



BUSINESS PAPER

Ordinary Meeting of Council

to be held at

Council Administration Centre

180 Mort Street, Lithgow

on

Monday 23 May 2022

at 7:00 PM

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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

Under Clause 3.23 Statement of ethical Obligations in the Code of Meeting Practice as adopted by Council at the Ordinary Meeting of Council held on 26 April 2022 (Min No 22-86),

3.23 Business papers for all ordinary and extraordinary meetings of the council and committees of the council must contain a statement reminding councillors of their oath or affirmation of office made under section 233A of the Act and their obligations under the council's code of conduct to disclose and appropriately manage conflicts of interest.

Councillors are reminder of the oath or affirmation which was taken at the Ordinary Meeting of Council held on 22 December 2021

Oath Of Councillor

I swear that I will undertake the duties of the office of Councillor in the best interests of the people of Lithgow local government area and the Lithgow City Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgment.

Affirmation Of Councillor

I solemnly and sincerely declare and affirm that I will undertake the duties of the office of Councillor in the best interests of the people of Lithgow local government area and the Lithgow City Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgment.

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 26 April 2022.

6. Commemorations and Announcements

On behalf of Lithgow City Council the Mayor expresses sincere sympathy and condolences to families who have lost loved ones since the last council meeting.

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. Staff Reports

9.1. General Manager's Reports

9.1.1. GM - 23/05/2022 - Western Sydney Regional Organisation of Councils (WSROC) and the Central NSW Joint Organisation (CNSWJO).

Prepared by Craig Butler – General Manager

Department Governance

Authorised by General Manager

Summary

The purpose of this report is for Council to consider its position in relation to continuing membership of the Western Sydney Regional Organisation of Councils.

Commentary

One of the means by which Councils can advance their interests and effectiveness is through collaboration or, by another name, strategic alliances. Strategic alliances can have different purposes or different composition because often there are a range of different parties with interests that are shared with a council and its agendas. For example, Lithgow Council has shared interests with councils in resource (mining) dependent localities. We also have a geographic shared interest in terms of management of noxious weeds hence our membership of the Upper Macquarie County Council.

Another form of strategic alliance is when councils combine under a governance arrangement such as a regional organisation of councils or a joint organisation. Because of the geographic position that Lithgow has at the interface between the Central West and Western Sydney, this Council has both of these options available by way of the Western Sydney Regional Organisation of Councils (WSROC) and the Central NSW Joint Organisation (CNSWJO).

The challenge, with finite resources, is to determine which strategic alliance might offer the most opportunity and so warrant investment in.

This Council has previously taken the position that, on balance, they were best served by participating in WSROC. This was based on the view that Lithgow had more to benefit from Western Sydney's growth and so we should have stronger alliances with that region. It may have also been a consideration that the joint organisations were, at the time of the decision, still a relatively new concept in NSW, and so their likelihood of success was yet to be proven. Also, there is less flexibility for a member Council to exit a joint organisation.

After a period of participation in WSROC, and in light of this Council's finite capacity in terms of available funds and human resources (both Councillors and staff), it is timely to reflect on whether WSROC is indeed a good fit for Lithgow's needs and interests – now and going forward. To assist, a copy of the WSROC Annual Report for 2020/2021 is attached to this business paper.

The General Manager (GM) has attended WSROC's Board of Directors Meetings and the GMs Meetings over a two-year period now. The observations are –

- Dominantly, the business of WSROC is city based or urban in nature, with only marginal relationship to Lithgow's circumstances. This results from the fact that Lithgow sits outside of the planning, infrastructure and other governance frameworks which have been established by the NSW Government for urban Sydney. Inevitably these occupy the attention of WSROC.
- One of the current challenges for WSROC is managing the perspectives of the different interests of the eastern central city membership with that of the western growth city membership. Again, Lithgow is obtuse to both these communities of interest. This is expected to increase because the NSW Government has broadened the remit of the Greater Sydney Commission to reflect a six cities region which includes the Lower Hunter and Greater Newcastle City, Central Coast City, Illawarra-Shoalhaven City, Western Parkland City, Central River City and Eastern Harbour City. WSROC will likely need to review whether its structure, focus and membership can straddle both the central river and western parkland cities. In terms of planning, infrastructure and other themes Lithgow is more aligned to the Central West and so peripheral to these considerations.
- WSROC's operational initiatives (procurement, waste, energy efficiency, IT etc.) are similar to those which the CNSWJO are advancing. In other words, Council could achieve these same returns within CNSWJO.

From the above, the General Manager has formed the view that, given our particular circumstances, there is not a material benefit to be gained for the city by Lithgow City Council continuing as a member of WSROC. This report brings forward such a consideration.

Council is required under the terms of WSROC's constitution to give six months' notice of an intention to discontinue membership. This would provide time to consider other available options for collaboration. Council is not required to participate in these types of alliances. That decision should always be based upon a clear and apparent benefit return. Should Council leave WSROC, it would be prudent to consider the case for collaborating with CNSWJO.

Policy Implications

Nil.

Financial Implications

- Budget approved - \$46,000 WSROC 2021/22 membership fee.
- Cost centre - PJ 800155
- Expended to date - \$46,000
- Future potential impact – recurrent budget is available for one Regional Organisation or Joint Organisation membership fee.

Legal and Risk Management Implications

Nil.

Attachments

1. WSROC Annual Report 2021 Web [9.1.1.1 - 8 pages]

Recommendation

THAT Council determine its position in relation to continuing membership of the Western Sydney Regional Organisation of Councils.

9.2. Economic Development and Environment Reports

9.2.1. Building and Development

9.2.1.1. ECDEV - 23/05/2022 - DA070/22 - Geotechnical Investigation Works - Call In

Prepared by	Lachlan Sims – Team Leader Development
Department	Economic Development & Environment
Authorised by	Director of Economic Development & Environment
Property Details	Lot 103 DP 751651, Lake Lyell, Bowenfels
Property Owner	Energy Australia NSW Pty Ltd
Applicant	Energy Australia NSW Pty Ltd

Summary

The purpose of this report is to inform Council of the 'call in' of Development Application DA070/22 pursuant to Council's Policy 7.7.

Commentary

Council is in receipt of a Development Application (DA070/22) seeking development consent for geotechnical works on land owned by Energy Australia adjacent to Lake Lyell and Mount Walker.

The proposal involves minor site works and the temporary placement of mechanical drilling infrastructure for 9 boreholes to assess sub-surface conditions. The subject site is being considered for its suitability for a future pumped hydro-electric proposal. The application is for the preliminary geotechnical investigation works only. No approval of or consideration of the merits of the future facility is sought or required as part of this proposal.

The application has been publicly exhibited and written notification given to adjoining and affected landowners. Full details of the proposal, including issues raised in submissions, will be reported to Council for consideration at a future Ordinary Meeting.

Policy Implications

Policy 7.7 Calling In Of Development Applications By Councillors

This application has been called in pursuant to Policy 7.7 "Calling in of Applications by Councillors" Item 3 that states:

3. Should written notice, signed by a minimum of one (1) Councillor, be received by the General Manager prior to determination of a development application or development application/construction certificate, the application shall not be determined under delegated authority but shall be:

- *Reported to the next Ordinary Meeting for the information of Council that the development application or development application/construction certificate has been "called in"; and*
- *Reported to an Ordinary Meeting of Council for determination.*

The application has been called in by councillors Mahony, Lesslie and Coleman and the advice to this Council meeting is pursuant to Council policy.

Whilst there is no requirement under the policy, historically Councillors have often sought a site inspection when applications are called in. Should an inspection be sought in this case, the location

and terrain would make this very difficult. It is proposed that an alternatives such as the use of other media to ‘virtually” inspect (aerial photographs) be taken in this case.

Financial Implications

None

Legal and Risk Management Implications

None at this point of the process.

Attachments

Nil

Recommendation

THAT the calling in of Development Application DA070/22 for geotechnical investigation works adjacent to Lake Lyell and Mount Walker be noted.

9.2.1.2. ECDEV - 23/05/2022 DA045/22 Proposed Exeloo Toilet & Retaining Wall - 'Greg Featherstone PARK', Bathurst Street Rydal

Prepared by	Lauren Stevens
Department	Economic Development & Environment
Authorised by	Director of Economic Development & Environment
Property Details	SRA 277173, 'Greg Featherstone Park' Bathurst Street RYDAL NSW 2790
Property Owner	Transport Asset Holding Entity
Applicant	Lithgow City Council

Summary

The purpose of this report is to inform Council of the 'call in' of a development application, pursuant to Council's Policy 7.7.

Commentary

Council is in receipt of a Development Application DA045/22 for the construction of an Exeloo toilet and retaining wall on land known as 'Greg Featherstone Park' at Bathurst Street, Rydal.

The unit proposed to be installed is an "Exeloo Saturn Platinum" Single Accessible Heritage style public toilet. It has a gable roof, galvanized steel support posts with decorative detail and a privacy screen.

Greg Featherstone Park, the land where it is proposed to site the facility, is a community passive space in the Main Street of Rydal, north of the heritage listed railway station. Greg Featherstone Park consists of naturally landscaped areas with a rotunda, picnic table/seating, paved pathways and small garden features.

Policy Implications

Policy 7.7 Calling In Of Development Applications By Councillors

This application has been called in pursuant to Policy 7.7 "Calling in of Applications by Councillors" Item 3 that states:

3. Should written notice signed by a Councillor be provided to the General Manager prior to determination of a development application, the application shall not be determined under delegated authority but shall be:

- Reported to the next available Ordinary Meeting for the information of Council that the development application or development application/construction certificate has been 'called in'; and
- Reported to a Meeting of Council for determination where the application is in a state that it can be determined.

The application has been called in by Councillor Stephen Lesslie. The advice to this Council meeting is pursuant to Council policy.

Whilst not a requirement of the Council policy, Councillors sometimes wish to conduct a site inspection prior to formally considering the development application for determination. Should Councillors wish to conduct an inspection it would be appropriate to signal this now so arrangements can be made.

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

No specific implications at this point of the process.

Attachments

Nil

Recommendation

THAT the calling in of Development Application DA045/22 be noted.

9.2.2. Economic Development & Environment General Reports

9.2.2.1. ECDEV - 23/05/22 - Lithgow Area Women's Shed

Prepared by Sandra Politi - Land Use & Property Officer

Department Economic Development & Environment

Authorised by Director of Economic Development & Environment

Reference

20-217 – ordinary meeting of Council held 28 September 2020

Summary

The purpose of this report is to seek Council's position in relation to a proposal by Lithgow Area Women's Shed (**Women's Shed**) to use part of Tony Luchetti Showground to construct a multi-purpose facility.

Commentary

Background

Since 2018 the Lithgow Area Women's Shed has sought Council's assistance to secure suitable premises for the Women's Shed use.

At the Ordinary Meeting of Council on 28 September 2020 a Notice of Motion was put forward and Council resolved as follows:

THAT Council review its landholdings within Lithgow to determine if there is a suitable location that could be used for the construction of a purpose-built Women's Shed.

Council staff identified a number of sites that were deemed appropriate and relatively easy to develop upon. The Women's Shed considered these sites were not suitable.

In late 2021 the Women's Shed applied for a grant under the Black Summer Grant program for construction of a community facility to accommodate the Women's Shed and a multi-function space including a meeting room, two offices, kitchen, and bathroom facilities. The group proposes that the building feature sustainable building technologies and facilities and be available for community use. Council provided a letter of support.

In February 2022, the Women's Shed were awarded the grant and accordingly the need to locate suitable land for the Women's Shed project has become time sensitive.

Council staff have again reviewed the land register in search for suitable land. The Women's Shed has also reviewed Council's land register and further considered parcels of land proposed by Council staff. The Women's Shed are firmly of the view that the only suitable land that meets their criteria for the project is the area marked with a red cross on the image shown below (**the Site**).



The site is located within Tony Luchetti Showground, which presents some hurdles for Council, as explained below. While the Women’s Shed is open to considering alternative land, Council is hard-pressed to locate Council owned land that meets the criteria of the Women’s Shed.

Tony Luchetti Showground – Crown Reserve 590046

Tony Luchetti Showground is Crown Land classified “community” and Council is the appointed Crown Land Manager of the Reserve.

The site is categorised “park” and used for events such as Ironfest and the Lithgow Show; it also serves as parking for sporting events.

A plan of management is required to be prepared for the site before this proposal can be advanced. This is not scheduled as a near term project so if council is of a mind to support the proposal on Tony Luchetti Showground other projects will need to be re-scheduled behind this matter.

The following actions are needed before Council is able to offer the site for the Women’s Shed project:

- As a preliminary step it is recommended that the routine users of the site be given an opportunity to comment on the proposed use.
- A draft plan of management for Tony Luchetti Showground be prepared. The draft plan of management will include the proposed Women’s Shed project.
- The draft plan of management will propose to re-categorise the site from the current category of “park” to “general community use” because the Women’s Shed project does not align with the guidelines for “park”. The proposed re-categorisation of the site may or may not be approved by the Crown Lands department.
- Council will consult with Native Title stakeholders in relation to the plan of management, place the plan on public exhibition and consider any submissions received.

- Submit the draft plan of management to the Minister administering the Crown Land Management Act 2016 for approval and adoption.

The Women's Shed are aware of the above requirements and that there are risks and unclear timelines for this plan of management process. Also, that there is no certainty the project can proceed on the Site.

If the matter proceeds and a plan of management is adopted by the Minister, Council may offer the site for the Women's Shed project. This report seeks in principle support only as Council is not able to offer the site for the proposed Women's Shed project until a plan of management allowing for the use of the site is adopted.

Policy Implications

Financial Implications

- Budget approved -
- Cost centre -
- Expended to date -
- Future potential impact – It must be noted that the long term financial plan confirms that real restraint is required in terms of future expenditure. Council does not have the financial capacity to increase its asset base. The acceptance of this project (which will need to be accounted for in our assets register and financial accounts - with a capital value of around \$2.1m) should be accompanied by a reduction in current expenditure, most appropriately in the area of building assets maintenance.

Legal and Risk Management Implications

Crown Land Management Act 2016

Local Government Act 1993

Native Title Act 1993 - As is the case with all Crown Land, Council bears the risk of having to pay compensation to native title claimants if it is determined that native title rights and interests exist in the land and the construction of a building on the Site has impacted on those native title rights and interests (per *Crown Land Management Act 2016*, s 8.12 and *Crown Land Management Regulation 2018*, cl 28).

Attachments

Nil

Recommendation

THAT Council:

1. Provide in principle support to the proposal by Lithgow Area Women's Shed to use part of Tony Luchetti Showground to construct a multi-purpose facility incorporating a women's shed, subject to consultation with users of the site and fulfilment of the requirements outlined in the report.
2. Adopt the principle that the overall cost of maintaining building assets will not increase by way of realising this proposed building within Council's asset register and financial accounts.
3. Receive a further report at a later stage identifying how the cost of recurrently maintaining this asset will be offset by savings (most likely in the area of building assets maintenance).

9.2.2.2. ECDEV - 23/05/2022 - Acquisition by Transport for NSW

Prepared by Sandra Politi - Land Use & Property Officer
Department Economic Development & Environment
Authorised by Director of Economic Development & Environment

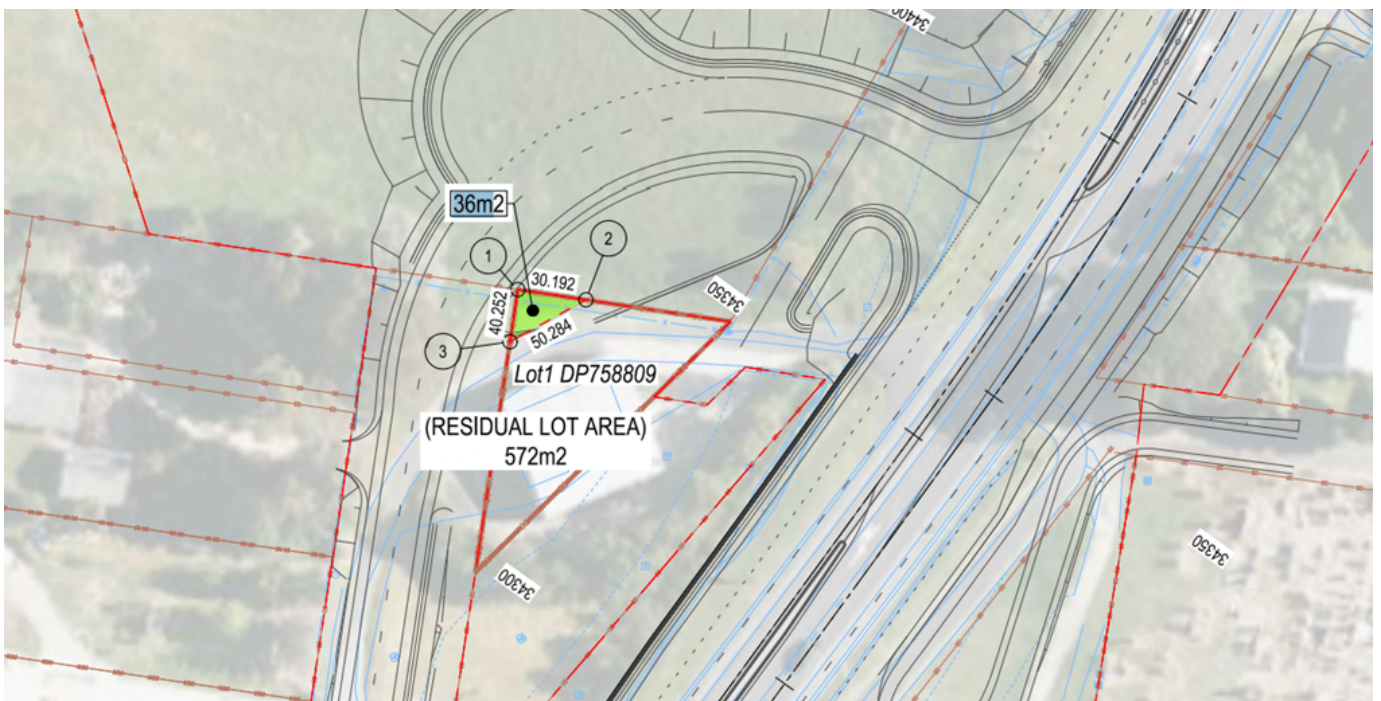
Summary

This report informs Council of an impending acquisition by Transport for NSW of a 36 m² portion of land owned by Council for the purpose of the Great Western Highway upgrade.

Commentary

Particulars of the Site

The land affected by the acquisition is Lot 1, Section 1A, DP758809, which forms part of the Rural Fire Brigade site, off Great Western Highway at South Bowenfels. The portion of land to be acquired by Transport for NSW is shaded in green on the image below.



Transfer of the Site

South Bowenfels Rural Fire Brigade is aware of the acquisition, and as the portion of land to be acquired does not interfere with the RFB's facility or access to the facility Council staff and RFB do not foresee any issue with the acquisition of the 36m² area.

The site is classified "operational" and accordingly there are no restrictions on Council agreeing to transfer the portion of land. Transport for NSW has enquired whether Council would like to go through a negotiated agreement process or go straight to compulsory acquisition.

Given that the portion of land to be acquired is only 36m² and no adverse impacts have been identified by Council or RFB, it seems futile to invest time and resources in negotiating an agreement. A compulsory acquisition process will reduce the amount of time that Council expends on the matter, while maintaining the requirement for TfNSW to compensate Council in accordance with the Land Acquisition (Just Terms Compensation) Act 1991.

Therefore, it is recommended that the portion of land be acquired by Transport for NSW through compulsory acquisition.

Policy Implications

Policy 9.16 Compliance Policy

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

Local Government Act 1993

Rural Fires Act 1991

Land Acquisition (Just Terms Compensation) Act 1991

Roads Act 1993

Attachments

Nil

Recommendation

THAT Council authorise the General Manger to do all things necessary to give effect to the transfer of 36m2 area to Transport for NSW for the purpose of the Great Western Highway Upgrade at no cost to Council.

9.2.2.3. ECDEV - 23/05/2022 - Funding Agreement Streets as Shared Spaces

Prepared by Robbie Park – Events Coordinator
Department Economic Development & Environment
Authorised by Director of Economic Development & Environment

Summary

A 'Made in Lithgow' lighting installation project in Cook Street Plaza has been accepted on a preliminary basis to be fully funded by the Streets as Shared Spaces program, pending an agreement being executed.

The purpose of this report is to seek Council's approval of an exemption from tendering requirements set in Policy 1.4 Tendering for the 'Made in Lithgow' lighting project.

Commentary

Section 55 section 3 of the Local Government Act provides an exemption from tendering requirements where:

3 "(i) a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders.

Council's approval of an exemption from tendering requirements is sought for the 'Made in Lithgow' lighting project. The project requires specialised expertise in lighting which has been sourced from designer and supplier 'Silver Bullet Projects'.

The application for the Streets as Shared Spaces grant program has been successful. The agreement and grant payment is pending approval from Council of an exemption from tendering requirements for Silver Bullet Projects to undertake the lighting installation.

The project will engage five local business and services during the manufacture, supply and installation of the system.

Silver Bullet Projects have over 40 years' experience and are specialists in the lighting sector. The company has supplied a detailed management plan from the Events Coordinator's concept for 'Made in Lithgow'. The proposal and grant guidelines are included as attachments to this report.

Silver Bullet Projects provide a complete solution from design and consultation, equipment specifying, installation, construction, programming and operation control. The company has recently completed a large-scale permanent architectural lighting installation for Broken Hill City Council. The project consists of 5 locations including building, heritage façade, public space and tree lighting as well as a projection element. The project required collaboration with the community, Council, heritage consultants and others. Heritage and DA approvals were required and obtained, as well as community approval during an exhibition period. Silver Buller Projects were able to deliver the \$1.68 million installation on budget under difficult pandemic conditions.

Other projects completed by Silver Buller Projects include:

- Sydney Festival 2021 Barangaroo Headland Stage - design, offline programming & show operation.
- Vivid Sydney 2017-2018 - Royal Botanic Gardens site and installation lighting.
- Princess Cruise Lines - on-board lighting and audio system installation, control, programming and training.

Silver Bullet Projects 'Made in Lithgow' proposal includes allowances for electrical rigging and other works as required. The project fee to Silver Bullet Projects is **\$319,590** and includes a Maintenance Program.

Policy Implications

Policy 1.4 Tendering provides a framework that ensures Council tenders are called in accordance with provisions of Section 55 of the Local Government Act 1993 (the Act) and Part 7 of the Local Government (General) Regulation 2005 (the Regulation).

Financial Implications

- Budget approved - N/A pending Council approval Council's approval of an exemption from tendering requirements.
- Cost centre - TBA
- Expended to date - nil.
- Future potential impact – recurrent expenditure for maintenance, which is able to be funded from the city centre special rate

Legal and Risk Management Implications

Nil.

Attachments

1. SBP Lithgow Cook St Proposal 10 Nov 21[1] [9.2.2.3.1 - 7 pages]
2. Streets-as- Shared- Spaces-round-2- Guidelines [9.2.2.3.2 - 24 pages]

Recommendation

THAT Council:

1. Approve an exemption from tendering requirements under S55 (3) (i) of the Local Government Act 1993 for Silver Bullet Projects to undertake the 'Made in Lithgow' lighting installation for the following reason:
 - due to the specialised expertise in lighting required to undertake the project, competitive or reliable tenderers would be unavailable and a satisfactory result would not be achieved by inviting tenders.
2. Approve the Silver Bullet Projects proposal submission in the amount of \$319,590 (excluding GST) for the 'Made in Lithgow' lighting installation and authorise the General Manager to execute the contract on behalf of Council under delegated authority.
3. Note that the grant funding agreement with NSW Department of Planning & Environment will be executed by the General Manager and the timeline for the project confirmed upon Council's approval of the tendering exemption.

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9.3. Infrastructure Services Reports

9.3.1. IS - 23/05/2022 - Road Renaming - Section of Caroline Avenue, Bowenfels

Prepared by Leanne Kearney – Assets and Infrastructure Planning Manager

Department Infrastructure Services

Authorised by Director Infrastructure Services

Summary

The purpose of this report is to advise Council of a request for Council to rename the western section of Caroline Avenue, Bowenfels to streamline property addressing.

Commentary

Council has received a request to rename a section of Caroline Avenue, Bowenfels.

At present, the formed section of Caroline Avenue extends from the Great Western Highway to Tweed Road, Bowenfels.

There is also an extension of Caroline Avenue that dissects Lot 9 DP 263999, terminating at Farmers Creek.

This western section is not formed or maintained by Lithgow City Council and is utilised as access to only two (2) properties (Lot 9 DP 263999 and Lot 1 DP 175108).

The owners of both properties have requested that Council rename this section of Caroline Avenue to enable adequate addressing of their properties. The current property addressing already has 1A and 1B and 2 and 2A at the Tweed Road intersection end of Caroline Avenue, with house numbers increasing east toward the Great Western Highway. Implementing additional numbers for these properties with a Caroline Avenue address is not possible to comply with the current principles of various sections of AS/NZS 4819:2011 Rural and Urban Addressing.

Both property owners have suggested the western section of Caroline Avenue be re-named “Farmers Way” to reflect the link between Tweed Road and the Farmers Creek boundary as well as historic and current farmlands further to the west of Lithgow.

The owner of Lot 1 DP 175108 has also indicated that this property may be subdivided in the future, which would add further confusion if an address for Caroline Avenue is issued to this property.

The proposed name “Farmers Way” doesn’t comply with the Geographical Names Board criteria for road naming (due to the road type being a dead-end street), however the proposed name “Farmers Close” does comply, with no potential issues identified during the initial investigation, and “Farmers Close” is acceptable for gazettal by the Geographical Names Board if approved by Council.

Policy Implications

The road would be re-named in accordance with Council’s Addressing Policy and the NSW Address Policy and User Manual.

Financial Implications

Council will incur some minor advertising, administrative and signage costs in accordance with its Addressing Policy, expected to be approximately \$456.00 which can be covered from the current approved Traffic Facilities – Operation and Maintenance budget:

- Budget approved - \$106,009
- Cost centre - 800188
- Expended to date - \$59,559
- Future potential impact - Nil

Legal and Risk Management Implications

Nil.

Attachments

1. Plan showing the location of the proposed section of Caroline Avenue to be re-named "Farmers Close [9.3.1.1 - 1 page]

Recommendation

THAT in accordance with Council's Addressing Policy, Council advertise the road re-naming of the western section of Caroline Avenue as "Farmers Close" in the 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 after which:

- a. If no submissions against the proposal are submitted, Council proceed with the gazette process of the re-naming and notify all resident and emergency authorities accordingly.
- b. If submissions against the proposal are submitted, a report is furnished to the next available Council meeting.

9.3.2. IS - 23/05/2022 - Rural Streetscapes - Private Works and Upgrades

Prepared by Jonathon Edgecombe – Director of Infrastructure & Services

Department Infrastructure & Services

Authorised by Director of Infrastructure & Services

Reference

Min. No.: 22-69 – Ordinary Meeting of Council held 26 April 2022

Summary

At the Ordinary Meeting of Council held 26 April 2022, the Council resolved that a report be brought back to the next meeting to consider the effects of allowing private works in public roadways of rural roads. While Council accepts and encourages applications for work in urban areas (Lithgow, Wallerawang, Portland and Marrangaroo), this report deals with rural roadsides only.

Commentary

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.

Importantly, in urban areas, Lithgow City Council has a policy which encourages 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:

- It is very simple to administer a roadside embellishment policy in urban areas. Urban nature strips are generally far smaller than those in rural areas. Additionally, in most cases, residents of urban areas maintain their nature strips without question. This is not the case in rural areas.
- 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. In response, Council would need to dedicate resources to the control of rural roadside embellishment to ensure threatened or protected species are not adversely impacted as a result of private work in the public corridor.
- 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.

Council has investigated the feasibility of allowing residents to maintain rural roadsides and the professional advice received demonstrates that the resident must submit relevant insurances and compliant traffic control plans to maintain their nature strips in rural areas. This is in response to the high risk to the resident, but also to protect the liability of Council.

- Because of the above there will be the need for ongoing resources to be allocated by Council to managing private vegetation on public land. Roadside verge maintenance and management services are already at full capacity.

The desire of the Council to facilitate further beautification of our LGA is acknowledged and commended. To facilitate this, the simplest policy to administer would be to allow rural residents the option to clear and seed / grass the roadside verge adjacent to their property. This would allow ease of maintenance and improve amenity. By application, this would allow Council to mow these areas with the roadside slasher, protect roadside drainage and limit Council's involvement to the consideration of risk with respect to impacts on native flora and regular public management of the road corridor.

Policy Implications

Amendments to Policy 10.5 - Footpath Reservations – Works Requirements may be required. Any resolution for policy amendments will be brought back to a subsequent Council meeting for consideration.

Financial Implications

- Budget approved - Nil
- Cost centre - Nil
- Expended to date - Nil
- Future potential impact – Additional cost of service to manage private assets in public road reserves.

Legal and Risk Management Implications

Encouraging landowners to maintain rural road corridors will increase Council's risk exposure, as detailed above.

Attachments

Nil

Recommendation

THAT Council:

1. Expand Policy 10.5 - Footpath Reservations – Works Requirements to apply to rural roadsides, allowing the clearing and grassing of reserves adjacent to private property so long as environmental and drainage impacts are neutral or positive, and
2. The amended policy 10.5 be brought back to Council for public exhibition and Council consideration.

9.3.3. IS - 23/05/2022 - Lithgow roads Renewal- Rain Event damage

Prepared by Paul Creelman- Transport Manager

Department Infrastructure- Transport

Authorised by Jonathon Edgecombe

Summary

This report provides details of a tender process undertaken to obtain the services of an asphalt contractor for asphalt repairs to road sections damaged following the recent rain / storm events. An initial 9 segments of road were used to obtain pricing for repairs and to obtain a schedule of rates for subsequent repairs that may be required during and after the tender process is finalised. The repair work will take place in the Lithgow urban area as well as in rural areas.

An application was made to Resilience NSW for Natural Disaster funding soon after the rain events of the 5-6 March 2022. This sought funding assistance for the repair of civil, recreation and building assets. The funding required for this tender and other works are to be covered by funding from the Natural Disaster Declaration.

Commentary

The tender for the asphalt works was issued to 5 asphalt contractors. This sought to price repairs to specific sites, and to obtain a schedule of rates (SOR) for future works. Of the 5 companies approached for pricing, only 3 responded (all 5 companies reviewed the request). On enquiry after the closing of the tender, it was found that the high volume of work currently being undertaken in NSW was the reason for 2 responses not being submitted for the work and schedule of rates (Fulton Hogan and State Asphalt Services read the request but did not respond).

The 5 companies that were selected to tender all have a high degree of experience working with Local Government.

The ranking of the tender respondents was as follows:

Contractor	Pre-identified works	SOR – future large patching works	SOR – future small patching works
Bernipave Road Services	1	1	2
Downer EDI	2	2	3
T & L Asphalt	Nil	Nil	1

T & L Asphalt supplied a schedule of rates for patching works but not for the larger repair works over 100 square metres or the identified repairs.

The lowest price tender submitted for the 9 identified work sites is as follows:

- Bernipave Road Services - \$ 1,730,326.74 plus GST

The panel that reviewed the submissions recommends the submission from Bernipave Road Services for the identified works and any subsequent large road restorations and T&L Asphalts for the smaller heavy patching works under 100 square metres.

Bernipave have indicated that they were able to start the works as of 09 May 2022, weather permitting. Due to the high volume of works throughout NSW, this was the soonest that the works could start.

As the areas of damage have grown since the tender has been put out to suppliers, the value of works can only be estimated at this stage. The supplied schedule of rates will be used to ensure that the cost of works is at agreed rates.

Council's process of inspection continues, with continued rainfall persisting across the region. Council has engaged the services of an external engineer by contract, funded by the disaster declaration, to continue to manage Council's asset recovery and ensure quality outcomes are delivered over the course of the restoration project.

While 9 sites were used to quantify rates for this initial stage, the project has since expanded to nearly 30 sites. The program will continue to grow to ensure Council addresses the extent of damage over the entire road network, to the extent possible. It is expected this program will continue at least until December 2022. The disaster declaration permits work to continue up to 2 years from the date of declaration, being March 2024.

Policy Implications

Councils' procurement policy was followed during this process in identifying suitable applicants. The process was finalised and the tender awarded due to the urgency of the works required. The works arise from a disaster declared event and the sections of road require rectification as soon as possible.

Financial Implications

- Budget approved – to be confirmed with Resilience NSW.
- Cost centre - 100814
- Expended to date - \$72,274 on sealed road repairs (other than by Bernipave Road Services).
- Future potential impact – at this point, it is an estimation as the sections of road needing repair are growing. The current estimate is approximately \$2.8 million for the first stage of major road repairs.

Legal and Risk Management Implications

The procurement process has been followed and the works are to be done on Council controlled road assets to Council requirements.

The contractors have the required insurances and safety systems in place with ISO accreditation where required.

Attachments

1. Tender assessment- Roads renewal March 2022 [9.3.3.1 - 1 page]

Recommendation

THAT Council:

1. Formally convey appreciation to the government funding bodies who have supported these critical disaster recovery works.
2. Accept the quoted prices and schedule of rates from Bernipave Road Services for large scale asphalt patching.
3. Accept the schedule of rates submitted by T & L Asphalt for small-scale asphalt patching.
4. Depending on availability and urgency of works, accept the schedule of rates from Bernipave Road Solutions, Downer EDI and T & L Asphalts for use for road repairs as required until 31 December 2022.

9.4. Finance and Assets Reports

9.4.1. FIN - 23/05/2022 - 2021/22 Quarter Three Budget Review

Prepared by	Neil Derwent – Financial Services Manager
Department	Finance
Authorised by	Chief Financial & Information Officer

Summary

This report provides the Quarterly Performance Report on the 2021-2022 Operational Plan for the period of 1 January 2022 to 31 March 2022 with a recommendation that variations to income, expenditure and capital budget estimates are voted and that the revised financial result of \$707K consolidated operating surplus (before capital grants) be noted.

The Chief Financial and Information Officer (CFIO), as Responsible Accounting Officer, has reviewed the report and advises that Council's projected financial position at 30 June 2022 will be **satisfactory** compared with the original budget.

The report also provides an update on the capital expenditure budget, cashflow and reserve balances.

Commentary

The CFIO has stated in the Quarterly Performance Report that Council's projected financial position at 30 June 2022 will be **satisfactory**, having regard to the original budget position.

Council's projected position at 30 June 2022 is close to the original budget target of **\$705K** surplus operating result (before capital), with the current projection being a surplus of **\$707K** operating result (before capital).

Quarter Three Budget Variations

The following changes were the key factors in an improvement to the projected position at 30 June 2022 from Quarter Two:

1. \$122K increase in income from user fees (community events) and new operating grants.
2. Taking up of (\$589K) of organisational employment cost savings in Quarter 3, with net employment cost budget savings of \$1.2M exceeding the target of \$500K.
3. (\$289K) of savings identified in transport materials & contracts budgets, as well as other net savings have offset the addition of a \$275K sewer treatment plant desludging project.
4. As a result of identifying cost savings and additional income, Council's consolidated projected operating result (before capital) at 30 June 2022 has further improved since the Quarter Two review.

Summary of the January to March Quarterly Budget Review Report

Details of the January to March Quarterly Budget Review Report are provided in the attachment to the Business Paper. Below is a summary table:

Budget	Result (before capital)
	\$'000
Original Budget	705
September Review	(16)
December Review	67
March Review	707

Reasons for Changes in Revenue and Expenditure Projections (Including Capital)

Projected total revenue to 30 June 2022 has **decreased by (\$522K)** during Quarter Three, mainly due to the following reasons:

- \$111K increase in operating grants and contributions, mainly for community events funding.
- (\$400K) adjustment to Wolgan Road Natural Disaster funding – works to be completed in 2022/23.
- (\$227K) adjustment to the LINC Revitalisation project grant funding – partly rephased to 2022/23.

Projected total operating expenditure to 30 June 2022 has **decreased by (\$520K)** during Quarter Three, mainly due to the following reasons:

- Net (\$589K) take up of General Fund employment cost savings – with year-to-date savings exceeding the total 2021/22 budget savings target of \$500K.
- (\$289K) savings identified in Transport materials & contracts budgets, offsetting the addition of a new \$275K STP desludging project.

The net effect of the decrease in projected total revenue and a similar decrease in projected total expenditure is a minor change in the expected consolidated operating result from a surplus of **\$8.704M** (Quarter Two review) to a surplus of **\$8M** at 30 June 2022 (**including capital grants**).

Projected End of Year Result (Before Capital)

The operating result **before capital grants** is a key Office of Local Government performance measure with a benchmark of a balanced operating result (i.e. nil surplus / deficit). Capital grants are excluded from the performance measure as they do not contribute towards funding Council's operations. Council's revised consolidated operating result (before capital grants) at 30 June 2022 is projected to be a **\$707K** surplus, which is **above the OLG benchmark**.

At the end of Quarter Three 2021/22, it is projected that the General Fund will have a surplus (before capital grants) of \$410K. The Water Fund has a forecast deficit (before capital grants) of (\$86K) and the Sewer Fund has a projected surplus operating result (before capital grants) of \$383K at 30 June 2022.

Capital Expenditure Budget

The 2021/22 capital expenditure budget is projected to be **\$20.9M** (excluding loan repayments). The revised budget is a decrease of \$6.4M on the \$27.2M (excluding loan repayments) original budget with carryovers. The key changes to the Capital Works Program in Quarter Three are:

- (\$593K) of works rephased to 2022/23 for the Store rebuild project.
- (\$165K) removal of Playgrounds projects, rephased to 2022/23 pending funding availability.
- (\$400K) Wolgan Road Natural Disaster funded works - to be completed in 2022/23.

- \$304K increase to 2021/22 Wallerawang Sewerage Pumping Station budget (multi-year project).

Cash and Investment / Reserve Balances

The Cash and Investments Statement at 31 March 2022 is shown in the table below.

Cash and Investments Statement				
	30 June 2021	30 September 2021	31 December 2021	31 March 2022
	Position	Position	Position	Position
Externally Restricted				
Developer Contributions	2,143	1,925	1,824	1,778
Special Purpose Grants	2,945	2,699	4,799	4,569
FAGS	2,534	-	-	-
Water Supplies	2,401	1,443	1,480	702
Sewerage Services	7,889	8,814	9,114	9,098
Domestic Waste	6,408	7,373	6,810	6,197
Unexpended Loans	1,689	1,464	1,403	1,403
	26,010	23,718	25,430	23,747
Internally Restricted				
Land & Buildings	1,216	2,389	2,694	4,615
Plant & Equipment	3	214	214	214
Bonds, Deposits & Retentions	296	305	280	271
Works in Progress	597	597	597	597
Carry Over Works	221	205	168	166
ELE	754	754	754	754
Election	160	160	160	160
Total Internally Restricted	3,247	4,624	4,867	6,777
Unrestricted (working capital)	-	833	833	833
Total Cash and Investments	29,257	29,175	31,130	31,356

Actions taken to better manage Council's cashflow have ensured that there is sufficient cash and investments to fund Council's external and internal restrictions. In addition, the working capital fund remains at **\$833K** on hand as of 31 March 2022.

The Land Bank continues to be rebuilt, to a total of \$4.6M at 31 March 2022.

Policy Implications

Nil.

Financial Implications

As detailed in this report.

Legal and Risk Management Implications

The Local Government Act 1993 and Local Government (General) Amendment (Planning and Reporting) Regulation 2009 sets out the requirements for the quarterly reporting of the achievement of performance targets and the submission of a budget review statement after the end of each quarter.

Attachments

1. January March Quarterly Report [9.4.1.1 - 19 pages]

Recommendation

THAT Council:

1. Note the contents of the report and the projected consolidated operating result (before capital) of \$707K surplus for the 2021/22 Operational Plan as detailed in the Quarterly Budget Review Report for the period 1 January 2022 to 31 March 2022.
2. Note the remedial actions that are continuing to be implemented during Quarter Four to ensure that Council's projected position at 30 June 2022 is comparable with the original budget.
3. Adopt the income, expenditure and capital budget variations to the 2021/22 Council budget as outlined in the attached report.

9.4.2. FIN 23/05/2022 - Investment Report April 2022

Prepared by Sharon Morley – Finance Officer
Department Finance & Assets
Authorised by Chief Financial & Information Officer

Reference

Min No 22-88 Ordinary Meeting of Council held on 26 April 2022.

Summary

The purpose of this report is to advise Council of investments held as at 30 April 2022 and to note the certification of the Responsible Accounting Officer that funds have been invested in accordance with legislation, regulations and Council policy. The report also provides commentary on the cash and investments balance compared with the funding required for internal and externally restricted reserves.

Commentary

Movements in the Cash and Investments Balance

Council's total investment portfolio as at 30 April 2022, when compared to 31 March 2022, had increased by \$2,394,174 to \$33,750,320. Investments increased from \$31,286,930 to \$33,236,930. Cash in Council's bank account increased from \$69,216 to \$513,390.

The \$2.394M increase in investments is mainly due to the ordinary business of Council and Council receiving a \$4.078M prepayment of 75% of the 2022/23 Financial Assistance Grant. There are no rates instalments due in April. Cash outflows included payment of annual contributions, recurrent monthly operational invoices and capital works project invoices.

If the movement in the bank account is negative, this is shown as a nett redemption. If the movement in the bank account is positive this is shown as a nett new investment.

The movement in Investments for the month of April 2022 were as follows:

Opening Balance of cash and investments as 01 April 2022	\$31,356,146
Plus New Investments – April 2022	\$7,444,174
Less Investments redeemed – April 2022	-\$5,050,000
Closing Balance of cash and investments as at 30 April 2022	\$33,750,320

CFIO comment on the cash and investments balance – the \$2.394M increase in cash and investments in April 2022 was mainly due to the \$4.078M prepayment of the Financial Assistance Grant announced in the Federal budget. High value Accounts Payable transactions included \$237K for watermain renewal and trunk construction, \$198K for road sealing materials and \$162K for water purchases.

Funding Requirements for Restricted Reserves

A large proportion of Council's investments are held as restricted assets for specific purposes. Restricted assets may consist of externally restricted assets which must be spent for the purpose for which they have been received (e.g. Water, Wastewater, Domestic Waste) or internally restricted assets which have been set aside by Council resolution. Some internal restrictions are held to fund specific liabilities such as employee leave entitlements and bonds and deposits.

CFIO comment on restricted reserves – the balance of external restrictions at 31 March 2022 was **\$23.7M** and for internal restrictions **\$6.8M**. With the working capital fund at \$833K, total cash and investments at 31/3/22 was \$31.4M. Council has sufficient cash and investments to fund the current externally restricted reserve balances.

The Land Bank internally restricted reserve has been rebuilt from \$1.1M at 30 June 2021 to \$3.8M at 31 March 2022.

The working capital short-term loan facility is not yet required as a number of grants have been partly paid in advance and the cash received has not been spent.

Policy Implications

Investments are held in accordance with the Lithgow City Council's Investment Policy at the date of investing funds. On 22 March 2021, Council adopted a revised Investment Policy which includes the Minister's Investment Order of 12 January 2011.

Financial Implications

- YTD interest income budget approved – \$125,000
- Cost centre - 3259
- YTD Income to date - \$141,568
- Future potential impact – Nil.

Interest is paid on the maturity date of the investment. The budget for interest income is determined by the average level of funds held and the rate of return. Adjustments to the budget estimate are processed through Council's Quarterly Budget Review process. Interest returns are determined by average funds invested and the rate of interest return.

The Council's interest income for YTD is \$16.5K over budget. In part this is assisted by an increase in interest rates (investment returns have increased up to 2.0% for six month term deposits). An increase of \$4.0M in Council's term deposits (due to the prepayment of the 2022/23 Financial Assistance Grant) also assists.

Legal and Risk Management Implications

Investments are held in accordance with the Lithgow City Council's Investment Policy at the date of investing the funds. The Investment Policy was reviewed and adopted by Council in March 2021 to address issues in relation to the practicality of the policy in the current investment environment.

Risk is managed by taking a conservative approach to managing Council's investments and only investing in term deposits.

CERTIFICATION OF THE RESPONSIBLE ACCOUNTING OFFICER

I hereby certify that the investments listed in the report have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investments Policy.

Both internally and externally restricted reserves are managed in accordance with legislation, regulation, Council resolutions and Council's endorsed budget allocations to / from reserves.

Ross Gurney
Chief Financial and Information Officer (Responsible Accounting Officer)

Attachments

1. Attachement 1 - April 22 Investments Report [9.4.2.1 - 1 page]

Recommendation

THAT

1. Investments of \$33,236,930 and cash of \$513,390 for the period ending 30 April 2022 be noted by Council.
2. The enclosed certificate of the Responsible Accounting Officer be noted.
3. The commentary on funding requirements for restricted reserves be noted.

9.4.3. FIN - 23/05/2022 - Sewer Fund Dividend for 2020/21 Year

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

Reference

Min. No. 21-220 Ordinary Meeting of Council held on 27 September 2021.

Summary

The purpose of this report is to seek Council's approval to proceed to apply for payment of a dividend from the Sewer Fund to the General Fund for the year ended 30 June 2021.

Commentary

Background

At the 27 September 2021 meeting, Council resolved to authorise the payment of a tax equivalent dividend from the Sewer Fund to the General Fund for the 2020/21 year with the amount to be determined upon completion of the financial statements (Min. No. 21-220).

The dividend payment would be held in a general fund unrestricted reserve to complete the building of a \$1M working capital fund.

Dividend From Sewer Fund Surplus

Where a Council Water or Sewerage operation has:

- an operating surplus for the year in question, and
- sufficient cumulative operational surplus over the last three years,

it may be eligible to make a dividend payment from the surplus if it meets the following requirements:

1. Demonstrates best-practice management compliance through an independent compliance audit report.
2. Obtains an unqualified financial audit report for its water supply/and or sewerage business(es).
3. Resolves in a council meeting open to the public that it has achieved "substantial compliance" with each criterion of the Best Practice Management Guidelines.
4. Reviews the Council overhead distribution to Water and Sewerage for the year in question.

Any dividend taken from the water and sewerage funds is able to be transferred to the General Fund and is unrestricted.

For the 2020/21 financial year, Council meets the surplus requirements for the Sewerage operations.

Achievement of Requirements

Requirement 1 – Best Practice Criteria

In August 2007, the NSW Department of Water & Energy issued the final guidelines for the Best Practice Management of Water Supply and Sewerage Operations. The intent of the Best Practice Guidelines is to ensure compliance with six Best Practice Management criteria.

The six Best Practice criteria are:

1. Strategic Business Planning.
 2. Pricing (including Developer Charges, Liquid Trade Waste Policy and Approvals).
 3. Water Conservation.
 4. Drought Management.
 5. Performance Reporting.
-

6. Integrated Water Cycle Management

Within each of the above six criteria there is a required outcome that needs to be met and indicators that demonstrate the achievement of the outcome.

Council engaged NSW Public Works Advisory to audit Council's water supply and sewerage services for compliance with the Best Practice Management Guidelines. The audit concluded that that Lithgow City Council has demonstrated 'substantial compliance' with Best Practice Management of Water Supply Services in line with the Department of Planning & Environment (DPE) Water Guidelines as applicable for the year ended on 30 June 2021.

Requirement 2- Unqualified Financial Audit Report

The independent Audit Report on the Special Purpose Financial Reports for Water and Sewerage was included in Council's Financial Statements for the 2020/21 year. The audit report was unqualified and therefore meets the criteria in the guidelines.

Requirement 3- Council Resolution

It is recommended that Council resolve that it has achieved "substantial compliance" with each criterion of the Best Practice Management Guidelines.

Requirement 4 - Overhead Distribution

Council reviews the overhead distribution to the water and sewer funds annually as part of budgeting processes. Council and management have attested in the 2020/21 Special Purpose Financial Statements that the water and sewer fund statements present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

Next Steps

Once Council complies with all of the requirements, Council is able to apply to DPE for permission to pay a dividend from the surplus of the Sewerage operations. The dividend totals **\$134,680** for the sewer fund for the 2020/21 financial year. The dividend is calculated as 50% of the 2020/21 sewer fund surplus and the maximum permissible dividend amount.

The payment of this dividend is subject to approval by the NSW Government and approval may or may not be granted.

Policy Implications

Nil.

Financial Implications

- Budget approved - N/A
- Cost centre - N/A
- Expended to date - N/A
- Future potential impact - no long-term impact on the sewer fund's financial position.

Legal and Risk Management Implications

Nil.

Attachments

Nil

Recommendation

THAT Council:

1. Note the achievement of substantial compliance with each of the best practice guidelines (NSW Best Practice Management Guidelines for Water Supply and Sewerage) of:
 - (a) Strategic Business Planning
 - (b) Pricing
 - (c) Water Conservation
 - (d) Drought Management
 - (e) Performance Reporting
 - (f) Integrated Water Cycle Management
2. Authorise the application to the NSW Government for approval to pay a dividend of \$134,680 to the General Fund from the surplus in the Sewerage Fund for the 2020/21 financial year.
3. Allocate the surplus to a general fund unrestricted reserve to complete the building of a \$1M working capital fund.

9.4.4. FIN 23/05/22 - Lithgow ARIC - Independent Member Appointment

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

Summary

The purpose of this report is to recommend the appointment of Ron Gillard as an independent voting member of the Lithgow Council Audit Risk and Improvement Committee (ARIC).

Commentary

The ARIC Terms of Reference (ToR) were adopted by Council at the 26 April 2022 meeting (Min. No. 22-89).

The ToR states that the Committee consists of one independent voting Chair, two independent voting members, the Mayor as a voting member and one Councillor voting member. The governing body is to appoint the Chair and members of the Committee. Independent members are appointed for a four-year period.

An independent member vacancy arose following Phil Burgett's decision not to seek reappointment to the Committee at the end of the previous Council term (December 2021).

The Chief Financial & Information Officer participated in an Independent Members Panel EOI process which was organised by the Central NSW Joint Organisation (CNSWJO). Ron Gillard has been selected from the Independent Members Panel as the most suitable candidate for the vacant member role on the Lithgow ARIC. Ron has a commercial finance / business advisory background and has experience on NSW Council ARICs. Ron also had positive reference checks.

It is recommended that Ron Gillard be appointed as an independent voting member of the Lithgow Council ARIC for a four-year term.

Policy Implications

The composition and tenure of the Lithgow Council Audit Risk and Improvement Committee is set in the recently adopted Committee Terms of Reference.

Financial Implications

- Budget approved - the ARIC independent member fee has been set at \$1,500 per meeting, with the cost shared with Oberon Council when the two Council Committees hold meetings on the same day and at the same venue.
- Cost centre - PJ 800167
- Expended to date - N/A
- Future potential impact – N/A

Legal and Risk Management Implications

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

Attachments

Nil

Recommendation

THAT Council appoint Ron Gillard as an independent voting member of the Lithgow Council Audit Risk and Improvement Committee (ARIC) for a four-year term, in accordance with the ARIC Terms of Reference.

9.4.5. FIN - 23/05/2022 - Local Government Remuneration Tribunal Determination 2022

Prepared by Ross Gurney - Chief Financial & Information Officer

Department Finance

Authorised by Chief Financial & Information Officer

Reference

Min No 21-120: Ordinary Meeting of Council of 24 May 2021.

Summary

The Local Government Remuneration Tribunal (the Tribunal) is established under Chapter 9, Part 2, Division 4 of the Local Government Act. The Tribunal's role is to determine categories of Councils then to determine the maximum and minimum amounts of fees to be paid to Mayors and Councillors in each of the categories.

The Tribunal has recently determined the Mayoral and Councillor fees for the 2022/23 financial year. This report recommends the Mayoral and Councillor fees be set for the 2022/23 year as per the determination.

Commentary

At the Ordinary Meeting of Council of 24 May 2021, Council resolved:

21 -120 RESOLVED

THAT Council:

1. Set the remuneration in 2021/22 for Councillors at \$11,340.
2. Set the remuneration in 2021/22 for the Mayor \$24,015.
3. Set the 2021/22 car lease payable by the Mayor at nil.

Allocation of Councils into Categories

Section 239 of the Local Government Act (LG Act) requires the Tribunal to determine the categories of councils and mayoral offices at least once every 3 years. The next review is due in 2023. The Tribunal assessed Council submissions on categorisations and found that the current categories and allocation of councils to these categories remained appropriate.

In accordance with section 239 of the LG Act the categories of general purpose councils are determined as follows:

Metropolitan

- Principal CBD
- Major CBD
- Metropolitan Large
- Metropolitan Medium
- Metropolitan Small

Non-metropolitan

- Major Regional City
- Major Strategic Area
- Regional Strategic Area
- Regional Centre
- Regional Rural
- Rural

Under the current classifications, Lithgow is classified as Regional Rural.

Determination of Fees

The Tribunal determined a **2%** increase in the minimum and maximum fees applicable to each category. Under the Industrial Relations Regulation, the Tribunal has the discretion to determine an increase of up to 2.5 per cent per annum. The 2% increase is consistent with the Local Government (State) Award 2020 employee increase of a 2 per cent increase in rates of pay from the first full pay period to commence on or after 1 July 2022.

Minimum and maximum fees are set out in the table below:

Table 4: Fees for General Purpose and County Councils

Category		Councillor/Member Annual Fee (\$) effective 1 July 2022		Mayor/Chairperson Additional Fee* (\$) effective 1 July 2022	
		Minimum	Maximum	Minimum	Maximum
General Purpose Councils - Metropolitan	Principal CBD	28,750	42,170	175,930	231,500
	Major CBD	19,180	35,520	40,740	114,770
	Metropolitan Large	19,180	31,640	40,740	92,180
	Metropolitan Medium	14,380	26,840	30,550	71,300
	Metropolitan Small	9,560	21,100	20,370	46,010
General Purpose Councils - Non-Metropolitan	Major Regional City	19,180	33,330	40,740	103,840
	Major Strategic Area	19,180	33,330	40,740	103,840
	Regional Strategic Area	19,180	31,640	40,740	92,180
	Regional Centre	14,380	25,310	29,920	62,510
	Regional Rural	9,560	21,100	20,370	46,040
	Rural	9,560	12,650	10,180	27,600
County Councils	Water	1,900	10,550	4,080	17,330
	Other	1,900	6,300	4,080	11,510

Setting of Fees

The LG Act requires:

248 Fixing and payment of annual fees for councillors

- (1) A council must pay each councillor an annual fee.
- (2) A council may fix the annual fee and, if it does so, it must fix the annual fee in accordance with the appropriate determination of the Remuneration Tribunal.
- (3) The annual fee so fixed must be the same for each councillor.
- (4) A council that does not fix the annual fee must pay the appropriate minimum fee determined by the Remuneration Tribunal.

In addition to the above fees Council also provides the Mayor with a motor vehicle which is available for private use. No lease fee is currently payable for this.

Councils set Councillor and Mayoral fees for each financial year based on the Tribunal's determination. The level of fees accords with each Council's category as set by the Tribunal.

Lithgow City Council's mayoral and councillor fees have historically been set at the lower end of the annual fee range. In past years, Council has set fees based on the current year's fees with the addition of the Tribunal's determination.

From 1 July 2022, Councillors will also receive 10.5% superannuation contributions as determined by Council (Min. No. 22-42 Ordinary Meeting of Council held on 2 March 2022).

Below are the current Councillor and Mayoral fees and the amounts with the addition of a 2% increase:

- Councillors fees - 2021/22 being \$11,340 and 2% increase being \$11,567.
- Mayoral fee - 2021/22 being \$24,015 and 2% increase being \$24,495.
- Car lease payable by the Mayor - 2021/22 being nil.

Policy Implications

Nil.

Financial Implications

- Draft 2022/23 budget - \$128,598 which includes a 2% increase on 2021/22 fees.
- Cost centre - PJ 800154 Governance
- Expended to date - nil for 2022/23
- Future potential impact - N/A

Legal and Risk Management Implications

Council is required under the Local Government Act 1993 to pay the remuneration in accordance with the limits set by the Tribunal.

Attachments

1. 2022 Annual Determination - LGRT [9.4.5.1 - 17 pages]

Recommendation

THAT Council set the:

1. remuneration in 2022/23 for Councillors (2021/22 is \$11,340).
2. remuneration in 2022/23 for the Mayor (2021/22 is \$24,015).
3. 2022/23 car lease payable by the Mayor (2021/22 is nil).

9.5. Policies and Governance

9.5.2. FIN - 23/05/2022 - Procurement Policies - 1.7 Local Procurement & 1.4 Tendering

Prepared by Ross Gurney - Chief Financial and Information Officer

Department Finance & Assets

Authorised by Chief Financial & Information Officer

Reference

Min. No. 21-193 Ordinary Meeting of Council held on 23 August 2021.

Summary

The purpose of this report is to put to Council amendments to two procurement policies. An amendment to Policy 1.7 Local Procurement has been proposed by Cr Mahony. The Finance Committee endorsed the proposed change to the policy at the 20 April 2022 meeting. In addition, minor amendments are proposed to Policy 1.4 Tendering.

Commentary

Policy 1.7 Local Procurement

At the 23 August 2021 meeting, Council resolved:

21 -193 RESOLVED

THAT:

1. Council adopt the Local Procurement Policy,
2. The cost and other aspects of the policy in operation be monitored over the following 12 month period and any material cost increase or other matters of concern be reported to Council, and
3. Council amend the definition of a local supplier in an adopted policy to - *a business that operates from a permanent business address within the boundaries of the Lithgow City Council Local Government Area (LGA) for a minimum period of twelve (12) months before submitting the quotation or tender.*

Cr Mahony has recommended that the “minimum period of twelve (12) months” requirement for a local supplier be deleted from the definition on the grounds that it may be restrictive for new local businesses and does not support suppliers to move to the Lithgow LGA and then be able to do business with Council immediately.

The proposed Local Procurement Policy definition for a local business would be:

A business that has a physical presence and operates from a permanently staffed address within the boundaries of the Lithgow City Council Local Government Area (LGA). Council reserves the right however to exclude a pop up shop or basic shop front from qualifying as a local supplier.

Policy 1.4 Tendering

Policy 1.4 Tendering has been reviewed with only minor changes proposed:

- Inclusion of reference to Policy 1.7 Local Procurement, and
- Changes to the Advertising section of the policy, with all Tenders and Expressions of Interest to only be advertised on Council’s website (Public Notices webpage).

It is also common practice for Project Officers to issue a media release to inform local contractors when tenders are called for significant projects.

In 2020, the Local Government Regulation was amended and no longer mandates Councils to advertise tenders in Local and Metropolitan newspapers. Instead, Clause 167 states that:

1. A council that decides to use the open tendering method for a proposed contract must publish an advertisement inviting tenders for the proposed contract—
 - (a) on the website of the council, and
 - (b) in any other manner that the council considers necessary to bring it to the attention of persons who may be interested in tendering for the proposed contract.

Policy Implications

The Local Procurement Policy has been referenced in Council's other purchasing policies and procedures.

Financial Implications

The Local Procurement Policy may have implications for Council purchasing goods and services at the best price.

Legal and Risk Management Implications

The Local Procurement Policy increases Council's procurement risk profile, as explained in the 2001 ICAC publication 'Taking the Con out of Contracting'. The risks of a Local Procurement Policy are also included in the OLG's Tendering Guidelines. There is a risk that Council could be subject to inflated prices to make local purchases.

Attachments

1. Policy-1.7- Local- Procurement - Draft April 2022 [9.5.2.1 - 4 pages]
2. Policy 1.4 Tendering V 8 Draft May 2022 [9.5.2.2 - 4 pages]

Recommendation

THAT Council:

1. Endorse the removal of the "minimum period of twelve (12) months" requirement from the local supplier definition in Policy 1.7 Local Procurement Policy and that the change to the policy be implemented with immediate effect as it is a minor amendment to the policy and thus does not require public exhibition.
2. Adopt updated Policy 1.4 Tendering with immediate effect as there have only been minor changes to the policy.

10. Council Committee Reports

10.1. FIN - 23/05/2022 - Finance Committee Meeting Minutes - 20 April 2022

Prepared by Negreeta Nunan – Executive Assistant

Department Finance & Assets

Authorised by Chief Financial & Information Officer

Reference

Min No 22-88 Ordinary Meeting of Council held on 26 April 2022.

Summary

This report provides details of the Minutes of the Finance Committee Meeting held on 20 April 2022.

Commentary

At the meeting of the Finance Committee held on 20 April 2022. The following items were discussed:

- **2022-2032 Long Term Financial Plan** – the CFIO presented the 2022-2032 Long Term Financial Plan (LTFP). The Committee endorsed the 2022-2032 LTFP which was adopted by Council for public exhibition at the 26 April 2022 meeting.
- **Draft 2022/23 Budget** – the CFIO presented the draft 2022/23 budget. The Committee endorsed the draft 2022/23 budget to fund the 2022/23 Operational Plan, which was adopted by Council for public exhibition at the 26 April 2022 meeting.
- **Finance Committee Terms of Reference** – the CFIO presented the key proposed changes to the Terms of Reference (TOR). The Committee endorsed the revised draft TOR for Council's consideration.
- **Review of Policy 1.7 Local Procurement** – Cr Mahony provided his recommendation for a change to the local supplier definition in Policy 1.7 Local Procurement. The Committee endorsed the proposed change to the policy definition for Council's consideration.
- **2020/21 Final Audit Management Letter** - The General Manager presented the 2020/21 Final Audit Management Letter which was noted by the Audit Risk & Improvement Committee at the 29 March 2022 meeting.
- **Investment Report March 2022** – this report was considered with the key point being a \$678K decrease in cash and investments as March is typically a month of lower cash inflows. Council currently has sufficient cash and investments to fund the externally restricted reserve balances.

The following business paper recommendation was endorsed by the Committee:

Council Investments Report March 2022

THAT:

1. Investments of \$31,286,930 and cash of \$69,216 for the period ending 31 March 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. Finance Committee TOR V 3 - Draft - March 2022 [**10.1.1** - 3 pages]
2. Draft Minutes Finance Meeting 20 April 2022 - FINAL [**10.1.2** - 7 pages]

Recommendation

THAT Council:

1. Adopt the minutes of the Finance Committee meeting held on 20 April 2022 and note the items not requiring a resolution of Council.
2. Endorse the recommendations proposed in the Council Investment Report for March 2022.
3. Endorse the amended 2022 Finance Committee Terms of Reference included as an attachment to this report.

10.2. IS - 10/05/2022 - Operation Committee Meeting Minutes - 21 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 Operations Committee meeting held on 21st April 2022.

Commentary

At the Operations Committee held on 21st April 2022, there were several items discussed by the Committee including:

1. Natural Disaster Impacts.
2. Response – Central West Orana Regional Transport Plan.
3. Current Strategic Projects.
4. Remaining Roads Projects.

The following item was outside the Committee's delegation and requires Council to formally approve the recommendation:

- Item 6.1 - Operations Committee Terms of Reference

To ensure transparency of the nature of changes to the Terms of Reference, the following summary indicates the proposed changes suggested by the committee:

- Committee responsibilities – completely revised to ensure a more strategic, high-level focus. Rather than focus on maintenance and other operational matters, reports will be presented to the committee which detail the concepts of potential future projects, high-level challenges impacting Council's current and future operation, and the outcomes of service level reviews, to name a few. It is strongly suggested that existing means of raising operational matters, such as the Councillor hub, direct emails and phone calls to the Executive Team be utilised to raise operational matters to ensure the administration can afford them due priority and provide timely responses to the Council and community.
- Committee member responsibilities – These have been changed to reflect the overarching committee responsibilities above.
- In order to ensure that the committee is not burdened by staff leave and that there is continuity of service to the Council, the Terms of Reference now reflect that the Director Water and Wastewater is to satisfy the responsibilities of the Executive Officer if the Director Infrastructure Services is unavailable.
- Frequency of meetings changed to quarterly. This change aims to improve the value and benefit of the outcomes of this Committee by reinforcing a strategic focus, improving the quality and pertinence of information and reports, reduce the weekly and monthly commitments required of the Council and reduce administrative burden.

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 Operations Committee Meeting 21st April 2022 [**10.2.1** - 9 pages]

Recommendation

THAT Council:

1. Note the Minutes of the Operations Committee held on 21st April 2022; and
2. Endorse the updated Terms of Reference for the Operations Committee.

11. 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.