

CENTRAL TABLELANDS *Water*



Business Paper

Ordinary Meeting of Central Tablelands Water

14th August 2013

Grenfell



7 August 2013

Notice to Members

Your attendance is requested at an Ordinary Meeting of Council to be held at the Weddin Shire Council on Wednesday, 14 August 2013 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 12.06.13
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 – Blayney – 9th October 2013

Yours faithfully

A. Perry
General Manager

INDEX OF REPORTS
OF THE ORDINARY MEETING OF CENTRAL TABLELANDS WATER
HELD ON WEDNESDAY 14 AUGUST 2013

CORPORATE & FINANCIAL SERVICES REPORTS

01	Financial Matters (FM.BA.1)	3
02	Financial Statement by Council (FM.FR.1)	6
03	Policy Register (CM.ME.1)	7
04	Disclosure of Interests (GO.CO.3)	9
05	Auditors - Notification of Change of Name (CM.AU.1)	10
06	Intentus - Interim Audit Management Letter Y/E 30/06/2013 (CM.AU.1)	12
07	Local Government Independent Review Panel - DLG Meeting (GR.LR.5)	16
08	WBC Alliance - Executive Officer's Report (CM.AG.6)	18
09	Local Government Water Management Conference (CM.CF.1)	40
09	Local Government Water Management Conference (CM.CF.1)	41
11	Centroc - Cancer Care West Lodge (CM.CF.3)	42
12	Staff Performance Reviews (PE.EC.3)	44

ENGINEERING & OPERATIONS SERVICES REPORTS

13	Drought Management Plan (EM.PR.3)	45
14	Visit to Potential Dam Site at the Needles (WS.SP.4)	47
15	Maintenance of Council's Systems (WS.MO.4)	51
16	Performance of Council's Systems (WS.MO.4)	53

COMMITTEE REPORTS

17	Questions on Notice	55
18	General Manager - Annual Performance Review (GO.CO.4)	56
19	Proceed to Committee of the Whole	57
20	Report of the Committee of the Whole	58

01) Financial Matters (FM.BA.1)

(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 31st July 2013, 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 at 30th June 2013:

Investment	Interest Rate	Above BBSW	Call Date	Maturity Date	Interest Paid	Face Value	Current % value	Current Value
Aphex (Glenelg AA-)	4.5192%	1.70%	22/06/2009	22/12/2014	Quarterly	50,000	77.20	38,600
MAS (Parkes AA-)	N/A	N/A	20/12/2009	20/06/2015	Quarterly	300,000	N/A	N/A
Total						\$350,000	11.03	\$38,600

The value of the CDO investments acquired through Lehman's have a current valuation as at 30th June 2013, of \$38,600. This is an increase of \$3,125 from the last reported valuation of \$35,475 as at 30 April 2013. The CDO investments are now valued at 11.03% of par value.

The MAS Parkes investment of \$300,000 shown in the above table was previously written-off in the 2011/2012 Financial Year. As reported to previous meetings, legal action is continuing with no final result at this stage. Any recovery from this investment will be written-back and will be reflected as an improvement in Council's financial performance at that time.

Council's remaining investment portfolio, other than CDO's of approximately \$4.02 million is all capital guaranteed, primarily in term deposits.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Bank Reconciliation July 2013 1 Page

**CENTRAL TABLELANDS COUNTY COUNCIL
STATEMENT OF BANK BALANCES AS AT 31ST JULY 2013**

GENERAL FUND

(a) Cash Book Balance	\$ 523,416.92	
(b) Bank Balance	\$ 522,746.80	
(c) Limit of Overdraft (Bank)	Nil	
(d) Limit of Overdraft (Statutory)	\$ 1,130,000.00	
		\$523,416.92

BANK RECONCILIATION

Balance as per Bank Statement	\$ 522,746.80	
Add: Outstanding deposits	\$ 670.12	
		\$523,416.92
Less: Outstanding Cheques		
Less: Deposits not processed		
Balance as per Cash Book		\$523,416.92

FUNDS INVESTED AS AT 31 JULY 2013

<u>Form of Investment</u>	<u>Institution</u>	<u>Amount</u>	<u>Rate of Interest</u>	<u>Bank Bill Swap Rate</u>
(1) Floating Rate CDO	Aphex Pacific Capital (Gleleg AA-)	\$ 50,000.00	4.52%	2.82%
(2) Floating Rate CDO	Managed ACES SPC (Parkes AA-)	\$ 300,000.00	N/A	2.82%
		\$ 350,000.00		
(3) Term Deposit	ING Direct Bank (180 Days)	\$ 500,000.00	4.42%	2.82%
(4) Term Deposit	ING Direct Bank (180 Days)	\$ 500,000.00	4.28%	2.82%
(5) Term Deposit	Rabo Direct Bank (180 Days)	\$ 500,000.00	4.35%	2.82%
(6) Term Deposit	National Australia Bank (180 Days)	\$ 500,000.00	4.26%	2.82%
(7) Term Deposit	National Australia Bank (90 Days)	\$ 500,000.00	4.00%	2.82%
(8) Term Deposit	Reliance Credit Union (180 Days)	\$ 500,000.00	4.40%	2.82%
(9) Term Deposit	Reliance Credit Union (180 Days)	\$ 500,000.00	4.42%	2.82%
		\$ 3,850,000.00		
(10) Cheque Account	Reliance Credit Union	\$ 22.58	0.00%	2.82%
(11) Cheque Account	Commonwealth Bank	\$ 19,388.63	2.70%	2.82%
(12) Business On-line Saver	Commonwealth Bank	\$ 503,335.59	3.05%	2.82%
		\$ 4,372,746.80		

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 31 July 2013 and that the investments have been made in accordance with the Act, the regulations and Council's investment policies.



Gavin Rhodes
Manager Finance & Corporate Services

02) Financial Statement by Council (FM.FR.1)

(Gavin Rhodes)

RECOMMENDATION:

1. That the statement required by Section 413(2)(c) of the Local Government Act, 1993 in relation to Council's Financial Reports for the period ending 30 June 2013 be completed.
2. That Intentus Chartered Accountants be invited (in accordance with regulations) to complete the audit for the financial year ending 30th June 2013.

REPORT

Section 413(2)(c) of the Local Government Act 1993, requires Council to prepare Financial Reports and to refer those reports for audit within four (4) months after the end of the financial year (s416(1)).

As an attachment to the Financial Reports, Council is required to present a statement on its opinion on the reports. A copy of the Statement required is attached.

Once the auditor has completed the audit and has submitted their report, Council must fix a date for a meeting at which the auditor's report will be presented, and give public notice of the date. This date must be at least seven (7) days after the date on which notice is given, but not more than five (5) weeks after the auditor's reports are given to Council.

The auditor will be presenting their report to the October 2013 Meeting of Council.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

03) Policy Register (CM.ME.1)

(Tony Perry)

RECOMMENDATION:

1. That the updated Policy Register, as presented, be adopted.

REPORT

An updated version of the Policy Register has been delivered to all Councillors together with this business paper. The Policy Register was last updated in August 2012.

Any new policies, changes to policies or policy deletions, resolved by Council since August 2012, have been highlighted in the register in red.

The General Manager draws Councillors attention to, and reminds them of, Council's policy on the capital contribution charge for in-fill blocks (page 27 of the Policy Register) which has been significantly lower than the Section 64 Developer Charge since it was introduced in 2005. However, Council's policy is that, from 1 July 2014, the capital contribution charge for in-fill blocks will increase to the equivalent of the full Section 64 developer charge applicable at that time.

This policy was put in place from a Council resolution in October 2006 following consideration of the following report from the General Manager:

11/10/2006

'Council has a policy that when a water connection application is received for a vacant block of land within a town or village and is not the subject of a subdivision, commonly referred to as an infill block as distinct from subdivided land, a capital contribution is payable rather than a developer charge.

The amount of the capital contribution was \$3,000.00 on 1 July 2005 and is indexed by the CPI on 1 July each year. The charge for 2006/2007 is \$3,075.00.

The General Manager is proposing that the capital contribution charge, applicable from 1 July 2005 for water connections to infill blocks not serviced from a water main, be removed from 1 July 2014 and replaced with the full Section 64 developer charge applicable at that time.

The reasoning for this proposal is that, as water rates on land value were removed and replaced with 'User Pay Pricing' in 1994, by 2014 vacant unbuilt upon infill blocks will not have paid any charges to Central Tablelands Water for 20 years.

Also, with all new subdivisions now being subject to Section 64 developer charges, in years to come there will be infill blocks within those subdivisions and it will be difficult to identify whether charges have been

paid or not. As all blocks of land within new subdivisions are required to be serviced from the water main, it will be a simple exercise to identify that any infill blocks not serviced from a water main have not paid a capital contribution or developer charge.'

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

04) Disclosure of Interests (GO.CO.3)

(Tony Perry)

RECOMMENDATION:

1. That the information be noted.

REPORT

Section 449 (3) of the Local Government Act requires that:

“A councillor or designated person holding that position at 30 June in any year must complete and lodge with the General Manager, within three months after that date, a return in the form prescribed by the Regulations.”

Current councillors (and senior staff) are required to submit returns by 30 September.

A copy of the Schedule 3 return was included with this business paper.

Councillors are respectfully requested to comply with the requirements of the Act by completing the return and lodging it with the General Manager either at this Council meeting or reasonably soon after.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

05) Auditors - Notification of Change of Name (CM.AU.1)

(Tony Perry)

RECOMMENDATION:

1. That the information be noted.

REPORT

Council has received notification from Council's Auditors, Morse Group, that the their audit practice operating out of Bathurst and Orange will now be operating under a separate independent legal entity known as Intentus Chartered Accountants, effective from 1 July 2013.

Morse Group will no longer be providing external audit services after 30 June 2013.

The Intentus partnership is made up of the former Morse Group audit partners John O'Malley and Leanne Smith and the former Morse Group audit staff. John O'Malley has been Council's auditor, representing Morse Group, for a number of years and has addressed Council each year on its financial position immediately after the completion and audit of Council's Annual Financial Statements.

Apart from the business name change for the partnership, Council will see no change in the audit services provided by Intentus, as the principals and staff conducting the audit of Council remain the same as provided by Morse Group.

The letter from Morse Group is attached.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Letter from Morse Group 1 Page

MORSE | GROUP

ACCOUNTANTS & ADVISORS

30 June 2013

The General Manager
Central Tablelands Water
PO Box 61
BLAYNEY NSW 2799



Dear Tony,

RE: CHANGES TO THE MORSE GROUP PARTNERSHIP

The Bathurst and Orange audit practice of Morse Group will be conducted under a separate, independent legal entity, Intentus Chartered Accountants effective 1 July 2013.

As a result, Morse Group will no longer be providing external audit services after 30 June 2013.

Responsibility for the fulfillment of works under your contract with Morse Group for the provision of external audit services and authority to collect outstanding fees in relation to this contract will rest with Intentus effective 1 July 2013.

The terms of the deed of separation between Morse Group and Intentus have not been finalised, but will include among them:


- The transfer to Intentus of all audit client documents presently held by Morse Group; and
- The grant by Morse Group of an irrevocable licence to Intentus to use from 1 July 2013 all intellectual property of Morse Group for the purpose of the fulfilling contractual obligations for the delivery of audit services.

The Intentus partnership is comprised of the former Morse Group audit partners John O'Malley and Leanne Smith and the former Morse Group audit staff. I am advised that Intentus propose to deliver their audit services in a manner consistent with how they had been as Morse Group and that they have taken out equivalent levels of professional indemnity and public liability insurance.

Should you have any queries in relation to this matter, please feel free to contact either myself on behalf of Morse Group or John O'Malley on 0419 282 754 or Leanne Smith on 0427 629 823 on behalf of Intentus.

Yours faithfully
MORSE GROUP

Per: 
JUSTIN ENRIGHT
MANAGING PARTNER


14/8/13.



Liability limited by a scheme approved under Professional Standards Legislation

266 Howick Street, Bathurst NSW 2795
PO Box 690, Bathurst NSW 2795 DX: 3114
t 02 6339 9200 f 02 6331 9068
bathurst@morsegroup.com.au www.morsegroup.com.au

06) Intentus - Interim Audit Management Letter Y/E 30/06/2013 (CM.AU.1)

(Gavin Rhodes)

RECOMMENDATION:

1. That the information be noted.

REPORT

Following completion of the interim audit review for the year ended 30 June 2013, Council's auditors Intentus have issued their interim management letter to the General Manager.

The auditors state in the letter that "*Generally, our audit confirmed that the financial management, procedures and systems have been controlled effectively in a manner relevant to Council's structure and resources. There were no matters raised during the course of our review which we feel necessary to bring to your attention.*"

A copy of the auditor's letter is attached.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Intentus Interim Audit Management Letter 3 Pages



SXX:804033

29 July 2013

The General Manager
Central Tablelands Water
PO Box 61
BLAYNEY NSW 2799



Dear Tony

RE: INTERIM MANAGEMENT LETTER - YEAR ENDED 30 JUNE 2013

As part of our statutory audit for the year ended 30 June 2013, we advise having completed our interim review of Council's operations. The date of our visit was 24th June 2013 to 26th June 2013.

Scope of Audit

The purpose of our audit is to form an opinion on the financial statements of Council. Audit procedures have been primarily designed to achieve audit objectives related to this purpose.

In order to meet these objectives in a cost-effective and efficient manner our approach has concentrated on areas of materiality and high risk. Consequently, this letter does not necessarily confirm the effectiveness of all the internal controls operated by Council for achieving all management objectives.

The scope of our audit does not include a comprehensive review of all procedures and systems and our comments are therefore limited to the operational areas examined. The areas examined as part of our interim visit were:

- Expenditure compliance testing;
- Payroll compliance testing;
- Receipting compliance testing;
- Water billing compliance testing;
- General ledger reconciliations;
- Review of journal entries; and
- Minutes.

In seeking to achieve an efficient audit we have also taken into account, to the relevant extent, the internal control structure, consisting of:-

- a) the control environment, incorporating management's policies and procedures;
- b) the information system, incorporating the financial reporting processes used to prepare Council's financial reports; and
- c) internal controls, being those policies and procedures which management has established to provide reasonable assurance that specific organisation objectives will be achieved.



PO Box 885, Orange NSW 2800
237 Lords Place, Orange NSW 2800
Ph: 02 6362 5100 Fax: 02 6361 7045

PO Box 9013, Bathurst West NSW 2795
266 Howick Street, Bathurst NSW 2795
Ph: 02 6339 9200 Fax: 02 6331 9068

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Work Completed in Current Review

Generally, our audit confirmed that the financial management procedures and systems have been controlled effectively in a manner relevant to Council's structure and resources. There were no matters raised during the course of our review which we feel necessary to bring to your attention

Other Matters

In November 2012 Council had changed their accounting system from Fujitsu to Synergy Soft. As a result reconciliation for water billing and plant were not performed since the end of November 2012 to April 2013. We noted that plant reconciliation was performed in May and no variance was noted between the plant sub ledger to the general ledger. However a reconciling figure of \$53 was noted for water billing and this has been passed to the system provider for further investigation. We will review this matter again at our next on site visit.

Acknowledgement

We would like to take this opportunity to extend our thanks to all of Council's staff for their co-operation and assistance during the year.

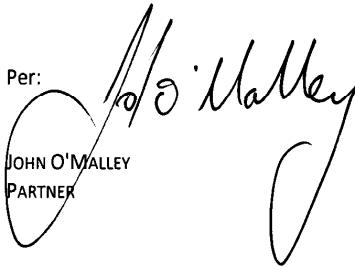
Should you require any further assistance in any matter please do not hesitate to contact me.

Yours faithfully

INTENTUS

Per:

**JOHN O'MALLEY
PARTNER**



**AUDIT MEMORANDUM
CENTRAL TABLELANDS WATER
AUDIT FOR THE YEAR ENDED
30 JUNE 2013**

REVIEW OF MATTERS PREVIOUSLY REPORTED

Our previous interim management letter dated the 16 July 2012 reported the following matter:

	Issue	Risk Weighting	Findings (from current visit)	Resolution
1.	It was noted that in the absence of regular staff, independent review over cancelled receipt and online receipt balance report were performed.	Low	We were pleased to note that controls have been applied consistently over cancelled receipt and online receiving balance during our current review	Resolved

07) Local Government Independent Review Panel - DLG Meeting (GR.LR.5)

(Tony Perry)

RECOMMENDATION:

1. That Council support and endorse the WBC submissions to the Local Government Independent Review Panel.

REPORT

In the its February 2013 submission to the Independent Review Panel (IRP) Paper "*Better, Stronger Local Government – The Case for Sustainable Change*", the WBC Alliance supported the need for reform and put forward the case for a shared service model using a county council as the platform for delivery. The model was arbitrarily titled a County Council Shared Service Centre. The analysis work that was carried out used the data relating to the current Alliance members but it was noted that the model could be applied to any group of councils that wish to enter into a formal shared arrangement for the delivery of some of their functions/services.

The recommendations in that submission were as follows:

1. That, the WBC Alliance be **involved in further discussions** with the Independent Panel and Division of Local Government (DLG) to progress the research and development work with the aim of having a shared service model option available to the Alliance and other councils.
2. That, **funding or support be provided** to the Alliance to progress the shared service model business case (which could then be used by other groups of councils).

Subsequent to that submission, the WBC submitted a further response in June 2013 to the IRP Paper "*20 Essential Steps*". In the June response, the WBC reiterated the recommendations made in the previous submission and added further recommendations as follows:

1. That, the Alliance be **involved in further discussions** with the Division of Local Government and the Independent Panel to be involved in a pilot for the **development and implementation of a county council** for delivery of shared services using CTW as the platform.
2. That, **funding or support be provided** to the Alliance to progress the trial.
3. That the County council **Does Not have to be located in the regional city** and there is flexibility, depending on the member councils service needs and locations, where the head office is located and where staff work and live.
4. That the General Manager of the Regional City Council is Not be General Manager of the Regional County Council.
5. That being Mayor of the Regional City Council Is Not automatically the chair of the County Council. The Chairman should be elected by the member councils

as is currently the practice with county councils. However, the term of the Chairman could be longer than the current 12 month term to provide continuity and consistency.

6. That along with other options in the Twenty Steps paper the Chairman and the General Manager of the County Council would need to have relevant qualifications and or experience and be able to show leadership and direction to a newly formed enterprise which is not like traditional local government.

The February 2013 WBC submission has previously been circulated to all councillors and a full copy of the June 2013 WBC submission is in the WBC Executive Officers report included in this business paper.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

08) WBC Alliance - Executive Officer's Report (CM.AG.6)

(Donna Galvin)

RECOMMENDATION:

1. That the information be noted.

REPORT

Report attached.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 WBC Executive Officers Report 21 Pages



WBC Alliance Report for Council meeting August 2013

(Prepared by the Executive Manager, WBC Alliance)

Independent Review of Local Government.

Since reporting to Council in July we have continued to work on the Shared Services/County Council model. We have had positive discussions and feedback from the CEO of the DLG who has asked us to provide more detail on the anticipated cost for implementing such a model in the hope that there may be some way of us getting funding support.

I have also been asked to participate in a workshop in Sydney on 14th August being arranged by the DLG and IRP to consider more closely the county council/regional collaboration concepts proposed in the last review paper. There has been a rather negative response to the idea of county councils being the model for regional collaboration and this workshop is being held for a small number of people to attend (invitation only) that have expressed a view either strongly supporting or opposing the concept. Our research and position is well known and I believe we have been asked to participate due to our knowledge and experience in successful collaboration.

Joint Tender Sealing

This joint tender has now been finalised and I am happy to report a significant savings – we estimate a \$7 000 saving on the single tender process (as determined by identifying costs to complete once and then calculating what that would have been if there had been three separate tenders). But the most significant saving has been on the final tender price from the selected vendor. The final price yielded a 5% saving on previous tender costs which equates to an **estimated \$220 000 per year for the life of the contract (2 years)**well done to all involved, particularly Nathan Skelly from Blayney who coordinated the tender, and Robert Cohen (Cabonne) and Nick Havyatt (Wellington)

This is a great example of what the Alliance can achieve by working together.

WBC Executive Manager Report to August 2013 Council Meeting

The Alliance celebrates 10 years!

As I reported last month the Alliance will have been in operation for 10 years this August. To mark this occasion we will be hosting a joint Councilor and Staff Forum in Molong on **Thursday 14th November – PLEASE MARK THIS DATE IN YOUR DIARIES**. We will be inviting past Mayors, and senior staff, as well as special guests and dignitaries. WE will have a full day program for both staff and councilors with other guests and the formal part of the event being at lunch time.

WBC Board Meeting:

The next WBC Board meeting will be held Wednesday 4th September in Cabonne. This will also be the Annual General Meeting when the Chair and Secretariat roles will move to Blayney. All councilors are welcome to attend the Board meetings – if you would like to attend please let either myself or Robyn Little at robyn.little@cabonne.nsw.gov.au know before the meeting.

I am currently preparing the 2012/13 Annual Report which will be tabled at the AGM. Without having the final details I expect that we will top the \$5million savings mark this year!

RECOMMENDATION

THAT the information be noted.



**CELEBRATING 10 YEARS
OF SUCCESSFUL COLLABORATION - 2003 - 2013**

**WBC STRATEGIC ALLIANCE
RESPONSE TO THE INDEPENDENT REVIEW PANEL
INTO LOCAL GOVERNMENT PAPER
“Twenty Essential Steps”**

June 2013



WBC Executive Manager Report to August 2013 Council Meeting

1 – INTRODUCTION:

The WBC Strategic Alliance has been proactive and participatory in the consultations over the last 12 months on the future of local government. We have provided detailed submissions to both the first and second round of consultations offered by the Independent Review Panel. The submissions outlined the history and success of the Alliance, and also **proposed a county council model for the delivery of shared services** as an option for regional collaboration into the future. (based on our research and experience having been a successful collaboration of 4 councils working together for 10 years)

This response focuses on the proposals **relating to county councils** outlined in the recently released Twenty Essential Steps paper from the panel. We believe this is a positive step forward in the future reshaping of local government in NSW. We have been a strong supporter and advocate for the benefits of collaboration for a long time and we have been working towards a new era for the WBC Alliance to build on the great trust, relationships and creativity that now exists between the member councils.

Unfortunately however a lot of Councils in our region have taken a dim view of county councils for the delivery of services. At recent meetings some described the discussions as “bordering on hysteria” against this model.

It is our view this is primarily due to 2 factors:

- Maintaining a status quo of independence, voluntary RoC’s, Alliances and partnerships – resistance to change
- **Lack of understanding of how the “new look” County Council model could operate** - comparing how county councils currently operate as opposed to how they could/would operate in the future – the sad tales of failed electricity, abattoir and weeds councils is tainting creative and cooperative discussions about the future.

At the recent WBC Alliance Board meeting (5th June 2013) the Board revisited our 2nd submission and continue to support the concepts proposed for county councils.

The Alliance has a proven track record of collaboration that achieves real outcomes and savings for its members. The relationship between the Mayors, Councillors, General Managers and staff is mature, strong and trusting. The **Alliance is in a prime position to embark on a new model of operation in shared service delivery** which could be the pilot for the Central West Region and as a model for other regions.

We also have the platform for delivery - being Central Tablelands County Council (trading as Central Tablelands Water) - a strong member and supporter of this concept. A variation to their constitution, achievable within the current Act, and the county council could be established.

RESPONSE TO REPORT – TWENTY ESSENTIAL STESPS

The Alliance Board has reviewed and considered in detail the Twenty Steps report from the panel and we make the following comments relating to points raised in these papers:

- 1. We do not support the proposal that the Regional City General Manager would also be the General Manager of the County Council nor do we support the proposal that the Mayor of the Regional City Council would also be the chair of the County Council.**

We believe this would create difficulties in the separation of power, the duality of being a “owner” of the service as well as a “customer” of the service, transparency, and perceived conflict of interest. If the county council is successful it will be generating income, providing a range of services, be actively involved at state and federal level on behalf of the region, and will be an employer. This is a full time position in itself – **not an “additional”** responsibility of the City Council General Manager who rightly needs to be running the city council.

WBC Executive Manager Report to August 2013 Council Meeting

We know from our own experience the governance, employment, financial, complexities of working as a voluntary alliance. The current voluntary RoC structure has the same challenges and risks. We have known for a long time that a separate legal entity is required for the delivery of shared services. It can't be seen as a part of a council. The leader of this type of organisation would also need **a different skill set** to the traditional general purpose general manager. The County Council needs to operate much more like a business,. With a regional focus. As such we strongly disagree that it could be shared role.

2. We do not support the idea that the County Council has to be located in the Regional Centre or indeed housed within the City Council.

For much the same reasons outlined in point 1 it is important to "separate" the regional city and the county council operations. We understand what the panel is suggesting when it says "*the panel does not wish to create unnecessary new bureaucracies*". However there is **great risk in not** separating the power and service provision elements of the county council from the city council. Member councils would rightly expect same level of service provision, and there is a high chance that over time, unless separated, the city council may take an uneven advantage from the services provided by the county council – perceived or real.

Trying to get a new model of shared service established will be a huge challenge in itself. Having the city council as the "leader/owner" of the county council will not be received well by the other member councils. Equally the city council may not want to take on this role for the region - they could argue they are entitled to greater service access because of their greater responsibilities to the region.

The concept model proposed by the Alliance is a somewhat decentralised model. A "head office" would be set up but there would be scope for the practitioners themselves being **located around the region** – on the ground, doing their work for their communities. For example, functions such as health and building, food shop inspections, ranger services, trade waste require practitioners to be "out with the customers". In this way local jobs can be preserved. Staff would have great flexibility in **where they live and work**. This would be an easier "sell" to councils and their staff than "you are all being moved to the regional centre"

3. We acknowledge the "Key Attributes of a Regional Centre" (page 35).

WBC Executive Manager Report to August 2013 Council Meeting

This will require a quantum shift in the attitude and relationship between larger city councils and their regional neighbours/councils. **Getting this relationship right** will be one of the **greatest challenges** moving forward. Councils traditionally (and as should be expected) have to conduct themselves in a manner that **brings the best value to their LGA**. In the proposed future they will now also have to think about what's best for the wider region – very different thinking and strategy making.

“(they) need to be willing and able to see (their) roles in the context of (their)region – to commit resources to regional projectsto negotiate partnerships with neighbouring regions and councils.....to gain acceptance as a regional leader that can be trusted”

This is will require a significant change in attitude of the leaders (both elected and staff) of the councils trying to establish a shared entity through a county council. **We have worked on our relationship for 10 years** -it is a critical success factor to have a strong, trusting and open relationship with those you are partnering with.

4. We acknowledge the use of the term “new look” County Councils. However.....

... if our region is typical of others the **use of the term “county councils” is misunderstood which is unfortunately damaging the conversation** we should be having about how we can work collaboratively in the region and in the sphere of shared service delivery. (regardless of the legal entity model)

In the Alliance model proposed in our 2nd submission we were **supportive of a county council** as our preferred mode of delivery. This was based on **our research** into the pro's and con's of different modes such as corporations, cooperatives, voluntary partnerships etc etc. Indeed our research work referenced to the academic research completed by *Oakerson, Dollery and Johnston, and Tomkinson (Conceptual basic for Shared Services 1999)* which identified **18 different modes for delivery of services**.

There needs to be opportunity to have a **balanced, unbiased and non-threatening conversation** about how county councils **COULD** work and not be so focussed on how they

WBC Executive Manager Report to August 2013 Council Meeting

currently work. Their purpose, governance, funding, representation and decision making would need to be very different in the future models around shared service delivery.

We also acknowledge the panel's comments:

"the provisions of the Local Government Act relating to County Councils are very flexible and solutions can be tailored to different regional circumstances"

There has been some suggestion that the "rewrite" required of the Act to accommodate these "new look" county councils would be too difficult and time consuming. The Act is already under review, and the panel is aware that the provisions relating to county councils may need to be varied. We have also completed our **review on the legislation relevant to the concept model** we had proposed (see Appendix A) and we **do not anticipate that the changes required to enable the new look county councils would be overly complex.**

The establishment of any new "organisation" (corporation, cooperative or whatever model) will require a lot of work to develop agreements, terms of trading, deal with the requirements of corporation's laws, etc etc etc. This is not a reason not to proceed.

5. Functions of a County Council

We note the list of functions suggested on page 34. We also note the comment *"the functions of a county council to be tailored to the particular needs and circumstances of the region concerned."*

We seek to better understand the "defining factors for county councils" and specifically why **"at least 10 000 water connections"** is a factor - does this mean the new look county councils will be taking on water management and delivery? This is contributing to some of the fears/oppositions to the model.

One of the issues being voiced around our region is about the county council being **an asset owner**. The Alliance Shared Service Centre concept model has the county council as a **service provider only – not** an asset owner. It would provide a range of services to member councils on a fee for service basis. It would not raise revenue through rates but generate income for fees for services (and initially through the funding of the member councils until it is financially independent in much the same way that RoC's and Alliances are currently funded)

WBC Executive Manager Report to August 2013 Council Meeting

It is a **critical success factor** that the county council established provides the services that the **members want and are willing to pay for**. There must be flexibility and it must be determined by the member councils.

6. Pace of Change- Establishing a Local Government Development Board.

The Alliance does not wish to comment on the suggested amalgamations outlined in the Twenty Essential Steps. However, we would comment on the potential **pace and quantum of change** that is facing local government.

The two major structural reforms being suggested are:

- Mergers/amalgamations
- Establishment of county councils as *“a joint entity to undertake selected functions”*

Both of these are transformational changes requiring a significant shift of culture, leadership, ownership, funding, planning, design etc. The logistics of just one of these options is significant let alone trying to tackle both at once. Imagine if you have councils either going through or ultimately facing amalgamation at the same time as trying to establish a shared entity that at its core will require councils to be cooperative, open, trusting and flexible.

In our 2nd submission the Alliance raised issues and suggestions around future change management. We reiterate our comments that whatever the final recommendations there is an acknowledgement that the pace and quantum of change **NEEDS TO BE CAREFULLY PLANNED AND MANAGED**.

We support the concept of the **LG Development Board** and reiterate our willingness to work cooperatively and participate in a pilot for the county council model.

We have observed first hand in our region the reaction to the Twenty Steps paper and that at this point we have not had a balanced conversation about the pro's and con's of county

WBC Executive Manager Report to August 2013 Council Meeting

council models. It will be important with the next release of information that there are some guiding strategies for how and what we communicate, how and when we inform stakeholders and what support is provided to help Councils manage through transformational change.

It is so important that creative concepts don't get derailed because of incorrect information or fear mongering.

RECOMMENDATIONS:

We reiterate the recommendations made in our second response and:

1. That, the Alliance be **involved in further discussions** with the Division of Local Government and the Independent Panel to be involved in a pilot for the **development and implementation of a county council** for delivery of shared services using CTW as the platform.
2. That, **funding or support be provided** to the Alliance to progress the trial.
3. That County Council **DOES NOT have to be located in the regional city** and there is flexibility depending on the member councils service needs and locations where the head office is located and where staff work and live.
4. That the **General Manager of the Regional City Council IS NOT the General Manager** of the Regional County Council
5. That the **Mayor** of the regional City council IS NOT automatically the Chair of the County Council. The Chairman should be elected by the member councils as is currently the practice within county councils. However, the term of the Chairman could be longer than the current 12 month term to provide continuity and consistency

6. That along with other options in the Twenty Steps paper the Chairman and the General Manager of the County Council would need to have relevant qualifications and or experience and be able to show leadership and direction to a newly formed enterprise which is not like traditional local government

*Good ideas are not adopted automatically –
they must be driven into practices with courageous patience
(Admiral Rickover)*

*For more information about the **WBC Strategic Alliance** or to discuss this response in more detail please contact Donna Galvin, Executive Manager, WBC Strategic Alliance on 0419611204 or email to donna.galvin@cabonne.nsw.gov.au*

APPENDIX A: REVIEW OF COUNTY COUNCIL LEGISLATION

COUNTY COUNCIL LEGISLATION UNDER LOCAL GOVERNMENT ACT 1993	RESPONSE TO CHANGE
<p>383 Proposal to establish or dissolve a county council or amend its constitution</p> <p>(1) A council, a county council, a public authority or the Director-General may make a proposal to the Minister to establish or dissolve a county council or to amend the constitution of a county council.</p> <p>(2) The Minister may propose to establish or dissolve a county council or to amend the constitution of a county council.</p>	<p>1) No change is required to this clause</p> <p>2) No change is required to this clause</p>
<p>384 Public notice to be given of a proposal</p> <p>The Minister must give at least 28 days' public notice of a proposal made to the Minister that the Minister decides to proceed with or of a proposal initiated by the Minister.</p>	<p>No change is required to this clause</p>
<p>385 Making of representations</p> <p>Within the period of public notice, representations concerning the proposal may be made to the Minister by anyone affected by the proposal.</p>	<p>No change is required to this clause</p>
<p>386 Minister's recommendation concerning the proposal</p> <p>After considering all representations received concerning the proposal, the Minister may recommend to the Governor that the proposal be implemented, with or without modifications, or may decline to recommend that the proposal be implemented.</p>	<p>No change is required to this clause</p>
<p>387 Formation of county councils</p> <p>(1) The Governor may, by proclamation, establish county councils for the purposes of this Act.</p> <p>(2) A proclamation under this section must contain the following particulars:</p>	<p>1)No change is required to this clause</p> <p>2)a) No change is required to this clause</p>

WBC Executive Manager Report to August 2013 Council Meeting

<p>(a) the name of the county council,</p> <p>(b) a description of the county council’s area of operations,</p> <p>(b1) the name of each council (referred to in this Part as a <i>constituent council</i>) whose area lies wholly or partly within the county council’s area of operations,</p> <p>(c) the number of persons to be elected by each constituent council to the county council’s governing body,</p> <p>(d) a description of the county council’s functions.</p> <p>(3) A proclamation under this section conferring functions on a county council as to the control of noxious weeds on land is to be made only with the concurrence of the Minister administering the <u>Noxious Weeds Act 1993</u>.</p> <p>388 Legal status of county councils</p> <p>(1) A proclamation establishing a county council operates to constitute the county council as a body politic of the State with perpetual succession and the legal capacity and powers of an individual, both in and outside the State.</p> <p>(2) A county council is not a body corporate (including a corporation).</p> <p>(3) A county council does not have the status, privileges and immunities of the Crown (including the State and the Government of the State).</p> <p>(4) A law of the State applies to and in respect of a county council in the same way as it applies to and in respect of a body corporate (including a corporation).</p> <p>389 What is a county council's name?</p> <p>The name of a county council is to be “X County</p>	<p><i>b) The area of operation under the Act should allow a county council to compete against the private sector and therefore the boundaries of the county council should not restrict trade.</i></p> <p>B1) No change is required to this clause</p> <p>c) No change is required to this clause</p> <p>d) No change is required to this clause</p> <p>3) No change is required to this clause</p> <p>1) No change is required to this clause</p> <p>2) No change is required to this clause</p> <p>3) No change is required to this clause</p> <p>4) No change is required to this clause</p> <p><i>(Note: a county council should be able to return any profit to its constituent councils in the form of direct grants or funding towards community based projects)</i></p>
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<p>Council”, where “X” is the name specified by the proclamation.</p>	<p>No change is required to this clause</p>
<p>390 Who comprise the governing body?</p>	
<p>(1) A county council must have a governing body elected by its constituent councils.</p>	<p>1) No change is required to this clause</p>
<p>(2) Provisions concerning the membership of a county council’s governing body are to be as prescribed by the proclamation establishing the county council.</p>	<p>2) No change is required to this clause</p>
<p>(3) A member of a county council is to be elected from among the councillors of the constituent councils in accordance with the regulations.</p>	<p>3) No change is required to this clause</p>
<p>(4) The governing body of a county council is responsible for managing the affairs of the county council.</p>	<p>(The member of the county council should be the Mayor of the constituent council to ensure strategic planning occurs across the region)</p> <p>4) No change is required to this clause</p>
<p>391 The chairperson</p>	
<p>(1) The chairperson of a county council is the person elected to the office of chairperson by the members of the county council from among their number.</p>	<p>1) No change is required to this clause</p>
<p>(2) The chairperson holds office for one year, subject to this Act.</p>	<p>2) The chair should hold office for two years to allow consistency in management of the organisation</p>
<p>(3) The office of chairperson:</p>	
<p>(a) commences on the day the person elected to the office is declared to be so elected, and</p>	
<p>(b) becomes vacant when the person’s successor is declared to be elected to the office, or on the occurrence of a casual vacancy in the office.</p>	<p>3) No change is required to these clauses</p>
<p>391A What are the functions of the chairperson?</p>	
<p>The role of the chairperson of a county council is:</p>	
<p>(a) to preside at meetings of the county council, and</p>	
<p>(b) to exercise such other functions of the county council as the county council determines.</p>	<p>No change is required to these clauses</p>
<p>392 Vacancy in office of member</p>	

<p>(1) A member of a county council vacates that office on ceasing to be a councillor of a constituent council.</p> <p>(2) This section does not limit the other circumstances in which a member of a county council vacates that office.</p> <p>393 Area of operations of county council</p> <p>The area of operations of a county council may, in accordance with a proclamation made for the purposes of this Part, comprise the whole or any part of one or more local government areas.</p> <p>394 Functions of county council</p> <p>(1) The functions of a county council may, in accordance with a proclamation made for the purposes of this Part, comprise any one or more of the functions of a council under this or any other Act.</p> <p>(2) A council may not undertake a function conferred on a county council whose area of operations includes the whole or any part of the council's area, subject to the regulations or a proclamation made for the purposes of this Part.</p> <p>(3) Subsection (2) does not prevent a council from exercising a function delegated to it by a county council.</p> <p>395 General manager of county council</p> <p>(1) A county council must employ a general manager.</p> <p>(2) The general manager of a county council has the same functions in relation to the county council as the general manager of a council has in relation to the</p>	<p>No change is required to these clauses</p> <p>See Note above about ability to compete with private enterprise outside the prescribed area of the county council.</p> <p>1) No change is required to these clauses</p> <p>2) No change is required to this clause</p> <p>3) No change is required to this clause (A constituent council should be able to undertake the services provided by the county council where the staff member is engaged in other functions not undertaken by the county council in their employment. Eg a lone health and building surveyor. This would allow the constituent council to meet regulatory requirements and call on the county council to provide supplementary services for such a role).</p> <p>1) No change is required to this clause</p> <p>2) No change is required to this clause</p>
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<p>council.</p> <p>396 How often does a county council meet?</p> <p>A county council is required to meet at least 4 times each year.</p> <p>397 Amendment and dissolution of county councils</p> <p>(1) The Governor may, by proclamation, amend or revoke a proclamation in force under section 387 for the purpose of amending the constitution of, or of dissolving, a county council.</p> <p>(2) A proclamation for the purpose of amending the constitution of a county council:</p> <p>(a) may change the name of the county council, or</p> <p>(b) may vary the county council’s area of operations, or</p> <p>(c) may vary the number of persons who comprise the county council’s governing body, or</p> <p>(c1) may vary the number of persons to be elected by each constituent council to the county council’s governing body, or</p> <p>(d) may vary the county council’s functions.</p> <p>398 Facilitating provisions of proclamations</p> <p>A proclamation of the Governor for the purposes of this Part may include provisions of the same kind as are referred to in section 213.</p> <p>399 Making of financial contributions by constituent councils</p> <p>The regulations may make provision for or with respect to the making of financial contributions to a county council by the constituent councils, including the following:</p> <ul style="list-style-type: none"> • the purposes for which contributions may be made • the circumstances in which contributions may be required 	<p>No change is required to this clause</p> <p>No change is required to these clauses</p> <p>No change is required to this clause</p> <p>No change is required to these clauses</p>
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WBC Executive Manager Report to August 2013 Council Meeting

<ul style="list-style-type: none"> • the assessment of contributions • the payment of contributions • the recovery of contributions. <p>400 Application of Act to county councils</p> <p>(1) This Act (except Part 1 and Divisions 1 and 2 of Part 2 of Chapter 9, Chapter 10, section 365 and the provisions of Chapter 15 concerning the making and levying of ordinary rates) applies:</p> <p>(a) to county councils in the same way as it applies to councils, and</p> <p>(b) to the members of county councils in the same way as it applies to the councillors of councils, with such exceptions and modifications (if any) as the regulations may provide.</p> <p>(2) In the application of this Act to county councils and members of county councils:</p> <p>(a) a reference to the mayor of a council includes a reference to the chairperson of a county council, and</p> <p>(b) a reference to mayoral office includes a reference to the office of the chairperson of a county council, and</p> <p>(c) a reference to a councillor includes a reference to a member of a county council</p>	<p>No change is required to these clauses</p>
<p>59A Ownership of water supply, sewerage and stormwater drainage works</p> <p>(1) Subject to this Division, a council is the owner of all works of water supply, sewerage and stormwater drainage installed in or on land by the council (whether or not the land is owned by the council).</p> <p>(2) A council may operate, repair, replace, maintain, remove, extend, expand, connect, disconnect, improve or do any other things that are necessary or appropriate to any of its works to ensure that, in the opinion of the council, the works are used in an efficient manner for the purposes for which the works were installed.</p>	<p>No change is required to these clauses</p>

WBC Executive Manager Report to August 2013 Council Meeting

(3) The provisions of this section have effect despite anything contained in section 42 of the <u>Real Property Act 1900</u> .	
Local Government Act – Regulations 2005	
<p>Division 8 County councils</p> <p>218 Application of planning and reporting provisions to county councils</p> <p>Part 2 (Strategic planning) of Chapter 13 of the Act applies to county councils with the following exceptions and modifications:</p> <p>(a) section 402 (Community strategic plan) does not apply to county councils,</p> <p>(b) each county council is required to have a business activity strategic plan as provided by clause 219,</p> <p>(c) a reference in a provision of that Part to a community strategic plan is (in the application of the provision to and in respect of a county council) to be read as a reference to a business activity strategic plan.</p> <p>219 Business activity strategic plan of county council</p> <p>(1) A business activity strategic plan is a plan developed and endorsed by a county council that:</p> <p>(a) identifies the main business activity priorities of the council covering a period of at least 10 years from when the plan is endorsed, and</p> <p>(b) establishes strategic objectives together with strategies for achieving those objectives, and</p> <p>(c) has been developed having due regard to the community strategic plans of the county council's constituent councils and in consultation with those councils.</p> <p>(2) Following an ordinary election of councillors for the constituent councils of a county council, the county council must review the business activity strategic plan</p>	<p>No change is required to these clauses</p> <p>No change is required to these clauses</p>

<p>before 30 June following the election. The council may endorse the existing plan, endorse amendments to the existing plan or develop and endorse a new business activity strategic plan, as appropriate to ensure that the council has a business activity strategic plan covering at least the next 10 years.</p> <p>(3) Within 28 days after a business activity strategic plan is endorsed, the council must post a copy of the plan on the council's website and provide a copy to the Director-General. A copy of a business activity strategic plan may be provided to the Director-General by notifying the Minister of the appropriate URL link to access the plan on the council's website.</p>	
<p>Division 12 Mayors, county councils and referendums</p> <p>395 Election of chairpersons of county councils</p> <p>The chairperson of a county council is to be elected in accordance with Schedule 8.</p> <p>396 Election of members of county councils</p> <p>Schedule 9 applies in relation to the election of the members of a county council.</p> <p>397 Constitutional referendums and council polls</p> <p>This Part applies with such modifications as may be necessary, including the modifications in Schedule 10, to the taking of constitutional referendums and council polls for the purposes of Part 3 of Chapter 4 of the Act in the same way as they apply to an election.</p>	<p>No change is required to these clauses</p> <p>No change is required to these clauses</p> <p>No change is required to these clauses</p>
<p>Schedule 8 Election of chairpersons of county councils (Clause 395)</p> <p>Part 1 Preliminary</p> <p>1 When election to be held</p> <p>(1) An election for chairperson of a county council is to be held:</p> <p>(a) at the first meeting of the county council after an</p>	<p>No change is required to these clauses</p>

<p>ordinary election of members of the county council, and</p> <p>(b) at the first meeting of the county council after each anniversary of that ordinary election until the next ordinary election of members of the county council is held.</p> <p>(2) In subclause (1) (a), <i>ordinary election of members of the county council</i> does not include an election held in accordance with clause 1 (2) of Schedule 9 to this Regulation:</p> <p>(a) after the first election of councillors for a newly amalgamated area that is:</p> <p>(i) held in accordance with a proclamation made for the purposes of Division 2A of Part 1 of Chapter 9 of the Act, and</p> <p>(ii) taken by that proclamation to be an ordinary election of councillors, or</p> <p>(b) after an ordinary election of councillors for an area that has been postponed in accordance with the provisions of Part 6A of Chapter 10 of the Act.</p>	
<p>Schedule 9 Election of members of county councils (Clause 396)</p> <p>Part 1 General</p> <p>1 When elections to be held</p> <p>(1) The first ordinary election of members of a county council is to be held within 2 months of its establishment.</p> <p>(2) Subsequent ordinary elections are to be held within 2 months after each ordinary election of councillors under Part 4 of Chapter 10 of the Act.</p> <p>(3) A by-election to fill an office vacated by a member is to be held within 2 months after the occurrence of the vacancy.</p> <p>(4) No such by-election is to be held if the vacancy occurs after an ordinary election of councillors under Chapter 10 of the Act and before an ordinary election of</p>	<p>No change is required to these clauses</p>

WBC Executive Manager Report to August 2013 Council Meeting

members of a county council	
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09) Local Government Water Management Conference (CM.CF.1)

(Tony Perry)

RECOMMENDATION:

1. That Council give approval for the Chairman, General Manager, Manager Operations & Technical Services and one other Councillor to attend the 2013 LG Water Management Conference in Terrigal and that any Councillor interested in attending should contact the General Manager to arrange registration.

REPORT

The 2013 LG Water Management Conference will be held in Terrigal from Sunday 8 September 2013 to Tuesday 10 September 2013.

The Chairman, General Manager and Manager Operations & Technical Services normally attend this Conference and, occasionally in the past another Councillor has attended. As early bird registrations closed on 1 August 2013, the General Manager has, at this stage, registered the Chairman, General Manager and Manager Operations & Technical Services to attend.

BUDGET IMPLICATIONS

Nil – Council's budget provides for attendance by the Chairman, General Manager, Manager Operations & Technical Services and one other Councillor.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

10) Local Government NSW Conference (CM.CF.1)

(Tony Perry)

RECOMMENDATION:

1. That Council give approval for the Chairman, General Manager and one other Councillor to attend the 2013 Local Government NSW Conference in Sydney, from Tuesday 1 October 2013 to Thursday 3 October 2013, and any Councillor interested in attending should contact the General Manager to arrange registration.

REPORT

The Local Government NSW Annual Conference is to be held at the Sydney Town Hall from Tuesday 1 October 2013 to Thursday 3 October 2013.

As Councillors would be aware, Council was previously a member of the Shires' Association and, prior to 2013, had been represented at the Annual Shires' Conference, which was usually held each year in late May early June.

Earlier this year, following years of negotiation, the Local Government Association and the Shires' Association became one association titled Local Government NSW.

In past years, the Chairman, General Manager and, on occasions, another Councillor have attended the annual Shires' Conference and, as a member of the new Association, it is expected that Council would be represented at the first conference of Local Government NSW.

Early bird registrations for this Conference close on 19 August 2013 so the General Manager will be seeking an indication at this meeting as to who is wishing to attend.

BUDGET IMPLICATIONS

Nil – Council's budget provides for attendance by the Chairman, General Manager and one other Councillor.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

11) Centroc - Cancer Care West Lodge (CM.CF.3)

(Tony Perry)

RECOMMENDATION:

1. That Council donate \$100.00 to the Cancer Care West Lodge fundraising appeal.

REPORT

Council has received a letter from the Chair of Centroc, Cr Ken Keith, seeking Council's support for the fund raising events that are taking place for Cancer Care West Lodge.

A copy of Cr Keith's letter is attached.

BUDGET IMPLICATIONS

Within allocated budget.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Letter from Cr Keith regarding Care West fundraising appeal 1 Page



Chairman: Cr Ken Keith, Mayor, Parkes Shire Council



Centroc
Forbes Shire Council
PO Box 333
Forbes NSW 2871
Phone: 0428 690 935
Email: jennifer.bennett@centroc.com.au

1 July 2013

Telephone: 02 690 3333
Centroc PO Box 333, Forbes NSW 2871

Cr Geoff Braddon
Mayor
Central Tablelands Water
PO Box 17
MOLONG NSW 2866

Dear Geoff,

Re: Cancer Care West Lodge

As you know, Centroc has been very successful over the years in helping with the Cancer Care West Lodge. We have both succeeded in raising significant amounts of money while lending our support to a successful funding application for \$1.3m to develop accommodation for cancer patients and their families. The lodge is embarking on an expansion, due to the demand flowing out of the installation of a second linear accelerator at the Orange Base Hospital.

The Mayor of Orange, Cr John Davis has asked if I would lend a hand with another round of support from the region. I have agreed on Parkes' behalf but now hope you will join with me for this very important cause for our communities.

This time it is Dry July and I am well into the lemon squash.

This abstinence will be a bit of a challenge for me and I have encouraged Parkes residents to sponsor my efforts. Donations can be left at the Council and various businesses around town including most watering holes. Already the Rotary and Quota Clubs have been approached for their support, and I would like to see as many community and sporting groups throughout the Shire become involved. The Council will act as the base for the appeal in Parkes Shire, and organisations are asked to register their fund raising event, so that Jan Savage, who is the Western Care Lodge Regional Fundraising and Media Co-ordinator is abreast of the events.

A media release will be circulated through the General Managers in the next fortnight regarding the region's efforts. Thank you for your consideration and hopefully your support.

Yours sincerely,

Cr Ken Keith

Chair

Central NSW Councils (Centroc)

This Regional Organisation of Councils speaks for over 236,000 people covering an area of more than 70,000sq kms comprising Bathurst Regional, Blayney, Boorowa, Cabonne, Cowra, Forbes, Lachlan, Lithgow City, Oberon, Orange City, Parkes, Upper Lachlan, Weddin, and Young Councils and Central Tablelands County Council.

12) Staff Performance Reviews (PE.EC.3)

(Tony Perry)

RECOMMENDATION:

1. That the information be noted.

REPORT

Annual performance reviews on all non-operations staff have been completed and once again the General Manager is pleased to report that he is supported by a cohesive and dedicated team in finance, administration and operations management.

The Operations Manager has also completed annual performance reviews on all operations staff with satisfactory outcomes.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

13) Drought Management Plan (EM.PR.3)

(Tony Perry)

RECOMMENDATION:

1. That Council formally adopt the 2012 Central Tablelands Water Drought Management Plan prepared by HydroScience Consulting and incorporate the regional water restriction definitions, outlined in Appendix B of the Plan, into Council's Policy Register.

REPORT

In 2011, Council engaged HydroScience Consulting to prepare a Drought Management Plan (DMP), as required by the NSW Office of Water (NOW) in order to be compliant with one of the six interrelated elements of *Best-Practice Management of Water Supply and Sewerage*, which are listed as follows:

1. Integrated Water Cycle Management
2. Strategic Business Planning
3. Pricing and Regulation of Water Supply, Sewerage and Trade Waste
4. Water Conservation and Demand Management
5. Drought Management
6. Annual Performance Monitoring

NOW state that drought management is a fundamental responsibility of the Local Water Utility (LWU) for ensuring continuity of supply. Further, this needs to be documented in a drought management plan with an adopted schedule of trigger points for timely implementation of appropriate drought water restrictions and supplementary water sources.

As stated in the introduction, the DMP aims to describe how Central Tablelands Water (CTW) will regulate a reduced water supply during drought. It includes actions and responses to drought situations that may affect CTW's water supplies.

The DMP proposes for CTW to adopt the Regional System of water restrictions developed for Bathurst, Orange, Dubbo (Appendix B). Also, the DMP provides a series of scenarios of reduction in the water availability, and actions required by CTW to respond to these situations. The responses are in the form of water restrictions and options for additional actions addressing both demand and supply. A copy of the DMP has been provided to each Councillor with this business paper.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Regional water restriction definitions, outlined in Appendix B of the Drought Management Plan, to be incorporated into Council's Policy Register.

ATTACHMENTS

Nil

14) Visit to Potential Dam Site at the Needles (WS.SP.4)

(Tony Perry)

RECOMMENDATION:

1. That Council write to the candidates in the forthcoming Federal election seeking support for increased water storage in the Central West Region in particular putting forward the options of an augmented Lake Rowlands or a new dam at The Needles on the Belubula River.

REPORT

Councillors may recall that the outgoing Chairman, Cr John Farr OAM, in his final Chairman's minute to the October 2012 Council meeting made mention of a new dam proposition on the Belubula River at a location called The Needles.

This proposition first came to light at the 2012 Local Government Water Conference when an officer of State Water NSW, in his address to the Conference, stated that State Water had identified three locations in NSW that were suitable for new water storages. The three locations identified were the Hunter, Fish River area and Carcoar.

When one of the sites was identified as Carcoar, the Chairman and General Manager immediately thought he was referring to Lake Rowlands. The Chairman and General Manager had discussions with the officer from State Water immediately after his address to the Conference and they were advised that he was not referring to Lake Rowlands part to a site called The Needles on the Belubula River downstream from the existing Carcoar Dam. He explained that originally, 40 years ago, Carcoar Dam was planned to be built at The Needles site but local politics intervened and it was built on its present site which has a very small catchment, whereas, The Needles site has a large catchment of 532km², with a significant number of creeks flowing into it. The officer was quick to point out that it was only a proposal at this stage and was part of their future infrastructure planning.

Subsequent to that conference, three officers from State Water attended at CTW's office in Blayney for a meeting with the General Manager and Operations Manager to canvass their opinion on the proposal for a new dam at The Needles site. They indicated that if the new dam proposal went ahead it would have a storage capacity of 90,000ML and that the existing Carcoar Dam, with a storage capacity of 35,800ML, could be freed up from its existing irrigation requirements to become an urban water supply dam and, if linked with Lake Rowlands Dam, would provide a total of 40,300ML available for urban use. The General Manager communicated to the officers from State Water that CTW would support such a proposal as it would provide a much higher level of water security to the Central Tablelands and Central West of NSW than was originally envisaged with the enlargement of Lake Rowlands.

In the Infrastructure NSW paper, titled State Infrastructure Strategy, it is stated that the Government is considering a number of dams for urban and industrial demand in

regional centres including: Lostock Dam augmentation in the Hunter catchment, a second Fish River storage in the Macquarie catchment and a 'New Carcoar' dam in the Lachlan catchment. The Strategy went on to say that these projects are yet to be appraised and considered for funding.

In April this year, I was contacted by our local Federal Member, John Cobb MP, who indicated that he would like to visit The Needles site in order to have an appreciation of the proposal. John Cobb, who has always been a great supporter of the proposal to enlarge Lake Rowlands and a great advocator for increased water storage in the region, was overwhelmed and impressed with the proposed site at The Needles.

On 30 July this year, the Chairman, General Manager, Operations Manager and Finance and Corporate Services Manager hosted a further visit to The Needles site with the Cabonne Council Mayor, Deputy Mayor and Director Technical Services on their request. The Cabonne personnel were also anxious to have an appreciation and understanding of The Needles proposal. Suffice to say they were also suitably overwhelmed and impressed with the proposed site.

Some photos of the Needles site visit are included below.





BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

15) Maintenance of Council's Systems (WS.MO.4)

(Darrell Sligar)

RECOMMENDATION:

1. That the information be noted.

REPORT*a) Meter Reading*

The first read for 2013/2014 financial year commenced on 16th July 2013 and was finalised on 1st August 2013. All dead meters have been repaired or replaced.

b) Service Replacement Program

Council staff replaced eight full services and sixty partial services during the previous two months.

c) Hydrant/Valve Maintenance

Hydrant and valve maintenance has been carried out in Eugowra, South Canowindra and Canowindra during the previous two months.

d) Reticulation Flushing

Reticulation flushing was carried out in the following towns and villages over the previous two months: Blayney, Eugowra, Cudal, Cargo, Quandialla and Grenfell dead ends.

e) Pump Station Maintenance

General maintenance has been carried out in all pump stations during the previous two months.

f) Telemetry Sites

All reservoirs, pump stations and filtration plants telemetry sites have had battery replacements during the previous two months.

g) Trunk Mains

Seven air valves have been reconditioned and five new valves have been installed on Trunk Main 'C', Limestone Creek to Gooloogong during the previous two months, along with one new installation on Trunk Main 'D' near Carcoar.

h) Pipework Replacement

A section of italia fibro (50m) has been replaced in Tucker/Binstead Street Blayney, with two new sluice valves and one new hydrant installed at the same time.

i) Filtration Plants

The testing room and amenities block at Blayney Filtration Plant has been repainted and new blinds installed.

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

All positioner's on the pneumatic valves have been overhauled with one reconditioned unit being installed with one new unit.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

16) Performance of Council's Systems (WS.MO.4)

(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
Canowindra	Armstrong Street	03.06.13	100mm	DNR
	Nyrang Creek	12.07.13	80mm	DNR
	North Canowindra	10.07.13	80mm	DNR
Moorbel	Red Lane	02.06.13	100mm	Split Length
	Red Lane	03.06.13	100mm	Split Length
	Quarry Road	18.07.13	100mm	DNR
Manildra	Orange Road	24.06.13	100mm	DNR
	Loftus Street	23.07.13	100mm	DNR
South Canowindra	Preston Street	29.07.13	100mm	Split Length
Trunk Main 'P'	Somers	17.06.13	100mm	Split Length
Trunk Main 'D'	Carcoar	28.06.13	200mm	Collar
Trunk Main 'U'	Canomodine	05.06.13	150mm	Collar
Trunk Main 'C'	Jacks Creek	23.06.13	225mm	Collar

k) Reservoir Levels

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

l) Service Complaints and Requests

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

Location	Complaint/Request	Total
Blayney	Leaking meter	6
	Maintenance	1
	Service failure	1
	Meter not shutting off	3

	Quality complaint	1
Canowindra	Leaking meter	2
	Leaking service	1
	Meter not shutting off	1
Grenfell	Leaking meter	1
Mandurama	Leaking meter	1
	No water	1
	Pathcock failure	1
Manildra	Leaking service	1
	Meter not shutting off	1
Millthorpe	Meter not shutting off	1

m) Lake Rowlands

The level of Lake Rowlands has increased from 68% to 90% of capacity as at 31st July 2013. 340 megalitres was discharged from Lake Rowlands during July.

p) New Water Services

During the past two months there have been 8 new water services connected to Councils mains:

3 x 50mm Fire Services

1 x 20mm residential connection at Grenfell

2 x 20mm residential connections at Canowindra

2 x 20mm residential connections at Millthorpe

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

17) Questions on Notice

(Tony Perry)

No questions on notice were received.

ATTACHMENTS

Nil

18) General Manager - Annual Performance Review (GO.CO.4)

(Tony Perry)

RECOMMENDATION:

1. That, as this matter deals 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

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 Cabonne Council, on Wednesday, 12 June 2013, commencing at 10.30am

<u>Present</u>	Cr. Geoff Braddon OAM	(Chairman)	Blayney
	Cr. Geoffrey McClelland	(Deputy Chairman)	Weddin
	Cr. Anthony Durkin		Cabonne
	Cr. Kevin Walker		Cabonne
	Cr. Alan Griffiths		Weddin
	Tony Perry	(General Manager)	
	Gavin Rhodes	(Finance Manager)	

APOLOGIES**13/035 RESOLVED:**

That a leave of absence be granted to Cr. Somerville following receipt of his apology for non-attendance.

(Cr. McClelland/Cr. Durkin)

CONFIRMATION OF MINUTES**13/036 RESOLVED:**

That the Minutes of the Ordinary Meeting of Central Tablelands Water, held on 10 April 2013, being minute numbers 13/019 to 13/034 inclusive, be confirmed.

(Cr. Walker/Cr. Durkin)

CHAIRMAN'S MINUTE

Since the last meeting, the General Manager and I have attended a Centroc board meeting at Parliament House in Sydney, a WBC board meeting in Blayney and, together with the Finance and Corporate Services Manager, an Internal Audit Committee meeting.

The Centroc Board meeting was organised by the local Member for Orange Andrew Gee and it provided the opportunity for the Board to be addressed by a significant number of NSW Ministers.

Probably the most contentious subject that came up for discussion centred on the local government reform issue and the recent Future Directions Paper issued by the Independent Review Panel. There was a lot of negativity in the discussion around the Panel's recommendation to form regional county councils.

Whilst the Panel's Paper recommended the amalgamation of Orange, Blayney and Cabonne the Minister was at pains to ensure the Board that his policy of no forced amalgamations had not changed. In fact, the Panel have stated that this policy was reiterated in the Panel's Terms of Reference.

It was interesting to note that when the Mayor of Cabonne requested that Centroc Board pass a resolution stating that Centroc did not support the amalgamation of Orange, Blayney and Cabonne the General Manager of Orange stated that he could

not support that request as his Council has a resolution to amalgamate both Blayney and Cabonne into Orange.

At the WBC board meeting the Panel's recommendations were again the centre of discussion with the board recommending that its member councils support the development of a County Council Shared Service Centre and that the Alliance write to the DLG requesting approval for the WBC to trial a County Council model.

The local government reform issues are listed for discussion today and we are fortunate to have the WBC Executive Manager here in attendance to answer and address any questions that Councillors may have.

That's all for my Chairman's Minute and I would like a resolution that it be accepted.

13/037 RESOLVED:

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

(Cr. McClelland/Cr. Walker)

01) INTEGRATED PLANNING & REPORTING - 2013/2014 MANAGEMENT PLAN (FM.PL.1)

13/038 RESOLVED:

That, in accordance with Sections 402-406 of the Local Government Act 1993, and, following the statutory period of 28 days public display, Council now resolve to adopt the following draft Plans:

- a. Delivery Plan 2013 – 2017
- b. Operational Plan 2013 - 2014 – Part 1 & 2
- c. Workforce management Plan 2012 – 2016
- d. Asset Management Strategy and Plans
- e. Long Term Financial Plan

(Cr. Durkin/Cr. McClelland)

02) BUDGET REVIEW STATEMENT - 31ST MARCH 2013 (FM.FR.1)

13/039 RESOLVED:

That the budget review statement for the quarter ended 31st March 2013 be accepted, and the variations therein be adopted.

(Cr. Walker/Cr. Griffiths)

03) FINANCIAL MATTERS (FM.BA.1)

13/040 RESOLVED:

That the information be noted.

(Cr. McClelland/Cr. Griffiths)

04) EXTERNAL AUDIT SERVICES - TENDERS FOR RENEWAL (CM.AU.1)**13/041 RESOLVED:**

That Council appoint Morse Group to carry out Council's external audit services for the six year period ending 30 June 2019.

(Cr. Durkin/Cr. McClelland)

05) AUDIT COMMITTEE - MAY 2013 MEETING MINUTES (CM.AU.4)**13/042 RESOLVED:**

That Council receive and note the May 2013 Audit Committee Meeting Minutes.

(Cr. Walker/Cr. McClelland)

06) WBC ALLIANCE - EXECUTIVE OFFICER'S REPORT (CM.AG.6)**13/043 RESOLVED:**

That the information be noted and that Council expresses its thanks to the Executive Officer, Donna Galvin, for her what she has achieved for the Alliance over the past five years.

(Cr. Durkin/Cr. McClelland)

07) LOCAL GOVERNMENT INDEPENDENT REVIEW PANEL (IRP) - FUTURE DIRECTIONS REPORT, "TWENTY ESSENTIAL STEPS" (GR.LR.5)**13/044 RESOLVED:**

That Council advise the Minister for Local Government of Councils support for the WBC Alliance submission to the IRP and Minister for Local Government for the WBC to conduct a pilot program trialling a County Council Shared Services model with Central Tablelands County Council being the vehicle for delivery of the program.

(Cr. Walker/Cr. Griffiths)

08) LOCAL GOVERNMENT REMUNERATION TRIBUNAL (GR.LR.4)**13/045 RESOLVED:**

That Council endorse its policy of paying the maximum fees to the Chairman and Members of Central Tablelands County Council, as determined by the Local Government Remuneration Tribunal for Category County Council – Water

(Cr. McClelland/Cr. Walker)

09) 2011/2012 NSW WATER SUPPLY PERFORMANCE MONITORING REPORT (GR.SL.2)

13/046 RESOLVED:

That the 2011/2012 Water Supply Performance Report for Local Government Water Utilities be received and noted.

(Cr. McClelland/Cr. Walker)

10) LOCAL GOVERNMENT NSW - MEMBERSHIP (CM.CI.1)

13/047 RESOLVED:

That Council advise Local Government NSW that it has resolved to apply for Associate Membership of the Association.

(Cr. McClelland/Cr. Walker)

11) DRINKING WATER MANAGEMENT SYSTEM (EM.MO.1)

13/048 RESOLVED:

That the information be noted and that a letter be written to NSW Health acknowledging with gratitude the funding of the development of the Drinking Water Management System.

(Cr. McClelland/Cr. Griffiths)

12) NBN CO LTD - DEED OF ACCESS, EUGOWRA NSW (LS.CO.1)

13/049 RESOLVED:

That Council authorise the Chairman and General Manager to sign and execute under Council's Common Seal the Deed of Access, granted to the NBN Co Ltd, over Lots 1–3 DP 383826 Eugowra.

(Cr. Walker/Cr. Durkin)

13) NBN CO LTD - LEASE AGREEMENT - CARCOAR RESERVOIR (LS.CO.1)

13/050 RESOLVED:

That Council authorise the Chairman and General Manager to sign and execute under Council's Common Seal the lease agreement between Council and the NBN Co Ltd to erect a telecommunications facility on the roof of Carcoar Reservoir.

(Cr. Walker/Cr. Durkin)

14) GRENFELL P.A.H. & I ASSOCIATION (CR.SD.1)

13/051 RESOLVED:

That Council approve a Section 356 payment of \$250.00 to the Grenfell Show Committee in support of the 2013 Grenfell Show to be held on 30 & 31 August 2013.

(Cr. Walker/Cr. McClelland)

15) LAKE ROWLANDS - 2013 DAM SAFETY INSPECTION REPORT (WS.SP.4)

13/052 RESOLVED:

That the information be noted.

(Cr. Durkin/Cr. Griffiths)

16) LAKE ROWLANDS SAFETY UPGRADE - OPTIONS STUDY (WS.SP.4)

13/053 RESOLVED:

That the Lake Rowlands Safety Upgrade Options Study, prepared by GHD, be received and, following receipt of a peer review, be submitted to the NSW Dam Safety Committee with a recommended option and seeking deferral of any required upgrade until at least 2017/2018.

(Cr. Walker/Cr. Durkin)

17) MAINTENANCE OF COUNCIL'S SYSTEMS (WS.MO.4)

13/054 RESOLVED:

That the information be noted.

(Cr. Durkin/Cr. McClelland)

18) PERFORMANCE OF COUNCIL'S SYSTEMS (WS.MO.4)

13/055 RESOLVED:

That the information be noted.

(Cr. Durkin/Cr. McClelland)

19) QUESTIONS ON NOTICE

Cr Griffith enquired as to the status of the Orange pipeline. The General Manager advised that CTW was not involved in the pipeline but that a the matter was currently being considered by NSW Planning following a public meeting held in Orange.

Cr Griffith enquired as to whether CTW had a process of notifying consumers to check their property for leaks. The General Manager advised that a flyer on this issue was sent out with the recent water accounts and Cr Griffith was given a copy.

Proceedings in brief

The General Manager advised Council on the current situation with the transfer of Bogolong Dam to Weddin Shire with the NSW Office of Water Licencing Branch looking into the legality of Weddin Shire Council be able to store water in the dam for recreational use.

Cr Durkin advised Council that he would not be in attendance at the August 2013 Council meeting.

Next Meeting: The next meeting of Central Tablelands Water will be held in Grenfell on the 14th August 2013

There being no further business, the Chairman declared the meeting closed at 12:35pm