



## **Notice of Ordinary Meeting**

**to be held at the Council Chambers  
2 Pulteney Street, Taree**

**25 October 2017 at 2.00pm**

The order of the business will be as detailed below (subject to variation by Council)

1. Acknowledgement of Country
2. Declaration of Pecuniary or Conflicts of Interest (nature of interest to be disclosed)
3. Apologies
4. Confirmation of previous minutes
5. Matters arising from previous minutes
6. Address from the public gallery
7. Consideration of officers' reports
8. Close of meeting

A handwritten signature in black ink, appearing to read "Glenn Handford". The signature is written in a cursive style with a large initial "G".

Glenn Handford  
**General Manager**

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## **TABLE OF CONTENTS**

<b>CONSIDERATION OF OFFICERS' REPORTS:</b> .....	<b>1</b>
<b>DIRECTOR PLANNING &amp; NATURAL SYSTEMS</b> .....	<b>1</b>
1    OFFICIAL OPENING - TUNCURRY COMMUNITY RECYCLING CENTRE & WASTE TRANSFER STATION .....	1
<b>DIRECTOR ENGINEERING &amp; INFRASTRUCTURE</b> .....	<b>5</b>
2    CAPITAL WORKS REPORT - SEPTEMBER, OCTOBER, NOVEMBER 2017 .....	5
3    2017-2018 ROAD & DRAINAGE CAPITAL WORKS PROGRAM & 5 YEAR CAPITAL WORKS PRORAM .....	7
<b>DIRECTOR CORPORATE &amp; BUSINESS SYSTEMS</b> .....	<b>11</b>
4    ESTABLISHMENT OF STRATEGIC COMMITTEE .....	11
5    DEVELOPMENT CONTROL UNIT .....	15
6    APPOINTMENT OF DELEGATES TO VARIOUS EXTERNAL BODIES .....	19
7    LOCAL GOVERNMENT NSW VOTING DELEGATES .....	23
8    TABLING OF DISCLOSURE OF INTERESTS RETURN REGISTER .....	27
9    DEPUTY MAYOR ALLOWANCE .....	29
10   COUNCILLOR AND STAFF INTERACTION POLICY .....	31
11   INVESTMENTS REPORT - SEPTEMBER 2017.....	39
<b>DIRECTOR WATER SERVICES</b> .....	<b>49</b>
12   MIDCOAST WATER SERVICES EXECUTIVE MONTHLY PERFORMANCE REPORT - SEPTEMBER 2017 .....	49
13   INFRASTRUCTURE PROJECT STATUS REPORTS .....	51
14   FAILURES AND ISSUES MANAGEMENT .....	53
15   SUSTAINING WORKS PROGRAM - SEPTEMBER 2017 QUARTERLY REPORT .....	61
16   WATER USAGE, WATER RESOURCES AND THE OUTLOOK FOR 2017-18 .....	65
<b>CLOSED COUNCIL</b> .....	<b>73</b>
17   TENDER FOR THE SUPPLY OF ELECTRICITY - WATER SERVICES DIVISION.....	73

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## **CONSIDERATION OF OFFICERS' REPORTS:**

### **DIRECTOR PLANNING & NATURAL SYSTEMS**

#### **1 OFFICIAL OPENING - TUNCURRY COMMUNITY RECYCLING CENTRE & WASTE TRANSFER STATION**

**Report Author** John Cavanagh, Manager Waste, Health & Regulatory Services

**File No. / ECM Index** Forster/Tuncurry Waste Management Centre

**Date of Meeting** 25 October 2017

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#### **SUMMARY OF REPORT**

The Tuncurry Waste Management Centre is undergoing the final stages of a major transformation from originally being a Landfill only to now being the centre for recycling and processing waste in the Forster/Tuncurry area. The Landfill is also being closed and capped with residual waste being transported to the Taree Bucketts Way Landfill. A new Community Recycling Centre and Waste Transfer Station have been constructed and commissioned. The new facility is ready for its official opening on Friday 17 November 2017.

#### **SUMMARY OF RECOMMENDATION**

That:

- 1) Council nominate a representative to join the local Member of Parliament (Stephen Bromhead) to officially open the facility.
- 2) An invitation is extended to all Councillors, the Executive and associated staff to attend the event.
- 3) An invitation be extended to associated consultants and contractors who worked on the facility.
- 4) An open invitation be extended to the general public.

#### **FINANCIAL/RESOURCE IMPLICATIONS**

There are five (5) main projects associated with the overall development. There is also a pleasing list of grant funding which is detailed in the body of the report. The project was also funded through the 10 Year Financial Plan from the former Great Lakes Waste Management fund. The total cost of the project is in the vicinity of \$4.5M.

#### **LEGAL IMPLICATIONS**

The facility design and operations comply with all relevant regulations for handling waste materials. The Landfill is also being closed and capped in accordance with its Environmental Protection Authority Licence conditions.

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#### **BACKGROUND**

The former Great Lakes Councils Waste Strategy included closing Tuncurry Landfill and sourcing another more suitable site for landfilling purposes. The Great Lakes Landfill located at Minimbah has been constructed and its future use will be an outcome of Council's position once the "Waste Facilities Review" which is currently underway, is complete. The Tuncurry Landfill progressively developed from landfilling only in the mid 1970's to having a Tip Shop, weighbridge, and the Material Recovery Facility where kerbside collected recyclables are processed. It has since undergone major redesign.

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The concept design of the Tuncurry Waste Management Centre Master Plan was the subject of a report to Council on 22 November 2011. The purpose was to accommodate the changing focus of improving recycling and processing of waste materials that previously were disposed at Landfill whilst closing the old Landfill and constructing a new Transfer Station. Another focus was to make the facility more 'user friendly' and more pedestrian friendly. A further focus was to incorporate social and community activities eg Men's Shed and The Green. Finally, there was a strong impetus to reduce waste levies payable to the Environmental Protection Authority.

Since 2011 Council has closed the Bulahdelah and Tea Gardens Landfills and constructed purpose built and unique Waste Transfer Stations. The design of the first pilot Transfer Station at Bulahdelah was a joint winner of the Waste Management Association's national award of "Excellence in Small Transfer Stations" in 2013. The Tea Gardens and now Tuncurry facilities were based on that design with further improvements added.

Due to the change in focus of the centre it seemed fitting to also change the name of the facility and access road. This would also assist in branding and help promote the change to the local community. As a result, Council adopted to change the name of the facility to the Tuncurry Community Recycling Centre on 24 May 2017. The reasons for recommending this name are as follows:

- It is an easy name to recognise
- The name fits with the main focus of the facility
- The NSW Environmental Protection Authority promote Community Recycling Centres through paid advertising which will assist Council's promotion and reduce advertising costs

In keeping with the above it was also recommended to change the name of the access road. Tuncurry Tip Road appears to have originated from the community's informal reference to the facility. As the Landfill is being formally closed the current name does not fit well with the new focus of promoting recycling or avoiding waste disposal. As a result, it was recommended to change the name to Midge Orchid Road. The main reason for this is the threatened species commonly known as Tuncurry Midge Orchid thrives in the area and there are several specimens on site which required Council to quarantine specific areas within the facility boundary. It is also intended at some future date to highlight the species and provide site tours when in flower.

## **REPORT**

The Tuncurry Waste Management Centre has been undergoing major change over the past two (2) years with the Master Plan concept becoming a reality. Council has been successful in obtaining several grants to assist funding these works with details as follows:

- \$137,000 to construct a new Men's Shed. This is complete with an official opening held on 21 August 2017.
- \$121,000 to relocate the existing weighbridge. This is complete.
- \$170,000 to construct a new Community Recycling Centre adjoining the existing Tip Shop. This is complete and recently commissioned.
- \$1,000,000 to construct a Waste Transfer Station. This is also just finished commissioning.
- \$15,000 for Community Recycling Centre and directional signage which has recently been erected.

The balance of funding was provided in the 10 Year Financial Plan and made available from the Waste Management reserve fund.

Due to the State Government grant funding, a Member of Parliament is to be invited to open the facility. Also, due to the significant contribution by Council it would seem fitting that the Council also nominate a representative so that a joint opening may take place.

The new Waste Transfer Station and Community Recycling Centre have now been constructed as have access roads, hard stand areas and a second weighbridge installed. The facility has recently been going through a commissioning process. This included changing public access and the primary use from landfilling to the new Transfer Station. This also involved negotiating changes to the existing operating contracts.

The official opening of this purpose built facility is the culmination of over 10 years planning and design. It will in itself be a significant milestone in the way waste is managed in the MidCoast Council area and specifically for residents of the Forster/Tuncurry area.

As a result, it is planned to make the official opening into a momentous occasion on Friday 17 November commencing at 12 midday. The function will have a focus on community education about the changed operations of the site. As a result, there will be refreshments available prior, and site tours after the official opening.

The media will be invited to play a role on the day and will be utilised to also get the message out to the local community about these changes.

## **RECOMMENDATION**

That Council:

- 1) Council nominate a representative to join the local Member of Parliament (Stephen Bromhead) to officially open the Tuncurry Community Recycling Centre.
- 2) An invitation be extended to all Councillors, the Executive and associated staff.
- 3) An invitation be extended to associated consultants and contractors who worked on the facility.
- 4) An open invitation be extended to the general public.

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## **DIRECTOR ENGINEERING & INFRASTRUCTURE**

### **2 CAPITAL WORKS REPORT - SEPTEMBER, OCTOBER, NOVEMBER 2017**

**Report Author** Stuart Small, Team Leader Project Delivery

**File No. / ECM Index** Corp Mgmt - Works Depot

**Date of Meeting** 25 October 2017

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#### **SUMMARY OF REPORT**

This report provides advice on work currently in progress or recently completed within MidCoast Council by day labour staff and contractors. Also included is advice on work planned in the near future.

#### **SUMMARY OF RECOMMENDATION**

That Council note the information included in this report.

#### **FINANCIAL/RESOURCE IMPLICATIONS**

Projects listed within this report are included in 2017/2018 Operational Plan of MidCoast Council or grant funding that has subsequently been accepted by Council.

Work funded under Council's Road Maintenance Council Contract (RMCC) with Road & Maritime Services (RMS) for the state road sections of The Lakes Way and Failford Road is also included.

#### **LEGAL IMPLICATIONS**

Nil.

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#### **BACKGROUND**

An update on the progress of capital works included in the 2017/18 Operational Plans for the MidCoast Council area is included in this report. It also includes works undertaken through special grants and the RMCC. The report is provided for the information of Council.

#### **DISCUSSION**

Attachment A (Works Program - Monthly Report) provides a summary of the capital works completed in the previous month and those in progress or commencing in the subsequent month. The projects listed to commence in the future are a projection based on work programs at the time of writing this report. Attachment A outlines whether the work is being undertaken by day labour staff or contractors.

A summary of the highlights of projects listed in Attachment A follows:

##### **Manning Region**

- The boat ramp upgrade at Bohnock is now complete and re-opened to the public. Car park construction at this site continues. Manning Point boat ramp upgrade is scheduled to commence this month.
  - Asphalt resurfacing is complete on Combined and Dennes Streets in Wingham, line marking is scheduled for October.
-

- Harrington Road reconstruction of a 1.3km section between Christies Lane and 300m west of Longworths Lane has commenced, with completion expected in January.
- Diamond Beach Road reconstruction and Kellys Bridge replacement (The Bucketts Way) remain in progress.
- Avalon Road, 670m section at Germany Lane, commencement of works this month.
- Pelican Bay bridge construction is scheduled to commence this month, the bypass track has been completed in preparation.

### **Great Lakes Region**

- Roundabout construction at Lee Street and Stroud Street intersection, Bulahdelah is in progress.
- Reconstruction of The Lakes Way in Bungwahl is in progress.
- Marine Drive and Charles Street, Tea Gardens asphalt works have been completed and colouring/stamping of the asphalt is outstanding.
- Seal extension of Wattley Hill Road planned to commence this month.

### **Gloucester**

- Scone Road, extension of seal program - works programmed to commence.
- Thunderbolts Way - the slips - works are programmed to commence later this month on reconstructing the pavement.

### **CONSULTATION**

The management and coordination of all aspects of the Capital Works Program is undertaken in consultation with a wide range of internal and external stakeholders.

The key stakeholders in the preparation of this monthly report include the Transport Assets Section, Projects and Engineering Section, Operations (North and South) Sections and the Finance Section.

### **COMMUNITY IMPACTS**

Community Impacts are considered and managed as part of each Capital Works Program project.

### **TIMEFRAME**

Details are reported within the attachments.

### **RECOMMENDATION**

That Council note the information in this report.

### **ATTACHMENTS**

A: Summary of projects completed or to be completed September, October & November 2017.

Attachment A has been circulated in hard copy to the Councillors and Senior Staff. However, this Attachment is publicly available on Council's Website.

### **3 2017-2018 ROAD & DRAINAGE CAPITAL WORKS PROGRAM & 5 YEAR CAPITAL WORKS PRORAM**

**Report Author** Scott Nicholson, Manager Transport Assets

**File No. / ECM Index** Transport Assets

**Date of Meeting** 25 October 2017

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#### **SUMMARY OF REPORT**

This report outlines the 2017/2018 Capital Works Program and proposes a five (5) year program for urban rehabilitation, rural rehabilitation, regional rehabilitation and bridges renewals for Council's consideration.

#### **SUMMARY OF RECOMMENDATION**

That Council note the 2017/2018 Capital Works Program and endorse the draft five (5) year capital works programs as detailed in the report.

#### **FINANCIAL/RESOURCE IMPLICATIONS**

The Draft Capital Works Program is based on the 2017/2018 Capital Works allocation with some assumptions on the level of funding allocation for programs such as the Block Grant and the Roads to Recovery Programs.

The five (5) year program as presented is based on the level of funding provided through Council's Annual Capital Works allocation. Variations will occur over the period of the program as grant funding and other financial variations occur. However, the program is based on the financial situation as it currently exists.

In this regard, following the amalgamation Council developed a four (4) year \$30m Roadcare Program which consisted of \$14m from the Stronger Communities Fund to be spent over three (3) years and finalising in the 2018/2019 year and an additional annual \$4m allocation from merger savings for four (4) years and finalising in 2019/2020. These funds are incorporated into the five (5) year Works Program. There has been no provision for the specific allocation of merger savings to the road program after 2019/2020 as this will be subject to Council's future determination of priorities.

No provision has been made for the increase in works resulting from Council's Special Rate Variation as this is subject to current discussions with the State Government. A further report will be submitted to Council if major variations to the program are required as a result of additional funding being received.

#### **LEGAL IMPLICATIONS**

Nil.

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#### **BACKGROUND**

The 2017/2018 Capital Works Program has been developed to meet the most pressing community infrastructure needs and to ensure the existing asset base is maintained in a safe, efficient and cost effective manner. The draft Asset Management Plan, which aligns with the Asset Management Plans of the three (3) former individual Councils has formed the basis for project identification and prioritisation in the 2017/2018 year.

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An underlying principle of the program is that funding levels allocated within the former Council areas has been maintained. However, any additional funding provided or grants received have been allocated according to the highest priority. This principle has been adopted in order to maintain the relativities of the rate base until rate harmonisation is able to be achieved.

The program also includes the 2017/2018 allocation under the Roadcare Program.

Highlights from the 2017/2018 Capital Works Program includes:

- A strong focus on resurfacing as a planned asset protection activity.
- Significant rehabilitation program for Regional Roads.
- Substantial bridge program in conjunction with funding under the Bridge Replacement Program.

Resealing of urban, rural and regional roads was the most important consideration in the development of the current program. Resealing is a relatively inexpensive planned maintenance activity that targets roads before they have structural failures. The new surface assists in waterproofing the underlying structural pavement layer of a road and significantly reduces the rate of deterioration. With a cost differential of approximately 20 times (the cost of reconstruction compared to resealing), failure to undertake an extensive resealing program on an annual basis could lead to the movement of approximately \$270m of condition 3 roads into condition 4 over a very short period and this would lead to substantial financial risk to Council. At the present time, due to the backlog of reseals in the Gloucester and Manning areas, reseal programs will be developed on an annual basis, rather than attempt to program such work up to five (5) years in advance.

As the 2016/2017 Capital Work Program was established by the former three (3) Councils prior to amalgamation. The 2017/2018 Capital Works Program is the first combined program for MidCoast Council and an important harmonisation milestone. As such, the one (1) year Capital Works Program leads directly into the broader five (5) year program which is also presented to Council.

Sound asset management practice requires a long term planning horizon for works to ensure that Council's long term financial plan and asset management plans align. It is also an essential element of Council's Works Program to provide the necessary lead time to properly prepare for works to be carried out in a timely manner and with appropriate consultation and investigation.

There is also a requirement under the Stronger Councils Framework for MidCoast Council to develop a five (5) year Capital Works Program.

Presented for Councils consideration is a draft five (5) year rehabilitation/renewal program for urban roads, rural roads, regional roads and bridges. These programs list projects that will have commitment from Council over the coming five (5) years.

The five (5) year programs have been prepared using the most current asset data and associated information held by Council. This includes a mixture of the asset data from previous Councils and inspection data collected during the harmonisation process of MidCoast Council's asset database. This data is continually being updated so the programs can be considered a current snapshot.

It is expected that the program now presented will be the first of a rolling Capital Works Program which is subject to an annual review to ensure the program is relevant and complete. It is also expected that some changes may be required to the programs due to:

- Variable rates of asset deterioration.
- Shifts in funding priorities.
- Risk based assessment identifying assets which present unacceptable risk.
- Injection of funds from external funding sources.
- Scope changes during investigation, design and construction.

These programs have been developed in accordance with the draft Asset Management Plan which aligns with the asset management systems within the former Councils. In particular, the programs consider:

- Level of service.
- Forecast demand for the asset.
- Current asset performance.
- Funding constraints.

All assets identified in the five (5) year programs have been assessed as condition rating 5 (very poor) or condition rating 4 (poor) that is likely to move into condition 5 over the program period. The serviceability of these assets is being heavily impacted upon by the very poor and poor condition. Maintenance costs are very high and these assets will likely be a risk to remain in service.

Council's endorsement of the draft five (5) year programs will provide medium term direction, certainty and guidance on timeframes for project planning and delivery.

## **RECOMMENDATION**

That Council endorse the draft five (5) year capital Works Programs as detailed in the report.

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## **ATTACHMENTS**

- A: 5 Year Strategic Road/Bridge Program
- B: Capital Budget 2017-2018

Attachments A and B have been circulated in hard copy to the Councillors and Senior Staff however, these Attachments are publicly available on Council's Website.

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## **DIRECTOR CORPORATE & BUSINESS SYSTEMS**

### **4 ESTABLISHMENT OF STRATEGIC COMMITTEE**

**Report Author** Steve Embry, Director Corporate & Business Systems

**File No. / ECM Index** Council Meetings General

**Date of Meeting** 25 October 2017

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#### **SUMMARY OF REPORT**

To recommend the establishment of a Strategic Committee of Council.

#### **SUMMARY OF RECOMMENDATION**

That Council establish a Strategic Committee as a Committee of the Whole Council and adopt the Terms of Reference.

#### **FINANCIAL/RESOURCE IMPLICATIONS**

Nil.

#### **LEGAL IMPLICATIONS**

Council has the ability to establish Committees under Clause 260 of the Local Government Regulation 2005. This Clause is also referenced in Council's Code of Meeting Practice Section K3. Clause 260 is as follows:

##### *260 COUNCIL MAY ESTABLISH COMMITTEES*

- 1. A council may, by resolution, establish such committees as it considers necessary.*
  - 2. A committee is to consist of the mayor and such other councillors as are elected by the councillors or appointed by the council.*
  - 3. The quorum for a meeting of a committee is to be:*
    - a) such number of members as the council decides, or*
    - b) if the council has not decided a number - a majority of the members of the committee.*
- 

#### **BACKGROUND**

Council has discussed the establishment of a Strategic Committee of Council to provide a transparent means of considering strategic issues.

#### **DISCUSSION**

MidCoast Council has been formed through the merger of three Councils and the integration of the MidCoast Water County Council.

There are many major strategic issues which will require consideration by Council across broad subject areas including technical, town planning, financial and corporate strategy.

To enable these often complex matters to be fully communicated and explored with Council, the Strategic Committee Model is suggested as it provides an environment more conducive to receiving information and having open dialogue than a formal Council meeting.

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To ensure transparency, the meetings will be open to the public and agendas are published in line with Ordinary Council meeting business paper timeframes.

The Strategic Committee would have delegations to make decisions on items referred to it. In practice the Committee would receive a combination of decision items and briefing items (where decisions are made at future Ordinary or Strategic meetings). There would also be information items where briefings are provided on the progress of major projects.

Many Councils hold workshops or briefing sessions outside any formal Council or Committee structure to allow for the provision of background information in an informal environment. The Office of Local Government endorses the need for workshop sessions and covers the process for workshops in Part 13 of its Meetings Practice Note.

While Council could adopt a Workshop model the Strategic Committee is a preferred option as it is a properly constituted meeting of a Committee of Council with decision making authority and transparency associated with a formal meeting of Council. It is considered that the Strategic Committee model proposed provides flexibility for Council to receive detailed briefings while also being able to make decisions according to its delegations.

### **COMMUNITY IMPACTS**

The Strategic Committee model provides for meetings to be advertised, business papers and minutes published to the website and meetings are open to the public.

### **RECOMMENDATION**

That Council establish a Strategic Committee as a Committee of the Whole Council and adopt the Terms of Reference.

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## **ANNEXURES**

A: Strategic Committee Terms of Reference



### **STRATEGIC COMMITTEE TERMS OF REFERENCE**

#### **Membership**

The Strategic Committee is formed as a Committee of the Whole comprising all Councillors and chaired by the Mayor.

#### **Purpose**

The Committee's purpose is to identify and give detailed consideration to strategic issues through reports and briefings and to adopt or amend policies or strategic plans.

#### **Delegations**

In accordance with Section 377 of the Local Government Act 1993 the Strategic Committee is delegated authority to make decisions in relation to the issues referred to it. There may be occasions when the Strategic Committee is of the view that a particular issue should be referred to Council for decision however this will be at the discretion of the Strategic Committee.

The Committee cannot make decisions on functions as set out in Section 377(1) of the Local Government Act.

The Committee may conduct site inspections.

#### **Public Attendance**

In accordance with Section 10 of the Local Government Act 1993, the Strategic Committee will be open to the public unless there is a valid reason to close the meeting to the public under Section 10A of the Act. The public will be welcome to attend as observers but in view of the limited time available for consideration of strategic issues, will not be given the opportunity to address the committee (unless the committee decides otherwise).

#### **Meeting Procedures**

As a Committee consisting of Councillors only the meeting procedure will follow the relevant meeting provisions of the Local Government Act and Regulations and Council's Code of Meeting Practice.

#### **Quorum**

The quorum for the Strategic Committee shall be six (6) Councillors.

#### **Meeting Schedule**

The meeting schedule will be determined by Council.

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## **5 DEVELOPMENT CONTROL UNIT**

**Report Author** Rob Griffiths, Manager Governance

**File No. / ECM Index** Development Control Unit

**Date of Meeting** 25 October 2017

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### **SUMMARY OF REPORT**

MidCoast Council whilst under administration has held Development Control Unit (DCU) meetings each Thursday to consider selected Council Officer's reports in relation to Development Applications.

Council adopted a Determination of Development Applications Policy at its meeting of 26 July 2017.

### **SUMMARY OF RECOMMENDATION**

That MidCoast Council continues to operate the Development Control Unit in accordance with its adopted Determination of Development Application Policy and the 'Development Control Unit Operating Procedure' (Annexure A) and meet weekly (unless there are no agenda items) to consider Council Officer's reports in relation to Development Applications.

### **FINANCIAL/RESOURCE IMPLICATIONS**

No significant financial implications to Council.

### **LEGAL IMPLICATIONS**

At its Meeting 29 September 2017, Council resolved to issue delegation of authority to the Councillor as Chairperson of Development Control Unit.

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### **BACKGROUND**

The reason for the establishment of a DCU was to remove time consuming non-contentious applications from Council business papers to enable more time to be spent on strategic planning, policy formulation and contentious applications.

The MidCoast Council DCU was established via resolution at the Council Meeting 28 September 2016 and has operated since. The Chairperson of the DCU has been The Administrator. The previous Great Lakes Council has operated DCU with the Mayor being the Chairperson.

### **DISCUSSION**

Council's adopted Determination of Development Application Policy states:

- Council will establish a Development Control Unit (DCU) for determination of Development Applications that are not determined by planning staff under delegation.
  - Membership of the DCU shall comprise one (1) elected Councillor (chairperson), the Director Planning and Natural Systems, Director Engineering, Manager Development Assessment and Manager Building Services.

- The chairperson of the DCU is to be given the full delegation of Council for the determination of development applications.
- DCU meetings will be held once a week. Meetings will not be held where there are no agenda items.
- Matters will only be deferred by the DCU in exceptional circumstances where there is a significant risk of a sub-optimal outcome that has significant consequences for the community. There should be a maximum of two decision delays (decision delays comprise deferrals and site visits – a site visit and subsequent consideration at another meeting would equate to the maximum of two decision delays).
- Planning staff will determine applications in accordance with delegations. Applications will only be presented to the DCU in the following circumstances:
  - Where Council is proposing a development itself (and Council is the consent authority)
  - Where the development does not comply with the aims and objectives of an adopted council policy (including a development control plan), and the application is recommended for approval.
  - Where significant unresolved planning objections have been received from different households (a petition or pro-forma documents are counted as one objection).
  - Where the application proposes variation to a development standard in a Local Environmental Plan of more than 10% of the standard and where concurrence of the Secretary of the Department of Planning and Environment is taken to be assumed.
  - Where the development is of state or regional significance (and Council is the consent authority)
  - Where the application is for a review of determination (unless the review relates to:
    - a decision to refuse an application for failure to provide all necessary information to enable assessment of the application and the information has not been provided with the request for the review; or
    - where the review relates to an application was refused for failure to obtain the concurrence of another authority).
- Where the JRPP is the consent authority, applications will not go to the DCU for noting (unless it is a Council DA).

## **RECOMMENDATION**

That MidCoast Council continues to operate the Development Control Unit in accordance with its adopted Determination of Development Application Policy and the 'Development Control Unit Operating Procedure' (Annexure A) and meet weekly (unless there are no agenda items) to consider Council Officer's reports in relation to Development Applications.

## **ANNEXURES:**

A: Development Control Unit Operating Procedure

### **Functions:**

No member of the Development Control Unit (DCU) shall exercise any function of the council or any function otherwise delegated to that member at a meeting of the DCU.

"Function" in this document includes a power, authority and duty.

### **Membership of the DCU:**

The following persons are members of the DCU:

- a) the nominated Councillor of MidCoast Council who shall be the chairperson;
- b) the person who occupies the position of Director, Planning & Natural Systems or a person acting in that position or otherwise a nominee authorised by the Director in writing;
- c) the person who occupies the position of Manager, Development Assessment or a person acting in that position or otherwise a nominee authorised by the Manager in writing;
- d) the person who occupies the position of Manager, Building Assessment or a person acting in that position or otherwise a nominee authorised by the Manager in writing;
- e) the person who occupies the position of Director, Engineering & Infrastructure Services a person acting in that position or otherwise a nominee authorised by the Director in writing;

Provided however where a nominee is authorised in writing, that written authorisation shall not operate unless it is handed to the chairperson immediately prior to the commencement of the meeting of the DCU.

### **Procedures for and at Meetings:**

The DCU shall meet as required on a business day on which the council is usually open, at 2:00pm or such other place and time as may be fixed by the chairperson of the DCU from time to time.

The chairperson and three other members constitute a quorum.

The chairperson, prior to exercising his or her functions at the meeting, shall consult with the other members of the DCU and any other person or body or public authority about the subject matter of each of the application before the DCU and shall consider all those things that the council is obliged to consider by law prior to determining each application.

The chairperson is not bound to determine an application or deal with a matter at the DCU and may instead, refer the application or matter to the council at its ordinary meeting for determination or further consideration or not deal with the matter until further information is sought, supplied to and considered by the DCU or the council and/or its officers and consultants.

The meeting of the DCU shall be open to the public.

The DCU may hear submissions from applicants, objectors, public authorities or the authorised representatives of any of those.

As a general rule addresses will be limited to 5 minutes per speaker with 1 speaker for and 1 speaker against any application. The chairperson will have discretion to grant additional time to allow a speaker to complete an address and to allow for more than 1 speaker for or against an application.

The DCU may conduct site inspections which shall be open to the public.

There shall be a business paper for the meeting of the DCU and its format and the minutes of its meetings shall be similar to those used for ordinary council meetings, adapted as necessary in the circumstances of the case. The agenda for the meeting shall be published and distributed on the Friday prior to the meeting.

Council will endeavour to notify both applicants and objectors of when an application is to be presented to the DCU.

## **6 APPOINTMENT OF DELEGATES TO VARIOUS EXTERNAL BODIES**

**Report Author** Rob Griffiths, Manager Governance

**File No. / ECM Index** Councillors - Representation on Committees

**Date of Meeting** 25 October 2017

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### **SUMMARY OF REPORT**

The report sets out various external bodies which involve Council delegates and require Council to determine its representatives for the ensuing twelve months.

### **SUMMARY OF RECOMMENDATION**

That Council appoint delegates to the bodies identified in the report.

### **FINANCIAL/RESOURCE IMPLICATIONS**

Nil.

### **LEGAL IMPLICATIONS**

Nil.

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### **DISCUSSION**

Prior to the Amalgamation, the three former Councils had representation on the bodies listed below. These are not Council created committees but are bodies that require an elected representative to attend meetings or require an elected representative to be nominated as a contact. In some instances staff representation also occurs but this does not require council appointment.

Council is currently seeking clarification from some external bodies as to whether they still require Councillor representation specifically or whether Council can choose to nominate either Councillors or Council staff representation.

#### **1. Hunter Councils**

A restructure of the Hunter Councils during 2009 saw the constitution amended and membership of the Board of Hunter Councils restricted to the Mayors of the constituent Councils. As such the Mayor is Council's representative. This means that the Mayor is a Board Director of Hunter Councils.

*Meeting Frequency: Monthly*

*Action: No action required.*

#### **2. Mid North Weight of Loads Group**

This group comprises representatives of 14 councils with the purpose of minimising pavement damage by overloaded vehicles, thus reducing maintenance and reconstruction costs on our roads.

*Meeting Frequency: Twice a year*

*Action: One Councillor to be nominated to this group.*

#### **3. Arts Mid North Coast**

This group is the peak body for arts and cultural development across the Mid North Coast region. The Board is made up from a number of stakeholder areas including representatives from the local government councils within its area.

*Meeting Frequency: Quarterly*

*Action: One Councillor to be nominated to this organisation.*

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**4. Bushfire Management Committee**

This is a local committee comprising of representatives of various government departments to develop strategic bushfire management policies.

*Meeting Frequency: To be determined*

*Action: One Councillor to be nominated to this committee.*

**5. NSW RFS District Liaison Committee**

This committee provides oversight to the service level agreement between Council and the NSW Rural Fire Service.

*Meeting Frequency: Quarterly*

*Action: One Councillor to be nominated to this committee.*

**6. NSW Public Libraries Association**

This committee represents libraries in the NSW north east zone. The purpose of the Association shall be to enable those councils that are members to meet on a regular basis for common purposes and to undertake united action.

*Meeting Frequency: Twice per year*

*Action: One Councillor to be nominated to this body.*

**7. Hunter Regional Weeds Committee**

This is a co-operative Committee involving the Local Government Agencies of the Hunter and various other agencies.

*Meeting Frequency: Quarterly*

*Action: One Councillor to be nominated to this committee.*

**8. Joint Regional Planning Panels**

This panel is coordinated by the Department of Planning. The maximum term of appointment cannot exceed three years.

*Meeting Frequency: Quarterly*

*Action: Two Councillors to be nominated to this body.*

**9. Local Traffic Committee**

This committee is a technical committee that meets to advise Council on traffic matters relating to prescribed traffic control devices or traffic control facilities for which Council has delegated authority. The Local Traffic Committee is set up under a delegation from NSW Roads and Maritime Services, to deal with traffic matters relating to general traffic issues on local roads.

*Meeting Frequency: Bi-monthly*

*Action: One staff member so no action required, for information only.*

**10. Manning Valley Liquor Consultative Committee**

This committee aims to reduce the economic and social alcohol related costs to the community and also to reduce alcohol related crime by promoting improved safety and security of areas surrounding licensed premises.

*Meeting Frequency: Bi-monthly*

*Action: One Councillor to be nominated to this committee.*

**11. Pacific Blue Metal Quarry at Possum Brush**

This committee was established by resolution of the former Greater Taree City Council in December 2010 to address community concern regarding operations of the Pacific Blue Metal Quarry at Possum Brush.

*Meeting Frequency: Every six months*

*Action: One Councillor to be nominated to this committee.*



**12. Stroud Heritage Conservation Inc**

Cr McWilliams has been the council representative since its inception and the committee is currently going through a process of restructuring which would benefit from continuity in the current transition period.

*Meeting Frequency: Schedule to be advised*

*Action: One Councillor to be nominated to this committee.*

**13. Port Stephens Great Lakes Marine Park Advisory Committee**

The Advisory Committee provides a voice for local communities to contribute to the management of the [NSW marine estate](#) and the Port Stephens-Great Lakes Marine Park. They engage with local residents and stakeholders, provide a forum for local communities to raise issues and give valuable feedback to the government.

*Meeting Frequency: Twice per year*

*Action: One Councillor to be nominated to this committee.*

**14. Port Stephens Myall Lakes Estuary Management Committee**

An Advisory Committee on estuary management matters that provides advice on the implementation and review of the Estuary Management Plan.

*Meeting Frequency: Quarterly*

*Action: One Councillor to be nominated to this committee.*

**15. Duralie Coal Mine Community Consultative Committee**

The Consultative Committee provides a forum for open discussion between the community, Council, the Company and other stakeholders on issues relating to the mine's operations, environmental performance and community engagement.

*Meeting Frequency: Quarterly*

*Action: Two Councillors to be nominated to this committee and appointed by NSW Planning and Environment*

**16. Stratford Coal Mine Community Consultative Committee**

The Consultative Committee provides a forum for open discussion between the community, Council, the Company and other stakeholders on issues relating to the mine's operations, environmental performance and community engagement.

*Meeting Frequency: Twice per year*

*Action: One Councillor to be nominated to this committee.*

**17. Gloucester Exploration Project Community Consultative Committee - Gloucester Resources Limited (GRL)**

The Consultative Committee provides a forum for discussions between the company and stakeholder representatives, including the exchange of information, proper identification and addressing of potential concerns.

*Meeting Frequency: Bi-monthly*

*Action: One Councillor to be nominated to this committee.*

**RECOMMENDATION**

That Council appoints delegates to the external bodies.

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## **7 LOCAL GOVERNMENT NSW VOTING DELEGATES**

**Report Author** Rob Griffiths, Manager, Governance

**File No. / ECM Index** LGNSW

**Date of Meeting** 25 October 2017

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### **SUMMARY OF REPORT**

Local Government NSW (LGNSW) requires that it be notified of the names of Council's authorised voting delegates by Wednesday 1 November 2017. As such it is necessary for Council to nominate its voting delegates for the Conference. Traditionally those voting delegates have included the Mayor. There is also opportunity for Councillors to nominate for offices of the Association and to submit motions for the Conference Business Paper.

### **SUMMARY OF RECOMMENDATION**

That Council nominate four voting delegates from the attendees of the Local Government NSW Annual Conference and these delegates are to be notified to LGNSW prior to the due date (1 November 2017).

### **FINANCIAL/RESOURCE IMPLICATIONS**

Nil.

### **LEGAL IMPLICATIONS**

Nil.

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### **BACKGROUND**

At the 27 September 2017 Council Meeting, Council resolved to approve the attendance of all Councillors at the Local Government NSW Annual Conference in Sydney from 4 - 6 December 2017. The report to that meeting also indicated that LGNSW would advise Council of the number of delegates by 13 October 2017 and that it requires that the names of Council's authorised voting delegates be notified to them by Wednesday 1 November 2017.

### **DISCUSSION**

Business is conducted at the Local Government NSW Annual Conference by way of consideration of motions put to the Conference by member councils or the Executive. Based upon local government area populations each Council is entitled to a certain number of voting delegates. LGNSW has notified Council that the number of voting delegates allocated to MidCoast Council is four for voting on motions and four for voting in Board elections.

LGNSW requires that it be notified of the names of Council's authorised voting delegates by Wednesday 1 November 2017. As such Council needs to nominate its voting delegates for the Annual Conference. Ordinarily those voting delegates would include the Mayor.

All LGNSW member Councils are able to put forward motions to be considered at the conference. Should Council resolve to put forward any motions for the upcoming conference they must be notified to LGNSW prior to Monday 6 November 2017 and meet the Criteria for Motions provided by LGNSW (Annexure A).

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In addition, the Australian Electoral Commission (AEC) has issued an Election Notice inviting nominations for the following offices of the Association:

- President
- Vice President (from a Metropolitan/Urban council)
- Vice President (from a Rural/Regional council)
- Treasurer
- Directors (from a Metropolitan/Urban council) (7)
- Directors (from a Rural/Regional council) (7)

Nominations open on 16 October 2017. Nominations must be in writing and comply with the Association's registered rules. Nominations must be received by the Returning Officer at her office, postal address or email inbox by 12:00 noon (AEDT) on 7 November 2017. Further details relating to nominations and voting are provided on the Election Notice as Annexure B.

### **RECOMMENDATION**

That Council nominate four voting delegates from the attendees of the Local Government NSW Annual Conference and these delegates are to be notified to LGNSW prior to the due date (1 November 2017).

## **ANNEXURES:**

### **A: LGNSW Criteria for Motions**

#### **LGNSW Annual Conference - Criteria for Motions**

<https://www.lgnsw.org.au/events-training/local-government-nsw-annual-conference/submit-motions#>>

The LGNSW Board seeks to ensure that the motions debate advances the sector wide policy agenda. Proposed motions should be strategic, affect members state-wide and introduce new or emerging policy issues and actions. When drafting motions, please consider the resolutions and outcomes of last year's conference by viewing the 2016 Action Report <http://lgnsw.org.au/events-training/local-government-nsw-annual-conference/2016-annual-conference>.

Furthermore, LGNSW has recently revised the policy framework consisting of Policy Principles and Position Statements. These can be viewed on the Policy Principles web page <https://www.lgnsw.org.au/policy>. Members should consider how proposed motions adhere to the policy principles or provide strong justification for a proposed motion which seeks to change LGNSW policy.

#### **Criteria:**

The Board has resolved that motions will be included in the Business Paper for the Conference only where they:

1. are consistent with the objects of the Association (see Rule 4 of the Association's rules <https://www.fwc.gov.au/registered-organisations/find-registered-organisations/local-government-and-shires-association-new>);
2. relate to Local Government in NSW and/or across Australia;
3. concern or are likely to concern Local Government as a sector;
4. seek to advance the Local Government policy agenda of the Association and/or improve governance of the Association;
5. have a lawful purpose (a motion does not have a lawful purpose if its implementation would require or encourage non-compliance with prevailing laws);
6. are clearly worded and unambiguous in nature; and
7. do not express preference for one or several members over one or several other members.

#### **Reasons for a motion to be excluded:**

Please note the Board will not include motions in the Business Paper which do not advance the local government policy agenda. Therefore a motion will not be included if it is operational, rather than strategic; not local government business; focused on a local issue only or if the motion is consistent with longstanding actions of LGNSW and the Local Government and Shire's Association.

Further, for a motion to be included in the Conference Business Paper the submitting member needs to provide accompanying evidence of its support for the motion. Such evidence may include an extract of the minutes of the meeting at which the member resolved to submit the motion for consideration by the Conference.

## B: LGNSW Board Election Notice

### LOCAL GOVERNMENT & SHIRES ASSOCIATION OF NEW SOUTH WALES

#### Election of Board of Directors (E2017/114)

## ELECTION NOTICE

Fair Work (Registered Organisations) Act 2009

Nominations are called for:

- **President**
- **Vice President (from a Metropolitan/Urban council)**
- **Vice President (from a Rural/Regional council)**
- **Treasurer**
- **Directors (from a Metropolitan/Urban council) (7)**
- **Directors (from a Rural/Regional council) (7)**

**Nominations** open on 16 October 2017. Nominations must be in writing and comply with the Association's registered rules. Nominations must be received by the Returning Officer at her office, postal address or email inbox by 12:00 noon (AEDT) on 7 November 2017.

A candidate may withdraw his/her nomination by 12:00 noon (AEDT) on 28 November 2017 by providing the Returning Officer with written notification.

**Nomination forms** are available upon request from the Returning Officer or from the Association's website ([www.lgnsw.org.au](http://www.lgnsw.org.au)) or the Australian Electoral Commission website ([www.aec.gov.au](http://www.aec.gov.au)).

**The Ballot** if required, will be conducted by the Returning Officer on Tuesday 5 December 2017 at the Association's Annual Conference, Wharf Rooms 3, 4 and 5, Hyatt Regency Sydney, 161 Sussex Street, Sydney NSW 2000.

Polling will be available between:

- 8:00am and 10:00am,
- 11:00am and 11:30am,
- 1:00pm and 2:00pm, and lastly
- 3:30pm and 4:00pm.

**Eligible voters** shall be those voting delegates who are from an Ordinary member which was financial on 9 October 2017 and Board of Directors who are eligible to vote at the Annual Conference.

Voting delegates who cannot be present at the Conference to vote in the election may appoint another delegate from the same member to exercise the vote. Members of the Board who cannot be present at the Conference to vote in the election may appoint another member of the Board to exercise the vote. An **Appointment of Proxy** form is available from the AEC website ([www.aec.gov.au](http://www.aec.gov.au)), and must be received by the Returning Officer by 5:00pm (AEDT) on Monday, 4 December 2017.

An Ordinary member of the LGNSW wishing to notify a change of voting delegate under either rules 34(b) or (c) of the Association's Rules may do so by giving notice in writing signed by either the Mayor or the General Manager of the member to both Ross Nassif (LGNSW) at [ross.nassif@lgnsw.org.au](mailto:ross.nassif@lgnsw.org.au) and Renee Damasena (AEC Returning Officer) at [nswelections@aec.gov.au](mailto:nswelections@aec.gov.au), by 5:00pm (AEDT) on Monday, 4 December 2017. A **Substitute Delegate – Board Election** form is available from the LGNSW website ([www.lgnsw.org.au](http://www.lgnsw.org.au)).

A voting delegate who is replaced by another delegate will no longer be entitled to vote and any proxy submitted by the voting delegate will be void.

Candidates can appoint a **scrutineer** to represent him/her in the ballot. This must be done in writing to the Returning Officer, and received by 4:00pm (AEDT), Tuesday 5 December 2017. Ballot papers for the Offices of President, Treasurer and Vice Presidents will be counted at the Annual Conference, Wharf Rooms 3, 4 and 5 commencing at 4:30pm (AEDT). Ballot papers for the Office of Directors will be counted at the AEC Office on 6 December 2017, Level 10, 59 Goulburn Street, Haymarket NSW 2000 commencing at 9:30am (AEDT).

#### How to Lodge Nominations

**By Post:** Renee Damasena, AEC Returning Officer, PO Box 496, Haymarket NSW 1240  
**By Email:** A properly completed nomination form including all necessary signatures may be scanned and submitted as a pdf file to [nswelections@aec.gov.au](mailto:nswelections@aec.gov.au)  
**By Fax:** 02 6215 9910  
**By Hand:** Australian Electoral Commission, Level 10, 59 Goulburn Street, Haymarket NSW 2000  
PLEASE NOTE: Emails to the AEC inbox that appear to be spam may be blocked. Emails greater than 6 MB in size may not be accepted by the AEC's firewall. It is the responsibility of senders to ensure that their email reaches the AEC before the deadline for nominations. You may call the Returning Officer to check.

**Note:** A copy of the AEC's election report can be obtained from the organisation or from me after the completion of the election

Renee Damasena  
AEC Returning Officer  
13 October 2017  
Telp: 02 9375 6361



## **8            TABLING OF DISCLOSURE OF INTERESTS RETURN REGISTER**

**Report Author            Rob Griffiths, Governance**

**File No. / ECM Index    Councillors/Staff Annual Disclosure of Interest Register**

**Date of Meeting            25 October 2017**

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### **SUMMARY OF REPORT**

In accordance with Section 450A of the Local Government Act 1993 Disclosure of Interest Returns have been received and are now tabled.

### **SUMMARY OF RECOMMENDATION**

That the tabling of the register of returns disclosing interests of designated person be noted.

### **FINANCIAL/RESOURCE IMPLICATIONS**

Nil.

### **LEGAL IMPLICATIONS**

Tabling of the returns fulfils Council's statutory obligations.

---

### **BACKGROUND**

Section 450A of the Local Government Act 1993 requires that Disclosure of Interest Returns lodged with the General Manager be tabled before a meeting of Council.

### **DISCUSSION**

Returns have been received by all Designated Persons from Mid-Coast Council and MidCoast Water by 30 September 2017, with the exception of three staff on extended leave as at that date. Two of those staff have since returned their form within the first two weeks of October and the third staff member remains on Maternity Leave.

These Returns are tabled in accordance with Section 450A (2) (b) of the Act.

### **RECOMMENDATION**

That the tabling of the register of returns disclosing interests of designated persons be noted.

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## **9 DEPUTY MAYOR ALLOWANCE**

**Report Author** Rob Griffiths, Manager Governance

**File No. / ECM Index** Councillors – Deputy Mayor

**Date of Meeting** 25 October 2017

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### **SUMMARY OF REPORT**

To determine the fee paid to the Deputy Mayor when acting as Mayor.

### **SUMMARY OF RECOMMENDATION**

That the Deputy Mayor be paid a fee being a pro-rata amount equivalent to the Mayoral Fee based on the number of days the Mayor is prevented by illness, absence or otherwise from exercising the functions of the Mayor or if there is a casual vacancy in the office of Mayor. The Deputy Mayor Fee will be deducted from the Mayoral Fee.

### **FINANCIAL/RESOURCE IMPLICATIONS**

Funding for the Deputy Mayor's fee has been included in the 2017/2018 adopted budget.

### **LEGAL IMPLICATIONS**

Nil.

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### **BACKGROUND**

At the 27 September 2017 Council meeting, Council elected the Deputy Mayor and resolved that the Deputy Mayor be paid a fee as determined by Council when acting as Mayor. Council now needs to determine that fee.

### **DISCUSSION**

Section 231 (3) of the Local Government Act 1993 states:

- The Deputy Mayor may exercise any function of the Mayor at the request of the Mayor or if the Mayor is prevented by illness, absence or otherwise from exercising the function or if there is a casual vacancy in the office of Mayor.

Section 249 (5) of the Local Government Act 1993 states:

- A council may pay the deputy mayor (if there is one) a fee determined by the council for such time as the deputy mayor acts in the office of the mayor. The amount of the fee so paid must be deducted from the mayor's annual fee.

An elected Deputy Mayor will usually be provided a fee. This amount must be deducted from the Mayoral Fee and would be in recognition of the additional duties that this Councillor is called upon to perform during the year on behalf of the Mayor.

Council is to determine the fee, with the recommendation being a pro-rata amount equivalent to the Mayoral Fee based on the number of days of the Mayors absence.

### **RECOMMENDATION**

That the Deputy Mayor be paid a fee being a pro-rata amount equivalent to the Mayoral Fee based on the number of days the Mayor is prevented by illness, absence or otherwise from exercising the functions of the Mayor or if there is a casual vacancy in the office of Mayor. The Deputy Mayor Fee will be deducted from the Mayoral Fee.

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## **10 COUNCILLOR AND STAFF INTERACTION POLICY**

**Report Author** Rob Griffiths, Manager Governance

**File No. / ECM Index** Governance/Policy Registers

**Date of Meeting** 25 October 2017

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### **SUMMARY OF REPORT**

In accordance with Council's Code of Conduct, Councillors and staff are expected to conduct their interactions with each other with respect, professionalism, objectivity, honesty and to a high standard of ethical behaviour. This Policy supplements the Code and nominates those Council staff that Councillors may access to exercise their civic leadership and represent the views of the community.

### **SUMMARY OF RECOMMENDATION**

That Council adopts the attached Councillor and Staff Interaction Policy.

### **FINANCIAL/RESOURCE IMPLICATIONS**

Nil.

### **LEGAL IMPLICATIONS**

This policy supports councils Code of Conduct.

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### **BACKGROUND**

Following a workshop of policies with Councillors and the Executive on Wednesday 11<sup>th</sup> October 2017, the attached Councillor and Staff Interaction Policy is offered for adoption.

### **DISCUSSION**

This Policy supplements the Code and nominates those Council staff (Annexure A) that Councillors may access to exercise their civic leadership and represent the views of the community.

### **TIMEFRAME**

Immediate effect.

### **BUDGET IMPLICATIONS**

Nil.

### **RECOMMENDATION**

That Council adopts the attached Councillor and Staff Interaction Policy.

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**ANNEXURES**

A: Councillor and Staff Interaction Policy



**Policy**

<b>Name of Policy:</b>	<b>Councillor and Staff Interaction Policy</b>		
<b>Policy code:</b>			
<b>Adoption by Council:</b>		<b>Minute number:</b>	
<b>Last review date:</b>	<b>October 2017</b>		
<b>Review timeframe:</b>	<b>Following each Local Government Election</b>		
<b>Next scheduled review date:</b>	<b>October 2020</b>		
<b>Related legislation:</b>	<b>Local Government Act 1993</b> <b>Local Government (General) Regulations 2005</b> <b>Government Information (Public Access) Act 2009</b>		
<b>Associated policies / documents:</b>	<b>Code of Conduct</b>		
<b>Responsible department:</b>	<b>Corporate and Business Systems (Governance)</b>		

**Policy Objective**

This Policy provides a framework for Councillors conducting their civic duties by providing clear parameters around the ability to interact and receive information from authorised Council staff.

In accordance with Council's Code of Conduct, Councillors and staff are expected to interact with respect, professionalism, honesty and to a high standard of ethical behaviour.

**Policy Statement**

In accordance with Council's Code of Conduct, Councillors and staff are expected to conduct their interactions with each other with respect, professionalism, objectivity, honesty and to a high standard of ethical behaviour. This Policy supplements the Code and nominates those Council staff (Appendix A) that Councillors may access to exercise their civic leadership and represent the views of the community.

**Coverage of the Policy**

This policy applies to all Councillors and employees of Council, including contract and casual employees.

## Policy Content

### 1. Access to Council staff by Councillors

The General Manager is responsible for the performance and direction of all staff and for the day to day management of Council. Therefore, it is appropriate that all requests for information and approaches to staff outside the forum of a Council or Committee meeting be directed to the General Manager or a Director in the first instance. Only those staff nominated by the General Manager can provide advice to Councillors as outlined in Attachment A.

Councillors will not have access to staff areas or staff events unless by invitation. Briefings and inspections will be held as required and the Mayor will have access to meetings with the General Manager and/or Executive Team as required.

#### 1.1 Obligations of Councillors

Councillors are the governing body of the Council and have the responsibility of directing and controlling the affairs of the Council in accordance with the Local Government Act.

Councillors must not:

- a) Attempt to direct Council staff in the performance of their duties or request that staff undertake work on their behalf, other than through a Council resolution or by the Mayor exercising their power under section 226 of the Act.
- b) In any public or private forum, direct or influence or attempt to direct or influence, any other member of the staff of Council or a delegate of Council in the exercise of the functions of the member or delegate (Schedule 6A of the Act - *Code of Conduct*).
- c) Contact a member of the staff of Council on Council related business unless in accordance with this policy governing the interaction of Councillors and Council staff.
- d) Contact or issue instructions to any of Council's contractors or tenderers, including Council's legal advisers, unless by the Mayor exercising their power under section 226 of the Act.
- e) Take advantage of their official position to improperly influence other Councillors or members of Council staff in the performance of their civic or professional duties for the purpose of securing private benefit for themselves or for another person.
- f) Offer or provide gifts to staff, as outlined in Council's Gifts and Benefits Policy.

#### 1.2 Obligations of Staff

Members of staff of Council must:

- a) Adhere to Council's Code of Conduct and other Council policies and procedures.
- b) Give effect to the lawful decisions, policies, and procedures of the Council, whether or not the staff member agrees with or approves of them.
- c) Ensure that any participation in political activities outside the service of Council does not conflict with the performance of their official duties. Should staff participate in any political activities, staff must ensure they do not have a conflict with their primary duty to serve Council in a politically neutral manner.

- d) Not take advantage of their official position to improperly influence Councillors or members of Council staff in the performance of their professional duties for the purpose of securing private benefit for themselves or for another person.
- e) If information is requested by a Councillor to assist in making a Council decision, that information must be forwarded to all Councillors for their information.
- f) If a Councillor request requires significant staff time or resources that are not allocated for this purpose, a Council resolution will be required to undertake this work.
- g) Gifts should not be provided to Councillors, as outlined in the Gifts and Benefits Policy.

## **2. Access to Council Offices**

As elected members of Council, Councillors are entitled to have access to the Council Chamber, meeting rooms, foyer, Mayor's Office and public areas of Council's buildings.

Councillors are not permitted to enter the staff-only areas without the approval of the General Manager. The General Manager has approved Directors and Managers as staff members who Councillors may meet with in staff-only areas (see Attachment A).

## **3. Access to Council Records by Councillors**

### **3.1 Obligations of Councillors**

- a) A Councillor will only request access to information which is publicly available, or which is necessary for the performance of a Councillor's role, and enables the Councillor to do his or her civic duty.
- b) A Councillor will not use Council information with the intention of improperly causing harm or detriment to Council or its employees (irrespective of whether any such harm or detriment actually is caused).
- c) A Councillor will not:
  - as a right expect to be furnished with copies of legal opinion;
  - without lawful authority, disclose information which has been provided to the Councillor on a confidential basis.
- d) A Councillor will not:
  - seek information that is not publicly available in which they have a pecuniary or non-pecuniary conflict of interest, or for personal purposes;
  - use information obtained in their capacity as a Councillor for the purposes of securing a private benefit for themselves or any person or body.
- e) A Councillor will not seek information from a staff member who is not authorised to provide a Councillor with access to information.
- f) A Councillor will recognise his or her responsibility to be objective when carrying out his or her civic role, and will not state their opinion to staff when seeking information, as it may influence or be perceived as influencing staff.
- g) A Councillor will respect the obligation of a staff member to provide information only in accordance with Council's adopted policies, and will not attempt to influence a staff member to act otherwise.

- h) A Councillor will respect the role of the General Manager under Section 335(1) of the Local Government Act, and recognise and respect the General Manager's obligation to act in Council's interests in refusing Councillor requests for access to information which is not publicly available on the grounds that a substantial and unreasonable diversion of resources would be involved.

### 3.2 Obligations of Staff

- a) A staff member managing a Councillor's request for access to information will deal with the request in accordance with Council's adopted policies, and in a professional manner, recognising the Councillor's role and duty as a member of the governing body under Section 232(1) of the Local Government Act.
- b) Only a staff member authorised to do so is to provide a Councillor with access to information.

## 4. Breaches of this Policy

The protocols governing Councillor Access to Information and Council Resources are incorporated in Council's Code of Conduct. Non-compliance with this Policy may be considered a breach of the Code of Conduct and will be handled in accordance with the Procedures for the Administration of the Code of Conduct or disciplinary policies.

### Definitions

**Authorised Staff:** staff nominated by the General Manager who can interact with or provide advice to Councillors. See Attachment A for a list of positions.

### References and Related Documents

- Code of Conduct
- Code of Meeting Practice
- Gifts and Benefits Policy

### Responsible Officer (Position)

Manager Governance

### Attachments

- A. Nominated Staff Authorised to Interact with Councillors

Attachment A: Nominated Staff Authorised to Interact with Councillors

<b>GENERAL MANAGER</b>
Executive Assistant
<b>CORPORATE &amp; BUSINESS SYSTEMS</b>
Director Corporate and Business Systems
Manager Governance
Manager Finance
Manager Corporate Strategy and Development
Manager Information and Communications
Manager Human Resources
<b>COMMUNITY SPACES &amp; SERVICES</b>
Director Community Spaces and Services
Manager Libraries
Manager Community Spaces, Recreation and Trades
Manager Community Services
Manager Growth, Economic Development and Tourism
Manager Engagement & Communications
<b>PLANNING &amp; NATURAL SYSTEMS</b>
Director Planning and Natural Systems
Manager Strategic Planning
Manager Development Assessment
Manager Building Services
Manager Natural Systems
Manager Waste, Health & Regulatory Services



<b>ENGINEERING &amp; INFRASTRUCTURE</b>
Director Engineering and Infrastructure
Manager Transport Assets
Manager Projects and Engineering
Manager Operations North
Manager Operations South
<b>WATER SERVICES</b>
Director Water Services
Manager Planning and Assets
Manager Capital Works
Manager Response, Operations and Maintenance
Manager Water Treatment

*Notes:*

- 1. The General Manager may amend this list of nominated officers from time to time to reflect changes to positions.*
- 2. Should a Council officer be acting in any of the nominated positions included in this schedule, the person so acting will be a nominated officer unless otherwise determined by the General Manager.*

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## 11 INVESTMENTS REPORT - SEPTEMBER 2017

Report Author Phil Brennan, Manager Finance

File No. / ECM Index Investments - Monthly Reports

Date of Meeting 25 October 2017

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### SUMMARY OF REPORT

This report provides details of the funds invested by Mid-Coast Council under section 625 of the Local Government Act 1993 as required by clause 212 of the Local Government (General) Regulation 2005.

### SUMMARY OF RECOMMENDATION

That the report be received and noted.

### FINANCIAL/RESOURCE IMPLICATIONS

Nil.

### LEGAL IMPLICATIONS

A monthly report on Investments made and held by Council together with a statement by Council's Responsible Accounting Officer is required by legislation.

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### BACKGROUND

Section 625 of the Local Government Act 1993 permits a Council to invest money that is not, for the time being, required for any other purpose. This money may only be invested in a form of investment that has been notified in an Order by the Minister for Local Government.

Clause 212 of the Local Government (General) Regulation 2005 requires that the Responsible Accounting Officer of Council must provide Council with a written report setting out all money invested under section 625 of the Local Government Act, at the last day of the month immediately preceding the meeting. It also requires that the Responsible Accounting Officer must include a certificate as to whether or not the investments have been made in accordance with the Act, Regulations and Policies. This Certificate is included as Annexure A.

### DISCUSSION

At 30 September 2017 Council had \$186,389,794 in invested funds with financial institutions.

Those funds were held by the former offices as set out below:

Office	Amount Invested
Gloucester Office	\$4,690,491
Taree Office	\$47,300,000
Forster Office	\$88,320,308
Water Division - Sewer Funds	\$38,878,914
Water Division - Water Funds	\$7,200,081
<b>Total</b>	<b>\$186,389,794</b>

The Investment Policy requires a report on the following matters:

1. *Details of each investment* - these details are shown in Annexure B to this report. That report provides the following detail for each investment held by Council:

Investment Date, Interest Rate, Security Type, Duration, Amount Invested, Maturity Date, Counter Party (who holds the investment), Credit Rating

2. *Counterparty Holdings*

The Policy provides for the following Counterparty Limits (maximum amount to be held with any one institution):

Credit Rating	Individual % of Portfolio	Estimated \$ Limit
AAA / A-1	20%	\$30 Million
AA / A-1	20%	\$30 Million
A / A-1 & A / A-2	13%	\$20 Million
BBB / A-2	7%	\$10 Million
Unrated	1.3%	\$2 Million

The position at 30 September 2017 with respect to Counterparty compliance is as follows:

Counterparty	Rating	Amount Invested	% Invested	Max % Limit	Comply (Y / N)
NSWTC ICM CF	AAA	\$3,068,112	1.65%	20.00%	Y
ANZ Bank	AA-	\$303	0.00%	20.00%	Y
Commonwealth Bank	AA-	\$15,114,247	8.11%	20.00%	Y
BankWest	AA-	\$8,500,000	4.56%	20.00%	Y
NAB	AA-	\$33,000,000	17.70%	20.00%	Y
Westpac	AA-	\$4,057,132	2.18%	20.00%	Y
Rabobank	A+	\$1,000,000	0.54%	13.00%	Y
Suncorp-Metway	A+	\$5,400,000	2.90%	13.00%	Y
AMP Bank	A	\$5,000,000	2.68%	13.00%	Y
Credit Suisse AG	A	\$1,000,000	0.54%	13.00%	Y
ING Bank	A	\$4,000,000	2.14%	13.00%	Y
Macquarie Bank	A	\$1,000,000	0.54%	13.00%	Y
Bank of Queensland	BBB+	\$16,200,000	8.69%	7.00%	N
Bendigo - Adelaide (Rural) Bank	BBB+	\$4,000,000	2.14%	7.00%	Y
People's Choice Credit Union	BBB	\$2,000,000	1.07%	7.00%	Y
Beyond Bank	BBB	\$9,200,000	4.94%	7.00%	Y
Bank Australia	BBB	\$7,000,000	3.76%	7.00%	Y
Greater Bank	BBB	\$10,000,000	5.37%	7.00%	Y

Counterparty	Rating	Amount Invested	% Invested	Max % Limit	Comply (Y / N)
Defence Bank	BBB	\$2,000,000	1.07%	7.00%	Y
Credit Union Australia	BBB	\$1,750,000	0.94%	7.00%	Y
IMB Bank	BBB	\$19,000,000	10.19%	7.00%	N
Newcastle Permanent	BBB	\$500,000	0.27%	7.00%	Y
Members Equity Bank	BBB	\$17,500,000	9.39%	7.00%	N
MyState Bank	BBB	\$6,500,000	3.49%	7.00%	Y
Teachers Mutual Bank	BBB	\$1,500,000	0.80%	7.00%	Y
Auswide Bank	BBB-	\$1,850,000	0.99%	7.00%	Y
Bananacoast Community	Unrated	\$2,000,000	1.07%	1.30%	Y
Bank of Sydney	Unrated	\$250,000	0.13%	1.30%	Y
Police Credit Union SA	Unrated	\$4,000,000	2.15%	1.30%	N
<b>Total</b>		<b>\$186,389,794</b>	<b>100.00%</b>		

As identified in the table above Council remains in excess of the counterparty limit with its investments with the Bank of Queensland, IMB Bank, Members Equity Bank and the Police Credit Union SA. It has reduced its holdings in Bank of Queensland (\$1.5 million reduction) and Members Equity Bank (\$5.5 million reduction) as investments with these institutions matured during September.

The following amounts mature during October which will assist in bringing the holdings with these financial institutions back within policy limits:

- Bank of Queensland - \$8,200,000
- IMB Bank - \$6,500,000
- Members Equity Bank - \$1,500,000
- Police Credit Union SA - \$1,000,000

There is a further \$3.5 million of Members Equity Bank investments maturing in November 2017 which can be reallocated to other institutions should this be required.

It should also be noted that In respect of the Bank of Queensland holdings was principally due to the recent one-notch downgrading of ratings by Standard & Poor's which saw their credit rating move from A- to BBB+. Bank of Queensland was 1 of 23 ADIs that were affected by this downgrading.

### *3. Dissection based on Maturity Horizon*

The policy classifies investments with a maturity shorter than 1 year as short term investments with those greater than 1 year as long term investments. This is based on the term of the initial investment not the remaining period to maturity at the date of the report.

The current positioning of the portfolio is as follows:

<b>Investment Maturity</b>	<b>Amount</b>	<b>% of Portfolio</b>	<b>Policy Limits</b>
Short Term - 1 year or less	\$162,639,794	87.26%	60% - 100%
Long Term - Greater than 1 year	\$23,750,000	12.74%	0% - 40%

#### 4. Portfolio by Credit Rating

The table below shows the diversification of the portfolio by credit rating:

<b>Credit Rating</b>	<b>Amount</b>	<b>% of Portfolio</b>	<b>Policy Limits</b>
AAA Category	\$3,068,112	1.65%	20%
AA Category	\$60,671,682	32.55%	80%
A Category	\$17,400,000	9.34%	80%
BBB Category	\$99,000,000	53.11%	65%
Unrated ADIs	\$6,250,000	3.35%	4%
	<b>\$186,389,794</b>		

Council was slightly outside policy limits in unrated ADIs at the end of August. As mentioned above, a further decrease in the funds held with Police Credit Union SA will ensure that credit rating distribution remains within policy limits as the total amount of funds held fluctuates.

#### 5. Benchmarking across the Investment Horizon

The following shows the weighted average yield at the end of September across the various investment horizons, as indicated in the Investment Policy (BBI is Bank Bill Index).

Investment Horizon	Amount Invested	Expected Min. Return Range	Expected Min Return %	Council's Wgt Yield	Council's Avg. Wgt Duration
On Call	\$7,718,234	Cash Rate	1.50%	1.67%	0
0 - 3 mths	\$83,850,000	BBI + 40-50bp	2.19%	2.62%	47
3 - 6 mths	\$46,800,000	BBI + 50-70bp	2.34%	2.58%	133
6 - 12 mths	\$24,271,560	BBI + 70-90bp	2.54%	2.55%	237
1 - 2 yrs	\$4,500,000	BBI + 90-100bp	2.69%	3.11%	601
Greater Council's Portfolio	\$19,250,000 \$186,389,794	BBI + 100bp	2.74% 2.41%	3.02% 2.62%	1063 219

Generally Council's investment portfolio remains well spread across institutions, ratings and maturities given the competing demands to manage operational cashflow across 4 offices while achieving a reasonable return on funds under investment. Council's aggregated position has generally been conservative and there is some capacity to achieve higher returns through the consolidation and management of the entire portfolio and a move into longer dated investments.

#### RECOMMENDATION

That the report be received and noted.

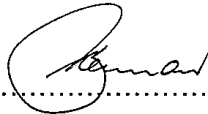
## ANNEXURES

A: Responsible Accounting Officer's Certificate

### Investment Certificate

In accordance with the provisions of the Local Government (General) Regulations, Part 9 Division 5 Clause 212, I certify that Council's Investments have been made in accordance with the Local Government Act 1993, Regulations and Council's Investment Policy.

This certificate is to be read in conjunction with the Investment Report and Annexures for the month of September 2017.

A handwritten signature in black ink, appearing to read 'Phil Brennan', is written over a horizontal dotted line.

Phil Brennan  
Responsible Accounting Officer  
13 October 2017

B: Mid-Coast Council Investments as 30 September 2017

Investment Date	Interest Rate	Security Type	Duration	Amount Invested	Maturity Date	Held With	Credit Rating
<b>Financial Securities as at 30 September 2017</b>							
<b>FORSTER OFFICE INVESTMENTS</b>							
<b>Floating Rate Notes</b>							
24/06/2014	BBSW +110	FRN		\$1,000,000.00	24/06/2019	Bank of Queensland Ltd	BBB+ / A-2
24/10/2014	BBSW +113	FRN		\$1,000,000.00	22/12/2017	Bank of Queensland Ltd	BBB+ / A-2
27/11/2013	BBSW +130	FRN		\$1,000,000.00	27/11/2018	Bendigo & Adelaide	BBB+ / A-2
18/08/2015	BBSW+110	FRN		\$1,000,000.00	18/08/2020	Bendigo & Adelaide	BBB+ / A-2
28/01/2016	BBSW +115	FRN		\$1,000,000.00	18/01/2021	Commonwealth Bank	AA- / A-1+
9/03/2016	BBSW +195	FRN		\$1,000,000.00	9/03/2021	Credit Suisse	A / A-1
20/03/2017	BBSW +130	FRN		\$750,000.00	20/03/2020	CJA	BBB / A-2
24/02/2017	BBSW +145	FRN		\$1,000,000.00	24/02/2020	Greater Bank	BBB / A-2
9/09/2016	BBSW+152	FRN		\$1,000,000.00	7/06/2019	Greater Bank	BBB / A-2
30/06/2016	BBSW+155	FRN		\$1,500,000.00	30/08/2019	Greater Bank	BBB / A-2
7/07/2015	BBSW+110	FRN		\$1,000,000.00	3/03/2020	Macquarie Bank	A / A-1
5/11/2015	BBSW+108	FRN		\$1,000,000.00	5/11/2020	NAB	AA- / A-1+
26/02/2015	BBSW+110	FRN		\$500,000.00	27/02/2018	Newcastle Permanent	BBB / A-2
4/03/2016	BBSW + 150	FRN		\$1,000,000.00	4/03/2021	Rabobank	A+ / A-1
20/10/2015	BBSW +125	FRN		\$1,000,000.00	20/10/2020	Suncorp Melway	A+ / A-1
4/12/2014	BBSW+1.05	FRN		\$1,000,000.00	4/12/2017	Teachers Mutual Bank	BBB / A-2
28/10/2016	BBSW+140	FRN		\$500,000.00	28/10/2019	Teachers Mutual Bank	BBB / A-2
2/06/2017	BBSW +140	FRN		\$1,000,000.00	29/05/2020	Greater Bank	BBB / A-2
31/08/2017	BBSW +125	FRN		\$2,000,000.00	6/04/2020	Members Equity Bank Pty Ltd	BBB / A-2
7/06/2017	BBSW +140	FRN		\$1,000,000.00	29/05/2020	Greater Bank	BBB / A-2
				<u>\$20,250,000.00</u>			
<b>Floating Rate Notes</b>							
19/02/2015	BBSW + 95	FTD		\$1,000,000.00	21/02/2020	ING	A / A-1
11/12/2014	BBSW + 106	FTD		\$1,000,000.00	11/12/2019	NAB	AA- / A-1+
11/12/2014	BBSW + 106	FTD		\$1,000,000.00	11/12/2019	NAB	AA- / A-1+
11/12/2015	3.0000%	FTD		\$1,000,000.00	1/12/2020	Westpac Bank	AA- / A-1+
				<u>\$4,000,000.00</u>			
<b>Floating Term Deposits</b>							
30/09/2017	1.4000%	On call		\$2,196.72		Commonwealth Bank	AA- / A-1+
30/09/2017	2.1100%	On call		\$3,068,111.54		T-Corp	AAA / A-1+
				<u>\$3,070,308.26</u>			
<b>Term Deposits</b>							
18/05/2017	2.6000%	Term Deposit	175	\$1,750,000.00	9/11/2017	AMP	A / A-1
22/08/2017	2.5500%	Term Deposit	177	\$1,000,000.00	15/02/2018	AMP	A / A-1
25/08/2017	2.6000%	Term Deposit	272	\$1,000,000.00	24/05/2018	AMP	A / A-1
21/09/2017	2.6000%	Term Deposit	365	\$1,250,000.00	21/09/2018	AMP	A / A-1
11/05/2017	2.6700%	Term Deposit	154	\$1,500,000.00	12/10/2017	Auswide Bank	BBB- / A-3
2/06/2017	2.7500%	Term Deposit	167	\$1,000,000.00	16/11/2017	Bananeacoast CU	Unrated



2/06/2017	2.7500%	Term Deposit	146	\$1,000,000.00	26/10/2017	Bank Australia	BBB / A-2
23/05/2017	2.8000%	Term Deposit	178	\$2,000,000.00	23/11/2017	Bank Australia	BBB / A-2
14/06/2017	2.8000%	Term Deposit	211	\$1,000,000.00	11/01/2018	Bank Australia	BBB / A-2
2/06/2017	2.8000%	Term Deposit	230	\$2,000,000.00	18/01/2018	Bank Australia	BBB / A-2
6/07/2017	2.6000%	Term Deposit	210	\$1,000,000.00	1/02/2018	Bank of Queensland Ltd	BBB+ / A-2
20/07/2017	2.7000%	Term Deposit	182	\$1,000,000.00	19/10/2017	Beyond Bank	BBB / A-2
7/09/2017	2.5000%	Term Deposit	196	\$1,000,000.00	22/03/2018	Beyond Bank	BBB / A-2
7/09/2017	2.5000%	Term Deposit	217	\$1,500,000.00	12/04/2018	Commonwealth Bank	AA- / A-1+
21/09/2017	2.6000%	Term Deposit	273	\$1,000,000.00	21/06/2018	Commonwealth Bank	AA- / A-1+
2/06/2017	2.7000%	Term Deposit	181	\$1,000,000.00	30/11/2017	CUA	BBB / A-2
14/06/2017	2.7200%	Term Deposit	224	\$1,000,000.00	24/01/2018	Defence Bank	BBB / A-2
5/06/2017	2.8500%	Term Deposit	185	\$2,000,000.00	7/12/2017	Greater Bank	BBB / A-2
15/06/2017	2.8500%	Term Deposit	203	\$1,500,000.00	4/01/2018	Greater Bank	BBB / A-2
23/10/2014	5.5400%	Term Deposit	1096	\$1,000,000.00	23/10/2017	ING	A / A-1
21/09/2017	2.6500%	Term Deposit	364	\$1,000,000.00	20/09/2018	ING	A / A-1
13/07/2017	2.6000%	Term Deposit	210	\$1,000,000.00	8/02/2018	Members Equity Bank Pty Ltd	BBB / A-2
22/08/2017	2.6000%	Term Deposit	261	\$1,000,000.00	10/05/2018	Members Equity Bank Pty Ltd	BBB / A-2
17/08/2017	2.6000%	Term Deposit	273	\$1,000,000.00	17/05/2018	Members Equity Bank Pty Ltd	BBB / A-2
27/04/2017	2.7000%	Term Deposit	189	\$1,000,000.00	2/11/2017	My State Bank	BBB / A-2
1/06/2017	2.7000%	Term Deposit	189	\$1,000,000.00	7/12/2017	My State Bank	BBB / A-2
7/09/2017	2.5700%	Term Deposit	210	\$1,500,000.00	5/04/2018	My State Bank	BBB / A-2
30/08/2017	2.6500%	Term Deposit	365	\$1,000,000.00	30/08/2018	My State Bank	BBB / A-2
25/08/2017	2.5200%	Term Deposit	181	\$1,000,000.00	22/02/2018	NAB	AA- / A-1+
25/08/2017	2.5200%	Term Deposit	188	\$1,000,000.00	1/03/2018	NAB	AA- / A-1+
31/08/2017	2.5500%	Term Deposit	189	\$1,000,000.00	8/03/2018	NAB	AA- / A-1+
31/08/2017	2.5500%	Term Deposit	196	\$1,000,000.00	15/03/2018	NAB	AA- / A-1+
30/03/2017	2.8000%	Term Deposit	189	\$1,000,000.00	5/10/2017	NAB	AA- / A-1+
2/06/2017	2.7000%	Term Deposit	195	\$1,000,000.00	14/12/2017	Police Credit Union SA	Unrated
2/06/2017	2.7000%	Term Deposit	199	\$1,000,000.00	18/12/2017	Police Credit Union SA	Unrated
7/09/2017	2.5500%	Term Deposit	203	\$1,000,000.00	29/03/2018	Rural Bank	BBB+ / A-2
28/09/2017	2.5500%	Term Deposit	210	\$1,000,000.00	28/04/2018	Suncorp Metway	A+ / A-1
				<b>\$43,000,000.00</b>			
<b>Stronger Communities Investments</b>							
15/06/2017	2.8000%	Term Deposit	245	\$1,000,000.00	15/02/2018	Bank Australia	BBB / A-2
27/06/2016	BBSW+148	FRN		\$1,000,000.00	18/05/2021	Bank of Queensland Ltd	BBB+ / A-2
7/09/2017	2.5000%	Term Deposit	182	\$1,000,000.00	8/03/2018	Beyond Bank	BBB / A-2
20/04/2017	2.7000%	Term Deposit	175	\$1,000,000.00	12/10/2017	Beyond Bank	BBB / A-2
8/06/2017	2.7500%	Term Deposit	196	\$1,000,000.00	21/12/2017	Beyond Bank	BBB / A-2
14/06/2017	2.7300%	Term Deposit	239	\$1,000,000.00	8/02/2018	Beyond Bank	BBB / A-2
28/09/2017	2.5700%	Term Deposit	273	\$1,000,000.00	28/06/2018	Commonwealth Bank	AA- / A-1+
8/06/2017	2.8500%	Term Deposit	189	\$1,000,000.00	14/12/2017	Greater Bank	BBB / A-2
21/09/2017	2.6500%	Term Deposit	371	\$1,000,000.00	27/09/2018	ING	A / A-1
18/05/2017	2.6500%	Term Deposit	182	\$1,000,000.00	16/11/2017	Members Equity Bank Pty Ltd	BBB / A-2
25/05/2017	2.6500%	Term Deposit	183	\$1,000,000.00	24/11/2017	Members Equity Bank Pty Ltd	BBB / A-2
29/06/2017	2.7500%	Term Deposit	189	\$2,000,000.00	4/01/2018	My State Bank	BBB / A-2

14/06/2017	2.7000%	Term Deposit	232	\$1,000,000.00	1/02/2018	Rural Bank	BBB+ / A-2
				<b>\$14,000,000.00</b>			
<b>Implementation Funds Investments</b>							
27/10/2016	2.7500%	Term Deposit	365	\$1,000,000.00	27/10/2017	Banacoast CU	Unrated
27/06/2016	BBSW+148	FRN		\$1,000,000.00	18/05/2021	Bank of Queensland Ltd	BBB+ / A-2
29/05/2017	2.7000%	Term Deposit	178	\$1,000,000.00	23/11/2017	Defence Bank	BBB / A-2
23/03/2017	2.8500%	Term Deposit	273	\$1,000,000.00	21/12/2017	Police Credit Union SA	Unrated
				<b>\$4,000,000.00</b>			
<b>TOTAL FORSTER OFFICE INVESTMENTS</b>							
				<b>\$88,320,308.26</b>			

**GLOUCESTER OFFICE INVESTMENTS**

<b>Term Deposits</b>							
14/03/2017	2.6100%	Term Deposit	210	\$1,000,000.00	10/10/2017	Bankwest	AA- / A-1+
11/04/2017	2.7000%	Term Deposit	197	\$500,000.00	25/10/2017	Beyond Bank Australia	BBB / A-2
24/05/2017	2.8000%	Term Deposit	181	\$350,000.00	21/11/2017	Auswide Bank	BBB- / A-3
6/06/2017	2.7000%	Term Deposit	154	\$250,000.00	7/11/2017	Bank of Sydney	Unrated
14/09/2017	2.5000%	Term Deposit	209	\$1,000,000.00	11/04/2018	Commonwealth Bank	AA- / A-1+
		<b>Term Deposits</b>		<b>\$3,100,000.00</b>			
<b>On Call Bank Accounts</b>							
30/09/2017	1.6500%	On Call		\$1,590,491.00			
		<b>On Call Deposits</b>		<b>\$1,590,491.00</b>			
<b>TOTAL GLOUCESTER OFFICE INVESTMENTS</b>							
				<b>\$4,690,491.00</b>			

**TAREE OFFICE INVESTMENTS**

<b>Term Deposits</b>							
28/06/2017	2.5000%	Term Deposit	98	\$1,500,000.00	4/10/2017	Bank of Queensland Ltd	BBB+ / A-2
28/06/2017	2.4400%	Term Deposit	98	\$2,000,000.00	4/10/2017	NAB	AA- / A-1+
30/06/2017	2.5500%	Term Deposit	103	\$2,500,000.00	11/10/2017	Bank of Queensland Ltd	BBB+ / A-2
5/07/2017	2.5500%	Term Deposit	98	\$1,700,000.00	11/10/2017	Bank of Queensland Ltd	BBB+ / A-2
5/07/2017	2.5500%	Term Deposit	105	\$2,500,000.00	18/10/2017	Bank of Queensland Ltd	BBB+ / A-2
13/07/2017	2.5000%	Term Deposit	97	\$1,500,000.00	18/10/2017	IMB Bank	BBB / A-2
28/07/2017	2.5500%	Term Deposit	89	\$1,500,000.00	25/10/2017	Members Equity Bank Pty Ltd	BBB / A-2
2/08/2017	2.4000%	Term Deposit	92	\$1,300,000.00	2/11/2017	IMB Bank	BBB / A-2
9/08/2017	2.4000%	Term Deposit	92	\$1,000,000.00	9/11/2017	IMB Bank	BBB / A-2
9/08/2017	2.4500%	Term Deposit	92	\$1,200,000.00	9/11/2017	NAB	AA- / A-1+
10/08/2017	2.5000%	Term Deposit	98	\$1,500,000.00	16/11/2017	Members Equity Bank Pty Ltd	BBB / A-2
16/08/2017	2.4500%	Term Deposit	98	\$1,500,000.00	16/11/2017	NAB	AA- / A-1+
23/08/2017	2.4700%	Term Deposit	91	\$1,500,000.00	22/11/2017	NAB	AA- / A-1+
23/08/2017	2.4700%	Term Deposit	91	\$2,000,000.00	22/11/2017	NAB	AA- / A-1+
25/08/2017	2.4700%	Term Deposit	98	\$1,300,000.00	28/11/2017	NAB	AA- / A-1+
30/08/2017	2.4000%	Term Deposit	91	\$1,000,000.00	29/11/2017	Beyond Bank	BBB / A-2
30/08/2017	2.4000%	Term Deposit	98	\$2,000,000.00	6/12/2017	IMB Bank	BBB / A-2

1/09/2017	2.5100%	Term Deposit	96	\$1,500,000.00	6/12/2017	NAB	AA-/A-1+
1/09/2017	2.5100%	Term Deposit	103	\$2,000,000.00	13/12/2017	NAB	AA-/A-1+
1/09/2017	2.5100%	Term Deposit	103	\$2,000,000.00	13/12/2017	NAB	AA-/A-1+
6/09/2017	2.4000%	Term Deposit	105	\$2,000,000.00	20/12/2017	IMB Bank	BBB/A-2
6/09/2017	2.4500%	Term Deposit	105	\$2,500,000.00	20/12/2017	Members Equity Bank Pty Ltd	BBB/A-2
13/09/2017	2.4000%	Term Deposit	112	\$1,000,000.00	3/01/2018	Beyond Bank	BBB/A-2
13/09/2017	2.4000%	Term Deposit	112	\$1,200,000.00	3/01/2018	IMB Bank	BBB/A-2
13/09/2017	2.4000%	Term Deposit	119	\$700,000.00	10/01/2018	Beyond Bank	BBB/A-2
21/09/2017	2.5000%	Term Deposit	118	\$2,000,000.00	17/01/2018	BankWest	AA-/A-1+
28/09/2017	2.5000%	Term Deposit	118	\$1,500,000.00	24/01/2018	BankWest	AA-/A-1+
21/09/2017	2.5000%	Term Deposit	181	\$1,400,000.00	21/03/2018	Suncorp Metway	A+/A-1
Term Deposits				<b>\$47,300,000.00</b>			
TOTAL TAREE OFFICE INVESTMENTS				<b>\$47,300,000.00</b>			

**WATER SERVICES DIVISION INVESTMENTS**

<b>Term Deposits</b>							
17/05/2017	2.5000%	Term Deposit	152	\$5,000,000.00	16/10/2017	IMB Bank	BBB/A-2
21/06/2017	2.6500%	Term Deposit	150	\$5,000,000.00	18/11/2017	IMB Bank	BBB/A-2
20/07/2017	2.5000%	Term Deposit	153	\$5,000,000.00	20/12/2017	Members Equity Bank Pty Ltd	BBB/A-2
31/07/2017	2.5000%	Term Deposit	184	\$3,000,000.00	31/01/2018	Bank of Queensland Ltd	BBB+/A-2
31/08/2017	2.5100%	Term Deposit	133	\$2,000,000.00	11/01/2018	NAB	AA-/A-1+
21/09/2017	2.5000%	Term Deposit	125	\$2,000,000.00	24/01/2018	BankWest	AA-/A-1+
31/08/2017	2.5300%	Term Deposit	168	\$3,000,000.00	15/02/2018	NAB	AA-/A-1+
21/09/2017	2.5000%	Term Deposit	160	\$2,000,000.00	28/02/2018	BankWest	AA-/A-1+
31/08/2017	2.5500%	Term Deposit	189	\$2,000,000.00	8/03/2018	NAB	AA-/A-1+
31/08/2017	2.5500%	Term Deposit	203	\$2,000,000.00	22/03/2018	NAB	AA-/A-1+
21/09/2017	2.5000%	Term Deposit	188	\$2,000,000.00	28/03/2018	Suncorp Metway	A+/A-1
21/09/2017	2.5000%	Term Deposit	195	\$2,000,000.00	4/04/2018	People's Choice Credit Union	BBB/A-2
29/09/2017	2.5100%	Term Deposit	209	\$2,000,000.00	26/04/2018	Commonwealth Bank	AA-/A-1+
29/09/2017	2.5100%	Term Deposit	216	\$3,000,000.00	3/05/2018	Commonwealth Bank	AA-/A-1+
28/09/2017	2.5100%	Term Deposit	218	\$3,021,560.00	4/05/2018	Commonwealth Bank	AA-/A-1+
Term Deposits				<b>\$43,021,560.00</b>			
<b>At Call Bank Accounts</b>							
30/09/2017		At Call		\$303.00		ANZ Bank	AA-/A-1+
30/09/2017	1.2300%	At Call		\$1,878,913.19		Westpac Bank	AA-/A-1+
30/09/2017	1.2300%	At Call		\$1,178,218.58		Westpac Bank	AA-/A-1+
At Call Deposits				<b>\$3,057,434.77</b>			
TOTAL WATER SERVICES DIVISION INVESTMENTS				<b>\$46,078,994.77</b>			
TOTAL MID-COAST COUNCIL INVESTMENTS				<b>\$186,389,794.03</b>			

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## **DIRECTOR WATER SERVICES**

### **12 MIDCOAST WATER SERVICES EXECUTIVE MONTHLY PERFORMANCE REPORT - SEPTEMBER 2017**

**Report Author** Darryl Hancock, Executive Manager Corporate Services

**File No. / ECM Index** A620127

**Date of Meeting** 25 October 2017

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#### **SUMMARY OF REPORT**

MidCoast Water Services provides a monthly report as a snapshot of critical business metrics. This enables Council and management to identify and take appropriate action on a timely basis if any areas of concern are identified. The report provides key information on MidCoast Water Services financial position, risk and compliance, injury statistics, customer service and request for maintenance.

#### **SUMMARY OF RECOMMENDATION**

MidCoast Water Services Executive Monthly Performance Report for September 2017 be received and noted.

#### **FINANCIAL/RESOURCE IMPLICATIONS**

This report indicates that MidCoast Water Services is currently generating sufficient funds to service our operational and capital expenditure. An internal loan from the sewer to the water fund may be required in the second half of the financial year.

#### **LEGAL IMPLICATIONS**

Nil.

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#### **BACKGROUND**

The report provides key information on MidCoast Water Services financial position, risk and compliance, injury statistics, customer service and request for maintenance.

MidCoast Water Services financial position as at 30 September 2017 is better than expected against the current budget. Our current financial position shows an operating gain of \$0.4m, an improvement over the budgeted deficit of \$2.3m. This is due to increased revenue due to increases in charges and increased water consumption. Significant reductions in operating expenses have also contributed to the positive operational result.

MidCoast Water Services actual capital expenditure as at 30 September 2017 is \$2.8m. Expenditure on capital projects are not consistent over the financial year, therefore timing variations on actual expenditure is normal.

As at 30 September 2017, there is an outstanding debt of \$3.1m, with \$2.4m debt in arrears of greater than 60 days. A total of 4,297 customers are currently in arrears, with 3,043 in arrears for more than 90 days. We are working with our customer to establish payment plans to manage the outstanding debt. This represents a reduction of 20% (from 31 August 2017), in customers with outstanding debts of greater than 90 days.

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MidCoast Water Services environmental performance continues to show very good compliance, with only one non-conformance recorded during September. NSW Health were notified and changes to procedures undertaken to prevent recurrence.

The total volume of potable water produced has continued to increase from previous years.

There were no lost time injuries in September 2017; our current 2017/18 Lost Time Injury Frequency Rate is 0.

The Lost Time Injury Frequency Rate for FY 2016/17 was 10.5.

### **ALIGNMENT WITH COMMUNITY PLAN/OPERATIONAL PLAN**

This report aligns to MidCoast Water Services Strategic Objective 3.4: Ensure responsible financial management.

### **TIMEFRAME**

September 2017.

### **BUDGET IMPLICATIONS**

A quarterly review (including FY 2017 carry overs) is required as there are several projects that have expenses allocated against them, while there capital expense budget allocation associated with these projects.

### **RISK CONSIDERATION**

The Risk and Compliance section specifically reports on treatment plant licence compliance, drinking water quality and any environmental impacts from sewage spills.

### **RECOMMENDATION**

MidCoast Water Services Executive Performance Report for September 2017 be received and noted.

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### **ATTACHMENTS**

A: MidCoast Water Services Executive Monthly Performance Report for September 2017

Attachment A has been circulated in hard copy to Councillors and Senior Staff however, this Attachment is publicly available on Council's Website.

## **13 INFRASTRUCTURE PROJECT STATUS REPORTS**

**Report Author Daniel Brauer, Group Manager Planning & Development**

**File No. / ECM Index A620136**

**Date of Meeting 25 October 2017**

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### **SUMMARY OF REPORT**

This monthly report provides the status of major infrastructure projects and highlights potential issues with schedule, cost or impacts on delivery. Recommendations to change project budget or schedule are identified against individual projects or programs.

### **SUMMARY OF RECOMMENDATION**

That the infrastructure project status reports be received and noted.

### **FINANCIAL/RESOURCE IMPLICATIONS**

These activities are proceeding within existing financial and resource allocations. Projects listed within this report have been included in the 2017/18 Operational Plan.

The recommendations will not result in additional expenditure or resource allocation.

### **LEGAL IMPLICATIONS**

Nil.

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### **BACKGROUND**

The attachment to this report contains individual status reports and a covering index.

### **DISCUSSION**

A brief synopsis of the project status reports for the period ending 30 September 2017 is as follows:

- Sewer gravity mains renewals program – Inspection of the gravity sewer network in Gloucester catchment no. 3 has been completed. Adjustments to the budget allocation have been forecast and will be addressed within the first quarter review of the 2017/18 budget.
  - Pacific Palms Sewage Treatment Plant Stage 1 – The design process has commenced with a review of the concept design report. Progress on this project has been delayed as resources have been committed to other high priority projects.
  - Gloucester Water Treatment Plant Upgrades – Delivery of the remaining scope of chemical dosing, electrical work and process controls is continuing with the remaining scope of works subject to final confirmation and approval.
  - Nabiac Water Supply Scheme – Construction of the Nabiac Water Treatment Plant has continued with the installation of major in-ground pipework and building construction. The contractor for the low voltage component of the Darawank Pump Station project has been awarded and the work of the control and commissioning contractor is in progress.
-

- Water mains renewals program – Renewal works are continuing in Taree. Adjustments to the budget allocation have been forecast and will be addressed within the first quarter review of the 2017/18 budget.
- Bootawa Dam Safety Works 2017 – The installation of the piezometer monitoring system has largely been completed with testing and training scheduled for the coming months.
- Implement Enterprise Business Management Systems (Technology One) software – The handover to the business has largely been put on hold due to resource constraints and reallocations to the MidCoast Council Technology One (MC1) project. A new schedule for completion of current activities will be developed with relevant stakeholders.

## **CONSULTATION**

The management and coordination of all aspects of infrastructure projects are undertaken in consultation with a range of internal and external stakeholders.

The internal stakeholders which have contributed to the preparation of this monthly report include the Planning & Development Group, Capital Works Group and GIS Section.

## **COMMUNITY IMPACTS**

Community impacts are considered and management in accordance with communication plans tailored to individual infrastructure projects.

## **ALIGNMENT WITH COMMUNITY PLAN/OPERATIONAL PLAN**

These activities align with the following objectives of MidCoast Water Services Operational Plan:

- 1.1.3 Deliver our asset management strategy
- 3.1.5 Monitor and report on our progress towards our strategic goals

## **TIMEFRAME**

The timeframes associated with each infrastructure project are outlined in Attachment A.

## **BUDGET IMPLICATIONS**

These activities are proceeding within existing financial and resource allocations. Projects listed within this report have been included in the 2017/18 Operational Plan.

## **RISK CONSIDERATION**

The risks associated with each infrastructure project are identified and managed within individual management plans in accordance with MidCoast Water Services corporate risk management framework.

## **RECOMMENDATION**

That the infrastructure project status reports be received and noted.

## **ATTACHMENTS**

A: Project Status Reports

Attachment A has been circulated in hard copy to Councillors and Senior Staff however, this Attachment is publicly available on Council's Website.



## **14 FAILURES AND ISSUES MANAGEMENT**

**Report Author Daniel Brauer, Group Manager Planning & Development**

**File No. / ECM Index B543521**

**Date of Meeting 25 October 2017**

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### **SUMMARY OF REPORT**

This report contains a summary of MidCoast Water Services issues management system for the quarter ending 30 September 2017.

There were no new 'Extreme' issues registered within the previous quarter. There was however seven new issues rated as 'Very High'. All 'Extreme' issues have been subject to detailed investigations with projects underway to deliver permanent solutions through asset or operational changes.

Operation of the issues management system in Water Services will soon be supported by the portfolio management software package known as Mariner. Configuration of the software is currently underway with implementation scheduled for December 2017.

### **SUMMARY OF RECOMMENDATION**

That Council receive and note the quarterly report on the issues management system.

### **FINANCIAL/RESOURCE IMPLICATIONS**

These activities are proceeding within existing financial and resource allocations. The recommendations will not result in additional expenditure or resource allocation.

### **LEGAL IMPLICATIONS**

Nil.

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### **BACKGROUND**

An issues management system was introduced into MidCoast Water in 2016 in conjunction with the adoption of an asset management framework. The issues management system supports continual improvements in the management of MidCoast Water Services operational risk profile.

Attachment A contains the Issue Investigation Tracking Dashboard for the period ending 30 September 2017.

### **DISCUSSION**

Table 1 outlines the variances in the number of registered issues in the quarters ending in June and September 2017.

Table 1: Quarterly Issues Categorised by Risk Rating

	Current	Extreme	Very High	High	Medium	Low
Current Quarter (30/09/17)	401	5	43	71	212	67
Previous Quarter (30/06/2017)	363	4	36	63	188	64
Variance	38	1	7	8	24	3

Investigation processes form part of the issues management system and are applied in order to understand the problem, avoid repetitive failure, maintain performance and inform decisions to manage risk and prioritise, defer or negate investment.

The current performance of the investigation process is reflected in Table 2 below. These performance measures have regard for a recommended timeframe to close out an issue based on its risk rating.

Table 2: Investigation Performance

Investigation Performance					
Status	Complete	Issue did not meet investigation threshold <sup>1</sup>	Late	Not Started	In Progress
Count	74	202	368	180	54

Figure 1 represents the trend in open, closed and new issues since the start of July 2017.

<sup>1</sup> The category titled 'Issue did not meet investigation threshold' applies to issues deemed as not requiring an in depth, root-cause analysis/investigation report. These issues are typically treated by coordinator/site controllers through a "Just Go" process and cover 'Like for Like' renewals of aged or failed assets.

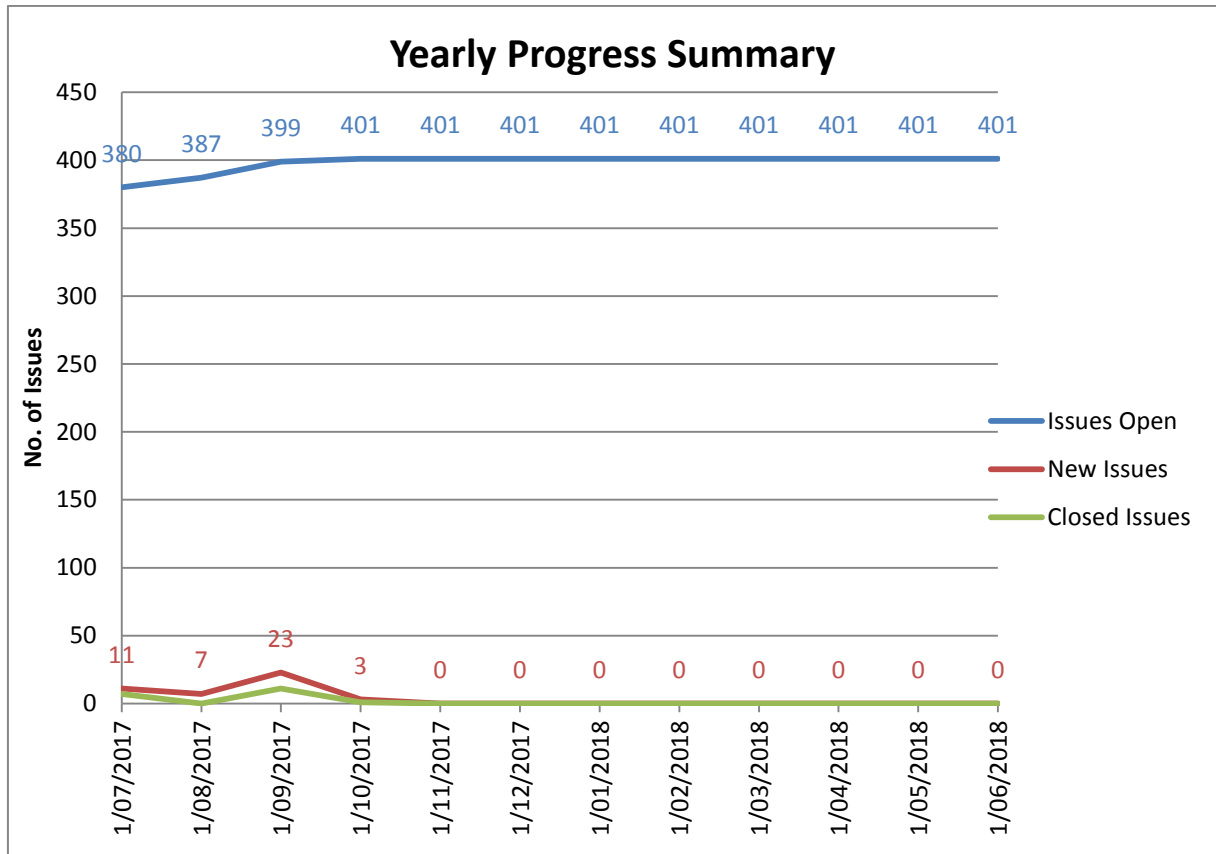


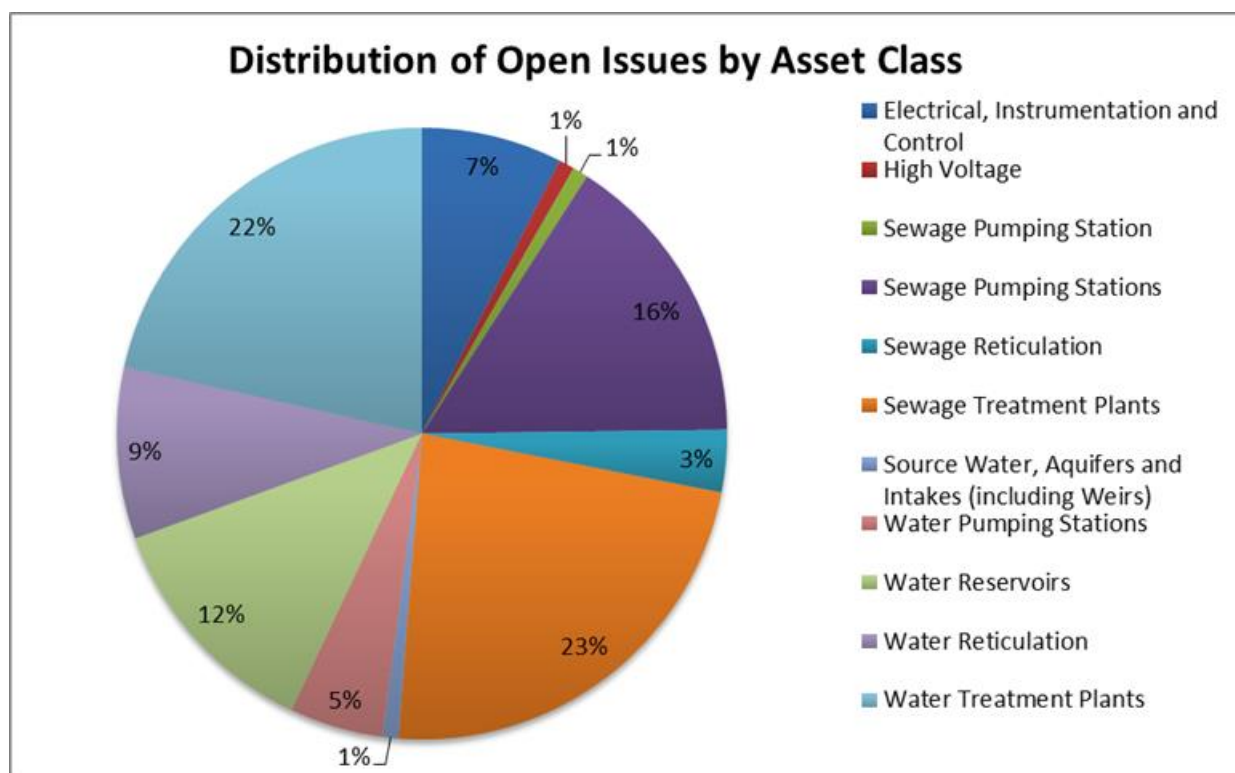
Figure 1: Failures and Issues Yearly Progress

No new 'Extreme' issues have been submitted this quarter. Seven 'Very High' issues have been submitted for investigation. The issue, current status and any remediation works that have occurred for these 'Very High' Issues are shown in Table 3.

Table 3: New Very High Issues

Issue Description	Current Status	Corrective Actions
Taree CBD water network – Repeated failures of asbestos cement pipework	Project	Faulty asbestos cement water mains in the Taree CBD area have been identified and inform current renewal projects.
Stroud Water Treatment Plant- High turbidity causing inadequate disinfection resulting in bacteria/virus	In Progress	Stringent management of off-stream storage pending project aimed at assessing options for reconfiguration of the treatment process.
Tea Gardens Sewage Pump Station 01 Switchboard Base Collapse	Project	Emergency works conducted to support switchboard with steel frame. Permanent solution in design phase.
Sewage Pump Station Switchboards with Multitrode controllers require renewal	In Progress	Replacement of failed units will continue as per normal operations. The assessment of alternate technologies is underway to inform the renewals program.
Sewage Pump Station Radtel Remote Terminal Units require renewal	In Progress	Replacement of failed units will continue as per normal operations. The assessment of alternate technologies is underway to inform the renewals program.
Structural integrity of communication poles at treatment plants	In Progress	The scope of an assessment of these assets is in development.
Planned power outages and the impacts on operational sites	In Progress	Preliminary talks with Essential Energy have been conducted to establish better forecasts of periods of heavy maintenance.  Stakeholders have identified the need to assess critical sites for alternate operating modes during outages (generator/pump etc).

Figure 2 represents the distribution of open Extreme, Very High and High issues across asset classes.



**Figure 2: Distribution of Extreme, Very High and High Risk Issues**

The distribution shown in Figure 2 indicates the majority of open issues are associated with sewage treatment plants (23%) and water treatment plants (22%). These sites have the greatest degree of complexity across Water Services' asset fleet.

Table 4 indicates the current status and corrective actions applied to the current top ten priority issues as listed in the attached dashboard.

**Table 4: Failures and Issues Top Priority Issues**

No.	Issue Description	Priority	Status	Action Taken to Address Risk
1	Hawks Nest Sewage Treatment Plant non-compliance with EPA licence	1 - Extreme	Project	A review of the process has been commissioned to inform the scope of configuration changes.
2	Tea Gardens Water Treatment Plant - Aeration Tower No. 1 Collapse	1 - Extreme	Project	Replacement tower has been installed and is operational. Finalisation due in Nov' 17.
3	Tea Gardens Water Treatment Plant - Fluoride Dosing system configuration and control	1 - Extreme	Project	Physical amendments to the facility have been completed. The control system is subject to further modification. Finalisation due in Nov' 17.
4	Lantana Crossing High Voltage Transformer too close to building	1 - Extreme	Project	Additional safety measures have been enacted to mitigate immediate risk. The replacement of the transformer is being managed as a separate project.
5	Tea Gardens Water Treatment Plant - Aeration Tower 2 Collapse	1 - Extreme	Project	Replacement tower has been installed and is subject to final testing. Finalisation due in Nov' 17.

No.	Issue Description	Priority	Status	Action Taken to Address Risk
6	Tea Gardens Sewage Pump Station TG07 Capacity	2 - Very High	Project	The Tea Gardens sewer main project has been reprioritized. An assessment of new pump technology has been considered.
7	Tinonee Sewage Pump Station TI SPS 02 Stair access compliance	2 - Very High	Project	Risk managed via safe work method statements. A platform and stairwell will be delivered as a project.
8	Bulahdelah Water Treatment Plant - Chemical Dosing Audit -Flexible Pipe	2 - Very High	Project	Interim measures being assessed to reduce immediate risks. The scope of configuration changes is being addressed as a project.
9	Wingham Sewage Pump Station 01 Stair access compliance	2 - Very High	Project	Risk managed via safe work method statements. A platform and stairwell will be delivered as a project.
10	Bulahdelah Water Treatment Plant – Findings of Chemical Dosing Audit	2 - Very High	Project	Interim risk control measures are being assessed and implemented by operations teams.

### Failures and Issues Integration into Mariner

The issues management process is being integrated into the Mariner Project Portfolio Management system. This initiative is aimed at improving the efficiency of issue management and transparency across stakeholder groups.

### CONSULTATION

The management and coordination of the issue management process is undertaken in consultation with a range of internal stakeholders and external parties where necessary.

The internal stakeholders which have contributed to the preparation of this monthly report include the Catchment and Treatment Group, Response, Planning & Development Group, Capital Works Group and GIS Section.

### COMMUNITY IMPACTS

Community impacts are considered and management in accordance with communication plans tailored to individual infrastructure projects.

### ALIGNMENT WITH COMMUNITY PLAN/OPERATIONAL PLAN

These activities align with the following strategies within MidCoast Water Services Operational Plan:

- 1.1.3 Deliver our asset management strategy
- 2.4.3 Develop and implement risk controls

### TIMEFRAME

The timeframes associated with each infrastructure project are outlined in Attachment A.

## **BUDGET IMPLICATIONS**

These activities are proceeding within existing financial and resource allocations. Projects listed within this report have been included in the 2017/18 Operational Plan.

## **RISK CONSIDERATION**

The risks associated with each infrastructure project are identified and managed within individual management plans in accordance with MidCoast Water Services corporate risk management framework.

## **RECOMMENDATION**

That Council receive and note the quarterly report on the issues management system.

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## **ATTACHMENTS**

A: Issues Management Dashboard – September 2017

Attachment A has been circulated in hard copy to Councillors and Senior Staff however, this Attachment is publicly available on Council's Website.

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## **15 SUSTAINING WORKS PROGRAM - SEPTEMBER 2017 QUARTERLY REPORT**

**Report Author** Daniel Brauer, Group Manager Planning & Development

**File No. / ECM Index** B543522

**Date of Meeting** 25 October 2017

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### **SUMMARY OF REPORT**

The sustaining works program encompasses capital renewals, emergency works, major maintenance activities and operational projects such as condition monitoring programs. Water Services' current budget for the 2017/18 financial year includes an allocation of \$4.391 million for this program.

This report details the status of the sustaining works program, outlining the progress of individual projects against approved budgets and planned milestones.

### **SUMMARY OF RECOMMENDATION**

That Council receive and note the quarterly report on the sustaining works program.

### **FINANCIAL/RESOURCE IMPLICATIONS**

These activities are proceeding within existing financial and resource allocations. Projects listed within this report have been included in the 2017/18 Operational Plan.

The recommendations will not result in additional expenditure or resource allocation.

### **LEGAL IMPLICATIONS**

Nil.

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### **BACKGROUND**

The sustaining works program was introduced into MidCoast Water in 2016 in conjunction with the adoption of an asset management framework. The sustaining works program comprises both capital and operational projects prioritised in line with MidCoast Water Services corporate risk management framework.

The current program includes capital renewals, emergency works, major maintenance activities and operational projects such as condition monitoring programs.

Attachment A contains the Sustaining Works Program Dashboard for the period ending 30 September 2017.

### **DISCUSSION**

In the reporting period ending 30 September 2017 a large number of projects have been initiated through the issues management process and entered the project portfolio. Several projects sit in the concept phase while current projects are completed and project management resources become available.

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Improvements in the management, resourcing and reporting are forecast to continue through a refinement of the issues management system and the capital/sustaining works lifecycle delivery process scheduled for December 2017.

Program Milestones

The recent milestones achieved for current sustaining works projects are summarised in Table 1.

Table 5 Milestone Summary

Project (Asset Code)	Milestone Status
Reservoirs - General Repairs (FY 2017) (GE-RES-00)	Implementation complete
Dawson Sewage Treatment Plant Inlet Works Renewal (DR-STP-01)	Implementation complete
Sewage Pump Stations - General Pump Renewals - High Priority (FY2017) (GE-SPS-00)	Implementation complete

The following sustaining works projects have recently been initiated:

- **Nabiac Sewerage Network Optimisation**  
This project will deliver direct communications between sewage pumping stations, the *Nabiac Sewage Treatment Plant and Nabiac Water Treatment Plan waste pump station, optimising operation of the network.*
- Sewage Pump Stations Pump Renewals - Planned FY17/18
- Forster Sewage Pump Station FO18 - backup generator facility
- Reservoir Maintenance Program FY 17/18
- Sewage Pump Station Switchboard Renewals

Program Risks

The primary risk impacting delivery of the program continues to relate to the allocation of electrical services resources. This has necessitated the Sewage Pump Station Switchboard Renewals project be procured with an outsourced design and construct contract which will increase cost.

Management are currently reviewing the allocation of resources across these projects and other activities in order to support more reliable forecasts for project delivery. This is the current focus of enhancements to MidCoast Water Services project portfolio management platform known as Mariner.

The dashboard contained in Attachment A indicates the relative health of current projects using traffic light colour coding for project schedule (S), resource (R) and cost (C).

The red status against 'Resource' (R) for GE-SPS-00 SPS Pump Renewals - Planned FY17/18 is attributed to the constraints on operational resources required to complete installation and commissioning of new pump equipment. As a consequence of this status the scope of the current program is being revised in line with current resource availability. Water Services' management are also reviewing the medium to long term resource requirements necessary to support ongoing renewals and planned maintenance activities.

The red status against 'Schedule' (S) for BO-WPS-1A Building Renewals is attributed to project management and structural engineering resources being focused on high priority projects, particularly the Nabic Inland Dune Aquifer.

## **CONSULTATION**

The management and coordination of all aspects of sustaining works projects are undertaken in consultation with a range of internal and external stakeholders.

The internal stakeholders which have contributed to the preparation of this quarterly report include the Planning & Development Group and Capital Works Group.

## **COMMUNITY IMPACTS**

Community impacts are considered and managed in accordance with communication plans tailored to individual projects.

## **ALIGNMENT WITH COMMUNITY PLAN/OPERATIONAL PLAN**

These activities align with the following objectives of MidCoast Water Services Operational Plan:

- 1.1.3 Deliver our asset management strategy
- 2.4.3 Develop and implement risk controls
- 3.1.5 Monitor and report on our progress towards our strategic goals.

## **TIMEFRAME**

The timeframes associated with relevant projects are outlined in Attachment A.

## **BUDGET IMPLICATIONS**

These activities are proceeding within existing financial and resource allocations. Projects listed within this report have been included in the 2017/18 Operational Plan.

## **RISK CONSIDERATION**

The risks associated with each project are identified and managed within individual management plans in accordance with MidCoast Water Services corporate risk management framework.

## **RECOMMENDATION**

That Council receive and note the quarterly report on the sustaining works program.

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## **ATTACHMENTS**

A: Sustaining Works Dashboard – Sept 2017

Attachment A has been circulated in hard copy to Councillors and Senior Staff however, this Attachment is publicly available on Council's Website.

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## 16 WATER USAGE, WATER RESOURCES AND THE OUTLOOK FOR 2017-18

Report Author Graeme Watkins, Manager Water Management & Treatment

File No. / ECM Index A620161

Date of Meeting 25 October 2017

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### SUMMARY OF REPORT

The purpose of this Report is to provide information on water usage, water resources and the outlook for 2017/18. Although some rainfall and runoff has occurred since the September report, the outlook for water resources looks poor for the next couple of months with demand increasing into spring. If conditions don't improve in the next four to eight weeks it is likely water restrictions will be required.

### SUMMARY OF RECOMMENDATION

That the report on water usage, water resources and the outlook for 2017/18 be received and noted.

### FINANCIAL/RESOURCE IMPLICATIONS

Weather impacts have a major influence on water usage revenue, increasing consumption in dry/hot periods and reducing in wet/cold periods.

### LEGAL IMPLICATIONS

Nil.

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### BACKGROUND

This report provides Council with information on bulk water usage, water resource data used as the source to supply each scheme and the water resource outlook for the coming three months.

### DISCUSSION

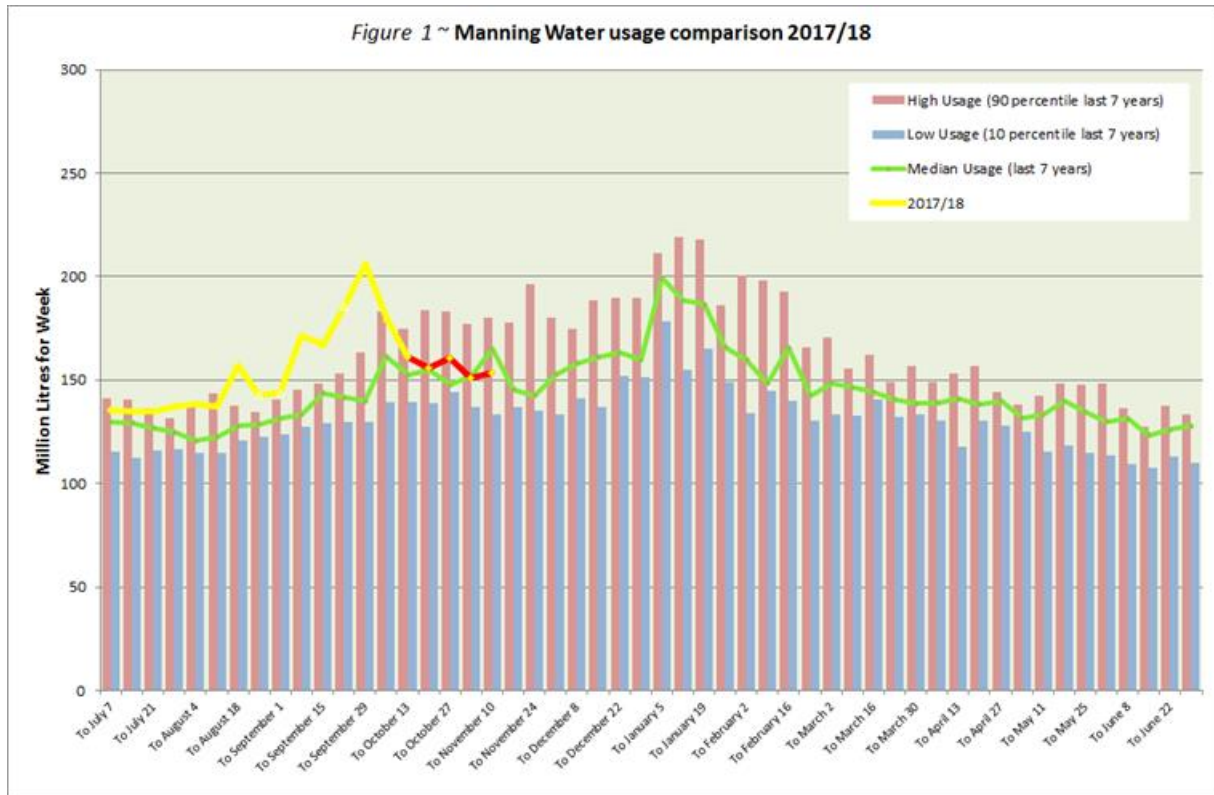
#### Water Usage

During 2017/18 water usage for the Manning scheme has been high from July to early October due to the extended mild/hot and dry conditions. If current conditions continue and given the below forecast, water consumption could remain at above average levels until substantial rain occurs.

The attached *Figure 1 ~ Manning Water Usage Comparison 2017/18* graphs weekly water usage in the Manning supply compared to the "high", "low" and median comparison lines. The red line shows expected usage for the next four weeks based on above average rainfall for the rest of October.

As at 11 October 2017, water usage for the Manning scheme in 2017/18 was 17.1% **above** that during 2016/17 and 15.6% **above** the median of usage over the last seven years.

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### Use of water restrictions

Implementation of water restrictions consider flow in river, demand for water from our customers, storage levels, immediate rain outlook (one to two weeks) and season.

Water restrictions have been generally aligned with rural irrigators, so rural and town users cut usage (in the case of town users outside watering) at the same time.

Need for restrictions usually occurs first at Stroud, then those in the Manning. Bulahdelah and Tea Gardens typically much later if at all. On occasions water restrictions have been common for all schemes for ease of administration and demonstration of equity within our service area for a common rate.

Given the current forecast, season and river flow it is expected that the river will remain above critical levels for the next four weeks and not require a cease to pump in this period. The forecast for November is rainfall easing to average, depending on how this develops, will reflect river recovery from low levels and need for possible water restrictions.

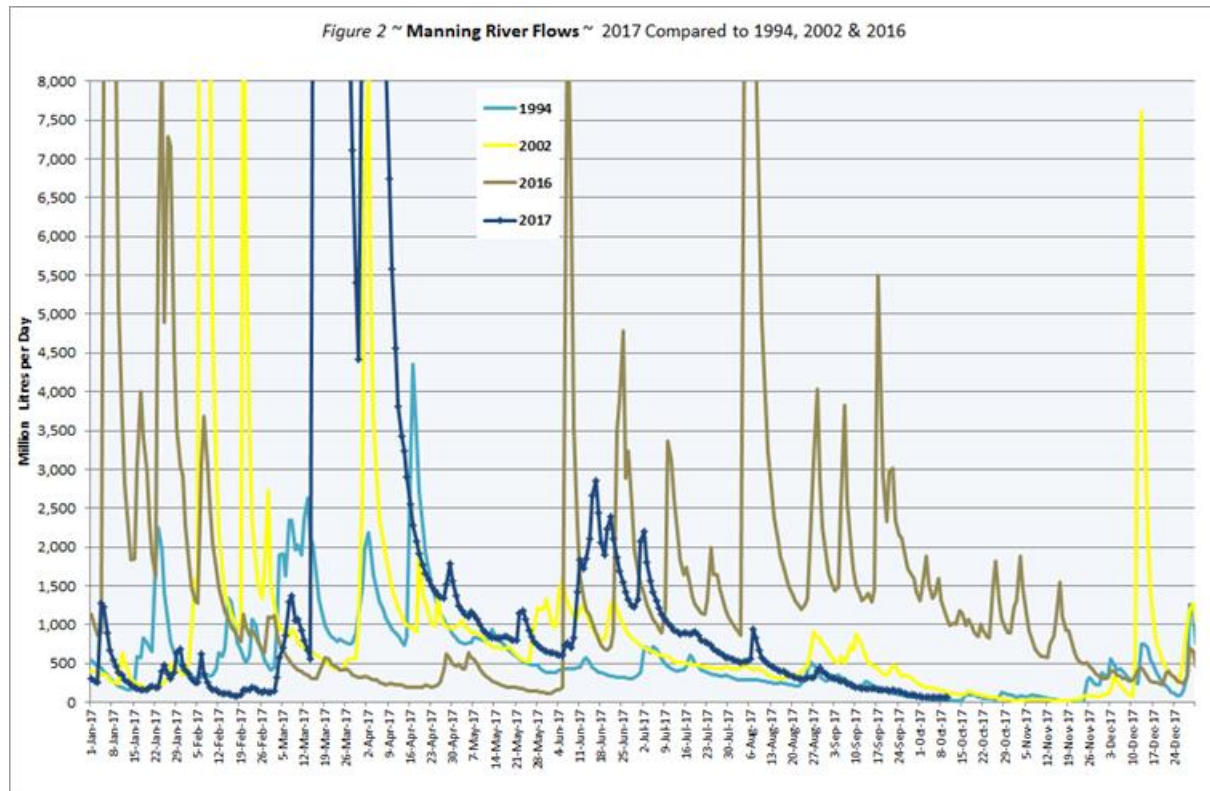
### Water Resources as at 11 October 2017:

#### Manning River Flows

The current year flows are plotted against other recent dry years in figure 2. The Manning River flow for 2017 at Killawarra had a minor rise during the early part of January, late January, March (which was the largest river rise in the 12 month period) and June. Worst case scenarios have been plotted for 1994, 2002 and the recent year of 2016 for comparison. The current river flows are a similar magnitude to 1994 in recent months and below the worst case year of 2002. Late winter and spring is the typical lowest rainfall period as a result we would expect levels in the river to remain low as a result.

Rainfall on 8 October in the upper Barnard including the Myall Creek, Upper Nowendoc and Upper Barrington rivers will yield a combined river rise estimated between 100 to 200ML/d. It is expected that a minor river rise at Killawarra should be evident by 15 to 18 October from this event, unless overtaken by fresh rainfall events. Further good rain in the upper catchment on 12 October will further improve the river flow.

The level in Bootawa Dam is currently at near full with water quality in the river suitable for filling the dam. For October the shoulder electricity tariff has been used to assist with filling of the dam.



**Crawford River flows (Bulahdelah scheme)**

The Crawford on river storage has water 0.2m below the fish passage, which means no flow. Water consumption remains average for this time of year. Only moderate rainfall in this catchment.

**Tea Gardens aquifer**

Tea Gardens aquifer water levels are moderate. Water consumption remains average for this time of year. There is no cease to pump for this aquifer. Only moderate rainfall in this catchment.

**Barrington River flows (Gloucester scheme)**

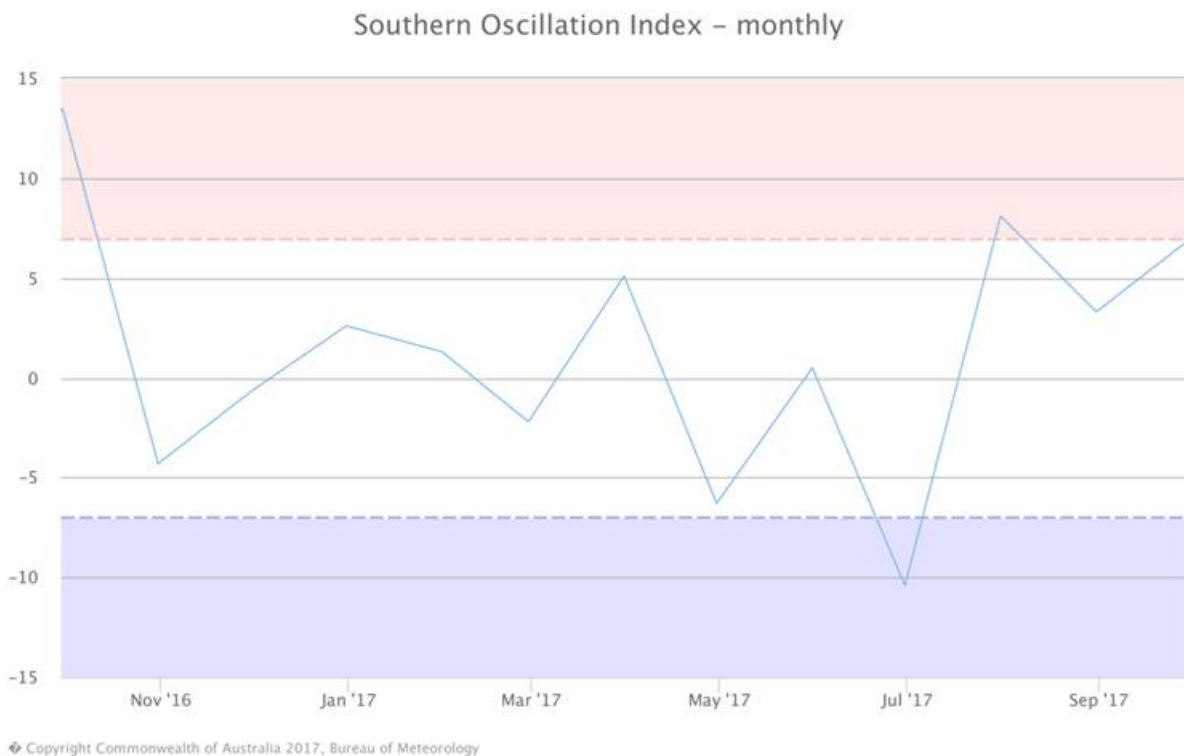
Barrington River has flow of over 50ML/d (no cease to pump for MidCoast Water). Water consumption is moderate. There is no water security for this scheme as there is no storage provided, once the river stops flowing there is no water available, however in over 70 years of river flow data the Barrington river has never completely stopped flowing.

## Karuah River flows (Stroud scheme)

The Karuah River flow remains around 9ML/d (with 3.5ML/d requiring a cease to pump). Water consumption remains modest. Stroud's 50ML off river storage is 97% full. Only moderate rainfall has occurred in this catchment. River flow will be closely monitored.

## Weather Outlook

The Southern Oscillation Index for 2016/17 has remained neutral inferring no clear direction in rainfall.



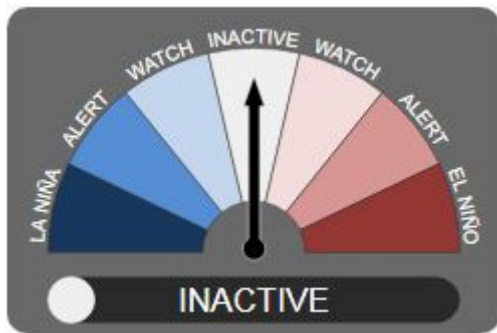
The surface of the tropical Pacific has warmed over the past fortnight as a result of weaker trade winds. This has reversed the cooling trend that had been observed since mid-winter. While sea surface temperatures remain well within the neutral range, cool water persists below the surface.

International climate models surveyed by the Bureau suggest this recent surface warming may only be temporary, with further cooling of the tropical Pacific Ocean likely. Five of the eight models suggest sea surface temperatures will reach La Niña thresholds by December 2017, but only three maintain values for long enough to be classified as a La Niña event.

While unusual, it is not unheard of to see La Niña develop this late in the year. Of the late-developing La Niña events, their effect on summer rainfall has been mixed, with some leading to widespread above-average falls across eastern Australia, and others having minimal effect. The current 3-month rainfall outlook suggests only a 50% likelihood of wetter conditions in many parts of the country.

The Indian Ocean Dipole (IOD) remains neutral. Three of the six climate models surveyed suggest positive IOD thresholds may be reached during spring, but these positive values would be short-lived as IOD events naturally decay by December.



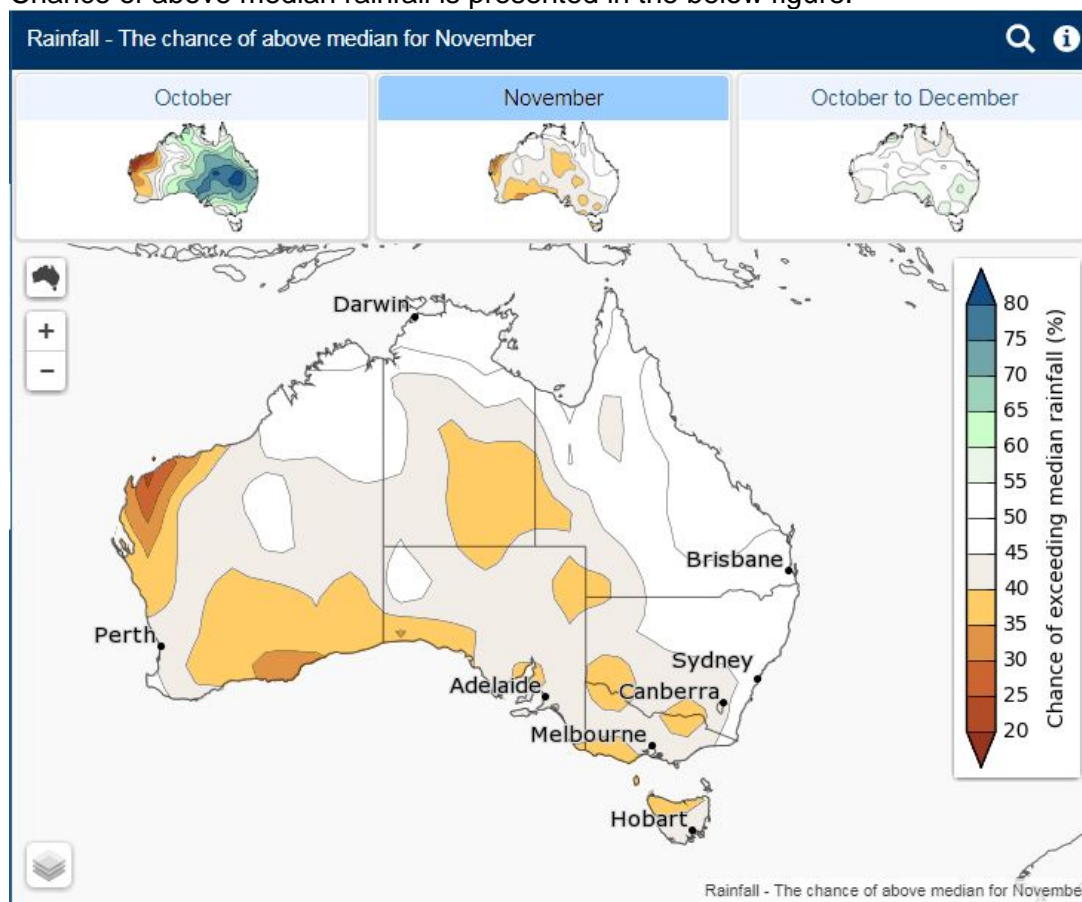


Issued 28 September 2017

### Main rainfall forecast features:

- Chances of a wetter or drier October to December for Australia are roughly equal.
- While the overall three-monthly signal is neutral, October is likely to be wetter than average for central and eastern mainland Australia, and drier for western WA. This wet signal is likely to be driven by more localised weather events.
- Climate influences from the Indian and Pacific oceans are likely to be competing, with a slightly drying influence in the Indian Ocean likely cancelling out a slightly wetter influence from the Pacific Ocean.
- Historical outlook accuracy for October to December is moderate for most of Australia, but low in parts of the southern mainland, southern Queensland and parts of the tropical north. See map for more detail.
- Our region has a 65 to 70% chance of above average rainfall in October declining once more in November to 50% chance of above average rainfall, however historically rainfall is at its lowest for the year at this time.

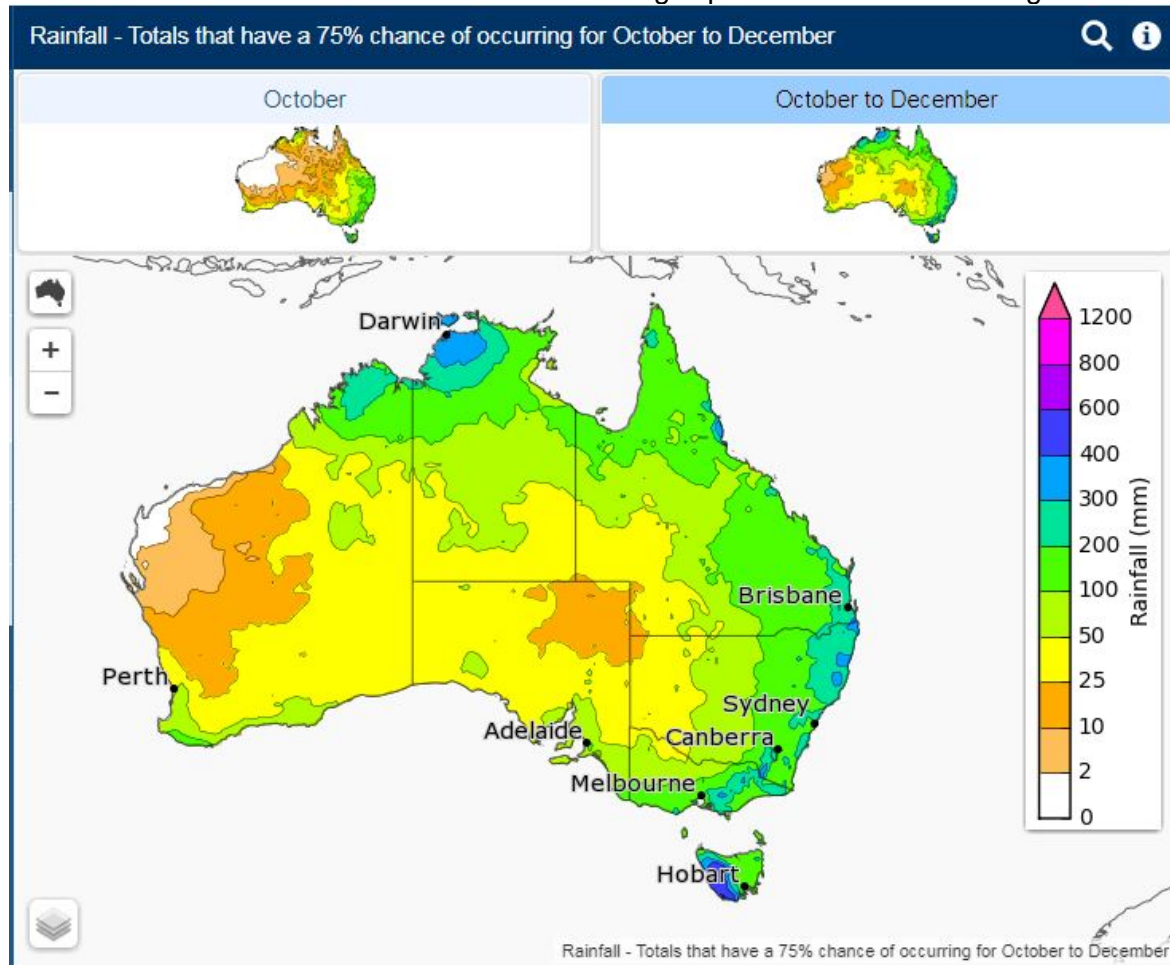
Chance of above median rainfall is presented in the below figure.



Date of issue 28 September 2017 Bureau of Meteorology

Rainfall totals are good within our region between October and December 2017.

Rainfall totals that have a 75% chance of occurring is presented in the below figure.



Date of issue 28 September 2017 Bureau of Meteorology

## Conclusion

River flows will likely remain low but not critical, which is typical moving into late spring. The Manning River is expected to be above critical levels for the next 4 weeks. The rainfall outlook is back to average for November. Consumption remains moderate in all water supply schemes.

## CONSULTATION

Continue Summer Water Saving program with our customers and awareness of low river lows

## COMMUNITY IMPACTS

Weather plays a big part in water consumption, with dry and hot periods increasing water usage. MidCoast Water Services continues to issue its Summer Water Saving message to remind customers to use their water wisely and efficiently.

## **ALIGNMENT WITH COMMUNITY PLAN/OPERATIONAL PLAN**

- 1.1.1 Implement a drinking water quality assurance program.
- 1.2.1 Provide timely, accurate and relevant access
- 2.4.1 Identify risks to sustainability and threats to security of supply
- 2.4.2 Provide multiple water quality controls
- 2.4.3 Develop and implement risk controls

## **TIMEFRAME**

Water resource projections are for the period October to December 2017

## **BUDGET IMPLICATIONS**

Weather impacts have a major influence on water usage revenue, increasing consumption in dry/hot periods and reducing in wet/cold periods. Water restrictions if implemented will reduce revenue from water usage charges.

## **RISK CONSIDERATION**

Nil.

## **RECOMMENDATION**

That the report on water usage, water resources and the outlook for 2017/18 be received and noted.

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**CLOSED COUNCIL**

**17 TENDER FOR THE SUPPLY OF ELECTRICITY - WATER SERVICES DIVISION**

**Report Author** Graeme Watkins, Group Manager Catchment & Treatment

**File No. / ECM Index** A620156

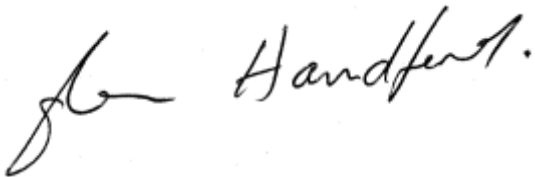
**Date of Meeting** 25 October 2017

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**REASON FOR CONFIDENTIALITY**

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

*Commercial information of a nature that would, if disclosed, prejudice the commercial position of the person who supplied it.*



Glenn Handford  
**GENERAL MANAGER**