



BUSINESS PAPER

Ordinary Meeting of Council

to be held at

Council Administration Centre
180 Mort Street, Lithgow

on

Tuesday 26 April 2022
at 7:00 PM

ORDER OF BUSINESS

1. Acknowledgement of Country	4
2. Present	4
3. Apologies	4
4. Declaration of Interest	4
5. Confirmation of Minutes	4
6. Commemorations and Announcements	4
7. Public Forum	4
8. Mayoral Minutes	4
9. Notices of Motion	5
9.1. Notice of Motion - 26/04/2022 - Beatification of streetscape through tree planting and cleaning up verges	5
10. Notices of Rescission	7
10.1. Notice of Rescission - 26/04/2022 - NSW Government Energy from Waste Infrastructure Plan	7
11. Staff Reports	8
11.1. General Manager's Reports	8
11.1.1. GM - 26/04/2022 - Councillor Coleman - ALGWA Executive Appointment	8
11.1.2. GM - 26/04/2022 - National General Assembly of Local Government - NGA2022 Conference	10
11.2. Economic Development and Environment Reports	12
11.2.1. Building and Development.....	12
11.2.1.1. ECDEV - 26/04/2022 - DA065/22 - Domestic outbuilding (shed) - 609 Back Cullen Bullen Road, Portland.....	12
11.2.1.2. ECDEV - 26/04/2022 - Variations to Development Standards under Clause 4.6 of the Standard Instrument.....	15
11.2.2. Economic Development & Environment General Reports.....	17
11.2.2.1. IPART review of domestic waste management service charges.....	17
11.2.2.2. ECDEV - 26/04/2022 - Adoption of the Scores on Doors Program.....	21
11.2.2.3. ECDEV - 26/04/2022 - LEEP Update	24
11.2.2.4. ECDEV - 26/04/2022 - On Site Sewage Management Strategy	27
11.2.2.5. ECDEV - 26/04/2022 - NSW Government Community Event Program Funding	29
11.3. Infrastructure Services Reports	31
11.3.1. IS - 26/04/2022 - Proposed Road Naming - Bowen Vista Estate DA226/16	31
11.3.2. IS - 26/04/2022 - Tender Evaluation - Civic Ballroom Roof Replacement and Building Restoration Works.....	33
11.3.3. IS - 26/04/2022 - Financial Assistance Request - Sporting Representation.....	36
11.4. Finance and Assets Reports	37
11.5. People and Services Reports	37

11.5.1. PS - 26/04/2022 - Delivery Program 2022-2026 and Operational Plan 2022-2023.....	37
11.5.2. PS - 26/04/2022 - Community Strategic Plan 2035 & Community Engagement Strategy.....	42
11.5.3. PS - 26/04/22 - Resourcing Strategy 2022-2032.....	46
11.6. Policies and Governance	52
11.6.1. CFIO - 26/04/2022 - Code of Meeting Practice	52
11.6.2. GM - 26/04/2022 - Policy 9.5 Councillor Expenses and Facilities	55
12. Council Committee Reports	57
12.1. FIN - 26/04/2022 - Finance Committee Meeting Minutes - 21 March 2022	57
12.2. FIN - 26/04/22 - Audit & Risk Improvement Committee (ARIC) Minutes - 29 March 2022	59
12.3. IS - 26/04/2022 - TALC Committee Minutes - 7th April 2022	61
13. Business of Great Urgency.....	63

1. Acknowledgement of Country

Acknowledgement of Country

I would like to acknowledge the traditional custodians of this land we are on here today, and pay respect to their elders both past, present and emerging.

Declaration of Webcasting

I inform all those in attendance at this meeting, that the meeting is being webcast and that those in attendance should refrain from making any defamatory statements concerning any person, Councillor or employee, and refrain from discussing those matters subject to Closed Council proceedings as indicated in clause 14.1 of the code of meeting practice.

2. Present

3. Apologies

4. Declaration of Interest

Councillors have the opportunity to declare any interests in items on the agenda and inform the Council and public if they will be leaving the Chambers during the debate and voting on the item.

5. Confirmation of Minutes

Confirmation of the Minutes of the Ordinary Meeting of Council held 2 March 2022 – re-presented.
Confirmation of the Minutes of the Ordinary Meeting of Council held 28 March 2022.

6. Commemorations and Announcements

The Mayor to announce any commemorations, announcements and acknowledgements which Councillors have provided.

7. Public Forum

Any person registered to speak during Public Forum on a matters included in the business paper and registered via the Council website prior to 12 Noon on the day of the meeting will have the opportunity to speak. There will be only two speakers for and against, on each matter on the business paper.

Public forum will be allocated half an hour time in total with each speaker having 3 minutes to speak.

Speaker not registered for public forum will have an opportunity to speak on matters on the business paper if time permits.

8. Mayoral Minutes

The Mayor is able to table a Mayoral minute at the meeting if required.

9. Notices of Motion

9.1. Notice of Motion - 26/04/2022 - Beatification of streetscape through tree planting and cleaning up verges

Notice of Motion by Councillor Stuart M^cGhie

Commentary

The cleaning up and presentation of verges in front of houses is currently a council responsibility, that with limited resources we are struggling with. Especially in new residential areas. The first impression of anyone's house is from the street or road access and therefore of the utmost importance. The maintenance of these verges is predominantly undertaken by the residents themselves, however currently people can be stopped from planting trees and cleaning up their verge. The practice of planting street trees is a long standing one. It is well proven to enhance the landscape for the appreciation of residents and visitors alike.

I propose that council allow the residents and owners who wish to enhance their verges be allowed to do so. For example the endangered species of plants in our LGA that would prohibit any works at all would be pictured and listed.

A recommendation that small to medium low maintenance trees be used and good reasons why. The Oaks I look after at The Hoskins Memorial Church in Lithgow City are a fine example of how big these trees can get and the ensuing high cost of maintenance. A picture of the butchered Liquid Ambers on Church Street Lithgow to show the results of planting big trees under power lines. These trees are the worst looking trees I have seen anywhere and a graphic example of what not to plant. Eighteen years experience at the Hoskins Memorial Church garden would lead me to recommend Acer Palmatum,(Japanese Maple) and the Punus family of flowering Cherries and Plums for the small to medium size and low maintenance as preferred street plantings. Natives from our local nursery would also make the list. Also listed should be the basic measure for roadside mowing access in more rural areas, and the provision for footpath and pedestrian access in all areas. A reminder to dial before you dig and the relevant contact information, informing people of their responsibility and liability of not doing things properly. As a whole this will promote a friendly can do Council that is working with the community to enhance our LGA. This will not require any policing or designated staff to approve anything, The onus is on the people themselves who wish to improve the look of their streets and roads to maintain and look after their works as they already do, only with a much more satisfying result for all.

Attachments

Nil

Recommendation

THAT council allow the residents and owners who wish to enhance their verges be allowed to do so. With a simple and easy to follow advisory section on our council website.

Management Comment

Across most of the urban and rural road network, road carriageways (sealed and unsealed) vary from 5 metres to 10 metres in width and are situated within a corridor up to 20 metres wide. This results in a roadside verge on each side of the formed road between the road itself and the boundary of the adjacent private property. Where this is a public road under the care and control of Council, the roadside verge is also the responsibility of Lithgow Council. It is therefore Council's responsibility to best ensure that these areas are maintained within the limitations of the organisation's available resources.

In urban areas, Lithgow City Council has a policy which applies to the installation of roadside embellishments. Please refer to Policy 10.5 - Footpath Reservations – Works Requirements for further information. This policy details the standards of work and approval process for any projects within the road corridor. Council encourages residents to make application under this policy so long as pedestrian and motorist safety is maintained. In urban areas, this is a simple policy to administer as residents maintain the lawns of their own property all the way to the kerb, inclusive of the roadside verge within the public road corridor.

However, in rural areas, management of the road verge most often falls to the Council. The Council does not currently accept applications for embellishments to the public road corridor of rural roads for the following reasons:

- If a resident sells their property, Council becomes responsible for the maintenance and upkeep of the embellishments as they reside within the public road corridor. The council lacks the resources to perform any maintenance on rural roadsides in addition to simple mowing.
- There are mixed views amongst the community as to the modification of vegetation in the roadside corridors. Often, these serve as much appreciated reserves for native fauna and flora which bring an intrinsic natural value to an area.
- Rural roads do not have kerb and guttering to convey stormwater. Instead, roadside table drains exist to carry stormwater away from private property. Any embellishments may restrict the flow of roadside stormwater and increase the chances of isolated flooding.
- Allowing the planting or installation of other embellishments in rural areas creates a precedent which will be difficult to control across our very broad LGA. The council is currently only equipped to oversee compliance with acceptable standards of work for embellishments in urban areas.
- Rural roads often carry traffic at high speeds. Creating the precedent of allowing rural roadside embellishment poses additional risk to motorists in the event of an accident. Similarly, such features encourage the resident to spend time within the public road corridor to maintain those assets they have installed. On high-speed roads, this increases the risk to residents.
- Because of the above there will be the need for ongoing resources to be allocated by Council to managing private vegetation on public land.

If Council is of a mind to re-visit current practice, as described above, then it would be appropriate for a full report to be brought back to Council outlining the case for and against changing practice.

10. Notices of Rescission

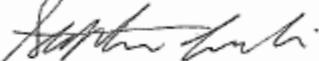
10.1. Notice of Rescission - 26/04/2022 - NSW Government Energy from Waste Infrastructure Plan

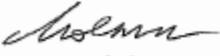
Notice of Motion by Councillor Cassandra Coleman
 Councillor Eric Mahony
 Councillor Stephen Lesslie

Commentary

We the undersigned hereby move to rescind motion ECDEV - 02/03/2022 - Energy from Waste 22 -35 which was carried by Lithgow City Council on 2 March 2022.

We the undersigned hereby move to rescind motion ECDEV - 02/03/2022 - Energy from Waste 22 -35 which was carried by Lithgow City Council on 2 March 2022.


Cr Stephen Lesslie


Cr Cass Coleman


Cr Eric Mahony

Attachments

1. Rescission Motion [10.1.1 - 1 page]

Recommendation

THAT We the undersigned hereby move to rescind motion ECDEV - 02/03/2022 - Energy from Waste 22 -35 which was carried by Lithgow City Council on 2 March 2022.

Management Comment

Clause 17.1 of Council's Code of Meeting Practice provides that "A resolution supported by a majority of the council at which a quorum is present is a decision of the council." The same section of the Code makes provision for a council decision to be later altered or rescinded by way of a motion to that effect. A notice of motion to rescind the council decision has been received. It complies with the Code.

The notice of motion to rescind the council decision is also accompanied by a second notice of motion. This proposes an alternate and direct opposite position to the council's current decision. Council will only be able to consider this second notice of motion if the first notice of motion is adopted by the Council.

Council's adopted order of business typically locates notices of motion ahead of notices of rescission on the business paper. Because in this case the two matters above are related and one is subsequent to or only potentially available after the first is dealt with, they have been positioned together on this occasion.

11. Staff Reports

11.1. General Manager's Reports

11.1.1. GM - 26/04/2022 - ALGWA Executive Appointment – Councillor Cassandra Coleman

Prepared by Trinity Newton – Executive Assistance

Department Governance

Authorised by General Manager

Reference

Min 19-170: Ordinary Meeting of Council 24 June 2019.

Summary

Correspondence has been received from Councillor Di Baker – President ALGWA (NSW Branch), informing Council that Deputy Mayor Cassandra Coleman has been re-elected as Executive Member to the committee, in the position of Immediate Past President. The correspondence also seeks Council's support for Deputy Mayor Coleman to fulfill her role at the executive and board meetings.

Commentary

Background

ALGWA's website describes that the organisation seeks to strengthen networking, mentoring and innovative opportunities that encourage and support women in local government.

At the 26 April 2019 meeting, Council resolved (in part) that a "future report be provided to Council on ongoing potential costs associated with involvement in ALGWA activities" (Min. No. 19-94).

The subsequent report was provided to the 24 June 2019 meeting, Council then resolved:

19-170 RESOLVED

THAT Council:

1. Note the information provided in this report on the estimated costs of Cr Coleman's attendance at ALGWA activities for the 2019/20 year.
2. Reallocate \$3,000 from the 2019/20 Governance advertising budget to supplement the 2019/20 Councillor travel expenses budget for the estimated costs of Cr Coleman's attendance at ALGWA activities.

Recent Appointment

Deputy Mayor Coleman has been re-elected as Executive Member to the Australian Local Government Women's Association (ALGWA) Committee, in the position of Immediate Past President. The ALGWA President has written to Council seeking Council's support for Councillor Coleman in assisting her to undertake her duties in this position not only in her attendance at conferences but also to fulfill her role at the executive and board meetings.

Councillor Coleman has indicated that she will attend meetings and forums via livestreaming. The only aspect of the role that she requests assistance with is registration, travel and accommodation for attendance at the ALGWA annual conference. Councillor Coleman characterises this forum as being related to her personal development as a councillor. There is typically capacity to accommodate this cost within the approved councillor professional development budget.

Over the past three years Council has supported Councillor Coleman in her role as President of ALGWA.

ALGWA holds an annual conference (most recently at the cost of \$1,333 for attendance). This does not include travel, accommodation and expenses which have also been paid by Council since 2019. Annual conference costs may be funded from the Councillor conferences and seminars budget (\$9,000 pooled total for all Councillors).

ALGWA also holds monthly forums. These cost nothing to attend however travel, accommodation and expenses have previously been supported. Future monthly forums will permit audio-visual attendance.

Policy Implications

The relevant policy is Policy 9.5 Councillor Expenses and Facilities.

Financial Implications

- Budget approved - \$9,000 total budget for Councillor conferences and seminars.
- Cost centre - 800154
- Expended to date - \$1,179
- Future potential impact – ALGWA annual conference cost only.

Legal and Risk Management Implications

Nil.

Attachments

1. Lithgow City Council support of ALGWA executive member Cr Cassandra Coleman [11.1.1.1 - 1 page]
2. Report to Council - FIN - 24/06/2019 - Costs of ALGWA Activities [11.1.1.2 - 2 pages]

Recommendation

THAT Council:

1. Congratulate Deputy Mayor Cassandra Coleman on her re-appointment to the ALGWA Executive by way of a letter of congratulations.
2. Support Deputy Mayor Coleman's attendance at the ALGWA annual conference.

11.1.2. GM - 26/04/2022 - National General Assembly of Local Government - NGA2022 Conference

Prepared by Trinity Newton – Executive Assistant
Department Governance
Authorised by General Manager

Summary

To inform Council of the National General Assembly 2022 Conference being held 19 – 22 June 2022 in Canberra to determine the delegates attending the event.

Commentary

The theme for the 2022 NGA conference is "Partners in Progress, recognising that we achieve more for our communities when we work collaboratively as partners in government."

In the President welcome within the official registration brochure (attached), the Australian Local Government Association (ALGA) President, Cr Linda Scott states:

"As the closest government to communities, we have shown time and time again how resilient we are, and what we can achieve when we work together...."

This theme is particularly timely given that we are fast approaching a federal election, and this year's NGA will be an ideal opportunity to engage with either a new or re-elected Federal Government about building stronger relationships and partnerships....

Throughout this event, we will look at how councils are responding to new challenges and opportunities to create jobs and drive economic growth, and how they are shaping a better future for all Australians....

I invite you to register for this year's National General Assembly in Canberra so that you can:

- Explore new ideas through keynote addresses, panels, concurrent sessions, and networking;
- Engage with our federal leaders and senior officials as they discuss Australia's recovery;
- Connect with partners and service providers in our Exhibition Space; and
- Learn more about how ALGA's policy and advocacy programs are supporting your recovery efforts in our communities."

The cost per delegate to attend this event is \$989 if registered and paid prior to 20 May 2022. Accommodation is estimated at \$1170 each for a three-night stay. The approximate total cost is \$2,159 per delegate.

Based on past delegations to the National General Assembly conferences Council has sent two voting delegates, two substitute delegates and one to two members of the Administrative Executive Leadership Team. The total cost of this would be a minimum of \$12,954.

Policy Implications

Nil

Financial Implications

- Budget approved - \$9,000 plus separate budget provided for State and National Local Government Conferences.

- Cost centre – 800154
- Expended to date – nil for the National General Assembly 2022 Conference.
- Future potential impact - \$12,954 minimum based on past delegations.

Legal and Risk Management Implications

N/A

Attachments

1. NGA22 Registration Brochure [**11.1.2.1** - 18 pages]
2. Invitation - 2022 National General Assembly of Local Government - 19 to 22 June 2022
[**11.1.2.2** - 2 pages]

Recommendation

THAT

1. Appoint the Mayor, Deputy Mayor and two other Councillors as attendees to the NGA22 Conference;
2. Authorise the General Manager and one other Executive Leadership Team Member to attend the Conference.

11.2. Economic Development and Environment Reports

11.2.1. Building and Development

11.2.1.1. ECDEV - 26/04/2022 - DA065/22 - Domestic outbuilding (shed) - 609 Back Cullen Bullen Road, Portland

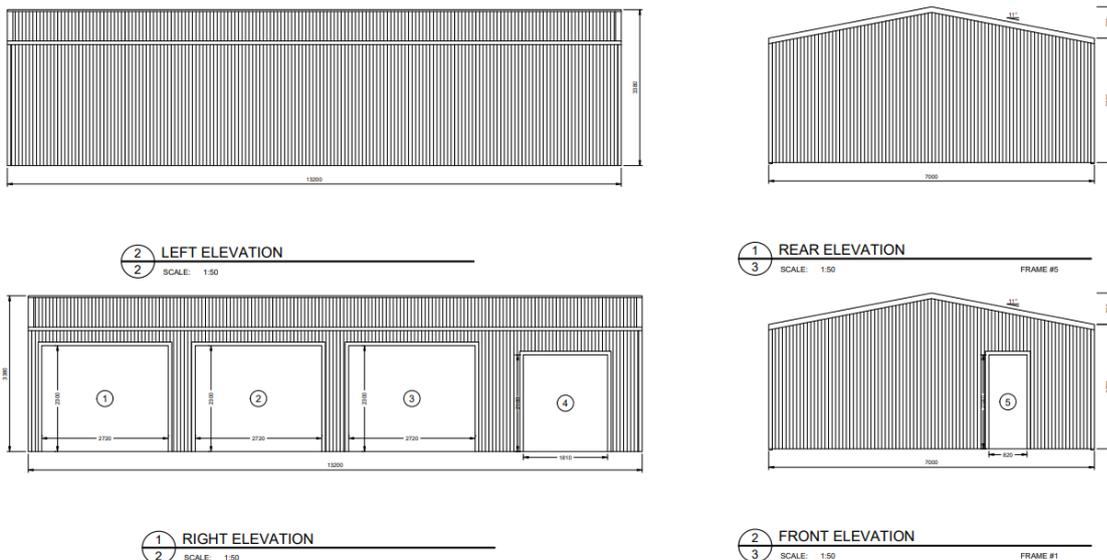
Prepared by Lachlan Sims – Team Leader Development
Department Economic Development and Environment
Authorised by Director Economic Development and Environment
Property Details Lot 6 DP 836142 – 609 Back Cullen Bullen Road, Portland
Property Owner Cassandra Coleman
Applicant Cassandra Coleman

Summary

The purpose of this report is to assess and recommend determination of Development Application 065/22 seeking consent for a domestic outbuilding (shed) on land owned by Councillor Cassandra Coleman at 609 Back Cullen Bullen Road, Portland (Lot 6 DP 836142). Being development by a Councillor, this application is being reported to this Ordinary Meeting of Council for determination in accordance with Policy 7.6 Development Applications by Councillors and Staff or on Council Owned Land.

Commentary

The application seeks consent for the erection of a shed structure that will be ancillary to the existing dwelling on the land. The shed will have a floor area of 92.4 square metres and a maximum height at its ridge line of 3.38 metres. Details of the shed are illustrated in the plan extracts below.



The location of the shed relative to the site boundaries and existing dwelling is illustrated on the site plan below.



The development application has been assessed in accordance with the statutory requirements in section 4.15 of the *Environmental Planning and Assessment Act 1979*. The proposal is for a relatively low impact, domestic outbuilding that will be ancillary to the existing dwelling house on the land. The proposal complies with the relevant design standards in the Lithgow Development Control Plan 2021 and is consistent with the prevailing built form and desired future character of development in the land use zone (being Zone R5 Large Lot Residential under the *Lithgow Local Environmental Plan 2014*). For these reasons, the proposal has been assessed favourably and is recommended for determination by way of approval. A copy of the assessment report by Council staff with a recommendation for approval is provided in Attachment 1.

Policy Implications

Policy 7.6 Development Applications by Councillors and Staff or on Council Owned Land

Development application 065/22 has been made by Councillor Cassandra Coleman on land in her ownership. In accordance with the requirements of this policy, development application 065/22 is reported to this Ordinary Meeting of Council for determination.

Lithgow Community Participation Plan

The Lithgow Community Participation Plan specifies what development applications will be subject to public exhibition and neighbour notification. This application seeks consent for a domestic outbuilding (shed) in Zone R5 Large Lot Residential having a floor area less than 100 square metres. Because of this, the application is exempt from public exhibition and notification of neighbouring landowners has not been undertaken.

Financial Implications

- Budget approved - N/A for the assessment of the development application

- Cost centre - N/A for the assessment of the development application
- Expended to date - N/A
- Future potential impact – N/A

Legal and Risk Management Implications

Environmental Planning and Assessment Act 1979

In determining a development application, Council as the consent authority is required to take into consideration the matters of relevance under Section 4.15 of the *Environmental Planning and Assessment Act 1979*. These are addressed in the attached planning assessment report. The application is recommended for approval and has been assessed as achieving compliance with relevant regulatory requirements.

Attachments

1. Planning Assessment Report, DA 065/22, 609 Back Cullen Bullen Road, Portland [11.2.1.1.1 - 9 pages]

Recommendation

THAT

1. Development Application DA065/22 be APPROVED subject to conditions of consent as detailed in the attached planning assessment report.
2. A DIVISION be called in accordance with the requirements of Section 375A(3) of the Local Government Act, 1993.

11.2.1.2.	ECDEV - 26/04/2022 - Variations to Development Standards under Clause 4.6 of the Standard Instrument
Prepared by	Lauren Stevens – Development Planner
Department	Economic Development & Environment
Authorised by	Director of Economic Development & Environment

Summary

The purpose of this report is to advise Council of variations to development standards for the January to March 2022 quarter as per the NSW Department of Planning and Environment Guidelines.

Commentary

The provisions of clause 4.6 of the *Lithgow Local Environmental Plan 2014* (LEP) enable consent to be granted to in certain circumstances where a development proposal does not comply with prescribed development standards.

The objectives of clause 4.6 are:

- (a) to provide an appropriate degree of flexibility in applying certain development standards to particular developments,*
- (b) to achieve better outcomes for and from development by allowing flexibility in particular circumstances.*

A development application that seeks a variation to a development standard under clause 4.6 is required to provide sufficient supporting documentation justifying why the departure from the LEP development standard is warranted and that the relevant objectives can be reasonably achieved. In accordance with the NSW Department of Planning and Environment Guidelines and in compliance with procedural and reporting requirements, variations approved under delegation by staff are to be reported to a meeting of the full Council on a quarterly basis.

Details of the development applications approved by staff with variations to development standards under clause 4.6 of the LEP in the January to March 2022 quarter is attached. This information has been submitted to the Department of Planning and Environment in accordance with their reporting and procedural requirements.

Policy Implications

Nil.

Financial Implications

- Budget approved - N/A
- Cost centre - N/A
- Expended to date - N/A
- Future potential impact – N/A

Legal and Risk Management Implications

Nil.

Attachments

1. Variations to Development Standards under Clause 4.6 - Jan- Mar 2022 [**11.2.1.2.1** - 1 page]

Recommendation

THAT Council note the information provided in the report relating to variations to Development Standards under Clause 4.6 of the Standard Instrument for the January to March 2022 quarter.

11.2.2. Economic Development & Environment General Reports

11.2.2.1. IPART review of domestic waste management service charges

Prepared by Nigel Campbell - Waste & Recycling Manager

Department Waste & Recycling

Authorised by Director of Economic Development & Environment

Summary

The purpose of this report is to provide a summary of the IPART Review of Domestic Waste Management Charges and to seek Council's endorsement of a submission as part of the consultation process. While there are minimal concerns for Council in the short term, a proposed 'waste peg' may limit the ability of Council to effectively provide waste services in the future. Accordingly, Council is supporting the rebalancing approach.

Commentary

Background

Councils are required to ensure that their Domestic Waste Management (DWM) charges are calculated so as not to exceed the reasonable cost to the Council of providing DWM services.

In May 2020, the Independent Pricing and Regulatory Tribunal (IPART) initiated a review of the local government DWM Charge after being informed that the Office of Local Government (OLG) had ceased auditing the reasonable cost basis of these charges in 2016-17. After surveying Councils on DWM expenses and services for the 2017-18 and 2018-19 financial years as part of the 2019-20 Local Government Cost Index (LGCI), IPART found that DWM charges had risen significantly in recent years and that they vary significantly across Councils and between similar Councils. IPART was thus tasked with devising an approach to reduce variation in DWM charges and ensure value for money across Councils based on transparent, reasonable, and efficient costs.

IPART consultation process to date

In August 2020 IPART released the *Local Council Domestic Waste Management Charges Discussion Paper*. The Discussion Paper provided an approach to address the inconsistencies in the DWMC which would be based on benchmarking and rebalancing.

In December 2021, following submissions on the Discussion Paper, IPART released the *Review of Domestic Waste Management Charges Draft Report*. The Draft Report provided an alternative approach based on a DWM charge peg.

IPART has stated that there is no option for them to take no action, and that alternatives to the two proposals above would be extremely unlikely to be considered given the need for another lengthy public consultation. Councils' submissions on the review should therefore focus on the merits and demerits of the two approaches above, and advocate strongly and consistently for their preferred approach.

Consultation for the Draft Report closes on 29 April 2022.

IPART Proposed Approach 1 – Benchmarking and rebalancing

The benchmarking and rebalancing approach in the Discussion Paper proposed:

- Benchmarking waste-related costs across Councils;

- OLG to publish pricing principles in their Council Rating and Revenue Raising Manual on how to set DWM charges to ensure they reflect the costs of providing the service and best value for ratepayers;
- Councils to rebalance DWM income and expenses with general rates in line with the pricing principles with the aim of shifting overheads not consistent with the pricing principles to general rates; and
- Councils complete annual reporting via a simple and streamlined spreadsheet. Under this approach, Councils would have a 2-year grace period to rebalance the DWM charge with general rates based on clear pricing principles. The general rate peg of 0.7% would be applied to the new level of general rates after rebalancing. Total Council revenue would thus be unaffected as this would merely shift some costs from one journal to another. IPART would only regulate those Councils by exception that exceed the average DWM charge after rebalancing by about 15%.

The concerns with the benchmarking and rebalancing approach raised by many Councils include:

- Some Council waste costs may vary significantly from benchmarked costs due to service level, density, demographics, and timing of service introductions compared to other Councils.
- The costs of managing illegal dumping would be accounted for as an unbooked clean-up and combined with clean-up costs. However, some Councils do not know the cost of illegal dumping on its own as trucks generally do not have scales, it is managed ad hoc, is combined with clean-ups, and other reasons. Another issue is education costs related to illegal dumping.
- Only those education costs related to waste and recycling can be included in DWM charges, which means the portion of costs of an educator's time dedicated to non-waste issues such as environment and sustainability, and education campaigns not directly related to delivering waste services, could not be included in the DWM charge.

IPART Proposed Approach 2 – DWM charge peg

In December 2021 IPART released its DWM charge review draft report, which instead proposed:

- Publishing annually a benchmark DWM charge 'waste peg' (1.1% for 2022-23) that gives guidance on how much the reasonable costs of providing DWM services have changed over the previous year.
- Publishing an annual report on Councils that have increased their DWM charges beyond the annual peg, and those Councils' justifications for doing so.
- OLG to publish pricing principles in their Council Rating and Revenue Raising Manual on how to set DWM charges to ensure they reflect the costs of providing the service and best value for ratepayers.

The 'waste peg' would be calculated using a similar methodology to the one IPART use to calculate the change in the Local Government Cost Index (LGCI) – a key component of the rate peg. The difference being that the rate peg applies to revenue, while the waste peg would apply to DWM charges.

Under these draft recommendations, Councils can voluntarily increase DWM charges beyond the waste peg but must provide an explanation. These Councils and their explanations would be published in a public IPART report the next year. Councils could also apply for a special rate variation to increase the DWM charge. Further, where Councils cannot justify the increase in their charges, IPART may consider regulating the individual Council's charges or implementing a binding waste peg.

This approach would not allow a rebalancing between DWM charges and general rates, even if Councils become aware of cost allocations that are not compliant with the updated pricing principles, without requiring a special rate variation.

The concerns with the 'waste peg' approach raised by many Councils include:

- Incentivises Councils to do as little as possible and to prioritise cost over innovation and delivering best-practice services.
- Poses a significant barrier to delivery of Council targets and the NSW Waste and Sustainable Materials Strategy (WaSM) targets.
- Increases risk to the successful roll-out of new services such as Food Organics & Garden Organics (FOGO), which the EPA has mandated by 2030.
- The peg does not allow for the combination of CPI, the recent sudden rise in petrol prices, sudden changes in inflation, the recent increase in the Local Government Award, or planned increases in the DWM charge already included in many Council budgets.
- Being named by IPART in an annual report for inevitably raising the DWM charge above the peg or applying for a resource consuming special rate variation to avoid this – just to introduce an EPA-mandated service such as FOGO – risks a community and media backlash. This may also undercut establishing social license for a new service, increase planning time, and create delays in service introduction.
- Some Councils have reported that the proposed peg has already created internal pressure to reduce costs while continuing to deliver a high-quality service, thus creating an unsustainable situation.
- Many Councils have consulted their communities as part of their strategic planning and identified a strong community expectation for higher resource recovery and, in many cases, a willingness to pay for additional services.
- The peg further entrenches the gap between Councils with relatively low DWM charges and Councils with relatively high DWM charges, allowing the latter to continue levying high charges and increasing these at a higher annual increment than Councils with lower DWM charges.
- As more Councils inevitably exceed the voluntary peg, pressure will build on IPART to make the voluntary peg mandatory.

Implications for Lithgow Council

A recent review of the Lithgow Council DWM charges places our charges in line with similar Councils offering a similar service. There are also no known areas where rebalancing would be required to shift overheads not consistent with the pricing principles to general rates, however this would need to be reviewed following publication of the pricing principles.

There are minimal short-term implications for Lithgow Council with the waste peg approach with the proposed increase to the DWM charge in 2022/23 set at 1.1% in line with the benchmark waste peg.

There are concerns in the future however with the waste peg approach, particularly should the waste peg be regulated. The concerns specific to Lithgow Council include:

- Cost variability – there are many factors that contribute to the cost of providing domestic waste services including population size and density, geographic distribution, levels of service etc. A ‘waste peg’ will not be able to factor in all these variables.
- Lack of flexibility when introducing new or improved services in line with community expectations and willingness to pay.
- External costs pressures (e.g. ‘China Sword’ recycling ban, increased regulation of waste facilities) will increase costs above CPI and this will not be reflected in the waste peg.
- Existing public consultation process – each year the proposed DWM charge is included in the Fees and Charges for public consultation. Benchmarking with comparison to a waste peg will not provide a fair comparison of the challenges each Council faces and may lead to an unjustified community backlash.
- Additional administrative costs justifying any increases above the waste peg.

Proposed submission

Council proposes to prepare a submission that supports the recommendation in the Discussion Paper of rebalancing rather than a waste peg. The submission will argue against an annual benchmark waste peg.

Policy Implications

Nil.

Financial Implications

- Budget approved - n/a
- Cost centre - n/a
- Expended to date - n/a
- Future potential impact – impacts future Domestic Waste Management charges.

Legal and Risk Management Implications

Potential impact to the Long Term Financial Plan.

Attachments

Nil

Recommendation

THAT Council endorse a submission being made to IPART in response to the *Review of Domestic Waste Management Charges Draft Report 13 December 2021* that includes the following:

1. The proposed rebalancing approach is the preferred approach rather than a waste peg;
2. The proposed annual benchmark waste peg will not assist Councils in setting their Domestic Waste Management charges and will lead to unfair comparisons between Councils and incentivise a reduction in waste services; and
3. The publication of pricing principles by the Office of Local Government (OLG) will provide guidance to Councils on how to set DWM charges in their Council. This should offer a solid justification for the setting of DWM charges and negate the need for a separate benchmark waste peg.

11.2.2.2. ECDEV - 26/04/2022 - Adoption of the Scores on Doors Program

Prepared by Brendan Livingstone – Team Leader Environment & Health

Department Environment & Health

Authorised by Director of Economic Development & Environment

Summary

This report provides information for the Council regarding the Scores on Doors program for food businesses within the Lithgow LGA.

Commentary

Food businesses form an important part of the local economy, creating economic activity, employment, bringing people into the area and retaining those who work and live in the LGA by providing reliable meal options and employment. At the same time, consumer expectations are rising, in particular that:

- Food premises have the highest levels of compliance with hygiene and food safety standards;
- Consumers are able to have access to official information so they can make an informed decision about where they eat; and
- Council activities such as food inspections are not only completed but, seen to have been completed.

Council's Environmental Health Officers already conduct food safety inspections to ensure compliance with hygiene and food safety requirements. Where necessary, they undertake compliance action. Food premises issued with an on-the-spot Penalty Notice may appear on the NSW Food Authority's high profile 'Name and Shame' register.

However, the opportunity exists for Council to be proactive in providing transparency around the inspections as well as an additional incentive for businesses to maintain and increase their inspection results, thereby improving the quality of local food premises. To further support the significant work in this area, it is recommended that the Council also take part in the 'Scores on Doors' program.

Program Details

Scores on Doors is a state-wide NSW program to display the results of food premises inspections for hygiene and food safety at the business. The program is focussed on retail food service businesses that process and sell food that is ready-to-eat, intended for immediate consumption, and potentially hazardous if not handled correctly and under the right conditions.

These are the higher risk premises that have the greatest potential to cause foodborne illness if food is not handled correctly. These businesses include:

- Restaurants,
- Hotel bistros,
- Hotels/accommodation providers,
- Cafes,
- Bakeries,
- Clubs, and
- Takeaway outlets,

Scores on Doors is not intended for:

- Supermarkets,
- Delicatessens or greengrocers,
- Low risk food premises that serve pre-packaged food such as service stations and convenience stores,
- Temporary markets and mobile food vending vehicles, and/or

- Businesses that hold a NSW Food Authority license and are separately audited such as butchers.

The voluntary program was first piloted in NSW in 2010 and was then expanded to a trial in 2011-2012. Following feedback from Councils and food industry stakeholders, a few elements of the program have been enhanced to reduce perceived barriers to participation in the program (e.g. the meaning of the ratings have been made clearer and businesses are no longer asked to sign a legal agreement to participate).

Importantly, the rating certificate and sticker that is displayed carries an explanation of what it represents, a warning about relying solely on the rating and a disclaimer from liability for the Council for any acts by the food business or about the condition of the premises.

The NSW Food Authority works with councils to provide marketing support and significantly increase the number of councils that have adopted the program. Given the number of food businesses in the Lithgow City Council area, the Scores on Door program would assist promotion of the area as a food destination and a reliable place to conduct business.

How would this work?

- Following Council's existing routine inspection program, eligible food premises would receive a hygiene and food safety rating based on points allocated under the Scores on Doors guidelines, akin to a demerit system; the standard Food Premises Assessment Report that Council inspectors use promotes consistency in points allocation;
- The NSW Food Authority provides the certificates and stickers free of charge to Council for each of the three ratings: **Good, Very Good, Excellent**. Businesses assessed with critical breaches or too many lesser breaches are not awarded any grade or a certificate/sticker;
- Certificates and stickers can be issued on the spot at the time of inspection, or sent out in the post afterwards;
- The rating certificate would be displayed on the front window or near the entrance to the premises; and
- There need be no extra work for Council staff as a result of participating in the program.

Participation in the program is recommended as:

- The Scores on Doors program rewards food premises that do the right thing by their customers;
- The program provides food premises throughout the area with a public (or to attract custom) incentive to raise standards;
- Surrounding Councils are already participating in the program, and those consumers coming to Lithgow from these areas may view our food businesses as 'not up to standard' due to there not being a rating sticker or certificate present;
- They offer the potential that higher standards in food premises could mean fewer compliance issues requiring follow-up and fewer consumer complaints (also incentive driven); and
- Most importantly, they will help provide our community with clean and healthy food products and services, which positively showcase the area's many culinary attractions.

Policy Implications

Nil.

Financial Implications

- Budget approved - N/A, all material is provided by the NSW Food Authority free of charge.
- Cost centre - N/A.
- Expended to date - N/A.

- Future potential impact – Improving the quality of existing and new food businesses in the Lithgow LGA. Reducing the number of complaints received by Council, thus potentially reducing the time spent by officers investigating these complaints.

Legal and Risk Management Implications

Adoption of the program may assist to reduce public health risks.

Attachments

Nil

Recommendation

THAT Council adopt the Scores on Doors program for its food businesses to promote compliance with hygiene and food safety standards, promote consumer trust in food businesses and to further the reputation and economy of food businesses in the area.

11.2.2.3. ECDEV - 26/04/2022 - LEEP Update

Prepared by Andrew Muir

Department Economic Development & Environment

Authorised by Director of Economic Development & Environment

Summary

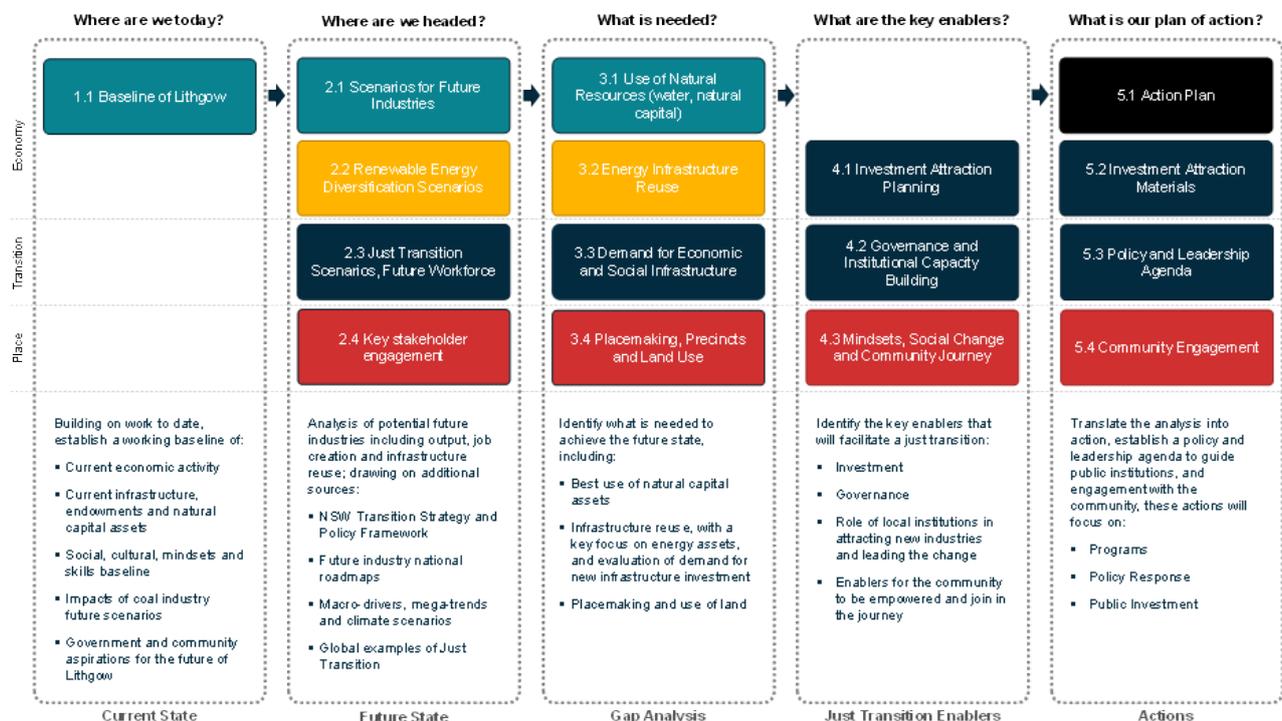
To provide Council with an update on progress with the Lithgow Emerging Economy Project.

Commentary

As Council is aware, the Lithgow Emerging Economy Project (LEEP) aims to utilise the expertise of specialist consultants to provide an action plan to both the NSW Government and Lithgow Council with tangible, measurable actions to guide the Lithgow Local Government Area toward a new economy beyond coal and electricity generation.

The project is made possible through funding of \$250,000 (ex GST) from the NSW Government and is overseen by a Project Control Group (PCG) consisting of representatives of key NSW government departments and Lithgow Council. Council is also contributing to the project.

The selected consortia group, NCEconomics, have now conducted two visits to Lithgow to carry out tours of the area and speak to key stakeholders including councillors. Further visits will be scheduled for the remainder of the project with the next in mid May. The project plan is reproduced below and on their most recent visit NCEconomics briefed the Project Control Group on the work conducted thus far on “1.1 Baseline of Lithgow.”



Existing Demographic and Economic Data has been gathered in the Baseline phase with the following key points in summary.

- With historically and predicted low population growth, in the absence of positive action, growth is expected to stagnate
- Lithgow sits below the NSW Median on key indices including Relative Socio-economic Disadvantage; Relative Socio-economic Advantage and Disadvantage; Economic Resources; Education and Occupation

- Existing education and skills base is geared towards industrial like work
- Comparatively lower sector diversification compared to NSW average which equates to lower potential resilience.
- Top value add industry sectors - Mining, Electricity, Gas, Water and Waste Services, Public Administration and Safety, Manufacturing, Health Care and Social Assistance
- Growth in Manufacturing, Health Care and Social Assistance
- Decline in Information Media and Telecommunications, Transport, Postal and Warehousing
- Clear economic shock around 2015 which coincided with closure of Wallerawang Power Station
- The majority of workforce lives in Lithgow LGA followed by Blue Mountains and Bathurst
- Mining represents 32% of jobs in the top two income categories. Other relatively high paying industries include Public Administration and Safety, Health Care and Social Assistance, Retail Trade, Education and Training and Construction. A decline in the mining industry will mean the loss of high paying jobs.
- Mining has the highest contribution to the Lithgow economy at \$489m pa and employs approx 900 people. Healthcare employs similar levels but produces \$81m for the city
- Housing is affordable compared to Regional NSW and NSW as a whole with a higher proportion of home ownership.
- Whilst the tourism industry not currently a major contributor, offerings and activity mix undertaken are similar to Blue Mountains.
- Lithgow is well positioned between major population centres and is the end of the trainline from Sydney.
- The legacy infrastructure from coal mining and coal-powered energy generation provides a starting point for future growth.
- Water resources, even rainfall patterns and water infrastructure create opportunities.
- Opportunities exist around waste, waste processing and circular economy investment.
- Climate change will mean higher temperatures and more variable rainfall. As opportunities are identified, need to compare to competing regions. Potential relevant issues include:
 - Potentially more desirable in colder months
 - Hot days may have implications for certain industries (e.g. construction)
 - Changes in rainfall may impact on reliability of water resources.
 - Increased incidence of natural hazards may have impact on liveability and investment attractiveness.
- Coal mining makes up 99% of the value add of Mining. With the industry in decline, impacts for Lithgow potentially significant. High paying jobs reducing. Potential to transfer skills base to other industries?
- Renewables opportunities – Good solar resources; Good wind resources; Pumped hydro energy storage opportunities; Excellent existing transmission connections to Sydney; Excellent grid support opportunities (e.g. batteries); Strategic location for a transport & logistics hub - potential hydrogen refuelling location; One of 4 designated locations for Energy from Waste facilities in NSW
- Potential future increase in demand for health services. Presents a case for further sector growth with potentially high paying jobs. Potential for complementary services (e.g. accommodation services, advanced manufacturing).

Phase 2 of the project – Where are we headed – will focus on an analysis of potential future industries to create future scenarios for consideration. This will draw on an examination of governance and partnerships, core industry clusters, enabling factors and principles of transition.

Significant consideration has also been given to the appropriate and timely manner of community consultation. Whilst originally to be later in the process this is being reviewed to provide a greater opportunity for community ownership of the transition plan.

Policy Implications

Nil.

Financial Implications

- Budget approved - \$285,000 over two financial years (\$250,000 grant funded)
- Cost centre - 600261
- Expended to date - \$1,965 + \$22,730 committed.
- Future potential impact – It is expected the total project budget will be spent.

Legal and Risk Management Implications

Nil

Attachments

Nil

Recommendation

THAT the update on the Lithgow Emerging Economy Project be noted.

11.2.2.4. ECDEV - 26/04/2022 - On Site Sewage Management Strategy

Prepared by Brendan Livingstone – Team Leader Environment & Health
Department Economic Development & Environment
Authorised by Director Economic Development & Environment

Summary

This report provides details of a revised On-Site Sewage Management Strategy, proposing it now also be included in Council's policy register.

Commentary

The Council originally adopted an On-Site Sewage Management Strategy on 22 November 1999. It has been reviewed since then with revised strategies adopted by Council in 2007, 2010 and 30 June 2014. The strategy was developed to assist Lithgow City Council to assess, regulate and manage the selection, design, installation, operation and maintenance of all on-site sewage management systems within the Local Government Area.

This latest review has included changes to the charging structure and the updating of terminologies and referenced documents.

The main changes to the strategy include:

- Introducing annual charges for Approvals to Operate Aerated Wastewater Treatment Systems. These are currently not charged; and
- Changes to the process of issuing Approvals to Operate for expired approvals and for newly installed systems. These will be required to apply for an Approval to Operate and be charged accordingly. These are currently not charged.

Policy Implications

It is recommended that this long-standing strategy be elevated in status to a Council policy. This will make it more clear to the public that the policy has been adopted and endorsed by the Council and it will be easier to locate and access on Council's website. The proposed Policy requires public exhibition in accordance with Council's Lithgow Community Participation Plan 2020.

Financial Implications

- Budget approved - N/A in relation to the document itself. However, revenue is collected through the approval to operate and inspection process. Property owners are levied on an annual basis depending on their risk category.
- Cost centre - N/A
- Expended to date - N/A
- Future potential impact - Including aerated systems into the inspection and charging regime will provide additional future revenue, however this is only to cover Council's costs. The identification and levying of properties would be ongoing and would not begin until the 2022/2023 financial year for aerated systems.

Legal and Risk Management Implications

The strategy outlines the legislative framework. Application of the strategy reduces environmental and public health risk.

Attachments

1. Compliance Policy 5 9 OSSM Strategy Final 4 R 3 N [11.2.2.4.1 - 13 pages]

Recommendation

THAT

1. Council endorse the revised On-Site Sewage Management Strategy, now referred to as Policy 5.9 On Site Sewage Management Policy, to be placed on public exhibition for a period of 28 days.
2. The matter be reported back to Council should submissions be received, or if any changes are proposed following exhibition.
3. If no submissions are made raising very material matters or changes proposed, the policy be adopted following exhibition.

11.2.2.5. ECDEV - 26/04/2022 - NSW Government Community Event Program Funding

Prepared by Andrew Muir - Director of Economic Development & Environment

Department Economic Development & Environment

Authorised by Director of Economic Development & Environment

Summary

The purpose of this report is to advise Council of the Reconnecting Regional NSW – Community Events Program.

Commentary

The NSW Government has announced the *Reconnecting Regional NSW – Community Events Program*. \$25 million has been allocated to regional councils seeking to promote economic and social recovery. The fund aims to support regional NSW Councils to deliver COVID-Safe community events and festivals that are open for the entire community. A dedicated allocation of \$239,651 is available to Lithgow City Council to apply for funding towards these events.

The NSW Government has indicated that it encourages councils to engage with the local community and employ local external event coordinators and businesses to support local recovery. For existing events, applicants are encouraged to use this funding to make the events larger or more accessible. However, initial enquiries have been made with the Department of Regional NSW and it may be possible to seek some of the allocation to go toward Council events that have not yet been funded through the Council budget process for 2022/2023 thus reducing the impact on Council's overall budget. New Council events would be eligible subject to satisfying the programme criteria. In this regard the key criteria are:

Events must:

- be open to all members of the public,
- free to attend or a very small fee to cover any extra costs,
- have a primary purpose of reconnecting communities and improving social cohesion of the local community, and
- be held before 31 March 2023.

Activities eligible for funding include existing or new:

- community markets and bazaars,
- festivals and fairs,
- sporting events,
- food and leisure events,
- recovery events,
- community classes and workshops,
- agricultural field days (run by community organisations),
- regional racing carnivals (e.g. horse or greyhound racing) run by community organisations,
- touring events and theatre programs, and
- community public holiday celebrations (e.g. Australia Day or Anzac Day).

Applications will close on 24 June 2022 and events must be held by 31 March 2023 and recognising the governments encouragement to engage with the community it is recommended that expressions of interest be sought.

Policy Implications

Nil

Financial Implications

- Budget approved - Nil, though there may be a possibility that grant funds could be applied towards annual / planned Council events to be held before 31 March 2023.
- Cost centre - N/A
- Expended to date - Nil
- Future potential impact – new community events would need to be added to the draft 2022/23 budget and Operational Plan.

Legal and Risk Management Implications

Nil

Attachments

1. Community Event Program - Allocation Letter - City of Lithgow Council [11.2.2.5.1 - 1 page]

Recommendation

THAT:

1. Council call for expressions of interest from community groups seeking an allocation of funding for events under the Reconnecting Regional NSW – Community Events Program.
2. A further report be brought to Council for the purpose of determining the allocation of the available funding.
3. Council acknowledge the benefit of this funding and convey appreciation by way of correspondence to the Local Member and the relevant Minister.

11.3. Infrastructure Services Reports

11.3.1. IS - 26/04/2022 - Proposed Road Naming - Bowen Vista Estate DA226/16

Prepared by Leanne Kearney - Assets and Infrastructure Planning Manager

Department Infrastructure Services

Authorised by Jonathon Edgecombe

Reference

Min. No. 22-38 Ordinary Meeting of Council held on 2 March 2022.

Summary

The purpose of this report is to advise Council of a submission received regarding the proposed naming of two new (2) roads under DA226/16 in Bowen Vista Estate, proposed to be named Gunners Close and Trench Place, and to progress the road naming process.

Commentary

At Council's Ordinary Meeting held on 2 March 2022, Council resolved to advertise the road names Gunners Close and Trench Place for the new roads off Kirkley Street, South Bowenfels, in a local newspaper and notify emergency authorities and residents in the area, calling for submissions to be made for the statutory period of twenty-eight (28) days.

The public exhibition period closed on 5 April 2022, with one (1) submission received.

The submission requested consideration be given for the roads to be named "Pentwyn Place" and "Lewis Close" in recognition of past owners of the property the gun emplacements are situated on.

The submission states that the gun emplacements are situated on the property previously owned by William and Annie Lewis and was known as 'Pentwyn Farm' (a dairy farm).

There is no mention of the property owners on any part of the original property, which extended from the Lithgow Bible Church over to Goulds Hill and beyond, including most of Three Tree Estate.

The submission author (representing a number of family members of William and Annie Lewis), requests this naming in recognition of the Lewis's outstanding citizenship in supplying free milk to Lithgow residents during the depression and generous support to the soldiers stationed at the Gun Pits during World War 2.

Gunners Close and Trench Place were proposed by the Developer due to the location and next to the significant World War 2 history of the Gun Emplacements. It is fitting that the names reflect the Lithgow history and importance of the area that it abuts.

The Developer has been contacted regarding the submission and wishes to proceed with the naming originally submitted (that being Gunners Close and Trench Place).

All proposed road names meet the criteria and principles set out in the Geographical Names Board Addressing User Manual, and will be acceptable for adoption. Although all the proposed names are considered suitable for the naming of the roads, Council Officers support the names proposed by the Developer as naming roads in a manner that links them to past landowners is not a recommended approach. This is the case as it may be seen as biased toward or against specific owners, especially if additional previous landowners also make a claim for recognition for the same road.

A proposed solution to recognise both the Developer and family history of the area would be for Council to support the Developer's proposed names of Gunners Close and Trench Place, and to name the Council owned public reserve housing the gun emplacements "Pentwyn Reserve", should the descendants of the Lewis family be agreeable to this.

The attached map shows the proposed solution.

Policy Implications

These roads will be named in accordance with Council's Addressing Policy.

Financial Implications

Council will incur some minor administration and advertising costs in accordance with its Addressing Policy, and the costs of the signs will be borne by the Developer of the subdivision.

Legal and Risk Management Implications

Nil.

Attachments

1. Plan showing proposed naming of Trench Place, Gunners Close and Pentwyn Reserve
[11.3.1.1 - 1 page]

Recommendation

THAT Council:

1. In accordance with the Addressing Policy, proceed with the gazettal of road names Gunners Close and Trench Place and notify all providers of submissions, residents of the area and emergency authorities once completed; and
2. Arrange naming of the public reserve housing the gun emplacements as "Pentwyn Reserve", subject to acceptance by the descendants of the Lewis family.

11.3.2. IS - 26/04/2022 - Tender Evaluation - Civic Ballroom Roof Replacement and Building Restoration Works

Prepared by Sean Quick – Project Officer
Department Infrastructure & Services
Authorised by Director of Infrastructure & Services

Summary

The purpose of this report is to summarise the open tender process undertaken for building restoration works and roof replacement at Lithgow’s Civic Ballroom.

Commentary

The Civic Ballroom is a Council-owned structure, located within the Tony Luchetti sportsground. It was constructed in the 1930’s and is strongly tied to Lithgow’s rich history. Over several years, it was noted that roof leaks at the ballroom have become increasingly worse. As a result, Council allocated \$110,192 to have these works undertaken in the 2021/22 financial year.

Subsequently, Council applied for grant funding through the NSW Government’s *Bushfire Community Recovery & Resilience Fund* to make upgrades to the Ballroom in order to make it fit-for-purpose as an evacuation centre. Council was successful in obtaining this grant funding, for \$300,000. Part of this project’s scope is to refurbish the building and make structural enhancements.

Whilst conducting an inspection of the building, Council staff identified large cracks in the north-western turret. The building includes two decorative turrets that contain restrooms. An engineer was engaged to inspect these and found that the north-western turret is sinking and pulling away from the building due to inadequate drainage onsite. The engineer’s report recommended underpinning the building’s footings and improving drainage onsite. In order to engage a contractor to undertake these works, as well as replacing the roof and repairing other parts of the building, Council developed a comprehensive scope of works and called for open tenders.

Tender Process

A Tender Evaluation Panel (TEP) was formed, comprised of the following staff:

Name	Role	Position on Panel
Sean Quick	Project Officer	Chair
Leanne Kearney	Assets and Infrastructure Planning Manager	Member
Kirsty Sheppard	Purchasing Coordinator	Member
Craig Brown	Project Officer	Member

In accordance with the tender evaluation plan, it was determined that tender responses would be evaluated based on the following criteria:

- Value for Money (40%)
- Understanding of Requirement (20%)
- Demonstrated Experience and Past Performance (20%)
- Project Program (15%)
- Proposed Subcontractors (2.5%)
- Local Preference Policy (2.5%)

Council called for open tenders on 21 February 2022 and four tender responses were received by the tender closing time, 10:00am Tuesday 15 March. These were received from the following companies:

- Dean Horton Builder
- Kel Lampton Building
- Murphy's Remedial Builders
- Sched

Tender Evaluation

The TEP reviewed the submissions and met on 31 March 2022 to discuss the proposals submitted. The below table provides a summary of the TEP's scoring against the various criteria. The detailed evaluation has also been included with this report as attachments in two different formats. Please note that these attachments contain confidential information that is commercial in confidence.

Tenderer	Overall Score (out of 100)
Dean Horton Builder	99
Murphy's Remedial Builders	83
Kel Lampton Building	76
Sched	16

The TEP determined that Dean Horton's submission offered best value.

Dean Horton quoted the lowest lump sum pricing and proved that all requirements of Council's specification had been factored into the price. As an extra item, Dean Horton also quoted on future works that will need to be undertaken to the turret, as highlighted in the engineer's report.

Dean Horton has undertaken many other projects for Council and has earned a reputation as producing high quality work, being a clear and honest communicator and ensuring that projects are completed on time and within budget. The company has successfully completed building upgrade works at the Civic Ballroom in 2011, so has a good understanding of the building structure.

Furthermore, Dean Horton is a locally based builder, meeting Council's 'Local Preference' criteria, and has indicated that local sub-contractors will be engaged.

Building works are expected to commence in early June and will take approximately 5-10 weeks to complete, depending on weather. The Civic Ballroom will not be available for bookings during this time.

Policy Implications

The tender process was undertaken in accordance with Policy 1.4 - Tendering and Policy 1.7 - Local Procurement.

Financial Implications

- Budget approved - \$410,192 for the 2 projects phased over the 2021/22 and 2022/23 Capital Works Programs. All remaining funding, outside of the current project scope, will be allocated to further upgrades at the Civic Ballroom, which will enable the building to be utilised as an evacuation centre. This includes the installation of a water tank and electrical upgrades.
- Cost centre - PJ100696 (\$300,000), PJ600264 (\$110,192).
- Expended to date - on preliminary works, PJ100696, \$27,698.
- Future potential impact – It is planned for \$110,192 to be expended this financial year with the remaining \$300,000 expended in the 2022/23 financial year.

Legal and Risk Management Implications

The tender process was carried out in accordance with Section 55 of the *Local Government Act 1993* and Part 7 of the *Local Government (General) Regulation 2021*.

The NSW Government's Minor Works contract, MW21 General Conditions of Contract will be used to engage Dean Horton for this project.

Attachments

1. Confidential - Tender Evaluation Excel Version [11.3.2.1 - 1 page]
2. Confidential - Tender Evaluation Word Version [11.3.2.2 - 5 pages]

Recommendation

THAT Council:

1. Note the tender evaluation for the replacement of the roof, and building rectification works at the Civic Ballroom.
2. In accordance with Clause 178 (1)(a) of the *Local Government (General) Regulation 2021*, accept the tender submission from Dean Horton Builder in the amount of \$232,495 (plus GST) for the Civic Ballroom works.
3. Authorise the General Manager to execute the contract on behalf of Council under delegated authority.

11.3.3. IS - 26/04/2022 - Financial Assistance Request - Sporting Representation

Prepared by Kaitlin Cibulka – Executive Assistant Infrastructure Services

Department Infrastructure Services

Authorised by Director of Infrastructure & Services

Summary

This report provides details of a request for financial assistance for sporting representations.

Commentary

Council is in receipt of an application for financial assistance from Alexander Evans for his participation at the National Age Championships that will be held in Adelaide in April 2022 for Swimming.

Alexander has qualified for the following events:

- 50m and 100m Freestyle
- 50m and 100m Butterfly
- 200m and 400m Individual Medley

Alexander has also recently competed at the NSW Senior State Age Championships and NSW Country Championships at Homebush where he was a finalist in 5 events.

Similar financial assistance requests are usually reported through the Sports Advisory Committee, with recommendations made by the Committee subsequently reported to Council for resolution. However, due to the Sport Advisory Committee meeting being held after the due date for Council reports, the Committee has not been able to review the request. This application has been reported directly to Council for approval to provide a response on the funding request to the applicant as soon as possible.

Future requests will be reported through the Sports Advisory Committee.

Policy Implications

Policy 4.2 - Financial Assistance – Section 356 of The Local Government Act

Financial Implications

- Budget approved - \$2,500
- Cost centre – PJ 800158 - Governance - Section 356 Donations & Contributions
- Expended to date - Nil
- Future potential impact – Should assistance of \$300.00 be awarded, total budget remaining would be \$2,200.

Legal and Risk Management Implications

Nil.

Attachments

Nil

Recommendation

THAT Council approve financial assistance to Alexander Evans for the amount of \$300.00 from the current allocation for Financial Assistance for Alexander's sporting representations in swimming.

11.4. Finance and Assets Reports

Nil Reports

11.5. People and Services Reports

11.5.1. PS - 26/04/2022 - Delivery Program 2022-2026 and Operational Plan 2022-2023

Prepared by Deborah McGrath - Corporate Planning and Communications Officer

Department Corporate Planning and Communications

Authorised by Chief Financial & Information Officer
Director of People & Services

Summary

The Council's Integrated Planning and Reporting Framework has been prepared and is provided for the consideration of Council to place on public exhibition. The framework consists of the following suite of documents:

- Draft Community Strategic Plan 2035
 - Community Engagement Strategy
- Resourcing Strategy:
 - Draft Long Term Financial Plan 2022-2032
 - Draft Strategic Asset Management Plan 2022-2032
 - Draft Workforce Plan 2022-2026
- Draft Combined Delivery Program 2022-2026 and Operational Plan 2022-2023
 - Draft Fees and Charges 2022-2023

The focus of this report is to provide an overview of the Draft Combined Delivery Program 2022-2026 and Operational Plan 2022/23.

Commentary

In 2021, the Office of Local Government released new Integrated Planning and Reporting Guidelines and Handbook. All NSW Councils are required to implement this in line with the 2024 local government elections and Integrated Planning and Reporting cycle. The Handbook definitions for the Delivery Program and Operational Plan are included for the information of Councillors as follows:

*The **Delivery Program (DP)** is a statement of commitment to the community from each newly elected council and translates the community's strategic goals into clear actions.*

It is the primary reference point for all activities undertaken by council during its term of office. It allows council to determine what is achievable over the next 4 years, what the priorities are, and how programs will be scheduled.

Importantly, the DP allows council to demonstrate how its 'business-as-usual' activities help achieve Community Strategic Plan (CSP) objectives (e.g., garbage collection achieves a safe and healthy environment objective).

*The **Operational Plan (OP)** is council's action plan for achieving the community priorities outlined in the Community Strategic Plan (CSP) and Delivery Program (DP).*

An OP is prepared each year and adopted. Each OP identifies the projects, programs, and activities that council will conduct to achieve the commitments of the DP

To be compliant with "best practice" identified in the Handbook, we are transitioning our Delivery Program and associated documents over the next 2 years. This includes:

- Identification of all council's activities, demonstrating how each will deliver CSP objectives
- reflecting activities identified in other documents
- identifying key performance indicators
- detailing delivery of planned projects and services for each year, aligning each action to a budget and outlining all resourcing issues
- outlining timeframes for each action
- considering any proposed land acquisition related expenditures.

Fees and Charges

For 2022/23, the Council has undertaken a comprehensive review of its fees and charges, utilising a methodology which includes:

- 2% rate peg was applied to all non-regulatory / non legislated fees and charges.
- Simplifying fee structures where possible.
- Fees and Charges being reviewed to identify:
 - conscious pricing principles,
 - new market opportunities and marketing of facilities,
 - cost to provide the service vs income generated; and
- Regulatory / legislated fees and charges are applied on advice from relevant authorities.

A critical review of fees and charges was undertaken for key areas including Eskbank House, Development, Engineering Administration, all Council Hall hire, Union Theatre, waste, cemeteries, JM Robson Aquatic Centre, Council parks and sporting fields, and Water & Wastewater.

The following documents are included as an attachment to this report:

1. Draft fees and charges report 2022/23.
2. Discontinued 2022/23 fees and charges - these fees and charges are redundant: and
3. New fees and charges report 2022/23.

Draft 2022/23 Budget Standards

Council's budgeting aims to achieve the following standards:

- Meet the OLG's performance benchmarks (e.g., Fit for the Future) over 10 years of the Long-Term Financial Plan.
- Cashflow positive – no use of internal restrictions to fund operational activities.
- Meet audit requirements - compliance with all accounting standards.
- Transparent to the community.

Financial Challenges

Council's challenges stem from a combination of internal and external factors, including:

- Council has consistently reported a deficit operating result (before capital grants) in its financial statements -> costs rising faster than revenue.
- Significantly lower rates income than neighbouring and comparable Councils.
- Need for Council to live within its means.
- Affordable service levels and funding options need to be discussed with the community – to ensure a sustainable future.

Operating Result (Before Capital)

The Office of Local Government (OLG) considers the operating result (before capital) to be an important indicator of financial performance. The result is calculated by deducting capital grants and contributions from the net operating result for the year (i.e., income less expenses).

In a time of significant financial challenges, the draft 2022/23 budget is presented to Council with a General Fund operating deficit (before capital) of (\$2.786M). The consolidated operating result (before capital) is a deficit of (\$2.328M).

A key Office of Local Government (OLG) performance measure is the Operating Performance Ratio. The ratio measures Council's achievement of containing operating expenditure within operating revenue. The ratio is one of the Fit for the Future ratios. The OLG benchmark for the Operating Performance Ratio is 0% which equates to a balanced operating result (before capital). The draft 2022/23 budget operating performance ratio is **-4.8%**.

The table below shows the draft 2022/23 budget operating result budget (before capital) by fund.

	Draft 2021/22 Budget Operating Result Before Capital
General Fund	(2,786)
Water Fund	252
Sewer Fund	206
Consolidated Result	(2,328)

The Long-Term Financial Plan (LTFP) has been updated as part of the IP&R Framework presented to Council at the April meeting. The LTFP projects Council's financial position for the next 10 years from the 2022/23 draft budget. The LTFP base case ("business as usual") indicates that operating deficits would continue for the 10 years at a growing rate. The status quo is not financially sustainable.

The Council will need to consider either increasing revenues by a more significant SRV or reducing costs (services) from the 2023/24 year. This decision is available up until November 2022 by which time the Council needs to determine in-principle if it will apply for an SRV.

Level of Tolerance

A (\$2.3M) deficit consolidated operating result is within Council's level of tolerance. The budget is:

- Cashflow positive – no use of internal restrictions to fund operational activities.
- Limited in total revenue funded capital works projects to conserve cash, with a focus on grant funded asset renewal.

Strategies to Deliver a Budget Within Tolerance Level

A number of actions have been necessary to achieve a proposed budget for the year ahead which is acceptable, in the short term. These are elaborated on below. Once again, these circumstances are not sustainable beyond this year and Council will, commencing from the 2023/2024 year, need to increase revenues or reduce services.

- **Employment costs** - \$500K saving target (including deferred recruitment when possible, enforcing staff taking excess annual leave).
- **Materials and contracts** – reduced to reflect current 2021/22 YTD actuals -> no budget increase possible despite rising CPI.
- **User fees & charges** - increased for IS, Waste, Water, Sewer.
- **Depreciation** - reduced by \$204K consolidated following review of capital project completion dates.
- **Sewer residential annual charges** – maintained at 2020/21 charge (residential \$936).
- **Review of overheads** - reduced water & sewer overheads by \$100,000 each and increased the waste internal overhead charge by \$200,000.
- **Revenue funded capital works program** focussed on priority projects to conserve cash.

Grant Funding

A strategic approach is taken to seeking grant funding. Capital grant funding applications have generally been focussed on asset renewal projects, rather than adding to new assets (which require ongoing maintenance and future renewal). Business cases are prepared prior to applying for funding.

Business cases take into account the whole-of-life cycle costs relating to funding applications for new assets. Business cases are only approved if recurrent and renewal costs can be covered.

The 2022/23 budget has a strong focus on grant funded projects to conserve cash for Council's general operations. Grant funded operational and capital projects are noted below.

Operational Projects

Operational business base inclusions - \$2.1M. Projects include:

- BCRRF - Stream 2 - Wolgan Evacuation Plan - \$250K fully grant funded.
- LithGlow 2023 - \$70K (including \$20K grant).
- Lithgow Halloween 2022 - \$127K (funding - \$80K revenue, \$47K grant & sponsorship).
- Hassans Walls Environmental Studies - \$180K fully grant funded.
- Lithgow Evolving Economy Plan (LEEP) - \$142.5K (\$125K grant funded), phased over 2021/22 and 2022/23.
- Lithgow City Council Housing Strategy - \$50K (\$20K grant funded).
- Sewerage Testing for Illegal Connections - \$238K.
- STP Desludging - \$110K.
- 2 Resource Recovery positions plus 1 Waste Education and Strategy Officer.
- 1 contract role - Community Recovery & Grants Coordinator, partly grant funded.
- Development of Infrastructure Asset Management Plans - \$110K.

Capital Works Program

Capital business base inclusions - \$21.8M. Projects include:

- Waste Strategy Capital Works - \$1M.
- Cullen Bullen Sewer Scheme (completion) - \$5.288M (mainly grant funded).
- Bridges Upgrade Glen Davis Rd - \$4.6M (Fixing Country Bridges grant).
- LINC Revitalisation (completion) - \$451K grant funded.
- Main Street Footpath - \$1.2M mainly grant funded.
- Union Theatre Activation - \$197K mainly grant funded.
- Upgrades to Civic Ballroom as evacuation facility - \$350K grant funded.
- Kremer Park Grandstand - \$358K grant funded.

The draft Capital Works Program summary is provided below:

Capital Works Program 2021/22	
Bridges	4,601,442
Buildings	1,841,202
Land Improvements	115,000
Footpaths	1,429,349
Information Technology	498,500
Plant Replacement	600,000
Recreation	522,300
Roads	3,602,240
Community	207,549
Village Improvements	48,000
Waste	1,000,000
Wastewater	6,540,122
Water	834,946
Total Capital Program	21,840,560

Loan Borrowings

A \$2M loan is planned to complete the Cullen Bullen Sewer Scheme.

Revenue Policy

Council's Revenue Policy has been comprehensively reviewed and is included in the Draft Operational Plan.

Community Engagement

The Delivery Program 2022-2026 and Draft Operational Plan 2022/23 is provided for Council's consideration to place on public exhibition for a minimum period of 28 days. The closing date for public submissions will be Wednesday 25 May 2022. This will allow the document to be put to the Council for final adoption at the June 2022 meeting.

Should Council endorse the Delivery Program 2022-2026 and Draft Operational Plan 2022/23, information on the contents of the Draft Operational Plan will be uploaded to Council's website www.council.lithgow.com and promoted through media and social media channels.

Policy Implications

Nil arising from this report.

Financial Implications

The Delivery Program 2022-2026 and Draft Operational Plan 2022/23 presents a financially prudent and cashflow positive budget. Council needs to determine and implement financial sustainability strategies to achieve the LTFP target of a balanced operating result (before capital) for the General Fund from the 2023/24 year.

Legal and Risk Management Implications

The Local Government Act 1993, Local Government Amendment (Planning and Reporting) Bill 2009 and Local Government (General) Regulation 2005 outlines requirements for the preparation, exhibition and adoption of the Integrated Planning and Reporting Framework. The Draft Delivery Program and Operational Plan must be exhibited for a minimum period of 28 days.

The draft plans presented for public exhibition address and respond to a range of medium to longer term financial, asset and service provision risks, while the Draft Capital Works Program addresses some of Council's assets at greatest risk of failure.

Attachments

1. 2022-23 Deleted - Fees & Charges [**11.5.1.1** - 2 pages]
2. 2022-23 New - Fees & Charges [**11.5.1.2** - 2 pages]
3. Draft 2022-23 Fees And Charges Report [**11.5.1.3** - 103 pages]
4. Combined 2022-2026 Delivery Program 2022-23 Operational Plan [**11.5.1.4** - 132 pages]
5. Draft 2022-23 Revenue Policy [**11.5.1.5** - 18 pages]

Recommendation

THAT Council:

1. Endorse the Delivery Program 2022-2026 and Draft Operational Plan 2022/23 to be placed on public exhibition for 28 days. This will include the following documents:
 - a. The Delivery Program 2022-2026 and Draft Operational Plan 2022/23; and
 - b. Draft Fees and Charges 2022/23.
2. Note that the closing date for submissions be Wednesday 25 May 2022.

11.5.2. PS - 26/04/2022 - Community Strategic Plan 2035 & Community Engagement Strategy

Prepared by Deborah McGrath - Corporate Planning and Communications Officer

Department Corporate Planning and Communications

Authorised by Director of People & Services

Reference

Min No. 21-216 Ordinary Meeting of Council 27 September 2021.

Summary

The Council's Integrated Planning and Reporting Framework has been prepared and will be provided for the consideration of Council to place on public exhibition. The framework consists of the following suite of documents:

- **Draft Community Strategic Plan 2035**
 - **Community Engagement Strategy**
- Resourcing Strategy:
 - Draft Long Term Financial Plan 2022-2032
 - Draft Strategic Asset Management Plan 2022 - 2032
 - Draft Workforce Plan 2022-2026
- Draft Combined Delivery Program 2022-2026 and Operational Plan 2022-2023
 - Draft Fees and Charges 2022-2023

The focus of this report is to provide Councillors with an overview of the Draft Community Strategic Plan 2035, as well as implementation of the Community Engagement Strategy 2022-23 for the Integrated Planning and Reporting Framework (with amendments to the document and engagement program).

Commentary

Community Strategic Plan

The Community Strategic Plan (CSP) is the highest-level plan within a Council's Integrated Planning and Reporting Framework. It provides an overarching vision and sets the strategic direction for the future of the local government area. The CSP identifies the community's main priorities and aspirations for the future and strategies for achieving these goals. It guides all remaining strategies and plans and is developed by councils with and on behalf of the community.

The minimum timeframe for a CSP is 10 years and it addresses 4 key questions:

1. Where are we now?
2. Where do we want to be in 10 years' time?
3. How will we get there?
4. How will we know we have arrived?

These questions help identify the community's vision, aspirations and priorities and establish baseline targets, strategies, and measures to aid performance monitoring and reporting.

In addition, Councils are required to prepare a Community Engagement Strategy (CES) to support development of all their plans, policies, programs, and key activities. This includes plans relating to IP&R (Integrated Planning and Reporting), as well as strategic plans and programs required under other legislation.

2021 – 2023 Community Engagement Strategy

In September, the previous Council endorsed the 2021-2023 Community Engagement Strategy for the development of the key suite of strategic documents (referred to as the Integrated Planning Framework) that will direct the organisation's services, programs, and projects to be delivered to the community during Council's term. A key tenet of local government is participative democracy whereby the Council focuses its resources and attention on those things that the community values most. For this reason, these documents need to be substantially informed by community opinion. S402(4) of the Local Government Act gives guidance as to how a council should identify community opinion. This Section requires Councils to prepare and implement a Community Engagement Strategy for interacting with the local community in developing and reviewing the Community Strategic Plan.

This report presents the amended 2021-2023 Community Engagement Strategy for Council endorsement.

The 2021-2023 Community Engagement Strategy provides a guideline for Council's engagement with the community to:

- Develop the Community Strategic Plan 2035 and associated documents which form the Integrated Planning Framework; and
- Engage with the community on how best to achieve affordable and acceptable levels of service.

Had the election not been deferred, the current Council would have been elected in September and it would have fallen to this Council to approve the Community Engagement Strategy. To ensure that the refreshed Integrated Planning Framework was presented to this Council meeting for endorsement for public exhibition, Council was required to commence engagement with the community in the October 2021.

In preparation for the development of the CSP, Council engaged Micromex Research to undertake:

- A statistically valid surveying methodology to canvas community attitudes and perceptions, aspirations, and priorities for the LGA in the future. This included a random telephone survey of residents (n= 401 respondents) from across the Lithgow LGA (Local Government Area). They also developed an online version of the survey for interested residents to complete (n=72 respondents).
- Conduct a Visioning Workshop with the Councillors on 23 February to identify the key values, strengths, and challenges of the Lithgow Council area, establish how these fit within the Community Strategic Plan (CSP), identify Councillor focus areas and propose projects and ideas to support and address these issues.

The community survey confirmed that the most loved aspects of living in the Lithgow region continue to be the sense of community and relaxed lifestyle, our beautiful scenery and natural environment and our convenient central location – we are the gateway to the Blue Mountains and Sydney, the central west and beyond.

The priority issues identified for the next 10 years are:

- Economic Development – attracting more business and industry and creating job opportunities.
- Upgrading and maintaining our roads
- Increased services and facilities for children and youth
- A shift to energy efficiency and alternative energy
- Land and housing availability and affordability

In response, the Councillor Visioning Workshop identified **7 areas of focus** which Council will implement through the Combined 2022-2026 Delivery Program and annual Operational Plan:

1. Housing and Land availability and affordability
2. Supporting and connecting our communities
3. Retaining our youth - providing educational and skills opportunities.
4. Arts, sports, and youth precincts
5. Environmental preservation/mitigation accessible (roads, trails, lighting)
6. Improving communication to the community
7. Improving customer service.

In late 2021, Council's administration conducted a comprehensive review of revenues. This considered Council's financial sustainability issues, following 10 years of deficit operating results (before capital) and significantly lower rating revenue compared with similar neighbouring Councils. It identified a structural annual shortfall in Council's General Revenues of \$6.018M at existing agreed levels of service before adopting available productivity, savings and other measures. Council's administration is currently working through the detailed recommendations and implications of the rating review report before reporting to Council with a recommendation to engage with the community on options for a sustainable future.

The findings of the revenues review has resulted in an amendment to the 3 pathways to financial sustainability, initially put forward to secure the future of the LGA which were endorsed in the Community Engagement Strategy by the previous Council on 27 September 2021. The options at that time were:

1. Support for improved service levels – above 5% SRV (Special Rate Variation) + rate peg
2. Support for service levels maintained - 5% SRV (Special Rate Variation) + rate peg
3. Support for reduced service levels/No increase to rates above rate peg.

Following the revenues review, the 2021-2023 Community Engagement Strategy has been amended to reflect a pathway to financial sustainability with options which are currently under development. The Council must adopt a pathway to financial sustainability. This will require a decision by November 2022 if it intends to pursue an SRV. Further engagement with the Council is planned to allow for this decision to be taken early. A resolution will be sought (likely in August) to engage with the community on options for financial sustainability – either a SRV or \$4.7M p.a. of service cuts.

There are two key matters to be discussed with the community. One follows on from the other. The first is – what are your priorities and what levels of service do you want? The second is – how much would you be prepared to pay for these? Irrespective of where this leads, all of Council's attention must be given to the achievement of a balanced financial operating result. Deficit budgets cannot be sustained and considering the experience of a number of such deficits over recent years, there is an imperative for corrections to ensure that expenditure is matched to revenue.

The only options are either to amend service levels to bring expenditure down or to increase revenue.

The interim Long Term Financial Plan 2022-2032 proposal that a Permanent SRV and a no SRV option have been brought forward into the Community Engagement Strategy. It is important to note however that this is a starting point for the conversation only and does not represent a decision to apply for approval for such an option. It is good governance, financially responsible and effective local government to engage with the community about the above matters to ensure that the city and the council are sustainable in the future.

The Community Engagement Action Plan (pages 50-53) has been reviewed and updated to include engagement with key stakeholders (Business/Industry, ratepayers, and residents) who will be impacted by the proposed rating structure. The Community Engagement Program will ensure that all

stakeholders are engaged through ratepayer mailouts, social media, print media, radio advertising, telephone and online surveys and face-to-face engagement.

Policy Implications

Nil.

Financial Implications

As detailed in the Draft Long Term Financial Plan 2022-2032.

Legal and Risk Management Implications

Nil.

Attachments

1. CSP [11.5.2.1 - 82 pages]
2. 2021 2023 Community Engagement Strategy 07042022 Final Version [11.5.2.2 - 54 pages]
3. Online report Lithgow Community 2022 02 17 [11.5.2.3 - 44 pages]
4. Report Lithgow Community 2022 02 04 [11.5.2.4 - 70 pages]
5. Report Lithgow Councillor Workshop 2022 03 03 V2 [11.5.2.5 - 34 pages]

Recommendation

THAT Council endorse the draft Community Strategic Plan 2035 to be placed on public exhibition for 28 days. This will include the following documents:

- a. Community Strategic Plan 2035; and
- b. Updated Community Engagement Strategy.

11.5.3. PS - 26/04/22 - Resourcing Strategy 2022-2032

Prepared by Deborah McGrath - Corporate Planning and Communications Officer
Department Corporate Planning and Communications
Authorised by Director of People & Services

Summary

The Council's Integrated Planning and Reporting Framework has been prepared in draft form and will be provided for consideration by Council at the 26 April meeting. The documents will then move to public exhibition. The framework consists of the following suite of documents:

- Draft Community Strategic Plan 2035
 - Community Engagement Strategy
- **Resourcing Strategy:**
 - **Draft Long Term Financial Plan 2022-2032**
 - **Draft Strategic Asset Management Plan 2022-2032**
 - **Draft Workforce Plan 2022-2026**
- Draft Combined Delivery Program 2022-2026 and Operational Plan 2022-2023
 - Draft Fees and Charges 2022-2023

The focus of this report is to provide Councillors with an overview of the Resourcing Strategy.

Commentary

Resourcing Strategy

The Community Strategic Plan (CSP) is responsible for capturing the community's long-term vision and aspirations. It is then the responsibility of the Resourcing Strategy (RS) to clearly articulate how Council will implement and resource that vision.

The Resourcing Strategy consists of 3 components:

1. Long-Term Financial Plan
2. Workforce Management Plan
3. Strategic Asset Management Plan.

Long Term Financial Plan

Council is required to adopt a Long Term Financial Plan (LTFP) for the next ten year period. Put simply the LTFP's purpose is to demonstrate that Council is operating within its financial capacity, currently and long term so that inter-generational financial equity is assured.

The LTFP includes modelling of the financial ratios, set by the Office of Local Government (OLG), on which Council's projected performance and sustainability are assessed. The LTFP helps to guide Council's long-term decision-making regarding the prioritisation of projects and services based on available funding. The document indicates the resources required to deliver the outcomes sought by Council.

The Council's current LTFP was adopted by the former Council in 2020. It had three scenarios. A Base Case resulted in Council not being financially sustainable. An Improvement Case (with improvements and efficiencies drawn from a 2017 review) resulted in Council still not being "fit for the future". The Sustainable Case relied on an additional permanent 5% Special Rate Variation (SRV) from 1 July 2023.

The requirement to prepare the next tranche of the LTFP provided the opportunity to stress-test or re-examine the assumptions in the earlier LTFP.

During 2021-22, the General Manager has been leading a deeper examination of the Council's financial operating environment, now and into the future. This has involved analysis and quantification of what is the likely true structural deficit for the Council. This accounted for areas of current underspend (assets maintenance (notably roads), under-resourcing in critical areas such as governance, risk, productivity and transitioning the economy). The underspend on infrastructure is particularly worrying because that is compounding and creating an immense financial hurdle for the near future. (To quantify the scale of the challenge, the Council maintains more than 1400kms of roads across a geographic area of more than 4000 sq kms. As well, there are numerous sewer and water treatment systems, halls, parks and roadsides to also maintain.)

The abovementioned analysis also considered productivity and additional revenue opportunities. Benchmarking against comparable councils was also instructive, demonstrating that we languish well below our peers in terms of own source revenue (rates, fees and charges). The indications from the above are that the true deficit is in the order of \$4.7M annually after accounting for savings and productivities. If these savings and productivity improvements are not achieved the true deficit is \$6.018M.

While the Council has received one briefing on the findings from the above review, they have not yet had the proper opportunity to consider and adopt the findings or the options available to them to deal with the deficit. It is intended that this be a major focus for the Council over coming months. The Council will need to consider either increasing revenues by a more significant SRV or reducing costs (services). This decision is available up until November by which time the Council needs to determine in-principle if it will apply for an SRV.

For the above reason, this proposed LTFP (more detail is provided below) is regarded as interim. It satisfies the timelines for development of a LTFP and includes a scenario which sees Council achieve financial sustainability. But the detail of the approach is yet to be determined and approved by Council. Community consultation will be important throughout.

The Council must have a pathway to financial sustainability. This will require a decision by November if it intends to pursue an SRV. Further engagement with the Council is planned to allow for this decision to be taken early. A resolution will be sought (likely in August) to engage with the community on options for financial sustainability – either a SRV or \$4.7M p.a. of service cuts.

If Council is not supportive of an SRV then service reductions and the resulting cost savings (\$4.7M) will be required to be fully implemented from the start of the 23/24 year. It is the administration's view that these savings are not able to be achieved (with this being substantially proven by the benchmarking of Lithgow's low level of rate revenue by comparison to like councils).

"Business as usual" is not a viable option as Council would not be financially sustainable due to ongoing operating deficits and non-compliance with many of the mandated financial and asset performance indicators.

It is important to note that Council's Audit Risk and Improvement Committee has also been briefed on these matters. They endorsed that Council needs to take action to ensure financial sustainability.

2022-2032 Long Term Financial Plan

The Long Term Financial Plan (LTFP) forecasts Council's revenue and expenditure, balance sheet and cash flow for the coming 10 year period, based on a set of assumptions. The following three scenarios have been modelled:

- Scenario 1 Base Case - represents "business as usual" where Council continues to deliver existing services without applying a range of improvement strategies. Future rate increases are limited to the rate peg only – Council would have ongoing operating deficits (before capital). The scenario also does not allow extra asset renewal expenditure to ensure the asset ratio benchmarks are achieved. **In this scenario, Council cannot be considered to be financially sustainable.**

- Scenario 2 Improvement Plan - this scenario takes the Base Case and adjusts the financial projections based on a number of ongoing improvement opportunities that have been identified. Improvement opportunities include addressing any cross-subsidy of the Domestic Waste Management Service, a \$300K increase in user fees & charges income (mainly commercial waste management) and productivity savings in materials & contracts. Council is able to meet the operating performance ratios under this scenario but does not have sufficient funds for asset renewal nor to clear the infrastructure backlog. **Council would not be deemed 'fit for the future', nor financially sustainable under this scenario.**
- Scenario 3 Sustainable Council - takes the revised financial projections in Scenario 2 then utilises SRV funding and cost saving / efficiency strategies to ensure that the OLG's financial and asset management performance benchmarks are met over the 10 years of the plan for the General Fund. **Scenario 3 enables Council to become financially sustainable over the 10-year term of the plan.**

Scenario 3 Sustainable Council

Scenario 3 Sustainable Council is dealt with more here as it will enable Council to achieve long-term financial sustainability.

Alongside of consideration of SRV funding the Sustainable Council scenario includes the following cost saving / efficiency strategies to enable Council to achieve financial sustainability over the term of the plan:

- An additional permanent SRV from 1 July 2023 – Council's administration is currently developing an SRV proposal that would address Council's structural deficit and provide capacity for Council to meet all of the OLG financial and asset performance indicators over the 10-year term of the LTFP.
- Management of employment costs: expenditure has been rising above CPI growth in recent years, with cleaning services and the Lithgow Solid Waste Facility being brought in-house. To contain employment costs, the need to retain a position in the organisational structure will be considered when vacancies arise. Together with deferred recruitment action and productivity improvements, a saving of \$100,000 p.a. has been included in this scenario.
- Additional own source revenues increased – a focus on full cost recovery from fees and charges – most notably in the current commercial waste service area at the Lithgow landfill
- Internal plant hire rates will be increased to rebuild the plant replacement reserve.

Workforce Management Strategy

An effective Workforce Plan aims to provide the people best able to perform the Council's strategic direction, developing innovative approaches to complex issues, and delivering appropriate services effectively and efficiently.

Workforce planning is the process of identifying current and future staffing needs. It focuses on retaining existing staff as well as attracting new employees to ensure that the Council has the right number of people, with the right skills in the right jobs at the right time, now and in the future.

The development of an effective Workforce Plan enables the Council to focus on the medium and the long term and provides a framework for dealing with immediate human resource challenges in a consistent way. An essential element of the Council's workforce management planning is that it must address the human resources requirements of Council's Delivery Program.

Lithgow City Council's Workforce Planning

The purpose of the Workforce Plan is to ensure that strategies are put in place to shape the workforce and provide the capabilities to deliver the Community Strategic Plan vision and objectives. Our Workforce strategies will both enhance the effectiveness of the workforce overall and attract, recruit, develop, retain and re-engage valued and skilled employees.

Research shows that most councils in NSW are challenged by similar constraints as they compete to attract and retain workers from within and outside their local government areas.

Research undertaken with NSW councils in 2015 (NSW Local Government Workforce Strategy 2016 – 2020) found the greatest workforce planning challenges were:

- Aging workforce
- Uncertainty due to possible future local government reforms
- Skill shortages in professional areas
- Limitations in leadership capacity
- Gender imbalance in senior roles
- Lack of skills and experience in workforce planning
- Lack of workforce trend data
- Difficulty in recruiting staff
- Resistance to more flexible work practices
- Lack of cultural diversity

Workforce Challenges

Lithgow City Council faces similar challenges to those faced by councils across NSW and councils across the nation. In addition, Lithgow as a community and Lithgow Council as a workforce face significant challenges over the coming years due to high unemployment and high youth unemployment. The downturn in mining and past and potential future power station closures have hit the region particularly hard, and the local economy has suffered a series of economic shocks.

The health and well-being of the workforce and the community at large has also been negatively impacted by a series of natural disasters and the COVID-19 pandemic. The Workforce Plan has been developed within this context.

The relevant areas identified within the Community Strategic Plan and the four-year Delivery Plan have been integrated within the Workforce Plan.

The key goals from the Community Strategic Plan (CSP) 2035 that are relevant to Council's Workforce Plan include: -

GL1 To be a proactive Council that sets long-term direction for the local government area and the council to ensure a sustainable future.

GL2 To be a Council that focuses on strong civic leadership, organisational development & effective governance with an engaged community activity participating in decision making processes affecting their future.

Strategic Asset Management Plan

The resources (capital, workforce and financial) of a council are substantially directed toward the management of assets. They are the highest value items. In Lithgow's case, across a large geographic area of more than 4000 sq kms, the Council has a diverse range of assets with a value of around \$580m.

The effective management of local government assets is crucial to the sustainable delivery of services to meet the current and future needs of the community. Managed responsibly these assets are a rich source for service delivery. Irresponsible management not only results in poor service delivery for today's community but, also, the creation of immense financial legacies that are passed onto the future community.

Local governments are typically rich in assets and constrained in income, managing a large stock of long-lived assets. Asset management planning is therefore essential to ensure that assets are created, maintained, renewed, and retired or replaced at appropriate intervals to ensure continuity of services in line with chosen service levels and the bounds of the organisation's limited resources.

It is recommended that local governments focus on a continuous improvement pathway that allows them to achieve an Asset Management Plan that meets their needs. Larger local governments are more likely to have established systems and processes in place, while smaller local governments may need to build capability in this area. The complexity of the asset management approach taken by each local government will be influenced by the range of services it offers, the size of its asset portfolio and the availability of skilled staff to work on the plan. In Lithgow's case, this process is complicated not alone by the broad range of assets and services on offer, but more particularly by this Council's low income relative to comparable Councils.

In developing the Strategic Asset Management Plan, it is encouraged that Councils consider 'whole of life,' 'whole of organisation' and continuous improvement approaches to asset management. To achieve this and explain this approach to the community, it is required that Councils embed robust asset management plans into their Integrated Planning and Reporting functions. Therefore, asset management planning should be done in tandem with development of the Long-Term Financial Plan and the Workforce Management Plan and incorporated appropriately within the Community Strategic Plan.

In a holistic sense, the strategy applied to asset management at this Council comprises three separate tiers as follows:

1. The Asset Management Policy

This exists at Lithgow City Council as adopted Policy 1.5 - Asset Management which outlines Lithgow's asset management objectives, targets, and plans. It establishes a platform for service delivery and provides the framework that enables the Asset Management Strategy and Plans to be produced.

2. Strategic Asset Management Plan

This document is developed anew for each term of the Council. This document outlines how Councils asset portfolio is to meet the service delivery needs of its communities into the future, enables the above Asset Management Policy to be achieved and ensures that asset management is integrated and consistent with the Community Strategic Plan and each part of the Resourcing Strategy (Workforce Management Plan and Long-Term Financial Plan).

3. Individual Asset Management Plans

These documents are the most specific of the three tiers of asset management and are developed for each asset class. They define current levels of service and the processes used to manage that asset class. These plans are entirely informed by both the Asset Management Policy adopted by the Council, and the Strategic Asset Management Plan. They should be developed for all major asset classes including—but not limited to roads, buildings, drainage, footpaths, water, waste-water and parks infrastructure. Each plan addresses such matters as, but not limited to:

- A complete and accurate register of all assets for said class.
- Defined levels of service (balanced against available resources and the needs of other asset classes)
- Demand forecasts and risk management strategies
- Financial information such as asset values, depreciation rates and expenditure projections)

Council does not yet have a complete suite of individual asset management plans as this is a considerable body of work. Lithgow is not alone in this sense. However, considerable progress has been made to achieve this goal with asset registers complete for every class of asset. \$140,000 has also been allocated to fast-track the development of these plans in 2022/23.

Policy Implications

Nil.

Financial Implications

As detailed in the Draft Long Term Financial Plan 2022-2032.

Legal and Risk Management Implications

Nil.

Attachments

1. 2022-2032 Draft Long Term Financial Plan Final [11.5.3.1 - 48 pages]
2. Workforce Management Strategy 2022 2026 [11.5.3.2 - 27 pages]

Recommendation

THAT Council endorse the Resourcing Strategy 2022-2032 to be placed on public exhibition for 28 days.

11.6. Policies and Governance

11.6.1. CFIO - 26/04/2022 - Code of Meeting Practice

Prepared by Ross Gurney - CFIO
Department Governance
Authorised by Chief Financial & Information Officer

Reference

Min 19-2: Ordinary Meeting of Council held on 25 February 2019.
Min 22-24: Ordinary Meeting of Council held on 2 March 2022.

Summary

The Local Government Act (1993) (the Act) requires Council to adopt a Code of Meeting Practice that incorporates the requirements of the Local Government (General) Regulation 2005 (the Regulation). The Office of Local Government's (OLG) model Code of Meeting Practice was updated late in 2021.

The Draft Code of Meeting Practice was presented to Council at the Ordinary Meeting of Council 2 March 2022 and was placed on public exhibition until 4 April 2022 with no submissions received.

The purpose of this report is to provide recommendations on the adoption of the Code of Meeting Practice as set out in the commentary below.

Commentary

2 March 2022 Meeting Council Resolution

22 -24 RESOLVED

That

1. The Council adopt the mandatory provisions of the Office of Local Government's Model Code of Meeting Practice.
2. Continue to hold public forum sessions at the beginning of each Council under the provisions currently in place.
3. Clauses 11.6 to 11.10 be re-instated. And Clause 11.11 be deleted. Clause 20.24 be deleted.
4. Clause 14.20 be included in the code.
Councillors attending a meeting by audio-visual link must ensure that no other person is within sight or hearing of the meeting at any time that the meeting is closed to the public under section 10A of the Act.
5. That Clauses 15.21 and 15.22 be included in the code.
6. That Clause 16.2 be included in the code.
16.2 Councillors attending a meeting by audio-visual link must declare and manage any conflicts of interest they may have in matters being considered at the meeting in accordance with the council's code of conduct. Where a councillor has declared a pecuniary or significant non-pecuniary conflict of interest in a matter being discussed at the meeting, the councillor's audio-visual link to the meeting must be suspended or terminated and the Councillor must not be in sight or hearing of the meeting at any time during which the matter is being considered or discussed by the council or committee, or at any time during which the council or committee is voting on the matter.
7. Place the Model Code of Meeting Practice as amended on public exhibition for comment for a period of 28 days after which the matter together with submissions is to be reconsidered by Council.

Amended Draft Code of Meeting Practice

To enact Min. No. 22-24 (2 March 2022 Ordinary Meeting), the following non-mandatory clauses have been deleted from the draft Code. It is recommended that Council consider the items highlighted in red for adoption in the final Code of Meeting Practice.

- Clauses 3.12 to 3.13 (before the meeting section - notices of motion),
- Clauses 3.32 to 3.36 (before the meeting section - pre-meeting briefing sessions)
- Section 4 Public Forum rules,
- Clauses 5.14 to 5.15 (process for cancelling a meeting where a quorum is not present or risks related to a natural disaster or a public health emergency),
- Clauses 5.16 to 5.18 (permits meetings to be held by audio-visual link in the event of a natural disaster or a public health emergency) - **recommended for reinstatement as otherwise there will be no provisions for A-V meetings,**
- Clauses 5.19 to 5.30 (attendance by councillors at meetings by audio-visual link) - **recommended for reinstatement as otherwise there will be no provisions for A-V meetings,**
- Clause 5.44 (general manager and other council staff may attend meetings of the council and committees of the council by audio-visual-link) - **recommended for reinstatement as otherwise there will be no provision for staff attendance at A-V meetings,**
- Section 7 (modes of address),
- Clause 9.10 (Mayoral Minutes),
- Clause 10.9 (motions requiring the expenditure of funds),
- Clause 11.11 (recording of voting in minutes),
- Clause 13.1 to 13.7 inclusive (dealing with items by exception) - **recommended to allow Council to resolve to adopt multiple items of business on the agenda together,**
- Clauses 15.15 and 15.16 (expulsion from meetings),
- Clause 17.10 (notice of motion to alter or rescind a resolution relating to a development application),
- Clause 17.12 to 17.20 inclusive (rescissions and correcting errors),
- Clause 18 Time Limits on Council Meetings,
- Clause 19.2 (a) and 20.23 (a) (recording in the minutes the names of councillors attending a council meeting), and
- Clause 20.24 (recording of votes).

The following comments are also made on provisions included in the draft Code as per Min. No. 22-24:

- Clause 14.20 (Councillors attending meetings by audio-visual link) - **included, however, the exclusion of Clauses 5.16 to 5.30 means that there would not be any provisions for A-V meetings,**
- Clauses 15.21 and 15.22 (how disorder by councillors attending meetings by audio-visual link may be dealt with) - **included, however, the exclusion of Clauses 5.16 to 5.30 means that there would not be any provisions for A-V meetings,**
- Clause 16.2 (requirements for Councillors attending a meeting by audio-visual link to declare and manage any conflicts of interest) - **included, however, the exclusion of Clauses 5.16 to 5.30 means that there would not be any provisions for A-V meetings.**

The following are included as attachments to this report:

- The version of the Code of Meeting Practice presented to the 2 March 2022 meeting to show the non-mandatory provisions.
- The amended version of the Code of Meeting Practice placed on public exhibition in accordance with Min. No. 22-24.

Policy Implications

The Local Government Act (1993) (the Act) requires Council to adopt a Code of Meeting Practice that incorporates the requirements of the Local Government (General) Regulation 2005 (the Regulation).

Financial Implications

- Budget approved - N/A
- Cost centre - N/A
- Expended to date - N/A
- Future potential impact – N/A

Legal and Risk Management Implications

The Code of Meeting Practice is a requirement of the Local Government Act.

Attachments

1. LCC Draft Model- Code- Meeting- Practice-2022 - 2022 Public Exhibition Version [11.6.1.1 - 35 pages]
2. LCC Draft Model- Code- Meeting- Practice- March 2022 [11.6.1.2 - 44 pages]

Recommendation

THAT Council:

1. Consider the comments and recommendations, included in this report, on the Code of Meeting Practice as amended to enact Min. No. 22-24 (2 March 2022 Ordinary Meeting).
2. Note that the amended Draft Code of Meeting Practice was placed on public exhibition until 4 April 2022 with no submissions received.
3. Adopt a Code of Meeting Practice with any further specified amendments.

11.6.2. GM - 26/04/2022 - Policy 9.5 Councillor Expenses and Facilities

Report by Chief Financial & Information Officer

Reference

Min. No. 19-127 Ordinary Meeting of Council of 27 May 2019 Reconvened 11 June 2019.

Summary

Under the Local Government Act, Councils must adopt a new policy on the payment of expenses and the provision of facilities to the Mayor and Councillors within 12 months of the election.

The purpose of this report is to provide Council with revised Policy 9.5 Payment of Expenses and Provision of Facilities to Councillors and to seek endorsement to place the policy on exhibition for 28 days for public comment.

Commentary

Basis of Policy 9.5

The current Policy 9.5 was developed with reference to the Office of Local Government (OLG) template Councillor Expenses and Facilities Policy. The OLG template policy is provided as a suggested format for Councils in response to requests for guidance on better practice. The template has been prepared to be consistent with the Local Government Act 1993 and Local Government (General) Regulations 2005. There have been no changes to the OLG template policy since Version 7 of the policy was adopted by Council in 2019.

Recent amendments to the Local Government Regulation now require Councillor Expenses and Facilities policies to provide for the making of payment of expenses associated with carer responsibilities that are adequate or reasonable. This is covered in 6.49 to 6.54 of the revised policy.

Revised Policy 9.5

The main expenses and facilities are summarised in the table below. Maximum amounts are reviewed each year as part of the Operational Plan budgetary process.

Expense or facility	Maximum amount	Frequency
General travel expenses	\$9,500 pooled total for all Councillors	Total per year
Interstate, overseas and long distance intrastate travel expenses	Requires a Council resolution including a vote of funds	
Accommodation and meals	As per the NSW Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009, adjusted annually	Per meal/night
Professional development	\$18,000 pooled total for all Councillors	Total per year
Conferences and seminars	\$9,000 total for all Councillors	Per year
Expense or facility	Maximum amount	Frequency
	Separate budget provided for State and National Local Government Conferences	
ICT expenses	\$100 per Councillor	Per year
Carer expenses	\$1,800	Total per year
Postage stamps	Use of Council's postage facilities for official communications	
Christmas or festive cards	Provided by Council upon request	
Council vehicle and fuel card	Provided to the mayor	Not relevant
Reserved parking space at Council offices	Provided to the mayor	Not relevant
Furnished office	Provided to the mayor	Not relevant

The revised Policy 9.5 includes 6.41 to 6.48 Conferences and Seminars and replicates the same section from the OLG template policy. All other changes are minor in nature.

Policy Implications

Following the 28 day exhibition period, the results of the public exhibition will be reported to Council and the Tendering Policy will be returned to Council for adoption.

Financial Implications

- Budget approved - 2021/22 budget – in accordance with the adopted policy (as per the expense or facility table included in the policy).
- Cost centre - 1059
- Expended to date - \$12,243 for all Councillor expenses.
- Future potential impact - 2022/23 budget – in accordance with the adopted policy (as per the expense or facility table included in the policy).

Legal and Risk Management Implications

Policies are prepared to assist in decision making and may provide further guidance with regard to statutory obligations.

Attachments

1. Policy 9.5 Payment of Expenses - V 8 Draft - March 2022 [**11.6.2.1** - 18 pages]

Recommendation

THAT:

1. Council endorse revised Policy 9.5 Payment of Expenses and Provision of Facilities to Councillors for public exhibition and comment for 28 days.
2. Following the exhibition period, Policy 9.5 Payment of Expenses and Provision of Facilities to Councillors be returned to Council for further consideration.

12. Council Committee Reports

12.1. FIN - 26/04/2022 - Finance Committee Meeting Minutes - 21 March 2022

Prepared by Negreeta Nunan – Executive Assistant

Department Finance & Assets

Authorised by Chief Financial & Information Officer

Reference

Min No 21-226 Ordinary Meeting of Council held on 27 September 2021.

Summary

This report provides details of the Minutes of the Finance Committee Meeting held on 21 March 2022.

Commentary

At the meeting of the Finance Committee held on 21 March 2022. The following items were discussed:

- **Rating Review Report** – an overview was provided of a general review of Council’s financial sustainability as well as aspects of a review of rating. The Committee discussed the recommendations, acknowledging that all councillors were to receive a briefing on the same at the March Information Session..
- **2022/23 Additional Special Variation** – the Finance Committee endorsed a report to the March Council meeting recommending that Council apply to the NSW IPART for a 2.5% one-off (permanent) special variation for the specific purpose of ensuring that Council has sufficient funds to meet its obligations as identified in its LTFP for 2022/23 and future years
- **Investment Report February 2022** – this report was considered with the key points being a \$2M increase in cash and investments in February 2022 was anticipated as February is typically a month of higher cash inflows and Council currently has sufficient cash and investments to fund the current externally restricted reserve balances.
- **Review of Policy 1.7 Local Procurement** – Cr Mahony provided an overview of his suggested changes to Policy 1.7 Local Procurement. The item will be discussed further at the April 2022 Finance Committee meeting.

The following business paper recommendation was endorsed by the Committee:

Council Investments Report February 2022

THAT:

1. Investments of \$29,926,457 and cash of \$2,108,428 for the period ending 28 February 2022 be noted.
2. The enclosed certificate of the Responsible Accounting Officer be noted.
3. The commentary on funding requirements for restricted reserves be noted.

Policy Implications

Nil.

Financial Implications

As detailed in the Finance Committee meeting minutes.

Legal and Risk Management Implications

Nil.

Attachments

1. Minutes - Finance Committee - 21 March 2022 [**12.1.1** - 4 pages]

Recommendation

THAT Council:

1. Adopt the minutes of the Finance Committee meeting held on 21 March 2022 and note the items not requiring a resolution of Council.
2. Endorse the recommendations proposed in the Council Investment Report for February 2022.

12.2. FIN - 26/04/22 - Audit & Risk Improvement Committee (ARIC) Minutes - 29 March 2022

Prepared by Ross Gurney – Chief Financial and Information Officer

Authorised by Chief Financial & Information Officer

Reference

Min No. 21-278 Ordinary Meeting of Council held on 22 November 2021.

Summary

This report summarises the minutes of the Audit Risk & Improvement Committee (ARIC) meeting held on 29 March 2022 at Lithgow City Council.

Commentary

At the ARIC meeting held on 29 March 2022, the following items were presented and discussed:

- **ARIC – Terms of Reference** – the Committee endorsed the draft Terms of Reference (ToR) for Council's consideration at the 26 April 2022 meeting. Further details of the ToR are provided below.
- **ARIC Annual Work Plan** - key matters for the Annual Work Plan were discussed. The work plan will be a focus for the next Committee meeting. The Committee noted the Annual Work Plan for the year ending 30 June 2022.
- **Rating Review Report** – a presentation was provided in relation to Council's financial sustainability and the general tenor of a review of rating. The Committee endorsed the recommendation that action be taken to ensure Council is financially sustainable.
- **Appointment of Chair of the ARIC** – the item was deferred until the next meeting of ARIC – by which time there should be a third independent member appointed and Councillor members are in attendance.
- **2020/21 Final Audit Management Letter** - The Committee noted the matters included in the 2020/21 final audit management letter.
- **2021/22 Quarter Two Budget Review** – The Committee noted the summary of the Quarterly Performance Report on the 2021-2022 Operational Plan for the period of 1 October 2021 to 31 December 2021.
- **RFS Assets** – independent member Dr Phil Ross presented an update on the issue of recognition of RFS assets. The Audit Office representative provided advice on the matter. The Committee noted the verbal report on the issue of recognition of the RFS assets.

ARIC – Terms of Reference

The draft Audit Risk and Improvement Committee Terms of Reference (TOR) document is based on the template included in the draft Office of Local Government (OLG) Risk Management & Internal Audit Framework guidelines.

Contrary to the draft guidelines, in this Council's TOR document the Mayor is included as a voting member, as well as one Councillor voting member. Councils are not required to comply with the Committee membership requirements until June 2027. At this stage, there has been no indication from the OLG as to when the draft guidelines will be finalised.

It is acknowledged that parts of the OLG's template TOR will take time to implement. The OLG has allowed Councils until 30 June 2024 to establish a risk management framework and internal audit function that complies with the guidelines.

5.7 of the TOR states -

Council shares the independent members of the committee with Oberon Council. The committee will hold separate meetings for each Council on the same pre-arranged meeting dates. The venue for each meeting will alternate between Lithgow and Oberon Councils.

At present, it is unclear as to whether Oberon Council will continue to share independent members and meeting venues with the Lithgow Council ARIC. 5.7 of the TOR will be removed if shared arrangements with Oberon Council do not continue.

Policy Implications

Nil.

Financial Implications

Nil.

Legal and Risk Management Implications

The functions of the CTA ARIC assist in the management and mitigation of risk at Council.

Attachments

1. Draft ARIC Minutes - 29 March 2022 [12.2.1 - 7 pages]
2. Lithgow Audit Risk and Improvement Committee TOR - Draft - version Mar 2022 [12.2.2 - 13 pages]

Recommendation

THAT Council:

1. Endorse the Audit Risk & Improvement Committee meeting 29 March 2022 minutes.
2. Adopt the ARIC Terms of Reference.

12.3. IS - 26/04/2022 - TALC Committee Minutes - 7th April 2022

Prepared by Kaitlin Cibulka – Executive Assistant Infrastructure Services

Department Infrastructure Services

Authorised by Director of Infrastructure & Services

Summary

This report provides details of the Minutes of the TALC Committee held on 7 April 2022.

Commentary

At the TALC Committee held on 7 April 2022, there were numerous items discussed by the committee however the following items were outside the Committee's delegations and require Council to formally approve the recommendation:

- Kirkley Street / Stockade Close / *Gunners Close Roundabout – Traffic Concerns
* Note Gunner Close has not yet been formally named, with a report dealing with this matter presented earlier in the agenda. This name is used only to differentiate the roads at the site within the report.
- Great Western Highway / Cox's River Road, Little Hartley – Signage Request.
- LithGlow 2022 – Traffic Management Plan.
- Upper Macquarie County Council – Signage Request.
- Cullen Bullen Public School – Relocation of Bus Zone.
- General Business - Parking Signage Matter – Naomi Street Lithgow.

Policy Implications

Nil

Financial Implications

- Budget approved - Nil
- Cost centre - N/A
- Expended to date – Nil
- Future potential impact – Nil

Legal and Risk Management Implications

Nil

Attachments

1. DRAFT Minutes - TALC Committee - 7 th April 2022 [12.3.1 - 7 pages]

Recommendation

THAT Council:

1. Note the minutes of the TALC Committee Meeting held on 7th April 2022;
2. Approve the following items which are recommended by the Committee but outside the Committee's delegation to approve:
 - a. Council arrange for signage, line marking and traffic devices including:
 - One (1) concrete median to be installed in the centre of the 2-lane section of the Kirkley Street approach to assist in keeping motorists to the correct side of the road, and utilising the roundabout the correct way, not short cutting the roundabout to incorrectly enter right into the Gunner Close exit;
 - Roundabout give way signage to be installed in the new median;
 - Existing roundabout give way signage from both Stockade Close and Gunners Close relocated to the correct location in the existing concrete medians; and

- Give way line marking be installed at all approaches to the roundabout to be installed in the vicinity of the Kirkley Street roundabout to improve safety and deter illegal and dangerous motorist behaviour.
- b. The Stop sign at the intersection of the Great Western Highway and Cox's River Road, Little Hartley remain unchanged.
- c. Approve the LithGlow 2022 Traffic Management Plan.
- d. Council approve and install 1200mm x 800mm weed signage on Sodwalls Road, Tarana (on the Lithgow side of the intersection with Diamond Swamp Road / Hazelgrove Road, for traffic to see heading east from Tarana) on behalf of the Upper Macquarie County Council for a fee of \$456.00.
- e. Refer the Signage request to Transport for NSW (TfNSW) for Great Western Highway, Little Hartley (between Cox's River Road and the Little Hartley café, for traffic to see heading west towards Lithgow and Castlereagh Highway, Cullen Bullen - between the Cullen Bullen township and the Cullen Bullen cemetery, for traffic to see heading north from Cullen Bullen for approval.
- f. Council relocate the bus zone adjacent to Cullen Bullen Public School, Castlereagh Highway, Cullen Bullen further north to improve school student safety.
- g. No stopping signage be placed on the left hand side of the road and signage on the right-hand side remain in Naomi Street from Main Street to Car Park.

13. Business of Great Urgency

In accordance with Clause 241 of the Local Government Act (General) Regulations 2005 business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. However, this can happen only if:

- a) A motion is passed to have the business transacted at the meeting; and
- b) The business proposed to be brought forward is ruled by the Chairperson to be of great urgency.