,623
Provisions	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268
Total Current Liabilities	26,038,971	23,544,509	22,401,077	22,165,672	22,289,423	21,548,568	21,440,429	20,923,696	20,422,229	20,238,538	20,161,019
Non-Current Liabilities											
Payables	894,298	845,660	867,469	892,529	911,778	939,732	968,524	998,500	1,029,588	1,059,841	1,091,660
Borrowings	21,882,472	18,472,066	15,749,539	13,214,226	10,509,392	8,541,739	6,673,679	5,216,822	4,226,421	3,630,204	3,088,581
Provisions	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732
Total Non-Current Liabilities	28,564,502	25,105,458	22,404,740	19,894,487	17,208,902	15,269,202	13,429,935	12,003,054	11,043,741	10,477,777	9,967,973
TOTAL LIABILITIES	54,603,473	48,649,967	44,805,817	42,060,159	39,498,325	36,817,771	34,870,364	32,926,750	31,465,969	30,716,315	30,128,991
Net Assets	1,202,879,369	1,205,643,284	1,210,238,304	1,215,216,115	1,221,338,768	1,227,439,196	1,231,811,957	1,236,219,174	1,240,660,884	1,244,430,986	1,248,252,612
EQUITY											
Retained Earnings	710,697,369	713,461,284	718,056,304	723,034,115	729,156,768	735,257,196	739,629,957	744,037,174	748,478,884	752,248,986	756,070,612
Revaluation Reserves	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000
Council Equity Interest	1,202,879,369	1,205,643,284	1,210,238,304	1,215,216,115	1,221,338,768	1,227,439,196	1,231,811,957	1,236,219,174	1,240,660,884	1,244,430,986	1,248,252,612
Total Equity	1,202,879,369	1,205,643,284	1,210,238,304	1,215,216,115	1,221,338,768	1,227,439,196	1,231,811,957	1,236,219,174	1,240,660,884	1,244,430,986	1,248,252,612

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
CASH FLOW STATEMENT - GENERAL FUND											
Scenario: Sustainable Model											
	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities											
Receipts:											
Rates & Annual Charges	55,703,683	59,905,356	64,304,473	66,961,922	69,630,087	72,286,786	73,308,332	76,037,132	78,980,053	81,179,246	84,304,968
User Charges & Fees	13,080,160	14,559,170	15,157,174	15,661,023	16,075,448	16,518,115	16,974,979	17,445,251	17,929,329	18,427,625	18,940,561
Interest & Investment Revenue Received	3,939,655	2,086,392	1,829,824	2,088,363	2,102,392	2,040,046	2,143,741	2,146,144	2,197,138	2,333,392	2,396,937
Grants & Contributions	26,632,985	19,007,249	16,745,341	16,792,602	17,174,864	17,552,059	17,918,568	18,291,820	18,674,630	19,067,259	19,471,043
Other	5,439,118	7,505,122	8,592,460	8,926,594	9,096,009	9,295,342	9,499,029	9,792,017	10,052,270	10,313,572	10,665,750
Payments:											
Employee Benefits & On-Costs	(32,167,131)	(33,130,218)	(34,757,096)	(36,220,076)	(37,253,523)	(39,060,328)	(40,951,297)	(42,930,454)	(45,002,016)	(47,170,407)	(49,440,354)
Materials & Contracts	(43,336,881)	(33,699,250)	(34,602,429)	(35,335,576)	(36,195,900)	(37,247,613)	(38,356,072)	(39,452,215)	(40,628,361)	(41,534,246)	(42,943,326)
Borrowing Costs	(1,798,059)	(1,945,351)	(1,573,488)	(1,320,936)	(1,137,914)	(979,234)	(761,047)	(638,744)	(503,553)	(396,671)	(319,384)
Other	(4,770,466)	(6,307,813)	(6,513,524)	(6,754,750)	(6,884,427)	(7,043,204)	(7,155,926)	(7,321,892)	(7,441,727)	(7,615,399)	(7,560,681)
Net Cash provided (or used in) Operating Activities	22,723,063	27,980,657	29,182,736	30,799,166	32,607,035	33,361,969	32,620,304	33,369,060	34,257,764	34,604,371	35,515,515
Cash Flows from Investing Activities											
Receipts:											
Sale of Investment Securities	15,858,443	301,483	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	2,923,900	1,519,129	1,262,938	1,298,000	1,362,900	1,328,837	1,334,103	1,178,507	925,908	1,871,225	1,873,482
Deferred Debtors Receipts	41,785	39,353	40,391	41,504	32,362	18,976	20,348	21,819	9,550	-	-
Payments:											
Purchase of Investment Securities	-	-	(5,623,070)	(7,323,110)	(8,854,899)	(7,974,777)	(7,043,211)	(10,344,612)	(13,273,861)	(11,290,430)	(15,423,378)
Purchase of Infrastructure, Property, Plant & Equipment	(47,004,837)	(25,253,289)	(21,156,637)	(21,707,607)	(22,146,038)	(23,610,446)	(24,593,196)	(21,812,260)	(19,763,880)	(23,600,532)	(20,557,645)
Net Cash provided (or used in) Investing Activities	(28,180,709)	(23,393,324)	(25,476,379)	(27,691,213)	(29,605,675)	(30,237,410)	(30,281,956)	(30,956,546)	(32,102,282)	(33,019,737)	(34,107,541)
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings & Advances	2,200,000	-	-	-	-	-	-	-	-	-	-
Payments:											
Repayment of Borrowings & Advances	(4,261,482)	(4,603,201)	(3,410,406)	(2,722,527)	(2,535,313)	(2,704,834)	(1,967,653)	(1,868,060)	(1,456,857)	(990,401)	(596,217)
Net Cash Flow provided (used in) Financing Activities	(2,061,482)	(4,603,201)	(3,410,406)	(2,722,527)	(2,535,313)	(2,704,834)	(1,967,653)	(1,868,060)	(1,456,857)	(990,401)	(596,217)
Net Increase/(Decrease) in Cash & Cash Equivalents	(7,519,129)	(15,868)	295,951	385,427	466,047	419,725	370,695	544,453	698,624	594,233	811,757
plus: Cash, Cash Equivalents & Investments - beginning of year	9,491,000	1,971,871	1,956,004	2,251,955	2,637,382	3,103,429	3,523,154	3,893,850	4,438,303	5,136,927	5,731,160
Cash & Cash Equivalents - end of the year	1,971,871	1,956,004	2,251,955	2,637,382	3,103,429	3,523,154	3,893,850	4,438,303	5,136,927	5,731,160	6,542,917
Cash & Cash Equivalents - end of the year	1,971,871	1,956,004	2,251,955	2,637,382	3,103,429	3,523,154	3,893,850	4,438,303	5,136,927	5,731,160	6,542,917
Investments - end of the year	37,465,557	37,164,074	42,787,145	50,110,255	58,965,153	66,939,930	73,983,141	84,327,753	97,601,614	108,892,044	124,315,422
Cash, Cash Equivalents & Investments - end of the year	39,437,428	39,120,078	45,039,100	52,747,636	62,068,582	70,463,084	77,876,991	88,766,056	102,738,541	114,623,205	130,858,339

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
BUDGET SUMMARY - GENERAL FUND											
Scenario: Base-Line Model	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Rates & Annual Charges	55,650,175	57,898,196	60,216,052	62,647,270	65,187,919	67,706,153	68,495,145	71,178,140	73,977,165	75,979,868	79,000,078
User Charges & Fees	13,780,459	14,602,811	15,188,242	15,687,519	16,097,188	16,541,704	16,999,260	17,470,245	17,955,057	18,454,108	18,967,823
Interest & Investment Revenue	2,513,716	2,140,909	2,017,115	2,258,512	2,306,758	2,227,885	2,285,476	2,383,345	2,487,853	2,572,998	2,731,792
Other Revenues	6,176,483	8,073,433	8,900,037	9,060,619	9,208,965	9,451,678	9,700,483	9,956,767	10,221,274	10,514,158	10,820,977
Grants & Contributions provided for Operating Purposes	15,389,070	12,551,595	12,668,509	12,801,106	13,102,962	13,419,303	13,719,717	14,027,526	14,342,927	14,666,122	14,998,518
Grants & Contributions provided for Capital Purposes	16,508,341	9,804,107	8,722,512	8,923,472	9,268,477	9,485,830	9,709,703	9,940,293	10,177,800	10,422,433	10,674,404
Total Income from Continuing Operations	110,018,244	105,071,051	107,712,467	111,378,498	115,172,269	118,832,553	120,909,784	124,956,315	129,162,076	132,609,686	137,193,592
Expenses from Continuing Operations											
Employee Benefits & On-Costs	32,077,223	33,138,553	34,496,669	36,220,076	37,253,523	39,060,328	40,951,297	42,930,454	45,002,016	47,170,407	49,440,354
Borrowing Costs	1,863,243	1,607,279	1,323,018	1,120,986	951,713	780,583	616,537	501,548	396,557	323,933	275,596
Materials & Contracts	42,633,499	33,442,076	33,739,933	34,451,329	35,274,969	36,302,476	37,381,362	38,450,349	39,594,864	40,476,088	41,843,964
Depreciation & Amortisation	28,570,444	29,614,899	30,503,231	31,416,243	32,354,562	33,325,199	34,324,955	35,354,703	36,415,345	37,507,805	38,633,039
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	4,770,466	6,307,813	6,513,524	6,754,750	6,884,427	7,043,204	7,155,926	7,321,892	7,441,727	7,615,399	7,560,681
Total Expenses from Continuing Operations	109,914,875	104,110,620	106,576,375	109,963,384	112,719,194	116,511,790	120,430,077	124,558,946	128,850,508	133,093,631	137,753,634
Net Operating Profit/(Loss) for the Year	103,369	960,431	1,136,092	1,415,114	2,453,075	2,320,763	479,707	397,370	311,568	(483,945)	(560,041)
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure	(52,492,495)	(27,172,780)	(22,344,029)	(23,089,431)	(23,656,118)	(25,206,913)	(26,214,829)	(23,331,318)	(21,367,302)	(25,489,003)	(22,212,725)
Loan Repayments (External)	(4,261,482)	(4,603,201)	(3,410,406)	(2,722,527)	(2,535,313)	(2,704,834)	(1,967,653)	(1,868,060)	(1,456,857)	(990,401)	(596,217)
New Loan Borrowings (External)	2,200,000	-	-	-	-	-	-	-	-	-	-
New Loan Borrowings (Internal)	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of intangible & tangible Assets	2,923,900	1,519,129	1,262,938	1,298,000	1,362,900	1,328,837	1,334,103	1,178,507	925,908	1,871,225	1,873,482
Deferred Debtors and Advances received (External)	41,785	39,353	40,391	41,504	32,362	18,976	20,348	21,819	9,550	-	-
Non-cash Expense Contra Income	28,570,444	29,614,899	30,503,231	31,416,243	32,354,562	33,325,199	34,324,955	35,354,703	36,415,345	37,507,805	38,633,039
Net Transfers (to)/from Reserves	22,931,954	4,091,521	(2,206,286)	(3,482,839)	(4,987,181)	(3,839,017)	(4,466,556)	(8,572,629)	(12,731,683)	(10,188,367)	(15,655,431)
Total Capital (Balance Sheet) and Reserve Movements	(85,894)	3,488,921	3,845,839	3,460,950	2,571,212	2,922,247	3,030,368	2,783,023	1,794,961	2,711,260	2,042,148
Net Result (including Depreciation & Other non-cash items)	17,475	4,449,352	4,981,931	4,876,064	5,024,287	5,243,010	3,510,074	3,180,392	2,106,529	2,227,315	1,482,107
Add back Depreciation Expense (non-cash)	28,570,444	29,614,899	30,503,231	31,416,243	32,354,562	33,325,199	34,324,955	35,354,703	36,415,345	37,507,805	38,633,039
Add back ELE Expense (non-cash)											
Add back Other Expenses (non-cash)	4,500,000	4,635,000	4,774,050	4,917,300	5,163,165	5,318,060	5,477,602	5,641,930	5,811,188	5,985,523	6,165,089
Less Other Income (non-cash)	(33,070,444)	(34,249,899)	(35,277,281)	(36,333,543)	(37,517,727)	(38,643,259)	(39,802,557)	(40,996,633)	(42,226,532)	(43,493,328)	(44,798,128)
Cash Budget Surplus/(Deficit)	17,475	4,449,352	4,981,931	4,876,064	5,024,287	5,243,010	3,510,074	3,180,392	2,106,529	2,227,315	1,482,107

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
INCOME STATEMENT - GENERAL FUND											
Scenario: Base-Line Model	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Revenue:											
Rates & Annual Charges	55,650,175	57,898,196	60,216,052	62,647,270	65,187,919	67,706,153	68,495,145	71,178,140	73,977,165	75,979,868	79,000,078
User Charges & Fees	13,780,459	14,602,811	15,188,242	15,687,519	16,097,188	16,541,704	16,999,260	17,470,245	17,955,057	18,454,108	18,967,823
Interest & Investment Revenue	2,513,716	2,140,909	2,017,115	2,258,512	2,306,758	2,227,885	2,285,476	2,383,345	2,487,853	2,572,998	2,731,792
Other Revenues	6,176,483	8,073,433	8,900,037	9,060,619	9,208,965	9,451,678	9,700,483	9,956,767	10,221,274	10,514,158	10,820,977
Grants & Contributions provided for Operating Purposes	15,389,070	12,551,595	12,668,509	12,801,106	13,102,962	13,419,303	13,719,717	14,027,526	14,342,927	14,666,122	14,998,518
Grants & Contributions provided for Capital Purposes	16,508,341	9,804,107	8,722,512	8,923,472	9,268,477	9,485,830	9,709,703	9,940,293	10,177,800	10,422,433	10,674,404
Other Income:											
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	110,018,244	105,071,051	107,712,467	111,378,498	115,172,269	118,832,553	120,909,784	124,956,315	129,162,076	132,609,686	137,193,592
Expenses from Continuing Operations											
Employee Benefits & On-Costs	32,077,223	33,138,553	34,496,669	36,220,076	37,253,523	39,060,328	40,951,297	42,930,454	45,002,016	47,170,407	49,440,354
Borrowing Costs	1,863,243	1,607,279	1,323,018	1,120,986	951,713	780,583	616,537	501,548	396,557	323,933	275,596
Materials & Contracts	42,633,499	33,442,076	33,739,933	34,451,329	35,274,969	36,302,476	37,381,362	38,450,349	39,594,864	40,476,088	41,843,964
Depreciation & Amortisation	28,570,444	29,614,899	30,503,231	31,416,243	32,354,562	33,325,199	34,324,955	35,354,703	36,415,345	37,507,805	38,633,039
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	4,770,466	6,307,813	6,513,524	6,754,750	6,884,427	7,043,204	7,155,926	7,321,892	7,441,727	7,615,399	7,560,681
Total Expenses from Continuing Operations	109,914,875	104,110,620	106,576,375	109,963,384	112,719,194	116,511,790	120,430,078	124,558,946	128,850,508	133,093,631	137,753,634
Operating Result from Continuing Operations	103,369	960,431	1,136,091	1,415,114	2,453,075	2,320,763	479,706	397,369	311,568	(483,945)	(560,042)
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	103,369	960,431	1,136,091	1,415,114	2,453,075	2,320,763	479,706	397,369	311,568	(483,945)	(560,042)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(16,404,972)	(8,843,676)	(7,586,421)	(7,508,358)	(6,815,402)	(7,165,067)	(9,229,997)	(9,542,924)	(9,866,232)	(10,906,378)	(11,234,446)

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
BALANCE SHEET - GENERAL FUND											
Scenario: Base-Line Model	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS											
Current Assets											
Cash & Cash Equivalents	1,971,871	1,958,041	2,255,778	2,641,201	3,107,365	3,527,208	3,898,025	4,442,603	5,141,357	5,735,723	6,547,616
Investments	7,003,162	6,954,044	8,011,464	9,380,306	11,035,901	12,526,987	13,843,955	15,778,042	18,259,686	20,370,595	23,254,060
Receivables	14,019,693	13,738,375	14,335,144	14,831,935	15,351,865	15,918,895	16,384,494	17,006,986	17,698,843	18,337,172	19,082,612
Inventories	2,067,730	1,722,627	1,747,623	1,787,590	1,831,428	1,884,824	1,940,636	1,996,466	2,055,662	2,105,086	2,166,718
Other	1,132,237	988,771	1,005,346	1,030,136	1,054,697	1,084,630	1,114,878	1,146,174	1,178,262	1,206,488	1,236,397
Non-current assets classified as "held for sale"	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000	1,487,000
Total Current Assets	27,681,694	26,848,858	28,842,356	31,158,168	33,868,256	36,429,544	38,668,987	41,857,271	45,820,809	49,242,064	53,774,403
Non-Current Assets											
Investments	30,462,395	30,248,743	34,848,317	40,802,512	48,004,031	54,489,965	60,218,519	68,631,424	79,426,093	88,608,139	101,150,652
Receivables	1,638,602	1,514,208	1,506,521	1,522,750	1,555,454	1,587,041	1,586,795	1,632,214	1,689,433	1,732,968	1,794,668
Infrastructure, Property, Plant & Equipment	1,191,823,151	1,187,861,903	1,178,439,763	1,168,814,951	1,158,753,607	1,149,306,485	1,139,862,256	1,126,660,364	1,110,686,413	1,096,796,385	1,078,502,589
Investment Property	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000	3,712,000
Intangible Assets	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000
Total Non-Current Assets	1,229,801,148	1,225,501,853	1,220,671,601	1,217,017,213	1,214,190,092	1,211,260,491	1,207,544,571	1,202,801,001	1,197,678,939	1,193,014,492	1,187,324,909
TOTAL ASSETS	1,257,482,842	1,252,350,711	1,249,513,957	1,248,175,381	1,248,058,349	1,247,690,035	1,246,213,558	1,244,658,272	1,243,499,748	1,242,256,557	1,241,099,313
LIABILITIES											
Current Liabilities											
Payables	8,187,501	6,750,437	6,169,682	6,113,673	6,059,850	6,047,882	6,030,793	5,916,463	5,872,389	6,073,547	6,041,007
Borrowings	4,603,201	3,410,406	2,722,527	2,535,313	2,704,834	1,967,653	1,868,060	1,456,857	990,401	596,217	541,623
Provisions	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268	13,248,268
Total Current Liabilities	26,038,971	23,409,111	22,140,477	21,897,254	22,012,952	21,263,803	21,147,121	20,621,589	20,111,058	19,918,032	19,830,898
Non-Current Liabilities											
Payables	894,298	842,003	860,318	885,164	904,193	931,918	960,476	990,212	1,021,050	1,051,047	1,082,602
Borrowings	21,882,472	18,472,066	15,749,539	13,214,226	10,509,392	8,541,739	6,673,679	5,216,822	4,226,421	3,630,204	3,088,581
Provisions	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732	5,787,732
Total Non-Current Liabilities	28,564,502	25,101,800	22,397,589	19,887,122	17,201,316	15,261,389	13,421,887	11,994,765	11,035,203	10,468,983	9,958,915
TOTAL LIABILITIES	54,603,473	48,510,912	44,538,066	41,784,376	39,214,269	36,525,192	34,569,009	32,616,354	31,146,261	30,387,015	29,789,813
Net Assets	1,202,879,369	1,203,839,800	1,204,975,891	1,206,391,005	1,208,844,080	1,211,164,843	1,211,644,549	1,212,041,918	1,212,353,486	1,211,869,541	1,211,309,499
EQUITY											
Retained Earnings	710,697,369	711,657,800	712,793,891	714,209,005	716,662,080	718,982,843	719,462,549	719,859,918	720,171,486	719,687,541	719,127,499
Revaluation Reserves	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000	492,182,000
Council Equity Interest	1,202,879,369	1,203,839,800	1,204,975,891	1,206,391,005	1,208,844,080	1,211,164,843	1,211,644,549	1,212,041,918	1,212,353,486	1,211,869,541	1,211,309,499
Total Equity	1,202,879,369	1,203,839,800	1,204,975,891	1,206,391,005	1,208,844,080	1,211,164,843	1,211,644,549	1,212,041,918	1,212,353,486	1,211,869,541	1,211,309,499

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
CASH FLOW STATEMENT - GENERAL FUND											
Scenario: Base-Line Model											
	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities											
Receipts:											
Rates & Annual Charges	55,703,683	57,779,696	60,093,871	62,519,113	65,053,994	67,573,410	68,453,555	71,036,711	73,829,619	75,874,299	78,840,873
User Charges & Fees	13,080,160	14,559,170	15,157,174	15,661,023	16,075,448	16,518,115	16,974,979	17,445,251	17,929,329	18,427,625	18,940,561
Interest & Investment Revenue Received	3,939,655	2,122,233	1,860,268	2,087,980	2,104,410	2,042,083	2,145,839	2,148,306	2,199,364	2,335,685	2,399,299
Grants & Contributions	26,632,985	19,007,249	16,745,341	16,792,602	17,174,864	17,552,059	17,918,568	18,291,820	18,674,630	19,067,259	19,471,043
Other	5,439,118	7,453,997	8,545,160	8,923,641	9,092,968	9,292,210	9,495,802	9,788,694	10,048,847	10,310,046	10,662,119
Payments:											
Employee Benefits & On-Costs	(32,167,131)	(33,130,218)	(34,757,096)	(36,220,076)	(37,253,523)	(39,060,328)	(40,951,297)	(42,930,454)	(45,002,016)	(47,170,407)	(49,440,354)
Materials & Contracts	(43,336,881)	(33,251,496)	(33,734,353)	(34,448,204)	(35,281,908)	(36,306,200)	(37,386,418)	(38,453,471)	(39,599,654)	(40,474,678)	(41,851,971)
Borrowing Costs	(1,798,059)	(1,945,351)	(1,573,488)	(1,320,936)	(1,137,914)	(979,234)	(761,047)	(638,744)	(503,553)	(396,671)	(319,384)
Other	(4,770,466)	(6,307,813)	(6,513,524)	(6,754,750)	(6,884,427)	(7,043,204)	(7,155,926)	(7,321,892)	(7,441,727)	(7,615,399)	(7,560,681)
Net Cash provided (or used in) Operating Activities	22,723,063	26,287,468	25,823,353	27,240,393	28,943,912	29,588,910	28,734,054	29,366,222	30,134,840	30,357,760	31,141,505
Cash Flows from Investing Activities											
Receipts:											
Sale of Investment Securities	15,858,443	262,770	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	2,923,900	1,519,129	1,262,938	1,298,000	1,362,900	1,328,837	1,334,103	1,178,507	925,908	1,871,225	1,873,482
Deferred Debtors Receipts	41,785	39,353	40,391	41,504	32,362	18,976	20,348	21,819	9,550	-	-
Payments:											
Purchase of Investment Securities	-	-	(5,656,995)	(7,323,036)	(8,857,115)	(7,977,020)	(7,045,522)	(10,346,992)	(13,276,312)	(11,292,955)	(15,425,978)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(47,004,837)	(23,519,349)	(17,761,544)	(18,148,911)	(18,480,582)	(19,835,025)	(20,704,513)	(17,806,917)	(15,638,376)	(19,351,263)	(16,180,898)
Net Cash provided (or used in) Investing Activities	(28,180,709)	(21,698,097)	(22,115,211)	(24,132,443)	(25,942,435)	(26,464,232)	(26,395,584)	(26,953,583)	(27,979,230)	(28,772,993)	(29,733,395)
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings & Advances	2,200,000	-	-	-	-	-	-	-	-	-	-
Payments:											
Repayment of Borrowings & Advances	(4,261,482)	(4,603,201)	(3,410,406)	(2,722,527)	(2,535,313)	(2,704,834)	(1,967,653)	(1,868,060)	(1,456,857)	(990,401)	(596,217)
Net Cash Flow provided (used in) Financing Activities	(2,061,482)	(4,603,201)	(3,410,406)	(2,722,527)	(2,535,313)	(2,704,834)	(1,967,653)	(1,868,060)	(1,456,857)	(990,401)	(596,217)
Net Increase/(Decrease) in Cash & Cash Equivalents	(7,519,129)	(13,830)	297,737	385,423	466,164	419,843	370,817	544,579	698,753	594,366	811,894
plus: Cash, Cash Equivalents & Investments - beginning of year	9,491,000	1,971,871	1,958,041	2,255,778	2,641,201	3,107,365	3,527,208	3,898,025	4,442,603	5,141,357	5,735,723
Cash & Cash Equivalents - end of the year	1,971,871	1,958,041	2,255,778	2,641,201	3,107,365	3,527,208	3,898,025	4,442,603	5,141,357	5,735,723	6,547,616
Cash & Cash Equivalents - end of the year	1,971,871	1,958,041	2,255,778	2,641,201	3,107,365	3,527,208	3,898,025	4,442,603	5,141,357	5,735,723	6,547,616
Investments - end of the year	37,465,557	37,202,787	42,859,782	50,182,818	59,039,933	67,016,952	74,062,474	84,409,466	97,685,778	108,978,734	124,404,712
Cash, Cash Equivalents & Investments - end of the year	39,437,428	39,160,828	45,115,560	52,824,019	62,147,297	70,544,160	77,960,499	88,852,070	102,827,135	114,714,456	130,952,328

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
BUDGET SUMMARY - WATER FUND											
Scenario: Base-Line Model											
	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Rates & Annual Charges	4,072,650	4,311,989	4,524,414	4,682,448	4,843,020	5,060,956	5,288,699	5,500,247	5,720,257	5,949,067	6,187,030
User Charges & Fees	13,397,325	14,213,704	14,948,415	15,622,094	16,207,674	16,902,752	17,496,272	18,110,032	18,745,739	19,399,126	20,062,952
Interest & Investment Revenue	1,717,600	1,253,000	1,102,500	1,303,000	1,335,575	1,694,575	1,619,575	1,519,575	1,489,575	1,489,575	1,489,575
Other Revenues	-	-	-	-	-	-	-	-	-	-	-
Grants & Contributions provided for Operating Purposes	284,410	294,509	298,303	302,169	305,923	309,672	313,478	317,344	321,271	325,260	329,312
Grants & Contributions provided for Capital Purposes	3,479,700	3,584,250	3,691,180	3,801,860	3,916,385	4,033,837	4,155,302	4,279,871	4,408,637	4,540,696	4,657,147
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	22,951,685	23,657,452	24,564,812	25,711,571	26,608,577	28,001,791	28,873,326	29,727,069	30,685,479	31,703,724	32,726,015
Expenses from Continuing Operations											
Employee Benefits & On-Costs	3,040,400	3,097,000	3,156,300	3,218,300	3,252,496	3,319,294	3,389,331	3,462,768	3,539,771	3,620,515	3,797,683
Borrowing Costs	5,516,246	5,153,161	4,827,646	4,480,856	4,109,787	3,713,258	3,287,923	2,849,861	2,468,626	2,072,800	1,648,717
Materials & Contracts	4,376,925	4,693,393	4,361,508	4,634,599	4,878,730	5,166,619	5,463,141	5,768,554	6,083,126	6,407,131	6,596,852
Depreciation & Amortisation	7,081,063	7,293,495	7,512,300	7,737,669	7,969,799	8,208,893	8,455,160	8,708,815	8,970,079	9,239,181	9,516,357
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	3,038,500
Total Expenses from Continuing Operations	22,964,634	23,187,049	22,807,754	23,021,424	23,160,812	23,358,064	23,545,555	23,739,998	24,011,602	24,289,627	24,598,109
Net Operating Profit/(Loss) for the Year	(12,949)	470,403	1,757,058	2,690,147	3,447,765	4,643,727	5,327,771	5,987,071	6,673,877	7,414,097	8,127,906
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure	(13,793,656)	(5,280,600)	(3,244,250)	(3,364,050)	(3,494,000)	(3,623,950)	(3,758,150)	(3,898,500)	(4,045,150)	(3,452,320)	(3,535,257)
Loan Repayments (External)	(5,873,389)	(4,591,051)	(4,913,543)	(5,257,115)	(5,624,742)	(6,017,596)	(6,438,984)	(5,995,362)	(5,495,559)	(5,887,884)	(6,308,218)
Non-cash Expense Contra Income	7,081,063	7,293,495	7,512,300	7,737,669	7,969,799	8,208,893	8,455,160	8,708,815	8,970,079	9,239,181	9,516,357
Net Transfers (to)/from Reserves	9,581,363	823,150	(1,281,730)	(1,361,210)	(1,374,335)	(1,484,937)	(1,452,302)	(1,411,621)	(1,409,937)	(2,147,026)	(2,180,740)
Total Capital (Balance Sheet) and Reserve Movements	(3,004,619)	(1,755,006)	(1,927,223)	(2,244,706)	(2,523,278)	(2,917,590)	(3,194,276)	(2,596,668)	(1,980,567)	(2,248,049)	(2,507,858)
Net Result (including Depreciation & Other non-cash items)	(3,017,568)	(1,284,603)	(170,165)	445,441	924,487	1,726,138	2,133,496	3,390,403	4,693,310	5,166,049	5,620,048
Add back Depreciation Expense (non-cash)	7,081,063	7,293,495	7,512,300	7,737,669	7,969,799	8,208,893	8,455,160	8,708,815	8,970,079	9,239,181	9,516,357
Add back ELE Expense (non-cash)											
Add back Other Expenses (non-cash)	504,700	520,000	535,000	551,000	568,000	585,000	603,000	621,000	640,000	659,000	659,000
Less Other Income (non-cash)	(7,585,763)	(7,813,495)	(8,047,300)	(8,288,669)	(8,537,799)	(8,793,893)	(9,058,160)	(9,329,815)	(9,610,079)	(9,898,181)	(10,175,357)
Cash Budget Surplus/(Deficit)	(3,017,568)	(1,284,603)	(170,165)	445,441	924,487	1,726,138	2,133,496	3,390,403	4,693,310	5,166,049	5,620,048

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
INCOME STATEMENT - WATER FUND											
Scenario: Base-Line Model	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Revenue:											
Rates & Annual Charges	4,072,650	4,311,989	4,524,414	4,682,448	4,843,020	5,060,956	5,288,699	5,500,247	5,720,257	5,949,067	6,187,030
User Charges & Fees	13,397,325	14,213,704	14,948,415	15,622,094	16,207,674	16,902,752	17,496,272	18,110,032	18,745,739	19,399,126	20,062,952
Interest & Investment Revenue	1,717,600	1,253,000	1,102,500	1,303,000	1,335,575	1,694,575	1,619,575	1,519,575	1,489,575	1,489,575	1,489,575
Other Revenues	-	-	-	-	-	-	-	-	-	-	-
Grants & Contributions provided for Operating Purposes	284,410	294,509	298,303	302,169	305,923	309,672	313,478	317,344	321,271	325,260	329,312
Grants & Contributions provided for Capital Purposes	3,479,700	3,584,250	3,691,180	3,801,860	3,916,385	4,033,837	4,155,302	4,279,871	4,408,637	4,540,696	4,657,147
Other Income:											
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	22,951,685	23,657,452	24,564,812	25,711,571	26,608,577	28,001,791	28,873,326	29,727,069	30,685,479	31,703,724	32,726,015
Expenses from Continuing Operations											
Employee Benefits & On-Costs	3,040,400	3,097,000	3,156,300	3,218,300	3,252,496	3,319,294	3,389,331	3,462,768	3,539,771	3,620,515	3,797,683
Borrowing Costs	5,516,246	5,153,161	4,827,646	4,480,856	4,109,787	3,713,258	3,287,923	2,849,861	2,468,626	2,072,800	1,648,717
Materials & Contracts	4,376,925	4,693,393	4,361,508	4,634,599	4,878,730	5,166,619	5,463,141	5,768,554	6,083,126	6,407,131	6,596,852
Depreciation & Amortisation	7,081,063	7,293,495	7,512,300	7,737,669	7,969,799	8,208,893	8,455,160	8,708,815	8,970,079	9,239,181	9,516,357
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	3,038,500
Total Expenses from Continuing Operations	22,964,634	23,187,049	22,807,754	23,021,424	23,160,812	23,358,064	23,545,555	23,739,998	24,011,602	24,289,627	24,598,109
Operating Result from Continuing Operations	(12,949)	470,403	1,757,058	2,690,147	3,447,765	4,643,727	5,327,771	5,987,071	6,673,877	7,414,097	8,127,906
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(12,949)	470,403	1,757,058	2,690,147	3,447,765	4,643,727	5,327,771	5,987,071	6,673,877	7,414,097	8,127,906
Net Operating Result before Grants and Contributions provided for Capital Purposes	(3,492,649)	(3,113,847)	(1,934,122)	(1,111,713)	(468,620)	609,891	1,172,470	1,707,201	2,265,240	2,873,401	3,470,760

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
BALANCE SHEET - WATER FUND											
Scenario: Base-Line Model											
	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS											
Current Assets											
Cash & Cash Equivalents	1,085,746	974,701	1,019,815	1,104,239	1,214,004	1,368,230	1,542,265	1,777,046	2,076,681	2,436,644	2,820,910
Investments	5,450,032	4,892,632	5,119,086	5,542,862	6,093,842	6,867,995	7,741,589	8,920,099	10,424,151	12,231,032	14,159,902
Receivables	3,169,898	3,318,214	3,488,724	3,642,090	3,777,290	3,939,983	4,082,298	4,227,518	4,378,002	4,532,889	4,690,698
Inventories	146,022	168,098	136,366	151,587	164,594	180,586	197,059	214,025	231,500	249,500	256,985
Other	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	9,851,697	9,353,645	9,763,992	10,440,778	11,249,730	12,356,795	13,563,211	15,138,688	17,110,334	19,450,065	21,928,495
Non-Current Assets											
Investments	15,179,135	13,626,694	14,257,402	15,437,680	16,972,240	19,128,370	21,561,456	24,843,779	29,032,784	34,065,210	39,437,397
Receivables	91,560	96,962	101,763	105,424	109,074	113,959	118,969	123,667	128,551	133,625	138,891
Infrastructure, Property, Plant & Equipment	291,250,593	289,237,698	284,969,648	280,596,029	276,120,230	271,535,287	266,838,277	262,027,963	257,103,034	251,316,172	245,335,073
Intangible Assets	65,442,000	65,442,000	65,442,000	65,442,000	65,442,000	65,442,000	65,442,000	65,442,000	65,442,000	65,442,000	65,442,000
Total Non-Current Assets	371,963,289	368,403,354	364,770,813	361,581,133	358,643,544	356,219,616	353,960,702	352,437,409	351,706,369	350,957,008	350,353,361
TOTAL ASSETS	381,814,986	377,757,000	374,534,804	372,021,911	369,893,275	368,576,411	367,523,913	367,576,097	368,816,703	370,407,073	372,281,856
LIABILITIES											
Current Liabilities											
Payables	1,450,931	1,513,593	1,447,882	1,501,957	1,550,298	1,607,303	1,666,017	1,726,492	1,788,780	1,852,937	1,908,031
Borrowings	4,591,051	4,913,543	5,257,115	5,624,742	6,017,596	6,438,984	5,995,362	5,495,559	5,887,884	6,308,218	6,758,559
Total Current Liabilities	6,041,982	6,427,136	6,704,997	7,126,699	7,567,894	8,046,287	7,661,379	7,222,051	7,676,664	8,161,155	8,666,590
Non-Current Liabilities											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	72,477,953	67,564,410	62,307,295	56,682,553	50,664,957	44,225,973	38,230,611	32,735,052	26,847,168	20,538,950	13,780,391
Total Non-Current Liabilities	72,477,953	67,564,410	62,307,295	56,682,553	50,664,957	44,225,973	38,230,611	32,735,052	26,847,168	20,538,950	13,780,391
TOTAL LIABILITIES	78,519,935	73,991,546	69,012,292	63,809,252	58,232,851	52,272,260	45,891,990	39,957,103	34,523,832	28,700,105	22,446,981
Net Assets	303,295,051	303,765,454	305,522,512	308,212,659	311,660,424	316,304,151	321,631,923	327,618,994	334,292,871	341,706,968	349,834,875
EQUITY											
Retained Earnings	178,743,051	179,213,454	180,970,512	183,660,659	187,108,424	191,752,151	197,079,923	203,066,994	209,740,871	217,154,968	225,282,875
Revaluation Reserves	124,552,000	124,552,000	124,552,000	124,552,000	124,552,000	124,552,000	124,552,000	124,552,000	124,552,000	124,552,000	124,552,000
Council Equity Interest	303,295,051	303,765,454	305,522,512	308,212,659	311,660,424	316,304,151	321,631,923	327,618,994	334,292,871	341,706,968	349,834,875
Total Equity	303,295,051	303,765,454	305,522,512	308,212,659	311,660,424	316,304,151	321,631,923	327,618,994	334,292,871	341,706,968	349,834,875

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
CASH FLOW STATEMENT - WATER FUND											
Scenario: Base-Line Model											
	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities											
Receipts:											
Rates & Annual Charges	3,899,622	4,287,716	4,502,871	4,666,421	4,826,736	5,038,854	5,265,602	5,478,793	5,697,944	5,925,862	6,162,897
User Charges & Fees	14,105,476	14,057,534	14,807,868	15,493,222	16,095,655	16,769,786	17,382,734	17,992,622	18,624,131	19,274,136	19,935,965
Interest & Investment Revenue Received	1,717,600	1,253,000	1,102,500	1,303,000	1,335,575	1,694,575	1,619,575	1,519,575	1,489,575	1,489,575	1,489,575
Grants & Contributions	3,213,946	3,400,115	3,454,430	3,552,975	3,654,256	3,758,456	3,865,727	3,976,161	4,089,853	4,206,900	4,327,402
Other	9,884	(14,632)	(13,168)	(12,074)	(10,495)	(12,458)	(10,637)	(11,000)	(11,394)	(11,710)	(11,898)
Payments:											
Employee Benefits & On-Costs	(3,040,400)	(3,097,000)	(3,156,300)	(3,218,300)	(3,252,496)	(3,319,294)	(3,389,331)	(3,462,768)	(3,539,771)	(3,620,515)	(3,797,683)
Materials & Contracts	(4,067,623)	(4,652,808)	(4,395,486)	(4,595,745)	(4,843,396)	(5,125,606)	(5,420,898)	(5,725,045)	(6,038,313)	(6,360,974)	(6,549,242)
Borrowing Costs	(5,516,246)	(5,153,161)	(4,827,646)	(4,480,856)	(4,109,787)	(3,713,258)	(3,287,923)	(2,849,861)	(2,468,626)	(2,072,800)	(1,648,717)
Other	(2,950,000)	(2,950,000)	(2,950,000)	(2,950,000)	(2,950,000)	(2,950,000)	(2,950,000)	(2,950,000)	(2,950,000)	(2,950,000)	(3,038,500)
Net Cash provided (or used in) Operating Activities	7,372,258	7,130,766	8,525,069	9,758,643	10,746,047	12,141,056	13,074,848	13,968,477	14,893,401	15,880,474	16,869,799
Cash Flows from Investing Activities											
Receipts:											
Sale of Investment Securities	11,275,833	2,109,841	-	-	-	-	-	-	-	-	-
Payments:											
Purchase of Investment Securities	-	-	(857,162)	(1,604,054)	(2,085,540)	(2,930,284)	(3,306,679)	(4,460,834)	(5,693,057)	(6,839,307)	(7,301,057)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(13,288,956)	(4,760,600)	(2,709,250)	(2,813,050)	(2,926,000)	(3,038,950)	(3,155,150)	(3,277,500)	(3,405,150)	(2,793,320)	(2,876,257)
Net Cash provided (or used in) Investing Activities	(2,013,123)	(2,650,759)	(3,566,412)	(4,417,104)	(5,011,540)	(5,969,234)	(6,461,829)	(7,738,334)	(9,098,207)	(9,632,627)	(10,177,314)
Cash Flows from Financing Activities											
Payments:											
Repayment of Borrowings & Advances	(5,873,389)	(4,591,051)	(4,913,543)	(5,257,115)	(5,624,742)	(6,017,596)	(6,438,984)	(5,995,362)	(5,495,559)	(5,887,884)	(6,308,218)
Net Cash Flow provided (used in) Financing Activities	(5,873,389)	(4,591,051)	(4,913,543)	(5,257,115)	(5,624,742)	(6,017,596)	(6,438,984)	(5,995,362)	(5,495,559)	(5,887,884)	(6,308,218)
Net Increase/(Decrease) in Cash & Cash Equivalents	(514,254)	(111,044)	45,114	84,424	109,765	154,225	174,036	234,781	299,635	359,964	384,266
plus: Cash, Cash Equivalents & Investments - beginning of year	1,600,000	1,085,746	974,701	1,019,815	1,104,239	1,214,004	1,368,230	1,542,265	1,777,046	2,076,681	2,436,644
Cash & Cash Equivalents - end of the year	1,085,746	974,701	1,019,815	1,104,239	1,214,004	1,368,230	1,542,265	1,777,046	2,076,681	2,436,644	2,820,910
Cash & Cash Equivalents - end of the year	1,085,746	974,701	1,019,815	1,104,239	1,214,004	1,368,230	1,542,265	1,777,046	2,076,681	2,436,644	2,820,910
Investments - end of the year	20,629,167	18,519,326	19,376,488	20,980,542	23,066,082	25,996,366	29,303,044	33,763,878	39,456,935	46,296,242	53,597,299
Cash, Cash Equivalents & Investments - end of the year	21,714,913	19,494,028	20,396,303	22,084,781	24,280,086	27,364,596	30,845,310	35,540,925	41,533,616	48,732,886	56,418,210

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
BUDGET SUMMARY - SEWER FUND											
Scenario: Base-Line Model											
	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Rates & Annual Charges	22,466,397	22,964,508	23,427,854	23,902,342	24,346,494	24,833,841	25,330,948	25,838,009	26,355,225	26,882,799	27,421,181
User Charges & Fees	2,737,252	2,841,877	2,950,368	3,039,461	3,139,466	3,181,337	3,223,889	3,267,137	3,311,093	3,355,774	3,401,193
Interest & Investment Revenue	2,374,200	2,102,000	1,951,500	2,151,800	2,205,550	2,225,592	2,246,234	2,267,496	2,289,396	2,311,953	2,335,187
Other Revenues	172,900	178,000	166,500	171,400	175,686	180,957	186,385	191,977	197,736	203,668	209,778
Grants & Contributions provided for Operating Purposes	293,250	291,023	294,607	295,643	299,170	302,941	306,774	310,669	314,627	318,651	322,741
Grants & Contributions provided for Capital Purposes	6,416,095	5,094,161	3,969,096	3,959,669	3,952,960	4,149,049	4,498,020	4,649,961	4,804,960	4,949,108	5,097,582
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	34,460,094	33,471,569	32,759,925	33,520,315	34,119,326	34,873,716	35,792,250	36,525,248	37,273,038	38,021,954	38,787,661
Expenses from Continuing Operations											
Employee Benefits & On-Costs	4,664,799	4,733,867	4,806,225	4,882,170	4,924,225	5,010,436	5,100,958	5,196,006	5,295,806	5,400,597	5,670,626
Borrowing Costs	6,718,224	6,131,414	5,608,378	5,180,082	4,725,978	4,242,402	3,737,107	3,234,315	2,799,275	2,348,030	1,864,569
Materials & Contracts	5,251,571	5,430,175	5,600,343	6,013,081	6,382,410	6,819,882	7,270,479	7,734,593	8,212,631	8,705,010	9,266,160
Depreciation & Amortisation	10,895,783	11,222,656	11,559,336	11,906,116	12,263,299	12,631,198	13,010,134	13,400,438	13,802,451	14,216,525	14,643,020
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	5,090,041	5,092,742	5,095,524	5,098,390	5,100,849	5,103,874	5,106,991	5,110,200	5,113,506	5,116,912	5,270,419
Total Expenses from Continuing Operations	32,620,417	32,610,854	32,669,806	33,079,839	33,396,761	33,807,793	34,225,668	34,675,552	35,223,670	35,787,073	36,414,795
Net Operating Profit/(Loss) for the Year	1,839,677	860,714	90,119	440,476	722,565	1,065,923	1,566,582	1,849,696	2,049,368	2,234,881	2,372,866
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure	(23,722,491)	(5,049,800)	(3,908,300)	(3,895,900)	(3,870,500)	(3,647,200)	(3,961,100)	(4,040,000)	(4,204,000)	(4,265,000)	(4,321,840)
Loan Repayments (External)	(8,671,952)	(8,685,979)	(6,037,280)	(6,461,252)	(6,821,651)	(7,296,299)	(7,403,651)	(6,869,515)	(6,268,413)	(6,715,942)	(7,195,420)
Non-cash Expense Contra Income	10,895,783	11,222,656	11,559,336	11,906,116	12,263,299	12,631,198	13,010,134	13,400,438	13,802,451	14,216,525	14,643,020
Net Transfers (to)/from Reserves	16,494,396	(706,361)	(672,296)	(725,569)	(760,510)	(1,199,941)	(1,255,654)	(1,349,957)	(1,362,856)	(1,473,561)	(1,588,429)
Total Capital (Balance Sheet) and Reserve Movements	(5,004,264)	(3,219,484)	941,460	823,395	810,638	487,758	389,729	1,140,966	1,967,182	1,762,022	1,537,332
Net Result (including Depreciation & Other non-cash items)	(3,164,587)	(2,358,770)	1,031,579	1,263,871	1,533,203	1,553,682	1,956,310	2,990,662	4,016,550	3,996,903	3,910,198
Add back Depreciation Expense (non-cash)	10,895,783	11,222,656	11,559,336	11,906,116	12,263,299	12,631,198	13,010,134	13,400,438	13,802,451	14,216,525	14,643,020
Add back ELE Expense (non-cash)											
Add back Other Expenses (non-cash)	2,100,000	2,163,000	950,000	850,000	750,000	850,000	1,100,000	1,150,000	1,200,000	1,236,000	1,273,080
Less Other Income (non-cash)	(12,995,783)	(13,385,656)	(12,509,336)	(12,756,116)	(13,013,299)	(13,481,198)	(14,110,134)	(14,550,438)	(15,002,451)	(15,452,525)	(15,916,100)
Cash Budget Surplus/(Deficit)	(3,164,587)	(2,358,770)	1,031,579	1,263,871	1,533,203	1,553,682	1,956,310	2,990,662	4,016,550	3,996,903	3,910,198

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
INCOME STATEMENT - SEWER FUND											
Scenario: Base-Line Model	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Revenue:											
Rates & Annual Charges	22,466,397	22,964,508	23,427,854	23,902,342	24,346,494	24,833,841	25,330,948	25,838,009	26,355,225	26,882,799	27,421,181
User Charges & Fees	2,737,252	2,841,877	2,950,368	3,039,461	3,139,466	3,181,337	3,223,889	3,267,137	3,311,093	3,355,774	3,401,193
Interest & Investment Revenue	2,374,200	2,102,000	1,951,500	2,151,800	2,205,550	2,225,592	2,246,234	2,267,496	2,289,396	2,311,953	2,335,187
Other Revenues	172,900	178,000	166,500	171,400	175,686	180,957	186,385	191,977	197,736	203,668	209,778
Grants & Contributions provided for Operating Purposes	293,250	291,023	294,607	295,643	299,170	302,941	306,774	310,669	314,627	318,651	322,741
Grants & Contributions provided for Capital Purposes	6,416,095	5,094,161	3,969,096	3,959,669	3,952,960	4,149,049	4,498,020	4,649,961	4,804,960	4,949,108	5,097,582
Other Income:											
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	34,460,094	33,471,569	32,759,925	33,520,315	34,119,326	34,873,716	35,792,250	36,525,248	37,273,038	38,021,954	38,787,661
Expenses from Continuing Operations											
Employee Benefits & On-Costs	4,664,799	4,733,867	4,806,225	4,882,170	4,924,225	5,010,436	5,100,958	5,196,006	5,295,806	5,400,597	5,670,626
Borrowing Costs	6,718,224	6,131,414	5,608,378	5,180,082	4,725,978	4,242,402	3,737,107	3,234,315	2,799,275	2,348,030	1,864,569
Materials & Contracts	5,251,571	5,430,175	5,600,343	6,013,081	6,382,410	6,819,882	7,270,479	7,734,593	8,212,631	8,705,010	8,966,160
Depreciation & Amortisation	10,895,783	11,222,656	11,559,336	11,906,116	12,263,299	12,631,198	13,010,134	13,400,438	13,802,451	14,216,525	14,643,020
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	5,090,041	5,092,742	5,095,524	5,098,390	5,100,849	5,103,874	5,106,991	5,110,200	5,113,506	5,116,912	5,270,419
Total Expenses from Continuing Operations	32,620,417	32,610,854	32,669,806	33,079,839	33,396,761	33,807,793	34,225,668	34,675,552	35,223,670	35,787,073	36,414,795
Operating Result from Continuing Operations	1,839,677	860,714	90,119	440,476	722,565	1,065,923	1,566,582	1,849,696	2,049,368	2,234,881	2,372,866
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	1,839,677	860,714	90,119	440,476	722,565	1,065,923	1,566,582	1,849,696	2,049,368	2,234,881	2,372,866
Net Operating Result before Grants and Contributions provided for Capital Purposes	(4,576,418)	(4,233,447)	(3,878,977)	(3,519,193)	(3,230,395)	(3,083,126)	(2,931,438)	(2,800,265)	(2,755,591)	(2,714,227)	(2,724,715)

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
BALANCE SHEET - SEWER FUND											
Scenario: Base-Line Model											
	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS											
Current Assets											
Cash & Cash Equivalents	1,633,878	1,576,126	1,660,022	1,760,750	1,876,184	2,015,995	2,178,810	2,398,150	2,669,522	2,945,545	3,222,133
Investments	12,668,010	12,220,237	12,870,714	13,651,685	14,546,691	15,630,689	16,893,053	18,593,663	20,697,706	22,837,803	24,982,284
Receivables	2,434,799	1,964,623	2,016,652	2,065,274	2,115,714	2,152,117	2,189,210	2,227,006	2,265,519	2,304,764	2,344,768
Total Current Assets	16,736,687	15,760,986	16,547,389	17,477,709	18,538,589	19,798,802	21,261,073	23,218,818	25,632,747	28,088,112	30,549,185
Non-Current Assets											
Investments	18,375,678	17,726,159	18,669,713	19,802,556	21,100,814	22,673,216	24,504,347	26,971,180	30,023,215	33,127,549	36,238,243
Receivables	355,559	363,975	371,857	379,747	387,331	394,842	402,501	410,312	418,278	426,402	434,691
Infrastructure, Property, Plant & Equipment	476,075,708	469,902,852	462,251,816	454,241,600	445,848,801	436,864,803	427,815,769	418,455,331	408,856,880	398,905,356	388,584,175
Total Non-Current Assets	494,806,945	487,992,986	481,293,385	474,423,903	467,336,946	459,932,860	452,722,617	445,836,823	439,298,374	432,459,307	425,257,109
TOTAL ASSETS	511,543,633	503,753,972	497,840,774	491,901,612	485,875,536	479,731,662	473,983,690	469,055,642	464,931,121	460,547,419	455,806,294
LIABILITIES											
Current Liabilities											
Payables	2,030,827	2,066,431	2,100,394	2,182,008	2,255,017	2,341,520	2,430,617	2,522,388	2,616,911	2,714,271	2,795,699
Borrowings	8,685,979	6,037,280	6,461,252	6,821,651	7,296,299	7,403,651	6,869,515	6,268,413	6,715,942	7,195,420	7,709,131
Total Current Liabilities	10,716,806	8,103,711	8,561,646	9,003,659	9,551,316	9,745,171	9,300,132	8,790,801	9,332,853	9,909,691	10,504,830
Non-Current Liabilities											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	84,201,150	78,163,870	71,702,618	64,880,967	57,584,668	50,181,017	43,311,502	37,043,089	30,327,147	23,131,727	15,422,596
Total Non-Current Liabilities	84,201,150	78,163,870	71,702,618	64,880,967	57,584,668	50,181,017	43,311,502	37,043,089	30,327,147	23,131,727	15,422,596
TOTAL LIABILITIES	94,917,956	86,267,581	80,264,264	73,884,626	67,135,984	59,926,188	52,611,634	45,833,890	39,660,000	33,041,418	25,927,426
Net Assets	416,625,677	417,486,391	417,576,510	418,016,986	418,739,551	419,805,474	421,372,056	423,221,752	425,271,120	427,506,002	429,878,868
EQUITY											
Retained Earnings	291,530,677	292,391,391	292,481,510	292,921,986	293,644,551	294,710,474	296,277,056	298,126,752	300,176,120	302,411,002	304,783,868
Revaluation Reserves	125,095,000	125,095,000	125,095,000	125,095,000	125,095,000	125,095,000	125,095,000	125,095,000	125,095,000	125,095,000	125,095,000
Council Equity Interest	416,625,677	417,486,391	417,576,510	418,016,986	418,739,551	419,805,474	421,372,056	423,221,752	425,271,120	427,506,002	429,878,868
Total Equity	416,625,677	417,486,391	417,576,510	418,016,986	418,739,551	419,805,474	421,372,056	423,221,752	425,271,120	427,506,002	429,878,868

Coffs Harbour City Council											
10 Year Financial Plan for the Years ending 30 June 2025											
CASH FLOW STATEMENT - SEWER FUND											
Scenario: Base-Line Model											
	Current Year	Projected Years									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities											
Receipts:											
Rates & Annual Charges	22,343,175	22,933,197	23,398,728	23,872,516	24,318,575	24,803,207	25,299,700	25,806,136	26,322,713	26,849,636	27,387,339
User Charges & Fees	2,902,036	2,823,293	2,931,097	3,023,635	3,121,702	3,173,899	3,216,331	3,259,455	3,303,285	3,347,837	3,393,125
Interest & Investment Revenue Received	2,374,200	2,102,000	1,951,500	2,151,800	2,205,550	2,225,592	2,246,234	2,267,496	2,289,396	2,311,953	2,335,187
Grants & Contributions	4,049,830	3,746,372	3,313,268	3,405,186	3,501,702	3,601,532	3,704,329	3,810,157	3,919,106	4,031,271	4,146,746
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-
Other	315,495	165,467	155,421	160,664	163,774	175,572	180,905	186,398	192,057	197,887	203,893
Payments:											
Employee Benefits & On-Costs	(4,664,799)	(4,733,867)	(4,806,225)	(4,882,170)	(4,924,225)	(5,010,436)	(5,100,958)	(5,196,006)	(5,295,806)	(5,400,597)	(5,670,626)
Materials & Contracts	(5,008,663)	(5,394,571)	(5,566,380)	(5,931,467)	(6,309,400)	(6,733,380)	(7,181,381)	(7,642,823)	(8,118,107)	(8,607,651)	(8,884,732)
Borrowing Costs	(6,718,224)	(6,131,414)	(5,608,378)	(5,180,082)	(4,725,978)	(4,242,402)	(3,737,107)	(3,234,315)	(2,799,275)	(2,348,030)	(1,864,569)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-
Other	(5,090,041)	(5,092,742)	(5,095,524)	(5,098,390)	(5,100,849)	(5,103,874)	(5,106,991)	(5,110,200)	(5,113,506)	(5,116,912)	(5,270,419)
Net Cash provided (or used in) Operating Activities	10,503,010	10,417,734	10,673,508	11,521,693	12,250,850	12,889,709	13,521,061	14,146,297	14,699,864	15,265,396	15,775,943
Cash Flows from Investing Activities											
Receipts:											
Sale of Investment Securities	20,484,312	1,097,292	-	-	-	-	-	-	-	-	-
Payments:											
Net Cash provided (or used in) Investing Activities	(1,138,179)	(1,789,508)	(4,552,331)	(4,959,714)	(5,313,764)	(5,453,600)	(5,954,595)	(7,057,443)	(8,160,078)	(8,273,431)	(8,303,935)
Cash Flows from Financing Activities											
Payments:											
Repayment of Borrowings & Advances	(8,671,952)	(8,685,979)	(6,037,280)	(6,461,252)	(6,821,651)	(7,296,299)	(7,403,651)	(6,869,515)	(6,268,413)	(6,715,942)	(7,195,420)
Net Cash Flow provided (used in) Financing Activities	(8,671,952)	(8,685,979)	(6,037,280)	(6,461,252)	(6,821,651)	(7,296,299)	(7,403,651)	(6,869,515)	(6,268,413)	(6,715,942)	(7,195,420)
Net Increase/(Decrease) in Cash & Cash Equivalents	692,878	(57,752)	83,896	100,727	115,435	139,811	162,816	219,339	271,373	276,023	276,588
plus: Cash, Cash Equivalents & Investments - beginning of year	941,000	1,633,878	1,576,126	1,660,022	1,760,750	1,876,184	2,015,995	2,178,810	2,398,150	2,669,522	2,945,545
Cash & Cash Equivalents - end of the year	1,633,878	1,576,126	1,660,022	1,760,750	1,876,184	2,015,995	2,178,810	2,398,150	2,669,522	2,945,545	3,222,133
Cash & Cash Equivalents - end of the year	1,633,878	1,576,126	1,660,022	1,760,750	1,876,184	2,015,995	2,178,810	2,398,150	2,669,522	2,945,545	3,222,133
Investments - end of the year	31,043,688	29,946,396	31,540,427	33,454,241	35,647,505	38,303,905	41,397,399	45,564,843	50,720,921	55,965,352	61,220,527
Cash, Cash Equivalents & Investments - end of the year	32,677,567	31,522,522	33,200,450	35,214,990	37,523,689	40,319,900	43,576,210	47,962,992	53,390,443	58,910,897	64,442,660

Attachment



COFFS HARBOUR CITY COUNCIL

DRAFT WORKFORCE MANAGEMENT PLAN

2011/2012 to 2015/2016



Coffs Harbour City

Coffs Harbour City is located on the Mid North Coast of New South Wales, about 540 kilometres north of Sydney, and 440 kilometres south of Brisbane. Coffs Harbour City is predominately a rural area, with expanding residential, rural-residential and resort areas, and some industrial and commercial land use. The City encompasses a total land area of nearly 1,200 square kilometres, including substantial national park, state forest, parklands, coastline and beaches. The original inhabitants of the area are the Gumbaynggir people.

Introduction

What is the Integrated Planning Framework?

The New South Wales (NSW) State Government has introduced a new planning and reporting framework for Local Government. These reforms replace the former Management Plan and Social Plan with an integrated framework; this also includes a new requirement to prepare a long term community strategic plan and resourcing strategy.

The Resourcing Strategy consists of three components including the Long Term Financial Plan, Asset Management Plan and Workforce Plan. These strategies are required under the amended Local Government Act 1993, Section 403.

Council's Delivery Program sets out strategies to incrementally address the emerging long term service delivery expectations and needs of the community. These strategies and the annually updated actions that underpin them are derived from our community's Vision 2030 document.





The Coffs Harbour 2030 Community Strategic Plan has five key areas derived from community consultation.

- **Learning & Prospering**
- **Places for Living**
- **Moving Around**
- **Looking After our Community**
- **Looking After our Environment**

The Operational Plan and Delivery Program are aligned with these five themes. Council’s Workforce Management Plan will endeavour to build an organisational culture which continues to attract and retain great staff to assist in achieving the outcomes in the Delivery Program and Operational Plan.

With a high performing culture, Council will strengthen relationships with its partners. The Workforce Management Plan will be a dynamic document which will change as required.

The Workforce Management Plan is structured on the directions and key strategies set out in the Operational Plan and Delivery Program.



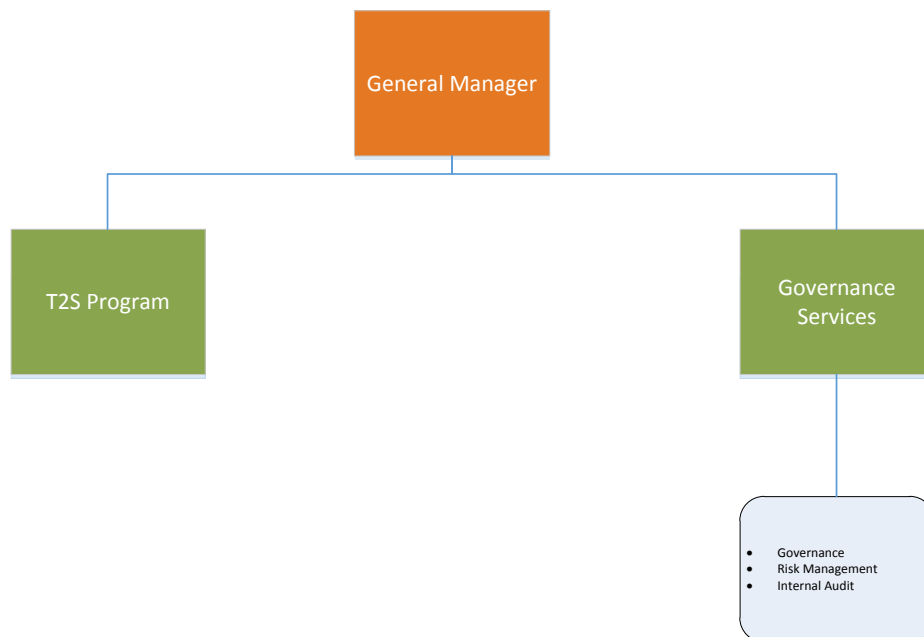
Council Service S36 - Human Resources

Develop and implement best practice workforce management strategies to assist Council to serve the community.

Coffs Harbour 2030 Plan

Strategy LC3.1: Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour.

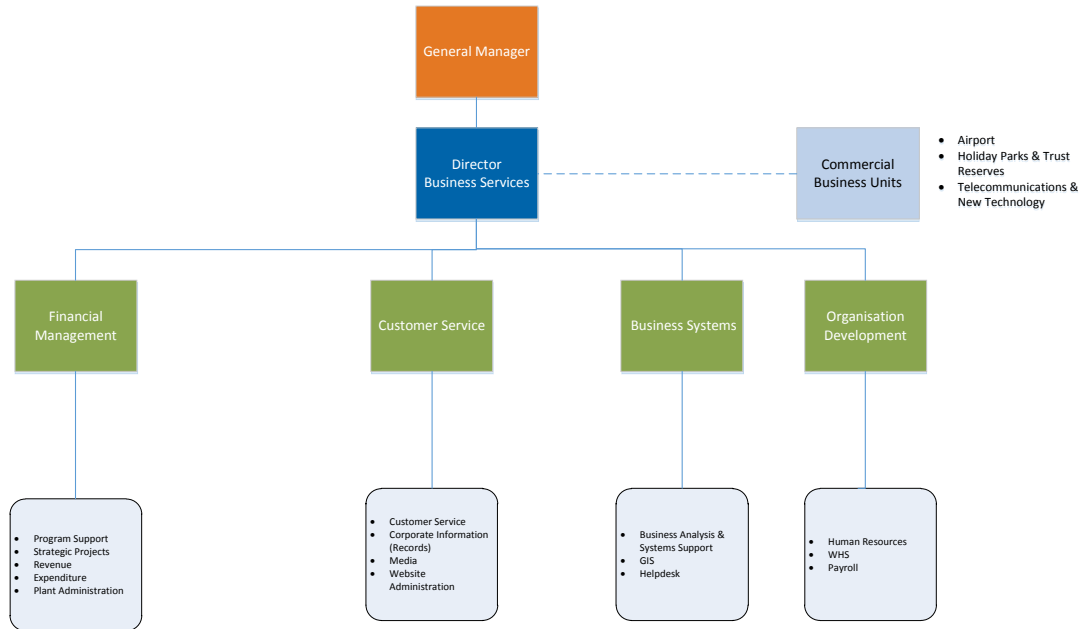
Coffs Harbour City Council Work Environment



Council delivers services to the community through three directorates and the General Manager's Office.

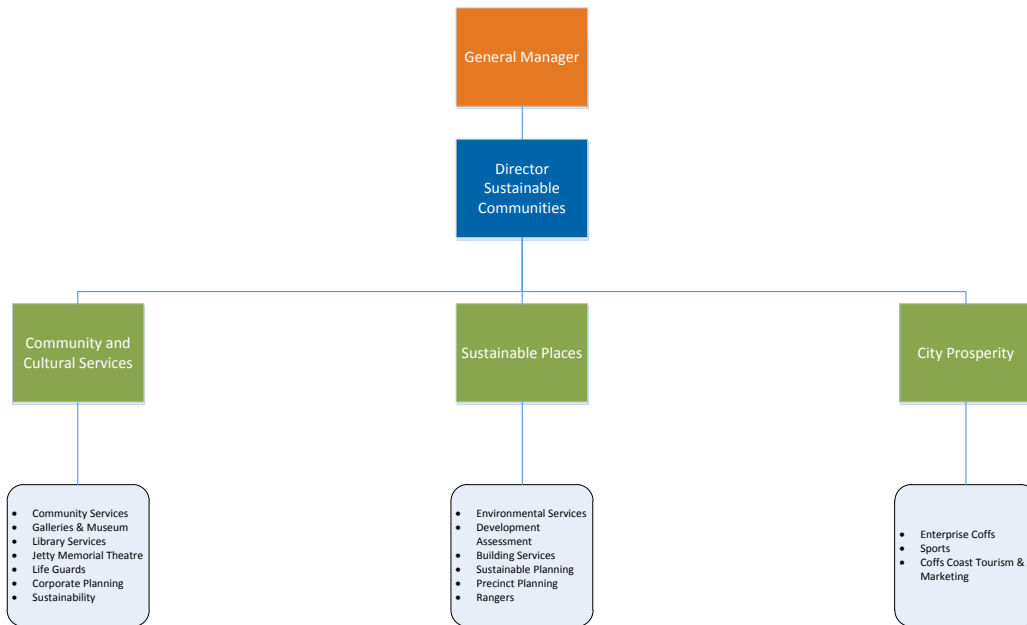
The **General Manager's Office** facilitates cohesion between the three directorates, it oversees the Governance Services and the Transformation 2 Sustainability Program; it also provides support for the Mayoral function.

Business Services



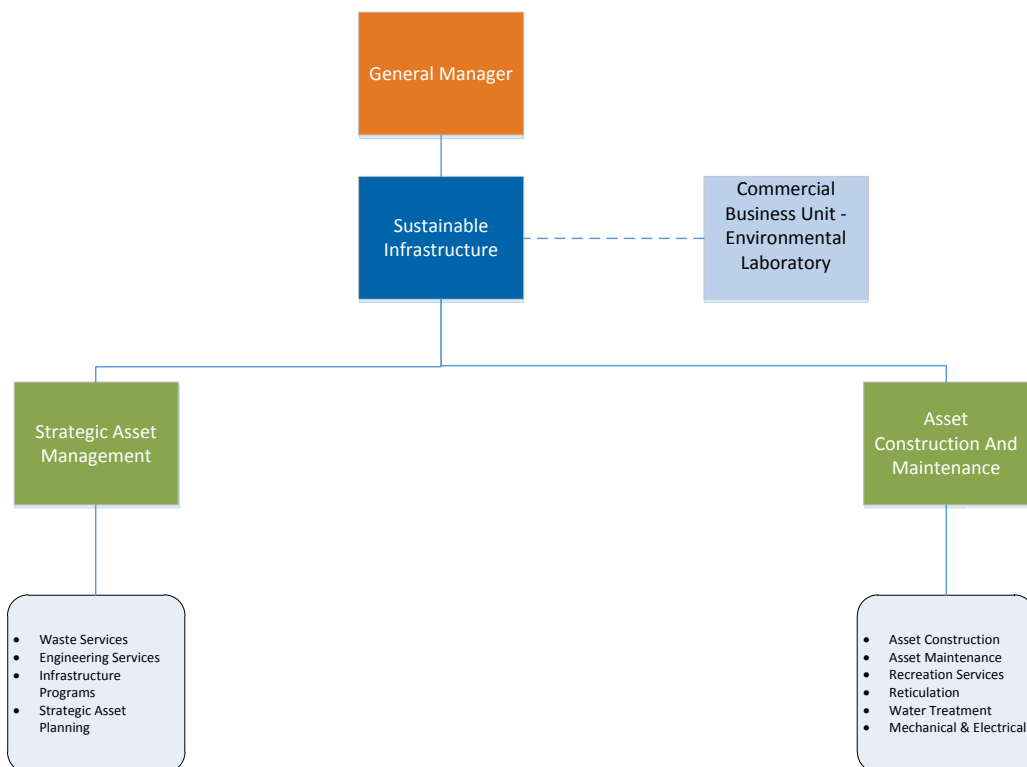
Business Services is responsible for Financial Management, Business Systems, Organisational Development, Customer Service, Coffs Harbour Airport, Holiday Parks & Reserves and Telecommunications & New Technology.

Sustainable Communities



Sustainable Communities is responsible for Environmental services, development assessment, building services, sustainable and precinct planning and Rangers. Sustainable communities also includes community services, the Jetty Memorial Theatre, Library Services, Cultural Facilities, Sustainability, Lifeguards, Corporate Planning, Enterprise Coffs, Sports Unit and Coffs Coast Tourism and Marketing.

Sustainable Infrastructure



Sustainable Infrastructure is responsible for strategic asset management including waste services, engineering services, infrastructure programs and asset planning. It also provides asset construction and maintenance services in relation to roads, footpaths stormwater reserves and various physical assets. This directorate is also responsible for providing water and sewerage services.

Coffs Harbour City Council Corporate Goals

- Corporate Sustainability
- Respect for the individual, whether customer or employee
- The pursuit of excellence
- Outstanding customer service



Coffs Harbour City Council Staff Core Values

Team Work

- working cooperatively
- having a one Council approach
- avoiding duplication of effort
- looking out for the well being of each other

Effective Communication

- having open and honest two way communication
- recognising the diversity of people
- communicating in a sensitive manner and respecting confidentiality

Professionalism

- appropriate application of knowledge
- pride in work
- focussed on positive sustainable outcomes
- high quality of service to each other and the community
- commitment to improving skills
- demonstrated leadership

Innovation

- encouraging new ideas and better ways
- using experiences positively
- flexibility
- a can do approach

Integrity

- honesty
- being ethical
- respect for people
- giving our best
- being loyal

Achievement

- positive self motivation
- encouragement to succeed
- recognition of work well done
- celebrating success



Workforce and the Future

Strategic Human Resource Management recognises the economic, social and political factors that create the external context in which Council operates. Factors with significant implications for effective human resources management and organisational development relate to the changing composition of the Australian workforce in terms of age, gender, ethnic distribution and the push to have people with disabilities, to gain meaningful employment. Skills Australia, has stated in the their Australian Workforce Futures paper, that Australia faces a significant participation challenge and needs to increase participation rates to avoid future labour and skills shortages. Targeting specific groups in the community who have relatively low participation rates is critical; these include men of prime working age (25 to 64) Women (25 to 34) and older workers (55 to 64).

Council strives to have its workforce, to the greatest possible extent, reflect the demographics of the Coffs Harbour community. There are also significant challenges in maintaining high level productivity in an ageing workforce and ensuring Council is successful in recruiting and retaining high quality staff across all working age groups.

The ageing workforce trend is currently reflected in Councils staff demographics. As at 30.1.14, Council employed 527 staff (excluding casuals) of which 33% are 55 and over, this is in part due to Coffs Harbour's location and Coffs Harbour's status as one of the largest employers in Coffs Harbour, many people at Coffs Harbour City Council have sought a sea change and have relocated from urban metropolitan areas and are here to stay.

Keeping talented mature aged workers is a challenge, but one that is made easier by Councils low staff turnover, which was 9.22% in 2011/2012(571 employees). In Australia, the trend is for people to work longer, government policy in relation to the age pension entitlement age, and life style expectation of baby boomers, plays a role in this.



Councils Financial Position

In relation to Councils financial situation, details can be found in the Delivery Program and the Operational Plan and Long Term Financial Plan. A Service Review Program is scheduled for the second half of 2011, to review all Councils services.

Strategic Directions for Human Resources & Organisational Development

Recruit, develop and retaining high quality staff

Recruitment, development and retention of high quality staff in a competitive labour market are of vital importance to the Council. As demographic change increases turnover, competition for the best will accelerate. Progressive human resources management requires effective recruitment and retention strategies, more flexible remuneration packages, and career development within a healthy and safe work environment, strategies to maintain organisational knowledge in a time of change are also essential.



Flexible employment

Rapidly changing demands on Council requires flexible work arrangements, while at the same time protecting the interests of staff, the extent to which employee's access flexible employment options will, in some measure, depend on the understanding and support they receive from management and co-workers.

Performance Management

One of the most important reasons for managing performance is to encourage desired behaviours in the workplace. Good performance management often results in staff having a sense of value, purpose and motivation to excel in their work. Council's focus on performance management will also work towards developing our staff to be good managers and leaders who can drive strong performance and a positive culture. In 2011 Council has introduced 360 degree assessments of Directors, Executive Managers and Managers as the starting point of a new program of performance management. Progressively, the performance management program for all staff will be reviewed and implemented. Achieving best practice standards requires that all staff perform at a high level, using performance and risk assessment frameworks. Effective performance management will incorporate benchmarking of expectations and encourage performance based rewards. Into the future, risk management will incorporate business continuity and succession planning.

Continual Learning

A rapidly changing knowledge base in the work of Councils, developing technologies, the need for a sustainable financial environment, and a greater level of communication with the community, requires a commitment to lifelong learning by each member of staff, as well as access to staff development opportunities. The need to develop transformational leadership in our supervisors, managers and directors offers a challenge that must be fulfilled.

Equity and Diversity

Diversity among the staff that reflects the broader Coffs Harbour Community, has the benefit of building a broad base of community support, as well as meeting important social, moral and human rights and commitments to equity and diversity. A diverse staff will improve the decision making in Council and greater age diversity will also assist in addressing the need to maintain staff levels.

Supportive Culture

To maintain Council as an employer who can attract and retain quality staff, requires a supportive, inclusive and high performance culture marked by cooperation and respect and where the work environment promotes work / life balance for staff, the important element here is promoting emotional intelligence amongst all staff.

Ongoing Efficient Workplace

Councils are service based industries and as such do not have the same operating environment and opportunities for economies of scale other industries such as manufacturing have. But Councils can, through ongoing continuous improvement programs and through resource sharing and enterprise bargaining, achieve significant results in relation to efficiencies and effectiveness.

Organisational Development

Continuous improvement requires us to put in place relevant measures in key areas to support development and change. In addition, the changing needs of the community and financial pressures demand that we continually review and seek efficiencies in our work practices. In 2011, Council conducted a Service Review, this had not had significant impacts on service levels or on which services Council provides to date.

It is envisaged that a program of continuous improvement will be carried on to monitor and evaluate our practices. As part of the wider organisational development agenda, Council has conducted an employee survey in the second half of 2012 and another in 2014.

As part of the ongoing monitoring, a reporting profile will be implemented, that will regularly report on demographics, turnover, gender balance, sick leave, employment status, age profile, staff survey results, non confidential results of 360 degree processes, and results of service reviews and continuous improvement programs.

Safe and Healthy Workplaces

Council continually reviews its safe work practices, and works toward reducing the cost of workers compensation, both in relation to premiums and lost time. Concentration on areas where trends occur, has resulted in significant improvements, an intensive approach to return to work and rehabilitation has improved the overall outcomes in relation to workers compensation.



Council also continues to use its Health and Well Being program to endeavour to improve the health of its staff and to assist with developing healthy lifestyle choices. Council also provides access to the Employee Assistance Program, which allows access to a confidential service in relation to professional counselling.

Workforce Demographic Data

In preparing the Workforce Plan, Council reviewed the demographic data of Councils workforce and the Coffs Harbour Local Government Area.

	Council ^	CHLGA *
Males	353	33,204 (total all age groups)
Females	180	35,214 (total all age groups)
Disability	7	1,719 (total all age groups)
Aboriginal	6	2,310 (total all age groups) - correct
CALD	4	3,135 (total all age groups)

2011 ^ (Includes all staff on payroll January 2015)

Australian Workforce Demographics

ABS data * – states that almost one third of the local government industry workforce is aged over 50 year. In the Australian workforce, generally two out of every five workers is 45 years or older, the median age in 2006 was 40 years with 41.6% of workers in local government aged 45 years or older. In the last 20 years the number females in the labour force has increased by 54.2%. The number of females in government administration and defence was 43.4% by 2001. By 2006 the number of females employed in local government administration was 43.7%

Over the past 20 years the number of part time workers has almost doubled. Part time workers constitute 28.6% of the total population; Females make up 71.2% of part time workers.

(*ABS 2006 census of Population & Housing) (ABS 2001 Census P&H) (ABS Labour Force Australia Jan 2009)

In relation to the demographic data of the LGA, this needs to be put in the context of Council’s location on the Mid North Coast and Councils status as a “Sea Change” and retirement destination. Much of Councils “outdoor” work is still physically demanding and this leads to it being more attractive to males rather than females. The ratio of 30% females to 70% males has been reasonably consistent for the past several years, varying only by 1 or 2%. Gender varies across directorates as the “hard infrastructure” services, which attract more males, are largely in one directorate.

Age Profile

Based on the latest figures of a total of 527 staff, 33.00 % are 55 and over, and 66% of staff are 45 years of age or older. This is not surprising given that recruitment of professional, technical and other staff, attracts candidates wishing to move from major metropolitan centres, once they move here, they stay here. With government policy encouraging the population to work longer, the old “artificial” retirement age of 65 can no longer be used as a benchmark.

Turnover

Council’s turnover is a very low 9.22% for 2011/2012. This reflects our geographic location and our attracting people to the area, who wish to relocate and stay here.



Salary and Rewards

Council is embarking on many organisational development initiatives, in relation to staff management and a salary and rewards review will be scheduled into a program of related reviews.

Current and Ongoing Initiatives for Workforce Sustainability

Council currently has a range of initiatives in place to address workforce demand and supply issues. The strategies have three broad aims, concentrating on attracting suitable professional, administrative, technical and operational staff, retaining staff and exploring areas for potential employees which have not been sufficiently utilised in the past, e.g. people with disabilities and Aboriginal and Torres Strait Islanders.



These initiatives include but are not limited to

- Employment of trainees
- Use of existing workers trainee funding to up skill existing staff
- Accessing federal funding for over 50 age groups to obtain qualifications
- Encouraging staff to consider career changes into known areas of skills shortages
- The development of staff in para professional roles
- Increasing the level of participation in the workplace by Aboriginal people
- Flexible work practices to encourage the continued participation of women with young children, and staff with elder carer responsibilities
- Flexible employment practices for staff transitioning to retirement.
- Use of project management methodology and internal teams to deliver projects
- Continuing professional development opportunities for staff.
- Increasing the opportunities for employment of people with disabilities, including as far as practicable making flexible changes for exciting staff who acquire disabilities so as to keep them in the workplace.
- A health and well being program to encourage improved health and fitness of staff, so they can work longer in good health and to assist with reducing sick leave taken, through lifestyle issues.

Project Management Methodology

Council uses project management methodologies which utilises project teams across multi disciplinary lines to focus on the achievement of the outcomes, without resorting to external consultants. This method develops existing staff and keeps knowledge within Council while giving greater job satisfaction and variety, which is a key factor in retaining talented staff.

Support for Staff in training & development and continuing professional development activities

This is a factor in both attracting and retaining good staff. Generous support for staff development opportunities are given to staff wishing to enhance their professional qualifications or personal development. Support is also given, by allowing secondments to other organisations to gain different but valuable experience. Council reimburses fees paid to professional bodies, thus encouraging staff to maintain their up to date knowledge within their field of expertise and stay connected to colleagues in the industry. Council has been very successful in gaining access to federal and state funding for training and development, and will continue to avail itself of funding sources that come up in the future, to maximise the gain for staff while offsetting costs to the community.



Employment of people with recognised disabilities

Council is encouraging the employment of people with recognised disabilities; this has been achieved by employing new staff with recognised disabilities, where these can be accommodated, within the requirements of the position. In addition, making accommodations within the workplace for existing staff, wherever practicable, who find themselves with a disability, through accident or illness; this may include flexible work hours or days, or reasonable workplace adjustments.

Support through Health & Well Being Program

Council continues to support activities through the health and well being program, this support is designed to increase the overall fitness and health of staff, making them more resilient to workplace injuries and more resilient to seasonal ailments. In addition, healthy lifestyle choices can assist with mental health issues, and stress related illnesses. This support is again an important factor in attracting and retaining good staff. The program includes support for events such as Ride 2 Work day, Australia's Biggest Morning Tea, Diabetes awareness and other related activities.



Employment of Trainees

Council has supported the employment of trainees, and assisting existing workers to complete traineeships. The support for traineeships both satisfies Council needs to have trainees and up skill staff, but is also a contribution to the well being of the community as whole, providing opportunities for local people. Council is growing their own skilled trade's people, technical and professional people. Council currently has 68 trainees, some existing workers, some new staff, some through group training companies and three school based trainees. They are in areas including civil construction, civil engineering, business administration, front line management, library and information services, water industry operations, management, civil construction plant, environmental health, financial services, horticulture, information technology, outdoor recreation, human resources, and conservation and land management.



Apprentices

Council currently has seven apprentices in design, carpentry construction electrical and fitting.



Engineering Scholarships

Council currently has four engineering students completing their degrees over a six year period with Newcastle University. A condition of their scholarship with Council is that they do industrial experience placements with Council in five out of the six years of their study. On completion of their studies, if a position is available, they may be offered a graduate engineer position. In this way Council is growing our own engineers, a profession which has been identified as being in short supply. It is also a profession which has been subject to the impact of the mining boom, with many graduate engineers being attracted to that sector.

Aboriginal Employment

Employment of staff of Aboriginal and Torres Strait Islander descent, has been reasonably successful over the past few years, but some staff that identified, have left Council's employ due to ill health and family reasons. Council continues to support those Aboriginal staff in the workplace. Trainees are encouraged to apply for permanent positions as they arise, and support in relation to recruitment processes, such as interview skills training is provided. Council currently has aboriginal trainees in the areas of outdoor recreation (lifeguards), conservation and land management, and business studies. Council currently has one aboriginal staff member completing an apprenticeship in bridge carpentry.



Flexible employment

Over the past several years Council has accommodated some 100 or so, requests for flexible employment in relation to female staff returning from maternity leave, male staff members for parenting related issues, as well as increasing transition to retirement requests. Flexible employment is one of the most important factors in dealing with any potential skills shortages, as reduced hours and days, is an incentive to keep working for both younger staff with carers responsibilities, older staff with carers responsibilities and also transitioning employees. Flexible employment options work well in relation to succession planning. Keeping the knowledge in the organisation so that older staff can pass on their knowledge to younger staff, is vitally important. In conducting the analysis of critical positions, most often the "skills gaps" identified, were experience and corporate knowledge, rather than basic technical skills.

Succession Planning

Succession planning is a strategic, systematic and deliberate activity to assist an organisations future capability to fill vacancies, consistent with the merit principle. It specifically focuses on assisting to provide availability and sustainability of a supply of capable staff that are ready to assume key or critical roles, as they may become available. Succession planning involves a planned and systematic effort geared towards responding to leadership requirements and technical specialist positions, now and in the future.

In 2011, all Directors and Managers we asked to identify the critical positions in their areas of responsibility; this data has been valuable in adding demand data to the equation of skills required and possible shortages.

One issue for us in Local Government in relation to succession planning, is the need to adhere to the requirements of the Local Government Act in relation to selection and promotion on merit. Local Government does not have the flexibility to just choose which staff member will be the next for promotion. Therefore, any succession plans must be seen as broad plans of which positions are critical and a set of strategies to try to equip prospective applicants with skills, knowledge and experience to be successful at an interview, whilst still being compliant with the legislation.

Critical Position Analysis and follow up plans

Subsequent to the critical position analysis, Managers identified training and development needs and have been requested to translate these into detailed personal and professional development plans for staff identified, the development of these plans plays a crucial role in succession planning. The process identified some technical skills training that were required, but overall experience and corporate knowledge outweighed any major technical skills issues identified. Any structural changes may have an impact on the number of critical positions, and any plans must therefore be fluid to accommodate changes emanating from structural change, and other unexpected staff changes.

Succession planning forms part of Workforce Planning, which seeks to ensure in general, that the right people, are in the right place, at the right time, to achieve the business outcomes in the delivery program linked to the elements that Council is responsible for in Community Strategic Plan,.

Emerging Leaders Program

In 2011, Council also embarked on developing an Emerging Leaders Program, which will form part of the succession planning processes at Council. Development activities and opportunities for staff nominating, will be coordinated to allow professional and personal development, as well as targeting Council needs. But it is recognised that the merit principle applies to all staff appointments and promotions, so any programs that are put in place to satisfy succession planning requirements, can only, at best, 'groom' potential applicants, and staff are still free to leave Councils employ, so any plans for particular staff must be viewed in this light.



Staff Numbers, Structure, Links to Delivery Program and Operational Plan

Directorates

Staff Numbers as at Jan 2015

Executive & General Managers Office	16
Business Services	116
Sustainable Communities	121
Sustainable Infrastructure	280

* Includes all staff on payroll including long term leave, maternity leave etc.

Staff Links to Delivery Program and Operational Plan

Service Code	Service Name	Responsible Officer	Directorate	Strategy from reviewed Coffs Harbour 2030 Plan (2013)	Critical positions identified. Many can be filled now, but skills, experience gaps, identified. Plans by managers developed
S01	Arts and Culture	Group Leader Community & Cultural Services	Sustainable Communities	LC1.1, LC1.6, LC4.1, LC4.2, LC4.3, LC4.4, LP5.1, LP5.2	X
S02	City Image - Cleaning	Group Leader Asset Construction & Maintenance	Sustainable Infrastructure	LC1.1, LE4.2, PL2.2	X
S03	Community Services	Group Leader Community & Cultural Services	Sustainable Communities	LC1.1, LC1.3, LC1.4, LC1.5, LC1.6, LC3.2, LC4.2, LC4.3, LC4.4, LP5.2, PL2.2	X
S04	Regulatory Compliance Enforcement	Group Leader Sustainable Places	Sustainable Communities	LC1.3	X
S05	Customer Service	Group Leader Customer Service	Business Services	LC3.1	X
S06	Development Assessment	Group Leader Sustainable Places	Sustainable Communities	LC3.1, LC3.1, PL1.2	X
S07	Economic Development	Group Leader City Prosperity	Sustainable Communities	LC1.1, LC2.2, LC3.2, LP3.2, LP1.1, LP1.2, LP1.3, LP2.1, LP2.2, LP2.3, LP6.1, LP6.2, LP2.3, MA3.1, MA3.2, LP6.3, MA3.1, MA3.2, MA3.3, PL1.4, PL1.6	X
S08	Emergency Management	Director Sustainable Infrastructure	Sustainable Infrastructure	LC1.2	X
S09	Environmental Management	Group Leader Sustainable Places	Sustainable Communities	LC3.2, LE1.2, LE1.3, LE2.1, LE2.2, LE3.1, LE3.2, LE3.3, LE3.4, LE4.2, LE4.3, LE4.4, LE4.5, LE4.6, LP4.1	X
S10	Event Management	Group Leader City Prosperity	Sustainable Communities	LC1.1, LC3.2, LC4.4, LP1.3	X
S11	Flooding and Coastal Management	Group Leader Strategic Asset Management	Sustainable Infrastructure	LC3.2, LE2.1, LE3.2, LE4.1, PL1.2	X

Service Code	Service Name	Responsible Officer	Directorate	Strategy from reviewed Coffs Harbour 2030 Plan (2013)	Critical positions identified. Many can be filled now, but skills, experience gaps, identified. Plans by managers developed
S12	Footpaths and Cycleways	Group Leader Asset Construction & Maintenance	Sustainable Infrastructure	LE3.5, MA1.2, MA1.4, MA2.1	X
S13	Environmental Services	Group Leader Sustainable Places	Sustainable Communities	LC1.3, LE4.2, LE4.4	X
S14	Building Services	Group Leader Sustainable Places	Sustainable Communities	LC3.2, LE2.1, LE3.1, LP3.1, MA1.4, PL1.1, PL1.3, PL1.5, PL1.6, PL2.2	X
S15	Library	Group Leader Community & Cultural Services	Sustainable Communities	LC4.2, LP5.1	X
S16	Lifeguards	Group Leader Community & Cultural Services	Sustainable Communities	LC1.3	X
S17	Parks and Facilities	Group Leader Asset Construction & Maintenance	Sustainable Infrastructure	LC1.1, LC1.2, LC1.4, LC1.5, LC1.6, LC3.1, LE1.2, LE1.3, LE3.4, LP5.2, PL2.2, PL2.3	X
S18	Property	Group Leader Strategic Asset Management	Sustainable Infrastructure	LC3.2, MA3.3, PL1.2, PL2.2	X
S19	Roads and Bridges	Group Leader Asset Construction & Maintenance	Sustainable Infrastructure	LC1.2, MA1.2, MA2.1	X
S20	Sewer	Group Leader Asset Construction & Maintenance	Sustainable Infrastructure	LC1.2, LC2.1, LC3.2, LE4.1, LE4.2, PL1.2	X
S21	Sport	Group Leader City Prosperity	Sustainable Communities	LC1.6, LC3.2, LC4.4	X
S22	Stormwater	Group Leader Strategic Asset Management	Sustainable Infrastructure	LE3.2, LE4.1, LE4.2, PL1.2	X
S23	Tourism	Group Leader City Prosperity	Sustainable Communities	LE1.1, LP1.1, LP1.2, LP1.3, LP2.1	X
S24	Waste Management	Group Leader Strategic Asset Management	Sustainable Infrastructure	LC3.2, LE4.2, LE4.4	X
S25	Water	Group Leader Asset Construction & Maintenance	Sustainable Infrastructure	LC1.2, LC2.1, LC3.2, LE1.2, LE2.1, LE4.1, LE4.3, LE4.6, LP6.1, PL1.2	X
S26	Airport	Manager - Airport	Business Services	LC3.1, MA1.2	X
S27	Civil Contracting	Group Leader Asset Construction & Maintenance	Sustainable Infrastructure	LC3.1	X
S28	Corporate Information	Group Leader Business Systems	Business Services	LC1.2, LC3.1	X
S29	Corporate Planning	Group Leader Community & Cultural Services	Sustainable Communities	LC3.1, LC3.2	X
S30	Design	Group Leader Strategic Asset Management	Sustainable Infrastructure	LC3.1, LE2.1, LP3.2, MA1.1, MA1.2, MA1.3, MA1.4, MA2.2, MA2.3, PL1.2, PL1.6, PL2.1, PL2.2, PL2.3	X
S31	Digital e-Leadership	Group Leader Business Systems	Business Services	LC1.4, LC3.1	X
S32	Environmental Laboratory	Manager - Environmental Laboratory	Sustainable Infrastructure	LC3.1, LE4.1	X
S33	Finance	Group Leader Financial Management	Business Services	LC3.1, LC3.2, LC3.4, LE3.5	X
S34	Governance	Group Leader Governance Services	General Managers Office	LC3.1, LC3.2	X
S35	Holiday Parks	Manager - Holiday Parks & Reserves	Business Services	LC3.1, LC3.2, LE3.4, PL1.2, PL2.2	X

Service Code	Service Name	Responsible Officer	Directorate	Strategy from reviewed Coffs Harbour 2030 Plan (2013)	Critical positions identified. Many can be filled now, but skills, experience gaps, identified. Plans by managers developed
S36	Human Resources	Group Leader Organisational Development	Business Services	LC3.1	X
S37	Media	Group Leader Customer Service	Business Services	LC3.1, LC3.2	X
S38	Plant and Fleet Management	Group Leader Financial Management	Business Services	LC3.1	X
S39	Procurement	Group Leader Financial Management	Business Services	LC3.1	X
S40	Strategic Asset Planning	Group Leader Strategic Asset Management	Sustainable Infrastructure	LC3.1, MA1.1, MA2.1, PL1.2	X
S41	Telemetry and Optic Fibre	Telecommunications & New Technology Manager	Business Services	LC3.1	X

The above table has all the links to the Delivery Program and Operational Plan, which are derived from Council's direct responsibilities in addressing the Coffs Harbour 2030 Community Strategic Plan. It should be noted that there are objectives and strategies in the 2030 Plan, for which Council has a facilitative or advocacy role, rather than a direct role as a provider.

Conclusion

Taking into account the current delivery program and operational plan commitments, the current level and make up of Coffs Harbour City Councils staff, as shown in the staff numbers, organisational charts and links to programs above, is adequate to provide the necessary human resources to fulfil the demands. As mentioned earlier, in 2011, Council is conducting a Service Review, if this has major impacts on service delivery or levels of service which in turn impact staff numbers, then this will be taken into consideration in again reviewing the Workforce Management Plan to reflect those changes.

The Workforce Management Plan is a dynamic document, one that will need to be modified as changes described above, or any other potential changes occur. The succession planning aspects of this document, must also be reviewed on a regular basis, as staff leave, some planned and some unexpectedly, often due to external factors which Council has no control over. As direct changes are made to the delivery program and operational plan, the staff links will be modified as necessary.

Summary of Ongoing Human Resources & Organisational Development Initiatives to support Workforce Plan, Succession Planning & General HR Initiatives

Strategies	Action	Timeframe	Responsible Person/s	
Ensure Councils workforce is sustainable to achieve outcomes in the delivery program				
	Develop and monitor succession planning initiatives	Development by end March monitoring is ongoing	Directors, GLs and GLOD	Report to GLT quarterly
	Critical position analysis is undertaken	Completed July 2011	GLT & GLOD and Directors	
	Development Plans associated with critical positions are developed and implemented	In process of completion	Directors and GLT	
	Conduct a survey of retirement options and alternative strategies	To be completed in the first quarter of 2012	GLOD and OD Staff	
	Continue to support flexible working arrangements wherever possible to maximise all staff participation in the CHCC workforce	Ongoing	GLOD and GLT	Record all arrangements, monitor and report to GLT
	Continue to support transition to retirement arrangements to maximise all staff participation in CHCC workforce.	Ongoing	GLOD and GLT	Record all arrangements, monitor and report to GLT
	Develop Emerging Leaders program	By end of January 2012	GLOD and project team members	
	Seek nominations for Emerging Leaders program	By end of January 2012	GLOD	
	Facilitate conduct of initial Emerging Leaders program	Throughout 2012	GLOD and project team members	
	Facilitate ongoing Emerging Leaders program	Ongoing	GLOD	

Strategies	Action	Timeframe	Responsible Person/s	
Attract and retain quality employees	Continue review of Position Descriptions	Ongoing 2 year cycle.	GLOD, OD staff and GLT	
	Continue Online recruitment, monitor and review system and suggest changes	Ongoing	GLOD and OD Staff	
	Coordinate the review of the Staff Core Values	By end of March 2012	GLOD and review team	
	Review, reward and recognition programs		GLOD	
	Ensure staff are aware of access to Employee Assistance Program	Ongoing	GLT and OD Staff	
	Monitor effectiveness of the EAP providers	Ongoing	GLOD and OD Staff	
	Monitor new induction program and amend as required	Ongoing	GLOD and OD staff	
Attract and retain a staff from diverse backgrounds	Review Equal Employment Opportunities related policies	By end June 2012	GLOD and OD Staff	
	EEO strategies are used to maximize the diversity of Councils workforce.	Ongoing	GLOD and GLT	
	Review EEO (2010) Management Plan	By end of June 2012	GLOD and OD staff	
	Continue work of the Women's Development team	Ongoing	WDT members, GLT.	
	Survey focus groups to gather information on gender issues at Council	Completed November 2011	WDT members	
	Produce action plans based on gender survey data.		WDT members	
	Work towards achieving 50 / 50 Bronze accreditation	Ongoing until achieved	WDT members, GLT & GLOD	
	Continue programs for youth employment, through work experience, apprenticeships and traineeships.	Ongoing	GLOD, OD staff , Directors and GLT	
	Continue program of engineering cadetships	Ongoing	GLOD, OD staff Director of Sustainable Infrastructure	
Strategies	Action	Timeframe	Responsible Person/s	
Attract and retain a staff from diverse backgrounds – cont'd	Continue support to increase for ASTI employment in Council	Ongoing	GLOD, GLCCS, Aboriginal Development Officer, OD staff	
	Continue support for employment of people from culturally and linguistically	Ongoing	GLOD, Directors and GLT.	

	diverse backgrounds.			
Value and provide training and development opportunities for staff	Continue Development of Learning Management System	Report back by end June 2012	Project Team	
	Skill gaps are identified and plans implemented to close the gaps	Ongoing as new staff start		
	Professional, personal and skills development is available to all staff.	Ongoing		
	Coordinate LGMA Management Challenge 2012	2012, application sent, follow up with candidates in early 2012. Then ongoing	Through 2012 GLOD LGMA Mgt Challenge Mentor	
	Coordinate Supervisors Workshop 2011 and 2012	November 2011 and early 2012	GLOD and OD staff	
	Coordinate Leadership Team Workshop 2012	Early 2012	GLOD and OD Staff	
	Coordinate 360 degree assessment process and follow up in 2011 and 2012	August 2011 onwards and into 2012 for follow up	GLOD and GLT	
Provide best practice human resources framework	Monitor initiatives in HR Strategic Plan	Ongoing	GLOD & OD Staff	
	Continue project for HR Platform conversion / transition	Ongoing	Project Team	
	Continue Review of Performance Management Framework	2012	GLOD	
	Implement new Performance Management Framework	Throughout 2012	GLOD and OD Staff	
	Evaluate and report on new Performance Management Framework	2012	GLOD	
	Conduct employee surveys	2012 and ongoing	GLOD and OD Staff	
	Conduct HR Metrics Reporting	See table. Ongoing	GLOD and OD Staff	
Strategies	Action	Timeframe	Responsible Person/s	
Provide best practice human resources framework - cont'd	Conduct Health & Safety Metrics Reporting	See table. Ongoing	GLOD	
	Continue policy review	Through 2012	GLOD and OD Staff	

High awareness and value is placed on Workplace Health & Safety	WHS Committee is convened and actively used to support initiatives	Ongoing.	GLOD and WHS Committee	
	Training is provided where necessary		GLOD, L&D Coordinator	
	Continue program of Health & well being	Ongoing	GLOD and OD Staff	

Summary of HR / OD / HS Metrics - Reports on an ongoing basis

Item	Frequency / Responsible Officer
Employment status	Yearly / GLOD
Demographics, age profile	Yearly / GLOD
Gender profile	Yearly / GLOD
ATSI profile	Yearly / GLOD
CALD profile	Yearly / GLOD
Disabilities profile	Yearly / GLOD
Gross Salaries	Yearly / GLOD
Overtime	Quarterly / GLOD
Average Salary	Yearly / GLOD
Terminations	Yearly / GLOD
Turnover	Yearly / GLOD
Recruitment results	Yearly / GLOD
Workers Compensation	Quarterly / GLOD
Training	Yearly / GLOD
Sick leave	Quarterly / GLOD
Leave liability	Quarterly / GLOD
LTIFR	Quarterly / GLOD
Comparative WC statistics	Quarterly / GLOD



REPORT TO ORDINARY COUNCIL MEETING

APPLICATION FOR A SPECIAL RATE VARIATION (2015/2016 AND 2016/2017)

REPORTING OFFICER:	Group Leader – Customer Services
DIRECTOR:	Business Services
COFFS HARBOUR 2030:	LC3.1 Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour
ATTACHMENTS:	Nil

Recommendation:

That Council:

1. **Makes a Special Rate Variation Application to the Independent Pricing and Regulatory Tribunal (IPART) for a permanent rate increase to be phased in over two years, pursuant to Section 508(A) of the Local Government Act, 1993 which will result in Council's Notional General Income increasing by 8.14% for 2015/16 and 7.75% for 2016/17; and**
2. **Through the annual planning and budget process, requires that the overall increase in rates and charges for an average residential ratepayer with full services for 2015/16 and 2016/17 to be no greater than 3.9%.**

EXECUTIVE SUMMARY

In 2014, Council applied for a permanent Special Rate Variation (SRV) to be phased in over three years to generate revenue to address a \$6.2 million shortfall in funding for infrastructure maintenance and renewal across Coffs Harbour.

The Independent Pricing and Regulatory Tribunal (IPART) acknowledged the merit of the application but approved only the first year of the SRV (2014/2015), suggesting that the extent of the 'rate rise' in percentage terms was communicated ambiguously.

In October 2014, Council initiated a new community engagement program to seek feedback on a proposal to pursue the year 2 and year 3 components of the original SRV package. Intensively promoted in the media, online, at information booths and via a printed brochure mailed out to all ratepayers, the latest community engagement has been far-reaching. Almost 6,000 people responded to a postal and web-based survey. A large majority of the general respondents do not support the rate rise proposal with affordability being the major concern. The statistically valid Online Survey Panel results were 29% support, 71% do not support.

Without additional rate revenue, asset service levels will decline as community assets deteriorate. This will impact on Council's ability to deliver outcomes sought in the Coffs Harbour 2030 Community Strategic Plan. Previous consultation has shown that the community wants Council assets and services to be maintained at current levels.



REPORT TO ORDINARY COUNCIL MEETING

Through its Transformation to Sustainability (T2S) project, Council is also pursuing productivity and efficiency savings and new revenue opportunities to address a separate underlying operating deficit. The annual asset maintenance and renewal funding gap (\$4.2 million) is still to be filled.

The progression of the SRV application is recommended; however, in recognition of the affordability issue for households, it is also recommended that increases in other rates and charges for the average residential ratepayer be reduced so that the total increase in all rates and charges for each of 2015/2016 and 2016/2017 is no greater than 3.9%.

REPORT

Description of Item:

Coffs Harbour City Council resolved at its meeting of 23 October 2014 to:

1. *Adopt and implement a Community Engagement Strategy for a proposed Special Rate Variation in 2015/2016;*
2. *Notify IPART (in December) of its intention to make an application for a SRV under Section 508(A) of the Local Government Act; and*
3. *Consider a report after the end of the community engagement period (February 2015) on the feedback received from the community regarding the SRV proposal.*

Council in February 2014, through an application to IPART (Independent Pricing and Regulatory Tribunal), sought a multi-year SRV under Section 508A of the Local Government Act. Council had requested annual rate increases over three years of 7.9% (2014/2015), 8.14% (2015/2016) and 7.75% (2016/2017), a cumulative increase of 25.73%, and to permanently incorporate this increase into its general rate income base.

In June 2014, IPART formally advised Council that it had approved only a one-year permanent rate increase to general income of 7.9% for 2014/2015. In dollar terms this 'rate rise' represents an increase in Council's general income of approximately \$2 million per annum (above the rate pegging allowance).

The determination provided by IPART to not approve years 2 and 3 of Council's multi-year rate variation was based on their assessment of Council's previous community engagement process, suggesting that the extent of the 'rate rise' in percentage terms was communicated ambiguously.

While the approved 'rate rise' for 2014/2015 was a positive step towards Council closing its annual infrastructure 'funding gap' and in becoming financially sustainable – an annual infrastructure 'funding gap' of approximately \$4.2 million per annum remains unfunded.

This 'funding gap' means Council still cannot continue to deliver the type and levels of service desired by the community within its current revenues.

While opportunities to improve efficiency (reducing expenditure) and/or generate additional revenues (from sources other than rates) will continue to be pursued through Council's Transformation to Sustainability (T2S) project, this funding option is set to address Council's ongoing operating deficient position and will not bridge the remaining infrastructure 'funding gap'.

The Community Engagement Program sought community feedback on a proposed SRV which incorporates a permanent multiple year rate increase over a two year period (commencing 2015/2016).

The proposed rate increase for year 1 (2015/2016) will be an increase of 8.14% in 'General Income' (income from ordinary and special rates) with this permanent increase including a rate pegging increase of 2.4% set by the State Government for 2015/2016.

The proposed rate increase for year 2 (2016/2017) will see a further increase of 7.75% in 'General Income' (income from ordinary and special rates) with this permanent increase including an anticipated rate pegging increase of 3% for 2016/2017.

The compounding effect of the two year permanent rate increases will yield an approximate additional \$4.2 million (above the rate pegging allowances) in rate revenue in the second year, which will remain in Council's rate base revenue and be indexed by further rate pegging increases from 2017/2018.

The community engagement process has been duly implemented; it has extended broad consultation (initiated in 2013) regarding Council's proposed steps to secure a financially sustainable position, including a 'Level of Service' community engagement process and a proposed 'rate rise' over three years. Details and results from the community engagement process are included under the 'Consultation' heading in this report.

This proposed SRV is a key element of Council's funding strategy to ensure the sustainable management of Council's infrastructure assets. All additional revenue generated by the SRV (above rate pegging allowances) will be allocated to funding asset maintenance and renewal works.

The following table shows the proposed allocation of the estimated additional rate revenue.

Asset Expenditure	PROPOSED Rate Increase for 2015/2016	PROPOSED Rate Increase for 2016/2017
Road Rehabilitation Program	\$800,000	\$1,500,000
Additional Road Maintenance	\$200,000	\$400,000
Other Transport Asset Renewal Program	\$200,000	\$400,000
Building Renewal Program	\$500,000	\$1,000,000
Additional Building Maintenance	\$170,000	\$330,000
Recreational Asset Renewal	\$260,000	\$500,000
Asset Management Expenditure	\$60,000	\$100,000
Totals	\$2,190,000	\$4,230,000

Issues:

Council's Financial Sustainability

Council currently has an overall cash 'funding gap' of some \$6 million in the General Fund. Overall, Council's underlying accrual accounting loss is approximately \$12 million. Council since 2011 has been focussed on developing, adopting and now implementing several Financial Sustainability Strategies to become operational and financially sustainable for the longer term. Key strategies include:

- A Special Rate Variation for the ordinary generate rate, of which one year has been implemented and the remaining further two years are proposed, to generate \$6.2 million in additional revenue dedicated for infrastructure maintenance and renewal.
- The Transformation to Sustainability (T2S) Program to produce efficiencies and cost reductions in service delivery, currently estimated at \$3.2 million per annum after three years.
- Identifying additional revenue or growth revenue opportunities, such as the returns from Council's commercial business units and the commercialisation of CityWorks.
- Further improving Council's asset management to ensure accurate information is used to optimise maintenance costs, asset renewals (useful lives) and depreciation.

It is important to emphasise that not one strategy can close Council's financial sustainability 'gap' on its own. These strategies represent a package of measures that together can finally achieve a sustainable Council to deliver the community its current services. Staying the

course requires leadership and should also put Council in a solid position in the context of any future NSW State Government initiated reform of Local Government

Ratepayer Affordability

Ratepayer affordability is an important consideration before any decision is made to make an application to IPART to increase rates. As detailed above, Council has always acknowledged that increasing rates is only part of the solution to becoming financially sustainable.

The impact of the proposed SRV (staged over two years) on the average residential property (in terms of both the ordinary general rate and the total annual rate burden – which includes all rates and charges) is shown in the following tables.

With an estimated rate pegging increase of 3% for 2015/2016 and an estimated rate pegging increase of 3% for 2016/2017 (Option A), the average residential property can expect a total compounded ordinary rate increase of approximately \$61.27 over the two-year period. This combined with increases in other rates and charges equates to an increase of \$231.17 over the same period.

With an 8.14% rate variation for 2015/2016 and 7.75% for 2016/2017 (Option B), the average residential property can expect a total compounded ordinary rate increase of approximately \$166.22 over the two-year period, including the rate peg increase in Option A. This combined with increases in other rates and charges equates to an increase of \$336.12 over the same period, including the rate peg and other increases in Option A of \$231.17.

The Impact of the Proposed Rate Increase - For the Average Residential Property

Option A - Rate Peg Only

**Projected Rate Increase for the next 2 Years (Rate Peg Increase Only)
Average Residential Property (Based on a land valuation of \$183,700)**

Rates & Charges	CURRENT	Year 1	Increase Year 1		Year 2	Increase Year 2		2 Year Compound Increases from 2014/2015	
	2014/15	2015/16	Amount (\$)	%	2016/17	Amount (\$)	%	Amount (\$)	%
	(\$)	(\$)	(\$)		(\$)	(\$)			
Residential Ordinary Rate	1,006.03	1,032.60	30.18	**3.0%	1,067.30	31.09	**3.0%	61.27	6.1%
Environmental Levy	39.22	40.41	1.19	3.0%	41.62	1.21	3.0%	2.40	6.1%
Sewerage, Water, Waste & Stormwater Charges	2,197.50	2,280.00	82.50	3.8%	2,365.00	85.00	3.7%	167.50	7.6%
Totals	3,242.75	3,356.62	113.87	3.5%	3,473.92	117.30	3.5%	231.17	7.1%
Increase per Week			2.19			2.26		4.45	

** Please Note: An estimated Rate Peg increase of 3% has been used for 2015/16 & 2016/17 projections.
The Rate Peg % does not apply to Sewerage, Water, Waste or Stormwater charges. Water charges include 250 KL of water usage for a year.

Option B – Special Rate Variation (SRV) for 2 Years

Projected Rate Increase for the next 2 Years (with Proposed Rate Increases)

Average Residential Property (Based on a land valuation of \$183,700)

Rates & Charges	CURRENT	Year 1	Increase Year 1		Year 2	Increase Year 2		2 Year Compound Increases from 2014/2015	
	2014/15	2015/16	Amount (\$)	%	2016/17	Amount (\$)	%	Amount (\$)	%
	(\$)	(\$)			(\$)				
Residential Ordinary Rate	1,006.03	1,087.93	81.90	++8.14%	1,172.25	84.32	++7.75%	166.22	16.5%
Environmental Levy	39.22	40.41	1.19	3.0%	41.62	1.21	3.0%	2.40	6.1%
Sewerage, Water, Waste & Stormwater Charges	2,197.50	2,280.00	82.50	3.8%	2,365.00	85.00	3.7%	167.50	7.6%
Totals	3,242.75	3,408.34	165.59	5.1%	3,578.87	170.53	5.0%	336.12	10.4%
Increase per Week			3.18			3.28		6.46	

++ Please Note: The proposed Rate increases (SRV) include an estimated Rate Peg increase of 3% for 2015/16 & 2016/17. The proposed Special Rate Variation (SRV) is not applied to Sewerage, Water, Waste or Stormwater charges. Water charges include 250 KL of water usage for a year.

Council has also commissioned independent research to assess the impact of the implementation of the proposed rate increase. As part of this impact assessment, Western Research Institute (WRI) considered the following questions:

- Is the proposed rates increase comparable to other price and cost increases in Coffs Harbour City LGA?
- What is the impact of the proposed rates increase on household expenditure and business viability?
- What is the impact of the proposed rates increase on Coffs Harbour City LGA’s ranking relative to its peers in terms of personal income and socio-economic indicators?

Their summary conclusions with respect to each category of ratepayers – households, farmland businesses and non-farm businesses – are as follows:

The analysis of the proposed rate increase on Coffs Harbour City households indicates that the reasonableness test is only partially satisfied. The following results were found:

- *The increase is below assumed changes for education, childcare and gas cost categories. However, the rate increase exceeds all other forecasted changes in all other cost categories. The proposed rate increase under the SRV only partially satisfies the reasonableness test as the SRV will achieve some form of “catch up” with only 2 out of 19 categories (gas and education). However, when examining the impact on price changes over the past 5 years the picture is more favourable, with the planned SRV going some way to “catching up” with experienced and forecast changes for 8 out of 19 cost categories.*
- *Rates as a proportion of household expenditure are considered significant as the change is greater than 1%. However, households across all classification categories will be able to pay their rates without unduly compromising their expenditure because the ratio will decline over the SRV implementation period by 0.01 percentage points.*

- Residential rates in Coffs Harbour City LGA have been steadily rising in line with increases in residential rates of peer LGAs. Under the SRV, the proposed rates will remain below Group 5 LGAs, however will track above the rates of neighbouring LGAs.
- Regarding the affordability of the proposed rates' increase and associated socio-economic standing, Coffs Harbour City was ranked relatively poorly in terms of socio-economic indicators against its peers, as well as NSW LGAs. However, WRI notes that Coffs Harbour City Council has a rates hardship policy in place that provides assistance to ratepayers who are experiencing genuine difficulties with the payment of their rates and charges. Whilst against NSW, the rankings were also below the median, they were not extremely poor being placed in the "middle of the pack" for many indicators. This suggests that the peer groups are not extremely disadvantaged.

Farmland businesses in Coffs Harbour City make up 2.30% of rate assessments which constitutes 3.50% of Council's total rates revenue. The proposed increase in farm rates has produced varied results for farmland businesses, and the reasonableness tests are only partially satisfied.

- The proposed rate increase under the SRV will be above changes in all input/output categories and wage costs, therefore the reasonableness test is not satisfied. However, when examining the impact on price changes over the past 5 years the picture is slightly improved with the planned SRV going some way to "catching up" with experienced and forecast changes for 1 out of 14 cost categories
- Coffs Harbour City's farms rates / value added ratios are expected to increase over the SRV implementation period. However, the ratio is only expected to increase by less than one percentage point following the SRV implementation thereby satisfying the reasonableness test.
- Farmland rates have historically been tracking below those of both peer groups, however under the SRV farm business rates will grow in line with Group 5 and neighbouring LGAs with farmland rates slightly below the average of Group 5 and above neighbouring LGAs in 2016/17.
- The forecasted rate ranking suggests that Coffs Harbour City farmland rank will deteriorate over the SRV implementation period, from 7th highest in 2013/14 to 3rd highest in 2016/17.

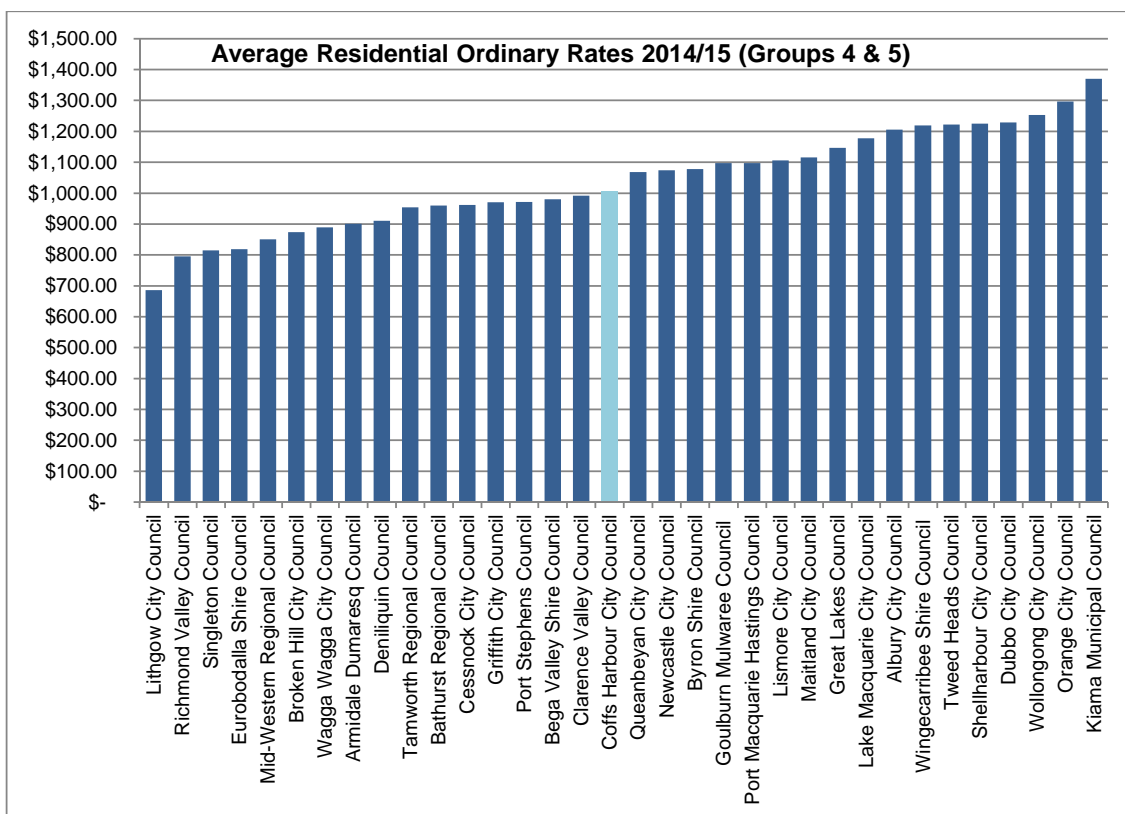
The proposed rate increase for non-farm businesses has also produced varied results; however the reasonableness tests are partially satisfied. The analysis found the following results:

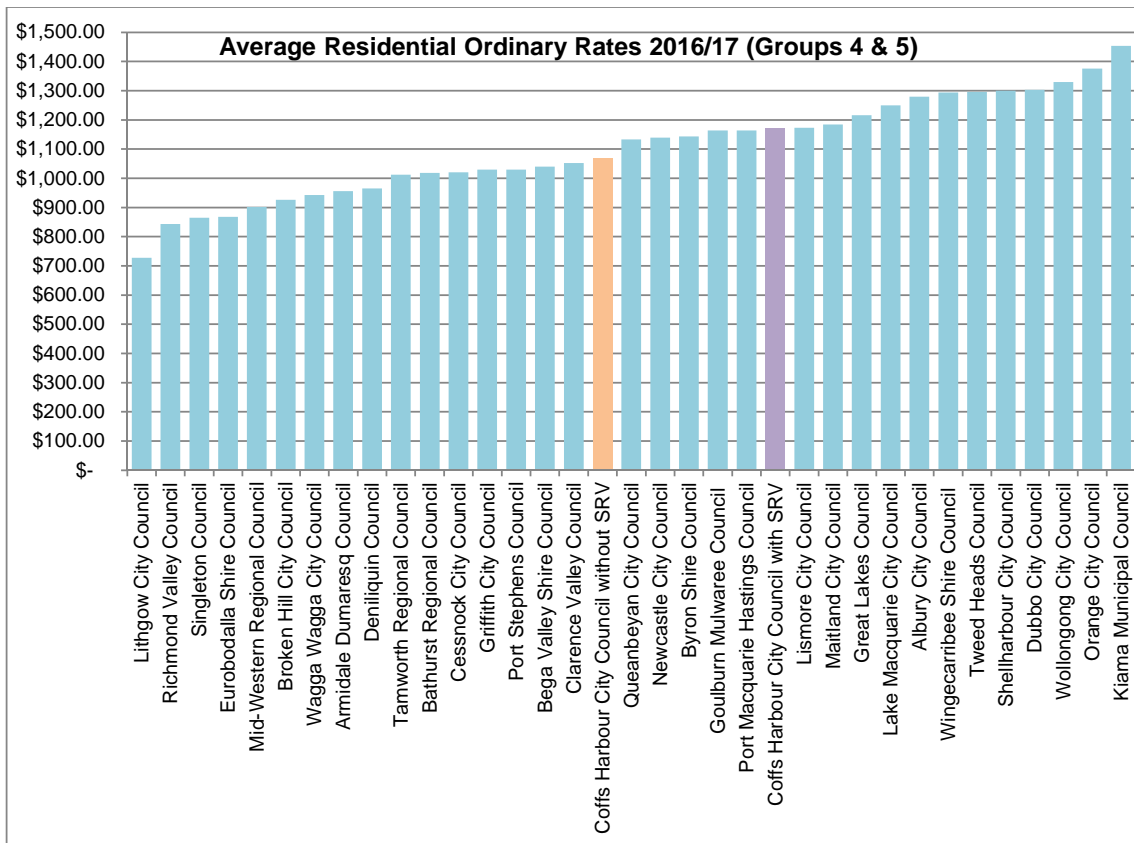
- The proposed rate increase under the SRV for non-farm businesses is unfavourable as it will be above changes in all input/output cost categories and wage costs. However, when examining the impact on price changes over the past 5 years the picture is slightly improved with the planned SRV going some way to "catching up" with experienced and forecast changes for 3 out of 20 cost categories.
- Non-farm business rates/value added ratio will only marginally increase over the SRV implementation period but by less than one percentage point, thereby satisfying the reasonableness test.
- Non-farm business rates in Coffs Harbour City have been steadily increasing in line with Group 5 LGAs and under the SRV will remain below Group 5 peers in 2016/17

- For non-farmland businesses, Coffs harbour City Council is considered to have high rates and is ranks 3rd highest out of the 10 'Group 5 and neighbouring' LGAs. However this ranking remains constant through the SRV period.

A full copy of the report is available in the Councillors' Resource Centre.

To further understand Council's relative standing in relation to its peers, the following comparison of average residential ordinary general rates is provided in relation to all NSW Regional Towns/Cities (Group 4 and Group 5 Councils) for 2014/2015 (before the proposed SRV) and for 2016/2017 (the last year of the proposed SRV). It is important to note that these comparisons assume that the other Councils do not pursue their own SRVs, which in fact may not be the case and may improve Coffs Harbour City Council's ranking.





The research generally concludes that the reasonableness test on affordability is only partially satisfied. However, comparison of the average residential ordinary general rate level between Council and its peers would indicate that even after the proposed SRV Council's ordinary rate levels are reasonable.

A key factor in the community's perception of total rate levels is Council's higher than average rates and charges in relation to water, sewerage and waste. Council has invested heavily over many years in these other service areas and provides high quality infrastructure and services which meets contemporary standards. Unfortunately, the cost of this pro-action means Coffs Harbour City is 'ahead of the curve' compared to many other Councils in these service areas.

The reality is, regardless of the source and reasons for rates and charges, the community perception usually relates to the total impost. Therefore in summary, although the total rates and charges could be considered high, the ordinary general rate component after the proposed SRV would still be reasonable.

Finally, Council also has a Financial Hardship Policy accessible by ratepayers in cases of genuine financial hardship. Currently 34 individuals are accessing the arrangements under the Policy.

Options:

The following options are available to Council in relation to the proposed SRV:

1. Adopt the original proposal provided to Council to apply to IPART for a permanent SRV to meet the sustainable investment in maintenance and renewal of public assets. This option continues the implementation of Council's financial sustainability strategy; however, based on the feedback from the consultation may be considered to

not adequately address affordability concerns during the implementation of the increases in 2015/2017 and 2016/2017.

2. Reject the recommendation and not proceed with the proposed SRV which will result in no additional ordinary rate revenue being generated above the rate pegging limit, which has been set at 2.4% for 2015/2016. If Council does not implement this financial sustainability strategy, further deterioration in the service level of General Fund Assets (such as roads, bridges, footpaths, building, parks, playgrounds and reserves) will continue, the infrastructure backlog will build and the cost to remediate this situation will pass in time to future generations. Alternatively, other significant service reductions and/or removal will need to occur, contrary to previous feedback from the community on their preference for Council to maintain current levels of service.
3. Adopt the recommendation which includes:
 - a. The proposed SRV to meet the sustainable investment in maintenance and renewal of public assets and apply to IPART accordingly;
 - b. Responding to the affordability concerns of residents by reducing the normal increase in other rates and charges for the average residential ratepayer so that the total increase in all rates and charges for each of 2015/2016 and 2016/2017 is no greater than 3.9%.

Option 3 provides a mechanism whereby the essential repair of the General Fund revenue base can occur whilst smoothing the overall impact of rates and charges for most residential ratepayers, that is; those who also receive water, sewerage and waste services, during the implementation years of 2015/2016 and 2016/2017. This option demonstrates Council is listening and responding to the community while staying focused on the core objectives Council needs to pursue for the broader benefit of service delivery for the community, now and into the future.

There is of course a cost to Council's financial position in the short term for the Water and Sewer Funds; however, given the relative recent renewal of many of these assets, there is sufficient time in future years to address this situation. In fact, in terms of inter-generational equity, a further small deferral of the financial burden for funding water and sewer infrastructure to future generations is considered reasonable.

Implementation of part b of this option would occur through Council's annual planning and budget cycle.

Sustainability Assessment:

- **Environment**

There are no environmental impacts as a result of the recommendations in this report. The Special Rate Variation revenue is targeted at infrastructure maintenance and renewal; these works would include environmental impact assessment and mitigation processes as a matter of Council procedure.

- **Social**

Whilst Council currently delivers an extensive range of services achieving social, environmental and economic outcomes, its ability to do so into the future is dependent upon it being financially sustainable. The proposed Special Rate Variation is an important component of Council's future funding strategies to achieve long term financial sustainability.

- **Civic Leadership**

The financial sustainability of Council – enabling the organisation to maintain current levels of service delivery - contributes towards achieving a broad range of outcomes identified within the *Coffs Harbour 2030* Community Strategic Plan. Direct alignments can be made to the 2030 themes "Looking after our Community" (LC), "Moving Around" (MA) and "Places for Living" (PL). Relevant strategies include:

LC3.1 Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour;

LC1.1 Build pride and identity in Coffs Harbour as a community and a place;

MA1.2 Improve the effectiveness of the existing transport system.

MA2.1 Ensure adequate maintenance and renewal of roads, footpaths and cycleways;

PL1.2 Provide infrastructure that supports sustainable living and is resilient to climatic events;

PL2.1 Provide public spaces and facilities that are accessible and safe for all; and

PL2.2 Provide safe and accessible play spaces for our children within each community

- **Economic**

Broader Economic Implications

Sustainable service delivery - through the generation of savings, improved productivity efficiency and additional rate revenue - offers broad positive growth and economic impacts for the entire city into the future. The impact of the proposed rate increase on ratepayers needs to be balanced against the positive economic impact of maintaining Council programs and services across the local government area.

Delivery Program/Operational Plan Implications

The 2014/2018 Delivery Program and 2014/2015 Operational Plan (both adopted prior to IPART's 2014 determination) clearly identify Council's resourcing challenges and the future decline in levels of service if these challenges are not addressed.

Council is pursuing other strategies, such as its Transformation to Sustainability (T2S) Program for productivity and efficiency improvements and new revenue opportunities to address its annual underlying operating deficit.

Council's annual 'infrastructure maintenance and renewal gap' (for the General Fund) is approximately \$4.2 million. If this infrastructure gap is not addressed, asset service levels will decline as community assets deteriorate. This will impact on Council's ability to meet community strategies captured within the Community Strategic Plan.

The financial impact of the recommended option on other Council's funds, in particular Water and Sewer, is estimated to be a reduction in projected revenue in the order of \$1.5 million dollars for each of 2015/2016 and 2016/2017. That is, a total of \$3 million over the proposed SRV implementation period.

Risk Analysis:

The Integrated Planning and Reporting (IPR) Framework provides an approach to assist Council to move to financial sustainability, particularly through long term financial planning to fund strategic actions and levels of services. The requirement for additional revenue to maintain the current levels of service is clear from Council's IPR documents. Therefore, there is a significant financial risk for Council to manage if additional revenue is not generated. Levels of service would need to be revisited with a reduction and/or removal of services.

Consultation:

Council's recent SRV community engagement process was undertaken in accordance with the SRV Community Engagement Strategy adopted on 23 October 2014. It has extended broad consultation (initiated in 2013) regarding Council's proposed steps to secure a financially sustainable position, including a 'Level of Service' community engagement process and a proposed 'rate rise' over three years.

Level of Service Community Engagement (October 2013)

Council at its meeting of 26 September 2013 endorsed a 'Level of Service – Community Engagement Process' which included a Community Engagement Strategy for levels of service. The objective of this consultation was to seek community feedback on preferred levels of service and proposed funding solutions to meet that service level.

This community engagement process, which commenced in October 2013, was undertaken in a two-phase process with the first phase assessing preferred levels of service and a willingness to pay more rates via submissions made through Council's 'Budget Allocator' survey. Feedback from this first-phase of engagement, reported to Council on 28 November 2013, made clear that the community values the services Council currently delivers and was willing to pay more to maintain these rather than see levels of service reduced.

Proposed 3-Year SRV Community Engagement (December 2013)

The second phase of the engagement process, which commenced in December 2013 sought community feedback on proposed steps to be taken to adopt a financially sustainable position, including the proposal for a three-year SRV and further funding options to close the remainder of the 'gap' to financial sustainability. Council in phase two engaged the community through various channels – all of which had a focus on seeking feedback via a 'proposed rate rise' survey.

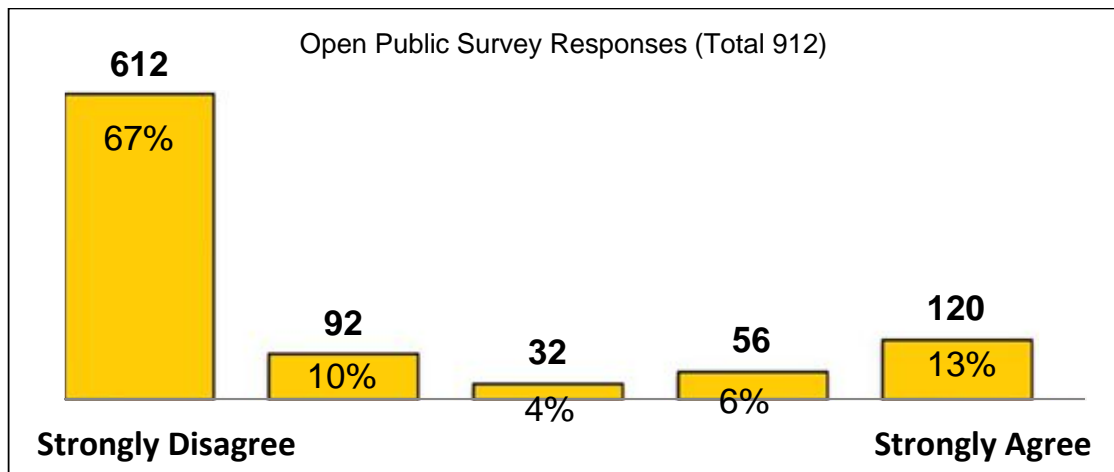
The survey (in both on-line and hard copy formats) was made available to the open public as well as council's online community reference group.

The survey asked if the community would support Council applying for a rate increase over a three-year period to help pay for ongoing renewal and maintenance of the assets needed to deliver services to the community.

Survey Results from the Open Public (January 2014)

The following graph (Graph 1) shows results from the 'open public' survey. This graph shows 67% of respondents strongly disagreed with the proposed three-year SRV while 13% strongly agreed with the proposal.

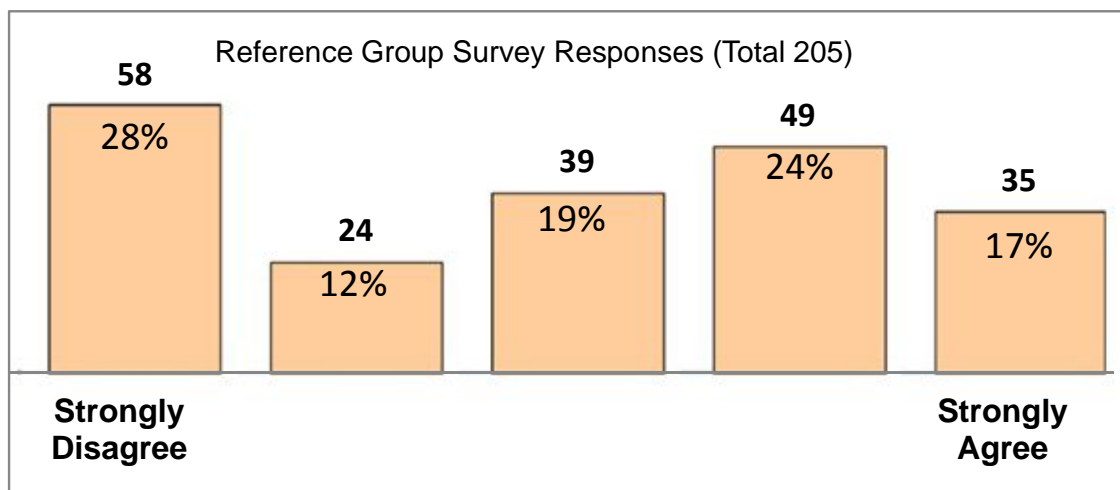
Graph 1 – Results from the Open Public Survey



Survey Results from the Online Reference Panel (January 2014)

The following graph (Graph 2) shows results from the ‘reference group’ completing the same survey as the ‘open public’. As you can see from this graph there was a more balanced response to the survey question. This is due to the Panel providing a statistically valid sample of the population.

Graph 2 – Results from Online Community Reference Group



Proposed 2-Year SRV Community Engagement (November 2014)

Council’s most recent Community Engagement Program, which commenced in November 2014, sought community feedback on a proposed SRV which incorporates a permanent multiple year rate increase over a two year period (commencing 2015/2016) – being the period previously not approved by IPART.

Council engaged the community through various channels including a 20-page community brochure ‘Funding Our Future’ which was sent to over 25,000 households, e-newsletters, various media releases, four information stalls (Growers Market and Harbour-side Market) and Council’s page in *The Coffs Coast Advocate* – all of which had a focus on seeking feedback via Council’s ‘Funding Our Future’ proposed rate rise survey.

As this latest engagement process is an extension to Council's previous community engagement (initiated in 2013) on the proposed steps to secure a financially sustainable position – the recent survey had a simple approach whereby the community were asked to select one of two alternatives – option A or option B – which are described as follows:

Option A - Approximate 3% rate peg increase - for general ordinary rate income

This option results in no additional rate increase to general ordinary rates for the next two years other than the estimated rate peg increase of 3% each year. This would mean no additional investment in public asset maintenance and renewal which will result in the further deterioration of these assets and a corresponding reduction in the level of service they provide.

Option B - Approximate 8.14% rate increase for 2015/16 and a 7.75% increase for 2016/17 (including rate peg) – for general ordinary rate income.

This option incorporates an approximate 8.14% increase in general ordinary rates for 2015/16 with another increase of 7.75% for 2016/17 (including the annual rate peg increases). All additional funds above the rate pegging increase will be used to fund the shortfall in Council's current asset maintenance and renewal expenditure. These additional funds will be sufficient to prevent the further deterioration of public assets.

Survey Results

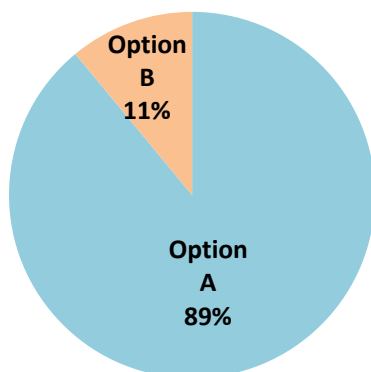
The survey was open to all Coffs Harbour residents. It could be accessed online or through the completion of a postage-paid questionnaire 'postcard' that was included with printed copies of the 'Funding Our Future' community brochure.

Online Survey – Open Public

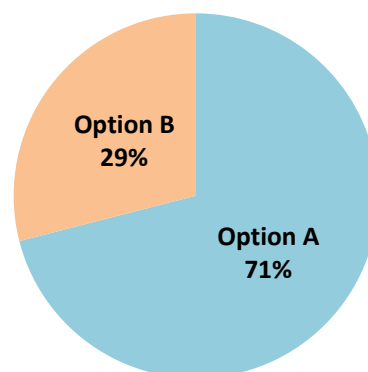
The online survey was open to the community from 21 November 2014 and closed on 31 January 2015, a period of more than ten weeks.

In total, 428 people completed the online 'open public' survey. Of these, 423 (98.8%) identified themselves as Coffs Harbour ratepayers while 5 (1.2%) were non-ratepayers. A total of 383 respondents (89.5%) selected Option A (No SRV), while the remaining 45 (10.5%) supported Option B (Yes to the SRV).

**Online 'Open Public'
Survey Responses**



**Online 'Reference Panel'
Survey Responses**



Online Survey - Community Reference Panel

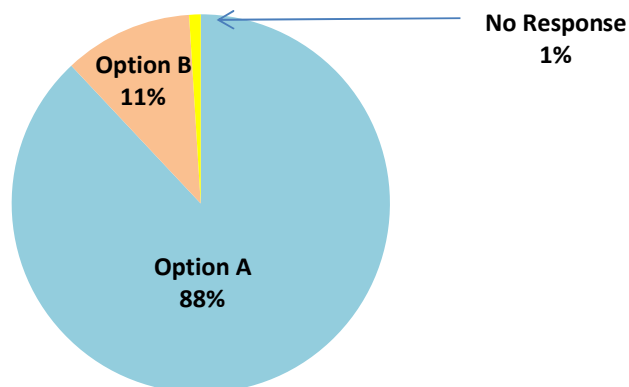
In addition to the 'open public' survey, Council separately engaged its Online Survey Panel (a randomly-selected, Coffs Harbour community reference group first established in 2012) with the same survey to provide Council with added confidence that the feedback received was representative of the community as a whole. Importantly, the Online Survey Panel provides statistically valid results.

Online survey panelists were contacted on 21 November 2014 and invited to participate in the 'Funding Our Future' survey. An email reminder was sent to non-respondents on 10 December 2014 and a final reminder was emailed on 21 January 2015. The survey closed on 31 January 2015.

Out of a total of 773 panel members, 381 (or 49.3%) completed the 'Funding Our Future' survey. Of these, 354 (92.9%) identified themselves as Coffs Harbour ratepayers while 27 (7.1%) were non-ratepayers. A total of 272 respondents (71.4%) selected Option A (No SRV), while the remaining 109 (28.6%) supported Option B (Yes to the SRV).

Based on an approximate LGA population of 71,000, the reference panel survey results have a margin for error of approximately +/- 5% at the 95% confidence level.

Postcard Survey Responses



Postage-paid Questionnaire 'postcard' Survey Results

The 'Funding Our Future' community brochure sent to all 25,121 ratepayer properties included a postage-paid postcard. Returned postcard responses totalled 5,226 (or 20.8%). Of these, a total of 4,589 respondents (88%) selected Option A (No SRV), while 600 (11%) supported Option B (Yes to the SRV). The remaining 37 postcards received (1%) did not indicate a selection from the 2 options.

It is important to note that the 'open public' survey and postcard results represent a 'self-selecting' sample – that is, the respondents have elected to seek out and complete the survey, rather than being selected at random to participate. From a statistical viewpoint, a self-selecting sample cannot reliably be considered as being representative of the general community because of the possibility of results being distorted by the involvement of respondents representing particular interest groups.

Additional Community Feedback

Written Submissions

In addition to the feedback received via the survey, Council received 66 written submissions on the funding proposals put forward. All of these submissions included comments opposing the SRV proposal – these comments mostly focused on one or more of the following concerns:

- Rate funds not being spent in the Northern Beaches area
- Ratepayer affordability
- Requests to cut Council staffing and expenditure
- Reallocation of current expenditure
- Previous bad investments made by Council

Ratepayer Petition

A ratepayer's petition was also received by Council opposing the rate raise proposal. There were approximately 1440 signatures representing roughly 1321 households, with a breakdown by locality as follows:

Locality	Number	Percentage
Coffs Harbour	244	17%
Toormina/Sawtell/Bonville	699	49%
Moonee/Sapphire/Korora	415	29%
Emerald/Woolgoolga/Corindi	26	2%
Coramba/Nana Glen/ Dairyville/Karangji/Lowanna/Ulong	40	3%
Outside LGA	16	1%
Total	1,440	100%

The petitioners raised the following concerns with Council's SRV proposal:

- Ratepayer affordability (particularly for pensioners)
- Request to cut expenditure or services
- Changing the spread of rate burden
- Consideration of amalgamation or resource sharing
- Deferral of major infrastructure projects such as a new library, entertainment centre and art gallery

Responses to Concerns Raised

The community consultation process has been extensive and the level of feedback has shown a relatively high level of engagement. Specific concerns identified from submissions, a ratepayers petition and feedback at information sessions are considered below with responses.

1. *Rate funds not being spent in the Northern Beaches area*

The focus of the SRV proposal is on maintenance and renewal of existing infrastructure. This concern stems from long term service levels such as the absence of kerb and guttering, footpaths and other expected base infrastructure. It is reasonable that the community expects a consistent level of service in similar urban areas; however, the improvements desired represent upgrades which will need to be funded in addition to fundamental asset renewals proposed under the SRV proposal.

2. *Ratepayer affordability (particularly for pensioners)*

Affordability is a key balancing factor in Council's assessment of an SRV proposal. This matter is discussed in detail in the Issues section of this report.

3. *Request to cut Council staffing, expenditure or services*

The Funding Our Future brochure explained that in conjunction with the SRV proposal, Council was implementing significant cost reduction and efficiencies through its Transformation to Sustainability (T2S) Program. These cost reductions are an essential component of Council's Financial Sustainability Strategies in relation to expenditure; however, the proposed SRV is also an essential initiative on the revenue side. Previous community consultations have also indicated that current service levels should generally be maintained. The view that Council's multi-million dollar financial sustainability gap can be bridged from expenditure cuts alone is unrealistic, particularly if service levels are to be maintained. A full reliance on expenditure cuts would necessitate significant service reductions over a broader range of services and is therefore not considered a viable or community preferred alternative.

4. *Reallocation of current expenditure*

Unfortunately any reallocation of expenditure creates winners and losers where there is little consensus amongst the broader community. For instance, should Council reallocate a lifeguard or library expenditure to fund road or playground renewals? The lack of a consensus is part of the picture that informs the more general desire by the community to maintain current service levels. Reallocation is therefore not considered a community supported alternative.

5. *Previous bad investments made by Council*

Council's investment losses as a consequence of the Global Financial Crisis through investment in State Government approved Collateral Debt Obligations (CDOs) have largely been recovered. A full report on Council's investment performance over recent years will be provided to Council at its next meeting. Council's investment portfolio performance has had no impact on Council's financial sustainability challenge and the proposal for a SRV.

6. *Changing the spread of rate burden*

This concern was specifically raised by the ratepayers petition. It is noted that the large majority of the signatories of the petition are residents of the areas of Sawtell and Sapphire Beach who have ongoing concern with property revaluation and rate burden rebalancing and the higher than average land values of these areas. The concern is more about 'who pays' rather than 'how much we pay in total'. Council's total rate revenue does not benefit from land valuation changes and Council already provides a maximum base ordinary general rate under legislation to limit rate burden shift from land revaluations. In relation to the proposed SRV, the allocation of rate burden is not a specifically relevant

7. *Consideration of amalgamation or resource sharing*

The Independent Local Government Review Panel Final Report in 2014 has not recommended Coffs Harbour City Council for immediate merger. It is also noted that all of Council's neighbours have financial sustainability issues to address themselves. Council is willing to pursue cooperative initiatives such as a proposed Joint Organisation; however, there is no indication that this model will deliver anywhere near the level of savings to negate the requirement for the proposed SRV.

8. *Deferral of major infrastructure projects such as a new library, entertainment centre and art gallery*

Following a community consultation process, Council at its December 2014 meeting resolved to defer any further consideration of the above until its financial sustainability issues had been satisfactorily addressed. Council has duly recognised the requirement to address existing infrastructure asset renewal challenges before pursuing community desired but significant aspirational new asset projects.

Related Policy, Precedents and / or Statutory Requirements:

Section 508(A) of the Local Government Act 1993 applies.

Council will need to make a SRV application, under Section 508(A) of the *Local Government Act*, to IPART for determination. The application to IPART will be based on a proposed increase to Council's 'Notional General Income' (which includes only revenues generated from the ordinary rate and environmental special rate). In this regard, the following table shows the proposed increase to Council's Notional General Income over the next two years.

Financial Year	Percentage Increase (including Rate Pegging)	Additional Notional General Yield
2015/2016	8.14%	\$3.197 million
2016/2017	7.75%	\$3.277 million

Implementation Date / Priority:

An application for a SRV is required to be submitted to IPART by 16 February 2015. If the application is pursued, the proposed SRV and any other conditions applied will be used to inform the development of Council's Draft 2015/2019 Delivery Program (due for release for public exhibition in April 2014).

Conclusion:

Like the overwhelming majority of local governments in NSW, Council is currently financially unsustainable. With current and projected income, Council cannot afford to continue to deliver the current levels of service that it provides from its infrastructure assets to the community into the future.

Over many years, funding for repair and renewal of this infrastructure has gradually been reduced so that those funds could be used for the day-to-day running of public services.

We still need to spend an additional \$4.2 million every year repairing and renewing those roads, bridges, pipe networks, playgrounds and buildings just to keep pace with deterioration so that they remain in a useable condition. The cost of the accumulated backlog of repairs and renewals is currently estimated at over \$70 million. The measurement of this backlog is

currently under review as part of a MIDROC (Mid-North Coast Regional Organisation of Councils) asset improvement project.

Council has spent a number of years ensuring that the way we do business is as cost-effective as possible. We now also have a 'Transformation to Sustainability' (T2S) program in place, which aims to identify further savings, productivity and revenue options to help meet the shortfall of approximately \$1.8 million a year in operational expenditure.

The reality is that Council needs an extra \$6 million a year to adequately fund its existing General Fund infrastructure assets. This gap needs to be funded to prevent our infrastructure backlog growing any further, together with the ongoing deficits in the day-to-day running of services.

Council needs to bridge this gap so that it can continue to deliver the type and levels of service the community have made clear they wish to have maintained, and therefore become operationally and financially sustainable.



REPORT TO ORDINARY COUNCIL MEETING

SUPPLY OF ELECTRICITY FOR LARGE CONTESTABLE SITES AND STREET LIGHTING

REPORTING OFFICER:	Coordinator Purchasing and Supply
DIRECTOR:	Director Business Services
COFFS HARBOUR 2030:	LC3.1 Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour
ATTACHMENTS:	Nil

Recommendation:

That Council:

1. Approves the undertaking of a reverse auction for the supply of electricity for our large contestable sites and street lighting, with Regional Procurement Initiative and their partners Energy Action;
2. Notes the timeframes of this process as set out above in the implementation Date / Priority section of this report; and
3. Notes that a further report will be provided before the reverse auction takes place to enable Council to form a contemporary policy position on the level of 'green' energy supply.

EXECUTIVE SUMMARY

Regional Procurement (a division of Hunter Councils Incorporated) have approached Council to consider participating as a group member in the calling of a reverse auction for the supply of electricity for our large contestable sites (using greater than 160MWh electricity per annum) as well as our street lighting. It is proposed to test the market by way of a reverse auction with a view to obtaining the best possible outcome.

Council has received expert advice that approaching nine (9) months out from the expiry of our current contract Council should seek a possible twenty-four (24) or thirty-six (36) month contract to maximise the benefit of what are presently extremely low prices in the retail market. The current contracts for both large contestable sites and street lighting expire on the 31 December 2015.

The advantage for Council in participating in the Reverse Auction process is that it will be undertaken in March 2015 and the timing schedule will still allow Council to participate in an upcoming LGP tender for the supply of Electricity and Street Lighting if the outcome is not cost effective. Recent reverse auction results for the supply of Electricity for Large Contestable Sites have realised approximate savings of 9% to 23% for some Local Government Councils based on their current contract rates.

The Reverse Auction process will not include a quotation bidding process for the supply of renewable energy. However, after the reverse auction Council will have the opportunity to negotiate 'green' energy with the assistance of Regional Procurements' business partners Energy Action. A further report will be provided to Council before the reverse auction takes place to enable Council to form a contemporary policy position of the level of 'green' supply.

REPORT

Description of Item:

This report is to seek approval from Council to undertake a reverse auction process for the supply of electricity for our large contestable sites and street lighting with Regional Procurement Initiative and in association with their partners Energy Action.

Coffs Harbour City Council is a member of Regional Procurement Initiative who provide tenders for goods and services on behalf of the Mid North Coast Group of Councils. Regional Procurement (a division of Hunter Councils Incorporated) have approached Council to consider participating as a group member in the calling of a reverse auction for the supply of electricity for our large contestable sites (using greater than 160MWh electricity per annum) as well as our street lighting.

It is proposed to test the market by way of a reverse auction with a view to obtaining the best possible outcome. The following organisations have recently undertaken a reverse auction with Regional Procurement or alternatively are in the early preparation stage:

- Camden Council
- Upper Hunter Shire Council
- City of Newcastle Council
- Great Lakes Council
- Maitland City Council
- Mid Coast Water
- Mid-Western Regional Council

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

Electricity prices from the period of April to August 2014 have been close to their lowest level in the past eight (8) years. The decline in prices preceding this period commenced in mid-2013 as the cumulative result of gently falling demand for grid supplied electricity that has become established in recent years.

In response, the generation sector has closed or put out of commission a number of plants which has stabilised the price. Since September 2014 there has been a modest recovery in the price for NSW retail contracts and it is anticipated that this low NSW point is now unlikely to be tested again.

As result of the above, Council has received expert advice that approaching nine (9) months out from the expiry of our current contract Council should seek a possible twenty-four (24) or thirty-six (36) month contract to maximise the benefit of what are presently extremely low prices in the retail market.

Council currently purchases electricity for large contestable sites as well as street lighting under contract from ERM Power and AGL respectively. The contracts for both large contestable sites and street lighting expire on the 31 December 2015.

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

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

The reverse auction methodology will be based on several criteria as follows:

- Tendered rate
- Quality assurance
- Customer service
- Reporting requirements

Issues:

The Reverse Auction process will not include a quotation bidding process for the supply of renewable energy. However, after the reverse auction Council will have the opportunity to negotiate 'green' energy with the assistance of Regional Procurements' business partners Energy Action.

When Council last agreed to participate in a reverse auction for this supply in April 2013, Council resolved Council resolved:

1. *That Council approves the undertaking of a Reverse Auction for the supply of electricity for our large Contestable sites and Street Lighting, with Regional Procurement Initiative in partnership with Energy Action.*
2. *That Council notes the timeframes of this process as set out above in the implementation Date / Priority section of this report.*
3. *That Council review its Greenhouse Action Strategy adopted in 2002, while continuing to invest in its energy efficient cost saving program.*
4. *That Council request costing for provision of 10% and also 20% of energy supplied to be sourced from green or renewable sources, and a report be prepared for Council.*

The report requested in point 4 will be submitted for Council's consideration before the proposed reverse auction takes place. This will provide an opportunity for Council to form a contemporary policy position on the level of 'green' energy supply, balancing the environmental and financial impacts.

Whilst the reverse auction process ensures that Council will achieve the best possible outcome and simultaneously meet our statutory requirements there is a need to benchmark the pricing. It is to be noted that NSW councils no longer have access to the NSW State Government 777 contract for the supply of contestable electricity to enable benchmarking of pricing.

As a result, Council will have access to Local Government Procurement's (LGP) 'price band' for their upcoming tender for the supply of contestable electricity and street lighting. The 'price band' will be set as a benchmark for Regional Procurement's business associate Energy Action to forward to all potential bidders as Council's reserve price prior to the reverse auction.

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

Options:

Council has the following options available to achieve the most cost effective outcome for the Supply of Electricity for our Large Contestable Sites and Street Lighting:

- 1. Undertake a Reverse Auction with Regional Procurement in consultation with their business partners Energy Action.** The advantage for Council in participating in the Reverse Auction process is that it will be undertaken in March 2015 and the timing schedule will still allow Council to participate in an upcoming LGP tender for the supply of Electricity and Street Lighting if the outcome is not cost effective. Recent reverse auction results for the supply of Electricity for Large Contestable Sites have realised approximate savings of 9% to 23% for some Local Government Councils based on their current contract rates.

There are no disadvantages for Council in undertaking a Reverse Auction as Council is not bound to accept the outcome and will still be able register for the upcoming LGP tender for the Supply of Electricity and Street Lighting which is anticipated to close in April/May 2015.

- 2. To participate in an upcoming tender with Local Government Procurement (LGP) in co-ordination with other interested NSW Local Government member Councils.** An advantage to Council would be the participation in this tender process with other member NSW Local Government councils where group electricity usage volumes would be provided to potential retail suppliers of electricity. This group volume tender could achieve major savings for Council.

The key disadvantage to Council in participating in the LGP contract is that Council is bound to accept a pre-tender price band set by LGP as a benchmark and each Council will be required to commit to the tender outcome if pricing achieved is equal or better than the pre-agreed benchmark price band. Commitment to the LGP pre-set price band is considered too restrictive and does not allow Council any flexibility if the outcome is not cost effective.

Based on the above information, the recommendation is that Council adopts Option 1, the undertaking of a Reverse Auction with Regional Procurement in coordination with their business partners Energy Action.

Sustainability Assessment:

- **Environment**

The Reverse Auction process will not include a quotation bidding process for the supply of renewable energy. Council will have the opportunity to negotiate 'green' energy post the Reverse Auction and with the assistance of Regional Procurements' business partners Energy Action.

- **Social**

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

- **Civic Leadership**

The reverse auction will demonstrate leadership by Council by promoting our own procurement policy and guidelines and ensuring that this process delivers a value for money outcome on behalf of the community.

- **Economic**

Broader Economic Implications

Regional Procurement Initiative advised that Energy Action has called in excess of 2,000 reverse auctions, with proven results. Energy Action on behalf of Regional Procurement assures Council that this process will demonstrate that the best outcome is achieved at the time the reverse auction is conducted.

The reverse auction process has recently achieved very successful outcomes for a number of member councils. As a result of this process it is anticipated that these member councils will realise savings in excess of 9%-23% over the period of their contract, compared to their current electricity contract rates.

Council is a financial member of Regional Procurement, and will not incur any tender management fees for undertaking this reverse auction process.

Delivery Program/Operational Plan Implications

Expenditure is allocated to account numbers in line with Council's financial budgetary program. The Operational Plan for the 2014/2015 will not be impacted as the current contract does not expire until 31 December 2015.

It is anticipated that Council will achieve considerable savings for our next contract commencing 1 January 2016, resulting in a long term positive effect on the Delivery Program.

Risk Analysis:

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

Consultation:

Consultation included discussions with Director Corporate Business and Management Accountant – Strategic Projects.

Related Policy, Precedents and / or Statutory Requirements:

Council has previously undertaken reverse auctions for the supply of electricity for our contestable sites and street lighting on two (2) previous occasions, in 2010 and 2013.

The Local Government (General) Regulation 2005-Part 7 Tendering Division 1 Preliminary 163 Section 55 requires that tenders be called for expenditure over \$150,000 GST inclusive.

Implementation Date / Priority:

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

The proposed contract for the supply of electricity for our large contestable sites and street lighting will commence on the 1 January 2016 and run for a minimum of twenty-four (24) months.

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

- Step 1: Notify Regional Procurement Initiative of the approval of this preliminary report and Council's intention to participate in the tender process
- Step 2: Participate in the reverse auction tender process undertaken by Regional Procurement Initiative and Energy Action. Expected reverse auction date is 20 March 2015.
- Step 3: Regional Procurement to provide Council with the reverse auction evaluation report and recommended retail energy provider.
- Step 4: A report to Council is prepared by the Coordinator Purchasing & Supply outlining the reverse auction evaluation report and seeking approval of the recommended retail energy provider within seven (7) working days. Report to Council (dependent on all of the above) will be on 26 March 2015.
- Step 5: After approval of the report by Council the General Manager will be required to sign-off on the contract agreement the next day, 27 March 2015.

Conclusion:

It is recommended Council undertakes a Reverse Auction for the supply of electricity for our Large Contestable sites and Street Lighting, with Regional Procurement Initiative and their partners Energy Action. It is anticipated that Council can achieve major savings based on current contract rates and it is to be noted that recent Reverse Auctions have resulted in other member Councils realising savings of between 9%-23%.



REPORT TO ORDINARY COUNCIL MEETING

CONTRACT NO RFT-689-TO PROVISION OF INVESTMENT ADVISORY SERVICES

REPORTING OFFICER: Acting Group Leader Financial Management
DIRECTOR: Director Business Services
COFFS HARBOUR 2030: LC3.1 Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour
ATTACHMENTS: ATT CONFIDENTIAL Tender Assessment Contract No RFT-689-TO Provision of Investment Advisory Services

Recommendation:

That Council considers and approves tenders received for the Provision of Investment Advisory Services, Contract No. RFT-689-TO, as detailed in the confidential attachment

EXECUTIVE SUMMARY

The objective of the report is to report to Council on tenders received for the provision of investment advisory services, Contract RFT-689-TO and to gain Council approval to accept a tender. Council's investment policy is to appoint an independent investment advisor to provide expert advice and assistance with the management of Council's investment portfolio. Tenders were received from five tenderers, all were reviewed in detail with the top three scoring tenders invited to make a presentation to Council. Tendering procedures were carried out in accordance with Council policy. The tender with the highest weighted score is the recommended tender.

REPORT

Description of Item:

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

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

Requests for tenders were called in the *Sydney Morning Herald* and on Council's electronic TenderLink portal. Tenders closed at 3.30 pm on Tuesday, 9 December 2014.

Tenders were received from the following:

- CPG Research and Advisory Pty Limited
- Laminar Group Pty Limited
- Prudential Investment Services Corp Pty Ltd
- Private Investment Consulting, a unit of National Australia Bank
- KPMG Australia

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

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

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

Issues:

In order to provide investment services to Council, tender requirements included previous experience working with and a good understanding of local government; some tenders did not have a demonstrated knowledge of our requirements and previous local government experience.

Options:

The options available to Council in relation to the Provision of Investment Advisory Services are to:

1. Adopt the recommendation provided to Council to appoint the tenderer that was identified as having the highest weighted score for the provision of investment advisory services as detailed in the confidential tender assessment attachment. Adopting the recommendation will result in the engagement of the supplier whose offer represents the best balance between value and risk as assessed by the selection committee.
2. The Local Government (General) Regulation 2005 requires tenders to be assessed against criteria specified in the tender documents. Council may amend the recommendation provided, which was based Council's Tender Value System and information contained in the Confidential Tender Assessment. Council may by amendment, choose a lower priced or alternative offer on the basis Council is willing to accept the higher level of risk associated with the offer, which may result in Council selecting a less advantageous offer over the term of the contract.
3. Council's investment policy outlines that a tender process would be entered into for investment advisory services. Although the amount of the contract over the 3 year term was expected to be below the tendering threshold, we expected the tender process to produce the optimal result for Council. The objective of this tender is to appoint an independent investments services advisor to provide expert assistance in the management of Councils investment portfolio. Council may choose to reject the recommendation provided, however, there is not considered to be any benefits in rejecting the recommendation as this would be in contradiction to Councils investment policy.

Sustainability Assessment:

• **Environment**

The provision of investment advisory services has no environmental impact.

• **Social**

There are no direct social consequences of this contract.

• **Civic Leadership**

Council strives to maximise its investment returns in accordance with its investment policy and the Ministerial Investment Order whilst driving efficiencies in internal processes.

- **Economic**

- Broader Economic Implications**

- There are no direct broader economic implications of this contract.

- Delivery Program/Operational Plan Implications**

- There is no direct delivery program or operational plan implications.

Risk Analysis:

The likelihood of risks associated with New South Wales Local Government's investing funds is now remote due to the conservative nature of investments permitted under statutory requirements. The main risks for Council's investment portfolio are liquidity and credit risk, both of which will be managed under the advice of the investment advisory services provider. Liquidity risk is the risk that the investor is unable to redeem the investment at a fair price within a timely period and thereby incurs additional costs (or in the worst case is unable to execute its spending plans). Credit risk is the risk of loss of principal stemming from a financial institutions failure to repay that principal when that principal is due. Investors are compensated for assuming credit risk by way of interest payments from the financial institutions issuing the investment security.

Types of investment securities by credit risk ranking from highest to lowest are as follows:

- Deposits/Covered Bonds – these share first ranking
- Senior debt – Floating Rate Notes/Fixed Coupon Bonds.
- Subordinated debt
- Hybrids
- Preference shares
- Equity shares (common shares)

Subordinated debt, hybrids, preference and equity shares are not a permitted investment under the current Ministerial Order. Term deposits of \$250,000 or less per financial institution are covered under the Commonwealth Government Deposit Guarantee Scheme and therefore by default have the same credit rating as the Commonwealth Government i.e. AAA.

All credit unions, building societies and mutual banks are Authorised Deposit-taking Institutions (ADI's) and are regulated in the same way as all other Australian banks. ADI's are regulated by the Australian Securities and Investment Commission (ASIC) under the Corporations Act 2001, and by the Australian Prudential Regulatory Authority (APRA) under the Banking Act 1959.

Consultation:

This report has been prepared in consultation with Council's Acting Group Leader Financial Management, Management Accountant - Expenditure and Accountant - Budget Management.

Related Policy, Precedents and / or Statutory Requirements:

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

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

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

Implementation Date / Priority:

The contract is for a period of three (3) years. The commencement date is 1 March 2015.

Conclusion:

Council should consider the information provided in the confidential attachment and adopt the recommendation provided.



REPORT TO ORDINARY COUNCIL MEETING

FUNDING ALLOCATION FOR S94 CORINDI BEACH DEVELOPMENT AREA

REPORTING OFFICER:	City Landscape Architect, Road Program Engineer.
DIRECTOR:	Director Sustainable Infrastructure.
COFFS HARBOUR 2030:	PL1 Our infrastructure and urban development is designed for sustainable living PL2 Our public spaces are enjoyed by all our people MA1 We have an integrated, accessible and environmentally-friendly mixed mode transport system servicing the region.
ATTACHMENTS:	ATT Map Locations

Recommendation:

That Council resolve to allocate the remaining Section 94 Funding of \$440,000 associated with the Corindi Beach Estate development contribution plan to the projects below:

1. **\$229,000 – Corindi Beach Tennis Court.**
2. **\$211,000 – Stage 1 Red Rock Road Cycleway.**

EXECUTIVE SUMMARY

The purpose of this report is to seek Council approval to allocate remaining Section 94 funding associated with the Corindi Beach development plan. It is recommended that this funding serve to enable the replacement of an existing tennis court found with a multipurpose tennis and basketball facility found within the Corindi Crown Reserve, and the construction of Stage 1 of a shared path to connect Corindi Beach with Red Rock. See Attachments for map locations.

Community consultation has been undertaken previously regarding the various priorities for community infrastructure improvements. The abovementioned projects have been recently reconfirmed with the Corindi Community Group as being still consistent with the expectations of the community for the remaining funding.

Council has previously accepted grant funding of \$320,000 to enable the construction of the abovementioned shared path however needs to contribute \$211,000 towards the project. No appropriate sources of funding have been identified, other than the available S94 funding for Corindi Beach development plan.

Approval to allocate the remaining funding to these projects will seek to provide the Corindi Beach community with improved recreational facilities and cycling infrastructure.

REPORT

Description of Item:

In 2008 Council staff undertook extensive local community consultation to determine what Section 94 funds should be spent on, within the Corindi Beach Development Area. As a result of this, a works program was formulated and the following works were carried out:

- Construction of skate park - \$200,000.
- Construction of playground and landscaping in Niland Street reserve - \$141,000.
- Footpath/Cycleway constructed along the entire Pacific Street circuit of the village - \$309,000.

Expenditure of approximately \$650,000 on these works exhausted all funds held at that time.

Subsequent to this, the completion of the Corindi Beach Estate development has resulted in additional contributions being received and Council is now holding approximately \$420,000 in Section 94 funds for community infrastructure within the Corindi Beach area. The exact nature of this community infrastructure is not specified in the contributions plan which was prepared by the former Ulmarra Council in 1995.

Further works are now being considered in line with the outcomes of the community consultation. Other options that have been nominated and considered are tennis court improvements and additional pathway / cycleway construction.

The proposed tennis court improvements include the reconstruction of the existing tennis court located in the reserve opposite the Corindi General Store, in order to provide a new facility for both tennis and half-court basketball. Other works include drainage, fencing, shade shelter, seating and landscaping. These works are estimated at a cost of \$229,000.

It is proposed that the court will be freely available to the community with the option to hire a tennis court net from the Corindi General Store. The Corindi General Store has agreed to manage the hiring and storage of this net. An Expression of Interest will be prepared by Council to license a tennis coaching enterprise to operate from the facility. Fees generated will fund lifecycle replacement costs and assist with general maintenance costs. The Corindi Community Group has also offered to assist Council's Recreational Services Section to maintain the facility.

Council has recently accepted a grant of \$320,000 from the Roads and Maritime Service (requiring a \$211,000 contribution from Council) to construct Stage 1 of a shared path proposed to connect Corindi Beach to Red Rock. This Stage 1 shared path along Red Rock Road is to consist of an off-road concrete shared path from Corindi Primary School to the Yarrowarra Aboriginal Cultural Centre and then on-road towards the southern boundary of Yuraygir National Park. Currently the Council contribution is unfunded, as no other suitable source of funding has been identified, however the allocation of \$211,000 from the remaining S94 funding would meet the intent of the Corindi Beach development contributions plan and the expectations of the Corindi Beach Community.

Issues:

The allocation of the \$440,000 to both the Tennis Court and Shared path projects enables Council to take advantage of grant funding from the Roads and Maritime Services as well as allowing the community to enjoy additional pedestrian and bicycle access and new recreational facilities. If the funding allocation was to be delayed, Council may miss the opportunity to utilize the RMS grant funding, and the community of Corindi Beach may become dissatisfied with the outcome.

Options:

The options available to Council with respect to the allocation of remaining S94 funding in question are to:

1. Adopt the recommendation provided to Council as above to enable the maximisation of funding opportunities for the new shared pathway and new tennis court facilities.
2. Council amend the recommendation to consider alternate options for the Corindi Beach Estate Section 94 funding with respect to other community expectations, which are unknown at this point in time, requiring a subsequent report to Council.
3. Reject the recommendation provided to Council, however the opportunity to utilise the RMS grant funding may be missed and the community of Corindi Beach may become dissatisfied with the outcome.

Sustainability Assessment:

• **Environment**

Environmental assessments will be undertaken for both projects in accordance with Part V of the Environmental Planning and Assessment Act with the intent to identify any issues and place the necessary controls to mitigate environmental risks.

Both projects will require the use of new materials; however the existing tennis court will see the recycling of the surrounding metal fencing and the reuse of the asphaltic surface into the underlying base of the new tennis court. Construction methods will be employed to minimize run off into natural systems.

The shared path will encourage cycling between the townships of Red Rock and Corindi Beach and has the potential to reduce vehicle usage.

• **Social**

The facilities will significantly improve the social outcomes for the community. The tennis court is centrally located and a natural meeting place for the community. The new facility will enhance the village community spirit and provide a facility for active recreation. The shared path will connect destinations and allow for safe and equitable access.

• **Civic Leadership**

Both projects are consistent with the aspirations of the local community. Each project reflects the preferences of the community for facilities and demonstrates civic leadership by implementing direct community requests. The construction of the tennis courts enables the local community to take an active interest in facilities provided to the community by Council.

- **Economic**

Broader Economic Implications

The project will provide economic benefit by use of local materials and local fabricators and contractors for a significant component of the project. There is also potential to improve the business of a local tennis trainer. The facilities will also add to the overall vibrancy of the village, and potential businesses surrounding the facility.

Delivery Program/Operational Plan Implications

The capital outlay for the refurbishment of the tennis court can be wholly funded through the available remaining S94 funding. The existing maintenance and operational costs are currently catered for through existing Council allocations and community/volunteer efforts. However, after approximately 10 years, the tennis court surface may require renewal at a cost of \$30,000. This should be determined through ongoing condition assessments.

The construction of the Stage 1 Shared path is contingent on the Roads & Maritime Services grant of \$320,000. Should funding from Council not be allocated for this project, it is likely that the offer grant funding would be rescinded along with approximately \$800,000 in funding for the supplementary shared path stages.

Risk Analysis:

As outlined above, the risks associated with the allocation of the remaining funding is such that Council may sustain a loss of reputation because of:

1. Delayed services and spending to be provided to the Corindi Beach community.
2. A lost funding opportunity to contribute to the improvement of local infrastructure.

Consultation:

An extensive local community engagement process was undertaken by Council staff in 2008 to establish the preference for priorities for expenditure of the S94 funds. An excerpt of the analysis shows that the two current funding requests are within the top 7 projects rated by the Corindi Beach Community. The status column shows that the remainder projects have been completed, or are on Crown Lands.

The 7 Highest Rating Projects Rated 1-3 by Corindi Beach Residents						
Projects	Rating:	1	2	3	Total	Status
Completion footpath/shared path		71	43	20	134	Completed
Upgrade to skate park		51	33	24	108	Completed
Improve community hall		10	34	30	74	Crown Lands
New park/playground		6	21	42	69	Completed
Improve sports grounds		13	19	23	55	Crown Lands
Upgrade tennis court/shed		1	18	30	49	Current Funding Request
Cycle/walkway to Red Rock		23	2	2	27	Current Funding Request

The Corindi Community Group has actively requested progression on the tennis court, including a petition with 80 signatures requesting improvements to the tennis court. Recent discussions with the Corindi Residents Group have occurred and they are fully supportive of the projects.

Further consultation has also occurred with Council' Property Section, Sports Unit and Recreational Services Section for due diligence and best practice considerations.

Related Policy, Precedents and / or Statutory Requirements:

The replacement of the tennis court with a multi-purpose facility supports the objectives of the 2030 Community Strategic Plan within Places for Living:

1. PL 1 Our infrastructure and urban development is designed for sustainable living
2. PL 2 Our public spaces are enjoyed by all our people

The Red Rock Road Shared path is listed as a priority in the Draft Bike Plan 2014 to 2019, which was previously on exhibition late last year, and is currently being prepared for Council approval. The Bike Plan supports the 2030 Community Strategic Objective: "MA1 We have an integrated, accessible and environmentally-friendly mixed mode transport system servicing the region."

The funding associated with associated with the Section 94 Corindi Beach Development Area, was raised through the provisions of S94 of the Environmental Planning and Assessment Act 1979 and as such is tied funding held in reserve.

The cycle way works are to be undertaken in accordance with Council's powers as the Roads Authority under the Roads Act 1993 Section 71 "Powers of roads authority with respect to road work".

Both projects are to comply with the provisions of Part V of the Environmental Planning and Assessment Act 1979, "Environmental Assessment".

Implementation Date / Priority:

The designs and environmental assessments for both projects are near completion. It is anticipated that the tennis court and landscaping works can be constructed by the end of August 2015 and the Stage 1 Red Rock Shared path by end of June 2015.

Conclusion:

The remaining S94 funding provides an opportunity to improve the community infrastructure at Corindi Beach. It also enables the leverage other grant funding opportunities to improve pedestrian and cycling facilities. The most appropriate course of action is to allocate the funding to the remaining projects identified from the local community consultation undertaken, ensuring to take advantage of grant funding opportunities.

Map Locations



Figure 1: Corindi Tennis Court adjacent Pacific Street



Figure 2: Corindi to Red Rock Stage 1 Shared Path (off road – yellow, on-road red)



REPORT TO ORDINARY COUNCIL MEETING

PROPOSED LEASE - WESTSIDE TENNIS FACILITY

REPORTING OFFICER:	Property Manager.
DIRECTOR:	Director Sustainable Infrastructure.
COFFS HARBOUR 2030:	LC4.4 Develop inclusive community, sporting and recreational events and activities.
ATTACHMENTS:	Nil

Recommendation:

1. That Council, as the registered proprietor of Lot 2 in DP 533050 part being the southern portion of the Westside Tennis Facility (“the demised premises”), give public notice, pursuant to section 47 of the Local Government Act 1993, of the proposal to lease the Demised Premises to Westside Tennis Club Incorporated for an initial term of five (5) years with an option for a further five (5) years.
2. That in the event there are no objections to the advertised proposed lease of Part Lot 2 DP 533050 to Westside Tennis Club Incorporated, that Council, as registered proprietor of the land, authorise the lease of the Demised Premises to Westside Tennis Club Incorporated for an initial period of five (5) years and an option for a further period of five (5) years.

EXECUTIVE SUMMARY

Council considered a report on the proposed lease of the Westside Tennis Courts on 12 December 2013 and resolved to grant a lease of the facility to the Westside Tennis Club Incorporated. (See resolution 329)

In the process of finalising lease documentation it has been discovered that the built facility straddles the boundaries of Lot 3 in DP 7699 and Part Lot 2 in DP 533050. The original resolution refers only to Lot 3 in DP 7699.

This report and recommendation is submitted to address administrative details to enable finalisation of the lease documentation.

REPORT

Description of Item:

Council has resolved to grant a lease of the Westside Tennis Facility to Westside Tennis Club Incorporated.

In the process of finalising lease documents an administrative error was discovered wherein reference to the relevant land parcels in the original resolution was incomplete. The Westside Tennis Facility sits on Part Lot 3 in 7699 and Part Lot 2 in 533050. The original report refers only to Lot 3 in 7699. A resolution granting a lease of Part Lot 2 in DP 533050 is required to correct the omission and finalise the lease agreements.

• Issues:

The Westside Tennis Club is operated solely for the benefit of its members and the broader tennis playing community. From the proceeds of court hire and tournaments the Club is required (pursuant to lease conditions) to meet the ongoing operational maintenance and repair cost of the facility.

Two issues have been discussed at length with the Club executive in considering future tenure, those being:

1. Formalisation of a commercial agreement with the tennis professional operating from the facility.
2. The establishment of a sinking fund to better ensure the long term sustainability of the facility.

From these discussions the Westside Tennis Club has agreed to the following lease conditions:

- Lessee is responsible for all day to day maintenance and repair.
- The lessee will establish and maintain an interest bearing account to deposit sinking fund contributions.
- The lessee will require Council's written consent to access the account, which consent will only be granted for programmed capital renewal and replacement.
- Within thirty (30) days of each anniversary of the lease the lessee will submit an annual statement as evidence of the sinking fund contribution and balance. This provision will be an essential condition of the lease.
- The grant of coaching or professional rights or services to be subject to Council's consent. Such consent will be subject to a review of the business plan and financial statements of the operator.
- The lessee is to submit annual audited financial statements for Council's review on an annual basis.
- The lessee is to record and report court usage rates on a monthly basis in the format prescribed by Council.
- Other general terms and conditions to be in line with the existing lease agreement. Any other terms and conditions as may be advised or required by Council's solicitors.

- **Options:**

1. Adopt the recommendation provided to Council.
2. Undertake a boundary adjustment of the two land parcels to include the Westside Tennis Facility in one lot. The process is a timely and relatively expensive process and is not considered warranted for the purposes of a long term lease of a community facility.

Sustainability Assessment:

- **Environment**

The recommendations do not give rise to any adverse environmental issues.

- **Social**

This lease proposal will continue an existing use of the subject premises and as such there is no perceived change in regard to social sustainability and impact. The facility provides a valuable facility to help foster a sense of community and to promote healthy lifestyle choices.

- **Civic Leadership**

The Coffs Harbour 2012-2016 Delivery Program objective is to create facilities and services that allow the community to reach its full development potential. The proposed lease is consistent with this objective.

- **Economic**

Broader Economic Implications

The recommendation does not give rise to any adverse economic outcomes, noting that whilst the tenure is granted at a subsidised rate the responsibility for the ongoing maintenance and repair of the property rests with the lessee.

Further, the tenure is granted on the basis the club commences and maintains a sinking fund with a minimum annual contribution being made as part of the lease agreement.

Delivery Program/Operational Plan Implications

Support of local clubs is in keeping with the 2030 Vision and Delivery Program for 2012-2016 to provide each village with the services and facilities needed to maintain a sense of local community.

Further, the plan aims to develop inclusive community, sporting and recreational activities. Facilitation of the Westside Tennis Facility lease will work towards these operational goals.

Risk Analysis:

The premise of the lease focuses on managing long term sustainability risks through establishing and building a capital reserve to meet future replacement and renewal costs.

Council will need to ensure that the proposed model is equally applied to the balance of the city's tennis facilities as the respective tenures fall due.

Consultation:

Tennis NSW, Council's Senior Valuer and Council's Sports Development Officer.

Related Policy, Precedents and / or Statutory Requirements:

The recommendations are in line with general leasing practices.

The land is classified as community land and categorised as a sportsground pursuant to section 36 of the Local Government Act 1993.

Section 46 provides that a lease, licence or other estate in respect of community land may be granted in accordance with an express provision in the plan of management and provided such tenure is consistent with the core objectives of the land categorisation.

Section 47 of the Act provides that Council must give public notice and consider submissions to the lease proposal prior to leasing or licensing the land.

Regulations 400(2) Local Government (General) regulation 2005 applies with respect to execution of the lease documentation under Council seal.

Implementation Date / Priority:

Staff will action the resolution immediately.

Conclusion:

The recommendation presents the means to complete the lease documents required to give effect to Council's previous intention and resolution to grant a lease of the Westside Tennis Facility to the Westside Tennis Club.