



COFFS HARBOUR CITY COUNCIL
ORDINARY MEETING
COUNCIL CHAMBERS
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR
23 MAY 2013

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COFFS HARBOUR CITY COUNCIL

ORDINARY MEETING

23 MAY 2013

Mayor and Councillors

GENERAL MANAGER'S REPORTS

GM13/13 OPERATIONAL PLAN REPORTING FOR THE QUARTER ENDED 31 MARCH 2013

Purpose:

To report on the progress of implementation of Council's 2012/2013 Operational Plan.

Description of Item:

Under the Integrated Planning and Reporting (IPR) framework, Council developed an Operational Plan for the 2012/2013 financial year to guide operational activity and to monitor performance.

This report addresses the progress of that activity from 1 January to 31 March 2013.

The performance of individual projects and ongoing activities is recorded in detail in Council's *Performance Planning* system, a software tool designed to assist the organisation to monitor progress at an operational level. The system generates a summary report, tracking the performance of Council's 41 Services as well as the major projects and Key Performance Indicators (KPIs) within each Service.

Copies of the report - titled *2012/2013 Quarterly Operational Report – January to March 2013* – have been distributed to Councillors. Once adopted, the report will also be posted on Council's website.

Sustainability Assessment:

This report monitors performance against measures applied to Council's projects and ongoing activities, as set out in the 2012/2013 Operational Plan. The individual projects and ongoing

activities (measured by KPIs) are aligned (through Council's Delivery Program) with the Quadruple Bottom Line objectives of the *Coffs Harbour 2030 Community Strategic Plan*. Their performance measure assessments are based on social, environmental, economic, and civic leadership principles. Accordingly, an overall assessment is not required for the tabling of the report.

Consultation:

Managers from all Council departments have submitted performance reports for operational activities within their areas of responsibility.

Statutory Requirements:

Sections 404 and 405 of the *Local Government Act 1993* detail a council's obligations in regard to its Delivery Program and Operational Plan.

There is no legislative or policy requirement for Council to report quarterly on the operational performance measures within the 2012/2013 Operational Plan.

Issues:

The booklet entitled *2012/2013 Quarterly Operational Report – January to March 2013* is generated from Council's *Performance Planning* software package. It shows the status for the quarter for each of the 41 Services within Council's 2012/2013 Operational Plan.

The *Performance Planning* software utilizes 'traffic lights' to indicate the progress towards achievement of performance measures. A green light indicates that the measure is either on track or achieved. An amber light indicates the status is manageable, and a red light indicates the activity is at risk.

Services have subsets – called Elements – which encompass projects and ongoing activities. Council's 2012/2013 Operational Plan identifies 229 projects and a range of ongoing activities carried out as the day-to-day business of Council. The delivery of ongoing activities is measured through the use of Key Performance Indicators (KPIs) which generally compare achievements against set targets or timeframes.

Using commentary and the 'traffic light' graphics, an overall assessment is provided on the progress of each Service. In addition, comments are provided on the progress of significant projects (as identified in the 2012/2016 Delivery Program). Details of relevant Key Performance Indicators (KPIs) are also displayed to show the progress of ongoing activities.

Of Council's 41 Services, 37 are reported as being "On Track" at the end of the March quarter. The remaining four are reported as "Manageable" (reflecting external impacts or funding and staff resourcing issues – see Service Leaders' comments in the table below).

Council Service	March 2013 Status
S02 City Image Cleaning	City Centre Cleaning progressing to operational plan and budget. Considerable disruption due to Palm Centre reconstruction. Contract Completion date 30.6.2013
S09 Environmental Management	Funding/Resourcing continue to be an issue impacting upon the management of the sustainability program. Staff resource has significantly reduced following the finalisation of several high profile grant-funded programs at the end of January. This has required the program to significantly reduce the extent of community and

	<p>corporate engagement and commence re-evaluating future opportunities to be pursued within staffing limitations.</p> <p>The on-site septic tank inspection program continued with reasonable progress made within staffing limitations.</p>
S13 Health	<p>There is continuing concern at the increased workloads with the existing resources reaching capacity. We are thereby investigating new procedures for receiving and initially screening issues together with applying gradings to address serious and community wide issues.</p>
S24 Waste Management	<p>There is a need to review the mixed waste processing recovery results and targets by 1 July 2013. However, this may need to be deferred by a couple of months, in order to have full year figures acknowledging the required repairs and recommencement of mixed waste processing.</p>

Council's electronic records management system provides data related to completion of tasks assigned across the organisation. A total of 4,998 tasks were recorded in the system for the March quarter with 4,646 tasks completed. With 871 tasks overdue at the end of the period, this equates to 82.6% being attended to within the required timeframe. This compares to 81% in the December quarter and 86.8% in the March quarter in 2012.

Significant Achievements

Council continued to deliver a full range of programs and services to the Coffs Harbour community during the March quarter. Significant achievements included:

- Council's facilitation of the National Broadband Network culminated in February with the official switch-on of the first active high speed broadband fibre area in Coffs Harbour.
- Following a three-stage study and consultation process, Council adopted its Coastal Zone Management Plan aimed at addressing the potential risks to our coastline from coastal erosion and inundation.
- A new era began for Coffs Harbour's Regional Airport on 15 February when Tiger Airways commenced its passenger flight service to and from Sydney.
- In March, Council provided a free drop off facility to help residents whose properties were particularly badly hit by gale force winds that accompanied a storm that hit the region.
- Coffs Harbour Library staged special Holiday Storytime sessions in City Square in January.
- Council reinvigorated Coffs Harbour's 2013 Australia Day celebrations as a community festival event at the Regional Botanic Garden.
- Coffs Harbour Regional Gallery staged a series of successful exhibitions featuring Canberra-based photographer, David Hemenstall, Bellingen artist Angela Tay, painter Polly Wells and photographers Tanja Ackerman and John Hart.
- Council encouraged community feedback for the review of the Coffs Harbour 2030 Plan, generating substantial interest through the staging of a special 2030 Review Photographic Competition.
- The Bunker Cartoon Gallery featured popular shows celebrating the work of cartoonist Monty Wedd, photographer Jayne Shephard, and graphic novelist and Bald Archy finalist, Louise Graber, as well as themed exhibitions from the gallery's cartoon collection.
- The BCU International Stadium again proved its drawing power, selling out all grandstand seats for the pre-season NRL clash between the South Sydney Rabbitohs and the Newcastle Knights.

- A free smartphone app was launched to promote Carpool Mid North Coast, a sustainable transport initiative supported by Council.
- Council’s Coffs Harbour Water business unit was in the spotlight when its Executive Manager, Simon Thorn, was named as the Australian Water Association’s NSW Water Professional of the Year.
- Donated books and computer equipment were transported to the Port Vila Public Library in Vanuatu in March as part of a joint charity effort staged by Council and Coffs Harbour Rotary Daybreak club.
- For the first time, Council extended its successful Green Schools Sustainability Program to local ‘for profit’ childcare centres as well as all Coffs Harbour primary schools, secondary schools, pre-schools and day care centres. Provided through the Environmental Levy, the program funds student-initiated projects.
- The National Touch Titles returned to the BCU International Stadium bringing around 3,000 players, officials, families and fans to Coffs Harbour.
- Organised by Council’s Multicultural Reference Group, Coffs Harbour’s annual Multicultural Harmony Festival brought thousands of visitors to the Botanic Gardens on 16 and 17 March to share cultures, dance, music, food, activities and workshops.

Implementation Date / Priority:

Management will continue to monitor the organisation’s performance with a view to improving service delivery.

Recommendation:

That Council:

1. **Notes the operational status of Council Services for the quarter ended 31 March 2013, as outlined in the body of this report.**
2. **Continues to monitor its performance with a view to improving service delivery.**

GM13/14 INTEGRATED PLANNING AND REPORTING FRAMEWORK FOR THE PERIOD 2013/2014 TO 2016/2017

Purpose:

Following their public exhibition, the following Integrated Planning and Reporting documents have been reviewed and are presented for Council's consideration:

- Final draft reviewed Coffs Harbour 2030 Community Strategic Plan
- Final draft 2013/2017 Delivery Program;
- Final draft 2013/2014 Operational Plan;
- Final draft Program Budgets 2013/2017;
- Final draft 2013/2014 Fees and Charges; and
- Reviewed Resourcing Strategy.

This report recommends the reviewed documents be adopted and implemented from 1 July 2013.

Description of Item:

The suite of draft documents that makes up the Integrated Planning and Reporting (IPR) Framework was adopted by Council on 11 April and placed on public exhibition for 28 days from 12 April to 10 May 2013 (see Report GM 13/10).

By the end of the display period, Council had received 128 community submissions on the draft 2013/2014 budget. A significant proportion 101 related to proposed funding cuts to Council's Economic Development, Sport and Tourism services. The remainder included requests for funding for disabled access facilities at Coffs Harbour Swimming Pool; road, cycleway and footpath works, cultural projects and community garden initiatives. The display period also concluded a lengthy consultation process to assist the review of the Coffs Harbour 2030 Community Strategic Plan. Submissions are considered in greater detail in the Consultation section of this report.

A separate community engagement process was implemented in regard to a joint Council/business sector proposal to extend the term of the CBD Special Rate. That application is being considered by the Independent Pricing and Regulatory Tribunal (IPART). The application process requires Council to adopt its 2013/2014 Budget prior to 1 June 2013. IPART is expected to announce its determination by mid-June 2013.

When adopting the IPR documents for exhibition on 11 April 2013, Council resolved to alter the Draft Program Budgets with the following service level reductions (by reducing the amounts allocated):

Coffs Coast Marketing	\$126,307
Sports Development	\$100,000
Economic Development	\$200,000

Council also further resolved to allocate an additional amount of \$60,000 to the Sustainability Program.

Should Council wish to confirm these service level reductions the implications are discussed in detail in the Issues section of this report.

Sustainability Assessment:

The Integrated Planning and Reporting (IPR) Framework stems from statewide planning reforms that are based on Sustainability and Quadruple Bottom Line (QBL) principles. That is, there is a requirement that each component identifies and addresses social, environmental, economic and civic leadership issues.

- **Environment**

The adoption and implementation of the documents will have no environmental impacts apart from those associated with printing and energy use. Consistent with Council policy, these impacts will be kept to a minimum. Environmental issues relating to Council and the city are identified and addressed in a number of strategies encompassed by the framework.

- **Social**

Community engagement has played an integral part in finalizing this review of the IPR framework. Again, the framework includes a range of strategies to enhance the social development of Coffs Harbour.

- **Civic Leadership**

The IPR framework creates a structured platform for the community to identify its priorities for the future of Coffs Harbour and the strategies it can implement to help achieve its goals. Council has a substantial role to play in this, providing works and services aimed at achieving the objectives of the *Coffs Harbour 2030 Community Strategic Plan*. Council's contribution is formally recognized within the 2030 Objective LC3 *We have strong civic leadership and governance* and the 2030 Strategy LC3.1 *Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour*.

- **Economic**

Broader Economic Implications

The IPR Framework enables a number of strategies aimed at assisting and contributing to the economic development of Coffs Harbour. As one of the city's major businesses and employers, Council is an important contributor to the local economy; the implementation of planning, reporting and resourcing structures assists the management of the organization as a secure and stable enterprise.

Delivery Program/Operational Plan Implications

Council's annual budget allows for the development and review of the IPR framework. This expenditure is monitored through Council's monthly and quarterly budget reviews.

Consultation:

- **Internal**

Following the local government election in September 2012, Councillors have had the opportunity to participate in a number of workshops to review Council's strategic objectives and budgetary priorities as part of the development and review of the IPR framework. Staff have also had extensive input into this process, with particular involvement in the review of the operational content of the draft documents.

- **External**

The Draft reviewed Coffs Harbour 2030 Community Strategic Plan, Draft 2013/2017 Delivery Program; Draft 2013/2014 Operational Plan; Draft Program Budgets 2013/2017; Draft 2013/2014 Fees and Charges; and reviewed Resourcing Strategy were adopted by Council on 11 April 2013 and placed on public exhibition for 28 days (Friday, 12 April to Friday, 10 May 2013).

The draft documents could be accessed on Council's website: www.coffsharbour.nsw.gov.au. Printed copies were also displayed at Council's Administrative Centre, at the three branches of the City Library (Coffs Harbour, Woolgoolga and Toormina), at General Stores and Post Offices in Karangi, Coramba, Nana Glen, Lowanna, Ulong, Corindi and Red Rock and at the Coffs Harbour Visitor Information Centre.

The public exhibition process was promoted on Council's website and in the media. All promotional material encouraged the community to consider the draft documents and provide feedback to Council. Community submissions could be made online or by mail.

- *Budget Submissions*

Prior to and during the public exhibition period, Council received a total of 125 submissions on the Draft documents (including 86 that were tendered by email or through Council's online submission tool). A further three submissions were received after the close of the display period. Each community submission was registered, acknowledged (by letter or email) and referred to relevant staff for comment to assist in the consideration of the points raised.

A full summary of submissions has been forwarded to Councillors with the business papers. (See attachment). In brief, the summary shows:

No. Received	Submission	Budget impact (\$)
87	Objecting to proposed budget cuts for Economic Development, Sport and Tourism.	426,307
14	Supporting proposed budget cuts for Economic Development, Sport and Tourism.	Nil
12	Seeking the installation of disability access facilities at Coffs Harbour Swimming Pool.	40,000
1	Requesting construction of a shared pathway along the length of Fiddaman Road.	>300,000
1	Request for road rehabilitation works at Nelson St, Woolgoolga	Not costed

1	Community Services issues: – Request for footpath works adjacent to the entrance to Coramba Hall; – Request for capital assistance funding for Ulong Hall and Showground. • Shelter for recreation/picnic area. \$7,568 • Stump grinding \$1,500 – Cultural projects as per Council Resolution 49	8-10,000 9,068 21,000
1	Requesting footpath on Coramba Rd past the Shepherds Lane roundabout on the lower side for 100metres Request replacement of litter bins in the foreshore area east of the boat ramp.	100,000
1	The Coffs Regional Community Gardens Association requesting financial assistance for employment of a co-ordinator (\$37,440) and construction of disability access pathways (\$10,000)	47,440
4	Questions/statements relating to the strategic principles informing Council cycleway and landuse programs (referred from 2030 Plan review)	Nil
2	Objections to any rate variation above rate pegging.	Nil
1	Procedural suggestions re asset management and budget review processes.	Nil
1	Objecting to increased fees and charges for: – waste services; – onsite sewage management	2.18M 37,000
1	Requesting extension/upgrade of Corindi Public School car park	Not costed
1	Requesting an increase in the budget for the Multicultural Harmony Festival to \$20,000 p.a. for 4 years.	10,000
128		

Staff comments generally acknowledge the merit of submissions put forward for works and programs. The requests for enhanced disabled access facilities at Coffs Harbour Swimming Pool will be addressed as the result of a benevolent donation of \$40,000. In other cases however, Council continues to be constrained by its ongoing financial situation and is unable to provide the additional funding sought in submissions.

- *City Centre Special Rate Application*

A separate community engagement strategy has been underway since 2011/2012 in regard to a proposal to extend the Business City Centre Special Rate to fund a new stage of the successful city centre revitalization program. This has been a tightly focused consultation process – targeting business city centre property-owners.

A City Centre Masterplan Committee - made up largely of CBD property-owners - was appointed to oversee planning for the revitalization and to ensure input from all stakeholders. Most recently (15 March 2013), letters were sent to every affected property-owner to advise of progress on the Masterplan and to direct attention towards Council's Special Rate application to the Independent Pricing and regulatory Tribunal (IPART). No submissions have been received as a result of the exhibition of the application on the websites of both Council and IPART.

The engagement strategy has demonstrated that there is considerable support for the proposal, a finding that has been incorporated in Council's application to IPART.

- *Coffs Harbour 2030 Community Strategic Plan Review*

In the course of the display period, Council received a total of 10 submissions on the draft reviewed Coffs Harbour 2030 Community Strategic Plan, including 6 from Council staff.

A summary of submissions has been forwarded to Councillors with the business paper (see attachment).

Related Policy and / or Precedents:

Council adopted the Coffs Harbour 2030 Community Strategic Plan in December 2009. The IPR Resourcing Strategy was adopted in April 2010 and the 2010/2014 Delivery Program was adopted in June 2010. Each year since then Council has considered a Draft Delivery Program and Draft Operational Plan (including budgets and fees and charges documents).

2012/2013 has been the first election year since the introduction of the Integrated Planning and Reporting provisions. Accordingly, this is the first comprehensive review Council has undertaken of the Coffs Harbour 2030 Plan and the Resourcing Strategy.

Statutory Requirements:

Sections 402 to 405 of the Local Government Act 1993 detail requirements in relation to a Community Strategic Plan, Resourcing Strategy, Delivery Program and Operational Plan.

Additional requirements for the Operational Plan are set out in Local Government (General) Regulation 2005 – Clause 201 (relating to the content of Council's annual statement of revenue policy) and Clause 203 (relating to reporting requirements for budget review statements and estimates revisions).

Section 508 of the Local Government Act 1993 details provisions relating to Special Variations.

Issues:

• ***Final draft reviewed Coffs Harbour 2030 Community Strategic Plan (CSP)***

The project to review the CSP has been executed in accordance with the review requirements outlined in the Integrated Planning and Reporting legislation as well as the scope and plan agreed to by Council Executive. As a result of the feedback received a number of improvements have been made to the Community Strategic Plan. These can be summarised as follows:

- Modification to Council's role on a number of strategies;
- Modification to identified external stakeholders;
- Inclusion of a Coffs Harbour profile;
- Further clarification on Community Indicators;
- Reference to other relevant plans;
- Further context for the included photographs;
- Strategy modifications within Learning and Prospering and Looking After Our Environment; and
- Minor formatting adjustments.

- ***Final Draft Delivery Program and Operational Plan***

The Delivery Program is a four-year blueprint showing how Council's 41 Services – its “principal activities” - respond to the Community Strategic Plan. It follows the thematic structure of Coffs Harbour 2030. All of the organisation's plans, projects, actions and funding allocations are directly linked to the Delivery Program.

The Operational Plan is a subsidiary of the Delivery Program. The Operational Plan identifies the business of Council during the financial year.

During the exhibition period, Service leaders completed a review of the Delivery Program and Operational Plan to establish a range of measures that reflect the impact of Council activities in implementing 2030 Strategies and achieving 2030 Objectives. The new framework of measures will provide the foundation for Council's six-monthly and Annual Reports from 2013/2014.

- ***Application for Special Variation to General Income 2013/2014***

Following Council's resolution of 7 March 2013, application has been made to IPART to continue the Business City Centre Special Rate for a further ten-year period.

IPART has already approved a statewide 'Rate Pegging' increase of 3.4% for 2013/2014. On top of this, Council is seeking a further 2.03% increase in 'General Income' (income from ordinary and special rates) - a total increase of 5.43%. This additional income (above the rate pegging limit) represents the proposed continuation of the City Centre Special Rate.

The application for additional rate revenue has no impact on Residential, Farmland or Business properties outside the Coffs Harbour CBD.

Council will be advised in June 2013 of IPART's decision.

- ***Proposed City Centre Special Rate Continuation***

The proposed City Centre Special Rate continuation is required to fund a new ten-year City Centre works program which has been developed in conjunction with the City Centre Masterplan. The Masterplan was developed using City Centre Special Rate funds from a one-year Special Variation approved for 2012/2013.

The continuation of the Special Rate to fund future works within the City Centre was an initiative first raised in early 2011 by local business people.

- ***Proposed Financial Impacts***

Council's application to IPART is based on the current level of funding from the City Centre Special Rate being maintained and increased by the annual rate pegging allowance over the next ten years.

The following table shows the estimated annual rate revenue to be generated over this period from the proposed Special Rate continuation.

Year	Year Starting	Annual Rate Pegging Allowance (%)	CBD Special Rate Yield (\$)
1	1/07/2013	3.4	691,640
2	1/07/2014	3*	712,390
3	1/07/2015	3*	733,760
4	1/07/2016	3*	755,770
5	1/07/2017	3*	778,440
6	1/07/2018	3*	801,790
7	1/07/2019	3*	825,840
8	1/07/2020	3*	850,615
9	1/07/2021	3*	876,135
10	1/07/2022	3*	902,420
Total			7,928,800

* Please Note: Special Rate yields after 2013/2014 have been calculated using an estimated rate pegging allowance of 3%.

- **Impact on Business City Centre Rates**

The proposed Special Rate continuation will only have an impact on Business properties within the Coffs Harbour CBD.

If the City Centre Special Rate is approved by IPART for 2013/2014 the average ordinary rate for a Business City Centre property will increase from approximately \$7,081.01 in 2012/2013 to \$7,319.78 for 2013/2014. This represents an average increase of approximately \$238.77 or 3.4%.

If the City Centre Special Rate is not approved for 2013/2014, an average ordinary rate for a CBD Business property will decrease from approximately \$7,085 in 2012/2013 to \$5,031 for 2013/2014. This represents an average decrease of approximately \$1,909 or 26.9%.

• **Variation to General Income – 3.4% ‘Rate Pegging’ Increase**

Should Council not be successful with the proposed continuation of the City Centre Special Rate, the Draft 2013/2014 Operational Plan allows for the implementation of a 3.4% increase in ‘General Income’ (income from ordinary and special rates), announced for 2013/2014 by IPART under Local Government ‘Rate Pegging’ legislation.

- **Impact on Residential Ratepayers**

With a 3.4% rate variation, a typical residential ratepayer can expect a total rate increase (including annual and usage charges) of approximately \$150.61 per annum (or \$2.90 per week), which is a 5.1% increase from 2012/2013.

In this instance, the impact upon the typical residential ratepayer's rate notice and annual water usage accounts is detailed in the following table:

Rates and Charges	2012/2013	2013/2014	Increase	
	(\$)	(\$)	Amount (\$)	%
Residential Ordinary Rate	901.15	932.01	30.86	3.4
Environmental Levy	37.10	38.35	1.25	3.4
Sewerage Access Charge	760.00	783.00	23.00	3.0
Water Access Charge	135.00	139.00	4.00	3.0
Water Usage (250 Kl pa)	620.00	637.50	17.50	2.8
Domestic Waste Service	460.00	534.00	74.00	16.1
Stormwater Management	25.00	25.00	0.00	0.0
Totals	2,938.25	3,088.86	150.61	5.1

The following comments should be considered in conjunction with the above information:

1. The average residential ratepayer's land valuation for 2013/2014 is \$184,100 and this valuation has been used in the determination of both the residential ordinary rate and environmental levy for 2013/2014 in the above table.
2. Water usage charges have been averaged at 250 kilolitres per annum.
3. Water, Sewerage, Stormwater Management and Domestic Waste Service charges are not subject to rate pegging restrictions.

- **Impact on Non-Residential Ratepayers**

With a 3.4% rate variation, the average non-residential ratepayer can expect an increase to the ordinary rate component of their rate account as shown in the table below:

Ordinary Rate Component ONLY	2012/13	2013/14	Increase	
	(\$)	(\$)	Amount (\$)	%
Farmland Ordinary Rate	1,660.07	1,717.04	56.97	3.4
Business Ordinary Rate	3,166.05	3,274.54	108.49	3.4
City Centre Business Ordinary Rate	7,081.01	5,171.24	-1,909.77	-27.0

The following comments should be considered in conjunction with the above information:

1. The average land valuation in 2013/2014 for Farmland is \$414,600, for Business \$412,800 and for City Centre Business is \$669,200 – with these valuations being used in the determination of the ordinary rates in the above table.
2. The reduction in the ordinary rate for City Centre Business is due to the expiration of the City Centre Business Special Rate.

- **Annual and Usage Charges for Non-Residential Properties**

It should be noted that the percentage increase on the total amount of rates and charges payable for some non-residential properties may vary above the typical residential 5.1% rate increase.

The average total amount of rates and charges for non-residential properties is difficult to calculate due to the varying nature and service requirements of non-residential properties.

- **Impact on Pensioners**

With a 3.4% rate variation, a typical residential ratepayer receiving a pensioner concession can expect a total rate increase (including annual and usage charges) of approximately \$149.99 per annum (or \$2.88 per week), which is a 6.2% increase from 2012/2013.

In this instance, the impact upon the typical pensioner's rate notice and annual water usage accounts is as follows:

Rates and Charges	2012/13	2013/14	Increase	
	(\$)	(\$)	Amount (\$)	%
Residential Ordinary Rate	651.15	682.01	30.86	4.7
Environmental Levy	18.55	19.18	0.63	3.4
Sewerage Access Charge	672.50	695.50	23.00	3.4
Water Access Charge	67.50	69.50	2.00	3.0
Water Usage (250 KL pa)	600.00	619.50	19.50	3.3
Domestic Waste Service	372.50	446.50	74.00	19.9
Stormwater Management	25.00	25.00	0.00	0.0
Totals	2,407.20	2,557.19	149.99	6.2

The following comments should be considered in conjunction with the above information:

1. The typical residential land valuation is \$184,100 and this valuation has been used in the determination of both the residential ordinary rate and environmental levy in the above table.
2. Water usage charges have been averaged at 250 kilolitres per annum.
3. Water, Sewerage, Stormwater Management and Domestic Waste Service charges are not subject to rate pegging restrictions.
4. The total amount of pensioner rebate granted on the average residential property for 2013/2014 is \$531.67.
5. The percentage increase for a typical pensioner residential ratepayer is greater than for a non-pensioner residential ratepayer as the State Government rebates do not increase for 2013/2014.

- **Pensioner Rebates**

Council will write off about \$3 million in pensioner rates and charges in 2013/2014. Of this, Council voluntarily forgoes approximately \$600,000. Council is required to forgo the remaining \$2.4 million under State Government legislation.

The amount Council is reimbursed by the State is approximately \$1.32 million, leaving an overall cost to Council of approximately \$1.68 million.

- **Impact of draft budget service level reduction:**

To assist Council in deciding if it wishes to pursue this proposed reduction in service levels, the following detailed information is provided for each of the three programs:

1. Introduction, including a General Description of activities undertaken.
2. Original 2013/2014 Program Budget Summary (without proposed reductions).
3. Three options to reduce the Program Budget by the suggested amount. Includes reference to staff redundancy (if applicable).
4. Ramifications and impacts of the proposed cuts, both internally and externally.
5. The service level reduction that will be implemented should the draft budget be confirmed.

Information is also provided for the increased service level of the sustainability program.

Coffs Coast Marketing

1. Introduction

The Tourism Unit of Coffs Harbour City Council is predominantly responsible for Leisure Tourism Marketing, Conference Management, Business Tourism Attraction, Visitor Information Services, and Major Events.

Tourism is worth \$468 million (TRA 2011) to the local economy annually, driving 1,746,000 total visitors to the region. Tourism is a key driver to the economic health of the region. Tourism positively impacts on all business in the region and historically the region is recognised as a popular holiday destination.

Key achievements for Tourism recently include:

- \$1 million in sales for the Visitor Information Centre (F.Y. 11/12);
- Delivery of the new tourism brand;
- Annual marketing prospectus;
- Visitor profile survey;
- 101 Campaign;
- Business tourism attraction;
- Tiger Airways campaigns;
- World Rally Championship;
- Wintersun;
- IT Conference;
- Local Government Executives Conference;
- Industry newsletters and tourism statistics;
- Significant increase in regional media exposure;
- Destination NSW funding (\$149,000 in 2012/13);
- Tourism website with 361,000 visits;
- Social media;
- Bruxner Park T-Qual funding (\$44,000);
- Representation at trade shows including Australian Tourism Exchange, Australian Business Events, Asia Pacific incentives and meeting expo, Agquip, Caravan and Camping shows (Sydney, Melbourne, Brisbane), Holiday and Leisure shows;
- Trade Familiarisations (Business and Leisure);
- Inclusion in Legendary Pacific Coast Touring Route; and
- Industry funding applications.

An annual Tourism report will be provided to Council June 2013 providing additional detail of achievements. Reference should also be made to the information provided in the question on notice appearing elsewhere in the Business Paper in regard to recent Coffs Coast marketing campaigns.

2. Original 2013/2014 Draft Budget Summary

Coffs Coast Marketing Program (Prog.130)
Summary of "Available" Budgeted Expenditure for 2013/2014

Budget Details	Line Number	Staff & Vehicles	Other	Amount	Total
		\$	\$	\$	\$
Administrative Support Staff	130025	96,328	0	<u>96,328</u>	96,328
Conference Co-ordinator (- \$40k to IT Conference)	130030	51,779	0	<u>51,779</u>	51,779
Visitor Information Centre	130100	181,900	97,400	279,300	
Less related income	130765		-91,500	<u>-91,500</u>	187,800
Events Marketing	130130		534,100	534,100	
Less related income	130715		-184,600	<u>184,600</u>	
					349,500
Coffs Coast Marketing					
Sponsorship	130151		80,600	80,600	
Staff and vehicle costs	130152	298,481	0	298,481	
Famils Media and Trade	130153		10,900	10,900	
Brochures	130154		27,250	27,250	
Advertising and Promotions	130155		160,100	160,100	
Travel Shows	130156		3,280	3,280	
Conference Promotions	130158		32,800	32,800	
Tourism and Website Development	130159		42,700	42,700	
Sawtell and Woolgoolga Chambers of Commerce	130160		18,700	<u>18,700</u>	
				674,811	
Less related income	130761		-30,000	<u>-30,000</u>	
					644,811
IT Conference Expenses (+ \$40k from Conference Co-ord)	130235	40,000	260,000	300,000	
Less related income:				-	
Conference Income	130755		-420,000	420,000	
Less transfer to Reserves	13098G, H,J,R		120,000	<u>120,000</u>	
				-	
				<u>300,000</u>	0
Total Available Budget (Net Program Budget for 2013/14)		<u>668,488</u>	<u>661,730</u>		<u>1,330,218</u>

Notes:

- Events Marketing (L130130) may have a small wages component related to works staff primarily in relation to sports events bearing in mind that sports and other events are funded from this allocation.

- Surpluses from the IT Conference are distributed in accordance with Council's Policy in relation to Profit Centres.
- Conference Co-ordinator's salary is split \$40k to IT Conference and the balance to the Salary Vote.
- Assists with a range of other conferences, such as, Weeds Conference, Local Government Executives Conference, etc.
- The \$30k income tied to Coffs Coast Marketing relates primarily to contributions, related to Advertising and Promotion Campaigns, from partnering organisations.

3. Description of Three Options to Reduce Coffs Coast Marketing Budget by \$126,307

Option 1

Conference Marketing and Sales		
Cut one full time position	\$ 80,000	(inc on costs)
Cut donations to Woolgoolga and Sawtell Chambers of Commerce	\$ 18,300	
Reduce Events Budget	\$28,007	
Total Saving	\$126,307	

This figure does not include redundancy payments to staff which are estimated at \$20,000 (a one off cost).

Option 2

Visitor Information Centre (VIC)

Close the VIC after industry consultation and revert to a backroom booking operation within three months. Cut one full time and three permanent part time staff and employ one new full time position to manage online and group bookings.

Nine month's savings		\$122,000
Income (9 months)	\$ 58,500	
Less new full time position (9 months)	\$ 53,000	
Net Income	\$ 5,500	\$ 5,500
Total Saving		\$127,500

This figure does not include redundancy payments to staff which are estimated at \$75,000 (a one off-cost).

Option 3

Reduction in Leisure Tourism marketing budget	\$126,307
Total Saving	\$126,307

4. Impacts of Proposed Cuts

Business Tourism drives \$52.78 million (TRA 2011) into the Coffs Harbour economy annually

Option 1 - Conferencing

This business unit delivers a clear economic impact to the region by both directly and indirectly (marketing) securing conferences. The key responsibility of this role is to promote the Coffs

Coast as a Business Tourism Destination (Conferences) and actively secure conference business to the region.

Sources of conference business range from corporate clients, association groups to government organisations. Key business delivered in recent years includes clients such as Rotary, Salvation Army, Department of Education, Lifeline, Parks and Leisure Australia, View Club Australia, CSIRO, Australian Forests Association to name a few. Hosting fees are not provided to attract these conferences to the region.

The local tourism industry identifies the importance of this role by stating that a large portion of resort visitation (approximately 50% to 60%) relates to the business tourism sector and therefore contribute funding in excess of \$30,000 per annum toward marketing specifically to this business sector. Additionally, state government funding is regularly secured for conference marketing activity (\$5,000 in 2012/13). This equates to the local industry producing equal funding to the Business Tourism budget.

This section is currently working on highly qualified leads to secure in excess of \$1.5 million of conference business and manages a database of over 1,500 potential business leads.

The loss of this tourism section will result in loss of the business tourism into the local region and local economy. It will greatly reduce the ability for local tourism operators to sell our region to the business sector. The following activities will not occur if budget cuts occur.

- Contribute to the forward planning and the identification of business tourism growth opportunities;
- Development of an annual business tourism marketing plan;
- Manage media enquiries and requests for business tourism projects;
- Coordination and hosting of business tourism media, trade and corporate familiarisation programs;
- Implement a variety of marketing activities set out in the marketing plan that industry partners would not be able to achieve without the cooperative marketing dollars that we as a group are able to fund;
- Provide administrative and content management for the business tourism website;
- Implement, develop and manage a database to identify, maximise and enhance marketing opportunities;
- Conduct and analyse market research into consumer trends and identify promotional opportunities;
- Develop and maintain measurement systems for all promotional activities to maximise efficient use of resources.

The effect of the cut to Sawtell and Woolgoolga Chambers of Commerce funding is the likely closure of the Woolgoolga VIC centre and impacting both the Chili Festival and Curry Festivals in the respective communities.

Cutting the business tourism role will incur a redundancy cost estimated at \$20,000.

Option 2 - Visitor Information Centre

The Coffs Harbour Visitor Information Centre (VIC) has been operating for 11 years in the current location. Its key function is providing visitor services to visitors and locals including:

- Accommodation bookings;
- General enquiries;

- Activities and attraction bookings;
- Ticketing for major events, buses and trains;
- Representation at consumer and trade shows;
- Outlet for local produce; and
- distribution of information about things to see and do in the region.

An important focus of the VIC is to attract visitation or extend length of stay.

The VIC staffing model includes 1 full-time and 3 permanent part-time positions to manage the 7 day per week operation, however it also includes 45 Volunteers to assist in visitor enquiries, brochure distribution and VIC general duties. VIC operations in competitor destinations such as Port Macquarie and Noosa utilise only paid staff in operations and therefore have a greater staffing cost to provide a similar level of service.

The loss of this service will result in:

- No contact with the 70,000 visitors per annum that currently utilise the VIC services;
- No opportunity for the distribution of industry promotional collateral (the VIC represents over 190 tourism businesses);
- Loss of freight service;
- Loss of Countrylink ticket sales;
- Loss of coach ticket sales;
- Loss of event ticket sales; and
- Loss of provision of general information to visitors and locals.

VIC staff also represent the region at a range of consumer and trade expos promoting the Coffs Coast to our core consumer audience.

Cost of redundancy estimated at \$75,000.

Option 3 – Reduce Leisure Tourism Marketing Budget

Reduce the Leisure Tourism marketing budget by \$126,307 resulting in a balance of \$46,693 to market the region as a leisure tourism destination. Tourism to the Coffs Coast drives a direct economic impact of \$468 million (TRA 2011) annually. The current Tourism leisure marketing budget of \$173,000 per annum is already below that of comparable competitor destinations.

The outcome of this reduction would not allow the attraction of Destination NSW matched funding (minimum funding requirement) with \$149,000 secured in the current financial year. Additionally, Bellingen Shire Council contributes \$30,000 per annum to Leisure marketing and Tiger Airways have contributed \$50,000. A proposed \$126,000 cut to this budget would result in the current financial leisure marketing budget of \$402,000 (\$173,000 CHCC, \$30,000 BSC, \$50,000 Tiger and \$149,000 Destination NSW) being reduced to \$46,693. This represents a total reduction of \$355,000.

Leisure tourism is an economic driver of the local economy and affects literally hundreds of local businesses every day.

Coffs Coast Marketing is responsible for the tourism marketing activity of the Coffs Coast which includes both the Bellingen and Coffs Harbour local government areas.

The key deliverables / activities that are being delivered in the current financial year would not be possible under this proposed budget cut. These include:

- 101 Things to do Campaign highlighting the diversity and range of activities available in the region, distributed to 32,000 local households, at consumer travel shows and over 10,000 downloads. Achieved \$10,000 of industry cooperative buy-in;
- Website management of online bookings, 300,000 visitors, 1 million page views and 70% new visitors per annum;
- Tiger online marketing campaign delivering 340,050 electronic direct mails (eDMs), Sydney radio campaign, and 3,842,314 web views;
- Social media activity (Facebook, Twitter, YouTube and Pinterest) with over 41,000 reach;
- Marketing communications including eDM's and newsletters for trade, media and consumers targeting over 10,000 people;
- TVC (Television Commercial);
- Annual industry prospectus detailing cooperative marketing opportunities, funding opportunities and industry statistics;
- Editorial and story creation for over 80 pieces of Media exposure in the current 12 months including six TV Programs, a range of print and online exposure with a commercial media value in excess of \$225,000 per annum;
- Development of Internationally ready product and industry development;
- Australian Tourism Exchange – presenting to over 100 international retail and wholesale agents to develop the international market (the Coffs Coast attracts 78,000 international visitors per annum and Asia is identified nationally as a key growth opportunity);
- Marketing support for the range of festivals and events the region offers, including the online events calendar (www.coffscoast.com.au);
- Development of package deals and specials for a range of promotions;
- Development of consumer product including working with key partners (ie National Parks and Forests NSW) to develop walking trails (Solitary Island Coastal Walk), food trails and new product development;
- Provision of, and compilation of tourism data and research and statistics for campaign use, industry and reports;
- Management of photo library for industry and media;
- Development and provision of market templates to industry and strengthen the Coffs Coast brand;
- Trade familiarisation tours with Destination NSW and Tourism Australia;
- Assistance with industry funding applications and award submissions;
- Creation of artwork for publications, advertisements, guidebooks, brochures, banners, signage.

The Tourism Industry (Tourism Coffs Coast – Industry association) has raised concern that the current CCM leisure marketing budget is significantly below industry benchmarks and have lobbied Council in recent years to have this budget increased. A decrease in the leisure Tourism marketing budget is the least preferred option for the Tourism industry.

Cost of redundancy estimated - nil.

5. Conclusion

All three options would severely impact on tourism with a flow on effect throughout the city and region. Should Council decide to confirm the draft budget, option 1 will be implemented for years 2013-2014 and thereafter.

Sports Development

1. Introduction

The two primary roles of the Sports Development team are sport facility maintenance, and sporting events.

Sports Facility Maintenance – Includes the management of the sports grounds (mowing and associated procedures) as well as maintenance and repair (M&R) of the ancillary facilities. Grounds are already mowed to a minimum level, and maintenance only undertaken on an as-needs basis. The Sports Facility Plan, adopted by Council in 2011, supported increases in upkeep of all of these grounds as well as new capital works programs to ensuring the already aging facilities were at an acceptable and safe level for local sport users.

Any changes to this budget will impact all ovals costed to the Sports Unit budget, including:

- Sports Unit managed: BCU International Stadium, Brelsford Park cricket ground, Coffs Coast Sport and Leisure Park (CCSLP) fields 1, 2, 3 & grass hockey, Englands Park, Forsyth Park (Maclean St), Jetty Oval, Korora Sportsground, Nana Glen Cricket Oval, Reg Ryan Oval (Bray St), Richardson Park, Sawtell Cricket Ground (Little Bayldon), Toormina Oval, Velodrome, York Street;
- Committee managed: Ayrshire Park, Nana Glen Equestrian Centre, Ulong Showground;
- Leased: Contribution to Woolgoolga Sports Council.

Sporting Events – The value of sports tourism to the Coffs Coast economy is conservatively estimated at \$30 million per annum.

- The Stadium events alone provide over 50,000 unique visitor nights in Coffs Harbour that would otherwise be unsold. In direct tourism figures alone, this equates to nearly \$10 million annually.
- Sporting groups (from Stadium events) contribute around 10,000 passenger landings at Coffs Harbour Regional Airport, providing direct revenue of \$114,000 to this Council business. This also contributes to the ongoing viability of the airport and its tenants and associated businesses.
- Other Council businesses including Coffs Coast Caravan Parks and the Visitor Information Centre also directly benefit from these sporting events via commissions.

In recent years the Sport's Unit's focus has moved to participation events – those that attract a lot of players, and accompanying spectators. Junior events are a particular target as they are most likely to bring the whole family for the event.

Council has invested years of resourcing into making the Stadium a nationally recognised playing facility and sporting organisations are well aware of the superiority of the ground itself. Much of this has been government funded. Attracting elite events does require a hosting fee investment that is not returned to Council itself, but repays itself multiple times in the wider community.

2. Original 2013/14 Draft Budget Summary

Sports Development Program (Prog. 375) Summary of "Available" Budgeted Expenditure for 2013/2014

Budget Details	Line Number	Staff & Vehicle s	Other	Amount	Total
		\$	\$	\$	\$
Sports Management Staff & Vehicle Costs	375025/37503 5	476,019	0	<u>476,019</u>	476,019
Office Expenses	375040		18,000	<u>18,000</u>	18,000
Stadium Expenses					

Maintenance and Repairs	375050	7,800	74,100	81,900	
Operating Costs	375060	105,000	269,300	374,300	
Food & Bev. Exps (not directly allocable to events)	375043	5,000	30,000	<u>35,000</u>	
				491,200	
Less related income					
Sponsorship	375710		-25,000	-25,000	
Signage	375720		-13,100	<u>-13,100</u>	
					453,100
Sports Events Expenses	375150	83,000	377,800	460,800	
Less related income	375735		-393,500	<u>-393,500</u>	
					67,300
Sports Facilities Ovals Maintenance	375250	134,000	351,000	485,000	
Less related income	375705		-73,900	<u>-73,900</u>	
					411,100
Woolgoolga Sports Council Contribution	375305		61,850	<u>61,850</u>	61,850
					<u>1,487,36</u>
Total Available Budget		<u>810,819</u>	<u>676,550</u>		<u>9</u>

Notes:

- For the sake of clarity, excluded from the above summary are loan repayments and depreciation which are an organisational expense.

Balance to Budget is:

Total Available Budget above	1,487,369
Loan repayments	114,422
Depreciation	236,000
Reserve transfer - depreciation	<u>-236,000</u>
Net Program Budget for 2013/14	<u>1,601,791</u>

- Events Marketing in the Coffs Coast Marketing (CCM) Program relates to an allocation of funds that previously were located across different departments and programs, to pay for various large events, and were move to the CCM for simplicity in administration. It includes events such as the World Rally and Wintersun. A significant part of this Events Marketing funding for the 2013/14 budget is already allocated to sporting events at the Stadium that are wholly managed by the Sports Unit.
- In relation to Stadium Expenses:
 - Maintenance and Repairs relates to the buildings and facility itself, including replacement, repairs, tradesmen, etc
 - Operating Costs relate largely to maintenance of playing field and ancillary facilities. It includes wages, plant hire and materials required for maintenance and renovations.

3. Description of Three Options to Reduce Sports Budget by \$100,000

Option 1 - Reduce sports events allocation from Major Events Fund by \$100,000

Cancel two pending allocations for 13/14

- (a) NRL Trial match
- (b) 'A' League game (soccer)

Total saving: \$100,000

Option 2 - Reduce Sports Facility Maintenance by \$100,000

Suggested reductions are proportionate to budget allocations

Stadium (Operating and M&R)	\$45,481
Ovals Maintenance	\$48,353
Woolgoolga Sports Council	\$6,166
Total Saving	<u>\$100,000</u>

Option 3 - Reduce major events and facility maintenance by \$50,000 each

Cancel one event allocation	\$50,000
Stadium (Operating and M&R)	\$22,741
Ovals Maintenance	\$24,176
Woolgoolga Sports Council	\$3,083
Total Saving	<u>\$100,000</u>

4. Impacts of Proposed Cuts

Option 1 - Reduce sports events allocation from Major Events Fund by \$100,000

Note this does not sit within the Sports Unit budget, but is a fund set aside that covers major events to the city. Currently around 40% of this fund is allocated to sporting events in 2013/14. Most events are already contracted, but there are two pending allocations for an NRL trial match (discussions with various clubs have commenced) and an A-league game. Removing both of these entirely would save the suggested \$100,000.

These high profile events do not provide the immediate economic impact of participation events. They are outside the capabilities of the Sports Unit event budget (due to the necessary infrastructure required for events of this nature, they do run at a loss), however the associated media and PR generated for the destination cannot be understated. A sudden departure from hosting or bidding for events of this nature could have a critical impact on the reputation of the Stadium and Council's willingness for Coffs Harbour to continue to be known as a sports tourism destination. It would not have an impact on staffing, other than reducing the accrued leave balance.

In future years, if Council does not wish to pay hosting fees (the larger events, which generally run at a loss), this needs to be communicated clearly to the marketplace. This would mean Council may no longer bid for events like the 2015 Touch Football World Cup, which – if Council's bid is successful (decision pending in May 2013) - will cost around \$80,000 but will bring in over \$3 million directly to the Coffs Coast economy.

The naming rights for the Stadium is currently out to tender in the open marketplace. Any budget reductions that will affect the operations of the venue, or events, will have an impact of the benefits to the new sponsor.

Any reduction in major event funding will also impede Council's ability to apply for grant funding (as any funding requires an ongoing commitment from Council to continue to invest in upgrading the facility and attract events). This was also an undertaking made by Council in its recent successful grant application for \$2.2 million for the Stadium lighting upgrade.

Option 2 – Reduce Sports Facility Maintenance by \$100,000

Stadium

While there is a real net cost in the Stadium/Events budget, it must be recognised that the value of sport tourism to the Coffs Coast economy is conservatively estimated at \$30 million per annum.

The Stadium events alone provide over 50,000 unique visitor nights in Coffs Harbour that would otherwise be unsold. In direct tourism figures alone, this equates to nearly \$10 million annually. Sporting groups (from Stadium events) contribute around 10,000 passenger landings at Coffs Harbour Regional Airport, providing direct revenue of \$114,000 to this Council business. This also contributed to the ongoing viability of the airport and its tenants and associated businesses. Other Council businesses including Coffs Coast Caravan Parks and the Visitor Information Centre also directly benefit from these sporting events via commissions. As an example, the National Touch League completely fills Park Beach Holiday Park in a low season where it would otherwise struggle for occupancy.

In recent years, Council's focus has moved to participation events – those that attract a lot of players, and accompanying spectators. Council particularly targets junior events as they are most likely to bring the whole family for the event.

Council has invested years of resourcing into making the Stadium a nationally recognised playing facility and sporting organisations are well aware of the superiority of the ground itself. Attracting elite events does require a hosting fee investment that is not returned to Council itself, but repays itself multiple times in the wider community.

As noted above, cuts to the Stadium operating/M&R budgets will also affect the ability of the venue and region to attract high profile sporting events. Reducing the operating costs/maintenance budget of the venue may seem like a simple solution, and it would result in the venue and particularly the playing surface having a substantially lesser quality and reputation. This would have a nearly immediate impact (probably one annual event season) before Council would see the prestige events no longer wishing to attend the venue. The playing surface and the quality of the ground, and the event team Council has on hand, are repeatedly the two reasons events such as the FFA National Youth Championships and Touch Football events return to Coffs Harbour over other venues. While the rest of the spectator facilities are in dire need for an upgrade (as noted in the feasibility study carried out by ISFM in 2011), the current 'point of difference' over other venues is the ground itself.

The naming rights for the Stadium are currently out to tender in the open marketplace. Any budget reductions that will affect the operations of the venue, or events, will have an impact of the benefits to the new sponsor. Recognition of the implications of a budget cut in this area must be fully considered before deciding to remove funding from this area.

Ovals

Council-run sports facilities in Coffs Harbour are used extensively:

- Approximately 70% of our grounds are used year round by seasonal users;
- At least 50% of grounds are used by local schools for weekly school sport use;
- At least 60% of grounds are used by local schools for inter-school competitions at least 1 - 2 times per month (local, zone and district level);
- Approximately 3500 members of the community (both juniors and seniors) participate in either a winter or summer competition on one of the 23 local grounds in the area.

Most areas of facility maintenance are already undertaken at the minimum level required for the type of facility (local, district or major event facility as noted in the Sports Facility Plan 2011). Maintenance in this instance refers to both the grounds (mowing and upkeep) and facilities (amenities, lights, drainage etc).

Making further cuts in this area will likely have a long term financial effect, as already aging facilities will continue to deteriorate.

Again, all ovals costed to the Sports Unit budget will be impacted, including:

- Sports Unit managed: BCU International Stadium, Brelsford Park cricket ground, Coffs Coast Sport and Leisure Park (CCSLP) fields 1, 2, 3 & grass hockey, Englands Park, Forsyth Park (Maclean St), Jetty Oval, Korora Sportsground, Nana Glen Cricket Oval, Reg Ryan Oval (Bray St), Richardson Park, Sawtell Cricket Ground (Little Bayldon), Toormina Oval, Velodrome, York Street;
- Committee managed: Ayrshire Park, Nana Glen Equestrian Centre, Ulong Showground (mowing only);
- Leased*: Woolgoolga Sports Council.

* Note: Contributions to other leased facilities, including Sawtell Toormina Sport and Recreation Club and the Orara Valley Progress Association are paid from the Property budget. To maintain equitable funding, a proportionate cut may also be considered in these areas.

Option 3 – Reduce Major Events (\$50,000) and Sports Facility Maintenance (\$50,000)

This option is a combination of options 1 & 2, with the reductions being halved.

5. Conclusion

Although Option 3 affects more user groups, it does reduce the impact to each area. Should Council decide to confirm the draft budget direction, option 3 will be implemented for years 2013-2014 and thereafter

Economic Development

1. Introduction

City Centre

Council's Economic Development Unit (EDU) has been responsible for marketing the City Centre for many years in partnership with our partners, and is working with the CBD Masterplan Committee to deliver a marketing plan that will ensure a sustainable, vibrant and secure business environment.

The Growers Markets and International Buskers and Comedy Festival (discussed below) each contribute substantially to the economic, social and cultural outcomes identified for the City Centre as important to the community in the Coffs Harbour 2030 Community Strategic Plan.

The importance of marketing the City Centre and the value placed on this and other EDU activities including marketing and events by CBD retailers and the broader community was confirmed in the strong endorsement of the City Centre Masterplan 2031 by the community. The Plan, in fact, endorses even greater investments in marketing, events and markets – a strong endorsement of EDU activities to date.

Coffs Coast Growers Market

The market was established in 2002 as an outcome of Council's Rural Lands Strategy, providing a sustainable income for our farmers (linked to Food Futures Network) and also promoting a lively, healthy focus for the CBD.

- Income around \$36,000 p.a. means the markets are self-funding.
- Approximately 4,875 patrons every week.
- Generates estimated revenue of \$9M (\$3.2M at markets + \$5.8M with City retailers).
- Attracts around \$10,000 in-kind support.
- Wages have been funded previously from income however with increasing revenues it is now possible to also invest in infrastructure (such as the recently installed Wi-Fi) and promotions.
- Council's role is important to maintain a high standard of produce.
- Promotes local produce to locals, visitors, potential visitors (foodies) and business both inside and outside the region.
- A platform for local restaurants and chefs to promote themselves and local produce and to grow their business and that of local farmers. Brand "Coffs Coast Harvest" included production of a book in 2012.
- Promotes business growth and entrepreneurs (such as Quiggley's Smokehouse, Blue Berrylicious and a local pecan growing operation that started out at the Growers Market and now exports its products to the Asian market).

Coffs Harbour International Buskers and Comedy Festival

In 2010 an Economic Impact Assessment of the Festival showed that it was generating around \$2M annually in direct economic impact, besides the life it creates in the City Centre.

EDU leverages Council's \$55,000 cash contribution to more than match cash and in-kind contributions from sponsors to run the festival.

Given it is a free event (other than kid's day) it means all of the community can enjoy the festival unlike other events that include a charge for entry.

Economic Development across the Local Government Area

EDU assists groups from communities other than the CBD (Sawtell and Woolgoolga Chambers of Commerce, Jetty Business Group and Orara Valley and Eastern Dorrigo) with projects and events.

In 2011, EDU secured funding for marketing plans to be developed at Sawtell, Woolgoolga and the Jetty. The Jetty plan was arguably a catalyst for the formation of the Jetty Business Group.

The Digital Economy

A key focus – a “crowning achievement” – for the EDU has been the positioning of Coffs Harbour to maximise the opportunities arising from the Digital Economy, arguably giving our City one of the greatest competitive advantages in living memory.

It is important to note that the Digital Economy creates opportunities not only to “technological” companies but all sectors of the economy. This is further discussed in answer to Cr Cowling’s Question on Notice appearing elsewhere in the business paper.

Business Development

- Business Workshops to assist business growth through increased knowledge e.g. Dr Ernesto Sirolli – Enterprise Facilitation, Michael Shuman – Local Dollars – Local Sense, Bernard Salt – Demographer and supporting ETC Business Leaders breakfast.
- The Sustainable Economic Growth for Regional Australia (SEGRA) Conference 16 – 18 October 2013 in Coffs Harbour (attracting \$70,000).
- Digital Enterprise Program - Federal Government funded program providing business with capabilities of high speed broadband (\$275,000) in partnership with the Enterprise and Training Company (ETC), and NSW TAFE.

Investment Attraction Materials and Activities

EDU activities include:

- Production of a biennial Economic Profile, a quarterly Economic Update providing an overview of key measures of the regional economy and a monthly E- Business Newsletter (over 720 subscribers).
- Switched on Coffs TV (www.switchedoncoffs.tv) promotes Coffs Coast Business and Lifestyle to the world (has attracted sponsorship of approximately \$90,000 over 2.5 years).
- Coffs Coast Jobs (www.coffscostjobs.com.au) which has seen almost 5,000 registrations on the site and over 2,500 contacts between local employers and potential employees since its establishment in 2007.
- Helping potential businesses / industry / investors / developers with information and advice (over 100 business relocation enquiries handled over the past five years).
- Coffs Coast Health Website (www.coffscosthealth.net.au) was one of the outcomes of the Health and Wellbeing Strategy developed by EDU in 2007 to address doctor shortages and availability of consulting spaces. The situation is much improved and the site received 5,500 unique visits up to 2011, 95% of which were outside the region

- Secretariat for the Manufacture Coffs Coast industry network for the past three years.
- Invest Coffs online presence.
- New Residents Guide in partnership with the Coffs Coast Advocate.
- Representation at investment and lifestyle Expos such as Country and Regional Living.
- Assists Coffs Coast Marketing, Sports and Community and Cultural Events branches with Events.

Sponsorship generally

EDU generates a significant contribution of sponsorship for a range of projects. Besides Council's cash contribution through the EDU, sponsorship totaling \$860,000 has been secured during the past three years for projects including Buskers, City Centre Marketing, Growers Markets, Business Workshops and Coffs Coast Harvest.

2. Original 2013/14 Draft Budget Summary

Economic Development Program (Prog. 517) Summary of "Available" Budgeted Expenditure for 2013/2014

Budget Details	Line Number	Amount	Total
		\$	\$
Staff and vehicle costs	517030/517032		604,967
Buskers Festival	517076	118,800	
Less related income	517721	63,000	
			55,800
Growers Market	517077	36,000	
Less related income	517722	36,000	
			0
Other Expenses			
Office Expenses	517033	14,500	
City Centre Marketing	517075	63,600	
Community Economic Development	517095	22,000	
Enterprise Support	517106	29,000	
Investment Attraction material, etc	517107	10,000	
Education and Training Strategy	517109	500	
Economic Product Development	517114	15,000	
Information, Communication and Technology	517130	18,500	
Nana Glen subsidy for public toilets	517150	5,300	
			178,400
Total Available Budget			839,167

Note:

- For the sake of clarity, Summary loan repayments (which are an organisational expense) and reference to the Special Rate Variation are excluded from the above.

Balance to budget is:

Total Available Budget above	839,167
Loan repayments	64,173
Special Rate Variation	-161,325
Net Program Budget for 2013/14	742,015

- About \$12.5k pa in additional staff salaries is costed to the Growers Market.

3. Description of Three Options to Reduce Economic Development Unit Budget by \$200,000

Option 1 – No Staff Losses

EDU has around \$234,000 funding available per annum to deliver projects and leverage funding from other sources. Whilst the \$200,000 reduction in expenditure could be sourced from here, it would only leave \$34,000 funds to spend on projects and leveraging funds from Business and Government.

This would simply not enable EDU to operate effectively.

Option 2 – Loss of Two Staff Members

Staff costs for one Economic Development Officer are in the order of \$100,000 per annum (including labour on-costs of 52%).

Therefore, if two staff were made redundant, this would achieve a reduction in expenditure of \$200,000 per annum.

This figure does not include redundancy payments to staff, which are estimated to be in the order of \$50,000 to \$75,000 (a one-off cost).

However, it is not considered an optimal mix of staff and budget to reduce staff by 40% (excluding administrative support, which is essential for the EDU to function effectively and to maximise the value of higher paying jobs) and retain the existing budgets.

In essence, Council would not see the best value for its funds spent in Economic Development activities if there were insufficient staff to efficiently and effectively deliver projects / programs.

Option 3 – Loss of One Staff Member and Reduced Program Funding

If Council wishes to cut the EDU budget by \$200,000, the preferred option would be to make redundant one economic development officer (\$100,000 + redundancy costs of \$25,000 to \$50,000) and cut two programs, which are proposed to be:

- Coffs Harbour International Buskers and Comedy Festival (\$55,000)
- City Centre Marketing (\$45,000).

4. Impacts of Proposed Cuts

In terms of direct economic impact, these programs attract cash, in-kind and other support (Buskers around \$95,000 and City Centre Marketing around \$10,000 p.a.).

It is difficult to quantify the indirect economic impact to the City. The Buskers festival is estimated to generate around \$2M per annum in direct economic impact (besides the social and cultural outcomes).

Certainly, the business community strongly endorsed increasing both City Centre Marketing and Events to attract people into the City Centre as part of the CBD Masterplan, so there is clearly a benefit for City Centre retailers.

Activities identified and at risk from the Economic Strategy for 2013/2014 if the proposed reduction to budget were to be adopted:

- Coffs Harbour Coworking Hub
- Enterprise Facilitation
- Facilitate Local Dollars Fund
- Love Our City – (A 1- 5)
- Facilitate Industry Networks (Rollout of Action Plans)
- Assist co-creators with projects (E.G Think Coffs First (Local is Best - B3)
- Assistance with CBD Masterplan Implementation (Marketing)
- Assistance with the delivery of SEGRA conference (Oct 16 – 18 2013)

5. Conclusion

Should Council decide to confirm the draft budget, option 3 will be implemented for years 2013-2014 and thereafter.

Proposed Increase of \$60,000 in Draft Sustainability Program Budget

At the Council meeting on 11 April 2013, Council resolved to exhibit the Draft Program Budget with an increase of \$60,000 in the Sustainability Program. These additional funds would enable the undertaking of designated programs in the following areas:

- Climate Change – funds to be utilised to:
 - Review and update the Greenhouse Action Strategy, identify opportunities for Council to save energy and money by undertaking an audit of Councils' energy use, undertake a cost benefit analysis and work on the continued implementation of the Strategy in collaboration with the relevant sections of Council (e.g. property, procurement, IT services, fleet manager) (Strategy review \$12,000 – community consultation/consultant engagement).
 - Climate Change and energy efficiency resource / monitoring tools - 'Planet Footprint' energy efficiency data collection, monitoring and reporting software / International Council for Local Environmental Initiatives (\$8,000).

Total - \$20,000

- Corporate Sustainability – funds to be used to:
 - Develop and implement an Environmental Sustainability Action Strategy (\$15,000, community consultation/consultant engagement).
 - Facilitate continued implementation of the endorsed Organisational Change for Sustainability program.

Total - \$15,000

- Community Sustainability – Assist with the continued involvement with promotion of various projects including Low Carbon Communities, Edible Landscapes. Maintenance of Our Living Coast website and newsletter (\$15,000 community engagement/ agency resource).
 - Statutory Environmental Management – meet statutory reporting responsibilities – State of Environment reporting involving the capture, recording and ongoing management of data - \$10,000.

Total - \$25,000

Summary

Council is well aware that it cannot continue to deliver the services it currently provides into the future.

Council's revenues are insufficient to fund current services levels (hence the original deficit budget proposed to the 11 April meeting i.e. \$366,307 in 2013/14), and the gap between our revenues and the expenditure required to deliver services currently provided is growing annually as set out in the *Long Term Financial Plan*.

Key issues are the need to increase expenditure on maintenance and renewal of assets in order to prevent further deterioration (around \$6.2M p.a. is estimated to be required, as set out in the *Asset Management Strategy*) and also to address the underlying operating deficit (estimated to be around \$1.8M p.a.).

The current budget documents (*Operational Plan* and *Delivery Program*) and the *Resourcing Strategy* describe the proposed process whereby Council can work towards financial sustainability, enabling Council to deliver the priorities of the community within our limited resources. As set out in these documents, the solution lies in a combination of:

- Increasing revenues (both new sources and increasing fees and charges)
- Decreasing expenditure (reducing service levels or eliminating services completely)
- Increasing productivity.

Of the three options, only the last does not have an impact on the community, and while it is therefore preferred, it will not solve the problem on its own.

Increasing charges or decreasing services needs to be considered in consultation with the community and actions to do so were identified in the *Resourcing Strategy*.

The majority of submissions to this budget, perhaps suggesting a considerable portion of the community, have indicated that they do not support the reduction in service levels affecting Coffs Coast Marketing, Sports Development and Economic Development adopted at the 11 April meeting.

It is therefore recommended that the following additions to the exhibited draft budget be made and that a more extensive consultation process described in the *Resourcing Strategy* be undertaken as proposed in order for Council to work towards a financially sustainable position.

Coffs Coast Marketing	\$126,307
Sports Development	\$100,000
Economic Development	\$200,000

It is considered (in the light of budget deficits adopted by Council in recent years) that the suggested budget strategy is manageable, particularly with an undertaking to work towards a balanced result by the end of the financial year. It is noted that this has generally been achieved in previous years despite a succession of deficit budgets being adopted at the beginning of the financial year (the last deficit result was \$201,000 in 2008/09).

- **2013/2014 Financial Estimates**

Should Council accept the above recommendation, the Financial Estimates for the four years for each fund present as follows:

- **General Fund**

The four year Estimates project the following results:

Year	Financial Estimate (\$)	
2013/2014	426,307	(Deficit)
2014/2015	393,288	(Deficit)
2015/2016	213,848	(Deficit)
2016/2017	171,861	(Surplus)

Operational incomes and expenditures are tightly budgeted and have been subject to constant scrutiny in recent years.

There are significant capital works planned which are funded from rate variations, trading operations, grants, loans, S94 contributions, reserves, etc.

- **Water and Sewerage Funds**

Both the Water and Sewerage Funds have undertaken massive programs of capital works in recent years. Expenditure has been in excess of \$300 million. These works have been essential to maintain the viability of our city. Work is progressing on the final project: the decommissioning of the Sawtell Sewerage Treatment Plant and the construction of a sewerage trunk main from Sawtell to Coffs Harbour.

This unprecedented program has been funded by a combination of loan funds, developer contributions, reserve funds and grants. Loan funds have been the major source, with \$221 million borrowed.

Rates and annual charges have been held to reasonable increases in recent years, despite the large increase in loan repayments. This has been achieved by using the cash reserves of each fund to meet annual budgeted deficits.

The draft Delivery Program provides for the deficits to decrease from 2013/2014 to 2015/16 and then move into surplus, as set out below:

Year	Water (\$)		Sewerage (\$)	
2013/2014	4,553,442	(Deficit)	3,165,226	(Deficit)
2014/2015	2,148,030	(Deficit)	2,849,079	(Deficit)
2015/2016	106,946	(Deficit)	1,816,740	(Deficit)
2016/2017	293,706	Surplus	1,938,001	Surplus

The decrease in deficits is achieved primarily due to reducing loan repayments but also due to growth in assessments, increased developer contributions, and annual rates and charges increases.

The viability of both funds is assured in future years.

- Proposed Loan Borrowings for 2013/2014

It is anticipated that the following new loans will be drawn in 2013/2014 to fund works as listed.

Borrowings will be sourced through quotations received from major lenders and will be secured by mortgage over Council funds.

Fund	Works	2013/2014 (\$)
General	Open Space Land Acquisition	2,500,000
Total Borrowings		2,500,000

It should be noted that funding arrangements have yet to be finalized for a program of works associated with the proposed Foreshores Masterplan (which has been adopted by Council and is currently on public exhibition for a three-month period.) It is possible that loan borrowings may be required in 2013/2014 as part of the funding of the Masterplan works.

• **2013/2014 Fees and Charges**

A review of the Draft Fees and Charges 2013/2014 has resulted in the following recommended changes:

- As per Council Resolution 86 (11 April 2013) point 1.5: 2013/2014 Museum Fees increased to Single entry fee \$5 and Family \$15.
- The Australian Taxation Office has advised that Council is to charge GST on the entire waste charge to customers at the Englands Road Waste Facility. That is, the operating cost inclusive of the waste levy. Council has previously not charged GST on the waste levy component, as a tax on a tax, however advice CR 2013/19 from the ATO clarifies a previously ambiguous situation and requires Council to charge GST on the waste levy as a component of the total cost to customers. Accordingly, Council has amended the waste fees on pages 27 to 29 to reflect this amendment.
- In late March, the Department of Local Government introduced the Swimming Pools Amendment Act, which requires pool owners to register their swimming pools. Council is responsible for inspecting swimming pools and issuing swimming pool compliance certificates. In accordance with the Department of Local Government directions, Council has introduced a Swimming Pool Compliance Fee of \$70.00, a fee for Registration of the Swimming Pool Compliance Certificate of \$10.00, where the pool owner elects for Council to register the Compliance Certificate on their behalf. A fee of \$120.00 has also been introduced for Pre Compliance of Swimming Pool Certificate Advisory Fee. These new fees are listed on page 15 of the 2013-2014 Fees and Charges.
- A new fee of \$15.00 has been introduced for residential testable water back flow devices on page 91, with distinction made between residential and non-residential properties with the devices. This fee appears on the rates notice where applicable and parallels that of the non-residential properties with a testable water back flow device fitted.

- ***Reviewed Resourcing Strategy***

The Resourcing Strategy comprises a ten-year Long Term Financial Plan (LTFP), a ten-year Asset Management Strategy (AMS) and a four-year Workforce Management Plan (WMP) to support Council's Delivery Program. The reviewed LTFP, AMS and WMP were exhibited with the draft IPR documents as reference material – no submissions were received in relation to the Resourcing Strategy.

The Resourcing Strategy sets out a process whereby Council will engage with the community as to the difficult decisions required (increasing revenues and decreasing services whilst still pursuing productivity improvements) to address our financial sustainability challenges.

- ***Significant Expenditure 2013/2014***

During the year, Council will continue with the \$12 million program of flood mitigation works initiated in 2010/2011. However, the Operational Plan identifies a range of other initiatives to be pursued in the year ahead, including:

- Moonee to Emerald Trunk Mains works (\$2,372,500)
- Karangi Dam to Red Hill water mains upgrade (\$2,500,000)
- Airport Runway Overlay (\$6,500,000) (Includes \$5,500,000 from 2012/2013)
- Public Amenities Upgrade (\$300,000)
- CBD Masterplan Works (\$2,975,000).

Implementation Date / Priority:

Subject to Council approval, the reviewed IPR framework documents will be implemented from 1 July 2013.

Recommendation:

That Council:

1. **Adopt the reviewed Coffs Harbour 2030 Community Strategic Plan, 2013/2017 Delivery Program, 2013/2014 Operational Plan, Program Budgets 2013/2017, 2013/2014 Fees and Charges; and reviewed Resourcing Strategy attached to this report.**
2. **Note that the adopted 2013/2014 Budget is based on a projected deficit of \$426,307 with an undertaking by Council to work towards delivering a balanced result by the end of the period.**
3. **Note that the documents are adopted with two budget scenarios in place (one including the CBD Special Rate and one without) and that, following IPART's determination of the special variation application, Council meet as soon as practicable to rescind the redundant scenario.**
4. **Develop, in consultation with the community, a sustainable funding strategy to facilitate the delivery of balanced budgets over a four-year period commencing in 2014/2015, as set out in the Resourcing Strategy.**
5. **Respond to all who made community submissions, advising them of the outcome of their requests and thanking them for their input.**

GM13/15 DONATIONS BY COUNCIL POLICY

Purpose:

For Council to adopt the Donations by Council Policy.

Description of Item:

This policy has been developed to ensure that Council has a consistent, equitable and transparent process to respond to requests for donations, and that all applications received, which meet the policy requirements are given equitable consideration for donation funding. Council seeks to ensure that the funding of donations represent value for money to the community.

Sustainability Assessment:

- **Environment**

This is not applicable to this report.

- **Social**

This is not applicable to this report.

- **Civic Leadership**

The purpose of Council policies is to ensure transparency and accountability in local government. The implementation enables Council to identify and respond the community. This is consistent with the *Coffs Harbour 2030 Community Strategic Plan strategy LC2.2.1: Enable and support all levels of government to serve the local community.*

- **Economic**

There are no economic impacts as a result of this report.

Broader Economic Implications

There are no broad economic impacts associated with the implementation of the recommendations.

Delivery Program/Operational Plan Implications

The ongoing development and review of Council policies and plans are accommodated within Council's budget structure. This expenditure is monitored through Council's monthly and quarterly budget reviews.

Consultation:

This is not applicable to this report.

Related Policy and / or Precedents:

This is not applicable to this report.

Statutory Requirements:

This is not applicable to this report.

Issues:

This is not applicable to this report.

Implementation Date / Priority:

Implementation is immediate.

Recommendation:

That Council adopts the Donations by Council Policy.

GM13/16 CODE OF CONDUCT REVIEW PANEL

Purpose:

To advise Council of the outcome of an Expression of Interest (EOI), administered by Port Macquarie Council (EOI-12-05), on behalf of Mid North Coast Region of Councils (MIDROC) to establish a panel of suitably qualified independent persons to serve as Conduct Reviewers of Local Government Code of Conduct matters for Coffs Harbour City Council.

Description of Item:

The Division of Local Government issued a new model Code of Conduct and Procedures for the Administration of the Model Code of Conduct which was adopted by Council at its meeting held on 14 February 2013. These procedures included details of appointing conduct reviewers using a prescribed selection process. Both documents are available on council's website.

The expression of interest was coordinated by Port Macquarie-Hastings Council on behalf of Bellingen Shire, Coffs Harbour City, Gloucester Shire, Greater Taree City, Kempsey Shire, Nambucca Shire and Port Macquarie-Hastings Councils.

The purpose of the EOI was to seek applications from suitably qualified independent persons to serve as Conduct Reviewers of Local Government Code of Conduct matters for Councils on the mid-north coast of NSW. Duties may include serving on a conduct review committee or providing advice on an individual basis at any MIDROC Council in relation to complaints or breaches of that Council's Code of Conduct.

Advertising was undertaken in local and regional newspapers in each of the Council areas and in the Sydney Morning Herald during February and March 2013 and closing on Thursday 4 April 2013.

The tender evaluation, which was conducted on Thursday 18 April 2013 which included staff from Kempsey Shire, Coffs Harbour City, Greater Taree City and Port Macquarie-Hastings Councils.

An evaluation of the applications received was undertaken against the following criteria.

- Demonstrated understanding of local government, the principles of procedural fairness and ethical decision making.
- An understanding of the Model Code of Conduct for local councils in NSW and the Guidelines for the Model Code of Conduct for local councils in NSW.
- High standing within the community.
- Qualifications and experience in relation to conflict resolution or mediation.
- Ability to conduct investigations, review conduct matters and deliberate on these matters.
- Ability to prepare reports to Council outlining findings and recommendations as a sole reviewer, or on behalf of a Conduct Review committee.
- Ability to communicate effectively and work in partnership with officers of Council.

- Availability on a flexible basis whenever Committees are convened or reviewers required.
- Schedule of rates and value for money.

Twelve (12) EOI's were received with one being deemed non-conforming. Membership of the panel is by person only. All of the EOI's received were in business names, with the individuals named within the application.

Sustainability Assessment:

- **Environment**

There are no environmental impacts as a result of this report.

- **Social**

There are no social impacts as a result of this report.

- **Civic Leadership**

The panel of conduct reviewers enables Council to identify and respond the community. This is consistent with the *Coffs Harbour 2030 Community Strategic Plan strategy LC2.2.1: Enable and support all levels of government to serve the local community.*

- **Economic**

Broader Economic Implications

There are no broader economic implications as a result of this report.

Delivery Program/Operational Plan Implications

This EOI provides Council with a panel of Conduct Reviewers at competitive market tested pricing.

Related Policy and / or Precedents:

The EOI has been conducted in accordance with Council's Purchasing Policy, Code of Conduct, and the requirement of the Local Government Act and Regulations.

Statutory Requirements:

Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW adopted by Coffs Harbour City Council 14 February 2013 - Part 3 – Administrative Framework

Issues:

It is acknowledged that the panel is extensive, however the term of this panel is for four years and takes into account staff movements within the different organisations. The panel is also shared between all MIDROC councils and this means that potentially seven conduct reviewers could be engaged at any one time requiring different skill sets.

Implementation Date / Priority:

Implementation is immediate.

Recommendation:

That the following individuals be appointed as Conduct Reviewers of Local Government Code of Conduct matters for Coffs Harbour City Council.

Alexander Irving Solicitor	Alexander Irving (Principal)
Chris Gallagher Consulting	Christopher Gallagher (Sole Trader)
Harris Wheeler Lawyers	Matthew Smith (Managing Partner) Tony Cardillo (Partner) Lisa Gowing (Special Counsel) Katrina Reye (Partner) Micah Jenkins (Partner)
Internal Audit Bureau of NSW	Shane Boyd (Director) Helen Colbey (Senior Business Consultant) Alan Delany (Senior Business Consultant) Michelle Wakka (Senior Consultant) Rhonda Stien (Senior Business Consultant) Michael Symons (Senior Business Consultant) Kate Molloy (Senior Consultant) Peter Harvey (Senior Business Consultant) Charles Corban (Senior Business Consultant) Timothy Bye (Senior Consultant)
SINC Solutions	Kathleen Roach (Managing Director)
Localé Consulting	Emma Broomfield (Director)
McCullough Robertson Lawyers	Cameron Dean (Partner) Jeremy Kennedy (Partner)
O'Connell Workplace Relations	Graham Evans (Managing Partner)
Mike Colreavy Consulting	Michael Colreavy (General Manager)
Train Reaction Pty Ltd	Kathy Thane (Director)

Purpose:

To provide Council with an overview of the principles underpinning the Economic Strategy and its development and to recommend public exhibition of the document prior to finalisation and adoption by Council.

Description of Item:

Project Plan for Strategy Development

At its meeting of 28 June 2012, the previous Council considered a report with the purpose of reviewing outcomes of Council's Economic Development function over recent years and, building on the successes to date and learning from previous efforts, to propose a methodology for the development of a new Economic Development Strategy for the City.

It was noted the Strategy development would be a 'pilot' for the review of Coffs Harbour 2030, the Community Strategic Plan, in that economic development outcomes would be achieved only if Council as a whole and the community itself works together - the 2030 Plan is built on this principle, but on a wider scale. As noted in the draft Economic Strategy, the document is fundamentally about implementing the Coffs Harbour 2030 Plan.

The report discussed how past lessons (from both the previous Economic Development Plan and the 2030 Plan from 2009) were to be addressed in the proposed project scope for the review of the Economic Strategy including:

- Involving and getting buy-in from stakeholders and not restricting collaboration to one group.
- Ensuring someone facilitates the ongoing relationships / communication, monitors and measures progress and reports on outcomes.
- Ensuring clear alignment between priorities in Strategic plans and activities of Council staff.

Launch of the Strategy Development Process

The development process for a new Economic Strategy began on 31 July, 2012 with a launch attended by over 80 members of Coffs Harbour's business community.

The event was facilitated by leading commentator, demographer and advisor Bernard Salt and followed his presentation to the ETC breakfast analysing demographic trends for Coffs Harbour (which can be viewed at [Bernard-Salt-Presentation](#)).

The key focus of the launch was a "SWOT" analysis wherein all attendees contributed to the identification of our strengths, weaknesses, opportunities and threats.

In reviewing the SWOT (pages 28 and 29 of the draft Economic Strategy) it is noted that attendees identified our strengths and opportunities largely in terms of our infrastructure (both physical and institutional). Our weaknesses and threats were seen to be what Mr Salt observed often distinguishes communities that are moving forward from those who are not: our level of galvanisation and desire to work together to achieve common objectives.

Establishment of Reference Group

Following the launch, a Reference Group comprising representatives from across the community was established to guide the development of the strategy with membership comprising:

- Michael Adendorff, Adendorffs Solicitors & Conveyancers
- Tracey Adendorff, Coffs Coast Tourism
- Leanne Atwal, Acting Manager Sport Unit, CHCC
- Glenn Caldwell, Tourism Manager CHCC
- Michael Close, CEO Enterprise Training Company
- Barry Davis, Economic Development, CHCC
- John Eaton, MBT Group
- Sandhya Fernandez, NC Medicare Local
- Leonie Kennedy, CH Chamber of Commerce
- Jacquie Houlden, Janison/ RDA MNC
- Wayne Houlden, Janison
- Christina Hyde, Short Sharp Digital
- Ben Lawson, Director City Services, CHCC
- Tony McGowan, NC TAFE
- Steve McGrath, General Manager, CHCC
- Rod McKelvey, Chair ETC Board
- Dennis Martin, Airport Manager, CHCC
- Louise Potter, Manufacture Coffs Coast
- Bob Prater, Coffs 2050 Group
- Tony Rothacker, Janison / RDA MNC
- Anne Shearer, Transport Officer CHCC
- Kim Towner, Happy Frog
- Neil Wendt, Director, North Coast TAFE
- Dene Zahner, General Manager, Pacific Bay Resort

This was seen as the first step in addressing one of the key “lessons learned” (from the report): getting buy-in from stakeholders, and “weakness/threat” (from the SWOT): increasing the level of galvanisation.

The Reference Group attended a further planning session on 27 September 2012, and then met to develop a series of themed action plans, building on the work done in the original SWOT. These were distributed to the Reference Group and Industry Sector Groups in December 2012.

Industry Sector Groups

In addition to the Reference group, representative of the economic community as a whole, a number of Industry Sector groups were formed including

- Coffs Coast Food Industry Group,
- Coffs Coast Manufacturers Group,
- Arts and Creative Industries,
- Professional Services sector,
- Health Industry,
- Education & Skills,
- Tourism

Each group undertook a more focused “SWOT” for their particular area of interest that again led to the development of action plans which were distributed to the groups for review.

As noted in the Strategy, a further action involving the development of a Retail Strategy is proposed to address this important industry sector undergoing difficult times. EDU has initiated

discussions with major stakeholders in this sector with a view to gaining a direction from them as to what needs the sector has and how best to proceed.

With regards to existing programs in support of the Retail sector, reference is made to report GM13/14 (regarding the 2013/14 Budget) for details of existing programs delivered by EDU (City Centre Marketing, Grower's Markets, Buskers Festival, input to the CBD Masterplan) and previous projects (development of Retail Marketing Plans for Sawtell, Woolgoolga and the Jetty). It is further noted that the work on the Digital Economy (discussed in response to the Question on Notice regarding EDU's crowning achievement) will also assist the Retail sector to adapt to the changes impacting the industry globally.

Research in Preparing the Strategy

The Author of the Strategy, Dr Grant Cairncross from Southern Cross University, attended all Reference and Industry Sector group meetings so as to understand the opportunities arising from various quarters.

In addition, Dr Cairncross undertook research into our region's population and industry statistics, our economic climate and the national and global context of this, analysed strategies of a large number of our competitors and reviewed best practice and emerging trends in economic development around the globe.

The results of this work is gathered together as Part 1 of the Economic Strategy and informs the approach taken for Part 2.

Structure of the Strategy

Part 1 of the Strategy, **Opportunities + Process + Current Reality** discusses the process undertaken in developing the Strategy, describes our current reality and identifies the opportunities proposed to be pursued via the Action Plans.

Part 2 of the Strategy is the **Action Plans**. These are our roadmap to grasp our opportunities, focusing the natural, human, technological and capital resources of the city into those areas of the economy where the greatest opportunity for triple bottom line sustainability, change and a viable competitive advantage can be achieved within the lifetime of this strategy. The "SMART" principles (specific, measurable, Achievable/Assignable, Realistic and Time-based) underpin their definition.

Sustainability Assessment:

- **Environment**

The Strategy acknowledges our environment as one of our key assets and thus supports its protection and enhancement.

- **Social**

The Strategy specifically encourages the community to engage in activities / projects that enhance and grow the social wellbeing and cultural diversity of the City.

The Strategy also outlines projects that enhance the livability of the City. The identification of activities that embraces our cultural diversity empowers our new residents from around the globe and engages our creative people will provide a vibrant experience for locals and visitors.

- **Civic Leadership**

The *Coffs Harbour Economic Strategy 2013-2017* is mapped to the objectives of the Coffs Harbour 2030 Plan as follows:

Themes in the Coffs Harbour Economic Strategy 2013-2017	Themes in Coffs Harbour 2030 Plan
LOVE OUR CITY	Looking after our Community
LOCAL IS BEST	Learning and Prospering
KNOWLEDGE BUILDING	Learning and Prospering
WELCOMING SPACES	Places for Living
PLANNING FOR GROWTH	Places for Living
SMART AND CONNECTED	Learning and Prospering
INVEST COFFS	Learning and Prospering

A full matrix of how each Strategy relates to the Coffs Harbour 2030 Plan is provided in *Coffs Harbour Economic Strategy 2013-2017: Opportunities + Process + Current Reality* (Table 7, page 24).

- **Economic**

Broader Economic Implications

The Economic Strategy has been researched and written building on the City's strengths with the economic growth and employment opportunities as its outcome.

Action Plans have been developed across many industry sectors and projects contained in these will enhance sustainability and growth of business / industry.

There are also projects that encourage investment, new residents and new industry to relocate to the City.

Delivery Program/Operational Plan Implications

The EDU has prioritised the following projects identified under the Strategy in addition to its ongoing programs (reference details in Action Plans are provided);

- LOVE OUR CITY A1-5
- THINK COFFS FIRST (Local is Best) B3
- CO-WORKING B4,
- ENTERPRISE FACILITATION B4
- DIGITAL Economy E1-2
- SWITCHED ON COFFS TV: E1
- INDUSTRY NETWORK ACTIVATION: B2
 - FOOD
 - CREATIVE
 - TOURISM
 - MANUFACTURING
 - HEALTH
 - EDUCATION & SKILLS
- SEGRA (Sustainable Economic Growth for Regional Australia Conference)

As noted in report GM13/14, if the draft budget proposed by Council at its 11 April meeting (reducing EDU funding by \$200,000 relative to 2012/13 is confirmed), Council's capacity to deliver these projects will be considerably reduced.

It is highlighted that the second of the key "lessons learned" noted above in relation to the report to the 28 June 2012 meeting was the need for someone to facilitate ongoing relationships. For Council's Economic Development Program to achieve the desired outcomes it needs to be adequately resourced.

Consultation:

As noted under Description of Item, the Strategy has been developed in consultation with a Reference Group (representing the broader community) and seven Industry Sector Groups.

Consultation included both face-to-face workshops and also utilizing the secure online discussion forum, (v-teams at Engage Central via Switched on Coffs.TV)

Should Council endorse this strategy for exhibition, it is planned to again review the Strategy and comments received with the Reference Group.

Issues:

Arguably the fundamental issue for Council to consider in relation to the recommendation to exhibit the draft Strategy, in subsequently amending the document based on comments received, and in adopting a final version of our Economic Strategy is the very nature of Economic Development itself.

What is Council's role in Economic Development? How can Council and our partners in the community achieve the economic objectives identified in the Coffs Harbour 2030 Plan? What should the Economic Strategy look like and who should it be targeted towards?

This issue was discussed extensively at the final Reference Group meeting, primarily around the title of the Strategy: "Growth through localization and Love of our City".

The author and the majority of the Reference Group in attendance believe that our focus must be on how *our community* can create a vibrant economy that others want to come and be part of rather than writing a document to attract them.

Consensus was not reached on the issue, however it was agreed to progress the Strategy to Council for endorsement for public exhibition, and that further discussions be held in light of submissions received before bringing a final document to Council for consideration.

The differing views expressed come down to an in principle position on how economic development should occur. Whilst acknowledging the pitfalls of generalisation, it is suggested that the most appropriate characterisation of the alternative views are a "top down" versus a "bottom up" approach to economic development. The following information is provided to support the view that the global trend is toward the latter approach.

Global shift in Economic Development from a "top down" to a "bottom up" approach

A move away from 'smokestack chasing'

Smart companies decide where to locate facilities and hire workers based on the quality of a community's infrastructure, institutions, and human capital – its industrial ecosystem. However, communities all too often rely on the practice of "smokestack chasing" to attract investment. That

is, they offer subsidies and tax breaks to attract a single firm, or focus their energies on attracting companies to move to the area. Evidence shows that this approach results in a low return on taxpayer investment.

The United States Department of Commerce has taken the approach that to capitalise on current economic strengths and maximise return on taxpayer investment, there is a need to help communities launch strategic plans to strengthen their industrial ecosystems. They can do this by investing in the human and physical infrastructure that will appeal to and strengthen entire industries—thereby more effectively attracting, retaining, and expanding commercial activity. (Full report: [investing-manufacturing-communities-partnership](#))

Innovation is the key to growth

Research in the UK found that a small minority of high-growth businesses hold the key to job creation and wide prosperity. A report published by NESTA (full report at: [Vital-six-per-cent](#)) found that "6 per cent of UK businesses with the highest growth rates generated half of the new jobs created by existing businesses between 2002 and 2008. Although these companies came from across the country and from all sectors of the economy, they had one important factor in common: they were far more likely to be innovative, and the research shows that their innovation was a source of growth".

As an indicator of the changes in the economy (with a recognition of growth being linked to innovation) and an aversion from the larger businesses to be relocating it is interesting to note that NSW Trade & Investment, traditionally focused on 'smokestack chasing', has shifted their policy towards allowing assistance to be focused on 'retention of jobs' and growth from established businesses. They have recently unveiled **Innovate NSW**, a \$6.7M scheme aimed at backing cutting edge start-ups that connects small to medium enterprises (SMEs), researchers, major corporations and end users to collaborate, and develop globally competitive innovations that address compelling needs in key sectors of the NSW economy.

Growing the Economy from Within.

It used to be that natural resources, low-cost labour and tax incentives were key factors in regional prosperity. Today, however, the ability to support innovative companies and entrepreneurs has become a key driver of economic growth. We're living in a period of exponential economic change, which means community leaders and economic developers must serve businesses differently than they did in the past," says Mark Lange, executive director of the Edward Lowe Foundation in Cassopolis, Mich. (more info: [economic-gardening](#))

In a 2009 paper the Centre for Local Economic Strategies (UK) argued that local economic strategies needed to significantly change their approach. "Growth will return, but it will not and cannot be like it was before. Local economic development needs to reassert itself in the light of new challenges posed by recession, global economic shifts, climate change, social inequality and demographic change: while the change in economic balance from the centre to the local needs to continue apace." (Full report: [Towards-a-new-wave-of-local-economic-activism](#))

The "top down" approach within the Reference Group

Those holding the "top down" approach in the Reference Group were of the opinion that the primary purpose of the Strategy must be as a prospectus for potential investors.

The EDU staff described for the Reference Group the methods by which prospectus-type information is communicated to potential investors – website information, tailored packages targeting their specific areas of interest, personalised meetings. It was highlighted that the sort of information investors need in order to make a decision must be up to date and tailored for their needs. Clearly a four-year strategy document is unsuitable for this purpose, although a point noting how to access this information via the EDU has been added to the draft Strategy.

Those advancing the “top down” approach were also keen to specify the positioning and brand of the City e.g. to market Coffs as a “de-facto Capital city”. The Strategy author and the majority of the Reference Group in attendance considered that such branding is perhaps beyond the scope of the Economic Strategy and is more appropriate to discuss as part of the Coffs Harbour 2030 Plan, which the Strategy aims to implement.

The “bottom up” approach to Economic Development

By contrast the majority of the Reference Group endorsed the “bottom up” approach which aims to engage the community in working together with Council and one another (i.e. via the Action Plans of Part 2 of the Strategy). This is to achieve the economic objectives established under the Coffs Harbour 2030 Plan. These objectives are defined more specifically in the Opportunities set out in Part 1 of the Strategy than they are in the 2030 Plan, as is to be expected given the Strategy is more targeted.

Strategy author Dr Grant Cairncross conceded that the Strategy he has prepared differs from the 50 or so economic development strategies he reviewed in his research. But he argued that global trends (such as those points noted above) confirm Bernard Salt’s comments about galvanisation being a critical success factor for communities and the danger of falling victim to the “cargo cult” mentality (i.e. “build it and they will come”).

As noted in the response to the Question on Notice regarding the “crowning achievements” of the EDU for the 2012/13 financial year, the selection of Coffs Harbour as the host city for the 2013 Sustainable Economic Growth in Regional Australia (SEGRA) Conference is a strong endorsement that the Economic Strategy is not only on the right track, but also a great example of the “bottom up” approach (localisation but in a global context) that other regions can learn from.

Further support regarding the quality of the Strategy is provided in the attached email from Neil McInroy, Chief Executive at the Centre for Local Economic Strategies who regards the Strategy as “way above average”.

By way of clarification, the title of the Strategy, “growth through localisation and love of our city” is not a brand for the city, but rather a call to action and a measure by which we can evaluate our efforts.

Whilst this may not answer the question of branding for our City, engaging people to help create a city they love even more – to build on the things we love about it – will mean that a ‘brand’ (perhaps not even a single brand) will emerge. For example the Creative Industries group included in their Action Plan an objective to “be the Creative Coast” (a brand), the Food Futures Action Plan includes the objective of developing a local brand. Coffs Coast Marketing already has a brand – however the Tourism Industry plans to embrace the “Love our City” concept as well. Through these and perhaps the next evolution of the Coffs Harbour 2030 Plan, it is suggested that a clearer brand will emerge which the community feels ownership of.

Conclusion

In summary, it is of concern that consensus was not reached over what the Economic Strategy should look like, what Council’s role should be and who the document should be targeted at. These differences are at the most fundamental level about what approach to Economic Development will result in the best outcomes for our City.

The approach taken by the Strategy Author, endorsed by the majority of the Reference Group, is strongly supported by best practice and global trends and therefore the draft Coffs Harbour Economic Strategy 2013-2017 is recommended for public exhibition.

Following receipt of comments the Reference Group will be reconvened to discuss the strategy prior to a report recommending adoption of the final version of the Strategy document, amended to reflect comments where appropriate, is presented to Council for consideration.

Implementation Date / Priority:

Following exhibition, consideration of feedback and final adoption of the Strategy, work on the implementation will commence immediately.

Recommendation:

That:

- 1. Council endorse the attached draft Coffs Harbour Economic Strategy 2013-2017 for public exhibition and comment for a period of 28 days**
- 2. A report be brought back to Council detailing the feedback received and recommending a final document to be adopted by Council**

CS13/28 PROPOSED CROWN ROAD TRANSFERS TO COUNCIL TO FACILITATE RESERVE IMPROVEMENT WORKS

Purpose:

To:

- Recommend that Council seek the transfer of the unformed Crown road, known locally as Coramba Heritage Park, to Council control to enable park improvement works to proceed. See Attachment 1- Draft Concept Plan.
- Recommend that Council seek the transfer of the unformed Crown road, connecting Shephards Lane to William Sharp Drive, west Coffs Harbour, to Council control to enable Asset Protection Zone works to proceed. See Attachment 2

Description of Item:

1 Coramba Heritage Park

In 2004 Council received funding of \$130,000 from the NSW RTA for works associated with the ongoing maintenance of the old Coramba Road bridge, Coramba. The bridge was subsequently assessed as dangerous and removed in 2009. There are currently \$51,018 surplus funds remaining from the original allocation.

In 2011 Council, at the request of the Orara Valley Progress Association (OVPA), prepared a landscape improvement plan for the unformed Crown road immediately east of the old bridge - known locally as Coramba Heritage Park (see attachment 3 for draft plan). This plan has remained in draft form and no wider public consultation within Coramba has been undertaken.

In 2013 the OVPA approached Council seeking financial assistance for the implementation of the Park improvement plan

At the same time nearby residents raised concerns with both Council and the NSW Police in relation to drunken behavior and subsequent environmental damage occurring within the Park and along the adjacent stretch of the Orara River. Investigations undertaken in relation to this revealed that the Park lies on an unformed Crown road not under Council control.

The original funding provided by the RTA to Council was tied to costs associated with the old Coramba Bridge. While the bridge has now been demolished, it has been determined that the \$51,018 remaining from the bridge works can be spent on implementing the landscape improvement plan for the Coramba Heritage Park, subject to wider community consultation and detailed costings being prepared.

The NSW Department of Trade and Investment (Crown Lands) has advised Council that to enable the park improvement works to proceed, the road reserve will need to be transferred to Council control and become a Council asset.

The original funding provided by the RTA to Council was tied to costs associated with the old Coramba Bridge. While the bridge has now been demolished, it has been determined that the \$51,018 remaining from the bridge works can be spent on implementing the

landscape improvement plan for the Coramba Heritage Park, subject to wider community consultation and detailed costings being prepared.

The NSW Department of Trade and Investment (Crown Lands) has advised Council that to enable the park improvement works to proceed, the road reserve will need to be transferred to Council control and become a Council asset.

2. William Sharp Drive – Shepherds Lane unformed crown road

As part of our ongoing fire management program, Council is seeking to establish a 20m Asset Protection Zone along a section of the unformed crown road linking Shepherds Lane and William Sharp Drive (see attachment2). Investigations undertaken in relation to this indicate that the unformed Crown road is not under Council control. To enable the works to proceed the road will need to be transferred to Council control.

Sustainability Assessment:

- **Environment**

No negative environmental concerns will occur as a result of the road transfer and subsequent Park improvement works. Environmental gains will be achieved through weed control and revegetation works, and through controlling vehicle access to the river.

The project will also provide opportunities for interpreting local history and aboriginal culture.

- **Social**

Open space provides important social benefits to communities through opportunities for relaxation, interaction with nature, forming social connections, visual amenity and exercise. Development of an additional recreation asset at Coramba will improve social outcomes for the Coramba community. Development and management of the area will also assist in offsetting the negative anti social behaviour that is currently occurring.

- **Civic Leadership**

This proposal works towards achieving the outcomes identified within the Coffs Harbour 2030 Strategic Plan and is directly connected to the themes "Places for Living" and "Looking after our community". The proposal will assist in ensuring that:

- We promote healthy living and safe communities; and
- We protect and expand public spaces and facilities and ensure they are accessible and safe for all.

These areas are identified as outcomes/objectives in the 2030 Plan and Council is specified as both provider and facilitator and additionally, in the case of safe communities, an advocate.

- **Economic**

Broader Economic Implications

Tourism is a significant economic driver for Coffs Harbour and for local businesses at Coramba. The Orara Way is a significant alternate route for travellers and tourists.

Providing additional way side stop opportunities within Coramba will enhance the appeal of Coramba as a rest stop and potentially increase trade for local businesses.

Delivery Program/Operational Plan Implications

Transfer of the roads will incur minor costs associated with the application fee and publication of the gazette notice. These costs will be absorbed within existing budgets.

The proposed park redevelopment works are to be funded through the remaining RTA (now Roads and Maritime Services) allocation provided to Council for management of the old Coramba Bridge. Ongoing maintenance of the Park will be an additional burden on Council's Delivery Plan however this cost can be partially offset through creation of a Friends of Park group for this location.

Establishment and ongoing maintenance of the William Sharp APZ will result in a minor increase to Council's mowing budget.

Consultation:

The matter has been discussed internally with a range of staff from City Services and Corporate Business.

External consultation has occurred with the Orara Valley Progress Association, NSW Rural Fire Service, NSW Crown Lands Division, and the NSW Police. No concerns were raised and all agencies/ bodies indicated support for the proposal.

Related Policy and / or Precedents:

Crown Lands has in the past transferred Crown roads to Councils control upon request.

Statutory Requirements:

Transfer of the road will require application to the NSW Crown Lands Division and publication of a notice in the Government Gazette in accordance with the requirements of Section 151 of the Roads Act.

Issues:

1 Coramba Heritage Park

Transfer of the road in and of itself will have little impact on Council however development of the Park, as per the Landscape Improvement Plan, will result in additional Council assets requiring ongoing maintenance and eventual renewal. The proposed built assets are estimated to have a life span of 20 years. Asset renewal costs for the proposed assets at that time are estimated to be \$ 38,577. It is intended to offset the maintenance costs through establishment of a Friends of Park Group to undertake routine maintenance and some asset refurbishment. The OVPA have expressed interest in facilitating formation of the FOP Group.

The Orara Rivercare group has also committed to undertake weed control and revegetation works at the site.

2. William Sharp Drive – Shepherds Lane unformed Crown road

The unformed road lies between Council Natural Area and residential properties adjoining William Sharp Drive. Establishment and maintenance of the APZ will reduce the fire risk to these properties and meet Council's obligations under the NSW Rural Fires Act.

Implementation Date / Priority:

Application to transfer the roads will be made immediately following Council's resolution to do so.

Park improvement works will commence upon completion of community consultation and finalization of the road transfer.

Asset Protection Zone works will commence upon finalisation of the road transfer.

Recommendation:

1. **That Council seek the transfer of the unformed Crown road (shown on Attachment 1 of this Report) from NSW Department of Trade and Investment (Crown Lands) to Council control**
2. **That Council seek the transfer of the unformed Crown road (shown on Attachment 2 of this Report) from NSW Department of Trade and Investment (Crown Lands) to Council control**

CORPORATE BUSINESS DEPARTMENT REPORTS

CB13/31 WATER ACCOUNT ADJUSTMENT (CONCEALED LEAKS) POLICY

Purpose:

For Council to adopt the Water Account Adjustment (Concealed Leaks) Policy.

Description of Item:

This policy has been developed to establish and clarify all terms, conditions and processes associated with customer requests for water account adjustments due to concealed water service leaks.

Sustainability Assessment:

- **Environment**

This is not applicable to this report.

- **Social**

This is not applicable to this report.

- **Civic Leadership**

The purpose of Council policies is to ensure transparency and accountability in local government. The implementation enables Council to identify and respond the community. This is consistent with the *Coffs Harbour 2030* Community Strategic Plan strategy *LC2.2.1: Enable and support all levels of government to serve the local community*.

- **Economic**

In the three (3) years to 30 June 2012, Coffs Harbour City Council adjusted over 590 customer water accounts affected by concealed water leaks. The total value of lost Council revenue via customer account adjustments over the three (3) years to 30 June 2012 was approximately \$608,000. This figure does not include administration costs associated with processing customer requests for account adjustments.

This policy has been developed to reduce lost revenue to a reasonable level and to align Coffs Harbour City Council with account adjustment policies of other councils and water authorities.

Broader Economic Implications

There are no broad economic impacts associated with the implementation of the recommendations.

Delivery Program/Operational Plan Implications

The ongoing development and review of Council policies and plans are accommodated within Council's budget structure. This expenditure is monitored through Council's monthly and quarterly budget reviews.

Consultation:

The policy has been developed in consultation with the Executive Manager, Coffs Harbour Water, Management Accountant- Revenue, Manager Engineering Projects- City Services, Senior Technical Officer, Coffs Harbour Water and Water Efficiency Technical Officer, Coffs Harbour Water.

Related Policy and / or Precedents:

This is not applicable to this report.

Statutory Requirements:

This is not applicable to this report.

Issues:

The implementation of this policy will require communication with licensed plumbers operating in the local government area to ensure they are aware of the information required to be certified by them under the policy. This will need to occur prior to the implementation of the policy. The proposed implementation date is 1 July 2013 to facilitate this education process.

Implementation Date / Priority:

Implementation date is 1 July 2013.

Recommendation:

That Council adopts the Water Account Adjustment (Concealed Leaks) Policy with an implementation date of 1 July 2013.

CB13/32 ENVIRONMENTAL LEVY DRAFT POLICY, ASSESSMENT CRITERIA AND PROCEDURES

Purpose:

To present the following draft Environmental Levy (EL) documents for consideration:

1. Draft Environmental Levy Policy
2. Draft Assessment Criteria Notes
3. Draft Environmental Levy Working Group Committee Meeting Procedures.

This report recommends that the three documents be adopted.

Description of Item:

On 23 February 2012 Council considered a review of the EL Program and resolved to adopt the 10 recommendations in the report. The second recommendation was that Council redraft the EL Policy and criteria to align with an overall Local Government Area Environmental Strategy.

Applications for funding are assessed in accordance with the Council's *Environmental Services – Associated Policies*. This policy refers to the most recent Statement of the Environment report (SoE). Applications are determined based on addressing an identified priority in that report. The current SoE no longer refers to priorities; it measures indicators at a point in time. The assessment criteria within the Policy also refers to SoE priorities and therefore no longer align with the report. The EL Working Group met to review the documents and establish the overarching document to be referred to in the policy and update the criteria.

Council adopted at a meeting held 25 June 2009 that the community representative positions be declared vacant at 30 June 2009 and every four years and nominations be called for replacements.

The Draft Environmental Levy Policy updates this paragraph to read as follow:

The community representative positions are to be declared vacant at 30 June every four years and nominations be invited for new membership. Existing members may re-nominate.

The policy and criteria documents include other minor changes to reflect the alignment with a new overarching document in the Coffs Harbour 2030 Plan (Looking after Our Environment theme).

Under Councils Code of Meeting Practice Committees are able to regulate their procedures. The adoption of formal meeting procedures will ensure smooth operation and make better use of the EL Working Group members' time.

Sustainability Assessment:

- **Environment**

The EL program is designed to ensure that environmental strategies as outlined within Council's Coffs Harbour 2030 Plan (Looking after Our Environment theme) are addressed. All projects recommended for funding will result in beneficial outcomes for the environment of the Coffs Harbour Local Government Area (LGA).

- **Social**

The Draft Policy includes the following criteria to be used in assessing EL submissions:

- protect and / or rehabilitate the natural environment;
- strategic integration;
- generating a community benefit;
- is community based;
- the ability to attract other funding; and
- improve aesthetic quality of natural environment and / or raise community awareness and education.

Many projects included in the program each year are undertaken by community groups.

- **Civic Leadership**

Councils Environmental Levy Program seeks to promote sound environmental practices and promotes leadership and involvement in key environmental issues which accords with Councils strategic theme of "Looking after our Environment".

- **Economic**

Broader Economic Implications

The EL Program funds environmental projects that would not otherwise be undertaken with revenue funding.

Delivery Program/Operational Plan Implications

The EL Program is funded through a special rate and is accounted for separately. Therefore there is no adverse impact on Council's Delivery Program.

Consultation:

The Environmental Levy Working Group Committee has been consulted in preparing this report.

Related Policy and / or Precedents:

Submissions have been assessed in accordance with Council's *Environmental Services – Associated Policies*, which was adopted on 15 December 2005.

Statutory Requirements:

The Ministerial approval for a special rate variation was obtained in June 1997 in accordance with the provisions of Section 508 (2) of the Local Government Act 1993.

Issues:

By reviewing the policy and assessment criteria Councils EL Program will be aligned with the Coffs Harbour 2030 Plan (Looking after Our Environment theme).

Implementation Date / Priority:

The recommendations of this report will be implemented immediately upon Council adoption.

Recommendation:

That Council adopt the three attached documents:

- 1. Environmental Levy Policy.**
- 2. Assessment Criteria Notes.**
- 3. Environmental Levy Working Group Committee Meeting Procedures.**

Purpose:

To provide Council with a quarterly status report to 31 March 2013 on the projects funded under the Environmental Levy (EL) Program.

Description of Item:

A description of the status of the EL Program as at 31 March 2013, including total funding against actual expenditure is included as an attachment to this report.

Sustainability Assessment:

- **Environment**

The entire EL program is designed to ensure that environmental strategies (as outlined within the Coffs Harbour 2030 Plan) are addressed. All projects recommended for funding will result in beneficial outcomes for the environment of the Coffs Harbour Local Government Area (LGA).

- **Social**

The criteria used in assessing EL submissions include:

- generating a community benefit;
- meeting a critical environmental need; and
- being community-based.

Many projects included in the program are undertaken by community groups.

- **Civic Leadership**

Councils EL Program seeks to promote sound environmental practices and promotes leadership and involvement in key environmental issues which accords with Councils strategic theme of "Looking after our Environment".

- **Economic**

Broader Economic Implications

The EL Program funds environmental projects that would not otherwise be undertaken with revenue funding.

Delivery Program/Operational Plan Implications

The EL Program is funded through a special rate and is accounted for separately. Therefore there is no impact on Council's Delivery Program.

Consultation:

Council staff and relevant community groups have been consulted in preparing this report.

Related Policy and / or Precedents:

Submissions are assessed in accordance with Council's *Environmental Services – Associated Policies*, which was adopted on 12 June 1997 and readopted on 15 December 2005. This policy is currently under review to come before Council in a separate report. Council's Executive Leadership Team receives quarterly reports on the status of EL Projects throughout the year.

Statutory Requirements:

The Ministerial approval for a special rate variation was obtained in June 1997 in accordance with the provisions of Section 508 (2) of the Local Government Act 1993.

Projects worthy of particular comment are:

Coffs Jetty Foreshore Reserve Follow-up Chemical Weeding

High rainfall this quarter has hampered the regularity and effectiveness of the spraying regime at the site. It has however allowed an increase in time spent doing manual weeding which has resulted in significant reduction in species best managed by hand. Defoliation of many trees combined with the high rainfall has seen a significant increase in the proliferation of annual weeds.

A major challenge has been the management of the revegetated bank in front of the Granny Ferguson Cottage. Although there are small pockets of some resilience the vast majority of the site is being rehabilitated from a highly degraded state and requires a significant amount of time doing mostly handwork, to stop it going backwards. This particular site would benefit from regular input (3 or 4 monthly) of a professional regeneration team (Lisa White's Aboriginal Team or CHCC Regeneration Team) leaving the site in a more manageable state for existing Contractor and JDC Volunteers to follow up in between. If this regime were adopted for a year or two, the existing contractor and volunteers could then much more effectively manage the site in to the future.

Another issue of concern is the major coastal erosion which has taken place at the northern end of the rock fortification on the beach between North Wall and Coffs Creek. The two most recent extreme weather events in Coffs have seen the collapse of a number of mature Banksias resulting the entire fore dune being lost bringing the sea alarmingly close to the once sheltered footpath. The implications of this new trend are more alarming given the proximity of the pathway to the main Sydney-Brisbane Railway Line, which is less than 40m in some places. It is the professional opinion of the contractor that unless something major is done to abate this erosion then not only the dunal system is at risk but also the pathway and eventually the Railway line.

Building a Collaborative Management Regime for the Coffs-Boambee Coastal Corridor

A letter has been sent to all landholders within the project area outlining the project's objectives and inviting interested parties to be involved in an overarching plan for the natural areas and their future management. Follow up meetings and phone calls have commenced and one on site meeting to discuss potential projects has been held. Coffs Harbour Education Campus has been consulted and strong interest in on ground works has been identified. In particular, opportunities for environmental education and interpretation in conjunction with a walking trail appear to have strong merit and will be included in planning and seeking future funding. The Marion Grove property has a vegetation management plan that has actions identified and costed. This project can assist the Village Manager in applying for funding to implement the plan. The project

coordinated a landholder and community field day that was held on World Wetlands Day in February. The event was focussed on Boambee Creek and involved guest presenters on a variety of topics relating to the values of the area and the options for improved management.

Supporting Community Action in the Coffs Harbour LGA

Spraying and hand removal of weed work has been ongoing, with some revegetation planting undertaken. Weeding of the area bordering Bongil Bongil National Park has been undertaken using a canoe to access areas from the lake. These areas have not been worked on before. One of two workshops planned for financial year 2012-13 has occurred, with the second to run in May. Over 25 hours have been spent in on-ground training with contractor and site volunteers to date. Sites are being assessed for appropriateness of urea application, there have been difficulties finding appropriate sites for treatment due to the extreme erosion suffered by most coastal group work areas.

Coffs Harbour Community Seedbank Network

EnvITE seed collectors have been busy collecting seed with numerous species available for collection. EnvITE hosted another seed collection workshop during this reporting period which was attended by representatives from various groups. EnvITE offered the services of the Coffs Harbour Seed Bank Network to schools involved in the CHCC Green Schools Sustainability project. The CHCC Jaliigirr Project Officer expressed interested in utilising the services of the seed bank network and has requested a list of seeds currently available. The seed bank may be able to provide native seed on request if required.

Project Status Report as at 31 March 2013:

Funding available from the EL Program to 31 March 2013 is summarised as follows:

Details	Year of Allocation of Funds				
	2009-10	2010-11	2011-12	2012-13	Total
Environmental Levy funds available	82,304	66,740	149,016	1,230,140	1,528,200
Expenditure to 31 March 2013	0	11,776	113,691	845,435	970,902
Remaining EL funds	82,304	54,964	35,325	384,705	557,298

Issues:

- **2009-10 Funding**

West Coffs to CBD Cycleway (Stage 1)

Concept design is complete, works are programmed and underway.

Beacon Hill Regeneration/Assessment Project

In the 30 June 2011 EL Report (refer 9/02/12 Council Resolution No. 24) Council approved an allocation of \$9,490 to Marine Rescue CCTV subject to Marine Rescue sourcing remaining funds required to implement CCTV to service the Beacon Hill Marine Rescue facility. These funds remain in the EL Reserve. A memo to Executive Team on 16th

January 2013 resulted in the resolution to meet with Marine Rescue; an offer of 1:1 funding has since been made to Marine Rescue.

- **2010-11 Funding**

Biodiversity Action Strategy Implementation 2009/2010

This project has been awaiting finalisation of the Class 5 fine-scale vegetation mapping and reports which was adopted by Council late last year. A detailed brief and draft 6 month contract is in preparation, it is due to start by June 2013.

The Woolgoolga Flying-Fox Camp Strategy including stage 1 implementation

The restoration of the Woolgoolga Flying fox camp program has been limited to minimal maintenance due to the flying-fox maternity/breeding season. The reduction in the works program limits the impact on the flying-foxes during the time when they have dependant young. This limited works have resulting in weed work only in the newly restored areas of the flying-fox camp and some planting on the edge of the camp to create a protective buffer of vegetation for the camp. This protective buffer will help reduce the impacts of the weed removal program and reduce camp exposure to both the elements and general public access. The new works program is due for commencement at the end of April 2013.

Matching Grant Funding Pool

Both matching grant requests from the previous year have now been funded by the matching grant funding pool. Remaining funds of \$3,725 will be used as a funding source for future requests.

- **2011-12 Funding**

The Koala Plan of Management 2011 – Revision of Mapping

The northern precinct Koala population survey is currently underway, some delays have occurred due to ongoing wet weather over the last 3 months. The second stage is now underway with survey complete on public lands; private landowners are now being contacted about access to their properties. Landholder letters have been posted and an authority letter issued to consultants conducting the field work. Biodiversity has had a few landholder issues, all have been addressed and the field survey is now underway. Due to the delays in the Northern Precinct the release of the Quotation for the Southern and Western Precincts has been held back until May 2013. The development of the Koala Plan of Management review program is underway. The program will detail the creation of the review panels (science and planning), community stakeholder group and the process of the KPOM review. The program will go to council in May / June 2013 to confirm the delivery of the KPOM review.

The Woolgoolga Flying-Fox Camp Strategy including stage 1 implementation

The Woolgoolga Flying-fox Camp is still in the maternity or breeding season so project works have been slowed to maintenance only. The Part 5 Assessment has been completed and the section 95 licence Application under the TSC Act 1995 will be lodged post finalisation of the Vegetation Management Plan. Works subject to the VMP have been delayed due to a late breeding season due for commencement in end of April 2013.

Green School Sustainability Fund

One project is still outstanding from the previous year, with an extension granted until 10/5/13 for total of \$1360.

Coastal Headland Environmental Protection - Woolgoolga Headland

Walking track construction is now complete. Substantial viewing area works have been undertaken with balance of works to be completed in the final quarter.

Coastal Headland Environmental Protection – Route Markers

Route marker installation from Sawtell to Red Rock has been completed.

Pipe Clay Lake Stormwater Community Education Project

The design and development of the community information sheet on Pipeclay Stormwater project is completed. The information sheet was delivered to all residents at Corindi Beach, estimated at 500 residences. The development of signs for bus shelters has also been completed. The organisation for a community information day to be held on the 27th April 2013 has been completed. At this stage 35 community members will be attending this information day.

Protection of the Sensitive Environs of Boambee Creek

In partnership with the Toormina Sport and Recreation Club work has been completed on fencing the final public access point to the SEPP 14 wetland adjacent to Boambee Creek at Rex Hardacre Lane. Blocking of the access points has been very successful with no further vehicle incursion into the Reserve occurring. The Floydds Grass community is showing signs of recovery and the old vehicle access tracks are also beginning to regenerate.

- **2012/13 Funding**

Orara River Restoration Project

The Orara Valley RiverCare Groups Management Committee has met monthly to oversee the project. On ground works have been undertaken on 75 sites, including 3,140 hours of professional Bush Regeneration work and Revegetation with 1,886 plants. Cats Claw Creeper has been targeted as a Weed of National Significance this quarter because the location of this plant becomes highly evident during the spring and summer flowering season. The Project Officer presented the project at the CHCC Managers Leadership Meeting as winner of the LGSA Award and also attended the Coffs Harbour Water drinking water supply risk assessment to contribute to catchment considerations. The Project Officer liaised with the CHCC Parks & Reserves section regarding the upgrade of Heritage Park which is a high profile riverbank site, and is assisting community engagement in the upgrade & improvement to riparian vegetation condition at the site. The Project Officer and CHCC GIS Section commenced clean-up of the GIS Project to ensure that all project works are effectively documented.

Equipment to Help our Native Wildlife

To date Wires have spent \$5,356-69 of their grant money. Wires have purchased the necessary equipment to make hospital boxes (aniwarmers) for initial distribution to those of our rescuers and carer who need them. Wires have also received and paid for assorted carry cages and koala transport containers. Wires have further orders of holding pens under construction and expect delivery by the end of May. These last items will fully expend the environmental levy funds.

Vertebrate Pests management Strategy Implementation (VPMS)

Operational Programs being formatted and will be presented to Facility Managers as appropriate. The timing of the training package for staff has yet to be confirmed but will be linked to the delivery of the monitoring programs June 2013. The pest control program for the Little Tern sites has been linked with NPWS and will commence in June 2013. The community education package as per the VPMS Actions is under development and will progress with the review of the website content. Printing of information material/ flyers will be completed by May 2013 to be in line with "dob in a pest" program media release.

Sustainable Management of Biodiversity in LGA

Savings made from the two permanent Biodiversity Officers working 28 hours per week has allowed the employment of a specialist ecologist to develop the High Value Habitats layer. The Office of Environment and Heritage has completed the desktop assessment of Old Growth Forest and High Value Arboreal Habitat within the Coffs Harbour LGA. These layers and the corridors footprint are being used to assist in the development of the High Value Habitats layer. The HVH layer is likely to proceed to Council seeking exhibition in August 2013.

Green School Sustainability Fund

All funding for this round has been assessed. Letters have been forwarded to 16 successful schools and 9 unsuccessful schools on 12 April 2013.

Impacts on Fresh Water Systems

Microscope work samples were down this quarter, this situation is gradually improving. Luckily January samples were retrieved prior to Cyclone Oswald, with the prospect of doing another sample drop following the cyclone to see the impact; however the second bout of cyclonic weather washed all the samples away. The March sampling was late due to high flows and inaccessible sites, not to mention fallen trees etc. The last set of samples and the Eco water sampling should be done in April. There should be an interesting set of data on the impact on the fresh water systems from the weather that Coffs Harbour experienced in February 2013.

Woolgoolga Flying-Fox Camp Restoration – Target Weed Maintenance

The restoration of the Woolgoolga Flying fox camp program has been limited to minimal maintenance due to the flying-fox maternity / breeding season. The reduction in the works program limits the impact on the flying-foxes during the time when they have dependant young. This limited works have resulted in weed work only in the newly restored areas of the flying-fox camp and some planting on the edge of the camp to create a protective buffer of vegetation for the camp. This protective buffer will help reduce the impacts of the weed removal program and reduce camp exposure to both the elements and general public access. The new works program is due for commencement at the end of April 2013.

Coffs Ambassadors Interpretive Tours

151 residents and tourists came on the fourteen Coffs Ambassadors Tours held this quarter as part of the Summer and early Autumn programs. Project co-ordinator developed and publicised the Autumn tour program; co-ordinated volunteer first aid training and code of conduct training; gave a presentation on the program to the 30 volunteers from the Coffs Harbour Visitor Information Centre.

Monitoring Birds within Community Icon Areas on the Coffs Coast

Winter, spring and summer bird censuring has now been completed and data has been added to formatted tables to aid final reporting before the end of June 2013. An invoice for \$2,000 will be forwarded to CHCC through the NPA.

CH Class 5 Vegetation Map Validation

This project is completed - the map validation report is finalised and the Coffs Harbour Fine-scale Vegetation Map has been adopted by council resolution. No further action required. Remaining funds of \$545.45 can be absorbed back in to general EL fund.

Remote Camera Surveys for Medium-sized Ground Mammals for Coffs Harbour's Coast and Hinterland

Liaison has continued between the project zoologist and landowners potentially interested in having cameras installed on their lands. Approximately 75% (54 camera sites) of proposed camera surveys have been undertaken and data collated for reporting before end June 2013.

Building an Information Base at Multiple Scales of the Eucalypts of the Coffs Harbour Region

A local ecological consultant was selected as the best available person to undertake the work and he has co-ordinated his report with the NPA and with Eco Logical Australia, who are undertaking the larger reporting component including the incorporation of the fauna report. The fauna sub-project has been completed to the satisfaction of the NPA.

Coffs Creek Northern Reach Restoration 2030 Project

The bush regenerators have been continuing the weed control works targeting turkey rhubarb, lantana and other wood weeds across the entire site. Weed control within the area of the surf club (beach view area) has been mainly focused on the extensive vine weed issue. Both the bush regenerators and the landcare groups have also focused maintenance over the summer period on the national tree day plantings, with spot weed control and some replacements for which didn't survive.

Aquatic Biodiversity Survey & Baseline Mapping of Freshwater Crayfish & Aquatic Species of the MNC

Survey works have commenced and the preliminary report received as part of the projects terms of engagement. NRCMA has been assisting in the projects delivery through application of staffing resources. 70% of the streams have been surveyed at this point in the project. Species lists gathered from the survey work will be valuable for the community, council works programs and future grant applications.

Our Living Coast Sustainable Living Festival

Sustainable Living Festival for 2012 has been completed. Planning for 2013 Festival is underway. The project is 100% expended but costs of approximately \$9,000 are outstanding.

Building a Collaborative Management Regime for the Coffs-Boambee Coastal Corridor

A letter has been sent to all landholders within the project area outlining the project's objectives and inviting interested parties to be involved in an overarching plan for the natural areas and their future management. Follow up meetings and phone calls have commenced and one on site meeting to discuss potential projects has been held. Coffs Harbour Education Campus has been consulted and strong interest in on ground works has been identified. In particular, opportunities for environmental education and interpretation in conjunction with a walking trail appear to have strong merit and will be included in planning and seeking future funding. The Marion Grove property has a vegetation management plan that has actions identified and costed. This project can assist the Village Manager in applying for funding to implement the plan. The project coordinated a landholder and community field day that was held on World Wetlands Day in February. The event was focused on Boambee Creek and involved guest presenters on a variety of topics relating to the values of the area and the options for improved management.

Environmental Levy Coordination

Coordination of the EL Program for this quarter has met all required time frames. These include the tasks of monthly monitoring of expenditure, preparing December 2012 quarterly report to Council and organising and attending a meeting with the working group committee members to review the 2013/14 submissions. A report to Council of the Committees recommendations for the Delivery Program was completed. A second meeting was organised for the working group committee to review the Environmental Levy Policy, Assessment Criteria, Committee Meeting Procedures and Application form. A letter acknowledging receipt of submissions was sent to Applicants.

Boambee Beach Bush Regeneration - North of Deep Sea Release Pipeline

Contractor continued weed control works with Jetty Dunecare. Wet summer put a halt to chemical control works. Contractor injured their back whilst undertaking voluntary work with Jetty Dunecare Group and has had to take time off work to rest injury. The plan is to commence contractor works by end of May. It is likely that the project will not be completed till early in the new financial year.

Yarrowarra Giriin Team - Bush Regeneration

Mentoring and coaching of the Giriin Team has continued to focus on expanding their knowledge and skills in identifying new or unfamiliar environmental and noxious weeds which occur at culturally significant sites. Various methods of weed treatment and control previously outlined and explained to the team were re-iterated and expanded on as new types of weeds were encountered across the areas worked. Continual reinforcement was given on safe chemical handling, mixing, application rates and additives for a range of different weeds and situations. The identification of native plants and their cultural and / or ecological significance has also continued to be a strong focus for mentoring. Another focus was the broader goal of continuing to foster and strengthen a sense of cultural connection and appreciation of the cultural and environmental relevance and importance of native habitat conservation, restoration, and sustainable land management.

Coffs Harbour Community Seedbank Network

EnviTE seed collectors have been busy collecting seed with numerous species available for collection. EnviTE hosted another seed collection workshop during this reporting period which was attended by representatives from various groups. EnviTE offered the services of the Coffs Harbour Community Seedbank Network to schools involved in the CHCC Green Schools Sustainability project. The CHCC Jaliigirr Project Officer expressed interest in utilising the services of the seed bank network and has requested a list of seeds currently available. The seed bank may be able to provide native seed on request if required.

Moonee Reserve Amenity Improvement Project

Removal of weeds along foreshore areas has continued. A new sign design has been completed with draft approved and submitted for production, awaiting arrival for installation. Two new dog poo bag dispensers have been ordered and are awaiting delivery. 20 "bag it - bin it" stickers designed and ordered (production is in-kind from Holiday Parks) to be placed on all bins around foreshores and Holiday park.

Bushland Regeneration

Bushland regeneration weed control works were undertaken across nineteen groups of natural reserve sites across the city. 300 trees were planted across nine natural reserve sites. Cross cutting of numerous fallen trees as a result of natural disaster declared storm events were carried out across nine natural reserve sites.

Darrunda Wajaar repairs to Country High Priority Sites

The team has progressed to where new work zones are being created in the existing work areas. The new zones are being treated and past zones are having follow-up treatment for weed regrowth. Expansion of zones is expected to happen in the next quarter and past zones will have continued follow up as per best practice methodology. Further to this they have completed a course in SEED BANKING with EnviTE and have also learnt about plant propagation and nursery workings such as seed raising mix and planting techniques. Some seed collection is now taking place on sites to promote local provenance species. The trainees have also completed a chainsaw course.

Environmental Weed Control

Significant rain fall events from late January through February and March with some 700mm of rain received affected works schedules, particularly spray programs. Responses to two natural disaster declared storm events impacted available staff levels which also affected programmed works. Control works occurred on various natural area sites across the LGA for Camphor Laurel, Privet and Glory Lily together with restoration planting across the city. Catch up in the final quarter of the year is planned.

Buluunggal (Coffs Creek) Interpretive Bush Tucker Trail

The team has been successful in gaining Regional Arts Funding to employ a Gumbaynggirr community arts facilitator to develop the entrance sculpture with Year 10-11 Aboriginal students from schools within the LGA. CHCC Parks & Reserves staff and the CHCC Landscape Architect are designing the wayfaring markers which will link the Botanic Gardens Trail with the Buluunggal Trail. This includes two wayfaring maps on either side of the bridge to let walkers know where they are in relation to their destination to encourage them to continue across the bridge on their walk. This is the component of the work being funded by CHCC EL, which is expected to be completed by end June 2013.

Botanic Gardens Education Officer

Two workshops were held during the January school holidays, one on dinosaurs and one on butterflies, with 20 children attending each. 15 year 12 students from Coffs Harbour High School attended a Plant Adaptation talk. An Indigenous weaving session has been organised for May and a mangrove walk with Year 11 students from Orara High School. Sue McEntyre was sent to Sydney for training in mangrove talks that meet the school curriculum. Work is ongoing organising bookings for AUSBIOTA.

Blueberries don't have to make the catchment Blue - Hearn's Lake

The first workshop is organised for the 17/4/13.

Korora Lagoons Aquatic Weed Control Program

Cabomba treatment in lower three lagoons was completed in March 2013; expenses will be reflected next quarter. Macro-invertebrate monitoring is continuing.

Implementation Date / Priority:

The recommendations of this report will be implemented immediately upon Council adoption.

Recommendation:

- 1. That Council notes the status of the Environmental Levy Projects as at 31 March 2013 as outlined in the report.**
- 2. That Council continues to monitor the Environmental Levy Program to ensure earliest completion of projects.**

CB13/34 QUARTERLY BUDGET REVIEW STATEMENT FOR MARCH 2013

Purpose:

To provide the quarterly budget review statement and report on the estimated budget position as at 31 March 2013.

The following attachments are included with this report:

- Attachment 1 – General Budget Review Income and Expenses Statement by Program
- Attachment 2 – Sewer Budget Review Income and Expenses Statement by Program
- Attachment 3 – Water Review Income and Expenses Statement by Program
- Attachment 4 – Budget Review Capital Budget
- Attachment 5 – Budget Review Cash and Investments position
- Attachment 6 – Budget Review Key Performance Indicators
- Attachment 7 – Part A Budget Review - Contracts
- Attachment 8 – Part B Budget Review - Consultancy and Legal Expenses.

Description of Item:

As part of the new Integrated Planning and Reporting (IPR) framework for local government, the Division of Local Government has developed a minimum set of budget reports to assist Council in meeting their legislative requirements. These documents are collectively known as the Quarterly Budget Review Statement (QBRS) and form part of the framework of Clause 203 of the Regulation. This regulation requires a council's responsible accounting officer to submit quarterly budget review statements to the governing body of Council. The statements are contained within Attachment 1 through 8 of this report. The table below summarises this month's budget variations.

Estimated Budget Position as at 31 March 2013:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 24 May 2012	308,365 (D)	4,397,830 (D)	3,542,337 (D)
Approved Variations to December 2012	(22,525) (S)	Nil	Nil
Recommended variations for quarter ending 31 March 2013	(80,616) (S)	(554,150) (S)	(686,556) (S)
Estimated result 2012/13 as at 31 March 2013	<u>205,224 (D)</u>	<u>3,843,680 (D)</u>	<u>2,855,781 (D)</u>

General Account	Deficit/(Surplus)
Reallocation of Waste Management staff resources to Land Use Assessment and Management branch	(29,521) (S)
Staff costs removed from Waste Management reserve	29,521 (D)
Reallocation of staff resources to Land Use Assessment and Management from Waste Management branch	29,521 (D)
Staff reallocation absorbed by current Land Use Assessment and Management salary surplus due to vacant position	(29,521) (S)
2012 Election savings	(37,590) (S)
Increase in Meter Reading bank charges due to NAB credit card payment channels replacing Australia Post facilities	27,980 (D)
Reduction in Meter Reading Agency costs as Australia Post payment channels replaced with online NAB credit card systems	(45,410) (S)
Sponsorship of 2013 BCU Coffs Triathlon	12,000 (D)
Funding of triathlon sponsorship from Business Development Reserve	(12,000) (S)
Additional Meter Reading postage expenses due to increased number of water accounts	6,682 (D)
Meter reading contribution from water	10,748 (D)
Sponsorship of 2013 BCU Coffs Triathlon	12,000 (D)
Funding of triathlon sponsorship from Business Development Reserve	(12,000) (S)
General rates income increased due to property growth	(11,926) (S)
General rates pensioner subsidy increased due to additional assessments	(11,000) (S)
Additional postponed interest charges due to change in interest rate	4,000 (D)
Replacement and additional garbage bins at jetty foreshore (per Ordinary Meeting 14/2/13 – NOM13/1).	14,400 (D)
Nightrider service northern beaches (per Ordinary Meeting 14/2/13- NOM13/4)	10,000 (D)
Increase building certification fees budget in line with revised projections	(56,000) (S)
Increase domestic sewage supervision expenses in line with expected service level from fees charged	49,000 (D)
Increase beach bathing expenses into line with Council resolution for Park Beach permanent 12 month service	48,500 (D)
Savings in museum operating costs	(10,000) (S)
The following adjustments pertain to the Airport reserve revision of operations:	
- Reduction in planned airport general aviation (GA) enhancements	(100,000) (S)
- Increase to anticipated costs for airport apron extension	200,000 (D)
- Increase to anticipated costs for airport terminal building upgrade	100,000 (D)
- Increase to anticipated costs for airport terminal area masterplan	10,000 (D)
- Reduction to airport friction testing annual costs	(10,000) (S)

- Adjustment to airport LIRS subsidy on loan	(31,072) (S)
Net movements in above airport budgets offset by transfer to airport reserve	(168,928) (S)
Increase Toormina library maintenance allocation for needed repairs	17,500 (D)
Increase Woolgoolga library maintenance allocation for needed repairs	28,500 (D)
Reallocation of public toilets improvements funding to Toormina and Woolgoolga library maintenance	(46,000) (S)
Library salary savings identified used to fund additional office expense requirements and workroom modification at Coffs Harbour Library	13,000 (D)
Library office expenses	(7,000) (S)
Coffs Harbour Library workroom modifications required	(6,000) (S)
Savings in staff costs from unfilled IT officer position	(90,000) (S)
Savings in staff costs from unfilled Customer Services manager role	(70,000) (S)
Finance salary savings identified	(40,000) (S)
Archiving of DA's and construction certificates additional requirements funded from salary savings	200,000 (D)
Land Use Assessment staff cost savings from combination of temporary vacancies and extended leave taken	(80,000) (S)
The following adjustments pertain to the Domestic and Non Domestic Waste reserves revision of operations:	
- Pensioner rebates abandoned	9,000 (D)
- State Landfill Levy liability	1,587,400 (D)
- Kerbside collection contract	267,503 (D)
- Englands Rd tip working expenses	(369,000) (S)
- Greenwaste vouchers	(20,000) (S)
- Waste processing contract	437,742 (D)
- Lowanna transfer station working expenses	(30,000) (S)
- Woolgoolga transfer station working expenses	4,474 (D)
- Waste education and promotion	(47,233) (S)
- Landfill gas extraction management	50,000 (D)
- Truck turning areas public roads	(19,718) (S)
- Hazardous waste disposal	(10,705) (S)
- Greenwaste processing service	(25,500) (S)
- Concrete crushing	(65,000) (S)
- Landfill alternative cover capital works	(30,000) (S)
- Waste charges income	(170,345) (S)
- Tipping fees income	(125,650) (S)
- State Landfill Levy reimbursement	(488,239) (S)
- Englands Rd Biosolids income	(28,685) (S)
- Scrap metal sales	(15,000) (S)
Net movements in above domestic and non domestic budgets offset by transfer from domestic and non domestic reserves	(911,044) (S)
Surplus funds transferred to deferred Lands Area LEP Review (per Ordinary Meeting 27/3/13 – L13/7)	100,000 (D)
Bonville Rural Residential Environmental Studies surplus funds transferred (per Ordinary Meeting 27/3/13 – L13/7)	(100,000) (S)
Reallocation of Bridges major repairs funds unable to be spent in 12/13 to sealed roads flush seals whilst weather permits and subcontractors are available to complete works:	

Sealed roads flush seals	200,000 (D)
Bridges major repairs	(200,000) (S)
Total	<u>(80,616) (S)</u>

Water Account

Contribution to meter reading costs	(10,748) (S)
Water strategy project not to occur until next financial year	(150,000) (S)
Reduction in anticipated costs for drinking water management plan	(110,000) (S)
Reduction in anticipated costs for pumping stations	(91,900) (S)
Increase in anticipated costs for nana glen water supply	49,700 (D)
Increase in anticipated costs for water treatment	203,100 (D)
Increase in anticipated costs for mains maintenance	221,900 (D)
Reduction in anticipated costs for Nymboida fish ladder	(24,400) (S)
Reduction in anticipated costs for Nymboida infrastructure	(71,100) (S)
Reduction in anticipated costs for water efficiency	(249,600) (S)
Reduction in anticipated costs for raw water purchases	(106,100) (S)
Reduction in anticipated costs for regional water supply operations	(218,119) (S)
Increase in anticipated costs for standpipe water	10,000 (D)
Increase in anticipated costs for pressure testing	5,600 (D)
Increase in anticipated income for pressure fees	(2,483) (S)
Increase in anticipated income for standpipe water sales	(10,000) (S)
Total	<u>(554,150) (S)</u>

Sewer Account

Sewer strategy project not to occur until next financial year	(200,000) (S)
Increase in anticipated costs for treatment plants	344,100 (D)
Increase in anticipated costs for sullage collection	2,400 (D)
Increase in anticipated costs for pumping stations	200,000 (D)
Reduction in anticipated costs for reuse management operations	(33,045) (S)
Removal of biosolids disposal costs (part of treatment plant)	(1,016,011) (S)
Increase in anticipated costs for Morgans Rd farm	16,000 (D)
Total	<u>(686,556) (S)</u>

Sustainability Assessment:

This report is one of procedure only.

- **Environment**

There are no perceived short or long-term environmental impacts.

- **Social**

There are no perceived short or long term social impacts.

- **Civic Leadership**

Council strives to reach a balanced budget position by June 30 each year in conjunction with meeting its short term priorities.

- **Economic**

Delivery Program/Operational Plan Implications

The Original budget for the General Account adopted on the 24 May 2012 provided for a deficit of \$308,365.

For substantial budget adjustments the associated council reports have addressed the triple bottom line factors independently in 2012/13.

Consultation:

Managers and their relevant staff have been provided with electronic budget reports for each program on a monthly basis. Requested variations and variations adopted by Council have been included in the report.

Statutory Requirements:

As discussed above, under local government regulations the Responsible Accounting Officer is required to submit a quarterly budget review to Council. There is no obligation to provide monthly reviews but it has been recommended they be completed as part of prudent financial management.

Responsible Accounting Officer's Statement

The Responsible Accounting Officer believes the Quarterly Budget Review Statement indicates the financial position of the Council is satisfactory, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Recommendation:

1. **The Quarterly Budget Review Statements be noted.**
2. **That the budget adjustments be approved and the current budget position be noted.**

Estimated Budget Position as at 31 March 2013:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 24 May 2012	308,365 (D)	4,397,830 (D)	3,542,337 (D)
Approved variations to December 2012	(22,525) (S)	Nil	Nil
Recommended variations for quarter ending 31 March 2013	(80,616) (S)	(554,150) (S)	(686,556) (S)
Estimated result 2012/13 as at 31 March 2013	<u>205,224 (D)</u>	<u>3,843,680 (D)</u>	<u>2,855,781 (D)</u>

3. That \$10,000 of Section 94 funds previously approved by Council for expenditure on the West Woolgoolga sporting complex (Ordinary meeting 23/8/12) be allocated to match funding from Enterprise and Training Company. These funds are to prepare concept design plans for the northern beaches multi-purpose sports centre which forms part of the West Woolgoolga sporting development.

CB13/35 TENDER: SUPPLY OF ELECTRICITY FOR NON-CONTESTABLE SMALL MASS METERED SITES

Purpose:

To report on the NSW Government Procurement contract Tender 776 for the Supply of Non-Contestable Electricity for Small Mass Metered Sites and to gain Council approval.

Description of Item:

Council currently purchases Non-Contestable Electricity for Small Mass Metered Sites from Powerdirect with the contract expiring on the 31 July 2013.

Council participated in a tender undertaken by the Regional Procurement Initiative in partnership with Energy Action. Council is a financial member of the Regional Procurement initiative. The tender for the supply of Non-Contestable Electricity (Small Mass Sites) closed on Thursday 18 April 2013. It is a requirement of participation in a tender called by the Regional Procurement Initiative that Council is bound to accept all tender results if they achieve a better or equivalent outcome.

Tenders received were for a contract period of 24 months, and were evaluated on criteria which included Price, Customer Service, Environmental Sustainability Development (ESD), Dedicated Account Manager and Quality Assurance.

Tenders were assessed against the above criteria and a successful tenderer was identified which is outlined in the Confidential Report. After examination of the result, the estimated savings and the achievable discount off the Regulated Tariff (a schedule of rates set and monitored by IPART) was less than the rates achievable under the NSW Government Procurement contract 776.

It is also to be noted that the NSW Government Procurement contract 776 has a 35 month period fixed discount against the Regulated Retail Price of electricity for small sites, which is published by the Independent Pricing and Regulatory Tribunal (IPART) in NSW.

Sustainability Assessment:

- **Environment**

The NSW Supply contract 776 for the supply of electricity for non-contestable small mass sites includes a fixed price for Green Power. As Council is a non-NSW Government body it is not mandatory for us to buy Green Power under this contract. The 776 contract includes fixed pricing discounts and the cost to purchase 10% and 20% Green Power is outlined in the Confidential Report.

- **Social**

This Tender is only for the electricity supply component, and as a result there will be no social impact.

- **Civic Leadership**

Council has demonstrated leadership within the community by promoting its procurement policy guidelines. Accessing the NSW Government Procurement Contract 776 is seen as transparent and accountable.

- **Economic**

Broader Economic Implications

Purchasing electricity under the NSW Government Procurement contract 776 will realise major savings during the contract period 1 August 2013 to 30 June 2016. It is estimated that Council will achieve an approximate 17.92% discount off the IPART regulated tariffs of both usage and supply.

Delivery Program/Operational Plan Implications

Purchasing electricity under contract using the NSW Government Procurement contract 776 will assist Council to deliver projects and service more cost effectively.

Consultation:

Consultation was undertaken with the following Council staff:

- Risk Co-ordinator Governance Section
- Director of Corporate Business
- Manager- Land Use Management
- Team Leader Environment
- Manager Telecommunications & Technology
- Buildings Supervisor
- Accounting Officer.

Related Policy and / or Precedents:

The establishment of the NSW Government Procurement Contract 776 for the Retails Supply of Electricity is in accordance with Council's own policy and procedures.

Council staff have previously set precedents by accessing numerous NSW Government Procurement contracts for the supply of goods and services to obtain value for money outcomes and meet our own policy and legislative requirements.

Statutory Requirements:

Local Government (General) Regulation 2005- Part 7 Tendering Division 1 Preliminary 163 Section 55 requires that tenders be called for expenditure over \$150,000.

Issues:

As mentioned earlier in this report, Council requested the Regional Procurement Initiative in association with their business partner Energy Action to undertake a tender T351213CHCC for the supply of electricity for our non-contestable metered Small Mass sites. Council is a financial member of the Regional Procurement Initiative and under the terms and conditions of the annual license fee we are bound to accept all tender results if they achieve a better or equivalent outcome than the NSW Government Procurement contract pricing.

When benchmarked against NSW Government Procurement contract 776, the above mentioned Regional Procurement Tender T351213CHCC did not realise a better or equal discount pricing. All comparative tender details are outlined in the Confidential Report.

Implementation Date / Priority:

The contract will be for a 35 month period for the supply of electricity to our Non-Contestable Small Mass (metered) Sites, commencing 1 August 2013 to 30 June 2016.

Recommendation:

That Council considers and approves establishing an account with the new contractor of the NSW Government Procurement contract 776 for the Retail Supply of Electricity to our Non-Contestable Small Mass (metered) sites as detailed in the confidential attachment.

LAND USE HEALTH & DEVELOPMENT DEPARTMENT REPORTS

L13/11 GUIDELINES FOR THE COFFS JALIIGIRR PROJECT: PROJECT BACKGROUND, SITE SELECTION AND MONITORING

Purpose:

That the *Guidelines for the Coffs Jaliigirr Project: Project Background, Site Selection and Monitoring* are noted by council.

Description of Item:

The *Guidelines for the Coffs Jaliigirr Project: Project Background, Site Selection and Monitoring* outline the processes for the planning, implementation, monitoring and evaluation of the Coffs Jaliigirr Project.

Background:

In May 2012, the Australian Government's Biodiversity Fund Committee selected 'The Jaliigirr Project' grant submission for a \$3 million, 6 year funding program from 2011/2012 to 2016/2017. This project was developed by the Jaliigirr Biodiversity Alliance, a partnership that includes representatives from 18 community, aboriginal and government departments. The proponent for the project is the Northern Rivers Catchment Management Authority.

The Coffs Harbour Jaliigirr Project is supported through several contracts with the Northern Rivers Catchment Management Authority and covers all works undertaken through the broader Jaliigirr Project within the Coffs Harbour LGA. Coffs Harbour City Council (CHCC) is a participating partner in the project along with Coffs Harbour Regional Landcare (CHRL), Coffs Harbour and Districts Local Aboriginal Land Council (CHLALC) and the Northern Rivers Catchment Management Authority (NRCMA).

Aims of the Guideline:

The guidelines outline the criteria to assess and select the suitability of land holding/s to enable participation within the Coffs Jaliigirr Project. Specifically these guidelines outline an assessment process for applying criteria at the property or project level to prioritise sites within designated corridors. Corridor delineation has been guided by existing regional and sub-regional corridors identified and developed by the NSW National Parks and Wildlife Service (Scotts 2003) and identified within the Mid North Coast Regional Strategy.

These guidelines contain the following information:

1. Project outcomes
2. Project activities and support
3. Site selection methodology.

In addition, a summary of the NRCMA monitoring and reporting requirements for the project are provided as appendices within the guidelines.

Sustainability Assessment:

- **Environment**

Strategic plans such as the Coffs Harbour 2030 Plan, the Coffs Harbour Biodiversity Action Strategy, the Coffs Harbour Comprehensive Koala Plan of Management and the Great Eastern Ranges Initiative and various regional strategies impact on the broader environmental services delivered to our LGA.

The Coffs Harbour 2030 Plan addresses the vision for 'Looking after our environment' where our natural environment is protected and conserved for future generations.

The Great Eastern Ranges Initiative supports the integration of large core areas, buffers, and corridors to interconnect lands between protected areas. The Coffs Jaliigirr Project will contribute to the aims of the Great Eastern Ranges (GER) Initiative and is an identified priority area of the NSW GER corridor. As GER is a nation-wide program, this project has a potentially broad influence.

The Coffs Jaliigirr Project supports the above strategies through the:

- implementation of on-ground improvements and restoration to enhance biodiversity conservation and diminish threats to biodiversity;
- support of ecosystem resilience through a system of sub-regional and regional habitat corridors; and
- enhancement of community capacity in biodiversity management with increased local and regional knowledge of and participation in habitat restoration.

- **Social**

The strength of this project is in local cooperative partnerships, from the eastern seaboard into the tablelands. There are opportunities to expand into broader partnerships and to enhance Aboriginal history, culture, values, innovations and practices as well as to increase indigenous employment and economic opportunities.

The community will have enhanced capacity in biodiversity management including:

- increased local and regional knowledge of and participation in habitat restoration;
- improved community understanding of how Aboriginal interests in biodiversity can be integrated over the landscape; and
- the knowledge and resources to undertake effective long term carbon sequestration and land stewardship.

The Jaliigirr Project will also assist in meeting the following two objectives of Coffs Harbour 2030.

- LP3.2.2 Facilitate shared learning and skill sharing opportunities across generational and cultural groups.
- LC3.3.2 Create opportunities for enhancement of the community's sense of well-being.

- **Civic Leadership**

A successful grant submission was made to the Federal Governments' "Clean Energy Future Fund". The establishment of the Jaliigirr Biodiversity Alliance created new partnerships with GER to deliver positive biodiversity actions within Coffs Harbour LGA.

The project closely aligns with other Coffs Harbour 2030 Plan objectives through:

- LP1.1 Our businesses and industries are future – driven, smart, innovative and green.
 - LP1.2 Our economy is strong and diverse providing a wide range of rewarding employment opportunities which are available to all.
 - PL3.2 Our hinterland villages support a strong tourism base around local produce, arts, culture and nature experiences.
 - LE1.1 We are active ambassadors for our environment and we share our skills and knowledge.
 - LE2.2 We have active programs to restore and improve our environment.
- **Economic**

Broader Economic Implications

The participation of Coffs Harbour landholders in the Coffs Jaliigirr Project will provide economic benefits to the community including:

- Private landholder provision of ecosystems services which are essential services necessary to support the general community as a whole;
- Ongoing employment of local Bush Regeneration Contractors, enhancing the local economy; and
- Continued improvement of the aesthetic amenity within the Coffs Harbour LGA, enhancing the local tourism economy.

The combined funding for the first year of \$465,000 is being managed through a partnership with CHCC, CHRL and the Coffs Harbour and District LALC under the following contracts:

- **NR-BFD-12-14-03E**Jaliigirr Project - Connecting communities & cultures through corridors – Part E Coffs Harbour City Council & Coffs LALC Project (\$100,000).
- **NR-BFD-12-14-03D**Coffs Jaliigirr Project - Connecting communities & cultures and corridors through Regeneration and Research – Part D Coffs Harbour City Council (\$235,000).
- **NR-BFD-12-14-03H**Coffs Jaliigirr Project – Connecting communities & cultures through corridors – Part H CHCC & CHRL Revegetating Project (\$130,000).

Delivery Program/Operational Plan Implications

There will be no financial impacts on Council's budget and Operational Plan associated with the noting of the guidelines.

Consultation:

The guideline selection criteria have been developed by Coffs Harbour City Council in consultation with CHRL and Coffs Harbour and Districts LALC. Council's Biodiversity section and Governance Branch has reviewed the guidelines and raise no issues.

Related Policy and / or Precedents:

- Coffs Harbour Climate Change Mitigation and Adaptation Action Plan;
- Coffs Harbour 2030 Community Strategic Plan;
- Northern Rivers Climate Ready Regional Plan;
- Coffs Harbour Class 5 vegetation mapping;
- Coffs Harbour Biodiversity Action Strategy 2012 – 2030; and
- Orara River Rehabilitation Strategy.

Statutory Requirements:

There are no statutory requirements applicable to the noting of the guidelines.

Issues:

The Coffs Jaliigirr Project is a new initiative which is entirely incentives based. It is not linked with any future environmental controls or land restrictions (unless a landholder chooses to enter into a carbon contract under the scheme). The endorsement of the appended guidelines will ensure that site selection and project implementation for the Coffs Jaliigirr Project is undertaken in a transparent and cost effective way that maximises the environmental outcomes of the project.

Implementation Date / Priority:

Endorsement of the guidelines will formalise many existing arrangements that have been utilised since the project commenced.

Recommendation:

That Council note the *Guidelines for the Coffs Jaliigirr Project: Project Background, Site Selection and Monitoring.*

QUESTIONS ON NOTICE

QON13/1 FINANCIAL RESULT OF THREE SPORTS UNIT EVENTS

Purpose:

Councillor Nan Cowling asked for the following information:

What was the financial result of the City vs Country Rugby League match played at the International Stadium on Saturday 20/4/13? Please include in the report a Profit & Loss Statement of the whole event from provisional negotiations to final result. Please also supply the same details for the South Sydney vs Newcastle match. Also the same details of one other event of your choice within the 2012/13 financial year.

Staff Comment:

The information requested is provided in the confidential attachment. It contains sensitive commercial information that if divulged would put Council at a substantial disadvantage in the market place and in some instances contravene confidential arrangements with the parties involved.

QON13/2 FINANCIAL COST - COFFS COAST MARKETING'S CURRENT TV CAMPAIGN

Purpose:

Councillor Nan Cowling asked for the following information:

What was the financial cost to produce the current television advertisements produced for the Coffs Coast Marketing campaign? Please include in the report a Profit & Loss Statement of the whole production from provisional negotiations to final result. Please also supply the same details for the other marketing campaigns held within the 2012/13 financial year.

Staff Comment:

The information requested is provided in the confidential attachment. It contains sensitive commercial information that if divulged would put Council at a substantial disadvantage in the market place and in some instances contravene confidential arrangements with the parties involved.

QON13/3 CROWNING ACHIEVEMENT OF THE ECONOMIC DEVELOPMENT UNIT

Purpose:

Councillor Nan Cowling asked for the following information:

What has been the crowning achievement of the Economic Development Unit during the 2012/13 financial year? Please list in the report from most to least successful campaigns. Please also report a profit & Loss Statement of the Growers Market for the whole 2012/13 financial year including wages incurred.

Please also give a comprehensive report including a Profit & Loss Statement of the Buskers Festival and Christmas Carnival for 2012.

Staff Comment:

Two key “crowning achievements” are discussed below. Further information on EDU activities and achievements is provided in the report in consideration of the Budget.

1. Comprehensive Rollout Of NBN (High Speed Broadband)

Without doubt, the “crowning achievement” of the Economic Development Unit during the 2012/13 financial year was the “switch on” of the first site in our connection to the National Broadband Network.

Thanks to the work of the Economic Development Unit and our partners, Coffs Harbour has arguably been given the biggest competitive advantage in living memory. In support of this statement, reference is made to the first quantitative assessment of the Internet on GDP and growth undertaken by the McKinsey Global Institute (click here for full report: [Internet matters](#)). Highlights to note include the findings that:

- Internet-related consumption and expenditure is now bigger than agriculture or energy, on average 3.4% of GDP for the 13 countries surveyed (more in advanced economies)
- In mature countries, internet accounted for 10% of GDP over the past 15 years, but this doubled to 21% over the past 5 years. This reflects the performance boost it gives to Small to Medium Enterprises (SMEs)
- SMEs with a strong web presence grew at twice those with minimal / no presence, an outcome that holds across sectors
- SMEs that took advantage of the internet reported the share of total revenues that they earned from exports was more than twice as large as that reported by others. They also created twice as many jobs.
- Internet maturity developed over 15 years in ‘mature’ countries produced growth in per capita GDP approaching that from the Industrial Revolution in the 19th century over a 50 year period (i.e. magnitude and speed of benefits)
- Internet creates 2.6 jobs for every 1 destroyed
- Although the Internet has resulted in significant value shifts between sectors in the global economy, more than 75% of the value added created by the Internet is in traditional industries
- Value goes beyond GDP: internet creates value for users from online purchasing

Within 2 to 3 years, 93% of our local government area will be connected to super-fast broadband, placing us ahead of all but a few centres in Australia, and among the most advanced economies in the world.

In 2009, EDU secured the support of councils from Foster to Tweed, preparing a submission to Senator Stephen Conroy (Minister for Digital Economy and Broadband), asking that the entire coastal footprint be selected as an early rollout site. Whilst this did not eventuate, the lead role played by Coffs and our partner, Southern Cross University, obviously identified us as a community that understood the opportunities of NBN.

At a Social Inclusion Forum in Canberra in 2010, Senator Stephen Conroy said “there are only a few councils that get it (opportunities of the NBN) and Coffs is one of them.”

In July 2010, Senator Conroy announced Coffs Harbour would be the first among 19 locations in stage two of the rollout (14 new sites and 5 adjacent to the 12 sites from stage one). Yet unlike other rollout sites that might have one or two areas connected (these are generally in multiples of 3000 or so premises), NBN Co. is delivering eight sites, plus one of the first rollouts of the wireless service in the country as a total project.

Why? Again, EDU has played a pivotal role, working with NBN Co. and Council departments to ensure that the rollout happens as efficiently as possible so that NBN Co. can make good inroads to their massive rollout targets.

From early reports it appears the community “gets it” too – with feedback that take-up rates (people signing up to connect to the NBN) are positive.

Again, EDU’s role in this (the high take up) must be acknowledged in particular via the *Switched on Coffs Digital Strategy* and T.H.E. Exchange, among other initiatives to raise awareness of the opportunities of the NBN.

EDU had been researching best practice around the world and when our inclusion in the second stage of the NBN rollout was announced, we pursued a relationship with Huawei Australia, who had commissioned Dr Tim Williams to produce the *Connecting Communities* White Paper to make a presentation to the councillors on Wed 4 May 2011.

Dr Williams went on to prepare the *Switched on Coffs Digital Strategy* in collaboration with special interest groups (Creative and Cultural Industries, Government, Business, Council, Health, Community and Education) from our community.

In launching the Strategy 9 December 2011, Senator Conroy remarked “*this Strategy is visionary and important – I want to congratulate CHCC as it leads the region into its digital future*”. The Strategy has since been acknowledged as leading the industry in the NSW Government’s Digital Economy Strategy.

EDU also worked with Mid North Coast RDA to establish T.H.E. Exchange in Coffs Harbour in 2011 as a showcase of the opportunities arising from the Digital Economy.

In launching *Switched on Coffs TV* at T.H.E. Exchange in 2012, Dr Williams acknowledged the work of the EDU, saying “*what we have seen is Local Government Leadership at its best with this project*’ he went on to say “*Its a modern form of Leadership which is about working with a partnership of people*”.

Dr Williams, who before moving to Australia held senior advisory roles in the UK Government and was Chief Executive of Europe's biggest urban regeneration programme, went on to become CEO with Committee for Sydney (made up of the most senior leaders and significant organisations in Sydney).

Outcomes To Date From NBN

The work of the EDU securing early rollout of high speed broadband will realise benefits for business as more people "switch on" as quantified by the McKinsey *Internet Matters* Report. The following benefits bringing dollars, services and knowledge into the local economy have already underway.

NBN Digital Enterprise Program (\$270,000 - CHCC EDU, NC TAFE, ETC)

The EDU developed a successful bid, in partnership with North Coast TAFE and Enterprise & Training Company, to deliver the Coffs Coast Digital Enterprise Program. The EDU received \$270,000 funding over 2-years from the Federal Government's Department of Broadband, Communications and the Digital Economy.

The funding is to provide 90 Group Training Sessions and 260 1 on 1 Mentoring Sessions with local Businesses and Not-For-Profits on the Coffs Coast between November 2012 to June 2014. The aim of the program is to maximise the benefits of the Digital Economy and the current rollout of the NBN, and to ensure that the Coffs Coast is a leader in it.

NBN Telehealth Pilot Program (\$1,800,000 - Feros Care)

The EDU worked closely with Feros Care to develop a locally responsive and suitable NBN Telehealth Pilot program that would deliver on-the-ground benefits to our local community. It will also put us at the forefront of new means of delivering health care in the home and establish our health services with a solid base to move into this future. Feros Care received \$1.8M from the Department of Health and Ageing to provide a virtual case management model. The My Health Clinic at Home (MHCAH) pilot is targeting seniors over 65 years old who have a chronic condition(s) such as diabetes, unstable blood pressure, chronic heart failure or a chronic lung condition.

The MHCAH pilot includes touchscreen computer and video-conferencing technology plus daily health monitoring all free of charge. Seniors will receive:

- In-home monitoring of their health status, vital signs and health behaviours
- Self-management education about their health condition
- In-home video conferencing with their health care staff, doctor, friends and family

For Coffs Harbour seniors, the ability to be in the driver's seat of their own health will be empowering. The support of a registered nurse monitoring their vital signs daily will be comforting. The convenience of a virtual consultation with their doctor, specialist, community case manager or a virtual chat with their loved ones will be fantastic. Feros Care already has Coffs Harbour participants in the MHCAH pilot and they are finding the touchscreen computer, video conferencing and the vital sign equipment very easy to use – in fact they want to video chat every day.

Digital Local Government (\$375,000 - CHCC)

In July 2012 the Minister for Broadband, Communications and the Digital Economy, Senator Stephen Conroy, announced that the Government is providing \$375,000 to Coffs Harbour City Council to help take advantage of the National Broadband Network to provide better services to our community. Senator Conroy says "the fast, affordable, and reliable broadband delivered by the NBN allows local councils to put residents and ratepayers at the heart of local government service delivery – where they should be. Ultimately, this means better, more accessible and more convenient services, delivered more efficiently and with less hassle." The funding will be used to deliver a range of NBN-enabled services, including online building and development application process and high-definition videoconferencing to enable greater access to council staff and improved efficiencies in council operations.

NBN Digital Hub Program (\$350,000 - Coffs Coast Community College)

The Coffs Coast Community College will be managing the Program and training in conjunction with their community partners in order to include the whole community (anyone) in the future benefits of the National Broadband Network.

The Coffs Coast Digital Hubs Program is a Federal Government funded initiative providing FREE training and interaction with:

- Computers and Tablets ... covering a range of useful home, entertainment and personal development applications
- E-health and interactive tele-health solutions ... that work for individuals as well as the medical profession.
- Safety and security with the internet; a family friendly approach to the how to keep safe; the why of using the net and more.

2. Coffs Harbour Economic Strategy / 2013 Segra Conference

The announcement that the Sustainable Economic Growth in Regional Australia (SEGRA) Conference will be held in Coffs Harbour in 2013 is arguably the second most significant "crowning achievement" of the EDU in the 2012/13 financial year.

Not only are their direct benefits from the conference itself, but it is also a strong endorsement of the draft Coffs Harbour Economic Strategy, tabled for Council's consideration in a separate report.

The SEGRA conference is recognised as Australia's premier conference on regional issues, showcasing innovative policy, actions and decisions to achieve successful economic growth and development.

Since the matter was raised by Cr Arkan following the 2012 conference, EDU have worked hard to sell Coffs Harbour as the best place for the 2013 conference, securing almost \$80,000 in sponsorship from a number of partners to host the event and putting together a strong bid for the conference in partnership with ETC, Mid North Coast RDA, Southern Cross University and Noodle Pacific Bay.

There are many benefits to the host City including raising the profile of Coffs Harbour (soon after the Federal Election), the relationship building and networking opportunities, access to world-class speakers for local people, not to mention the economic benefits of perhaps 150 to 250 attendees. Further details are available at: [SEGRA](#).

The reason securing the conference was a strong endorsement of the draft Economic Strategy is that a key feature of the conference is what can be learned from the host City.

The theme of the 2011 conference in Geelong was Promoting Regional Australia – Regions and their Cities. The theme of the 2012 conference in Terrigal was Maximising Leverage Opportunities for Your Region. The theme of the 2013 conference is “Regions: unleashing their mojo in an interconnected world”. The flyer for the conference is attached.

The selection committee comprising practitioners, business people and academics was excited by the draft Coffs Harbour Economic Strategy, so much so that they have modelled the entire conference program around the basic principles of the strategy.

As noted in the flyer, *SEGRA 2013 will focus on the dual issues of accessing global opportunities in regional Australia and local engagement of communities as a strategy to drive regional economic development.*

In reviewing the information on the opportunities arising from the Digital Economy (discussed above) and the approach taken in developing the Strategy (discussed under the separate report) it should be clear that SEGRA’s selection of Coffs Harbour is a “crowning achievement”, not only in itself but also in the broader activities undertaken by EDU – the NBN and the development of the Strategy.

Profit and Loss Information

Grower’s Markets

A profit and loss statement is provided below. The value of these markets for the community is discussed under the Budget report.

Growers Market Financials 2012 /13

Year to date:

Income \$40,002.00 - Expenditure \$18,680.00 = Surplus \$22,222.00
In-kind contribution \$8,600.00

Buskers Festival

A profit and loss statement is provided below. The value of the festival for the community is discussed under the Budget report.

2012 Buskers Festival - Budget (GST Exclusive)

Income	Cash	In-Kind
	\$	\$
Sponsorship		
Coffs Harbour City Council	55,000.00	
Palms Centre	12,000.00	
Moonee Shopping Centre	2,000.00	
Pacific Bay Resort	4,343.64	800.00
Essential Energy	5,000.00	
City Centre Marketing	7,000.00	
Coffs Coast Independent	2,000.00	

Pier Hotel	2,662.00	6,000.00
Sawtell RSL	5,000.00	
Coffs Coast Holiday Parks	1,000.00	
Harbour Markets	1,000.00	
Hoey Moey	5,000.00	1,500.00
Coffs Coast Independent		12,000.00
Coffs Coast Focus		2,000.00
NBN Television		5,000.00
Star FM - 2CS		4,000.00
Mike Blewitt Ford		2,000.00
Department of Immigration		5,000.00
Club Shows	790.91	
Vendors	400.00	
Kids Day Tickets	7,748.19	
	Total Income	
	<u>110,944.74</u>	<u>38,300.00</u>

Expense

Performer Costs		
Performance Fees	20,000.00	
Airfares	18,000.00	
Immigration Allowance		5,000.00
Miscellaneous (Workers Comp, Freight etc)	4,830.01	
Advertising		
Signarama Signs	2,270.00	
Radio Advertising	4,000.00	4,000.00
Flyers & Posters	1,500.00	
Focus Magazine Ad	1,480.00	2,000.00
TV Billboard - Channel 10 (\$209 p/w)	190.00	
NBN TV Adverts	8,840.00	5,000.00
NBN TV Ad Creation	1,200.00	
Independent Ads	1,627.27	
Program Production		12,000.00
Core flutes	200.00	
Staff & Wages		
JLE - PA's, Production & Management Fee	20,000.00	
SCU - Internship	5,000.00	
Event Management Officer	4,000.00	
Casual Labour - PA & Production	2,850.00	
Staff & Volunteer Shirts	502.00	
Road Closures - Council Staff Costs	448.89	
Fringe Benefit Tax	1,704.51	
Buskers Accommodation		
Rooms	-	7,000.00
Drinks & Catering	219.92	500.00
Vehicle Hire		2,000.00
St Johns Ambulance	400.00	
Staff Costs - Meals, Drinks etc	213.40	
Launch Dinner - Sponsor, Staff & Councillor Tickets	5,992.40	
Barricades	158.05	
Portable Toilets (City Centre Toilet Refurbish)	1,492.00	
Kids Day Costs		

Entertainment - Jumping Castles/Face Paint etc.	1,711.18	
Venue, Catering & Security	1,271.64	
Sponsorship Costs		
Meetings	54.99	
Platters, Catering & Drinks	227.27	
Photography	750.00	
Buskers Festival Prize - Accommodation Package		800.00
Miscellaneous - Cable Ties, Batteries, Tape, Hire Car Fuel etc	62.43	
Total Expense	<u>111,195.96</u>	<u>38,300.00</u>
Remaining	<u>251.22</u>	<u>-</u>

Christmas Carnival

The Christmas Carnival is not an EDU or council event. March's Amusements, a private company own, operate and run the carnival. However, if ***Santa's arrival in the City Centre*** is what is referred to (a promotion for Christmas in the City Centre done in partnership with Coffs Central) the following information is provided.

Expenses Santa's Arrival		\$
5/07/2012	Uncle Reimers Animal farms 2 x reindeer's	3,700.00
7/12/2012	Transportation of Stage	472.73
6/12/2012	Chairs & Fabric for Santa	596.36
30/11/2012	Hire of 3 Camels	1500.00
11/12/2012	Sound and General Liaison Santa Arrival	795.45
20/12/2012	Frank Redward Photography for Santa Visit	250.00
20/11/2012	Debra Lees Kidz Biz	500.00
18/12/2012	Australian Temporary Fencing	210.08
31/12/2012	Advertising Santa Visit	2050.00
24/01/2013	Connection Christmas tree	180.00
	road closure	500.00
		<u>\$10,754.62</u>

Coffs Central contributed to advertising \$5,000.