



## MINUTES OF THE EXTRAORDINARY MEETING OF KEMPSEY SHIRE COUNCIL

Friday 29<sup>th</sup> November 2002 commencing at 10.27a.m.

### PRESENT:

Councillors J A C Hayes, (Mayor and Chairman), J H Howell, R J Bowen, T Hunt, N Joukhadar, P J Parkinson, B R Sowter and J Sproule.

Councillor Parkinson entered the Chambers at 10.38am.

General Manager, A V Burgess; Director Engineering, K J Finnie; Director Environmental Services, B W Casselden; Director Corporate and Community Services, T I Hannam; Director Business Enterprises, G B Snape, Tony Curtin and Pat Hanrahan.



### APOLOGY:

2002. 955

### RESOLVED:

*Moved: Cl. Howell*  
*Seconded: Cl. Sproule*

That the apology submitted by Councillor P J Mainey for non-attendance at the meeting be accepted and leave of absence granted.



## MOTION FOR COMMITTEE

2002. 956

### RESOLVED:

*Moved: Cl. Hunt*  
*Seconded: Cl. Sproule*

That Council form itself into the Committee of the Whole and at this stage the meeting be closed to the public to permit discussion of item GM 2 – Purchase of Investment Property, for the reasons stated.

### REASON FOR REPORT ON A CONFIDENTIAL BASIS

This report is submitted on a confidential basis as it involves commercial information of a confidential nature that would if disclosed confer a commercial advantage on a competitor of the Council (Local Government Act 1993, section 10A(2)(d)(ii).

## REPORT OF THE COMMITTEE OF THE WHOLE

Upon resumption of Open Council, the following Report of the Committee of the Whole was submitted by the General Manager.

### GM 2 PURCHASE OF INVESTMENT PROPERTY

**Councillor Joukhadar declared an interest in further discussions on this item for the reason that he may be a bidder at the proposed auction and retired from the Chambers.**

**2002. 957 RECOMMENDED:** *Moved: Cl. Howell*  
*Seconded: Cl. Sproule*

:

**That Council authorise a bidder on its behalf at the proposed auction of the property at 18 Landsborough Street, South West Rocks on Saturday 30<sup>th</sup> November 2002 in terms of the discussions held.**

### ADOPTION OF THE REPORT OF THE COMMITTEE OF THE WHOLE

**2002. 958 RESOLVED:** *Moved: Cl. Hunt*  
*Seconded: Cl. Parkinson*

That the foregoing resolution of the Committee of the Whole as submitted by the General Manager be adopted.

**Councillor Joukhadar returned the Chambers.**



### PUBLIC FORUM

- 1 Mr Mike Dutton addressed Council in regard to the Notice of Motion relating to the proposed extensions to the Motor Showroom at Lot 1 DP 37215, 132 Belgrave Street, Kempsey.



## NOTICE OF MOTION

**2002. 959 RESOLVED:** *Moved: Cl. Howell*  
*Seconded: Cl. Sowter*

**That the recommendation relating to proposed extensions to Motor Show Room Lot 1 DP 37215, 132 Belgrave Street Kempsey, submitted to Council's meeting of 12<sup>th</sup> November 2002, be reconsidered.**

**2002. 960 RESOLVED:** *Moved: Cl. Howell*  
*Seconded: Cl. Sowter*

**That consent be granted subject to the following conditions.**

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*THIS IS PAGE 2 OF FULL TEXT MINUTES OF THE EXTRAORDINARY MEETING OF THE KEMPSEY SHIRE COUNCIL HELD ON FRIDAY 29<sup>TH</sup> NOVEMBER 2002.*

- 1 The development referred to in this application is to be carried out substantially in accordance with the approved development plans as modified by any conditions of this consent.
- 2 This consent has been issued on the basis that Council has been appointed as the Principal Certifying Authority and Council has accepted the appointment and will be issuing the construction certificate.
- 3 This consent does not permit commencement of any works. Works are not to commence until such time as a Construction Certificate has been obtained and the appointment of a Principal Certifying Authority.
- 4 Two days prior to commencing work Form 7 under Environmental Planning and Assessment Act Regulations, Notice of Commencement of Building or Subdivision work and Appointment of Principal Certifying Authority is to be submitted to Council
- 5 The car showroom upgrade is not to be occupied prior to the issue of an Occupation/Interim Occupation Certificate by Council.

An application for a certificate is enclosed. It is requested that it be completed and returned to Council prior to requesting an inspection. A minimum of 48 hours notice is necessary when requesting the inspection. Appointments will be made in accordance with the inspection program for that area.

- 6 The building is not to be occupied until all conditions of Council's consent have been complied with and an Occupation Certificate has been obtained from Council or an accredited certifier and submitted to Council.
- 7 The following inspections are required to be made and a minimum of 48 hours notice is necessary where requesting an inspection. Appointments will be made in accordance with the inspection program for the area. Where inspections are carried out by an accredited certifier other than Council, compliance certificates will be required following each inspection and forwarded immediately to The Principal Certifier.

**Inspections required:**

- (a) footings in position and prior to the pouring of concrete;
- (b) all steel reinforcement prior to the pouring of concrete;
- (c) completion of wall and roof framing prior to wall sheeting being fixed;

**Note:** Accounts will be forwarded for inspections which are required and/or undertaken in addition to those inspections for which a pre-payment has been made.

**PRESCRIBED CONDITIONS**

- 8 A sign is to be provided in a prominent and visible position (on the building or fence) stating, "Unauthorised entry to the site is not permitted", together with the name of the person responsible for the site and a contact number outside working hours.
- 9 Details of proposed hoarding to be submitted, in writing, prior to the commencement of building operations.
- 10 All building work must be carried out in accordance with the provisions of the Building Code of Australia.

Your attention is drawn to the following requirements of the Building Code of Australia.

- a The proposed building has been assessed by Council under the provision of the Building Code of Australia as a Class 5 & 8 building, having a rise of 1 storey. The building is required to be constructed in Type C fire resistance construction. It is the builder's responsibility to ensure that all building elements have the minimum fire resistance level specified in Table 5 of the Building Code of Australia.
  - b The windows and glass installations within the building shall comply with AS 1288, and AS2047. The applicant shall furnish Council with a report from the supplier upon completion of the window and glass installation indicating compliance with the requirements of AS1288 and AS2047.
  - c Provision of an emergency lighting system throughout the building, to comply with the requirements of Part E4 of the Building Code of Australia. Details to be submitted, approval obtained and work effected before building is occupied.
  - d Provide exit signs to the building. Details of signs and illumination being submitted to Council and approval obtained before work is commenced.
  - e The access for the disabled must comply with Section D Clause D3.2 of the BCA and AS 1428.1 2001.
  - f The materials and assemblies in the building must comply with Specification C 1.10 of Volume 1 of the B.C.A.
  - g The construction of exists must comply with Section D Clause, D 2.19, D 2.20 and D2.21 of the B.C.A.
- 11 The plans for the required Construction Certificate are to be accompanied by a Structural Engineers Certificate specifying that the roller doors facing Verges Lane and Vincent Street will withstand the force created by floodwaters and debris anticipated during the designated 1 in 100 year flood event.
  - 12 The plans for the required Construction Certificate are to be accompanied by a Structural Engineers Certificate specifying that

the external glass panels will withstand the forces created by flood waters and debris anticipated during the designated 1 in 100 year flood event. Such Certificate is to be supported by the manufacturers specification for the glass.

13 The plans for the required Construction Certificate are to include a detailed Flood Contingency Plan in a simple checklist format, incorporating the following:-

- a) Plain English directions.
- b) Details relating to the means of implementing the plan.
- c) Nomination of individuals responsible for specific actions.
- d) The plan is to be displayed in a prominent location and is to include SES emergency phone numbers.
- e) Post-flooding recovery procedures.



The following items GM 1, DES 1, DE 1, DCCS 1 AND DBE 1 were dealt with in conjunction.

## GENERAL MANAGERS REPORT

GM1	FIVE YEAR FINANCIAL PLAN		
	FILE:	A2 - 36	AVB

### SUMMARY:

To present to Council a financial plan for the period 2002/2003 to 2006/2007.



Council has already adopted a Corporate Strategic Plan which currently comprises six goals for the future, strategies to achieve those goals and measures with performance indicators. The plan as developed is only stage one and is of limited value as it does not provide details of programs to be undertaken or implemented to achieve the goals.

Currently there are a number of long term plans that allocate financial resources to achieve their objectives. These plans have been developed in isolation and rarely have I seen any attempt to allocate resources under these plans in line with our ability to pay or provide as an organisation. In my view their only value is to list in priority order works that need to be undertaken or services that need to be provided. Council as an organisation nor the community have little idea whether the finance allocated to allow the plans to be implemented will be spent in the year indicated.

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*THIS IS PAGE 5 OF FULL TEXT MINUTES OF THE EXTRAORDINARY MEETING OF THE KEMPSEY SHIRE COUNCIL HELD ON FRIDAY 29<sup>TH</sup> NOVEMBER 2002.*

I am presenting two versions of the Five Year Plan. One is a full budget document that provides the following balances:

<u>2002/2</u>	<u>2003/4</u>	<u>2004/5</u>	<u>2005/6</u>	<u>2006/7</u>
\$24,406	\$2,055	(\$8,879)	(\$15,981)	(\$49,329)

The other is outlined in [\(Appendix A\)](#) and produces the following results:

<u>2003/4</u>	<u>2004/5</u>	<u>2005/6</u>	<u>2006/7</u>
(1,246,503)	(\$1,417,036)	(\$1,702,496)	(\$1,646,261)

Included in the 2002/2003 figures are the revotes as approved by Council plus the approved program under the Kempsey Community Solutions package. Community Solutions package expenditure is also show in 2003/4.

The version outlined in [\(Appendix A\)](#) contains maintenance expenditures that the Director of Engineering considers necessary to maintain our roads infrastructure at an acceptable level, studies that the Director of Environmental Services believes should be undertaken during the period and other infrastructure works deemed to be of importance by other Directors. The Directors have reported separately on these issues.

There are a number of schedules attached to the budget document, VIZ: -

- Programs financed from loans p. 106 - 107
- Statement of Reserves p.108 - 115
- Works financed from Capital Contributions (Section 94) p. 116
- Works financed from Capital Grants p.117
- Capital works included in Draft Budget p. 118 -124
- Estimated Operating Grants p. 125 - 126

On page 2 of the document the assumptions regarding the inflation factors for the next five years are set out. The General Fund rate income has also been increased by the current trends in new allotments being created through subdivision.

No allowance has been made to apply for a special rate increase. As well as restrictions on income raising due to rate pegging Council is looking at increased spending to comply with Legislative requirements as follows: -

**Environmental Protection Authority**

	<b>2002/3</b>	<b>2003/4</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
SWR Tip Capping	200 000	120 000			
Crescent Head Upgrade (EPA & OH&S)	200 000	200 000	80 000		
Transfer Stations	211 615				
Tip Requirements	65 137				
Swimming Pools	39 014	240 000			
Depot	157 743	100 000	100 000		
Saleyards		300 000	100 000		

## **Occupational Health and Safety**

Work Method	4 000				
Statements					
Safety Officer	58 000	29 000			
Safety Plan	<u>97 000</u>	<u>100 000</u>	<u>100 000</u>	<u>100 000</u>	<u>100 000</u>
	1 032 509	1 089 000	380 000	100 000	100 000

The Loan Program outlined on pages 106 –107 is extensive particularly for the 2003/4 and 2004/5 years and needs to be trimmed by deferring works throughout the program. The Loan Program has increased the debt service ratio by between 1.3% and 1.75% which is unacceptable and I would doubt whether the Department of Local Government would provide that level of funding.

If works in loan programs for the 2003/4 and 2004/5 were deferred to later years the savings in loan repayments would eliminate the deficit balances for the last three years and could provide a surplus depending on the amounts deferred.

Each \$1million in loans repaid over 10 years effects the Debt Service Ratio by 0.76%. The loan repayment for a \$1million loan repaid over 10 years is \$138,187.

The plan provides for maximum usage of Section 94 funds (see page 116). Section 94 funds can only be expended in the catchment in which they are raised except for district allocations. In addition Section 94 funds for recreational purposes are based on a catchment contribution rate. The catchment contribution rates are Kempsey 0.078, Frederickton 0.177, Gladstone/Smithtown 0.023, Stuarts Point 0.237, South West Rocks 0.199, Crescent Head 0.25, and Willawarrin/Upper Macleay 0.070. In other words only 7.8% of Section 94 funds can be spent on recreational projects in Kempsey, 17.7% in Frederickton etc. They have the same down side as grant funds that is to use them you are required to utilise revenue funds or grant funds acquired by bodies other than Council.

The future of the 4 Shore Tourist Parks will also be discussed at this meeting. The budget for the parks has been prepared on the basis of contract management with provision for a loan of \$600,000 to be raised in 2002/2003 to be spent on compliance works. In recent years considerable sums of money have been spent on the parks to bring them up to standard. This expenditure has been at the expense of general fund as it has missed out in the allocation of surpluses even though contributions have been made for lifesaving, beach cleaning and the maintenance of Horseshoe Bay and Goolawah reserves.

In this five year plan provision has been made to fund implementation of the Caravan Parks Management Plans and for cabin replacement. Provision has also been made to return surpluses to General Fund and these moneys have allowed us to make the required contributions to works partly funded by Section 94 funds. The budget provides for the following works to be funded from the caravan park reserve and Section 94 recreation funds. It should be

remembered that the surplus funds generated from the caravan parks can only be expended on crown reserves.

<b><u>2003/4</u></b>	Caravan Park Reserve	Section 94
Back Creek Foot Bridge 2004/5	\$60 000	

<b><u>2005/6</u></b>		
Hat Head Amenities	\$63 505	\$1 495
Amenities and car park Jewbite	\$64 000	\$16 000
Car park sealing Stuarts Point Sports Fields	\$7 600	\$2 400
Seating Repairs Smithtown	\$9 770	\$230

<b><u>2006/7</u></b>		
Hat Head Upgrade Parks 2006/2007	\$19 540	\$460
Stuarts Point Skateboard facility	\$38 000	\$12 000
Upgrade Tennis Courts Gladstone	\$24 425	\$575
Fence Soccer Oval Gladstone	\$9 770	\$230
Additional Soccer Field Kemp Street	\$73 600	\$6 400

The unexpended loan balances as at 17<sup>th</sup> September are:

Crottys Lane Cemetery	\$399 698.90
Kempsey Town Master Plan	\$220 208.13
Toorooka Bridge	\$440 853.63
Recycling at Depot	\$420 493.87
Saleyards	\$30 209.19
SWR Masterplan	\$36 670.82
Transfer Stations	\$346 879.81
Wigay Amenities block	\$26 404.44

All projects other than the Cemetery are either in progress or will be constructed during the 2002/2003 year.

The Director of Engineering in his report is emphasising the need for Council to provide sufficient funds to maintain our existing assets. This is currently not happening. Although the Director of Engineering is concentrating on public works infrastructure the same principles apply to all Councils infrastructure such as swimming pools, halls, Community Buildings, Libraries, Saleyards, Airport, Caravan Parks, Homes for the Aged, toilets, cemeteries, civic buildings etc.

Later in this report when looking at comparative statistics with other North Coast Councils it is noted that Kempsey has the sixth lowest Capital Expenditure Ratio at 0.57. Any figure less than 1 indicates that Council's replacement expenditure is not keeping up with depreciation. The indicator does not include land, water and sewerage. The NSW median is 0.78 so Kempsey Shire is significantly below average.

A number of performance indicators have been developed to reflect on the extent to which Council is maintaining the condition of its provision to replace those assets as they become due. Even though our accounts don't distinguish between expenditure on existing assets and new assets in many cases every effort has been made to make the figures as accurate as possible. The formula is

Capital Expenditure on Existing Assets  
Annual Depreciation

A result of 1:1 or greater gets a green light while a result < 1.1 is given a red light.

**Roads**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	1 495 421	1 092 078	960 857	388 365	396 133
Depreciation	3 123 911 0.48:1	3 123 911 0.35:1	3 123 911 0.31:1	3 123 911 0.12:1	3 123 911 0.13:1

**Bridges**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	546 178	220 000	380 000	270 000	130 000
Depreciation	366 669 1.49:1	366 669 0.60:1	366 669 1.04:1	366 669 0.74:1	366 669 0.35:1

**Stormwater Drainage**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	443 653	15 000	15 000	15 000	15 000
Depreciation	206 000 2.15:1	206 000 0.07:1	206 000 0.07:1	206 000 0.07:1	206 000 0.07:1

**Footpaths**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	47 155	15 000	15 000	15 000	20 000
Depreciation	90 219 0.52:1	90 219 0.17:1	90 219 0.17:1	90 219 0.17:1	90 219 0.22:1

**Ancillary Roads**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	70 000	91 000	21 500	25 000	25 000
Depreciation	262 420 0.27:1	262 420 0.34:1	262 420 0.08:1	262 420 0.09:1	262 420 0.10:1

**Flood Mitigation**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	359 585	295 000	295 000	295 000	295 000
Depreciation	688 122 0.52:1	688 122 0.43:1	688 122 0.43:1	688 122 0.43:1	688 122 0.43:1

**Fire Control**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	416 00	420 000	424 000	432 480	441 130
Depreciation	163 644	163 644	163 644	163 644	163 644
	2.54:1	2.57:1	2.59:1	2.64:1	2.70:1

**Emergency Services**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	5 000	-	5 000	5 000	5 000
Depreciation	7 554	7 554	7 554	7 554	7 554
	0.66:1	-	0.66:1	0.66:1	0.66:1

**Parks**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	88 107	30 000	55 000	85 000	55 000
Depreciation	29 411	29 411	29 411	29 411	29 411
	2.99:1	1.02:1	1.87	2.89	1.87

**Sports Fields**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	48 642	40 346	41 000	60 000	65 000
Depreciation	104 826	104 826	104 826	104 826	104 826
	0.46	0.38	0.39	0.57	0.62

**Horseshoe Bay**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	70 000	35 000	10 000	20 000	10 000
Depreciation	10 785	10 785	10 785	10 785	10 785
	6.49	3.25	0.93	1.85	0.93

**Public Privies**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	20 000	-	-	-	-
Depreciation	23 282	23 282	23 282	23 282	23 282
	0.86	-	-	-	-

**DMWS**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	60 000	65 000	70 000	70 000	75 000
Depreciation	41 146	41 146	41 146	41 146	41 146
	1.45	1.58	1.70	1.70	1.82

**Trade Waste**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	35 000	35 000	35 000	35 000	35 000
Depreciation	16 433	16 433	16 433	16 433	16 433
	2.13	2.13	2.13	2.13	2.13

**Tips**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	30 000	-	-	15 000	15 000
Depreciation	2 746	2 746	2 746	2 746	2 746
	10.92	-	-	5.46	5.46

Note: Have treated allocations for upgrade as anew asset

<b><u>Fleet</u></b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	1 339 064	1 422 018	1 500 540	1 549 309	1 660 178
Depreciation	1 210 000	1 235 000	1 261 000	1 261 000	1 261 000
	1.11	1.15	1.19	1.23	1.32
<b><u>4 Shore</u></b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	352 904	161 605	203 450	138 578	306 871
Depreciation	77 042	77 042	77 042	77 042	77042
	4.58	2.10	2.64	1.80	3.98
<b><u>Airport</u></b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	3 000	50 000	5 000	5 000	5 000
Depreciation	22 220	22 220	22 220	22 220	22 220
	0.14	2.25	0.23	0.23	0.23
<b><u>Saleyards</u></b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	212 475	100 000	-	20 000	20 000
Depreciation	12 000	16 000	20 000	20 000	20 000
	17.71	6.25	-	1.0	1.0
<b><u>Baths</u></b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	93 591	65 000	65 000	35 000	25 000
Depreciation	59 127	59 127	59 127	59 127	59 127
	1.58	1.10	1.10	0.59	0.42
<b><u>Library</u></b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	19 997	10 000	10 000	10 000	10 000
Depreciation	27 537	27 537	27 537	27 537	27 537
	0.73	0.36	0.36	0.36	0.36

**Houses for Aged**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	10 000	10 000	10 000	15 000	15 000
Depreciation	25 434	25 434	25 434	25 434	25 434
	0.39	0.39	0.39	0.59	0.59

**Cemetries**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	3 000	14 000	-	-	-
Depreciation	941	941	941	941	941
	3.19	14.88	-	-	-

**Community Buildings**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	18 902	-	-	-	-
Depreciation	12 050	12 050	12 050	12 050	12 050
	1.57	-	-	-	-

**Computers**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	85 000	95 500	100 000	100 000	100 000
Depreciation	90 642	90642	90 642	90 642	90 642
	0.94	1.05	1.10	1.10	1.10

**Corporate Buildings**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	19 720	-	-	12 500	20 000
Depreciation	58 888	58 888	58 888	58 888	58 888
	0.33	-	-	0.21	0.34

**Depot**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	157 743	100 000	100 000	10 000	10 000
Depreciation	33 048	33 048	33 048	33 048	33 048
	4.77	3.03	3.03	0.30	0.30

**Water**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	649 618	1 060 000	1 030 000	1 057 000	1 074 040
Depreciation	920 000	950 000	990 000	990 000	990 000
	0.71	1.12	1.04	1.07	1.08

**Sewerage**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>
Expenditure	475 806	566 000	576 000	816 000	696 000
Depreciation	1 160 000	1 175 000	1 190 000	1 190 000	1 190 000
	0.41	0.48	0.48	0.69	0.58

Maintaining the condition of our assets through repairs and maintenance in 2001/2002 through the following formula is

Actual Maintenance Expended  
Maintenance Level Required to achieve useful life

Saleyards	<u>21 000</u> 32 973	0.64:1
Amenities/Toilets	<u>100 500</u> 81 095	1.3:1
Fire & Emergency	<u>10 750</u> 12 455	0.86:1
Community Buildings	<u>81250</u> 95 371	0.85:1
Council Offices & Depot	<u>67 500</u> 73 715	0.92:1
Halls	<u>23 300</u> 11 289	2.06:1
Rental Properties	<u>3 667</u> 3 024	1.21:1
Sealed Roads	<u>2 480 182</u> 3 034 488	0.82:1
Unsealed Roads	<u>1 518 000</u> 2 188 279	0.70:1
Kerb & Gutter	<u>4 100</u> 12 201	0.34:1
Footways/Ancillary	<u>132 000</u> 89 401	1.48:1

Culverts	<u>5 000</u> 5 000	1:1
Bridges	<u>177 000</u> 390 051	0.45:1
Water	<u>1 162 500</u> 1 250 922	0.93:1
Sewerage	<u>1 219 500</u> 1 651 853	0.74:1
Drainage	<u>65 000</u> 97 864	0.66:1
Flood Mitigation	<u>402 000</u> 469 607	0.86:1

Before committing expenditure to build new assets Council needs to ascertain whether there is a future maintenance cost, if so what is that cost and then determine whether you are able to finance it without putting stress on other service provision.

To generate additional funds to maintain existing assets Council can:-

- Find alternative sources of income
- Implement workplace reform
- Provide better systems management
- Reassess the current level of service provision.

The opportunities for generating non-rate income are minimal. There are some opportunities in property, the caravan parks should be made to make a return to general fund and unused or unwanted land disposed of. Two of my 2002/2003 outcomes are: -

- Identify undeveloped recreational and other community and operational land and develop a retention disposal strategy (a lot of unrequired land will be Section 94 contributions the proceeds of sale of which will need to be returned to the Section 94 fund which could exacerbate our financial situation).
- Strategies for new and/or enhanced property development identified and reported to Council.

Hire of plant for private works is generally an inefficient use of Council resources.

A number of workplace reforms have been introduced which have saved resources. The process is ongoing and current negotiations are centered around a performance salary system in lieu of a skills based system.

Management systems in place are continually reviewed and ongoing improvements made. New reporting systems are required, many of which need to be purchased rather than developed.

The level of service provision needs to be reviewed. Council should be made aware of the facilities provided and the amount of funds allocated to each annually. Decisions should be made as to whether facilities are to continue to be maintained and if not resources reallocated.

The Department of Local Government has release comparative information on Councils for the 2000/2001 year. I have undertaken a comparison of Kempsey with 9 other North Coast Councils, ([Appendix B](#)). A number of these statistics are relevant from a budgetry context as Kempsey Shire has: -

- The second lowest average residential rate
- The eighth highest average farmland rate
- The eighth highest dependence on rates as a source of revenue
- The ninth highest Debt Service Ratio/Borrowing Costs (Greater Taree and Great Lakes do not provide water and sewerage and Maclean does not provide water).
- The sixth lowest Capital Expenditure Ratio:  
2000/01 property, plant etc – 1999/00 property plant etc  
2000/01 depreciation expense
- The sixth lowest Current Ratio:  
Current Assets Less all external restrictions  
urrent liabilities less specific purpose liabilities
- The second lowest domestic waste charge (Council does not provide a recycling service).
- The seventh highest average water bill
- The lowest average sewerage bill

The budget as presented provides for water rates to increase by 2.5% each year and for water user charges to increase by 5.0% each year. Unexpended loan funds as at 30<sup>th</sup> June 2002 were: -

Crescent Head Dam	\$209,096.53
SWR Chlorination Plant/Filt	\$2,060,298.00
Stuarts Point Raising Main	\$72,084.15
Stuarts Point Augmentation	\$160,177.84

The Crescent Head Dam project is not going ahead and the Stuarts Point projects are overfunded. The unrequired loan funds will be utilised to fund other works.

Within the Five Year Plan it is proposed to fund the Crescent Head Water Treatment Plant and the Steuart McIntyre Dam Treatment Plant from loans. The Steuart McIntyre Dam would be a subsidised scheme. The water supply working funds as at 30<sup>th</sup> June 2002 are \$673,704. An acceptable working funds limit would be \$425,000. The balance could be used to part fund the

Crescent Head Water Treatment Plant and save loan funds. A reduction in loan funds by \$1 million decreases the Debt Service Ratio by 1.76%.

Sewerage rats are to increase 2.5% in 2003/4, 5% in 2004/5 and 2005/6 and 2.5%. Unexpended loan funds as at 30<sup>th</sup> June 2002 were: -

West Kempsey Irrigation Works	\$249,976.89
Jerseyville Sewerage	\$36,208.64
Hat Head Scheme	\$1,716,926.50
Kempsey	\$52,373.44

The majority of these works are scheduled to be undertaken in 2002/2003. Funds not required will be reallocated to other works.

The sewerage supply working funds as at 30<sup>th</sup> June 2002 are \$1,126,930. An acceptable working funds balance would be \$500,000. The balance could be allocated to part fund the Augmentation of SWR Sewerage Treatment works or Bellbrook Sewerage. A reduction in loan funds by \$1 million decreases the Debt Service Ratio by 2.03%.

The Five Year Financial Plan will be a living document and during its life will need changes to be made. We should however ensure that the document in the first instance is as accurate as possible so that it can be relied on by Council and it's community.

Having said that though, Council should when reviewing the Draft document concentrate on the larger expenditure an income items. Changing votes by \$1,000 or so will be a waste of time as the smaller maintenance votes will be affected by rate pegging or CPI adjustments.

**General Manager's Recommendation:**

**For Council's determination.**

**2002. 961**

**RESOLVED:**

*Moved: Cl. Bowell  
Seconded: Cl. Sproule*

**That Council enter into workshop to discuss matters relevant to item GM 1 – Five Year Financial Plan.**

**At this stage Council entered into a Workshop to discuss the Five Year Financial Plan.**

**2002. 962**

**RESOLVED:**

*Moved: Cl. Bowen  
Seconded: Cl. Hunt*

**That Council defer a decision on the Five Year Financial Plan until it has conducted sufficient workshop discussions on the plan.**



## **DIRECTOR ENVIRONMENTAL SERVICES**

**SUMMARY:**

Reporting on matters listed in the five (5) year Budget in respect to Planning and Environmental issues.



The following outlines issues within the five (5) year budget that may need some explanation.

- **Environmental Works**

The matters outlined to Coastal and Estuary Management issues and form part of the ongoing program towards a Management Plan for the Macleay River and other estuaries within the Shire. Council has already resolved to undertake such a process for the whole of the river and the non-estuarine area is shown to commence in 2004/2005. The program as indicated in subject to grants also being received from the NSW Government.

- **Floodplain Management**

This is the ongoing floodplain project in respect to environmental betterment to issues related to the floodplain. Again the program, is in part, dependent upon receipt of some ongoing Government funding.

- **Environmental Control Operating Expenses**

Environmental monitoring is an ongoing expenditure mainly related to water sampling and analysis. It also includes water analysis being undertaken for the Oyster Growers.

It is envisaged that Council will be called upon to be part of a future beach watch program. In 2002/2003 a pilot program, with some grant assistance is to be conducted. Council will not be part of that program as no funds exist nor are other resources eg. Staff and time available to undertake the program as stipulated by the Environment Protection Agency.

- **Strategic Planning**

As reported to Council on previous occasions there is a pressing need to ensure that Strategic Land Use Planning issues are addressed and where appropriate reviewed. Council is aware of the current interest in the review of the South West Rocks Structure and it is assumed that a number of programs could be needed after that review. The items listed are ones that will (do) require attention. The year in which specific matters are listed will vary as the pressure or need requires. However Council needs to make an annual commitment in respect to those matters. There are some relatively big ticket items that will need to be addressed. For example the Council has deleted a Koala/Vegetation Study for a number of years.

The PlanFirst Program is at this stage an unknown in respect to the necessary resources required from Council. There is an indication that some financial assistance will be made available to Councils. The amount or conditions applicable however are not known. However Council will need to review and consolidate existing planning documents and look towards creating locality based plans. I envisage that considerable time for meetings with the public and government agencies will be required.

Council needs to acknowledge that there is an ongoing need to address strategic land use issues which requires allocation of sufficient and adequate resources.

- **Heritage Advisor**

The amounts indicated are for ongoing programs and the services of a heritage advisor. It is pleasing to note that interest is being shown in the services provided by the heritage advisor to Council and the public.

- **Compliance Officer**

This position has been presented to Council on a number of occasions. To date it would be fair to say that Council mainly reacts after complaints are received in relation to compliance matters. Minimal ongoing compliance inspections are undertaken.

The NSW Ombudsman in the "Enforcement Guidelines for Councils" has stated:

*"Delays in responding to complaints about unauthorized activity can result in difficulties for the Council. For example, the passage of time may result in unauthorised works being further advanced and therefore more difficult to remedy or rectify.*

*Council's should encourage their staff (from all areas of the Council's administration) to report suspicions or concerns. This will help the Council respond to unauthorised activity at the earliest opportunity and therefore reduce the magnitude of the problem.*

*Council's should schedule regular inspections of premises with a high potential for pollution, noise etc as a means of early detection and prevention of potential problems".*

The community has expressed concerns related to the need to ensure that conditions of consent and matters seen to impact on the environment are regularly checked and where necessary action for compliance taken.

- **Vehicles**

Two (2) vehicles are indicated for 2003/04, one for the Compliance Officer and another for an Environmental Building Surveyor.

Transport is a key part of being able to respond to the requests of the various customers in respect to the activities associated with the above positions. It

is also pointed out that in todays employment environment the provision of a lease back vehicle is an expectation - without such a provision it creates another obstacle to obtaining suitable employees.

**Director Environmental Services Recommendation:**

**That the information be noted when considering the 5 Year Budget.**



## **DIRECTOR ENGINEERING REPORT**

<b>DE 1 TRANSPORTATION INFRASTRUCTURE FUNDING LEVELS</b>
<b>FILE: T9-2 NJT</b>

**SUMMARY:**

Reporting on Transport Infrastructure funding levels.



The long-term sustainability of Kempsey Shire Council's Transportation Infrastructure is in need of complete re-evaluation due to present and projected funding levels. Although this report only relates to Transportation Infrastructure, the same thinking needs to be applied, not only to Council's entire infrastructure, but to all the functions that it presently carries out.

As reported in Kempsey Shire Council's Annual Report for 2000/2001, the total value of Council's Public Works Infrastructure is \$342 million. Transportation Infrastructure alone accounts for \$153.5 Million.

The Annual Report also states that the overall cost of bringing Public Works Infrastructure to a satisfactory standard is \$39.5 million. Transportation Infrastructure accounts for \$15.5 million. These figures represent the present backlog, or liabilities. This backlog will continue to grow unless there is a substantial injection of funds.

It would be safe to say that Council would need to increase its routine and specific maintenance vote by at least 50% to sustain its existing network of Transportation Infrastructure. This would not allow for any expansion of the network.

Other recent changes to work practices, that have not been factored in, include an increasing expenditure for EPA, OH&S, Quality, Work Method Requirements and other Legislative Requirements. At this stage the costs of complying have not been separately estimated, but are now eating into the amount of funds available to carry out the works. Council has no other option available except to comply. Future budgets will need to take into account these added burdens.

Due to the shortfall of funding, each year a backlog of works is accumulating. Listed below is a brief cross-section of the major changes recommended to Council.

#### LOCAL ROADS

	Existing Budget (2002/2003)	Proposed Budget (5 years)	Proposed Long Term Budget (10 years)	Backlog of Works with Existing Budget per year quantified	Accumulative Backlog of Works with Existing Budget per year over 5 years quantified.
Sealed Urban Road Maintenance	\$359,000	\$479,000	\$660,000		
Sealed Rural Road Maintenance	\$324,100	\$627,050	\$930,000		
Unsealed Rural Road Maintenance	\$798,000	\$958,000	\$1,200,000		
	Existing Budget (2002/2003)	Proposed Budget (5 years)	Proposed Long term Budget (10 years)	Backlog of Works with Existing Budget per year quantified	Accumulative Backlog of Works with Existing Budget per year over 5 years quantified.
FAG Roads Component	This Item is to be combined with Sealed Rural Road Maintenance				
Civic Maintenance Teams - Additional Town Works	This item is to be moved to Ancillary Road Facilities				
Resealing - Kempsey streets	\$90,000	\$118,000	\$155,000	2km	10km
Resealing - Village streets	\$66,300	\$94,300	\$132,000	2km	10km
Resealing - Rural Residential Roads	\$14,280	\$26,680	\$45,000	1km	5km
Resealing - Rural Roads	\$103,000	\$195,000	\$335,000	14km	70km
Rehabilitation - Rural roads	\$270,000	\$321,000	\$780,000	8km	40km
Rehabilitation - Urban Roads	\$0	\$275,000	\$550,000	4km	20km
Gravel Resheeting	\$720,000	\$909,500	\$1,100,000	7km	35km

#### FOOTPATHS AND CYCLEWAYS

Paved Footpaths - Routine Maintenance	Activity name changed to reflect activity				
Paved Footpaths - Replacement	\$0	\$50,000	\$100,000	0.6km	3km
Unpaved Footpath Maintenance	This item is to be moved to Ancillary Road Facilities				

**KERB AND  
GUTTER**

Unpaved Footpaths Mowing	This item is to be moved from Footpath/Cycleways to reflect Activity Type				
Urban Roadside Slashing	\$0	\$106,000	\$112,000		
Kerb and Gutter Replacement	\$20,000	\$150,000	\$300,000	2.7km	13.5km

In preparing the Original 5 year Draft Budget the philosophy was to provide minimum funding by 2012 (TISP document figures have been adjusted to show increases of 1%p.a.). As shown in the above table, estimates shown in year 5, bring funding from present levels to 75% of sustainable levels over the next 5 years. That is, figures have been based on providing sustainable funding in 10 years.

It is recommended that Council investigate fully the implications of not providing sufficient funds to maintain its existing infrastructure. It may mean that the existing levels of service will have to be downgraded dramatically, or that some infrastructure may not be able to be maintained and taken out of service.

An example of the effect of not providing enough maintenance or replacement dollars is the existing timber walkway bridges. The budget document shows a capital injection of funds to replace all of these bridges over the next 5 years. This has come about by the lack of maintenance funds and, due to budgetary restraints, a lack of ability to replace these structures. A decision has been made to include these structures, as without this funding they may have to be closed due to public risk concerns.

Council has 111 timber road bridges that require replacement every 50 years or so. The bridge decking needs to be replaced twice in its lifetime. This means that Council should be rebuilding 2 bridges and redecking another 5 each year. This type of activity requires a substantial investment from Council.

It is also recommended that Council resource the production of an Asset Management Plan covering all of Council's assets.

Asset Management Plans include requirements for

**ASSET MANAGEMENT PLAN**

- Levels of Service and performance standards.
- Future demand forecasts.
- Asset portfolio description (inventory, condition, performance).
- Management strategy (non asset solutions, operations and maintenance, renewals, capital creation/disposal).
- Financial forecasts (cashflow, valuation)

and will need some staff resources.

***Financial Implication***

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***THIS IS PAGE 22 OF FULL TEXT MINUTES OF THE EXTRAORDINARY MEETING OF THE KEMPSEY SHIRE COUNCIL HELD ON FRIDAY 29<sup>TH</sup> NOVEMBER 2002.***

*The financial implications of the following recommendation would be a significant rise in maintenance votes, to ensure the transportation infrastructure is adequately maintained, and a deficit budget.*

**Director Engineering Recommendation:**

That consideration be given to increasing the maintenance votes for transportation infrastructure as outlined (in [Appendix A](#)).



## **DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT**

<b>DCCS 1</b>	<b>5 YEAR BUDGET PLAN</b>
<b>FILE: A2-10</b>	<b>TIH</b>

**SUMMARY:**

Reporting on matters listed in the five year Budget Plan in respect to Corporate and Community Services.



▪ **Footpaths and implementation of the PAMP:**

Council's Access committee is forever calling for safer footpaths any reduction in expenditure on footpaths is a retrograde step. Council's Public Liability insurer, Statewide, has advised that of all claims received by Councils 70% relate to slips, trips and falls on footpaths and this percentage is confirmed with a review of claims against Kempsey Shire Council. The community perception is that a constructed footpath will be safe to use and court findings are placing responsibility on Councils to repair/upgrade damaged footpaths within a reasonable time in the eyes of the public.

▪ **Passive Recreation**

The upriver picnic and camping area committee had a long-term strategy to make the upriver areas more attractive for residents and tourists funding for minor infrastructure is vital for this process to be successful.

▪ **Heritage Consultant/Advisory Service**

Funding for this information is becoming more and more important and this allocation should be retained.

▪ Disabled Access to the SWR pool will be a must do and Council is progressively making its facilities disabled friendly.

▪ **Hat Head Library:**

The Anglican Church has donated a building for community purposes and Council will be extending a library and Information technology center to this building if funds are allocated. Grant funding is being sought but if funding is not forthcoming this project may not eventuate.

- **SWR library:**

The need for a bigger library at SWR has been acknowledged for a long time work does need to be done within the next 5 years I guess 2006/7 is ok but would prefer 2004/5

As the library becomes more technologically based the workroom will need to be able to adapt to the changes the current workroom is too crowded and causing inefficiencies.

A library vehicle will be needed as part of our attempts to keep and to attract staff let alone the use it will get servicing libraries from Stuarts Point to Kempsey.

### **The present library outreach van is rapidly approaching its use by date and needs to be replaced.**

- Youth Referral Centre will become a reality under the Community Solutions funding and will need to be retained once that funding is finished.

Vehicle for the Youth Worker is an essential

- Community Bus will need replacing by 2006/07

- **Homes for the aged**

The programmes removed allowed for the staged refurbishment of the units as they get older and their maintenance needs increase.

SWR ageing in place facility may not be dependent entirely on Council funds but we should be prepared to assist the project.

- **Cemeteries**

Provision of toilets to our cemeteries is long long overdue and the proposal is to progressively provide toilets to the cemeteries except Toms Gully and Bellbrook. Work cover requirements for proper working conditions may make this a statutory requirement.

- The SWR Community Services Cottage needs painting and the Bandbox Theatre will need a new roof by 2005/06

- Millbank Hall needs toilets now

- Gladstone Hall is to be our art gallery and a show piece of the village as a restored heritage building this will not happen without adequate funding to meet the restoration plan. At a meeting held on 1/10/02 with the Gladstone

Hall Committee it was made clear that the services that used to be provided at the Gladstone Hall will need to be provided by the Smithtown Hall. The Smithtown Hall does not have disabled friendly toilets and funding will be needed in the next year or two to upgrade the Smithtown Hall. Say at least \$50,000. Naturally grant funding will be pursued for the art gallery and Smithtown Hall but some Council funding will be necessary.

- Council's risk management strategies will save on premium and in order to do this an additional employee is needed. Councils Admin Clerk is more and more being used as Council's Risk management advisor in all public areas controlled by Council e.g. parks, sports fields, playgrounds, footpaths, pools, beach reserves and other facilities such as community halls controlled by 355 committees. Also our insurer has advised that public liability premiums will rise for individual Councils unless risk management policies and practices are in place and staff resources will be needed to comply so as to avoid such increases. It is proposed to employ an insurance clerk within the next 2 years to handle the day to day processing of claims and litigation matters with the current Admin Clerk concentrating on the Risk Management program across Council.

- In order to keep up to speed with the changes in work practices caused by technology it is essential for Council to have a records system capable of handling the statutory requirements of electronic records. The archives building will eventually need to be expanded. The State Records Act requires Council to comply with the safe storage of permanent and long term records. Council's records staff manage Councils Archives program and the current archives building is near capacity despite regular disposal of non-permanent records in accordance with the State Records disposal schedule. Area is available at the rear of the current building for expansion which will be needed within 2 years.

- Disabled access to all of Council's offices is a necessary objective under the Disability Discrimination Act. This is a gradual staged process that eventually will have to happen.

- In order to meet the demands of Councillors for immediate access to information a computerized business paper will almost be a necessity.

- As the demand and need for services grow Council will need to provide for more office accommodation.

- In order to maintain our existing assets it will be necessary to maintain and increase the maintenance budgets.

#### ***Financial Implication***

***The financial implications arising from this report will depend on the extent to which Councillors agree with the matters to be reinstated.***

#### **Director Corporate and Community Services Recommendation:**

**That the items that the General Manager has listed to be deleted be reconsidered for inclusion at a lesser amount if necessary.**



## DIRECTOR BUSINESS ENTERPRISE REPORT

**DBE 1 BUSINESS ENTERPRISES – 5 YEAR FINANCIAL PLAN  
FILE: A2-36 GBS**

### SUMMARY:

Reporting on the development of 5 year financial plans.



**In past years there has been an attempt to develop long-term financial plans as part of the Business Plans for a number of activities within the Business Enterprises Department.**

**It is intended that over the course of the next year that Business Plans/Function Plans will be developed for all Business Enterprise Activities.**

The status of the existing Plans is as follows: -

1. Caravan Parks - Business Plan and Management Plans for 4 Tourist Parks prepared in 1998.
2. Goolawah Reserve - Management Plan prepared 1986 (does not include Financial Plans).
3. Fleet - Business Plan prepared 1999.
4. Water - Business Plan prepared 1997.
5. Sewerage - Business Plan prepared 1998.
6. Laboratory - Business Plan currently being prepared by Hunter Water.
7. Saleyards - Business Plan currently being prepared by Brian England.

As mentioned in the General Manager's Report these Plans have been prepared in isolation and have not been incorporated into the overall Council financial planning process.

Consequently the Business Plans became irrelevant soon after their preparation, as Council's annual Budgets did not address the resource requirements necessary to implement the proposals set out in Business Plan.

This factor has been particularly relevant in the case of the Tourist Parks and Fleet where Council has taken an annual "dividend" from the operational earnings leaving insufficient resources to meet capital expenditure requirements.

### **Tourist Parks**

Previous Councils, Caravan Park Committees, and management have been wrestling with the problem of bringing the Tourist Parks into compliance with the previous Ordinance 71 (introduced in 1986) and the new Caravan Park Regulation (introduced 1995).

Attention is currently being focussed on the re-design of the Crescent Head Caravan Park. Costs for upgrading the Park cannot be finalised until such time as the re-design has been completed (ie. location of roads, drainage lines, power lines etc.). However preliminary estimates suggest that approximately \$570,000 is needed for compliance works, with another \$600,000 required over the next 2 years for improvement works.

To offset the reduction of site rental income arising from the loss of approximately 40 sites at Crescent Head Tourist Park following site re-design, consideration should be given to increasing the number of cabins on the Park.

In the Financial Plan provision should be made for an additional 4 cabins (@\$60,000 ea = \$240,000) and the introduction of a replacement programme for existing cabins based on a 10 year life cycle – say 4 replacement cabins each year x \$30,000 ea = \$120,000 pa. That is; \$240,000 for new cabins and \$600,000 for replacement programme.

Whilst the other 3 Parks are not expected to require as significant re-design works, there is an urgent need for them to be brought up to compliance standard. The costs cannot be estimated until re-design is undertaken, but for the sake of budgeting purposes provision could be made for \$200,000 for compliance costs, and a further \$1,000,000 for improvement works (including 2 new cabins for Hat Head).

The total of the aforementioned works represents approximately \$1M (or \$200,000pa) more than that proposed to be provided in the 5 Year Financial Plan.

### **Fleet**

At the August meeting of the Plant Committee it was reported that, in accordance with the replacement criteria set out in the previously adopted Business Plan, the following amounts were required for general plant replacement in 2002/03 –

Vehicles/Trucks	\$2,386,000
Plant	<u>\$2,436,228</u>
	<u>\$4,822,228</u>

The 2002/03 Budget provides \$1,079,064 only.

The 5 Year Financial Plan provides for replacement allocations at similar levels to 2002/03, and “dividends” to General Fund of \$350,000 to \$400,000.

It is anticipated that as the replacement program falls behind that required to keep the Fleet in a good economical working condition, that maintenance costs will rise. Increased maintenance costs are inevitably funded from General Fund by way of direct allocation or as increased Plant Hire costs charged out to works.

### **Water and Sewer**

The Business Plan for Water and Sewer services will undergo a major revision as part of the development of the Integrated Urban Water Plan (IUWP) currently being developed and scheduled for completion by June 2003.

This task is being undertaken by Public Works Department as a project subsidised by Department of Land and Water Conservation.

As part of this process a 30 year Capital Works Programme and Financial Plan will be developed.

The 5 Year Financial Plan currently being developed by Council will most likely be re-shaped upon completion of the Integrated Urban Water Plan.

### ***Financial Implication***

***The financial implications are outlined in the above report.***

### **Director Business Enterprises Recommendation:**

**That the information be noted.**

### **RESOLVED:**

***Moved: Cl. Bowen  
Seconded: Cl. Sproule***

**That Council enter into workshop to discuss matters relevant to the Five Year Financial Plan.**

**At this stage Council entered into a Workshop to discuss the Five Year Financial Plan.**

**2002. 963**

### **RESOLVED:**

***Moved: Cl. Bowen  
Seconded: Cl. Hunt***

**That Council defer a decision on the Five Year Financial Plan until it has conducted sufficient workshop discussions on the plan.**



**LATE BUSINESS – LEGAL MATTER – HAT HEAD CARAVAN PARK –  
AFFIXING OF COUNCIL'S SEAL**

2002. 964      **RESOLVED:**      *Moved: Cl. Hunt*  
*Seconded: Cl. Howell*

That this matter be dealt with at this meeting as it is deemed by the Mayor to be a matter of great urgency.

2002. 965      **RESOLVED:**      *Moved: Cl. Hunt*  
*Seconded: Cl. Howell*

That Council authorizes the affixing of its seal to the settlement agreement in relation the legal matter, Council v Watson.

**WORKS INSPECTION REPORT**

<b>1</b>	<b>PROPOSED TWO STOREY RELOCATED DWELLING LOT 117 DP 754419, OLD STATION ROAD, VERGES CREEK FILE: T6-02-433      BWC</b>
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2002. 966      **RESOLVED:**      *Moved: Cl. Joukhadar*  
*Seconded: Cl. Howell*

That the applicant be advised to amend the application to indicate that the dwelling is to be erected on the site as approved in Development Consent T6-00-432.

<b>2</b>	<b>STORMWATER PIPE WHICH CURRENTLY TERMINATES WITHIN LOT 33 CAMERON STREET FILE: LA552      KJF</b>
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**MOVED:**      *Moved: Cl. Howell*  
*Seconded: Cl. Sowter*

That the Director Engineering prepare an estimate of the cost of piping the watercourse and Mr Davis be invited to agree to contribute 50% of the cost of the piping, and that the matter be reported back to Council.

The MOTION was PUT to the meeting and was LOST.

**QUESTIONS WITHOUT NOTICE**

Councillor Hayes

Councillor Hayes advised the meeting:-

- 1 That Dr Charles Eddery had declined an invitation to meet with Council's Water Supply Steering Committee to discuss the algae in the Stuart McIntyre Dam and that he had nominated Mr Bill Ho as the appropriate person to meet with Council's Committee.

**At this stage Councillor Parkinson retired from the Chambers and apologized for non-attendance at the remainder of the meeting.**

Councillors Sowter

Councillor Sowter was advised:-

- 1 That the review of the flood policy on non-habital dwellings in the floodway is an issue that would be discussed in the proposed review of the policy but the whole review process will take some 18 months.

Councillor Howell

Councillor Howell was advised:-

- 1 That the matter of sealing of River Road, Kundabung in the vicinity of the Hall would be discussed by the Mayor with the Director Engineering.
- 2 That when staff come from the Depot to attend training sessions at the Civic Centre they have been requested travel together rather than in separate vehicles which take up unnecessary parking.

Councillor Hunt

Councillor Hunt was advised:-

- 1 That the Mayor will be following up the need for additional Police to be stationed at the South West Rocks police station due to the increasing population trends of the village.
- 2 That the RTA have been allocated three (3) carparking spaces in the Council's Civic Centre carpark for use by RTA vehicles.

Councillor Hayes

Councillor Hayes was advised:-

- 1 That SWR Civic Maintenance employee Mark Hamilton would be commended on his work to keep the beach at South West Rocks clean and tidy.

Councillor Bowen

Councillor Bowen was advised:-

- 1 That the Mayor would be writing to the National Parks regarding the Arakoon State Recreation Area at Trial Bay and the need for keeping the area clean and tidy.

Councillor Sproule

Councillor Sproule was advised:-

- 1 That the Gladstone Hall was identified as the preferred site for a permanent Art Gallery in 2002/2003 budget discussions and that Councillor Sowter would be submitting a Notice of Motion to the December Council meeting requesting a full report on this for the January 2003 Council meeting.

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**CONCLUSION:**

There being no further business, the Meeting terminated at 1.26 p.m.

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