Agenda for the Ordinary Council Meeting

Date: 27 July 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.
## 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 ........................................................................................................................................... 9 |
| 2 | DECLARATION OF PECUNIARY AND NON PECUNIARY INTEREST ........................................... 9 |
| 3 | MINUTES ............................................................................................................................................... 9 |
| 4 | MATTERS ARISING .................................................................................................................................. 9 |
| 5 | PUBLIC ACCESS/PRESENTATIONS ...................................................................................................... 9 |
| 6 | RESILIENT ECONOMY .......................................................................................................................... 10 |
| 6.1 | NEW LEASE AGREEMENT 13 BONVILLE STREET / POMEGRANATE CAFE ........................................... 10 |
| 7 | COMMUNITY WELLBEING ...................................................................................................................... 12 |
| 8 | PLACES FOR PEOPLE ........................................................................................................................... 13 |
| 8.1 | REVIEW OF SECONDARY DWELLING CONTROLS AND INCENTIVE PROGRAM .................................. 13 |
| 8.2 | SHARED RANGER SERVICES AND MACKSVILLE POUND WITH NAMBUCCA SHIRE COUNCIL .......... 27 |
| 9 | LIVING ENVIRONMENT .......................................................................................................................... 30 |
| 9.1 | REQUEST FOR QUOTATIONS FOR THE SUPPLY AND INSTALLATION OF A NEW ULTRAVIOLET SYSTEM FOR BELLINGEN SEWERAGE TREATMENT PLANT ................................................................................................................. 30 |
| 10 | CIVIC LEADERSHIP ............................................................................................................................... 35 |
| 10.1 | DEPUTY GENERAL MANAGER’S REPORT PROGRESS REPORT ......................................................... 35 |
| 10.2 | LOCAL GOVERNMENT REFORM REASSESSMENT PROPOSAL .......................................................... 42 |
| 10.3 | REPORT ON INVESTMENTS AS AT 30 JUNE 2016 ........................................................................... 45 |
| 10.4 | PLANNING PROPOSAL 11 - ADMINISTRATIVE AMENDMENT (BLEP 2010 AMENDMENT NO. 7) ........ 50 |
| 10.5 | NEW LEASE AGREEMENT 9 BONVILLE STREET URUNGA ................................................................. 57 |
| 10.6 | REQUEST FOR TENDER - BELLINGEN SHIRE COUNCIL NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS 2015 RESTORATION WORKS - MAJOR LAND SLIPS CONCEPT DESIGN PACKAGE ......................................................................................................................... 59 |
| 10.7 | DRAFT PROCUREMENT POLICY / COMMUNITY ENGAGEMENT ..................................................... 64 |
| 11 | CONFIDENTIAL MATTERS ..................................................................................................................... 66 |

Nil

Page 8
1 APOLOGIES
Nil

2 DECLARATION OF PECUNIARY AND NON PECUNIARY INTEREST

3 MINUTES
Ordinary Meeting 29 June, 2016

4 MATTERS ARISING

5 PUBLIC ACCESS/PRESENTATIONS
6 RESILIENT ECONOMY

Item: 6.1
Subject: NEW LEASE AGREEMENT 13 BONVILLE STREET / POMEGRANATE CAFE
File/Index: Council Properties (Usage)
Presented by: Brett Hannaford, Governance & Corporate Planning Officer

ALIGNMENT WITH DELIVERY PROGRAM
(RE) RESILIENT ECONOMY
(RE.1) We have meaningful work and vibrant businesses within our community.
(RE.1.1) Our community has a diversity of businesses and new industries.
(RE.1.1.0) Our community has a diversity of businesses and new industries - Other Activities.

RECOMMENDATION

1) That Council enter into a new lease agreement for 13 Bonville St Urunga, rental for the property being $1,083.33 per calendar month including GST.

2) That the renewal option be subject to a market review

3) That the base rent increases be applied annually with CPI (All Groups Sydney).

4) That costs for the preparation of the lease document be at Council expense in accordance with Section 14 (1) of the Retail Leases Act 1994.

EXECUTIVE SUMMARY

This report seeks Council approval to enter into a new lease agreement with the existing tenant currently known as Pomegranate Café.

REPORT DETAIL

Council owns and manages a group of eight shops in the Urunga CBD known as 7-15 Bonville Street, Urunga. Pomegranate Café occupies 34 m² at 13 Bonville Street, see site plan attached.

The terms proposed are a three year lease with a three year option available to the Lessee.

A market rental appraisal was undertaken by a local valuer in late in 2015 which takes into consideration the floor area as well as variables such as street frontage, access and layout.
The recommended rental for the property included a nominal rise from the current rental of $1062 to $1,083.33 per calendar month including GST.

**BUDGET IMPLICATIONS**
The rental income is subject to annual CPI increases for the initial lease period and a review to market rent on 1 July 2018. Council’s Long Term Financial Plan incorporates the CPI increases. Due to the category of business as retail the cost of the preparation of the lease document will be at Council’s expense in accordance with Section 14(1) of the Retail Leases Act 1994.

**SUSTAINABILITY ASSESSMENT**
The Council owned commercial properties in the Urunga CBD provide for the operation of businesses and enhances the business precinct. It is also beneficial to the Council and to the local business sector that tenants occupying the building have security of tenure.

**ENGAGEMENT**
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its meeting of 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 adopting recommendations in this report is appropriately categorised as having a Level 4 impact (i.e. Lower impact – Local) as the facility is a small business governed by the terms of the lease as well as Council regulations. Appropriate Level 4 Impact engagement was undertaken with the current and prospective tenants and the Valuation Agent.

**ATTACHMENTS**
6.1.A Urunga shops Bonville Street site plan.
7 COMMUNITY WELLBEING
Nil
8 PLACES FOR PEOPLE

Item: 8.1

Subject: REVIEW OF SECONDARY DWELLING CONTROLS AND INCENTIVE PROGRAM

File/Index: Strategic Planning (Land Use & Planning)

Presented by: Melanie Green, Strategic Planner

ALIGNMENT WITH DELIVERY PROGRAM
(PP) PLACES FOR PEOPLE
(PP.2) We have a mixture of affordable sustainable housing options for all in our community.
(PP.2.1) There are affordable housing options for all through a diversity of mechanisms including increased public and community housing.
(PP.2.1.1) Execute the priorities and meet the targets contained within the Strategic Landuse Planning Program.
RECOMMENDATION

That Council:

1. Resolves to retain the current development standards for secondary dwellings in Clause 5.4 of the Bellingen Local Environmental Plan 2010.

2. Resolves to implement secondary dwelling incentive program by waiving all Section 94 developer contributions applicable to secondary dwelling development applications and complying development applications for a trial period of 2 years from the 27th of July 2016.

3. Notes that a report on the success of this incentive program proposed in recommendation no. 2 will be prepared and presented to Council 1 month prior to the conclusion of the 2 year waiver period to allow Council the opportunity to reconsider this developer incentive program.

4. Resolves to support the following minor amendments to Section 2.6.4 of the Bellingen Shire Development Control (DCP):

   a) Deletion of Criteria 2.6.4 (a) so that there is no limitation on the number of bedrooms within a secondary dwelling,

   b) Amendment of existing Criteria 2.6.4 (d) to read:
      “If a separate garbage service is proposed to be provided for the secondary dwelling, details of the design and location of the proposed garbage storage area serving the secondary dwelling must be provided as part of the development application”.

   c) Amendment of existing Criteria 2.6.4 (g) to read:
      “For the purpose of calculating Section 94 Developer Contributions, the secondary dwelling shall be viewed as additional bedrooms to the principal residence”.

   d) Inclusion of a note at the end of Clause 2.6.4 to read:
      “Note: Council resolved to waive the requirement for payment of Section 94 contributions in relation to secondary dwelling applications for the 2016-2018 financial years on the 27th July 2016. This waiver may continue beyond this timeframe so it is recommended that you seek advice from Council as to whether or not developer contributions will be charged prior to the lodgement of your application”.

5. Notes that the recommended amendments to Section 2.6.4 of the Bellingen Shire DCP will be incorporated into the revised draft Bellingen Shire DCP that will be prepared as part of the revision of the entire DCP which will be undertaken in 2016.

6. Resolves to make no alteration to the application fees currently applicable to secondary dwelling development applications and complying development applications or to service charges currently payable for secondary dwellings.
EXECUTIVE SUMMARY
Delivery Plan Priority Code PP 2.1.1 of Council’s 2015-2016 Operational Plan requires that Council “explore the implications of amending secondary dwelling standards with a view towards encouraging increased investment in affordable housing stock”. The purpose of this direction is to ensure that Council fulfils its commitment PP.2 of the 2012-2016 Delivery Program.

A review of Council’s current development standards, development controls and fees and charges applicable to secondary dwelling applications has been undertaken and compared to other Councils within the region. The outcome of this review is discussed under the relevant headings in this report. It recommends no change to the development standards within the BLEP 2010 and only minor changes to the development controls contained within the Bellingen Shire Development Control Plan 2010, as it is considered that Council’s standards are practical, reasonable and generally in line with other Councils within the area. However, to improve Council’s developer incentives for secondary dwellings it will be recommended that Council waive Section 94 developer contributions applicable for secondary dwellings for a trial period of 2 years.

REPORT DETAIL
Background
Delivery Plan Priority Code PP 2.1.1 of Council’s 2015-2016 Operational Plan was included in direct response to the Bellingen Affordable Housing group’s written request of 30 January 2015 that Council consider amendments to the Bellingen Local Environmental Plan (BLEP) to increase the maximum floor space size of a secondary dwelling from 60m$^2$ to 100m$^2$ and to increase the number of bedrooms that can be accommodated in a secondary dwelling from 1 to 2. This letter of request is attached at Attachment A.

This letter dated 30 January 2015 was further supported by an additional letter of support dated 9 February 2015. This letter, together with some anecdotal evidence of affordable housing shortage in the Bellingen Shire submitted in support on 20 April 2015, is attached at Attachment B.

The assertion that there is an affordable housing shortage is supported by the findings of the Department of Planning & Environment’s Mid North Coast Residential Submarket Analysis (August 2014), which found that affordability for housing in the Bellingen Local Government Area (LGA) deteriorated between 2007 and 2013. The report noted that this trend is likely to impact on housing market entry availability particularly given the relatively low incomes of most residents/ households in the LGA and that a lack of new dwelling stock and sustained price growth will impact on the opportunities for young households to enter the property market. This is also supported by the Bellingen Shires’ high SEIFA index (Socio-Economic Index for Areas) which places the Shire in the top 3rd of most disadvantaged communities in NSW and in addition 24% of the Shires residents are pensioners.

A conclusion of the analysis is that affordable housing stock will continue to be required to accommodate households in the Bellingen LGA.

Methodology
The review of Council’s secondary dwelling standards has involved the following:
1. An analysis of all development applications and complying development applications for secondary dwellings lodged since commencement of the Bellingen Local Environmental Plan 2010.

2. A comparison of Council’s application fees and developer contributions applicable to secondary dwellings with those of seven other Council’s located within the mid to far North Coast area.

3. A comparison of Council’s current development standards and controls applicable to secondary dwellings with those of seven other Council’s located within the mid to far North Coast area;

**Application data and analysis**

An analysis of all development applications and complying development applications for secondary dwellings lodged since commencement of the Bellingen Local Environmental Plan 2010 is provided as follows.

**Application numbers**

Thirty eight (38) applications for secondary dwelling were received between 1 January 2010 and 1 March 2016. Of these, 28 (74%) were Development Applications and 10 (26%) were Complying Development Applications.

A table outlining secondary dwelling application data in comparison to total numbers of development applications and complying development applications received is provided below:

**Table 1. Secondary Dwelling Application data 2010 – March 2016**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of Secondary Dwelling DA’s lodged</th>
<th>% of total number of DA’s lodged in that year</th>
<th>Total number of Secondary Dwelling *CDC’s lodged</th>
<th>% of total number of CDC’s lodged in that year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1</td>
<td>0.38%</td>
<td>1</td>
<td>5.26%</td>
</tr>
<tr>
<td>2011</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>2012</td>
<td>2</td>
<td>1.06%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>2013</td>
<td>2</td>
<td>1.08%</td>
<td>2</td>
<td>6.66%</td>
</tr>
<tr>
<td>2014</td>
<td>12</td>
<td>6.12%</td>
<td>2</td>
<td>9.09%</td>
</tr>
<tr>
<td>2015</td>
<td>11</td>
<td>5.82%</td>
<td>5</td>
<td>20%</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>2.13%</td>
<td>10</td>
<td>7.29%</td>
</tr>
</tbody>
</table>

*CDC – Complying Development Certificates

**Comment:** Table 1 demonstrates that the number of secondary dwelling applications lodged with Council has increased significantly in the past two years. Secondary dwellings now represent a significant proportion of the complying development applications received by Council.
Of the thirty eight (38) applications lodged with Council, 6 (15.8%) were withdrawn, 31 (81.6%) were approved and 1 is pending.

**Comment:** The high approval rate indicates that compliance with Council’s development standards and controls is achievable in most cases.

**Land Information**

Of the 31 applications approved to date, 19 (61%) were within residential areas (R1 zoned land), 5 were on large lot residential (R5 zoning) properties and 7 were on rural (RU1/RU2) properties.

**Comment:** These figures are encouraging as they demonstrate that the community is becoming more aware of the fact that secondary dwellings are now permissible with consent in certain rural zones. This may be attributed in part to the availability of an updated fact sheet on secondary dwellings (included at Attachment C to this report) on Council’s website.

As the promotion of opportunities for affordable housing appears to be positively related to an increased rate of investment in this type of housing stock, a range of promotional activities will be implemented should Council support this initiative. This will include a media release, publication of the policy in the community newsletter and promotion through means such as the Developers Forum, which is held periodically to update the local development industry on policy changes and development opportunities.

**Building type**

Of the approved secondary dwelling applications, 24 (77%) were new buildings and 7 (23%) involved a change of use of an existing building or structure (including sheds, carports, garages and expanded dwellings) which also involved alterations to enable this conversion.

**Comment:** Reuse and adaption of existing buildings for the purpose of providing affordable housing in the Bellingen Shire is considered to be desirable as it is cost effective, energy efficient and likely to result in a high rental yield.

**Building size**

The majority of the secondary dwellings were less than 60m² with just two over this size. These two applications utilised the 25% of the total floor area of the principal dwelling standard contained within Clause 5.4 of the BLEP 2010. The average size of approved secondary dwellings was 54.45m².

Of the approved secondary dwellings, 28 had one bedroom only, 2 had two bedrooms and 1 had three bedrooms.

**Comment:** These figures indicate that an adaptable one to two bedroom dwelling can easily be designed to have a total floor area of less than 60m².

**Bellingen Shire fees and charges currently applicable for Secondary Dwelling Applications**
The following fees currently apply under Council’s 2016-2017 Fees & Charges for a secondary dwelling with an estimated construction cost of $50,000.

Table 2. Current application fees for secondary dwellings

<table>
<thead>
<tr>
<th></th>
<th>Development application</th>
<th>Complying development application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application fee</td>
<td>$455</td>
<td>$917.24 (DA fee plus 90% of CC fee)</td>
</tr>
<tr>
<td>Building Industry Long Service Levy</td>
<td>$175</td>
<td>$175</td>
</tr>
<tr>
<td>Construction Certificate</td>
<td>$513.60</td>
<td>N/A</td>
</tr>
<tr>
<td>Inspection fees</td>
<td>$675 (for 5 inspections)</td>
<td>$675 (for 5 inspections)</td>
</tr>
<tr>
<td>Total fees (excluding Local Government application fee, Roads Act application fee, notification fees and Section 94 contributions)</td>
<td>$1,818.60</td>
<td>$1,767.24</td>
</tr>
</tbody>
</table>

Section 64 Charges:

Council does not currently charge S64 (Water and Sewer) contributions for secondary dwellings as there is no provision within the Section 64 contribution plan to levy contributions for this development category.

Section 94 Charges:

In accordance with the adopted S94 contribution plans, Council charges Section 94 contributions on a per additional bedroom basis (equivalent to 0.3 persons) basis, rather than on the basis of it being an entirely new dwelling (between 1.6 - 1.9 persons for 1 - 2 bed dwellings). This represents significant savings for people considering constructing a secondary dwelling on their property.

The exact amount of S94 contributions charged for secondary dwellings depends on where the property is located and which catchment area the property falls into under the relevant Section 94 contributions plan.

As of 1 March 2016, S94 contributions have been charged in relation to 21 applications for secondary dwellings. The amount charged ranged from $57.64 to $1,286.82 with a total of $11,131.89 charged to date. The average S94 contribution charged per application was $530.09.

Water and Sewer service charges:
Currently, land owners can opt to share water and sewerage services between the principal residence and the secondary dwelling. If this occurs, no additional water or sewer service charges are payable for the secondary dwelling.

However, if land owners opt to provide separate water meters to each dwelling additional water and sewer charges for the property are payable. The 2016-2017 Schedule of Fees and Charges specifies that the annual charges for each 20mm water service is $122 access charge and $1.71/kL residential usage charge up to 1kL per quarter with higher fees charged per kL thereafter and $911 for a sewerage service.

Garbage service charges:

The 2016-2017 Revenue Policy enables owners of secondary dwellings to nominate whether or not the secondary dwelling is serviced with a full garbage service ($639 per annum), a reduced service or none at all (where bins would be shared with the principal residence). Charges reflect the requested level of service. Prior to adoption of this Revenue Policy full garbage service fee was charged for secondary dwellings.

Rates:

Rates are charged on the unimproved value of a property. No additional rates are payable following construction and occupation of a secondary dwelling.

Comparison of application fees and contribution rates for secondary dwellings

Table 3 outlines whether or not the selected Council charges Section 94 and/or Section 64 contributions for secondary dwelling development applications or complying development applications. It also provides figures sourced from Regional Development Australia’s (2016) Secondary Housing Report, which was undertaken as part of their 2015 Affordable Housing Promotion.

Table 3: Comparison of Mid North and Far North Coast Council fees and charges (March 2016)

<table>
<thead>
<tr>
<th>Council</th>
<th>Contributions applicable</th>
<th>RDA example of average or typical Council charges, including fees and contributions, for a 1 bedroom secondary dwelling ($50,000 build)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellingen Shire Council</td>
<td>S94 contributions payable (calculated for one additional bedroom) only. No S64 fees are charged.</td>
<td>$1,931 (4% of build cost)</td>
</tr>
<tr>
<td>Coffs Harbour City Council</td>
<td>Has waived S64 contributions for secondary dwellings and will charge only the minimum S94 contribution rate for a period of 2 years.</td>
<td>$4,243 (8% of build cost)</td>
</tr>
<tr>
<td>Nambucca Shire Council</td>
<td>No S64 or S94 contributions are charged for a 2 year period from 13/8/15.</td>
<td>$1,778 (4% of build cost)</td>
</tr>
<tr>
<td>Clarence Valley</td>
<td>Do not charge S94 or S64</td>
<td>No information available.</td>
</tr>
</tbody>
</table>
Note: Kempsey Shire Council has however made a resolution to waive developer contributions for all residential development (not just secondary dwellings) in Kempsey & Frederickton only, for a 5 year period, in order to stimulate development in these areas following the highway bypass.

The Regional Development Australia’s Secondary Housing Report for the Bellingen Shire states the following:

*Bellingen Shire is a very affordable area for investors looking at building a one bedroom secondary dwelling. In Bellingen Shire, the council charges for building a one bedroom secondary dwelling (under 60sqm) are currently the most affordable in the (Mid North Coast) region, at around 4% of the build cost…. rental yields for a secondary dwelling in this area could be as high as 15%.*

**Comment:** Table 3 and the RDA’s Secondary Housing Report demonstrate that Bellingen Shire Council’s fees and charges were very reasonable at the time of the report being prepared, particularly when compared to neighbouring Council’s such as the Kempsey Shire. However, waiving the Section 94 fees altogether may provide an added financial incentive for people considering building secondary dwellings in the Bellingen Shire.

### Comparison of Development Standards and Controls for Secondary Dwellings

**Bellingen Local Environmental Plan (BLEP) 2010**

Secondary dwellings are defined in the BLEP 2010 as follows:

**secondary dwelling** means a self-contained dwelling that:

- *(a)* is established in conjunction with another dwelling (the principal dwelling), and
- *(b)* is on the same lot of land as the principal dwelling, and
- *(c)* is located within, or is attached to, or is separate from, the principal dwelling.

Development standards applicable to secondary dwellings within the BLEP 2010 are located within Clause 5.4 and are reproduced as follows:

<table>
<thead>
<tr>
<th>Council</th>
<th>contributions for secondary dwellings.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kempsey Shire Council</td>
<td>Charges S64 and S94 contributions.</td>
<td>$13,284 (27% of build cost)</td>
</tr>
<tr>
<td>Byron Shire Council</td>
<td>Do not charge any S94 or S64 contributions for granny flats.</td>
<td>No information available.</td>
</tr>
<tr>
<td>Greater Taree</td>
<td>S64 water and sewer contributions are charged at 50% of the full rate for 1 bedroom secondary dwellings. No S94 contributions are charged.</td>
<td>$9,159 (18% of build cost)</td>
</tr>
<tr>
<td>Port Macquarie - Hastings</td>
<td>Does not charge S94 or S64 contributions for secondary dwellings under 60m², in accordance with their Development Contributions Assessment Policy.</td>
<td>$2,662 (5% of build cost).</td>
</tr>
</tbody>
</table>
(9) Secondary dwellings
If development for the purposes of a secondary dwelling is permitted under this Plan, the total floor area of the dwelling (excluding any area used for parking) must not exceed whichever of the following is the greater:

(a) 60 square metres,
(b) 25% of the total floor area of the principal dwelling.

Permissibility of secondary dwellings under the BLEP 2010

When the BLEP 2010 was first gazetted, secondary dwellings were only permissible with consent in the residential zones. This was in response to a conditional Section 65 Certificate (provision certifying the exhibition of the draft LEP by the Director General) issued by the Department of Planning & Infrastructure (DPI) which required that secondary dwellings were to be listed as prohibited development in the land use table for zones RU1, RU2, RU4 and R5.

In 2013, Council lodged a planning proposal with the DPI seeking an amendment to the BLEP 2010 to make secondary dwellings permissible with consent in the RU1 Primary production, RU2 Rural Landscape and RU4 Primary Production Small Lots zones. The purpose of this amendment was to enable land owners to facilitate farm succession planning, enabling the retiring parents to continue to reside on the land while accommodating the younger generation on the farm. It also would enable rural property owners to construct small dwellings suitable for use by family members such as older children or grandparents. Furthermore, enabling the construction of secondary dwellings in rural zones would encourage increased investment in affordable housing within the Bellingen Shire.

This planning proposal was approved by the DPI and the amendment was gazetted on 2 of February 2014. Secondary dwellings have been permissible with consent in the R1, R5, RU1, RU2 and RU4 zones since that time.

Bellingen Shire Development Control Plan (DCP) 2010

The development controls applicable to secondary dwellings within DCP 2010 are reproduced as follows:

2.6 Secondary Dwellings

Aim

To confirm standards for secondary dwellings that cannot be approved as complying development pursuant to State Environmental Planning Policy (Affordable Rental Housing) 2009.

Criteria

In circumstances when a secondary dwelling is not able to be approved as “Complying Development” in an R1 or R5 zoning, Council may permit the erection of a secondary dwelling in accordance with the following criteria.

a) The building must only have one bedroom
b) The building must be constructed so as to be adaptable for people with a
disability (as per requirements of Chapter 14 – Equity of Access).

c) There must be a minimum of 25m² private open space (minimum
dimension 4m) allocated to the secondary dwelling, which shall comply
with all other relevant requirements for open space stipulated in Section
2.6.9 of this DCP and shall be suitable for outdoor clothes drying.

d) Details must be provided as to garbage bin storage areas.

e) Where the property has dual frontage to a rear lane, and it is proposed to
access the secondary dwelling from the lane, the secondary dwelling must
be built so as to ensure that it overlooks the lane.

f) Compliance with all other criteria for a single dwelling as listed in Chapter 1
of this DCP.

g) For the purpose of calculating Developer Contributions, the secondary
dwelling shall be viewed as an additional bedroom to the principal
residence.

Comparison of Development Standards and Controls

A comparison of the BLEP and DCP provisions applicable to secondary dwellings in
seven of the neighbouring Shires is provided in the table below.

Table 4. Secondary Dwelling development standards and controls comparison

<table>
<thead>
<tr>
<th>Council</th>
<th>Zonings in which Secondary Dwellings are permissible</th>
<th>Maximum floor area set by Clause 5.4 of the LEP</th>
<th>Other specific development controls in DCP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellingen Shire Council</td>
<td>R1, R5, RU1, RU2, RU4</td>
<td>60m² or 25% of the total floor area (TFA) of the principal dwelling</td>
<td>Refer Section 2.6 of the BLEP 2010</td>
</tr>
<tr>
<td>Coffs Harbour City Council</td>
<td>R1, R3, R4</td>
<td>60m² or 11% of TFA.</td>
<td>None.</td>
</tr>
<tr>
<td>Nambucca Shire Council</td>
<td>R1, R2, R3, R4, RU1, RU2, RU5</td>
<td>60m² or 50% of the TFA.</td>
<td>None.</td>
</tr>
<tr>
<td>Clarence Valley Council</td>
<td>B1</td>
<td>60m² or 18% of the TFA.</td>
<td>Must comply with the building height, setback, landscaping and private open space requirements of Part C of the Residential zone DCP. In addition, Part C23 requires that one covered car parking space is to be provided for the secondary dwelling.</td>
</tr>
<tr>
<td>Kempsey Shire</td>
<td>R1, R3</td>
<td>60m² or 30% of TFA.</td>
<td>None.</td>
</tr>
</tbody>
</table>
**AGENDA**

**ORDINARY COUNCIL**

27/07/2016

---

<table>
<thead>
<tr>
<th>Council</th>
<th>TFA.</th>
<th>Development Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Byron Shire Council</td>
<td>RU1, RU2, RU5, R3</td>
<td>60m² or 35% of TFA.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>D 1.4.1 of the DCP 2014 requires that a 15m² private courtyard is provided for use of the occupants of the secondary dwelling. D 1.4.5 prescribes siting, design and character performance criteria that is to be complied with.</td>
</tr>
<tr>
<td>Greater Taree</td>
<td>RU5, R1</td>
<td>60m² or 43% of TFA.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Part H3.2 of the Greater Taree DCP 2010 requires that secondary dwellings shall be designed to complement the design of the principal dwelling and be subservient to the principal dwelling in terms of visual bulk and scale. Provision must be made for clothes drying facilities in a location with adequate solar access.</td>
</tr>
<tr>
<td>Port Macquarie - Hastings</td>
<td>R1, R3, R4</td>
<td>60m² or 33% of TFA.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Part 2.5.3.23 of the DCP 2013 requires that 1 car parking space is to be provided for the secondary dwelling.</td>
</tr>
</tbody>
</table>

**Comment:** Table 4 demonstrates that the development standards contained within Clause 5.4 of the BLEP 2010 are generally in line with neighbouring Council’s. While the maximum percentage of the total floor area of the principal dwelling specified in subclause 9 (b) is slightly less than the development standard specified by most other Council’s, it is considered that there is no need to vary 9 (a) or (b) as a review of applications submitted to date has revealed that 60 square metres is more than enough floor area to easily accommodate a one or two bedroom dwelling, particularly as verandahs and garages are not included in this calculation. Most secondary dwelling applications had gross floor areas significantly less than 60m².

It should also be noted that secondary dwellings cannot, by definition, be subdivided off from the principle dwelling and that should Council encourage progressively larger secondary dwellings on land then it will miss further opportunity to derive rating income that is proportional to the impact that those larger dwellings have on local services. As previously documented, rates are charged on the unimproved value of a property and no additional rates are payable following construction and occupation of a secondary dwelling.

Furthermore, the development controls specified in Section 2.6.4 of the Bellingen Shire DCP 2010, with the exception of criteria a) and g) are considered to be either consistent with the requirements of other Council’s or justified as discussed below:

a) *The building must only have one bedroom*
Comment: It is considered that this restriction is unnecessary given that the size of the secondary dwelling is already restricted by the maximum floor area development standard within the BLEP 2010. Furthermore, it is not consistent with the development controls set by any of the Council’s listed in Table 1. Not only this, but this limitation restricts variety in affordable housing stock and does not respond to actual housing need.

Recent research undertaken by the Bellingen Neighbourhood Centre, outlined in the Bellingen Affordable Housing Groups letter of 30 January 2015, identified that 43% of people who were seeking accommodation in the area were looking for 2 bedroom dwellings compared with 6% that sought a 1 bedroom dwelling.

It will therefore be recommended that Criteria 2.6.4 (a) be deleted so that there is no limitation on the number of bedrooms within a secondary dwelling.

b) **The building must be constructed so as to be adaptable for people with a disability (as per requirements of Chapter 14 – Equity of Access)**

Comment: It is considered that the requirement for secondary dwellings to be adaptable should be retained. Not only is this in line with Council’s requirements for dual occupancies and multi dwelling housing (Chapter 14 specifies that where there is more than one dwelling in a development at least half of the dwellings shall be adaptable) but it will help to ensure that the affordable housing needs of older people and people with disabilities will be able to be met in the future.

c) **There must be a minimum of 25m² private open space (minimum dimension 4m) allocated to the secondary dwelling, which shall comply with all other relevant requirements for open space stipulated in Section 2.6.9 of this DCP and shall be suitable for outdoor clothes drying.**

Comment: It is considered that the requirement to provide a small area of private open space for the use of the occupants of the secondary dwelling is reasonable and consistent with Council’s requirements for one bedroom dwellings. Furthermore, it is considered necessary in order to provide future occupants with an outdoor area that is adequate in size and shape to enable provision for outdoor clothes drying, vegetable and herb growing, a play area for children and screening planting.

d) **Details must be provided as to garbage bin storage areas.**

Comment: It is considered that this is a reasonable and practical requirement and means that this issue can be considered in the design stage, rather than an afterthought following the construction of the building. The control could, however, be improved to make it more clear and to reflect the options for garbage services in Council’s 2016-2017 Revenue Policy, as follows:

“If a separate garbage service is proposed to be provided for the secondary dwelling, details of the design and location of the proposed garbage storage area serving the secondary dwelling must be provided as part of the development application”.

e) **Where the property has dual frontage to a rear lane, and it is proposed to access the secondary dwelling from the lane, the secondary dwelling must be built so as to ensure that it overlooks the lane.**
Comment: This requirement is in line with the Crime Prevention through Environmental Design guidelines as it allows for passive surveillance of the street. It is therefore considered that this development control be retained.

f) Compliance with all other criteria for a single dwelling as listed in Chapter 1 of this DCP.

Comment: The requirement for secondary dwellings to comply with the criteria specified for single dwellings in Chapter 1 of the DCP ensures that:

- The amenity of the streetscape and adjoining property owners is preserved,
- Potential land use conflict and environmental impact is minimised, and
- The development is served with infrastructure appropriate for its location.

It is therefore considered that this development control be retained.

g) For the purpose of calculating Developer Contributions, the secondary dwelling shall be viewed as an additional bedroom to the principal residence.

Comment: As development control 2.6.4 (a) is proposed to be deleted, this control needs to be reworded so it makes it clear that developer contributions will be charged for each additional bedroom where the total number of bedrooms on the property exceeds three. It is recommended that this control be reworded as follows, with an additional note included to alert proponents to the existence of any fee waivers that may apply from time to time.

“For the purpose of calculating Section 94 Developer Contributions, the secondary dwelling shall be viewed as additional bedrooms to the principal residence”.

Conclusion

This review has revealed that Council’s current incentives program for secondary dwellings has attracted a significant amount of interest and investment, particularly in the past two years. Construction of the thirty one (31) secondary dwellings approved to date is likely to have a significant impact on the availability and affordability of rental housing in the Bellingen Shire in the near future.

However, despite the favourable comparison of Council's development standards, development controls and fees and charges with other Council's in the Mid to Far North Coast area, it is considered that more can be done to encourage investment in secondary dwellings, particularly given the evidence of an affordable housing shortage as discussed in this report.

It is recommended that the restriction on the number of bedrooms that can be provided within a secondary dwelling be deleted from Section 2.6.4 of the DCP 2010. Further, it is recommended that the current requirement to pay Section 94 developer contributions for secondary dwellings be waived for a trial period of 2 years from the date of this meeting, consistent with the approach taken by other Council’s in the area. A report outlining the success of this incentive in attracting secondary dwelling development within the Bellingen Shire will be presented to Council prior to the conclusion of the 2 year period, as outlined in the recommendation to this report.
Other minor amendments to the Bellingen Shire Development Control Plan 2010 are also recommended as discussed in this report.

**BUDGET IMPLICATIONS**

There are no significant budgetary implications arising from the matters discussed in this report other than the loss of a small amount of Section 94 contribution revenue that would be collected from secondary dwelling applications over the next two years. If the current application numbers were to remain the same as 2015 (11 lodged per year), it is estimated that this would equate to a revenue loss of approximately $11,662 over the next two years.

Council will need to undertake an amendment of its Development Control Plan to incorporate the proposed amendments to the secondary dwelling development controls contained within Chapter 2 however, it is expected that this will be undertaken as part of a larger review of the DCP and will therefore not incur additional exhibition expenses in its own right.

**SUSTAINABILITY ASSESSMENT**

The proposed amendments to the DCP will not result in any significant adverse environmental impact. The measures that have been recommended to encourage increased investment in secondary dwelling housing stock are anticipated to have a positive social impact, as a broader range of accommodation options become available in the local housing market.

**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.

Council has however attended a number of meetings arranged by the Bellingen Affordable Housing Group (consisting of community members and representatives of the Bellingen Neighbourhood Centre) to discuss potential options to stimulate an increased amount of housing supply in the Shire. The recommendations in this report will assist with achieving the aims of the Bellingen Affordable Housing Group.

It is not necessary to undertake any additional community engagement regarding the recommendations of this report as this will be undertaken as part of the project to review and revise the Bellingen Shire Development Control Plan 2010.

**ATTACHMENTS**

8.1.A  Bellingen Affordable Housing Letter to Council
8.1.B  Submission received 9 February 2015
8.1.C  Secondary Dwelling Information Sheet
ALIGNMENT WITH DELIVERY PROGRAM
(CW) COMMUNITY WELLBEING
(CW.4) We are connected, safe and healthy with a strong sense of community.
(CW.4.4) Our community is diverse, tolerant and understanding.
(CW.4.4.1) Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified.

RECOMMENDATION
That Council:

1. endorse the sharing of ranger resources and Macksville pound facilities between Nambucca Shire Council and Bellingen Shire Council.
2. authorise the General Manager and the Mayor to sign the Memorandum of Understanding which sets out the operating protocols for the shared ranger and pound facility resources.

EXECUTIVE SUMMARY
Under Council’s organisational structure, the compliance activities associated with companion animals and stock control and parking enforcement are currently provided by two full time equivalent (FTE) ranger resources.

As a result of staffing changes council has been operating for the past 6 months utilising a single ranger supplemented by casual resources. This provided the Council an opportunity to assess its current structure and evaluate any potential operational efficiencies and or opportunities for resource sharing.

The results of this assessment recommended that Council enter into a joint ranger service model with Nambucca Shire Council. This model would share the resource of a Ranger services including the shared use of Macksville Pound. Any sharing arrangement would need to be subject to a written agreement between the two councils.

It has been assessed that the net savings for Bellingen Shire Council for this proposal should be 50% of an FTE plus 50% of a vehicle running and capital costs and the opportunity cost of not having to upgrade the Bellingen pound facility.
REPORT DETAIL

Background

In 2014 a Ranger Services review was undertaken which resulted in the appointment of 2 Rangers on a cost recovery model basis plus the recognition and opportunity for service improvement to the Bellingen Shire community.

Two Rangers were employed between February 2015 and December 2015. Council then encountered resourcing difficulties.

During the past six months the Council has been operating at a reduced capacity involving a single full time equivalent resource and a casual resource as required. This experience has demonstrated that a single FTE position is unable to satisfy the service levels desired by the community, particularly when the officer is absent on leave. That said, data gathered projects no significant change in the total revenue generated by employing two rangers as against a single ranger.

It has however, identified that to have a fully dedicated service a 1.5 FTE staffing level would be required. This has led to the development of a proposal to share a ranger resource with Nambucca Shire Council.

In addition it has been demonstrated that suitable casual resources are difficult to obtain and the pending upgrade required to the Bellingen Shire Pound facility to ensure compliance with the relevant legislation and guidelines further enforced the need to look at other opportunities such as resource sharing. Finally there was an obligation for the council to consider shared servicing arrangements in keeping with the principles of the Shared Services MoU between Bellingen, Kempsey and Nambucca Shire Councils.

Many opportunities were explored with Nambucca Shire Council. Many different scenarios were investigated with the preferred preference being a shared Pound plus Shared Ranger with roster control.

Shared Pound plus Shared Ranger with roster control

A roster would need to be completed to deliver three operational requirements. These being

- That each Council would have a Ranger presence to cover planned leave.
- There would also need to be flexibility to cover unplanned leave.
- Specific program or project works could be planned with the resource.

The obvious benefit is that both Councils would have a Ranger presence to cover most leave.

The disadvantage of such an arrangement is that the employment arrangements for the shared ranger position cannot be shared as only one Council can be the employer.

The employer council is legally responsible for all facets of the employment including remuneration and other conditions, work health and safety, performance management, etc.

In practice it would mean that one Council, presumably the employer Council, would need to take responsibility for preparing the roster, albeit with extensive consultation with the other council. It is unlikely that there will be many instances where the requirements of
each council cannot be accommodated in the roster but the arrangement would rely on good communication and good faith.

Notwithstanding, this sharing arrangement should be the subject of a written agreement between the two councils, covering the matters identified above but also liabilities, for example in the event that one Council wishes to withdraw rendering the incumbent redundant.

It is recommended that the Shared Ranger will be an employee of Nambucca Shire Council and that Nambucca Shire Council will invoice Bellingen Shire Council for the position’s salary as well as on-costs and any overheads and vehicle costs in proportion to the respective hours the Shared Ranger works for each council. In addition it has been recommended that the Shared Ranger will utilise a vehicle owned by Nambucca Shire Council and that Nambucca Shire Council will invoice Bellingen Shire Council for the vehicle use based on the proportion of operating costs attributed to its use in undertaking duties for Bellingen Shire Council. It has also been recommended that the sharing of the Macksville Pound will be costed by companion animal night stay.

**BUDGET IMPLICATIONS**

It is estimated that the net cost saving of the reduction in 0.5 FTE position would be in the order of $50,000 including staff and vehicle costs plus whatever future opportunity costs would have been utilised to upgrade the Bellingen Pound.

In addition local chambers of commerce have raised issues around parking availability. The potential to introduce a wider range of services such as the management of timed parking would provide the Council with the opportunity to respond to such matters.

**SUSTAINABILITY ASSESSMENT**

Adequate resourcing for compliance activities will afford a positive impact on the environment. This can be through animal welfare and regulatory functions such as the investigation of environmental vandalism and little.

**Risk**

The major risks relate firstly to Council’s ability to respond to critical or “high profile” incidents in a timely way. Council faces reputational risks and potential liability if it is unable to respond to incidents such as straying stock and dog attacks in a timely manner. Often these incidents occur on weekends and outside normal business hours.

**ENGAGEMENT**

Engagement has taken place between Nambucca Shire and Bellingen Shire Councils only.

No community engagement was undertaken as this is an operational staffing matter of the Council.

**ATTACHMENTS**

8.2.A Shared Services Agreement with Nambucca Shire Council for Ranger Services
9 LIVING ENVIRONMENT

Item: 9.1

Subject: REQUEST FOR QUOTATIONS FOR THE SUPPLY AND INSTALLATION OF A NEW ULTRAVIOLET SYSTEM FOR BELLINGEN SEWERAGE TREATMENT PLANT

File/Index: Bellingen STP UV Replacement RFQ-15-01

Presented by: Craig Salmon, Manager Water and Wastewater

ALIGNMENT WITH DELIVERY PROGRAM
(LE) LIVING ENVIRONMENT
(LE.1) We have clean water which is protected and used sustainably.
(LE.1.1) Our waterways are valued, protected and enhanced.
(LE.1.1.0) Our waterways are valued, protected and enhanced - Other Activities.

RECOMMENDATION:
That:
1. Council accepts the Local Government Procurement panel standing offer from Xylem under contract T9.08-2 E1 Supply of Pipes, Associated Fixtures, Pumps and Concrete Products for the supply and installation of a UV Reactor and optional protective shed for the offer price of $415,286 exclusive of GST.
2. The procurement documents be executed under the Seal of the Council.

REPORT SUMMARY
This report provides the details and outcome of a Request for Quotation (RFQ) process which has been conducted by Council under the Local Government Procurement Vendor Panel standing offer arrangements to replace the aging and malfunctioning Ultraviolet disinfection (UV) unit at the Bellingen sewerage treatment plant (STP).

REPORT DETAIL
Background
The existing UV unit at the Bellingen STP has reached the end of it's useful life and has become difficult to repair and maintain. Complete failure of the system could lead to potential contamination of the Bellinger River and affect local aquaculture and recreational activities. Failure of this system could also lead to Environment Protection Authority licence non compliance issues.

Council considered a report at its Meeting held on 25 November 2015 asking that the budget allocated for the replacement of the Bellingen UV System be moved from forward estimates. Council resolved as follows:

"001/15
RESOLVED (Cr Scott/Cr Harrison)"
That Council move forward the replacement of the UV treatment unit at the Bellingen Sewage Treatment Plant from the 2016-17 budget to the 2015-16 budget.

UNANIMOUS”

That motion was approved unanimously along with a budget of $450,000 to complete the works. Council then proceeded to a Request for Quotation (RFQ) through the Local Government Procurement Panel.

This report outlines the RFQ process followed in selecting a supplier for the replacement of Bellingen STP’s UV unit. It recommends the acceptance of the best value for money offer identified in the RFQ Recommendation Report.

RFQ Process

Council issued a Request for Quotation under the Vendor Panel standing offer arrangements for the supply and installation of the Bellingen STP UV unit in February 2015.

A procurement plan was developed for the RFQ which covered the following areas:

- The objectives and requirements of the RFQ;
- The probity and accountability controls and measures to be used;
- The roles and responsibilities of the various Council officers involved in the preparation, execution and evaluation of the RFQ;
- The methodology to be used in evaluation of the RFQ
- Relevant milestones in the RFQ process; and
- A risk assessment and associated controls for the RFQ, the contract and any subsequent tenders/contracts.

RFQ documentation was prepared in accordance with the procurement plan and in consultation with Local Government Procurement and various internal stakeholders.

The Request for Quotation was issued through Vendor Panel on 12 February 2016 with no responses being received by the closing date of 7 March 2016. The FRQ was reissued for a second period commencing 31 March 2016 with a closing date of 4.00pm on 8 April 2016. All offers were submitted through an electronic portal controlled by Local Government Procurement Vendor Panel.

Local Government Procurement Vendor Panel received 2 submission prior to the closing date and time.

<table>
<thead>
<tr>
<th>Offeror</th>
<th>Price excl GST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xylem Water Solutions Australia - complying offer</td>
<td>$388,005</td>
</tr>
<tr>
<td>Xylem Water Solutions Australia - alternate offer</td>
<td>$409,365</td>
</tr>
</tbody>
</table>

Evaluation Methodology

Mandatory Criteria

Offers will initially be assessed for compliance with the requirements set out in the RFQ document and for compliance with and acceptance of the Conditions of Contract.

Compliance with the RFQ document is taken to mean:

- Submission of offers by the closing date and time and in accordance with all other lodgement instructions,
• Provision of the information requested in the RFQ, which is identified in section 2.6
• Agreement to meet all conditions of RFQ, conditions of contract and specifications (i.e. variations, additions or exclusions of the terms and conditions of RFQ and/or contract will not be accepted).

These criteria were not point scored. Each tender was assessed on a Yes/No/Waived basis as to whether the criterion was satisfactorily met. An assessment of ‘No’ against any criterion may eliminate the offeror from further consideration for all products or individual products as detailed above.

**Qualitative Evaluation Criteria**
Compliant RFQ’s were then evaluated against a set of weighted qualitative evaluation criteria.

The following table details the evaluation criteria and the weightings for the second stage of the evaluation process. They have been specified in section 2.1.2 of the Procurement plan.

<table>
<thead>
<tr>
<th>Qualitative Evaluation Criteria</th>
<th>Weighting</th>
<th>Method/Considerations (not for inclusion in RFQ documents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>50%</td>
<td>Normalised price score</td>
</tr>
<tr>
<td>Delivery time</td>
<td>10%</td>
<td>LE 22 weeks 10% (Less Than or Equal to) 22-25 weeks 7.5% 25-30 weeks 4% GT 30 weeks 0% (Greater Than)</td>
</tr>
<tr>
<td>Performance against specifications</td>
<td>15%</td>
<td>Exceeds performance requirements 15%, superior materials, above performance specifications. Meets performance requirements with above average build and materials 10% Meets performance specifications 7% Does not meet requirements excluded from quotation.</td>
</tr>
<tr>
<td>Availability and cost of spare parts</td>
<td>5%</td>
<td>Spare part available in Australia 5% Imported 0%</td>
</tr>
<tr>
<td>Availability of qualified service technician.</td>
<td>5%</td>
<td>Technician within 6 hours 5% Technician on East Coast 2% No qualified technician in Australia excluded from tender.</td>
</tr>
<tr>
<td>References from similar installations</td>
<td>15%</td>
<td>Good references and performance 15% Satisfactory references 7% Poor references – disqualified form quotation.</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

The score that each offer received provided numeric basis for comparison of the offers. The recommendation of the preferred offer is based on value-for-money. Any offer that has a negative reference from more than one user is excluded from consideration.

**Value for Money**

**Evaluation Result**
The RFQ Evaluation Committee, met on 13th July 2016 to evaluate the RFQ.

The results of the RFQ evaluation are contained in the RFQ Recommendation Report which is provided as a confidential attachment to this report (Attachment A). This is in
accordance with section 10A.2.(d).(i) of the Local Government Act 1993 (commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it).

Council received two submission to the RFQ, both from Xylem Water Solutions Australia. Xylem submitted a complying offer and an alternate offer. The alternate offer while more expensive, offers Council greater flexibility in the installation and a redundancy which is not available with the complying offer.

The alternate offer is to install an enclosed reactor type UV unit (all the lamps are located within a tube which the effluent travels through). This type of configuration was not specified as Council was focusing on the retrofitting of its existing UV channel. However, the RFQ process facilitates alternate and new technological options to be offered providing that a complying RFQ is also offered. The reactor unit provides for a lower maintenance and more efficient configuration. By placing the reactor adjacent to the existing unit it allows construction and installation of the new UV unit without disruption to ongoing operations and minimises the potential for untreated wastewater being discharged during construction and commissioning.

Furthermore leaving the existing UV unit in place gives Council the option of a backup system in the event of malfunction or required maintenance of the new unit and allows additional capacity for treatment in extreme rainfall and flood events.

As a result of the assessment, the Evaluation Committee determined that the alternate offer from XYLEM represented the best value for money.

Post Evaluation
A RFQ Review Panel independently reviewed the RFQ to confirm that it had been conducted in accordance with probity principals, applicable laws and regulations, Council’s policies and procedures and the procurement plan.

A RFQ Recommendation Report was prepared based on the results of the evaluation. This report along with the Procurement Plan and all documentation prepared or gathered as part of the RFQ process was presented to the RFQ Review Panel on 15 July, 2016. As a result of the RFQ review the RFQ Review Panel has determined that they are satisfied that the RFQ was managed appropriately.

Based on the information provided in this report the RFQ Evaluation Committee recommends that the alternate offer from Xylem be accepted.
BUDGETARY IMPLICATIONS
A budget of $450,000 for this project was approved by Council in the November 2015 meeting. The preferred offer is under this budget allocation.

There will be a reduction in the operational and maintenance costs associated with acceptance of the alternate offer. The lamp cleaning and replacement becomes a one person operation and it can be conducted in a much shorter time frame reducing operational costs.

The changing of the lamps in the reactor also lowers the WHS risk to the operators with there being no heavy lifting or exposure to UV radiation and will not require an operator to enter a confined space to carry out maintenance which also reduces operational costs and risk.

SUSTAINABILITY ASSESSMENT
Installing a modern state of art functioning UV unit will ensure that discharged treated wastewater into the Bellinger River meets all EPA guidelines and promotes a clean, healthy and safe environment.

There will be an increase in energy efficiency associated with the installation of the alternate offer as a result of the system being flow paced via a magnetic flow meter. This flow pacing will ramp the power up and down to the lamps between 50 -100% based on the effluent flow rate through the system.

Using less power will also contribute to lowering Council greenhouse gas emissions and operating costs.

ENGAGEMENT
Deputy General Manager of Operations, procurement staff, sewer operators, Local Government Procurement, Xylem and Council meeting held in 25 November 2015.

ATTACHMENTS
9.1.A CONFIDENTIAL RFQ Recommendation Report - Replacement of Bellingen Sewerage Treatment Plant UV System
10 CIVIC LEADERSHIP

Item: 10.1

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 June 2016 and may also include proposed works for July 2016.

Asset Management and Design Section

Survey: Surveys were undertaken for the following projects:

- Volumetric surveys of both Dorrigo and Raleigh Waste Management Centres
- Set out at Pipe Clay Bridge as part of the construction of Hungry Head Shared Cycleway and Footpath
- Detailed survey of Waterfall Way at Deer Park slip for the Road Maintenance Construction Contract (RMCC)
- Continuation of the survey of Little Pine Creek at Browns Bridge, Valery for waterway calculations to assess potential flood impacts
- Linemarking set out at Short Cut Road Black Spot Project.

Design: Designs were undertaken for the following projects:

- Design refinement of Vernon Place at Urunga including drainage
- Works as Executed at Short Cut Road Black Spot Project
• Review designs for the Bellingen Main Street Project at the intersections of Oak/Hyde and Hyde/Church Streets, Bellingen.

Asset Management:
• ‘Reflect’ (road defect, inspection and maintenance management system) training has been completed with the Reflect system being implemented and commencing on 1 July 2016. Field tablet devices have been issued to all relevant Works staff and data collection has commenced for both maintenance and capital projects
• The revaluation of Council operational land and other structures is in progress
• Allocation of the new residential addresses for residents along the Pacific Highway realignment Urunga to Warrell Creek. Residents have been sent letters advising change of name to Giinagay Way from the Pacific Highway and their new address details as a pre-cursor to the opening of the new alignment
• Fixing Country Roads Grant – Council has received advice from the NSW Transport for NSW that Council’s application for Level 3 capacity assessment of timber bridges has been successful. The value of the grant is $135,000 to match Council’s share which is included in the budget for this financial year. This will provide the necessary data for the Bridge Renewal Prioritisation Process.

Road Maintenance
• Shape correction works were carried out on Old Coast Road, Repton
• Grading Highway end of Martells Road, Urunga
• Shoulder Grading on Coramba Road, Megan

Bridge Maintenance and Construction
• As part of the construction of the Hungry Head Shared Cycleway and Footpath, the following works have been completed:
  - Installation of bridge at Station Creek, Urunga
  - Driving timber piling at Pipe Clay Creek Bridge, Hungry Head Road
  - Commencement of abutment construction for the Pipe Clay Creek Bridge
  - Completion of pathway works in the vicinity of Pipe Clay Bridge, Urunga
  - Flood damage inspections throughout the Shire
• Five Level 3 Timber bridge reports have been received resulting in the need to load restrict Tallowood Bridge (Promised Land Road) to 3 Tonne and McFadyens Bridge (Gordonville Road) to 5 Tonne. Discussions have commenced with bus companies to ensure school bus route disturbance is minimised. A Tender for the replacement of the McFadyens Bridge will be advertised in the coming weeks.

Waterfall Way Road Maintenance Council Contract
• Practical completion for the pavement works for Stage 3 of the project located at Connells Creek to Fernmount Rehabilitation, were achieved June 2016. Further minor works will be undertaken in this location when the appropriate approvals have been obtained from NSW Roads and Maritime Services
• Kerb works on Dorrigo Mountain have commenced. This is a substantial program and will continue for several months
• General maintenance of the State Road

Road Construction (Roads to Recovery and Special Rate Variation Works)
Asphalt concrete overlay works were carried out on:
• Hydes Creek Road, Bellingen
• North Bank Road, Bellingen
• Scotchmans Road, Bellingen

2015 Flood Repair Progress
The Landslip Concept design Tender Package closed on 17 June 2016. Please refer to separate council report to this meeting of Council entitled “Request for Tender – Bellingen Shire Council Natural Disaster Recovery and Relief Arrangements 2015 Restoration Works – Major Land Slip Concept Design Package”.

It is anticipated that the tenders for Cooks Bridge (fully funded by NDRRA), McFadyens Bridge (funded by NDRRA, R2R and Council) and Reids Ck Bridge (funded by the Federal Bridge Renewal Program and Council), will be issued this month with tenders closing in August 2016. These will be assessed and detailed in a future report for Council’s determination.

Water and Sewerage

Water
• Five water service and main repairs were completed throughout the Shire
• SCADA system upgraded at the Dorrigo Water Treatment Plant
• Telemetry repairs at the O’Connors Road Reservoir, Repton
• SCADA telemetry server upgraded at the Bellingen Water Treatment Plant
• Design and ordering of pressure pumps to boost water pressure to Wollumbin Drive subdivision, Urunga
• Complete mains renewal program in Endeavour Drive, Bellingen

Sewer
• Relining of 612 metres of sewer main in the areas of Pilot Street, Urunga, and Halpins Lane, Bellingen and relining of 5 sewer manholes in Braithwaite and Lyon Streets, Bellingen
• SCADA telemetry server upgraded at the Urunga Wastewater Treatment Plant
• Installation of shade cloth cover over the balance tank at the Dorrigo Wastewater Treatment Plant
• The clearing of various sewer chokes in mains and sewer pumps stations throughout the Shire
• The replacement of 2 pump station switchboards in both Bellingen and Urunga

General
• There were 10 companion animals (dogs) seized, with 5 being returned to owners, 2 released to their owners and 3 remaining in the pound
- Twenty nine Penalty Infringements Notices were issued being 27 for parking offences (12 of these were for school zone offences issued after monitoring Urunga school zones – which also incurs loss of 2 demerit points for offenders) and 2 were issued for offences under the *NSW Companion Animals Act, 1998*
- A ‘Parking in School Zone’ information leaflet was delivered to Bellingen Public School that was monitored in May and the Urunga Public School being monitored this month. These will be sent home in the newsletter with all students on their return to school. An intensive monitoring program at all schools will commence at the commencement of term and the parking education leaflet will be provided to remaining schools
- Two dog attacks occurred on animals resulting in no injuries. An investigation is continuing into both attacks
- One abandoned vehicle was impounded and a Notice of Intended Impounding was placed on 1 vehicle
- There was an increase in the number of complaints and call-outs for livestock on the roads – some of these were due to flood damaged fences

### Land Information Service
- Council roads have been mapped as part of Council’s Local Roads assessment project with 390 of the 400 being completed
- Processing of the revised flood data mapping has been completed with access being provided to internal Council staff. Work can now commence on the revision of Council’s Flood mapping to enable availability to the public.
- Completion of the required functional requirements of the Land Information modules as part of the Corporate Business Systems Replacement Project.
- 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**

<table>
<thead>
<tr>
<th>Application Reference</th>
<th>Application Description</th>
<th>Value of Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/DA-00015</td>
<td>Boundary Adjustment</td>
<td>$0</td>
</tr>
<tr>
<td>2016/DA-00018</td>
<td>Climbing Wall</td>
<td>$8,000</td>
</tr>
<tr>
<td>2016/DA-00032</td>
<td>Dwelling</td>
<td>$221,320</td>
</tr>
<tr>
<td>2016/DA-00036</td>
<td>Shed</td>
<td>$12,000</td>
</tr>
<tr>
<td>2016/DA-00037</td>
<td>Swimming Pool</td>
<td>$19,500</td>
</tr>
<tr>
<td>2016/DA-00039</td>
<td>Shed</td>
<td>$26,900</td>
</tr>
<tr>
<td>2016/DA-00046</td>
<td>Dwelling Addition (Verandah)</td>
<td>$41,880</td>
</tr>
<tr>
<td>2016/DA-00049</td>
<td>Dwelling</td>
<td>$200,000</td>
</tr>
<tr>
<td>2016/DA-00050</td>
<td>Secondary Dwelling</td>
<td>$185,000</td>
</tr>
<tr>
<td>2016/DA-00051</td>
<td>Carport and Retaining Wall</td>
<td>$10,000</td>
</tr>
<tr>
<td>2016/DA-00054</td>
<td>Dwelling Addition (roofed patio)</td>
<td>$20,000</td>
</tr>
<tr>
<td>2016/DA-00055</td>
<td>Dwelling Addition (bedroom extension)</td>
<td>$15,000</td>
</tr>
<tr>
<td>2016/DA-00057</td>
<td>Patio Cover, Carport and Garage-storage shed</td>
<td>$39,000</td>
</tr>
<tr>
<td>2016/DA-00058</td>
<td>Swimming Pool</td>
<td>$60,000</td>
</tr>
<tr>
<td>2016/DA-00060</td>
<td>Shed</td>
<td>$22,500</td>
</tr>
</tbody>
</table>

No of Applications: 15

Total Value $881,100
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.

The following is the number and valuation of development applications received for:

- **2014/15 financial year:** 60 applications amounting to $17,722,958
- **2015/16 financial year:** 41 applications amounting to $35,758,906

![Bar chart showing development application summary for 2014/15 and 2015/16 financial years.](image-url)
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
10.1.A Development Application Summary Month June 2016
Item: 10.2  
Subject: LOCAL GOVERNMENT REFORM REASSESSMENT PROPOSAL  
File/Index: Corporate Management/Fit for the Future  
Presented by: Maxine Compton, Grants & Business Development Officer  
            Chris Hodge, Chief Financial Officer  
            Matt Fanning, Deputy General Manager Operations  
            Liz Jeremy, General Manager  

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  
That Council:  
1. That this report be received and noted.  
2. That a submission be provided to the NSW Government regarding Council’s Fit for the Future reassessment proposal, as outlined in this report noting that there may be some minor and/or typographical amendments made to the document prior to submission on 29 July 2016 as outlined in this report  

EXECUTIVE SUMMARY  
REPORT DETAIL  
The Reassessment Process  
The NSW Government appointed IPART to undertake an independent assessment of council proposals submitted 30 June 2015. IPART found that 87 councils were ‘Not Fit’ due to not meeting one or more of the financial criteria with some councils also not meeting the scale and capacity criteria. The NSW Government is providing the opportunity for councils that did not meet the financial criteria, and that are not subject to a merger proposal, to be reassessed. Bellingen Council is one of only 14 councils to be reassessed. Other councils participating in the reassessment process include:  

Sydney metropolitan:  
- Blacktown City Council  
- Campbelltown City Council  

Regional NSW  
- Bellingen Shire Council  
- Clarence Valley Council  
- Gwydir Shire Council  
- Hay Shire Council*
• Kempsey Shire Council
• The City of Lithgow Council
• Mid-Western Regional Council
• Tenterfield Shire Council
• Tweed Shire Council
• Warrumbungle Shire Council
• Weddin Shire Council*
• Yass Valley Council

*Submitted a Rural Council proposal but were assessed by IPART as ‘Not Fit’ in relation to key financial criteria.

The reassessment process reflects Council’s adopted Long Terms Financial Plan and focuses on benchmarks not previously met as well as on existing Improvement Action Plans. The reassessment will also consider specific issues raised by IPART in the summary assessment for each council.

The NSW Government, having now provided a set of guidelines and a template for completion, require councils revised Improvement Action Plans to satisfy the requirements as outlined in the guidelines.

Councils able to meet the financial benchmarks following reassessment will have access to the TCorp borrowing facility.

**BUDGET IMPLICATIONS**
There are no budgetary implications in relation to the preparation of this report.

**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 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:

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, May 2016 and June 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. Council has participated in briefings from the NSW government post the Government’s announcements relative to the IPART assessment.
6. Council has attended workshops and meetings with the OLG specifically regarding its reassessment proposal
7. Council’s Fit for the Future Project Team conducted a workshop with the councillors outlining its reassessment proposal and revised improvement action plan

ATTACHMENTS
10.2.A Final Draft - Fit for the Future Council Reassessment Template
10.2.B Reassessment Improvement Action Plan 2016-17
10.2.C Local Government Reform Backstory and where to from here
Item: 10.3
Subject: REPORT ON INVESTMENTS AS AT 30 JUNE 2016
File/Index: Financial Management Investment
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 the report indicating Council's investment position as at 30 June 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 30 June 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 30 June 2016 was $34,785,858. Investments earned interest of $92,072 for the month of June 2016. The graph below depicts the monthly movement for the current financial year and the two prior financial years.
## SCHEDULE OF CASH AND INVESTMENTS

<table>
<thead>
<tr>
<th>Institution</th>
<th>Reference</th>
<th>Rating</th>
<th>Maturity Date</th>
<th>Days</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>180</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>365</td>
<td>3.00%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Bankwest</td>
<td>4448857</td>
<td>A1+</td>
<td>12/07/2016</td>
<td>120</td>
<td>3.00%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Bankwest</td>
<td>4481739</td>
<td>A1+</td>
<td>26/08/2016</td>
<td>60</td>
<td>2.80%</td>
<td>500,000</td>
</tr>
<tr>
<td>Bankwest</td>
<td>4449229</td>
<td>A1+</td>
<td>13/07/2016</td>
<td>120</td>
<td>3.00%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Bankwest</td>
<td>4478542</td>
<td>A1+</td>
<td>15/08/2016</td>
<td>60</td>
<td>2.85%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>CBA</td>
<td>1163496 FRN</td>
<td>A1+</td>
<td>02/06/2021</td>
<td>1826</td>
<td>4.25%</td>
<td>500,000</td>
</tr>
<tr>
<td>CBA (Bank of Queensland)</td>
<td>AU3FN0029344</td>
<td>A1+</td>
<td>29/04/2019</td>
<td>1162</td>
<td>3.44%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Heritage Bank</td>
<td>17985</td>
<td>A2-A3</td>
<td>13/09/2016</td>
<td>181</td>
<td>3.20%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>ING Bank</td>
<td>191236</td>
<td>A2-A3</td>
<td>02/03/2017</td>
<td>365</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>90</td>
<td>2.90%</td>
<td>2,000,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10353765</td>
<td>A1+</td>
<td>19/09/2016</td>
<td>91</td>
<td>2.91%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10353767</td>
<td>A1+</td>
<td>19/09/2016</td>
<td>91</td>
<td>2.91%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10338866</td>
<td>A1+</td>
<td>04/11/2016</td>
<td>210</td>
<td>3.10%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10302671</td>
<td>A1+</td>
<td>02/09/2016</td>
<td>270</td>
<td>2.99%</td>
<td>800,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>970050228</td>
<td>A1+</td>
<td>05/12/2016</td>
<td>182</td>
<td>3.00%</td>
<td>2,000,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10310111</td>
<td>A1+</td>
<td>08/07/2016</td>
<td>182</td>
<td>3.07%</td>
<td>500,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>730421421</td>
<td>A1+</td>
<td>14/11/2016</td>
<td>214</td>
<td>3.12%</td>
<td>500,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>2092513 FRN</td>
<td>A1+</td>
<td>06/10/2016</td>
<td>274</td>
<td>2.83%</td>
<td>2,000,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>10318934</td>
<td>A1+</td>
<td>08/08/2016</td>
<td>180</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>123</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>182</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>1827</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>365</td>
<td>3.05%</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Rural Bank</td>
<td>18191</td>
<td>BBB</td>
<td>31/10/2016</td>
<td>242</td>
<td>3.15%</td>
<td>800,000</td>
</tr>
<tr>
<td>Rabobank</td>
<td>AA2</td>
<td></td>
<td>09/12/2019</td>
<td>1826</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>639</td>
<td>3.71%</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Westpac Bank</td>
<td>COUPONSC-SYD-1745052 *</td>
<td>A1+</td>
<td>02/12/2020</td>
<td>1827</td>
<td>3.32%</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

TOTAL INVESTMENTS: 3.18% 32,100,000

<table>
<thead>
<tr>
<th>Institution</th>
<th>Reference</th>
<th>Rating</th>
<th>Maturity Date</th>
<th>Days</th>
<th>Rate</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>BankWest at call</td>
<td>3001235</td>
<td>A1+</td>
<td></td>
<td>365</td>
<td>2.25%</td>
<td>1,100,000</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>082551 751758242</td>
<td>AA-</td>
<td></td>
<td>365</td>
<td>1.05%</td>
<td>522</td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>082469 509559042</td>
<td>AA-</td>
<td></td>
<td>365</td>
<td>0.10%</td>
<td>1,572,568</td>
</tr>
<tr>
<td>BananaCoast Credit Union</td>
<td>764328 84146</td>
<td>unrated</td>
<td></td>
<td>365</td>
<td>0.10%</td>
<td>12,768</td>
</tr>
</tbody>
</table>

TOTAL CASH: 0.88% 2,685,858

TOTAL INVESTMENTS & CASH: 3.18% 32,100,000

Average Interest Rate: 2.99%

TOTAL INVESTMENTS & CASH: 3.21% 34,785,858

**Benchmarks**

- BBSW 90 Day Index: 1.99%
- RBA Cash Rate: 1.75%
Item 10.3
Page 47

Net Return on Investments

Council's monthly net return on Term Deposits annualised for June of 3.17% outperformed the 90 day Bank Bill Swap Rate of 1.99%. 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 June 2016 was 3.00% while the interest rate used for budgetary purposes in 2015/16 was 3.00%.
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

<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>66%</td>
<td>$22,973,090</td>
</tr>
<tr>
<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>25%</td>
<td>$8,800,000</td>
</tr>
<tr>
<td>Unrated</td>
<td>Unrated</td>
<td>0%</td>
<td>0%</td>
<td>$12,768</td>
</tr>
<tr>
<td><strong>Total Cash &amp; Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$34,785,858</strong></td>
</tr>
</tbody>
</table>

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 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>BananaCoast Credit Union</td>
<td>unrated</td>
<td>unrated</td>
<td>0%</td>
<td>0%</td>
<td>$12,768</td>
</tr>
<tr>
<td>Bankwest</td>
<td>AA</td>
<td>A1+</td>
<td>40%</td>
<td>10%</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Bankwest at call</td>
<td>AA</td>
<td>A1+</td>
<td>40%</td>
<td>3%</td>
<td>$1,100,000</td>
</tr>
<tr>
<td>CBA</td>
<td>A</td>
<td>A1+</td>
<td>20%</td>
<td>4%</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Heritage Bank</td>
<td>BBB+</td>
<td>A2-A4</td>
<td>20%</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>40%</td>
<td>$13,873,090</td>
</tr>
<tr>
<td>Rural Bank</td>
<td>BBB</td>
<td>A2-A4</td>
<td>120%</td>
<td>8%</td>
<td>$2,800,000</td>
</tr>
<tr>
<td>Police &amp; Nurses Bank</td>
<td>BBB</td>
<td>A2-A3</td>
<td>20%</td>
<td>3%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Rabobank</td>
<td>AA</td>
<td>A2-A3</td>
<td>20%</td>
<td>3%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Westpac Bank</td>
<td>AA</td>
<td>A1+</td>
<td>40%</td>
<td>9%</td>
<td>$3,000,000</td>
</tr>
<tr>
<td><strong>TOTAL CASH &amp; INVESTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$34,785,858</strong></td>
</tr>
</tbody>
</table>

**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
Item: 10.4

Subject: PLANNING PROPOSAL 11 - ADMINISTRATIVE AMENDMENT (BLEP 2010 AMENDMENT NO. 7)

File/Index: Planning Proposal 11

Presented by: Daniel Bennett, Acting Manager Land Use 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.1.4.1) Identify and respond to changes in National, State, regional and local land use planning principles, statutes and guides.

RECOMMENDATION

That Council:
1. Resolves to adopt Draft Bellingen Local Environmental Plan (Amendment 7).
2. Refer the Draft Bellingen Local Environmental Plan (Amendment 7) to the NSW Parliamentary Counsel’s Office to enable the drafting of the plan and to obtain an opinion that the plan may be made.
3. Notes that the remaining phases of the Local Environmental Plan amendment process to be completed by Council will be completed by the General Manager under delegated authority.

EXECUTIVE SUMMARY

Planning Proposal 11 has been publicly exhibited and referred to government agencies in accordance with instructions from the NSW Department of Planning and Environment. This Planning Proposal aims to rectify a zoning anomaly by rezoning a small piece of land at the rear of the old Bellingen Bowling Club from Private Recreation to General Residential. It also proposes to make boundary adjustments permissible with consent on land with a Waterway Zoning. No objections were received to the public exhibition and referral of the Planning Proposal and it is recommended that Council proceed with making the amendment to Bellingen Local Environmental Plan 2010.

REPORT DETAIL
Background
Council resolved as follows at its meeting of 16 December 2015 with respect to this planning proposal.

“082/15
RESOLVED (Cr Klipin/Cr Harrison)
That Council:

1. Resolves to prepare a Planning Proposal to undertake an administrative amendment to Bellingen Local Environmental Plan 2010, to rezone a parcel of land from RE2 Private Recreation to R1 General Residential, and to allow for boundary adjustments to be undertaken on land zoned as a Waterway.

2. Resolves to forward the Planning Proposal to the Department of Planning & Environment in accordance with Section 56(1) of the Environmental Planning and Assessment Act 1979 and request the issuing of a Gateway Determination to allow for the exhibition of the proposed amendment.

3. Resolves to advise the NSW Minister for Planning that it considers the proposed amendment to be of minor significance and that it intends to use its delegations to permit the General Manager to make the Local Environmental Plan.

4. Endorses the Engagement Strategy that has been proposed in this report for the public exhibition of the Planning Proposal.

UNANIMOUS"

In order to reacquaint Council with the intent of the Planning Proposal, the site plan for the rezoning component is reprinted below.

Also, an example of two properties with part Waterway zones is included below. This illustrates the type of development scenario that is frustrated by the current operation of the Local Environmental Plan and is proposed to be rectified by this planning proposal.
Council would recall from the previous report that both components of the Planning Proposal were considered to be of minor environmental significance in view of the range of other statutory controls that will continue to apply in the relevant landscapes.

Council Officers prepared a Planning Proposal in accordance with Council’s resolution of 16 December 2015 and requested the issuing of a Gateway Determination from the Department of Planning and Environment on 5 February 2016. A Gateway Determination was received on 19 February 2016.
A copy of the Gateway Determination is included as Attachment A to this report. The Gateway Determination:

- Required consultation with the NSW Rural Fire Service prior to the public exhibition of the planning proposal.
- Required consultation with the NSW Department of Primary Industries (Lands) and the NSW Office of Environment and Heritage as part of the public exhibition of the planning proposal.
- Required public exhibition of the planning proposal for a minimum of 14 days.

As part of the Gateway Referral, the Department of Environment and Planning has also considered Council's request to be issued with delegations for the making of this planning proposal and have advised as follows:

**WRITTEN AUTHORISATION TO EXERCISE DELEGATION**

Bellingen Shire Council is authorised to exercise the functions of the Minister for Planning under section 59 of the *Environmental Planning and Assessment Act 1979* that are delegated to it by instrument of delegation dated 14 October 2012, in relation to the following planning proposal:

<table>
<thead>
<tr>
<th>Number</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP_2016_BELLI_001_00</td>
<td>Planning proposal to amend Bellingen LEP 2010 to rezone land adjoining the former Bellingen Bowling Club for residential purposes and allow boundary adjustments to be undertaken on waterway zoned land</td>
</tr>
</tbody>
</table>

In exercising the Minister's functions under section 59, the Council must comply with the Department of Planning and Environment’s “A guide to preparing local environmental plans” and "A guide to preparing planning proposals".

Dated 19 February 2016

The implications of this authorisation are detailed further in the “Next Steps” section of this report. Council may recall exercising its delegations to make previous amendments to the LEP which have resulted in a noticeable improvement in the timeframes for finalisation of the LEP relative to previous amendments where the option to use delegations did not exist.

The general process for the making of an LEP is depicted in the diagram below, including the stage at which Council is currently at (ie: Plan making delegated to Council).
BUDGET IMPLICATIONS
There are no budgetary implications associated with adoption of the recommendation to proceed with the making of the LEP.

SUSTAINABILITY ASSESSMENT
The planning proposal will not result in any significant adverse environmental impact, however will remove minor and unintended obstacles to the reasonable development of land.

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 was considered that the actions/initiatives contained within this report were appropriately categorised as having a Level 4 (Lower Impact – Local). This requires Council to “Inform and Consult” the community.

To address the requirements of Council’s Community Engagement Strategy and the Gateway Determination issued by the NSW Department of Environment and Planning, Council carried out the following actions:

- The Planning Proposal was advertised from Thursday 7 April 2016 until Friday 22 April 2016 in the Bellinger Courier Sun (Note: The Planning Proposal does not affect any land on the Dorrigo plateau)
- Adjoining owners were notified of the rezoning component of the proposed BLEP amendment
- Notice of the Planning Proposal was placed on the Council website for the duration of the exhibition period
- The government agencies that were required to be consulted with were provided with the opportunity to comment
- For the duration of the exhibition period, the planning proposal, and relevant documentation, was displayed at the following locations.
  - Bellingen Council Administrative Centre
  - Bellingen Library
  - Urunga Library

At the completion of the public exhibition, Council received one submission from the Heritage Division of the NSW Office of Environment and Heritage. A copy of this submission is included as Attachment B to this report.

Despite a follow up email to the NSW Department of Primary Industries (Lands) on 1 July 2016, no comment was received prior to the preparation of this report. The Gateway Determination required Council to provide each public authority a minimum of 21 days to comment on the proposal.

As the NSW Department of Primary Industries (Lands) were initially sent a referral on 4 April 2016, and a reminder on 1 July 2016, it is considered that Council has complied with the terms of the Gateway Determination. Accordingly, it is proposed to proceed with the LEP amendment independently of any comments that may have been provided by this agency.

The Heritage Division of the NSW Office Environment and Heritage state that they are mainly concerned with the rezoning component of the Planning Proposal (as opposed to the Waterway Zone component), however offer no objection to it proceeding in the following circumstances.

“Based on the above information, the Heritage Division recommends that a detailed archaeological assessment including a research design and appropriate methodology and an approval under S140 of the Heritage Act is required prior to any future excavation works taking place on the site pursuant with the proposed rezoning.”

The owners of the Bowling Club Site have commissioned a detailed Archaeological Assessment to inform the future development of the site. This is included as Attachment C to this report.
This satisfies the requirements of the NSW Office Environment and Heritage and will be relied upon by Council, and the developers, to guide the subsequent stages of the site redevelopment in a manner that is cognisant of its previous use as a cemetery.

No amendment to the Planning Proposal is required as a consequence of this referral or any other aspects of the public exhibition process.

**NEXT STEPS**

Council, in this instance, has elected to exercise delegations for the making of the LEP and this request has been supported by the NSW Department Planning and Environment. This means that subject to Council resolving to proceed with the plan as part of this report, an opinion will then be sought from Parliamentary Counsel that the plan can legally be made. Upon receipt of this opinion, the General Manager is delegated to make the plan without the matter coming back to Council. The NSW Department of Environment and Planning will then be notified of the making of the plan and proceed with final publication of the amendments. It is anticipated that the process will be completed by the end of Q1 of 2016-17.

**ATTACHMENTS**

10.4.A Gateway Determination
10.4.B Heritage Division comments
10.4.C Archaeological Assessment
Item: 10.5
Subject: NEW LEASE AGREEMENT 9 BONVILLE STREET URUNGA
File/Index: Council Properties /Usage
Presented by: Brett Hannaford, Governance & Corporate Planning Officer

ALIGNMENT WITH DELIVERY PROGRAM
(RE) RESILIENT ECONOMY
(RE.1) We have meaningful work and vibrant businesses within our community.
(RE.1.1) Our community has a diversity of businesses and new industries.
(RE.1.1.0) Our community has a diversity of businesses and new industries - Other Activities.

RECOMMENDATION
1. That Council enter into a new lease agreement for the property known as 9 Bonville Street Urunga, currently known as Eves Beauty & Nails with the rent to be $931.67 per calendar month including GST.
2. That the renewal option be subject to a market review
3. That the base rent increases be applied annually with CPI (All Groups Sydney).
4. That costs for the preparation of the lease document be at Council expense in accordance with Section 14 (1) of the Retail Leases Act 1994.

EXECUTIVE SUMMARY
This report seeks Council approval to enter into a three year two year option lease agreement for 9 Bonville Street, currently known as Eves Beauty & Nails.

REPORT DETAIL
Council owns and manages a group of eight shops in the Urunga CBD known as 7-15 Bonville Street, Urunga. The shop at 9 Bonville Street currently known as Eves Beauty & Nails occupies 50m², see site plan attached.

The terms proposed are a three year lease with a two year option available to the Lessee.

A market rental appraisal was undertaken by a local valuer late in 2015. It should be noted that the rental appraisals take into consideration variables such as floor area street frontage, access and layout.

The recommended rental for the property has increased from the current rental of $801 to $931.67 per month including GST.
BUDGET IMPLICATIONS
The rental income is subject to annual CPI increases for the initial lease period and a review to market rent on 1 July 2018. Council’s Long Term Financial Plan incorporates the CPI increases. Due to the category of business as retail the cost of the preparation of the lease document will be at Council’s expense in accordance with Section 14(1) of the Retail Leases Act 1994.

SUSTAINABILITY ASSESSMENT
The Council owned commercial properties in the Urunga CBD provide for the operation of businesses and enhances the business precinct. It is also beneficial to the Council and to the local business sector that tenants occupying the building have security of tenure.

ENGAGEMENT
The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its meeting of 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 adopting recommendations in this report is appropriately categorised as having a Level 4 impact (i.e. Lower impact – Local) as the facility is a small business governed by the terms of the lease as well as Council regulations. Appropriate Level 4 Impact engagement was undertaken with the current and prospective tenants, and the Valuation Agent.

ATTACHMENTS
10.5.A Urunga Shops Bonville Street site Plan
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 Council:
1. accept the tender offer from Regional Geotechnical Solutions Pty Ltd for the Concept Designs for Major Land Slips as part of the National Disaster Relief and Recovery Arrangements (May 2015) at a schedule of rates estimated contract value of $166,870.00 exclusive of GST.
2. execute the tender documents under the Seal of the Council.

REPORT SUMMARY
This report provides the details and outcome of a tender process which has been conducted by Council to procure consultancy services for the concept design of 16 landslips which form part of the May 2015 Natural Disaster Relief and Recovery Arrangements (NDRRA) approved restoration works.

REPORT DETAIL
Background
A Natural Disaster event occurred in May 2015. A number of sites were damaged due to this event or carried forward from previous events as approved by the State Government. Sixteen major land slips with an estimated restoration costs in excess of $100,000 for each site form part of the scope of works. The land slips are at various locations on Council’s road network and are part of Council’s 2015 National Disaster Relief and Recovery Arrangements (NDRRA) restoration works. These land slips have been approved for restoration under the NDRRA guidelines. As part of the process for restoration, a concept design must to be produced for each site. This project is limited to the Concept Design for the major land slips.

This report outlines the tender process followed in selecting a suitably qualified designer for the Land Slips Concept Design. It recommends the acceptance of the best value for money offer identified in the Tender Recommendation Report.
Tender Process
Council issued a Request for Tender for “Bellingen Shire Council NDRRA 2015 Restoration Works – Major Land Slips Concept Design Package”.

A procurement plan was developed for the tender which covered the following areas:
- The objectives and requirements of the tender
- The probity and accountability controls and measures to be used
- The roles and responsibilities of the various Council officers involved in the preparation, execution and evaluation of the tenders
- The methodology to be used in evaluation of the tenders
- Relevant milestones in the tender process
- A risk assessment and associated controls for the tender, the contract and any subsequent tenders/contracts.

Tender documentation was prepared in accordance with the procurement plan.

The Request for Tender was advertised on Tuesday, 24 May 2016 and the tender closed at 2:00 pm on Friday, 17 June 2016. The electronic tender box was opened Monday, 20 June 2016 at approximately 9:45 am.

Three tenders were received as follows:

<table>
<thead>
<tr>
<th>Tenderer</th>
<th>Price ex GST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Geotechnical Solutions Pty Ltd</td>
<td>$152,470.00</td>
</tr>
<tr>
<td>SMEC Australia Pty Ltd</td>
<td>$157,555.00</td>
</tr>
<tr>
<td>WSP Parsons Brinkerhoff</td>
<td>$338,128.00</td>
</tr>
</tbody>
</table>

The Tender Evaluation Committee met on 21 June 2016, 27 June 2016 and 4 July 2016 to evaluate the tenders.

Evaluation Methodology
The assessment of the tenders was performed by the Evaluation Committee in accordance with the evaluation methodology specified in the Procurement Plan and the Request For Tender. The methodology involved a five-stage process, as outlined below:

1. Assessment of whether the tenders were conforming and whether they should be considered further;
2. Assessment of whether the tenders were received late and whether they should be considered further;
3. Assessment against the mandatory criteria;
4. Assessment against the qualitative evaluation criteria; and
5. An assessment of Value for Money.

Further details are provided in Attachment A - Tender Recommendation Report.

Conforming Tender assessment
The Tender Offers were assessed against the Request for Tender document to determine if they were deemed to be a Conforming Tender.
Late Tender Assessment
The Tender Offers were assessed against the Request for Tender document to determine if they were deemed to be received prior to the Tender Closing Time.

Mandatory Criteria
The mandatory criteria or “Threshold Criteria” as defined in the Request for Tender, is given below:

<table>
<thead>
<tr>
<th>Threshold Criteria:</th>
<th>Criteria</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Workplace Health &amp; Safety</td>
<td>Australian Standard AS/NZS 4801: 2001 Occupational health and safety management systems - Specification with guidance for use as interpreted by WorkCover NSW</td>
</tr>
</tbody>
</table>

These criteria were not point scored. The Tender Offers were assessed against the Threshold Criteria to determine if the Offers satisfied the criteria. If the criteria were not satisfied, a determination was made as to whether the criteria would be waived in this instance and the reasons for making that determination documented.

Qualitative Evaluation Criteria
The following table details the evaluation criteria and the weightings for the second stage of the evaluation process. They were specified in Section B of the Request for Tender document.

<table>
<thead>
<tr>
<th>Qualitative Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 Experience</td>
<td></td>
</tr>
<tr>
<td>1.1 Experience with similar work – as an organisation</td>
<td>15%</td>
</tr>
<tr>
<td>1.2 Experience with similar work – key personnel</td>
<td>10%</td>
</tr>
<tr>
<td>1.3 Experience with local conditions – as an organisation</td>
<td>10%</td>
</tr>
<tr>
<td>1.4 Experience with local conditions – key personnel</td>
<td>5%</td>
</tr>
<tr>
<td>2.0 Methodology</td>
<td></td>
</tr>
<tr>
<td>2.1 Methodology</td>
<td>20%</td>
</tr>
<tr>
<td>4.0 Tender information</td>
<td></td>
</tr>
<tr>
<td>4.1 Clarity</td>
<td>10%</td>
</tr>
<tr>
<td>5.0 Tender information</td>
<td></td>
</tr>
<tr>
<td>5.1 Price</td>
<td>30%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>
**Value for Money**

‘Value for money’ was assessed using the price normalised score methodology, which is based on the normalised combined outcomes of the assessments of the qualitative criteria and the normalised price score weighted as per the table above.

The normalised price was be determined as follows:

\[
Pc = \frac{\text{Assessed Whole of Life Cost of each tender}}{\text{Lowest}}
\]

\[
Pn = \text{normalised Price score} = \frac{Pc}{X 10}
\]

**Evaluation Result**

The results of the tender evaluation are contained in the Tender Recommendation Report which is provided as a confidential attachment to this report (Attachment A). This is in accordance with section 10A.2.(d).(i) of the Local Government Act 1993 (commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it).

**Post Evaluation**

A Tender Review Panel was established to independently review the tender to confirm that it had been conducted in accordance with probity principals, applicable laws and regulations, Council’s policies and procedures and the procurement plan.

A Tender Recommendation Report was prepared based on the results of the evaluation. This report along with the Procurement Plan and all documentation prepared or gathered as part of the tender process was presented to the Tender Review Panel. The Tender Review Panel has determined that they are satisfied that the tender was managed appropriately.

**BUDGETARY IMPLICATIONS**

There are no significant financial risks for Council as these works are funded under the NDRRA arrangements which result in the payment of actual costs for the works. The only costs for which the council must pay are those involving day labour if utilising its own workforce. For this reason, the Council will not be undertaking any of the land slip restoration works, but will be required to cover some costs which are unavoidable, such as:

- Time spent on the procurement process to satisfy Council’s policies and processes
- Management of any external project management services engaged for the delivery of the overall 2015 NDRRA restoration project. At this point in time a single external project manager has been engaged to assist in the delivery of the works. The costs of this project management service forms part of the overall restoration works budget as per the NDRRA guidelines.

**SUSTAINABILITY ASSESSMENT**

The works will assist in restoring the flood events pre-existing level of service for the road user and assist with stabilising the riverine environment through bank stabilisation. Many of the land slips are located on transport routes which have no other entry point and as such their repair will assist in restoring the social fabric for the areas affected.
ENGAGEMENT
Deputy General Manager Operations and Procurement staff and engaged consultants.

ATTACHMENTS
10.6.A CONFIDENTIAL Tender Evaluation 2015 Restoration Works - Major Slips
Item: 10.7
Subject: DRAFT PROCUREMENT POLICY / COMMUNITY ENGAGEMENT
File/Index: CORPORATE MANAGEMENT:Policy GA39/Bellingen Shire Council
Presented by: Brett Hannaford, Governance & Corporate Planning 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 Council:
1. Acknowledge receipt of the submission from Bellingen Chamber of Commerce in relation to the Draft Procurement Policy and note the contents.
2. Defer adoption of the draft Procurement Policy at this time, and enter into discussions with stakeholders including the Bellingen Chamber of Commerce with a further report to be brought back to Council particularly in relation to the local preference provisions in the policy.
3. That the current Procurement Policy and Local Preference Policy remain in effect until such time as a new policy is adopted by council.

EXECUTIVE SUMMARY

Council regularly reviews and re-adopts policies. To that end, a new draft Procurement Policy was prepared for consideration which was intended to replace the Procurement Policy adopted in 2010 and incorporate the Local Preference determinations from the Local Preference Policy adopted in 2014. Council placed the draft Policy on public exhibition as part of this process and received comment from the Chambers of Commerce.

This report seeks to acknowledge and note the submission received, defer the adoption of the draft Policy to enable further community engagement, and confirm that the existing policies remain in effect until a new policy is adopted.

REPORT DETAIL

In 2010, Council adopted a Procurement Policy to guide the actions of Council officials in the procurement of goods and services on behalf of Council. In reviewing the Policy it was intended to incorporate the Councils Local Preference Policy into the one Procurement Policy.
Civic Leadership

Council reviewed the draft Procurement Policy and resolved to place it on public exhibition for 28 days from 8 June – 5 July 2016 at its Ordinary Meeting in May 2016. An advertisement was placed in the Bellingen Shire Courier Sun newspaper, inviting submissions during the public exhibition period. Council received one submission from the Bellingen Chamber of Commerce which is attached for information.

The submission focussed primarily on the Local Preference Provisions in the Policy. It is recommended Council defer endorsing the draft Procurement Policy and enter into further engagement, including discussions with the Bellingen Chamber of Commerce. This will also allow Council to further assess our neighbouring councils approach to local preference provisions in more depth, obtain appropriate additional advice, and provide an informed view to Council on moving forward.

BUDGET IMPLICATIONS
There are no direct budgetary implications associated with the process proposed within this report.

SUSTAINABILITY ASSESSMENT
As procurement activities have the potential to impact the environmental sustainability of activities undertaken by Council, both the previous Procurement Policy and draft policy incorporate Environmental and Sustainability Goals and Objectives, which are based on Local Government NSW’s sustainable choice policy principles. Sustainable Choice is a program to assist councils in NSW to integrate sustainability into their procurement systems.

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:

- Internal consultation with relevant officers.
- Placed the draft policy on public exhibition from 8 June – 5 July 2016.
- Advertised the draft policy seeking comment and submissions from the community on the draft policy.

ATTACHMENTS
10.7.A Bellingen Chamber of Commerce - Procurement Submission
11 CONFIDENTIAL MATTERS

Nil