



TWEED SHIRE COUNCIL

# **AGENDA**

## **OPERATIONS COMMITTEE MEETING**

**Tuesday 17 March 2009**

**Mayor: Cr J van Lieshout**

**Councillors: Cr B Longland, Deputy Mayor  
Cr D Holdom  
Cr K Milne  
Cr W Polglase  
Cr K Skinner  
Cr P Youngblutt**

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## **REPORTS THROUGH GENERAL MANAGER**

### **REPORTS FROM THE GENERAL MANAGER**

#### **01 [GM-OC] Tweed Shire Council Branding**

##### **ORIGIN:**

**General Manager**

##### **SUMMARY OF REPORT:**

A brand is a visual identity that may include a logo, corporate colours, fonts and typography, image types and more. As a complete package it makes a brand. A logo is a symbol and is just one piece of the puzzle. A brand is about the promise of a level of quality or service.

Council has never had a brand; it has only had a logo and one that is not unique to Council.

For Council, as for any organisation, particularly one with such a diverse range of products, services, operations, customers and staff, it is a central requirement that the organisation has a strong and explicit brand and be uniquely identifiable.

A strong brand can be seen as a corporate asset, its value being the extent to which the community supports, accepts, adopts and works with the organisation's corporate agenda. This helps develop trust in Council as a civic leader engaging with, serving, and responding effectively to its community. With that trust, Council can better achieve its vision.

Having a brand will ensure that our customers, ratepayers and citizens of the Tweed receive professional communication, publications and material from their local government provider, something they should expect.

This report discusses the need for Tweed Shire Council as an organisation to have its own unique brand and to deliver a brand strategy, visual identity guide and extensive suite of branding templates with a life span anywhere from 6 – 10 years as outlined in the report.

##### **RECOMMENDATION:**

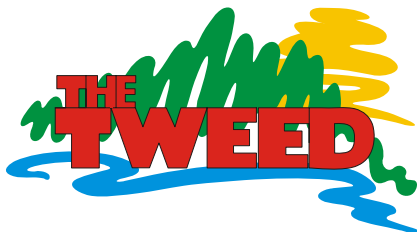
###### **That Council:**

- 1. Proceeds to unite all operations under a 'one council – one brand' strategy applying the logo as the sole brand mark for all departments, activities, assets, services, products and facilities.**

2. **Votes \$45,000 of allocated funds to develop a brand strategy, visual identity guide and extensive suite of branding templates as outlined in the body of this report.**

## REPORT:

Over 10 years ago Tweed Shire Council established a generic 'The Tweed' logo.



In the early days it was used for Council and at the same time Council allowed and encouraged the logo to be used by third parties, becoming more of a regional logo appearing on non-council services rather than an organisational logo.

Since then 'The Tweed' logo has been adopted by many third parties and features prominently on local taxis, boxes of fruit, newspapers, private business cards and more.

Although this is great promotion of The Tweed and demonstrates the need for a 'regional brand' it leaves Council, as a service provider and organisation, with three key problems.

1. No coordinated approach to providing our customers, ratepayers and citizens of the Tweed with professional communications, publications and material from their local government provider, something they should expect.
2. Council can be perceived to be linked to the organisations that utilise the logo as there is no copyright or control over who can use it.
3. It does not allow for unique attribution to Council services – if Council looks like everyone else how are our customers supposed to recognise Council services.

This report discusses the need for Tweed Shire Council as an organisation to have its own unique brand.

### **What is a brand?**

A brand is much more than just a logo and represents a set of values. Whilst a logo might stand for a company or service, a brand stands for much more. It's about the promise of a level of quality or service. A brand is a visual identity that may include a logo, corporate colours, fonts and typography, image types and as a package it makes a brand. A logo is a symbol and is just one piece of the puzzle.

### **Why does Council need one?**

Council has never had a brand; it has only had a logo and one that is not unique to Council.

For Council, as for any organisation, particularly one with such a diverse range of products, services, operations, customers and staff, it is a central requirement that the organisation has a strong and explicit brand.

A brand is a fundamental asset for any large organisation and it builds the foundation on which things grow – its image, how it looks, how it is represented in the community, the pride within the organisation and more.

Further, having a brand creates consistency, significant cost and time savings and a professional approach across the board.

Just as you can tell a lot about a person by their clothes, you can tell a lot about an organisation by its image.

A strong brand can be seen as a corporate asset, its value being the extent to which the community supports, accepts, adopts and works with the organisation's corporate agenda. This helps develop trust in Council as a civic leader engaging with, serving, and responding effectively to its community. With that trust, Council can better achieve its vision.

For staff, with their individual work unit responsibilities and goals, it unites and brings an organisational focus on whom and what they are working for. Further, a strong and recognisable brand that is held in good repute will help Council attract skilled staff in an increasingly competitive market.

Council should own its brand, staff need to feel and embrace it and the community need to relate to it and identify it.

### **Benefits of a brand**

The immediate and direct benefits to establishing a brand for Tweed Shire Council include:

- A consistent and professional image across all Council activities.
- An image that represents an organisation of 2009 not the 1980s.
- Significant cost savings as Council streamlines graphic design requirements.
- Significant time savings for all staff to access and use a range of templates rather than re-create the wheel every time we create a new publication.
- Significant time and costs savings for staff to focus on core role and Council business rather than spending hours/days designing below par publications.
- Significant cost savings for print brokering arrangements across Council.
- Unique attribution for Council services.
- Increase in staff pride to work for an organisation that has a professional image.
- Be seen as a leader and progressive Council among our Local Government counterparts.

Having a brand has significant implications:

- It presents Council as a unified organisation, implying the integration of activities that customers expect and avoiding perceptions of service fragmentation.
- It helps ensure that the community recognises Council and its work at a glance, ensuring it does not go unnoticed or attributed elsewhere.



- It assists people in understanding what Council is doing with their money through clear and immediate identification with the entity to which they pay their rates, fees and charges.
- It provides leverage for the promotion of Council initiatives, providing them with a level of awareness and credibility they might not otherwise attract.
- It assists in lengthening the lifespan of communication initiatives. Activity aligned with a well-recognised logo and visual consistency will usually be retained longer, recalled faster.
- Along with its visual standards, it ensures a uniform, professional standard of presentation so that image does not oscillate between conflicting positions or standards.
- It connects staff as members of the same family and helps eliminate “them and us” tendencies.
- It stands as a reminder to staff of the service promise made to customers.
- It focuses Council’s efforts and achievements in competitive marketplaces, for example, in attracting good, skilled staff.

### **The Investment**

Funds have already been allocated and the process will have no effect on future Council budgets.

An investment of \$45,000 represents strong value for money with the brand having a minimal life span anywhere from 6 – 10 years and will deliver at a minimum:

1. An extensive Visual Identity Guide/Style Guide for Council.
2. An extensive suite of industry standard Adobe Creative Suite 4 (CS4) (Indesign/ Illustrator/ Photoshop) templates and ability to produce documents in house:
  - all versions of the recommended logo in EPS and JPG formats. JPG format to be available in Pantone, CMYK, RGB, mono and reversed.
  - corporate stationery including letterhead, fax sheet, internal memos, corporate bulletins, envelopes, with compliment slips and business cards
  - PowerPoint presentation
  - generic presentation folder
  - brochures – A5 booklet and DL
  - one page fact sheet (single and double sided option)
  - report documents - Portrait and landscape.
  - Tweed Link template and masthead
  - The Insider template
  - advertising shell x 2
  - website design for front and second layer pages
  - standard certificate of appreciation
  - desk signs
  - e-signatures
  - template for standard forms across the organisation
  - invoices/debtors notice
  - rates and instalment notices

Having a brand will ensure that our customers, ratepayers and citizens of the Tweed receive professional communication publications and material from their local government provider, something they should expect.

The brand implementation will be gradually rolled out with the new templates and logo to come into effect and progressively replace publications as they run out of stock. All previously branded materials will be used until they are consumed; there will be no unnecessary waste of previously branded materials. External signage such as street signs and building signs will be replaced new for old as required.

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Nil.

**POLICY IMPLICATIONS:**

A revised Communication and Marketing Policy will be put to Council for adoption.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

*To view any "**non confidential**" attachments listed below, access the meetings link on Council's website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

Nil.

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**O2 [GM-OC] Wollumbin Street, Murwillumbah - Car Parking**

**ORIGIN:**

**Design**

**SUMMARY OF REPORT:**

Council resolved at its meeting held on 13 November 2007 to advertise for public tender several Council properties identified in Murwillumbah and Bogangar that could be sold to assist in the development of the business sectors in both Murwillumbah and Bogangar. This report relates to the disposal of one of those properties, 107 to 113 Wollumbin Street, which sits between Proudfoots Lane and Wollumbin Street, Murwillumbah.

Having undertaken a public tender process for the sale of this land, there is a separate report to Council making a recommendation to approve the preferred tenderer and proceed with the sale.

This report provides an overview of the tender process as a collateral report to that referred to above.

This report also addresses concerns raised during the tender process about the loss of car parking in the Murwillumbah commercial precinct, as the subject land is located adjacent to the Come Alive gym and currently partly used as a car park.

**RECOMMENDATION:**

**That the Wollumbin Street, Murwillumbah - Car Parking report be received and noted.**

**REPORT:****Tender Process**

On 13 November 2007, Council resolved to enter into negotiations with prospective purchasers following due process by public tender or public auction.

Council had engaged CB Richard Ellis to market the properties and on their advice, placed the properties on the market by public tender. Tenders closed on 9 April 2008. The tenders were assessed and a report was made to Council on 22 April 2008 recommending refusal of all tenders as none of them were acceptable for various reasons, however this refusal of the tenders allowed Council to instruct the agent to negotiate with each tenderer on Council's behalf to attempt to reach agreement

None of the tenders conformed to the Murwillumbah Development Control Plan ("Murwillumbah DCP") that had been advertised during the tender process, but adopted after the close of tenders.

In adherence to probity requirements, Council provided each tenderer for the Murwillumbah properties a copy of the Murwillumbah DCP and an opportunity to meet with Council planning officers to discuss their response to the Murwillumbah DCP on their intended development proposals. Meetings were requested only by the tenderers for the Proudfoots Lane parcels. These meetings were held on 19, 20 and 23 June, following which each tenderer was given a further 21 days within which to re-submit their offers. On 16 July 2008 Council received re-submitted tenders. There were 4 tenderers and details of the tenderers are in the confidential report.

Due to the impending Council elections and in accordance with Local Government Circular dated 19 June 2008, Council entered into a caretaker period which precluded the making of decisions to enter into any major contracts or undertakings. It was considered that the sale of the land for a sum over \$1 million came within the ambit described in the Circular, therefore a report recommending a preferred tender was deferred until now.

**Car Parking**

When the tender for the sale of the subject land was publicised, Council received correspondence raising concerns about the loss of car parking on the site.

The subject land is comprised of four parcels, three of those parcels are used as a car park adjacent to, and known as the Wollumbin Street car park.

Car parking surveys had been undertaken in November 2006, prior to the land being approved for sale and recently, on Friday 9 January and from Monday 12 January to Wednesday 14 January 2009.

The survey is not intended to be comprehensive, but to provide a base reference against previous data and reflect on the lack of demand from Murwillumbah TAFE during the more recent survey period.

The survey shows that during a TAFE term, 48 percent of the Come Alive gym car park users are TAFE staff and or students

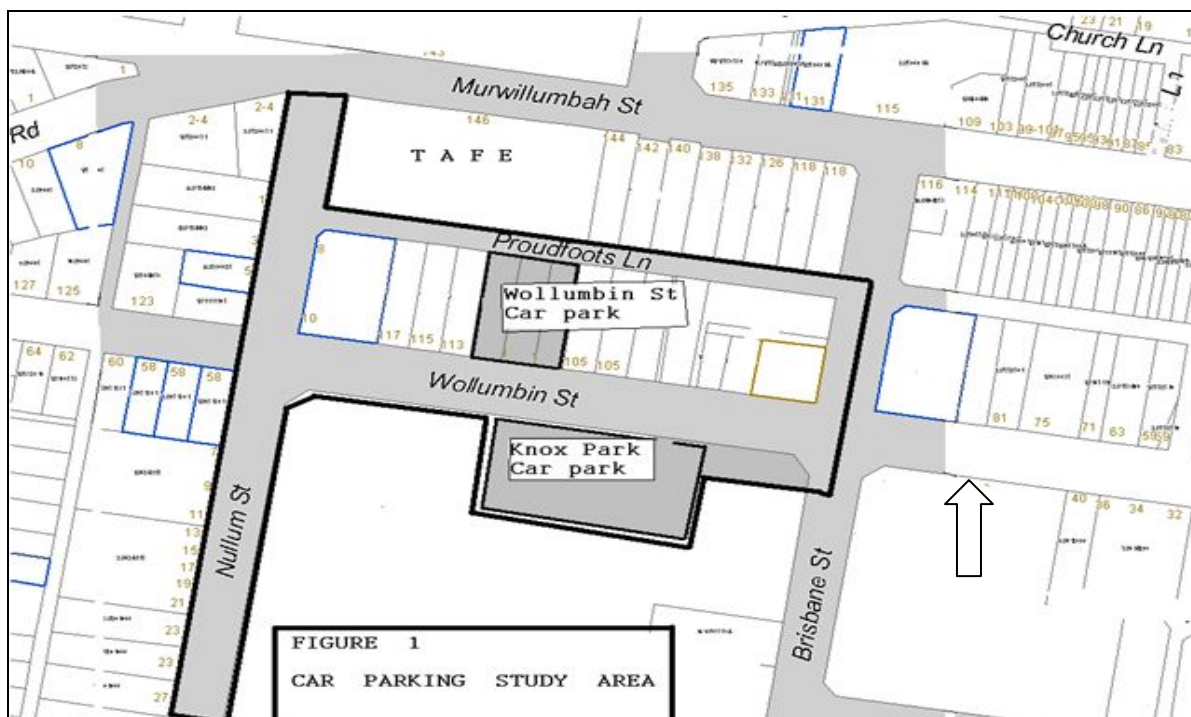
The interdivisional memo from the Manager Design, shown below, provides an overview of the results of the car parking survey. The conclusion in the memo indicates that the Wollumbin Street car park *“is primarily utilised by the TAFE and does not provide a significant benefit to the CBD in terms of customer car parking”*.

It is noted in the internal advice and table 1 (below), that at peak parking times there are at least 148 unoccupied spaces and if the car park land is closed, there is ample on street car parking available on Nullum Street and off street car parking in the Knox Street Car Park to accommodate the loss of 46 car spaces in the Wollumbin Street car park.

This advice also stated:

*“Parking surveys have previously been undertaken throughout the Murwillumbah CBD generally at expected ‘peak’ demand periods to determine maximum usage rates.*

*A recent parking survey has been undertaken in the area of Brisbane Street, Wollumbin Street, Nullum Street and Proudfoots Lane including Knox Park Car Park and Nullum Street adjacent to Knox Park. The survey area is shown in figure 1 below.*



*The period of the survey was from Friday 9 January 2009 to Wednesday 14 January 2009 inclusive. This period represents ‘lower demand’ periods for car parking in the survey area as the TAFE College and local schools are closed for holidays. Undertaking a car parking survey at this time allows a comparison with previous peak demand surveys and to determine the impact the TAFE and local schools have on parking demand.*

*Table 1 below shows the survey results for the peak and off peak parking demands for the area shown in figure 1.*

*These results show that significant reductions in car parking demand in the survey area occurs when the TAFE is closed. Given the proximity of the TAFE to the car parking locations, it can be concluded that the reduction in demand is a result of the TAFE being closed.*

*Table 1 shows the difference in car parking usage when the TAFE is operational (1 November 2006) and when it is closed (9-14 January 2009).*

*From these results it can be assumed that an average of 48% or 22 spaces in the Wollumbin Street Car Park (adjacent to the Gym) is utilised by TAFE staff and students. Similarly 11% or 14 spaces in Knox Park Car Park and 20.3% or 9 spaces in Proudfoots Lane.*

*Based on these figures, it can be determined that the usage of the Wollumbin Street Car Park is primarily utilised by TAFE and does not provide a significant benefit to the CBD in terms of customer car parking. If it were to be closed, ample on street car parking is available in Nullum Street and the Knox Park Car Park to accommodate the loss of 46 car park spaces in the Wollumbin Street Car Park.*

Table 1 referred to in the advice:

Murwillumbah Parking Study													
Date	Time	Wollumbin St Car Park		Knox Park		Proudfoots Ln		Wollumbin Street		Nullum Street		Total	
		Available	% vacant	Available	% vacant	Available	% vacant	Available	% vacant	Available	% vacant	Available	% vacant
		46		129		43		31		45		294	
		Vacant		Vacant		Vacant		Vacant		Vacant			
01/11/2006	8.30	0	0%	78	60.46%	23	53.48%						
	12.30	2	4%	57	44.18%	15	34.88%						
	3.30	12	26%	75	58.13%	22	51.16%						
09/01/2009	8.30	28	60.88%	88	68.22%	34	79.06%	22	70.96%	19	42.23%	191	64.96%
	12.30	17	36.95%	70	54.26%	28	65.11%	16	51.61%	18	40.00%	149	50.68%
	3.30	20	43.47%	80	62.01%	27	62.79%	22	70.96%	23	51.11%	172	58.50%
12/01/2009	11.00	24	52.17%	79	61.24%	30	69.76%	22	70.96%	18	40.00%	173	58.85%
	4.00	24	52.17%	84	65.11%	30	69.76%	22	70.96%	20	44.44%	180	61.22%
13/01/2009	8.30	28	60.88%	112	86.82%	30	69.76%	26	83.87%	20	44.44%	216	73.47%
	12.30	26	56.52%	64	49.61%	25	58.13%	24	77.41%	13	28.88%	152	51.70%
	3.30	28	60.88%	90	69.76%	31	72.09%	24	77.41%	22	48.88%	195	66.33%
14/01/2009	8.30	35	76.08%	112	86.82%	34	79.06%	31	100%	20	44.44%	233	79.25%
	12.30	22	47.82%	64	49.61%	21	48.83%	17	54.83%	21	46.66%	148	50.35%
	3.30	23	50.00%	88	68.22%	26	60.46%	20	64.51%	20	44.44%	177	60.20%

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Nil.

**POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER:**

Nil.

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## REPORTS FROM THE DIRECTOR PLANNING & REGULATION

### **O3 [PR-OC] Calls for Expressions of Interest to Operate Markets - Kingscliff, Pottsville, Knox Park Murwillumbah and Tweed Heads Recreation Ground**

#### **ORIGIN:**

**Building & Environmental Health**

#### **SUMMARY OF REPORT:**

The current approvals to conduct the markets at Kingscliff, Tweed Heads Recreation Ground, Knox Park Murwillumbah and Pottsville expire on 30 June 2009.

Council has previously called for expressions of interest from the community to determine the most suitable operator. Given the impending expiry date it is appropriate that expressions of interest now be sought, should Council wish for the market operation to continue.

A separate report will also be put to the Tweed Coast Reserve Trust on this matter.

#### **RECOMMENDATION:**

**That Council, subject to endorsement by the Tweed Coast Reserve Trust, calls for expressions of interest from any person or group who wishes to be considered as a candidate to operate the Kingscliff, Tweed Heads Recreation Ground, Knox Park Murwillumbah and Pottsville markets from 1 July 2009 for a period of three years.**

**REPORT:**

A report will be also be submitted to the Tweed Coast Reserve Trust regarding this matter.

The current approvals to conduct the markets at Kingscliff, Tweed Heads Recreation Ground, Knox Park Murwillumbah and Pottsville expire on 30 June 2009.

In 2006, when the existing approvals were due to expire, Council called for expressions of interest from the community to determine the most suitable operator.

Given the impending expiry date of June 2009 it is appropriate that expressions of interest now be called should Council wish for the market operation to continue.

Traditionally, approvals have been granted for a 3 year period.

The following options in relation to renewal of market approvals have been identified:

**Issue No Further Approval for any Markets***Officers Comment*

*The markets are an attraction to visitors and residents and provide income sources to the numerous stall holders involved.*

**Council to Operate and Administer the Markets***Officers Comment*

*It is most likely that additional staffing resources would be necessary to achieve internal management of markets. It is unclear if income would totally fund this staffing. This is not necessarily a function which Council is seeking to perform and it can be performed adequately by the private or community sector.*

**Call for Expressions of Interest to Operate the Markets***Officers Comment*

*By opening up market management to competition (through calling expressions of interest), improvements in operation may be achieved as well as increased income to Council through competitive submissions. It is also possible that 'worthy' community organisations could successfully operate the markets, leading to income for those organisations.*

## **Approve the Existing Operators with a New Approval**

### *Officers Comment*

*The existing market managers of the Kingscliff, Pottsville, Knox Park Murwillumbah and Tweed Heads Recreation Ground Markets may seek to have their existing approvals to operate the Markets extended. However, it is appropriate that Council seek, through public expressions of interest, the most appropriate person or group to manage the Markets, rather than simply continuing to renew approvals with the existing managers. It may well be that following this process the existing managers are the successful applicants.*

*This type of competitive process may result in improvements in terms of payments to Council for use of the respective areas for markets, and also ensuring that the best possible management practices are in place.*

### **General**

The existing managers pay to Council between 15% to 25% of total income from stall fees and several make donations to charitable groups as well. In calling for expressions of interest a successful applicant may be willing to pay to Council a higher percentage or make an additional regular donation to a charitable group such as the local surf club. A charitable group may actually seek to manage the markets, receiving the resulting income.

The criteria on which expressions of interest are likely to be assessed are:

- Suitable experience in market operations or management of like activity
- Demonstrated business operation skills
- Willingness to comply with Council policies
- Financial return to Council
- Possible benefits to community based organisations
- Submissions which provide details of proposed improvements to Market operation

### **CONCLUSION**

It is appropriate that Council call for expressions of interest to operate the markets prior to making a determination about approvals, rather than simply renewing with the existing managers. This will permit the most advantageous submission and resulting improvements to be identified. The outcome of this process will be reported to Council for determination.

### **LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Nil.

### **POLICY IMPLICATIONS:**

Nil.

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**UNDER SEPARATE COVER/FURTHER INFORMATION:**

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Nil.

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**REPORTS FROM THE DIRECTOR TECHNOLOGY & CORPORATE SERVICES****04 [TCS-OC] Repco Rally Australia – Public Holiday Consideration****ORIGIN:****Director Technology & Corporate Services****SUMMARY OF REPORT:**

In December last year Repco Rally Australia approached Council to consider declaring a public holiday for Tweed Shire or a locality within Tweed on Friday 4 September 2009. This proposed holiday would coincide with the Repco Rally Australia's World Rally Championship event and more particularly was seen as a way to support the Speed on Tweed event day in Murwillumbah scheduled between the 3 and 6 September 2009.

At its meeting on 27 January Council considered this request and it was resolved to seek community feedback. It was also resolved that each of the Tweed business chambers along with the Tweed Tourism and Tweed Economic Development Corporation be contacted to canvas their positions on the proposal.

During the public consultation period in February, twelve (12) submissions were received, comprising of nine (9) public, two (2) Chambers of Commerce and one (1) from Tweed Tourism.

This report summarises these submissions and recommends that a public holiday not be declared.

**RECOMMENDATION:**

**That Council does not proceed with an application to declare a Public Holiday on 4 September 2009 for all or part of the Tweed Shire to coincide with the Repco Rally Australia's World Rally Championship event.**

**REPORT:****Background**

In December last year Repco Rally Australia approached Council to consider declaring a public holiday for Tweed Shire or a locality within Tweed on Friday 4 September 2009, to coincide with the running of the 2009 rally and a special Speed on Tweed event day in Murwillumbah between the 3 and 6 September 2009.

Tweed Shire Council has not historically applied for the declaration of any "local" public holidays such as Show day, Cup days or the like.

At its meeting on 27 January Council resolved:

- "1. *Seeks community feedback on declaring a public holiday on Friday 4 September 2009 for:*
  - i) *The whole of the Tweed Shire.*
  - ii) *South of Barneys Point Bridge (excludes Tweed Heads)*
  - iii) *Murwillumbah only*
  
2. *Writes to the Murwillumbah Business Chamber, Tweed Heads Chamber of Commerce, Kingscliff & District Chamber of Commerce, Tweed Economic Development Corporation and Tweed Tourism requesting that each organisation formally advise Council of its position in regard to 1. above and seek further broad public comment through the Tweed Link and Council's website.*
  
3. *Considers a further report at the conclusion of the community feedback period.*

**Public Consultation**

A Public Notice was placed in the Tweed Link on 3 February inviting public comment on the three proposed options. The consultation period closed on 20 February. During this period nine (9) public submissions were received.

Also in accordance with Council's resolution letters were forwarded to:

- Tweed Chamber of Commerce
- Murwillumbah District Business Chamber
- Kingscliff & District Chamber of Commerce
- Tweed Economic Development Corporation
- Tweed Tourism

This letter sought their respective positions on the proposal. To date Council has received responses from the Murwillumbah District Business Chamber, the Kingscliff & District Chamber of Commerce and Tweed Tourism. Their submissions are included in this report. None of the three (3) submissions supported a public holiday however Tweed Tourism suggested that *"the organisers and/or council contact schools in the*

region, especially Murwillumbah to explore the possibility of working together to set up Friday 4 September as an "educational excursion day".

The Murwillumbah District Business Chamber letter is reproduced below:



ABN 65 003 362 329

SPEED ON THE TWEED EVENT  
WORLD RALLY CHAMPIONSHIPS

TWEED SHIRE COUNCIL
FILE No. PUBLIC HOLIDAY
Doc. No. ....
REC'D 19 FEB 2009
ASSIGNED TO: GREEN IT
HARD COPY <input type="checkbox"/> IMAGE <input checked="" type="checkbox"/>

15 February 2009

General Manager  
Tweed Shire Council  
PO Box 816  
Murwillumbah NSW 2484

Dear Sir *Mike*

In reference to the letter received from you to comment on the proposed Speed on Tweed and World Rally Public Holiday to declare Friday, 4 September 2009 a public holiday on the Tweed.

The Murwillumbah District Business Chamber Board met on Wednesday, 11 February and this letter/information was discussed in depth.

The Chamber Board unanimously voted no to the public holiday taking into consideration that if a public holiday was declared; the affect on schools, bus operators who travel on the rural areas, local businesses, and also how this will affect the town of Murwillumbah eg the route that this Rally would take in relation to Murwillumbah itself.

So based on the information presented, it was agreed that further clarification from the World Rally group should be made before the Chamber Board could make an informed decision. It was moved to advise Tweed Shire Council of this decision.

The Board is inviting members from the World Rally group to attend the next business breakfast to speak to the Business owners/operators of the Murwillumbah District.

A final decision will be advised to Tweed Shire Council after this breakfast.

Yours faithfully



Phil Youngblutt  
President  
Murwillumbah District Business Chamber Ltd

**Murwillumbah & District Business Chamber**

PO Box 5, MURWILLUMBAH NSW 2484

www.Murwillumbah.BIZ – info@murwillumbah.biz

The Kingscliff & District Chamber of Commerce letter is reproduced below:

**Kingscliff & District Chamber of Commerce**PO BOX 1014  
KINGSCLIFF NSW 2487Ph : 02 6674 7612  
Fax : 02 6674 7657  
Email: [kdcc@solo.com.au](mailto:kdcc@solo.com.au)

3 March 2009

The General Manager  
TWEED SHIRE COUNCIL  
PO BOX 816  
MURWILLUMBAH NSW 2484

*By Email: 1 Page*  
*tsc@tweed.nsw.gov.au*  
*Sent: 04/03/09*  
*Ph: 02 6670 2415*

Dear Mr Rayner,

**Your Ref: Festivals – World Rally Championships**

We refer to your correspondence dated 03/02/09 regarding a "Proposed Speed on Tweed and World Rally Public Holiday" and wish to advise that our Chamber does not support this.

Public holidays, although probably favourable to employees, comes at a significant cost to employers in terms of lost productivity and only does damage to businesses and to the working families these businesses support.

We feel that the event will have a great economic boost for the Tweed however believe that a public holiday is unnecessary.

Yours Faithfully,



Natacha Hodge  
Secretary



Tweed Tourism's letter is reproduced below:



6 March 2009

Mr Mike Rayner  
General Manager  
Tweed Shire Council  
PO Box 816  
MURWILLUMBAH NSW 2484

Dear Mike

**RE: Proposed Speed on Tweed and World Rally Public Holiday**

In response to your letter dated 3 February requesting feedback on the above matter, I wish to advise that the Board of Tweed Tourism has resolved to not support the request from the organisers of the World Rally Championship for a public holiday in the Tweed Region on Friday 4 September 2009.

While Tweed Tourism strongly supports both Speed on Tweed and the World Rally Championship as excellent events for the region, we feel that a public holiday in any part of the shire would not be advantageous for our members and would be too disruptive to the greater community.

However, we suggest that the organisers and/or council contact schools in the region, especially Murwillumbah, to explore the possibility of working together to set up Friday 4 September as an "educational excursion day". This could then increase the exposure of both events locally and take advantage of the many educational opportunities on offer.

Tweed Tourism would be more than happy to assist where possible.

Yours sincerely



**Phil Villiers**  
General Manager

## Public Submissions

During the consultation period nine (9) public submissions were received. All of these submissions were opposed to the declaration of a proposed holiday.

Each of the submissions has been summarised in the table below. These submissions are from both local businesses as well as individuals. Due to privacy considerations the original submissions are presented in a confidential attachment to this report.

<b>Sub No.</b>	<b>Outline of Submission</b>	<b>Opposition / Support</b>
1	<p><b>Objections not relevant to Proposed Public Holiday</b></p> <p>Economic Crisis</p> <ul style="list-style-type: none"> <li>• Increased Cost of Oil</li> </ul> <p>Global Environmental Concerns</p> <ul style="list-style-type: none"> <li>• Use of non renewable resources ie oil</li> <li>• Global warming</li> </ul> <p>Public Safety</p> <ul style="list-style-type: none"> <li>• Increased threat of drink driving</li> <li>• Increased threat of unsafe driving</li> </ul> <p>Commercialisation of Public Assets</p> <ul style="list-style-type: none"> <li>• Closure of public roads for commercial purposes</li> </ul> <p>Masculine Idiocy</p> <ul style="list-style-type: none"> <li>• Male fanaticising machines</li> </ul>	Opposed
2	<p>Local Economic Impact</p> <ul style="list-style-type: none"> <li>• Economic viability of small business</li> <li>• Cost to small business</li> <li>• Loss of trade</li> </ul> <p>Employment</p> <ul style="list-style-type: none"> <li>• Loss of income for low income earners</li> </ul>	Opposed
3	<p>Local Economic Impact</p> <ul style="list-style-type: none"> <li>• Decreased trade for local businesses</li> <li>• Cost to hospitality industry</li> <li>• Cross border confusion</li> </ul>	Opposed
4	<p>Local Public Holidays</p> <ul style="list-style-type: none"> <li>• Council precedent to refuse local public holidays (Melbourne Cup Day)</li> <li>• Prefer November Show Day</li> </ul>	Opposed
5	No Specific Grounds	Opposed
6	<p>Local Economic Impact</p> <ul style="list-style-type: none"> <li>• Cost to local business</li> <li>• Loss of trade</li> </ul> <p>Global Economic Crisis</p> <ul style="list-style-type: none"> <li>• Decrease profitability of businesses therefore need to trade</li> </ul>	Opposed

<b>Sub No.</b>	<b>Outline of Submission</b>	<b>Opposition / Support</b>
7	<p><b>Objections not relevant to Proposed Public Holiday</b></p> <p>Local Participation</p> <ul style="list-style-type: none"> <li>• Anticipate limited local support</li> </ul> <p>Local Environmental Impact</p> <ul style="list-style-type: none"> <li>• Dust, Noise</li> </ul> <p>Local Image</p> <ul style="list-style-type: none"> <li>• Disrupt 'Green Caldera' image</li> </ul> <p>Safety</p> <ul style="list-style-type: none"> <li>• Concerns for spectator safety</li> </ul> <p>Local Community</p> <ul style="list-style-type: none"> <li>• Perceived general opposition</li> <li>• Disruption to Byrill Ck / Urliup communities</li> <li>• General concerns for potential protest rallies and direct action</li> <li>• Objection to Council's involvement with Rally Australia</li> <li>• Objection to process undertaken and Council's involvement with the preparation of the DA.</li> </ul>	Opposed
8	<p>Local Community</p> <ul style="list-style-type: none"> <li>• Lack of local support</li> </ul> <p>Local Business</p> <ul style="list-style-type: none"> <li>• Other interruptions to local business (stormwater/sewer upgrades)</li> <li>• Public holiday leave loadings</li> <li>• Lack of business consultation</li> </ul>	Opposed
9	<p>Local Community</p> <ul style="list-style-type: none"> <li>• Priority for public holiday - other events are appropriate</li> <li>• Should not separate the Shire</li> </ul> <p>Local Environment</p> <ul style="list-style-type: none"> <li>• Concept of public holiday to celebrate the environment</li> <li>• Concept of public holiday to celebrate local artist talent</li> </ul>	Opposed

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Nil.

**POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

To view any "non confidential" attachments listed below, access the meetings link on Council's website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).

1. **Confidential Attachment** - Submission No. 1 (ECM: 1989435)
2. **Confidential Attachment** - Submission No. 2 (ECM: 1987099)
3. **Confidential Attachment** - Submission No. 3 (ECM: 1986593)
4. **Confidential Attachment** - Submission No. 4 (ECM: 1986136)
5. **Confidential Attachment** - Submission No. 5 (ECM: 1983734)
6. **Confidential Attachment** - Submission No. 6 (ECM: 1988762)

7. **Confidential Attachment** - Submission No. 7 (ECM: 1990154)
  8. **Confidential Attachment** - Submission No. 8 (ECM: 1993762)
  9. **Confidential Attachment** - Submission No. 9 (ECM: 1993514)
-

**05 [TCS-OC] Rate Payment Incentive Scheme****ORIGIN:**

Revenue

**SUMMARY OF REPORT:**

At the Council meeting of 16 December 2008 a question was asked:

*"could the General Manager please investigate and report back to council of the possibility of instigating water saving devices and/or solar hot water systems etc as prizes to residents entered into the annual draw for the payment of their rates in full.*

*The General Manager responded that an investigation would be carried out and a report brought back to Council."*

At the Executive Management Team meeting of 14 January 2009 a decision was made that:

*"the Director Technology & Corporate Services reports to council prior to April 2009 regarding options for prizes for the Annual Draw for Payment of Rates."*

This report provides a background on the rate incentive scheme since its inception and provides a green alternative for ratepayers who win the incentive scheme.

**RECOMMENDATION:****That:**

- 1. Council continues its Rates Incentive Scheme; and**
- 2. Prizes for payment of rates in full by the date of the first instalment in 2009/2010 comprise a choice of:**
  - 1<sup>st</sup> Prize - \$3,000 energy saving and water efficient retrofit package, or a holiday to the value of \$2,500;**
  - 2<sup>nd</sup> Prize - \$2,000 energy saving and water efficient retrofit package, or a holiday to the value of \$1,500; and**
  - 3<sup>rd</sup> Prize - \$1,000 energy saving and water efficient retrofit package, or a holiday to the value of \$500.**

**REPORT:**

**Background**

The rates incentive scheme was introduced in 1987 to increase rate income during the early months of the year, therefore increasing cash flow and giving council a greater investment portfolio.

Year	Notices Issued	Notices Paid in Full	Percentage %	Amount Collected (\$)	Levy (\$)
1983	15302	3749	24.5	\$2,766,973.00	\$8,476,215.00
1984	15640	4202	26.87	\$2,649,777.00	\$8,905,259.00
1985	16037	4078	25.43	\$2,938,733.00	\$1,593,847.00
1986	16356	4567	27.92	\$3,276,423.00	\$11,875,992.00
1987	16738	5338	31.89	\$3,908,549.00	\$12,359,330.00
1988	17843	5356	30.02	\$4,196,024.00	\$13,620,815.00
1989	18477	7516	40.68	\$5,493,799.00	\$13,504,787.00
1990	19031	7433	39.06	\$6,437,634.00	\$16,479,119.00
1991	20012	7851	39.23	\$7,509,156.00	\$19,142,059.00
1992	20512	8430	41.1	\$7,840,927.00	\$19,487,131.00
1993	21127	9002	42.61	\$8,721,001.00	\$20,464,597.00
1994	22399	10825	48.33	\$12,785,400.42	\$26,453,622.14

The cost of running the scheme from inception to 1994 was minimal as the 1<sup>st</sup> prize of a Holiday was donated by Harvey World Travel and the second prize of a monetary value was donated by various local financial institutions.

In 1995 Council resolved to improve the scheme by increasing the value of the prizes and call for tenders for a car up to a value of \$20,000 with the aim of increasing patronage of the scheme and hence cash flow.

Rate payment schemes were popular in the late eighties and early nineties when rates were levied under the 1919 Local Government Act. The rating year was a calendar year and if rate notices were issued on 5 January, and the ratepayer elected to pay by instalments, the first instalment was due by 5 February. If the full rate payment method was chosen, the full amount was not payable until 5 May that is four months after the rates were issued.

Under the new 1993 Local Government Act the rating year was altered to the financial year ie. July to June, the Act specified that the rates notice was to be served by 1 August, the due date for full payment was 31 August and the quarterly dates for payment by instalments was 31 August, 30 November, 28 February and 30 May.

The scheme has successfully continued to the present, however, the percentage of amount collected through full payment has been impacted by the introduction of the instalment system which can be seen by the following percentage collected table over the preceding six years:

Year	Notices Issued	Notices Paid in Full	Percentage %	Amount Collected \$
03/04	31269	8273	26.46	9,944,809.75
04/05	33716	8354	24.78	10,840,353.71
05/06	35143	9049	25.75	12,040,037.71
06/07	36014	8623	23.94	12,280,267.19
07/08	36898	8382	22.72	12,723,847.52
08/09	37660	7862	20.88	13,616,094.18

Although there has been a decline in the number of ratepayers paying their rates in full the scheme is beneficial and has the potential to generate an additional \$146,000.00 in interest. The full impact of the scheme can not be gauged until such time as Council decides to abandon the scheme and a true comparison can be made.

### **Green Options**

Due to the changing nature of our society it may be prudent to offer ratepayers a choice in the delivery of prizes. Ratepayers who pay their rates in full will be eligible to enter the draw and winners have a choice of a range of prizes or alternative prizes of energy and water efficient retrofit packages which could be delivered in the form of three (3), two (2) and one (1) thousand dollar vouchers. To encourage winners to opt for the green prize, the alternative prizes would be at values of \$2,500, \$1,500 and \$500.

Winners will have the option to have their homes audited to identify ways to improve the water and energy efficiency of their homes.

Each household will have different requirements but the likely options for prizes could be:-

- Energy efficient fridges;
- Solar hot water systems;
- Pool pump upgrades;
- Tinted windows & fans;
- Environmental water efficient gardens;
- Choice of efficient whitegoods replacements;
- Sky lights;
- Water efficient washing machines;
- Water efficient dishwashers;
- Water efficient toilets;
- Rainwater tank installations; and
- Appliance testing.

The audit will be carried out in conjunction with Council's Sustainability Officer and he would arrange the implementation of selected efficiency items.

If the winner is the owner of a vacant block of land and they own another property that property could be retrofitted. If they don't have a home in the Tweed then they could chose from a selection of whitegoods or opt for the holiday.

The adoption of an alternative energy or water efficiency prizes would help promote Council in a positive way and provide winners with a green option.

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

\$10,000 Budget allocation in 2009/2010 with the potential income increase of \$146,000 from interest based on current market interest rates.

**POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

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Nil.

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**O6 [TCS-OC] 2009/2010 Budget****ORIGIN:****Financial Services****SUMMARY OF REPORT:**

To allow sufficient time for Council Officers to formulate the budget and provide for the statutory 28 day public exhibition period of the Draft Management Plan, direction is sought from Council in relation to the 2009/10 budget, including any increases in general fund rates.

**RECOMMENDATION:****That:**

- 1. Council continues the implementation of the approved 7 Year Infrastructure and Services Plan and increases general income in 2009/10 by 9.50%, 2010/11 by 8.50%, 2011/12 by 3.50%(\*refer to background of report), 2012/13 by 7.50%; and**
- 2. The 2009/10 Draft Budget include a \$958,530 reduction in service levels as recommended in the report; and**
- 3. The Draft 2009/12 Management Plan, Draft 2009/10 Budget and Draft 2009/10 Fees and Charges be prepared for consideration at 21 April 2009 Council meeting.**

**REPORT:**

**1. Background**

To allow sufficient time for Council Officers to formulate the budget and provide for the statutory 28 day public exhibition period of the Draft Management Plan, direction is sought from Council in relation to the 2009/10 budget, including any increases in general fund rates.

Increases to General Income

The Minister for Local Government approved the following increases in general income from the 7 Year Infrastructure and Services Plan on 15 August 2007 as follows:

1. In pursuance of the section 508(A) of the Local Government Act 1993 determine that the percentage by which Tweed Shire Council may increase its general income for:

2008/2009 is 9.50% above that for 2007/2008  
 2009/2010 is 9.50% above that for 2008/2009  
 2010/2011 is 8.50% above that for 2009/2010  
 2011/2012 is 7.50% above that for 2010/2011  
 2012/2013 is 7.50% above that for 2011/2012

The approved increases were based upon Council's application that specified the structure of the requested variation as follows:

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Special Variation – 7 Year Plan	6.00 %	5.00 %	4.00 %	4.00 %
Special Variation – Base Budget	3.50 %	3.50 %	3.50 %	3.50 %
Total 7 year plan approval	9.50 %	8.50 %	7.50 %	7.50 %

It is important to note that any increases to future budgets cannot exceed this approval without the consent of the Minister. For example, the 2009/10 base budget cannot be greater than 3.5% and any increase to the 7 Year Plan component cannot exceed 6.0%.

\* In addition, Councillors should note that the **2004/05** special variation to general income was approved for a period of seven years and will expire in 2010/11. This is compliant with the Minister's approval that Council *"will reduce its General Income for the 2011/12 by \$981,642 plus the equivalent cumulative proportion of this increase from any general variation increases or any special variation increases approved for the 2005/06 to 2010/11 rating years inclusive."*

Dependant on what Council determines as the increase to general income over the next two rating years, the 2011/12 budget will need to reduce both the general income and the associated asset maintenance expenditure by approximately 4% or \$1,450,000 per annum in accordance with the 2004/05 Special Variation approval.

Based upon Council's approved application for rate variations over the period covering the 7 Year Infrastructure and Services Plan, the net approved general income variations for the next 4 years are as follows:-

	2009/10	2010/11	2011/12	2012/13
Special Variation – 7 Year Plan	6.00 %	5.00 %	4.00 %	4.00 %
Special Variation – Base Budget	3.50 %	3.50 %	3.50 %	3.50 %
2004/05 Rates (approx.)			(4.00)%	
Total 7 year plan approval	9.50 %	8.50 %	3.50 %	7.50 %

## 2. Existing Financial Position

Council's surplus from all activities has fallen steadily in recent years. If capital grants and developer contributions are excluded, Council has a significant deficit position which can be mainly attributed to increases in depreciation expense.

These increases in depreciation expense will continue to increase as Council is obliged to continue to revalue its assets in line with the Australian Accounting Standards.

	2008 \$'000	2007 \$'000	2006 \$'000	2005 \$'000
Revenues from continuing operations	106,055	98,772	91,519	84,793
Expenses from continuing operations	(85,404)	(74,217)	(71,205)	(63,836)
Result from continuing operations before depreciation	20,651	24,555	20,314	20,957
Less Depreciation expense	(36,563)	(34,771)	(22,400)	(22,350)
<b>Operating result before capital amounts</b>	<b>(15,912)</b>	<b>(10,216)</b>	<b>(2,086)</b>	<b>(1,393)</b>
<b>Capital revenues &amp; Other non operating items</b>				
Capital Grants & Contributions	24,882	30,745	20,703	41,070
Fair Value gains and losses on investments	(2,058)	44	0	0
Significant Items	7,475	0	0	0
Loss on Disposal of Assets	(2,018)	(136)	(1,569)	(328)
<b>Surplus from all activities</b>	<b>12,369</b>	<b>20,437</b>	<b>17,048</b>	<b>39,349</b>

The introduction of the *Local Government Act* and the *Local Government Code of Accounting Practice and Financial Reporting* in 1993 imposes restrictions on the use of Council funds. Whilst on the face of the accounts it appears that Council has a strong cash and investment position of \$131 million at 30 June 2008, these funds are in fact restricted in their use by legal and other requirements and cannot be used to balance the financial and budget position.

<b><u>External Restrictions</u></b>	\$'000
Security Deposits	940
Developer Contributions	29,739
Specific Use Contributions	602
Specific Use Unexpended Grants	3,997
Water Fund	35,539
Sewer Fund	16,908
Domestic Waste Management	8,644
Caravan Parks	8,732
Special Rates – Koala Beach	140
	<b>105,241</b>
<b><u>Internal Restrictions</u></b>	<b>\$'000</b>
Employee Leave Entitlements Reserve	3,078
Unexpended Loans	8,960
Unexpended Grants	307
Asset Management Reserves	1,779
Non Domestic Waste Management	1,366
Plant Reserve	2,162
7 Year Plan	713
Works carried forward from 06/07	4,460
Other Reserves	3,336
	<b>26,161</b>
Unrestricted Cash	200
<b>Total Cash &amp; Investments</b>	<b>131,602</b>

As a result of the above financial position, Council embarked on a 7 Year Infrastructure and Services Plan to continue to provide infrastructure and services at current or improved levels and to provide immediate capital projects sought by the community as a result of consultation by previous elected councils, resulting in the following 12 plans and strategies which identified projects of need but were unfunded.

- ◆ Tweed Futures
- ◆ Coastline Management Plan
- ◆ Vegetation Management Plan
- ◆ Social Plan
- ◆ Urban Stormwater Management Strategy
- ◆ Museum Strategy
- ◆ Economic Development Strategy
- ◆ Surf Lifesaving Strategy
- ◆ Coastal Estuaries Management Plan
- ◆ Tweed Heads Masterplan
- ◆ Youth Strategy
- ◆ Regional Sports and Facilities Plan

Longer Term Rate Strategy

Based on the above net approved general income variations, it is recommended Council set a rate strategy for the next 4 years rather than changes from year to year.

The soon to be released Department of Local Government Integrated Planning & Reporting framework will direct Councils to undertake a Community Strategic Plan (10 Years) and a Delivery Program (4 Years - to coincide with the Council term).

This will also bring more certainty to long term financial planning and other organisational requirements/community expectations such as:-

- Asset Management funding
- Forward construction project scheduling and associated design
- Workforce Planning
- Capital Infrastructure programs and Councils ability to seek matching grant funding.

### 3. 2009/10 Base Budget

Significant increases to be absorbed into the 2009/2010 budget include \*Award increases in staff salaries, insurance, electricity and street lighting costs, debt servicing of capital works commenced up to June 2009 and reduction in income associated with development.

The expected changes to the 2009/10 general fund base budget include:-

Expenditure increases	1,587,684
Income reduction	631,000
Total changes - \$	<u>2,218,684</u>
1% rate increase =	359,000
Total changes - %	6.17%

\* *The Local Government State Award 2007 applies to all employees in Local Government within NSW (with the exception of contracted senior staff) and operates from the commencement of the first pay period on or after 1 November 2007 and remains in force for a period of three years.*

As per the approved rate increase, based upon the structure of Council's application, the maximum approved rate increase to the base budget is 3.50%. In applying this increase the 2009/10 base budget has a funding shortfall which is identified in the table below.

Changes in base budget	6.17%
less Allowable increase to base budget	3.50%
Funding shortfall - %	2.67%
Funding shortfall - \$	\$958,530

### 4. 2009/2010 Project/Service Reductions

The \$958,530 funding shortfall must be met through the General Fund. Council officers recommend the following reductions in levels of service to fund the above shortfall:-

Activity/Program	Reduction \$	Implications
<b>Footpaths</b>	14,000	Oxley St Tweed Heads, Dept Housing to Heffron St
	30,000	Viking St Kingscliff, Sutherland to Olga to walkway to Gibson
	9,000	Eunga St TH South, Cooloon to Megan
	12,000	Megan St TH South, Eunga to Sandra
	18,000	Olga St Kingscliff, Quiggan to Viking
<b>Urban Road Construction</b>	113,000	Fawcett St Tumbulgum, Irving to Bawden St (K&G, pavement)
	45,000	Parry St Tweed Heads Sth, Minjungbal Dr to Lloyd Ln (K&G, pavement)
	39,000	Philp Pde Tweed Heads Sth, Stephen Pl to Kirkwood Rd (K&G, pavement)
	60,000	Coral St, Bilambil Hts, Terranora Pde to Peninsula St (K& G & Pavement)
<b>Sportsfields</b>	15,000	Cease maintaining one of Murwillumbah's turf wickets
	87,530	Reduce sportsfields capital works program (lighting & amenities upgrades)
<b>Planning Reforms</b>	90,000	Reduction in planned Tweed LEP Stage 2 investigations, such as a new locality plan for Kingscliff, affordable housing, industrial DCP, and review of heritage controls.
<b>Cultural Programs</b>	7,500	Museums and Heritage
	10,000	Cultural Development Fund
	1,300	Art Exhibitions
	11,400	Art Gallery Operating Expenses
	1,500	Public Art Maintenance
	6,000	Arts Northern Rivers
<b>Community Programs</b>	1,500	Youth Support
	15,000	Access Funding
<b>Waterways Program</b>	12,000	Coastal management planning
	8,800	Phosphorous Action Plan
<b>Tweed River Committee</b>	191,000	Lower Tweed Management Plan, new projects, water quality monitoring, Tweed River festival, bank stability Chinderah and Philip Pde, Stormwater maintenance of Lavender Creek project and Condong Creek, Acid Sulphate Soils projects contributions reduced, Development of Sustainable Agriculture Strategy, Boating facilities, Murwillumbah Reach foreshore project stage 2.
<b>Indoor staff salaries</b>	160,000	Reduction of indoor staff positions
	<b>\$958,530</b>	

*Note: The above reduction in services represents a total loss of 6 indoor and outdoor staff positions.*

In ceasing the maintenance to the turf wickets, it is intended that close liaison with the clubs involved will occur to transfer maintenance responsibilities.

## 5. 7 Year Plan Projects 2008/09

The 7 Year Infrastructure and Services Plan includes projects that are funded from loan funds and will incur ongoing recurrent expenditure within the framework of the overall Plan.

The timing of these loan repayments and recurrent expenditure commences in the financial period following the uptake of the loan funding. As a result of these projects the loan repayment schedule below will apply to the 2009/10 budget period.

Job/Project No	Loan Amount	Loan Repayments pa	Recurrent Costs	Total
Coastline Management Plan	150,000	14,048	200,000	214,048
Stormwater drainage rehabilitation	400,000	37,462		37,462
Gravel Re sheeting of Unsealed Roads	398,000	43,280		43,280
Sealed road resurfacing	490,300	53,317		53,317
Kerb & gutter rehabilitation	70,000	6,556		6,556
Sealed Road Rehabilitation	688,900	74,913		74,913
Footpaths rehabilitation	266,000	28,926		28,926
Sportsgrounds capital works (local)	200,000	28,144		28,144
Cabarita Street scaping	500,000	70,361	30,000	100,361
Museum Murwillumbah	1,000,000	93,655	50,000	143,655
Botanical Gardens Visitors Centre	500,000	70,361	30,000	100,361
Pottsville North drainage outlet - Elanora	750,000	70,241		70,241
West Kingscliff Drain - Gales/Bowling Club	900,000	84,289		84,289
Amenities Hall Kingscliff	100,000	9,365	10,000	19,365
<b>Increase required for all projects</b>	<b>6,413,200</b>	<b>684,918</b>	<b>320,000</b>	<b>1,004,918</b>
1 % Rate increase =		359,000	359,000	359,000
Increase required for all projects	Rate %	1.91%	0.89%	2.80%
Increase required for reduced projects	Rate %	0.99%	0.08%	1.08%

The above table has two scenarios:-

- To complete all the above projects listed in the 2008/09 budget will necessitate a 2.80% increase in rates to fund the loan repayments and recurrent costs.

Maximum increase allowed for 2009/10 base budget	3.50%
Adopted 2008/09 7 year plan projects – Scenario 1	2.80%
<b>Total required</b>	<b>6.30%</b>

- Reduction or deferral of the 2008/09 projects shaded in grey above will reduce the increase in rates to fund loan repayments and recurrent costs to 1.08%

Maximum increase allowed for 2009/10 base budget	3.50%
Reduced or deferred 2008/09 7 year plan projects – Scenario 2	1.08%
<b>Total required</b>	<b>4.58%</b>

NOTE: - There would be legal implications in deferral of the West Kingscliff Drain project

NOTE: - Both the above scenarios will still require reductions to the budget of \$958,530. Neither of the above scenarios includes any 7 Year Infrastructure and Services Plan projects for 2009/10.

## 6. 2009-2013 7 Year Plan Revenue Funded Projects

If the 7 Year Infrastructure and Services Plan is not continued the following revenue funded projects and services will not be funded:-

Project	2009/10	2010/11	2011/12	2012/13
1 * Caravan Park Amenities convert to Community Centre Kingscliff		500,000		
2 Increased level of Community Work	66,000	66,000	66,000	66,000
3 Flood studies coastal creeks	75,000			
4 * Asset Management levees & floodgates	170,000			
5 Tweed Coast Estuaries Management Plan	212,858	212,858	212,858	212,858
6 * Coastline Management Plan	2,200,000	3,500,000		
7 * Stormwater Drainage Rehabilitation	400,000	450,000	650,000	550,000
8 Internal Audit	93,126	93,126	93,126	93,126
9 * Tweed Heads Master plan	3,000,000			
10 Regional Access playground		350,000		
11 * Parks Asset Maintenance	127,300	262,500	356,250	356,250
12 * Parks Asset Renewal	300,000	300,500	358,250	378,250
13 Lot 500 Bushland		91,400	121,800	151,800
14 Increased demand for Aged Services	64,000	66,000	66,000	66,000
15 LEP Review			200,000	
16 Locality Plan – Burringbar/Mooball			50,000	
17 Locality Plan – Rural Villages		50,000		
18 * Cudgen Creek Bridge		1,400,000		
19 * Extension Rural Road network	350,000			
20 * Gravel Resheeting of Unsealed Roads	398,000	398,000	398,000	402,000
21 * Sealed road resurfacing	490,300	490,300	490,300	490,700
22 * Sealed road rehabilitation	688,900	688,900	688,900	688,900
23 * Kerb & gutter rehabilitation	70,000	70,000	70,000	70,000
24 * Footpaths rehabilitation	266,000	266,000	266,000	270,000
	<b>8,971,484</b>	<b>9,255,584</b>	<b>4,087,484</b>	<b>3,795,884</b>

Projects funded by S94 Developer Contributions are not included in the table.

\* Asset Management Projects

Notes on above projects:

- Part of the Kingscliff foreshore upgrade master plan. Cannot proceed without Project 6.
- 
- These funds are to finance completion of the Coastal Creeks Flood Study which is currently under way. The project is 2/3 funded from grants. The flood study will predict flood levels for Cudgen, Cudgera, Mooball and Marshalls Creek Valleys and take into account increased rainfall and sea levels from climate change. The project



is a joint study with Byron Shire. In Tweed Shire it covers the urban and hinterland areas from south of Kingscliff to the shire boundary.

- 4, 7, 11, 12, 20, 21, 22, 23 and 24. are asset management projects to rehabilitate existing levees, floodgates, drains, parks facilities, unsealed and sealed roads, footpaths and kerb and gutter. Council has had inadequate funds to properly maintain these assets in the past and they have deteriorated badly over past years. These projects will partly address their depreciation funding shortfall.
5. Funds a shortfall for implementation of the Cudgen, Cudgera & Mooball Creeks Estuaries Management Plan. Works include water quality monitoring, recreational facilities, bank erosion remediation and education.
6. These works are needed to stabilise the Kingscliff foreshore and are based on sand nourishment from a source yet to be decided. Without this project the shoreline will retreat and threaten the Holiday Park, surf club and existing parkland east of Marine Parade. This project is an essential prerequisite for redevelopment of the Kingscliff Holiday Park to provide a better product and more profitable business. Income will be used to assist in maintenance of the whole of the Tweed Coast Coastal Reserve. Redevelopment will enable the southern part of the Holiday Park to be converted to public parkland to create a Kingscliff town square north of the Cenotaph.
9. This is for redevelopment of Jack Evans Boat Harbour. Additional funds are to be available from s94 contributions and anticipated government grants.
10. Provision of a regional playground and learning facility for children with disabilities.
13. Council owns several hundred hectares of bushland, particularly along the coastal strip. Council has acquired these areas as development has progressed due to their environmental values. These areas require on-going management to retain their values as flora and fauna habitat and to fulfil Council's requirements as landowners for bushfire risk management.
18. The existing timber bridge across Cudgen Creek required extensive replacement of the structure in 2008. These works will enable construction of the new concrete bridge to be deferred until around 2012 to 2014.
19. This is a provisional item to extend the Council maintained road network. It is generally a response to rural residents who own property/dwellings on crown roads not currently maintained by Council.

## 7. **Other Considerations**

Other items for consideration include:-

- ◆ Council presently has over \$1.1 billion of general fund assets and infrastructure under its control and these assets need to be adequately maintained. The annual asset consumption (depreciation) for general fund buildings, roads and drainage is around \$13.2 million per year while maintenance funding is at \$6.1 million. The 7 Year

Infrastructure and Services Plan, amongst other things, seeks to address this asset management funding shortfall.

- ◆ Community expectations for services are always high. Libraries, sports fields, parks, Art Galleries, waste depots, street lighting, emergency services, community and cultural programs to name a few require significant funds to operate.
- ◆ Council's ability to continue to provide infrastructure and services at current or improved levels is predominantly dependant on the size and income generated by the rate base. If the rate base is producing inadequate funds, then assets will ultimately fail and services will be discontinued. Any decision on rate increase will not only affect the 2009/10 budget, but also the rate base for subsequent budgets.
- ◆ The economic downturn has affected many industries, a reduction in spending by Council, whom local businesses rely on could aggravate local employment conditions.

Media statements:

**Wayne Swan – Federal Treasurer – 19/01/2009**  
**Door stop Interview**

*"I think it's very important that governments across the country do everything they possibly can to support jobs, to support business and to strengthen growth."*

**Wayne Swan – Federal Treasurer – 29/01/2009**  
**ABC Radio National Program – Fran Kelly**

*".....the IMF rejects tax cuts because tax cuts don't necessarily bring the immediate stimulus that is required. Tax cuts are basically an amount of money which is spread over the whole year. They don't necessarily deliver the most direct stimulus in these circumstances."*

**Wayne Swan – Federal Treasurer – 4/02/2009**  
**ABC Radio AM Program – Lyndal Curtis**

*".....other projects at the local government level, will require an unprecedented degree of cooperation, not just between the Commonwealth Government and state government, but also with local government, and also with the business community ...."*

**Wayne Swan – Federal Treasurer – 01/02/2009**  
**Today on Sunday - Laurie Oakes**

*"... it's very important for the nation, both in the medium-term and in the long-term, that we build our economic capacity, which does means investing in infrastructure. And because of the collapse in global demand, it's also important that the Government fills part of that gap through direct investment in the purchase of goods and services. And of course, infrastructure is one way that we can do that, just one of the options on the table.*

**IMF.....**

*"The IMF has called on governments around the world to undertake further action to support economic growth. The IMF says "Monetary and fiscal policy need to become even more supportive of aggregate demand and sustain this stance over the foreseeable future, while developing strategies to ensure long-term fiscal sustainability."*

*Department of Local Government*

As indicated in the following correspondence Council has several options to consider, all of which have ramifications either through catch-up provisions or requiring consent from the Minister for Local Government through a new or revised s508A application.

**FAKED**  
30/1/09  
JL

Department of Local Government  
5 O'Keefe Avenue NOWRA NSW 2541  
Locked Bag 3015 NOWRA NSW 2541

OUR REFERENCE  
YOUR REFERENCE  
CONTACT  
COUNCILS 7 YEAR PLAN  
BUDGET MANAGEMENT PLAN

A169984  
Rates - General  
D Walsh  
4428 4136

Mr Michael Rayner  
General Manager  
Tweed Shire Council  
PO Box 816  
MURWILLUMBAH NSW 2484

TWEED SHIRE COUNCIL	
RATES - LEVYING	
FILE NO.	
DOC. NO.	
RECD - 5 FEB 2009	
ASSIGNED TO	GREEN, T.
HARD COPY <input type="checkbox"/>	IMAGE <input checked="" type="checkbox"/>

Attention: Mr Troy Green, Director, Technology & Corporate Services

Dear Mr Rayner

-1967749

I am writing in reply to Council's letter of 15 January 2009 regarding matters associated with Council's current special variation approved under section 508A of the *Local Government Act 1993*.

1. "Does the Council have the flexibility to apply a lesser increase in a financial period and then making up the difference in following period?"

In approving Council's special variation application, the former Minister set the maximum percentage amount by which Council can increase its Notional General Income in each applicable year. Council is not required to set rates at that maximum percentage level. Should Council choose to set rates lower than its Permissible General Income for a particular year, it will create a catch-up result for that year. In accordance with section 511(1) of the Act, Council then has a maximum of two years to utilise the catch-up amount.

It should be noted that such a decision has the potential to result in substantial catch-up amounts that, when added to the following year's permissible income, may produce an effective percentage increase for that year significantly above the anticipated percentage increase. For example, if Council only increased its 2009/10 rates by the rate peg amount, forgoing approximately 6% of the approved special variation amount, and then added that catch-up amount to the already approved 8.5% increase for 2010/11, it would create an effective increase in the region of 14-15%.

2. "Should "Seven Year Plan" projects be deferred to outside the financial years of the already approved period, will Council have to make a further Special Rate Variation application or can the planned increases be suspended for 12 months and then continued?"

It is important to appreciate that the former Minister did not approve of Council's Seven Year Plan. Rather, the Minister approved a special rate variation to assist in meeting the cost of the Plan. It is therefore a matter for the Council to determine whether it postpones certain projects within the Plan. However, the approved instrument requires that the Council report to the Department and the community on the outcomes achieved as a result of the variation. Council should also be

T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209  
E dlq@dlg.nsw.gov.au W www.dlg.nsw.gov.au ABN 99 567 863 195

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T. Green 5/2 KR



2

aware that it is primarily accountable to its community for the delivery of the projects identified in the Plan.

If Council wished to amend the terms and conditions of the approved instrument, it would be required to make a formal request to the Minister for Local Government to rescind the current instrument. The Council may also be required to make a new or revised special variation application to the Minister, depending on the changes requested. For example, if Council wanted to only increase rates by the rate peg amount in 2009/10 and shift the remainder of the approved variation out by one year to 2012/13, it would need to make an application and seek a new instrument to give effect to this proposal.

3. "Are any rating year increases shortfalls able to be carried over?"

As indicated under 1 above, should Council choose to set rates lower than its Permissible General Income for a particular year, it will create a catch-up result for that year, which Council can then utilise within the following two years.

Should you require any further clarification or assistance, I would encourage you to contact Mr Damian Walsh in our Finance Management Branch on telephone 02 4428 4136.

I trust this information is of assistance.

Yours sincerely

 30/1/09  
for Garry Payne AM  
Director General

It is the purpose of this report to give Council and the public information pertinent to the 2009/10 budget position. Council Officers require a definitive direction by Council on the general income increase so as a draft budget can be formulated for Councils April 2009 meeting.

### General Income Increase Options

#### **Option 1 – 7 Year Infrastructure and Services Plan – 9.50%**

To deliver on major projects requested by the community and to continually close the gap between infrastructure depreciation and current funding levels and to provide services and facilities at existing and improved levels both now and in the future, the 7 Year Infrastructure and Services Plan will need to continue to be implemented and the general income increase in the 2009/10 budget be 9.50% as previously approved.

#### **Option 2 – Base budget increase + adopted 2008/09 7 year plan items – Scenario 1 - 6.30%**

Funding is required for loan funded and recurrent costs projects from the 7 Year Infrastructure and Services Plan included in the 2008/09 budget. If all these projects are to proceed, in addition to the maximum 3.50% base budget a further increase of 2.80% from 7 Year Plan income is needed, requiring a total general income increase in 2009/10 of 6.30%. If all the 2008/09 7 Year Infrastructure & Services Plan projects proceed and Council elects not to increase general income to 6.30%, Council would require a further reduction in the levels of service by \$1,004,918 in addition to the \$958,530. This option does not include any 7 Year Infrastructure and Services Plan projects for 2009/10.

**Option 3 – Base budget increase + reduced or deferred 2008/09 7 year plan items – Scenario 2 – 4.58%**

Funding is required for loan funded and recurrent costs projects from the 7 Year Infrastructure and Services Plan included in the 2008/09 budget. If the reduced projects as highlighted in the report are to proceed, in addition to the maximum 3.50% base budget a further increase of 1.08% from 7 Year Plan income is needed, requiring a total general income increase in 2009/10 of 4.58%. If the reduced projects in the 2008/09 7 Year Infrastructure & Services Plan projects proceed and Council elects not to increase general income to 4.58%, Council would require a further reduction in the levels of service by \$387,007 in addition to the \$958,530. This option does not include any 7 Year Infrastructure and Services Plan projects for 2009/10.

**Option 4 - Changes in the implementation of projects contained in the 7 Year Infrastructure and Services Plan**

Adoption of Option 2 or 3 above plus specific projects from the 7 Year Infrastructure and Services Plan. This option would need to increase general income above as per Option 2 or 3, commensurate with the cost of the identified projects. A 1% general income increase generates \$359,000.

Implications of Options

It is a requirement to include any increases in general income in the Draft Management Plan and Budget and placed on public exhibition for 28 days.

Option 1

No amendments necessary.

Option 2, 3 and 4 do not implement the full 7 Year Infrastructure and Services Plan projects in 2009/10. The actions necessary are dependant upon the Council decision on the 7 Year Infrastructure and Services Plan in subsequent years.

If Council decides to implement all remaining projects within the remaining three years (2010/11, 2011/12 & 2012/13) then no action will be necessary. This will however lead to a large catch-up of rates in later years that may not be at acceptable levels.

If Council elects not to implement all remaining 7 Year Infrastructure and Services Plan projects, then application will need to be made to the Minister to amend the current approval and a new application would need to be made, including a new round of community consultation, to gain approval for the amended plan.

In addition, option 3 and option 4 if coupled with option 3, will necessitate changes to the 2008/09 Management Plan and Budget due to the deferral of some projects.

## 8. Summary

In considering all the above information and options, it is Council Officers recommendation that Option 1 be supported, being to continue the implementation of the implementation of the 7 Year Infrastructure and Services Plan as approved by the Minister for Local Government.

Should Council resolve to apply a lesser increase the impact is detailed in the table below.

<b>Increase</b>	<b>Impact</b>
4.58%	Abandoning all 7 Year Infrastructure and Services Plan uncompleted projects including 2008/09 uncompleted projects as detailed in section 5 or a major catch up in future years.
6.3%	Abandoning all 7 Year Infrastructure and Services Plan projects for 2009/10 and beyond or a major catch up in future years.
6.3%-9.5%	Inclusion of specific 7 year Infrastructure and Services Plan projects as determined by Council.

If Option 2, 3 or 4 are supported then Council should determine whether it will abandon all projects in the 7 Year Infrastructure and Services Plan, defer projects to a future year or amend the Plan by removing, modifying or reducing projects. In this instance it would be recommended that Council determine its position for 2010/11, 2011/12, and 2012/13 as indicated in the longer term rate strategy above. This is required so that appropriate action can be taken as required by the Department's of Local Government's advice.

## 9. Recommendation

The budget recommendation is to continue with the 7 Year Infrastructure and Services Plan incorporating a 9.5% general fund increase for 2009/2010.

The increase comprises:

1. 3.5% cost indexation (incorporating the removal of \$958,530 of existing projects and 6 staff positions);
2. 2.8% for debt servicing of completed 7 Year Infrastructure and Services Plan projects; and
3. 3.2% for new 7 Year Infrastructure and Services Plan projects.

### **LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

As detailed within the report in relation to the Draft Management Plan, Draft Budget and Draft Fees and Charges.

### **POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

*To view any "**non confidential**" attachments listed below, access the meetings link on Council's website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

Nil.

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**07 [TCS-OC] Monthly Investment Report for Period Ending 28 February 2009**

**ORIGIN:**

**Financial Services**

**SUMMARY OF REPORT:**

This report is provided to Council to advise details of monies Council has invested in accordance with Section 625 of the Local Government Act 1993. Council had \$125,636,658 invested as at 28 February 2009 and the net return on these funds was \$507,902 or 4.85% annualised for the month.

**RECOMMENDATION:**

**That in accordance with Section 625 of the Local Government Act 1993 the monthly investment report as at 28 February 2009 totalling \$126,636,658.00 be received and noted.**

**REPORT:**

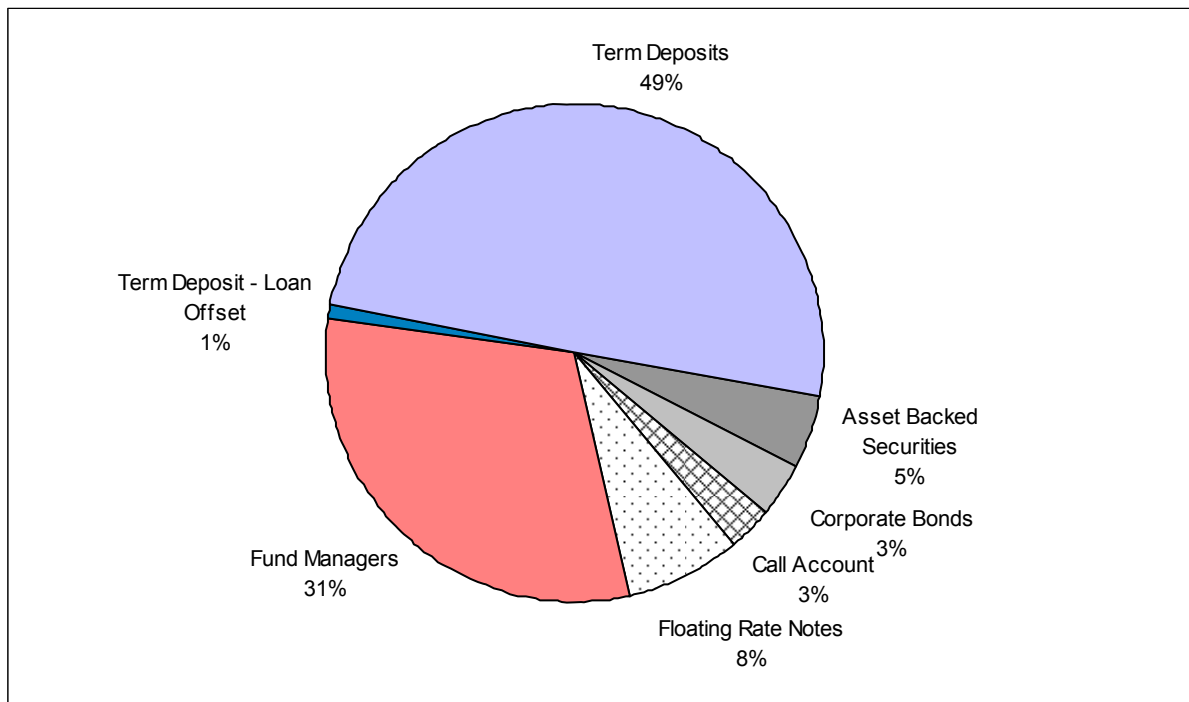
**Report for Period Ending 28 February 2009**

The "Responsible Accounting Officer" must report monthly to Council, setting out details of all the funds Council has invested and certification has been made in accordance with Section 625 of the Local Government Act (1993), Cl. 212 of the Local Government (General) Regulations and Council policies. Council had \$125,636,658 invested as at 28 February 2009 and the net return on these funds was \$507,902 or 4.85% annualised for the month.

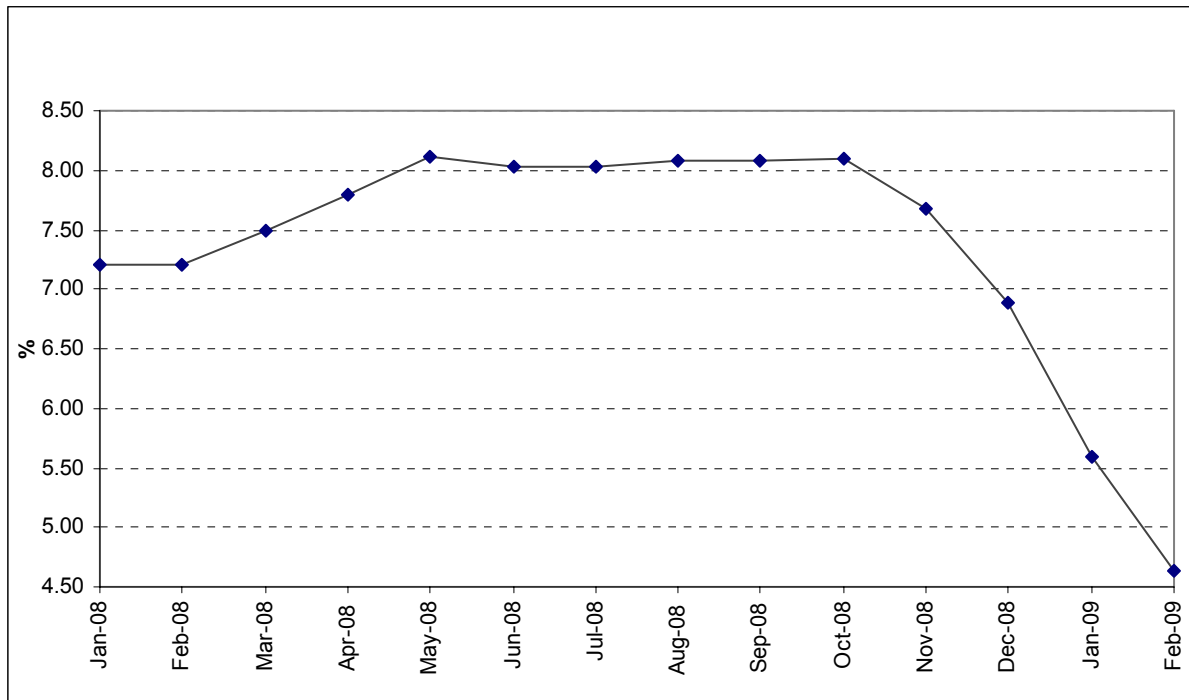
**1. RESTRICTED FUNDS SUMMARY AS AT 1 JULY 2008**

Description	(\$'000)			Total
	General Fund	Water Fund	Sewer Fund	
<b>Externally Restricted</b>				
	5,682	13,980	14,908	<b>34,570</b>
Crown Caravan Parks	8,732			<b>8,732</b>
Developer Contributions	29,739	19,559		<b>49,298</b>
Domestic Waste Management	8,644			<b>8,644</b>
Grants	3,997			<b>3,997</b>
<b>Internally Restricted</b>	13,816			<b>13,816</b>
Employee Leave Entitlements	3,078			<b>3,078</b>
Grants	307			<b>307</b>
Unexpended Loans	8,960			<b>8,960</b>
<b>Total</b>	<b>82,955</b>	<b>33,539</b>	<b>14,908</b>	<b>131,402</b>

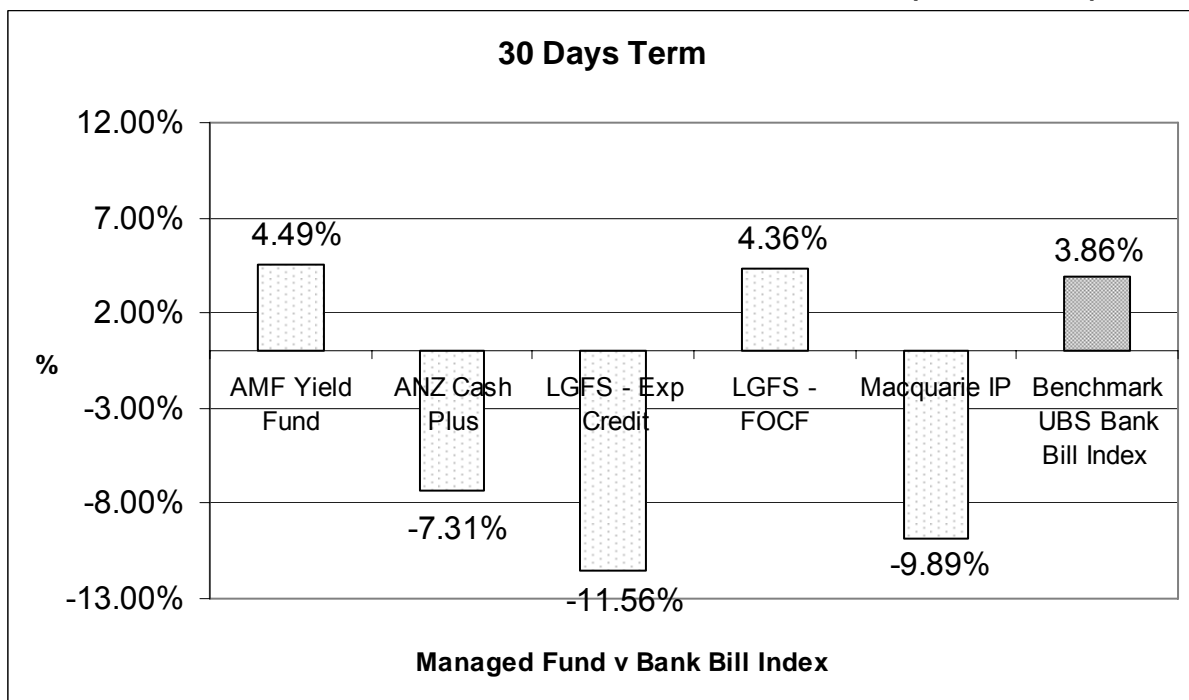
**2. CURRENT INVESTMENT PORTFOLIO BY CATEGORY**



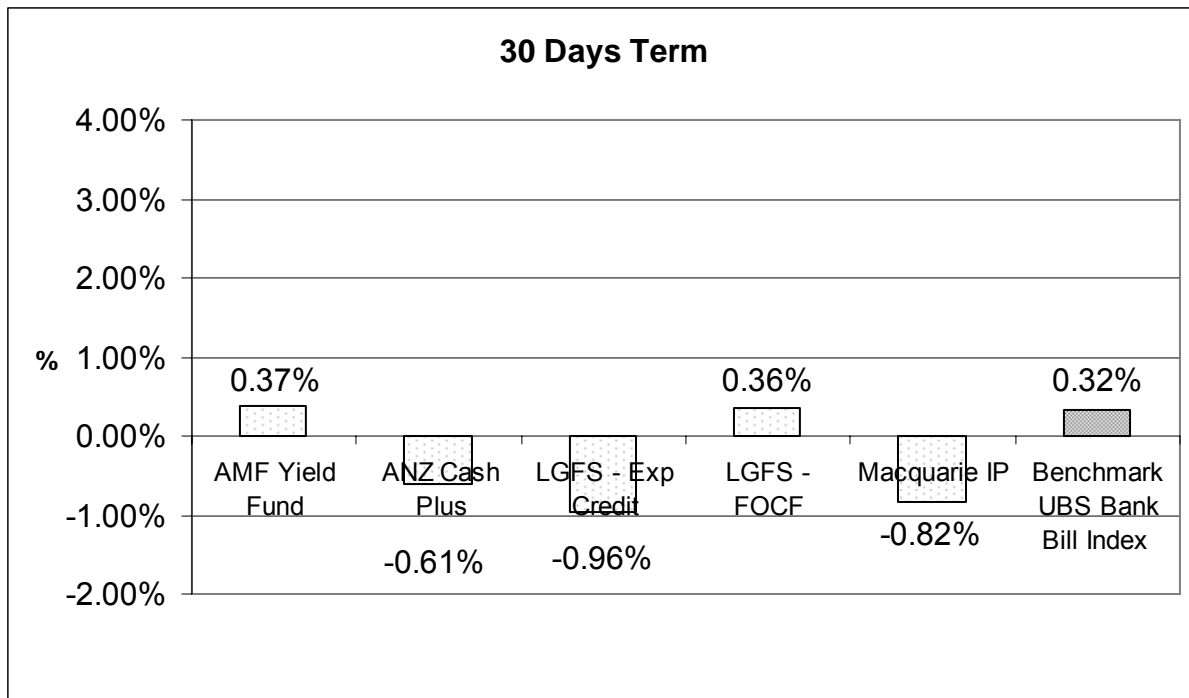
**3. INVESTMENT RATES - 90 DAY BANK BILL RATE (%)**



**4. FUNDS MANAGERS PERFORMANCE FOR MONTH - NET OF FEES (ANNUALISED)**



**5. FUNDS MANAGERS PERFORMANCE FOR MONTH - NET OF FEES (NOT ANNUALISED)**



**6. FUND MANAGERS - DETAILED INFORMATION**

Fund	Credit Rating	Percentage of Total Fund Managers Current Month	Fund Managers Balance end of Previous month	Fund Managers Balance end of Current month	Distribution for Month/Quarter	Coupon Paid
AMF Yield Fund	AAA	2.80%	\$1,082,945	\$1,086,594	\$3,649	Monthly
ANZ Cash Plus	AA	2.30%	\$899,496	\$894,272	\$0	suspended
LGFS - Exp Credit	n/a	14.19%	\$5,567,400	\$5,515,201	-\$52,198	Monthly
LGFS - FOCF	AA-	54.48%	\$21,105,232	\$21,174,454	\$69,222	Monthly
Macquarie IP	A	26.24%	\$10,279,332	\$10,197,498	\$0	Quarterly
<b>Total</b>		<b>100%</b>	<b>\$38,934,404</b>	<b>\$38,868,020</b>	<b>\$20,673</b>	

## 7. DIRECT SECURITIES

Investment Type	Final Maturity	Counterparty/ Product Name	Face Value	Market Value	% Return on Face Value	Next Quarterly or Final Coupon
ABS	08/03/2012	Members Equity	2,000,000.00	1,486,580.00	5.73	28,257.53
ABS	22/01/2018	Merrill Lynch Puttable Note	2,000,000.00	1,994,416.00	3.06	15,048.28
ABS	22/01/2018	Merrill Lynch Zero Coupon Bond	2,000,000.00	2,595,338.21	7.28	0.00
ABS	22/01/2018	Merrill Lynch Helium	2,000,000.00	0.00	0.00	0.00
Fixed Rate Bond	22/04/2013	ANZ	1,000,000.00	1,136,730.00	8.65	432,973.97
Fixed Rate Bond	02/12/2010	Bank of Queensland	1,008,320.00	1,014,890.00	6.00	112,602.74
Fixed Rate Bond	08/11/2011	ANZ	1,048,950.00	1,061,570.00	5.15	142,930.14
Fixed Rate Bond	24/09/2012	Westpac Adelaide	1,106,250.00	1,106,250.00	4.90	4,295.89
FRN	22/05/2009	Bendigo Bank	1,000,000.00	996,578.00	3.29	7,932.05
FRN	20/07/2010	CBA	1,000,000.00	973,051.71	3.92	9,760.68
FRN	17/08/2010	ANZ	1,000,000.00	936,444.00	3.36	8,284.93
FRN	26/11/2010	NAB	2,000,000.00	1,972,312.87	3.56	17,572.44
FRN	21/01/2011	CBA	2,000,000.00	1,978,858.79	4.08	20,344.11
FRN	24/01/2011	Macquarie/HSBC	2,000,000.00	1,789,690.77	4.06	20,252.86
FRN	23/11/2012	Deutsche Bank	1,000,000.00	874,303.00	4.09	10,084.93
ABS = Asset Backed Security CDO = Collaterised Debt Obligation FRN = Floating Rate Note		<b>Total</b>	<b>22,163,520.00</b>	<b>19,917,013.35</b>	<b>4.48</b>	

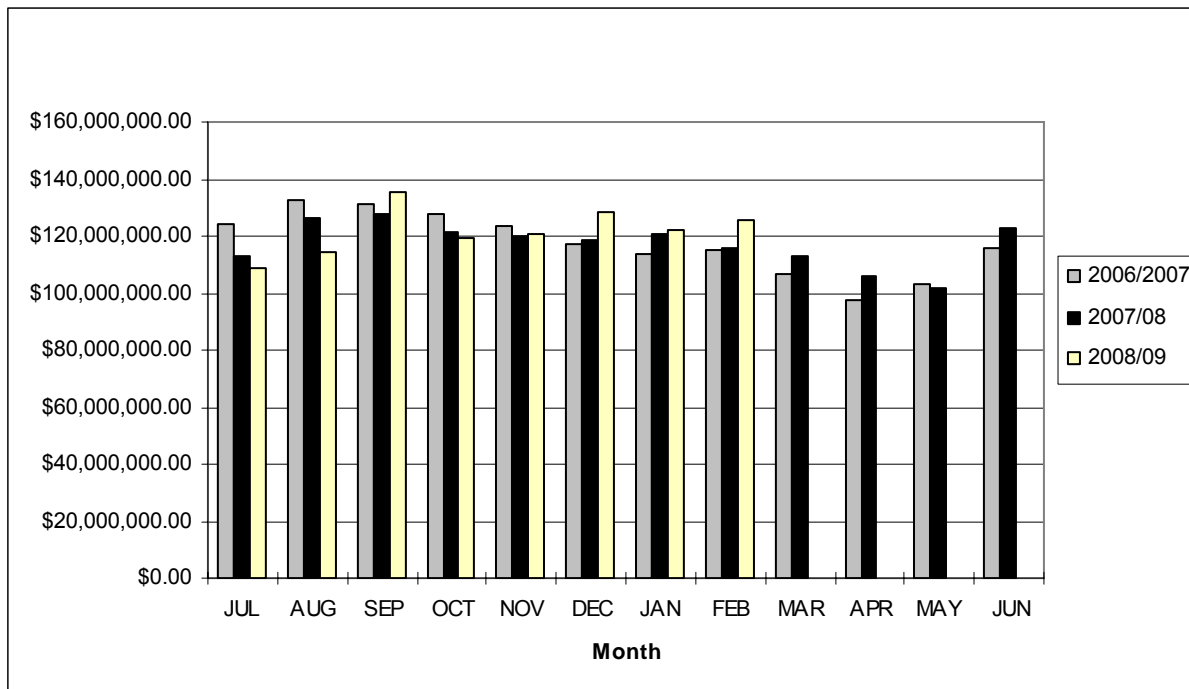
## 8. TERM DEPOSITS

Lodged or Rolled	DUE	Counterparty	PRINCIPAL	TERM	% Yield	INCOME RECEIVABLE
05-Jan-09	<b>06-Apr-09</b>	Adelaide Bendigo Bank	3,000,000.00	91	5.300	39,641.10
19-Feb-09	<b>21-Jul-09</b>	Adelaide Bendigo Bank	1,000,000.00	152	4.250	17,698.63
17-Feb-09	<b>17-Feb-11</b>	Adelaide Bendigo Bank	2,000,000.00	730	4.700	188,000.00
17-Dec-08	<b>14-May-09</b>	Bank of Queensland	1,000,000.00	148	5.700	23,112.33
05-Jan-09	<b>27-May-09</b>	Bank of Queensland	5,000,000.00	142	5.700	110,876.71
08-Oct-08	<b>10-Jun-09</b>	Bank of Queensland	1,000,000.00	245	7.700	51,684.93
05-Feb-09	<b>05-Aug-09</b>	Bank of Queensland	3,000,000.00	180	4.900	72,493.15
02-Dec-08	<b>04-Mar-09</b>	Bankwest	2,000,000.00	90	5.800	28,602.74
04-Dec-08	<b>11-Mar-09</b>	Bankwest	2,000,000.00	92	6.000	30,246.58

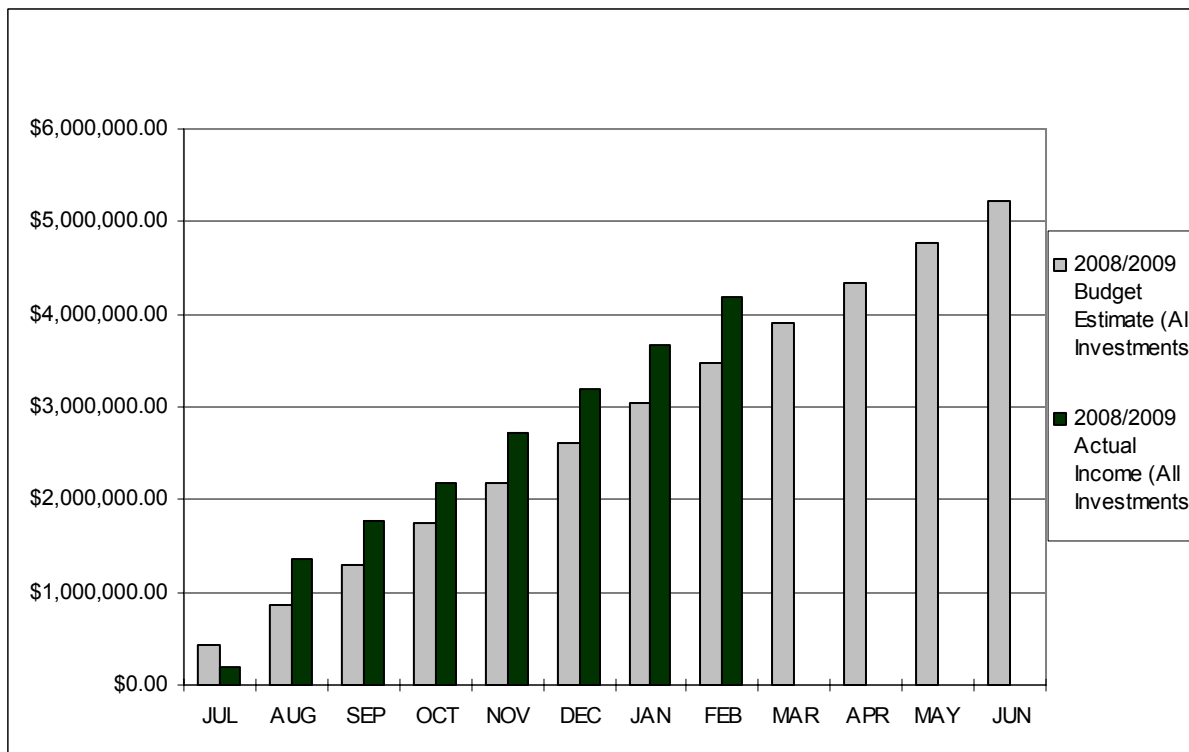
Lodged or Rolled	DUE	Counterparty	PRINCIPAL	TERM	% Yield	INCOME RECEIVABLE
17-Dec-08	17-Mar-09	Bankwest	2,000,000.00	90	5.400	26,630.14
03-Oct-08	01-Apr-09	Bankwest	3,000,000.00	180	7.800	115,397.26
07-Oct-08	15-Apr-09	Bankwest	4,000,000.00	190	7.400	154,082.19
27-Oct-08	28-Apr-09	CBA	951,625.00	182	5.220	24,769.36
18-Feb-09	20-Apr-09	Citibank	1,000,000.00	90	4.800	11,835.62
27-Jan-09	28-Jul-09	Citibank	1,000,000.00	182	5.080	25,330.41
01-Dec-08	02-Mar-09	Credit Union Australia	1,000,000.00	91	6.800	16,953.42
11-Feb-09	13-May-09	Credit Union Australia	1,500,000.00	91	5.300	19,820.55
17-Feb-09	16-Feb-11	Elders Rural Bank	1,000,000.00	729	4.620	92,273.42
07-Jan-09	07-Apr-09	Heritage Building Society	1,000,000.00	90	5.500	13,561.64
18-Feb-09	19-May-09	IMB	1,000,000.00	90	4.300	10,602.74
12-Nov-08	16-Nov-11	Investec Bank	1,000,000.00	1099	6.880	207,153.97
12-Jan-09	14-Apr-09	LGFS	2,000,000.00	91	4.800	23,934.25
18-Feb-09	19-May-09	Macquarie Bank	2,000,000.00	90	4.400	21,698.63
10-Sep-08	18-Mar-09	National Australia Bank	4,000,000.00	189	8.000	165,698.63
24-Dec-08	23-Apr-09	National Australia Bank	1,000,000.00	120	5.500	18,082.19
17-Dec-08	05-May-09	National Australia Bank	2,000,000.00	139	5.600	42,652.05
17-Dec-08	17-Mar-09	New England Credit Union	1,000,000.00	90	5.700	14,054.79
24-Dec-08	24-Mar-09	Newcastle Permanent Building Society	1,000,000.00	90	5.360	13,216.44
19-Sep-08	18-Mar-09	Suncorp Metway	2,000,000.00	180	7.840	77,326.03
06-Jan-09	07-Apr-09	Suncorp Metway	2,000,000.00	91	5.500	27,424.66
16-Apr-08	16-Apr-09	Suncorp Metway	1,000,000.00	365	8.390	83,900.00
02-Apr-08	01-Apr-11	Suncorp Metway	3,000,000.00	1095	8.300	747,000.00

Lodged or Rolled	DUE	Counterparty	PRINCIPAL	TERM	% Yield	INCOME RECEIVABLE
12-Nov-08	11-Nov-11	Suncorp Metway	4,000,000.00	1094	6.880	824,846.03
			63,451,625.00		5.922	

**9. MONTHLY COMPARISON OF TOTAL FUNDS INVESTED**



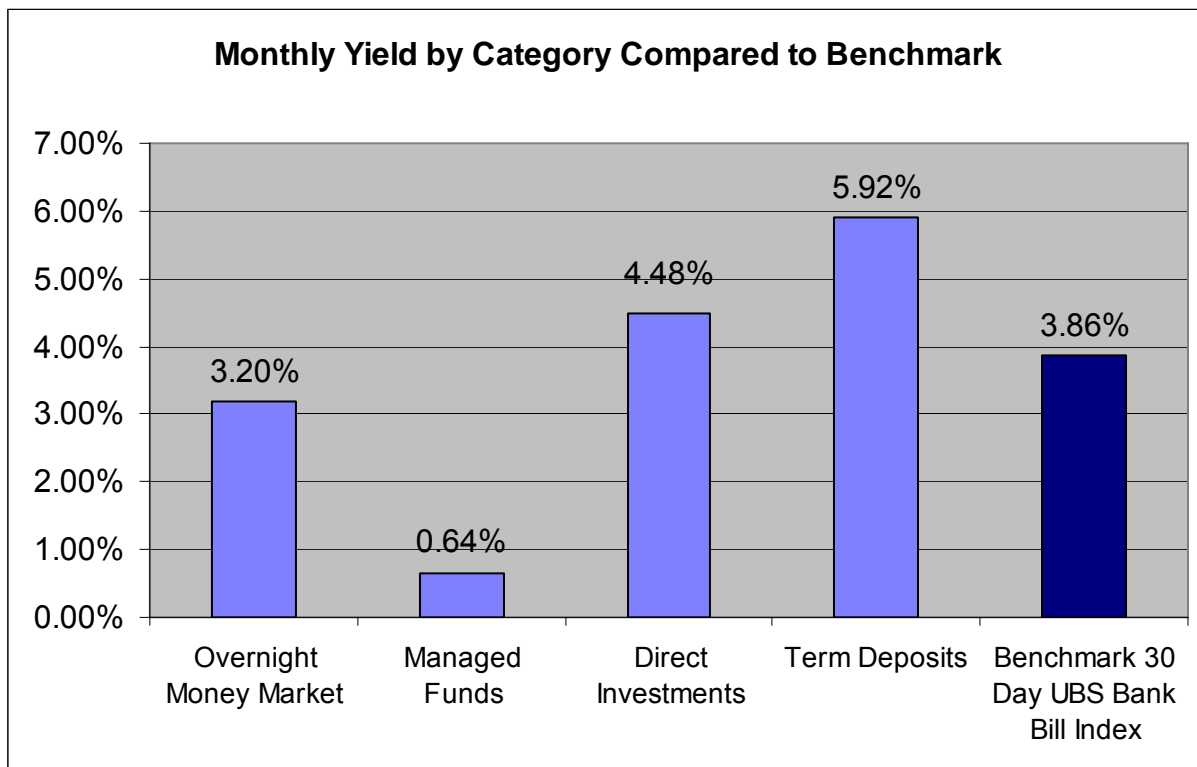
**10. TOTAL PORTFOLIO INCOME YEAR TO DATE**



Note: From August 2008 includes net managed funds distributions, term deposit accrued interest & direct security accrued coupons.

**11. PERFORMANCE BY CATEGORY**

Category	Face Value	Market Value	Average Yield	Above/(Below) 30 day BBSW Benchmark
Overnight Money Market	\$3,400,000.00	\$3,400,000.00	3.20%	-0.66%
Managed Funds	\$38,868,019.90	\$38,868,019.90	0.64%	-3.22%
Direct Investments	\$23,000,000.00	\$19,917,013.35	4.48%	0.62%
Term Deposits	\$63,451,625.00	\$63,451,625.00	5.92%	2.06%
Benchmark 30 Day UBS Bank Bill Index	\$128,719,644.90	\$125,636,658.25	3.86%	



**12. ECONOMIC COMMENTARY**

**Domestic Economy**

The official cash rate was left unchanged at 3.25% by the Reserve Bank of Australia (RBA) on 3 March. "Together with substantial fiscal initiatives by the Federal Government, the cumulative decline in interest rates will provide significant support to domestic demand over the period ahead. On this basis, notwithstanding evident economic weakness at present, the Board judged that the stance of monetary policy was appropriate for the moment."

The Australian economy unexpectedly shrank by 0.5% in the December quarter.

**Global Economy**

Over the last month, data released globally has shown the world economy continues to deteriorate with many economies in recession. Aggressive monetary policy actions have



brought official interest rates close to zero in many countries with the focus now on fiscal stimulus by governments to assist recovery.

New Zealand's economy is in the midst of a deepening recession as consumers become increasingly reluctant to spend amid widespread recession fears. The Reserve Bank of New Zealand is expected to cut interest rates by 75bps to 2.75% on 12 March.

The US economy is still contracting at a substantial pace. It is estimated that GDP shrank at a 6.2% in the December 2008 quarter. Consumer spending declined at a 4.3% annual pace during the quarter, the most since 1980. This, together with rising unemployment, shows the US economy will experience further contraction as the recession deepens.

Japan's economy shrank at an annual pace of 12.7% during the December quarter. The recession began in November 2007 in Japan and is set to continue.

China's economy expanded 9% in 2008 after a 13% gain in 2007. In Q4 2008, growth slowed to 6.8%, the weakest pace since 2001. The International Monetary Fund (IMF) forecasts China's economy will expand 6.7% this year, the weakest pace since 1990.

Europe faces the worst recession since the Second World War as the global financial crisis curtails exports and investment, forcing companies to cut production and jobs. GDP declined 1.5% in the December quarter. The IMF predicts a 2% contraction this year.

### **Council's Investment Portfolio Performance**

All investment categories continue to perform below trend.

Term deposits and floating rate notes experienced reduced returns again this month.

As stated in previous reports to Council, it will be difficult to achieve above benchmark results as term deposits mature and floating rate notes reset during 2009 in a much lower interest rate environment.

Fund managers again reflected the volatility in financial markets with below trend or negative returns. Fund managers should start to achieve better returns later in 2009 if economic forecasts prove correct.

The \$6m Argon Asset Backed Security is currently valued by Oakvale Capital at \$4,589,754. The Helium Note component of Argon defaulted and reduced to a zero value in February 2009. A separate report to this meeting will give full details of the Argon investment.

An indication of Portfolio performance is provided by disregarding changes in capital values. For example, Council had \$125,636,658 invested as at 28 February, 2009 and the net return on these funds was \$507,902 or 4.85% annualised for the month.

*Source: Oakvale Capital Limited*

**13. INVESTMENT SUMMARY AS AT 28 FEBRUARY 2009**

**GENERAL FUND**

COLLATERISED DEBT OBLIGATION	0.00	
COMMERCIAL PAPER	0.00	
CORPORATE BONDS	\$4,319,440.00	
FLOATING RATE NOTE	10,133,516.14	
ASSET BACKED SECURITIES	5,464,057.21	
FUND MANAGERS	5,075,188.88	
LOAN OFFSET	951,625.00	
TERM DEPOSITS	44,500,000.00	
CALL	3,400,000.00	<b>73,843,827.23</b>

**WATER FUND**

TERM DEPOSITS	12,000,000.00	
FUND MANAGERS	31,348,662.39	<b>43,348,662.39</b>

**SEWERAGE FUND**

TERM DEPOSITS	6,000,000.00	
FUND MANAGERS	2,444,168.61	<b>8,444,168.61</b>

**TOTAL INVESTMENTS** 125,636,658.23

It should be noted that the General Funds investments of \$73 million are not available to be used for general purpose expenditure. It is virtually all restricted by legislation and council resolution for such purposes as unexpended loans, developer contributions, unexpended grants and various specific purpose reserves such as domestic waste, land development and employee leave entitlements.

**Statutory Statement - Local Government (General) Regulation 2005 Clause 212**

I certify that Council's investments have been made in accordance with the Local Government Act 1993, the Local Government (General) Regulations and Council's investment policies.



**Chief Financial Officer  
(Responsible Accounting Officer)**

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Nil.

**POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

*To view any "**non confidential**" attachments listed below, access the meetings link on Council's website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

Nil.

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**08 [TCS-OC] Council Investments**

**ORIGIN:**

**Financial Services**

**SUMMARY OF REPORT:**

This report deals with Council's investment portfolio as at 28 February 2009 in relation to Council's investment in Argon Capital.

**RECOMMENDATION:**

**That Council receives and notes the February 2009 Investment Report in relation to Argon Capital Investment.**

**REPORT:**

Tweed Shire Council's Investment Portfolio has been diversified in compliance with the Department of Local Government's Investment Order and was under external investment advice at January 2008. One investment, Argon Capital, has been impacted by the ongoing financial market turmoil

Council's January 2008 Monthly Investment Report contained details of the purchase of Argon Capital, a \$6m re-structured investment product with underlying references to the Helium Capital Collateralised Debit Obligation (CDO). An extract from that report is reproduced below:

*"To remove Council's sole exposure to the USA sub-prime mortgage market, Council's Investment Advisors – Oakvale Capital Limited brokered a restructure of the Helium Capital CDO during January, 2008. The restructured investment product, known as Argon is capital guaranteed by a \$2m Commonwealth Bank zero coupon bond. The original Helium Capital CDO is absorbed into the Argon structure and a \$2m Commonwealth Bank puttable note provides income slightly above the 90 day BBSW for the 10 year term of this \$6m investment. This income is in addition to the coupons the Helium component of Argon continues to pay at 100 basis points above the 90 day BBSW."*

The total Helium Capital issue was a \$30m CDO of residential mortgage-backed securities (RMBS) marketed in Australia by Merrill Lynch Investment Bank, exclusively through Council's investment advisors at the time, Oakvale Capital Limited. Helium Capital in turn was a smaller parcel of a much larger RMBS called Calculus Trust, sold worldwide by Merrill Lynch.

**Helium Capital - Timeline of Events**

- |                         |  |
|-------------------------|--|
| <b>14 December 2006</b> | Original Purchase Date.<br>Standard & Poors Credit Rating at purchase date: AA   |
| <b>14 December 2007</b> | Restructured by Oakvale Capital/Merrill Lynch to become AAA rated Argon due to possible sub-investment grade rating downgrade: |
| <b>10 January 2008</b>  | Stand & Poors Credit Rating downgraded Helium Capital component of Argon to CCC  |
| <b>10 February 2009</b> | Helium Capital component of Argon defaulted:   |

On 10 February, 2009 Oakvale Capital Limited advised Council that the Helium Capital CDO suffered a rating downgrade by Standard and Poor's to "D" or default. The Helium Capital CDO's default will impact on Council's Argon Capital investment in the following way:

- **\$2 million Helium Capital CDO component of Argon Capital value reduces to nil value.**

- **\$2 million Commonwealth Bank/Argon Capital puttable notes will be “called” and returned to Council.**
- **\$2 million Commonwealth Bank/Argon Capital zero coupon bond remains in place until maturity. The value at maturity will be \$4 million.**

Council’s initial **\$6 million** investment will be returned in the following sequence:

- **\$2 million** puttable note will be returned to Council on 20 April, 2009.
- **\$2 million** zero coupon bond will be returned to Council with a value of **\$4 million** in January 2018.

#### **LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

During the term of the **\$2 million** zero coupon bond, no income is returned to Council. The income earned on this investment is retained to provide Council with a **\$4 million** return of capital in January 2018.

As future interest rates are not possible to predict the estimated opportunity cost of this income foregone may be one or a combination of the following:

- a) At an average interest rate of 3.25% pa (current cash rate)  
\$65,000 x 9 years = \$585,000
- b) At an average interest rate of 6% pa  
\$120,000 x 9 years = \$1,080,000
- c) At an average interest rate of 8% pa  
\$160,000 x 9 years = \$1,440,000

#### **POLICY IMPLICATIONS:**

Nil.

#### **UNDER SEPARATE COVER/FURTHER INFORMATION:**

*To view any "**non confidential**" attachments listed below, access the meetings link on Council's website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

Nil.

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**REPORTS FROM THE DIRECTOR ENGINEERING & OPERATIONS****09 [EO-OC] Variation to Contract Number EQ2008-089 - Management of the Tweed Regional Aquatic Centre****ORIGIN:****Recreation Services****FILE NO: EQ2008-089****SUMMARY OF REPORT:**

Prior to the opening of the Tweed Regional Aquatic Centre, Council entered into a contract for the provision of aquatic facility management services to provide the expertise required to establish the facilities business programs, and management systems, train existing staff in the same and provide Council with the financial and operating data required to make an informed decision on the most appropriate long term management model for the facility.

In considering a management model for the new TRAC facility, it is prudent to include consideration of Council's other aquatic facilities at Tweed Heads and Kingscliff in order to deliver a structured and integrated approach to managing the facilities and delivery of aquatic services and programs across the Shire.

Over the past six months, Council has negotiated the various learn to swim and fitness program agreements across Council's three aquatic facilities (TRAC, Tweed and Kingscliff) to terminate concurrently on 30 May 2010. The intent of these negotiations is to facilitate the implementation of the preferred management model for the three aquatic facilities and associated programs.

To this end, it is proposed to engage a consultancy to develop a strategic business model for the three aquatic facilities that will deliver a structured and integrated approach to managing the facilities and deliver the most cost effective, competitive and responsive management model to operate and manage the business of the facilities. It is anticipated that recommendations from this report would be implemented at the termination of the agreements in May 2010.

The current TRAC management is for a 12 month period terminating on 10 November 2009. It is apparent that the implementation of the proposed program would be far more effective were the TRAC management consultancy to continue until 30 May 2010 in line with the other licences. Therefore, it is recommended that Council negotiate a variation to the existing contract for the management of the TRAC facility until May 2010.

**RECOMMENDATION:**

**That Contract Number EQ2008-089 being for the Management of the Tweed Regional Aquatic Centre be varied to extend the period of the contract from 10 November 2009 to 30 May 2010.**

**REPORT:****Background**

The Tweed Regional Aquatic Centre contains state of the art operational and business systems that required a suite of skills and expertise that was not available within the organisation. It was critical to the success of the facility that the facilities systems and programs were functioning efficiently and effectively for the facility start up and over the establishment period. Accordingly, prior to the opening of the Tweed Regional Aquatic Centre, Council entered into a contract for the provision of aquatic facility management services to provide the expertise required to establish the facilities business programs, and management systems, train existing staff in the same and provide Council with the financial and operating data required to make an informed decision on the most appropriate long term management model for the facility.

To ensure Council and the community receives optimal value from the facility, it is essential that a long term management structure is put in place that will achieve Council's objectives and reflect Council's strategic corporate direction. Prior to determining the most appropriate management model, a clear understanding of how the facility is to operate, likely running costs, programs and services to be delivered etc is required. Accordingly, the facility management contract will provide the baseline data and structure in readiness for transition into the preferred management model.

**Proposed aquatic facilities strategic and operational planning program**

In considering a management model for the new TRAC facility, it is prudent to include consideration of Council's other aquatic facilities at Tweed Heads and Kingscliff in order to deliver a structured and integrated approach to managing the facilities and delivering aquatic services and programs across the Shire.

Over the past six months Council has negotiated the various learn to swim and fitness program agreements across Council's three aquatic facilities to terminate concurrently on 30 May 2010. This will provide the opportunity for Council to consider and implement the optimum management model for the three aquatic facilities and associated programs.

To this end it is proposed to engage a consultancy to undertake a strategic planning process, providing Council with various management model options and a recommended model for Councils consideration.

The consultancy will provide Council with a business strategy for its three aquatic facilities that will deliver a structured and integrated approach to managing the facilities and the delivery of aquatic services and programs. The plan will include, but not be limited to the following considerations:-

- Investigation and interrogation of alternative management models for the facilities and delivery of services and programs, providing a recommendation of the most cost effective, competitive and responsive management model to operate and manage the business of the facilities. Of particular consideration will be:-

- A requirement to provide quality aquatic programs, activities, services, events, lifestyle and wellbeing opportunities to the Tweed Community, a business framework that is consistent with Council's budgetary constraints;
  - Affordability of user pay fees and charges with consideration to all community user groups;
  - The need to ensure compliance with all regulatory and statutory requirements;
  - The need to maintain the efficiency of the services and maintenance of assets to the highest level;
  - The need to ensure accountability;
  - The need to operate in a safe and risk free environment;
  - Facilitate equitable provision of activities, including a balanced and equitable level of casual access to all activities
- The most effective model for the delivery of learn to swim and aquatic fitness activities throughout the three facilities.
  - Recommendations for additional facilities and/or services to increase the income, effectiveness of the operation of the facilities and delivery of services.
  - Identify resource requirements for the identified recommendations
- Consider opportunities within business model options for the development of structured and coordinated pathways to facilitate the identification and development of swimmers through to the elite level. It is anticipated that this will require consideration and identification of areas requiring cross-subsidisation.

The proposed timeline for developing and implementing a strategy and management framework is as follows:-

April to June 2009	→	Advertise brief, assess submissions and appoint consultant
June to November 2009	→	Undertake study
November 2009 to January 2010	→	Determine preferred model
January 2010 to May 2010	→	Commence preparations for implementation of preferred option
June 2010		Implementation

The anomaly that may impact on the effective progression of this program is that the current TRAC management contract terminates on 10 November 2009. The implementation of the proposed program would be far more effective were the TRAC management consultancy to continue until 30 May 2010 in line with the other licences. Accordingly, it is recommended that Council negotiate a variation to the existing contract for the management of the TRAC facility until May 2010.

#### **LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Variation required to Contract Number EQ2008-089.

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**POLICY IMPLICATIONS:**

See body of report.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

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Nil.

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**O10 [EO-OC] Park Naming - Ebenezer Park Tweed Heads and John Follent Park Tweed Heads**

**ORIGIN:**

**Recreation Services**

**SUMMARY OF REPORT:**

Council has received a request from the Tweed Heads Historical Society Inc to interchange the names of Ebenezer Park Tweed Heads and John Follent Park Tweed Heads.

A copy of their letter explaining the rationale is reproduced in the body of this report.

**RECOMMENDATION:**

**That the proposal to interchange the names of Ebenezer Park Tweed Heads and John Follent Park Tweed Heads be advertised in the Tweed Link inviting submissions from the public for twenty eight (28) days.**

**REPORT:**

Council has received a request from the Tweed Heads Historical Society Inc to interchange the names of Ebenezer Park Tweed Heads and John Follent Park Tweed Heads. The request is inserted below:-





# Tweed Heads Historical Society Inc.

(Established 1985)

Pioneer Park, 230 Kennedy Drive, Tweed Heads West

ABN: 11 491 598 535

WEBSITE: [www.tweedhistory.org.au](http://www.tweedhistory.org.au)

POSTAL ADDRESS: PO Box 839, Tweed Heads 2485

PHONE: 07 5536 8625

PRESIDENT: Joan Smith Ph: 07 5599 2286

SECRETARY: Denise Garrick Ph: 07 5562 0515

9 September 2008

The General Manager,  
Tweed Shire Council,  
P.O. Box 816,  
MURWILLUMBAH. 2486

PARKS - EBENEZER,		PARKS -
TWEED SHIRE COUNCIL		JOHN
FILE No.	PARKS - NAMING	FOLLENT,
DOC. No.		HISTORICAL
RECD	11 SEP 2008	SOCIETY
ASSIGNED TO	BRAWLEY, S	
HARD COPY	<input type="checkbox"/>	IMAGE
		<input checked="" type="checkbox"/>

Dear Sir,

re: Renaming of Tweed Heads Parks – Ebenezer Park and Follent Park

It has recently come to the attention of the Management Committee of the Tweed Heads Historical Society that there is an unfortunate anomaly between the naming of the two parks named above, and the names of which parks should be interchanged.

The presently named *Ebenezer Park* lies along the town bank of the Tweed River opposite Letitia Spit and continues along the bank of Terranora Creek opposite the northern end of Ukerebagh Island. There is no historical significance about the “Ebenezer” associated with this park or its location.

The “*Ebenezer*” was a schooner of 90 tons coming from Sydney for cedar and bringing the families of the Boyd Brothers who were then at Taranora Cedar Camp (there was no Tweed Heads at the time). She entered the Tweed River on 30<sup>th</sup> July, 1859, when the wind dropped without warning. She grounded on the north spit (near Durambah Beach) and the passengers were landed as a precaution. However, the weather was mild and it was expected that the next tide would refloat her, so the passengers went back on board. That night the weather deteriorated and the schooner was driven onto rocks. The crew escaped, but the “*Ebenezer*” broke up so quickly that four passengers were drowned. They were: Hannah, aged 26, wife of John Boyd and Thomas, aged 2 years 3 months, their son; Mary Ann, aged 24, wife of Edward Boyd and Edward, aged 2 years, their son.

The *Ebenezer* tragedy occurred **adjacent** to what is now known as **Follent Park** and it would be more appropriate for this park to be re-named the *Ebenezer Park*.

The presently located *Follent Park* is located behind Durambah Beach and was dedicated in 2004. The park was named to honour **Dr. John Follent** (1913-1996), who came to Tweed Heads in 1946 as a partner in an existing medical practice. As well as being a busy general practitioner, John Follent acted as Government Medical Officer in both Coolangatta and Tweed Heads, performing autopsies when necessary and acting as Commonwealth Medical Officer for Pensions. In addition he worked for the repatriation of Returned Servicemen providing assistance and guidance.

In 1948 Dr. John Follent, amongst other things, chaired a public meeting calling for the establishment of a public hospital in Tweed Heads. This hospital eventually opened in 1973 with fifty beds and Dr. John **became its first honorary Medical Superintendent**.

2

Amongst his accomplishments, in 1969 he became District Governor of Rotary and was subsequently honoured with a Paul Harris Fellowship. In the same year he was invited to become a deacon in the Anglican Church at St. Cuthbert's at Tweed Heads. **Six years later he was ordained as an honorary priest.**

In 1976 he was awarded an MBE in recognition of his community service, which included serving as a Justice of the Peace in both Queensland and New South Wales and acting as Chairman of the Salvation Army Appeal for Coolangatta/Tweed Heads.

In 1983 Dr. John Follent was named Citizen of the Year by Tweed Shire Council, was installed as a Worshipful Master of the Masonic Lodge, Coolangatta, and later that year he was elected to Tweed Shire Council as a councillor.

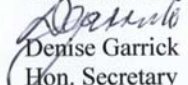
Dr. John was well-known in Tweed Heads as a well-loved distinguished Tweed Heads resident, who, amongst his other accomplishments, was a long standing medical practitioner and an honorary Anglican Priest at St. Cuthbert's Anglican Church in Tweed Heads.

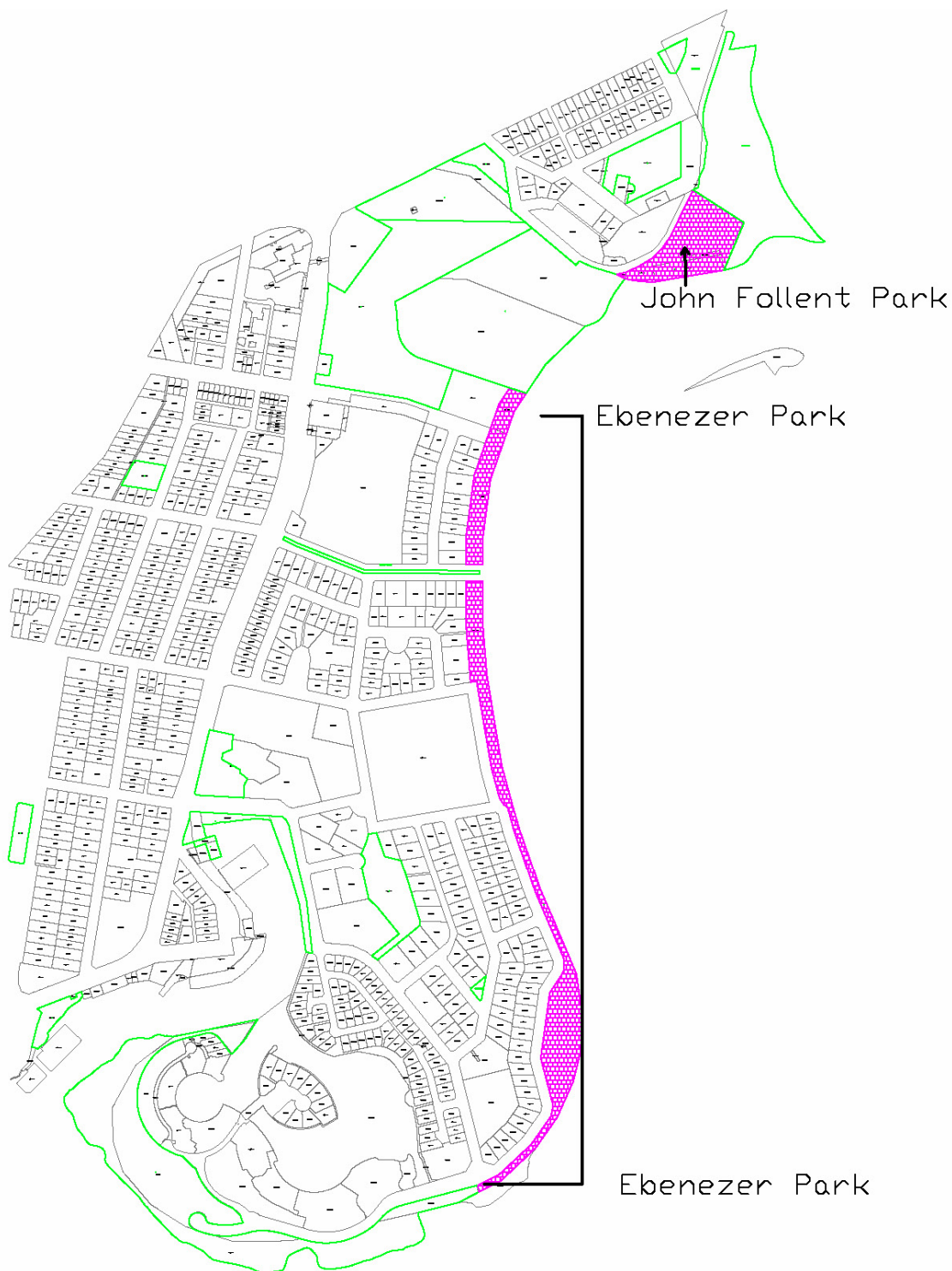
The close proximity of both **The Tweed Hospital** and **St. Cuthbert's Anglican Church** to the currently named ***Ebenezer Park*** is much more fitting to be known as and should be renamed **Follent Park**.

We consider that it is incumbent on our Society, which aspires to be the custodian of local regional history, to initiate action when such an anomaly, as stated above, occurs. We feel sure that the descendants of both the persons and the events would see the re-naming of both parks as being more appropriate and practical. The original naming of both parks occurred years apart, and it was not foreseen by Councillors that the result would be such an anomaly.

We would ask that you take such action as is necessary to re-name the current *Follent Park* as **Ebenezer Park**, and re-name the current *Ebenezer Park* as **Follent Park**.

Yours faithfully,

  
Denise Garrick  
Hon. Secretary  
Tweed Heads Historical Society Inc.



**Figure 1:** Ebenezer Park and John Follent Park current locations

John Follent Park was named as a result of a submission in 2003. The proponent has been contacted to provide comment on the proposal and advised that he has no objections to the proposal.

Ebenezer Park has been named for many, many years and as such, Council does not have any record of the naming.

Council's Policy for the Naming of Public Reserves states that proposals for park naming are to be advertised in the Tweed Link or any other local newspaper inviting submissions from the public for a twenty eight (28) day submission period. Any submissions received will be considered in a further report to Council with a recommendation for approval or otherwise.

Whilst the proposal is not suggesting new names or naming of previously unnamed areas, it is considered prudent for Council to advertise the proposal as per the policy as a means of notifying the community and providing an opportunity for comment.

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Nil.

**POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

*To view any "**non confidential**" attachments listed below, access the meetings link on Council's website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

Nil.

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**O11 [EO-OC] Response to Graffiti**

**ORIGIN:**

**Works, Recreation Services**

**SUMMARY OF REPORT:**

At its meeting on 27 January 2009 Council resolved that:-

- "1. *Council pursues a policy of zero tolerance of graffiti.*
2. *The Roads and Traffic Authority be requested to do the same.*
3. *The necessary advertising with a direct council contact be implemented as a matter of course to pursue this major problem in our shire.*
4. *Council investigates other means within their power to incorporate facilities for graffiti artists to be considered in the 2009/10 Budget."*

This report advises of the impact of graffiti on Council's operations and provides options for the way forward.

**RECOMMENDATION:**

**That the determination of Council's anti graffiti program and associated costs be referred for consideration along with other priorities with the 2009/10 Budget.**

**REPORT:****1. Background**

At its meeting on 27 January 2009 Council resolved that:-

- "1. Council pursues a policy of zero tolerance of graffiti.*
- 2. The Roads and Traffic Authority be requested to do the same.*
- 3. The necessary advertising with a direct council contact be implemented as a matter of course to pursue this major problem in our shire.*
- 4. Council investigates other means within their power to incorporate facilities for graffiti artists to be considered in the 2009/10 Budget."*

A letter in accordance with 2 above has been send to the Roads & Traffic Authority of NSW. Item 3 will require a budget allocation for implementation.

**2. General Comment**

Illegal graffiti is ugly and expensive to remove. It is a crime that affects us all. It can lower property values, make people feel unsafe, reduce business patronage and encourage other types of crime. Keeping our neighbourhoods graffiti free reinforces pride and helps maintain feelings of safety and wellbeing. Graffiti vandals have no respect for private or community property and no regard for the negative impacts of their actions. Graffiti that is left intact attracts more graffiti, and the longer it remains, the greater the gratification for perpetrators.

The considerable financial costs involved in removing graffiti impacts on individuals businesses, Council and the wider community. However, quick removal alone is not as effective as strategies that include the elements of prevention, continual removal and education.

By encouraging an environment conducive to respect, property protection, safety and harmony between all members of the community (particularly young people) Council may reduce graffiti vandalism and maximise community wellbeing.

Illegal graffiti should not be confused with graffiti art which can enrich the social fabric of the community when displayed in public spaces within the principles outlined in Council's Public Art Policy.

**3. Current Graffiti Removal Practices**

Budgetary constraints dictate that the current practice for response to graffiti is to provide priority response only to those areas containing offensive words or images. Other areas are treated during normal asset maintenance – for example, graffiti is covered when a road is resurfaced or a building repainted.

Treating graffiti is very demoralising for the staff involved, particularly when (as often happens) treated areas are again covered in graffiti within days of treatment.

#### **4. Current Costs of Graffiti Removal**

- An extrapolation of costs to date in 2008/09 indicate an annual direct cost of the removal of offensive graffiti of \$25,000.
- The cost of treating non-offensive graffiti is absorbed into normal asset maintenance costs. For example, when a public toilet is repainted as part of maintenance, any graffiti is covered up but no costs are recorded against graffiti removal. A rough estimate of the total cost would be \$70,000 per year.

#### **5. Graffiti Management Strategies**

##### **5.1 Guidelines and Procedures**

It is essential that all graffiti management measures are compatible with other relevant Council policies and practices. Therefore, a whole of Council approach needs to be undertaken to develop policies, procedures and guidelines for cost effective and sustainable prevention, reporting and recording, removal, education and engagement activities.

##### **5.2 Practical Measures**

In the planning and construction of structures, consideration is given to easy graffiti repair by choosing surfaces that are either easily repainted or cleanable.

Anti-graffiti coatings may make it easier to remove graffiti but are not always cost effective. However, in some cases anti-graffiti coatings are essential – for example the clear panels in bus shelters, or noticeboards. In most cases it is more cost-effective to simply paint over affected areas. Where the substrate is bare brickwork it may still be more cost effective to paint the entire building out rather than try to clean off the graffiti. Once bare brickwork is pressure cleaned the pores in the bricks are opened up, so the next time graffiti occurs it is even harder to clean, whereas once it is painted out it is simply a case of “touching up”.

##### **5.3 Community Engagement**

Policies and strategies to minimise graffiti will require the cooperation and support of the community and private property owners through an integrated and comprehensive “whole of community” approach. Community engagement strategies include consultations and media campaigns for householders and public around prevention reporting and removal strategies; partnerships and collaboration with stakeholders including Police, Roads & Traffic Authority of NSW and businesses; ongoing feedback around success of strategies. Prevention should incorporate inclusive practices aimed at positive outcomes that engage young people to develop ownership, pride and respect for their local community. Legal arts programs, the provision of appropriate services and facilities for young people can become vehicles to engage young people. All require resources and budgets.

##### **5.4 Education**

An essential part of graffiti minimisation / prevention strategies are graffiti education programs. A community that is better informed and aware of the issue is more likely to adopt prevention measures and become actively involved in management strategies. Material and programs on prevention, minimisation, reporting and removal needs to be developed and distributed to households, businesses and schools.

## 6. Graffiti Removal

The environmental impact of graffiti management is a priority and therefore a range of safe prevention, removal and disposal strategies are essential.

Because of the various surfaces that encounter graffiti there are many different removal and painting processes required. Different substrates require different finishes. It is also vital to know what materials are being coated over or stripped off. Some coatings may require etching, oil undercoats, stain killers, mould proofing, rust protection or a combination of the above.

Leaded paint is still used in many applications so it is important to know how to test and treat these finishes to protect staff, the public and the environment.

Chemicals used for graffiti removal and the compounds formed by their interaction with underlying paint and surface finishes can have serious personal safety and environmental impacts.

In all operations it is important to use trained workers who are aware of all these issues. Currently these operations are carried out by Council's painter/decorators for public buildings and recreational facilities, and road maintenance staff for roads and associated structures. Valuable assistance has also been provided by the Pottsville Community Association which is greatly appreciated and has very positive impacts for that community.

## 7. Future Options

There are a range of options and associated costs to consider should Council wish to vary the current graffiti management practices. It is important to note that any option that increases expenditure on graffiti management will require an appropriate funding allocation in the annual budget. The following details of a "Zero Tolerance 24 Hour Response" regime and a "48 Hour Offensive Graffiti Removal plus One Month for Other Graffiti" regime will provide an understanding of the scope and range of options and costs.

### Zero Tolerance 24 Hour Response

If a zero tolerance 24 hr response is required to all graffiti, Council would need to allocate resources for establishment and operating costs. Resources could include –

	<b>Resource/Service</b>	<b>Approximate Cost per Year</b>
1	2 additional trade staff, incl on-costs	\$128,000
2	Appropriate vehicle for transport of staff & equipment	\$12,000
3	Materials, tools and equipment eg. pressure cleaner	\$25,000
4	2 mobile phones to allow contact for call-outs and for safety when working alone	\$1,000



	<b>Resource/Service</b>	<b>Approximate Cost per Year</b>
5	Establishment of a graffiti hotline, necessary for public to report vandalism	\$3,000
6	Advertising of the new policy and hotline	\$9,000
7	Implementation of community engagement strategies, including the provision of free graffiti removal starter kits to ratepayers to clean graffiti off private buildings *	\$50,000
8	Provision of anti-graffiti fact sheet and hints to minimise graffiti on private property	\$2,000
9	Administrative support	\$5,000
10	Delivery of graffiti prevention education programs to schools and other target areas	\$25,000
11	Engagement with community and youth groups	\$25,000
12	Offer rewards that lead to the conviction of perpetrators	\$10,000
	<b>Total</b>	<b>\$295,000</b>

\* *The benefits of kits are questionable. As an alternative Council could engage further in community partnerships (as per the Pottsville example) by providing training and support.*

#### 48 Hour Offensive Graffiti Removal plus One Month for Other Graffiti

This is another option that might be considered. Selecting and proportioning items 1,2,3,4,8, 9 and parts of 10 and 11 from the table above gives an annual cost of say \$100,000.

#### **LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Up to \$295,000 impact on annual operating budget.

#### **POLICY IMPLICATIONS:**

Council may formalise its intentions with a Graffiti and Vandalism Policy.

#### **UNDER SEPARATE COVER/FURTHER INFORMATION:**

To view any "**non confidential**" attachments listed below, access the meetings link on Council's website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).

Nil.



**O12 [EO-OC] Re-use of Timber from Bridge Replacement Program**

**ORIGIN:**

**Works**

**SUMMARY OF REPORT:**

At its meeting on Tuesday 27 January 2009 Council requested that the General Manager investigate and report back to Council, the viability of re-using any and/or all timbers from Twin Bridge and Brewer-Charles Bridge for use by Tweed artists.

This report advises of the re-use of old bridge timber that is surplus from the bridge replacement program.

**RECOMMENDATION:**

**That after Council's internal needs for re-use of timber from redundant bridges is satisfied, any remaining timber is made available to Tweed artists by a process including:-**

- 1. Advertisement placed in Tweed Link inviting expressions of interest from Tweed artists.**
- 2. Assessment of applications for genuineness and community value.**
- 3. Stockpiling of redundant timber on site.**
- 4. Notification of successful applicants of timber availability within specified timeframe.**
- 5. Transport of timber to be the responsibility of the recipients.**

## **REPORT:**

At its meeting on Tuesday 27 January 2009 Council requested that the General Manager investigate and report back to Council, the viability of re-using any and/or all timbers from Twin Bridge and Brewer-Charles Bridge for use by Tweed artists.

With financial assistance from the RTA Council is undertaking an accelerated timber bridge replacement program, with four bridges on Kyogle Road due for replacement by concrete structures in the next 18 months. These are –

- Snake Creek Bridge at Mount Burrell
- O'Briens Bridge near Mount Burrell
- Twin Bridge near Mount Burrell
- Brewer-Charles Bridge near Mount Burrell

The old timber elements from the redundant structures will be put to a variety of uses, including:-

1. Construction of temporary bridges during construction
2. Any sound pieces of timber will be stored for maintenance of other timber bridges
3. Construction of bat boxes to support the colonies of small bats displaced from the old bridges

Any remaining timber can be made available for use by Tweed artists. This timber can be made available on the following basis:-

1. Advertisement placed in Tweed Link inviting expressions of interest from Tweed artists
2. Assessment of applications for genuineness and community value
3. Stockpiling of redundant timber on site.
4. Notification of successful applicants of timber availability within specified timeframe

Transport of timber to be the responsibility of the recipients.

## **LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Council's timber bridge maintenance program is financially dependent on the re-use of timber from redundant structures.

The cost of sorting and loading the remaining timber for artists will be offset by reduced transport and tip fees.

## **POLICY IMPLICATIONS:**

Proposed disposal method complies with Council's Disposal of Assets Policy.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

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Nil.

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**O13 [EO-OC] Easement for the Drainage of Sewage 3 wide within Lot 6 on DP 250390 95 Coast Road Bogangar**

**ORIGIN:**

**Design**

**FILE NO: DA03/1040**

**SUMMARY OF REPORT:**

In development consent DA03/1040 for a dwelling and swimming pool, the applicants were required under consent condition 18 (h) to provide an easement for sewage for a pipe located at the rear of the property, following its relocation to allow the swimming pool to be built.

The consent condition reads:-

*"(h) Council will require an easement 3 metres wide centrally located over the line of the deviation to be provided. All costs associated with the provision of this easement will be the responsibility of the applicant."*

Transfer documentation granting the easement has been received, and approved by Council's Water Unit, and now it is necessary to resolve to sign the documentation under the Common Seal of Council.

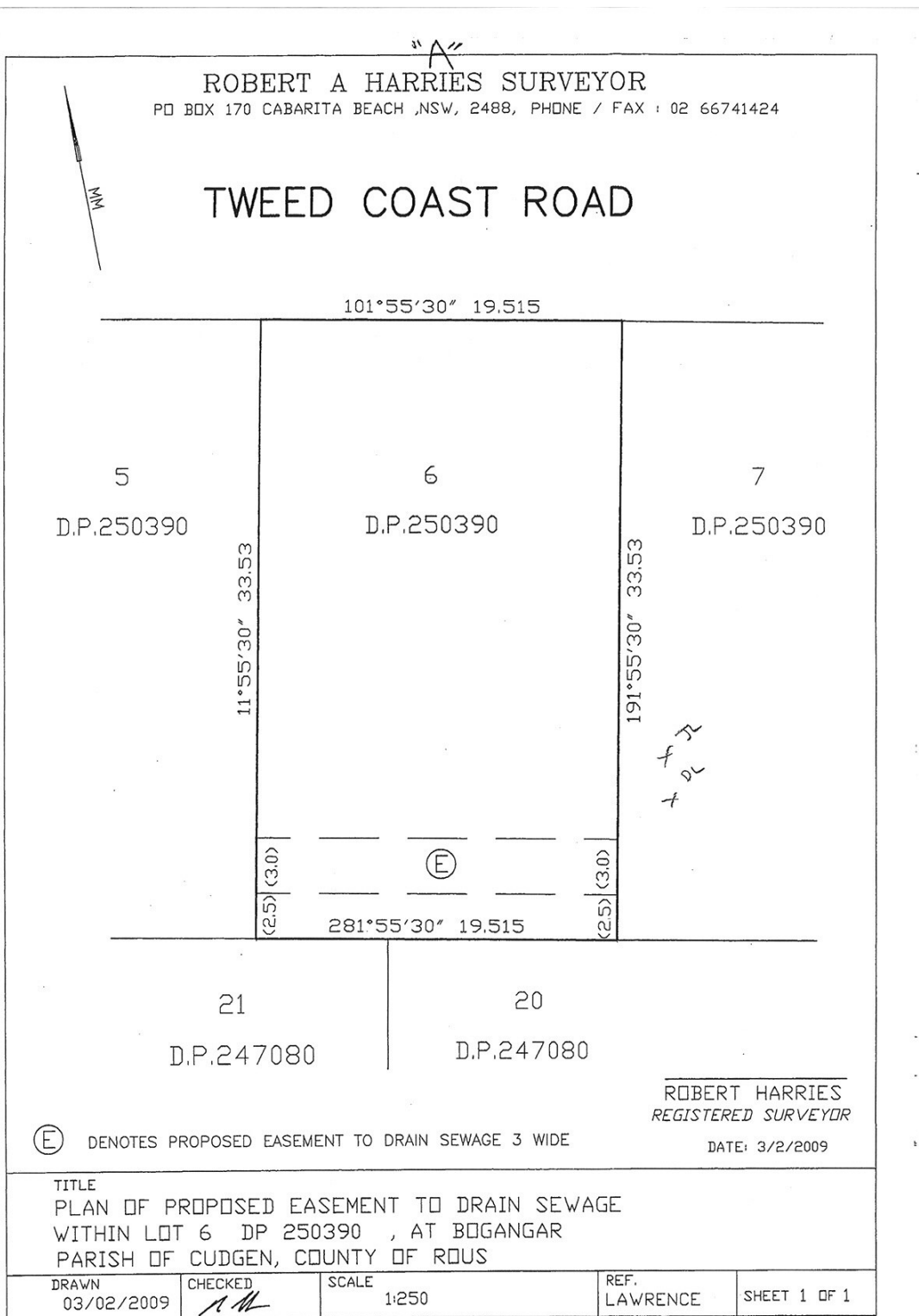
**RECOMMENDATION:**

**That:-**

- 1. Council approves the Easement for Sewage 3 wide within Lot 6 in DP 250390 for the benefit of Council; and**
- 2. Executes all necessary documentation under the Common Seal of Council.**

**REPORT:**

As per Summary of Report, the plan below shows the location of the easement within Lot 6:





**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Nil.

**POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

*To view any "**non confidential**" attachments listed below, access the meetings link on Council's website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

Nil.

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**O14 [EO-OC] NSW Government Draft Sea Level Rise Policy Statement****ORIGIN:****Planning & Infrastructure****SUMMARY OF REPORT:**

As part of the State Government's response to climate change, the Department of Environment and Climate Change have issued a draft sea level rise policy statement, to assist coastal communities and Local Government in preparing and adapting to higher future sea levels. The Government is inviting submissions on the draft policy until 3 April 2009.

The draft policy adopts a sea level rise benchmark of 40cm by 2050 and 90cm by 2100, relative to 1990 mean sea levels. Permanent sea level increases will impact on coastal and foreshore land and infrastructure, and are likely to increase coastal hazards (e.g. beach erosion) and flooding risks during major storms. The policy advocates a risk management approach towards infrastructure provision, strategic planning, coastal development and emergency response.

The risk management principles contained in the draft policy, together with the anticipated support for local government, should provide the necessary framework for Council's future planning for sea level rise. As such, a submission on the draft policy is not considered necessary.

According to the draft policy, the Department of Planning will be preparing guidelines on how sea level rise should be considered in land use planning and development approval decisions by councils. This will also provide guidance to landowners, infrastructure providers and developers. It will be these future guidelines that will require the scrutiny of the various divisions of Council, as they may impact on Council's provision of infrastructure, coastline management and land use planning.

In support of the draft policy statement, the Government has concurrently issued a Draft Technical Note: "Scientific basis of the 2009 sea level rise benchmark". The policy and technical note are attached to this report for information.

**RECOMMENDATION:**

**That Council receives and notes the NSW Government Draft Sea Level Rise Policy Statement.**

**REPORT:**

As part of the State Government's response to climate change, the Department of Environment and Climate Change have issued a draft sea level rise policy statement, to assist coastal communities and Local Government in preparing and adapting to higher future sea levels. The Government is inviting submissions on the draft policy until 3 April 2009.

The draft policy adopts a sea level rise benchmark of 40cm by 2050 and 90cm by 2100, relative to 1990 mean sea levels. Permanent sea level increases will impact on coastal and foreshore land and infrastructure, and are likely to increase coastal hazards (e.g. beach erosion) and flooding risks during major storms.

The principles of the draft policy are:

*1. promote an adaptive risk-based approach to managing sea level rise impacts*

Planning and investment decisions should consider the range of sea level rise projections over the life of an asset to decide on how the asset can be located or designed to avoid or minimise any associated impacts. There is no regulatory or statutory requirement for development to comply with the sea level rise benchmark. The benchmark's primary purpose is to provide guidance to support consistent consideration of sea level rise impacts, within applicable decision-making frameworks. This will include strategic planning and development assessment under the *Environmental Planning and Assessment Act 1979* and infrastructure planning and renewal.

*2. provide guidance to local councils to support their sea level rise adaptation planning*

The NSW Government will provide funding assistance to at risk Councils to prepare studies to identify areas at risk from coastal flooding and coastal hazards. Funding assistance will be available to Councils for coastal protection works, giving priority to public safety and protecting valuable publicly-owned assets, rather than private land.

*3. encourage appropriate development on land projected to be at risk from sea level rise*

The benchmark is not intended to be used to preclude development of land projected to be affected by sea level rise. The goal is to ensure that such development recognises and can appropriately accommodate the projected impacts of sea level rise on coastal hazards and flooding over time, through appropriate site planning and design.

The Department of Planning will be preparing guidelines on how sea level rise should be considered in land use planning and development approval decisions by councils. This will also provide guidance to landowners, infrastructure providers and developers.

*4. continue to provide emergency management support to coastal communities during times of floods and storms*

The Government's direct community support will be focused on emergency management during and following floods and major storms. This support is normally coordinated by

the State Emergency Service, operating under the *State Emergency and Rescue Management Act 1989*.

*5. continue to provide updated information to the public about sea level rise and its impacts.*

The above principles and support for local government should provide the necessary framework for Council's future planning for sea level rise. As such, a submission on the draft policy is not considered necessary.

According to the draft policy, the Department of Planning will be preparing guidelines on how sea level rise should be considered in land use planning and development approval decisions by councils. This will also provide guidance to landowners, infrastructure providers and developers. It will be these future guidelines that will require the scrutiny of Engineering & Operations, Planning & Regulation, and Community & Natural Resources Divisions, as they may impact on Council's provision of infrastructure, coastline management and land use planning.

In support of the draft policy statement, the Government has concurrently issued a Draft Technical Note: "Scientific basis of the 2009 sea level rise benchmark".

The policy and technical note are attached to this report for information.

#### **LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Nil.

#### **POLICY IMPLICATIONS:**

The Sea Level Rise Policy Statement, once adopted, would supersede the 1988 NSW Coastline Hazard Policy, and is related to the NSW Flood Prone Land Policy. As such, the impacts of sea level rise need to be considered in future Council policy relating to flood prone land and coastline management.

#### **UNDER SEPARATE COVER/FURTHER INFORMATION:**

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1. New South Wales Government Draft Sea Level Rise Policy Statement and Dept Environment & Climate Change Draft Technical Note "Scientific basis of the 2009 sea level rise benchmark". (ECM 2002105).
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**O15 [EO-OC] Road Closure Application - Parish of Berwick**

**ORIGIN:**

**Design**

**FILE NO: GR3/12/4**

**SUMMARY OF REPORT:**

Council has received a notice of application to close a section of Crown Road reserve being the southern most 158 metres separating Lot 10 in DP 800128 from Lot 2 in DP 570319 at Carool, from Department of Lands. Council has been requested to provide its consent or objection to the closure of this section of Crown Public Road.

It is recommended that Council does not object to the closure and purchase by the applicant of the section of Crown road reserve east of Lot 1 in DP 783887 at Urliup.

**RECOMMENDATION:**

**That Council does not object to the closure and purchase by the applicant of the section of Crown road reserve east of Lot 1 in DP 783887 at Urliup.**

**REPORT:**

Council has received a notice of application to close a section of Crown Road reserve east of Lot 1 in DP 783887 at Urliup, from Department of Lands. Council has been requested to provide its consent or objection to the closure of this section of Crown Public Road.

An investigation of the Crown Road reserves has been conducted and it has been noted that no Council or other infrastructure currently exists within it. There is no current formation and the topography of the area would indicate that formation along this alignment would not be practicable nor probable. All surrounding parcels currently gain access via either right of carriageway or Council road reserves, being Urliup Road and Upper Duroby Road.

This application complies with Council's current policy on Road Closure and purchase in so far as it does not fall within the categories listed for road not eligible for closure. It does however fall within point 1 of the exceptions which states that the road can be considered redundant in terms of access to all surrounding properties.

An investigation of the cadastral layer of Council's Geographical Information system indicates the following:-

- under the vegetation cadastral layer that the land has been highly modified and or disturbed
- That the topmost 200m of the section of road to be closed is sclerophyll open forest on bedrock substrates; and
- That there is no ecological sensitivity present in the proposed area.

The land is zoned 1(a) Rural.

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Nil.

**POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

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Nil.

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**O16 [EO-OC] Kallaroo Circuit Bund Upgrade Finalisation****ORIGIN:****Director Engineering and Operations****SUMMARY OF REPORT:**

Byron Shire Council has requested Tweed Shire Council to release them from duties, obligations and liabilities from the Deed of Agreement signed in 1996 for installation of large box culverts in the Kallaroo Circuit Bund.

Byron Shire Council authorised the construction of the bund in 1993. This had the effect of diverting flood waters from Byron Shire's Yelgun Creek catchment northwards into Tweed Shire causing inundation and crop losses for Tweed cane growers.

A Deed of Agreement was signed in 1996 to install culverts in the bund to relieve flooding in Tweed Shire. Tweed Shire Council agreed to a modified form of the culverts in 2007 and these have now been installed. It is considered that Byron Shire Council has now fulfilled its duties under the Deed and should be advised as such in writing.

**RECOMMENDATION:**

**That Council, in accordance with Clause 7 of the Deed of Agreement made 28 March 1996, formally advises Byron Shire Council:-**

***"... Tweed agrees to release Byron from all claims which it has now or later in respect of:***

- a) The Construction of the Bund***
- b) The increase in the level of flood peaks and/or the duration of flooding upstream of the Bund."***

**REPORT:****1. Agreement with Byron Shire Council**

Byron Shire Council have requested that Tweed Shire Council confirm that the works required in the 1996 Deed of Agreement have been completed and that all duties, obligations and/or liabilities, if any, arising under this Deed have been fulfilled by Byron Shire Council.

**2. Background**

North Ocean Shores has been constructed on fill across the southern outlet of Yelgun Creek, which has a catchment wholly located within Byron Shire. The Capricornia Canal was created through this filled area to maintain a connection between Yelgun Creek and Marshalls Creek (the north arm of the Brunswick River).

In 1993 Byron Shire Council authorised the construction of a bund or bank across the Capricornia Canal at Kallaroo Circuit in Ocean Shores. The bund was only provided with 2 x 900mm pipes and effectively blocked the passage of significant flows to Marshalls Creek. This had the effect of diverting flood waters from Yelgun Creek north into Tweed Shire which caused flooding and loss of crops to Tweed Shire cane growers.

In 1996 Byron Shire Council, Tweed Shire Council and the Board of Directors of the Mooball/Crabbes Creek Drainage Union signed a Deed of Agreement wherein Byron Shire Council agreed to install 2 cells each 3.3m by 2.1m box culverts in the wall of the bund. For the following 9 years the works remained incomplete due to a sequence of planning and environmental issues raised by Byron Shire Council.

In 2005 Tweed Shire Council, as a last resort, threatened legal action against Byron Shire Council. In 2006 the Minister for Local Government commenced a process for the 2 councils to cooperatively resolve the problem. This led to the 2 councils agreeing to a technical solution following a meeting of stakeholders on the 30 January 2007 which included the Departments of Natural Resources, Environment & Conservation and the Cape Byron Marine Park. The agreed technical solution altered the size of the proposed culverts in the bund and the invert level was increased to 1.0m AHD to satisfy the National Parks & Wildlife Services' (NPWS) concerns regarding allowing entry of salt water into the Billinudgel Nature Reserve upstream of the bund. It is understood that since the construction of the bund an artificial fresh water ecology had developed in this area and NPWS wanted this ecology protected.

Byron Shire Council called tenders for the works but only received one tender, which was substantially higher than the funds allowed for the project. Tweed Shire Council was requested to assist and in late 2008 Tweed Shire Council's workforce constructed the agreed works which consisted of a 3 cell 4.8m wide x 1.5m high culvert. Since that time Byron Shire have reconstructed the road surface of Kallaroo Circuit and landscaped the area.

It is considered therefore that the requirements of the 1996 Deed have been complied with and that Byron Shire Council should be advised accordingly. There is however another party to the agreement, being the Mooball/Crabbes Creek Drainage Union and Byron Shire Council will need to obtain separate clearance from that body.

This has been a long and protracted dispute. It is very pleasing that it has finally been brought to a satisfactory conclusion and that Tweed Shire Canegrowers no longer have to suffer crop losses from the artificial diversion of flood waters by Byron Shire Council.

Following is a copy of the executed Deed of Agreement dated 28 March 1996.

DATED the 28 day of MARCH 1996

BETWEEN:

BYRON SHIRE COUNCIL

AND:

TWEED SHIRE COUNCIL

AND:

THE BOARD OF DIRECTORS OF THE  
MOOBALL/CRABBES CREEK DRAINAGE UNION

*E. J. Foytes - President*  
*[Signature] - Secretary*

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**D E E D**

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WILSHIRE WEBB  
Solicitors  
379 Kent Street  
SYDNEY NSW 2000

DX 13027 SYDNEY MARKET STREET  
TEL (02) 299 3311  
FAX (02) 290 2441  
REF HW.DP330030

THIS DEED made the 28<sup>TH</sup> day of MARCH 1996  
BETWEEN:

BYRON SHIRE COUNCIL

("Byron")

AND:

TWEED SHIRE COUNCIL

("Tweed")

AND:

THE BOARD OF DIRECTORS OF THE MOOBALL/CRABBES  
CREEK DRAINAGE UNION

("the Union")

WHEREAS:

- (a) A Bund known as the Kallaroo Circuit Bund ("the Bund") was constructed across the Capricornia Canal partially damming it.
- (b) The Bund is within the area administered by Byron.
- (c) The construction of the Bund increased flood peaks upstream and increased the duration of upstream flooding but decreased downstream flood peaks.
- (d) The Union administers the drainage of lands within its Drainage Area upstream from the Bund.
- (e) Tweed is the Council responsible for administering lands some way north and upstream from the Bund.
- (f) A dispute has arisen between the parties as to what remedial action should be taken to remedy upstream flood peaks and the duration of upstream flooding.

-2-

- (g) Extensive modelling of the effects of various options have been undertaken by Webb McKeown and Associates Pty Ltd ("the Consultants").
- (h) The parties have agreed upon the remedial work to be carried out.

**NOW THIS DEED WITNESSETH:**

1. Byron agrees that it shall, as soon as is reasonably practicable:
  - (a) Install 2 cells each 3.3m by 2.1m box culverts in the wall of the Bund.
  - (b) Retain the two existing 900mm diameter pipes in the Bund.
  - (c) Install one additional 900mm diameter pipe in the wall at an invert level 500mm lower than the existing pipes.
2. Byron and Tweed agree that they shall lodge an application with the Department of Land and Water Conservation ("DLWC") for flood mitigation works for the Mooball/Crabbes Creek area including the alteration to the Bund and that the costs of the flood mitigation works shall be apportioned as follows:

	<u>Byron</u>	<u>Tweed</u>	<u>DLWC</u>
The Bund	1/3		2/3
Mooball/Crabbes Creek	1/6	1/6	2/3

-3-

3. Byron shall pay to the Union the sum of nineteen thousand eight hundred and twenty seven dollars and fifty cents (\$19,827.50) being reimbursement in full for its legal and consultants fees.
4. Tweed shall as soon as practicable undertake flood mitigation works on OP Drain/Mooball Creek in consultation with the Union and Byron. Byron shall be responsible for 1/6 of the cost but not exceeding thirty thousand dollars (\$30,000).
5. Tweed shall be the Constructing Authority for the work for administration purposes. On receipt of a certificate/claim by Byron for works on the Kallaroo Circuit Bund, Tweed shall issue a certificate for all the works undertaken under this agreement to DLWC claiming reimbursement in accordance with the approved subsidy and shall reimburse Byron in accordance with clause 2.
6. Subject to this deed and the completion of the works referred to in Clause 1 the Union agrees to release Byron from all claims which it has now or later in respect of:
  - (a) The Construction of the Bund.
  - (b) The increase in the level of flood peaks and/or the duration of flooding upstream of the Bund.
7. Subject to this deed and the completion of the works referred to in clause 1 Tweed agrees to release Byron from all claims which it has now or later in respect of:
  - (a) The Construction of the Bund.

-4-

(b) The increase in the level of flood peaks and/or the duration of flooding upstream of the Bund.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and affixed their seals on the day and year hereinbefore written.

THE COMMON SEAL of the BYRON SHIRE COUNCIL )  
was hereunto affixed on this 28<sup>th</sup> day )  
of MARCH 1996 in pursuance of a )  
resolution of Council passed on the )  
26<sup>th</sup> day of MARCH 1996. )

*David Kingdon*  
.....  
Mayor  
*M. Grant*  
.....  
General Manager

THE COMMON SEAL of the TWEED SHIRE COUNCIL )  
was hereunto affixed on this 28<sup>TH</sup> day )  
of FEBRUARY 1996 in pursuance of a )  
resolution of Council passed on the )  
21<sup>ST</sup> day of FEBRUARY 1996. )

*David Kingdon*  
.....  
Mayor  
*Grant*  
.....  
General Manager

SIGNED SEALED AND DELIVERED by the Board )  
of Directors of the Mooball/Crabbes Creek )  
Drainage Union in the presence of: )

*E. J. Foyles*  
.....  
*John Hard*  
.....  
*E. A. Bodman*

*L. M. Foyles*  
.....  
*P. A. Welles*  
.....  
*J. W. King*



**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Proposed action complies with Deed of Agreement made 28 March 1996.

**POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

*To view any "**non confidential**" attachments listed below, access the meetings link on Council's website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

Nil.

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**REPORTS FROM THE DIRECTOR COMMUNITY & NATURAL RESOURCES****017 [CNR-OC] Independent Inquiry into Water Supply & Sewerage Services for Non-Metropolitan NSW - Inquiry Report****ORIGIN:****Director Community & Natural Resources****SUMMARY OF REPORT:**

On 14 January 2009 the Minister for Water, Rural Affairs & Regional Development, The Hon Philip Costa MP, released the final Inquiry report into the Secure and Sustainable Urban Water Supply and Sewerage Services for Non-Metropolitan NSW.

The report recommends that Tweed Shire Council remains as a stand alone entity in regard to its local water utility businesses. It further recommends that the regulation of water utilities be strengthened by mandating Best Practice Guidelines and requiring approval of pricing structures by an independent body.

If adopted by Parliament, these recommendations will initiate a change in local water authorities that will lead to improved performance. There will be a greater emphasis on this Council to ensure adequate resourcing, management and governance to meet expected performance targets.

**RECOMMENDATION:****That:-**

- 1. The General Manager submit to the Inquiry into the Secure and Sustainable Urban Water Supply and Sewerage Services for Non-Metropolitan NSW the following in regards to the final report:**
- 2. Tweed Shire Council concurs with the report recommendations as they relate to our Council with the following comments**
  - a) notwithstanding the recommendation for Tweed to stand alone this Council will continue to work with its Northern Regional Organisation of Councils (NOROC) partners to pursue collaborative solutions to whole of industry and regional issues.**
  - b) if it is determined that the Best Practice Guidelines are mandated then water utilities should have the ability to seek exemption if the applications of such guidelines will have a negative impact on the community.**

- c) **Council supports the recommendation to review the role of the authorities that regulate water utilities and request that this be made a priority.**

**REPORT:****Background**

In an address to the Annual Local Government Water Management Conference in Inverell in August 2007, the then Minister for Water Utilities, the Hon. Nathan Rees MP, announced an Inquiry into the institutional and regulatory arrangements by which town water supply and sewerage services are provided in country NSW.

Following consultation with the Industry the Minister released the Terms of Reference for the Inquiry in January 2008 (see attachment A). Subsequent to this in January 2008 the Minister released a Discussion Paper highlighting the issues facing the industry and examples of reform.

At its meeting of 11 March 2008 Council resolved that it:

1. *Lodges a written submission to the NSW Minister for Water Utilities on the Inquiry into Secure and Sustainable Urban Water Supply and Sewerage Services for Non-Metropolitan NSW.*
2. *Officers prepare the submission on the basis of a recommended organisational structure of Councils on the Northern Rivers capable of participating in a Regional Mandatory Alliance and in so doing provide strategic management, delivery of the region's water and sewerage major infrastructure needs, and implementation of Department of Water & Energy Best Practice Guidelines, including responsibility for pricing regulation.*
3. *Officers prepare the submission outlining the complex regulatory framework under which Council operates its Water Supply and Sewerage Services and recommends a more streamlined approach with clear accountabilities and responsibilities.*

Attachment B is a copy of Council's written submission to the inquiry. Following written submissions public hearings were held throughout the State in April 2008 with one of these being held in Tweed Heads. Attachment C is a copy of Council's public submission presented by the Manager Water.

The inquiry was conducted by two independent persons namely Dr Colin Gellatly AO and The Hon Ian Armstrong OBE. Their final report was released by the Minister for Water, Rural Affairs & Regional Development, The Hon Philip Costa MP on 14 January 2009. As a brief summary the Inquiry recommendations are as follows.

**Organisational Structure Options**

The report recommends that 3 Organisational Structure Options be considered for the future delivery of water supply and sewerage services. The options are:

1. Binding Alliance
2. Council Owned Regional Water Corporation; and
3. Current arrangements for certain general purpose Councils and County Councils

Tweed is recommended to be included in Option 3 along with 7 other local water utilities being Wingecarribee, Shoalhaven, Eurobodalla, Bega, Queanbeyan, Tamworth and Clarence Valley on the basis that these authorities currently have viable and commercialised water supply and sewerage businesses.

### **Potential Local Water Utility Aggregations**

The report concludes that there are 2 viable aggregation options.

1. Regional Aggregation

This option results in 32 aggregations or groupings of local water utilities including the eight stand alone entities. It would result in authorities in the Richmond Valley (Byron, Ballina, Lismore, Richmond Valley, Kyogle and Rous) being aggregated into 1 group with Tweed and Clarence standing alone.

2. Catchment Aggregation

This option results in 15 aggregations or groupings of local water utilities. Under this option Tweed would be aggregated with Councils in the Richmond Valley. Clarence Valley would be aggregated with Bellingen, Coffs Harbour and Nambucca Heads.

The report recommends Option 1 - Regional Aggregations – be adopted as a guide for future local water utility aggregations.

### **Summary of Recommendations**

This Independent Panel's report recommends that:

1. **Good Governance**

The current 104 local water utilities be aggregated into 32 regional groups that are broadly based on submissions provided by stakeholders.

2. **Improving Organisational Structures**

Three organisational structure options be considered for the regional groups of local water utilities. The models are:

- binding alliance;
- council-owned regional water corporation; and
- current structural arrangements for some large general purpose councils and county councils.

3. **Improving Regulation**

The regulation of local water utilities be strengthened to require utilities to implement all relevant plans, guidelines and standards. This must be complemented by an adequate reporting and monitoring framework and the designation of a regulator with adequate enforcement powers.

4. **Improving Pricing**

The regulation of local water utilities' pricing be strengthened to require utilities to establish prices in accordance with approved business plans and financial plans.

Local water utility prices must be approved by an independent body. This body could be a government agency such as the Department of Water and Energy.

**5. Cutting Red Tape**

The reporting and regulatory roles undertaken by State Government agencies be reviewed with a view to streamlining these requirements and to ensure a consistent approach across these agencies.

**6. Consumer Protection**

The Energy and Water Ombudsman NSW scheme be adopted by local water utilities as a mandatory requirement, provided it can be demonstrated that there are net benefits in doing so.

**7. Skills Shortages**

Several options could be implemented simultaneously to manage and mitigate future skills shortages:

- a) offer incentives to communities of small local water utilities to undertake training in areas identified as skills needs (e.g. engineering and planning);
- b) pool human resource needs amongst local water utilities;
- c) increase size of local water utilities;
- d) provide skill development opportunities for local water utilities staff;
- e) outsource skills needs to the private sector; and
- f) increase the capacity of training and development organisations.

**Discussion**

From the Tweed perspective the report's recommendations and preferred options are good news in that we will be able to continue to manage, own and operate our water supply and sewerage services as a large stand alone catchment based authority.

The report is on public exhibition until 20 March 2009 and submissions are being invited. If adopted by Cabinet, there are significant ramifications for many councils including those in the Richmond Valley, particularly if asset ownership is transferred out of the local councils to the new entity be it either a binding alliance or water corporation.

The report does not detail the structural options but more than likely the binding alliance model would result in assets being retained by the local council. In the Regional Corporation model assets would more than likely transfer to the new authority.

Government is looking for improved performance from local water utilities. There will be a far greater emphasis on this Council and the other proposed organisations to provide best practice services to our communities. This will require additional investment in resources and an improved business focus.

The report recommends the mandating of Best Practice Guidelines as determined by the Department of Water & Energy. Whilst Council is mostly compliant, there are some specific requirements that have not been implemented due to the potential cost or social impact on the community. The philosophy of making the guidelines a mandatory requirement is sound however as each Council or authority has its own peculiarities sometimes specific requirements are not appropriate. It is therefore considered that an exemption should be allowed if a Council can demonstrate a negative community impact.

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As indicated in Council's original submission, a review of the government authority that regulates water utilities is necessary and the recommendation in the report to do this is supported.

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Nil.

**POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

*To view any "non confidential" attachments listed below, access the meetings link on Council's website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

1. Terms of Reference (ECM 1769971)
  2. Council's Submission (ECM 1811562)
  3. Inquiry Presentation 15 May 2008 (ECM1824390)
-



**O18 [CNR-OC] Non-residential Sewerage Access Charge****ORIGIN:****Water****SUMMARY OF REPORT:**

This report details the State Government *Best-Practice Management Guidelines* requirement for the introduction of changes to the non-residential sewerage access charge. It is a requirement that the non-residential sewerage access charge reflect the capacity requirements that their loads place on the system relative to residential customers and it be based on a multiple of the water meter size cross sectional area.

The introduction of this charge will very significantly increase sewerage charges for approximately 75% of the 269 non-residential assessments having a water meter size greater than 20mm.

The majority of NSW large and coastal Councils have previously implemented these charges, albeit with some variations. It is likely that these charges will be mandated as part of current NSW urban water reforms and it is recommended that their implementation be phased in equally over three years, starting in 2009/10, to lessen their impact.

**RECOMMENDATION:****That:-**

- 1. Council incorporates into the draft 2009/10 Management Plan Revenue Policy and Fees & Charges:-**
  - a) a minimum non-residential sewerage access charge equivalent to the residential sewerage access charge.**
  - b) non-residential sewerage access charge for assessments with a 20 mm water service or smaller equivalent to the residential sewerage access charge.**
  - c) non-residential sewerage access charge for assessments with a larger than 20 mm water service be calculated by multiplying the residential sewerage access charge by the ratio of the water meter's cross sectional area to that of a 20 mm water meter's cross sectional area.**

- d) the following Table of Consumption Factors to be further applied to the calculation of the non-residential sewerage access charge.

Consumption Scale		Consumption Factors										
kL from	kL To	Meter size (mm)										
		20	25	32	40	50	80	100	150	200	250	300
0	290	1.000	0.640	0.391	0.250	0.160	0.063	0.040	0.018	0.010	0.006	0.004
291	454	1.000	1.000	0.610	0.391	0.250	0.980	0.063	0.028	0.016	0.010	0.007
455	743	1.000	1.000	1.000	0.640	0.410	0.160	0.102	0.046	0.026	0.016	0.011
744	1,160	1.000	1.000	1.000	1.000	0.640	0.250	0.160	0.071	0.040	0.026	0.018
1,161	1,814	1.000	1.000	1.000	1.000	1.000	0.391	0.250	0.111	0.063	0.040	0.028
1,815	4,640	1.000	1.000	1.000	1.000	1.000	1.000	0.640	0.284	0.160	0.102	0.071
4,641	7,250	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.444	0.250	0.160	0.111
7,251	16,314	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.563	0.360	0.250
16,315	29,000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.640	0.444
29,001	45,314	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.694
Over 45,314		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

- e) the Table of Consumption Factors in item (d) above remains equal to the Table of Consumption Factors used for the calculation of the water supply access charge for non-residential assessments.

2. This increase in charges be phased in equally over three years starting in 2009/10.

**REPORT:**

The *Best-Practice Management of Water Supply and Sewerage Guidelines* now administered by the Department of Water & Energy, requires Best-practice sewerage pricing which involves a uniform annual sewerage bill for residential customers and for non-residential customers an appropriate sewer usage charge for the estimated volume discharged to the sewerage system, together with an access charge based on the capacity requirements that their loads place on the system relative to residential customers.

Best-practice pricing of Local Water Utility (LWU) water supply, sewerage and liquid trade waste services is fundamental to effective management of water supply and sewerage businesses. Appropriate tariffs ensure fair pricing of services, removal of significant cross-subsidies and protection of our valuable water resources and environment.

To comply with the COAG Strategic Framework for Water Reform, National Competition Policy and the National Water Initiative, each LWU needs to achieve:

- Full cost-recovery for its water supply business and for its sewerage business.
- Appropriate sewerage tariff with a uniform annual sewerage bill per residential property, two-part tariff with appropriate sewer usage charge/kL for non-residential.
- Annual trade waste fee for all liquid trade waste dischargers, trade waste usage charges for dischargers with prescribed pre-treatment and excess mass charges for large dischargers of industrial.

**Current Situation**

Council complies with most aspects of the Governments sewerage pricing guidelines. However the sewerage usage charge of \$0.85/kL (2008/2009) is considered to be low, being 21% below the minimum recommended. The trade waste usage charge of \$1.12/kL is also considered low, being approximately 34% below the recommended value which is proposed to be increase to \$1.59/kL for 2009/10.

The charge Council does not comply with is the sewerage access charge for non-residential properties. Council currently charges a uniform sewerage access charge across both residential and non-residential properties. The guidelines recommend that for non-residential properties the access charge be based on a multiple of the water meter size cross sectional area which reflects the capacity requirements that their loads place on the system relative to residential customers.

Council officers have been reluctant to introduce this charge as the relationship between water meter size and sewerage capacity required is somewhat tenuous. It should be noted that in respect to water supply access charges Council recognised inconsistencies when this approach was introduced and put in place a consumption factor to account for them.

An excerpt for Council's current Revenue Policy is reproduced in full below to provide background on this issue.

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**Business Assessments**

The introduction of the Water Pricing Policy in 2002/2003 has resulted in business assessments incurring a substantial increase in the water access charge due to the water meter size. However, the size of the water meter does not always reflect the volume of water used, for example:

- A larger meter is often installed to meet fire flow requirements; and
- Premises previously occupied by a business with high water usage may be replaced by a business with a lower water requirement.

Therefore, Council has implemented a consumption factor, whereby the size of the water meter and water usage over the past twelve months are taken into consideration for the determination of the next year's access charge.

Table 1 Consumption Factors, shown below, is used to calculate the access charge for business assessments. Council Officers will be required to calculate the access charge on an annual basis for water meters where the consumption factor is less than 1.00.

**Table 1. Consumption Factors**

Consumption Scale		Consumption Factors										
kL from	kL To	Meter size (mm)										
		20	25	32	40	50	80	100	150	200	250	300
0	290	1.000	0.640	0.391	0.250	0.160	0.063	0.040	0.018	0.010	0.006	0.004
291	454	1.000	1.000	0.610	0.391	0.250	0.980	0.063	0.028	0.016	0.010	0.007
455	743	1.000	1.000	1.000	0.640	0.410	0.160	0.102	0.046	0.026	0.016	0.011
744	1,160	1.000	1.000	1.000	1.000	0.640	0.250	0.160	0.071	0.040	0.026	0.018
1,161	1,814	1.000	1.000	1.000	1.000	1.000	0.391	0.250	0.111	0.063	0.040	0.028
1,815	4,640	1.000	1.000	1.000	1.000	1.000	1.000	0.640	0.284	0.160	0.102	0.071
4,641	7,250	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.444	0.250	0.160	0.111
7,251	16,314	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.563	0.360	0.250
16,315	29,000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.640	0.444
29,001	45,314	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.694
Over 45,314		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

The same concerns equally apply to the non-residential sewerage access charge and it is recommended the same consumption factors be applied.

Non-residential properties pay a sewer usage charge of \$0.85/kL in 2008/09 after the first 200 kL/y discharged, to cover their usage above that of residential properties.

They also pay a trade waste usage charge of \$1.12/kL for the portion of their discharge greater than residential strength.

The two existing volumetric charges as detailed above are designed to recover the additionally usage of the sewerage system by non-residential properties.

The proposed multiple of the sewerage access charge is designed to reflect the capacity of the system required to cater for their potential loads relative to residential properties. That is, how many equivalent residential properties do they represent?

### Charge Calculation

The Guidelines provide a formula for the calculation of the base non-residential access charge for a property having 20mm water meter. This base charge is then multiplied for properties with larger water meters. The formula is detailed below:

*Base Non-residential access charge for 20mm meter = (Residential access charge / proportion of residential water consumption discharged to sewer) – (Average residential volume discharged to sewer x the sewer usage charge)*

Use of this formula with the government's default values would increase the base non-residential access charge for a property having a 20mm water meter from \$509 to \$700, using the Tweed's 2008/2009 charges.

However there are legitimate reasons to use other than the default values in Tweed's case, including:

- The large proportion of residential unit development serviced by the sewerage system which increases the proportion of residential water consumption discharged to sewer.
- The current low sewerage usage charge where a phased increase would be recommended to comply with minimum suggested values.
- The variability in average residential water consumption.

When these factors are taken into account the formula results in a value close to the residential charge.

A review of 15 authorities' charges including Sydney and Hunter Water show that the majority do not distinguish between the residential and base non-residential access charge. There does however appear to be a variety of interpretations of the finer points of the guidelines as implemented.

### Impacts of charges on Non-residential Customers

There are currently 1647 non-residential properties of which 269 will be affected by this proposed increase as detailed in the table below:

**Table 2: Charging Impacts Summary based on 2008/09 year**

Water Meter Size	Meter Size Multiplier	2008/2009 Access Charge	Proposed Access Charge	Property Count	Additional Revenue
20 mm	1.00	\$509	\$509	1378	\$0
25 mm	1.56	\$509	\$794	86	\$24,513
32 mm	2.56	\$509	\$1,303	35	\$27,791
40 mm	4.00	\$509	\$2,036	55	\$83,985
50 mm	6.25	\$509	\$3,181	51	\$136,284
80 mm	16.00	\$509	\$8,144	6	\$45,810
100 mm	25.00	\$509	\$12,725	33	\$403,128

150 mm	56.25	\$509	\$28,631	3	\$84,366
200 mm	100.00	\$509	\$50,900	0	\$0
<b>Total</b>				<b>1647</b>	<b>\$805,879.34</b>

It is likely that approximately 25% of the 269 affected properties will gain some reduction in the proposed charges from the implementation of a Consumption Factor (Table 1). The adjustment for the consumption factor has been incorporated into Table 2 above.

To reduce the impact of the full charge increase it is proposed that it be phased in equally over three years.

**Other Issues**

Nearly all NSW large and coastal Councils have previously implemented this charge, albeit with some variations.

Tweed will not be able to comply with the Government’s *Best-Practice Management Guidelines* including pricing, unless implemented.

The government more than ever uses these guidelines to measure the relative performance of Councils in respect to their Water supply and Sewerage functions. The State Government also uses these reports as the basis of their reporting to the Federal Government.

The recent report of the *Independent Inquiry into Secure and sustainable Urban Water Supply and Sewerage Services for Non-metropolitan NSW* included an option of mandating the *Best-Practice Management Guidelines* including Pricing Principles with independent oversight **OR** pricing regulation by the Independent & Regulatory Tribunal (IPART).

These changes appear now inevitable and could be implemented during the next financial year. Therefore it is likely to be advantageous to introduce the proposed increase in non-residential access charges for the 2009/10 financial year phased in equally over three years as opposed to being directed to by the government in the next year or so.

**Council’s Sewer Fund**

Council will need to borrow approximately \$35 million to maintain its capital works program in 2009 to 2011, the immediate major funding item being the Augmentation of the Banora Point Wastewater Treatment Plant estimated to be in the order of \$30 million. Increases in the residential sewerage access charge above inflation will still be required over the next few years to service loans for growth related, renewal and recycled water projects along with higher operational costs per property, resulting from higher levels of containment and treatment now required. Increases in regulation requiring the development of and ongoing implementation of various management plans and their associated reporting will also require additional resources. Council’s sewer fund is also likely to be significantly impacted by the introduction of any carbon emission trading scheme.

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

This change to sewer charging will increase administration effort required to produce accounts and field customer enquiries.

**POLICY IMPLICATIONS:**

Amendment of the Revenue Policy and Fees & Charges will be required.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

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Nil.

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**O19 [CNR-OC] Queensland Coastal Conference 2009 & Queensland Coastal Councils Forum**

**ORIGIN:**

**Natural Resource Management**

**SUMMARY OF REPORT:**

The second Queensland Coastal Conference is to be held on the Gold Coast from 13-15 May 2009 and the Queensland Coastal Councils Forum on 12 May 2009. The deadline for standard registrations is Tuesday 28 April 2009.

**RECOMMENDATION:**

**That Council determines Councillor attendance at the Queensland Coastal Conference 2009 and the Queensland Coastal Councils Forum.**

**REPORT:**

The second Queensland Coastal Conference is to be held on the Gold Coast from 13-15 May 2009 and the Queensland Coastal Councils Forum on 12 May 2009.

After the resounding success of the inaugural Queensland Coastal Conference in 2007, the 2009 'Waves of Change' Queensland Coastal Conference is an opportunity to broaden understanding of how management and planning of the Queensland coast is evolving.

The Queensland Coastal Conference 2009 is not just about learning of new developments in natural resource management, but will be a balanced discussion of practical, on-ground coastal management and the policies and programs that inform coastal zone management in Queensland.

The 2009 conference location also provides a fantastic opportunity to experience one of Queensland's most iconic coastlines. The Gold Coast is home to golden surf beaches, fine dining restaurants and theme parks, which provides an exciting backdrop to the 2009 Queensland Coastal Conference and associated social program and field trips.

The 2009 Conference program will feature a number of outstanding speakers, several concurrent sessions, workshops and poster presentations. It will attract over 250 delegates from Queensland and beyond and provides a wonderful opportunity to meet and extend contacts.

Delegates will include Commonwealth, State and Local Governments, Natural Resource Management regional bodies, leading research and education organisations, coastal and marine industries, coastal and marine consultants, managers, planners and engineers, NGOs, user groups, indigenous groups and many other community organisations.

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Nil.

**POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

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Nil.

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**O20 [CNR-OC] Request for "In Kind" Support/Waive Fee**

**ORIGIN:**

**Community & Cultural Services**

**SUMMARY OF REPORT:**

Council has received requests from various organisations asking that Council provides in-kind support/waives the fees for room hire. Details of the requests are reproduced in the body of this report.

In accordance with Section 356 of the Local Government Act 1993 - Donations, Council resolved on 6 October 2004 that:-

*".... in future, all donations made by Council, whether in cash or in kind, be made by way of a resolution of Council."*

**RECOMMENDATION:**

**That Council:-**

- 1. With reference to the request from Back Pain Relief Association, provides the Kingscliff Amenities Hall free of charge on 14 and 15 March 2009 for a free, health promotion seminar open to all residents of the Shire, and that Council's support is recognised with the following acknowledgement "This program has been supported by Tweed Shire Council".**

**REPORT:**

Council has received requests from various organisations asking that Council provides in-kind support/waives the fees for room hire. Details of the requests are reproduced as follows:-

<b>Organisation Name</b>	<b>Request</b>	<b>Est \$ Amount of Waiver</b>	<b>Recommendation</b>	<b>Meet Guidelines?</b>
<b>Back Pain Relief Association</b>	<b>Request waiver of fee for hire of the Kingscliff Amenities Hall on 14 and 15 March 2009 for free health promotion seminars open to all residents of the Shire</b>	<b>\$160</b>	<b>That the fee of \$160 be waived.</b>	<b>Yes</b>

A copy of the request is reproduced below:



**Back Pain Relief Association**

**Vision:** World peace through individual peacefulness

**Mission:** Natural self healing with energy

**Solution:** Energy booster breathing today - at home, at work and at play

**Major Donators**



**Major Sponsors**



**Major Projects**

- Home Family and Community
- Pain Free Nursing Homes
- Back Pain Relief Centres
- Pain Relief Index
- Schools
- Back Pain Relief Awards
- Sporting Bodies
- Women's Health Centres
- Support Groups

28-12-2009

KINGSLIFF AMENITIES HALL

TWEED SHIRE COUNCIL	
FILE No.	DONATIONS
DOC. No.	
REC'D	- 5 FEB 2009
ASSIGNED TO	WIGGINS, I
HARD COPY	<input type="checkbox"/>
IMAGE	<input checked="" type="checkbox"/>

Dear Manager of Community and Cultural Services,  
Tweed Shire Council,

We are a fully registered, not for profit, health promotion charity. We have booked Kingscliff Community Hall for a FREE seminar for residents of your shire.

Would you be kind enough to waive the fee for hiring the hall, please?

Yours in good health

*Don More,*  
Managing Director  
Back Pain Relief Association

**Back Pain Relief Association**  
174 Warran Road, YAROOMBA, 4573, Queensland, Australia  
phone.0061.7.5446.1689  
www.backpain.org.au

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Should requests be approved for the waiving of fees for room hire, the income for the meeting room will be impacted by the amount of the fee reduction.

Should requests for "in kind" support be approved, this will impact on the costing of Council's involvement in the activity.

**POLICY IMPLICATIONS:**

In considering this request, reference should be made to:-

Festivals Policy.

Donations Policy.

Guidelines for Fee Reduction, Auditoriums, Meeting Rooms and Halls.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

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Nil

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**O21 [CNR-OC] EC2008-147 Banora Point Wastewater Treatment Plant: Concept and Detailed Design, Documentation and Associated Services****ORIGIN:****Water****SUMMARY OF REPORT:**

This report outlines the tender for EC2008-147 Banora Point Wastewater Treatment Plant: Consultancy for Concept and Detailed Design, Documentation and Associated Services and provides a recommendation on the preferred tenderer.

Recommendations have been formulated based on defined selection criteria as included within this report. The results of the tender assessment process are detailed in **CONFIDENTIAL ATTACHMENT A**. Based on price and non-price criteria it is recommended that Council accepts the conforming tender from GHD Pty Ltd for EC2008-147 Banora Point Wastewater Treatment Plant: Consultancy for Concept and Detailed Design, Documentation and Associated Services.

**RECOMMENDATION:****That:-**

1. **Council accepts the tender from GHD Pty Ltd for EC2008-147 Banora Point Wastewater Treatment Plant: Consultancy for Concept and Detailed Design, Documentation and Associated Services for the fixed fee amount of \$908,272 (exclusive of GST), Odour Investigation for the fixed fee amount of \$73,636 (exclusive of GST) and allows for payment of up to \$207,146 (exclusive of GST) for the specified 'rate only' activities.**
2. **The General Manager be given delegated authority to approve variations up to 20% above the total price (inclusive of GST).**
3. **ATTACHMENT A is CONFIDENTIAL in accordance with Section 10A(2)(c) or Section 10A(2)(d) of the Local Government Act 1993, because it contains commercial information of a confidential nature that would, if disclosed:-**
  - (c) **information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business**
  - (d) **commercial information of a confidential nature that would, if disclosed:**
    - (i) **prejudice the commercial position of the person who supplied it, or**
    - (ii) **confer a commercial advantage on a competitor of the council, or**
    - (iii) **reveal a trade secret**

**REPORT:**

Open tenders were called on 13 December 2008 from consultants for Concept and Detailed Design, Documentation and Associated Services for the upgrade of the Banora Point Wastewater Treatment Plant (WWTP). The brief required consultants to submit a lump sum fee for a specified range of activities, provide a Separable Portion cost for an Odour Investigation and to submit Hourly Rates and Disbursement Costs for other activities that can't be quantified prior to the completion of design and documentation, (ie. for 'rate only' activities).

A total of eleven (11) tenders were received in the Tender Box by the closing date of 4 February 2009. A tender from Bonacci Group was found to be non-conforming as this organisation had not attended the compulsory pre-tender meeting and was therefore not considered further.

Conforming tenders were received as follows: -

<b>Consultant</b>
Cardno
Connell Wagner
CH2MHILL
GHD
HWA
Hyder
KBR
Maunsell
MWH
Worley Parsons

Adjustments were required for all prices submitted to allow for various specified activities that are to be paid on a 'rate only' basis. These activities are for a range of works required of the consultant after design and documentation has been completed and construction contract tenders have been called. These activities are discussed below: -

- 1. Technical Review of Construction Contract Tenders:** The successful consultant is required to carry out the technical review of tenders received and prepare a report to the tender review panel. This report will be considered in conjunction with tender prices and commercial issues in selection of the best tender for construction of the upgraded Wastewater Treatment Plant (WWTP). It is anticipated that the consultant will also attend workshops as part of the construction contractor engagement process.
- 2. Provision of Technical Advice During the Contract Period:** The successful consultant will be required to provide ongoing technical advice to the Principal's Representative during this period. Previous experience indicates that issues will arise in relation to design, equipment selection, equipment performance and construction issues that are best considered by the design team.



- 3. Oversight of Process Commissioning:** The successful consultant's treatment process designer is required to oversee and direct the process commissioning of the WWTP. The process designer will regularly visit the site during process commissioning, direct testing requirements, review test results and advise of any changes etc. to the process as the plant is progressively brought to load. Commissioning and cut over of the upgraded plant is expected to be complex due to the requirement for the existing plant to continue to operate to meet effluent discharge license requirements.

It is not possible to quantify the level of input required of the consultant for these activities in advance. Hence the tenderers were required to submit hourly rates and disbursement costs for all staff to be involved in the delivery of these services. The level of input required of the successful consultant will be controlled and directed by the Principal's Representative. The allowance for these rate only services is based on preliminary estimates of likely hours required and the hourly rates provided for nominated staff.

A separable portion item for completion of a detailed Odour Modelling Investigation has been provided for a fixed price. If the final design arrangement is in general accordance with the odour report and modelling previously completed as part of the Environmental Impact Statement for the Banora Point Wastewater Treatment Plant Upgrade then the proposed additional odour investigation may not be required.

Ten tenders have been considered in detail and are considered to comply with the requirements of the brief and the 3 Notices to Tenderers issued prior to the closing of tenders.

### Tender Evaluation

Tenders were evaluated against the following criteria to determine the best value for money offer:

Criteria	Weighting
Relevant Experience (previous works of this type, references)	20%
Management (organisation, acceptable insurance, economic stability, quality systems)	10%
Technical Skills (people, systems, specific abilities)	20%
Methodology (how project is tackled, scope of work, innovation)	15%
Time Performance (likelihood of meeting specified timeframe)	10%
Price	25%

All tenders were assessed against these criteria.

The tender evaluation was conducted by Council's Tender Assessment Panel, consisting of Manager Water, Water and Sewerage Capital Works Engineer, Senior Contracts Engineer and Project Manager from the Department of Commerce. A summary of the tender evaluation process is included in **CONFIDENTIAL ATTACHMENT A**.

Based on price and non-price considerations, it is recommended that GHD Pty Ltd be nominated for EC2008-147 Banora Point Wastewater Treatment Plant: Consultancy for Concept and Detailed Design, Documentation and Associated Services.

**LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:**

Funding is provided from the Sewer Fund 2008/2009 and 2009/2010 Annual Budgets.

**POLICY IMPLICATIONS:**

Nil.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

*To view any "non confidential" attachments listed below, access the meetings link on Council's website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).*

1. **CONFIDENTIAL ATTACHMENT A** - EC2008-147 Banora Point Wastewater Treatment Plant (ECM 2002340)
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**O22 [CNR-OC] EC2008-065 Expression of Interest for Supply & Placement of Sand Compatible with Marine Sands****ORIGIN:****Natural Resource Management / Contracts****SUMMARY OF REPORT:**

This report outlines an Expression of Interest tender to supply and place an initial 250,000m<sup>3</sup> (estimated) and an ongoing maintenance supply of marine type sand from a source to be investigated and nominated by the tenderer. The Expression of Interest Tender was called on 14 October 2008 in accordance with the Local Government (General) Regulation 2005. The tender closed on 5 November 2008.

The supply and placement of marine type sand has been identified as a major component of Tweed Shire Council's Coastline Management Plan, 2005 (Kingscliff Beach Foreshore Protection Works). Due to the difficulty of quantifying the amount of sands that may be required, Council had intended to shortlist suitable tenderers to a Panel of Providers. Members of the panel would then be invited to complete work in manageable portions on an as needed basis during the initial nourishment and maintenance phases.

Recommendations have been formulated based on the Tender Selection Criteria & Evaluation Report. A copy of the Tender Evaluation Report is included in **CONFIDENTIAL ATTACHMENT A**. A summary of the Tender Selection Criteria is included in the body of this report.

It is recommended that Council shortlists Actions Sands Pty Ltd & O'Keeffe Quarries Pty Ltd for further negotiations for contract EC2008-065 – Expression of Interest for Supply & Placement of Sand Compatible with Marine Sands.

**RECOMMENDATION:****That:**

- 1. The Expression of Interest from Action Sands Pty Ltd be received and the tenderer included on a shortlist for further negotiations.**
- 2. The Expression of Interest from O'Keeffe Quarries Pty Ltd be received and the tenderer included on a shortlist for further negotiations.**
- 3. The shortlisted tenderers are advised in writing that their Expressions of Interest has been received and that Council wishes to pursue further pre contract negotiations before any Panel of Provider Contract arrangements are prepared.**

4. The shortlisted tenderers are advised that subsequent contracts will be Schedule of Rates contracts and there is no guarantee of any amount of work.
5. Requests for Tenders are forwarded to the shortlisted tenderers as and when required and in accordance with Council's Procurement Policy and Procedures.
6. **ATTACHMENT A** is **CONFIDENTIAL** in accordance with Section 10A(2)(c) or Section 10A(2)(d) of the Local Government Act 1993, because it contains commercial information of a confidential nature that would, if disclosed:-
  - (c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business
  - (d) commercial information of a confidential nature that would, if disclosed:
    - (i) prejudice the commercial position of the person who supplied it, or
    - (ii) confer a commercial advantage on a competitor of the council, or
    - (iii) reveal a trade secret

**REPORT:****Background**

Council Tender EC2008-065 invited Expression of Interest responses for the supply of marine compatible sand from a source nominated by the tenderer and placement of the sand along Kingscliff Beach. The supply and placement of marine type sand has been identified as a major component of Tweed Shire Council's Coastline Management Plan, 2005 (Kingscliff Beach Foreshore Protection Works). The EOI tender document indicated that an estimated 250,000m<sup>3</sup> of marine compatible sand would be required to complete the proposed beach nourishment project.

Due to the difficulty of quantifying the amount of sands that may be required, Council had intended to shortlist suitable tenderers to a Panel of Providers. Members of the panel would then be invited to complete work in manageable portions on an as needed basis during the initial nourishment and maintenance phases.

Each portion of work would be planned so that volumes specified are more than the Minimum Quantities & Requirements to Maintain Cost Effectiveness as nominated in the tenderers submissions. The volumes, locations and other characteristics of these works to be performed would be listed in a Schedule of Works. This would include a location plan and all known information as required to complete the works.

**Tenders Received**

A total of three (3) submissions were received for tender EC2008-065 on the closing date of 5 November 2008. These were as follows:

- Action Sand Pty Ltd
- O'Keeffe Quarries Pty Ltd
- Van Oord Australia Pty Ltd

**Selection Criteria**

The following selection criteria and weightings were utilised in the Tender Assessment:

Item	Criterion	Weighting %
1	Time Performance	10
2	Quality Assurance	20
3	Key Personnel Experience	10
4	Environmental Management	10
5	Financial Resources	10
6	Current Commitments	10
7	Contract Experience	10
8	OHS and Risk Management	20
	<b>Total</b>	<b>100</b>

## Tender Evaluation

The Expressions of Interest were assessed by Council's Tender Assessment Panel, consisting of the Coordinator of Natural Resource Management and 2 Contract Engineers. A copy of the Evaluation Report for Expressions of Interest is included in **ATTACHMENT A** which is **CONFIDENTIAL** in accordance with Section 10A(2)(c) or 10A(2)(d) of the Local Government Act 1993, because it contains commercial information of a confidential nature that would, if disclosed:-

- (c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business
- (d) commercial information of a confidential nature that would, if disclosed:
  - (i) prejudice the commercial position of the person who supplied it, or
  - (ii) confer a commercial advantage on a competitor of the council, or
  - (iii) reveal a trade secret

Based on the Evaluation Report, it is recommended that Tenderers Actions Sands Pty Ltd and O'Keeffe Quarries Pty Ltd be nominated for short listing for further negotiations for the Supply & Placement of Sand Compatible with Marine Sands.

Details of Action Sands Pty Ltd and O'Keeffe Quarries Pty Ltd Expression of Interest submissions are shown in the Evaluation Report **CONFIDENTIAL ATTACHMENT A** which was endorsed by the Tender Evaluation Panel.

## LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

This tender process is in accordance with Section 55 of the Local Government Act 1993 and Part 7 (Tendering) of the Local Government (General) Regulation 2005.

## POLICY IMPLICATIONS:

The recommendations in this report are consistent with Council's Procurement Policy, Procurement Procedure, Contracts Management Process document and Tenders Procedure.

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1. **CONFIDENTIAL ATTACHMENT A** - Expression of Interest for Supply & Placement of Sand Compatible with Marine Sands (ECM 1999538)
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