

3.1 Exhibition of Draft Section 94A Levy Development Contributions Plan

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SUMMARY

Reporting on the preparation of a draft Section 94A Levy Development Contributions Plan for the Shire. The report provides details of the plan preparation process which included research of Section 94A plans, pertaining to other Local Government areas, Councillor briefings and staff consultation. The report recommends that the draft plan be placed on public exhibition for a period of 28 days prior to adoption of the Plan.

RECOMMENDATION

- 1 That Council place the draft Section 94A Levy Development Contributions Plan on exhibition for a period of 28 days.**
- 2 That Council adopt the Draft Section 94A Levy Development Contributions Plan, subject to there being no significant objections as a result of public exhibition and that appropriate public notice be given.**

INTRODUCTION

Section 94A of the Environmental Planning and Assessment Act (EP&A) provides Council with an opportunity to ensure that appropriate development contributions can be levied on development that currently does not pay contributions under Section 94 or pays a minimal contribution when compared to the size and value of the development.

For such developments, it is difficult to determine the expected types of future development, the rate at which development will occur or where it will occur. This makes it difficult to prepare a contributions plan that authorises the imposition of Section 94 contributions on development because of the difficulty in determining/establishing the required nexus between development and the increased demand for public amenities and services.

3.1 **Exhibition of Draft Section 94A Levy Development Contributions Plan (contd)**

Those difficulties do not exist under Section 94A because it authorises the imposition of a levy which is calculated as a flat percentage of the development cost, and the Act does not require any nexus to be established between development which pays the levy and the object of the expenditure of the levy.

The Environmental Planning and Assessment (EP&A) Regulation 2000 caps the percentage of the levy at 1% of the cost of development and the Minister has given direction that the levy can only be imposed as follows:

Value of Development	Percentage of Levy
\$Nil to \$100,000	0%
\$100,001 to \$200,000	0.5%
\$200,001 and greater	1.0%

Although a Section 94A levy may be widely used, there are a number of restrictions on its application:

- a Section 94A levy cannot be imposed on the same development application or complying development certificate if a Section 94 contribution is required.
- contributions must be expended towards capital costs associated with the provision, extension or augmentation of public amenities or public services (or towards recouping the cost of their provision, extension or augmentation).

The Minister has also given a direction that prohibits a Section 94A levy being imposed on the following developments:

- 1 For the purpose of providing disabled access.
- 2 For the sole purpose of affordable housing.
- 3 For the purpose of reducing a buildings use of potable water.
- 4 For the sole purpose of adaptive re-use of an item of environmental heritage.
- 5 Where Section 94 has been applied to the subdivision of the land.

PLAN DETAILS

The draft plan covers the whole of the Shire but will not apply to land where Section 94 has been applied to the subdivision of the land.

As a result of a Councillor briefing session held on 9 March 2011, it is proposed to apply the Section 94A levy to the following development types:

- Commercial
- Tourist
- Government Agencies (excluding Council projects funded by Development Contributions)
- Industrial
- Rural
- Residential

3.1 Exhibition of Draft Section 94A Levy Development Contributions Plan (contd)

Funds collected from imposition of the levy will be allocated towards the following projects:

- Wyong Shire Cultural Centre
- Cycleways
- Other public facilities to be provided in the Wyong Shire where applicable

It is difficult to estimate the level of income to be achieved from a Section 94A Plan due to the unknown factors of the level of development and the value of that development. However, using the 2008 development application data, it is estimated that a Section 94A plan has the potential to raise approximately \$1.5m per year.

The draft plan sets a works programme for the next 5 years and nominates the expenditure of the income as follows:

Project Description	Amount	Timing
A contribution towards the capital cost of the Wyong Shire Cultural Centre	\$2,500,000	2012 +
Cycleways	\$1,000,000	2012 +
TOTAL	\$3,500,000	

PROCEDURE

The adoption of the Section 94A plan will require some changes to the way in which certain development applications are assessed and processed. The most notable change will be that developer contributions will apply to development types that currently do not pay contributions – e.g. dwellings and dwelling additions.

As the value of the development is used to determine the levy, it is necessary to ensure that the values being nominated during the development application process are accurate and relevant. The Regulation for Section 94A contains a procedure to ensure that the values are correct and requires reports to accompany certain applications.

Two reports are identified within the draft Section 94A plan. The first is a “Cost Summary Report” which can be completed by the applicant or owner. The second is a “Quantity Surveyor’s Detailed Cost Report” which must be completed by a member of the Australian Institute of Quantity Surveyors.

It is proposed to set threshold values for the submission of the above reports. These thresholds are shown below:

Value of Development	Report Required
Less than \$500,000	No report required
\$500,000 to \$1,000,000	Cost Summary Report
\$1,000,000 and greater	Quantity Surveyor’s Detailed Cost Report

Irrespective of the above thresholds, the Section 94A plan also states that Council may review the valuation of works and may seek the services of an independent person to verify the costs. In these cases, all costs associated with obtaining such advice will be at the expense of the applicant and no construction certificate will be issued until such time that the levy based on the revised valuation has been paid.

3.1 Exhibition of Draft Section 94A Levy Development Contributions Plan (contd)

Given that the Section 94A plan will introduce new procedures and requirements, it is proposed to provide appropriate training to relevant Council staff prior to the plan being adopted.

CONSULTATION PROCESS

The preparation of the draft S94A plan involved consultation with a number of units within Council (now restructured) including Community & Cultural Development, Development Assessment, Legal & Policy, Recreation Planning, Roads & Drainage and Community Development. As mentioned above, a Councillor briefing session was held on 9 March 2011 seeking direction on the types of development to be levied and the projects to be partly funded.

The Plan will not apply to an application/area where Section 94 Contributions are charged under another Section 94 Plan. The plan will therefore be limited in its application and extent because of this it is not possible to identify any specific group in order to consult.

CONCLUSION

Section 94A provides Council with an opportunity to levy development contributions on developments that currently pay little or no contributions towards the provision or augmentation of public facilities.

The draft plan will involve some changes to the development assessment and customer service processes. Appropriate training of staff will occur prior to the draft plan being adopted and implemented.

It is recommended that the draft plan be exhibited for public comment for a period of 28 days, in accordance with the requirements of the Regulation. A copy of the draft plan is attached.

ATTACHMENTS

- 1 Draft Section 94A Levy Development Contributions Plan D02596824



Section 94A Levy Development Contributions Plan

EXHIBITION DRAFT

June 2011

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Summary Schedules

The following summary schedules are included in this plan:

- Works Schedule (Table 1) and
- Section 94A levy by category of development (Table 2)

Table 1 Summary Schedule – Public Facilities to be Funded by this Plan

Public Facilities	Estimated Costs	Estimated Timeframe
The Art House, Wyong Shire Performing Arts and Conference Centre (Contribution towards Capital Works)	\$2,500,000	2014
Cycleway Network	\$1,000,000	2011 onwards
TOTAL	\$3,500,000	

Table 2 Summary Schedule – Section 94A Levy by Category of Development

Type of Development	Levy (%)	
	\$100,001 - \$200,000	\$200,001 +
Commercial	0.5%	1%
Tourist	0.5%	1%
Government Agencies	0.5%	1%
Industrial	0.5%	1%
Rural	0.5%	1%
Residential (Dwellings and Additions)	0.5%	1%

Refer to Section 1.7 for exemptions.

1 Administration and Operation of this Plan

1.1 Introduction

This plan has been prepared to determine the Section 94A levy that applies to particular development types within Wyong Shire and what public facilities are to be funded by the levy.

This plan has been prepared in accordance with the requirements of the EP&A Act and EP&A Regulation.

In preparing the plan Council has had regard to the most recent (2005) practice notes issued by the NSW Department of Planning in accordance with clause 26(1) of the EP&A Regulation.

Levies paid to Council will be applied towards meeting the cost of provision or augmentation of new public facilities. Schedule 1 provides a summary of new public facilities which will be provided by Council over the coming years, as well as the estimated cost of provision and timing. In relation to the provision of works, the years shown below are indicative only. The provision of any item will be dependent upon the level of funds collected and other specific requirements of the particular project.

1.2 Name of this Plan

This plan is called the Wyong Shire Section 94A Levy Development Contributions Plan dated June 2011.

1.3 Area to which this Plan Applies

This plan applies to all land within the Wyong Local Government Area.

1.4 Development to which this Plan Applies

This plan applies to development specified in the following table.

Table 3 Section 94A Levy by Category of Development

Type of Development	Levy (%)	
	\$100,001 - \$200,000	\$200,001 +
Commercial	0.5%	1%
Tourist	0.5%	1%
Government Agencies	0.5%	1%
Industrial	0.5%	1%
Rural	0.5%	1%
Residential (Dwellings and Additions)	0.5%	1%

Refer Section 1.7 for exemptions.

1.5

Purpose of this Plan

The primary purpose of this contributions plan is:

- to authorise the Council to impose, as a condition of development consent, a requirement that the applicant pay to the Council a levy determined in accordance with this plan;
- to require a certifying authority (Council or an accredited certifier) to impose, as a condition of issuing a complying development certificate, a requirement that the applicant pay to the Council a levy determined in accordance with this plan, if development consent was granted subject to a condition authorised by this plan;
- to publicly identify the purposes for which the levy is required;
- to govern the application of money paid to the Council under a condition authorised by this plan.

1.6 Commencement of this Plan

This plan commences on

1.7 Exemptions to the Section 94A Levy

In accordance with the Minister's Direction dated 10 November 2006, a levy will not be imposed on development in the following circumstances:

- where the proposed cost of carrying out the development is \$100,000 or less
- for the purpose of disabled access
- for the sole purpose of providing affordable housing
- for the purpose of reducing a building's use of potable water (where supplied from water mains) or energy
- for the sole purpose of the adaptive reuse of an item of environmental heritage
- that has been the subject of a condition under Section 94 under a previous development consent relating to the subdivision of land on which the development is to be carried out
- where a development is to be funded by the Council from development contributions
- where the Council has previously imposed a condition on the same development requiring the payment of a contribution under a Section 94 plan.

1.8 Definitions

In this plan, the following words and phrases have the following meanings:

ABS means the Australian Bureau of Statistics

Council means Wyong Shire Council

Development Contributions means a development contribution required to be paid by a condition of development consent imposed pursuant to section 94 of the Act

EP&A Act means the Environmental Planning and Assessment Act 1979

EP&A Regulation means the Environmental Planning and Assessment Regulation 2000

Levy means a levy under section 94A of the EP&A Act authorised by this plan

Minister means the Minister administering the EP&A Act

Public Facility means a public amenity or public service

Section 94 Plan means a development contributions plan made pursuant to Section 94EA of the Act, which authorises the imposition of a condition of development consent requiring the payment of development contributions.

1.9 Continuation of Existing Section 94 Plans

This plan does not repeal any Section 94 plan applying in the Wyong local government area, and those Section 94 plans continue to apply to all development to which they are stated to apply.

There may be some developments that Council will choose to apply the relevant Section 94 contribution rather than the Section 94A levy. The decision on whether to apply Section 94A or Section 94 rests solely with Council and nothing in this plan commits Council to applying the Section 94A levy in lieu of a Section 94 contribution rate or vice versa.

1.10 Council May Require Payment of the Levy as a Condition of Development Consent

Subject to any direction of the Minister under Section 94E of the EP&A Act, this plan authorises the Council to grant consent to development to which this plan applies subject to a condition requiring the applicant to pay to the Council a Section 94A levy as specified in Table 1, provided that the Council does not also impose on the consent a condition pursuant to Section 94 of the Act.

If a Minister's direction under Section 94E is in force, this plan authorises the Council to grant consent to development subject to a condition which is in accordance with that direction.

1.11 Certifying Authority Must Require Payment of the Levy as a Condition of Issuing a Complying Development Certificate

If development consent has been granted to the carrying out of development subject to a condition authorised by this plan, then, subject to any direction of the Minister under Section 94E of the EP&A Act, this plan requires a certifying authority (the Council or an accredited certifier) to issue a complying development certificate in respect of development to which this plan applies subject to a condition requiring the applicant to pay to the Council a Section 94A levy as specified in Table 1.

If a Minister's direction under Section 94E is in force, this plan authorises the certifying authority to issue a complying development certificate subject to a condition which is in accordance with that direction.

1.12 Obligation of Certifying Authorities

In accordance with clause 146 of the EP&A Regulation, a certifying authority must not issue a construction certificate for the building work or subdivision work under a development consent unless it has verified that each condition requiring the payment of a levy has been satisfied.

The certifying authority must ensure that the applicant provides a receipt(s) that levies have been fully paid and copies of such receipts must be included with copies of certified plans provided to the council in accordance with clause 142(2) of the EP&A Regulation. Failure to follow this procedure may render such a certificate invalid.

1.13 Deferred or Periodic Payments

Council will generally not accept deferred or periodic payment of contributions required under this plan.

Council has, however formulated a policy in relation to the negotiation and preparation of planning agreements which provides for the consideration of deferred or periodic payments.

Consideration of requests for deferral of contributions will involve careful consideration of community/public infrastructure delivery and financial implications for Council.

1.14 Determining the Proposed Cost of Carrying out Development

Clause 25J of the EP&A Regulation sets out how the proposed cost of carrying out development is to be determined. That clause provides as follows:

25J Section 94A Levy—Determination of Proposed Cost of Development

- 1 The proposed cost of carrying out development is to be determined by the consent authority, for the purpose of a section 94A levy, by adding up all the costs and expenses that have been or are to be incurred by the applicant in carrying out the development, including the following:
 - a If the development involves the erection of a building, or the carrying out of engineering or construction work—the costs of or incidental to erecting the building, or carrying out the work, including the costs (if any) of and incidental to demolition, excavation and site preparation, decontamination or remediation.
 - b If the development involves a change of use of land—the costs of or incidental to doing anything necessary to enable the use of the land to be changed.
 - c If the development involves the subdivision of land—the costs of or incidental to preparing, executing and registering the plan of subdivision and any related covenants, easements or other rights.
- 2 For the purpose of determining the proposed cost of carrying out development, a consent authority may have regard to an estimate of the proposed cost of carrying out the development prepared by a person, or a person of a class, approved by the consent authority to provide such estimates.
- 3 The following costs and expenses are not to be included in any estimate or determination of the proposed cost of carrying out development:
 - a The cost of the land on which the development is to be carried out;
 - b The costs of any repairs to any building or works on the land that are to be retained in connection with the development;
 - c The costs associated with marketing or financing the development (including interest on any loans);
 - d The costs associated with legal work carried out or to be carried out in connection with the development;
 - e Project management costs associated with the development;
 - f The cost of building insurance in respect of the development;

- g The costs of fittings and furnishings, including any refitting or refurbishing, associated with the development (except where the development involves an enlargement, expansion or intensification of a current use of land),
- h The costs of commercial stock inventory;
- i Any taxes, levies or charges (other than GST) paid or payable in connection with the development by or under any law.

1.15 Indexing the Proposed Cost of Carrying out Development

Pursuant to clause 25J(4) of the Regulation, the proposed cost of carrying out development is to be indexed quarterly before payment to reflect any increase in the *Consumer Price Index All Group Index Number for Sydney* between the date the proposed cost was determined by the Council and the date the levy is required to be paid.

The formula governing indexation of the proposed cost of carrying out development is as follows:

$$\text{IDC} = \frac{\text{ODC} \times \text{Current Index}}{\text{Base Index}}$$

Where

IDC is the indexed development cost

ODC is the original development cost estimated by the Council

Current Index is the Consumer Price Index, Australia for Sydney as published by the Australian Bureau of Statistics available at the time a levy is paid

Base Index is the Consumer Price Index, Australia for Sydney as published by the Australian Bureau of Statistics at the date the original development cost was estimated by the Council

Note: *In the event that the Current Consumer Price Index is less than the previous Consumer Price Index, the indexed rates will remain the same.*

1.16 Cost Estimate Reports Must Accompany a Development Application or Application for a Complying Development Certificate

A development application or an application for a complying development certificate is to be accompanied by a report, prepared at the applicant's cost in accordance with this section, setting out an estimate of the proposed cost of carrying out the development for the purposes of clause 25J of the EP&A Regulation. The following types of report are required:

- where the estimate of the proposed cost of carrying out the development is less than \$1,000,000 – no report
- where the estimate of the proposed cost of carrying out the development is between \$1,000,001 and \$5,000,000 – a cost summary report in accordance with Appendix C
- where the estimate of the proposed cost of carrying out the development is \$5,000,001 or more - a detailed cost report in accordance with Appendix D

The Council may, by resolution, dispense with the requirement for a cost summary report where the estimate of the proposed cost of carrying out the development is between \$1,000,001 and \$5,000,000 generally or in a particular case or class of cases.

1.17 Providing a Report for the Purposes of Section 1.16 of this Plan

For the purpose of clause 25J(2) of the EP&A Regulation, the following persons are approved by the Council to provide an estimate of the proposed cost of carrying out development in the following circumstances:

- where the proposed development cost is between \$1,000,001 and \$5,000,000 - a person who, in the opinion of the Council, is suitably qualified to provide a cost summary report
- where the proposed development cost is \$5,000,001 or more - a quantity surveyor who is a registered member of the Australian Institute of Quantity Surveyors or a person who can demonstrate equivalent qualifications

The Council may, at the applicant's cost, engage a person referred to in this section to review a report submitted by an applicant in accordance with Section 1.16.

1.18 Calculation of the Levy

The levy will be determined on the basis of the rate set out in Table 3. The levy will be calculated as follows:

$$\text{Levy Payable} = \%C \times \$C$$

Where

%C is the levy rate applicable

\$C is the proposed cost of carrying out the development (see Section 1.14)

Without limitation to the above, Council may review the valuation of works and may seek the services of an independent person to verify the costs. In these cases, all costs associated with obtaining such advice will be at the expense of the applicant and, if found to be higher than the original estimate of proposed cost of carrying out the development, no construction certificate will be issued until such time that the levy based on the revised valuation has been paid.

1.19 Adjustment of the Levy

Contributions required as a condition of consent under the provisions of this plan will be adjusted at the time of payment of the contribution in accordance with the following formula:

$$\$C_o + \frac{\$C_o \times ([\text{Current Index} - \text{Base Index}])}{[\text{Base Index}]}$$

Where:

\$C_o is the original contribution as set out in the consent

Current Index is the Consumer Price Index, Australia for Sydney as published by the Australian Bureau of Statistics available at the time of review of the contribution rate

Base Index is the Consumer Price Index, Australia for Sydney as published by the Australian Bureau of Statistics used in the preparation of this plan which is 173.1 (February 2011)

1.20 When is the Levy Payable?

A levy must be paid to the Council at the time specified in the condition that imposes the levy. If no such time is specified, the timing of the payment of the levy is as follows:

- development applications involving subdivision only – prior to release of a subdivision certificate
- development applications involving building works – prior to the release of the first construction certificate
- development applications where no building approval is required – prior to or at the time development consent is granted

In regard to the last case, the applicant may make a cash levy payment prior to issue of the development consent or alternatively lodge a suitable bank guarantee, also prior to issue of the consent. This bank guarantee will be called up upon issue of the consent.

1.21 How will the Council Apply Money Obtained from the Levy?

Money paid to the Council under a condition authorised by this plan is to be applied by the Council towards meeting the cost of the public facilities that will be or have been provided within the area as listed in Schedule 1.

1.22 Pooling of Levies

For the purposes of Section 93E(2) of the EP&A Act, this plan authorises money obtained from Section 94A levies paid in respect of different developments to be pooled and applied (progressively or otherwise) for the public facilities listed in Schedule 1.

1.23 Savings and Transitional Arrangements

A development application which has been submitted prior to the adoption of this plan but not determined shall be determined in accordance with the provisions of the plan which applied at the date of determination of the application.

1.24 Revision of Plan

This plan may be reviewed and/or amended if the works identified to be funded by this plan are revised.

Review, amendment and updating of the plan (except for the types of amendments specified in clause 32(3) of the EP&A Regulation) will require preparation and public exhibition of a new contributions plan.

Table 4 Plan Amendments

Date	Nature of Revision
June 2011	No previous versions

2 Expected Development and Demand for Public Facilities

The expected types of development to be levied include, but not limited to, the following:

- Commercial
- Tourist
- Government Agencies
- Industrial
- Rural
- Residential (dwellings and dwelling additions)

The relationship between expected development and the demand for new facilities is established through:

- the population of the Wyong LGA as at June 2009 was estimated to be 149,382¹
- the Central Coast Regional Strategy² identifies the following growth targets for the Wyong local government area over the next 20 years (to 2031):
 - an additional 70,000 people
 - 39,500 new dwellings in existing urban and greenfield areas
 - 19,400 new jobs over the next 25 years
 - an additional 27,000 jobs created within Tuggerah-Wyong, various other town, village and neighbourhood centres, and within the area covered by the draft North Wyong Structure Plan (including the WEZ)
- the increased population will require the provision of additional public facilities
- the increased population will place pressure on existing public facilities and reduce the existing population's enjoyment and standard of public facilities
- the investment in private sector development as a result of the increased population and significant job creation will create community demands and expectations for additional and improved investment in public facilities
- the Section 94A levy will enable Council to provide additional public facilities to meet the expectations of the existing and new residents of the Shire. The public facilities to be funded are set out in Appendix 1

¹ Cat 3218.0 - Regional Population Growth, Australia, 2008-09, Australian Bureau of Statistics

² Central Coast Regional Strategy 2006-31, NSW Department of Planning 2008

Appendix A – Details of Public Facilities to be Funded by this Plan

The Art House, Wyong Shire Performing Arts and Conference Centre (\$2,500,000 contribution towards capital works)

A *Cultural Plan for Wyong Shire 2005* identified a lack of cultural facilities in the Shire for a broad range of activities such as performance, rehearsal, workshops, outdoor performance, collection management and exhibitions. This will become more acute as the population of the Shire increases. This view was expressed both by practitioners (community groups, individual artists etc) and by people who are the audience for arts and entertainment. Whilst there are several small district level facilities in the Shire (eg. Toukley Arts Centre and a dance studio at Wadalba Public School) there is no cultural facility of a shire wide nature.

The *Cultural Plan for Wyong Shire 2005* recommended, in addition to district level facilities for arts and culture, that Council “establish and resource a Performing Arts Facility [now referred to as The Art House]... to provide a focus for community cultural activity, community pride and to nurture youth performing arts activity.” It is appropriate for such a facility to be funded by future development across the Shire as all residents potentially benefit from the existence of such a facility.

In 2005 Council commissioned a feasibility study that recommended a performing arts centre to support a diversity of arts programming and that included a main theatre of up to 400 seat capacity and a smaller “black box” studio space for performance, workshops and exhibitions. Such a facility would be of shire wide significance.

In 2006 Council undertook to develop a detailed business plan and concept design informed by the feasibility study.

The outcomes of the feasibility study and project plan were developed into a concept business plan in 2007 and further refined in 2008. The business plan was based on a general design configuration of the proposed centre for the purposes of establishing projected construction and operational costs. The 2008/09 Management Plan included funds to progress the survey, investigation and design component of the Cultural Centre ready for lodgement of a development application.

The following provides an outline of what is proposed:

It is proposed to build a 3,800m² (building area) Arts Centre on the Memorial Hall site in Wyong Township. The Arts Centre will contain the following core facilities:

- main auditorium seating 500 people
- a studio auditorium with 120 retractable seats for intimate and other performances (community programs, smaller travelling shows, recitals), able to serve also as a rehearsal/exhibition space
- box office/bar
- meeting room(s)
- office
- generous foyer space to accommodate functions and displays
- an exhibitions gallery as an extension to the foyer
- foyer bar/café
- administration, backstage and service facilities
- a rehearsal/dance studio/storage area
- under-stage pit and Orchestra pit - sufficient to accommodate up to 30 musicians

The Arts Centre is proposed as a local facility servicing Wyong Shire residents and visitors, developed to address the existing need for accessible cultural facilities in this area of the Central Coast. The longer term need for a regional facility is to be addressed in the Regional Cultural Strategy.

Sketch design work has been completed and the project has been granted a DA by the Regional Planning Panel. This stage involved a capital cost estimate. The following table indicates the current estimate of capital costs for the proposed Arts Centre.

Table 5 Estimate of Capital Costs for Cultural Centre at Wyong Memorial Hall Site

Capital Cost Estimates	Cost Estimate
Building including: Demolition, site preparation, construction and contingencies	\$17M
Other costs including: Design fees, authority fees, public art, furniture and equipment	\$3.5M
Cost Escalation – over 4 years at 3% p.a.	\$1.9M
Car Parking Contributions – under Section 94	\$2M
TOTAL COST (in 2012 \$)	\$24.4M

Funds collected through a Section 94A levy will contribute \$2.5million to this project.

Cycleway Network (\$1,000,000 contribution)

Council has a program for the continued extension of the Shire's cycleway network to meet the demands of both the existing and future population. Currently a total of 110 kilometres of off-road cycleway has been constructed, with a further 400 kilometres proposed over the next twenty years.

This plan seeks to collect contributions for new works only.

The proposed works are based upon providing linkages to key attractors and generators as detailed in Council's 2010 *Bicycle and Shared Pathway Strategy*. Annual expenditure for cycleways is included in Council's Annual Plan.

The current population has supplied the existing cycleway network within the Shire. It is therefore considered reasonable for the future population to supply the remainder of cycleway network.

Funds collected through a Section 94A levy (expected to be \$1 million) will be spent annually in conjunction with Council's normal cycleway expenditure programme as identified in the Roads and Stormwater Business Plan and Council's Annual Plan and 4-year Delivery Plan.

Appendix B – Section 94A Levy by Category of Development

See Summary Schedules for a summary of levies sought through this plan.

Appendix C – Development Contributions Cost Summary Report

(Development Cost between \$1,000,001 and \$5,000,000)

Development Application No: _____ Reference: _____

Complying Development Certificate Application No: _____ Date: _____

Construction Certificate No: _____

APPLICANT'S NAME: _____

APPLICANT'S ADDRESS: _____

DEVELOPMENT NAME: _____

DEVELOPMENT ADDRESS: _____

Analysis of Development Costs:

Demolition and alterations	\$	Hydraulic services	\$
Structure	\$	Mechanical services	\$
External walls, windows and doors	\$	Fire services	\$
Internal walls, screens and doors	\$	Lift services	\$
Wall finishes	\$	External works	\$
Floor Finishes	\$	External Services	\$
Ceiling finishes	\$	Other related work	\$
Fittings and equipment	\$	Sub Total	\$

Sub Total Above Carried Forward	\$
Preliminaries and margin	\$
Sub Total	\$
Consultant Fees	\$
Other related development costs	\$
Sub Total	\$
Goods and Services Tax	\$
TOTAL DEVELOPMENT COST	\$

I certify that I have:

- inspected the plans the subject of the application for development consent or construction certificate
- calculated the development costs in accordance with the definition of development costs in clause 25J of the Environmental Planning and Assessment Regulation 2000 at current prices
- included GST in the calculation of development cost

Signed: _____

Name: _____

Position and Qualifications: _____

Date: _____

(Acknowledgment to City of Sydney for use of the model cost reports)

Appendix D – Development Contributions Registered* Quantity Surveyor’s Detailed Cost Report

(Development Cost \$5,000,001 or more)

*A member of the Australian Institute of Quantity Surveyors

Development Application No: _____ Reference: _____

Complying Development Certificate Application No: _____ Date: _____

Construction Certificate No: _____

APPLICANT’S NAME: _____

APPLICANT’S ADDRESS: _____

DEVELOPMENT NAME: _____

DEVELOPMENT ADDRESS: _____

Development Details:

Gross Floor Area – Commercial	m ²	Gross Floor Area – Other	m ²
Gross Floor Area – Residential	m ²	Total Gross Floor Area	m ²
Gross Floor Area – Retail	m ²	Total Site Area	m ²
Gross Floor Area – Car Parking	m ²	Total Car Parking Spaces	
Total Development Cost	\$		
Total Construction Cost	\$		
Total GST	\$		

Estimate Details:

Professional Fees	\$	Excavation	\$
% of Development Cost	%	Cost per m ² of Site Area	\$ /m ²
% of Construction Cost	%	Car Park	\$
Demolition and Site Preparation	\$	Cost per m ² of Site Area	\$ /m ²
Cost per m ² of Site Area	\$ /m ²	Cost per Space	\$ /m ²
Construction - Commercial	\$	Fit-out – Commercial	\$
Cost per m ² of Commercial Area	\$ /m ²	Cost per m ² of Commercial Area	\$ /m ²
Construction – Residential	\$	Fit-out – Residential	\$
Cost per m ² of Residential Area	\$ /m ²	Cost per m ² Residential Area	\$ /m ²
Construction – Retail	\$	Fit-out – Retail	\$
Cost per m ² of Retail Area	\$ /m ²	Cost per m ² of Retail Area	\$ /m ²

I certify that I have:

- inspected the plans the subject of the application for development consent or construction certificate
- prepared and attached an elemental estimate generally prepared in accordance with the Australian Cost Management Manuals from the Australian Institute of Quantity Surveyors
- calculated the development costs in accordance with the definition of development costs in the S94A Development Contributions Plan of the Council of Wyong at current prices
- included GST in the calculation of the development cost

- measured gross floor areas in accordance with the Method of Measurement of Building Area in the AIQS Cost Management Manual Volume 1, Appendix A2

Signed: _____

Name: _____

Position and Qualifications: _____

Date: _____

(Acknowledgment to City of Sydney for use of the model cost reports)

4.1 Contract CPA/192469 - Provision of Two Relocatable Cabins at Budgewoi Holiday Park

TRIM REFERENCE: CPA/192469 - D02626782
AUTHOR: Reg Norris; Engineer
MANAGER: Mike Long, Contract and Project Manager

SUMMARY

Evaluation and selection of tenders for Contract CPA/192469 - Provision of two relocatable cabins at Budgewoi Holiday Park.

RECOMMENDATION

- 1 That Council accept the tender from Wendgold Pty Ltd (East Coast homes and Cabins) in the lump sum amount of \$214,900.00 (excl GST) for Contract CPA/192469 – Provision of Two Relocatable Cabins at Budgewoi Holiday Park.**
- 2 That Council approve contract CPA/192469 for a contract budget of \$236,400.00 (excl GST) that provides for a contingency amount of \$21,500.00 (excl GST), representing approximately 10% of the contract value, to provide for any unforeseen additional works that may become necessary during the course of the project.**

BACKGROUND

In 2006 Council engaged consultants Integrated Site Design to develop a business strategy with a view to guiding Development and Management of Council's Central Coast Holiday Parks over the next five years (2006-2011). That Strategy was finalised in August 2006. The Strategy itself outlined the actions required to give the Holiday Parks the capacity to deliver appropriate financial outcomes to Council on an ongoing basis. The directions and recommendations contained within the strategy were conveyed to Council in the form of various reports to Council and briefings between August 2006 through to December 2007.

On 12 December 2007 Council approved the Development Application for the "Provision of Improvement Works at Budgewoi Holiday Park" (DA 1339/2007) for the five year period.

No specific reference was made in this application to the provision of prefabricated /relocatable cabins, two of which were provided in the 2007/2008 upgrade works and two more are to be provided in the current 2010/2011 programme. The latter two cabins are the subject of this report. Due to the nature of these cabins being relocatable the Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005 does not require a Development Application for their construction.

It is noted that while the Business Strategy for the Holiday Parks identifies the need for two cabins in the 2010/11 programme, the actual works must be completed over the quieter

4.1 Contract CPA/192469 - Provision of Two Relocatable Cabins at Budgewoi Holiday Park (contd)

winter months, and in any event before October 2011. Arrangements have been made to provide funding for construction during this period.

The above upgrading works for 2010/2011 will require the displacement of one storage van from the area identified to allow the construction of these two cabins. In addition, the number of tourist sites will be reduced by four with this development. A letter was sent to the affected storage van owner last year inviting the owner to participate in a ballot to occupy one of the vacant sites presently available at Budgewoi Holiday Park. That ballot was conducted on 3 November 2010. This storage van has since been allocated to a new site within this Park. The affected van was required to vacate their present site by 18 March 2011 to allow the contractor to have vacant possession of the construction site.

Due to the need to have only firms (companies) experienced in the prefabrication of relocatable homes provide tenders to Council, Expressions of Interest (EOI) were called. A list of suitably experienced companies was then prepared, from which selective tenders were invited.

Clause 166 (b) of the Local Government (General) Regulations 2005 (the Regulations) provides for the selective tendering method. Using this method, recognised contractors are selected from the EOI list and invited to tender for proposed contracts of a particular kind. In this instance the particular kind of contract to which the selective tendering method would apply is the provision of prefabricated/relocatable cabins at Budgewoi Holiday Park.

This EOI process was undertaken in accordance with the provisions of Clause 168 of the Regulations. The EOI closed on 3 March 2011. Submissions were then short listed according to the identified selection criteria, referee checks undertaken and a report submitted to the Director, Infrastructure Management for approval. The report recommended that four (4) contractors be invited to provide a Selective Tender which closed on the 19 May 2011.

The estimated value of the fabrication of these two relocatable homes is in the order of \$190,000 to \$210,000. The balance of this report deals with the assessment and recommendations made for the Selective Tenders received.

Tender Process

Tenders were invited by way of selective invitation.

From the EOI process the four successful tenderers were invited, by email on 28 April 2011, to provide a tender for the "Provision of two relocatable cabins at Budgewoi Holiday Park".

Tenders were also advertised on Council's e-Tender website with access being via a restricted password. The advertised closing date was 2.00 pm on 19 May 2011.

No compulsory pre-tender meeting was held.

EVALUATION OF TENDERS

Tenders were evaluated by a panel of three staff members (one of whom was from a unit other than the one managing the procurement process) using the following threshold and weighted criteria:

4.1 Contract CPA/192469 - Provision of Two Relocatable Cabins at Budgewoi Holiday Park (contd)

Threshold Criteria:

- 1 Compliance with Tender documents, including lodgement of tender by specified time.
- 2 Evidence of a corporate system to manage environmental, operational and safety risks.

Weighted Criteria:

- 1 Assessed level of Local Content (MANDATORY)
- 2 Conformity with Brief / Specification
- 3 Proposed methodology / construction programme
- 4 The tendered price and structure; as well as any other potential costs to Council that may be identified.

The evaluation criteria and their weightings were documented in the Contract Development Plan and approved by the Director Infrastructure Management prior to tenders being invited.

The Contract Development Plan is available on file.

To assess tenders against the evaluation criteria the panel used information obtained from the tender documents and related correspondence and referees.

The evaluation was conducted according to the following process.

- Assessment of receipt of tenders.
- Assessment of conformance of tenders.
- Detailed weighted evaluation of shortlisted tenders.
- Due diligence checks on preferred tenderers.
- Independent review of the tender selection process.

Assessment of Receipt

The following tenders were received and are listed in alphabetical order.

Tender No	Tender	Tendered Lump Sum (Ex. GST)	Status
1	High Tide Constructions	\$309,547.00	Submitted on time
2	Timberline Cabins Pty Ltd	\$ 241,780.00	Submitted on time
3	Wendgold Pty Ltd.(East Coast homes and Cabins)	\$214,900.00	Submitted on time

All tenders were progressed to an assessment of conformance.

Assessment of Conformance

Tenders were assessed for conformance with the general tender requirements including the specification. Tender No 3 from Wendgold Pty Ltd. (East Coast homes and Cabins) failed to acknowledge receipt of Addenda No 1 as required in Attachment 1: Returnable Forms and Schedules. Contact was made with this company and they advised that their e-tender submission was made prior to the issue of this Addenda No 1. The e-tendering response spreadsheet substantiates this advice. The company has indicated that their price component would have remained unchanged had that addenda been seen and acknowledged prior to submission. This tender was progressed for further consideration.

The two remaining tenders conformed to all requirements and were progressed to the next stage of evaluation.

Weighted Evaluation

Evaluation scoring was conducted in two stages i.e.:

1. Prior to application of Council’s Local Preference Policy to establish the **Most Competitive Offer**, and;
2. Following application of the Local Preference Policy for the assessment of Local Content to establish the **Preferred Offer**.

1 - Scoring - Pre-Application of the Local Preference Policy

To establish the **Most Competitive Offer**, Tenders were firstly scored against the weighted evaluation criteria (other than Local Content), and are listed below in descending order of weighted evaluation.

Tender No.	Tender	Tendered Lump Sum (Ex. GST)	Weighted Evaluation Score (Pre application of Local Preference)
			Most Competitive Offer
1	Wendgold Pty Ltd	\$214,900.00	80.3
2	Timberline cabins Pty Ltd	\$241,780.00	74.2
3	High Tide Constructions	\$309,547.00	56.1

The most competitive offer after the weighted evaluation score was undertaken was by Wendgold Pty Ltd (East Coast homes and Cabins). This company also provided the lowest price under criteria 6. In terms of weighted criteria for conformity with the Brief / Specification and proposed methodology / construction programme, there is little to separate these two companies.

2 – Scoring Post Application of Local Preference Policy

Tenders were then assessed for Local Content in accordance with Council’s Local Preference Policy to identify the **Preferred Offer**.

The application of the Local Preference Policy to this tender imposed the following criteria in relation to the financial impact in considering a Preferred Offer:

(Refer to clause E.7 of policy)

Policy Criteria	Criteria Applied to Tender Assessment
Category of Contract	Works
Method to Determine Financial Impact Limitations	3% or \$15,000.00 above the price component of the Most Competitive Offer, whichever is the lower
Price Component of Most Competitive Offer	\$214,900.00
Financial Impact Limitation To Be Applied to Preferred Offer	\$6,447.00

The following summarises scoring for the assessed value of Local Content. Tenders are listed in descending order of **Preferred Offers** following assessment.

Tender No	Tender	Tendered Lump Sum (Ex. GST)	Weighted Evaluation Score	Value of Assessed Local Content (Ex. GST)	Weighted Evaluation Score
			(Pre-application of Local Preference)		(Post application of Local Preference)
			Most Competitive Offer		Preferred Offer
1	Wendgold Pty Ltd	\$214,900.00	80.3	\$6,000.00	80.5
2	Timberline cabins Pty Ltd	\$241,780.00	74.2	\$33,500.00	75.6
3	High Tide Constructions	\$309,547.00	56.1	\$2,400	56.2

Following assessment of Local Content, there was no change to the order of ranking for tenders i.e. the most Competitive Offer of Tender No. 1 from Wendgold Pty Ltd was assessed as the Preferred Offer and was therefore progressed to the due diligence stage of the evaluation.

Due Diligence

Tender No. 1 (from Wendgold Pty Ltd) was subjected to a financial assessment, an in-house safety/environment system assessment and referee checks.

On the basis of the information provided by the tenderer, Council's independent financial assessor Kingsway Financial Assessments, and independent referees, it is considered that Wendgold Pty Ltd possesses all of the technical, financial and managerial resources necessary to satisfactorily complete the works.

Wendgold Pty Ltd is a Queensland based company located in Currumbin. This company have been involved in the design and manufacture of holiday park cabins for over 25 years. Council has previously purchased cabins from this company for its holiday parks. The company has in place a documented Occupational Health Safety and Rehabilitation Management and Environmental Management systems.

The amount tendered by Wendgold Pty Ltd is within 5% of Council's pre-tender estimate and is considered to represent a reasonable price for the contract works.

RISK ASSESSMENT

General

When letting a contract various risks exist that may result in the final contract cost exceeding the initial contract sum. These risks vary depending upon the type of work being undertaken; for example, design work versus construction work; and the type of contract, for example Lump Sum versus Schedule of Rates.

Generally, the contract is structured to have the party best placed to manage the risk responsible for that risk outcome. Some risks are passed on to the contractor, with the cost of those risks reflected in the tendered price. Other risks are best managed by Council rather than the contractor, as they would inflate the tender price whether the risk eventuated or not. For this reason Council retains and is required to manage some risks. These are minimised by Council's contract administration processes. However, to manage these risks it is necessary to provide a contingency sum in addition to the tender price to allow for unforeseen additional works that may become necessary during the course of the project.

Contract Risks

Contract risks include Generic Risks (generally found in most contracting situations) and Specific Risks leading to contract variations that have particular application to an individual contract. These major risks are summarised below for this contract.

Generic Risks

These are risks that Council manages through its contract administration procedures and processes. Major generic risks and mitigation measures for this contract include:

- Contractor experiences financial difficulties or goes into liquidation, leading to additional project delays and costs. Mitigated through financial and referee checks before contract award and timely progress payments.

4.1 Contract CPA/192469 - Provision of Two Relocatable Cabins at Budgewoi Holiday Park (contd)

- Completion time exceeds target leading to delays and damage to Council's reputation. Mitigated through close supervision and prompt directions where required.
- Liability for injury and/or damage to people, property and the environment. Mitigated through on-going validation of contractor's insurances, safety and environmental management systems, together with close supervision including site audits.
- Contract dispute over rights and obligations of the parties. Mitigated through use of Australian Standards General Conditions of Contract, which include dispute resolution mechanisms.

Specific Risks Leading to Contract Variations

The following are the major risks that Council bears in relation to this contract:

- The quality of the design is sub-standard resulting in additional costs during the construction phase. Mitigated by appropriate technical reviews by others to ensure design meets requirements.
- Changes to regulatory design standards requiring project re-design. Mitigated by using latest information in tender documents and minimising delays in award of contract.
- Sub-surface services not previously determined may need to be relocated from new works areas, and associated additional cost. Mitigated by services being located prior to tenders being called

Risk Contingency

The above risks are considered to be Medium for this contract given the value of the contract and the nature of the work. Accordingly, it is recommended that a contingency sum of \$21,500.00 (excl GST) representing approximately 10% of the contract sum be approved.

Based on previous experience with contracts of this nature and analysis of the risks involved, it is estimated that there is a high probability that the contract budget of \$236,400.00 (excl GST), which incorporates the contingency allowance, will not be exceeded and sufficient funds will be available in the 2011/12 financial year.

BUDGET

This engagement is of the nature of a one-off contract. Progress payments will be funded from an allocation of pre-arranged loans from the Crown and from restricted assets generated from Holiday Park income. The tender sum submitted is a fixed lump sum that may increase or decrease depending upon variation claims that may arise during the course of the works. Provision of funding for the overall project has already been made in Management Plan line item 5.2.6.

TIMEFRAME

4.1 Contract CPA/192469 - Provision of Two Relocatable Cabins at Budgewoi Holiday Park (contd)

The works are proposed to commence in July 2011 and need to be completed prior to the school holidays in September/October 2011. The anticipated completion date is mid September 2011. The duration of 11 weeks nominated by Wendgold Pty Ltd is less than the timeframe nominated in the RFT. These cabins should be available for the September/October School Holidays.

APPROVALS

Council has a Care, Control and Management Arrangement with the Crown over Budgewoi Holiday Park. Approval to the overall upgrades has been granted by the Crown and includes the provision of these two relocatable cabins.

Due to the nature of these cabins being relocatable the Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005 does not required a Development Application for their construction.

No further approval is required.

CONCLUSION

Tender No 1 from Wendgold Pty Ltd is the highest scoring tender and meets all of Council's requirements for this contract. On balance, this tender represents the best value-for-money for Council. It is recommended that the tender be accepted.

ATTACHMENTS

- | | | |
|---|--|-----------|
| 1 | Map Showing Location of Proposed Cabins within Budgewoi Holiday Park (A3 Plan) | D02625171 |
|---|--|-----------|

4.2 Contract CPA/195382 - Supply and Delivery of Stationery and Ancillary Items

TRIM REFERENCE: CPA/195382 - D02627524

AUTHOR: John McCarthy; Coordinator Purchasing

MANAGER: Mike Long, Contract and Project Manager

SUMMARY

Evaluation and selection of Hunter Councils Inc. tenders for Contract CPA/195382 – Supply and Delivery of General Stationery and Ancillary Items.

RECOMMENDATION

- 1 That Council agree to the contract between Hunter Councils Inc. and Corporate Express Pty Ltd for the Supply and Delivery of General Stationery and Ancillary Items from the date of acceptance by Hunter Councils Inc until 30 June 2014 subject to all Councils agreeing to participate.**
- 2 That Council note the annual estimated expenditure against this contract is \$182,825.46 (excl GST). The total estimated expenditure over the full contract duration is estimated at \$548,476.38 (excl GST).**

BACKGROUND

Council purchases an assortment of different stationery products including photocopy paper, toner cartridges, writing instruments and computer consumables on a re-occurring basis. Expenditure is in the vicinity of \$182,000.00 per annum.

The tender that is the subject of this report was conducted by Hunter Councils Inc. on behalf of member Councils. Wyong Shire Council is an associate member for the purposes of participating in joint tendering and contracting arrangements. Gosford City Council is also an associate member.

Hunter Councils Inc. receive a management fee of 1.75% of the total spend made under the contract. Provision for the management fee is included in tendered rates and is payable to Hunter Councils Inc. by the appointed contractor. This management fee is used by Hunter Councils Inc. to underwrite the ongoing costs of providing tendering services to members.

Eleven member Councils of Hunter Councils Inc. participated in this tender with the combined value of stationery tendered under the contract being in the vicinity of \$2 million. The aggregated volume provides Council with the opportunity to achieve cost savings and added benefits that may not have been otherwise achievable under a Council - specific tender.

This is the third time Council has agreed to participate in a joint purchasing initiative with Hunter Councils Inc. for the Supply and Delivery of General Stationery and Ancillary Items.

4.2 Contract CPA/195382 - Supply and Delivery of Stationery and Ancillary Items (contd)

Previous contracts operated for three years and were awarded to Corporate Express Pty Ltd, Complete Office Supplies Pty Ltd, Moore Business Systems Australia Pty Ltd and Office Choice Office T/as Stuart & Dunn on a panel basis. Council previously resolved to accept Corporate Express Pty Ltd as its single source supplier.

Council's experience with the performance of Corporate Express Pty Ltd over the last three years has been satisfactory. Corporate Express Pty Ltd provides a desktop delivery service, next day order fulfilment and an efficient online ordering system.

This tender was called on a panel basis allowing all participating Councils to utilise the stationery company that best suits the requirement of each individual Council. All participating Councils must individually agree to accept one or more of the recommended panel contractors in order for rates to become effective.

TENDER PROCESS

Tenders were invited by way of public invitation. Advertisements were placed in the Sydney Morning Herald on 12 April 2011 and the Newcastle Herald on 19 April 2011. The advertised closing date was 3 May 2011.

The invitation documents called for a Schedule of Rates tender, based on a detailed specification.

Tenders closed at Hunter Councils Inc. at 10:00am on 3 May 2011.

EVALUATION OF TENDERS

Tenders were evaluated by a panel of three staff members incorporating representatives from Singleton Council, Gosford City Council and Hunter Councils Inc. using the following threshold and weighted criteria:

Threshold Criteria

- * Conformance with specification and requirements of the tender documents.

Weighted Criteria

- * Price of top 50 used items
- * Freight Cost
- * Referees
- * Quality Assurance
- * Customer Service
- * Occupational, Health & Safety
- * Ecological Sustainable Development.

To assess tenders against the evaluation criteria, the panel used information obtained from the tender documents and related correspondence, referees and external advisors.

The evaluation was conducted according to the following process.

4.2 Contract CPA/195382 - Supply and Delivery of Stationery and Ancillary Items (contd)

- 1 Assessment of receipt of tenders
- 2 Assessment of conformance of tenders
- 3 Weighted evaluation of conforming tenders
- 4 Detailed price assessment based on historical stationery usage by Wyong Shire Council
- 5 Due diligence checks on recommended tenderer.

Assessment of Receipt

The following tenders were received in alphabetical order.

Tender	Schedule of rates	Status
1. Australian Graphic & Office Supplies Pty Ltd	All tender schedules were completed	Submitted on time
2. Complete Office Supplies Pty Ltd	All tender schedules were completed	Submitted on time
3. Corporate Express Pty Ltd	All tender schedules were completed	Submitted on time
4. Officemax Australia Limited	All tender schedules were completed	Submitted on time

Assessment of Conformance

All tenders were assessed against the requirements of the tender documents and the associated specification.

All tenderers conformed to threshold criteria requirements and were progressed to the next stage of evaluation.

Weighted Evaluation

Tenders were scored against each of the following weighted evaluation criteria (including price and non-price elements), with the following result.

Tenderer	Weighted Evaluation Score
3. Corporate Express Pty Ltd	99
4. Officemax Australia Limited	90
1. Australian Graphic & Office Supplies Pty Ltd	81
2. Complete Office Supplies Pty Ltd	74

Hunter Councils Inc. tender assessment recommendation is to accept all tenders that passed the weighted evaluation stage of the tender assessment. Individual Councils can then accept the most advantageous supplier from the panel that best meets the requirements of participating Councils. As this Council only requires one stationery supplier, a detailed price assessment was conducted to determine the best value offer.

4.2 Contract CPA/195382 - Supply and Delivery of Stationery and Ancillary Items (contd)

Detailed Price Assessment

To enable Council to determine the best value offer from the accepted panel, a detailed price analysis was conducted factoring in Council's historical usage requirements.

Usage figures were not used as part of Hunter Councils Inc. price assessment as they were not available at a combined Council level at the time tenders were assessed. Price rankings were awarded based on the supplier who tendered the overall number of cheapest items per Top 50 used stationery items.

In total, tendered pricing was obtained on 1,015 individual product lines across six stationery categories common to all participating Councils. In addition, further pricing was obtained on 1,010 items specific to Wyong Council.

Analysis of the highest value usage stationery items was conducted to identify the top 65 items used by Council. This list, which represents 62% of the total expenditure incurred by Council, was used to compare pricing across the four recommended tenders with the following results.

Tenderer	Estimated Annual Expenditure (excl GST)
3. Corporate Express Pty Ltd	\$182,825.46
2. Complete Office Supplies Pty Ltd	\$188,659.80
4. Officemax Australia Limited	\$190,816.95
1. Australian Graphic & Office Supplies Pty Ltd	\$268,377.01

The Estimated Annual Expenditure was calculated by multiplying the estimated annual quantities of selected items by each company's tendered rates for the top 65 stationery items and extrapolated to obtain a total contract value.

Minor clarifications were obtained on 19 items across all suppliers for the purposes of ensuring correct "like-for-like" comparisons on individual items.

On this basket of goods Corporate Express Pty Ltd pricing is 3% cheaper than the next ranked panel supplier. Based on Council's traditional usage, this offer is considered to represent the best value for money to Council.

In addition, the pricing from Complete Office Supplies Pty Ltd does not incorporate freight and minimum order charges. All suppliers tendered Free Into Store (FIS) rates with no minimum ordering conditions with the exception of Complete Office Supplies Pty Ltd.

Complete Office Supplies Pty Ltd offer was conditional in that they would apply a minimum order charge and a freight charge for all deliveries. The additional charges are reflected in Complete Office Supplies Pty Ltd low scoring in the Freight Cost criteria element in the weighted evaluation score. Had freight charges been reflected in their unit rates, the Estimated Annual Expenditure from Complete Office Supplies Pty Ltd stated above would be further inflated.

Local Preference Policy

Under Clause F1 of Council's Local Preference Policy, application of the policy does not apply as the entity calling the contract "Hunter Council's Inc." is representing the interests of eleven Local Government Areas.

All suppliers' principal addresses are located outside of the Central Coast region and all materials offered from tenderers are manufactured and delivered from outside of the Central Coast. Had the Local Preference Policy been applicable it would not have influenced the tender outcome.

RISK ASSESSMENT

Contracting work inherently contains generic risks found in most contracting situations. Specific risks related to individual contracts lead to variations in the work which may generate increased costs.

Generic Risks

Generic risks and mitigation measures for this contract include:

- Contractor experiences financial difficulties or goes into liquidation, leading to non supply of materials. Mitigated through referee checks. Should Corporate Express Pty Ltd not be in a position to supply Council, other suppliers can be contracted.
- Liability for injury and/or damage to people, property and the environment. Mitigated through on-going validation of contractor's insurances, safety and environmental management systems, together with close inspection of supplied products.
- Contract dispute over rights and obligations of the parties. Mitigated through use of Hunter Council's Inc. General Conditions of Contract, which include dispute resolution mechanisms.

Specific Risks

Specific risks that Council may encounter in relation to this contract and mitigating factors include:

- The quality of the product is sub-standard resulting in additional costs. Mitigated by demonstrated conformance that materials meet Australian Standards.
- The price of materials may increase significantly and will impact the contractor's price to Council for ongoing supply of stationery. Contract pricing is fixed for first 12 months with the exception of photocopy paper, tonner cartridges and coffee. The contract allows for the rise and fall in the price of these items to be passed on to Council. Annual changes in the Consumer Price Index apply to all other stationery items.
- Risk of estimated volumes not being met resulting in higher rates being applied by the contractor. Mitigated through contract conditions that stipulate requirements are an approximate quantity only and are not a commitment to buy.

4.2 Contract CPA/195382 - Supply and Delivery of Stationery and Ancillary Items (contd)

Risk Materiality

The risk profile for this contract is low. The above risks are considered to be unlikely or immaterial given the value of the contract and the nature of the work.

Due Diligence

Reference checks were obtained from representatives from Sutherland Shire Council, Camden Council and Waverly Council on Tender No 2 Corporate Express Pty Ltd. Information was requested on the delivery performance and quality of stationery products supplied by Corporate Express Pty Ltd. All referees indicated that Corporate Express Pty Ltd was very responsive and delivered quality materials.

Corporate Express Pty Ltd is also the incumbent supplier to Council. Contact with key purchasing staff within Council has indicated they are satisfied with the responsiveness and all round service delivery provided by Corporate Express Pty Ltd.

BUDGET

The contract is a standing offer arrangement, accordingly purchases will be funded from responsibility centres as transactions are processed rather than from an allocation made to the contract itself. The estimated value of the arrangement is not a budget figure but rather an indication of the likely expenditure under the arrangement. Although the estimated value of the arrangement is \$548,476.38 excluding GST over three years, the actual value will depend on quantities ordered as requirements arise over the life of the arrangement.

TIME-FRAME

The contract will commence on the date of acceptance of the offer and operate up to 30 June 2014.

CONCLUSION

Along with all participating member councils of Hunter Councils Inc. this Council must individually resolve whether or not to agree to accept a panel contractor for the Supply and Delivery of Stationery and Ancillary Items. Hunter Councils Inc. will collate the decisions of all participating members and in return, will enter into a Deed of Agreement to form a Standing Offer for supply of Stationery and Ancillary Items with the recommended tenderers. Participating member councils can then access this contract by placing a purchase order on their preferred supplier.

Of the panel accepted, the tender from Corporate Express Pty Ltd meets all of Council's requirements for this contract. On balance, this tender represents the best value-for-money for Council.

ATTACHMENTS

Nil.

4.3 Estuary Management Plan Works delivered in partnership with Hunters - Central Rivers Catchment Management Authority

TRIM REFERENCE: F2010/01252 - D02633735

AUTHOR/MANAGER: David Ryan; Acting Manager Estuary Management

SUMMARY

As part of the delivery of the Estuary Management Plan (EMP), through the Federal Government's \$11.34M Caring for our Country (CFoC) grant, this report seeks approval for the engagement of the Hunter-Central Rivers Catchment Management Authority (H-CRCMA) to provide an education and engagement program for landholders in the Tuggerah Lake catchment, together with administering a devolved grants program for landholders to undertake streambank rehabilitation projects. The proposed program is in accordance with Council's signed funding agreement with the Federal Government to deliver the CFoC program in partnership with H-CRCMA.

RECOMMENDATION

That Council approve the engagement of the Hunter-Central Rivers Catchment Management Authority to undertake an education and engagement program for landholders in the Tuggerah Lake catchment, under contract, for an amount totalling \$906,000.00 excl GST.

BACKGROUND

The Tuggerah Lakes Estuary Management Plan identified the need to stabilise foreshores and streambank erosion as priority program 1. Action 1.3 requires implementation of rehabilitation works including bank stabilisation, bush regeneration and limiting stock access/boatwash. The program suggests this can be achieved by making funds available to landholders in partnership with H-CRCMA.

Priority Program 8 is to "Help landholders and businesses to limit pollution at the source. It is recommended that this be done by providing assistance to landholders to improve practices rather than be punitive.

Priority program 17 is required to identify and protect important remaining catchment habitats.

The H-CRCMA authority runs field days and training programs for landholders on sustainable farm management. These programs include bank stabilisation, bush regeneration, stock management, the importance of off stream watering and riparian vegetation, protective fencing recommendations and soil management. Devolved grants are administered by the H-CRCMA to assist landholders to implement improved practices on their land such as identifying and protecting important habitats while limiting pollution entering rivers and creeks.

Local Government Authority Requirements

In this instance, Council receives an exemption from the normal tender process under Section 55 of the Local Government Act 1993 as Council is engaging a government entity. This section of the Act explains the requirements for tendering, and subsection 3 explains the type of contracts to which Section 55 does not apply. The engagement of H-CRCMA classifies as an exemption under this subclause.

“(3) This section does not apply to the following contracts:

a contract entered into by a Council with the Crown (whether in right of the Commonwealth, New South Wales or any other State or a Territory), a Minister of the Crown or a statutory body representing the Crown “

DETAILS OF THE PROJECT

Project Tasks and Budget

The H-CRCMA will provide a devolved grant scheme (ie where an organisation provides funding to a smaller organisation to deliver its grant scheme) for landholders, to undertake Natural Resource Management (NRM) projects on both public and private land, projects could include vegetation protection and rehabilitation, stock proof fencing, provision of off-stream water, erosion control and revegetation and bush regeneration. This component would run on the same rule set as the H-CRCMA's current incentive program including ongoing maintenance by the applicant. All current funding processes would be used to engage landholders including, small grants, land management tenders and/or Property Vegetation Plans (PVP) (Native Vegetation Act).

Landholders with wetlands, groundwater dependent ecosystems (GDE) and Endangered Ecological Communities (EEC) on their properties could apply for funding to protect and or rehabilitate these areas under the devolved grants program above. Works may include fencing to exclude stock, provision of reticulated water supply and bush regeneration.

Projects funded by this program would be subject to the same Monitoring Evaluation Reporting and Improvement (MERI) process that is required for all H-CRCMA projects. Currently ongoing maintenance and monitoring is built into the formal agreement that is signed by the applicant. The maintenance period is dependent upon the type of project and the amount of funding provided.

The minimum maintenance period is 5 years for a small project receiving up to \$10,000, 10-15 years for projects receiving more than \$10,000 and in perpetuity for projects receiving \$100,000 (or where the applicant chooses to seek an 'in perpetuity' agreement).

All PVPs are registered on title generally in perpetuity or, in some cases, for the period of the agreement (usually 15 years) to ensure that the investment is protected and subsequent landholders are committed to maintenance. The monitoring of H-CRCMA projects is linked to the maintenance period, it includes photopoint monitoring (capturing before, during and after images in situ) and reporting at regular intervals.

The H-CRCMA proposes to include a range of capacity building events within the project. These include training courses, workshops and field days, with associated media. The H-CRCMA has found that offering training in whole farm planning, grazing management and soil health has led to increased interest in undertaking NRM projects and an improvement in sustainable practices.

Deliverables:

BUDGET					
	(May) June 2011 - Dec 2011	Jan 2012 - June 2012	July 2012 - Dec 2012	Jan2013 - June 2013	TOTAL
ACTIVITY					
Incentives, small grants, PVPs	0	100,000	150,000	250,000	500000
Capacity Building & Engagement 6 courses @ \$16,000 each	32,000	32,000	32,000	0	96000
Workshops, field days 6 @ \$3,000 each	3,000	6,000	6,000	3,000	18000
Staff Ed & Communications 0.2 EFT	10,000	10,000	10,000	10,000	40000
1 Staff catchment officer,	58,000	58,000	58,000	58,000	232000
Monitoring, Evaluation, Reporting & Improvement (MERI)	0	10,000	0	10,000	20000
TOTAL	103000	216,000	256,000	331,000	906000
OUTCOMES/MILESTONES					
Weeds of National Significance (WONS) (hectares)					
Lantana		20	20	40	80
Bitou Bush			5	5	10
Blackberry			3	2	5
Bridal creeper			2	3	5
WONS Total ha	0	20	30	50	100ha
Courses (number of participants)	20	20	20		60
Workshops, field days (no of participants)	10	20	20	10	60
Total Capacity building & Ed (number of participants)	30	40	40	10	120
Streambank restoration programs		3km	4.5km	7.5km	15km
Improved management practices including WONS management		70 ha		280 ha	350 ha
Number of projects	0	6	9	15	30

4.3 Estuary Management Plan Works delivered in partnership with Hunters - Central Rivers Catchment Management Authority (contd)

Payment Schedule

To be determined through development of formal contract between WSC and H-CRCMA. Total funding allocation is \$906,000 (excl GST) over 2 years.

STRATEGIC LINKS

Annual Plan

Principal Activity	Strategy or Program	Financial Line Item No and Description
A More Sustainable Community	Linked to Estuary Management Plan Priority Program 8 (behaviour change)	
A More Sustainable Economy	Not applicable	
A More Sustainable Environment	Implementation of Estuary Management Plan: Priority programs 1 & 17	
Infrastructure	Not applicable	
Organisation	Not applicable	

Contribution of Proposal to the Principal Activity

The proposed works are one of the identified projects under the TLEMP, and will provide streambank and land management improvements which will improve water quality by reducing the flow of sediment and nutrients to Tuggerah Lakes.

Link to Shire Strategic Vision

<i>Priority Objective</i>	How the proposal contributes or links to the Priority Objectives in Shire Strategic Vision and Annual Plan
Communities - Communities will be vibrant, caring and connected with a sense of belonging and pride in their local neighbourhood.	Strategy 1.1: Expand and support programs that increase participation among all ages.
Travel - There will be ease of travel within the Shire, and to other regional centres and cities. Travel will be available at all hours and will be safe, clean and affordable.	Nil Impact.

<i>Priority Objective</i>	How the proposal contributes or links to the Priority Objectives in Shire Strategic Vision and Annual Plan
Facilities and Services - Communities will have access to a diverse range of affordable and coordinated facilities, programs and services.	Nil Impact
Education - The community will be well educated, innovative and creative. People will attain full knowledge potential at all stages of life.	Strategy 4.1: Generate community awareness and behavioural change
Employment - There will be a strong and sustainable business sector and increased local employment built on the Central Coast's business strengths.	Nil Impact
Telecommunications - Information communication technology will be consistent with world's best practice and adaptive to technological advances across all sectors.	Nil Impact.
Natural Areas - Areas of natural value in public and private ownership will be enhanced and retained to a high level in the context of ongoing development.	Strategy 7.1: Preserve threatened and endangered species as well as ecological communities and biodiversity. Strategy 7.2: Expand and continue programs focussed on restoring degraded natural areas in our community.
Environmental Programs - There will be a sense of community ownership of the natural environment through direct public involvement with environmental programs.	Ongoing Services: Council provides a range of services to protect and enhance the Shire's natural qualities and move towards a sustainable future.

Financial Implications

The works are fully funded through the TLEMP using Federal Government Caring for our Country grant funds.

Principles of Sustainability

The project will provide long term management of streambanks and riparian corridors together with implementing behaviour change amongst land holders. This will assist in meeting objectives of the TLEMP.

CONSULTATION

The Federal Government has directed Council to engage H-CRCMA to administer devolved grants and undertake a landholder engagement program in order to assist with delivery of targets under the Caring for Our Country Funding within the remaining time frame (30 June, 2013).

GOVERNANCE

The works and funding have been directed and approved by the Federal Government under its Caring for Our Country initiative.

CORPORATE RISKS

Risk	Possible Outcome	Mitigation Method
Inability of HCRCMA to deliver the works on-time and on-budget.	Loss of Council reputation. Penalties from non-compliance	Prepare an Agreement that includes the scope of works, and relevant milestones for that work and payments, and appropriate dispute resolution clauses. Regular progress reporting and communications
Fraud and corruption allegations from favouring HCRCMA over other providers	Loss of Council reputation. Investigations into Council practices and possible penalties	Council is not required to invite tenders for the contract where the contract is with "a statutory body representing the Crown" (s.55(3) of the <i>Local Government Act 1993</i>).
Landholders are unwilling/unable to meet CMA requirements for co-contribution or long term agreements	Targets are not able to be met due to poor uptake of devolved grants	Council resumes funds to carry out further on ground works

CONCLUSION

The establishment of a contract between HCRCMA and Council for the delivery of part of the streambank rehabilitation program and community engagement program is a condition of the funding agreement between Council and the Federal Government. This partnership will provide additional deliverables to improve water quality in Tuggerah Lakes. It is therefore recommended that Council approve the engagement of HCRCMA to undertake the project under contract for an amount totalling \$906,000.00 (excl GST) as discussed in this report.

ATTACHMENTS

Nil.

4.4 Estuary Management Plan Works delivered in partnership with the Office of Environment and Heritage

TRIM REFERENCE: F2010/01252 - D02633761

AUTHOR/MANAGER: David Ryan; Acting Manager Estuary Management

SUMMARY

As part of the delivery of the Estuary Management Plan (EMP), through the Federal Government's \$11.34M Caring for our Country (CFoC) grant, this report seeks approval for the engagement of the Office of Environment and Heritage (OEH) NSW (formerly DECCW) to undertake further study into the Tuggerah Lakes Ecological Response Project. The further study is in accordance with Council's signed funding agreement with the Federal Government to deliver the CFoC program in partnership with OEH.

RECOMMENDATION

That Council approve the engagement of the Office of Environment and Heritage (OEH) to undertake further study into the Tuggerah Lakes Ecological Response Project, under contract, for an amount totalling \$490,000.00 excl GST.

BACKGROUND

Tuggerah is an urbanised coastal lake that supports significant areas of seagrass and a large recreational fishery. Anthropogenic (human) pressures on the lake are predicted to greatly increase over coming years, threatening its ecological values and the industries they support. Wyong Council requires a decision support tool that is capable of describing the linkages between catchment pressures and their impacts on key ecosystem attributes.

In 1996 a study into Adaptive Environmental Assessment and Management (AEAM) program for the Tuggerah Lakes system and associated catchments was completed. Under Stage 1 of the Caring for Our Country Contract it was required that Council engage OEH to develop a Hydrodynamic Model for Tuggerah Lakes. This was a significantly more sophisticated model than the one developed for the AEAM project.

Councillors would recall that at the 23 March Ordinary Meeting of Council, it was resolved to expand the Tuggerah Lakes Ecological Response Model using funds saved from Stage 1 of the CFoC contract and include foodweb modelling and the effects of landuse/development as described below (the results of this study are due by 30 June 2011)

The modelling work in the above contracts included:

- Refined existing model/s (AEAM) of the Tuggerah Lakes catchment to ensure that they are able to describe what actually happens during rainfall events. For the model to be a realistic representation of what actually occurs in the lakes' system, it is crucial that water samples are collected during storms so that the results can be used to check that the model predicts the same outcome as that which actually occurs during a rainfall event;

4.4 Estuary Management Plan Works delivered in partnership with the Office of Environment and Heritage (contd)

- Developed a hydrodynamic (water flow) model for Tuggerah Lakes and the creeks entering the lakes to assess impact of sediments and nutrients on the lake system;
- Established an ecological response model that predicts the impact on the plants and animals from the sediments and nutrients that come from the catchment;
- Used the hydrodynamic and ecological response models, to assess the impact of changes to land use and impact of climate change on the lakes;
- Developed sediment and nutrient run off levels considered acceptable to protect the Tuggerah Lakes estuary. This would ensure that development in the catchment did not negatively impact the Tuggerah Lakes estuary;
- Established planning guidelines to guide development in relation to sediment and nutrient run off ensuring the protection of the Tuggerah Lakes estuary.
- Foodweb dynamics in these systems, and the linkages between catchment disturbances, primary producers (microalgae and seagrasses) and fisheries production.
- Effects of various land use/management scenarios on how much nutrient and sediment would be released into the waterways, and the flow on impacts on the system's ecology.

Stage 2 Proposal

Under the \$11.34M Stage 2 contract, the model will be expanded to model the ooze formation process, particularly around the lakes' foreshores. This is an important issue in terms of estuary management and further information is required to understand this process to be able to better manage the issue.

As part of these works, the modelling works undertaken by OEH (and formerly DECCW) will be provided with a more user-friendly interface to allow it to be used by Council staff. Council staff will be trained in use of the model and community engagement workshops held to demonstrate the model and its findings. The information will be important for the use by Council in relevant planning controls and environmental targets.

OEH will work with a range of end-users to determine how the outputs of the model can be best adapted to suit their needs. The users will be the Council as well as the wider community. OEH will work with council's Engagement and Communications teams to achieve the best outcomes for the wider community.

The way in which Council will utilise the results of the study:

1. To inform future estuary management planning (that fits within and/or assists with any future revision of the TLEMP)
2. To assist Council in determining relevant environmental criteria (such as water quality standards) for inclusion in its relevant planning controls (ie, LEP, DCP etc).

4.4 Estuary Management Plan Works delivered in partnership with the Office of Environment and Heritage (contd)

3. To aid Council in making strategic planning decisions concerning land-use within the Lake catchment.
4. To assist in quantifying water quality and aquatic ecology impacts associated with larger development proposals.
5. To provide a tool for prioritising environmental rehabilitation and water quality improvement works within the catchment.
6. To inform future water quality and aquatic monitoring programs for Tuggerah Lakes
7. To provide tools (such as conceptual models) to assist Council in its community education programs.

Secondary benefits may include:

8. To assist other agencies by informing relevant Lake and catchment strategies.
9. To assist other agencies in better incorporating Lake ecosystem response in decisions. Examples include Water Pollution Licenses (DECCW), Pt3A Development Planning (Dept of Planning) or decisions regarding distribution of rehabilitation funding (HRCMA and DECCW).

Budget

Total budget - \$490,000 (excl GST).

Work Area	Dec 2011	Jun 2012	Dec 2012	Jun 2013
1. Future useability of models	Determine, with Council, optimum format for model outputs Determine, with Council, future scenarios Commence modelling of ecological outcomes of future scenarios \$70,000	Collate results of model runs Format results as discussed with council \$50,000	Continue formatting results Provide Council with scenario assessment package \$30,000	
2. Facilitating Understanding in council	Begin collecting, recording and collating background education resource material \$20,000	Integrate results of model runs and background material into information packages, presentations and other relevant material \$30,000	Discuss draft material with Council officers Information packages completed Brief Councillors \$20,000	Conduct 2 training sessions for council officers Provide any other ad-hoc training sessions as required \$20,000
3. Communication of Results to wider community	Begin collecting, recording and collating background education resource material Commence development of conceptual models Discuss appropriate format for material	Modify outputs from models to facilitate community understanding Integrate modified results of model runs, conceptual models and background material into information packages for further development in conjunction with	Work with Communications Section to finalise packages Conduct at least 2 training sessions for community groups	Provide other ad-hoc training sessions as required

4.4

Estuary Management Plan Works delivered in partnership with the Office of Environment and Heritage (contd)

	with Council's Communications Section	Communications Section		
	\$30,000	\$50,000	\$40,000	\$10,000
4. Ooze Formation	Assess the condition of near-shore habitats in 3 priority sites Determine the origin of organic material accumulated Quantify rates of organic removal via natural mechanisms in saltmarsh rehabilitation areas	Develop preliminary model of causes and possible future conditions in the near-shore zone Provide preliminary input to educational material for Council and Community Provide preliminary management and restoration advice to Council	Assess the impact of current shoreline restoration strategies on the condition of the near-shore zone Provide input to educational material for Council and Community	Finalise management and restoration suggestions Amend scenario suggestion package if required (Work area 1) Final Report
	\$40,000	\$30,000	\$30,000	\$20,000

Payment Schedule

TBD through development of formal contract between WSC and OEH. Total funding allocation is \$490,000 (excl GST) over 2 years.

STRATEGIC LINKS

Annual Plan

<i>Principal Activity</i>	<i>Strategy or Program</i>	<i>Financial Line Item No and Description</i>
A More Sustainable Community	Not applicable	
A More Sustainable Economy	Not applicable	
A More Sustainable Environment	Implementation of Estuary Management Plan: 8.2.2 Learn more about key processes in the estuary (under Priority Program 23)	
Infrastructure	Not applicable	
Organisation	Not applicable	

Contribution of Proposal to the Principal Activity

The proposed works are one of the identified projects under the TLEMP, and will fill key data gaps and apply targeted managerial actions resulting in more efficient use of public funds and less disturbance to an already pressured system.

Link to Shire Strategic Vision

Priority Objective	How the proposal contributes or links to the Priority Objectives in Shire Strategic Vision and Annual Plan
Communities - Communities will be vibrant, caring and connected with a sense of belonging and pride in their local neighbourhood.	Strategy 1.1: Expand and support programs that increase participation among all ages.
Travel - There will be ease of travel within the Shire, and to other regional centres and cities. Travel will be available at all hours and will be safe, clean and affordable.	Nil Impact.
Facilities and Services - Communities will have access to a diverse range of affordable and coordinated facilities, programs and services.	Strategy 3.2: Provide and maintain a range of community programs focused on community development, recreation, culture, environment, education and other issues.
Education - The community will be well educated, innovative and creative. People will attain full knowledge potential at all stages of life.	Strategy 4.1: Generate community awareness and behavioural change
Employment - There will be a strong and sustainable business sector and increased local employment built on the Central Coast's business strengths.	Nil Impact
Telecommunications - Information communication technology will be consistent with world's best practice and adaptive to technological advances across all sectors.	Nil Impact.
Natural Areas - Areas of natural value in public and private ownership will be enhanced and retained to a high level in the context of ongoing development.	Strategy 7.1: Preserve threatened and endangered species as well as ecological communities and biodiversity. Strategy 7.2: Expand and continue programs focussed on restoring degraded natural areas in our community.

4.4 Estuary Management Plan Works delivered in partnership with the Office of Environment and Heritage (contd)

Priority Objective	How the proposal contributes or links to the Priority Objectives in Shire Strategic Vision and Annual Plan
Environmental Programs - There will be a sense of community ownership of the natural environment through direct public involvement with environmental programs.	Ongoing Services: Council provides a range of services to protect and enhance the Shire's natural qualities and move towards a sustainable future.

Financial Implications

The works are fully funded through the TLEMP using Federal Government Caring for our Country grant funds.

Principles of Sustainability

The project will provide long term management options concerning protection of estuarine health through land-use planning, water quality and aquatic ecology impacts and the prioritisation of environmental rehabilitation works. This will result in better use of public funds while providing tools (such as conceptual models) to assist Council in its community education programs.

CONSULTATION

As with the first contract, the Federal Government has directed Council to engage OEH (formerly DECCW) to further develop the Ecological Response model for the Tuggerah Lakes estuary to assist with delivery of targets under the CFoC funding within the remaining timeframe (30 June 2013).

GOVERNANCE

The works and funding have been directed and approved by the Federal Government under its Caring for Our Country initiative.

CORPORATE RISKS

Risk	Possible Outcome	Mitigation Method
Inability of OEH to deliver the works on-time and on-budget.	Loss of Council reputation. Penalties from non-compliance	Prepare an Agreement that includes the scope of works, and relevant milestones for that work and payments, and appropriate dispute resolution clauses.
Fraud and corruption allegations from favouring DECCW over other providers	Loss of Council reputation. Investigations into Council practices and possible penalties	Council is not required to invite tenders for the contract where the contract is with "a statutory body representing the Crown" (s.55(3) of the <i>Local Government Act 1993</i>).

CONCLUSION

The establishment of a contract between OEH and Council for the development of a Hydrodynamic and Ecological Response Model for the Tuggerah Lakes is a condition of the original funding agreement between Council and the Federal Government. It is therefore recommended that Council approve the engagement of OEH to undertake the project under contract for an amount totalling \$450,000.00 (excl GST) as discussed in this report.

ATTACHMENTS

Nil.

4.5 Estuary Management Plan Works delivered in partnership with the National Parks and Wildlife Service

TRIM REFERENCE: F2010/01252 - D02633815
AUTHOR/MANAGER: David Ryan; Acting Manager Estuary Management

SUMMARY

As part of the delivery of the Estuary Management Plan (EMP), through the Federal Government's \$11.34M Caring for our Country (CFoC) grant, this report seeks approval for the engagement of the National Parks and Wildlife Service (NPWS) to provide wetland management in four wetlands located in Tuggerah Lake Catchment together with administering a community engagement program for volunteer recruitment. The proposed program is in accordance with Council's signed funding agreement with the Federal Government to deliver the CFoC program in partnership with NPWS.

RECOMMENDATION

That Council approve the engagement of the National Parks and Wildlife Service to provide wetland management in four wetlands located in Tuggerah Lake Catchment together with administering a community engagement program for volunteer recruitment, under contract, for an amount totalling \$1,330,500.00 excl GST.

BACKGROUND

The TLEMP identified the need to undertake a programme of works to restore degraded or threatened habitat through rehabilitation, strategic land protection and active management of invasive species (e.g weeds).

Wetland management forms part of the following priority programs in the TLEMP:

- Priority program 17, Identify and Protect important remaining catchment habitats
- Priority program 4, Restore degraded habitat in the catchment
- Priority program 11, Monitor key wetlands for signs they are being damaged.
- Priority program 7, Control damaging activities in sensitive parts of the estuary

The Tuggerah Lakes Wetland Management Plan was prepared as part of funding provided under the first federal government contract to assess the existing condition of natural wetlands throughout Tuggerah Lakes Catchment and provide guidance on prioritising projects and suggested rehabilitation strategies.

This document identified Colongra Wetland and Munmorah Wetlands as having high priorities for rehabilitation. Tuggerah Nature Reserve wetland was also identified as having high value and is also significant due to its ease of access and educational opportunities it provides. NPWS further suggested that weed management within Wyrribalong National Park is considered of importance to their programs. Wyrribalong National Park has a significant frontage to Tuggerah Lakes, contains a number of wetland areas and is considered important for inclusion in the program.

The proposal is for a range of work to be undertaken at four NPWS conservation reserves in the Tuggerah Lakes system, to protect and enhance water quality in the catchment. Work will reduce the extent of the Weeds of Natural Significance (WoNS) blackberry, lantana, bitou and bridal creeper, as well as other environmental weeds. The work will rehabilitate and protect native vegetation at wetlands on the western shore of Budgewoi Lake (Colongra), the eastern side of Lake Munmorah (Munmorah – Elizabeth Bay Drive in Council’s action plan) and both the western and eastern shores of Tuggerah Lakes (Tuggerah and Wyrribalong). Work will be concentrated in areas where endangered ecological communities (EECs) and endangered species occur, and where erosion and the proliferation of weeds threaten the water quality of the catchment.

The saltmarsh community on the western shore of Tuggerah Lake will be protected from illegal vehicle access.

One environmental assessment study and several action plans for weed control works are included in the proposal. Community programs, including volunteer landcare activities, will be part of all on ground works.

Local Government Act Requirements

In this instance, Council receives an exemption from the normal tender process under Section 55 of the Local Government Act 1993 as Council is engaging a government entity. This section of the Act explains the requirements for tendering, and subsection 3 explains the type of contracts to which Section 55 does not apply. The engagement of HCRCMA classifies as an exemption under this subclause.

“(3) This section does not apply to the following contracts:

a contract entered into by a Council with the Crown (whether in right of the Commonwealth, New South Wales or any other State or a Territory), a Minister of the Crown or a statutory body representing the Crown “

DETAILS OF THE PROJECT

Project Tasks and Budget

MUNMORAH WETLANDS - Protection and Rehabilitation	Preparation of a weed control plan to guide work on WoNS (Blackberry, Bitou and Lantana) and the emerging weed issue (Mud Plantain) in this wetland (wetland system east of Elizabeth Bay Drive).
	Implement weed control program and remove Blackberry, Lantana, Bitou and Mud Plantain – primary and secondary work.
	Install barriers to direct walkers and prevent illegal vehicle access to the rehabilitation works / to protect the site while regeneration is underway.
	Installation of interpretative signs at key locations on the boundary of the reserve to promote the program.
COLONGRA SWAMP - Wetland Protection and Rehabilitation	Removal and control of WoNS (Blackberry and Lantana) and other environmental weeds from areas surrounding/adjoining swamp and buffer areas (in accordance with existing NPWS weed control strategy for the reserve).
	Vertebrate pest control program (pig trapping / shooting) to protect the rehabilitation work and wetlands, to be undertaken in conjunction with a neighbour education program regarding the environmental and potential health impacts arising from feral pigs.
	Undertake fauna surveys to establish baseline data and evaluate the response to weed control and environmental works on the reserve biodiversity.
	Installation of signs (interpretative) at key locations on boundary and walking tracks to promote the goals and achievements of the program.
	Fencing / barriers to prevent illegal access by bikers and hunters (who have released pigs into the reserve) to protect the rehabilitation works and prevent deteriorating water quality.
NORTH WYRRABALONG WETLANDS Protection and Rehabilitation	Wyrabalong NP (north) contains three freshwater wetland / swamps (the Sedge, Lillypilly and Rainforest wetlands) and littoral rainforest communities which are all affected by weed invasion because of historical land uses / disturbance which occurred before the park was gazetted. This project will focus on the removal of the WoNS Blackberry, Bitou and Lantana and exotic vines (the Key Threatening Process <i>Ipomoea carica</i>), and other environmental weeds at the work sites.
	Rubbish removal from fringing lake edge to reduce impact on water quality by degradation of plastics and other contaminants.
	Signs to promote the work will be installed on Wilfred Barrett Drive and near walking tracks in this section of the park.
TUGGERAH LAKE WESTERN SHORE - Saltmarsh Protection, Rehabilitation and Establishment	In conjunction with WSC install barriers/fences and gates to prevent vehicle access to the western shore of Tuggerah Lake in order to protect the saltmarsh community and prevent erosion and sedimentation of the lake.
	Install regulatory signs (WSC) to promote the importance of this community.
CENTRAL COAST WETLANDS – COMMUNITY PROGRAMS	Recruit a community programs officer to work in partnership with WSC to expand existing volunteer landcare activities, develop new volunteer programs to support contracted work in the four reserves covered by this proposal, to work with council on community engagement and promotional activities, such as volunteer recognition, provision of training opportunities and so on and to develop and promote opportunities for student involvement in monitoring and research (e.g. in fauna surveys).

4.5

Estuary Management Plan Works delivered in partnership with the National Parks and Wildlife Service (contd)

Caring for our Country target	Activity Description (including unit of measure)	Period	Caring for our Country funding	
			Funds sought by financial year (GST exclusive)	GST
Wetland Protection and Rehabilitation	Project Manager (salary, operating budget)	2011-2012	\$114,000	\$500
Wetland Protection and Rehabilitation	Project Manager (salary, operating budget)	2012-2013	\$120,000	\$550
	WONS and other weed removal from the four reserves (approx 184ha) - primary weed removal	2011-2012	\$286,000	\$26,000
	WONS and other environmental weed work across the four sites (approx 184ha) – secondary weed treatment	2012-2013	\$158,500	\$14,409
	Water hyacinth maintenance, Tuggerah	2011-2012	NPWS commitment	
	Water hyacinth maintenance, Tuggerah	2012-2013	NPWS commitment	
	Control of emerging weed (mud plantain Elizabeth Bay Munmorah wetland)	2011-2012	\$11,000	\$1,000
	Signs (design / art work and manufacture @\$800/sign)	2011	\$19,400	\$1,800
	Fencing/Barriers	2011-2012	\$160,000	\$15,727
		2012-2013	\$13,000	
	Fauna Survey	2011-2012	\$10,000	\$1,000
	Fauna Survey	2012-2013	\$10,000	\$1,000
	Rubbish Removal	2011	\$10,000	\$909
	Vertebrate Pest Control	2011-2012	\$3,500	\$200
	Vertebrate Pest Control	2012-2013	\$3,500	\$200
	Install monitoring points, record floristics	2011-2012	\$15,000	\$1,000
	Monitor floristics at quadrats	2012-2013	\$9,000	\$100
	Environmental Study for Tuggerah Wetlands	2011-2012	\$120,200	\$8,000
Engagement and Capacity Building	Community Programs Officer (salary and operating budget, for volunteers and promotion)	2011-2012	\$125,000	\$9,000
	Community Programs Officer (salary and operating budget, for volunteers and promotion)	2012-2013	\$120,000	\$7,000
Saltmarsh Protection, Rehabilitation and Establishment	Fencing / barriers	2011-2012	\$11,200	\$1,018
	Gates X 4 @ \$2,000	2011-2012	\$8,000	\$727
	Signs	2011-2012	\$3,200	\$291
Total Funding Sought		2011 -2013	\$1,330,500	c.\$90431

4.5 Estuary Management Plan Works delivered in partnership with the National Parks and Wildlife Service (contd)

Payment Schedule

To be decided through development of formal contract between WSC and NPWS. Total funding allocation is \$1,330,500 (excl GST) over 2 years.

STRATEGIC LINKS

Annual Plan

<i>Principal Activity</i>	<i>Strategy or Program</i>	<i>Financial Line Item No and Description</i>
A More Sustainable Community	Not applicable	
A More Sustainable Economy	Not applicable	
A More Sustainable Environment	Implementation of Estuary Management Plan: Priority programs 4 & 7, 11 & 17	
Infrastructure	Not applicable	
Organisation	Not applicable	

Contribution of Proposal to the Principal Activity

The proposed works are included in four of the identified priority projects under the TLEMP. Partnership with NPWS will provide additional skill and resources to address the issues identified in the priority programs.

Link to Shire Strategic Vision

Priority Objective	How the proposal contributes or links to the Priority Objectives in Shire Strategic Vision and Annual Plan
Communities - Communities will be vibrant, caring and connected with a sense of belonging and pride in their local neighbourhood.	Strategy 1.1: Expand and support programs that increase participation among all ages.
Travel - There will be ease of travel within the Shire, and to other regional centres and cities. Travel will be available at all hours and will be safe, clean and affordable.	Nil Impact.
Facilities and Services - Communities will have access to a diverse range of affordable and coordinated facilities, programs and services.	Nil Impact
Education - The community will be well educated, innovative and creative. People will attain full knowledge potential at all stages of life.	Strategy 4.1: Generate community awareness and behavioural change
Employment - There will be a strong and sustainable business sector and increased local employment built on the Central Coast's business strengths.	
Telecommunications - Information communication technology will be consistent with world's best practice and adaptive to technological advances across all sectors.	Nil Impact.
Natural Areas - Areas of natural value in public and private ownership will be enhanced and retained to a high level in the context of ongoing development.	Strategy 7.1: Preserve threatened and endangered species as well as ecological communities and biodiversity. Strategy 7.2: Expand and continue programs focussed on restoring degraded natural areas in our community.
Environmental Programs - There will be a sense of community ownership of the natural environment through direct public involvement with environmental programs.	Ongoing Services: Council provides a range of services to protect and enhance the Shire's natural qualities and move towards a sustainable future.

4.5 Estuary Management Plan Works delivered in partnership with the National Parks and Wildlife Service (contd)

Financial Implications

The works are fully funded through the TLEMP using Federal Government Caring for our Country grant funds.

Principles of Sustainability

The project will provide long term management of streambanks and riparian corridors together with implementing behaviour change amongst land holders. This will assist in meeting objectives of the TLEMP.

CONSULTATION

The Federal Government has directed Council to engage NPWS to administer wetland management in four wetlands located in Tuggerah Lake Catchment together with administering a community engagement program for volunteer recruitment in order to assist with delivery of targets under the CFoC funding within the remaining timeframe (30 June 2013).

GOVERNANCE

The works have been directed and approved by the Federal Government under its CFoCC initiative.

CORPORATE RISKS

Risk	Possible Outcome	Mitigation Method
Inability of NPWS to deliver the works on-time and on-budget.	Loss of Council reputation. Penalties from non-compliance	Prepare an Agreement that includes the scope of works, and relevant milestones for that work and payments, and appropriate dispute resolution clauses.
Fraud and corruption allegations from favouring NPWS over other providers	Loss of Council reputation. Investigations into Council practices and possible penalties	Council is not required to invite tenders for the contract where the contract is with "a statutory body representing the Crown" (s.55(3) of the <i>Local Government Act 1993</i>).
Environmental factors such as bushfire require NPWS to be engaged in other activities	Targets are not able to be met	Project requires employment of dedicated staff who should not be seconded to other projects

CONCLUSION

The establishment of a contract between NPWS and Council for the delivery of part of the wetland management program and community engagement program is a condition of the funding agreement between Council and the Federal Government. It is therefore recommended that Council approve the engagement of NPWS to undertake the project under contract for an amount totalling \$1,330,500 (excl GST) as discussed in this report.

ATTACHMENTS

Nil.

5.1 Proposed Councillors' Community Improvement Grants

TRIM REFERENCE: C2011/01723 - D02614847

AUTHOR: Evelyn Duncan; TL Governance and Councillor Services

MANAGER: Lesley Crawley; Manager Corporate Governance

SUMMARY

Councillors propose the following allocation of funds for expenditure from Councillors' Community Improvement Grants (CCIG).

RECOMMENDATION

That Council allocate an amount of \$28,843 from the 2010-11 Councillors' Community Improvement Grants as follows:

1st Gwandalan Scout Group	<i>To assist with purchases to complete fit out of new hall</i>	\$1,000
1st Mannering Park Sea Scouts	<i>Assist with exterior repainting of scout hall</i>	\$200
1st Mannering Park Sea Scouts	<i>OH&S repairs and installation to Scouts Hall</i>	\$800
1st Tumbi Scout Group	<i>To assist with purchase of two tents</i>	\$500
Berkeley Vale Soccer Club Inc	<i>To assist with equipment for junior teams</i>	\$1,000
Budgewoi Bilbies Playgroup	<i>To replace flooring in the hall</i>	\$300
Central Coast CC Australian Italian Friendship Society Inc	<i>To provide assistance to residents of Italian origin to facilitate recreational/social activities for the lonesome and to help integrate them into the general community</i>	\$300
Central Coast Domestic Violence Committee	<i>Cost of materials, printing and prize to develop and print 1,000 posters</i>	\$300
Central Coast Football	<i>Charity Match - Central Coast Mariners v Central Coast FC, Cancer Council - Call to Arms Event - 13th June 2011 -</i>	\$900
Central Coast Junior Rugby Union	<i>Jumpers and equipment for newly formed Barbarians sides at the Entrance and Northlakes.</i>	\$550
Central Coast MS & Handicapped Group	<i>To assist with repairs to wheelchair bus</i>	\$1,400

Central Coast Triathlon and Multisport Club	Assist with payment of for use of reserves to run the Club's triathlons, duathlons and off road duathlon	\$500
Chain Valley Bay Progress Association	Crafty links - provisions for craft group	\$300
CoastCare - The Entrance North	To assist with costs of storage unit, shelving and replacement tools	\$600
Doyalson Wyee RSL Cricket Club	Assistance to provide installation of 4 concrete cricket pitches for junior cricketers	\$799
Greek (Hellenic) Community of Central Coast Inc	Funding of works & upgrade of property grounds	\$207
Gwandalan Outside School Hours Care Centre	To assist with purchase of laptops and educational software, anti virus software and installation costs	\$700
Gwandalan Public School P & C Association	Purchase of laptops	\$900
Junior Trials Minikhana Club	To improve grounds for kids use	\$1,000
Killarney Vale AFC Inc.	Purchase and installation of air conditioner cooling and heating	\$300
Lakes Surf Life Saving Club	Purchase of surf sporting equipment for Junior Nipper activities	\$300
Lions Club of Gwandalan	To assist with cost of staging Annual Spring Festival held at Gwandalan Foreshore.	\$900
North Entrance SLS Club	To assist with purchase of honour board	\$1,000
Northern Lakes Junior Rugby League Club	To assist with purchase of bbq for canteen and amenities being built	\$600
Northern Women's Health Centre	Provision of yoga nidra course through 2011	\$170
Northlakes United Junior Rugby Union	Assist with payments of ARU sporting insurance, affiliation fees and trophies for presentation day	\$1,300
ORRCA Inc	To assist with running of the marine mammal incident and sighting hotline	\$1,000
San Remo Neighbourhood Centre	Engage and support residents in planning and facilitation of San Remo / Blue Haven Community Christmas celebration	\$620
San Remo Neighbourhood Centre	To assist with costs of promotional material for GOATS Family Festival 2012	\$1,400
San Remo Neighbourhood Centre	To assist with costs of Youth and community engagement in San Remo Social Enterprise program	\$1,400

5.1 Proposed Councillors' Community Improvement Grants (contd)

San Remo Neighbourhood Centre	To assist with purchase of shirts for members of Northern Wyong Graffiti Action Forum	\$905
Summerland Point/Gwandalan Tidy Towns & Landcare	Purchase brushcutter and payment of entry fee to annual tidy towns awards	\$1,298
Tairoto Marae Assoc Inc	Grandparents raising grandchildren support group	\$500
The Entrance Cricket Club	To assist with costs of training equipment and preparation of turf pitch	\$500
Tracey Maguire / San Remo Neighbourhood Centre	To assist with provision of youth movie night program	\$200
Warnervale Junior Rugby Union Club	To provide training to volunteer coaches and establish first aid and injury management trainers for junior teams.	\$2,478
Warnervale Rugby Union Club	Assist with shade marquees for new Woongarra sportsfields	\$316
Woongarra Wildcats Football Club	To assist with purchase of sporting equipment.	\$500
Wycare Inc	To assist in purchase of lawnmower to maintain grounds around LandCare Centre in Wyong	\$900

BACKGROUND

Provision has been made in Council's Annual Plan for each Councillor to recommend to Council the donation of funds to individuals, local service, charitable or community organisations that operate in the Shire or provide a benefit specifically to the residents of the Shire.

Donations may also be made to individuals or groups in pursuit of excellence, including sporting and cultural excellence, subject to CCIG Policy. Funds may also be allocated for emergency assistance in the event of natural disasters such as bushfires, flood or drought anywhere in Australia, subject to CCIG Policy. The funds are granted subject to approval of the Council as a whole.

THE PROPOSAL

5.1 Proposed Councillors' Community Improvement Grants (contd)

Under Council's Policy, all proposed allocations are subject to the approval of the Council as a whole.

OPTIONS

- 1 Approval of applications as submitted will provide a community benefit residents of the Shire.
- 2 Non approval could result in assistance not being provided to the community.

STRATEGIC LINKS

Annual Plan

<i>Principal Activity</i>	<i>Strategy or Program</i>	<i>Financial Line Item No and Description</i>
A More Sustainable Community	Enhance the quality of life of the Shire's residents	1.1.11 – Community Financial Support

Contribution of Proposal to the Principal Activity

The Councillors' Community Improvement Grants were developed to help charitable community groups and in doing so helping the broader community.

Link to Shire Strategic Vision

<i>Priority Objective</i>	<i>How the proposal contributes or links to the Priority Objectives in Shire Strategic Vision and Annual Plan</i>
Communities - Communities will be vibrant, caring and connected with a sense of belonging and pride in their local neighbourhood.	Funding is available to projects not specifically nominated in Council's Annual Plan that contribute to the priority objective.
Facilities and Services - Communities will have access to a diverse range of affordable and coordinated facilities, programs and services.	Funding is available to projects not specifically nominated in Council's Annual Plan that contribute to the priority objective.

Financial Implications

Expenditure is approved until the end of the 2010-11 financial year. Unspent approvals lapse 30 June 2011.

Principles of Sustainability

The CCIG program is aligned with the principles of sustainability in that it would:

- Improve and maintain safety, wellbeing and sense of community
- Use locally available resources to increase our self-reliance
- Support local and regional economic prosperity
- Build and strengthen partnerships and alliances

CONSULTATION

Applications that met the criteria were distributed to Councillors for their consideration.

GOVERNANCE

All expenditure recommended is permissible under Section 24 and 356(1) of the Local Government Act 1993.

CORPORATE RISKS

Nil impact.

CONCLUSION

The proposed allocations contained in this report are permissible under the Council's policy on Councillors' Community Improvement Grants. The process has been correct and Council may confirm the grants at its option. Total grants are within budget. This is the last opportunity for Councillors to determine Councillors' Community Improvement Grants for this financial year.

Councillors' Community Improvement Grants 2010-11

COUNCILLORS' COMMUNITY IMPROVEMENT GRANTS ALLOCATION	Best	Eaton	Graham	Matthews	McBride	McNamara	Symington	Vincent	Webster	Wynn	SUB TOTAL
Allocation 01/07/2010 - 30/06/2011	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
Expenditure up to and including Ordinary Council Meeting of 08/06/2011	13,168	13,576	12,793	12,782	10,361	9,056	4,393	11,585	11,393	7,293	106,397
Available allocation as at 08/06/2011	1,832	1,424	2,207	2,218	4,639	5,944	10,607	3,415	3,607	7,707	43,603
Proposed Allocations for 22 June 2011											
1st Gwandalan Scout Group (\$1,800)							1,000				1,000
1st Mannering Park Sea Scouts (\$2,000) (\$400 already allocated)							200				200
1st Mannering Park Sea Scouts (\$800)		100					300	400			800
1st Tumbi Scout Group (\$1,000)			500								500
Berkeley Vale Soccer Club Inc (\$1,500)			1,000								1,000
Budgewoi Bilbies Playgroup (\$1,000) (\$650 already allocated)							300				300
Central Coast CC Australian Italian Friendship Society Inc (\$1,750) (\$500 already allocated)							300				300
Central Coast Domestic Violence Committee (\$1,500) (\$200 already provided)							300				300

5.1

Proposed Councillors' Community Improvement Grants (contd)

COUNCILLORS' COMMUNITY IMPROVEMENT GRANTS ALLOCATION	Best	Eaton	Graham	Matthews	McBride	McNamara	Symington	Vincent	Webster	Wynn	SUB TOTAL
Proposed Allocations for 22 June 2011											
Central Coast Football (\$1,300)		300				300	300				900
Charity Match - Central Coast Mariners v Central Coast FC, Cancer Council - Call to Arms Event - 13th June 2011 -											
Central Coast Junior Rugby Union (\$2000) (\$1,450 already allocated)						550					550
Jumpers and equipment for newly formed Barbarians sides at the Entrance and Northlakes.											
Central Coast Multiple Sclerosis & Handicapped Group (\$1,400)					600			800			1,400
To assist with repairs to wheelchair bus											
Central Coast Triathlon and Multisport Club (\$1,800) (\$250 already allocated)						500					500
Assist with payment of Council invoices for use of Council reserves to run the Club's triathlons, duathlons and off road duathlon											
Chain Valley Bay Progress Association (\$1,000) (\$300 already provided)							300				300
Crafty links - provisions for craft group											
CoastCare - The Entrance North (\$600)									600		600
To assist with costs of storage unit, shelving and replacement tools											
Doyalson Wyee RSL Cricket Club (\$1,600) (\$450 already allocated)							799				799
Assistance to provide installation of 4 concrete cricket pitches for junior cricketers											
Greek (Hellenic) Community of Central Coast Inc (\$2,750)			207								207
To assist with funding of works and upgrade of property grounds											
Gwandalan Outside School Hours Care Centre (\$5,940) (\$300 already allocated)							700				700
To assist with purchase of laptops and educational software, anti virus software and installation costs											
Gwandalan Public School P & C Association (\$2,236) (\$100 already provided)							900				900
Purchase of laptops											
Junior Trials Minikhana Club (\$2,000) (\$1,000 already allocated)						1,000					1,000
To improve grounds for kids use											
Killarney Vale AFC Inc (\$2500) (\$700 already allocated)							300				300
Purchase and installation of air conditioner cooling and heating											
Lakes Surf Life Saving Club (\$2,900) (\$1,850 already allocated)							300				300
Purchase of surf sporting equipment for Junior Nipper activities											
Lions Club of Gwandalan (\$2,000)							900				900
To assist with cost of staging Annual Spring Festival held at Gwandalan Foreshore.											
North Entrance Surf Life Saving Club (\$1,000)									1,000		1,000
To assist with purchase of honour board											
Northern Lakes Junior Rugby League Club (\$600)				250				350			600
To assist with purchase of bbq for canteen and amenities being built											
Northern Women's Health Centre (\$720) (\$550 already allocated)							170				170
Provision of yoga nidra course through 2011											
Northlakes United Junior Rugby Union (\$2,901) (\$1,050 already resolved)						1,000	300				1,300
Assist with payments of ARU sporting insurance, affiliation fees and trophies for presentation day											
ORRCA Inc (\$2,000)							1,000				1,000
To assist with running of the marine mammal incident and sighting hotline											

5.1

Proposed Councillors' Community Improvement Grants (contd)

COUNCILLORS' COMMUNITY IMPROVEMENT GRANTS ALLOCATION		Best	Eaton	Graham	Matthews	McBride	McNamara	Symington	Vincent	Webster	Wynn	SUB TOTAL
Proposed Allocations for 22 June 2011												
San Remo Neighbourhood Centre (\$770)	Engage and support residents in planning and facilitation of San Remo / Blue Haven Community Christmas celebration					220			400			620
San Remo Neighbourhood Centre (\$1,500)	To assist with costs of promotional material for GOATS Family Festival 2012				500	200		200	500			1,400
San Remo Neighbourhood Centre (\$1,500)	To assist with costs of Youth and community engagement in San Remo Social Enterprise program				500	400			500			1,400
San Remo Neighbourhood Centre (\$1,000)	To assist with purchase of shirts for members of Northern Wyong Graffiti Action Forum							440	465			905
Summerland Point / Gwandalan Tidy Towns & Landcare (\$1,298)	Purchase brushcutter and payment of entry fee to annual tidy towns awards						300	998				1,298
Tairoto Marae Assoc Inc (\$500)	Grandparents raising grandchildren support group		300					200				500
The Entrance Cricket Club (\$2,000)	To assist with costs of training equipment and preparation of turf pitch			500								500
Tracey Maguire / San Remo Neighbourhood Centre (\$2,254) (\$1,850 already provided)	To assist with provision of youth movie night program							200				200
Warnervale Junior Rugby Union Club (\$2,500)	To provide training to volunteer coaches and establish qualified first aid and injury management trainers for junior teams.		300				1,978	200				2,478
Warnervale Rugby Union Club (\$3,000) (\$2,684 already allocated)	Assist with shade marquees for new Woongarrah sportsfields						316					316
Woongarrah Wildcats Football Club (\$1500) (\$1,000 already allocated)	To assist with purchase of sporting equipment.						500					500
Wycare Inc (\$900)	To assist in purchase of lawnmower to maintain grounds around LandCare Centre in Wyong									900		900
Total Proposed Allocations for		0	1,000	2,207	1,250	1,420	6,444	10,607	3,415	2,500	0	28,843
Total Accumulated Allocations as at 23/06/2010		13,168	14,576	15,000	14,032	11,781	15,000	15,000	15,000	13,893	7,293	134,740
Balance Uncommitted as at 23/06/2010		1,832	424	0	968	3,219	0	0	0	1,107	7,707	15,260

ATTACHMENTS

Nil.

5.2 Payment of Public Liability Professional Indemnity Insurance Policy

TRIM REFERENCE: F2011/00670 - D02629900

AUTHOR: Michelle McKenzie; Insurance Claims Administration Officer

MANAGER: Marie Hanson-Kentwell, Manager Human Resources

SUMMARY

Approval is required to renew Council's Public Liability/Professional Indemnity insurance with Statewide Mutual.

RECOMMENDATION

- 1 That Council approve the renewal of Council's Public Liability/Professional Indemnity insurance policy with Statewide Mutual for the period 30 June 2011 to 30 June 2012.**
- 2 That Council approve the premium payment of \$476,900 ex GST.**

BACKGROUND

Council's broker, Jardine Lloyd Thompson (JLT), has arranged renewal of Council's Public Liability Professional Indemnity insurance with NSW Local Government (Jardine Lloyd Thompson) Mutual Liability Scheme known as Statewide Mutual, for the period 30 June 2011 to 30 June 2012.

Council is a member of the Statewide Mutual program providing access to policies such as Property, Public Liability/Professional Indemnity, Council & Officers Liability and Fidelity Guarantee at very competitive prices and coverage, through Statewide Mutual.

Statewide Mutual is a fund made up of the majority of New South Wales' Councils. The contributions made by Councils by way of total premiums, provide significant buying power and enable Statewide to provide these classes of cover at the high limits Councils require.

The ceiling limits for both Property and Public/Professional Indemnity insurance are currently unobtainable in the Australian insurance market. In order for JLT to seek alternative terms for these risks an approach to Lloyd's and London insurance market would be required and such an exercise would be costly and time consuming.

WSC has been a contributor to this scheme for many years. To withdraw, Council is required to give at least three months written notice prior to the end of the financial year.

5.2 Payment of Public Liability Professional Indemnity Insurance Policy (contd)

THE PROPOSAL

The premium applicable to Wyong Shire Council (WSC) for this insurance renewal is \$476,900 ex GST and is the same premium as the current year. Limits of protection under this policy are: -

- Public Liability \$400,000,000
- Products Liability \$400,000,000
- Professional Indemnity \$300,000,000

Council shall bear the first \$50,000 of each and every Occurrence or Claim (in respect of Professional Indemnity).

OPTIONS

There is no advantage for Council to pursue its own tender process as there are no available competitive insurers within Australia offering this insurance. Statewide Mutual arranges very competitive insurance through the overseas markets for NSW Councils.

STRATEGIC LINKS

Not Applicable

Financial Implications

No additional impact to budget

Principles of Sustainability

Not Applicable

CONSULTATION

Not Applicable

GOVERNANCE

Local Government Act 1993 – Section 382 requires Council to insure itself and staff against public liability and professional indemnity.

CORPORATE RISKS

Inefficient work practices - Inefficient work practices leading to increased costs, missed opportunities and community dissatisfaction with Council.

Inaccuracies in Information - Inaccuracies in 149 Certificate information supplied by Council leading to litigation.

Legislative change - Legislative change that conflicts with local priorities leading to enforced changes in levels of service and community dissatisfaction with Council (e.g. brothels, communication towers, on-site sewer charges).

5.2 Payment of Public Liability Professional Indemnity Insurance Policy (contd)

Resource & Equipment Selection Processes - Inadequate processes for selecting appropriate resources, technology, plant and equipment for major projects undertaken by Council leading to inefficiency in operations and/or inadequate return on investment.

Unsafe working environment - An unsafe working environment leading to accidents and possible injury to people and possible financial penalties to Council.

Service Unit Plans - Operational Plans not effectively prepared or implemented leading to key objectives not being achieved.

Legislative Requirements - Council not complying with legislative requirements leading to penalties, civil claims and/or contractual disputes.

Emergency response to calamitous events- Inadequate emergency response to calamitous events (e.g. natural disaster (flood, bushfire, avian flu, foreshore degradation), terrorist action, etc.) leading to suffering by community and dissatisfaction with Council.

CONCLUSION

Adequate insurance cover is mandatory, prudent and best practice.

Prospecting for international suppliers will be costly and difficult for WSC and has low chances of success.

Cover is only available from a single Australian supplier and combining WSC buying power with NSW Councils provides the best value possible.

ATTACHMENTS

Nil.

5.3 Contract Variations and Finalisation - May 2011

TRIM REFERENCE: D02633588
AUTHOR: John McCarthy; Supply Coordinator
MANAGER: Mike Long; Manager Contracts and Project Management

SUMMARY

This paper reports on variations, proposed variations or finalisations to contracts with a value greater than \$150,000.00 (excl GST).

The report covers contract variations processed in May 2011.

RECOMMENDATION

- 1 That Council receive the Contract Variations and Finalisation May report (Attachment 1).**
- 2 That Council note the additional expenditures requested are within approved program budgets.**

BACKGROUND

Contracts entered into by Council are awarded either by Council resolution or under delegated authority. The Local Government Act 1993 section 55 requires that contracts of an estimated value greater than \$150,000.00 (excl GST) must be publicly tendered and approved by Council resolution.

Contracts of an estimated value less than \$150,000.00 (excl GST) are awarded under delegations made by Council to the General Manager or his/her delegate.

Contracts routinely require variations during the course of the contract due to unforeseeable circumstances, changes in design or changes in service demand on the finished product.

All contracts commonly include a contingency sum to cover unforeseen changes. It is generally expressed as a percentage of the contract value, being typically 10% of the contract value, but may vary between 5% and 30% or more depending upon the nature of the contract, or may be expressed as a specific dollar value.

The need to vary contracts (explained above) arises out of differences in estimating strategies where two extremes denote a range of risk that offers Council a choice of budget/estimate methodology.

Council estimates on the basis of known costs of assessment, design and construction. This approach allows budgets to maximise the number of works undertaken in an annual program, at the optimal risk level of programs being materially curtailed as unforeseen needs arise.

Budgets for projects are established within the Annual Plan. When tenders are called, specific approvals are sought from Council in accordance with section 55 of the Act. It is not uncommon for additional approvals to be sought within the approved project budget as un-forecast changes (from the tender approval) occur in the works.

THE PROPOSAL

The report for May 2011 includes a requirement to seek Council's formal approval for additional funding on 4 contracts to ensure compliance with section 55 of the Local Government Act 1993.

Summary for May period.

Variations processed in May 2011	4
Contracts requiring increase to the contract budget estimate	0
Contract where current funds are sufficient to complete	4
Contracts finalised in May 2011	0

OPTIONS

The variations reported in Attachment 1 were required to ensure the reported contracts could be progressed in a timely and effective manner to deliver best value for Council and ensure compliance with the contract conditions.

Council's approval of these variations is the recommended option to ensure sufficient approved funds are available for contract payments to be made and to ensure Council's compliance with section 55 of the Local Government Act 1993.

STRATEGIC LINKS

Strategic links for the various contracts were identified in the initial assessment and approval reports for each contract.

FINANCIAL IMPLICATIONS

Increased expenditure is identified in the recommendation with the source of funds detailed in Attachment 1.

PRINCIPLES OF SUSTAINABILITY

This proposal applies good governance improving Council processes by being consistent and demonstrating a sound basis for the variation of contract estimates to ensure better outcomes for the community via appropriate allocation of resources.

CONSULTATION

Consultation has occurred with all Contract Officers responsible for the management of contracts reported in Attachment 1.

GOVERNANCE

These contract variations are reported to Council to ensure compliance with Section 55 of the Local Government Act and Part 7 - Tendering of the Local Government (General) Regulation 2005.

CORPORATE RISKS

This report contributes to the mitigation of the following risks identified in Council's Risk Register:

Identified Risk	Rating	Actions to Mitigate
Budget Control Inadequate budget control that creates significant funding shortfalls leading to an inability to provide priority services. (shorter-term consequence)	Moderate	Monthly reporting of variations.
Legislative Requirements Council non-compliance with legislative requirements leading to penalties, civil claims and/or contractual disputes.	Low	- Monthly reporting of variations. - Local Government Act requirements in relation to Tenders.

CONCLUSION

Variations detailed in this report are driven by "normal" contract issues.

The reported contracts are generally within planned expenditure in terms of coverage, quantity and quality albeit in this instance the originally calculated budgets were understated.

ATTACHMENTS

- 1 Contract Variations - May 2011 D02633425

Attachment 1
Contract Variations for May 2011

Hire of Plant and Machinery

Contract Number	Date of Council Approval	Contractor	(a) Approved Contract Value	(b) = (a) + Contingency Total Approved Budget	(c) Value of Variations Previously Reported	(d) Value of Variations For Reporting Period	(e) = (c) + (d) Total Value Of Variations	(f) = (a) + (e) Actual Contract Value	Source Of Funds	Expenditure to Date
CPA/145088	28/1/2009 25/11/2009 25/8/2010	Various service providers	8,100,000.00 (with extensions)	8,100,000.00 (with extensions)	Nil	490,648.88	490,648.88	8,590,648.88	M2M Project	6,554,542.88
Individual Variations for Reporting Period										
						Value	Description		Value	
Variation 1						\$			\$	
Commissioning of Adam Lowe Earthmoving for the supply of earthmoving machinery to relocate an excess 65,972 tonnes of VENM (Virgin Excavated Natural Material) from the Mardi to Mangrove Link Project (MMMLP).						490,648.88				

This variation was undertaken using equipment selected from a panel contract expiring in February 2012. Council has access to 26 contracted plant hire companies for the purpose of engaging earthmoving services.

Due to works associated with the MMMLP Council was required to dispose of 65,972 tonnes of VENM (Virgin Excavated Natural Material). The cost associated with disposing of this quantity of VENM at Buttonderry landfill was estimated to be in excess of \$5.5M. In addition, this material would consume valuable space at the landfill and shorten the expected life of the current storage cell. As a consequence, an extensive search was conducted by the M2M project team to identify cheaper alternatives to dispose of the VENM. Two sites were identified as described below.

1. An opportunity for spoil disposal on a DA-approved site in Yarramalong Valley was identified using Adam Lowe Earthmoving Pty Ltd who is an existing plant hire contractor under Council's Hire of Plant and Machinery Contract CPA/145088. Adam Lowe Earthmoving Pty Ltd was the current contractor to this site, hence was used for the disposal of 41,736 tonnes of VENM.
 2. An additional site located at Central Mangrove was also secured for spoil disposal. Adam Lowe Earthmoving Pty Ltd was engaged for earthworks based on the availability of appropriate machinery to undertake this work and the fact that Council did not have its own equipment available. A total of 24,236 tonnes was taken to this location.
- MMPL expenditure to date for the relocation of VENM utilising Adam Lowe Earthmoving Pty Ltd is \$490,648.88. However \$166,943.76 is for payment to dispose of VENM in Yarramalong Valley where Adam Lowe Earthmoving Pty Ltd was acting for the land owner. The savings associated with directing excess VENM to alternative approved locations other than Buttonderry landfill **saved** the Mardi to Mangrove Link Project, **\$5,024,611.12**.
- Additional expenditure associated with this contract is fully funded under the MMPL. Although the variation adds \$490,648.88 to the approved contract value the existing Council-resolved contract value of \$8.1M is considered sufficient. At this point in time, no other contract increases are envisaged for this contract.

Documentation Concept and Detailed Design Mardi High Lift Pump Station

Contract Number	Date of Council Approval	Contractor	(a) Approved Contract Value \$	(b) = (a) + Contingency Total Approved Budget \$	(c) Value of Variations Previously Reported \$	(d) Value of Variations For Reporting Period \$	(e) = (c) + Total Value Of Variations \$	(f) = (a) + (e) Actual Contract Value \$	Source Of Funds	Expenditure to Date \$	
CPA/108619	25/10/2006 26/11/2008 28/7/2010	Dept. of Services, Technology & Administration	321,400.90 104,574.10 <u>105,000.00</u> 530,974.90	530,974.90 (This figure incorporates 2 budget increases approved by Council on the 26/11/2008 & 28/7/2010)	113,377.00	69,379.47	182,756.47	504,157.37 (less previous approved budget increases of \$209,574.10)	50/50 Wyong & Gosford Councils	504,067.28	
Individual Variations for Reporting Period											
Description						Value \$	Description				Value \$
Variation 14 Credit Variation Deduction variation for deletion of design of a new clearwater tank for the Mardi Water Treatment Plant. Following detailed studies of the water supply scheme Council decided not to proceed with construction of the clearwater tank at this time. The benefit was to save significant costs in construction.						-36,712.23	Variation 17 Additional Services Additional technical design and construction advice regarding the Mardi High lift Pumping Station provided by NSW Department of Commerce (Water Solutions Section). The additional information ensured the project continued to progress and the quality of the deliverables was optimised.				106,091.67

This contract is now 100% complete.

With the information currently available, the resolved contract budget as approved by Council is considered to be sufficient. In addition, due to additional construction costs incurred due to design errors and omissions, Council staff are currently endeavouring to seek compensation from Dept. of Services, Technology & Administration.

Mardi Dam Transfer System and Dam Raising Concept, Detailed Design and Documentation

Contract Number	Date of Council Approval	Contractor	(a) Approved Contract Value \$	(b) = (a) + Contingency Total Approved Budget \$	(c) Value of Variations Previously Reported \$	(d) Value of Variations For Reporting Period \$	(e) = (c) + (d) Total Value Of Variations \$	(f) = (a) + (e) Actual Contract Value \$	Source Of Funds	Expenditure to Date \$	
CPA/112242	25/10/2006 26/11/2008 28/7/20010	Dept. of Services, Technology & Administration	840,318.18 153,352.82 <u>150,000.00</u> 1,143,671.00	1,143,671.00 (This figure incorporates 2 budget increases approved by Council on the 26/11/2008 & 28/7/2010)	173,168.45	73,842.00	247,010.45	1,087,328.63 (less previous approved budget increases of \$303,352.82)	50/50 Wyong & Gosford Councils	1,059,761.09	
Individual Variations for Reporting Period											
Description						Value \$	Description				Value \$
Variation 15, 16 & 17 Additional Services											
Additional construction technical advice and support from NSW Department of Commerce (Dams and Civil Section) between the period 1/09/09 and 30/9/2010. The additional information ensured the project continued to progress and the quality of the deliverables was optimised.						73,842.00					

This contract is now 100% complete. With the information currently available the resolved contract budget as approved by Council is considered to be sufficient. In addition, due to additional construction costs incurred due to design errors and omissions, Council staff are currently endeavouring to seek compensation from Dept. of Services, Technology & Administration.

Sewer Main Rehabilitation - Various Locations in Wyong Shire

Contract Number	Date of Council Approval	Contractor	(a) Approved Contract Value \$	(b) = (a) + Contingency Total Approved Budget \$	(c) Value of Variations Previously Reported \$	(d) Value of Variations For Reporting Period \$	(e) = (c) + (d) Total Value Of Variations \$	(f) = (a) + (e) Actual Contract Value \$	Source Of Funds	Expenditure to Date \$	
173205	25 Aug 2010	Interflow Pty Limited	835,769.29	84,230.71	66,490.26	10,560.00	77,050.26	912,819.55	Sewer Fund. Sewer Mains- Area 3. Replacement Works	763,463.35	
Individual Variations for Reporting Period											
Description						Value \$	Description				
Variation 3 Scope change											
Provision of a new house service line (HSL) junction for 95 Hutton Road, The Entrance North.						10,560.00					
This HSL was identified as requiring renewal by maintenance staff due to accumulation of sand in the sewer.											
The new HSL will help to avoid further sewer surcharges and sand accumulation.											
This contract is 90% complete.											
Although variations processed to date are within pre-contract estimates two further variations have been identified requiring urgent repairs to avoid blockages and surcharges of sewage. These locations were outside the original list of service locations identified as requiring rehabilitation works at the time of tendering. It is likely that a future request for an increase in contract value is likely.											

5.4 Tuggerah Lakes Estuary Coastal and Floodplain Management Committee - Eco-Tourism Park Proposal

TRIM REFERENCE: CPA/169320 - D02553482
AUTHOR: Jane Doyle; Senior Administration Support Officer
DIRECTOR: Gina Vereker; Director Environment & Planning Services

SUMMARY

Reporting on recommendations from the Tuggerah Lakes Estuary Coastal and Floodplain Management Committee (TLECFMC).

RECOMMENDATION

- 1** *That Council note the recommendations of the Tuggerah Lakes Estuary Coastal and Floodplain Management Committee - Eco-Tourism Park Proposal.*
- 2** *That Council defer any decision regarding its support or opposition to the proposal pending completion of all relevant ecological studies due October 2011.*
- 3** *That Council consider a report on the ecological studies.*

RECOMMENDATION

On the 3 March 2011 staff provided a report to the TLECFMC regarding a four-star plus accommodation facility. The Committee resolved as follows:

- "1 That the Committee thank Council for their background report on the Budgewoi Beach Rezoning.*
- 2 The Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee express their opposition to the Eco-tourism Park proposal to the south of Lakes Beach surf club.*
- 3 That the Committee reiterate:*
 - a That Council as part of the Comprehensive Local Environmental Plan Process rezone the vegetated areas of the Budgewoi Coastal Zone from the Munmorah State Recreation Area in the north to Wepipi Street Noraville in the south, from existing 6A - reserve open space & recreation to E2 - Environmental conservation.*
 - b That Council acknowledge that this process cannot occur until the new "template" zones are adopted by Council as they apply to Wyong Shire.*

**5.4 Tuggerah Lakes Estuary Coastal and Floodplain Management Committee
- Eco-Tourism Park Proposal (contd)**

c That Council note the area to be rezoned consists only of the revegetated areas and excludes operational areas such as the surf club and car park.

4 That Council consider other areas within the Shire on a case by case basis.”

The report is attached outlining background and current status of the proposal.

ATTACHMENTS

- | | | | |
|---|---|-----------|-----------|
| 1 | Report to the Tuggerah Lakes Estuary & Coastal Management Committee | Enclosure | D02526652 |
| 2 | Site Plan | | D02526597 |



FOR INTERNAL USE ONLY Scale 1:2869

5.5 Lakes Beach Eco Tourism Proposal

TRIM REFERENCE: CPA/169320 - D02638673

AUTHOR: Garry McLachlan; Manager Business Development

SUMMARY

This report provides an update of the possible use of land on the beach side, south of the Lakes Beach Surf Club regarding the status of what is currently known as "Lakes Beach Eco Tourism proposal".

RECOMMENDATION

- 1** *That Council receives the report.*
- 2** *That Council endorses staff proceeding with the ecological studies associated with the proposed Eco Tourism Resort at Lakes Beach.*

BACKGROUND

In 2007 Council resolved to compile a bid to secure the rights to host the 2010-2012 Australian Surf Life Saving Championships and selected the Lakes Beach as the venue for the Championships. The bid included proposed substantial back-of-beach works which included large grassed areas with picnic tables and amenities not only for those attending the event, but also for members of the community to utilise when the event concluded.

The master plan included boardwalks, car parking areas and included a large amphitheatre and grandstand in the area immediately south of the surf club in the location where the current proposal is located.

Public consultation did not produce any adverse comments and had Council been successful in this bid the back-of-beach area and the area in question would be vastly different today.

Discussions with Surf Life Saving as to the reasons as to why Council was unsuccessful with the bid highlighted the lack of quality accommodation, not only in the immediate area but the northern part of the Shire in general. As a result of this feedback Council entered in discussions with the Lands Department to identify a site where a quality accommodation node could be established in the north of the Shire.

In 2009, Council in collaboration with the Department of Lands identified 2 parcels of Crown land immediately south of the Lakes Surf Club that may be suitable to establish an eco resort that could match the quality of Kim's at Toowoona Bay. The deposited plan for Lot 523 one of the selected parcels states that the area is to be used for camping and caravan purposes.

The project was subsequently assigned to the operational plan of the Manager Business Development, with appropriate funding being allocated to carry out the required studies. In 2009 Council engaged consultants Conacher environmental group to undertake the required environmental, flora and fauna and bushfire studies within the precinct.

Coincidentally, but in isolation, Council considered a notice of motion on Budgewoi Beach rezoning in August 2009 and resolved unanimously (Vincent/Wynn):

'1 That Council as part of the Comprehensive Local Environmental Plan Process rezone the vegetated areas of the Budgewoi Coastal Zone from the Munmorah State Recreation Area in the north to Werepi Street Noraville in the south, from existing 6A - reserve open space & recreation to E2 - Environmental conservation.

2 That Council acknowledge that this process cannot occur until the new "template" zones are adopted by Council as they apply to Wyong Shire.

3 That Council note the area to be rezoned consists only of the revegetated areas and excludes operational areas such as the surf club and car park and that the delineation of this specific zone be subject to staff review and investigation.

4 That Council consider other re-vegetated areas within the Shire's Coastal zone on a case by case basis."

Resolution 3 is of particular importance as it excludes certain operational areas and requires the delineation of this specific zone (E2) to be subject to staff review and determination.

It should also be highlighted at the time of this resolution the area to the south of the Lakes Surf Club had not been revegetated and at present no formal approval has been granted for works being undertaken in this area.

At this stage, the environmental studies have indicated that an area of 2 – 3 hectares may be suitable for the establishment of an eco resort, but a final position can not be established until an orchard survey is undertaken in the latter half of 2011.

The Budgewoi Land Care Group, whose precinct is not located within the study area, presented a notion of motion to the Tuggerah Lakes Estuary, Coastal and Flood Plain Management Committee, expressing their opposition to the eco proposal at the meetings held on 3 March and 1 June 2011.

A Councillor update was distributed in early 2011 and a background paper was distributed to all Councillors on 27 April 2011 and a briefing of Councillors on this issue is scheduled for 22 June 2011.

CURRENT STATUS

Zoning

The site is currently zoned 6A open space under Council's current LEP and an eco resort is permissible in the zone with consent.

In 2009 the NSW Government issued a practice note for providing for tourism in standard LEP's. The purpose of this note was to acknowledge the importance of tourism to the State's economy and to enable Council's to develop an integrated tourism strategy as part of their local planning. The strategy should consider existing and future land uses and endeavour to where possible accommodate tourism in as many zones as possible.

The practise note also endorses bed and breakfast accommodation, camping grounds, eco tourism developments and farm stays in E2 zones.

Land – Ownership and Management

There are 5 parcels of Crown land in the immediate precinct surrounding the Lakes Beach precinct. These parcels are;

- Lot 7318 DP 1148096 –large parcel extending along the beach from Werepi Street Noraville to Ocean Street Budgewoi and totals approximately 110 Hectares. This lot is Crown Reserve with Council the Reserve Trust manager. Council property section has a license to carry out investigations on part of this parcel
- Lot 523 DP 704440 – is 4 Hectare parcel of Crown Reserve for Camping, preservation of native flora and public recreation. Council has care control and management of this parcel pursuant to Local Government Act.
- Lot 525 DP 755266 – Contains the Lakes Surf Club and is under the care and control of the Crown, lease directly to the surf club
- Lot 7319 DP 1148096 – Is the car park immediately west of surf club and is under care and control of Crown
- Lot 7073 DP 1077035 Podgeway Park- small area located off Ocean Street Budgewoi and under care and control of Crown.

The land the subject of this proposal is bounded by the Lakes Surf Club, Budgewoi Road and Werepi Street at Noraville. This is part of a larger area stretching along the coast from Budgewoi in the north to Werepi Street in the south.

Where Council is the reserve trust manager, Council acts as the owner of these lands for the purposes of both the Crown Lands Act and Local Government Act. As owner, Council has not authorised by way of lease, licence or other agreement, occupation of these lands by third parties to carry out works. (Neither has Council's property section received any applications for use of its land for works by third parties).

Any activities on these reserves, other than the passive activities allowed by the nature of the reservation (such as public recreation), that do not have the approval of the reserve trust manager.

In many locations in Australia and across the world, eco resorts or similar facilities are being developed in sensitive and pristine areas, as it is recognized for these areas to retain their beauty, alternative revenue streams and responsible management plans must be created and put in place.

Currently there are cabins in the trees of the Daintree Forest, cabins on the vegetated cliff faces of the Great Barrier Reef cabins on the beach near Broome and resorts being created in National Parks across Australia.

PROPOSAL

The proposed concept is an Eco-Tourism Resort including a four-star plus accommodation facility and adjoining RV site.

The proposal would have the following benefits:

- a high-quality tourism facility
- employment opportunities
- demonstration of leading practice in a coastal development zone
- revenue generation for local facilities and environmental works
- Creation of an interpretive centre

The concept would also deliver important maintenance and rehabilitation works to retained environmental lands and include a proposal to construct an “interpretive centre” on the site.

The proposal is intended to be fully sustainable, be transportable, with no bricks or mortar to be used and thereby capable of being removed from the site in a short period of time, should the need arise. The buildings would be strategically placed to maximize retention of vegetation and pathways be constructed of crushed sandstone with small vehicles such as golf carts used for transportation purposes.

The park could provide accommodation for the disabled to complement the disabled precinct which has recently been created at the Lakes Beach and endorsed by Council.

Other Local Government areas have utilized locations that have high public appeal to create destinations that have an appeal both locally and internationally. Cabins have been installed in the trees of the Daintree, on cliff faces in the Great Barrier Reef National Park, within National Parks in New South Wales and along beaches in Queensland and Western Australia.

Coastal Councils are also installing boardwalks along coastal trails to entice tourists, indeed Council has received funding for a boardwalk along the coastal strip at The Entrance. Lake Macquarie Council have cantilevered a cycle way over Lake Macquarie and it is used by thousands. Newcastle City Council are considering a coastal boardwalk elevated on high coastal cliff faces and have under construction a restaurant nightspot on the beach at Merewether.

The point to be considered is that the technology and the knowledge to create destinations in the most pristine areas exists, without causing any significant damage, indeed in some cases the environment within an area is actually improved and that would be the case with this proposal.

Environmental Factors

Vegetation

The environmental surveys of the site by Conacher Consulting did not detect any threatened flora or fauna species. However 4 vegetation communities Littoral Rainforest, Swamp Sclerophyll Forrest, dune Vegetation and Tall Heath were located.

Littoral Rainforest and Swamp Sclerophyll Forrest are recognised as endangered ecological communities. These communities are located at the southern end of the investigation site

and are not located in the study area. Indeed should the project proceed these areas will be protected and maintained through an effective management plan.

An orchid study undertaken at the end of the last orchid season revealed several orchids that required further study and it was determined to await the upcoming season and carry out a comprehensive study of orchids in this precinct.

The environmental studies remain uncompleted but at this stage have not revealed any issues that would prevent the establishment of an eco resort in the 3 hectares identified for the facility.

Sea level Rise

The current draft Coastal Zone Management Plan indicates that the 50 yr line will impact on about 30-40% of the site. This inundation would also destroy all vegetation within the area of impact.

The proposed eco resort will be totally transportable, there will be no bricks or mortar used, paths will consist of crushed sandstone or boardwalks with car parking being provided on the existing car park behind the surf club. It is considered that sea level rise will not prevent the proposal from proceeding.

Economic and Financial Assessment

As the proposal is at a conceptual stage a detailed financial assessment of the project has not been undertaken. However, to give Councillors an understanding of the likely financial impacts of such a program it is assumed that the first stage will consist of fifty high end accommodation nodes (cabins/tents) being located on site. Financial models of similar existing facilities indicate that a 70% occupancy rate would net a return of approximately \$600,000 per annum after all expenses, including the CALM levy, would be achieved.

It is broadly estimated that it will cost \$5,000,000 to develop the first stage with funding being available through a variety of sources including internal loans, loans from the LPMA, grants and Regional Development Australia.

Should Council decide to proceed with the project a detailed economic analysis will be undertaken.

It is recognised that the northern part of Wyong Shire is depressed and required an injection of wealth. The area suffers from high youth unemployment and a lack of quality accommodation outlets. Indeed, several existing motels within the Toukley district have been forced to resort to secure an income stream by accommodating Department of Housing and Welfare clients, not tourists.

Project Status

On 17 July 2009 Council received a licence to investigate from the Lands Department for studies on the land in the area that was not already under the control of Council.

A draft report was received from consultants in January 2010. Further information was required from the consultants and this was provided in October 2010. Additional orchid investigations are still required and will take place during the orchid season (August/September 2011).

The studies to date have indicated that should the project proceed further, then a significant analysis undertaken of the economic, social and environmental factors, including consideration of likely net revenue, prior to the submission of a development application.

No detailed economic analysis has been yet prepared regarding the viability of the proposal and/or the possible economic benefits. It is noted that proposals generating income on Crown land return a significant share of revenues to LPMA through various methods.

Council has prepared a concept plan for 50 cabins/tents, boardwalk, interpretive centre and changes to the surf club precinct to indicate the location of the proposal and the scale.

To date Council has spent approximately \$20,000 undertaking environmental studies and other works associated with this project

CONSULTATION

There are 3 land care groups active within the Lakes Beach precinct being the Budgewoi Beach Dune care, the Lakes Beach Dune care and Hargraves Coast Care.

An overview to the proposal was presented to the three groups on site in December 2010 with Council's dune care officer in attendance. Since that meeting the Budgewoi Beach Dune care has made a number of submissions to a variety of groups and authorities objecting to the proposal. However since the site meeting, none of the land care groups have approached council for a detailed explanation of the project concept or the results of studies undertaken.

In the past two weeks Council has received written correspondence from the Environmental Defenders Office advising that they represent the three land care groups in the Lakes precinct.

Council staff have held preliminary discussions with representatives of Darkinjung who own land directly to the west of the subject site. The discussions revolved around the possibility of a co-operative approach between the parties on development in the precinct. Discussions have centred on creating positive environmental, social, economic and cultural outcomes that would not only benefit the Darkinjung people but the broader community and visitors to Wyong Shire. At this stage no formal agreements or undertakings between the two parties have been reached.

Council has also held discussions with a number of other agencies and business groups who support the proposal proceeding. These groups include:

- Lakes Surf Club
- Greater Toukley Vision
- Darkinjung Local Aboriginal Land Council
- Central Coast Tourism
- Regional Development Australia
- The Campervan and Motor Home Club

NEXT STEPS

The proposal is an opportunity to provide employment, generate wealth within the community and provide a funding stream for local environmental projects and works.

There are challenges ahead however, at this early stage, the benefits of the project for the community and the environment is projected to outweigh any negative impact of the development on the surrounding environment. Subject to the environmental studies confirming that the proposal will not significantly affect the area; the application should proceed to a development application and be considered on its merits.

CONCLUSION

The potential project does face many challenges but it also provide many opportunities that will create employment, wealth and a facility that will showcase the Shire, not only to a local audience but worldwide.

The subject site would occupy approximately three hectares of a 110 hectare precinct.

The concept could generate an alternative revenue scheme that could be directed towards the upkeep of the local environment, the establishment of an interpretive centre, showcase local aboriginal culture, flora and fauna and in particular the littoral rain forest and create an educational precinct.

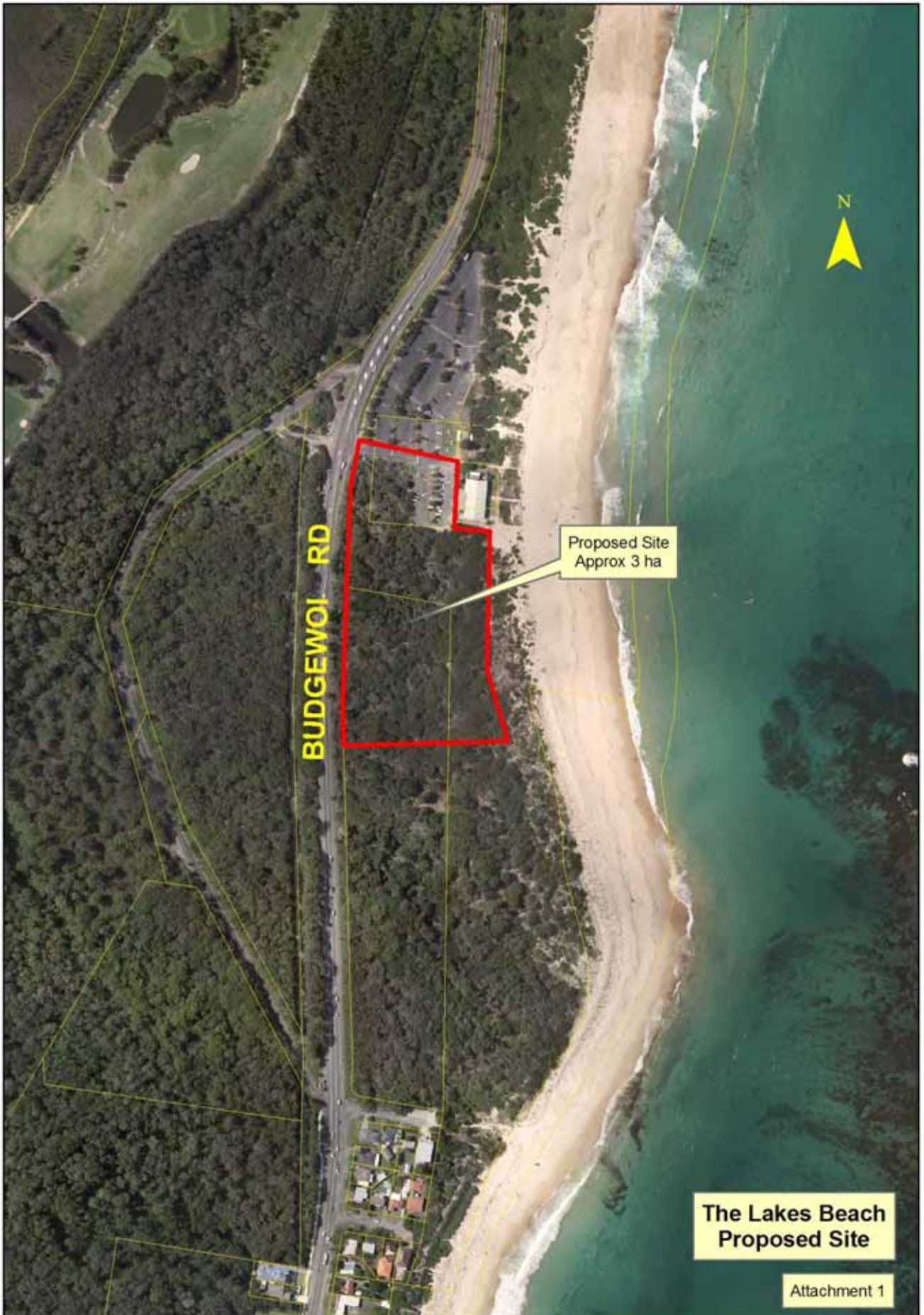
The project concept could deliver a boardwalk from Noraville to Budgewoi along the fore dune of this scenic area and create a walk that will attract thousands to the area.

Council acknowledges and compliments the works undertaken by the Land Care groups within our Shire and across the state.

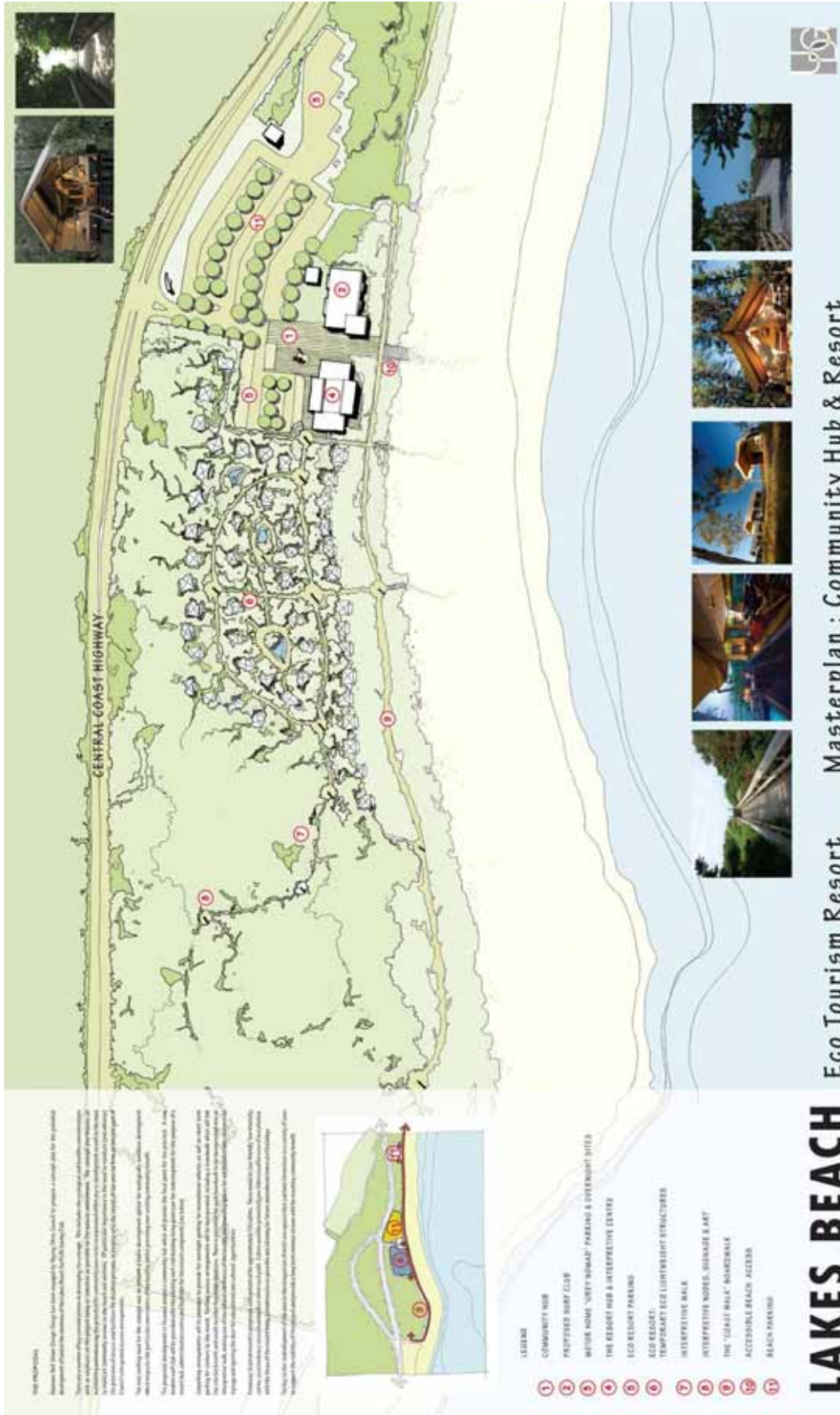
Council has the opportunity to consider the concept area for uses that may produce the best benefit all of the Shire area as opposed to its current limited application.

ATTACHMENTS

- | | | |
|---|---|-----------|
| 1 | Lakes Beach Caravan Site - Site Plan | D02644712 |
| 2 | Lakes Beach Caravan Site - Site Context | D02644718 |
| 3 | Lakes Beach Masterplan | D02644720 |







LAKES BEACH DRAFT CONCEPT PLAN
Attachment 3