Agenda for the Ordinary Council Meeting

Date: 29 June 2016
Location: Bellingen Shire Council Chambers
Time: 9.00am

COUNCIL ADVISES THAT ALL OR PART OF THE MEETING MAY BE AUDIO RECORDED BY COUNCIL
Council’s Vision

Our vision for the future must encompass all aspects of living and working in our shire, as well as ways in which we are connected beyond our borders – regionally, nationally and globally. Our vision is about protecting the pristine natural beauty of our environment and enhancing our prosperous and safe community where inclusiveness and sustainable living are embraced, so that creativity and cultural activity can flourish.

Council’s Corporate Values

- Respect and understanding of our community’s needs
- Fairness and equity
- Stewardship
- Responsible decision-making
- Co-operative partnerships
- Pride in our community

Council’s Guiding Principles

- The principles of Ecologically Sustainable Development including
  - Sustainable use
  - Integration
  - Inter-generational and intra-generational equity
  - Conservation of our biodiversity and ecological integrity
  - Internalisation of environmental sustainability costs
- Social justice principles including
  - Equity
  - Access
  - Rights
HOW MEMBERS OF THE COMMUNITY CAN ENGAGE WITH COUNCIL AND HAVE THEIR SAY AT COUNCIL MEETINGS

Council has a commitment to providing members of the community with an opportunity to have input into Council’s decision making. The Council’s Code of Meeting Practice provides the avenue for members of the public to address Council on issues of interest or concern at the Ordinary Council Meeting. The process for public address is listed below:

ADDRESSING COUNCIL ON AN AGENDA ITEM:

If the matter is listed in the Council Business Paper, you can request to address Council by:
- Completing the Request to Speak on an Agenda Item at a Council Meeting”, which can be obtained from Council’s front counter at 33-39 Hyde Street, Bellingen
- Or by downloading it from Council’s website.
- Or by emailing Council’s General Manager’s Office directly on councildeputations@bellingen.nsw.gov.au

PLEASE NOTE: Your request to address Council must be received by Council no later than 12.00pm on the day prior to the Council Meeting.

COUNCIL’S CODE OF MEETING PRACTICE SETS OUT THE FOLLOWING GUIDELINES FOR ADDRESSING COUNCIL:

- Addresses will be limited to 5 minutes each with the Chairperson having the option of granting an extension of time in extenuating circumstances.
- Council will permit only two (2) speakers "Supporting" and two (2) speakers "Opposing" the Recommendation contained in the Business Paper.
- The use of PowerPoint presentations and overhead projectors is permitted as part of the deputation, provided that the speaker has made prior arrangements with the General Managers office at the time of booking their deputation.

Council’s Code of Meeting Practice can be found on Council’s website: www.bellingen.nsw.gov.au
CONFLICT OF INTEREST

1  Councillors are under an obligation to disclose any interest they may have in any matter before the Council and to refrain from being involved in any consideration or to vote on any such matter.

2  Councillors must disclose any interest in any matter listed in the Business Paper fully and in writing prior to or at the opening of the meeting.

3  The nature of interest shall be included in the disclosure.

4  All declarations of interests shall be recorded by the General Manager.

5  Councillors shall immediately and during the meeting disclose any interest in respect of any matter arising during the meeting which is not referred to in the Business Paper.

6  Any Councillor having an interest shall leave the meeting room and be out of sight of the meeting and not participate in discussions or voting on the matter.

7  Senior staff are required to declare interests in a similar manner to Council.
BELLINGEN SHIRE COUNCIL

DISCLOSURE OF INTEREST AT MEETINGS

Name of Meeting: ______________________________________________________
Meeting Date: ________________________________________________________
Item/Report Number: _________________________________________________
Item/Report Title: _____________________________________________________

I ___________________________ declare the following interest:
(name)

☐ Pecuniary – must leave chamber, take no part in discussion and voting.

☐ Non Pecuniary – Significant Conflict – Recommended that Councillor/Member leaves chamber, takes no part in discussion or voting.

☐ Non-Pecuniary – Less Significant Conflict – Councillor/Member may choose to remain in Chamber and participate in discussion and voting.

*(Definitions are provided on the next page).

For the reason that -

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Signed ___________________________ Date _________________________________

Council’s Email Address – council@bellingen.nsw.gov.au

Council’s Facsimile Number – (02) 6655 2310
DEFINITIONS

(Local Government Act and Code of Conduct)

**Pecuniary** – An interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.
*(Local Government Act, 1993 section 442 and 443)*

A Councillor or other member of a Council Committee who is present at a meeting and has a pecuniary interest in any matter which is being considered must disclose the nature of that interest to the meeting as soon as practicable.

The Council or other member must not take part in the consideration or discussion on the matter and must not vote on any question relating to that matter. *(Section 451)*.

**Non-pecuniary** – A private or personal interest the council official has that does not amount to a pecuniary interest as defined in the Act (for example; a friendship, membership of an association, society or trade union or involvement or interest in an activity and may include an interest of a financial nature).

If you have declared a non-pecuniary conflict of interest you have a broad range of options for managing the conflict. The option you choose will depend on an assessment of the circumstances of the matter, the nature of your interest and the significance of the issue being dealt with. You must deal with a non-pecuniary conflict of interest in at least one of these ways.

- It may be appropriate that no action is taken where the potential for conflict is minimal. However, council officials should consider providing an explanation of why they consider a conflict does not exist.
- Limit involvement if practical (for example, participate in discussion but not in decision making or vice-versa). Care needs to be taken when exercising this option.
- Remove the source of the conflict (for example, relinquishing or divesting the personal interest that creates the conflict or reallocating the conflicting duties to another officer).
- Have no involvement by absenting yourself from and not taking part in any debate or voting on the issue as if the provisions in section 451(2) of the Act apply (particularly if you have a significant non-pecuniary conflict of interest).
# AGENDA

## 1. APOLOGIES

## 2. DECLARATION OF PECUNIARY AND NON PECUNIARY INTEREST

## 3. MINUTES

## 4. MATTERS ARISING

## 5. PUBLIC ACCESS/PRESENTATIONS

## 6. RESILIENT ECONOMY

### 6.1 MINUTES - ECONOMIC AND BUSINESS DEVELOPMENT ADVISORY COMMITTEE - 9 JUNE 2016

## 7. COMMUNITY WELLBEING

### 7.1 RATIFICATION OF CHANGES TO SECTION 355 MANAGEMENT COMMITTEE MEMBERSHIP

### 7.2 MINUTES OF THE ARTS AND CULTURAL COMMITTEE 16 MAY 2016

### 7.3 MINUTES OF THE COMMUNITY WELLBEING ADVISORY COMMITTEE OF 17 MAY 2016

### 7.4 COMMUNITY SUPPORT FUNDS ROUND 1 2016/17 SUCCESSFUL APPLICATIONS

## 8. PLACES FOR PEOPLE

Nil

## 9. LIVING ENVIRONMENT

Nil

## 10. CIVIC LEADERSHIP

### 10.1 OPERATIONAL PLAN 2016/2017

### 10.2 ADOPTION OF 2016/17 - 2025/26 LONG TERM FINANCIAL PLAN

### 10.3 ADOPTION OF REVENUE POLICY AND SCHEDULE OF FEES AND CHARGES

### 10.4 MAKING OF RATES AND CHARGES 2016-2017

### 10.5 MINUTES OF THE SPECIAL RATE VARIATION IMPLEMENTATION PLANNING AND POLICY COMMITTEE MEETING HELD ON 25 MAY 2016

### 10.6 DEPUTY GENERAL MANAGER'S REPORT PROGRESS REPORT

### 10.7 LOCAL GOVERNMENT REFORM PROCESS JUNE 2016 UPDATE

### 10.8 REPORT ON INVESTMENTS AS AT 31 MAY 2016

### 10.9 MODEL CODE OF CONDUCT

### 10.10 QUESTION WITH NOTICE - CR MANNING - ROADS

### 10.11 QUESTION ON NOTICE - CR MANNING - STATE FOREST AND NATIONAL PARKS

## 11. CONFIDENTIAL MATTERS

Nil
1 APOLOGIES
Nil

2 DECLARATION OF PECUNIARY AND NON PECUNIARY INTEREST

3 MINUTES
Ordinary Meeting 25 May, 2016

4 MATTERS ARISING

5 PUBLIC ACCESS/PRESENTATIONS
6 RESILIENT ECONOMY

Item: 6.1

Subject: MINUTES - ECONOMIC AND BUSINESS DEVELOPMENT ADVISORY COMMITTEE - 9 JUNE 2016

File/Index: Corporate Management/Meetings/ Economic and Business Development Advisory Committee

Presented by: Michael Grieve, Manager, Economic & Business Development

ALIGNMENT WITH DELIVERY PROGRAM
(REA) RESILIENT ECONOMY
(REA.1) We have meaningful work and vibrant businesses within our community.
(REA.1.2) We have innovative and alternative local trading systems.
(REA.1.2.1) Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified.
RECOMMENDATION

1. That Council note the Minutes of the Economic and Business Development Advisory Committee meeting of 9 June 2016 and adopt recommendation 7.1.

2. That Council not adopt recommendations 5 and 6 and provide the following information to be provided as feedback to the Committee:

- Recommendation 5.1 This recommendation is unclear however council will endeavour when considered appropriate to have other members of staff provide written or verbal advice to the Committee as resources permit.
- Recommendation 6.1 A. This part of the recommendation to council is effectively a submission in response to the Long Term Financial Plan 2016-17, Revenue Policy 2016-17 and Operation Plan 2016-17. These Plans were on public exhibition from 4 May 2016 and closed on the 3 June 2016. The meeting of the Economic and Business Development Advisory Committee meeting was held on 9 June 2016 (some 6 days after submissions closed).

- Recommendation 6.1 B. Council already fully implements the Integrated Planning and Reporting Framework in line with the NSW Government’s recommendations. These time frames are detailed on Council’s website.

- Recommendation 6.1 C. Council received positive feedback from the community on the level of community consultation undertaken for its Fit for the Future submission. That Council’s community engagement activities are shaped by its Community Engagement Policy. The Policy is a considered approach and appropriate in a Local Government context and reflects the resource capability of the organisation. It is based on the spectrum of public participation developed in the International Institute of Public Participation.

EXECUTIVE SUMMARY

This report presents the minutes of a meeting of the Economic and Business Development Advisory Committee held 9 June 2016.

REPORT DETAIL

A copy of the Minutes of the Economic and Business Development Advisory Committee meeting held on the 9th June are distributed with this Business Paper for the information of Councillors and is attached in Appendix 1.

The committee passed three resolutions at their meeting. A summary of those resolutions is outlined below:

5.1 A recommendation that resolutions from their committee meetings are addressed by the appropriate council officer and responded to by the next scheduled meeting.

6.1 A recommendation that relates to:
   a. The up-coming Council elections and outlines that Council should not make large scale cuts to services or any future decisions on future rate rises;
   b. The integrated planning and reporting framework; and
   c. Creating a more open and informative process in relation to developing long term financial options.
7.1 A recommendation to expend the Committee’s budget on a digital kiosk at Urunga to support Visitor information Services.

It is recommended that Council consider the following points in relation to resolution five and six and provide feedback to the Committee in line with advice provided below:

3 That Council not adopt recommendations 5 and 6 and provide the following information to be provided as feedback to the Committee:

Recommendation 5.1 This recommendation is unclear however council will endeavour when considered appropriate to have other members of staff provide written or verbal advice to the Committee as resources permit.

Recommendation 6.1 A. This part of the recommendation to council is effectively a submission in response to the Long Term Financial Plan 2016-17, Revenue Policy 2016-17 and Operation Plan 2016-17. These Plans were on public exhibition from 4 May 2016 and closed on the 3 June 2016. The meeting of the Economic and Business Development Advisory Committee meeting was held on 9 June 2016 (some 6 days after submissions closed).

Recommendation 6.1 B. Council already fully implements the Integrated Planning and Reporting Framework in line with the NSW Government’s recommendations. These time frames are detailed on Council’s website.

Recommendation 6.1 C. Council received positive feedback from the community on the level of community consultation undertaken for its Fit for the Future submission. That Council’s community engagement activities are shaped by its Community Engagement Policy. The Policy is a considered approach and appropriate in a Local Government context and reflects the resource capability of the organisation. It is based on the spectrum of public participation developed in the International Institute of Public Participation.

BUDGET IMPLICATIONS
The Committee has an annual budget of $5,000. This funding has been expended in line with resolution 7.1.

SUSTAINABILITY ASSESSMENT
The Committee facilitates a process of transparent consultation with the community in relation to the items addressed. The Committee’s deliberations include many elements which could have positive economic impacts.

ENGAGEMENT
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a LEVEL 3 impact which included informing, consulting and involving the committee members, who are community representatives, on issues and ideas relating to this committee.
ATTACHMENTS
6.1.A Minutes of the Economic and Business Development Advisory Committee Meeting 9 June 2016
7 COMMUNITY WELLBEING

Item: 7.1

Subject: RATIFICATION OF CHANGES TO SECTION 355 MANAGEMENT COMMITTEE MEMBERSHIP

File/Index: Corporate Management - Meetings/Section 355 Committee General File

Presented by: Anna Joy, Community Wellbeing Officer

ALIGNMENT WITH DELIVERY PROGRAM
(CW) COMMUNITY WELLBEING
(CW.4) We are connected, safe and healthy with a strong sense of community.
(CW.4.3) We have the programs, services and infrastructure to ensure a safe community.
(CW.4.3.0) We have the programs, services and infrastructure to ensure a safe community - Other Activities.

RECOMMENDATION

That Council:
1. Ratifies the appointment of Pingala Walsh and Mark Oliver to the Bellingen Memorial Hall Management Committee.
2. Ratifies the appointment of Sandra Hulbert to the Bellingen Connell Park Management Committee.
3. Ratifies the appointment of Gordon Jacob to the Bellinger Valley Historical Society Management Committee.
4. Ratifies the appointment of David Troost, Keith (Tim) Blake and Steve Beelitz to the Dorrigo Saleyards Management Committee.
5. Ratifies the appointment of Nathalie Nuijens, Mary-Jane Sutton and Melissa Sankey to the North Bellingen Childrens Centre
6. Accepts the resignation of Laurice Lavender from the Bellingen Citizens Centre Management Committee.
7. Accepts the resignation of Ros Ward from the Bellingen Memorial Hall Management Committee.
8. Accepts the resignation of Jan Barnett from the Bellinger Valley Historical Society.
9. Accepts the resignation of Joyce Whelan from the North Dorrigo Recreation Management Committee.
10. Advises new members and committee secretaries in writing of the new members appointment to the committee, provide a copy of the S355 Committee Guidelines manual for their information use and reference and advise of the requirement for online training.
11. Writes to Laurice Lavender, Ros Ward, Jan Barnett and Joyce Whelan acknowledging and thanking them for their contribution on Section 355 committees.
EXECUTIVE SUMMARY
This report seeks ratification of changes in membership to the Section 355 Management Committees, namely, the Bellingen Memorial Hall Management Committee, the Bellingen Connell Park Management Committee, the Bellinger Valley Historical Society Management Committee, the Bellingen Citizens Centre Management Committee, the Dorrigo Saleyards Management Committee, the North Bellingen Childrens Centre and the North Dorrigo Recreation Reserve Management Committee.

REPORT DETAIL
Under Section 355 of the NSW Local Government Act 1993, Council is able to delegate some of its functions to a committee of Council. At its meeting of 26 March 2014 Council ratified the membership of all Section 355 Committees. Since the last report recommending changes in the membership of Section 355 Management Committees in December 2015, the aforementioned committees have had changes in membership.

Bellingen Memorial Hall Management Committee
Pingala Walsh and Mark Oliver have been nominated and accepted as new committee members and Ros Ward stepped down from this committee.

Bellingen Connell Park Management Committee
Sandra Hulbert has been nominated and has accepted as a new committee member.

Bellinger Valley Historical Society
Gordon Jacob has been nominated and accepted as a new committee member and Jan Barnett has stepped down from this committee.

Bellingen Citizens Centre Management Committee
Laurice Lavender stepped down from this committee.

Dorrigo Saleyards Management Committee
David Troost, Keith (Tim) Bake and Steve Beelitz have been nominated and accepted as new committee members.

North Bellingen Childrens Centre
Nathalie Nuijens, Mary-Jane Sutton and Melissa Sankey have been nominated and accepted as new committee members.

North Dorrigo Recreation Reserve Management Committee
Joyce Whelan stepped down from this committee.

BUDGET IMPLICATIONS
There are no budgetary implications in relation to the preparation of this report.
SUSTAINABILITY ASSESSMENT
The role of Section 355 Committees is to encourage active community participation in Council decision making. The role of these Committees is to accurately reflect both the present and future needs of the locality they represent. Bellingen Shire Council also encourages all Section 355 Committees to engage in sustainable practices whenever possible.

Ratifying the appointment of new members for the Bellingen Memorial Hall Management Committee, the Bellingen Connell Park Management Committee, the Bellinger Valley Historical Society Management Committee, the Bellingen Citizens Centre Management Committee, the Dorrigo Saleyards Management Committee, North Bellingen Childrens Centre Management Committee and the North Dorrigo Recreation Reserve Management Committee will have the economic implication of a cost effective way to manage community facilities and reserves and the social implications that community members are actively involved in managing facilities and reserves in their communities.

Encouraging the committees to manage facilities in an environmentally sensitive way will have positive environmental implications. In addition, the formal appointment of these members enhances good governance around these structures.

ENGAGEMENT
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a LEVEL 4 impact. Level 4 impact (low impact – local) is to inform and consult. This report was prepared by informing and consulting with the relevant committees to ensure they were in agreement to the changes.

ATTACHMENTS
7.1.A Updated list of Section 355 Committee members June2016
Item: 7.2

Subject: MINUTES OF THE ARTS AND CULTURAL COMMITTEE 16 MAY 2016

File/Index: Corporate Management (Meetings) Arts and Cultural Advisory Committee

Presented by: Alison Pattinson, Manager Community Wellbeing

ALIGNMENT WITH DELIVERY PROGRAM
(CW) COMMUNITY WELLBEING
(CW.2) We are a learning and creative community.
(CW.2.4) A diversity of cultural and artistic activities are available across the Shire.
(CW.2.4.0) A diversity of cultural and artistic activities are available across the Shire - Other Activities.

RECOMMENDATION

That:
1. Council receive the Minutes of the Arts and Cultural Advisory Committee Meeting of 16 May 2016 and note the circular email process achieving agreement for a recommendation on distribution of committee funds
2. The recommendations of the Arts and Cultural committee be adopted

EXECUTIVE SUMMARY

This report presents the Minutes of a meeting and subsequent email circulation process of the Arts and Cultural Advisory Committee held on 16 May 2016.

REPORT DETAIL

A copy of the Minutes of the Arts and Cultural Advisory Committee meeting held on 16 May 2016 are distributed with this Business Paper for the information of Councillors.

The committee has a standard email circular process that is used to gain agreement or comment on items between meetings or in the event of no quorum. By agreement at the Committee meeting, this process was activated and resulted in a recommendation on the distribution of funds allocated for the Committee’s consideration and recommendation.

BUDGET IMPLICATIONS

The adoption of the recommendations of the Committee will result in $4,950 of the $5,000 allocated for the Committee being used for projects as outlined.

SUSTAINABILITY ASSESSMENT

The Committee facilitates a process of consultation with the community in relation to the items addressed. The Committee’s deliberations include many elements which will have positive social impacts should Council adopt the recommendations.
ENGAGEMENT
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a LEVEL 3 impact shire wide. To address the requirements of Council's Community Engagement Strategy and the NSW Local Government Act 1993, Council carried out the following actions: informed, consulted and involved the committee members.

ATTACHMENTS
7.2.A Minutes Arts and Cultural Advisory Committee Meeting 16 May 2016
ALIGNMENT WITH DELIVERY PROGRAM
(CW) COMMUNITY WELLBEING
(CW.4) We are connected, safe and healthy with a strong sense of community.
(CW.4.3) We have the programs, services and infrastructure to ensure a safe community.
(CW.4.3.0) We have the programs, services and infrastructure to ensure a safe community - Other Activities.

RECOMMENDATION

That Council receive the Minutes of the Community Wellbeing Advisory Committee Meeting of 17 May 2016 and adopt the recommendations.

EXECUTIVE SUMMARY

This report presents the Minutes of the Community Wellbeing Advisory Committee Meeting held on 17 May 2016.

REPORT DETAIL

A copy of the Minutes of the Community Wellbeing Advisory Committee Meeting held on 17 May 2016 are distributed with this Business paper for the information of Councillors.

BUDGET IMPLICATIONS

There are no budgetary implications in relation to this report.

SUSTAINABILITY ASSESSMENT

The Committee facilitates a process of consultation with the community in relation to the items addressed. The Committee’s deliberations include many elements which will have positive social impacts should Council adopt the Committee’s recommendations.

ENGAGEMENT

The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a LEVEL 3 impact. To address the requirements of Council’s Community Engagement Strategy and the NSW Local Government Act 1993, Council carried out the following
actions: informed, consulted and involved the committee members, who are community representatives, on issues and ideas relating to community wellbeing.

ATTACHMENTS
7.3.A Minutes of the Community Wellbeing Advisory Committee Meeting 17 May 2016
ALIGNMENT WITH DELIVERY PROGRAM
(CW) COMMUNITY WELLBEING
(CW.2) We are a learning and creative community.
(CW.2.4) A diversity of cultural and artistic activities are available across the Shire.
(CW.2.4.0) A diversity of cultural and artistic activities are available across the Shire - Other Activities.

RECOMMENDATION
That Council:
1. Endorse the successful applications as outlined in this report.
2. Send letters to all applicants advising of the outcomes of the first round of funding for 2016/2017.
3. Provide feedback to unsuccessful applicants with regards to specific requirements for any future applications.

EXECUTIVE SUMMARY
The purpose of this report is to request that Council adopt the recommended successful applications for the first round of the 2016/17 Community Support Fund and Community Event Sponsorship Fund.

REPORT DETAIL
The Community Support Fund and the Community Event Sponsorship Fund encourages incorporated not-for-profit organisations to apply for funding to support local events as well as activities outside events that might include, but are not limited to, in-kind support, events, activities that support the broader community, rate remissions and scholarships.

There are two funding rounds each financial year that run concurrently for each Fund. The total annual budget allocation for 2016-2017 was $55,529. During Round 1, Council received twenty-two (22) funding applications totalling $62,838. One application was considered not eligible with seven (7) applications received for the Community Event Sponsorship Fund and fourteen (14) applications for the Community Support Fund.

Applications for Round 1 were assessed by a panel, comprising the Mayor, Deputy Mayor and Grants and Business Development Officer using the criteria outlined in the Community Support Fund and Community Event Sponsorship Fund guidelines. The total funding recommended for Round 1 is $32,692.
The successful organisations for the Community Event Sponsorship Fund include:

- Screenwave (Screenwave International Film Festival) $ 3,000
- UMCC – Art Urunga Committee (Sculpture in the Park 2017) $ 1,500
- Bellingen Community Arts Council (Bellingen Music Festival) $ 2,000
- Arts Council of Dorrigo (Dorrigo Folk & Bluegrass Festival) $ 4,000
- Bellingen Uniting Church (Heart & Soul Spiritual Art Exhibition) $ 2,675

SUB-TOTAL – $ 13,175

The successful organisations for the Community Support Fund include:

- 2bbb (New pathway to improve community access) $ 1,572
- Arts Council of Dorrigo (Creative Mountain Arts Exhibition – hall fees) $ 1,320
- Arts Council of Dorrigo (Fine Arts Exhibition – Dorrigo Agricultural Show) $ 850
- Dorrigo Girl Guides (rates remission) $ 589
- Bellingen Big Band (Hall rental for practice and Big Band) $ 500
- Bellingen Community Arts Council (Sunday Bites – audio equipment) $ 390
- Camp Creative Inc (youth scholarships) $ 693
- Mylestom Combined Pensioners & Superannuants Association $ 650
- Bellingen Men's Shed (purchase of hand tools) $ 2,500
- Bellingen Youth Orchestra (Schools Proms Program) $ 5,000
- Dorrigo Dramatic Club (Rates remission) $ 1,453
- Dorrigo Preschool (curtains) $ 4,000

SUB-TOTAL – $ 19,517

TOTAL – $ 32,692

BUDGET IMPLICATIONS
The budget allocation for 2016/17 was $55,529. The amount of funding recommended for Round 1 projects totals $32,692. This leaves a balance of $22,837 for Round 2.
SUSTAINABILITY ASSESSMENT
The adoption of the recommended organisations to be funded contributes to the community through the provision of events and activities that support and encourage both community wellbeing and a resilient economy.

ENGAGEMENT
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a LEVEL 3 impact. To address the requirements of Council’s Community Engagement Strategy and the NSW Local Government Act 1993, Council carried out the following actions:

- A media release was distributed prior to the opening of Round 1
- Email notifications, including application forms and guidelines, were sent to the community sector when the funds opened
- Information including application forms and the guidelines were posted on the Bellingen Shire Council website
- Information including application forms and guidelines were emailed to community groups who made an approach to Council directly

ATTACHMENTS
Nil
8 PLACES FOR PEOPLE
Nil

9 LIVING ENVIRONMENT
Nil
10 CIVIC LEADERSHIP

Item: 10.1
Subject: OPERATIONAL PLAN 2016/2017
File/Index: IP&R Operational Plan
Presented by: Nicole Merchant, Team Leader Customer & Business Services

ALIGNMENT WITH DELIVERY PROGRAM
(CL) CIVIC LEADERSHIP
(CL.1) Council is an organisation that embraces business excellence.
(CL.1.4) Best practice, sustainability principles, accountability and good governance are incorporated in all we do.
(CL.1.4.0) Best practice, sustainability principles, accountability and good governance are incorporated in all we do. - Other Activities.

RECOMMENDATION
That Council adopt the 2016/2017 Operational Plan.

EXECUTIVE SUMMARY
At the Ordinary Meeting of Council on 27 April 2016, Council resolved to endorse the 2016/2017 Draft Operational Plan to be placed on public exhibition.

During the 28 day public exhibition period, one (1) public submission to the Draft 2016/2017 Operational Plan was received. This submission was assessed and it was determined that the comments raised had either been addressed within the associated actions of the Draft 2016/2017 Operational Plan or were not required to be included within the Operational Plan as there were no set objectives for Council to meet. Reference to the North Coast Weeds Advisory committee was subsequently amended within the 2016/2017 Operational Plan as it will no longer be operational.

As a consequence it is recommended that the final 2016/2017 Operational Plan be adopted.

REPORT DETAIL
Local councils in NSW are required to undertake their planning and reporting activities in accordance with the NSW Local Government Act 1993 and the Local Government (General) Regulation 2005.

The 2016/2017 Operational Plan (OP) is a sub-plan of the 2012/2013 - 2016/2017 Delivery Program. It directly addresses the strategies outlined in the Delivery Program (DP), identifying the individual projects, programs or activities that Council will undertake within the coming financial year to achieve those strategies. The Operational Plan has been reviewed in relation to the DP outcomes to satisfy the reporting process.
At the Ordinary Meeting of Council on 27 April 2016, Council resolved to endorse the Draft 2016/2017 Operational Plan for public exhibition. In fulfilment of this resolution, the Draft 2016/2017 Operational Plan was placed on public exhibition for 28 days for the purpose of obtaining feedback from the community.

During the 28 day public exhibition period, one (1) public submission to the Draft 2016/2017 Operational Plan was received. This submission was assessed and it was determined that the comments raised had either been addressed within the associated actions of the Draft 2016/2017 Operational Plan or were not required to be included within the Operational Plan as there were no set objectives for Council to meet. Reference to the North Coast Weeds Advisory committee was subsequently amended within the 2016/2017 Operational Plan as it will no longer be operational.

Submission details are:

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<th>Submitter</th>
<th>Issue</th>
<th>BSC Response</th>
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<td>R Hawkins</td>
<td>Item LE 5.3 Threats to biodiversity are identified and mitigated</td>
<td>The Biosecurity Act has not yet been gazetted and is not in place for operational matters at this point. Following advice from State representatives, it is anticipated that the Biosecurity Act will be gazetted in mid-2017, therefore there are no operational matters to implement under this new Act for the 2016/17 year. There is no significant change to operations for weed management in the 2016/17 year. Management of weeds will continue to be considered and addressed in accordance with the Noxious Weeds Act 1993 and the PECA (Prevention; Eradication; Control; Asset Management) curve, this is used to prioritise investment and the implementation of integrated weed management in the Bellingen Shire and North Coast region. This includes consideration of the environment, economic and social impact of weed species when determining priorities for management.</td>
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<td>General comment:</td>
<td><strong>This entire section of the draft plan should be re written</strong> to acknowledge the transition to the Biosecurity Act, the new role of the LLS and the Regional Weeds Committee, and that the programme activities include identifying and mitigating the impact of noxious weeds on agriculture. [The Draft Plan's inability to cover noxious weeds activities anywhere, except under a &quot;biodiversity&quot; heading, points to an underlying inadequacy of the Community Vision, which should be remedied in the next version: Noxious Weeds have an economic impact, as well as a biodiversity impact! ]** Specifically <strong>There should be a new activity line</strong> covering Council’s engagement in the change process, and the development of appropriate local responses to widespread weeds, in line with the guidance now coming from DPI and LLS. This should also include the development of new outcomes-focussed on-the-ground performance measures for activities covered by the Weeds Action Plan (as advocated by DPI). It would also include community consultation</td>
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<td>Local Land Services North Coast is responsible for the development of the Regional Strategic Weeds Action Plan, including community consultation on this matter. Local Land Services North Coast is engaging with Council as a stakeholder in the development of this plan. Council officers will provide updates to Council and the community regarding this matter where appropriate. This is not an operational matter with set objectives for Council to meet, therefore it is not required to be included in the Operational Plan.</td>
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<tr>
<td>LE 5.3.1</td>
<td></td>
<td>LE 5.3.1 should spell out precisely the objectives to be achieved under the WAP agreement (or at least cross-reference to a publicly-available document where this is done). Quarterly reports to Council should then report achievement against each of the objectives (as in other more transparent areas of Council's activities).</td>
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<td>It is noted that the North Coast Weeds Advisory Committee will no longer be operational in the 2016/17 year, therefore objective LE 5.3.1 has been changed to Implement the objectives of the North Coast Weeds Action Plan. The North Coast Weeds Action Plan will be managed by the North Coast Weeds Action Plan Operational Group, consisting of operational staff from the representative Councils. Quarterly reports will be completed by each Council for this group to monitor delivery and ensure that the objectives of the Weeds Action Plan are met. These reports will subsequently be provided to Council's Environmental Sustainability Advisory Committee, and Economic and Business Development Advisory Committee; as well as publicly available on Council's website.</td>
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</table>
While Council officers address a broad range of objectives and subsequent activities implementing the North Coast Weeds Action Plan, the key issues are captured in the reporting. Council staff complete quarterly Operational Plan reporting, noting key achievements for the quarter including number of inspections; priority species for control and total area of weed control implemented. These updates will be provided in a report to Council biannually.

| LE 5.3.2 should cross-reference to a publicly-available document setting out Council's inspection priorities and procedures for follow-up. The quarterly reports to Council should provide details of this activity, including its geographical split, types of infestations found, and measures undertaken to secure improvements. |
| Council officers complete quarterly Operational Plan reporting, noting key achievements for the quarter including number of inspections; priority species for control and total area of weed control implemented. These updates will be provided in a report to Council biannually. Quarterly reports will also be completed by each Council addressing the objectives/activities of the North Coast Weeds Action Plan. These reports will subsequently be provided to Council’s Environmental Sustainability Advisory Committee, and Economic and Business Development Advisory Committee; as well as publicly available on Council’s website. |

As a consequence it is recommended that the final 2016/2017 Operational Plan be adopted.

**BUDGET IMPLICATIONS**

There are no direct budgetary implications associated with the production of this report. However the Council’s annual budget and Revenue Policy which forms part of the Operational Plan, is subject to a separate report to this meeting of Council, and contains

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**Item 10.1**  
**Page 28**
detailed financial and budgetary information for the activities to be undertaken in the Operational Plan.

SUSTAINABILITY ASSESSMENT
There are no direct social, economic or environmental implications arising from this recommendation. However the activities, projects and programs contained in the 2016/2017 Operational Plan will contribute to the social, economic and environmental wellbeing of the community as Council works towards meeting the stated aspirations of the Bellingen community, where it is in the resources and responsibilities of Council to do so.

ENGAGEMENT
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regard to the Community Engagement Strategy, it is considered that the actions/initiatives contained within this report are appropriately categorised as having a Level 3 Lower Impact – Shire Wide.

To address the requirements of Council’s Community Engagement Strategy and the *NSW Local Government Act 1993*, Council undertook the following:

- A workshop was held with Councillors on 4 May 2016 to provide an overview of the OP process and strategic directions;
- Advertising of the exhibition period for the Draft 2016/2017 Operational Plan was placed in the Bellingen Courier Sun and Don Dorrigo Gazette on 4 May 2016. The community were encouraged to access the draft documents at [www.bellingen.nsw.gov.au](http://www.bellingen.nsw.gov.au). Hard copies of the Draft 2016/2017 Operational Plan were displayed in the Bellingen Customer Service Centre foyer and at the Bellingen, Dorrigo and Urunga branch libraries for 28 days from 4 May to 3 June 2016;
- Public submissions were invited on the draft document with one (1) individual submission received by email which was taken into consideration before preparing the Draft 2016/2017 Operational Plan for adoption.

ATTACHMENTS
10.1.A Final 2016/2017 Operational Plan
ALIGNMENT WITH DELIVERY PROGRAM
(CL) CIVIC LEADERSHIP
(CL.1) Council is an organisation that embraces business excellence.
(CL.1.1) Financial sustainability is maintained through effective short and long term financial management.
(CL.1.1.0) Financial sustainability is maintained through effective short and long term financial management - Other Activities.

RECOMMENDATION

EXECUTIVE SUMMARY
All councils in NSW are required to develop long term, medium term and short term plans under legislative requirements in the Local Government Amendment Planning and Reporting Act 2009, which transitions councils to the Integrated Planning and Reporting (IP&R) Framework. Underpinning these documents is the Long Term Financial Plan (LTFP).

As part of Council’s requirements to comply with the IP&R Guidelines the attached plan was considered and endorsed by Council to be placed on public exhibition for a minimum period of 28 days. The LTFP was exhibited from Wednesday 4 May to Friday 3 June 2016. The engagement process included website content, library displays and a newspaper feature.

REPORT DETAIL
Council’s Long Term Financial Plan provides a framework to assess its revenue building capacity to meet the activities and level of services outlined in its Community Vision. The LTFP is required to be produced annually with a detailed review every four years, and cover a minimum period of 10 years.

As part of the planning process Council modelled two different scenarios in the LTFP. The scenarios tested as part of the modelling process are:

- Model 1 – Service Levels Maintained
- Model 2 – Service Levels Reduced

All assumptions detailed throughout the LTFP are based on ‘Model 1’ the preferred model for adoption. Please refer to the table in 2.1 in the LTFP for the model assumptions and
key indices. This model represents an overall strategy that will ensure Council is able to effectively manage its infrastructure assets and be financially sustainable into the future. However, Council will review the LTFP year on year and adjust the model and or key assumptions accordingly.

**Model 1 – Service Levels Maintained**

‘Model 1’ is the base model used throughout the LTFP and assumes a permanent 6% per year special rate variation (inclusive of rate peg) across all categories in years 2017/18 – 2023/24. The scenario also models $300K in operational cost reductions/savings (commencing 2017/18), continued throughout the LTFP in order to improve Council’s infrastructure.

**Model 2 – Service Levels Reduced**

The purpose of ‘Model 2’ is to model the impact on Council’s financial position if Council was not to include any new special variation over the life of LTFP, i.e. increase rates by the annual rate peg limit only. This model incorporates a permanent special variation that commenced in the 2014/15 financial year to fund road improvements and maintenance, as well as infrastructure programs. This scenario also models $1.5M in operational cost reductions/savings in 2016/17 continued throughout the LTFP in order to improve Council’s infrastructure.

Robust financial modelling has been undertaken with consideration of the Fit for the Future (FFF) ratios and benchmarks in its preferred option (Model 1). This approach has taken into account our community’s SEIFA/disadvantage factors in consideration of lessening the burden on ratepayers. As a result the LTFP forecasts that all FFF benchmarks will be met within the specified timeline as set by the Office of Local Government (OLG).

Following expiry of the exhibition period on 3 June 2015, Council is now in a position to consider submissions received and to adopt the Long Term Financial Plan. There were two (2) submissions received during the exhibition period, as detailed below:

<table>
<thead>
<tr>
<th>Comment</th>
<th>Response</th>
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<tbody>
<tr>
<td>I note that Council’s Draft Financial Plan is largely predicated on</td>
<td>Rate peg will make up 19% of this increase (based on projected rate</td>
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<tr>
<td>Council maintaining its preferred long term expenditure profile</td>
<td>peg of 2.5% compounding over a 7 year period), with special rate variations</td>
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<td>of maintaining service standards at current levels. To meet Fit for</td>
<td>making up the remainder of the increase.</td>
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<tr>
<td>Purpose requirements this expenditure profile necessitates a 6% p.a.</td>
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<td>rates increase in each of the next 7 years. These increases will mean</td>
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<td>that rates income will be more than 50% higher in 2023/24 when the</td>
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<td>compounding effect of 7 years of 6% annual increases are taken into</td>
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<td>account.</td>
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| Item | Submission by Richard Warner: | Special rate increases (above rate peg) are subject to further community consultation and approval by the Independent Pricing and Regulatory Tribunal (IPART).

Further Council established its Special Rate Variation Implementation Planning and Policy Committee in conjunction with the approval for a Special Rate Variation in 2014. This Committee consisting of the whole of Council meets quarterly and oversees the work of the Financial Sustainability Program Board (which reports on efficiency, productivity improvements and cost reductions; and the Transport Infrastructure Program Board which oversees Councils Works Programs, major projects and plant replacement. In addition Council initiatives regarding service reviews and shared servicing are reported through the SRVIPP, and are anticipated to generate financial savings through progressive implementation. |
| --- | --- | --- |
| 2. | It is my view that there should be a much greater level of community consultation and engagement before such a proposal is adopted by Council.

At the time of Council’s last Special Rate Variation process significant concerns were raised by a number of community members about the levels of expenditure Council proposed at the time and the efficiency with which Council delivers its services. The current document leaves me far from convinced that these concerns have been adequately addressed in any substantive manner. | Noted. |
| 3. | I appreciate that Council has included financial information on a Reduced Service Levels scenario. However, the document would benefit from a discussion of just what services would be cut or reduced to reach this financial position.

When the financial statements of the two scenarios presented are considered, it is apparent to me that the Reduced Service and Expenditure option has a lot to recommend its adoption in preference to the status quo option. | Noted. |
| 4. | I understand that rate increases of the Reduced Service (Model 2) case will be limited to movements in the CPI. This represents a fair outcome for Council after the 2014/15 SRV that will continue in perpetuity. | Reduced services model is based on rate peg increase only. |
| 5. | I note that the cumulative Operating Result from Continuing Operations for the period 2016/17 to 2025/26 for the preferred Model 1 totals $26.263M whereas that for Model 2 amounts to $29.041M (see Attachments 1 and 4). The cumulative Operating Result before Capital Grants and Contributions for the same period is a negative $1.977M for the status quo Model 1 while that for the more circumspect Model 2 is a positive $802,000. | Noted. |

This is due to the reduction of $1.5M in operating expenditure which will result in a reduction in service levels and service cuts.
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<td>6.</td>
<td>As far as the respective Balance Sheets are concerned (Attachments 2 and 5), I note that the Model 2 Current Assets outcomes exceed</td>
<td>See comments in item 5. Above.</td>
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<td>those of the preferred Model 1 in each year over the period 2016/17 to 2025/26. The same results are evident for the Non-</td>
<td>In additional to comments above, as the $1.5M in service reductions in ‘Model 2’ exceeds the</td>
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<td>current Assets over the period 2016/17 to 2025/26 due to the more favourable level of investments. Infrastructure, Property, Plant</td>
<td>forecast income generated in ‘Model 1’ by special rate variations (3.5% increase above rate peg). The</td>
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<td>and Equipment are the same under both models.</td>
<td>projected income statement, balance sheet and cash flow statement in ‘Model 2’ will appear to be</td>
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<td>As a result of the above the Total Assets position under the more constrained Model 2 is superior to the Model 1 outcomes as is</td>
<td>healthier than that of ‘Model 1’. However, as stated in item 5 above, this will come at a cost of</td>
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<td>the Total Equity position of Council.</td>
<td>service level reductions.</td>
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<td>Current Liabilities in each year between 2016/17 and 2025/26 are less under the Model 2 Reduced Service Levels option than for Model</td>
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<td>1 which maintains the status quo.</td>
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<td>7.</td>
<td>Taken altogether Model 2 – the Reduced Service Levels – delivers superior financial outcomes in each of the 10 years from 2016/17</td>
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<td>to 2025/26. If Council is concerned with its Fit for Purpose it is difficult to see why it would pass up the superior financial</td>
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<td>outcomes that can be obtained by adopting Model 2.</td>
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<td>8.</td>
<td>I believe there is already a perception abroad that the Council is living beyond its means and that judicious service</td>
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<td>reduction measures are preferable to cumulative rate increases of more than 50% above existing levels. Moreover, to ensure a</td>
<td>Model 1 incorporates operating expenditure reductions to the value of $300K in addition to</td>
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<td>balanced debate on the issue Council should articulate just what service levels will be reduced and to what extent.</td>
<td>$250K reductions in 2015/16. This model was predicated on balancing community needs while</td>
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<td>ensuring Council is financially sustainable in the longer term. A key objective of the Long Term</td>
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<td>Financial Plan is to focus on renewal of Council’s infrastructure which is a key priority</td>
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<td>currently and will be carried forward into the 2016-20 Integrated Planning and Reporting</td>
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<td>processes.</td>
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### Submission received after submission close off period 4pm 3 June 2016:

<table>
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<tr>
<th></th>
<th>Submission by Bob Hawkins:</th>
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<tbody>
<tr>
<td>9</td>
<td>The Draft Long Term Financial Plan 2016-2026 is an unconvincing piece of drafting. It regurgitates - more or less word for word - large parts of the previous year's Plan. The two scenarios presented are no more convincing, than those presented in last year's Plan. It is difficult to see how it will help in convincing IPART that Bellingen Shire has all-of-a-sudden become truly &quot;Fit for the Future&quot;.</td>
<td>Noted.</td>
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<td></td>
<td><strong>Noted.</strong></td>
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<td></td>
<td>As stated above, as part of Council’s requirements to comply with the IP&amp;R Guidelines, all councils in NSW are required to develop Long Term Financial Plans (LTFP). The LTFP is required to be produced annually with a detailed review every four years (to line up with 4 year term of Council), and cover a minimum period of 10 years. Model 1 of Councils 2016/17 – 2025/26, forecasts to meet all FFF benchmarks within the specified timeline as set by the Office of Local Government (OLG).</td>
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<td>10</td>
<td>Council has not bothered to update the estimated outcome for the current year (2015-16) from the projection presented over a year ago. The figures for the General Fund in 2015-16 are unchanged from those in the previous year’s document.</td>
<td>Not agreed.</td>
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<td>Last year’s LTFP forecasts a deficit of $4.873M in 15/16 while the current LTFP forecasts a deficit of $3.476M in 15/16.</td>
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<td>11</td>
<td><strong>Noted.</strong></td>
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<td>The most striking change in the projections is the $12.77 million capital grant projected to be received in 2016-17. This dwarfs all other capital items in the projections, but does not rate much explanation. Assuming that the grant relates to flood repairs, it points to the need (as I suggested last year) for a more considered treatment of natural disasters' potential impact on the projections - both by way of sensitivity analysis, and specifically as it relates to the detailed impacts of the recent disasters - including on future depreciation and the various FFF benchmarks relating to infrastructure. To what extent does the Shire's apparent ability to satisfy infrastructure-related benchmarks stem from the one-off capital grant, and the additional works made possible by higher borrowings?</td>
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<td></td>
<td><strong>Noted.</strong></td>
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<td></td>
<td>LTFP includes grant funding to be received for flood works in the 2016/17 year for damages occurring as a result of flooding in May 2015. This grant funding has been stated at items 4.5 and 6.1.2 in the LTFP. Attachment 19 of the LTFP also provides a detailed breakup of capital works to be performed during 2016/17. Council will continue to meet the infrastructure benchmarks regardless of the grant money received based on extensive work undertaken during 2015 and 2016. In terms of borrowings, the LTFP forecasts an additional $9M in borrowings over the next 10 years. Under the FFF benchmarks councils were assessed against the debt service ratio. The ratio, as shown in item 6.2.3 of the LTFP shows an average result of 6.06% over the 10 years. This result is within the OLG benchmark requiring councils to have a benchmark above 0% but below 20%.</td>
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<td>Item 10.2 Page 35</td>
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<td><strong>12.</strong> The projections are said to include a one-off permanent saving in operating costs of $300,000 in 2016-17. There is no explanation where this comes from. There is no statement how it has been included in the individual cost estimates. It is also exactly the same as the cost saving projected for 2016-17 in last year's Long Term Financial Plan.</td>
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<td><strong>Noted.</strong></td>
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<td>Council is committed to finding ongoing savings and efficiencies reported through the Financial Sustainability Program Board. Council is also currently working on a shared services initiative with Kempsey and Nambucca Shire Councils as recommended in the independent MIDROC KPMG report, particularly focussed on back of house functions.</td>
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<tr>
<td>Other initiatives that will also contribute to the saving of $300K in 2017/18:</td>
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<td>- Input into establishment of North Coast Joint Organisation</td>
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<td>- Implementation of further energy efficiency initiatives</td>
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<td>- Review of fees and charges with view to finding alternative revenue streams</td>
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<td></td>
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<td>- Continuation of service reviews</td>
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<td>Savings are progressively reported through the SRVIPP Committee.</td>
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<td>Further to the above, $250K in savings have been achieved during the 2015/16 financial year. Details of these savings will be reported to the August 2016 Council meeting.</td>
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<tr>
<td>Civic Leadership</td>
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<td><strong>Bluntly, it portrays Council as unwilling to commit to making any future savings in operating costs - and this despite a year supposedly spent exploring promising avenues for savings through the creation of a Joint Organisation.</strong></td>
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<td><strong>Why should IPART (or for that matter ratepayers) support Council's bid for perpetual rate rises above the rate peg, when all it does is let Council off the hook of committing to ongoing cost savings?</strong></td>
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<td>“&quot;, Council should aim to show IPART that it recognised the extent of its and the Shire’s problems, and has instituted a process which will lead to a long-term over the next 18 months.</td>
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13. Submission by Bob Hawkins:
Given the lack of cost savings in the projections, it is unsurprising that Council has apparently had to resort to shonky methodology in order to meet the FFF Efficiency benchmark. As I pointed out last year, costs and revenues in the Financial Plan are being projected on the basis of assumed zero population growth in the Shire. However, when it comes to estimating per capita growth in operating costs, the ratio is based on an inconsistent assumption that the Shire’s population will continue to grow.

<table>
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<th>Item</th>
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<tr>
<td>10.2</td>
<td>Population growth projections are based on Department of Planning forecasts of 0.1% (as required under the FFF benchmark methodology). Based on the current population this equates to less than 13 extra residents per year. As stated in the LTFP this growth rate is considered to have a negligible impact on future forecasts. As previously discussed, assumptions outlined in the LTFP are based on the most current information to date. Any unforeseen changes to any of the assumptions will require a review of the future income and expenditure forecasts. In reviewing the FFF efficiency benchmark Council will continue to meet this ratio even when calculating with zero population growth. Notwithstanding that Council has committed to working with Planning NSW in terms of development potential. Significant analysis has been undertaken in terms of this and will be addressed in future report to council.</td>
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</table>

Civic Leadership
Submission by Bob Hawkins:
The main adjustment to recurrent costs in the projection appears to stem from revisions to assumed depreciation. No explanation is given for this. Admittedly there are other possible explanations. However, the cynic might postulate that lower depreciation is possible because Council has reduced the book value of its infrastructure assets to reflect their current poor condition. This would lead to lower estimated of depreciation, if there is also no alteration to the depreciation rate being applied to assets of lower aggregate value.

It is hard to see how revising depreciation is a strategy which will convince IPART of the Shire’s future soundness.

Under the NSW Code of Accounting Practice full revaluations of Council’s infrastructure, property, plant and equipment are to be carried out on a five year rolling cycle. Accordingly Council’s roads, bridges, footpaths and drainage assets were revalued at 30 June 2015. The revaluation resulted in a significant decrease in Council’s carrying value of the respective asset classes, which will significantly decrease future annual depreciation expense.

The large decrease in asset values is as a result of Council using a revised methodology to determine asset values following its participation in a regional asset management benchmarking project known as “Apples with Apples”. The Mid-North Coast councils, working in consultation with Jeff Roorda & Associates (JRA), have agreed to a regional approach to asset reporting. This new approach has led to a significant decrease in unit rates and longer asset lives, resulting in lower asset values and lower future depreciation.

Council’s external auditor has also carried out significant benchmarking across its local government audit clients and as a result has used this data to assess trends in useful lives and unit costs in order to compare each council across the region. After consultation with the auditors, Bellingen Council aligned itself with these regional trends. Council’s auditor, Forsyth Chartered Accountants, signed off on Council’s asset revaluation on 22 October 2015. Council was briefed by Council’s Auditor on the 28 October 2015 and this issue was canvassed in detail. Councils General Purpose and Special Purpose Financial Statements were signed in accordance with a resolution of Council made on 23 September 2015.

In reference to poor condition effecting depreciation, as Council uses straight line depreciation, condition has no impact on annual depreciation expenditure.
15. The second scenario is evocatively titled "lower service delivery". However, it is never clearly stated which costs are being reduced. A more realistic scenario would be one which incorporated continuing incremental savings and/or service reductions over a number of years. (similar to the cumulative incremental increases in rate revenue projected in Scenario 1).- rather than a large one-off reduction in year one

[If the scenario instead were titled "greater efficiency savings and cost recovery" I conjecture that it would command overwhelming support in the community]

Noted.

16. The Long Term Plan should be presenting estimates of FFF performance indicators for scenario 2, as well as scenario 1. This would allow a more considered debate on their respective merits.

Noted. Council is currently revising its FFF indicators in accordance with direction from the NSW Government. Given that, once further assessed by Government they will be addressed in future IPR documentation.

### BUDGET IMPLICATIONS

The Delivery plan and Operational Plan outline a range of activities and programs which are underpinned by the Long Term Financial Plan. The financial implications are outlined in this document.

### SUSTAINABILITY ASSESSMENT

The LTFP reinforces the imperative of the integration of sustainability into Council’s core business. There are no environmental or social implications to this report. Economic implications are discussed in the body of this report.

### ENGAGEMENT

The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a Level 3 Lower Impact – Shire Wide. To address the requirements of Council’s Community Engagement Strategy and the [NSW Local Government Act 1993](http://www.nsw.gov.au), Council will carried out the following actions:

- Publicly exhibited the Draft 2016/2017 - 2025/26 Long Term Financial Plan for 28 days.
- Placed the Draft 2016/2017 - 2025/26 Long Term Financial Plan on Councils website with copies available at Council Offices and Library.
- Considered public submissions and made appropriate amendments (if any) to the Draft 2016/2017 - 2025/26 Long Term Financial Plan.

In addition, the Draft 2016/2017 - 2025/26 Long Term Financial Plan was the subject of a councillor workshop on the 13 April 2016.
ATTACHMENTS
10.2.A Long Term Financial Plan
10.2.B LTFP Submission - Richard Warner
10.2.C LTFP Submission - Bob Hawkins
Item: 10.3

Subject: ADOPTION OF REVENUE POLICY AND SCHEDULE OF FEES AND CHARGES

File/Index: Financial Planning

Presented by: Chris Hodge, Chief Financial Officer

ALIGNMENT WITH DELIVERY PROGRAM
(CL) CIVIC LEADERSHIP
(CL.1) Council is an organisation that embraces business excellence.
(CL.1.1) Financial sustainability is maintained through effective short and long term financial management.
(CL.1.1.0) Financial sustainability is maintained through effective short and long term financial management - Other Activities.

RECOMMENDATION
That in accordance with the provisions of the NSW Local Government Act 1993 Council adopt the Fees and Charges for the year commencing 1 July 2016 as per the attached Revenue Policy and Fees and Charges.

EXECUTIVE SUMMARY
The NSW Local Government Amendment (Planning and Reporting) Act 2009 requires Councils to develop a Delivery Program and Operational Plan (DP&OP), which are a statement of commitment to our community in terms of delivering on the aspirations of the Community Strategic Plan. Underpinning these documents is the Revenue Policy and Schedule of Fees and Charges.

Following expiry of the exhibition period on 3 June 2016, Council is now in a position to consider submissions received and to adopt the Revenue Policy and Schedule of Fees and Charges for 2016-2017.

REPORT DETAIL
Fees and Charges
The proposed Fees and Charges Schedule is detailed in a separate attachment. Fees and charges have been increased by 3.5% where applicable, statutory fees as per legislated amount and a combination of partial, nil and full cost recovery for services. The pricing methodology for each item is indicated under “pricing policy” within the draft Fees and Charges Schedule.

A review of the remaining Council fees and charges was undertaken in April 2015 using best value principles of value for money, a consideration for community expectations and values, and a balance between affordability and accessibility of services. As part of the process, Council undertook training and workshops for managers and responsible officers.
in effective pricing, provided workshops and information packs for 355 Committees, benchmarked its fees and charges with other Councils and service providers, and improved the format of the Fees and Charges Policy document to better align with the Community Vision. In addition fees and charges are reviewed on an annual basis.

Revenue Policy
The proposed Revenue Policy is detailed in a separate attachment. The approved rate peg for 2016/2017, as determined by IPART, is 1.8%. The rate peg of 1.8% is forecast to generate an additional $121,925 in general rate revenue.

The rate pegging percentage of 1.8% was determined by using a Local Government Cost Index and a productivity factor. The Local Government Cost Index was developed by IPART in 2010, following a survey of NSW council’s expenditure. The Local Government Cost Index increased by 1.78% whilst the productivity factor was set at zero.

Based on this, the rate peg amount was calculated by subtracting the productivity factor from the index.

- 2016/17 Calculation is 1.78% - 0.00% - 0.02% (Rounding) = 1.8%

Schedule of Fees and Charges 2015/2015 Submissions Received
Council has received a total of eight (8) submissions to the exhibited Draft Revenue Policy and Schedule of Fees and Charges. Submissions were received from internal and external parties. A copy of the detailed submissions are included in the attachments to this report.

Details of the submissions are as follows:

<table>
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<th>Comment</th>
<th>Response</th>
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| 1. Submission received by Councillor Carter: Waste Facility / Transfer Station Fees  
- Green Waste / Organic Household over 0.5 cubic metres - to have nil charge  
- Household recyclable materials plastic, paper, cardboard, aluminium or steel over 0.5 cubic metres - to have nil charge | Council is still required to pay for the processing of these materials at Biomass and the HandyBin Materials Recovery Facility (MRF) in Coffs Harbour. As such council responsibly need to charge for larger quantities of materials (above 0.5 cubic metres) in order to recover some costs associated with processing these materials.  
In addition, this charge assists to reduce the likelihood of commercial businesses misusing this service, which would ultimately cost the ratepayer if council continued to subsidise this.  
It is not recommended that this submission be adopted. |
| 2. Submission received by North Bellingen Childrens Centre Management Committee: Facility usage fees to increase on 1 July 2016 to $255 plus GST per week per service. | Noted.  
Recommendation to be incorporated into 2016/2017 Fees and Charges. |
<table>
<thead>
<tr>
<th>Item</th>
<th>Text</th>
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<tbody>
<tr>
<td>3.</td>
<td>Internal submission received: Local Roads and Traffic Infrastructure, and Community Facilities and Open Space Contributions Bushfire Services. March quarter CPI figure had not been released at the time of exhibiting the Draft Schedule of Fees and Charges 2016/2017.</td>
</tr>
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<td></td>
<td>Noted. Recommend revised Contributions as per attached be incorporated into final adoption of schedule of Fees and Charges 2016/2017.</td>
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<tr>
<td>4.</td>
<td>Submission received by D Savage: I object to the proposed Ordinary Rates. They are unfair, unnecessarily complex and are inconsistent with the values to which they relate. I request that the Council simplify its Ordinary Rate structure by having at most one rate per category but preferably one ad valorem rate covering every rateable property in the Shire.</td>
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<td></td>
<td>Noted. In consideration of the 2016/17 rating structure Council modelled and considered a rating structure (one of many models) with a single ad valorem rate at a workshop held on 4 May 2016. This model was not considered by council to be appropriate due to the impact on the base amounts and the large increases to some ratepayers. The preparation of the rating structure has reflected the direction provided by Council.</td>
</tr>
<tr>
<td>5.</td>
<td>Submission received by D Savage: I am curious as to the nature of the Sub-category called Residential - General which supposedly covers 852 assessments. Section 529 of the Act prescribes that residential sub-categories may be determined according to whether the land is rural residential land or is within a centre of population. Clearly, the Residential - General properties are neither rural residential nor within a centre of population, so how can they be allocated to a residential sub-category? Maybe, a council can have rates for sub categories within a category and a separate rate for properties that do not fall into one of the legitimate sub-categories but somehow I doubt it. Another good reason to implement a one rate per category structure.</td>
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<td></td>
<td>Noted. The Residential Category is not sub-categorised, therefore Section 529 does not apply. The category is in accordance with Section 516 of the NSW Local Government Act 1993. Land Values vary significantly from the Plateau to the Seaboard, providing unique challenges to the setting of Councils rating structure, necessitating the need for different sub-categories. As stated above, in consideration of the 2016/17 rating structure Council modelled and considered a number of rating structures. Councillors were presented with these rating structures during a workshop on 13 April 2016. The workshop provided examples of the following methodologies for consideration by Council prior to presenting the preferred structure on public exhibition: 1. A common business ad valorem and base rate for all townships, common ad valorem by category-with no sub-categorisation; 2. A purely ad valorem structure; and</td>
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<td>Item 10.3</td>
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<td><strong>Are the differences based on levels of service or values or a combination of both? I note that both the Coffs Harbour and Nambucca Councils levy the same residential rates across all towns (I believe Nambucca strikes a different residential rate for its villages). If the Bellingen Council proposes to levy different rates for different towns, its Statement of Revenue Policy should explain the reasons for the differences. My understanding of a Policy document is that it should not only state the policies but also the principles underpinning the policies (see the Tweed Council’s version as an example).</strong></td>
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<td><strong>3. A 50/50 model where 50% yield is determined based on rateable land values and remaining 50% yield is determined based on the number of assessments within each category.</strong></td>
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<tr>
<td>Due to the excessive fluctuations in rateable land values from the Plateau to the Seaboard, the common ad valorem method was not deemed by council to be equitable to all ratepayers and would result in higher values on the seaboard paying significantly a greater portion in general rates than those ratepayers on the plateau despite the provision of same/similar basic services.</td>
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<td>During the 2016/17 financial year the Valuer General will be issuing revised land values for determination of the 2017/18 rates. The revaluation process is conducted every 4 years and often has a significant impact on rates throughout the Shire. In addition to this, the NSW Government is introducing a new system of collecting the emergency services levy from 1 July 2017.</td>
<td></td>
</tr>
<tr>
<td>As a result of the above Council will be completing a comprehensive review of the impact of the above changes and again providing a number of revised rating structures for further consideration by Council in 2017/18.</td>
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<tr>
<td><strong>In describing its Rating Structure, the Council states that it &quot;considers the need for equity amongst all ratepayers within the Local Government Area&quot;. Equity to me, in an ad valorem rating system, means similar services and similar values translate to similar rates. The Council’s proposed rating structure fails the equity test dismally. The most glaring example of the flaws in the system is the proposed average rate for Residential Urunga of $993.88 being 10% higher that that proposed for Residential Bellingen ($903.98) when their average values are roughly the same. If you exclude the base amount, Urunga Residential ratepayers are being slugged 19% more than their Bellingen counterparts. How can anyone on Council or in its administration justify a basis that delivers that absurd outcome?</strong></td>
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<tr>
<td><strong>I quote from the Office of Local Government’s Council Rating And Revenue Raising Manual - 2007. “While the Act makes provision for 'base amounts', the overriding characteristic of local government rating is that the assessments that</strong></td>
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are produced will be primarily and predominantly determined via the ad valorem method whereby the incidence of any rate burden is split differentially according to the value of rateable property (emphasis added)." Whilst the Council's methodology may have done this at some time in the past, it fails that test miserably now. Rather than using an ad valorem method to distribute the rating burden between categories and subcategories the Council is using a method that could be best described as ad hoc.

As I have pointed out on a number of occasions, the distribution method currently in use is patently unfair. Based on information received from Council's Chief Financial Officer, the method links valuation and average rate relativities to antiquated parameters. It affords protection to a category from large valuation movements when that protection is not available to individual ratepayers within that category. In its response to my submission last year, the Council cited average values as some sort of excuse for the indefensible proposals it was putting forward. Those average values were subsequently shown to be incorrect, placing in doubt the substance of the argument used to counter my objections to the Council's position.

In her response to the Courier-Sun's questions about Council rates earlier this year, the General Manager stated that "where land values have risen more than they have risen in other parts of the Bellingen Shire Council areas you are likely to experience a higher rise in rates". That statement describes the intrinsic nature of an ad valorem rating system - the rate is based on the value of the property and should move up or down in direct proportion to movements in that value.

This is precisely what has NOT
happened for Bellingen Residential. Its values have risen at a higher rate than Urunga Residential over the last 11 years and yet the average rates have stayed the same in relative terms. Since 2005, Bellingen average Land Values have risen 38% whereas Urunga has only risen 10% and yet the average rates in both areas have both risen by 48% and 46% respectively. To put that into perspective, if the same relative movements had happened between me and my next door neighbour my rates would have risen by 66% over the same period.

The GM has made the clearest case yet for a review of the method used calculate the required income for each particular rating category so that it more equitably reflects relative movements in average values. Following her public statements, I fully expected that she would instruct her staff to come up with a better system. Clearly, that has not happened. The Council is proposing to adopt the same flawed system. The Act, within certain limitations, allows a council to adopt any old rating system that it chooses. You can draw the rates out of a hat if you want. The Bellingen Council has taken full advantage of that lapse in the legislator's judgement!

If the Council wants to continue with the 11 rate structure, but on a fairer basis, I again suggest that the Council revert to the 50/50 system for determining the share of the total rate burden to be borne by each category. That system automatically adjusts the burden for relative changes in valuations and numbers of assessments in each category. Using that basis, each category or sub-category is allocated 50% of the total burden based on its proportion of the total number of assessments and 50% based on its proportion of the total amount of valuations. The 50/50 system is consistent with the Council's stated objective of raising roughly 50% of rates from base amounts and the other 50%
from valuation related amounts. The system is equitable, justifiable and quantifiable.

Given that I doubt that neither Councillors nor Council staff know why the Council has an 11 rate structure, might I suggest that the Council also consider introducing either one rate for each category or one rate for the whole Shire - a true ad valorem rate structure. I have done the calculations for the three alternative scenarios and they will incur some one-off increases and decreases but all are fairer and simpler than the current dog's dinner. The impact of the changes can be softened by fine tuning the base amounts. I have summarised these scenarios in the attached table.

Why is there such resistance to fixing something that is clearly wrong and goes against the principles of ad valorem rating that were so eloquently summarised in the General Manager's response to the Courier-Sun? I hereby request that the Council honour its purported Corporate Values of Fairness and equity and Responsible decision-making and amend its proposed rating structure or at the very least document the reasons and calculation basis for the 11 different ad valorem rates.

SUBMISSION FOOTNOTE:

As mentioned above, I made a submission last year in relation to the proposed rates for 2015/2016.

In the response to the submission, the Council Officer who prepared the report stated the following: "If the rate structure were simplified to only have one residential rate and one business rate category applied to all properties within BSC, land owners on the seaboard would effectively be subsidising land owners on the plateau where land values remain lower. Average land values by locality: Bellingen $197,910 Dorrigo $99,619 Mylestom $230,627 Urunga $247,759."
Those figures (apart from Mylestom) were incorrect. The first two were averages of averages - a common mathematical mistake. You cannot get the average of a set by calculating the average of the subset averages. You must return to the original data and divide the total value for the set by the total number of assessments in the set. After some head scratching, I was able to decipher how the figure for Urunga was (mis)calculated. It was attempt to do the same as the other two but two digits got transposed in the process resulting in a number that bears no relevance to anything!

But in any event, the statement prior to the incorrect numbers requires comment. Intuitively, if you have a higher value, the stated principle should lead to a lower ad valorem rate when the rates adopted by Council were the opposite. The fact is that Urunga Residential and Urunga Business would both be better off with a simplified rate structure - this is clearly demonstrated in the scenarios I have provided.

My reasons for raising this matter now are twofold:

1. I made a submission based on logic and reason which was countered by an illogical response based on erroneous information - I have no recourse - the flawed rates get adopted anyway.

If the Council is going to ignore logic and equity principles and adopt any old rate structure - just do it without trying to justify your actions with poorly researched and inaccurate data accompanied by counter-intuitive spin.

(refer to submission for table of rates proposal)

6. Submission received by R Warner: After having considered Council’s proposals I have concerns about the

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Noted.

As stated in item 5 above, land values vary
equity of Council’s rating structure, and in particular the different Ad Valorem rates for the various sub-categories of properties Council proposes to adopt for rating purposes.

While Council is obliged to categorise land into one of four principle categories of:

- Farmland
- Residential
- Business, and
- Mining

It is a discretionary matter as to whether there is further sub-categorisation. Council contends that adoption of further sub-categorisation is to allow a fairer and more equitable outcome in the levying of rates.

I contend that where a discretion is exercised it is beholden on Council to explain and demonstrate the basis for the exercise of that discretion. However, nowhere in the document under consideration has Council attempted to explain or demonstrate how the adoption of the various rating sub-categories, and the differing Base Charges and Ad Valorem rates that Council proposes to attach to them, is fair and equitable.

Should Council continue with its sub-categorisation and differing levels of charging between sub-categories, I would suggest, at a minimum, that Council explain as part of the document its rationale and justification for such an approach. In short, Council should explain how and why it exercised its discretion.

I would add that it is difficult to see why Council feels obliged to adopt the various rating sub-categories when there are only 6,000 rate assessments in the Shire. The number of rating categories gives rise to a level of complexity not warranted by the size of significantly from the Plateau to the Seaboard, providing unique challenges to the setting of Councils rating structure, necessitating the need for different sub-categories.

In consideration of the 2016/17 rating structure Council modelled and considered a number of rating structures. Councillors were presented with these rating structures during a workshop on 13 April 2016.

The workshop provided examples of the following methodologies for consideration by Council prior to presenting the preferred structure on public exhibition:

4. A common business ad valorem and base rate for all townships, common ad valorem by category-with no sub-categorisation;
5. A purely ad valorem structure; and
6. A 50/50 model where 50% yield is determined based on rateable land values and remaining 50% yield is determined based on the number of assessments within each category.

Due to the excessive fluctuations in rateable land values from the Plateau to the Seaboard, the common ad valorem method was not deemed by council to be equitable to all ratepayers and would result in higher values on the seaboard paying significantly a greater portion in general rates than those ratepayers on the plateau despite the provision of same/similar basic services.

During the 2016/17 financial year the Valuer General will be issuing revised land values for determination of the 2017/18 rates. The revaluation process is conducted every 3 years and often has a significant impact on rates throughout the Shire. In addition to this, the NSW Government is introducing a new system of collecting the emergency services levy from 1 July 2017.

As a result of the above Council will be completing a comprehensive review of the
Council’s rate base. That complexity then adds to the cost of administering the rating system.
I note that in response to a suggestion that Council’s 2014-15 Revenue Policy would benefit from a clear explanation of the reasons for the various rating sub-categories, with differing Ad Valorem rate levels, Council included the following:

Due to the diversity of Bellingen Shire Council local government area, land values vary significantly from the seaboard, valleys to plateau. In order to achieve an equitable rate base, where rates are distributed fairly over properties with similar characteristics, it is necessary to sub-categorise the various localities. If the rate structure were simplified to only have one residential rate and one business rate category applied to all properties within BSC, land owners on the seaboard would effectively be subsidising land owners on the plateau where land values remain lower.

If Council’s chief concern is to avoid the seaboard cross-subsidising the plateau, or any other area for that matter I would suggest that this is not borne out by Council’s 2016/17 proposals.

(refer to submission for table 1)

As can be seen from the above Table 1 Council’s rating proposal sees the seaboard town of Urunga contributing significantly more in average revenue per property than the hinterland township of Bellingen and the plateau township of Dorrigo.

Moreover, and as illustrated in Table 2, under Council’s proposal average residential properties in Bellingen and Urunga will attract impact of the above changes and again providing a number of revised rating structures for further consideration by Council in 2017/18.
substantially different amounts of rates when the Land Values in the two areas are, for all intents and purposes, the same.

(refer to submission for table 2)

The Land Values between the two areas vary by slightly more than 0.5% while under Council’s rating proposal average residential rates in Urunga are almost 10% higher than in Bellingen.

I contend that there is little equity or fairness apparent when properties with similar Land Values are called upon to pay substantially different levels of rates, particularly when Council is on record of being concerned about levels of cross-subsidisation between the seaboard and other areas.

**Alternative Rating Scenarios**

I have developed a number of alternative rating scenarios that I would ask Councillors to consider alongside the proposal put forward by Council staff.

**Scenario 1**

**Key Features**

- Common Base Charge across all properties
- Common Ad Valorem Rate
- Maintain total Base and Rate Income at levels proposed by Council

(refer to submission for table 3)

**Points to Note**

- A lower Base Charge results for all categories of property with the
exception of Dorrigo.

- Even with a higher Base Charge average business and residential properties in Dorrigo are still better off under this scenario compared to that proposed by Council staff.
- The difference in average residential rates in Bellingen ($918.85) and Urunga ($921.38) is reduced to less than $3 p.a. which is consistent with the small difference in Land Values between the two townships.
- However, Farmland rates increase 9.7% above the level proposed by council staff.
- The revenue from Base Charges remains at $2,597,530 and that from Rates at $4,298,032
- consistent with Council s proposals (subject to small rounding variations totalling $2).

### Scenario 2

This scenario seeks to mitigate the impact of Scenario 1 on Farmland.

### Key Features

- Common Base Charges for all properties except Farmland
- Common Ad Valorem rates in the $ for all properties except for Farmland.
- The Farmland Base Charge and Ad Valorem rate in the $ remain consistent with the proposal put forward by Council staff.
- Base Charge and Rates revenue to be maintained at levels proposed by council staff.

(refer to submission for table 4)

### Points to Note

- There is less than $3 difference in the average rating outcomes for Bellingen ($932.12) and Urunga ($934.72).
- Despite facing higher Base Charges residential and business properties in Dorrigo on average Land Values
would be better off.
- For those properties facing increases above Council’s proposal these would amount to a maximum of little more than $1.50 per week.
- Farmlands, which arguably make less use of Council services, would be no worse off than under Council’s proposal.

It is, of course, possible to develop a range of further scenarios including those that see different Ad Valorem rates for Business, Farmland and Residential properties such that targeted income from each category is maintained. However, it is far from clear that the benefits outweigh this additional layer of complexity.

While changes to the rating structure would give rise to winners and losers, none are of such magnitude as to present insurmountable obstacles to changing to a more equitable, rational and simplified rating structure than that which we have at present and that proposed by Council staff. In any event Council should address, in particular, the inequity that exists between the rating outcomes between Bellingen and Urunga for which there is no justification.

| 7. | Submission received by W Millard: I submit that Council’s method of calculating rates for residential land in Urunga is unfair compared with that for residential land in Bellingen. The result is that a substantial financial impost is borne by Urunga ratepayers each year that this discriminatory policy continues. The average land value of each assessment in Urunga is $164,192 (rateable land value divided by number of assessments) while the equivalent for Bellingen is $163,345, a difference of $847 according to the Valuer-General’s notes. | Noted. As stated in item 5 above, land values vary significantly from the Plateau to the Seaboard, providing unique challenges to the setting of Councils rating structure, necessitating the need for different sub-categories. In consideration of the 2016/17 rating structure Council modelled and considered a number of rating structures. Councillors were presented with these rating structures during a workshop on 13 April 2016. The workshop provided examples of the |
Council does not discriminate in the uniform base charge of $436.70 it levies on each Bellingen and Urunga residential property as a method of collecting up to 50 per cent of its rateable income. The balance of the rates payable per property is done on an ad valorem basis.

Using an ad valorem rate of .00339348 for Urunga compared with a 15.7 per cent lower ad valorem .00286069 rate for Bellingen cannot logically be justified as being fair and equitable.

The result of this unfair ad valorem rating is confirmed further by the percentage difference in the amount Council receives in rates from its base yields in the two areas, namely, 43.94 per cent in Urunga and 48.31 per cent in Bellingen.

The base yield is supposed to reflect the levels of service provided by Council in the various areas of the Shire to which all residents must contribute.

Among the major services provided to residents, such as water, sewage and waste collection, Council treats Urunga and Bellingen uniformly in the charges it levies in each of these two areas.

Why then does Council use a higher ad valorem rate for Urunga properties in assessing the total rates payable? If it is based merely on a historical aberration, this should be corrected before the coming year’s draft revenue policy is adopted.

Due to the excessive fluctuations in rateable land values from the Plateau to the Seaboard, the common ad valorem method was not deemed by council to be equitable to all ratepayers and would result in higher values on the seaboard paying significantly a greater portion in general rates than those ratepayers on the plateau despite the provision of same/similar basic services.

During the 2016/17 financial year the Valuer General will be issuing revised land values for determination of the 2017/18 rates. The revaluation process is conducted every 3 years and often has a significant impact on rates throughout the Shire. In addition to this, the NSW Government is introducing a new system of collecting the emergency services levy from 1 July 2017.

As a result of the above Council will be completing a comprehensive review of the impact of the above changes and again providing a number of revised rating structures for further consideration by Council in 2017/18.

8. Internal submission received: Rate Category Town Boundary – Bellingen be updated to include Lot 1 DP 598099 being 6A Ford Street, Bellingen for rating purposes as the property has the same attributes as neighbouring properties.

Noted. Refer to attachment.

9. Internal submission received: NSW EPA Waste & Environmental Levy as per EPA guidelines be increased

Noted. Recommendation to be incorporated into
BUDGET IMPLICATIONS
The Delivery Plan and Operational Plan outline a range of activities and programs which are underpinned by the Long Term Financial Plan, Revenue Policy and Fees and Charges Schedule. The financial implications are outlined in these documents.

All variances to rates, fees and charges have been accounted for in the Long Term Financial Plan forecasts.

There are no direct budgetary implications in relation to the preparation of this report.

SUSTAINABILITY ASSESSMENT
The Delivery Plan and Operational Plan outline a range of activities and programs which are underpinned by the Long Term Financial Plan, Revenue Policy and Fees and Charges Schedule. The financial implications are outlined in these documents.

ENGAGEMENT
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a LEVEL 3 impact. (Lower impact – Shire Wide). To address the requirements of Council’s Community Engagement Strategy and the NSW Local Government Act 1993, Council carried out the following actions:

- Public Exhibition period 4 May 2016 to 3 June 2016;
- Advertised the exhibition period in local papers, Council website and at the Council Administration Centre and Libraries.

Following final adoption, the Revenue Policy and Schedule of Fees and Charges 2016/17 will be available on Council’s website and hard copies will be available at the Council Administration Centre.

ATTACHMENTS
10.3.A Revenue Policy and Schedule of Fees Charges 2016-2017
10.3.B Submissions received 2016-2017 - Submissions - Revenue Policy, Fees and Charges
ALIGNMENT WITH DELIVERY PROGRAM

(CL) CIVIC LEADERSHIP

(CL.1) Council is an organisation that embraces business excellence.

(CL.1.1) Financial sustainability is maintained through effective short and long term financial management.

(CL.1.1.1) Council meets all of its regulatory requirements in relation to financial management and reporting. MEASURE: meet the requirements of the OP Items against this DP item for each year.
RECOMMENDATION

In accordance with the provisions of Sections 493, 494, 496, 501, 502, 503, 542, 552 and 553 of the NSW Local Government Act 1993, Council make the rates and charges for the rating year 1 July 2016 to 30 June 2017 as follows:

1. Interest on overdue rates:

   The interest rate on overdue amounts applicable to outstanding rates and charges for 2016/17 will be 8% which is the maximum rate per annum accruing on a daily basis, as set by the NSW Minister for Local Government.

2. Ordinary Rates (Section 494)

   a) A Residential Rate of 0.380938 cents in the dollar on the Rateable Land Value of all rateable land in the town of Dorrigo categorised "Residential", with a base amount of Three Hundred and Eighty Six Dollars and Seventy Cents ($386.70), in respect of any separate parcel of rateable land. The Rate to be known as the “Ordinary Rate – Residential Dorrigo”.

   [The base amount will provide approximately 49.30% of the revenue from this rate]

   b) A Residential Rate of 0.286069 cents in the dollar on the Rateable Land Value of all rateable land in the town of Bellingen categorised “Residential”, with a base amount of Four Hundred and Thirty Six Dollars and Seventy Cents ($436.70), in respect of any separate parcel of rateable land. The Rate to be known as the “Ordinary Rate – Residential Bellingen”.

   [The base amount will provide approximately 48.31% of the revenue from this rate]

   c) A Residential Rate of 0.339348 cents in the dollar on the Rateable Land Value of all rateable land in the town of Urunga categorised "Residential", with a base amount of Four Hundred and Thirty Six Dollars and Seventy Cents ($436.70), in respect of any separate parcel of rateable land. The Rate to be known as the “Ordinary Rate – Residential Urunga”.

   [The base amount will provide approximately 43.94% of the revenue from this rate]

   d) A Residential Rate of 0.266736 cents in the dollar on the Rateable Land Value of all rateable land in the village of Mylestom categorised “Residential”, with a base amount of Four Hundred and Thirty Six Dollars and Seventy Cents ($436.70), in respect of any separate parcel of rateable land. The Rate to be known as the “Ordinary Rate – Residential Mylestom”.

   [The base amount will provide approximately 41.52% of the revenue from this rate]

   e) A Residential Rate of 0.296634 cents in the dollar on the Rateable Land Value of all rateable land categorised "Residential", with a base amount of Four Hundred and Thirty Six Dollars and Seventy Cents ($436.70), in respect of any separate parcel of rateable land. The Rate to be known as the “Ordinary Rate – Residential Rural”.

   [The base amount will provide approximately 30.85% of the revenue from this rate]

   f) A Residential Rate of 0.296547 cents in the dollar on the Rateable Land Value of all rateable land categorised “Residential”, with a base amount of Four Hundred and Thirty Six Dollars and Seventy ($436.70), in respect of any separate parcel of
rateable land. The Rate to be known as the “Ordinary Rate – Residential".
[The base amount will provide approximately 43.44% of the revenue from this rate]

g) A Business Rate of 0.427965 cents in the dollar on the Rateable Land Value of all rateable land in the town of Dorrigo categorised “Business”, with a base amount of Three Hundred and Ninety Nine Dollars ($399.00), in respect of any separate parcel of rateable land. The Rate to be known as the “Ordinary Rate – Business Dorrigo”.
[The base amount will provide approximately 49.45% of the revenue from this rate]

h) A Business Rate of 0.356720 cents in the dollar on the Rateable Land Value of all rateable land in the town of Bellingen categorised “Business”, with a base amount of Four Hundred and Thirty Six Dollars and Seventy Cents ($436.70), in respect of any separate parcel of rateable land. The Rate to be known as the “Ordinary Rate – Business Bellingen”.
[The base amount will provide approximately 34.82% of the revenue from this rate]

i) A Business Rate of 0.381173 cents in the dollar on the Rateable Land Value of all rateable land in the town of Urunga categorised “Business”, with a base amount of Four Hundred and Thirty Six Dollars and Seventy Cents ($436.70), in respect of any separate parcel of rateable land. The Rate to be known as the “Ordinary Rate – Business Urunga”.
[The base amount will provide approximately 27.00% of the revenue from this rate]

j) A Business Rate of 0.247060 cents in the dollar on the Rateable Land Value of all rateable land categorised “Business”, with a base amount of Four Hundred and Thirty Six Dollars and Seventy Cents ($436.70), in respect of any separate parcel of rateable land. The Rate to be known as the “Ordinary Rate – Business”.
[The base amount will provide approximately 45.61% of the revenue from this rate]

k) A Farmland Rate of 0.265863 cents in the dollar on the Rateable Land Value of all rateable land categorised “Farmland” with a base amount of Four Hundred and Thirty Six Dollars and Seventy Cents ($436.70). The Rate to be known as the “Ordinary Rate – Farmland”.
[The base amount will provide approximately 18.24% of the revenue from this rate]

3. Annual Water Availability Charges (Section 501):

a) An annual charge for all land rateable connected to the water system, the charge being as listed below. The Charge to be known as the “Water Annual Charge”.

i. An annual charge of One Hundred and Twenty Two Dollars ($122.00) per meter for all land which has a 20mm connection to the water main.
ii. An annual charge of One Hundred and Ninety Dollars ($190.00) per meter for all land which has a 25mm connection to the water main.
iii. An annual charge of Three Hundred and Twelve Dollars ($312.00) per meter for all land which has a 32mm connection to the water main.
iv. An annual charge of Four Hundred and Eighty Eight Dollars ($488.00) per meter for all land which has a 40mm connection to the water main.
v. An annual charge of Seven Hundred and Sixty Three Dollars ($763.00) per meter for all land which has a 50mm connection to the water main.
vi. An annual charge of One Thousand, Two Hundred and Eighty Eight Dollars
($1,288.00) per meter for all land which has a 65mm connection to the water main.

vii. An annual charge of One Thousand Nine Hundred and Fifty Two Dollars ($1,952.00) per meter for all land which has an 80mm connection to the water main.

viii. An annual charge of Two Thousand, Four Hundred and Seventy One Dollars ($2,471.00) per meter for all land which has a 90mm connection to the water main.

ix. An annual charge of Three Thousand and Fifty Dollars ($3,050.00) per meter for all land which has a 100mm connection to the water main.

x. An annual charge of One Hundred and Twenty Two Dollars ($122.00) per meter for services provided and used solely for fire fighting purposes.

b) An annual charge for all land rateable which is able to be connected to the water system but is not connected, the charge being One Hundred and Ten Dollars ($110.00) per assessment. The Charge to be known as the “Water Annual Charge – Not Connected”.

4. Annual Sewer Availability Charges (Section 501):

a) An annual charge for all residential land rateable connected to the sewerage system, the charge being listed as below. The Charge to be known as the “Sewer Annual Charge - Residential”.

i. An annual charge of Nine Hundred and Eleven Dollars ($911.00) per meter for all land which has a 20mm connection to the water main.

ii. An annual charge of One Thousand Four Hundred and Twenty One Dollars ($1,421.00) per meter for all land which has a 25mm connection to the water main.

iii. An annual charge of Two Thousand, Three Hundred and Thirty Two Dollars ($2,332.00) per meter for all land which has a 32mm connection to the water main.

iv. An annual charge of Three Thousand, Six Hundred and Forty Four Dollars ($3,644.00) per meter for all land which has a 40mm connection to the water main.

v. An annual charge of Five Thousand, Six Hundred and Ninety Three Dollars ($5,693.00) per meter for all land which has a 50mm connection to the water main.

vi. An annual charge of Nine Thousand, Six Hundred and Twenty Dollars ($9,620.00) per meter for all land which has a 65mm connection to the water main.

vii. An annual charge of Fourteen Thousand, Five Hundred and Seventy Six Dollars ($14,576.00) per meter for all land which has an 80mm connection to the water main.

viii. An annual charge of Eighteen Thousand, Four Hundred and Forty Seven Dollars ($18,447.00) per meter for all land which has a 90mm connection to the water main.

ix. An annual charge of Twenty Two Thousand, Seven Hundred and Seventy Five Dollars ($22,775.00) per meter for all land which has a 100mm connection to the water main.
b) An annual charge for all land rateable which is able to be connected to the sewerage system but is not connected, the charge being Eight Hundred and Nineteen Dollars ($819.00) per assessment. The Charge to be known as the “Sewer Annual Charge – Not Connected”.

c) An annual charge for all non-residential land rateable connected to the sewerage system, the charge being as listed below. The Charge to be known as the “Sewer Annual Charge – Non-Residential”.

i. An annual charge of Nine Hundred and Eleven Dollars ($911.00) per meter for all land which has a 20mm connection to the water main.

ii. An annual charge of One Thousand, Four Hundred and Twenty One Dollars ($1,421.00) per meter for all land which has a 25mm connection to the water main.

iii. An annual charge of Two Thousand, Three Hundred and Thirty Two Dollars ($2,332.00) per meter for all land which has a 32mm connection to the water main.

iv. An annual charge of Three Thousand, Six Hundred and Forty Four Dollars ($3,644.00) per meter for all land which has a 40mm connection to the water main.

v. An annual charge of Five Thousand, Six Hundred and Ninety Three Dollars ($5,693.00) per meter for all land which has a 50mm connection to the water main.

vi. An annual charge of Nine Thousand, Six Hundred and Twenty Dollars ($9,620.00) per meter for all land which has a 65mm connection to the water main.

vii. An annual charge of Fifteen Thousand, Five Hundred and SeventySix Dollars ($15,576.00) per meter for all land which has an 80mm connection to the water main.

viii. An annual charge of Eighteen Thousand, Four Hundred and Forty Seven Dollars ($18,447.00) per meter for all land which has a 90mm connection to the water main.

ix. An annual charge of Twenty Two Thousand, Seven Hundred and Seventy Five Dollars ($22,775.00) per meter for all land which has a 100mm connection to the water main.

5. Annual Liquid Trade Waste Charges (Section 501)
An annual charge for non-residential land rateable connected to the sewerage system, the charge being Two Hundred and Six Dollars and Seventy Cents ($206.70). This charge to be known as the “Liquid Trade Waste Annual Charge – Non-Residential”.

6. Annual Charges for Waste Management Services (Section 496 or Section 501)

a) An annual charge of Six Hundred and Thirty Nine Dollars ($639.00) per service, for the collection, disposal, recycling and management of Domestic Waste generated on all residential properties receiving or situated in a location where the collection service is available. The charge is for each separate occupancy, per land parcel/assessment. This charge to be known as “Domestic Waste Service”.

b) An annual charge of Six Hundred and Sixty Eight Dollars ($668.00) per service, for the collection, disposal, recycling and management of Domestic Waste generated on residential properties receiving or situated in a location where the collection
service is available. This collection service consists of 1 x 240lt red bin, 1 x 240lt
green bin and 1 x 360lt yellow bin. The charge is for each separate occupancy, per
land parcel/assessment. This charge to be known as “Domestic Waste Service –
360lt Yellow”.

c) An annual charge of Six Hundred and Thirty Nine Dollars ($639.00) per service, for
the collection, disposal, recycling and management of commercial waste
generated on property categorised “Business” receiving a service similar to that as
above. This charge to be known as “Commercial Waste Management”.

d) An annual charge of One Hundred and Sixty Eight Dollars ($168.00) for all parcels
of rateable vacant property which would receive a collection service when
becoming occupied or located where the service is available. This charge to be
known as “Domestic Waste – Vacant Waste Service”.

e) An annual charge of One Hundred and Sixty Eight Dollars ($168.00) GST Inclusive
for a waste facility access charge for those rateable parcels of land for which a
waste collection service (domestic or non-domestic) is not available. This charge
to be known as “Waste Facility Access Charge”.

f) An annual charge for *domestic* waste management service for extra bins or extra
bins size services as stated below.

### Existing 240L Bin Kept

<table>
<thead>
<tr>
<th>Bin Size</th>
<th>No of 240 Litre Units</th>
<th>Cost of Weekly Service for a Year $</th>
<th>Bin Size</th>
<th>No of 240 Litre Units</th>
<th>Cost of Fortnightly Service for a Year $</th>
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<td>730.00</td>
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<td>589.00</td>
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<td>1,472.00</td>
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### Existing 240L Bin Returned

<table>
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<th>Bin Size</th>
<th>No of 240 litre units</th>
<th>Cost of Weekly Service for a Year $</th>
<th>Bin Size</th>
<th>No of 240 litre units</th>
<th>Cost of Fortnightly Service for a Year $</th>
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</thead>
<tbody>
<tr>
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<td>923.00</td>
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<td>4.58</td>
<td>294.00</td>
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</table>
g) An annual charge for **commercial** waste management service for extra bins or extra bins size services as stated below.

<table>
<thead>
<tr>
<th>Existing 240L Bin Kept</th>
<th>Bin Size</th>
<th>No of 240 Litre Units</th>
<th>Cost of Weekly Service for a Year $</th>
<th>Bin Size</th>
<th>No of 240 Litre Units</th>
<th>Cost of Fortnightly Service for a Year $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mixed</td>
<td>Recycling</td>
<td>Organics</td>
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<td>Mixed</td>
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<tr>
<td>240ltr</td>
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<td>200.00</td>
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<tr>
<td></td>
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<td>240ltr</td>
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</table>

<table>
<thead>
<tr>
<th>Existing 240L Bin Returned</th>
<th>Bin Size</th>
<th>No of 240 litre units</th>
<th>Cost of Weekly Service for a Year $</th>
<th>Bin Size</th>
<th>No of 240 litre units</th>
<th>Cost of Fortnightly Service for a Year $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mixed</td>
<td>Recycling</td>
<td>Organics</td>
<td></td>
<td>Mixed</td>
</tr>
<tr>
<td>240ltr</td>
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<td>853.00</td>
<td>1100ltr</td>
<td>688.00</td>
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</table>

7. Water Usage Charges (Section 502):

a) A Water Consumption charge of One Dollar and Seventy One Cents ($1.71) per kilolitre for all residential properties, applying to the daily average water consumption below 1 kl/per day per billing period. This charge to be known as the "Water Usage Residential".

b) A Water Consumption charge of Two Dollars and Fifty Seven cents ($2.57) for all residential properties, applying to any daily average water consumption exceeding 1 kl/per day, per billing period. This charge to be known as the “Water Usage - Residential”.

c) A Water Consumption charge of One Dollar and Seventy One Cents ($1.71) for all non-residential properties. This charge to be known as the “Water Usage Non-Residential”.

8. Sewer Usage Charges (Section 502)

A Consumption Charge of One Dollar ($1.00) per kilolitre will be charged on all non-residential properties. This charge will be based on water consumption of the previous quarter and affected by a Sewerage Discharge Apportionment Factor. This charge is to be known as the Sewer Usage Charge.

9. Liquid Trade Waste Charges (Section 502)

a) **Category 1 – Compliant**

There is no consumption charge for Compliant Category 1.
b) **Category 1 – Non-Compliant**
   A Consumption Charge of One Dollar and Forty Seven Cents ($1.47) per kilolitre will be charged on all Commercial properties. This charge will be based on water consumption of the previous quarter and affected by the strength and volume of waste and a Trade Discharge Factor. This charge is to be known as Liquid Trade Waste Usage Category 1 Non Compliant.

c) **Category 2 – Compliant**
   A Consumption Charge of One Dollar and Forty Seven Cents ($1.47) per kilolitre will be charged on all Commercial properties. This charge will be based on water consumption of the previous quarter and affected by the strength and volume of waste and a Trade Discharge Factor. This charge is to be known as Liquid Trade Waste Usage Category 2 Compliant.

d) **Category 2 – Non-compliant**
   A Consumption Charge of Fifteen Dollars and Forty Cents ($15.40) per kilolitre will be charged on all Commercial properties. This charge will be based on water consumption of the previous quarter and affected by the strength and volume of waste and a Trade Discharge Factor. This charge is to be known as Liquid Trade Waste Usage Category 2 Non Compliant.

e) **Category 3 – Non Compliant - Stormwater**
   A Consumption Charge of Fifteen Dollars and Forty Cents ($15.40) per kilolitre will be charged on all Commercial properties. This charge will be based on water consumption of the previous quarter and affected by the strength and volume of waste and a Trade Discharge Factor.

**EXECUTIVE SUMMARY**
In accordance with S535 of the *NSW Local Government Act 1993* a Council must make a rate or charge by resolution of the Council.

This report is to formally make the rates and charges for the 2016/17 rating year based on the rate pegging limit of 1.80% as determined by The Independent Pricing and Regulatory Tribunal (IPART).

**REPORT DETAIL**
The 2016-2019 Delivery Program (DP) and 2016/17 Operational Plan (OP) which incorporate the Ten (10) Year Long Term Financial Plan, the 2016/17 Revenue Policy and the 2016/17 Schedule of Fees and Charges, were exhibited from Wednesday 4th May to Friday 3rd June 2016.

The Independent Pricing and Regulatory Tribunal (IPART) Chairperson has specified a permissible increase in revenue from Ordinary Rates as prescribed by Section 506, *NSW Local Government Act 1993* of 1.80% for 2016/17. A charge structure applies to water, sewerage and waste management. These charges are not subject to rate pegging.

**BUDGET IMPLICATIONS**
Rates, annual charges and other user charges and fees are important components of Council’s revenue and its ability to provide essential services to its Community. In
2014/2015, 38% of Council’s total revenue was derived from rates and annual charges with a further 19% being derived from grants and contributions.

SUSTAINABILITY ASSESSMENT
Activities and projects outlined in the DP/OP are linked to the themes contained in the Community Vision (CV). The CV has been built on the quadruple bottom line – that is, the pillars of sustainability of economy, community, environment, and civic leadership. The making of the rates and charges underlie the integration of sustainability into Council’s core business as outlined in the DP/OP.

ENGAGEMENT
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a LEVEL 2 impact. To address the requirements of Council’s Community Engagement Strategy and the NSW Local Government Act 1993, Council carried out the following actions:

Councils’ engagement process in this matter involved placing the Revenue Policy and Schedule of Fees and Charges on public exhibition from Wednesday 29 April 2016 to Friday 3 June 2016.

As a component of the engagement process our community was encouraged to access the draft documentation at www.bellingen.nsw.gov.au. Hard copies of the documents were also displayed in the Bellingen Council Administrative Centre foyer and at the Bellingen, Dorrigo and Urunga branch libraries.

ATTACHMENTS
Nil
ALIGNMENT WITH DELIVERY PROGRAM
(CL) CIVIC LEADERSHIP
(CL.1) Council is an organisation that embraces business excellence.
(CL.1.4) Best practice, sustainability principles, accountability and good governance are incorporated in all we do.
(CL.1.4.0) Best practice, sustainability principles, accountability and good governance are incorporated in all we do.

RECOMMENDATION
That the Minutes of the Special Rate Variation Implementation Planning and Policy Committee meeting held on 25 May 2016 be noted and the recommendations endorsed.

EXECUTIVE SUMMARY
This report presents the Minutes of the meeting of the Special Rate Variation Implementation Planning and Policy Committee (SRVIPP) held on 25 May 2016 for the endorsement of Council.

REPORT DETAIL
The minutes of the meeting of the Special Rate Variation Implementation Planning and Policy Committee (SRVIPP) held on 25 May 2016 are provided as attachments to this report and are presented for the endorsement of Council.

In particular the following matters and associated recommendations from the SRVIPP are highlighted:

1. The minutes of the Financial Sustainability Program Board held on 3 May 2016 were noted.
2. The Minutes of the meeting of the Transport Infrastructure Sustainability Program Board held on 3 May 2016 were noted.

BUDGET IMPLICATIONS
The SRVIPP reports on deliberations of the Financial Sustainability Program Board and the Transport Infrastructure Program Board both of which were established as part of the governance arrangements relative to the implementation of the Special Rate Variation.
The Financial Sustainability Program Board reports on productivity initiatives undertaken within Council and quantifies outcomes in terms of either productivity or financial efficiencies. Outcomes achieved are provided in the minutes of these Boards, which are provided as attachments to the SRVIPP business papers.

SUSTAINABILITY ASSESSMENT
The Council Report of 19 February 2014 committed Council to implementing improved project, program and portfolio governance and two new programs relating to expenditure of SRV funds and financial sustainability: The Transport (Road and Bridge) Infrastructure Sustainability Program, and the Financial Sustainability Program.

Council further committed to adopting a portfolio management approach (via the Executive Team) to managing these and other programs through integration with, and enhancement of, Council’s existing Integrated Planning and Reporting Framework.

In the same report it was proposed to establish a new Council committee (with membership to comprise the entire council) to provide the requisite Council oversight and review of the SRV works program. Additionally, oversight of specific programs that relate to financial sustainability, asset management and the transport infrastructure backlog would be provided by the new committee.

ENGAGEMENT
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

The SRVIPP Committee is a whole of council committee.

ATTACHMENTS
10.5.A MINUTES - SRVIPP MEETING 25 MAY 2016
Item: 10.6
Subject: DEPUTY GENERAL MANAGER’S REPORT PROGRESS REPORT
File/Index: Operations Council Reports
Presented by: Matt Fanning, Deputy General Manager Operations

ALIGNMENT WITH DELIVERY PROGRAM
(CL) CIVIC LEADERSHIP
(CL.3) Council is proactive in representing the needs of our community.
(CL.3.3) The principles of social justice underpin our activities and decision making processes.
(CL.3.3.1) Implement the Social Plan.

RECOMMENDATION

That the report be received and noted.

EXECUTIVE SUMMARY

The purpose of this report is to provide information on Council’s performance in relation to services supplied by Council’s Operations Division.

REPORT DETAIL

The following details accomplishments for the month of May 2016 and may also include proposed works for June 2016.

Asset Management and Design Section

Survey: Surveys were undertaken for the following projects:
- Bellingen Main Street entry thresholds, being the 40kph entries for Stage 4 of this project were completed
- Continuation of the survey of Little Pine Creek at Browns Bridge, Valery for waterway calculations to assess potential flood impacts from the new structure
- Survey of Bielsdown Street and the IGA laneway for purposes of addressing draining issues.

Design: Designs were undertaken for the following projects:
- Bellingen Main Street Construction Plans Stage 4 has been completed and forwarded to external landscape design consultants
- Completion of design for Stage 3 Hungry Head Path and Cycleway.
Asset Management:
- As an update, Council has now received the unsealed together with sealed local road network centreline data in association with the road condition rating survey
- ‘Reflect’ (road defect, inspection and maintenance management system) training was conducted in preparation for a rollout from 1 July 2016
- The revaluation of Council buildings and operational land has been commenced
- Request for quotations are being prepared for the replacement of a grader and a pave liner truck
- Plant hire rates for 2016-17 have been established
- Lighting and landscape design for the Bellingen Main Street Project Stages 1 – 4 are in progress.

Road Maintenance
- Bitumen pavement repairs were carried out on:
  - Martells Road, Urunga
  - Darkwood Road, Thora
  - Coramba Road, Megan
  - Deep Creek Bridge approaches on Old Coramba Road, Megan
- Grading operations were completed on:
  - Timboon Road, Bellingen
  - Martells Road, Urunga
- Slashing operations were undertaken on roads in the Deer Vale area.

Bridge Maintenance and Construction
- Continuation of the construction of Stage 3 of the cycleway and path with placement of screw piles for the bridge at Station Creek, Urunga.

Waterfall Way Road Maintenance Council Contract
- Works are nearing completion for the pavement works for Stage 3 of the project at Connells Creek to Fernmount Rehabilitation. Sealing works have been completed with speed limits being reinstated to 100kph.

Road Construction (Roads to Recovery and Special Rate Variation Works)
- Pavement repair works were carried out on:
  - Kalang Road, Kalang
  - Tyringham Road, Dorrigo
  - Old Coast Road, Dorrigo
  - Slingsbys Road, Dorrigo
  - Oak Street, Dorrigo
  - Scotchmans Road, Bellingen
  - Hydes Creek Road, Bellingen.

2015 Flood Repair Progress Report
The project is well established in terms of planning with an overall program documented with works on ground due to finish at the end of May 2017, so that all acquittals and other administrative processes can be completed by the due date of 30 June 2017. The project has been split into 12 packages based on the nature of the restoration works.

Tendering of the first package (ie the Landslip Concept design) has closed and is currently being assessed.

Water and Sewerage

Water

- Eighteen water service and main repairs were completed throughout the Shire
- Operation, maintenance and repairs for water treatment plants and pump stations.

Sewer

- Inspection of various sewer mains with CCTV as part of a new ongoing asset management program
- Cleared various chokes in mains and sewer pumps
- Continuation of the decommissioning of the former Dorrigo Waste Water Treatment Plant
- Operation, maintenance and repairs for water treatment plants and pump stations.

General

- There were 3 companion animals (dogs) seized, with 2 being returned to owners and one re-homed
- Twenty one Penalty Infringements Notices were issued being 13 for parking offences, 6 issued after monitoring Bellingen school zones (which also incurred loss of 2 demerit points) and 2 being issued under the *NSW Companion Animals Act, 1998*
- One dog attack occurred in Bellingen resulting in no injuries. An investigation is continuing with the dog being identified and declared as a menacing dog and incurring a Penalty Infringement Notice
- One abandoned vehicle was impounded
- All tree inspections on Council’s monitoring list were re-inspected
- Twenty Aerated Wastewater Treatment System Survey inspections were undertaken throughout the Shire
- Acid Sulphate Management Plan – Station Creek and Pipeclay Creek with associated works for the construction of Urunga cycleway and path
- Securing a Fisheries Permit for works at Pipe Clay Creek Bridge as part of the construction of Urunga cycleway and pathway
- Twenty tree inspections were undertaken with 6 in Bellingen, 2 in Raleigh, 1 in Urunga, 1 in Dorrigo and 10 in Gleniffer area.

Land Information Service

- Preparation of revised addresses for the Pacific Highway change to Giinagay Way with 151 of 152 being calculated in preparation for advising property owners. Assistance from Nambucca Shire Council has been sought to determine the one remaining address
- Council roads have been mapped as part of Council's Local Roads assessment project with 350 of 400 being completed. Council is awaiting the final data to be supplied for the remaining roads
- Ongoing processing of subdivision registrations in Council’s Civicview Land Information System.
Development Applications
The attachments to this report provide a summary of the types of development applications Council is receiving, the average processing time for each month, the average processing time for the financial year, and the number of applications determined per month.

The attached charts provide data for the current and previous financial years, which enables comparison between months and also comparison with the previous year.

Types of Development
The types of development listed in the DA Summary Table are described as follows:

Residential development includes new dwellings, alterations and additions including swimming pools, carports and all other structures on a residential block, multi-dwelling and dual occupancy developments.

Industrial/commercial development includes new buildings, alterations and additions to existing buildings and tourist accommodation.

Mixed development is a combination of residential and commercial uses. Other developments include community facilities, development other than residential in rural areas (e.g. farm shed), infrastructure and any other development not categorised above.

Subdivision includes new subdivisions, boundary adjustments, lot consolidations and community title lot creation.

DA Processing times
The gross processing time is the actual number of days elapsed from when the application was lodged to when the application was determined. The gross times do not take into account the “stop the clock” procedures which enable Council to put an application on hold when waiting for additional information.

The net processing time is the number of processing days that have elapsed since the application was lodged to when the application was determined. Under the stop the clock system, the days an application is put ‘on hold’ in order to allow applicants time to provide additional information, are not counted as processing days. The current target for the processing of development applications is to meet and exceed industry benchmarks, currently set at 71 days (mean gross DA determination time).

This is provided for in the NSW Department of Planning and Infrastructures Local Development Performance Monitoring.

The Department of Planning regularly monitors the performance of the NSW planning system to ensure it is operating as efficiently and effectively as possible for the public, for small and large-scale developers and for industry professionals such as council planners and sets the industry standards in this regard. Council’s net determination times are currently on target.
## Development Application Listing – Bellingen Shire Council

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<thead>
<tr>
<th>Application Reference</th>
<th>Application Description</th>
<th>Value of Application</th>
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<td>Use of Dwelling Additions and Building Certificate</td>
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<tr>
<td>2016/DA-00007</td>
<td>Dwelling</td>
<td>$ 185,000</td>
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<tr>
<td>2016/DA-00013</td>
<td>Dwelling Alterations, Secondary Dwelling and Demolition of Shed</td>
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<td>Replace Existing Sign with Business Identification Signage</td>
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<td>2016/DA-00020</td>
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<td>Dwelling Alterations and Additions</td>
<td>$ 325,000</td>
</tr>
<tr>
<td>2016/DA-00043</td>
<td>Dwelling Addition (Replace Patio Roof)</td>
<td>$ 12,000</td>
</tr>
<tr>
<td>2016/DA-00044</td>
<td>Dwelling Alteration (infill under house)</td>
<td>$ 19,750</td>
</tr>
<tr>
<td>2016/DA-00056</td>
<td>Demolish and Removal of Existing Dwelling</td>
<td>$ 17,800</td>
</tr>
</tbody>
</table>

**No of Applications: 14**

**Total Value**: $1,112,650

A Development Application Summary table as shown in Attachment A to this report, details historical and current data of the applications determined with average processing times.
BUDGET IMPLICATIONS
The outlined works are within the current annual operating plan or subject to flood damage applications.
SUSTAINABILITY ASSESSMENT
All economic, environmental and social impacts are managed on a project by project basic.

ENGAGEMENT
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a LEVEL 1 impact. (e.g. Level 1 – High Impact Shire wide). As this is a regular monthly information report, any specific engagement activities are highlighted in the body of the report.

ATTACHMENTS
10.6.A Development Application Summary for Month of May 2016
ALIGNMENT WITH DELIVERY PROGRAM
(CL) CIVIC LEADERSHIP
(CL.2) Our community is informed and engaged with a strong sense of civic leadership.
(CL.2.3) We are proactive in supporting, through representation and celebration, the needs and desires of the community.
(CL.2.3.0) We are proactive in supporting, through representation and celebration, the needs and desires of the community - Other Activities.

RECOMMENDATION
1. That this report be received and noted.
2. That a submission be provided to the NSW Government regarding Joint Organisations, as outlined in this report.

EXECUTIVE SUMMARY
Reports have been progressively provided to Council regarding the Fit for the Future Local Government Reform Process being undertaken by the NSW Government which has been underway across the local government sector since 2011. Most recently this included November 2015, February 2016, March 2016 and May 2016.

This report addresses the Fit for the Future reassessment process, as well as Joint Organisations.

In terms of the reassessment process this report outlines that the NSW Office of Local Government has now published the assessment criteria and template for completion by Council, as well as a submission date of July 29 2016. Now that this guidance is to hand, Council staff will complete the template and a further report will be provided to Council in July 2016 to satisfy the requirements of the NSW Government.

In terms of regional collaboration, this report outlines that the Fit for the Future Reform process included the establishment of pilot Joint Organisations of Councils in late 2014.

Joint Organisations are seen by the NSW Government as a key part of achieving strong modern local government, to provide a forum for local councils and the state to work together on key issues that cut across traditional council boundaries such as jobs education roads and transport.

A mid pilot report was released in July 2015 which anticipated an evaluation report and final JO model in early 2016 to inform Cabinet and Bill processes in the second quarter of 2016 with implementation planned from the start of the next local government term, from September 2016.
On 8 June the Minister for Local Government, the Hon. Paul Toole issued a media release as well as an Overview and Background Paper detailing the proposed operational arrangements for Joint Organisations, seeking feedback by 15 July 2016.

This report provides an overview of the Joint Organisation discussion paper and proposes that a submission be forwarded to the NSW Government.

REPORT DETAIL

1 FIT FOR THE FUTURE REASSESSMENT PROCESS

Council considered report 10.9 Fit for the Future Update – March 2016 at its March Ordinary Meeting. An extract from that report is shown below.

“On 18 December 2015 Council received a final determination in the matter from the NSW Government which indicated that Council would stand alone and be a member of a Joint Organisation, and that opportunity would be provided for a reassessment against the FFF ratios.

An extract from the NSW Government’s website provides the following information as follows:

“Councils that did not perform well in the financial, asset management or efficiency benchmarks in the IPART assessment will have a second opportunity to obtain ‘Fit for the Future’ status and gain access to the TCorp borrowing facility. There will also be an opportunity for Far West councils to undertake a Fit for the Future assessment. More details will be released in early 2016. Your council’s Relationship Manager will be available to discuss these options with you”

<table>
<thead>
<tr>
<th>KEY DATES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2016</td>
<td>More details on Fit for the Future options released</td>
</tr>
<tr>
<td>February</td>
<td>Re-assessment guidelines issued</td>
</tr>
<tr>
<td>March-April</td>
<td>Pre-assessment workshops</td>
</tr>
<tr>
<td>May</td>
<td>Revised improvement plans lodged</td>
</tr>
<tr>
<td>June</td>
<td>Re-assessment of revised plans</td>
</tr>
</tbody>
</table>

Council has now been provided with documentation relative to the reassessment process. The information package indicates that Councils submission is due on 29 July 2016. At the time of writing the requirements for reassessment are being analysed. A Councillor Workshop has been scheduled for 13 July and a report will be presented to Council at the July Ordinary meeting.
2 JOINT ORGANISATIONS

Overview
The Fit for the Future Reform process included the establishment of Pilot Joint Organisations of Councils (JO) in late 2014.

Joint Organisations are seen by the NSW Government as a key part of achieving strong modern local government, to provide a forum for local councils and the state to work together on key issues that cut across traditional council boundaries such as jobs, education, roads, and transport.

A mid pilot report was released in July 2015 which anticipated an evaluation report and final JO model in early 2016 to inform Cabinet and Bill processes in the second quarter of 2016 with implementation planned from the start of the next local government term, from September 2016.

On 8 June the Minister for Local Government, the Hon. Paul Toole issued a media release as well as an Overview and Background Paper detailing the proposed operational arrangements for Joint Organisations, seeking feedback by 15 July 2016.

The information released by government included the following:

*The NSW Government is inviting feedback on the proposed Joint Organisation framework which will “transform the way state and local governments collaborate”. The Minister for Local Government has said,*

“Joint Organisations are a crucial part of the NSW Government’s plan to revitalise and strengthen regional NSW by improving the way councils and the government plan and deliver on key regional priorities such as jobs, education, transport and water supplies”.

“Through the proposed model, Joint Organisations will also help councils provide better services and infrastructure to their communities by sharing resources, lowering costs and reducing red tape."

“Across the state, pilot Joint Organisations are already improving freight transport in the Riverina, tackling youth unemployment in the Illawarra, attracting agricultural investment in the Namoi, prioritising infrastructure investment in Central NSW and growing the tourism industry in the Hunter”.

“The pilots have been so successful that, in response to demand, the NSW Government will soon call for Expressions of Interest for two early starter Joint Organisations that will support the wider implementation of the model across regional NSW”.

Background
The Fit for the Future update report to the March 2016 Ordinary meeting provided a summary overview of progress to date and dealt with the Review of reporting and compliance burdens on local government (which was reported to the February Ordinary Meeting of Council), the phase one review of the NSW Local Government Act 1993 and specifically Joint Organisations. An extract from the March 2016 report regarding Joint Organisations is as follows:
Bellingen Shire Council in conjunction with the other member Councils of the proposed North Coast Organisation (JO) - Coffs Harbour City, Nambucca Shire and Clarence Valley Councils, since late 2013 have been pursuing participation in the Pilot JO Program.

To date the Councils have been unsuccessful in securing the opportunity to establish a Pilot Joint Organisation, however, Council is advised that another opportunity to apply may be possible in the near future.

In this context and with the objective of strengthening the Councils’ EOI for the proposed North Coast JO, a review of the original submission has been undertaken in the event that the NSW Government does offer a further opportunity to be involved in a pilot process.

The EOI focuses on the key State Government strategic objectives for JOs as well as the Councils’ agreed strategic priorities. Therefore initial priorities of the work plan are:

- Ten Year Regional Community Strategic Plan
- Strategic Regional and Sub-Regional Land Use Planning Framework
- Regional Voice - Intergovernmental Relations and Regional Advocacy
- Strategic Regional Waste Management Planning
- Regional Alliance of Local Government Water Utilities
- Regional Infrastructure Planning and Management
- Assessment Framework for Potential Shared Service Provision

Councils resolution in the matter was as follows:

MOVED (Cr Klipin/Cr Harrison)
That Council
1 receive and note this update in terms of the Fit for the Future reform process.
2 endorses the intent of the attached updated North Coast Joint Organisation expression of interest for submission to the Minister for Local Government when the next opportunity arises

For: Cr King, Cr Klipin, Cr Scott, Cr Troy and Cr Harrison.
Against: Cr Carter

Discussion
The Background Paper and general information regarding the development of the JO model is attached to this report as is a summary overview of the JO discussion paper.

The deadline for submissions is 15 July 2016. As such this report provides a summary overview and anticipates the subsequent compilation of a submission to Government in the matter by the due date, reflective of the issued contained within this report. The submission will be circulated to Councillors out of session for input and feedback prior to final submission.

The key provisions of the JO proposal are as follows:

1 JO core functions will be embedded in legislation and include strategic planning and priority setting, intergovernmental collaboration, and regional leadership and advocacy.
2. JO’s can have optional functions such as service delivery and capacity building. These will be enabled but not prescribed by legislation.

3. Mayors of member councils will sit on the JO Board for their term of office.

4. General Managers of member councils will advise and contribute to the JO Board.

5. The JO Board will appoint its own Chair.

6. There will be equal voting rights between members and no casting vote for the Chair.

7. Additional councillors may be appointed to the JO Board, provided representation remains equal among councils.

8. The NSW Government representative (Regional Coordinator of the Dept. of Premier & Cabinet) will be an associate (non-voting) member.

9. Other organisations such as county councils and cross-border partners may be associate (non-voting) members.

10. In terms of boundaries the JOs will be established by proclamation and demonstrate a strong community of interest between member councils and will be based around a regional centre, where possible, and big enough to form strong partnerships.

11. The JOs will each receive $300,000 seed funding from the NSW Government and will employ an Executive Officer under a standard contract and other staff under the Local Government (State) Award. JO’s will be able to apply for grants and generate income to help fund ongoing operations.

The Background Paper answers some previous queries concerning the relationship between the JO and the member councils. For instance:

1. Notwithstanding the nominated JO core functions, member councils will still undertake local strategic planning, collaboration, leadership and advocacy and may have individual relationships with the State on all of these matters.

2. As separate legal entities, JOs will be able to carry out functions such as tendering, entering into contracts, applying for grants, employing staff and undertaking regulatory functions on behalf of member councils.

3. JO Board members will not be paid sitting fees. Instead, to recognise the important role of Mayors on JO Boards, it is proposed that a one-off increase to the Mayoral fee be considered as part of the councillor remuneration review.

4. In terms of financing JOs it is proposed that member councils fund the ongoing core functions of the JO with contributions based on a formula negotiated by each JO.
Brief commentary is provided hereunder:

1. The key issue for NSW Councils is financial sustainability. The JO’s nominated core functions do not directly respond to this priority.

2. The documentation indicates that the NSW Government will provide seed funding for the establishment of JO’s and opportunities for grant funding for ongoing operations. This provides uncertainty in terms of ongoing costs.

3. The proposal for equal voting rights between members is supported and was the basis for the JO discussions held previously by the councils slated for the North Coast JO ie Clarence Valley, Coffs Harbour, Bellingen and Nambucca.

4. There remains uncertainty around the future membership of the North Coast JO particularly in the context of the establishment of the North Coast Council ie the former councils of Great Lakes, Greater Taree and Gloucester.

5. A per capita based funding model is preferred.

6. In terms of risk, whilst the NSW Government’s independent evaluation of the five pilot Joint Organisations seems to be very positive in terms of their benefits, some potential risks are outlined in the discussion section of this report.

**BUDGET IMPLICATIONS**

There are no budgetary implications in relation to the preparation of this report. The ongoing costs of supporting a Joint Organisation will only be known once the membership, form and funding base is confirmed by the NSW government.

**SUSTAINABILITY ASSESSMENT**

In progressing through the Fit for the Future reform process, and any review of the Long Term Financial Plan, Council will continue to take an holistic, balanced and pragmatic view about what is best for council and its community that considers the impacts of the proposed reforms on our towns businesses and residents.

**ENGAGEMENT**

The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regard to the community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a LEVEL 3 impact.

To address the requirements of Councils Community Engagement Strategy and the NSW Local Government Act 1993, the following is of relevance:

1. Reports have been progressively provided to Council regarding the Fit for the Future Local Government Reform Program being undertaken by the NSW Government. Most recently this included November 2015, February 2016, March 2016, and May 2016.
2. Detailed information has been provided on Council's website regarding the Fit for the Future program along with engagement with key stakeholders such as local Chambers of Commerce.
3. Council has regularly issued media releases and included information in its newsletter.
4. Bellingen Shire Council staff have been regularly briefed regarding the Fit for the Future process.
5. Detailed engagement has been undertaken between the Council's slated for the North Coast Joint Organisation since 2014.
6. Council has participated in briefings from the NSW government post the Government's announcements relative to the IPART assessment.

ATTACHMENTS
10.7.A NSW OLG, BACKGROUND PAPER, JOINT ORGANISATIONS - TOWARD A NEW MODEL FOR REGIONAL COLLABORATION
10.7.B NSW OLG, JOINT ORGANISATIONS - TOWARD A NEW MODEL FOR REGIONAL COLLABORATION, JUNE 2016
ALIGNMENT WITH DELIVERY PROGRAM

(CL) CIVIC LEADERSHIP
(CL.1) Council is an organisation that embraces business excellence.
(CL.1.1) Financial sustainability is maintained through effective short and long term financial management.
(CL.1.1.0) Financial sustainability is maintained through effective short and long term financial management - Other Activities.

RECOMMENDATION

That the report indicating Council’s investment position as at 31 May 2016 be received and noted.

EXECUTIVE SUMMARY

The purpose of this report is to inform Council about the cash and investment funds held as at 31 May 2016.

REPORT DETAIL

This report has been completed in accordance with the NSW Local Government Act 1993 and Clause 212, NSW Local Government (General) Regulation 2005 which requires monthly reporting to Council.

Investment and Cash Position

Council’s total investment and cash position as at 31 May 2016 was $33,384,478. Investments earned interest of $92,273 for the month of May 2016. The graph below depicts the monthly movement for the current financial year and the two prior financial years.
**SCHEDULE OF CASH AND INVESTMENTS**

This report is at 31 May 2016

<table>
<thead>
<tr>
<th>Institution</th>
<th>Reference</th>
<th>Rating</th>
<th>Maturity Date</th>
<th>Rate</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMP Bank Ltd</td>
<td>18782</td>
<td>A1-A2</td>
<td>15/11/2016</td>
<td>3.00%</td>
<td>2,000,000</td>
</tr>
<tr>
<td>AMP Bank Ltd</td>
<td>NEW</td>
<td>A1-A2</td>
<td>23/05/2017</td>
<td>3.00%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Bankwest</td>
<td>4448657</td>
<td>A1+</td>
<td>12/07/2016</td>
<td>3.00%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Bankwest</td>
<td>4357613</td>
<td>A1+</td>
<td>27/06/2016</td>
<td>3.00%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Bankwest</td>
<td>4449229</td>
<td>A1+</td>
<td>13/07/2016</td>
<td>3.00%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Bankwest</td>
<td>4441977</td>
<td>A1+</td>
<td>23/05/2016</td>
<td>3.00%</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Heritage Bank</td>
<td>17985</td>
<td>A2-A3</td>
<td>13/09/2016</td>
<td>3.20%</td>
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</tr>
<tr>
<td>ING Bank</td>
<td>191236</td>
<td>A2-A3</td>
<td>02/03/2017</td>
<td>3.10%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>ME Bank</td>
<td>79652</td>
<td>A2-A3</td>
<td>17/08/2016</td>
<td>2.90%</td>
<td>2,000,000</td>
</tr>
<tr>
<td>ME Bank</td>
<td>79652</td>
<td>A2-A3</td>
<td>17/08/2016</td>
<td>2.90%</td>
<td>2,000,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10302683</td>
<td>A1+</td>
<td>06/06/2016</td>
<td>3.00%</td>
<td>2,500,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10313776</td>
<td>A1+</td>
<td>20/06/2016</td>
<td>3.09%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10334411</td>
<td>A1+</td>
<td>20/06/2016</td>
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<td>1,000,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10338886</td>
<td>A1+</td>
<td>04/11/2016</td>
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<tr>
<td>National Australia Bank</td>
<td>10340162</td>
<td>A1+</td>
<td>14/11/2016</td>
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</tr>
<tr>
<td>National Australia Bank</td>
<td>10302671</td>
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<td>02/09/2016</td>
<td>2.99%</td>
<td>800,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10310111</td>
<td>A1+</td>
<td>04/07/2016</td>
<td>3.07%</td>
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<tr>
<td>National Australia Bank</td>
<td>15-633-0241 floating rate TD</td>
<td>A1+</td>
<td>06/10/2016</td>
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</tr>
<tr>
<td>National Australia Bank</td>
<td>10318934</td>
<td>A1+</td>
<td>08/08/2016</td>
<td>3.04%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10344787</td>
<td>A1+</td>
<td>09/09/2016</td>
<td>3.00%</td>
<td>500,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10289646</td>
<td>A1+</td>
<td>08/07/2016</td>
<td>3.09%</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Police &amp; Nurses Bank</td>
<td>BBB</td>
<td></td>
<td>16/12/2019</td>
<td>4.00%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Rural Bank</td>
<td>10584581</td>
<td>BBB</td>
<td>03/03/2017</td>
<td>3.05%</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Rabobank</td>
<td>AA2</td>
<td></td>
<td>09/12/2019</td>
<td>4.10%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Westpac Bank</td>
<td>COUPONSC-SYD-2060331 *</td>
<td>A1+</td>
<td>07/09/2016</td>
<td>3.71%</td>
<td>2,000,000</td>
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<tr>
<td>Westpac Bank</td>
<td>COUPONSC-SYD-1745052 *</td>
<td>A1+</td>
<td>02/12/2020</td>
<td>3.32%</td>
<td>1,000,000</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td>3.15%</td>
<td>31,300,000</td>
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<tr>
<td>BankWest at call</td>
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<td>A1+</td>
<td></td>
<td>2.25%</td>
<td>800,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>082551 751758242</td>
<td>AA-</td>
<td></td>
<td>1.05%</td>
<td>304,306</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>082469 509559042</td>
<td>AA-</td>
<td></td>
<td>0.10%</td>
<td>956,116</td>
</tr>
<tr>
<td>BananaCoast Credit Union</td>
<td>704328 84146</td>
<td>unrated</td>
<td></td>
<td>0.10%</td>
<td>24,056</td>
</tr>
<tr>
<td><strong>TOTAL CASH</strong></td>
<td></td>
<td></td>
<td></td>
<td>0.42%</td>
<td>2,084,478</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENTS &amp; CASH</strong></td>
<td></td>
<td></td>
<td></td>
<td>2.84%</td>
<td>33,384,478</td>
</tr>
</tbody>
</table>
Net Return on Investments

Council’s monthly net return on Term Deposits annualised for May of 3.15% outperformed the 90 day Bank Bill Swap Rate of 2.01%. On 3 May 2016 the Reserve Bank of Australia dropped the cash rate to a historical low of 1.75%, due in part to the low inflation rate.

Weighted Average Interest Rate / Budget Interest Rate

The following graph reports the Weighted Average Interest Rate compared to the interest rate used for budgetary purposes in the Long Term Financial Plan. The weighted average interest rate for the month of May 2016 was 3.00% while the interest rate used for budgetary purposes in 2015/16 was also 3.00%.

* A Coupon Select deposit is a tailored term deposit, designed to enable investors a tailored fixed interest rate for one period and a floating rate incorporating a spread over the market variable rate for another period. Interest is paid quarterly and the end investment maturity date is shown in the Financial Institution column.

I certify that the investments listed in this schedule have been made in accordance with the provisions of the Local Government Act, 1993, Local Government (General) Regulation 2005 and Council's Investment Policy.

Chris Hodge
Chief Financial Officer
Date: 31 May 2016
Compliance with Investment Policy

Investments are limited to those allowed by the current Ministerial Investment Order issued by the NSW Minister for Local Government. In line with the Order, Council’s current investment strategy provides the framework for investing Council’s funds:

1. at the most favourable rate of interest available;
2. whilst having due consideration of risk and security for that investment type; and
3. ensuring that Council’s liquidity requirements are met.

Preservation of capital is the principal objective of the investment portfolio. Therefore, investments are placed in a manner that seeks to ensure security and to safeguard the portfolio. The investment portfolio is managed with care, diligence and skill that a prudent person would exercise. With this in mind investments are expected to achieve a market average rate of return in line with the Council’s risk tolerance.

Due to the Global Financial Crisis the Federal Government currently supports a Government Guarantee on certain investments of $250,000 per institution. All investments are limited to Australian Authorised Deposit Taking Institutions (ADTI’s) that provide the Government Guarantee and that are allowed under the Ministerial Investment Order.

In May 2015, Council adopted the updated version of the Investment Policy, which contains a number of parameters around investments that are designed to mitigate risk. A discussion of the risk mitigation requirements is set out below.

Total Portfolio Investment Limits

The Investment Policy’s Risk Management Guidelines set out the maximum portions of the total portfolio that can be invested within each level of credit rating. This is a risk management measure to ensure that all deposits are made with Authorised Deposit Taking Institutions with an investment grade credit rating, and is compliant with the Ministerial Investment Order and the Banking Act 1959.
Individual Institution Limits

In another measure to mitigate risk, the Investment Policy sets limits to the total amount that can be held with individual institutions. This ensures that the portfolio is diversified in case of an institution collapsing. While the Government Guarantee of $250,000 still applies, it is limited to $250,000 per institution, not per product.

Grandfathering Provisions

Under the Investment Policy, any investment that is currently held in the portfolio that does not meet the new policy requirements will be held to maturity.

Table 1: Compliance with Investment Policy: Total Portfolio Investment Limits

<table>
<thead>
<tr>
<th>Long Term Credit Rating</th>
<th>Short Term Credit Rating</th>
<th>Policy Maximum</th>
<th>Current Holding %</th>
<th>Current Holding $</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>A1+</td>
<td>100%</td>
<td>67%</td>
<td>$22,360,422</td>
</tr>
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<td>A</td>
<td>A1-A2</td>
<td>80%</td>
<td>9%</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>BBB</td>
<td>A2-A3</td>
<td>40%</td>
<td>24%</td>
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</tr>
<tr>
<td>Unrated</td>
<td>Unrated</td>
<td>0%</td>
<td>0%</td>
<td>$24,056</td>
</tr>
<tr>
<td><strong>Total Cash &amp; Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$33,384,478</strong></td>
</tr>
</tbody>
</table>

Table 2: Compliance with Investment Policy: Individual Portfolio Investment Limits

<table>
<thead>
<tr>
<th>Institution</th>
<th>Long Term Credit Rating</th>
<th>Short Term Credit Rating</th>
<th>Policy Maximum</th>
<th>Current Holding %</th>
<th>Current Holding $</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMP Bank Ltd</td>
<td>A</td>
<td>A1-A2</td>
<td>30%</td>
<td>9%</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Banana Coast Credit Union</td>
<td>unrated</td>
<td>unrated</td>
<td>0%</td>
<td>0%</td>
<td>$24,056</td>
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<tr>
<td>Bankwest</td>
<td>AA</td>
<td>A1+</td>
<td>40%</td>
<td>13%</td>
<td>$4,500,000</td>
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<td>A1+</td>
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<td>2%</td>
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<td>Heritage Bank</td>
<td>BBB+</td>
<td>A2-A4</td>
<td>120%</td>
<td>3%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>ING Bank</td>
<td>A</td>
<td>A2-A3</td>
<td>20%</td>
<td>3%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>ME Bank</td>
<td>A</td>
<td>A2-A4</td>
<td>20%</td>
<td>6%</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>AA</td>
<td>A1+</td>
<td>40%</td>
<td>42%</td>
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<tr>
<td>Rural Bank</td>
<td>BBB</td>
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<td>6%</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Police &amp; Nurses Bank</td>
<td>BBB</td>
<td>A2-A3</td>
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<td>3%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Rabobank</td>
<td>AA</td>
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<td>3%</td>
<td>$1,000,000</td>
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<tr>
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<td>AA</td>
<td>A1+</td>
<td>40%</td>
<td>9%</td>
<td>$3,000,000</td>
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<tr>
<td><strong>TOTAL CASH &amp; INVESTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$33,384,478</strong></td>
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BUDGET IMPLICATIONS

There are no budgetary implications at this stage. Interest is reviewed as part of the quarterly budget review process. If during this analysis there is a need for a budget adjustment, details will be provided in the Quarterly Budget Review Report. However, the longer term budgetary implication may impact on council and our long term financial plan if the interest rate continues to be lower than expected.

SUSTAINABILITY ASSESSMENT

Council’s investments are made in accordance with the NSW Division of Local Government’s requirements and term deposits listed in the NSW Local Government Ministerial Order. There are no social or environmental implications.

ENGAGEMENT

The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.
Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a LEVEL 1 impact. To address the requirements of Council’s Community Engagement Strategy and the *NSW Local Government Act 1993*, Council carried out the following actions:

1. Consulted with first and second tier banks.

ATTACHMENTS
Nil
ALIGNMENT WITH DELIVERY PROGRAM

(CL) CIVIC LEADERSHIP
(CL.1) Council is an organisation that embraces business excellence.
(CL.1.4) Best practice, sustainability principles, accountability and good governance are incorporated in all we do.
(1.4.0) Best practice, sustainability principles, accountability and good governance are incorporated in all we do. - Other Activities.

RECOMMENDATION

That Council resolve to adopt the Office of Local Government (OLG) Model Code Of Conduct for Local Councils in NSW.

EXECUTIVE SUMMARY


This amendment is complemented by an amendment to clause 4.29 of the Model Code of Conduct for Local Councils in NSW which also commenced on 13 November 2015.

Subsequently Council should amend its adopted Model Code of Conduct to reflect the amendments as included in the OLG Model Code of Conduct for Local Councils in NSW November 2015.

REPORT DETAIL

The amendment to the Local Government Act 1993 made by the Local Government Amendment (Councillor Misconduct and Poor Performance) Act 2015 is complemented by an amendment to clause 4.29 of the Model Code of Conduct for Local Councils in NSW which also commenced on 13 November 2015.

The amendment will mean that councillors with significant non-pecuniary conflicts of interests in the making, amendment, alteration or repeal of an environmental planning instrument applying to the whole or a significant part of their local government area will no longer be permitted to participate in consideration of those matters unless:

- the only interests affected by the changes relate to the interest a person (e.g. a close friend or affiliate of a Councillor) has in their principal place of residence; and
- the Councillor has disclosed the affected interests.
The amendments to the NSW Local Government Act 1993 referred to are designed to:

- More effectively deter and address Councillor misconduct
- Streamline the process for dealing with Councillor misconduct to ensure faster but fair outcomes
- Promote community confidence in Council planning decisions
- Remove impediments to effective action in response to serious corrupt conduct
- Maximise the effectiveness of Performance Improvement Orders issued by the Minister to a Council
- More effectively address Council maladministration

**BUDGET IMPLICATIONS**
There are no budgetary implications identified in this report.

**SUSTAINABILITY ASSESSMENT**
There are no direct economic or environmental implications in this report but there are social benefits in facilitating community confidence in Council conduct.

**ENGAGEMENT**
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire Council takes towards engaging with our community.

Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a Level 3, Lower Impact Shire Wide. The minor changes which have been made from the previous code of conduct have been done so to help councils get on with the core business of servicing their communities and so the adoption of the *Model Code of Conduct for Local Councils in NSW* November 2015 is intended to deliver engagement outcomes.

**ATTACHMENTS**
10.9.B OLG Circular to Councils Commencement of the Local Govt Amendment
QUESTION WITH NOTICE

From: Cr. Gordon Manning [Cr.Gordon.Manning@bellingen.nsw.gov.au]
Sent: Wednesday, 15 June 2016 3:16:40 PM
To: CouncillorRequests
Subject: Question with notice..

Hopefully, the following will be received in time for the June meeting..

Question with notice.
1) What is the costing that Council uses for re-sheeting a gravel road?
2) What is the costing that Council uses for a reseal of a Bitumen road?
3) For the years 2013, 14, 15 and 2016 what was the expenditure, and Kms covered for gravel road re-sheeting and reseal of Bitumen roads?
4) What is the proposed Budget for above for the next 3 Years?

Thankyou
Gordon Manning

Sent from my iPad

RESPONSE

In response to the Questions posted above I provide the following in numerical order:

1) What is the costing that Council uses for re-sheeting a gravel road?

The costs used in the budget development are approximately $6,850 for every 250m long x 5m wide section of pavement with a gravel re-sheet thickness of 50mm. This figure will change depending on haulage distance for gravel and cost of gravel etc.

2) What is the costing that Council uses for a reseal of a Bitumen road?

The budget figures to calculate road reseal is between $4 - $6 per square metre for a C170 bitumen single coat seal. This rate however, depends on the individual seal design which is required to be calculated for every section of road to be resealed. A sand patch texture test is first conducted with these results forming the basis of the seal design calculation.
3) For the years 2013, 14’15 and 2016 what was the expenditure, and Kms covered for Gravel road re-sheeting and reseal of Bitumen roads?

Part 14 (1) of the Bellingen Shire Council Code of Meeting Practice States:
"The Council must not transact business at a meeting of the council

a) unless a councillor has given notice to the General Manager in writing by 14 days preceding the meeting."

This provision allows for the compilation of a response including research, review of information etc.

This Notice of Motion was not provided 14 days preceding the meeting, but in the interest of addressing the issues raised the majority of matters have been addressed in this response. This question requires further review and was not able to be completed in time for publication of this Business Paper or consideration by Council. Therefore a response will be circulated to Councillors separately.

4) What is the proposed Budget for above for the next 3 Years?

The minimum proposed budget for resealing is $800,000/year.
The minimum proposed budget for gravel re-sheeting is $600,000/year.

This is reflected in Council’s Long Term Financial Plan and 2016/17 budget.

Allocations are annually reviewed and considered as part of the routine budget process in the context of priority works. Moving forward this will also be informed by the road pavement condition assessment currently being undertaken.

ATTACHMENTS
Nil
QUESTION ON NOTICE

From: Cr.Gordon Manning [Cr.Gordon.Manning@bellingen.nsw.gov.au]
Sent: Wednesday, 15 June 2016 11:57:21 AM
To: CouncillorRequests
Subject: Question on notice..

Hopefully this will be received in time for the June meeting.

Question on notice.

Council often mentions that 50% of the Shire is unrated. One would assume that most of that are is State Forest or National Park.

How much does Council spend per annum on road upkeep and other other activities within the area where no rates are paid? This excludes areas within the towns where no rates are paid by Churches etc.

Thankyou
Gordon Manning

Sent from my iPad

RESPONSE

Roads which are located within the State Forests and National Parks are not the responsibility of the Council and as such the Council does not maintain these roads and use its resources and funds on these roads. Council may perform private works on these roads at the request of other government agencies.

Notwithstanding this Councils infrastructure is impacted by these entities as products and services are transported along the Councils road infrastructure. No financial contributions are received to assist with the maintenance or renewal of such infrastructure.

ATTACHMENTS
Nil
11 CONFIDENTIAL MATTERS
Nil