

CENTRAL TABLELANDS *Water*



Business Paper

Ordinary Meeting of Central Tablelands Water

14th December 2011

Molong



8 December 2011

Notice to Members

Your attendance is requested at an Ordinary Meeting of Council to be held at the Cabonne Shire Council on Wednesday, 14 December 2011 at 10.30am. Morning tea will be served at 10.00am.

Agenda

1. Public Forum
2. Apologies for non-attendance
3. Leaves of absence granted
4. Confirmation of Minutes - Ordinary Meeting held on 20.10.11
5. Chairman's Minute
6. Councillor Representation
7. Notices of Motion
8. Reports of Staff
9. Adjourn Meeting and proceed into Committee of the Whole
10. Resume Ordinary Meeting & Report of Committee of the Whole
11. Next Meeting – Grenfell – 8th February 2012

Yours faithfully

A. Perry
General Manager

INDEX OF REPORTS
OF THE ORDINARY MEETING OF CENTRAL TABLELANDS WATER
HELD ON WEDNESDAY 14 DECEMBER 2011

CORPORATE & FINANCIAL SERVICES REPORTS

01	Annual Financial Statements - 30/06/2011 (15).....	3
02	Financial Matters (4).....	5
03	Lake Rowlands Augmentation (226).....	9
04	State Standing Committee on State Development (226)	20
05	Centroc Electricity Provision Contract (228)	27
06	Destination 2036 - Draft Action Plan (6)	35
07	State Government Plan - NSW 2021 (6).....	38
08	Business Continuity Plan (356).....	44
09	Councillor Expenses and Facilities Policy (6)	45
10	Public Interest Disclosures Act 1994 (394)	48
11	LGMA Annual Conference (267).....	49
12	WBC Alliance - Project Officer's Report (356)	51

ENGINEERING & OPERATIONS SERVICES REPORTS

13	Purchase of Plant (87)	55
14	Maintenance of Council's Systems (105).....	56
15	Performance of Council's Systems (105).....	58
16	New Water Services (80).....	60

COMMITTEE REPORTS

17	Bogolong Dam - Expressions of Interest (119)	61
18	Questions on Notice	62
19	Proceed to Committee of the Whole	63
20	Report of the Committee of the Whole.....	64

01) Annual Financial Statements - 30/06/2011 (15)

(Tony Perry)

RECOMMENDATION:

1. That the audited financial reports for the year ended 30 June 2011, together with the auditor's report, be received and noted.

REPORT

The Finance Manager presented the following report to the October meeting of Council:

Councils Financial Statements, for the year ended 30 June 2011, have been finalised and the audit completed. A complete copy of the audited Financial Statements and Auditors Report has been included with this business paper.

Council's Auditor, Mr. John O'Malley, a Partner with Morse Group, will, as in previous years, be present at the meeting to speak to his report and answer any questions that may emanate from it.

The Income Statement shows a net operating deficit for the year of \$1,121,000 with Council's Net Assets and Total Equity increasing from \$57,199,000 to \$57,860,000.

The Income Statement also reveals a net operating deficit before capital grants and contributions of \$1,361,000 after allowing for depreciation of \$1,775,000.

Section 418 of the Local Government Act (1993) states that public notice must be given of the date of the meeting at which it is proposed to present the audited financial reports to the public.

Accordingly, in compliance with Section 418, a public notice has been circulated in the relevant local newspapers advising the public that the audited financial reports for the year ended 30 June 2011 can be inspected at Council's Blayney office or on Council's website and that any member of the public is invited to attend this meeting and/or make a submission on those reports.

A copy of the final Management Letter from Morse Group, in regards to the 2010/2011 audit, is attached.

As Council's October meeting was rescheduled from 12/10/11 to 20/10/11, Council's Auditor was unable to attend and present his report. As a result, Council resolved to defer the consideration of the 2010/2011 Financial Statements until the December 2011 meeting at which Council's Auditor has indicated he will attend.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

02) Financial Matters (4)

(Gavin Rhodes)

RECOMMENDATION:

1. That the information be noted.

REPORT

Details of all payments made to creditors in the preceding two months are available for inspection at the Blayney office.

The Bank Reconciliation, as at 30 November, together with a Statement of Funds Invested, is attached to the business paper.

Council's Petty Cash Book and the Warrant Listing will be **tabled** on meeting day.

As required by Council, the following table details the status of Council's investments through Lehman Bros as at 31 October 2011:

Investment	Interest Rate	Above BBSW	Call Date	Maturity Date	Interest Paid	Face Value	Current % value	Current Value
Aphex (Glenelg AA-)	6.4500%	1.87%	22/06/2009	22/12/2014	Quarterly	50,000	19.50	9,750
MAS (Parkes AA-)	8.0100%	3.43%	20/12/2009	20/06/2015	Quarterly	300,000	0.15	450
ZIRCON (Coolangatta AA)	N/A	N/A	20/03/2011	20/09/2014	Quarterly	250,000	95.00	237,500
ZIRCON (Miami AA)	N/A	N/A	20/03/2015	20/03/2017	Quarterly	50,000	97.00	48,500
Omega (Henley AAA)	5.5500%	0.92%	22/06/2012	22/06/2012	Quarterly	200,000	71.00	142,000
Total						\$850,000	51.55	\$438,200

The value of the CDO investments acquired through Lehman's have decreased with the latest valuations received as at 31 October 2011, showing a decrease in the total net valuations from \$449,725 at 31 August 2011 to \$438,200 at 31 October 2011, a decrease of \$11,525. Valuations are now valued at 51.55% of par value.

Lehman Australia remains in liquidation and Council's legal representatives, Piper Alderman together with litigation funders IMF (Australia) Ltd, are continuing to work on behalf of a significant number of councils with a class action against Lehman's to ensure that the best possible return from the assets is received.

In the latest update received from IMF (Australia) Ltd, dated 1 November 2011, in part the following was advised:

COLLECTIVE ACTION

IMF's strategy continues to be based on collective action for the collective good of group members.

Unfortunately, we are currently rudderless concerning the insurance monies with Piper Alderman and your council unable to progress collective action in respect of insurance monies until any potential conflict between group members is neutralised.

The future collective action concerning the insurance monies IMF is prepared to fund as part of its current funding is:

- a. to apply to the Court for copies of all policies and relevant communications;*
- b. to negotiate with LBA, Lehman Asia and the insurers for a greater share of any insurance monies than non group members based on any judgment in the class action and/or section 6 and/or section 562 of the Corporations Act 2001 (Cth): and if appropriate*
- c. to commence proceedings relying upon section 6 and/or proceedings in New York against the US insurers based upon any judgment in the group action making one or more of the group “judgment creditors” (the “Collective Action”).*

THE WAY FORWARD

To enable this Collective Action, your lawyers will need all group members to sign a Group Member Acknowledgement and Warranty form.

The effect of all group members signing and returning the form is:

- a. your lawyers can commence the Collective Action rather than remain rudderless in respect of the insurance monies going forward; and*
- b. any action that is to be taken by those group members who may have a right to recover is to be taken for the collective good such that any additional recoveries are pooled and shared amongst all group members pro rata in proportion to each group members distribution from LBA.*

CONCLUSION

We started this project together and we ought to finish it together.

We have, in IMF’s view, turned the group members’ share of the \$40 million pool under the overturned Deed of Company Arrangement of about \$12 million, if the Federal Court proceedings are successful, into a likely distribution of in excess of five times that which was offered by Lehman Asia and recommended by the liquidators.

We have achieved this position through collective action. Piper Alderman has confirmed it will be able to progress the Collective Action if all group members sign an appropriately worded acknowledgement and warranty in respect of the potential conflict and Collective Action.”

The General Manager on behalf of Council signed a Group Member Acknowledgement & Warranty form on 2 November 2011 to continue the collective action against Lehman Brothers Australia Limited.

Whilst Council’s CDO investments are well below par value, Council’s remaining investment portfolio of approximately \$2.45 million is all capital guaranteed, primarily in term deposits.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

1 Bank Reconciliation November 2011 1 Page

**CENTRAL TABLELANDS COUNTY COUNCIL
STATEMENT OF BANK BALANCES AS AT 30 NOVEMBER 2011**

GENERAL FUND

(a) Cash Book Balance	\$ 473,442.77
(b) Bank Balance	\$ 455,166.46
(c) Limit of Overdraft (Bank)	Nil
(d) Limit of Overdraft (Statutory)	\$ 1,130,000.00

BANK RECONCILIATION

Balance as per Bank Statement	\$ 455,166.46
Add: Outstanding deposits	\$ 18,346.31
	<u>\$ 473,512.77</u>
Less: Outstanding Cheques	\$ 70.00
Balance as per Cash Book	<u>\$ 473,442.77</u>

FUNDS INVESTED AS AT 30 NOVEMBER 2011

	Amount	Rate of Interest	Bank Bill Swap Rate
(1) Floating Rate CDO	\$ 50,000.00	6.45%	4.58%
(2) Floating Rate CDO	\$ 300,000.00	8.01%	4.58%
(3) Floating Rate CDO	\$ 250,000.00	Currently suspended	4.58%
(4) Floating Rate CDO	\$ 50,000.00	Currently suspended	4.58%
(5) Floating Rate CDO	\$ 200,000.00	5.55%	4.58%
	<u>\$ 850,000.00</u>		
(6) Term Deposit	\$ 500,000.00	6.00%	4.58%
(7) Term Deposit	\$ 500,000.00	5.96%	4.58%
(8) Term Deposit	\$ 500,000.00	6.00%	4.58%
(9) Term Deposit	\$ 500,000.00	6.27%	4.58%
	<u>\$ 2,850,000.00</u>		
(10) Cheque Account	\$ 3.10	4.50%	4.58%
(11) Cheque Account	\$ 108,636.19	4.45%	4.58%
(12) Business On-line Saver	\$ 346,521.82	5.00%	4.58%
(13) Cash Managed Fund	\$ 5.35	4.75%	4.58%
	<u>\$ 3,305,166.46</u>		

In accordance with the Local Government (Finance Regulations) 1993 (Part 4, Cl. 19), I hereby certify:

The above Investment Summary represents Council's total investments as at 30 November 2011 and that the investments have been made in accordance with the Act, the regulations and Council's investment policies.



Gavin Rhodes
Finance Manager

03) Lake Rowlands Augmentation (226)

(Tony Perry)

RECOMMENDATION:

1. That the information be noted.

REPORT

At the August 2011 meeting of Council, it was resolved that authority be given to the Chairman and General Manager to meet with the Minister for Primary Industries, the Hon. Katrina Hodgkinson to discuss the requirements of the Dam Safety Committee for the existing Lake Rowlands Dam and the submission made to her for the reallocation of the Browns Creek pipeline subsidy. It was further resolved at that meeting that the General Manager issue a press release reinforcing Council's support of Orange City Council's Macquarie River pipeline.

The General Manager advises that the press release was issued but as far as he can ascertain it has never been published.

On 9 November, the Chairman and General Manager travelled to Sydney and met with Minister Katrina Hodgkinson in the Macquarie Street office of local member Paul Toole. The General Manager presented a submission to the Minister (see attached) seeking her support by approving either a transfer of the Browns Creek to Carcoar pipeline subsidy of \$2.3M, or fresh funding, towards the phased study works for Lake Rowlands.

The Minister's Chief of Staff advised the Chairman and General Manager that the Browns Creek pipeline subsidy, which was offered to Council in 2007, has now lapsed and is no longer available for consideration. The Minister also stressed that there was limited money available from Government. However, the Minister did suggest that there may be an avenue to explore whether there was a possibility of funding being available through the new body of Infrastructure NSW. The Minister directed her Chief of Staff to follow up on this possibility and further advise Council.

To date, there has been no advice from the Minister's office and the General Manager has written to the Minister (see attached) following up on her suggestion of a possible avenue of funding through Infrastructure NSW.

There has been a further development of frustration in regards to the revised secure yield on a proposed new 26,500ML dam. Council might remember that in 1998 consultants Woodward Clyde prepared a Secure Yield Study for a proposed new 26,500 ML dam and estimated the secure yield at 8,000ML. In the preparation of the recent IWCM detailed strategy, consultants SMEC, after providing a reduction for climate change and increased environmental flows, estimated the secure yield on the new dam to be 4,600ML. As the reduced yield estimated by SMEC raised some concerns in regards to the viability of the new dam proposal, Minister Hodgkinson directed the NSW Office of Water (NOW) to conduct an independent secure yield study in order to verify or otherwise the SMEC estimate.

The initial findings of the NOW study revealed a secure yield estimate of 5,000ML, however, when applying the new NOW guidelines for calculating secure yield and applying a more stringent reduction for climate change, the estimated secure yield on the proposed new dam at Lake Rowlands reduces to 3,150ML. The new guidelines,

This is Page No. 9 of the Agenda presented to the Ordinary Meeting of Central Tablelands County Council held at Cabonne Shire Council on 14 December 2011

when applied to the existing 4,500ML dam, reduces the secure yield from 1,900ML to 1,460ML. It is difficult to understand how an increased volume of 22,000ML can only increase the secure yield by 1,690ML. If these findings are to remain true and be recognised by the NOW, then it could be argued that there would be a detrimental cost benefit analysis applied to the Lake Rowlands proposal.

As these secure yield findings have created a great deal of contention, the General Manager, the General Manager of Parkes Shire Council, the Director of Technical Services for Orange City Council and the Executive Officer of Centroc are meeting with the NOW and the consultant who prepared the yield study for the NOW on Thursday 8 December to discuss the methodology and basis for the yield estimate.

The General Manager will give a verbal update on the results of this meeting to Councillors at this Council meeting.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Presentation to Katrina Hodgkinson MP 7 Pages
- 2 Letter to Katrina Hodgkinson MP 2 Pages

Submission to the Hon. Katrina Hodgkinson MP

Member for Burrinjuck

Minister for Primary Industries

Minister for Small Business

By Central Tablelands Water County Council

Cr John Farr OAM, Chairman and Mr Tony Perry, General Manager

9 November 2011 – Parliament House, Sydney, NSW

In 2005, Mr D James, in his publication "Water, Water, Not Everywhere", produced for the Federal Department of Agriculture, Fisheries and Forestry, stated that Australia was faced with water collection and allocation issues. Mr James further stated that increasingly warm weather and longer drier periods have indicated that Australia needs to collect more water to cope with fluctuating climatic conditions.

This situation is no different in the Central West where water restrictions are becoming a way of life for residents and water intensive industries are struggling to survive with reduced water supply and security.

During what could arguably be claimed as the worst drought on record, water supply problems in the Central West were particularly evident in areas such as Orange, Cowra, Parkes, Forbes and Condobolin where severe water restrictions were in place for 6 to 7 years. Orange in particular, a city of nearly 40,000, was in extreme risk of running out of water and was on Level 6 water restrictions.

It cannot be overstated the affect the drought has had on the Central West communities over the past 10 years, as we are sure you, as the Member for Burrinjuck, fully appreciates.

At the extreme period of the drought, Wyangala and Burrendong Dam levels dropped to about 4% and 12.5% respectively and the Lachlan River near Condobolin stopped flowing.

Newcrest's gold mining operation at Cadia, near Orange, was also at risk of closing which would have had a devastating effect on the economic viability of the City of Orange and surrounding district. Approximately 1,200 jobs would have been at risk not to mention the snowballing effect on the commercial businesses in Orange that feed off the mine.

For the past 12 years, Central Tablelands Water County Council (CTW) has been advocating and lobbying for the enlargement of Lake Rowlands Dam, near Blayney in NSW, from 4,500 megalitres to 26,500 megalitres. Lake Rowlands is a town water supply dam owned and operated by CTW supplying potable water to 13 towns and villages across the Central Tablelands and Central West.

In 2006, the Western Research Institute (WRI) at Charles Sturt University in Bathurst completed a study which presented a case for the enlargement of Lake Rowlands. The study, titled "Regional Development in Central West NSW – Water the Real Constraint", identified that the expansion of Lake Rowlands offers an opportunity to significantly enhance the development potential of the Central West.

The study further identified that the Central West of New South Wales has a diverse industry base, however a significant proportion of production (27%) is attributable to the heavy water consuming industries of agriculture, mining and manufacturing. The study found that this reliance on water intensive industry, coupled with population growth, extreme drought and a lack of new dam

infrastructure has resulted in similar water use and sustainability issues in the Central West as have been identified across Australia. Demand is at an unsustainable level, to the extent that water restrictions are becoming a way of life for many residents and industry is struggling to survive with reduced water supply and security.

As a result, a range of studies have been conducted which investigated ways to increase capacity and reallocate water to those areas in need. One such proposal is to increase the storage capacity of Lake Rowlands. As previously mentioned, Lake Rowlands is situated between Blayney and Carcoar on the Coombing Creek and supplies water to 13 towns and villages within the local government areas of Blayney, Cabonne, Weddin and Cowra. Lake Rowlands has a catchment area of approximately 197km² and at full supply level of 878m has a capacity of 4,500ML with secure yield of around 1,900ML.

Following the completion of the WRI study in 2006, and as a result of the worst drought on record, the Centroc group of Councils commissioned a further study to identify the best means of providing water security to the Central West. This study titled 'The Centroc Water Security Study' was fully funded by the NSW State Government at a cost of \$550,000. The study was conducted by engineering consultants MWH and completed in October 2009.

Once again, this study, after an exhaustive elimination of a long list of potential options, recommended the augmentation of Lake Rowlands and the construction of a series of transfer pipelines to service areas such as Orange, Parkes Forbes and Cowra as well as the existing consumers of CTW.

Lake Rowlands was found to be the best option due to its geographic location which has an elevation of 882 metres and can gravitate to most areas thereby reducing the energy and greenhouse gas emissions associated with moving water to various points of need within the region. The consultants were also of the opinion that, if population growth is greater than assumed, an augmented Lake Rowlands supply would be better placed to support the greater associated demands.

One of the other distinct advantages of the Lake Rowlands option is that during drought the recommended strategy reduces the dependence of river-side towns on the Lachlan river through the provision of new additional town water storage and a regional network of pipes. This will reduce the need to manage the major Wyangala dam in relation to town water supplies in times of drought.

The Centroc study also states that, as the augmentation of Lake Rowlands is a key recommendation to improve security, it is a high priority action and planning for this work needs to commence as a priority. The consultants anticipated that the augmentation of Lake Rowlands, and the subsequent time for the storage to fill, will be the elements of the strategy which have the longest implementation timeframes. The consultants are of the opinion that the approval, design and delivery of a new storage generally takes between 7-10 years, but it is contended, and expert dam builders have testified, that **it can be completed much sooner if there is political will**. The NSW Office of Public Works has identified that, providing funding has been secured, the project could be completed within 6 years.

Whilst the Centroc study reveals estimated costs of the augmentation of Lake Rowlands Dam at \$150 million, CTW disputes this estimate and has two

independent expert assessments that claim the dam can be built for an estimated \$66M, \$77M and \$89M after allowing for contingencies of 5%, 25% and 50% respectively. Either way, for this proposal to move forward, it needs State and Federal Government support with approvals and funding.

The Federal Government have already told us that they will only provide funding for 'shovel ready' projects and that matching funding must be provided by State or a combination of State and Local Government.

To enable this project to be 'shovel ready' it requires a series of studies to be completed such as concept design, environmental impact study, hydrology study and governance issues covering the management and distribution process of the new dam infrastructure. These studies have been estimated at between \$3M and \$4M and currently Centroc and CTW are endeavouring to obtain funding from your Government in this regard. In May 2011, Council wrote to you seeking your approval to transfer a subsidy allocation of \$2.25M, approved in 2007 for a pipeline from Browns Creek to Carcoar, to the phased study works for Lake Rowlands (Council's correspondence is attached). To date CTW has not received any response to this request

Approval in principal for the project is also being sought from the State Government subject to the studies 'stacking up' and showing that the project is a viable and worthwhile proposition. The Federal Government is adamant that the approvals process is a State Government responsibility.

The new State Government has publicly stated that identifying regional infrastructure needs is a priority and it has a policy to promote city dwellers to

move to regional NSW with a 'carrot' of \$7,000 being on offer to those who sell-up in Sydney and buy a home in the country.

This is all well and good but, if there is to be a genuine effort to reduce the population in Sydney and grow the regional areas, there needs to be employment and an attraction for industry and commercial enterprises to relocate to regional areas in order to create employment opportunities to those people relocating. In turn there needs to be the appropriate infrastructures in place and **water security has to be high on the list.**

As mentioned earlier, during the drought, Cadia Valley gold mining operations went very close to shutting down due to drastic water shortages and that about 1,200 jobs were at risk. It is worth noting that the 2006 WRI study identified that the Cadia Valley operation has the potential to produce \$184 million in GRP, \$6 million in royalties to the NSW Government and an additional 152 full-time jobs.

There are currently 25 other gold mining operations that are looking to start up in the region and one in particular in the Blayney area has, from all reports, the potential to be bigger than Cadia, but they are water dependent.

Whilst the priority for water security in the Central West has to be for town water supply, the population growth that comes with the increased mining and related commercial activities will place huge burdens on the already less than adequate water securities.

Minister, the NSW Dam Safety Committee have advised CTW that, unless it can show the Committee that a new dam will be construct by 2021, they will require major works to be carried out on the existing dam to upgrade the dam for flood security. Engineering consultants GHD have supplied 'ball park' estimates for this

work at between \$3M and \$4M and, as this should qualify as backlog works, would attract a government subsidy of \$1.5M to \$2M. CTW contends that this funding would be better served in support of pre-construction studies to prove the viability and reliability of a new dam that would be of benefit to a vast region of the Central West.

The NSW State Government placed enormous importance on ensuring that Sydney does not have a water security problem in the future by spending billions on a desalination plant. Central West NSW, and in fact regional NSW needs to have and demands the same security.

Minister, prior to your government's election, you were very supportive of the Lake Rowlands project. Council now seeks your ongoing support by approving either a transfer of the Browns Creek to Carcoar subsidy of \$2.3M or fresh funding towards the phased study works for Lake Rowlands that will hopefully justify that the augmentation of Lake Rowlands is a worthwhile and viable proposition to bring water security to the Central West.



Central Tablelands *Water*

2459

Our Reference: AP:226

Contact: Tony Perry

29 November 2011

The Hon. Katrina Hodgkinson MP
Member for Burrinjuck
Minister for Primary Industries
Minister for Small Business
Level 30 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister,

Re: Lake Rowlands Augmentation Proposal

Thank you for meeting with Council's Chairman, Cr John Farr OAM, and me on 9 November 2011 in Paul Toole's office in Parliament House and receiving a submission (attached) to discuss funding possibilities for phased study works that are required to justify and progress the proposal to augment Lake Rowlands from 4,500ML to 26,500ML. As you are aware this proposal was the major recommendation in the State Government funded Centroc Water Security Study.

This meeting and submission followed up on previous correspondence to you on 2 May 2011 and 18 May 2011 (see attached).

I would like to confirm the following outcomes from our meeting:

1. The request to transfer a subsidy allocation of \$2.25M, granted in 2007 for a 16km pipeline from Browns Creek to Carcoar water filtration plant, to funding the Lake Rowlands phased works could not be considered as the 2007 funding allocation had now lapsed.
2. You had thoughts that a possible avenue for funding of the phased works could come through an approach to Infrastructure NSW and you directed your Chief of Staff, Mr Tim Scott, to pursue that possibility.

Minister, Council would appreciate any update that can be provided on an approach to Infrastructure NSW and whether there are any other possibilities of State Government assistance towards Centroc acquiring funding of these phased studies that are necessary in

Phone: 02 6368 2208 Fax: 02 6368 2451 Email: water@ctw.nsw.gov.au Web: www.ctw.nsw.gov.au
30 Church Street P.O. Box 61 BLAYNEY NSW 2799
Central Tablelands County Council T/A Central Tablelands Water ABN: 43 721 523 632



Central Tablelands *Water*

moving forward on this important infrastructure project that is so vital to water security in the Central Tablelands and Central West of NSW.

Yours faithfully,

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

A. Perry
General Manager

Encl.

C.c. **Andrew Gee MP, Member for Orange**
Paul Toole MP, Member for Bathurst

04) State Standing Committee on State Development (226)

(Tony Perry)

RECOMMENDATION:

1. That the information be noted.

REPORT

The Chairman and General Manager were recently invited to address a NSW State Government Standing Committee on State Development - Inquiry into the Central West.

The Inquiry was held in Parkes on 4 November 2011 and the Chairman and General Manager were given the opportunity to address the Inquiry in regard to water issues within the Central West.

The General Manager prepared and presented a submission which was supported by the Chairman.

The submission appeared to be very well received but time will tell whether anything will come to fruition.

A copy of the presentation is attached.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Presentation to State Standing Committee 6 Pages

Presentation to State Government Standing Committee

By Central Tablelands Water County Council

Cr John Farr OAM, Chairman and Mr Tony Perry, General Manager

4 November 2011 – Parkes NSW

Why doesn't the State Government take notice of nature? Nature stores during good times to provide during bad times.

In 2005, Mr D James, in his publication "Water, Water, Not Everywhere", produced for the Federal Department of Agriculture, Fisheries and Forestry, stated that Australia was faced with water collection and allocation issues. Mr James further stated that increasingly warm weather and longer drier periods have indicated that Australia needs to collect more water to cope with fluctuating climatic conditions.

This situation is no different in the Central West where water restrictions are becoming a way of life for residents and water intensive industries are struggling to survive with reduced water supply and security.

During what could arguably be claimed as the worst drought on record, water supply problems in the Central West were particularly evident in areas such as Orange, Cowra, Parkes, Forbes and Condobolin where severe water restrictions were in place for 6 to 7 years. Orange in particular, a city of nearly 40,000, was in extreme risk of running out of water and was on **Level 6 water restrictions**.

It cannot be overstated the affect the drought has had on the Central West communities over the past 10 years.

At the extreme period of the drought, Wyangala and Burrendong Dam levels dropped to about 4% and 12.5% respectively and the Lachlan River near Condobolin stopped flowing.

Newcrest's gold mining operation at Cadia, near Orange, was also at risk of closing which would have had a devastating effect on the economic viability of the City of Orange and surrounding district. Approximately 1,200 jobs would have been at risk not to mention the snowballing effect on the commercial businesses in Orange that feed off the mine.

For the past 12 years, Central Tablelands Water County Council (CTW) has been advocating and lobbying for the enlargement of Lake Rowlands Dam, near Blayney in NSW, from 4,500 megalitres to 26,500 megalitres. Lake Rowlands is a town water supply dam owned and operated by CTW supplying potable water to 13 towns and villages across the Central Tablelands and Central West.

In 2006, the Western Research Institute (WRI) at Charles Sturt University in Bathurst completed a study which presented a case for the enlargement of Lake Rowlands. The study, titled "Regional Development in Central West NSW – Water the Real Constraint", identified that the expansion of Lake Rowlands offers an opportunity to significantly enhance the development potential of the Central West.

The study further identified that the Central West of New South Wales has a diverse industry base, however a significant proportion of production (27%) is attributable to the heavy water consuming industries of agriculture, mining and manufacturing. The study found that this reliance on water intensive industry, coupled with population growth, extreme drought and a lack of new dam

infrastructure has resulted in similar water use and sustainability issues in the Central West as have been identified across Australia. Demand is at an unsustainable level, to the extent that water restrictions are becoming a way of life for many residents and industry is struggling to survive with reduced water supply and security.

As a result, a range of studies have been conducted which investigated ways to increase capacity and reallocate water to those areas in need. One such proposal is to increase the storage capacity of Lake Rowlands. As previously mentioned, Lake Rowlands is situated between Blayney and Carcoar on the Coombing Creek and supplies water to 13 towns and villages within the local government areas of Blayney, Cabonne, Weddin and Cowra. Lake Rowlands has a catchment area of approximately 197km² and at full supply level of 878m has a capacity of 4,500ML with secure yield of around 1,900ML.

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Lake Rowlands was found to be the best option due to its geographic location which has an elevation of 882 metres and can gravitate to most areas thereby reducing the energy and greenhouse gas emissions associated with moving water to various points of need within the region. The consultants were also of the opinion that, if population growth is greater than assumed, an augmented Lake Rowlands supply would be better placed to support the greater associated demands.

One of the other distinct advantages of the Lake Rowlands option is that during drought the recommended strategy reduces the dependence of river-side towns on the Lachlan river through the provision of new additional town water storage and a regional network of pipes. This will reduce the need to manage the major dam in relation to town water supplies in times of drought.

The Centroc study also states that, as the augmentation of Lake Rowlands is a key recommendation to improve security, it is a high priority action and planning for this work needs to commence as a priority. The consultants anticipated that the augmentation of Lake Rowlands, and the subsequent time for the storage to fill, will be the elements of the strategy which have the longest implementation timeframes. The consultants are of the opinion that the approval, design and delivery of a new storage generally takes between 7-10 years, but it is contended, and expert dam builders have testified, that **it can be completed much sooner if there is political will.**

Whilst the Centroc study reveals estimated costs of the augmentation of Lake Rowlands Dam at \$150 million, CTW disputes this estimate and has two independent expert assessments that claim the dam can be built for around \$80/\$100 million depending on the level of contingency allowed. Either way, for

this proposal to move forward, it needs State and Federal Government support with approvals and funding.

The Federal Government have already told us that they will only provide funding for 'shovel ready' projects and that matching funding must be provided by State or a combination of State and Local Government.

To enable this project to be 'shovel ready' it requires a series of studies to be completed such as concept design, environmental impact study, hydrology study and governance issues covering the management and distribution process of the new dam infrastructure. These studies have been estimated at between \$3 to \$4 million and currently Centroc and CTW are endeavouring to obtain State Government funding in this regard. Approval in principal for the project is also being sought from the State Government subject to the studies 'stacking up' and showing that the project is a viable and worthwhile proposition. The Federal Government is adamant that the approvals process is a State Government responsibility.

The new State Government has publicly stated that identifying regional infrastructure needs is a priority and it has a policy to promote city dwellers to move to regional NSW with a 'carrot' of \$7,000 being on offer to those who sell-up in Sydney and buy a home in the country.

This is all well and good but, if there is to be a genuine effort to reduce the population in Sydney and grow the regional areas, there needs to be employment and an attraction for industry and commercial enterprises to relocate to regional areas in order to create employment opportunities to those people relocating. In

turn there needs to be the appropriate infrastructures in place and **water security has to be high on the list.**

I mentioned earlier that during the drought Cadia Valley gold mining operations went very close to shutting down due to drastic water shortages and that about 1,200 jobs were at risk. It is worth noting that the 2006 WRI study identified that the Cadia Valley operation has the potential to produce \$184 million in GRP, \$6 million in royalties to the NSW Government and an additional 152 full-time jobs.

There are currently other gold mining operations that are looking to starting up in the region, particularly in the Blayney area, and from all reports they have the potential to be bigger than Cadia, but they are water dependent.

Whilst the priority for water security in the Central West has to be for town water supply, the population growth that comes with the increased mining and related commercial activities will place huge burdens on the already less than adequate water securities.

The NSW State Government placed enormous importance on ensuring that Sydney does not have a water security problem in the future by spending billions on a desalination plant. Central West NSW, and in fact regional NSW needs to have and demands the same security.

05) Centroc Electricity Provision Contract (228)

(Tony Perry)

RECOMMENDATION:

1. That Council take part in the Centroc electricity contract using the service of Local Government Procurement and nominate the Operations Manager to be the staff member for inclusion in the process.

REPORT**Précis**

Council, as a member of Centroc, procures electricity as part of a regional tender with other Centroc member Councils. The contract is due for renewal on June 30 2012. In the past, good savings have been achieved regionally by participating in the Centroc contract.

A comparison of value for money and compliance with the Local Government Act tendering regulations through varying electricity procurement methodologies was provided to the General Managers Advisory Council (GMAC) meeting of July 2011. This report is available on request. General Managers subsequently resolved to procure the next electricity contract through Local Government Procurement (LGP). This was ratified at the Centroc Board meeting in August.

Besides the anticipated cost savings of regional procurement, Council will pay no monies to be part of this process and it delivers a compliant procurement process under the Local Government Act. A management fee will be paid by energy retailers to LGP.

Utilising LGP's prescription status, this process will not require the tender outcome to be put to the elected Council for acceptance provided the approved process is followed, as outlined below. LGP also advises Centroc councils that in considering tenders it has the option of entering into clarifications or negotiations should that be necessary and also that LGP aims to exercise the options (with due governance) that will achieve the best outcome available at that time for Centroc councils.

Once the formal process commences, the timeframe will be tight. Councils need to be conscious that electricity is a commodity and market prices, like the share market, can be quite volatile. LGP stresses that only a commercially viable price will be accepted. Please find correspondence from LGP attached.

Statutory Requirements

As Council spends more than \$150,000 on electricity it must go to tender in accordance with the Local Government Act Tender Regulations.

What are the benefits?

Cost savings in the past on regional electricity contracts have been significant.

By using LGP, who have prescription, procurement can be undertaken compliantly in the challenging timeframes required to procure electricity where typically retailers only hold prices for short period of time.

LGP use specialist assistance to develop the contract and this along with advice from a pool of Centroc members should ensure the best possible contract for Council.

The process and timeframe are detailed in the attached letter from LGP.

Options

Council can:

1. include itself in the regional procurement of electricity with other Centroc members
2. procure electricity as a stand alone
3. investigate other options – note once the regional Centroc contract has “moved on” Council will not be able to opt in or out of the process or
4. resolve in some other way

Conclusion

Centroc has reviewed procurement types for renewing the electricity contract for its member Councils. Procurement through LGP was recommended by GMAC and ratified by the Board. Council, a member of Centroc, takes part in the regional electricity contract due for renewal 30 June. Given the value for money through Centroc contracts developed in the past and LGP’s prescription status offering Council compliance under the Tendering Regulation of the Local Government Act, it is recommended Council resolve to take part in the Centroc electricity contract using the service of LGP and nominate the Operations Manager to be the staff member for inclusion in the process.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Letter from Local Government Procurement 6 Pages



2 November 2011



CENTROC letter no. 1

Attention: General Manager – Central Tablelands Water – Mr Tony Perry

LGP Request for Tender LGP 0811 for Supply of Electricity

Dear Tony,

Local Government Procurement Pty Ltd (LGP) is pleased to have been invited to assist CENTROC councils in sourcing Electricity supply. This follows confirmation at the CENTROC board meeting on the 25 August 2011, where (LGP) was authorised to go to tender for electricity pricing for participating CENTROC members. The current CENTROC councils' electricity supply agreements expire on 30 June 2012 and the LGP process will enable a new contract to take effect from 1 July 2012.

This letter provides some relevant background information for you including details of the proposed process and a General Manager's Authorisation Form to enable the next steps to proceed.

Background to LGP's Electricity Tendering Experience

First Round of Tendering

In early 2010, LGP invited all NSW councils to participate in a Tender for the supply of electricity. Thirty (30) councils and one (1) Not for Profit (NFP) provided signed authorisation forms for this to take place. The categories tendered were Large Sites >160 MWh pa, Unmetered Street Lighting and Green Power. This process resulted in very competitive rates being obtained for the participants.

Second Round of Tendering

In early 2011, forty-three (43) New South Wales councils and NFPs gave LGP authorisation to tender on their behalf. In order to streamline the tendering process in the longer term, a two part strategy was employed. LGP initially conducted an Expression of Interest (EOI) inviting submissions from suitably licenced NSW electricity retailers to establish a panel of prequalified providers. The successful retailers that now form this panel are as follows:

- AGL Sales Pty Ltd
- COzero Pty Ltd
- ERM Power Retail
- Origin Energy Limited
- TruEnergy Pty Ltd

The second stage of that process was to conduct a Request for Tender (RFT) seeking pricing from the above panel. This greatly assisted efficiency in the approval and award process. The categories tendered were Large Sites >160 MWh pa, Small Tariff Sites, Unmetered Street Lighting and Green Power. Again, very competitive rates were obtained for the participants.

This panel remains in place for use with the CENTROC project and any other LGP electricity processes.

Current CENTROC Project

This CENTROC project represents a third round of major electricity tendering by LGP and is again expected to achieve competitive rates.

Utilising LGP's Prescription status, this process will not require the tender outcome to be put to the elected Council for acceptance provided the approved process is followed, as outlined below. LGP also advises councils that in considering tenders it has the option of entering into clarifications or negotiations should that be necessary and also that LGP aims to exercise the options (with due governance) that will achieve the best outcome available at that time for councils.

There will be no direct cost to participants in this process. However it is declared that a management fee will be paid by Retailers to LGP. (The management fee for Large Sites, Streetlighting and Green Power is \$0.001 per kWh of consumption. The fee for Small Sites is 1.5% of GST exclusive amount billed by the Retailer for energy usage (including ancillary rate charges and service/supply charges)) This is to cover initial process costs and the ongoing contract management that is carried out by LGP and it's specialist electricity technical adviser, Trans Tasman Energy Group Pty Ltd (TTEG).

Once the formal process commences, the timeframe will be tight. Naturally, Councils need to be conscious that electricity is a commodity and market prices, like the share market, can be quite volatile. LGP stresses that only a commercially viable price will be accepted.

Note that LGP will not go to the market on behalf of CENTROC councils without specific general manager endorsement.

The significant process details and milestones are explained below.

The process:

1. All CENTROC councils wishing to participate will be asked to have their General Manager sign a commitment form. This will bind the participants to accept LGP's recommended tender outcome where that outcome equals or betters a pre-agreed target price.
2. Simultaneously, LGP will invite participation from other interested councils and NFP's. (This is to maximise the aggregated consumption and thus maximise pricing leverage during the process.)
3. LGP will recommend a price band that it would consider appropriate for each electricity category councils require.
4. LGP will monitor market activity and when appropriate, will seek bids from the LGP Electricity Retailers panel via a closed RFT.
5. The electricity supply categories tendered will be Large Sites >160 MWh pa, Small Tariff Sites, Unmetered Street Lighting and Green Power.
6. LGP expects to require that pricing remain valid for up to 7 calendar days. (A significantly shorter period would enable the most competitive pricing, but the process could not conceivably be finalised in that time.) Once received, the priced offers will be quickly analysed and a decision will be made based on the pre-approved target price.
7. The offers will be evaluated by a Tender Evaluation Team comprising LGP staff supported by TTEG staff. TTEG is a recognised energy consultant and was involved in the earlier successful LGP processes. The Tender Evaluation Team will be further supported by a Tender Evaluation Working Group comprising up to 6 staff from participating CENTROC councils. Large sites, Unmetered Street Lighting and Green Power will be analysed firstly followed by Small Tariff sites.
8. Clarifications, if necessary, will be carried out and negotiations entered into if warranted.
9. A report will be drafted by LGP after evaluation of submissions. It will be forwarded to the Tender Evaluation Working Group for review and feedback. Once finalised, the report will be presented to council General Managers.

However councils should note that in originally nominating to participate and signing the General Manager Authorisation Form, the General Manager has agreed to LGP advising the successful tenderer of the outcome and of the council's agreement to enter a contract with the electricity retailer. Before doing this of course, LGP will be allowing the input of the Tender Evaluation Working Group (comprised of council representatives) and feedback from the general managers themselves.

10. Once a Retailer is selected by LGP via the evaluation process, the terms of the contract will be put to the council, including details of the selected Retailer and the selected contract price. The council (via the General Manager), will be given a minimum of 2 full working days to review the pricing under the proposed contract and to respond with comments. Note that a recommendation for Large sites, Unmetered Street Lighting and Green Power will be made some days earlier than the Small Tariff sites.

The timeframe:

Indicative milestones for this project are below:

Action	Date
Release of RFT:	To be Determined
Expected closing date	
• Buildings and facilities and street lighting	3 weeks later
• Smaller "tariff" sites	4 weeks later
Tender evaluation	
• Buildings and facilities and street lighting	Within 1 week of tender pricing
• Smaller "tariff" sites	Within 1 week of tender pricing. To be Determined
Report to Tender Evaluation Working Group for review **	Within 2 days of tender pricing
Tender Evaluation Working Group feedback **	Within 1 day
Report to council General Managers for information **	Within 4 days of tender pricing
Notification of outcome to tenderers **	Within 7 days of tender pricing

** Small tariff sites lag by 2 to 4 days



Bob Lewis
Business Manager
t: 02 8270 8707 | m: 0447 659351 | f: 02 8270 8711
a: GPO Box 4742 Sydney NSW 2001
w: www.lgp.org.au

The authorisation form below, is to be completed to confirm participation and acceptance of the process detailed above. Once all forms are returned, LGP will determine the appropriate date to approach the Electricity Retailer panel. Just prior to that, LGP will recommend to councils the price band to be used as the benchmark for acceptable tenders. Councils will be able to advise whether they accept that benchmark, thus paving the way for the tender process to commence. (Obviously if some councils had concerns about the specific benchmark price nominated, the matter would be discussed and resolved prior to any Request for Tender release.

New South Wales Local Government Retail Electricity Tender for Large Sites >160 Mwh, Small Tariff Sites, Unmetered Street Lighting and Green Power

Please fax back to Local Government Procurement – 02 8270 8711

Authorisation:

Council Name:

General Manager:

Authorised Signature: **Date:** / /2011

Contact Name:

Contact Position:

Phone:

Fax:

Email:

06) Destination 2036 - Draft Action Plan (6)

(Tony Perry)

RECOMMENDATION:

1. That the information be noted.

REPORT

At the October 2011 meeting of Council, Councillors were provided with a copy of the *Destination 2036 Outcomes Report* and the Division of Local Government (DLG) encouraged all Councillors to review and consider the report and to submit comments on what should be the priorities for the *draft Action Plan*.

The Destination 2036 Implementation Steering Committee (ISC) has now released the *draft Destination 2036 Action Plan* for stakeholder consultation and a copy has been provided to all Councillors with this business paper. All Councillors, staff and other stakeholders are encouraged to provide comments or submissions on the draft action plan during the consultation period which closes on 15 February 2012. The mechanism for providing comments or submissions is detailed in Section 5 of the draft plan.

Following the close of the consultation period, details of any substantial changes that are required to be made to the draft action plan will be made available for further stakeholder consultation for a period of two weeks. The final Action Plan will then be submitted to the Minister for Local Government for consideration following which the action plan will put into operation.

A covering Circular from the Chief Executive of the DLG accompanied the *draft Action Plan*, a copy of which is attached to this report.

Councillors may be workshopping the draft action plan through their own constituent Council and providing submissions or comments through that mechanism, however, the General Manager is willing to receive from Councillors and staff any submissions or comments on the draft plan and forward to them to the ISC on their behalf.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 DLG Circular regarding Destination 2036 Action Plan 2 Pages



Premier & Cabinet
Division of Local Government

Circular to Councils

Circular No. 11-40
Date 3 December 2011
Doc ID. A266032



Contact Mark Hely
02 4428 4176
mark.hely@dlg.nsw.gov.au



RELEASE OF THE DRAFT *DESTINATION 2036 ACTION PLAN*

I am pleased to advise that the draft *Destination 2036 Action Plan* has been released by the Implementation Steering Committee (ISC) for stakeholder consultation.

A copy of the draft action plan is attached to this circular. In addition, it can be downloaded from the [Destination 2036 webpage](#).

It would be appreciated if general managers can arrange for a printed copy of the draft *Destination 2036 Action Plan* to be provided to all councillors and be made widely available to all council staff. I encourage all councillors and council staff to review and consider this important draft plan. The ISC will be writing directly to all councillors and all council staff in this regard.

I would also appreciate it if councils could widely promote the draft action plan within their community.

The draft action plan will be open for consultation until **Wednesday, 15 February 2012**, although councils and other stakeholders are encouraged to provide their comments sooner, if possible. If, as a result of this consultation process, the ISC proposes to make substantial changes to the plan, details of those proposed changes will be made available for further stakeholder consultation for a period of two weeks. The final Action Plan will then be presented to the Minister for Local Government. Subject to the Minister's consideration, work on the action plan will commence in earnest.

There are a number of mechanisms by which councils, council staff and other stakeholders can provide feedback and these are set out in Section 5 of the draft plan.

While comments can be made on any matters relating to the draft plan, the ISC is particularly interested in receiving feedback on the following:

1. What do you like about the draft Action Plan?
2. In what ways could the Action Plan be improved?

Division of Local Government
5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541
T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209
E dlg@dlg.nsw.gov.au W www.dlg.nsw.gov.au ABN 99 567 863 195

2

3. Are there other key activities you believe should be included under any of the initiatives?
4. Do you have any suggestions regarding the proposed process for advancing the Action Plan?
5. Are you aware of any activities (eg, research) currently underway that could directly contribute to the achievement of any of the initiatives or key activities?

It is important to appreciate that in the most part, the draft plan does not seek to answer or implement the actions that were suggested at Dubbo. Rather, it provides a pathway and a process for their more detailed consideration. It represents the opening dialogue in a conversation that the sector, its stakeholders and our communities will be having throughout 2012 and beyond.

Many of the suggested actions will require research and consultation before a preferred position can be determined and implemented. They may also require the engagement of independent experts. For some, their implementation would require legislative change, which in itself would necessitate further consultation and consideration.

The next steps in the *Destination 2036* process will be exciting. There is a lot of work to be done and we will need to work constructively and in partnership to achieve a stronger and more robust local government sector.

In preparing the draft *Destination 2036 Action Plan* the ISC sought to capture and build upon the energy, vision and goodwill that was displayed at Dubbo. On behalf of the ISC, we now look forward to receiving your comments on the draft plan.



Ross Woodward
Chief Executive, Local Government
A Division of the Department of Premier and Cabinet

07) State Government Plan - NSW 2021 (6)

(Tony Perry)

RECOMMENDATION:

1. That the information be noted.

REPORT

NSW 2021 is the NSW State Government's 10 year plan to rebuild the economy, return quality services, renovate infrastructure, strengthen our local environment and communities and restore accountability to Government.

Work to deliver the plan has now begun and the State Government has launched a website (www.2021.nsw.gov.au) which will allow you to track the Governments performance towards the NSW 2021 Goals. New performance information will be updated on this site as it becomes available.

The State Government intends to localise NSW 2021. Over the next year, Regional Ministers and Members of Parliament will consult with local government and communities to develop regional action plans aligned to NSW 2021. NSW has been divided up into 17 regions and an action plan will be developed for each region. As would be expected, CTW, Blayney, Cabonne and Weddin Councils are in the Central West region.

As mention above, in the NSW 2021 plan, the NSW Government has developed five strategies under which it has set itself 32 goals. The five strategies are as follows:

1. Rebuild the Economy
2. Return Quality Services
3. Renovate Infrastructure
4. Strengthen Our Local Environment and Communities
5. Restore Accountability to Government

The 32 goals that have been set as targets within the five strategies are shown in the attachment to this report. It is interesting to note that the goals set under the strategy 'Renovate Infrastructure' include Invest in Critical Infrastructure, Build Liveable Centres and Secure Potable Water Supplies. I would have thought that these goals fit well with the Lake Rowlands augmentation proposal and perhaps the Government should be reminded of this.

In the attached Circular from the Division of Local Government, Council is advised that Regional Ministers will lead a series of community forums across NSW in the first half of 2012 and Councils are invited to play a key role in the community consultations on the draft action plans.

A full copy of the NSW 2021 Plan has been provided as a separate document to this business paper.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 DLG Circular regarding NSW 2021 3 Pages
- 2 NSW 2021 Goals 1 Page



Premier & Cabinet
Division of Local Government

RECEIVED
- 6 DEC 2011
File No: 6 / 8423
Refer to: Tony

Circular to Councils

Circular No. 11-39
Date 28 November 2011
Doc ID. A264066

E-MAILED
29/11/11
to K. DUFFY

FAXED
29/11/11

TO ALL CARS

NSW 2021 – A plan to make NSW number one

The State Government would like to work in partnership with local government to localise NSW 2021.

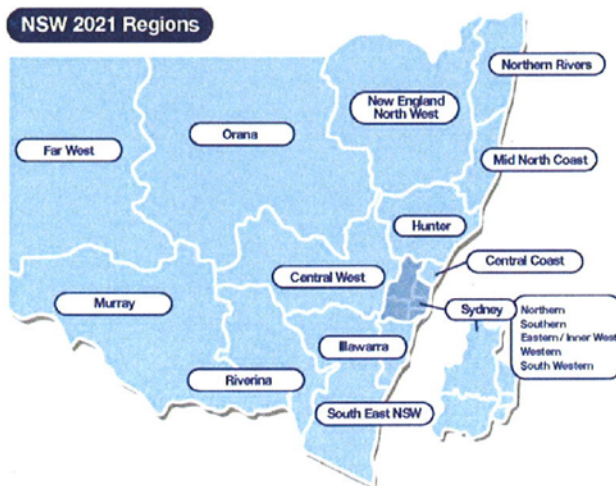
NSW 2021 is the Government's 10-year strategic business plan to rebuild the economy, return quality services, renovate infrastructure, strengthen our local environment and communities, and restore accountability to government. A copy of NSW 2021 can be accessed at www.2021.nsw.gov.au

Localising NSW 2021

As each local community in NSW has its own set of priorities, the Government will work over the next year to localise NSW 2021.

Across the State, Regional Ministers and Members of Parliament will consult with local government and communities to develop regional action plans aligned to NSW 2021. These plans will focus on the most important action the NSW Government can take to improve outcomes in each region and locality.

An action plan will be developed for each of the 17 regions illustrated below:



The local government areas in each region are attached to this Circular.

Division of Local Government
5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541
T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209
E dlg@dlg.nsw.gov.au W www.dlg.nsw.gov.au ABN 99 567 863 195

Each plan will include:

- The vision for the future of the region
- Issues and ideas raised by the community
- Regional Priorities – around 10 actionable initiatives for the NSW Government to improve outcomes in the region
- Links with existing regional government strategies and initiatives
- Delivery mechanisms including regional delivery partnerships.

The action plans will be informed by:

- Local Government Community Strategic Plans or other community plans
- Regional Development Australia Plans
- An online community forum currently running at:
www.haveyoursay.nsw.gov.au/nsw2021
- Community and stakeholder consultation on the draft plans which will occur in the first half of 2012.

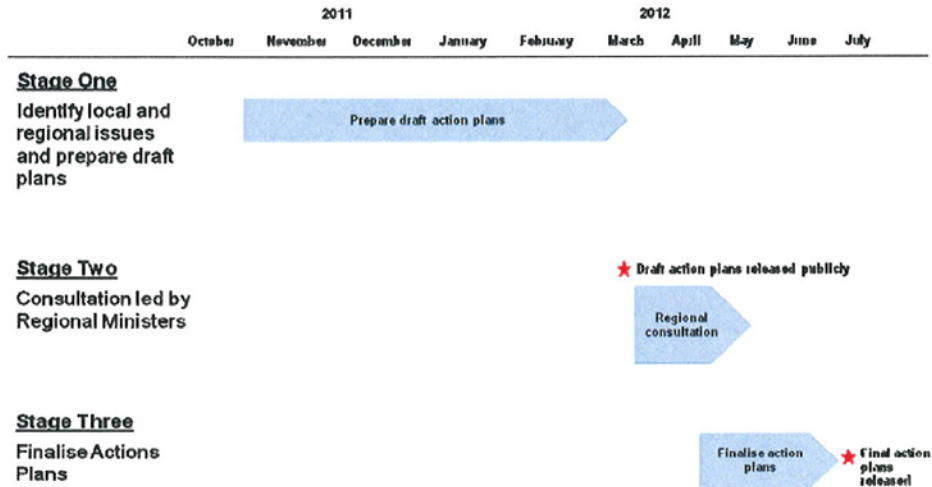
The diagram below shows how the regional plans will be developed.



Timeframe for development of the plans

The timeframes for developing the regional action plans are set out below.

Timeframes for developing regional action plans

Stage 1

As part of Stage 1, the DPC Regional Coordinators will identify the top priorities for their community. The priorities will be informed by existing work including Local Government Community Strategic Plans, Regional Development Australia, other relevant regional plans and discussions with stakeholders including Regional Organisations of Councils.

If you would like any further information about the development of the draft action plans, please contact your DPC Regional Coordinator (see list attached).

Stage 2

Regional Ministers will lead a series of community forums across NSW in the first half of 2012. Councils are invited to play a key role in the community consultations on the draft action plans.

Community Strategic Plans

Many councils have already prepared their Community Strategic Plans. This process is an opportunity to identify the actions the NSW Government can prioritise to support the delivery of the Plans.

As per the Local Government Act, councils that are yet to prepare their Community Strategic Plans are asked to consider the goals and targets in NSW 2021.

Ross Woodward
 Chief Executive, Local Government
 A Division of the Department of Premier and Cabinet

**NSW 2021
32 GOALS**

<p>REBUILD THE ECONOMY</p> <ol style="list-style-type: none"> 1. Improve the performance of the NSW economy 2. Rebuild State finances 3. Drive economic growth in regional NSW 4. Increase the competitiveness of doing business in NSW 5. Place downward pressure on the cost of living 6. Strengthen the NSW skill base 						
<p>RETURN QUALITY SERVICES</p> <table border="1"> <tr> <td> <p>TRANSPORT</p> <ol style="list-style-type: none"> 7. Reduce travel times 8. Grow patronage on public transport by making it a more attractive choice 9. Improve customer experience with transport services 10. Improve road safety </td> <td> <p>HEALTH</p> <ol style="list-style-type: none"> 11. Keep people healthy and out of hospital 12. Provide world class clinical services with timely access and effective infrastructure </td> <td> <p>FAMILY & COMMUNITY SERVICES</p> <ol style="list-style-type: none"> 13. Better protect the most vulnerable members of our community and break the cycle of disadvantage 14. Increase opportunities for people with a disability by providing supports that meet their individual needs and realise their potential </td> <td> <p>EDUCATION</p> <ol style="list-style-type: none"> 15. Improve education and learning outcomes for all students </td> <td> <p>POLICE & JUSTICE</p> <ol style="list-style-type: none"> 16. Prevent and reduce the level of crime 17. Prevent and reduce the level of re-offending 18. Improve community confidence in the justice system </td> </tr> </table>		<p>TRANSPORT</p> <ol style="list-style-type: none"> 7. Reduce travel times 8. Grow patronage on public transport by making it a more attractive choice 9. Improve customer experience with transport services 10. Improve road safety 	<p>HEALTH</p> <ol style="list-style-type: none"> 11. Keep people healthy and out of hospital 12. Provide world class clinical services with timely access and effective infrastructure 	<p>FAMILY & COMMUNITY SERVICES</p> <ol style="list-style-type: none"> 13. Better protect the most vulnerable members of our community and break the cycle of disadvantage 14. Increase opportunities for people with a disability by providing supports that meet their individual needs and realise their potential 	<p>EDUCATION</p> <ol style="list-style-type: none"> 15. Improve education and learning outcomes for all students 	<p>POLICE & JUSTICE</p> <ol style="list-style-type: none"> 16. Prevent and reduce the level of crime 17. Prevent and reduce the level of re-offending 18. Improve community confidence in the justice system
<p>TRANSPORT</p> <ol style="list-style-type: none"> 7. Reduce travel times 8. Grow patronage on public transport by making it a more attractive choice 9. Improve customer experience with transport services 10. Improve road safety 	<p>HEALTH</p> <ol style="list-style-type: none"> 11. Keep people healthy and out of hospital 12. Provide world class clinical services with timely access and effective infrastructure 	<p>FAMILY & COMMUNITY SERVICES</p> <ol style="list-style-type: none"> 13. Better protect the most vulnerable members of our community and break the cycle of disadvantage 14. Increase opportunities for people with a disability by providing supports that meet their individual needs and realise their potential 	<p>EDUCATION</p> <ol style="list-style-type: none"> 15. Improve education and learning outcomes for all students 	<p>POLICE & JUSTICE</p> <ol style="list-style-type: none"> 16. Prevent and reduce the level of crime 17. Prevent and reduce the level of re-offending 18. Improve community confidence in the justice system 		
<p>RENOVATE INFRASTRUCTURE</p> <ol style="list-style-type: none"> 19. Invest in critical infrastructure 20. Build liveable centres 21. Secure potable water supplies 						
<p>STRENGTHEN OUR LOCAL ENVIRONMENT AND COMMUNITIES</p> <ol style="list-style-type: none"> 22. Protect our natural environment 23. Increase opportunities for people to look after their own neighbourhoods and environments 24. Make it easier for people to be involved in their communities 25. Increase opportunities for seniors in NSW to fully participate in community life 26. Fostering opportunity and partnership with Aboriginal people 27. Enhance cultural, creative, sporting and recreation opportunities 28. Ensure NSW is ready to deal with major emergencies and natural disasters 						
<p>RESTORE ACCOUNTABILITY TO GOVERNMENT</p> <ol style="list-style-type: none"> 29. Restore confidence and integrity in the planning system 30. Restore trust in State and Local Government as a service provider 31. Improve government transparency by increasing access to government information 32. Involve the community in decision making on government policy, services and projects 						

08) Business Continuity Plan (356)

(Tony Perry)

RECOMMENDATION:

1. That Council defer this matter for further consideration during the preparation of the 2012/2013 Management Plan

REPORT

Following consideration of the General Manager's report to the October meeting on a proposal within the WBC Alliance to engage a consultant to prepare a Business Continuity Plan, Council resolved that the matter be deferred to the December 2011 meeting for consideration of a further report to be submitted by the General Manager.

The General Manager is now recommending that this matter be further deferred for consideration during the preparation of Council's 2012/2013 Management Plan.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

Attachments

Nil

09) Councillor Expenses and Facilities Policy (6)

(Tony Perry)

RECOMMENDATION:

1. That, following completion of the period of public display and as no public submissions have been received, Council's Councillor Expenses and Facilities Policies be adopted.

REPORT

The General Manager presented the following report to the October meeting:

"Council is reminded in Circular 11-27 from the Division of Local Government that Council must annually adopt a councillor expenses and facilities policy by 30 November each year but must give 28 days public notice prior to adoption in order that submissions may be received.

Whilst Council adopted its full Policy Register at the August 2011 meeting, a separate resolution and public notice is required for the expenses and facilities policy.

Accordingly, Council may wish to review the current policies as listed below and resolve to place them on public display for 28 days and, subject to any submissions received, adopt the policies at the December 2011 meeting of Council.

Draft Policy on Payment of Fees to Members: (370)

That:

- (a) Council pay councillors an annual fee based on the maximum fee as determined by the Local Government Remuneration Tribunal;
 - i. In addition to the annual fee, Council reimburse actual expenses incurred to any councillor who:*
 - ii. attends a meeting of any committee of Council,*
 - iii. attends an inspection within the area in compliance with a resolution of the Council,**
- (b) undertakes business of the Council outside of the area in compliance with a resolution of Council.*
- (c) Council recompense councillors for travelling expenses at the rates per kilometre allowed at the time by the Australian Taxation Office, for all travelling associated with attendance at Council meetings or other business as specified in (b) above.*
- (d) Council allow councillors any reasonable use of facilities to assist in their carrying out of business on behalf of the Council, such use being entirely at the discretion of the General Manager.*

Draft Use of Facilities Policy: (370)

That Council will provide:

1. *The Chairman with the following facilities:*
 - a. *An office in the Council's Administrative Building;*
 - b. *Access to telephone, facsimile and photocopy facilities for Council business purposes;*
 - c. *Secretarial services for Council business as required;*
 - d. *Identification badge bearing Council's crest;*
 - e. *Payment of conference/seminar/workshop registration fees for attendance authorised by Council; and,*
 - f. *Arrangement and payment of travel in respect of Council commitments.*
2. *Council will provide the Councillors with the following facilities:*
 - a. *Access to telephone, facsimile and photocopy facilities for Council business as required;*
 - b. *Secretarial services for Council business as required;*
 - c. *Identification badge bearing Council's crest;*
 - d. *Payment of conference/seminar/workshop registration fees for attendance authorised by Council; and,*
 - e. *Arrangement and payment of travel in respect of Council commitments.*
3. *Meals and refreshments will be provided to the Chairman and Councillors in conjunction with Council/Committee meetings and other functions/meetings as appropriate.*
4. *Expenses incurred whilst on approved travel outside the Council area will attract reimbursement according to the following guidelines:*
 - a. *Meals – where meals are not provided, the total bill for meals should not exceed \$80 per day.*
 - b. *Accommodation – where travel involves an overnight stay away from home the acceptable maximum expenditure on accommodation is:*
 - i. *metropolitan areas - \$250.00 per night*
 - ii. *country areas - \$150.00 per night provided that all accommodation is approved prior to travelling, where practicable.*
 - c. *Other expenditure items:*
 - i. *taxis, trains and other transport – transport costs necessarily incurred will be met. Hire cars are only to be used if prior approval has been granted.*

- ii. Entertainment – these costs would not normally be reimbursable.*
 - iii. Other costs – all costs necessarily incurred will be met. Receipts or other evidence of payment should be produced if seeking reimbursement.*
5. *Where possible prepayment of expenses will be made and cash advances may be made, if preferred, to offset out-of-pocket expenditure.*
6. *All claims for reimbursement of expenses incurred are to be submitted on the standard claim form.”*

The period of public notice has now been completed and, as there have been no public submissions received, Council can now resolve to adopt its Councillor Expenses and Facilities Policies.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

10) Public Interest Disclosures Act 1994 (394)

(Tony Perry)

RECOMMENDATION:

1. That, following completion of the period of public display and as no public submissions have been received, Council's Internal Reporting Policy be adopted.

REPORT

The General Manager presented the following report to the October meeting of Council:

"The Protected Disclosures Act 1994 has been renamed the Public Interest Disclosures Act 1994 and has been strengthened to protect public officials who disclose wrongdoing in accordance with the Act.

The Division of Local Government has issued Circular 11-13 "Strengthening Protections for Public Officials who make Public Interest Disclosures" and has asked that this Circular be brought to the attention of all Councillors and staff. The Department says that Councils will need to ensure that they:

- *are aware of the changes and make sure councillors and staff throughout the organisation are aware.*
- *operate in accordance with the new strengthened procedures that apply from 1 July 2011, and*
- *adopt by 1 October 2011, or as soon as possible to that date, a policy for receiving, assessing and dealing with protected disclosures*

Council's Internal Reporting Policy has been written in accordance with the new requirements and is provided as an attachment to this report. As part of Council's commitment to transparency and openness, public notice must be given prior to the policy adoption process.

Subject to any public submissions, the Internal Reporting Policy will be re-presented for adoption at the Council meeting on 14 December 2011."

The period of public notice has now been completed and, as there have been no public submissions received, Council can now resolve to adopt its Internal Reporting Policy.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

11) LGMA Annual Conference (267)

(Tony Perry)

RECOMMENDATION:

1. That the information be noted.

REPORT

Between 23 to 25 August 2011, the General Manager attended the Annual Conference of the Local Government Managers Australia NSW (LGMA) held in Sydney.

For Councils information, the Conference, which was opened by the Minister for Local Government, the Hon. Donald Page MP, had many thought provoking and interesting agenda items, notably:

- *The Great Debate – The Grass isn't always greener – or is it?*
All of the debaters have left Local Government to join the corporate world. Half of them have stayed whilst the other half have returned.
- *Same Council – Different Councillors*
This was a panel session exploring how Councils who are currently or have previously been under administration prepare themselves for a new council.
- *Workforce Planning – A magic wand or strategic process.*
- *The Economic Outlook for 2012 – Dr Chris Caton, Chief Economist of BT Financial Group.*
- *Local Government – An Employer of Choice.*
Recruitment of staff, particularly young people, to the Local Government sector is already a challenge that is likely to increase in the future. Add to this is an ageing population and high exit rate of tertiary graduates to careers in the private sector, means that attracting employees to Local Government will be increasingly difficult. Similarly, retention of existing employees within this sector is problematic, and there are already critical shortages of particular professions within Local Government.
- *Destination 2036 – update from the Division of Local Government.*
- *Public Interest Disclosures Act.*
The NSW Deputy Ombudsman discussed the changes to the Public Interest Disclosures Act 1994 and how these changes will affect Councils.
- *Red Tape Campaign – Albury City Council Case Study*

This presentation looked at how “Red Carpet”, not Red Tape” has engaged staff and assisted them in identifying red tape in their work areas and streamlining systems.

- *Collaboration the WBC way – right fit, right here, right now.*

The Executive Manager of the WBC Alliance, Donna Galvin, gave a very good presentation on how the Alliance works, why it continues to succeed and what the plans are to further develop viable alternative operating models.

- *A New Form of Leadership – Supporting a Culture of Participation.*
- *Model Code – A new code of conduct is on the way but what if it doesn't fit?*

This session explored the issues including providing case studies on why legislative change in NSW is not an option but an imperative.

- *Keys to great leadership – Leading your people to success.*

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

12) WBC Alliance - Project Officer's Report (356)

(Donna Galvin)

RECOMMENDATION:

1. That the information be noted.

REPORT

Attached

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 WBC Executive Officers Report to Council December 2011 3 Pages



WBC Alliance Report for Council meeting December 2011

(Prepared by the Executive Manager, WBC Alliance)

IT Corporate Systems Project

Cabonne/CTW and Blayney implementation

This major project is proceeding well but with a number of staff very very busy preparing for the January/February training and cut over dates. Some of the key activities at the moment:

- Data Conversion – getting it out of one system and into the new – almost done
- Module development – new and modified modules almost finished
- General Ledger – a new general ledger structure will be implemented – this will affect MOST people as job numbers will change
- Conversion of mapping data underway

Training for users is being held from 30th January to 10th February at two venues in Blayney and Cabonne. During this time between 60 – 80 staff will participate.

The crucial “cut over dates” for Cabonne is 13th February and for Blayney and CTW the 27th February.

Wellington Upgrade:

The upgrade is going well and within the project timelines.

The migration from Novell systems to Windows Server was completed by their IT section at the end of October. They have also implemented an IT infrastructure virtualisation project where all of the servers were moved into a private cloud environment to provide greater redundancy and vastly improve their business continuity position. This project was a major undertaking for Wellington's IT Section who worked with some private IT specialists and completed the project on time and on budget. The other major project, to upgrade Wellington's corporate software to Authority 6, has also commenced. The menu system review has been completed & the Civica team began building the new servers on 16th November. The user acceptance testing is programmed to start at the end of January 2012 and will be a very demanding time for all the staff at Wellington. The project, although in it's early stages, is so far running "as planned".

C:/wbcpo/report to council December 2011

Work on the upgrades to Wellington's 2 websites www.wellington.nsw.gov.au (the Council site) & www.visitwellington.com.au (the tourism site) are continuing to progress well. Design and framework are now complete and the site content is currently being loaded into the new framework, and was expected to be completed by end of November.

Integrated Planning and Reporting

Final draft plans are now on public display. Any feedback from this will then be considered and if appropriate incorporated into the final plan, which will go back to the February council meetings

The next big activity will be to complete the supporting plans:

- Assets
- Workforce
- Financial
- 4 Year Delivery Plan
- 1 Year Operational Plan

As previously advised the Directors and Managers will attend part or all of 2 days workshops (per council) in early February to finalise the delivery plans.

The dates for these two day "lock ups" are:

- 15th/16th February – Blayney
- 20th/21st February – Wellington
- 23/24th February – Cabonne

The timelines for this stage are also very tight.

- End of Feb- 1st draft plans to be completed
- March - Council to endorse plans for public display
- April – plans go on public display
- May – final plans adopted by Council
- June – plans must be submitted to DLG

Nomination for IPWEA Awards:

The Alliance will be nominating the Engineering Guidelines and Standard Conditions of Consent project for the 2012 IPWEA Awards which will be announced in May. Nominations are due by 3 February

C:/wbcpo/report to council December 2011

Shared Services Project

The Shared Services Project workshop was held 17th November in Molong. Participants at this workshop included representatives from DLG, LGSA and Hunter Incorporated. Our research partner, Australian Centre of Excellence Local Government presented their research findings which focussed on the legislative and regulatory frameworks that would impact on the ability of NSW local governments to move "easily" to a shared service model if they should choose.

The workshop was a great chance to discuss the issues facing our Alliance in progressing further in the area of shared services. There were a number of agreed outcomes and a full report will be provided to the March WBC Board meeting for their consideration.

The final report for the project is due to be submitted to the funding agency by 30th January. A copy will be distributed to the councils once completed.

WBC Forum – 30th November – Molong

This annual event was held on 30 November with 16 Councillors and 45 staff attended .

Ross Woodward, CEO for the Department of Local Government was the keynote speaker and gave a thorough update on the Destination 2036 Program among other things. Our other speakers – IanTiley, Ian Naylor, Tony Rheade, Gary Styles and Rebecca Thomas - were also very well received.

Whilst I have not received all evaluations back yet the initial feedback has been very positive. I will provide a more detailed report on the outcomes from this in the New Year.

End of year

As this is my last report to the Councils for 2011 I would like to extend my warmest wishes to you and your families for the Christmas season and look forward to working with you in 2012



for another successful year for the WBC Alliance

Up coming dates/events:

6th December – Strategic Alliance Network meeting Sydney

30 Jan- 10 February – User Training for IT system

15th February – Professional Team meeting - Cabonne

16th/17th February – IP&R Lock Up Blayney

20th/21st February – IP&R Lock Up Wellington

23/24th February – IP&R Lock Up Cabonne

7 March – WBC Board meeting

C:/wbcpo/report to council December 2011

13) Purchase of Plant (87)

(Darrell Sligar)

RECOMMENDATION:

1. That Council endorse the action of the Plant Committee.

REPORT

During the past two months Council purchased two sedans and one utility, and sold two sedans and one utility.

Purchases

1 x Nissan Murano Wagon	\$46,046
1 x Toyota Kluger Wagon	\$38,974
1 x Toyota Hilux Utility	\$33,933

Sales**October 2011 – November 2011 Plant Sales**

Plant	Date of Purchase	Purchase Price (GST exc)	KM's (000)	Sale Date	Depreciation	Sale Price (GST exc)	Profit/(Loss) on sale
Commodore Sedan	04/2011	\$43,828	14	11/2011	\$4,538	\$37,272	(\$2,018)
Toyota Kluger	03/2011	\$38,391	20	11/2011	\$5,448	\$34,727	\$1784
Commodore Utility	03/2010	\$28,290	24	11/2011	\$5,828	\$22,454	(\$8)

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

14) Maintenance of Council's Systems (105)

(Darrell Sligar)

RECOMMENDATION:

1. That the information be noted.

REPORT*a) Meter Reading*

The second meter read for the 2011/2012 Financial Year commenced in Blayney on the 14th October, and was finalised with Trunk Main 'C' rurals on 8th November. All dead meters and any domestic meters with usage of 5,000kl or more have been replaced.

b) Meter Replacement/Service Replacement Program

Council staff replaced twelve full services and eight partial services during the past two months.

c) Hydrant/Valve Maintenance

Hydrant and valve maintenance was carried out all towns and villages over the past two months; all information collected enhances Councils asset system.

d) Pump Station Maintenance

Cleaning and touch up painting continued over the past two months.

e) Reservoir Maintenance

A new tank filling valve was installed at Manildra reservoir replacing a faulty unit.

f) Trunk Main Inspections

Inspections have been carried out on the following trunk mains: Trunk Main 'C' Limestone Creek to Canowindra, Trunk Main 'U' Canowindra to Greys Hill. Two faulty air valves were repaired.

g) Filtration Plant Maintenance

Two sludge lagoons have been cleaned and placed back into operation.

h) Staff Training

Staff training was carried out in the following areas over the past two months: Bonded Asbestos (Three Staff), Dam Surveillance (Two Staff), Confined Spaces (Two Staff) and New Work Health and Safety Legislation (All Staff)

i) Capital Works

South Canowindra mains replacement has commenced with 1000 metres completed which includes seven road bores.

A new Powered Activated Carbon plant has been constructed at Blayney Filtration Plant with commissioning to commence this week.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

15) Performance of Council's Systems (105)

(Darrell Sligar)

RECOMMENDATION:

1. That the information be noted.

REPORT

j) Main breaks

The main failures recorded during the past two months are listed in the table below.

Location		Date	Size	Comment
Mandurama	Copper Street	03.11.2011	100mm	Split Length
Grenfell	Bogolong Line	29.11.2011	225mm	Split Length
Manildra	Cudal Street	26.11.2011	100mm	DNR
Trunk Main 'C'	Jacks Creek, Canowindra	27.10.2011	80mm	Scour Valve

k) Reservoir Levels

All reservoir levels have been maintained at or near 100% of capacity.

l) Service Complaints and Requests

A summary of service complaints and requests received for the last two months are as follows:

Dirty Water	1	Leaking Hydrant	0
Leaking Meter	10	Leaking Service	6
Low Pressure	0	Main Break	1
Meter Burst	0	Meter not shutting off	6
No Water	1	Quality Complaint	0

A further summary detailing all service complaints and requests is enclosed with the business paper.

m) Lake Rowlands

The level of Lake Rowlands fluctuated from 96% to 99% and back to its present level of 90% of capacity.

The level varies dependant on discharges via the scour at the base of the dam wall.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

16) New Water Services (80)

(Darrell Sligar)

RECOMMENDATION:

1. That the information be noted.

REPORT

During the past two months there have been two (2) new water services connected to Council's mains.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

17) Bogolong Dam - Expressions of Interest (119)

(Tony Perry)

RECOMMENDATION:

1. That, as these matters deal with items that are subject to the affairs of an individual, Council consider it in Committee of the Whole and that in terms of Section 10A (2) of the Local Government Act, the press and the public be excluded from the meeting of the Committee of the Whole.

ATTACHMENTS

Nil

18) Questions on Notice

(Tony Perry)

No questions on notice were received.

ATTACHMENTS

Nil

19) Proceed to Committee of the Whole

(Tony Perry)

RECOMMENDATION:

1. That, as business for the Ordinary Meeting has now concluded, Council proceed into Committee of the Whole to discuss the items referred to in the report.

Council should exclude the press and public at this point, for confidential discussion on the items referred to Committee

ATTACHMENTS

Nil

20) Report of the Committee of the Whole

(Tony Perry)

RECOMMENDATION:

1. That the recommendations of the Committee of the Whole be adopted.

ATTACHMENTS

Nil

**Minutes of the Ordinary Meeting of Central Tablelands Water held at Blayney
Shire Council, on Wednesday, 20 October 2011,
commencing at 10.30am**

<u>Present</u>	Cr. John Farr	(Chairman)	Cabonne
	Cr. Kevin Duffy		Cabonne
	Cr. Geoffrey McClelland	(Deputy Chairman)	Weddin
	Cr. Barry Hinde		Weddin
	Cr. Geoffrey Braddon		Blayney
	Cr. Kevin Radburn		Blayney
	Tony Perry	(General Manager)	
	Darrell Sligar	(Operations Manager)	

PUBLIC FORUM

The developer of a proposed subdivision in Blayney took the opportunity to address Council to express his concerns with the level of Section 64 developer charges being applied to the proposed subdivision and requested Council to consider a reduction to the charge. This matter was further considered in the closed meeting of the Committee of the Whole.

APOLOGIES

Nil

CONFIRMATION OF MINUTES

11/089 RESOLVED:

That the Minutes of the Ordinary Meeting of Central Tablelands Water, held on 10 August 2011, being minute numbers 11/065 to 11/088 inclusive, be confirmed.

(Cr. Duffy/Cr. Hinde)

CHAIRMAN'S MINUTE

I just want to give you a brief update on the recent Local Government Water Conference held in Grafton. It was very interesting although we had very little to report. The only MP that attended and addressed the Conference, Steve Cansdell, was stood down and resigned from Parliament on the same day due to a false declaration on a speeding fine. His speech wasn't inspiring and in fact didn't offer anything we didn't already know. It was disappointing that we didn't have any Ministerial attendance at the Conference.

During a couple of breaks in the Conference, the General Manager and I had the opportunity to talk to a senior officer from the NSW Office of Water. He said the State Government is fairly well strapped from a financial point of view and they are looking very closely at projects that have a financial commitment from the government but may not proceed.

Councillors might remember that the General Manager wrote to Minister Katrina Hodgkinson seeking reallocation of the \$2.3 million, originally allocated to the proposed Browns Creek pipeline, to the Lake Rowlands augmentation proposal. Well

the senior officer from the NSW Office of Water advised that he had not seen the letter even though it was written 3 months earlier. Whilst he advised that he didn't think it would be successful, he did undertake to locate the letter and ensure a response within a minimum time frame. In the meantime, the General Manager has secured a meeting with Minister Hodgkinson for me and him on 9 November in Sydney to reinforce the need to augment Lake Rowlands and the reallocation of the Browns Creek subsidy funding. The Minister will be made aware of the urgency on this project and the advice from the NSW Dam Safety Committee that, unless Council can provide the Committee with a firm plan of action identifying that the new dam will be commenced within 10 years, they will require significant upgrade works to be carried out on the existing dam which could amount to a few million dollars.

At this stage the Chairman allowed significant discussion on the pro and cons of the Orange pipeline issue and the perceived lack of action on the Lake Rowlands Augmentation proposal.

Continuing with my chairman's minute, the final thing I want to say briefly is that Premier Barry O'Farrell stood on a platform of reducing, or having no, cost shifting and we already have an issue in the business paper where we have to find another \$22,000.00 for another consultancy. I think we need to let him know, and every council in NSW needs to let him know, that he stood on this issue at the NSW elections and that it was mentioned at the Destination 2036 in Dubbo that one of the major issues in the financial degradation of local government in NSW is cost shifting from the state government.

11/090 RESOLVED:

That the Chairman's Minute, as read, be accepted and the contents therein be noted and endorsed.

(Cr. Braddon/Cr. Duffy)

01) ELECTION OF CHAIRMAN AND DEPUTY CHAIRMAN (126)

Proceedings in Brief:

The General Manager advised that he had received one nomination for the position of Chairman and called for any further nominations. No further nominations were received.

Cr. J S Farr was declared duly elected as Chairman.

The General Manager advised that he had received one nomination for the position of Deputy Chairman and called for any further nominations. No further nominations were received.

Cr. G McClelland was declared duly elected as Deputy Chairman.

02) COUNCIL COMMITTEES (126)

11/091 RESOLVED:

1. That the Consultative Committee remain disbanded until there is a

renewal of staff interest;

2. That the OH&S Committee not be reformed;
3. That if necessary, Council use the ordinary voting system for election of a committee member to the Plant Committee;
4. That the Lake Rowlands Augmentation Committee remain as a Committee of the Whole.
5. That the Internal Audit Committee comprise of a Councillor (or delegate), two (2) external independents, the General Manager as an observer, and the Finance Manager assuming the role of Secretariat to the Internal Audit Committee (responsible for the coordination of the audit committee, functions and processes).

(Cr. Duffy/Cr. McClelland)

03) MEETING DATES AND TIMES (126)

11/092 RESOLVED:

1. That Council hold its ordinary meetings on the 2nd Wednesday of alternate months, as follows:

Wednesday	14 th December 2011	-	Molong
Wednesday	8 th February 2012	-	Grenfell
Wednesday	11 th April 2012	-	Blayney
Wednesday	13 th June 2012	-	Molong
Wednesday	8 th August 2012	-	Grenfell
Wednesday	10 th October 2012	-	Blayney

2. Council consider the Draft Management Plan and Budget at the April ordinary meeting each year.

(Cr. McClelland/Cr. Duffy)

04) ANNUAL FINANCIAL STATEMENTS - 30/06/2011 (15)

11/093 RESOLVED:

That consideration of the audited financial reports for the year ended 30 June 2011 be deferred to the December 2011 meeting of Council and that Mr John O'Malley from Morse Group be asked to attend to present his report.

(Cr. Duffy/Cr. Braddon)

05) BUDGET REVIEW STATEMENT - 30TH SEPTEMBER 2011 (15)

11/094 RESOLVED:

That the budget review statement for the quarter ended 30th September 2011 be accepted, and the variations therein be adopted.

(Cr. Hinde/Cr. Radburn)

06) FINANCIAL MATTERS (4)

11/095 RESOLVED:

That the information be noted.
(Cr. Duffy/Cr. Braddon)

07) INTERNAL AUDIT COMMITTEE (392)

11/096 RESOLVED:

That Council endorse the appointment of Mr Stephen Kent to replace Mr Phillip Burgett as an independent external member on Council's Internal Audit Committee.
(Cr. Radburn/Cr. Braddon)

08) PUBLIC INTEREST DISCLOSURES ACT 1994 (394)

11/097 RESOLVED:

That the information be received and the Internal Reporting Policy, as presented, be endorsed and placed on public display for a period of at least 28 days.
(Cr. Hinde/Cr. McClelland)

09) CENTROC WATER UTILITIES ALLIANCE

11/098 RESOLVED:

That the report on the progress of the Centroc Water Utilities Alliance be noted.
(Cr. McClelland/Cr. Hinde)

10) 2009/2010 NSW WATER SUPPLY AND SEWERAGE PERFORMANCE REPORT (217)

11/099 RESOLVED:

That the 2009/2010 Water Supply Performance Report for Local Government Water Utilities be received and noted
(Cr. McClelland/Cr. Hinde)

11) CABONNE COUNCIL - 24 HOUR HELICOPTER RETRIEVAL SERVICE (324)

11/100 RESOLVED:

That Council formally support the campaign for a 24 hour helicopter retrieval service based in Orange with a letter to the State Government under the Chairman's signature.
(Cr. Hinde/Cr. McClelland)

12) DESTINATION 2036 UPDATE (101)**11/101 RESOLVED:**

That the Chairman and General Manager submit an appropriate response to the draft Action Plan of Destination 2036.

(Cr. Braddon/Cr. Radburn)

13) CONSTITUTIONAL RECOGNITION OF LOCAL GOVERNMENT (6)**11/102 RESOLVED:**

That the information be noted and that the General Manager make a written submission in favour of the Constitutional Recognition of Local Government.

(Cr. Radburn/Cr. Braddon)

14) COUNCILLOR EXPENSES AND FACILITIES POLICY (6)**11/103 RESOLVED:**

That Council endorse the draft Councillor Expenses and Facilities Policies as presented in the General Manager's Report and place them on public display for a period of 28 days with a view to adoption at the December 2011 meeting of Council.

(Cr. McClelland/Cr. Hinde)

15) DRAFT WATER SHARING PLAN - LACHLAN UNREGULATED & ALLUVIAL WATER SOURCES (217)**11/104 RESOLVED:**

That the information be noted.

(Cr. Braddon/Cr. McClelland)

16) BUSINESS CONTINUITY PLANNING (356)**11/105 RESOLVED:**

That this matter be deferred to the December 2011 meeting of Council for consideration of a further report to be submitted by the General Manager.

(Cr. Radburn/Cr. Braddon)

17) INTEGRATED WATER CYCLE MANAGEMENT - DETAILED STRATEGY (368)

Proceedings in Brief

Mr Andrew Frazer from HydroScience Consulting addressed Council giving an overview of the results of the draft joint IWCM Detailed Strategy report.

11/106 RESOLVED:

That the information be noted.
(Cr. Braddon/Cr. Radburn)

18) BOGOLONG DAM - REQUEST FOR RECREATION ACTIVITY (99)

11/107 RESOLVED:

That the General Manager place an advertisement in the Grenfell Record calling for expressions of interest in the purchase of Bogolong Dam.
(Cr. Hinde/Cr. McClelland)

19) WBC ALLIANCE - PROJECT OFFICER'S REPORT (356)

11/108 RESOLVED:

That the information be noted.
(Cr. Radburn/Cr. McClelland)

20) ANNUAL CHRISTMAS PARTY (84)

11/109 RESOLVED:

That the information be noted.
(Cr. Hinde/Cr. Radburn)

21) WATER TREATMENT PLANTS - PERIODIC INSPECTIONS (98)

11/110 RESOLVED:

That Council note the information.
(Cr. Braddon/Cr. Radburn)

22) PURCHASE OF PLANT (87)

11/111 RESOLVED:

That Council endorse the action of the Plant Committee.
(Cr. Hinde/Cr. Farr)

23) MAINTENANCE OF COUNCIL'S SYSTEMS (105)

11/112 RESOLVED:

That the information be noted.
(Cr. Duffy/Cr. Radburn)

24) PERFORMANCE OF COUNCIL'S SYSTEMS (105)

11/113 RESOLVED:

That the information be noted.
(Cr. Duffy/Cr. Radburn)

25) NEW WATER SERVICES (80)

11/114 RESOLVED:

That the information be noted.
(Cr. Duffy/Cr. Radburn)

26) DEVELOPER ASSISTANCE - BLAYNEY SUBDIVISION (119)

11/115 RESOLVED:

That, as these matters deal with items that are subject to the affairs of an individual, Council consider it in Committee of the Whole and that in terms of Section 10A (2) of the Local Government Act, the press and the public be excluded from the meeting of the Committee of the Whole.
(Cr. Radburn/Cr. Braddon)

27) QUESTIONS ON NOTICE

No questions on notice were received.

28) PROCEED TO COMMITTEE OF THE WHOLE

11/116 RESOLVED:

That, as business for the Ordinary Meeting has now concluded, Council proceed into Committee of the Whole to discuss the items referred to in the report.
(Cr. Braddon/Cr. Hinde)

29) REPORT OF THE COMMITTEE OF THE WHOLE

DEVELOPER ASSISTANCE - BLAYNEY SUBDIVISION (119)

RECOMMENDATION:

That the developer be advised that his request to reduce the developer charges on his proposed subdivision is declined but that the action of the General Manager in granting deferred payment of the developer charges for a two year period with a bank guarantee is endorsed.
(Cr. Braddon/Cr. Radburn)

RECOMMENDATION:

That as the deliberation of the Committee is concluded, the Council reconvene the Ordinary Meeting.

(Cr. Duffy/Cr. Hinde)

11/117 RESOLVED:

That the recommendations of the Committee of the Whole be adopted.

(Cr. Duffy/Cr. Hinde)

Next Meeting: The next meeting of Central Tablelands Water will be held in Molong on Wednesday 14th December 2011.

There being no further business, the Chairman declared the meeting closed at 1.20pm.