



EXTRAORDINARY MEETING OF  
BATHURST REGIONAL COUNCIL

5 May 2010

His Worship the Mayor & Councillors

I have to advise that an **Extraordinary Meeting** of Bathurst Regional Council will be held in the Council Chambers on Wednesday, 12 May 2010 commencing at 5.00 pm to consider the Draft 2010/2011 Management Plan.

A handwritten signature in blue ink, appearing to read "D J Sherley".

D J Sherley  
**GENERAL MANAGER**

# **BUSINESS AGENDA**

## **EXTRAORDINARY MEETING OF BATHURST REGIONAL COUNCIL**

**TO BE HELD ON WEDNESDAY, 12 MAY 2010**

1. MEETING COMMENCES
2. APOLOGIES
3. DECLARATION OF INTEREST  
To assist the Councillors and committee members in their correct consideration of business before them at the meeting, please give consideration to Section 451 of the Local Government Act, in relation to Declaration of Interest at meetings.
4. RECEIVE AND DEAL WITH DIRECTORS' REPORTS
  - \* Director Corporate Services & Finance's Report
  - \* Director Engineering Services' Report
5. MEETING CLOSE

**MINUTE**

**1      MEETING COMMENCES**

**Present:** Councillors Toole (Chair), Aubin, Bourke, Carpenter, Hanger, Morse, North, Thompson, Westman.

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to the Extraord Meeting 12/05/2010

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GENERAL MANAGER

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MAYOR  
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**MINUTE**

**2     APOLOGIES**

Nil.

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to the Extraord Meeting 12/05/2010

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GENERAL MANAGER

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MAYOR  
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**MINUTE**

**3     DECLARATION OF INTEREST**

**MOVED: B Bourke SECONDED: T Carpenter**

**RESOLVED:** That the Declaration of Interest be noted.

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to the Extraord Meeting 12/05/2010

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GENERAL MANAGER

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MAYOR  
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EXTRAORDINARY MEETING OF BATHURST REGIONAL COUNCIL

DIRECTOR CORPORATE SERVICES & FINANCE'S REPORT

12 MAY 2010

**DIRECTOR CORPORATE SERVICES & FINANCE'S REPORT TO THE  
EXTRAORDINARY MEETING OF BATHURST REGIONAL COUNCIL MEETING HELD ON  
12 MAY 2010**

General Manager  
Bathurst Regional Council

**1 DRAFT 2010/2011 MANAGEMENT PLAN (16.00121)**

**Recommendation:** That Council place the Draft 2010/2011 Management Plan, including the Revenue Policy for 2010/2011, on public exhibition for the statutory 28 day period and receive submissions until 11 June 2010.

**Report:** The Draft 2010/2011 Management Plan - Detailed Financial Budget, shown at **attachment 1** has made provision for existing services provided by Bathurst Regional Council.

Included in the budget are major capital works of \$100,000 or greater as follows:

**Engineering - Asset Management**

Civic Centre Relocation	4,000,000
Plant Replacement Program	1,300,000
Cycle, Park	1,000,000
Floodplain Management Works	900,000
Purchase Flood Prone Property	525,000
Bradwardine Road Extension	500,000
Aerodrome Runway Lighting	400,000
Timber Bridge Replacement Local Roads	350,000
Roads (Roads to Recovery Funded) - Hill End Rd	300,000
Regional Roads - MR216	300,000
Netball Club House	250,000
Roads (Revenue Funded) - Bathurst Street	222,000
Roads (Revenue Funded) - Havannah St K&G	205,000
Contribution to Underground Power in CBD	200,000
Regional Roads - MR390 Hobby's Yards Rd	200,000
Roads (Revenue Funded) - Cross St Reconstruction	195,000
Roads (Revenue Funded) - Ophir Rd Reconstruction	190,000
Roads (Revenue Funded) - Prince St Road/K&G Construction	180,000
Roads (FAG Funded) - Bridle Track	150,000
Roads (FAG Funded) - Rural Roads Gravel Resheeting	150,000
Roads (FAG Funded) - Lachlan Rd/Common Rd/Dog Rocks Rd	150,000
Roads (FAG Funded) - Freemantle Rd	150,000
Roads (FAG Funded) - Lagoon Rd	150,000
Roads (Revenue Funded) - Hen & Chicken Lane Stage 2	150,000
Roads (Revenue Funded) - Hamilton St Reconstruction	150,000
Roads (Roads to Recovery Funded) - Tarana Rd	150,000
Roads (Roads to Recovery Funded) - Limekilns Rd	150,000
Roads (Roads to Recovery Funded) - St Anthony's Ck Rd	137,443
Roads (Roads to Recovery Funded) - Eusdale Rd	120,000

Roads (FAG Funded) - Hollis Lane	107,380
Roads (Revenue Funded) - Dunkeld Rd	107,380
Trunk Drainage below Edgells	100,000
Rural Drainage Improvements	100,000
Bentinck St Drainage Relining	100,000
Perthville Drainage Upgrade	100,000
Roads (FAG Funded) - Clear Creek Rd	100,000
Roads (FAG Funded) - St Anthony's Ck Rd	100,000
Roads (Revenue Funded) - Major Pavement Rehab	100,000
Roads (Revenue Funded) - Piper St - William St Roundabout	100,000
Roads (Revenue Funded) - Rocket St - Bentinck St Roundabout	100,000
Cycleways - Rankens Bridge to Ophir Rd Stage 1	100,000
<b>Water</b>	
Refurbish Chifley Dam Cabins	120,000
<b>Sewer</b>	
Sewer - Durham St Upgrades	230,000
Refurbish Upgrade WWTW water reuse system	175,000
Variable Speed Drives for Aerators WWTW	160,000
<b>Waste Management</b>	
Replacement of Compactor Truck - Collection	350,000
Meter for methane flare at WMC	135,000
WMC - Additional Raw Materials Deposit bay	110,000
Replacement of Rural Tip Truck	110,000
<b>Community Services</b>	
Village Improvement Program	150,000
<b>Environmental, Planning and Building Services</b>	
Gasworks Remediation	100,000
Revolving Energy Fund	100,000

## ASSUMPTIONS

The following assumptions have been incorporated in the Management Plan.

### **Consumer Price Index**

The anticipated CPI for 2010/2011 will be 3.0%.

### **Rate Increases**

The assumptions for rate increases are:

- General purpose rate increased by 2.60%.
- Water rates and charges increased by 4.00%.
- Sewerage rates and charges increased by 4.00%.
- Domestic waste charges increased by reasonable cost, all other waste 5.00%.

### **Salaries and Wages**



Included in the Management Plan for 2010/2011 is an increase of 4.00% which includes Award increases, regrades, and wage increases.

### ***Superannuation***

An allowance of 9% generally has been made in accordance with legislative requirements. Council currently has 79 staff in the Local Government Superannuation Scheme Retirement Fund. Employees choose to contribute between 1 and 9 percent of their salary. The fund then requires Council to match staff-elected contributions multiplied by a factor of 3.8 times plus a "basic benefit" of 5% of salary

### ***Revenue Policy***

Council fees and charges, shown at attachment 2 have generally been increased in accordance with the projected CPI change of 3.0%. Some fees have been restructured to better meet market pricing and also to recognise Council's marginal return on investment.

Statutory charges are set by the State Government and therefore increase only when advised by the Department of Local Government.

### ***GST***

GST has been included in Council fees and charges (Revenue Policy) where Council has received legislative determination.

## **FUNCTIONS AND SERVICES**

The following specific comments are made to address areas of expenditure.

### **ENGINEERING SERVICES DEPARTMENT**

The Engineering budget, including Parks, Water, Sewerage and Waste Services, but excluding Mount Panorama operations and land subdivision design and construction which the Engineering Services department delivers, will have a total expenditure of \$67.858 million this year.

#### **ENGINEERING**

##### ***Roads Reconstruction and Maintenance***

Council's road asset comprises 712km of sealed local road and 472km of unsealed local roads and is steadily increasing as a result of continuing development.

Council's urban road reconstruction program is based on a number of different criteria aimed at providing an acceptable standard of sealed road in all of Bathurst's streets with a separate program for rural local roads.

In the rural area the reconstruction and improvement works remain based on the priority program previously reported to Council.

Road maintenance is the most important aspect of any road network due not only to safety

but also as deterioration of the road asset has a multiplying effect on the cost of upgrading the asset to an acceptable condition. This work is a major component in the rural areas with considerable effort required to provide continual maintenance on the substantial unsealed road network.

Council's existing road asset has reached the age where considerable investment is required to maintain it with the network in many locations passing its design life. To fund and carry out timely and effective maintenance results in overall cost savings on the road network as work is carried out before the intervention level is reached. Council is introducing an asset management system which includes road rating information which will allow Council to properly assess the maintenance required on its assets. Asset Management Plans are currently being undertaken by Council and this is the subject of a separate report to this meeting (Director Engineering Services #2).

Reconstruction of pavements that have been constructed with incorrect alignment and pavement has commenced and will be an increasing part of Council's program as the network ages. This will result in a greater diversion of funds from the program that has concentrated on improving unsealed roads to sealed condition and roads with poor alignment in the future.

Council's Road Reconstruction program for local roads is financed under a number of different items in the Management Plan including:

#### **Item 07625 – Road Construction Financial Assistance Grants**

This item is a main source of funds for the roads in the rural area.

*Items include:*

Hollis Lane  
The Bridle Track  
Pymonts Lane  
Freemantle Road (Frog Hollow Bridge Approaches)  
Lagoon Road  
Lachlan Road  
Clear Creek Road  
St Anthony's Creek Rd  
Rural Road Gravel Resheeting

#### **Item 07335 – Urban Roads Capital Works**

This is the item funding a considerable number of the urban construction works and includes funding from revenue as well as reserves and developer contributions.

*Items include:*

Dunkeld Road  
Prince Street  
North Street  
Bathurst Street  
Cross Street  
Ophir Road  
Havannah Street (Leena / Lloyds)  
Piper / William Roundabout Resheet

Rocket / Bentinck Roundabout Resheet  
Hamilton Street  
Bradwardine Road Extension  
Hen & Chicken Lane Stage 2

### **Item 03330 – Roads to Recovery**

The proposed Roads to Recovery Program is as follows:

Hill End Road (Sofala to Turondale Stage 1)  
Tarana Road  
Eusdale Road  
Limekilns Road  
St Anthony's Creek Road

### ***Main Road Maintenance and Improvements***

Council currently carries out maintenance on the Classified Main Road network of State Roads and State Highways under the Road Maintenance Council Contract (RMCC).

Maintenance works on these roads are dictated by the Roads and Traffic Authority (RTA).

Regional Roads are also Classified Main Roads but are under the control of Local Government with funding from the RTA. Council receives Block Grant funding and Supplementary grant funding from the RTA which is used for maintenance of these roads as well as providing Council's share of dollar for dollar funding under the Repair Program.

Funding under the Repair Program has been applied for from the RTA for Main Road 216 (Hill End Road – Sofala end) and Main Road 390 (Hobby's Yards Road).

### ***Asset Inspections / Bridge Replacement***

Under its Asset Management Program, Council is required to carry out road, bridge, footpath and other asset inspections throughout the region.

Council recently replaced the bridge over Spring Creek on the Hill End Road near Sofala with part funding from the Roads and Traffic Authority. An additional timber bridge replacement is proposed in the current Management Plan.

### ***Cycleway Construction***

Council's cycleway construction priorities continue to be based on the 1993 Bathurst Local Area Bike Plan together with the Strategic Access Plan and the Pedestrian Access and Mobility Plan (PAMP). As Council would be aware the Planning department are currently undertaking a review of all of these plans.

In the 2010/2011 financial year it is anticipated the RTA will commit to 50% funding on the continuation of cycleway construction.

### ***Strategic Access Plan***

Council continues to make progress on the adopted Strategic Access Plan with the 2010 / 2011 proposals under this program including:

Bradwardine Road (Evernden / Larkin) Stages 1 & 2  
Lloyds Road (College / Bant)  
Locke Street (Christie / Frome)

## RECREATION

It is anticipated that the Recreation Budget for 2010/2011 will have an expenditure of \$4.1 million.

The expenditure involved in maintaining all recreation areas will generally be similar to 2009/2010. However, some items have been increased marginally to account for necessary increases in maintenance levels. During 2010/2011, all categories of parks will be maintained to meet the approved Maintenance Service Level in conjunction with Council's Asset Management Strategy.

It is anticipated that staffing levels will be generally maintained at the current approved levels but will need to be increased to maintain the required Service Levels as improvements throughout the city occur in the CBD Beautification areas and the provision of a greater number of sporting facilities already provided or soon to be provided including the potential increase of up to ten new soccer fields at the Proctor Park complex. Such action during the year will warrant any staff increase required.

Special items/projects within the Recreation area for 2010/2011 include:

- The continuation of specific projects identified within the Bathurst Vegetation Management Plan.
- Multi discipline cycle complex project.
- Construction of shared use Clubhouse for three water based sporting groups.
- Playground Equipment upgrades.
- Upgrade of lighting to the John Matthews Tennis Complex
- Stage 1 of the construction of a high standard football (soccer) stadium at Proctor Park.
- Construction of the AFL Clubhouse and a new netball clubhouse.
- Telemetry for a number of irrigation systems at strategic recreation facilities.
- Continuation of the Community Environmental Engagement Officer position.
- Maintenance of the Begonia House in Machattie Park.
- Irrigation maintenance, repairs and upgrades to various areas.
- Noxious Weed Control on Council Land

Since amalgamation, specific Rural Works have been undertaken by the Recreation Section and it would seem logical that these will continue into the next and subsequent financial years. As examples, upgrading works to some rural playgrounds will be undertaken as resources allow. Future undertakings as equipment deteriorates or the installation of shade covers become an issue, will require supplementary funding to be identified and secured to allow for such works.

The Recreation Section will continue to allocate burial plots at the Rural Cemeteries. Although not overly time consuming, the addition of this responsibility is to be maintained utilising current allocations.

Throughout the current year Bathurst Correctional Centre / Periodic Detention workers have undertaken mowing maintenance to specific Rural Cemeteries and other areas following complaints/requests from the community. Specific funding has been provided for such works. It is anticipated that this arrangement will continue throughout 2010/2011. In addition, Council has embarked on an additional venture utilising C3 inmates to undertake

works within the region that are not generally undertaken by Council staff. Funding for this venture is sourced from existing allocations.

In addition to the above responsibilities, the Recreation Section is required this year to undertake asset management procedures to cover all of the Recreation Section assets including playgrounds, parks, sporting fields and all fixtures and infrastructure contained within them. This increased responsibility will require the addition of an extra staff position to undertake mandatory inspections and collate the information for recording purposes as set by new statutory requirements.

### WATER SERVICES

The Water Services budget will have a total expenditure of \$13.788 million this year.

Contained within the Water Services vote is the provision of funds for future capital expenditure.

Council's income from Water charges in 2010/2011 has been prepared with a proposed increase in charges of 4.00% in order to maintain the status quo in service delivery.

The major capital works for 2010/2011 are:

- Relocation of water mains due to roadworks.
- Completion of construction for a second Eglinton water main from Llanarth.
- Winburndale pipeline staged renewal.
- Various other small capital improvements.

Bathurst Aquatic Centre has been operational since 2007. Council's Management Plan does contain operational costs for the centre in the Management Plan.

### SEWERAGE SERVICES

The Sewerage Services budget will have a total expenditure of \$9.776 million this year.

Council's income from Sewerage charges in 2010/2011 has been prepared with a proposed increase in charges of 4.00% in order to maintain the status quo in service delivery.

Council is now in its sixth year of user pays pricing for sewerage services. The introduction of the pricing system was completed to comply with "Best-Practice Management of Water Supply and Sewerage" guidelines issued by the then Department of Energy, Utilities and Sustainability (DEUS) and the "Water Supply, Sewerage and Trade Waste Pricing Guidelines" issued by the Department of Land and Water Conservation.

The guidelines state that best practice involves a two part charge, an access charge based on the size of the meter serving the property and a usage charge based on the water usage registered by the meter. A Sewerage Discharge Factor (SDF), being an estimation of the ratio of water returned to the sewerage system compared to total water usage, is then applied to the charges to create equity across non residential customers. DEUS issued a standard set of SDF's for categories of businesses which Council used in its implementation, ranging from 45% to 95%. For example, a hairdressing salon in the CBD will return nearly all its water consumption to the sewerage system as its water would be only used for hair washing and toilets and would be allocated a high SDF. A school, on the other hand, would use a large proportion of its water usage on its grounds and therefore would have a lower SDF as the water is not being returned to the sewerage system.

Council currently charges an access fee based on the size of the installed meter at a property, using the same methodology that applies to the water fund. When the system was introduced, Council agreed to downsize meters at no cost to the ratepayer upon presentation of a certificate from a hydraulic engineer. The proposed system is based on nominal meter access charges to compensate for premises where the water meter is oversized for the purpose of firefighting. The alternate method proposed is based on Equivalent Tenements (ET's) and bases the access charges on the peak load that the discharger places on the sewerage system. Such dischargers therefore have the option of providing to Council an expert report to establish the peak load that their operations place on the sewerage system.

The access charge that Council has adopted reflects the actual access that a property has to the system and is considered to be the most equitable methodology available.

The major capital works proposed for 2010/2011 include:

- Upgrading sewer main in Durham Street in accordance with the sewer model
- Replacement of aged switchboards at Sewer Pump Stations.
- Upgrade of onsite water reuse scheme at the Treatment Works
- Various treatment work upgrades.
- Various minor capital upgrades.

### WASTE SERVICES

The Waste Services budget will have a total expenditure of \$7.747 million this year.

Council's income from Waste charges in 2010/2011 has been prepared with a proposed increase in charges of 5.00% in order to maintain the status quo in service delivery.

The major capital works for the Waste Services section are:

- Installation of a meter for the Methane flare
- Extension of Recycling Bays.
- Mulch / Compost Collection Bay.
- Plant replacement program.
- Continuation of the Waste Management Voucher System.

### **CORPORATE SERVICES & FINANCE**

The Corporate Services and Finance budget has a total expenditure of \$35 million this year.

The budget has been prepared along established expenditure and income patterns to ensure service levels are maintained.

Included in the 2010/2011 Management Plan capital items is an amount of \$4 Million for Civic Centre Replacement.

Other items included in the 2010/2011 budget are amounts for general office expenses and maintenance.

## **Land Development**

Contained within this year's Corporate Services and Finance budget is a section for land development expenditure which shows a proposed total land development expenditure of \$10.650 million (2009/10 - \$6.359 million) which includes the acquisition and development of further land for Council's land stock holdings. The increase reflects the current market recovery post the global economic crisis.

## **General Revenue**

Contained within the General Revenue Section of Council's budget for this year are the following:

- Ordinary rates income.
- Pensioner rebates and the subsequent government subsidy in respect to Ordinary Rates
- extra charges on overdue rates.
- earnings on investments.
- income from Financial Assistance Grants.
- internal loan repayments.
- Section 611 charges.

Earnings from Investments estimates are approximately \$1 million less than the previous year due to the current economic climate that is predicted to continue into the short term.

## **Organisation Structure**

### **Introduction**

The Council most recently reviewed its structure, this structure was based on:

1. Facilitating an organisation structure that would meet the future needs of Council and the community;
2. Ensuring stability and certainty within the organisation;
3. Delivering an efficient, sustainable ongoing structure;
4. Providing improved outcomes for the citizens of the area ensuring properly delivered services.

The restructure was also undertaken having regard to the employment protection legislation passed by the NSW State Government.

### **Charter**

Council has the following Charter enshrined in the Local Government Act:

"8(1)[The charter] A council has the following charter:

- to provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure
- that those services and facilities are managed efficiently and effectively

- to exercise community leadership
- to exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism
- to promote and to provide and plan for the needs of children
- to properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes
- the principles of ecologically sustainable development
- to have regard to the long term and cumulative effects of its decisions
- to bear in mind that it is the custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible
- to facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government
- to raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants.
- to keep the local community and the State Government (and through it, the wider community) informed about its activities
- to ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the Council is affected
- to be a responsible employer."

The Vision, Mission and Key Directions of Bathurst Regional Council are contained in Council's adopted "Our Vision Our Direction Our Values" document and the Management Plan, and are as follows:

### **Council's Vision**

To enhance the lifestyle and environment through effective leadership, community involvement and community service.

### **Council's Mission**

The equitable development and maintenance of services provided for the general health and well being of the citizens of the Bathurst region and the adjustment of these services to meet the changing needs.

### **Key Directions**

The Management Plan has been developed based on the Council's key identified directions:

#### *Leadership*

To provide a regional centre with a country lifestyle and cosmopolitan opportunities that encourages economic growth; provides well-planned services and facilities; and ensures the strategic provision of services and facilities to meet the needs of the community.

#### *Infrastructure*

To have in place quality infrastructure that meets the needs of the community by providing adequate facilities for a population of 80,000 by the year 2050.

#### *Economic Development*

To create a progressive economic environment that facilitates job creation and is responsive



to changing demands.

### *Lifestyle*

To enhance the lifestyle of residents and of visitors to the Bathurst Region by optimising their health and safety, and providing a clean and safe environment; by providing and maintaining recreation and leisure facilities; by provision of range of cultural facilities; by increasing access to quality and affordable community facilities and services; and by promoting the principles of ecologically sustainable development while preserving the existing environment.

These directions are developed through Council research, such as the annual community survey. The current structure meets issues such as infrastructure and environment.

The existing organisation structure consists of the General Manager and the following Department structure:

- Corporate Services & Finance
- Engineering Services
- Environmental, Planning & Building Services
- Cultural & Community Services

The organisation structure and associated functions are as follows:

<b>General Manager</b>			
<b>Director Corporate Services &amp; Finance</b>	<b>Director Engineering Services</b>	<b>Director Environmental Planning and Building Services</b>	<b>Director Cultural &amp; Community Services</b>
<i>Payroll</i>	<i>Water &amp; Sewer</i>	<i>Corporate Planning</i>	<i>Art Gallery</i>
<i>Administration</i>	<i>Waste Management</i>	<i>Building Control</i>	<i>Library</i>
<i>Governance</i>	<i>Parks &amp; Gardens</i>	<i>Health</i>	<i>Chifley Home &amp; Interpretive Centre</i>
<i>Stores/Purchasing</i>	<i>Aquatic Centre</i>	<i>Pollution Control</i>	<i>Somerville Collection</i>
<i>Information Services</i>	<i>Depot &amp; Plant</i>	<i>Development Control &amp; Applications</i>	<i>Bathurst Memorial Entertainment Centre</i>
<i>Geographical Information Systems</i>	<i>Floodplain Management</i>	<i>Traffic Inspectors (parking control)</i>	<i>Scallywags Childcare, Including Little Scallywags</i>
<i>Records</i>	<i>Mount Panorama</i>	<i>Rangers</i>	<i>Family Day Care</i>
<i>Human Resources</i>	<i>Operations</i>	<i>Stock Impounding</i>	<i>Vacation Care</i>
<i>Risk Management/ Insurance</i>	<i>Maintenance (roads, bridges, kerb &amp; gutter)</i>	<i>Heritage &amp; Conservation</i>	<i>Community Services</i>
<i>Rates</i>	<i>Construction (roads, bridges)</i>	<i>Regulatory Functions</i>	<i>Cultural Planning</i>

<i>Creditors/debtors</i>	<i>Contract Management</i>	<i>Animal Control</i>	<i>Community Social Planning</i>
<i>Freedom Of Information</i>	<i>Design Works</i>	<i>Companion Animals</i>	<i>Community Development</i>
<i>Business Papers</i>	<i>Disaster Planning</i>	<i>Food/Health Inspections</i>	<i>Historical Society</i>
<i>OH&amp;S</i>	<i>Aerodrome</i>	<i>Immunisation</i>	<i>Youth Council</i>
<i>Internal Audit</i>	<i>Asset Management</i>	<i>State of Environment</i>	<i>Crime Prevention</i>
<i>Management Plan</i>	<i>Project Management</i>	<i>Tree Preservation Order</i>	<i>Community Facilities</i>
<i>Financial Management</i>	<i>Forward Planning:</i>	<i>Septic Tanks</i>	<i>Community Halls/ Groups/Organisations</i>
<i>Committee Secretariat</i>	<i>* Environment</i>	<i>Strategic Planning</i>	<i>Kelso Community Centre</i>
<i>Switchboard</i>	<i>* Recreation</i>	<i>Land Use Planning</i>	<i>CDSE</i>
<i>Customer Request Management System</i>	<i>* Infrastructure</i>	<i>Subdivision Planning</i>	<i>Inter-agencies</i>
<i>Rural Fire Service</i>	<i>Basketball Stadium</i>	<i>Ordinance Control</i>	<i>Senior Citizen Centre</i>
<i>State Emergency Service</i>	<i>Tennis Courts</i>	<i>Licence Monitoring</i>	<i>National Motor Racing Museum</i>
<i>Communications/Events</i>	<i>Traffic Management</i>	<i>Section 94 Contributions</i>	
<i>Property Development &amp; Management</i>	<i>Buildings Maintenance</i>	<i>Plumbing &amp; Drainage</i>	
<i>Mount Panorama Business</i>	<i>Subdivision Design &amp; Construction</i>	<i>Environmental Management</i>	
<i>* Conferencing &amp; Events</i>	<i>Vegetation Management Plan</i>	<i>Contamination</i>	
<i>Annual Report</i>	<i>Cemeteries</i>	<i>Tourism</i>	
<i>Sister City</i>	<i>Drainage/Storm water</i>	<i>Economic development</i>	
	<i>Private Works</i>		

Each of the Departments has a Director appointed who is "senior staff" in accordance with Section 332 of the Local Government Act.

## **CULTURAL AND COMMUNITY SERVICES**

The Cultural and Community Services budget will have a total expenditure of \$9.742 million this year.

Art Gallery, Chifley Home, Historical Museum, Community Arts, Library Services and Somerville Collection have generally been maintained at existing levels. Also contained within this area of expenditure are Family Day Care, Scallywags and Little Scallywags Child

Care, Home and Community Care Centre, Vacation Care, Senior Citizens, Kelso Community Centre, Bathurst Information and Neighbourhood Centre, Seymour Street Cottage, West Bathurst Community House and Village Halls.

## **CULTURAL SERVICES**

### ***Art Gallery***

Includes ongoing operation for the Bathurst Regional Art Gallery and includes an extensive exhibition and acquisitions program as well as costs associated with the Hill End cottage and Artists in Residence Program.

### ***Library***

Incorporates the ongoing operations of the Library including the purchase of new books, resources, DVD's and CD's. Also included is the provision of internet access for the public as well as the provision of library services to rural areas. Further services provided include children's book reading and family history research facilities.

### ***National Motor Racing Museum***

Contained within the budget is an amount of \$674,488 for the National Motor Racing Museum operations.

### ***Community Arts***

Council supports the operation of Arts OutWest, this role is to promote, facilitate, educate and advocate for the arts and cultural development of communities in the Central West region.

### ***Historical Museum***

Reflects ongoing support for the operations for the Bathurst District Historical Museum.

### ***Bathurst Memorial Entertainment Centre***

The Bathurst Memorial Entertainment Centre (BMEC) provides an exciting development program in the performing arts. The Program supports new work, runs workshops for local performers, builds on cabaret performance skills, supports the Catapult Festival and also offers a residency program.

### ***Australian Fossil & Mineral Museum – home of the Somerville Collection***

Council supports the operation of the Somerville Collection, which is housed at the Australian Fossil & Mineral Museum. The Museum conducts an extensive array of exhibition and educational programs.

### ***Chifley Home Interpretation Centre***

This project has been completed and will be used as part of the educational process.

## **COMMUNITY SERVICES**

Includes the provision, review and implementation of the Social and Community Plan and Crime Prevention Strategy. Also provides support and response to issues identified by various community groups or individuals. The primary mechanism for this is through Council supported community committees. These include Youth Council, Seniors, Access, Culturally and Linguistically Diverse and the Bathurst Local Aboriginal Consultative Committees.

**Children's Services**

Includes the provision of two long day care centres, Scallywags and Little Scallywags, Family Day Care and Vacation Care services.

**Village Halls**

Council supports the operation of village halls throughout the Council area.

**Village Improvement Program**

An amount of \$150,000 has been included for the Village Improvement Program.

**ENVIRONMENTAL PLANNING & BUILDING SERVICES**

The 2010/2011 Management Plan allows for an expenditure of approximately \$6 million for the Department of Environmental Planning & Building Services. This allows for the continued provision of services provided by the Department, including Planning Control (both statutory and strategic), Health, Building, Heritage Management, Small Animal Control, Environmental issues, Tourism and Economic Development.

The Plan provides sufficient funds to maintain existing resource and service levels. This in effect means that KPI's presently in place can continue to be met.

An examination has been undertaken of all avenues for revenue generation, however, most of this Department's regulatory functions are based on statutory fees and therefore there is little scope to generate increased revenues. In areas where Council has control of the fees charged they have been increased in line with the CPI where appropriate.

There are some areas in the draft plan where additional items have been funded and these are covered in greater detail later in this report.

**Strategic Planning**

Council continues to place considerable emphasis on its strategic planning and environmental programs. The implementation of the recommendations contained within these studies can only be met if they are linked to Council's Management Plan. Failure to finance the work recommended in the studies makes the implementation of the programs impossible.

The major strategic works for the 2010/2011 financial year are mentioned below.

**Local Environmental Plan**

Resulting from the proclamation on the 26 May 2004, Council has resolved to prepare a new comprehensive Local Environmental Plan for the Bathurst Regional Council Local Government Area. To date this has involved the preparation of a number of studies prior to the preparation of the comprehensive plan. The major studies are Rural Strategy, Urban Strategy and Heritage Study. The three studies have been adopted by Council. The Urban Strategy has been endorsed by the Department of Planning.

Work is well underway on the comprehensive LEP and the associated DCP. The draft plans have been referred to government agencies for comment. The Department of Planning has placed Council on its 2 year priority program for completion of LEPs. The comprehensive LEP has been timetabled for completion in 2011 under this program.

Progress with the Comprehensive LEP continues but is slow with a vast range of issues to be negotiated with the Department of Planning.

In order to expedite the implementation of the Heritage Study, Council resolved to prepare a planning proposal as there is no planning impediment to the introduction of the new heritage items and heritage conservation areas under the existing 2005 LEP. The objectives of the Planning Proposal are to amend the Bathurst Regional (Interim) LEP 2005 by:

- Removing the existing 5 heritage conservation areas and 131 heritage items from the LEP, and
- Implement instead the 10 new heritage conservation areas and 299 heritage items as recommended in the Bathurst Region Heritage Study 2007 and the Bathurst Conservation Area Review 2007.

The Planning Proposal will be exhibited from 8 May to 6 June 2010.

Council also resolved to prepare an Interim DCP under its existing LEP which would enable many of the recommendations of the Urban & Rural Strategies to be implemented by the end of 2010.

### ***Heritage Management***

Council continues its strong commitment to the preservation of the regions heritage. To this end Council has adopted a 3 Year Summary Heritage Strategy. This Strategy outlines Council's Strategies for heritage management and meets the requirements of the NSW Heritage Office 3 year funding agreement.

Council will receive the following funding from the NSW Heritage Office in 2010/2011.

<b>Program</b>	
Regional Heritage Advisor	\$7,000
Regional Heritage Fund	\$8,500

This funding is dependant upon Council providing minimum matching funding. Council's proposed allocations (contributions to the programs) are as follows:

<b>Program</b>	
Regional Heritage Advisor	\$15,500
Regional Heritage Fund	\$36,500

Both the Heritage Advisory Program and Local Heritage Fund remain very successful programs for the Council. In the 2010/2011 budget a total allocation of \$45,000 has been provided for the Regional Heritage Fund and \$22,500 has been allowed for the Regional Heritage Advisory Service.

Council has engaged Ted Higginbotham and Associates to undertake an Archaeological Management Plan, (AMP), for the Bathurst Regional Local Government Area. The AMP will assist Council in the identification, assessment and management of the archaeological resources within the LGA based on its significance and statutory requirements. From this assessment, the heritage schedule of the Bathurst Regional (Interim) Local Environmental Plan 2005 will be amended to include any archaeological items recommended to be listed as heritage items. Council's State Heritage Inventory database will also be updated accordingly.

Council has been successful in applying for \$15,000 funding from the Heritage Branch to undertake an AMP. In addition to this, Council has allocated up to \$55,000 from its Town

Planning Consultancy Reserve, to allow a total of \$70,000 for the AMP.

### ***Bathurst Southern Ring Road***

Council, at its meeting held 3 February 2010, resolved to adopt the draft Southern Ring Road Study 2008 for Strategic Planning purposes only noting that the indicative route shown in the study is not the preferred or recommended route and refer the matter of funding further investigative studies to identify a preferred or recommended route to the 2010/2011 Management Plan.

Further investigations required to identify a preferred route include:

- Route identification which will likely provide a number of route options
- Reassessment of route benefits based on an actual route
- Overall cost/benefit analysis
- Environmental impact statement

A ball park figure of \$1 million is estimated to complete the necessary studies.

If Council proceeds to investigate a Southern Ring Road funding needs to be set aside and reserved in this and future management plans. Studies could then commence once sufficient funding was reserved.

No funding has been included in the 2010/2011 Draft Management Plan for the Southern Ring Road investigations.

## ***Environment***

### ***Companion Animals Management***

Council continues to coordinate a range of programs that ensure responsible pet ownership as well as providing access to off leash areas for owners of dogs. The companion animals program proposed for 2010/2011 includes:

- Community Pet Desexing Program: \$20,000
- Safe Pets Out There (SPOT) primary school program: \$2,000
- Maintenance of Kefford St Off-leash Area: \$5,000

### ***Stock Impounding***

Facilities have been maintained at the former Saleyards site that can be utilised if required to impound and keep stray stock. An allocation has been provided to fund an on-call allowance and overtime payments for Council's Rangers.

### ***Environmental Education Programs***

Community and school environmental education is a responsibility that increasingly falls to Local Government to develop and implement. Thus, there is a continued expansion in this area of Council. Several very successful and popular programs that have been developed and implemented over the past years will again be conducted during 2010/2011. This includes:

- Minor Environmental Projects: \$3,000
- Community Environmental Education: \$5,000
- Sustainable Living Expo in conjunction with Australia Day Festival: \$6,000
- Primary School Environmental Program focusing on waste reduction, recycling and water management: \$15,000
- Go Green Challenge: \$3,000

- Kindy Kits kindergarten road safety, recycling and save water program: \$5,000
- Wood Smoke Reduction program including the woodheater rebate: \$10,000
- Sustainability Newsletter "Making a Difference": \$12,000
- Creation of the Bathurst Region 'Sustainable Business Award': \$1,500
- Water saving device exchange program: \$2,500
- "Toiletsmart" 4-Star Toilet retrofit Program: \$20,000

### ***Environmental Sustainability Action Plan and Programs***

In August 2008 Council adopted the Environmental Sustainability Action Plan (ESAP), as a part of the alliance with Orange and Dubbo City Councils. The ESAP incorporates six Management Action Plans (MAPs). The MAPs identify a range of actions to be addressed by each Council in 2010/11 and beyond. Progress towards these actions is reviewed on an annual basis.

The BOD Alliance was successful in securing a \$2 million grant from the NSW Environmental Trust which will assist in the implementation of many of the projects identified in the MAPs. However, there are also a range of projects which each Council must address in 2010/2011 which do not have external funding available. The specific projects and the associated costs are detailed below.

- Development of the Biodiversity Management Plan (Co-funding): \$10,000 (\$85,000 funded through Environmental Trust)
- Bathurst Urban Drainage Revegetation Program (Co-funding): \$25,000 (\$225,000 funded through Environmental Trust)
- Council Greenhouse Gas Inventory (Co-funding): \$20,000 (\$56,600 funded through Environmental Trust)

### ***Bathurst Gasworks Remediation***

Council has entered into a Voluntary Remediation Action Plan with the Department of Environment, Climate Change & Water (DECCW) and is constantly negotiating with DECCW regarding the remediation process. Council has allowed a further \$100,000 in this year's Management Plan.

### ***State of Environment Report***

Council is required on an annual basis to prepare a State of the Environment Report. Council established \$10,000 to assist in the preparation of the SOE. A Regional SOE is also prepared in cooperation with the Central West CMA and 16 other Councils in the region. It is appropriate that funding of \$10,000 per annum is maintained to ensure that a broad range of data is collected on an ongoing basis.

### ***Urban Waterways Management Plan***

In February 2010 Council adopted the Bathurst Urban Waterways Management Plan (UWMP) for the six main tributaries of the Macquarie River. The UWMP guides future development, rehabilitation and restoration works of the urban waterways. It will recommend actions for the management and/or rehabilitation of waterways based on their present condition and attributes. In February 2010 Council resolved to provide \$50,000 in 2010/11 and 2011/12 for implementation of on-ground projects identified in the UWMP.

### ***Environmental Health Education Programs***

Council has been appointed by the NSW Food Authority as an enforcement agency as a part of the Food Regulation Partnership (FRP). The FRP requires Council to undertake routine monitoring of food premises, to investigate complaints and to regulate other public health matters such as skin penetration premises and onsite sewage management systems. A key component of Council's role is public education regarding all Environmental Health

issues. In 2009/10 an allocation of \$7,000 was provided to facilitate educational initiatives in the area of Environmental Health. It is proposed that this allocation of \$7,000 be continued in 2010/11 to allow these programs to continue.

### ***Environmental Health Regulation and Monitoring***

Council has legislative responsibilities in regards to the monitoring of the environment and environmental health. To ensure that Council continues to meet these responsibilities, the following allocations are proposed:

- Public Swimming and Spa Pools Monitoring to cover the 16 public swimming pools and spas in the Bathurst Region: \$3,250
- Equipment maintenance and consumables to cover the cost of environmental monitoring and laboratory analysis: \$3,000

### ***Bathurst Sustainable Lifestyle House***

In 2009/10 council allocated \$300,000 for the design and construction of the Bathurst Sustainable Lifestyle House. The building will incorporate innovative design features and use environmentally friendly building materials. The building will be made available to members of the local community as an interpretative and education facility to foster behavioural change and to increase the uptake of sustainable design and building in the Bathurst Region. Council will have the option to lease the building to an interested party whilst it is being used as an education facility, and to sell the building to recoup the costs at a future date. It is proposed to increase the allocation by \$100,000, which could be funded from the Land Development Reserve. This increase will cover costs associated with construction, fit-out and landscaping.

### ***Development Assessment***

#### ***Accreditation***

In March 2010 the Building Professionals Board introduced a scheme for accreditation of Council Building Surveyors. Additional costs will be necessary to accommodate the annual accreditation fees (\$250 per head deferred until 2013) and ongoing compulsory CPD training. These fees are not currently budgeted for.

### ***Economic Development***

#### ***Manager Economic Development***

Council is aware that on 1 July 2009 its changed its structure which removed the position "Director Business & Economic Development" in favour of the position "Manager Economic Development". The position was filled on 18 January 2010.

The 2010/2011 budget includes sufficient funding to resource the position for the financial year 2010/2011. There are sufficient funds to prepare the necessary promotional material, the motivational web portal, gap analysis and economic development strategy, fund council's commitment to Evocities and also host the required number of "economic development forums".

### ***Bathurst Visitor Information Centre (BVIC)***

There are sufficient funds allocated in the 2010/2011 Management Plan to continue the operation of the BVIC at its present level of service. Funds have been allocated to continue its operation in the following (main) areas.

Tourism F.O.R.T.O. participation



Tourism publications  
 Autumn Heritage Festival Sponsorship  
 Tourism Package Marketing  
 Local Promotional Marketing  
 Building Maintenance.  
 Regional Tourism Organisation Membership

It is anticipated that there will be the opportunities for Manager Tourism and Manager Economic Development to leverage off similar marketing/motivational projects to ensure Council gets maximum value for money expended.

## SUMMARY

The budget has been prepared within guidelines set down by the NSW Government's rate pegging restriction and other general cost shifting measures introduced by the State Government. For example, Council collects State fees under NSW PlanFirst and the Builders Long Service Leave schemes, but receives no recompense for this. Other examples include the Companion Animals Act obligations and Child Care Services. The budget process is becoming more difficult every year as the effects of large cost increases outside Council's control are having a detrimental effect on Council's ability to operate within the confined income levels. The budget presented has a surplus as follows:

Engineering Services	\$12,535,291	Net Expenditure
Corporate Services & Finance	(\$20,100,180)	Net Income
Cultural & Community Services	\$ 4,411,834	Net Expenditure
Environmental Planning & Building Services	<u>\$3,050,100</u>	Net Expenditure
 Total All Services - Surplus	 <u>(\$102,955)</u>	 Net Income
 General Fund	 \$54,939	 Net Expenditure
Water Fund	(\$27,443)	Net Income
Sewer Fund	(\$130,451)	Net Income
Waste Fund	<u>nil</u>	
 Total All Funds - Surplus 1 year.	 <u>(\$102,955)</u>	 Net Income

Generally the budget covers the directions of Council and includes continued operation of Council's Access Plan, general road construction and makes available sufficient funds for major capital works as outlined in the first section of the report.

Council's plant and equipment reserve is used to fund vehicle and equipment purchases as outlined throughout the report.

### **Rate Pegging**

Council has prepared its estimates based on the rate pegging limit imposed by the State Government of 2.6%. Commercial organisations are not restricted by rate pegging legislation and are subject to market rate increases.

General Purpose Rates & charges	2.6%
Water Rates & Charges	4.0%
Sewer Rate & Charges	4.0%

Waste Charges	5.0%
Domestic Waste Collection	Reasonable Cost

Council should be mindful of the continual squeeze on the Council in its ability to raise revenue through rates as compared to pricing policies of State Government and commercial organisations.

### **Staffing Levels**

The Management Plan has been prepared based on staffing levels of 355 (EFT). It is proposed that in 2010/2011 Council will maintain the 2009/2010 staffing levels, with no additional increase in staff levels for 2010/2011.

Councillors should be aware that as the city grows and the need for staff resources increases, then additional staff will be needed in future years.

### **Service Levels**

With the maintaining of Council's staff numbers at the present levels, Council's services to the community will generally remain constant through 2010/2011. However, Councillors will generally be mindful that as further work is taken on it will become increasingly difficult for the required service levels to be met.

Councillors should also be mindful that Council is continually being requested to increase service levels in rural areas and at present there is no corresponding rate increase available to offset these increased costs.

### **Loan Funds**

The 2010/2011 budget provides for Council to raise \$10,330,000 million in loan funds. This includes capital work for the Civic Centre \$4,000,000, General Operating \$3,195,000, Cycle complex \$1,000,000, Mt Panorama \$985,000, Bradwardine Road Extension \$500,000, Aerodrome Runway Lighting \$400,000, and Netball Club House \$250,000. The latter is dependent on matching grants and contributions from the netball organisation. The lending institution will generally be the most competitive organisation in the loan marketplace in conjunction with meeting any prevailing financial or social requirements. Council may also choose to raise funds by alternative methods to simple borrowing.

### **Section 356 Donations**

Included in the budget under section 3100.460 of Corporate Services is \$30,000 for community grants for Environmental Grants for landowners and rural scholarships.

Included under 3020.405 of Councillors Expenses is an amount of \$245,000 for Section 356 donations which is made up of:

Bathurst Memorial Entertainment Centre community subsidies	\$60,000
Sporting Association Grants	\$30,000
Mount Panorama Fees Waived	\$30,000
CSU Foundation	\$ 5,000
Bathurst Education Advancement Group	\$ 7,000
Monkey Hill UHF, Repeater Assoc	\$ 800
Specific Votes, shown at <b>attachment 3</b>	\$27,272
Sundry Votes	\$84,928
<b>TOTAL</b>	<b><u>\$245,000</u></b>

Included in the budget are:

Recreation:	
Bathurst Cycling Club	\$1,000,000
Bathurst Netball Club	\$250,000
Greening Bathurst Group	\$5,304
Boundary Road Nature Corridor	\$8,424
Arts Out West contribution	\$19,247

In total, Council will be providing more than \$1.5 million to outside organisations beyond its own operating requirements.

***Mayor and Councillor Remuneration***

Council is currently awaiting the Local Government Remuneration Tribunals Report in respect to fees payable to Council's Mayor and Councillors. On receipt of the tribunals report, a report will be issued to Council recommending fees and charges payable to Mayor and Councillors for the 2010/11 financial year.

***Revenue Policy***

Council's Revenue Policy generally contains an increase in fees of CPI (3.0%) together with increases as advised by the Department of Local Government in respect of legislative charges.

***Under Separate Cover to Councillors***

Part 1 of the 2010/2011 - 2013/2014 Draft Management Plan will be provided to Councillors under separate cover

**Financial Implications:** Adoption of this report will place the Council's Draft Management Plan on Public display for 28 days. Following the end of the public display period and consideration of any submissions received Council will formally adopt its budget for the 2010/2011 year.

**MINUTE**

**4     Item 1   DRAFT 2010/2011 MANAGEMENT PLAN**

**MOVED: R Thompson SECONDED: B Bourke**

**RESOLVED:** That Council place the Draft 2010/2011 Management Plan, including the Revenue Policy for 2010/2011, on public exhibition for the statutory 28 day period and receive submissions until 11 June 2010.

Yours faithfully



R Roach  
**DIRECTOR  
CORPORATE SERVICES & FINANCE**

EXTRAORDINARY MEETING OF BATHURST REGIONAL COUNCIL

DIRECTOR ENGINEERING SERVICES' REPORT

12 MAY 2010

**DIRECTOR ENGINEERING SERVICES' REPORT TO THE EXTRAORDINARY MEETING  
OF BATHURST REGIONAL COUNCIL MEETING HELD ON 12 MAY 2010**

General Manager  
Bathurst Regional Council

**1 CHIFLEY DAM CAMPING (32.00005)**

**Recommendation:** For Council's consideration.

**Report:** Council requested information be provided for consideration for the provision of a camping ground at Chifley Dam.

The requirements for a camping ground are subject to the Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005 No. 486.

To summarise the intent on the Regulation, a *primitive camp ground* is an area reserved solely for camping and has an occupancy density of less than two campsites per hectare. Unoccupied caravans, campervans and tents are not to be allowed to remain in the camping ground for a period of more than 24 hours, which therefore does not allow the use of private on site vans. If a designated area was provided for such camping then at best an area of 2 Ha would be realistically possible providing a maximum of four campsites. Any provision of such would be subject to development approval and it would be anticipated that conditions applicable would include provision of potable water supply, toilet provision, fire fighting facilities and garbage collection and disposal.

Based on assumption that any DA would accept the existing toilet facilities for a specific site and minimal work required, then an estimated budget of \$30,000 for such a setup is considered appropriate but would as stated be only for a maximum of four campsites.

Given the potential utilisation on a peak period would require in excess of the four sites possible for primitive camping then a formal campground would come under the provision of Division 3 of the Regulation, Caravan Parks and Campgrounds. This specifies a number of requirements, including the provision of fire services; vehicular entrance forecourt and provision for visitor parking, boom gates, sealed internal roads with lighting, water, sewer and electrical site services, amenities including laundry and a camp kitchen, and a car washing bay.

With the above Regulation to consider, a number of preliminary designs have been prepared to suit various sites within the Ben Chifley Dam precinct, as at **attachment 1**.

The estimated preliminary costs for these options are described below:

<b>Option No.</b>	<b>No. of sites</b>	<b>Cost (ex. GST)</b>
1	34	\$1,480,000
2	58	\$1,250,000
3	22	\$1,020,000

The above costs do not include any allowance for a caretaker's accommodation or office.

**Financial Implications:** An estimated budget of \$30,000 would be required for a primate camp ground, or costs for options 1, 2 and 3 are as above.

**MINUTE**

**5     Item 1   CHIFLEY DAM CAMPING**

**MOVED: B Bourke SECONDED: T Carpenter**

**RESOLVED:** That Council vote \$30,000 for the construction of 4 campsites at Chifley Dam.



## **2 ASSET MANAGEMENT PLANS (03.00170)**

**Recommendation:** That Council place the Asset Management Plans for Urban Roads, Rural Roads, Bridges and Culverts, and Footpaths and Cycleways on public exhibition with the 2010 / 2011 Management Plan.

**Report:** At the inaugural meeting of the Australian Council of Local Government, the Prime Minister, the Hon Kevin Rudd MP, gave particular emphasis to the need for councils to develop nationally consistent asset management and financial management plans.

In 2007-08, local governments were estimated to own land and fixed assets worth \$244 billion. Over \$50 billion of this is land, leaving local governments to manage about \$194 billion in infrastructure, much of this critical to our day to day lives. There is \$2.16 billion under spent annually on infrastructure renewal as identified in the Pricewaterhouse Coopers report, which equates to eight per cent of 2007-08 aggregate local government income of \$27.1 billion. This highlights the urgency of the challenge to improve strategic level financial planning and asset management, which remains vital for sustainable, well managed local government.

While nationally consistent asset management and financial planning systems have been on the agenda of the Local Government and Planning Ministers' Council (LGPMC), the issue has been given added importance by the global economic recession and climate change.

Accordingly, the LGPMC, which is chaired by the Commonwealth Minister for Infrastructure, Transport, Regional Development and Local Government, recently agreed to accelerate the implementation of enhanced frameworks for asset management and financial planning. State and Territory governments have committed to implementing these new frameworks in consultation with local government with a target date of 31 December 2010.

An Asset Management Plan is one developed for the management of one or more infrastructure assets that combines multidisciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to provide a specified level of service. A significant component of the plan is a long-term cash flow projection for the activities.

### **A NATIONAL ASSET MANAGEMENT FRAMEWORK**

Assets deliver important services to local communities. A key issue facing local governments throughout Australia is the management of ageing assets in need of renewal and replacement. Infrastructure assets such as roads, drains, water and sewerage assets, bridges and public buildings present particular challenges as their condition and longevity can be difficult to determine, and the increasing demands in terms of quality and standards. The creation of new assets also presents challenges in terms of funding for initial construction and ongoing service costs.

There are seven elements of a national framework identified which include:

1. Development of an asset management policy;
  - establishes the objectives for asset management providing a platform for service delivery;
  - integrates asset management with council corporate and financial planning;
  - assigns accountability and responsibility for service delivery together with asset management;
  - broadly takes account of whole of life costing, service levels and financing

- options; and
  - requires the adoption of an asset management plan informed by community consultation and local government financial reporting, and which is supported by training in financial and asset management.
2. Strategy and planning;
- include all assets on an asset register;
  - provide information about assets, including particular actions required to provide a defined level of service in the most cost-effective manner;
  - incorporate risk management strategies;
  - include financial information such as capital expenditure for renewing, upgrading and extending assets;
  - include consideration of non asset service delivery solutions (leasing, private/public partnerships);
  - recognise changes in service potential of assets;
  - be subject to a performance review;
  - outline an improvement program; and
  - have clear linkages to other council strategic documents.
3. Governance and management arrangements;
- The enhanced asset management framework ensures councils apply and effect good governance and management arrangements which link asset management to service delivery. Evidence of good corporate governance in asset management would include councils:
- assigning roles and responsibilities for asset management between the CEO, the Council and senior managers/asset managers;
  - having a mechanism in place to provide high level oversight of the delivery of council's asset management strategy and plan; and
  - maintaining accountability mechanisms to ensure that council resources are appropriately utilised to address councils' strategic plans and priorities.
4. Defining levels of service;
- States and Territories will develop mechanisms that ensure councils define the levels of service they expect to provide from their asset base. This would include ensuring that councils:
- establish service delivery needs and define service levels in consultation with the community;
  - establish quality and cost standards for services to be delivered from assets; and
  - regularly review their services in consultation with the community to determine the financial impact of a reduction, maintenance or increase in service.
5. Data and systems;
- The enhanced framework provides for the collection of asset management data to:
- enable the State and/or councils to measure asset management performance over time;
  - identify infrastructure funding gaps; and
  - enable councils to benchmark within the sector and council groups within their State and across Australia.

Councils should also continually work to improve the consistency of the financial data they produce, particularly in relation to capital expenditure and the allocations between maintenance, renewal and upgrade.

6. Skills and processes;

The enhanced asset management framework contains a continuous improvement program, which includes:

- providing councils with a 'whole of organisation' perspective and a best practice framework to enable continuous improvement of their asset management practices. This would include helping councils to set targets for future improvement;
- developing and providing ongoing training programs for councillors, council management and officers on key asset management topics in partnership with peak bodies and agencies; and
- providing the sector with best practice guides on key asset management topics to improve condition assessment, valuation of assets and accounting treatment.

7. Evaluation;

An asset management framework should contain a mechanism which measures its effectiveness including the asset management programs and initiatives implemented.

Each State and Territory has adopted these elements to facilitate an improvement in asset management performance by local governments in their jurisdiction.

The end result is that Council needs to cater for the maintenance and ongoing costs of infrastructure that it currently owns and operates and where appropriate, provision of additional funding for the maintenance and renewal of the assets.

In an endeavour to meet the need for the provision of these Asset Management Plans Council has adopted the approach proposed by Institute of Public Works Engineering Australia Limited (IPWEA) which has developed a program titled NAMS (National Asset Management Strategy). This program is based on the International Infrastructure Management Manual (IIMM) and is a simple system to ensure a program that provides an integrated and sustainable approach to providing management of community infrastructure.

A major component of the IPWEA program is that it has been acknowledged by State and Federal Governments and adopted by a wide number of Local Government bodies.

Bathurst Regional Council has to date completed a number of asset management plans which includes the following assets:

- Urban Roads
- Rural Roads
- Bridges and Culverts
- Footpaths and Cycleways

At **attachment 1**, **attachment 2**, **attachment 3** and **attachment 4** are copies of each of these plans.

In accordance with the guidelines for preparation of Asset Management Plans, each of the above plans have identified a renewal funding gap (shown below) that highlights the current short fall of annual funding required to maintain Councils assets to an accepted standard.

<b>Asset Management Plan</b>	<b>Funding Gap (Average Annual)</b>
Urban Roads	\$476,000
Rural Roads	\$120,000
Bridges and Culverts	\$73,299
Footpaths and Cycleways	\$57,367

Provision and adoption of additional Asset Management Plans will further highlight the growing funding gap between the community's expectations and the ability to fund these levels of service.

Some assets can cost as much as five times the initial construction cost for total life cycle costs of the asset therefore initial construction of an asset is only a part of the commitment that Council decides upon and commits to.

The overall asset planning and financial planning is an essential part of managing the community assets and providing sustainable infrastructure, moving from annual financial planning to a long term financial plan and strategy.

The Asset Management Plans are now submitted along with the Management Plan for Council's consideration.

**Financial Implications:** Funding will need to be incorporated into annual Management Plans.

**MINUTE**

**6     Item 2   ASSET MANAGEMENT PLANS**

**MOVED: I North SECONDED: M Morse**

**RESOLVED:** That Council place the Asset Management Plans for Urban Roads, Rural Roads, Bridges and Culverts, and Footpaths and Cycleways on public exhibition with the 2010 / 2011 Management Plan.

Yours faithfully



Doug Patterson  
**DIRECTOR  
ENGINEERING SERVICES**

**MINUTE**

**7     MEETING CLOSE**

The Meeting Closed at 6.48 pm.

**CHAIRMAN:** \_\_\_\_\_

**Date:** \_\_\_\_\_ **(16 June 2010)**

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to the Extraord Meeting 12/05/2010

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GENERAL MANAGER

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MAYOR  
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