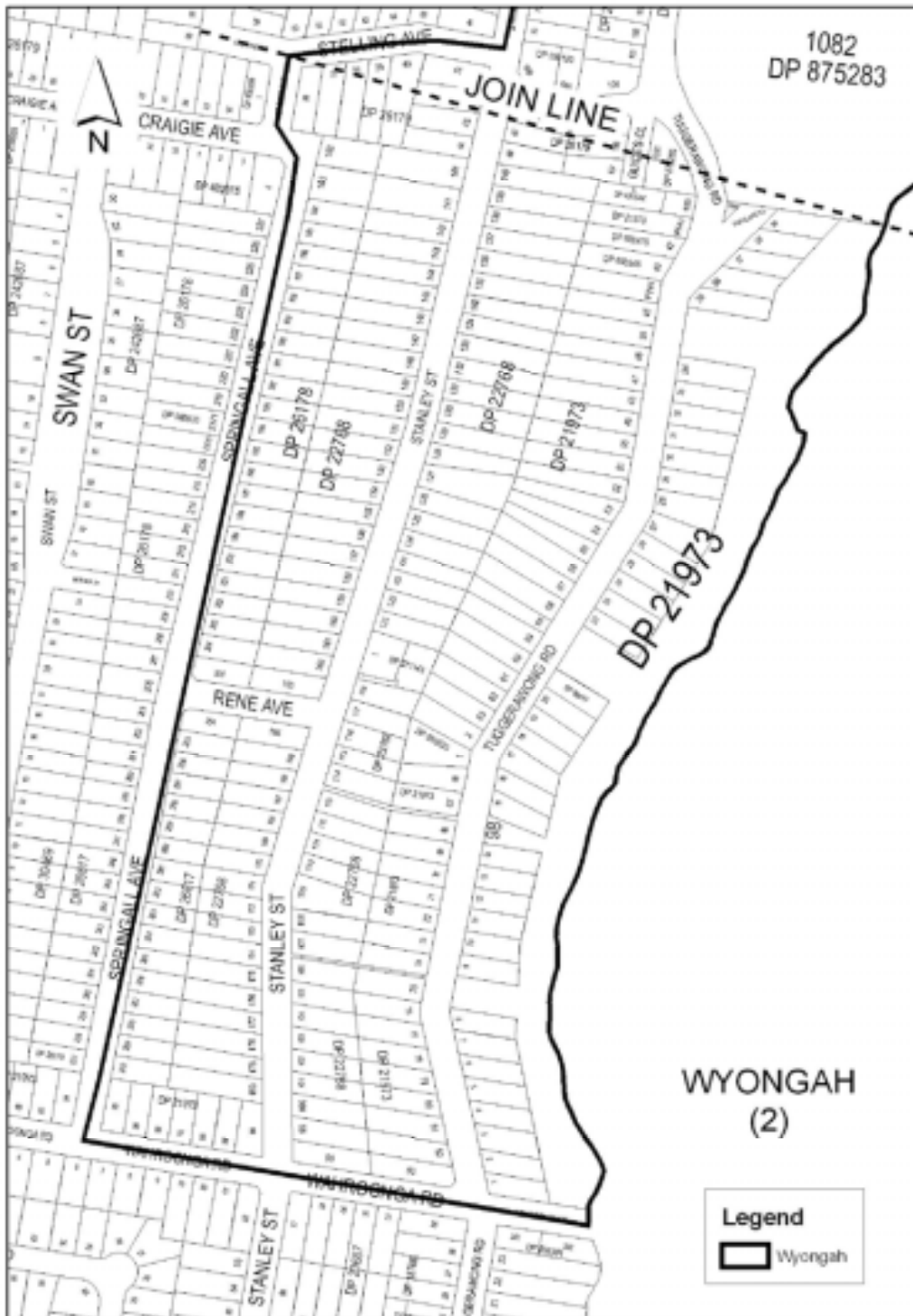


MAP 3A – WYONGAH AREA



MAP 3B – WYONGAH AREA



MAP 4 – BUDGEWOI EAST AREA



APPENDIX 1

OTHER LEGISLATION APPLYING TO TREE REMOVALS, VEGETATION MANAGEMENT AND CLEARING

Applications for tree clearing and removals will also need to comply with the provisions of other legislation, including but not limited to the following -

- a **National Parks and Wildlife Act 1974** (Schedules 12 and 13) - fauna habitat, protected plants;
- b **Threatened Species Conservation Act 1995** - ecological communities, critical habitat, endangered and vulnerable species, key threatening processes, recovery plans;
- c **Native Vegetation Act 2003** - clearing native vegetation, regional vegetation management plans, property agreements.
- d **Fisheries Management Act 1994** - prohibits cutting of mangroves;
- e **Water Management Act 2000** - A controlled activity approval under the WMA is required for certain types of developments and activities that are carried out in or near a river, lake or estuary (e.g., for the removal of material or vegetation);
- f **Rural Fires Act 1997** - authorised removal of fire hazards;
- g **New South Wales Heritage Act 1977** (Sections 129A and 139) - sites under conservation orders, relics;
- h **Noxious Weeds Act 1993** - clearing of noxious weeds;
- i **State Environmental Planning Policy No 14** - Wetlands;
- j **State Environmental Planning Policy No 26** - Littoral Rainforests;
- k **State Environmental Planning Policy No 44** - Koala Habitat
- l **State Environmental Planning Policy (Exempt and Complying Development Codes) 2008**

APPENDIX 2

CLAUSE 28 OF WYONG SHIRE LOCAL ENVIRONMENTAL PLAN (WLEP) 1991

Tree management

- 28** (1) This clause applies to all land within the area of Wyong except -
- (a) land within Zone No. 1(f), including a State forest or other Crown-timber lands within the meaning of the Forestry Act 1916; or
 - (b) land within Zone No. 8(a).
- (2) A person shall not -
- (a) prune or trim (except in accordance with AS 4373 – 1996 'Pruning or Amenity Trees'), remove, clear, cut down, destroy, poison, ring bark, lop, top, injure or interfere with any tree or native vegetation without the prior development consent of Council, or
 - (b) cause, permit or authorise the pruning or trimming (except in accordance with AS 4373 – 1996 'Pruning of Amenity Trees'), removing, clearing, cutting down, destroying, poisoning, ring barking, lopping, topping, injuring or interfering with any tree or native vegetation without the prior development consent of the Council;
- (3) Notwithstanding subclause (2), consent is not required for -
- (a) the removal or trimming of trees in accordance with the Electricity Supply (Safety Plans) Regulation 1997 or the Electricity (Tree Preservation) Regulation 1995; or
 - (b) the removal or trimming of trees in accordance with section 88, 107, 138 or 139 of the Roads Act 1993; or
 - (c) the removal or harvesting of trees grown commercially or domestically for their edible fruit; or
 - (d) the removal of noxious weeds within the meaning of the Noxious Weeds Act 1993; or
 - (e) the removal of commercially grown plantation trees in accordance with the Timber Plantations (Harvest Guarantee) Act 1995; or
 - (f) the removal or clearing of native vegetation authorised (but not exempt) under the Native Vegetation Conservation Act 1997, any other Act or another environmental planning instrument; or
 - (g) the removal of dead trees, except where the trees provide habitat for species listed in Schedule 1 or 2 to the Threatened Species Conservation Act 1995; or

DCP 14

TREE MANAGEMENT

- (h) the removal of native vegetation on land in any zone to which this clause applies for the purpose of creating or maintaining landscaped and lawn areas where -
- (i) the work does not involve the removal, injury or destruction of trees; and
 - (ii) the area to be cleared is within the curtilage of a dwelling for which development consent has been granted and is less than 1,000 square metres in total; and
 - (iii) the slope of the land is not in excess of 18 degrees; and
 - (iv) the work does not involve the disturbance of native vegetation which is habitat for species listed in Schedule 1 or 2 to the Threatened Species Conservation Act 1995; or
- (i) the clearing of native vegetation within urban zones where -
- (i) the work does not involve the removal, injury or destruction of trees; and
 - (ii) the allotment of land on which the work is proposed has an area of less than 1,000 square metres; and
 - (iii) the slope of the land is not in excess of 18 degrees; and
 - (iv) the work does not involve the disturbance of native vegetation which is habitat for species listed in Schedule 1 or 2 to the Threatened Species Conservation Act 1995; or
- (j) any works defined as "exempt vegetation management works" by this plan.
- (4) The Council shall not grant consent for the works referred to in subclause (2) unless -
- (a) such works are ancillary to or necessary to undertake a use permitted on the land; and
 - (b) the Council has made an assessment of the importance of the vegetation in relation to -
 - (i) soil stability and prevention of land degradation; and
 - (ii) water quality and associated eco-systems, such as streams, estuaries and wetlands; and
 - (iii) scenic or environmental amenity; and
 - (iv) vegetation systems and natural wildlife habitats.
- (5) Nothing in this clause affects any requirement made by or under the Native Vegetation Conservation Act 1997.
-

APPENDIX 3

SOURCES OF INFORMATION AND CONTACTS

Information Sheets Available from Council

- a DCP 67: Engineering Requirements for Development
- b Landscape Policy and Guidelines
- c Eco Information Sheets:
 - No. 4 - Pruning Trees in Wyong Shire
 - No. 6 - Bushfire Hazard Reduction Guidelines
 - No. 7 - Wetland Information Sheet
 - No. 8 - Tree Planting in Urban Areas
 - No. 10 - Balancing Tree Preservation with Development Application Requirements
 - No. 22 - Integrated Developments
 - No. 24 - Tree Species Suitable for Planting
 - No. 26 - Choosing an Arborist
 - No. 54 - Consent Requirements for Tree Applications

Contact Phone Numbers and Addresses

Wyong Shire Council

Phone: (02) 4350 5555
 Fax: (02) 4351 2098
 Address: PO Box 20 WYONG NSW 2259

Department of Premier and Cabinet, Office of Environment and Heritage,

Phone: (02) 4908 6800
 Fax: (02) 4908 6849
 Address: PO Box 488G NEWCASTLE NSW 2300

Department of Premier and Cabinet, Office of Environment and Heritage, (Parks and Wildlife Group)

Central Coast

Phone: (02) 4320 4200
 Fax: (02) 4320 4299
 Address: PO Box 1477 GOSFORD NSW 2250
 Email: central.coast@environment.nsw.gov.au

Department of Primary Industries, NSW Office of Water - Newcastle (NSW Office of Water)

Level 3, 26 Honeysuckle Drive Newcastle NSW 2300
 P O Box 2213, Dangar NSW 2309
 Phone: (02) 4904 2692
 Mob: 0407 103507 James Muddle

Department of Primary Industries – Agriculture Issues

Head Office – Orange
 Locked Bag 21, Orange NSW 2800
 Phone: 1800 808095
 Email: nsw.agriculture@dpi.nsw.gov.au

Hunter-Central Rivers Catchment Management Authority

Private Bag 2010, Paterson Nsw 2421

Phone: 02 4930 1030

Fax: 02 49301013

Email: hcr@cma.nsw.gov.au

National Arborists Association of Australia

Phone: (02) 4739 4339

Fax: (02) 4739 4361

Address: PO Box 187 BLAXLAND NSW 2774

Email: nat.arborists@optusnet.net.au

Wildlife Information and Rescue Service (WIRES)

Phone: (02) 4323 2326

Address: PO Box 464 WYONG NSW 2259

Email: info@wires.org.au

Wildlife Animal Rescue and Care (ARC)

Gosford

Phone: (02) 0500 551 121

Address: PO Box 2308 GOSFORD NSW 2250

5.6 2012-16 Strategic Plan - December Quarter Review (Q2)

TRIM REFERENCE: F2011/01862 - D03238799
AUTHOR: Mellissa McKee; Corporate Planning Executive
MANAGER: Stephen Naven; Chief Financial Officer

SUMMARY

This paper reports on Wyong Shire Council's performance progress as measured against the organisation's Strategic Plan for 2012-2016. The report covers the period for the six months ended 31 December 2012 (Q2).

RECOMMENDATION

- 1 That Council receive the second Quarterly Review Report on progress against the WSC 2012-16 Strategic Plan.**
- 2 That Council note that Council's Responsible Accounting Officer has declared the financial position of Wyong Shire Council to be satisfactory.**

BACKGROUND

Council is required to review its progress each quarter in accordance with the Wyong Shire Annual Plan and s.203 of Local Government (General) Regulations 2005.

Council prepares a Strategic Plan incorporating the 4-Year Delivery Program and the Annual Plan. Reporting on progress is in accordance with the Plan in terms of actual business performance against budget, the relevant Performance Indicators, Actions and Major Projects is detailed therein.

The Local Government Act requires Council to report quarterly on its performance and at least every six (6) months on progress with respect to each Principal Activity set out in the Strategic Plan.

The quarterly report is presented in the necessary format and is considered to satisfy both requirements.

CURRENT STATUS

The December 2012 Quarter Business Report (Q2) is included as an enclosure.

The 2012-13 financial year is focussed on Council's continued journey to achieving long term financial sustainability. Council's target for 2012-13 is an operating shortfall of (\$10m). To achieve this result Council will continue to implement tight management controls around expenditure and rigorous business planning to ensure a sound financial result whilst still delivering acceptable levels of service to our community.

The operating result year to date (YTD) is a surplus of \$69.8m against a budget of \$63.1m. This result includes Rates and Annual Charges income of \$135.6m which represents the full year income. The adjusted half year result, excluding the second half of the years' rating revenue is a \$2.0m surplus against a budgeted deficit of (\$4.7m). Work will continue to identify the risks to budgets and to reaffirm Council's commitment to the target of a (\$10m) deficit at year end - despite significant budget challenges.

Capital expenditure to 31 December 2012 was \$25.0m compared to the YTD budget of \$34.4m, and represents 29.6% of the full year capital budget of \$84.3m.

It is typical to find that the first half of the year's capital expenditure is lower than the second half due to the need to investigate, design and commence new works and Council's capital budgets are phased accordingly. By their very nature, large capital projects can involve substantial lead times to finalise detailed designs and obtain all necessary approvals and permits before work can commence. There can also be changes (increases or decreases) in the final costs of the work, compared with original preliminary cost estimates, as detailed design proceeds.

A thorough review of capital projects has been undertaken for this Q2 review and as a result a budget reduction of \$6.3m is proposed.

This reduction is due to a combination of savings on completed works and delays or deferrals in proceeding with other projects totalling \$11.2m including:

- Waste Management Projects \$3.3m
- Warnervale Development (land opposite Woolworths site) \$1.8m (funded by land reserve)
- Norah Head Boat Ramp \$1.2m (\$600k grant revenue)
- Wyong Civic & Cultural Precinct Masterplan \$1.0m
- Plant & Fleet Purchases \$835k
- Long Jetty Streetscape Improvements \$750k (grant funding \$625k)
- Bushfire Control Projects (no grant funding received) \$651k
- Emergency Services (aligned to approved grants) \$486k

A number of projects totalling \$4.9m are proposed to be brought forward from future years to take advantage of the current under expenditure, including

- Roads, footpaths, kerb & gutter and depot projects \$4.2m
- IT projects, including Disaster Recovery site \$0.7k

There are advantages in bringing forward some planned works from 2013/14 to 2012/13. The opportunity presented by the under expenditure in 2012/13 can allow the benefits of projects planned for 2013/14 to be gained earlier and also for cash flow to be more even over the two financial years.

Council's current approved capital works budget is \$84.3m, with the reductions of \$11.2m and the acceleration of future works of \$4.9m, this will see Council's revised capital works budget for 2012/13 total \$78.0m. Further investigations regarding other projects that could be brought forward are continuing and will be presented to Council in due course.

Financial Implications

Budget adjustments are proposed in this report, and in all instances have been offset by adjustments in other budget areas and the targeted operating deficit remains at (\$10m).

CONSULTATION

All departments were consulted and involved in the preparation of this report.

GOVERNANCE

Quarterly reporting of Council's financial and operating performance is mandatory.

CONCLUSION

All requirements of the relevant legislation governing management reporting have been met.

The Responsible Accounting Officer considers that Council's financial position is "satisfactory" – not withstanding that further continued management actions/decisions are required to maintain that position.

The financial position represented by the report leaves no room for relaxation of tight budgetary controls, by all concerned.

ATTACHMENTS

- 1 Business Report Q2 - December 2012 (Document D03273199 distributed under separate cover) Enclosure

5.7 Exhibition of Draft Wyong Shire Council 2013-2017 Strategic Plan (incorporating the 4 year Delivery Program, Operational Plan and Resourcing Strategies)

TRIM REFERENCE: F2012/01427 - D03269746

MANAGER: Stephen Naven, Chief Financial Officer

AUTHOR: Kathleen Morris; Manager Integrated Planning

SUMMARY

This report presents a draft Wyong Shire Council 2013-17 Strategic Plan for Council's consideration and adoption for public exhibition and consultation in accordance with the Division of Local Government Integrated Planning and Reporting Guidelines.

RECOMMENDATION

- 1 That Council adopt the Draft Wyong Shire Council 2013-17 Strategic Plan (the Draft Plan) for public exhibition.**
- 2 That Council receive submissions from the community and interested groups or stakeholders concerning the Draft Plan for consideration and possible inclusion in the final Plan to be adopted by Council in April 2013.**
- 3 That Council note that no loan monies will be required during 2013/14 to support the planned activities.**
- 4 That Council note that the Plan includes options for funding capital works and these will not be defined until advice is received from the Independent Pricing and Regulatory Tribunal (IPART) on the outcome of Council's application for a Special Rate Variation.**
- 5 That Council note that the Plan does not consider the draft or final outcome of the IPART pricing decision for Water and Sewerage and that this will be included once the decision has been received.**
- 6 That Council note the Plan's links to the Community Strategic Plan (CSP) may require updating once the revised CSP is adopted.**
- 7 That Council authorise the General Manager to make appropriate corrections in the Draft Plan to eliminate numerical inconsistencies and typing errors.**

BACKGROUND

The Local Government Act 1993 was amended in 2009 to introduce the Integrated Planning and Reporting Framework for Council operations and business planning. Those amendments provided for a staged introduction of what was effectively a new strategic planning system. Under the new Integrated Planning program Wyong Shire Council was classified as a "Group 3" Council, requiring a full implementation of the Integrated Planning Framework by 1 July 2012.

5.7 Exhibition of Draft Wyong Shire Council 2013-2017 Strategic Plan (incorporating the 4 year Delivery Program, Operational Plan and Resourcing Strategies) (contd)

The Integrated Planning and Reporting Framework requires Council to produce a Community Strategic Plan that details the community's vision and aspirations for the future of the Shire. This was adopted as the Shire Strategic Vision in 2009, and updated in 2011. A further review has just been completed and a draft is provided under a separate business paper for Council consideration.

The Planning Framework also requires that by the 30th June each year Council develop resourcing strategies that consider the workforce, financial and asset management requirements required to be delivered against the Community Strategic Plan; a four year delivery program; and an operational plan for the first year of the delivery program that details specific actions that will be undertaken during that period.

The 2013-17 Wyong Shire Council Strategic Plan is the third strategic plan that Council has developed under the Integrated Planning Framework.

CURRENT STATUS

The Wyong Shire Council Strategic Plan 2013-17 incorporates all elements required by legislation and the Integrated Planning Framework, as follows:

Requirement	Reference	Comment
A long-term resourcing strategy exists to achieve the objectives established by the CSP which Council is responsible for	A - s403 (a)	Refer Part 4 of the Draft Plan
The resourcing strategy includes long-term financial planning, workforce management planning and asset management planning	A - S403 (b)	Refer Part 4 of the Draft Plan
Long Term Financial Planning (LTFP)		
Council has prepared a long-term financial plan	EE - 2.1	Refer Part 4 of the Draft Plan
LTFP was used to inform decisions during finalisation of CSP	EE - 2.2	
LTFP was used to inform the development of the Delivery Program	EE - 2.2	Achieved
LTFP has a minimum 10 year timeframe	EE - 2.3	Achieved
LTFP is updated at least annually during development of Operational Plan	EE - 2.4	Achieved
LTFP reviewed in detail as part of 4-yearly review of CSP	EE - 2.5	Achieved
LTFP includes projected income and expenditure, balance sheet and cash flow statement	EE - 2.6	Achieved
LTFP includes planning assumptions used to develop the plan	EE - 2.6	Achieved
LTFP includes sensitivity analysis - highlights factors/assumptions most likely to affect the plan	EE - 2.6	Achieved
LTFP includes financial modelling for different scenarios, eg planned/optimistic/conservative	EE - 2.6	Achieved
LTFP includes methods of monitoring financial performance	EE - 2.6	Achieved
Workforce Management Planning		
Workforce Management Strategy exists that addresses the HR requirements of Delivery Program	EE - 2.7	Refer Part 4 of the Draft Plan
Workforce Management Strategy has a minimum 4 year timeframe	EE - 2.8	Achieved
Asset Management Planning (AM)		
Council has accounted for and planned for all existing assets and any new asset solutions proposed in CSP	EE - 2.9	Refer Part 4 of the Draft Plan

**5.7 Exhibition of Draft Wyong Shire Council 2013-2017 Strategic Plan
(incorporating the 4 year Delivery Program, Operational Plan and
Resourcing Strategies) (contd)**

Requirement	Reference	Comment
and Delivery Program		
AM exists to support the CSP and Delivery Program	EE - 2.10	Achieved
AM Plan/s exist to support the CSP and Delivery Program	EE - 2.10	Achieved
Asset Management Strategy and Plan/s have a minimum 10 year timeframe	EE - 2.11	Achieved
AM Strategy includes a Council endorsed AM Policy	EE - 2.12	Refer Part 4 of the Draft Plan
AM Strategy identifies assets critical to council's operations, and outlines risk management strategies for these assets	EE - 2.13	Achieved
AM Strategy includes specific actions required to improve AM capability and projected resource requirements and timeframes	EE - 2.14	Achieved
AM plan/s encompass all assets under council's control	EE - 2.15	Achieved
AM plan/s identify asset service standards	EE - 2.16	Achieved
AM plan/s contain long-term projections of asset maintenance, rehabilitation and replacement costs.	EE - 2.17	Achieved
Condition of assets is reported in annual financial statements	EE - 2.18 Local Government Code of Accounting Practice and Financial Reporting	Achieved
<i>Delivery Plan (DP)</i>		
DP directly addresses the objectives and strategies of the CSP, identifying the principal activities council will undertake in response	EE - 3.2	Refer Part 3 of the Draft Plan
DP details principal activities to be undertaken to achieve the objectives established in the CSP	A - s404 (1)	Refer Part 3 of the Draft Plan
DP details principal activities to be undertaken within resources available under Resourcing Strategy	A - s404 (1)	Refer Part 3 of the Draft Plan
DP informs and is informed by the Resourcing Strategy	EE - 3.3	Achieved
DP addresses full range of council's operations	EE - 3.4	Achieved
DP allocates high level responsibilities for each action or set of actions	EE - 3.5	Achieved
Financial estimates for 4 year period are included in DP	EE - 3.6	Achieved
Priorities and expected levels of service expressed by the community during CSP development have been considered in preparation of DP	EE - 3.7	Achieved
DP prepared after each ordinary election of councillors to cover 4 year period commencing following 1 July	A - s404 (3)	As presented
DP prepared and adopted by 30 June in year following election	EE - 3.1	On track with expected adoption in April 2013
The draft DP was on public exhibition for at least 28 days	A - s404 (4) EE - 3.8	Public exhibition planned for 1 March to 1 April 2013
Comments from the community from draft exhibition period were considered prior to endorsement of final DP	A - s404 (4) EE - 3.8	Public submissions will be considered prior to adoption
Proposed amendments to DP were included in business paper with reasons, and tabled and resolved at next Council meeting	EE - 3.11	To be undertaken post public exhibition period
DP was re-exhibited for public response when significant amendments were proposed	EE - 3.12	To be determined post public exhibition period
GM has ensured progress reports are provided to council with respect to DP at least every 6 months	EE - 3.8	Quarterly reports are provided
DP includes a method of assessment to determine effectiveness of each principal activity in achieving objectives	A - s404 (2)	Key performance indicators are included in the Plan
DP reviewed each year during preparation of Operational Plan	EE - 3.9	Achieved

5.7

**Exhibition of Draft Wyong Shire Council 2013-2017 Strategic Plan
(incorporating the 4 year Delivery Program, Operational Plan and
Resourcing Strategies) (contd)**

Requirement	Reference	Comment
If DP is rolled forward beyond Council's elected term, DP is consistent with CSP and Resourcing Strategy	EE - 3.10	Not applicable to this review
Operational Plan (OP)		
OP exists, and was adopted prior to beginning of financial year	A - s405 (1)	Draft OP included for endorsement for public exhibition
OP outlines the activities to be undertaken for the year as part of DP	A - s405 (1)	Refer Part 3 of the Draft Plan
OP has been prepared as a sub-plan of DP, and directly addresses actions outlined in DP, identifying projects, programs or activities Council will undertake in the year to address these actions	EE - 3.13	Refer Part 3 of the Draft Plan
OP includes a Statement of Revenue Policy	A - s405 (2)	Refer Part 5 of the Draft Plan
OP's Statement of Revenue Policy includes estimated income and expenditure	R - cl 201(1) (a)	Refer Part 5 of the Draft Plan
OP's Statement of Revenue Policy includes ordinary rates and special rates	R - cl 201(1) (b)	Refer Part 5 of the Draft Plan
OP's Statement of Revenue Policy includes proposed fees and charges	R - cl 201(1) (c) R - cl 201(1) (d)	Refer Part 5 of the Draft Plan
OP's Statement of Revenue Policy includes proposed pricing methodology	R - cl 201(1) (e)	Refer Part 5 of the Draft Plan
OP's Statement of Revenue Policy includes proposed borrowings	R - cl 201(1) (f)	Refer Part 5 of the Draft Plan
OP includes a detailed budget for the activities to be undertaken in the year	EE - 3.16	Refer Part 5 of the Draft Plan
OP is accompanied by a map showing where various rates apply	A - s405 (4)	Refer Part 5 of the Draft Plan
OP allocates responsibilities for each project, program or activity	EE - 3.14	Refer Part 3 of the Draft Plan
OP identifies suitable measures to determine effectiveness of projects, programs and activities undertaken	EE - 3.15	Refer Parts 3 and 6 of the Draft Plan
The draft OP was on public exhibition for at least 28 days	A - s405 (3) A - s405 (5)	Public exhibition planned for 1 March to 1 April 2013
Comments from the community from draft exhibition period were considered prior to endorsement of final OP	A - s405 (3) A - s405 (5)	Public submissions will be considered prior to adoption
OP was posted on council's website within 28 days of adoption	A - s405 (6)	To be completed once Plan is adopted
Budget review statement and revision of estimates was reported to Council within 2 months of the end of each quarter (except June quarter)	R - cl 203	To be achieved via Quarterly Reporting

The Plan has been developed based on extensive consultation with Councillors and staff, and reflects directions set by Council. It details Council's contribution to achieving the objectives and strategies of the Community Strategic Plan, providing enhanced presentation of the services planned for the community and the resourcing strategies required to deliver the Operational Plan 2013/14 and the 4 year Delivery Plan 2013-17.

The Plan continues to address Council's deficit with a planned operating shortfall of \$5 million at the end of 2013/14, down from the \$30 million shortfall realised in 2009/10.

It includes information on Council's proposed application to IPART for a special rate variation, including a summary of community consultation and details of how Council would allocate additional funds to close the asset maintenance gap through capital works options under each proposed special rate variation scenario.

5.7 Exhibition of Draft Wyong Shire Council 2013-2017 Strategic Plan (incorporating the 4 year Delivery Program, Operational Plan and Resourcing Strategies) (contd)

The Plan does not include the determination from IPART for water and sewer pricing, which will be included once the determination is provided.

THE PROPOSAL

Section 405 of the Local Government Act 1993 requires Council to place its Draft Plan on public exhibition for 28 days. It is proposed to place on exhibition the Draft Plan as presented to Council, with any amendments requested at the meeting.

STRATEGIC LINKS

Long term Financial Strategy

The Long Term Financial Strategy is included, as part of the Wyong Shire Council 2013-17 Strategic Plan.

Asset Management Strategy

The Asset Management Strategy is included, as part of the Wyong Shire Council 2013-17 Strategic Plan.

Workforce Management Strategy

The Workforce Management Strategy is included, as part of the Wyong Shire Council 2013-17 Strategic Plan.

Link to Community Strategic Plan (2030)

The Plan clearly shows what Council intends to do during 2013/14 and in the subsequent three years to achieve the community's priorities outlined in the Community Strategic Plan through specific service delivery while at the same time ensuring that there is "best value" provision of essential community services.

Budget Impact

The Plan provides for a sustainable pathway to an operating "break-even" point by 2014/15. Any departure from the planned expenditure programmes will have a negative affect on that target unless balancing (i.e. cost savings) strategies accompany changes in expenditure priorities.

CONSULTATION

The Draft Wyong Shire Council 2013-17 Strategic Plan has been formulated through a process of extensive consultation with Councillors who have established the strategic direction, provided leadership and set priorities through a series of workshops and briefings.

Council has held specific workshops on the proposed Operational Budget, Capital Works Program, and the draft Financial, Asset, Workforce and Information Management Strategies. Council Service Units and the Executive have contributed specific actions and formulated the

5.7 Exhibition of Draft Wyong Shire Council 2013-2017 Strategic Plan (incorporating the 4 year Delivery Program, Operational Plan and Resourcing Strategies) (contd)

budgets to maintain essential community services and deliver the priorities as set by Councillors.

Engagement with the community is planned throughout the exhibition period and will involve:

- Exhibition material, including Plan, CDs and Summary provided at all Council offices, libraries and child care centres
- Information provided to Shire Precinct Committees
- Website Information
- Promotions through local print media

GOVERNANCE AND POLICY IMPLICATIONS

The Wyong Shire Council 2013-17 Strategic Plan is a significant milestone in implementing the integrated planning framework and providing an improved structured approach to civil leadership and governance.

The Strategic Plan provides a clear roadmap for activities and major projects. It identifies the assets, workforce and financial resources necessary to achieve its ambitious programs and provides a system for measuring and monitoring the results over the course of the Plan.

MATERIAL RISKS AND ISSUES

Formulation and adoption of Council's 2013-17 Strategic Plan provides clear direction for the upcoming financial year and beyond. The accompanying asset, workforce and financial strategies ensure that the resources are allocated on a priority basis and are available to maintain essential community services and provide programs for the forthcoming year. In so doing, it mitigates significant risks arising from adhoc decision-making and provides long term direction.

CONCLUSION

Council has detailed its service priorities by Principal Activity and includes those changes in the Plan by way of matching expenditure intended for the coming years. Council is determined to ensure that it will only provide services within the available income.

The plan provides:

- Clear connectivity between the Community Strategic Plan and Council's activities
- Council activities and resourcing to deliver specified services
- Financial targets that focus on achieving financial sustainability by 2015
- Clear indication of options available for capital works expenditure (to close the asset maintenance gap), which are dependent on application to and determination of special rate variation by IPART

The Draft Plan complies with the Local Government Act and the Division of Local Government Integrated Planning and Reporting Guidelines.

It remains for Council to seek the opinion of the community before final adoption.

ATTACHMENTS

- 1 Draft Wyong Shire Council 2013-17 Strategic Plan (provided under separate cover)

5.8 Exhibition of revised Community Strategic Plan (CSP)

TRIM REFERENCE: F2012/01447 - D03269887

MANAGER: Stephen Naven, Chief Financial Officer

AUTHOR: Kathleen Morris; Manager Integrated Planning

SUMMARY

This report presents a draft revised Community Strategic Plan for Council consideration, prior to public exhibition.

RECOMMENDATION

- 1 That Council endorse amendments to the existing Community Strategic Plan.**
- 2 That Council place the draft Community Strategic Plan on public exhibition.**
- 3 That Council receive submissions from the community and interested groups or stakeholders concerning the Draft Plan for consideration and possible inclusion in the final Plan to be adopted by Council in April 2013.**
- 4 That Council endorse the revised Engagement Strategy for the Community Strategic Plan.**

BACKGROUND

The Local Government Act 1993 was amended in 2009 to introduce the Integrated Planning and Reporting Framework for Council operations and business planning. Those amendments provided for a staged introduction of a new strategic planning system. Wyong Shire Council was classified as a "Group 3" Council, requiring a full implementation of the Integrated Planning and Reporting (IP&R) Framework by 1 July 2012.

Under the framework Council was required to produce a Community Strategic Plan (CSP) that details the community's vision and aspirations for the future of the Shire.

The CSP is a community document, developed and delivered in partnership with Council, state agencies, community groups and individuals. It identifies the community's main priorities and aspirations for the future. It has a legislated minimum period of 10 years, with Wyong's current plan extending to 2030.

Wyong's initial CSP was first created and adopted in 2009, based on strong community consultation in 2007 and 2008. The consultation involved input from more than 3500 individuals through conversations, children's art projects, telephone surveys, feedback following public meetings and an early morning survey of commuters. The process was guided by three liaison groups – Community, Council and State Government. The liaison groups reviewed all community feedback and developed 22 objectives.

In 2011 Council reviewed the Plan and adopted changes which included the addition of guiding principles, clarification on who is responsible for action on each of the strategies and recognition and priority on the provision of essential services.

The current review is undertaken in accordance with the Local Government Act 1993 section 402(5):

Following an ordinary election of councilors, the council must review the community strategic plan before 30 June following the election. The council may endorse the existing plan, endorse amendments to the existing plan or develop and endorse a new community strategic plan, as appropriate to ensure that the area has a community strategic plan covering at least the next 10 years.

CURRENT STATUS

In 2012, the Division of Local Government undertook a review of Council's integrated planning documents and advised that in future reviews 'performance indicators need to be assigned in the Community Strategic Plan'.

In accordance with legislative requirements, a revision of the Plan, including public consultation, exhibition and adoption, must occur before 30 June 2013. As the current plan was reviewed and adopted in June 2011 it has not had an opportunity to be supported by a full integrated planning and reporting cycle, which is four years to match the term of Council.

Taking into consideration that the plan is relatively new, a desktop audit was undertaken based on recent community consultation. Consultation included review of input from over 2,900 community members during 2011 and 2012 on topics including: learning communities, the State Plan 2021 (including the Central Coast Regional Action Plan), NSW Long Term Transport Master Plan, Council service priorities and standards, and quality of life. This consultation identified that the community's priorities had not altered with focus remaining on strategies for skills enhancement, local job opportunities, local investment, access to learning, improved transport times and accessibility, environmental protection, support for young people and their families, local roads and drainage, and effective governance, all of which are covered under the objectives of the current plan.

THE PROPOSAL

The attached draft revision of the CSP has been updated to:

1. Reformat the plan to more clearly articulate the objectives into the required quadruple bottom line framework of community, environment, economy and civic leadership
2. Integrate the strategies previously marked as 'low priority' into the community's eight primary objectives
3. Include Social Justice principles
4. Include an assessment framework so that future outcomes can be more effectively assessed and to meet IP&R requirements
5. Strengthen the links to NSW State Plan 2021 through linkages to the Central Coast Action Plan strategies

The Plan must, in accordance with the Local Government Act, address social, environmental, economic and civic leadership issues and as such, the revised plan has been formatted to match a quadruple bottom line focus.

5.8 Exhibition of revised Community Strategic Plan (CSP) (contd)

The objectives included in this document are taken from the 8 high priority and 14 low priority objectives of the 2011 plan. Strategies under each objective are those identified during development of the current plan. It should be noted that the order of the objectives and strategies has been altered to match the QBL grouping.

It should also be noted that in revising the plan, focus has been given to developing a framework for assessing performance against objectives. This will ensure the community is kept aware of outcomes made toward achieving an objective through statistical changes and actions taken by Council, community groups, individuals and state agencies

The revised Community Plan does not change the four Vision Principles or amend the eight Priority Objectives of the current CSP that the community and Council at the time believed should be addressed over the next 20 years in order to achieve the best future quality of life.

The 2013 review does not propose to change the direction of the Community Vision, but it reaffirms the document maintains its relevancy and provides the best current direction for the community, Council and State government.

The review meets the IP&R legislative requirements as follows:

	Requirement	Reference	Comment
	<i>Reviewing the CSP</i>		
1.21	CSP is reviewed every four years (ie review to be completed by 30 June following local government elections)	EE - 1.9	Review presented for Council endorsement for public exhibition
1.22	Revised CSP has been rolled forward so still has a minimum 10 year timeframe	EE - 1.9	The draft review covers the period to 2030
1.23	Report on progress on implementation of CSP and effectiveness in achieving its objectives over last 4 years has been presented to final meeting of outgoing council	EE 1.10	Not required as Council categorized as a Group 3 Council under the Integrated Planning & Reporting staged implementation
1.24	Information that informed the CSP has been reviewed	EE 1.11	As stated above the review has incorporated information from a number of community consultation forums
1.25	The Community Engagement Strategy has been reviewed	EE 1.11	Adopted by Council in December 2012
1.26	The revised Community Engagement Strategy was implemented for the CSP review	EE 1.11	In progress

STRATEGIC LINKS

Wyong Shire Council Strategic/ Annual Plan

The Draft Strategic Plan 2013-17, currently being presented to Council for endorsement to go on public exhibition, will require alignment to the revised CSP.

Long term Financial Strategy

The draft Long Term Financial Strategy is aligned to the objectives of the CSP.

Asset Management Strategy

The draft Asset Management Strategy is aligned to the objectives of the CSP.

Workforce Management Strategy

The draft Workforce Management Strategy is aligned to the objectives of the CSP.

Budget Impact

The budget impacts of the CSP are incorporated into Council's Long Term Financial Planning.

CONSULTATION**Engagement Strategy**

The engagement strategy adopted in December 2012 identified pre-exhibition workshops to be held with key community representatives, however noted that the workshops may be cancelled should further consultation be required on the Special Rate Variation (SRV).

Due to the SRV consultation being extended into a stage 3, it was not considered prudent to conduct many significant engagement projects with key members of the community at the same time. Accordingly the plan was revised using internal consultation and community consultation is now aligned with the Council Strategic Plan.

It is important that the proposed improvements go back to the community and that the community is given an opportunity to comment through a public exhibition.

The Engagement Strategy has been amended to reflect the changed exhibition process.

Consultation has also taken place with the Department of Premier and Cabinet.

GOVERNANCE AND POLICY IMPLICATIONS

The review of the Community Strategic Plan is both a legal requirement and best practice for local government throughout New South Wales. It is the foundation on which the integrated planning framework is built.

It serves as a roadmap for future activities and programs by the community, state government and Council and provides strategic leadership for governance activities.

MATERIAL RISKS AND ISSUES

While the Community Strategic Plan has been reviewed to consider possible changes within the community, risks can still arise if it is not reviewed and updated to reflect the best strategies and directions for achieving the community's priority objectives.

Council's 2013-17 Strategic Plan mitigates significant risks arising from adhoc decision-making and provides long term direction that is aligned to the community's vision.

CONCLUSION

The revised plan complies with the Local Government Act and the Division of Local Government Integrated Planning and Reporting Guidelines.

It is therefore recommended that Council endorse the proposed amendments to the existing CSP for the purposes of exhibition.

It remains for Council to see the opinion of the community before final adoption.

ATTACHMENTS

- 1 Draft Revised Wyong Community Strategic Plan 2030 (provided under separate cover)

5.9 Report of the Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee Meeting, 7 February 2013

TRIM REFERENCE: F2004/07986 - D03271144

MANAGER: Greg McDonald, Director Infrastructure and Operations

AUTHOR: Karina Curtis; Personal Assistant to Director Infrastructure and Operations

SUMMARY

Minutes of the 7 February 2013 meeting of the Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee are attached.

RECOMMENDATION

- 1 Council note the report of the Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee of 7 February 2013.**
- 2 That Council endorse the Committee's recommendations.**

REPORT

The minutes of 7 February 2013 meeting of the Tuggerah lakes Estuary, Coastal and Floodplain Management Committee are attached for Council's adoption.

ATTACHMENTS

- 1 Tuggerah Lakes Estuary, Coastal & Floodplain Management Committee D03271600
- Minutes - 7 February 2013**



WYONG SHIRE COUNCIL
MINUTES OF MEETING
OF THE
TUGGERAH LAKES ESTUARY, COASTAL AND FLOODPLAIN MANAGEMENT COMMITTEE

Held in

WYONG SHIRE COUNCIL COMMITTEE ROOMS, HELY STREET, WYONG

Thursday 7 February 2013

Commencing at 5.00 pm

Present

Councillor Lloyd Taylor	Chairperson, Wyong Shire Council
Mayor Doug Eaton	Wyong Shire Council
Councillor Adam Troy	Wyong Shire Council
Councillor Lynne Webster	Wyong Shire Council
Councillor Greg Best	Wyong Shire Council
Greg McDonald	Director Infrastructure & Operations
Stephen Naven	Chief Financial Officer
Rob Fulcher	Acting Manager Waterways & Asset Management
David Ryan	Manager Estuary Management
Alex Beavis	Sustainability officer Coastal Management
Peter Sheath	Senior Planning Engineer Hydrology
Lara Davis	Office of Environment and Heritage

In Attendance

Karina Curtis	Personal Assistant to Director
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Committee Apologies

Neil Kelleher	Office of Environment and Heritage
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The meeting was declared open by Councillor Taylor at 5.00 pm.

1.1 Disclosure of Interest

Moved by Councillor Troy, seconded by Councillor Eaton.

Committee Recommendation

That members now disclose any conflicts of interest in matters under consideration at this meeting.

1.2 Confirmation of Previous Minutes

The minutes of the meeting held on 6 February 2013 were distributed as an attachment to the meeting agenda. No comments were received and the Committee agreed on their confirmation.

Moved by Councillor Troy, seconded by Councillor Eaton.

Committee Recommendation

That members confirm the minutes of the previous Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee held on 6 December 2012.

1.3 Address by Invited Speakers

The representatives from the Catchment Management Authority and Tuggerah Lakes Care Inc. were not present to address the meeting.

Moved by Councillor Troy, seconded by Councillor Eaton.

Committee Recommendation

- 1. That Council approve the Invited Speaker from Catchment Management Authority and Tuggerah lakes Care Inc. to address the meeting.***
- 2. That Council receive the report on Invited Speakers.***

2.1 Estuary Management Plan Status Report

Mr David Ryan, Manager Estuary Management answered queries regarding to contract deliverables within agreed timeframe, expenditure forecasts and actions implemented to reduce risk mitigation.

Moved by Councillor Troy, seconded by Councillor Webster.

Amended Committee Recommendation

1. *That the Committee receive and note the report on the Estuary Management Plan Status Report.*
2. *That the Committee investigate other methods of obtaining additional ongoing funding in the lead up to the next federal election.*

Due to staff and Councillor's availability it was requested that Items 2.4 and 3.1 be moved forward.

Moved by Councillor Troy, seconded by Councillor Webster.

2.2 Coastal Zone Management Plan Status Report

The Committee discussed information from the Ministerial Office was different to the Chief Scientist Report. Mr McDonald will seek further clarification on this matter. Staff have since confirmed that they have no comment on this matter. This matter is between the Chief Scientist, Engineer and OEH staff.

Moved by Councillor Troy, seconded by Councillor Webster.

Amended Committee Recommendation

That the Committee receive and note the report on the Coastal Zone Management Plan without endorsing it.

2.3 Floodplain Risk Management Studies Program

Mr Peter Sheath, Senior Planning Engineer Hydrology, answered queries regarding flood management grant funding and Council's current position to qualify for these submissions. Funding submissions for 2013/14 will cease at the end of March 2013.

Savings were identified in the Council report of 27 February 2013 and there maybe an opportunity to transfer these savings to floodplain projects.

Moved by Councillor Troy, seconded by Councillor Webster.

Committee Recommendation

1. *That the Committee receive and note the Floodplain Risk Management Status Report.*
2. *That the Committee recommend that Council adopt the 1% AEP flood levels as presented on figures 4.3 and 4.5 in the Wyong Town Centre Concept Stormwater Drainage Investigations and Options Analysis (3 May 2011) for flood planning purposes; including notations on s149(2) Planning Certificates that the relevant lots are affected by flood related development controls.*

2.4 Monthly Reporting on the Estuary Management Plan

Mr Stephen Naven, Chief Financial Officer discussed reporting options with regards to current expenditure. It was agreed the current format will continue, however Mr Naven will amend the table format which will enable Estuary Management projects to be cross referenced.

It was also suggested that the finance table be printed on A3 paper for better visibility.

Moved by Councillor Troy, seconded by Councillor Webster.

Committee Recommendation

That the Tuggerah Lakes Estuary, Coastal and Floodplain Management Committee receive the December 2012 Financial Expenditure Report.

3.1 Policy Amendment to Address Sea Level Rise Resolution

Greg McDonald, Director Infrastructure & Operations raised the statutory difficulties in regards to methodology used to determine appropriate sea level rise proportion and freeboard limits. A presentation was provided to the Committee.

Further discussion was held in regards to variable components, reasonable freeboard limits, utilising current hazard lines against new methodologies and at what level infrastructure becomes compromised.

Moved by Councillor Troy, seconded by Councillor Webster.

Amended Committee Recommendation

- 1. That the Committee receive the report on Policy Amendment to Address Sea Level Rise Resolution***
- 2. That Staff will provide further advice to the Committee regarding Coastal recession and hazard lines associated with a reduced sea level rise.***

4 General Business

The Tuggerah Lakes Estuary, Coastal & Floodplain Management Committee Charter was adopted by Council. There will be seven voting members, including three community members.

The Expressions of Interest submissions close 8 February 2013 and to date six submissions have been received.

The nominations will be reviewed with a report submitted to Council on 27 February 2013 for adoption to allow the new members to be available for the March 2013 Committee meeting. It was suggested that there should be one community representative appointed for each area (coastal, floodplain and estuary).

The revised charter allows for state government representatives to be invited to Committee meetings for specific reports relating to their field of expertise. Mr McDonald advised that when the reports are first reviewed staff will make a decision to invite the necessary representatives to provide reasonable notice to all stakeholders.

Dredging at Chittaway Point Boatramp and Ourimbah Creek Channel was discussed by Councillor Greenwald based on resident concerns. It was noted that the weed harvester undertakes programmed work however the schedule changes regularly based on environmental conditions. Mr McDonald will also confirm whether the harvester is able to go under Budgewoi Bridge to enter Lake Macquarie. Staff have since confirmed that the lake levels are currently too high for the barge to go under Budgewoi Bridge but can get under the bridge when lake levels recede.

Members raised the frequency of meeting dates for the Committee and suggested that the members could meet on a quarterly basis. Councillor Eaton confirmed that the Committee will remain monthly at the present time, however the Councillors may pursue this suggestion at a later date.

The meeting was declared closed at 6.55pm.

**WYONG SHIRE COUNCIL
TUGGERAH LAKES ESTUARY, COASTAL AND FLOODPLAIN MANAGEMENT COMMITTEE
ACTION LOG**

Item #	Meeting Date	Report Title	Action	Responsibility	Status/ Notes
2.1	1 November 2012	Coastal Zone Management Plan	The Mayor Requested Council's recent resolution regarding sea level rise be placed in the same place as the Coastal Zone Management Plan currently being exhibited on Council's website.	Manager Environment and Natural Resources	
2.2	1 November 2012	Floodplain Risk Management Studies Program	The Mayor requested that a report on the condition of The Entrance North floodgates be reported to Council.	Senior Planning Engineer Hydrology	A request has been sent to Roads & Stormwater to carry out an inspection and report to Council.
2.2	1 November 2012	Floodplain Risk Management Studies Program	The Mayor requested that minutes from the workshop on flood insurance be circulated to all Committee members.	Senior Planning Engineer Hydrology	Complete - Included as attachment 1 of the Floodplain Risk Management Report as part of the 6 December Committee Business Paper.
2.3	1 November 2012	Estuary Management Plan	The Committee requested that a document titled "Seagrasses", tabled by Community Representative Robert Ray, be circulated with the meeting minutes to all Committee members.	Councillor Services Officer	Completed.
1.3	1 November 2012	Confirmation of Previous Minutes (Business Arising)	GB69/12 Follow Up on Flood Mitigation Question Tom Wallace advised that works on the damaged spillway at Bateau Bay have now been completed but a response has not been provided regarding this question. Greg McDonald advised that Tom met with Council staff on 24 July 2012 regarding this matter.	Senior Planning Engineer Hydrology	Complete - damaged spillway works are complete and response provided.

Item #	Meeting Date	Report Title	Action	Responsibility	Status/ Notes
1.3	1 November 2012	Confirmation of Previous Minutes (Business Arising)	GB70/12 Cycleways Design Flaw Tom Wallace requested further feedback regarding concerns raised at the 5 July 2012 committee meeting regarding the design of a cycleway located at The Entrance North. Greg McDonald advised that Tom met with Council staff on 24 July 2012 to discuss this matter.	Director Infrastructure Management	Completed.
4/ GB84/12	1 November 2012	General Business	GB84/12 Diesel Smell Coming from Culvert on Pacific Street - LJ19 Doug Darlington advised that he is a member of the Long Jetty Water Watch Group, who monitors the culverts that run into the lake from Saltwater Creek to Long Jetty Foreshore – approx. 40 culverts. The culvert at Pacific Street, number LJ19, has had a strong diesel smell coming from it for the last year; there have even been articles in the Central Coast Express Advocate about it. Doug requested Council staff provide him with more information about this culvert. Mr Darlington was advised to forward his request to operational staff for action.	Director Infrastructure Management	
2.1	6 December 2012	Estuary Management Plan Status Report	It was requested that CMA representatives be invited to next meeting to discuss cropping, horticulture and grazing management practices and identification of turf farms.	David Ryan, Manager Estuary Management	CMA were invited to attend meeting in February, however did not attend.

Item #	Meeting Date	Report Title	Action	Responsibility	Status/ Notes
2.1	6 December 2012	Estuary Management Plan Status Report	Communications Team to communicate with the community to educate them on the Estuary Management general environmental works which in time will improve the lakes.	David Ryan, Manager Estuary Management	
2.3	6 December 2012	Floodplain Risk Management Studies Program	It was requested that a copy of the draft DCP policy for the Lower Wyong River Floodplain Risk Management Plan be distributed to Councillors.	Peter Sheath, Senior Planning Engineer Hydrology.	Completed. Councillors were directed to website where the Wyong River Floodplain risk Management Plan was on exhibition.
4.1	6 December 2012	General Business	Dead Pelicans - Budgewoi Lake Following discussion of bird deaths in the vicinity of Budgewoi Lake, it was requested that David Ryan communicate with Mr Blaschke further.		
4/GB/1/13	7 February 2013	General Business	Staff to investigate conditions at Chittaway Point Boat Ramp and Ourimbah Creek Channel with regards to resident concerns of the build up of wrack.	David Ryan, Manager Estuary Management	

5.10 SERVICE STANDARDS REVIEW - Special Rate Variation

TRIM REFERENCE: F2012/00884 - D03273687
MANAGER: Michael Whittaker, General Manager
AUTHOR: Maxine Kenyon; Director

SUMMARY

In 2010 Council recognised there was an issue with the financial sustainability of the organisation. After substantial productivity improvements significant on going annual savings of more than \$20m were made. Even so, it is still apparent that there is a funding shortfall of \$130m to bring our assets up to a satisfactory standard to deliver the services the community need and expect and reduce the risk to Council and the community of these assets failing.

Council has undertaken significant consultation with the community on this issue and the options to fund this dilemma. We do not have sufficient income to continue with the level of services we currently provide and a decision is required to increase income or cut services.

This report provides the results of the final consultation and the financial detail of three options for consideration to increase the General Ordinary Rates: increase by the rate peg amount only; increase by a total of 9.5%; and, increase by a total of 6.9%. Staff recommend a Special Rate Variation be submitted to the NSW Independent Pricing and Regulatory Tribunal for a 9.5% increase each year, cumulative over seven years to address this crucial asset gap, reduce the substantial risk associated with these assets and deliver the services required for this community.

RECOMMENDATION

- 1 That Council make a submission to the Independent Pricing and Regulatory Tribunal for a S508A Special Rate Variation for 9.5% (including rate cap) for a period of seven years commencing 2013/14 financial year by 11 March 2013.***
- 2 That Council promote this decision and provide a link to the Independent Pricing and Regulatory Tribunal website on Council's website once the submission has been made.***

BACKGROUND

Local Government Context

Councils of years ago do not compare to the way councils are run and are required to be run in this day and age, they are now seen and run as a business. Community expectations have changed and the number of residents has grown dramatically. Now, Council provides 94 services and 170 different products to the community, some of these are regulated, some are historical and others are because of the need in our community. The State Government require Wyong Shire to accommodate a further 70,000 residents by 2031, the impact of this ever increasing population on our services and assets is continual and requires significant renewals, upgrades and new assets to meet the demands of the changing population.

In 2010 a new framework to ensure the sustainability of all councils in NSW was introduced. All councils have been required to adopt the Division of Local Government's (DLG) Integrated Planning and Reporting Framework from 1 July 2012 as part of the Group 3 councils. To do this Council is required to have a Community Strategic Plan, Four Year Delivery Plan, Annual Plan, Long Term Financial Strategy (10 year), Asset Management Strategy and Workforce Management Strategy. In recognition of the complexity and influence of technology on our business, Wyong Shire Council has also added an Information Technology Strategy. This Framework provides more regulation, reporting and focus on councils being sustainable on a quadruple bottom line approach than there ever was previously.

In 1977 rate capping in NSW councils was introduced, this meant the NSW Government through the Independent Pricing and Regulatory Tribunal (IPART) determine the maximum level of annual rate increases for all NSW councils. In Wyong's case, when rate pegging was introduced our rates were very low in comparison to some more established council areas.

NSW is the only state in Australia where local government has a rate cap. IPART can also grant special levies and in 2010 IPART introduced a Special Rate Variation process which aligned to the Integrated Planning and Reporting Framework process. Over the last two years, 25% of the 152 councils in NSW have submitted applications to IPART for rate increases above the annual rate peg amount. The success of councils has varied, including changes to years, percentage increases or no increases approved in some cases. A further 24 councils (including Wyong) have notified IPART of their intention to submit an application for 2013/14.

The rating structure of Local Government means that there is a total maximum amount of annual rate income that we are capable of collecting. Each year IPART sets the amount by which councils total rate income can increase. Land value only determines the proportion of that total amount that any individual will pay. That total amount is divided between all ratepayers including, businesses, residents, farmland and mining properties.

Council's rates consist of a variety of charges, including:

- General Ordinary Rates
- Domestic Waste
- Stormwater Management
- Water Service
- Sewerage
- Drainage

Many NSW councils do not operate Water Authorities and therefore bills for water and sewer are not associated with council, e.g. Sydney Water or Hunter Water. On the Central Coast, the local councils are also water supply authorities and therefore the water and sewer bills are included on the rates notice from each Council. The proposed Special Rate Variation addressed in this report only refers to the General Ordinary Rates on the rates notice and does not impact the other rates and charges set out above.

While Council's budget is based on the following funds, this report only relates to the General Fund and the effect on General Ordinary rates.

- General Fund

- Water Fund
- Sewerage Fund
- Waste Fund.

In more recent years, the effects of State or Federal Government shifting costs to Local Government have been extensive. In 2013/14, it is planned that Wyong Shire Council will need to fund \$23m worth of cost shifting from other levels of Government. This includes things like contributions to the NSW Fire Brigade and Rural Fire Service, Waste Levy, Pensioner Rate Subsidy and maintenance of crown reserves. The table below highlights the level of cost shifting over recent years, in millions.

	2007/08 \$'000's	2008/09 \$'000's	2009/10 \$'000's	2010/11 \$'000's	2011/12 \$'000's	2012/13 \$'000's	2013/14 \$'000's
Total income from continuing operations before capital amounts (for comparison)	\$174,642	\$190,495	\$202,346	\$207,826	\$223,364	\$237,559	\$238,010
Total net cost shifting	\$17,148	\$20,926	\$23,868	\$17,873	\$19,526	\$23,272	\$23,153
Cost shifting ratio (total net cost shifting divided by total income before capital amounts times 100) in %		10.99%	11.80%	8.60%	8.74%	9.80%	9.73%

Council Identified The Issue

In summary, Council does not have enough income to pay for the costs associated with bringing our \$2.3bn of assets up to a satisfactory standard to continue to provide services to our community. A decision needs to be made to find more income or reduce service levels.

In 2010 Council implemented the DLG Integrated Planning and Reporting Framework as an initial step in complying with the requirements, however identified the need to further consult with the community on service levels and Council's long term financial sustainability. As part of this process Council established programs for 2011 and 2012 to improve Council's financial position and inform Council's priorities. Council adopted the 2011-2015 WSC Strategic Plan in June 2011 and the Long Term Financial Strategy identified future operating short-falls which were financially unsustainable, and adopted an intervention strategy to reduce Council's operating deficits to break-even by 30 June 2015. This included saving and revenue initiatives to reduce the operating deficit to \$10m (short-fall) and identified the investigation of a special rate variation in 2013-2014 to fund essential infrastructure subject to the assessment of service levels and community needs.

On 23 November 2011 Council resolved to commence consultation with the community on priorities, desired levels of service and preparedness to pay for services. Since that time significant work has been undertaken to identify the priorities, options for addressing them and the community's willingness and capacity to pay for an increase above the annual rate peg.

The Details Of The Issue

Council uses a wide range of assets to provide services to the community, including roads, buildings, playground equipment, parks and sporting facilities, waterways, wetlands and asset protection zones. As outlined above, Council's Strategic Plan includes an Asset Management Plan. This document includes information about the condition of Council's total \$2.3bn assets and the actions and funding needed to keep those assets in a satisfactory condition to ensure they provide the required level of service to the community. That information is derived from Council's asset management systems and industry standards.

Council uses various approaches to keep assets in the required condition, including regular maintenance, renewal when they reach the end of their useful life and upgrading them from their original design to a higher standard. Council also obtains new assets through procurement, construction and third parties such as developers.

The adopted 2011/15 and 2012/16 Council Strategic Plans both identified that there was significant shortfall in the level of capital expenditure needed to bring Council's existing assets to a satisfactory condition. The draft 2013/17 Strategic Plan does likewise. As at 30 June 2012, the funding shortfall for Council's General Fund assets was \$121m, as reported in Special Schedule 7 in Council's adopted annual financial statements. This figure does not include the work required on natural and open space assets, which currently has an interim estimate of \$9m, further work is required in this asset class. Overall, at the moment Council has \$130m of work to fund to bring existing assets back to a satisfactory standard.

This amount is on top of what Council is already spending each year to maintain assets to keep them ticking over, or to replace assets that have reached the end of their useful life. It does not include any allowance for new assets that are required to deliver services expected or needed by the community.

The asset funding gap has developed over many years due to a number of factors, including:

- During the '60s, '70s and '80s, Council built new assets to meet the community's service requirements. At that time, asset management systems were not as sophisticated as they are today and issues like whole of life costs were not always considered before deciding to provide new assets. Initially, those assets were in good condition and did not require high levels of expenditure to keep them satisfactory, this changes as the assets age.
- Developers built assets to a standard beyond what was expected in some cases and what Council could afford to maintain.
- At the same time, community demand for a wider range of services from Council meant that an increasing proportion of Council's funding was directed to operational costs rather than renewing and upgrading assets.
- Section 94 developer contributions don't often provide the complete funding for an asset and do not provide any of the maintenance or improvement costs required for assets once handed over to Council.
- Previously Council used cash accounting rather than accrual accounting which left unfunded depreciation costs in the operating budget.
- Once Council was committed to providing levels of service that the community expected, additional funding for asset renewal and upgrades was not available.
- Council had limited ability to raise enough revenue to meet the ever increasing demand of our assets, particularly with the impact of cost shifting from other levels of Government onto councils.

Around 2007, NSW council's started thinking more about their approach to asset management. With the introduction of the Integrated Planning & Reporting Framework in 2010 councils were required to better address asset management and financial sustainability. As a result, this improved all NSW councils approach to business planning and has better identified the asset funding issue that Council is facing. This situation is not unique to Wyong Shire. A recent report released by the Urban Taskforce identified that the majority of NSW councils are facing similar asset related issues. It stated that *"NSW has been under-spending on capital works relative to operations in the 30 years since rate pegging was introduced in 1976/77. Over this 30 year period local government in NSW expanded the cost of its recurrent operation eleven fold whereas it's real spending on capital works only doubled. Hence its proportion of its total spending dedicated to infrastructure renewal fell dramatically."*

With long standing substantial operating deficits since 2007 Council has now reached the point where its assets are deteriorating quicker than they can be renewed or upgraded. This rate of deterioration will increase exponentially unless the required amount of work is carried out. Older assets are more costly to operate, maintain and renew. Apart from the financial issues which arise from asset conditions, there is an increased risk of asset failure and subsequent loss of service to the community if they are not maintained appropriately. Usability and public safety is compromised when assets get to a less than satisfactory condition.

We are now facing the situation where existing assets are deteriorating at an increasing rate and there is not enough additional income to fund the necessary works. Council's Long Term Financial Strategy shows that if the required level of asset spending is implemented, without additional income Council will be in a serious financial position within the next five years.

This is supported by a 2012 review of Council's finances by NSW Treasury Corp, which said in part *"Although Council has strong debt servicing abilities, as indicated by its high forecast DSCR and Interest Cover Ratios, its cash and investment levels are forecast to be exhausted by 2016. This is a serious liquidity issue which Council needs to consider, develop options and remodel. Should Council consider adjusting its capital expenditure program to an affordable level, source additional operating cash flow or reduce operating cash expense, then additional borrowing could be considered"*.

In addition, the Division of Local Government in 2012 highlighted their concerns with Council's financial position as at 30 June 2011 after they undertook a review of Council. Their particular focus was on our deficit, low infrastructure renewal, shortfall in maintenance of assets and condition of our assets.

There is no quick fix to this situation, Council's asset management systems show the amount of work needed will take seven to 10 years and it needs to start in 2013/14. Each year of delay increases the rate of deterioration and eventual cost. The short-term result is a decline in asset condition and cuts in service levels to the community. The longer term outcomes have a detrimental effect on the amenity and economic prosperity of Wyong Shire. Failure of these assets has serious consequences, as identified in the Coronial inquest on the Piles Creek disaster in Gosford.

What Council Has Done About The Issue

Since recognising the extent of this issue in 2010 Council has been focused on reducing the operating deficit from \$30.4m down to \$12.4m in 2012. On the commencement of the new General Manager in 2010 a Service Delivery Review was undertaken that identified \$8m in savings. This review, combined with a focus on providing best value, identifying clear metrics, increasing income and attention to continuous improvement across the business, has seen staff and Councillors work together to deliver these savings which are planned to reach a \$10m operational deficit by 30 June 2013. Efforts will continue to reduce the operational deficit to nil by June, 2015.

Council has worked smarter, been efficient, attracted revenue and supported the need for change across the business. Some examples of these savings include:

- New equipment increases output, reduce service times, reduces staff
- New road-building technology recycles most of the existing pavement - \$118 m² down to \$21m²
- Energy saving sensor lights in buildings - \$1.2m over 10 years
- Own legal counsel - \$300,000 a year
- New business paper software - \$85,000 a year and one staff member
- Reduced staff by 8.7% from 1,150 (2010/11) to 1,050 (2013/14)
- Increased available cash flow and reduced the outstanding debt ratio from 7.34% (2007/08) to 6.29% (2011/12)
- Consultancy fees have been reduced by 26%
- Changes to vehicles, one-off saving \$2.1m
- Using technology, save time, staff and improve service
- Closing Vacation Care services
- \$521K in grants and \$200K working in partnership just for work on sport and recreation assets
- Income commercial and residential rental properties has risen by 79%
- Earning income using our skills building custom vehicles for other councils.

These savings have been realised despite significant pressure from increasing costs. Costs of energy and raw materials have increased well above Consumer Price Index (CPI) in recent years driven by factors such as the carbon tax, general electricity price increases and increases in the Environmental Protection Authority levy.

It is recognised that there will be continual improvements made within the business and in 2013/14 there are numerous reviews of Council services to determine if there are alternative ways to deliver the service to the community that will provide further savings. Even though savings will be generated from this approach, the level of savings will not address the asset backlog of \$130m which is the biggest risk.

Funding The Issue

Council can't afford to not spend the money on assets, but there won't be any money to spend within five years unless the actions such as those identified in the NSW Treasury Corp report are taken. Options to raise the required amount of funding to close the asset gap have been identified in Council's Long Term Financial Strategies (2011/15, 2012/16 and 2013/17). Although there are a number of ways to raise income, there are some constraints on how that can be achieved as outlined below:

- Increased borrowing - As stated in the NSW Treasury Corp report, this is not an option unless Council cuts its capital expenditure program, raises additional income or cuts operating costs.
- Increased government grants - Council continually pursues grant funding, but it is unlikely these will be available on a reliable basis and to the level that is required.
- Increased income from fees and charges - Council has made a concerted effort in recent years to increase this income. However, the potential to raise enough to fund the asset gap is limited by Government regulation on some fees and charges. There is also the economic reality that customers will seek other suppliers if Council fees are too high, or just stop using services.
- Productivity and other internal savings - Since 2010, Council's operating deficit has reduced by \$20m and will reduce by a further \$10m over the next two years to a break even situation by 2015. Initiatives such as the Service Delivery Review and improved management systems have contributed to this significant improvement in Council's financial position. Council will continue to look for further internal savings, but there is limited scope for major savings of the extent required.
- Rationalisation of assets - Council has many assets, many of which are required for Council to operate. Council has developed an assessment tool to determine the long term economic, social, and environmental value of each Council asset in accordance with sound and responsible governance. The questions in the assessment tool form part of a process that focuses on the value of each asset, opportunities to improve the operation of the asset and the asset's relative use within its asset class within the Shire. This provides information to support a decision on the future of the asset, through this process Council will be able to identify opportunities to rationalise some of its assets. This will assist in securing funds to close the asset gap however will not provide the full solution. If assets are rationalised this could also result in a reduction in services.
- Cut services to free up operating funds and use that to close the asset gap - This will require around \$20m per year in service cuts. Consultation has occurred on this issue and is discussed later in this report.
- Apply for a Special Rate Variation (SRV) – This would be above the annual rate peg amount set by the Independent Pricing and Regulatory Tribunal (IPART) and would be the only way that will bring in the revenue required to address the asset gap issues.

As can be seen above Council's General Fund income is limited and although Council is trying to source revenue from all of these areas, the extent is limited. Therefore, of the options above, an SRV is the preferred option as it provides a guaranteed source of income that enables Council to properly plan and implement the required works to close the asset gap.

Council rates are only 39% of Council's income and contribute to expenditure on our General Fund operations such as roads, lakes and waterways, open space, community facilities, sport, leisure and recreation facilities. The maximum amount of total rate increase each year is capped by IPART. In most years this is limited to an average increase of approximately 3%, operating costs have traditionally increased more than rate peg. Council's general rates are consistently below the average for Group 7 councils (councils of similar size) and the NSW average. This has kept the overall cost to ratepayers as low as possible for many years. Council also has a Hardship Policy to assist those ratepayers who have difficulty in meeting their commitments.

IPART also reviews and determines council applications for increases in general income above the rate peg, known as 'Special Variations'. There are 2 special variation options under the Local Government Act that a council may apply for:

1. A single year increase under Section 508(2). This can be a one-off (single year) percentage increase that remains permanently in the rate base or a one-off (single year) percentage increase that remains in the rate base for a fixed number of years. At the end of the fixed period the rate base is adjusted to match the rate peg path.
2. A multi-year increase (of between two and seven years) under Section 508A. Successive annual percentage increases (for between two and seven years), which remain permanently in the rate base.

Under Section 508A, a council is able to phase in a potentially significant rate increase over a number of years, rather than concentrate the increase in rates in one year, as under S508(2). This is cumulative in nature over multiple years and the increases are retained permanently in the revenue base.

For Wyong Shire Council, Section 508A provides the required amount of funding over a period of seven years, which is consistent with Council's Asset Management Plan. It also spreads the burden to ratepayers over a number of years. This was endorsed by Council at its Ordinary Meeting of 12 December 2012 as the preferred option if Council decided to submit a request to IPART for a Special Rate Variation.

COMMUNITY ENGAGEMENT PROCESS AND RESULTS OF EACH STAGE

As part of creating a more financially sustainable Council, Council resolved in November 2011 to commence consultation with the community on their priorities, desired levels of service and willingness to pay. This consultation was a follow on to the significant amount of community consultation Council carried out in previous years through the Community Strategic Plan and other key initiatives such as: Quality of Life Survey, telephone and online customer satisfaction and reputation surveys, Youth Engagement Strategy, Community Plan, Learning Communities Strategy, Community Facilities Review and On-Road Bicycle and Shared Pathways Strategy.

In preparing the Community Strategic Plan in 2009, Council undertook extensive and in depth community consultations in 2007 and 2008, where more than 3,500 residents participated in various forms of consultation to identify the vision for the Shire and what were the issues important for our community.

Following Council's decision in November 2011, the Service Standards Review (SSR) project commenced. Using the recently adopted "Engage Me" framework, a community engagement plan was developed and the engagement process was branded 'Your Place, Your Say, Your Future' and was designed to inform and connect with the community.

There were a number of stages in this consultation process:

- Stage 1 focused on the values, service levels and priorities for the community.
 - Stage 1a focused on consultation with staff to look at aligning the community values from Stage 1 and other consultation with factors that staff needed to consider.
 - Stage 1b focused on an external Deliberative Working Group to test the information and work through the funding options.
- Stage 2 focused on providing the community with three options to increase their general ordinary rates: rate peg, 9.5% and 12.5%.
- Stage 3 focused on providing the community with three options to increase their general ordinary rates: rate peg, 9.5% or somewhere in between.

These processes are outlined below, further detail can be found in previous Council reports.

Stage 1 Community Engagement – Values, Service Levels And Priorities

The first stage of SSR consultation was undertaken in May 2012 with 184 responses received via community workshops and an online survey. The engagement strategies used are outlined below:

'Engage Me' spectrum	Description	Engagement modes
Inform	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	<ul style="list-style-type: none"> • Fact sheets • Paid advertising-Radio and print media • Mayor's column • Emails to community groups and associations • 1300 postcards handed out at railway stations, libraries, child care centres and events. • 50 posters at community facilities and Council • Council's web-site and social media • Council staff word of mouth
Connect	To obtain public feedback on analysis, alternatives and/or decisions.	<ul style="list-style-type: none"> • Reputation survey 2010, 500 participants • Omnibus surveys 2010, 153 participants • Omnibus surveys 2012, 415 participants • Online survey 2012, 112 participants
Connect	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	<ul style="list-style-type: none"> • 3 community workshops, 37 participants • 1 staff who are residents workshop, 35 participants •

The demographics of the 184 residents who participated in Council's Online Survey and the 4 workshops were:

Age 18-24	5
Age 25-34	17
Age 35-49	63
Age 50-64	65
Age 65+	33
Not specified	1
Male	84
Female	99
Not specified	1
Number of suburbs represented	38

From those workshops the community told us what they valued the most:

- Ease of access to services
- Quality/affordable/reliable services
- Good governance, efficiency, equity in provision of services
- Sustainability - both environmental and financial
- Services which provide community benefit and promote community spirit.

What the community told us in general terms:

- Shire residents overwhelmingly love their Shire and feel it is a good place to live
- Strong preference for Council to be financially sustainable
- General preference among residents for maintaining and protecting the bushland, coastline, lakes and the estuary within the Shire
- Strong support for cycle-ways, sports and recreation facilities
- Strong preference for sustainability
- Preference for libraries and community centres/ facilities that help promote community spirit
- Consistently strong preference for high quality roads and drainage
- Strongly favour generation of local employment opportunities and development of tourism
- Low to medium satisfaction with the overall levels of service provided.

Also highlighted were the relative importance and satisfaction with current level of service:

- High - Roads and drainage; Governance.
- Medium – Environment; Community recreation; Community education; Waste; Economic & property development.
- Low - Regulatory and compliance.

Stage 1 engagement was the starting point for levels of service planning. At this stage, neither the cost of delivering the service nor Council's capacity to provide that level of service was being factored into the discussions and analysis from the community.

Based on the community response to Stage 1 and using data from previous community engagement, significant work was undertaken with Service Unit Managers to understand what we know about community needs and our services and incorporate that with the information in Council's Asset Management system. This information along with the values identified by the community helped identify the high level priority areas for increased focus and to bring assets up to a satisfactory standard in line with community expectations, quality asset management and public safety standards. Staff then developed a number of funding options to meet the community's required service levels in future years.

During October 2012, facilitated discussions on these options occurred with a Deliberative Working Group (DWG) of 14 community members to test the scenarios and seek a preference for the most suitable. The DWG members were sourced from Council's resident e-panel and involved a mix of gender and age groups. They attended two x three hour sessions and there was no payment to members of the DWG for their involvement.

The Deliberative Working Group was not a decision making body. Its role was to provide thoughtful and informed input, to assist Council finalise the funding options to take out to the broader community and to test the information we provided. The DWG also provided input as to the draft option they preferred, using criteria that were developed during the sessions, which focused on:

- Likely impact on the community of the various options
- Advantages and disadvantages of each
- Areas needing further consideration by Council
- Things Council may have missed, ways to improve the options
- The validity of assumptions underlying each of the funding options.

Having received this input and worked with the DWG, Council was in a position to finalise the funding options with confidence. A report to Council's Ordinary Meeting of 24 October 2012 detailed the level of consultation that was carried out in Stage 1 of the Service Standards Review and suggested three funding options considered by the DWG as the basis for extensive community engagement in Stage 2, during November/December 2012.

Stage 2 – Community Engagement – Three Options: Rate Peg; 9.5% Or 12.5%

The Stage 2 community consultation occurred in November and December 2012 and was designed to promote community involvement, gain an indication of the community's willingness to pay for each of the funding options and service levels. It provided valuable service planning information and assisted in meeting the Independent Pricing and Regulatory Tribunal's (IPART) requirements should Council decide to submit an application for a Special Rate Variation.

This stage of engagement provided information about the financial and asset funding issues including:

- Council's previous financial performance and forecast future performance
- Council's efforts to find substantial savings from within the organisation and maintain service levels
- The amount of funding needed to restore important assets to a satisfactory condition
- The three funding options developed to address the asset gap
- The effect of each funding option on the asset gap and Council's financial sustainability

- The additional cost of each funding option to ratepayers.

The three final options used in the Stage 2 community consultation were:

Option 1 - No additional rate income above the Rate Peg

In this scenario, rate increases are maintained at the annual amount approved by IPART, usually around 3%. This means that the level of proposed spending on asset renewals set out in the Long Term Financial Strategy is not affordable and there would have to be cuts to the proposed capital expenditure and/or cuts to services.

The asset gap would not close and would actually get worse, asset maintenance costs will increase and future generations will have to meet the increased asset renewal cost. There would be no capacity to fund work on natural assets and no significant new asset works.

Option 2 – Rate Increase of 9.5% each year over seven years

In this scenario, there is an increase of 9.5% in General Rates (includes the rate peg and assumes it is 3%) each year for seven years. This increase would remain permanently in Council's rate base and after seven years the increases would revert to the normal rate peg amount.

This Scenario is based on properly funding the Long Term Financial Plan, so the seven year time frame is consistent with that plan. Seven years is also the maximum period for a Special Rate Variation approved by IPART, thereby minimising the annual cost increase.

Asset conditions will improve significantly in this time and there would then be a substantial saving in annual asset maintenance costs of approximately \$3m per annum. There is limited scope for spending on new assets.

Option 3 – Rate increase of 12.5% each year over seven years

This scenario provides for an increase of 12.5% in General Rates (includes the rate peg and assumes it is 3%) each year for seven years. It is similar to Option 2 in closing the asset gap over seven years, but allows an additional \$5m per year that could be spent on new assets.

The Stage 2 consultation was extensive and used the following methods to make the community aware that Council was seeking their input on this important issue:

Engage spectrum	Me	Description	Engagement modes
Inform		To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	<p>Local Radio and Newspapers</p> <ul style="list-style-type: none"> • 3 articles in Shire-Wide News • 5 media releases in local papers and radio stations • 6 paid advertisements in Central Coast Express/Advocate, Wyong Regional Chronicle and Central Coast Grandstand - over 300,000 exposures of these ads to local residents • 4 page supplement in the Express/Advocate on 16/11/12 – 58,000 circulation • 303 paid radio advertising spots on 2GO, SeaFM, StarFM • 20 community service announcements on 2GO • 10 x 15 second live reads just before news on SeaFM • 18 radio news items and 1 television news story on NBN • News articles in Express Advocate, Wyong Regional Chronicle and Lakes Mail.
			<p>Online presence</p> <ul style="list-style-type: none"> • Council's web-site uploaded with relevant information - 2,684 hits on council's web site • Council's on-line survey via web site engagement hub • Use of social media, Facebook and Twitter - 1,013 Facebook posts, 10 Twitter posts • Advertising on Business Insider web site, linking to Council's online survey. During the campaign the ads were delivered 4,776 times and the web site had 2,148 visits.
			<p>Face to face</p> <ul style="list-style-type: none"> • Information booklet produced, 2,900 hard copies distributed via libraries, child care centres, other Council facilities, Councillors, Council staff, local residents, shopping centre displays and commuters at railway stations • Manned displays at shopping centres – 18 hours total, 96 contacts • Customer Contact and Library staff actively promoted the process during each contact with the public.
			<p>Direct mail</p> <ul style="list-style-type: none"> • Electronic copy of the information booklet sent to all members of the Library Services database and Child Care data base - 3,200 contacts • Electronic copy of the information booklet sent to all ratepayers with an email address - 4,800 contacts • Electronic copies of the information booklet sent to Councillors, resident e-panel members, Precinct Committees, local community groups and committees for distribution to network contacts • Copy of information booklet posted to 12,700 non-resident ratepayers. <p>Passive notification</p> <ul style="list-style-type: none"> • Posters in Council facilities and outlying areas.

Detailed information about the asset funding issues, the three funding options and the additional cost to ratepayers of each option was conveyed to the community through:

Engage Me spectrum	Description	Engagement modes
Connect	To obtain public feedback on analysis, alternatives and/or decisions.	<ul style="list-style-type: none"> • Direct discussions with staff • A random telephone survey of residents conducted by an external independent provider – 400 responses • An online survey – 876 responses • Reply paid hard copy voting form (or drop off at a Council centre) – 469 responses (17 did not choose an option). • Submissions from individuals or organizations – 44 responses
Engage	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	<ul style="list-style-type: none"> • 3 community workshops, 23 participants • 1 precinct committee workshop, 26 participants • 1 staff workshop, 12 participants • (Note: voting in workshops was via hand held devices)

In addition, there were 2,684 hits on Council's website, 1,013 Facebook posts and 10 Twitter posts.

The engagement process started on 14 November 2012 and was scheduled to cease on 2 December 2012. Due to the increased level of response in the last week and to allow extra time for postal replies to be received, the closing date for responses was extended to 4 December 2012.

The demographic spread of the respondents was:

Age 18-24	41	2%
Age 25-34	170	9%
Age 35-44	263	15%
Age 45-54	346	20%
Age 55- 64	451	26%
Age 65-74	372	21%
Age 75+	126	7%
Male	883	50%
Female	867	49%
Not specified	20	1%
Number of suburbs represented	55	

Analysis of Results

The total number of voting responses for Stage 2 was 1,770 as set out in the table below.

	Option 1 – Rate Peg	Option 2 – 9.5%	Option 3 –12.5%
Workshops	17% (7)	64% (27)	19% (8)
Phone Survey	51% (206)	41% (164)	8% (30)
Online Survey	66% (580)	21% (187)	13% (109)
Return Mail Survey	68% (307)	23% (106)	9% (39)

- General preference for Option 1 except in workshops
- Gender composition balanced for mail-ins; otherwise skewed towards males (workshops, online) or females (telephone)
- Suburbs generally well-represented in all modes
- Age groups skewed towards 45+ age groups in all modes
- Degree of engagement influences preference for option (e.g. higher preference for rate rise in workshops)

Workshops - showed a high level of support (83%) for a rate increase. This is directly related to the opportunity for attendees at the workshops to discuss issues with staff and gain a better understanding of the options before making a decision. At the start of each workshop there were attendees who clearly stated that they would not support a rate increase above the rate peg and subsequently supported Option 2 when they better understood the issues.

Telephone Survey - Option 1 is the most preferred scenario (51%), but there is a significant proportion of the population (49%) that would accept a rate variation in order to maintain or improve assets. During the phone survey, respondents were asked an additional question: *“If Council was to determine that it should make an application to IPART for a special rate variation, on a scale of 1 to 5 where 1 means not at all supportive and 5 means very supportive, how supportive would you be for Council to seek the following options?”*. In answer to this question, 54% of respondents were ‘somewhat supportive’ of Wyong Shire Council seeking a special rate variation in order to maintain assets, as outlined in Option 2.

Online and Mail-in Survey – received high level of support for Option 1 from the online (66%) and mail-in survey (68%) which is significantly different to that of the workshops and telephone survey. It is reasonable to conclude that these responses are largely due to the decreased level of understanding of the asset gap and the funding options, compared to those who attended a workshop or got to speak to someone. Together with the fact that in these types of situations the highest level of response is generally against significant change.

Other submissions - 44 separate submissions were received from community members and organisations who were generally in support of no rate increase. Many of the online and hard copy voting responses also contained comments on the proposed options and other issues. Combined with the letters and submissions received, the issues raised can be broadly summarized as:

- The size and affordability of the proposed increases
- Uncertainty about where the money will be spent
- Uncertainty about which services are at risk if Option 1 is adopted
- Council's efficiency and financial management
- Current lack of services
- Lack of adequate notification to all ratepayers and residents
- The short time frame for the consultation.

Overall, it was concluded that the results from the community workshops and telephone survey give the best indication of how the community will respond when properly informed.

Previous phone surveys have also asked questions about willingness to pay for improved service delivery. While the options presented in these surveys were not exactly the same as the current options, it supports the view that an informed community is more likely to support Council's decision to increase rates. The following results have been gathered previously:

2010 Omnibus Survey

Survey question	Weekly amt \$1-\$2	Weekly amt \$50c - \$1	Weekly amt \$25c - \$50c	Weekly amt Nothing at all	Total
Willingness to pay for: Public works program	27%	25%	18%	30%	100%
Willingness to pay for: Environmental works program	23%	24%	23%	30%	100%
Willingness to pay for: Community Development program	19%	24%	27%	31%	100%

2012 Omnibus Survey

Survey question	Mean Rating	Weekly amt \$1-\$2	Weekly amt \$50c - \$1	Weekly amt \$25c - \$50c	Nothing at all	Don't know / Refused	Total (Weekly amt)
Community willingness to pay for:							
- Public works	2.6	27.4%	18.4%	9.1%	39.0%	6.1%	100%
- Environmental works	2.9	20.1%	17.4%	10.9%	44.8%	6.8%	100%
- Community Development	2.9	15.5%	19.0%	15.4%	42.2%	8.0%	100%

The results of the Stage 2 consultation were reported to Council on 12 December 2012. At that meeting Council considered the concerns raised by the community and resolved that further community consultation was to be undertaken during January/February 2013 focusing specifically on two options, the community's willingness to pay and their priorities. The two options were: no rate increase above the rate cap, or a rate increase of 9.5% per year for 7 years. To address the willingness to pay concern an alternate option was added, a rate increase in between the rate cap and 9.5%. If the respondent understood the issue but felt that 9.5% was too much they could use this option. In light of the community response to the previous option 3 (12.5% increase per year for 7 years) Council decided to remove that option all together.

Council also decided to keep open the option of a Special Rate Variation by complying with the Independent Pricing and Regulatory Tribunal process timeframes. This involved advising IPART by 14 December 2012 that Council intended to apply for a Special Rate Variation application in 2013/14 up to 9.5% (including the capped rate increase approved by the NSW Government which is 3.4% in 2013/14, which means up to a maximum of 6.1% in 2013/14) to ordinary general rates each year for seven years from 2013/14 under S508A of the Local Government Act.

By making this submission it met the IPART timeframe and provided Council with the option of submitting if they determined to proceed after Stage 3 of the consultation. Council's intent was to consider the response from the January/February consultation before deciding on 27 February 2013 whether to proceed with an SRV application.

Stage 3 Engagement – the final options: rate peg, 9.5% or in between

Stage 3 engagement process commenced on 18 January 2013 and ran until 15 February 2013, providing four working weeks for the community to be informed and respond to the funding options Council provided.

A new engagement strategy for Stage 3 was prepared which took into account the community's feedback from Stage 2 and would:

- Provide more detail on the savings and efficiency gains Council has achieved to date
- Provide more detail on which services would be affected under Option 1
- Provide more detail on what assets would be improved under Option 2
- Directly target a higher response rate from the under 45 year old age group
- Ensure information and voting form was mailed directly to every ratepayer on the rates database.

An intensive communications campaign was undertaken to achieve increased community awareness of the process and provide a satisfactory level of understanding of what is a complex problem. For Stage 3, additional information was needed to explain why Council was undertaking the additional round of consultation and why those who had already voted would need to vote again.

The basis of the engagement was an information booklet setting out the funding options, the further information requested by the community and detailing how they could register their preferred funding option. The information booklet was mailed out to all ratepayers on 18 January 2013. The great majority of those were sent with the scheduled quarterly installment notices to reduce mailing costs, the remainder were mailed directly.

Stage 3 consultation included the following options:

Option 1 - No additional rate income above the Rate Peg

In this scenario, rate increases are maintained at the annual amount approved by IPART, usually around 3%. This means that the level of proposed spending on asset renewals set out in the Long Term Financial Strategy is not affordable and there would have to be cuts to the proposed capital expenditure and/or cuts to services.

The asset gap would not close and would actually get worse, asset maintenance costs will increase and future generations will have to meet the increased asset renewal cost. There would be no capacity to fund work on natural assets and no significant new asset works.

Option 2 – Rate Increase of 9.5% each year over seven years

In this scenario, there is an increase of 9.5% in General Rates (includes the rate peg and assumes it is 3%) each year for seven years. This increase would remain permanently in Council's rate base and after seven years the increases would revert to the normal rate peg amount.

This Scenario is based on properly funding the Long Term Financial Strategy, so the seven year time frame is consistent with that plan. Seven years is also the maximum period for a Special Rate Variation approved by IPART, thereby minimising the annual cost increase.

Asset conditions will improve significantly in this time and there would then be a substantial saving in annual asset maintenance costs of approximately \$3m per annum. There is limited scope for spending on new assets.

Option 3 was removed after stage 2 consultation – to not confuse the options, option 3 is not referred to again.

Option 4 – An amount in between Option 1 and 2

This scenario recognises the need for a rate increase, however provides the community with an alternative that is less than the full 9.5% being more affordable and in recognition of their capacity and willingness to pay. This option would provide an increase in General Rates (assuming the rate peg is 3%) each year for seven years, however it would not fully fund the asset gap and therefore would also limit the funds that could be spent on new assets.

The following engagement activities took place in Stage 3 of the consultation:

'Engage Me' spectrum	Description	Engagement modes
Inform	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	<u>Information booklet</u> <ul style="list-style-type: none"> • Mailed with the scheduled quarterly instalment notices to reduce mailing costs, those not paying by instalments were mailed separately – 59,000 copies • Available at Council's Civic Centre, 5 Libraries and 6 Child Care Centres – 2,300 copies • Emailed to community groups, sporting groups and other Council networks - 1,000 recipients • Emailed to all members of Council's resident e-panel, child care data base and respondents to the Stage 2 online survey - 2,000 recipients
		<u>Postcards</u> <ul style="list-style-type: none"> • Advertising the engagement and urging people to have their say were distributed at a range of community events – 1,000

		<p><u>Newspaper Advertisements - Wyong Regional Chronicle</u></p> <ul style="list-style-type: none"> January 17 – half page ad – Look out for important information with your next rates notice January 31 – half page ad – Wyong Shire residents and ratepayers <i>its time to MAKE YOUR CHOICE ON RATES</i> <p><u>Newspaper Advertisements- Rural and Village Grapevine</u></p> <ul style="list-style-type: none"> February 5 - Wyong Shire residents and ratepayers its time to <i>MAKE YOUR CHOICE ON RATES</i>
		<p><u>Newspaper Advertisements – Central Coast Express</u></p> <ul style="list-style-type: none"> Wednesday January 9, 2013 – first half page advertisement appears on page 26 – Look out for important information with your next rates notice.’ January 16 and 18 – Don’t miss your chance to tell us what you think January 23 and 25 – Wyong Shire residents and ratepayers its time to <i>MAKE YOUR CHOICE ON RATES</i> January 30 – February 1 – double page advertisement appearing on pages 2 and 3 with large heading <i>RATE RISE ON THE CARDS</i> – If you live in the Wyong Shire, this affects you – You can still choose what you want Council to do 6 February – Wyong Shire residents and ratepayers its time to <i>MAKE YOUR CHOICE ON RATES</i> 8 February – Wyong Shire residents and ratepayers its time to <i>MAKE YOUR CHOICE ON RATES</i> – Come along to the LAST Community Information Session In Council’s weekly Shirewide ad, in the Central Coast Express, a short article on the ‘Your Voice, Your Say, Your Future’ campaign was featured on the 16 January 2013 and 6 February 2013
		<p><u>Radio Advertisements - SEAFM and 2GO</u></p> <ul style="list-style-type: none"> 233 radio ads ran on SEAFM and 233 ads ran on 2GO between 7 January 2013 and 15 February 2013 From 9-25 January the message was watch out for important information about rates in your mailbox From 23 January to the 15 February – the message was read the brochure and come along to one of the Community Information Sessions <p><u>Radio Advertisements- StarFM</u></p> <ul style="list-style-type: none"> 30 ads ran from 21 January 2013 until 8 February 2012 – 28 ads ran from the 8th-15th February
		<p><u>Media Releases</u></p> <ul style="list-style-type: none"> A media release entitled Crunch Time on Rates Rise was issued on 21 January 2013 – this date was chosen as it was when the information brochures were expected to land in ratepayer’s mailboxes A media release entitled Wyong Shire Residents – come to one of our Community Information Sessions – was issued in the week of the first Community Information Session

Inform	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	<p><u>Council's Website</u> A banner with the heading <i>TIME IS RUNNING OUT TO MAKE YOUR CHOICE ON RATE RISE</i> was displayed at the very top of the main Wyong Shire Council website (www.wyong.nsw.gov.au). From there residents/ratepayers could click on 'Read more about the two options' or go straight to voting at the consultation hub. Information about the Community Information Sessions and urging residents to come along was a main feature. A copy of the brochure, sent to all ratepayers, could be downloaded. A number of subpages could be accessed from the main page, 'Your Place, Your Say, Your Future' webpage views - 4,057</p> <ul style="list-style-type: none"> • What is the current situation and why are we asking you to make a choice? • What have we already done to save money and improve our business? • How will Council services be impacted by my decision? • What are the two options to choose from? • How has Council consulted the community about this so far? <p><u>Council's Website sub pages</u> These subpages contained detailed information about Council's current financial situation and the impact on services without a rate rise. A number of important documents were also available for downloading - 2,504 sub-page views:</p> <ul style="list-style-type: none"> • A media release from the Local Government Shire's Association – Council's cough up nearly \$500 million to cover Government costs • A detailed list of proposed asset upgrades budgeted over the next seven years that would greatly improve the condition of our assets. • NSW Treasury (TCorp) Financial Assessment and Benchmarking Report on Wyong Shire Council • Department of Local Government Annual Financial Review • Wyong Shire Council's response to the Department of Local Government Review • Wyong Shire Council Media Release – Council to cease Vacation Care services • A copy of all the postcards, distributed around the Shire, advertising the Community Information Sessions • Graphs detailing ordinary rates increases under Option 1 and Option 2 – over seven years • Wyong Shire Council Report – Service Standards Review – Results of Stage 1 Community Consultation • Information brochure on the three options that was produced for Stage 2 Community Consultation • Council report – Service Standards Review – Results of Stage 2 Community Consultation • Minutes of the ordinary Council meeting of 12 December 2012
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Detailed information about the asset funding issues, the three funding options and the additional cost to ratepayers of each option was conveyed to the community through:

Engage spectrum	Me	Description	Engagement modes
Connect		To obtain public feedback on analysis, alternatives and/or decisions.	<ul style="list-style-type: none"> • Direct discussions with staff • A random telephone survey of residents conducted by an external independent provider – 400 voting responses • An online survey – 3599 voting responses • Reply paid hard copy voting form (or drop off at a Council centre) – 2595 voting responses • Submissions from individuals or organizations – 112 responses of which 48 were voting responses and are included in the overall mail-in results. The issues raised in these submissions are referred to elsewhere in the report. • 9 Facebook posts • 892 Facebook post views • 27 Comments on Facebook posts • 9 Posts on Council's Twitter feed • 6 Re-tweets of our messages by others
Engage		To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	<p><u>Community Information Sessions</u></p> <p>2 information sessions were held where council staff presented the issues and information around the SRV and the community was able to ask questions of staff – 181 voting responses</p> <ul style="list-style-type: none"> • Civic Centre, Wyong, 7 February 2013 - 245 attendees • Halekulani Hall, Budgewoi, 12 February 2013 - 172 attendees <p><u>Ourimbah Precinct Committee</u></p> <ul style="list-style-type: none"> • The Mayor attended a meeting of the Ourimbah Precinct Committee on 06/02/13 to explain Council's position on the SRV – 17 voting responses which are included in the overall information session results

The demographic spread of the respondents was:

Age 18-24	107*	2%
Age 25-34	569	8%
Age 35-44	863	13%
Age 45-54	1228	18%
Age 55- 64	1559	23%
Age 65-74	1535	22%
Age 75+	725	11%
Not specified	254	3%
Male	3332	49%
Female	3189	47%
Not specified	319	4%
Number of suburbs represented	67	

*Includes 10 responses from <18

Analysis of Results

During Stage 3, ratepayers and residents were asked to indicate their preference for Option 1 (rate peg only) or Option 2 (9.5% increase per year for seven years, including the rate peg). A further question was asked as to whether there would be support for in between the rate peg amount and less than 9.5%. 6,840 voting responses were received for Stage 3 as detailed below. The initial comparison for Options 1 and 2 are shown, followed by the overall support for an increase above the rate peg. That is derived from those respondents who supported Option 1, but also said they would support an increase less than 9.5%.

Total Numbers Stage 3	Rate Peg Only	9.5%
6840	5920 (87%)	920 (13%)

Those who answered to Rate Peg Only also had the option of indicating if they would support an increase below 9.5%, the table below highlights the percentages of those who were willing for a rate increase.

	Rate Peg Only	Any Increase
6840	3888 (57%)	2952 (43%)

This rate of response is high for a Council engagement process and the random telephone survey adds validity to the response as it provides the best chance of an unbiased representation of the community's response. It was conducted by an independent provider, using the same questions as Council's online and hard copy surveys. 400 respondents were chosen at random and given time to read the information booklet before being interviewed. The respondents represented a broad cross-section of Council's demographics and a sample size of 400 residents is statistically proven to provide a maximum sampling error of approximately +/- 4.9% at 95% confidence. 73% of phone survey respondents supported an increase above the rate peg. This phone survey contacted 400 different respondents to the first survey undertaken in Stage 2. Overall support for some form of increase went from 49% in Stage 2 to 73% in Stage 3.

Stage 3 respondents were also asked to provide their priority order for those asset areas in order to assist Council if service levels need to be reviewed. The table below shows the preferences from each engagement mode. 1 is the highest priority, 7 is the lowest. This indicates the highest overall priorities are for roads, drainage, parks, playgrounds, open space and the natural environment.

Priority	On line survey	Mail in Survey	Phone Survey	Information Sessions
1	Roads and Drainage	Roads and Drainage	Roads and Drainage	Roads and Drainage
2	Natural Environment	Parks, Playgrounds, Open Space	Natural Environment	Parks, Playgrounds, Open Space
3	Parks, Playgrounds, Open Space	Natural Environment	Parks, Playgrounds, Open Space	Town Centres
4	Sport, Leisure & Recreation Facilities	Sport, Leisure & Recreation Facilities	Sport, Leisure & Recreation Facilities	Sport, Leisure & Recreation Facilities
5	Town Centres	Town Centres	Community Buildings	Natural Environment
6	Community Buildings	Community Buildings	Town Centres	Community Buildings
7	Other	Other	N/A	Other

During Stage 3 there were numerous comments made by respondents at the workshops or in their written comments, key themes are outlined below.

Submissions suggested alternatives to the proposed 9.5% increase, such as:

- Apply for a lower percentage increase over a shorter term
- Apply for a lower increase over a longer term (not possible as IPART maximum term is seven years)
- Re-assess the situation after four years and adjust the increase if Council's financial position improves
- After seven years, return the base rate level to what it would have been under rate pegging
- Special Rate Variation of 6% per year for seven years, combined with additional borrowing

The issues which were consistently raised included:

- Council staff productivity needs further improvement
- Council's financial management needs improvement
- Get back to core business, cut back on the number of non-core services
- Fix the roads and provide kerb and gutter
- The poor condition of assets, particularly in the older areas of the Shire
- Sell off under-utilised assets
- Amalgamate with Gosford Council
- Fix the lakes
- State and Federal Governments should be providing more funding to Council.

There were also a number of misconceptions raised, particularly:

- Council has lost millions on foreign investments during the Global Financial Crisis (GFC). This is incorrect, Council did not lose investments during the GFC.
- Councillors or staff will get a bonus or pay increase if the rate increase goes ahead. This is incorrect, Councillors do not get bonuses, their maximum fee is set by a State Government Tribunal and there is no bonus system in place for staff at Wyong Shire Council.
- The proposed increase applies to the whole rates bill. This is incorrect. This Special Rate Variation if submitted will only apply to the general rates, not water, sewer and waste charges.
- Council will spend the additional rate income on other projects. IPART place stringent reporting requirements on any council that receives a Special Rate Variation to ensure the community is kept well informed of progress and that the funds are spent for the intended purpose.
- The proposed increase will be even greater if land valuations increase. This is not correct, Council does not get a windfall if valuations increase, nor does it get less if they decrease. The IPART approval sets a maximum amount that Council's total rate income can increase by each year. Each ratepayer pays a share of that based on their land valuation. If valuations change, individual ratepayers share of the total income may change, but Council's total income stays within the limit set by IPART.

These issues were addressed when they arose at the information sessions or in discussions with Council staff. Council staff will work through these and the other issues raised during the consultation to work out appropriate actions to address them.

Capacity And Willingness To Pay

A key part of any IPART submission is the community's capacity to pay. Council must consider whether the proposed increase is reasonable and whether the community has the capacity to pay. The following points support the reasonableness of the proposed increase.

- Despite steadily increasing expenses over many years, Council has a long history of limiting increases to the rate peg only, with the exception of 1997/98 when a one-off increase in Ordinary Rates of 8.1% (including the notional increase of 3.1%) was approved.
- We have reviewed our rating structure regularly and made changes to the distribution across rating categories to improve fairness and equity according to our best knowledge of local social and economic conditions.
- We have extensively consulted with residents and ratepayers to identify their priorities for Council service levels and what funding options they would support to resource those service levels. This has included a number of options where increased payment resulted in corresponding increases in service levels.
- It is recognised that Wyong Shire have some socio economic challenges and is disadvantaged in comparison to the Sydney region.
- Analysis with other comparable councils shows that Wyong's average residential rates are among the lowest charged.
- A significant proportion of properties in Wyong Shire are owned by those whose primary residence is outside of the area. At March 2013, this equals 12,700 of the 64,500 properties, or 19.7%. It is reasonable to assume that these properties are owned for either investment purposes or as holiday homes which make the owner's capacity to pay increased rates is difficult to assess. In addition, there are 4,976 property owners on our database who own multiple properties within the Shire, or 6.4% of all properties.

- Farmland properties attract the lowest ad valorem rate, receive concessions as primary producers and 17% of farm category property owners live outside Wyong Shire, mainly from the Sydney metropolitan area. Mining pays a high rate in the dollar, as this sector is highly profitable a rate notice is relatively insignificant proportion of a mine's total operating expenses. Business properties pay approximately 186% of the Residential Rate in the dollar with major retail category ratepayers paying more.
- Council's debt recovery and hardship policy assists in achieving that through a broad range of payment assistance options. This approach has been developed in consultation with other authorities and local financial counselling organisations to ensure the strategies are appropriate.

When considering the community's capacity to pay for the proposed increase, Council should also take into account the impact of reducing or removing Council assets or services which currently contribute positively to improving the local economy, individual health, safety, amenity and social wellbeing for all residents. A continued decline in the condition of Council assets and levels of service will have negative social and economic effects on the community. The risk to public safety will become apparent if we do not properly address the asset gap. The statutory liability on Council, Councillors and staff to carry out their roles in a professional manner is paramount in making decisions when operating in a local government.

It is also important to consider the effect that the proposed increase would have on the total rate bills to ratepayers. This is explored in the following section.

It is recognised that the community will face financial challenges because of the proposed rate increase. However, Council must also consider the consequences of not addressing the asset funding gap on current and future generations. Doing nothing is not an option, the risks associated with the assets will continue to increase and there will be a reduction in services. The statistics from the statistically valid consultation demonstrate that there is approximately a 40% level of support for an increase.

THE FINANCIALS ON EACH OPTION

On 13 February 2013, Council resolved that a further option be prepared for a 6.9% increase (including the rate peg) each year for seven years. This was resolved based on the interim results indicating that there was support for some form of special rate variation and the time that was required to prepare the information for inclusion in this report to Council.

Therefore, three options are presented in this report:

- Option 1 - Rate peg amount only
- Option 2 - 9.5% increase (including rate peg)
- Option 4 - 6.9% increase (including rate peg)

(Option 3 – 12.5% increase was removed as an option after Stage 2 consultation results).

Option 1 – Rate Peg Amount Only

In this scenario, rate increases are maintained at the annual amount approved by IPART, usually around 3%, this would mean that there would continue to be a substantial asset gap of \$130m by 2020. This amount does not cover the CPI costs and the asset gap would get worse, focus would only be on some asset renewals.

There would also be the need to undertake significant cuts to services, rationalisation and Council would not have any ability to source loans or other income to secure the financial sustainability of the organisation. If Council were required to find the \$20m each year it would equate to between 50-100 full time equivalent staff cuts and a dramatic reduction in associated services. Council also needs to be mindful that it has already reduced expenditure on services by \$20m year.

Option 2 - 9.5% Increase (Including Rate Peg)

This scenario is based on properly funding the Long Term Financial Strategy and would raise the \$130m over seven years required to fund the asset gap as it is known at this time by June 2020. Asset conditions will improve significantly in this time and there would then be a substantial saving in annual asset maintenance costs of approximately \$3m per annum. There would be limited scope for spending on new assets, however this option would support minor growth to the value of \$4-6m.

With this increase the asset backlog issue can be addressed, the risk to the public and organisation is diminished.

Option 4 – 6.9% increase (including rate peg)

At 6.9% Council will be able to spend an extra \$15m annually to close the asset gap. This means that by 30 June 2020 (end of the special rate increase) we will have reduced our asset gap from \$130m to \$25m by June 2020.

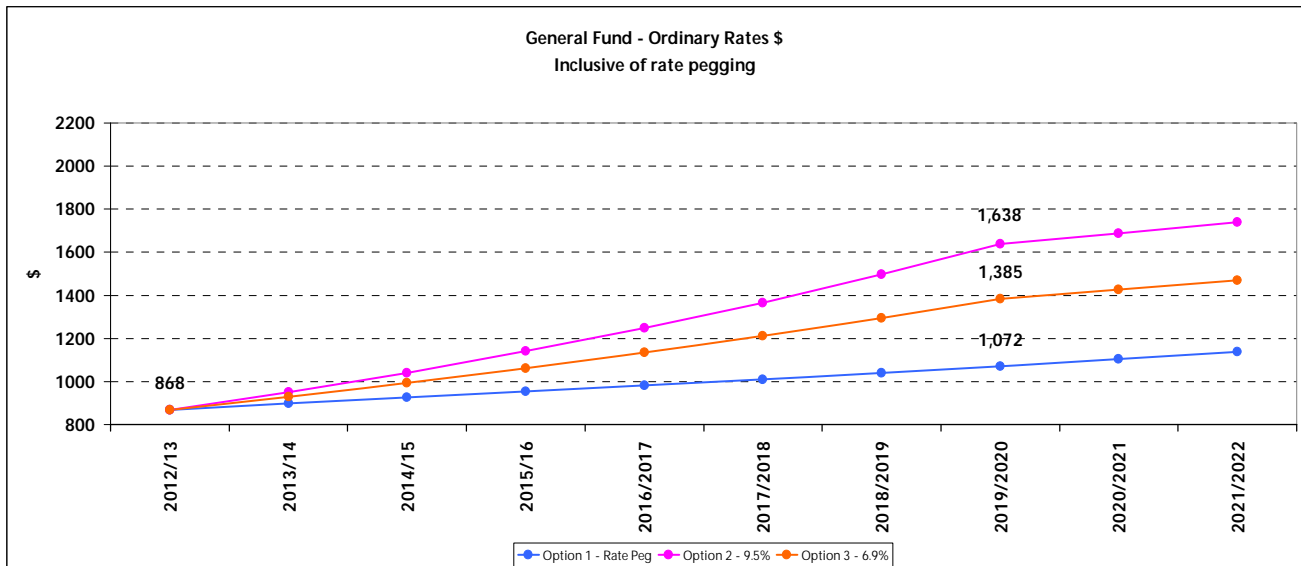
It is recognised that with a lesser amount of 6.9% Council will still need to reduce its levels of service and staff will need to create further efficiencies and improvements to reduce our costs. That will require some lower levels of service and some asset rationalisation.

The table and graph below show the effect on average general rates of a 6.9% increase compared to the other two options of rate peg only and 9.5%.

Average Ordinary Rates – Annual aggregate	2012/13 Baseline	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Option 1 – Rate peg	\$868	\$898	\$924	\$952	\$981	\$1,010	\$1,040	\$1,072
Option 2 – 9.5%	\$868	\$950	\$1,041	\$1,140	\$1,248	\$1,366	\$1,496	\$1,638
Option 4 – 6.9%	\$868	\$928	\$992	\$1,060	\$1,134	\$1,212	\$1,295	\$1,385

The following table shows the impact of the options on the weekly rate cost in Year 1 and Year 7:

Rates Per Week	2013/14	2019/20
Option 1 – Rate peg	\$17.26	\$20.61
Option 2 – 9.5%	\$18.28	\$31.51
Option 4 – 6.9%	\$17.84	\$26.63



Asset Conditions

Based on our asset management systems, the table below sets out the general asset conditions that will be achieved under each option.

Funding Analysis	Option 1 - Rate Peg	Option 2 - 9.5%	Option 4 - 6.9%
<i>Proposed Renewal:</i>	\$25M	\$25M	\$25M
<i>Proposed New:</i>	\$1.5M	\$6.7M	\$4.0M
<i>Total CAPEX:</i>	\$26.5M	\$50M	\$44M
<i>Funding Gap:</i>	\$0M	\$19M	\$15M
Summary	On average infrastructure will steeply decline from deterioration. In worst case scenarios selected playgrounds, jetties and footbridges may require closing due to condition decline (public safety) and or legislative requirement.	On average infrastructure condition will improve to a satisfactory condition over the (7) years. There are no foreseeable closures under this model.	On average infrastructure condition will improve to a reasonably satisfactory condition over the (7) years. A funding gap will remain at the end of the 7 years and there may need to be closures under this model.

Funding Analysis	Option 1 - Rate Peg	Option 2 - 9.5%	Option 4 - 6.9%
<i>Proposed Renewal:</i>	\$25M	\$25M	\$25M
<i>Proposed New:</i>	\$1.5M	\$6.7M	\$4.0M
<i>Total CAPEX:</i>	\$26.5M	\$50M	\$44M
<i>Funding Gap:</i>	\$0M	\$19M	\$15M
<u>Roads</u> The local roads of the Shire. Renewals affect the smoothness and feel when driving.	Some focus in renewing our Shires road network. This will see the condition increase in the first year, then steeply decline over the ensuing (7) years. Minimal optional new road infrastructure.	Strong focus in renewing our Shires road network. This will improve the condition of our roads over the (7) year period. Minimal optional new road infrastructure.	Good focus in renewing our Shires road network. This will improve the condition of our roads over the (7) year period but some will remain in less than satisfactory condition. Minimal optional new road infrastructure.
<u>Drainage</u> Responsible for redirecting water from developments.	Drainage network condition will remain poor. Minimal optional new drainage infrastructure.	Drainage network will improve over the period. Some optional new drainage infrastructure.	Drainage network will improve but some sections will remain less than satisfactory Minimal optional new drainage infrastructure.
<u>Playgrounds</u> An outdoor activity centre for the children of the Shire.	Many will become dilapidated overtime and may require closing or even removal due to not meeting Australian Standards. No new playgrounds.	Can be maintained as per Australian Standards. Condition is expected to slowly increase overtime. Some new playgrounds	Can be mostly maintained as per Australian Standards. Condition will slowly increase overtime. Minimal new playgrounds
<u>Jetties & Boat Ramps</u> Fishing, scenic views, heritage. A place to drop the boat in, have a ski or spend the day on the water.	There will be zero work on closing the gap undertaken; a few of the jetties around Tuggerah Lakes may require closing due to structural deterioration through age. No possibility of new jetties.	Remedial works will be undertaken over the ensuing 7 years with no condition related closures foreseeable. It is likely that the condition of the jetties and boat ramps will remain stable or slightly improve.	Remedial works will be undertaken over the ensuing 7 years with some possible related closures foreseeable. Minimal new boat ramps.

Funding Analysis	Option 1 - Rate Peg	Option 2 - 9.5%	Option 4 - 6.9%
<i>Proposed Renewal:</i>	\$25M	\$25M	\$25M
<i>Proposed New:</i>	\$1.5M	\$6.7M	\$4.0M
<i>Total CAPEX:</i>	\$26.5M	\$50M	\$44M
<i>Funding Gap:</i>	\$0M	\$19M	\$15M
<u>Footbridges</u> Accessibility for continuity of walkers and bikers, or simply enjoy the amenity of our parks.	There will be zero work on closing the gap undertaken; several footbridges located in outdoor passive recreation areas will require closing due to structural deterioration through age. No possibility of new footbridges.	Remedial works will be undertaken over the ensuing 7 years with no condition related closures foreseeable. It is likely that the condition of the footbridges will remain stable or slightly improve. Improved likelihood of a small amount of new footbridges.	Remedial works will be undertaken over the ensuing 7 years with some possible related closures foreseeable. Minimal new footbridges.
<u>Town Centres</u> Assist with keeping our Shire vibrant and attractive thus increasing tourism which is good for local business.	Some assets will remain less than satisfactory No new works undertaken.	Town centre conditions slowly improve over the following years. Minimal new works undertaken.	Town centre conditions slowly improve over the following years but some conditions will remain less than satisfactory. Less likelihood of new works.
<u>Tuggerah Lakes Estuaries</u> Maintaining estuaries which contribute to the quality of our Shires Tuggerah lakes.	Zero work on dealing with unsatisfactory items would be performed. Gross pollutant traps and other environmental devices, some thirty years old will fail. The result will be an increase of pollutants entering Tuggerah Lakes.	Progressive program to replace unsatisfactory devices This will maintain the existing devices and ensure the lakes continue to improve.	Progressive, but slower program to replace unsatisfactory devices Lakes will improve but some areas remain unprotected for longer

What Works Will Be Delivered Under Each Option

Attachment 1 shows the works that will be delivered over the next 4 years under each option, as set out in Council's draft 2013/17 Strategic Plan. Option 4 will not deliver the same level of works as option 2 as there is less funding. If option 1 is adopted, the works to address the asset gap will not be undertaken. Those projects identified in Attachment 1 which do not have a budget allocation assigned to them in each option mean they will not be delivered if that option is chosen.

	Option 1 3.4% Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
Renewals	\$25,743,108	\$25,743,108	\$25,743,108
Gap	\$0	\$19,153,865	\$15,297,865
New	\$0	\$7,629,990	\$4,175,490
	\$25,743,108	\$52,526,963	\$45,216,463

The works set out in the tables attached align to the asset management plans and the service priorities identified through community consultation. The priorities are continually under review based on factors such as changes in asset condition due to usage and deterioration rates, additional funding from other sources (e.g. grants) can become available unexpectedly and the estimated cost of projects can also change. Each year the final list of projects will be adopted by Council as part of its annual planning process, which is available to the community for comment. Progress is reported regularly to the community, as are any changes to the adopted list of projects.

These capital plans are based on the existing asset management plan and have not yet been approved by Council. For this reason, and due to the dynamic nature of managing priority on a \$2.3bn asset portfolio, this plan is subject to reprioritisation or changes to timing.

Service Cuts

If Council resolve to proceed with either option 1 or 4, there will be a need to reduce or cut services. During the community consultation the community highlighted their priorities for service delivery. In considering these priorities, along with business models and opportunities, Council will continue to find optimal ways to do business and will need to rationalise delivery of some services, or find alternative operating models. Detailed analysis to determine the feasibility, economic cost versus benefit, and social impact of any service reductions or revised operating models.

The option1 cuts would result in 50-100 full time equivalent staff and their associated services being cut. There would be further funds required to terminate these staff.

Indicative Total Rates Notice

In the last week IPART have made a draft determination on the Water and Sewer charges for both Gosford and Wyong councils. These charges are also included in the rates notice. This information is provided as a matter of transparency.

Option 1 – Rate Peg Only	2012/13 Baseline	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Ordinary Rates (1)	\$868.05	\$895.79	\$922.67	\$950.35	\$978.86	\$1,008.22	\$1,038.47	\$1,069.62
Domestic Waste (2)	\$460	\$483	\$502	\$522	\$543	\$565	\$588	\$612
Stormwater Management (3)	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Water Service (4)	\$167.35	\$164.97	\$150.86	\$136.48	\$122.37	\$126.05	\$129.83	\$133.72
Sewerage (4)	\$463.44	\$457.25	\$467.70	\$478.42	\$489.37	\$504.05	\$519.17	\$534.74
Drainage (4)	\$89.77	\$97.01	\$104.73	\$113.06	\$122.07	\$125.73	\$129.50	\$133.39
TOTAL Annual Rates & Charges	\$2,073.61	\$2,123.02	\$2,172.96	\$2,225.32	\$2,280.67	\$2,354.05	\$2,429.97	\$2,508.48
Increase \$		\$49.42	\$49.94	\$52.35	\$55.35	\$73.38	\$75.92	\$78.51
Increase %		2.38%	2.35%	2.41%	2.49%	3.22%	3.23%	3.23%

(Assumptions)

1. Rate Peg of 3.4% in year 1 and 3% for subsequent years

5.10

SERVICE STANDARDS REVIEW - Special Rate Variation (contd)

2. 4%
3. Flat
4. Draft IPART Determination + CPI of 3% after 2016/17

Option 2 – SRV 9.5%	2012/13 Baseline	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Ordinary Rates (1)	\$868.05	\$948.73	\$1,038.86	\$1,137.55	\$1,245.62	\$1,363.96	\$1,493.53	\$1,635.42
Domestic Waste (2)	\$460	\$483	\$502	\$522	\$543	\$565	\$588	\$612
Stormwater Management (3)	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Water Service (4)	\$167.35	\$164.97	\$150.86	\$136.48	\$122.37	\$126.05	\$129.83	\$133.72
Sewerage (4)	\$463.44	\$457.25	\$467.70	\$478.42	\$489.37	\$504.05	\$519.17	\$534.74
Drainage (4)	\$89.77	\$97.01	\$104.73	\$113.06	\$122.07	\$125.73	\$129.50	\$133.39
TOTAL Annual Rates & Charges	\$2,073.61	\$2,175.96	\$2,289.16	\$2,412.52	\$2,547.43	\$2,709.78	\$2,885.03	\$3,074.27
Increase \$		\$102.35	\$113.20	\$123.36	\$134.91	\$162.35	\$175.25	\$189.24
Increase %		4.94%	5.20%	5.39%	5.59%	6.37%	6.47%	6.56%

(Assumptions)

1. 9.5%
2. 4%
3. Flat
4. Draft IPART Determination + CPI of 3% after 2016/17

Option 4 - SRV 6.9%	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Ordinary Rates (1)	\$868.05	\$926.18	\$990.09	\$1,058.40	\$1,131.43	\$1,209.50	\$1,292.96	\$1,382.17
Domestic Waste (2)	\$460	\$483	\$502	\$522	\$543	\$565	\$588	\$612
Stormwater Management (3)	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Water Service (4)	\$167.35	\$164.97	\$150.86	\$136.48	\$122.37	\$126.05	\$129.83	\$133.72
Sewerage (4)	\$463.44	\$457.25	\$467.70	\$478.42	\$489.37	\$504.05	\$519.17	\$534.74
Drainage (4)	\$89.77	\$97.01	\$104.73	\$113.06	\$122.07	\$125.73	\$129.50	\$133.39
TOTAL Annual Rates & Charges	\$2,073.61	\$2,153.41	\$2,240.39	\$2,333.37	\$2,433.24	\$2,555.33	\$2,684.46	\$2,821.03
Increase \$		\$79.80	\$86.97	\$92.99	\$99.87	\$122.08	\$129.13	\$136.57
Increase %		3.85%	4.04%	4.15%	4.28%	5.02%	5.05%	5.09%

(Assumptions)

1. 6.9%
2. 4%
3. Flat
4. Draft IPART Determination + CPI of 3% after 2016/17

As can be seen above this highlights the difference between what ratepayers would be required to pay under each of the options, including the other costs identified in the rates notice, based on the draft IPART determination on water and sewer. The table below provides a summary of the difference in total annual council charges under each of the scenarios as compared to the rate peg.

Year	Option 1- Rate Pegging Only	Total \$ Bill Increase under 9.5% (Annual)	Weekly Increase to Total Bill under 9.5%	Total % Bill Increase under 9.5% (Annual)	Total \$ Bill Increase under 6.9% (Annual)	Weekly Increase to Total Bill under 6.9%	Total % Bill Increase under 6.9% (Annual)
2012/13 Baseline Average Rate	\$2,073.61						
2013/14	\$2,123.02	\$52.94	\$1.02	2.49%	\$30.39	\$0.58	1.43%
2014/15	\$2,172.96	\$116.19	\$2.23	5.35%	\$67.42	\$1.30	3.10%
2015/16	\$2,225.32	\$187.21	\$3.60	8.41%	\$108.06	\$2.08	4.86%
2016/17	\$2,280.67	\$266.76	\$5.13	11.70%	\$152.58	\$2.93	6.69%
2017/18	\$2,354.05	\$355.73	\$6.84	15.11%	\$201.28	\$3.87	8.55%
2018/19	\$2,429.97	\$455.06	\$8.75	18.73%	\$254.49	\$4.89	10.47%
2019/20	\$2,508.48	\$565.79	\$10.88	22.56%	\$312.55	\$6.01	12.46%

PROPOSAL

Council's role is to decide what the best option for the community is; either proceed with an Special Rate Variation application or cut services to the community. Doing nothing is not an option that will lead to financial sustainability for the organisation and deliver on the needs of our community.

The state of the assets that deliver the services to the community is an enormous risk to our community and will continue to be if Council does not act quickly with insight and rigor. Council's financial and asset management systems have clearly identified the need for enhanced funding and that the required level of funding requires a 9.5% increase each year for seven years to close the asset gap.

A number of councils assets are failing and require more than \$130m to bring these assets to a satisfactory level. Council will continue to have an asset management issue just by the sheer volume of assets currently owned and the ones which will be required for the extra 70,000 people planned to settle in Wyong by 2031.

This issue has been a long standing one and only in 2010 did Council identify the depth of the issue and implement a range of strategies to move into financial sustainability and identify the risk associated with the asset back log. Council can not afford not to spend the funds required on maintaining our assets to a satisfactory standard. If we do not, the increased risk of asset failure, loss of service and risk to public safety place liability on Council, Councillors and staff.

Council staff are already reviewing a number of assets that could be rationalised to save money. Council staff are also exploring new management models around its assets to leverage off other partners, minimize the operating, maintenance and improvement costs and deliver more cost effective services to the community.

The community is aware that Council has not been replacing the assets at the rate that they are wearing out, if we do not spend money on this now the future maintenance and replacement costs will only be higher. The demand by the 70,000 new people for new assets will not be met. It is recognised that there is no quick fix. Assets will continue to grow, be it through a new development, a replacement of an old asset, a gifting of an asset or the requirement from other tiers of Government to take on an asset. Even so, focusing on bringing what we have to a level that can deliver what is needed is required now to be able to manage the risks now and those that will eventuate in future years.

Staff recognise that there are concerns with the affordability for some members of the community, to be able to pay for a Special Rate Variation of 9.5%, however Council's hardship policy needs to be able to cater for these concerns and provide options. This should be considered on merit. Without this level of increase there will be significant risks to the organisation, Councillors and staff both financially and legally if our ageing assets fail.

Some of the considerations if the SRV is not successful or is reduced below 9.5%:

- If Council wishes to improve the condition of existing assets, it will have to find an additional \$20m per year. That will have to come from cuts to services due to the amount required and the limited alternatives to finding revenue.
- If that additional funding is not found, assets will continue to decline as there will not be enough funding to keep them at a satisfactory standard. Those assets currently in poor condition will deteriorate at a faster rate, those currently in reasonable condition will move into poor condition.
- The assets will not be able to deliver the level of service that they were originally designed to provide to the community.
- Maintenance costs will rise as asset conditions deteriorate, placing further pressure on Council's operating costs and leaving less funds for services.
- Assets will become non-functional and unsafe, in some cases they will need to be removed.
- Service cuts and asset deterioration will result in a decline in the amenity of the area and impact the quality of life for our residents. That will lead to negative impacts on tourism, business and the local economy, affecting local jobs.

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In the longer term, working towards the vision the community has for the Shire, as outlined in the Community Strategic Plan, will be less realistic and may not be achieved. CSP objectives such as: "There will be ease of travel; communities will have a range of facilities and services; and areas of natural value will be enhanced and maintained" cannot be achieved if the Council assets which contribute to those objectives are in poor condition or closed down.

The engagement process was extensive with nearly 8,800 responses received through Stages 1 to 3. In addition, previous consultation feedback was also considered which had more than 4000 responses. When these responses are considered collectively it identifies that there is an understanding by the community of the need to improve assets and the services they provide, together with support for a rate increase to achieve that.

The responses to Stage 3 indicate that there is reasonable community willingness to pay some level of increase above the rate peg. It is recommended by staff that Council proceed with a submission to IPART for a Section 508A increase of 9.5% increase per year over seven years commencing 2013/14 to enable the asset maintenance backlog of \$130m to be addressed.

IPART Application - Criteria To Be Addressed

The process of applying for an SRV requires a number of steps to comply with the IPART guidelines and assessment criteria. A considerable amount of community consultation is required and Council's Integrated Planning and Reporting documentation must fully document and support the need for the SRV. The IPART criteria are as follows:

1. The need for and purpose of a different revenue path (as requested through the special variation) is clearly articulated and identified through the council's Integrated Planning and Reporting (IP&R) documents, including its Delivery Program and Long Term Financial Plan. Evidence for this criterion could include evidence of community need/desire for service levels/project and limited council resourcing alternatives and the Council's financial sustainability conducted by the NSW Treasury Corporation.
2. Evidence that the community is aware of the need for and extent of a rate rise. This should be clearly spelt out in IP&R documentation and the council must demonstrate an appropriate variety of engagement methods to ensure opportunity for community awareness/input. The IP&R documentation should canvas alternatives to a rate rise, the impact of any rises upon the community and the council's consideration of the community's capacity and willingness to pay rates.
3. The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. Council's IP&R process should also establish that the proposed rate increases are affordable having regard to the local community's capacity to pay.
4. The proposed Delivery Program and Long Term Financial Plan must show evidence of realistic assumptions.
5. An explanation of the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period.
6. IPART's assessment of the matters set out below, against criteria 1-5 above.
 - size of the council
 - resources of a council
 - size (both actual \$ and %) of increase requested
 - current rate levels and previous rate rises
 - purpose of the special variation
 - any other matter considered relevant in the assessment of a special variation application.

These criteria will be addressed through the submission process if Council determine to request a Special Rate Variation. Council's previous and current Strategic Planning documents have addressed the asset gap finding issue. The issues of willingness to pay and capacity to pay have been highlighted in this report to enable Council to satisfy itself that it is appropriate to proceed with an SRV application.

There are risks attached to the proposal for proceeding with an SRV application. It could be unsuccessful, it could be approved for less than 9.5% and/or less than seven years, in either case Council will be still faced with reducing services and be required to deliver other cost saving measures.

The timeframe for the 2013/14 application process is:

- Council must submit its application to IPART by 11 March, 2013. The application and supporting documents will be available on Council's web site and on IPART's web site.
- IPART will accept and consider submissions from interested groups or individual ratepayers regarding special variations up until 4 weeks after the relevant application deadline. For 2013, this date is 8 April 2013.
- Council will accept and consider submissions during the public exhibition period for the 2013/17 Strategic Plan.
- IPART will hand down its determination in mid June 2013.
- If approved, the increase will apply as from 1 July, 2013.

Council has complied with the above timeline in that it notified IPART of its intention to submit a Section 508A application by 14 December 2012, up to 9.5%. This does not compel Council to submit an application and provides the freedom to submit an amount lower than 9.5%.

Due to the changes to the guidelines while in the middle of our consultation process, Council has gained agreement from IPART that if Council proceeds with an SRV application, we can submit our supplementary documents (2013-17 Council Strategic Plan and revised Community Strategic Plan) by 15 April 2013. This is to facilitate the Council's consultation with the community about the 2013-17 Strategic Plan and to allow Council to incorporate the outcomes of the public exhibition process in the final Council Strategic Plan.

OPTIONS

Apart from the two options of SRV or service cuts which have been set out in this report, there are other actions Council could take.

Option 1 - Make a submission to IPART for a Special Rate Variation for 9.5% for seven years commencing 2013/14. This option is recommended as outlined in this report.

Option 2 - Make a submission to IPART for a Special Rate Variation for less than 9.5% as determined by Council for seven years commencing 2013/14. This is not recommended as outlined in this report, due to not being sufficient to close the asset gap and the impact on services. This option is not recommended.

Option 3 - Make a submission to IPART for a Special Rate Variation for less than seven years. This won't provide sufficient funding to close the gap in a reasonable time. This option is not recommended.

Option 4 - Defer a decision and re-consider a Special Rate Variation during preparation of the 2014/18 Council Strategic Plan. This will involve additional cost of community consultation and would be required to commence relatively soon. It will delay addressing the problem and the asset gap will continue to get worse and harder to overcome. This option is not recommended.

Option 5 - Not apply for any Special Rate Variation and continue with the rate peg amount as determined by IPART. This provides significant financial issues for Council and will result in assets being unsustainable into the future, with significant cash flow issues in the short term. Existing services will need to be reduced to a level where assets would be significantly deteriorated and would lead to usability and safety issues. Staff cuts of 50-100 full time equivalent will need to be terminated. Personal liability to Councillors and staff will rise significantly if assets fail. This option is not recommended.

STRATEGIC LINKS

Wyong Shire Council Strategic / Annual Plan

The proposal assists compliance with Council's Integrated Planning and Reporting Framework through using community consultation to inform the Strategic Planning process. Information on the asset gap and financial sustainability of the organisation including the option of a Special Rate Variation is included in the draft 2013/14 Council Strategic Plan.

Contribution of Proposal to the Principal Activity

The proposal affects all Principal Activities and Services as it is a review of all service levels across the organisation.

Long Term Financial Strategy

The proposal uses information from the Long Term Financial Strategy. Final decisions on a Special Rate Variation or not will have impact on future expenditure and funding sources.

Asset Management Strategy

This Strategy highlights the asset gap issue as outlined in this report. Our assets are used to provide services and depending on the final decision of a Special Rate Variation or not, it will impact assets and service levels across the business.

Workforce Management Strategy

Staff resources are used to provide services so it will impact the Workforce Management Strategy. Dependent on the final decisions on a Special Rate Variation or not, there will be impacts on staffing levels across the business.

Link to Community Strategic Plan (2030)

The proposal will impact on the services Council provides towards achieving the Community Strategic Plan objectives.

BUDGET IMPACT

This recommendation has significant impacts on the budget, as does an alternate decision made by Council. The draft 2013/17 Strategic Plan takes into account each of the 3 options: rate peg only, 6.9% and 9.5%.

The budget outcomes for the General Fund for each of the 7 years under each scenario are as follows:

General Fund Profit Profile

Option	2013/14 \$m	2014/15 \$m	2015/16 \$m	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/20 \$m
Option 1 – Rate Peg	-2.5	-3.0	-2.9	-4.1	-3.2	-3.3	-3.3
Option 2 – SRV 9.5%	0.8	2.4	5.6	8.3	14.1	19.9	27.0
Option 3 – SRV 6.9%	-0.1	0.3	2.4	3.6	7.4	106	14.4

The profit is what generates the required cash-flow to fund the capital required to replace assets and bring assets to a satisfactory condition.

CONSULTATION

Consultation undertaken throughout the Service Standards Review included more than 8800 responses is outlined in the body of the report. In addition, extensive community consultation was undertaken with the community to develop the Community Strategic Plan and other strategic documents to guide the work of Council.

GOVERNANCE AND POLICY IMPLICATIONS

The recommendation complies with the Division of Local Government Integrated Planning and Reporting Framework requirements. The development of the consultation process was in accordance with Council's adopted Engagement Framework and was supported by the previous and current Resourcing documents, including the Long Term Financial Strategy and the Asset Management Strategy.

MATERIAL RISKS AND ISSUES

If Council decides to not proceed with a Special Rate Variation or a lesser amount than the recommended 9.5% it will lead to major risks of our assets failing. The financial sustainability of the organisation will not be viable and significant cuts to capital expenditure and services will be required.

Without this level of increase there will be significant financial and public liability risks to the organisation, Councillors and staff if our ageing assets fail. There are risks attached to the proposal for proceeding with an SRV application. It could be unsuccessful, it could be approved for less than 9.5% and/or less than 7 years, in either case Council will be still faced with reducing services and be required to deliver other cost saving measures.

The significant risk to Council, Councillors and staff is asset failure, this is highlighted in the Piles Creek road tragedy in Gosford which was as a result of inadequate maintenance of the assets.

CONCLUSION

Since 2010 Council has identified a clear path to be financially sustainable by 2014/15 which was reliant on productivity and efficiency savings as well as a Special Rate Variation. Independent reports from NSW Treasury Corporation and the Division of Local Government highlighted concerns with Council's financial sustainability and asset management. Council has worked toward addressing these concerns through clear financial management which has resulted in over \$20msavings per year. However further work is required to make Wyong sustainable into the long term.

Council is facing a difficult decision, managing more than \$2.3bn in ageing assets as well as continuing to provide the services the community has become accustomed to and expects. With a shortfall of \$130m to bring our assets up to a satisfactory condition and the increasing population of a further 70,000 people coming into the area, the current status quo can not remain, services will need to be reduced or further income will be required to address the asset backlog to reduce the risk to Council and the community if an asset fails.

Over the last five years Council has undertaken significant engagement with the community to identify their values and desires. This has been supplemented over the last year with Stages 1, 2 and 3 of the Service Standards Review consultation. These stages have gathered over 8,800 responses. The overall level of support for an increase of some amount above the rate peg, but less than 9.5% is reasonable. It is recommended that Council proceed with a submission to the Independent Pricing and Regulatory Tribunal for a Special Rate Variation Section 508A for a 9.5% increase every year for seven years.

ATTACHMENTS

- | | | |
|---|---|-----------|
| 1 | 2013-14 Capital Expenditure all options | D03273999 |
| 2 | 2014-15 Capital Expenditure all options | D03274003 |
| 3 | 2015-16 Capital Expenditure all options | D03274006 |
| 4 | 2016-17 Capital Expenditure all options | D03274009 |

Wyong Shire Council 2013/14 Proposed Capital Expenditure

	Option 1 3.4% Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
Renewals	\$22,562,708	\$22,562,708	\$22,562,708
Gap	\$0	\$19,086,012	\$15,156,109
New	\$1,500,000	\$5,012,700	\$3,822,000
	\$24,062,708	\$46,661,500	\$41,548,897

Unit	Capital Type	Project	Suburb Location	Option 1 3.4% Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
X	1 - Renewal	Community facility equipment upgrade: Replacement of equipment at 10-15 community facilities - including tables, chairs, data projector, visual aides.	Shire Wide	\$50,000	\$50,000	\$50,000
Community and Cultural Development	1 - Renewal	Community facility signage: Upgrade/replace/renew community facility signage and/or noticeboards - this is part of a rolling works program based on new branding for community facilities.	Shire Wide	\$50,000	\$50,000	\$50,000
Community and Cultural Development	1 - Renewal	Community Facilities: A targeted renew/upgrade program for community facilities. This is in addition to routine maintenance.	Shire Wide	\$500,000	\$500,000	\$500,000
Community and Cultural Development Total	1 - Renewal			\$900,000	\$900,000	\$900,000
Community Buildings	1 - Renewal	Refurbish Truck Parking bay Roof: Refurbish truck parking bay roof structure, programmed works to rectify corroding components	Bateau Bay	\$28,000	\$28,000	\$28,000
Community Buildings	1 - Renewal	Investigation and design for 5 year pavement management plan: Carry out soil analysis, surveying and detailed design for a five stage pavement upgrade for the Depot	Bateau Bay	\$35,000	\$35,000	\$35,000
Community Buildings	1 - Renewal	Construction of undercover storage area at Long Jetty Depot: Construct roofing over the building maintenance storage area at Long Jetty Depot to improve security and reduce the effects of weather on stored materials.	Bateau Bay	\$35,800	\$35,800	\$35,800
Community Buildings	1 - Renewal	Renew Carpet the Council Chambers: Replace worn carpet in Civic Centre on priority basis (4 yr plan commencing 12/13)	Wyong	\$77,000	\$77,000	\$77,000
Community Buildings Total	1 - Renewal			\$175,800	\$175,800	\$175,800
Community Safety and Compliance	1 - Renewal	Air Conditioner in Animal Care Facility meal room	Charmhaven	\$2,000	\$2,000	\$2,000
Community Safety and Compliance	1 - Renewal	Replace lightbars on Ranger trucks	Shire Wide	\$21,000	\$21,000	\$21,000
Community Safety and Compliance Total	1 - Renewal			\$23,000	\$23,000	\$23,000
Human Resources	1 - Renewal	Online recruitment system: Develop/ implement an online system which will enable the advertisement, application, shortlisting and interview of applicants to be logged and managed on line, and processes to be streamlined. Seeking to incorporate with GCC a	Wyong	\$60,000	\$60,000	\$60,000
Human Resources Total	1 - Renewal			\$60,000	\$60,000	\$60,000
Information Management	1 - Renewal	UPS Battery Replacements: Data Centre & Remote Sites	Shire Wide	\$5,000	\$5,000	\$5,000
Information Management	1 - Renewal	Microwave Hardware Replacement: Licensed Spectrum	Shire Wide	\$150,000	\$150,000	\$150,000
Information Management	1 - Renewal	Servers (Public)	Wyong			
Information Management	1 - Renewal	Edge Switches: Switch expansion	Wyong	\$12,000	\$12,000	\$12,000
Information Management	1 - Renewal	Appliances: Web, Email, Security, UPS, Wireless	Wyong	\$20,000	\$20,000	\$20,000
Information Management	1 - Renewal	Backup tapes, Cabling and Lighting: Data Centre Only	Wyong	\$14,000	\$14,000	\$14,000
Information Management	1 - Renewal	Servers (Physical): Voice, Backup, Non-virtual	Wyong	\$32,000	\$32,000	\$32,000
Information Management	1 - Renewal	Servers (Virtual Hosts)	Wyong	\$50,000	\$50,000	\$50,000
Information Management	1 - Renewal	SAN Replacement	Wyong			
Information Management	1 - Renewal	GIS: 3 Year Shirewide Digital Aerial Photography	Wyong	\$150,000	\$150,000	\$150,000
Information Management Total	1 - Renewal			\$433,000	\$433,000	\$433,000
Lifelong Learning	1 - Renewal	Replacement of Air Conditioner at Bateau Bay Library	Bateau Bay	\$44,000	\$44,000	\$44,000
Lifelong Learning	1 - Renewal	Shelving and desk Bateau Bay Library: Install relocatable shelving and desk at Bateau Bay Library.	Bateau Bay	\$65,000	\$65,000	\$65,000
Lifelong Learning	1 - Renewal	Renew and extend outdoor shaded area at Tom Stone Care & Education Centre: Renew and upgrade shade sails and surrounding area provision to comply with National Quality Framework and improve child safety.	Berkeley Vale	\$24,700	\$24,700	\$24,700
Lifelong Learning	1 - Renewal	Library Lending Resource Purchases: The purchase of lending resources: books, CDs, DVDs, electronic resources.	Shire Wide	\$530,000	\$530,000	\$530,000
Lifelong Learning	1 - Renewal	Renew Shelving The Entrance Library	The Entrance	\$24,000	\$24,000	\$24,000
Lifelong Learning	1 - Renewal	Paving surrounding Toukley Library and community hall: Replace uneven paving surrounding Toukley Library and Community precinct to address safety and access issues.	Toukley	\$75,000	\$75,000	\$75,000

Unit	Capital Type	Project	Suburb Location	Option 1 3.4% Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
Lifelong Learning	1 - Renewal	Replace Air-conditioning at Karinya Care and Education Centre	Toukley	\$11,000	\$11,000	\$11,000
Lifelong Learning Total	1 - Renewal			\$773,700	\$773,700	\$773,700
Open Space	1 - Renewal	Replacement perimeter fencing of Tuggerah parade park: Asset renewal of fencing within identified priority area	Long Jetty	\$75,000	\$75,000	\$75,000
Open Space	1 - Renewal	Replacement of damaged and failed assets in parks and reserves: Asset renewal of furniture and shelters which are vandalised or fall in parks and reserves, fences such as BBQ, Shelters and benches	Shire Wide	\$50,000	\$50,000	\$50,000
Open Space	1 - Renewal	Replacement of damaged and failed assets in sports fields: Asset renewal of irrigation, cricket wickets, goal posts, BBQs, Shelters and benches which are vandalised or fall in sports fields	Shire Wide	\$50,000	\$50,000	\$50,000
Open Space Total	1 - Renewal			\$175,000	\$175,000	\$175,000
Place Management	1 - Renewal	Design of the Memorial Park in The Entrance: Design and documentation of the memorial Park in The Entrance incorporating the recommendations of the adopted masterplan for The Entrance town centre	The Entrance	\$200,000	\$200,000	\$200,000
Place Management	1 - Renewal	The Entrance Town Centre Masterplan: Tile Replacement project	The Entrance	\$860,000	\$860,000	\$860,000
Place Management Total	1 - Renewal			\$1,060,000	\$1,060,000	\$1,060,000
Plant and Fleet	1 - Renewal	Purch Workshop Tools & Equip: Annual workshop tools and equipment Replacement program	Charmhaven	\$70,000	\$70,000	\$70,000
Plant and Fleet	1 - Renewal	CHD Pavement & Building Improvements	Charmhaven	\$250,000	\$250,000	\$250,000
Plant and Fleet	1 - Renewal	Annual Small Plant Capital Replacement Program	Charmhaven	\$300,000	\$300,000	\$300,000
Plant and Fleet	1 - Renewal	Annual Heavy Plant Replacement Program	Charmhaven	\$160,000	\$160,000	\$160,000
Plant and Fleet	1 - Renewal	Annual Light Commercial vehicle Replacement Program	Charmhaven	\$890,000	\$890,000	\$890,000
Plant and Fleet	1 - Renewal	Annual Truck Replacement Program	Charmhaven	\$1,300,000	\$1,300,000	\$1,300,000
Plant and Fleet	1 - Renewal	Annual Passenger vehicle Replacement Program	Charmhaven	\$1,612,000	\$1,612,000	\$1,612,000
Plant and Fleet	1 - Renewal	Sub Depot Improvements	Mardi & Sub Depots	\$10,000	\$10,000	\$10,000
Plant and Fleet Total	1 - Renewal			\$4,592,000	\$4,592,000	\$4,592,000
Roads	1 - Renewal	MALANA AVE: Road Pavement Renewal	Bateau Bay	\$112,500	\$112,500	\$112,500
Roads	1 - Renewal	HARBOUR ST: Road Pavement Renewal	Bateau Bay			
Roads	1 - Renewal	BATEAU BAY - Reseal Programme	Bateau Bay			
Roads	1 - Renewal	SHERIDY STREET: Road Pavement Renewal	Bateau Bay	\$162,500	\$162,500	\$162,500
Roads	1 - Renewal	ANNE FINLAY PLACE: Road Pavement Renewal	Bateau Bay	\$225,000	\$225,000	\$225,000
Roads	1 - Renewal	GREVILLEA CR: Roads to Recovery	Berkeley Vale			
Roads	1 - Renewal	BERKELEY VALE - Reseal Programme	Berkeley Vale	\$134,220	\$134,220	\$134,220
Roads	1 - Renewal	BELFRIBELL AVE: Roads to Recovery	Berkeley Vale			
Roads	1 - Renewal	BLUE BAY - Reseal Programme	Blue Bay	\$3,852	\$3,852	\$3,852
Roads	1 - Renewal	BLUE HAVEN - Reseal Programme	Blue Haven	\$78,240	\$78,240	\$78,240
Roads	1 - Renewal	COONANGA AVE : Rolled Kerb and Gutter	Budgewoi			
Roads	1 - Renewal	BUDGEWOI - Reseal Programme	Budgewoi	\$82,716	\$82,716	\$82,716
Roads	1 - Renewal	BUFF POINT - Reseal Programme	Buff Point	\$43,920	\$43,920	\$43,920
Roads	1 - Renewal	CANTON BEACH - Reseal Programme	Canton Beach	\$124,356	\$124,356	\$124,356
Roads	1 - Renewal	CHAIN VALLEY BAY - Reseal Programme	Chain Valley Bay	\$282,516	\$282,516	\$282,516
Roads	1 - Renewal	CHAIN VALLEY BAY (Nth) - Reseal Programme	Chain Valley Bay North	\$208,572	\$208,572	\$208,572
Roads	1 - Renewal	CHARMHAVEN - Reseal Programme	Charmhaven	\$107,520	\$107,520	\$107,520
Roads	1 - Renewal	MDALA PDE : Road Pavement Renewal	Charmhaven	\$500,000	\$500,000	\$500,000
Roads	1 - Renewal	CHITTAWAY BAY - Reseal Programme	Chittaway Bay	\$23,232	\$23,232	\$23,232
Roads	1 - Renewal	CHITTAWAY POINT - Reseal Programme	Chittaway Point	\$5,808	\$5,808	\$5,808
Roads	1 - Renewal	GEOFFERY ROAD: Road Pavement Renewal	Chittaway Point	\$500,000	\$500,000	\$500,000
Roads	1 - Renewal	DOORALONG - Reseal Programme	Dooralong	\$65,208	\$65,208	\$65,208
Roads	1 - Renewal	DOYALSON - Reseal Programme	Doyalson	\$24,312	\$24,312	\$24,312
Roads	1 - Renewal	DURREN DURREN - Reseal Programme	Durren Durren	\$48,552	\$48,552	\$48,552
Roads	1 - Renewal	ENTERPRISE DR CHS 830 -CHS 327: Regional Road Repair Programme (50/50 Grant)	Foundersdale	\$137,000	\$137,000	\$137,000
Roads	1 - Renewal	FOUNDAIRDALE - Reseal Programme	Foundersdale	\$455,820	\$455,820	\$455,820
Roads	1 - Renewal	GLENNING VALLEY - Reseal Programme	Glennings Valley	\$28,056	\$28,056	\$28,056
Roads	1 - Renewal	GROKOKAN - Reseal Programme	Grokokan	\$82,512	\$82,512	\$82,512
Roads	1 - Renewal	GASCONHRE ROAD: Road Pavement Renewal	Grokokan	\$375,000	\$375,000	\$375,000
Roads	1 - Renewal	PARRAWDENANANGARA: Road Pavement Renewal	Gwardalan	\$100,000	\$100,000	\$100,000
Roads	1 - Renewal	GWARDALAN - Reseal Programme	Gwardalan	\$219,048	\$219,048	\$219,048
Roads	1 - Renewal	WOOLANA AVE: Road Pavement Renewal	Halekulani	\$300,000	\$300,000	\$300,000
Roads	1 - Renewal	HALEKULANI - Reseal Programme	Halekulani	\$211,944	\$211,944	\$211,944
Roads	1 - Renewal	JILLBY - Reseal Programme	Jillby	\$183,108	\$183,108	\$183,108
Roads	1 - Renewal	KANGY ANGY - Reseal Programme	Kangy Angy	\$40,632	\$40,632	\$40,632
Roads	1 - Renewal	WAHROONGA ROAD: Road Pavement Renewal	Karwal	\$200,000	\$200,000	\$200,000
Roads	1 - Renewal	KANWAL - Reseal Programme	Karwal	\$122,712	\$122,712	\$122,712
Roads	1 - Renewal	KIAR - Reseal Programme	Kiar	\$157,104	\$157,104	\$157,104
Roads	1 - Renewal	MAREE BLVD: Rolled Kerb and Gutter	Killarney Vale			
Roads	1 - Renewal	SHORTLAND STREET: Rolled Kerb and Gutter	Killarney Vale			
Roads	1 - Renewal	MORT ST: Road Pavement Renewal	Killarney Vale			
Roads	1 - Renewal	HUME BLVD: Road Pavement Renewal	Killarney Vale	\$125,000	\$125,000	\$125,000

Unit	Capital Type	Project	Suburb Location	Option 1 3.4% Rate Peg	Option 2 9.5% SRV	Option 4 5.9% SRV
Roads	1 - Renewal	GUTHBERT ROAD: Road Pavement Renewal	Killarney Vale	\$150,000	\$150,000	\$150,000
Roads	1 - Renewal	HINEMOA AVE: Road Pavement Renewal	Killarney Vale			
Roads	1 - Renewal	CORNISH AVE: Road Pavement Renewal	Killarney Vale	\$312,500	\$312,500	\$312,500
Roads	1 - Renewal	THOMAS MITCHELL ROAD: Roads to Recovery	Killarney Vale			
Roads	1 - Renewal	PLAYFORD ROAD: Road Pavement Renewal	Killarney Vale			
Roads	1 - Renewal	BASS AVENUE: Road Pavement Renewal	Killarney Vale			
Roads	1 - Renewal	KILLARNEY VALE - Reseal Programme	Killarney Vale	\$236,820	\$236,820	\$236,820
Roads	1 - Renewal	KINGFISHER SHORES - Reseal Programme	Kingfisher Shores	\$84,396	\$84,396	\$84,396
Roads	1 - Renewal	LAKE HAVEN - Reseal Programme	Lake Haven	\$96,204	\$96,204	\$96,204
Roads	1 - Renewal	LAKE MUNMORAH - Reseal Programme	Lake Munmorah	\$77,304	\$77,304	\$77,304
Roads	1 - Renewal	LEMON TREE - Reseal Programme	Lemon Tree	\$93,516	\$93,516	\$93,516
Roads	1 - Renewal	TUGGERAH PARADE: Road Pavement Renewal	Long Jetty			
Roads	1 - Renewal	TOOWOON BAY ROAD: Road Pavement Renewal	Long Jetty	\$287,500	\$287,500	\$287,500
Roads	1 - Renewal	MANDALONG ROAD: Road Pavement Renewal	Mandalong	\$393,750	\$393,750	\$393,750
Roads	1 - Renewal	McPHERSON ROAD: Road Pavement Renewal	Mardi Tuggerah	\$187,500	\$187,500	\$187,500
Roads	1 - Renewal	NORAH HEAD - Reseal Programme	Norah Head	\$125,124	\$125,124	\$125,124
Roads	1 - Renewal	NORVILLE - Reseal Programme	Norville	\$161,148	\$161,148	\$161,148
Roads	1 - Renewal	CURIMBAH CREEK RD: Road Pavement Renewal	Curimbah			
Roads	1 - Renewal	RAVENSDALE - Reseal Programme	Ravensdale	\$112,740	\$112,740	\$112,740
Roads	1 - Renewal	SAN REMO - Reseal Programme	San Remo	\$191,376	\$191,376	\$191,376
Roads	1 - Renewal	SHELLY BEACH - Reseal Programme	Shelly Beach	\$329,772	\$329,772	\$329,772
Roads	1 - Renewal	BLOCK GRANT: RMS Block Grant	Shire Wide	\$200,000	\$200,000	\$200,000
Roads	1 - Renewal	NON-PROGRAMMED WORKS: Unprogrammed Emergency Works	Shire Wide	\$900,000	\$900,000	\$900,000
Roads	1 - Renewal	SUMMERLAND POINT - Reseal Programme	Summerland Point	\$117,576	\$117,576	\$117,576
Roads	1 - Renewal	SOUTH YACOMA ROAD: Road Pavement Renewal	Yacoma South			
Roads	1 - Renewal	VICTORIA ST: Road Pavement Renewal	The Entrance	\$81,250	\$81,250	\$81,250
Roads	1 - Renewal	THE ENTRANCE - Reseal Programme	The Entrance	\$114,264	\$114,264	\$114,264
Roads	1 - Renewal	LYNCH CRES: Rolled Kerb and Gutter	The Entrance North			
Roads	1 - Renewal	FRAVENT STREET: Road Pavement Renewal	Toukley	\$50,000	\$50,000	\$50,000
Roads	1 - Renewal	HEADOR ST: Road Pavement Renewal	Toukley	\$131,250	\$131,250	\$131,250
Roads	1 - Renewal	TUGGERAWONG ROAD: Roads to Recovery	Tuggerawong	\$800,000	\$800,000	\$800,000
Roads	1 - Renewal	FLORENCE AVE: Road Pavement Renewal	Tumbi Umbi	\$75,000	\$75,000	\$75,000
Roads	1 - Renewal	TUMBI RD CHS.061 - CHS.293: Regional Road Repair Programme (50:50 Grant)	Tumbi Umbi	\$144,000	\$144,000	\$144,000
Roads	1 - Renewal	TUMBI UMBI - Reseal Programme	Tumbi Umbi	\$264,132	\$264,132	\$264,132
Roads	1 - Renewal	JOHNS ROAD: Road Pavement Renewal	Wadai			
Roads	1 - Renewal	JENSENS ROAD: Road Upgrade including stormwater drainage	Wadai	\$350,000	\$350,000	\$350,000
Roads	1 - Renewal	JENSENS ROAD: Road Pavement Renewal	Wadai	\$525,000	\$525,000	\$525,000
Roads	1 - Renewal	WADALBA - Reseal Programme	Wadai	\$321,156	\$321,156	\$321,156
Roads	1 - Renewal	WALLARAH - Reseal Programme	Wallarah	\$314,508	\$314,508	\$314,508
Roads	1 - Renewal	WOOLWORTHS WAY: Road Pavement Renewal	Warrens Vale	\$187,500	\$187,500	\$187,500
Roads	1 - Renewal	WARNERSVALE - Reseal Programme	Warrens Vale	\$172,260	\$172,260	\$172,260
Roads	1 - Renewal	WATANDOBBI - Reseal Programme	Watandobbi	\$80,712	\$80,712	\$80,712
Roads	1 - Renewal	WOONGARRAH - Reseal Programme	Woongarah	\$88,284	\$88,284	\$88,284
Roads	1 - Renewal	PETERS LANE: Road Pavement Renewal	Wyong	\$80,000	\$80,000	\$80,000
Roads	1 - Renewal	WYONG - Reseal Programme	Wyong	\$56,976	\$56,976	\$56,976
Roads	1 - Renewal	WYONGAH - Reseal Programme	Wyongah	\$141,960	\$141,960	\$141,960
Roads	1 - Renewal	YARRAMALONG - Reseal Programme	Yarramalong	\$89,050	\$89,050	\$89,050
Roads Total	1 - Renewal			\$13,187,288	\$13,187,288	\$13,187,288
Sport Leisure and Recreation	1 - Renewal	ECSAOC tennis court surface replacement: Resurfacing all 4 courts	Bateau Bay	\$65,000	\$65,000	\$65,000
Sport Leisure and Recreation	1 - Renewal	Tennis court floodlight replacement: The floodlights at Lake Haven Tennis courts are now beyond repair and need replacement.	Cicokan	\$65,000	\$65,000	\$65,000
Sport Leisure and Recreation	1 - Renewal	Amenities Building Refurbishments: Program of Rolling works to renew and upgrade existing assets with minor capital works - 13/14 priority is Baker Park grandstand	Shire Wide	\$80,000	\$80,000	\$80,000
Sport Leisure and Recreation	1 - Renewal	Toukley Pool - Refurbish grandstand area: Make essential repairs and re-paint the grandstand space	Toukley	\$20,000	\$20,000	\$20,000
Sport Leisure and Recreation	1 - Renewal	Wyong Pool - Replace chlorine tanks and line bonded areas: Make essential repairs	Wyong	\$10,000	\$10,000	\$10,000
Sport Leisure and Recreation Total	1 - Renewal			\$240,000	\$240,000	\$240,000
Sustainability	1 - Renewal	Asset Protection Zone Renewals - details to be finalised	Shire Wide	\$200,000	\$200,000	\$200,000
Sustainability	1 - Renewal	Fire Trail Renewals - details to be finalised	Shire Wide	\$200,000	\$200,000	\$200,000
Sustainability Total				\$400,000	\$400,000	\$400,000
Waterways and Asset Management	1 - Renewal	Refurbish beach accesses: Refurbish 4 beach accesses per year as determined by needs analysis	Shire Wide	\$80,000	\$80,000	\$80,000
Waterways and Asset Management	1 - Renewal	Fire Station Improvements - Various	Shire Wide	\$163,000	\$163,000	\$163,000
Waterways and Asset Management	1 - Renewal	Bushfire Vehicles & Capital: RFS vehicle/equipment Replacement program	Shire Wide	\$600,000	\$600,000	\$600,000

Unit	Capital Type	Project	Suburb Location	Option 1 3.4% Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
Waterways and Asset Management Total	1 - Renewal			\$943,000	\$843,000	\$843,000
Community and Cultural Development	2 - Gap	Upgrade Norville & Jillby Cemetery: New beams, gardens, signage	Norville and Jillby	X	\$30,000	\$30,000
Community and Cultural Development Total	2 - Gap			\$0	\$30,000	\$30,000
Community and Customer Relations	2 - Gap	Customer Interaction Technology: Expand functionality of m.wyong (mobile version of Council website) to allow customers to report a problem, make an enquiry or make a payment via their mobile device.	Wyong	X	\$28,000	X
Community and Customer Relations Total	2 - Gap			\$0	\$28,000	\$0
Community Buildings	2 - Gap	Refurbish South St Killarney Vale toilet block	Killarney Vale	X	\$45,600	X
Community Buildings	2 - Gap	Refurbish the existing toilet block at Shelly Beach	Shelley Beach	X	\$95,550	X
Community Buildings	2 - Gap	Refurbish Soldiers Beach Toilet Block	Soldiers Beach	X	\$75,000	X
Community Buildings	2 - Gap	Refurbish the toilet at Picnic Point Reserve, The Entrance	The Entrance	X	\$175,000	X
Community Buildings	2 - Gap	Passenger Lift Upgrade (Lift No 2): Upgrade of Civic Centre Lift No 2 to meet legislative guidelines	Wyong	X	\$135,000	\$135,000
Community Buildings	2 - Gap	Kitchenettes Upgrades: Upgrading of 4 kitchenettes (per annum) to meet legislative requirements per year	Wyong	X	\$42,000	\$42,000
Community Buildings	2 - Gap	Air Conditioning unit replacements: Replace various Air Conditioning units based on recommendations from an audit carried out last year	Wyong	X	\$355,000	\$355,000
Community Buildings Total	2 - Gap			\$0	\$823,150	\$532,000
Finance	2 - Gap	Oracle Payroll Change Request: Changes to Kronos and Oracle systems to reflect payroll budgeting as 52 weeks rather than 43 weeks with large onces: %s covering annual leave, sick leave and LSL, etc	Wyong	X	\$100,000	\$100,000
Finance	2 - Gap	Pathway Change Requests: Changes to Pathway for more efficient business processes - not budgeted by IT	Wyong	X	\$50,000	\$50,000
Finance	2 - Gap	Oracle Change Requests: Changes to Oracle for more efficient business processes - not budgeted by IT	Wyong	X	\$50,000	\$50,000
Finance	2 - Gap	Management Reporting - Dashboards: Continuous updating of the dashboard to reflect Council's structure and reporting needs.	Wyong	X	\$40,000	\$40,000
Finance	2 - Gap	Management Reporting - HR Report: To provide a electronic version of the monthly HR report via the Management Reporting Dashboard	Wyong	X	\$100,000	\$100,000
Finance	2 - Gap	Starcare (childcare) system integration with core systems: Currently staff are duplicating data entry - child care staff in Starcare who then report and Finance enter into core financial system from these reports.	Wyong	X	\$50,000	X
Finance	2 - Gap	ROS (holiday parks) system integration with core systems: Currently staff are duplicating data entry - holiday parks staff in ROS who then report and Finance enter into core financial system from these reports.	Wyong	X	\$50,000	X
Finance Total	2 - Gap			\$0	\$440,000	\$340,000
Information Management	2 - Gap	Microwave Hardware Replacement: Unlicensed Spectrum	Shire Wide	X	\$5,000	\$5,000
Information Management	2 - Gap	Pathway: Ongoing System integration upgrades	Wyong	X	\$40,000	\$40,000
Information Management	2 - Gap	CRM: Additional Functionality	Wyong	X	\$32,000	\$32,000
Information Management	2 - Gap	Reporting: Additional Reporting Functionality	Wyong	X	\$15,000	\$15,000
Information Management	2 - Gap	Kronos: Upgrade System Functionality	Wyong	X	\$60,000	\$60,000
Information Management	2 - Gap	Router Replacements and Upgrades: Memory, Flash, some Replacements	Wyong	X	\$15,000	\$15,000
Information Management	2 - Gap	HR Reporting: Additional Functionality	Wyong	X	\$50,000	\$50,000
Information Management	2 - Gap	Mobility Platform, test devices and associated hardware:	Wyong	X	\$61,000	\$61,000
Information Management	2 - Gap	TRM : Integration upgrades	Wyong	X	\$10,000	\$10,000
Information Management	2 - Gap	Firewall Replacements: ASA 5520 X 2	Wyong	X	\$40,000	X
Information Management	2 - Gap	SAN Disk Growth & GRS	Wyong	X	\$50,000	\$50,000
Information Management	2 - Gap	Sharepoint: Forms development and enhancements	Wyong	X	\$50,000	\$50,000
Information Management Total	2 - Gap			\$0	\$428,000	\$388,000
Lifelong Learning	2 - Gap	Library RFID improvements: Install six floor mounts for RFID gates to improve access	Shire Wide	X	\$9,000	\$9,000

Unit	Capital Type	Project	Suburb Location	Option 1 3.4% Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
Lifelong Learning	2 - Gap	Local Library Priority Grant - Applied for each year for a specific project. Library Local Priority Grant - Specific project to be determined when funding guidelines are released by the funding body (State Library) each year.	Tuggerah, Lake Haven and Toukley	X	\$29,106	\$29,106
Lifelong Learning	2 - Gap	Outdoor playground upgrade at Treetlands Care & Education Centre: Complete outdoor playground area upgrade started in 11/12 to meet National Quality Framework requirements and commitments made to The Department of Education and Communities.	Watanobbi	X	\$26,500	\$26,500
Lifelong Learning Total	2 - Gap				\$0	\$55,606
Place Management	2 - Gap	Budgewoi Town Centre Masterplan Implementation: Priority projects identified in the Budgewoi Town Centre Masterplan which is anticipated to be adopted by Council during the first quarter of 13/14	Budgewoi	X	\$113,117	X
Place Management	2 - Gap	Lake Haven Town Centre Masterplan Implementation: Priority projects identified in the Lake Haven Town Centre Masterplan which is anticipated to be adopted by Council during the first quarter of 13/14	Lake Haven	X	\$500,000	\$500,000
Place Management	2 - Gap	Long Jetty Town Centre Masterplan Implementation: Priority projects identified in the Long Jetty Town Centre Masterplan which is anticipated to be adopted by Council during the first quarter of 13/14	Long Jetty	X	\$500,000	\$500,000
Place Management	2 - Gap	Toukley Town Centre Masterplan: Toukley Eastern north-south link footpath, landscape and safety upgrade	Toukley	X	\$100,500	\$100,500
Place Management	2 - Gap	Toukley Town Centre Masterplan Implementation: Carpark Links to Main Rd	Toukley	X	\$180,511	X
Place Management Total	2 - Gap				\$0	\$1,294,131
Roads	2 - Gap	VISTA PDE: Road Upgrade/Renewal with stormwater drainage	Bateau Bay	X	\$400,000	X
Roads	2 - Gap	BERKELEY ROAD: Road Upgrade including stormwater drainage	Berkeley Vale	X	\$1,250,000	\$1,250,000
Roads	2 - Gap	BAY ROAD: Road Upgrade including stormwater drainage	Blue Bay	X	\$1,100,000	\$1,100,000
Roads	2 - Gap	29 ULANA AVE: Road Upgrade with possible stormwater drainage	Budgewoi	X	\$100,000	X
Roads	2 - Gap	OCEAN / CURRINGO: Backspot Programme	Budgewoi	X	\$79,200	X
Roads	2 - Gap	ELOUERA AVE: Road Upgrade with possible stormwater drainage	Buff Point	X	\$960,000	\$960,000
Roads	2 - Gap	REGENT ST: Retaining Wall	Buff Point	X	\$150,000	X
Roads	2 - Gap	PANORAMA AVE/ HOBSON: Road Upgrade/Renewal with possible stormwater drainage	Charmhaven	X	\$800,000	\$800,000
Roads	2 - Gap	CUNALUP STREET (MGA STREET): Road Upgrade with stormwater drainage	Gwardalan	X	\$350,000	X
Roads	2 - Gap	WARNERVALE ROAD (OVER CULVERT): Road Upgrade	Hamlyn Terrace	X	\$1,500,000	\$1,500,000
Roads	2 - Gap	SALTWATER CREEK: Timber Footbridge replacement programme	Killarney Vale	X	\$900,000	\$900,000
Roads	2 - Gap	NORTON AVE: Road Upgrade with possible stormwater drainage	Killarney Vale	X	\$782,500	X
Roads	2 - Gap	BORONIA/MACARIA: Backspot Programme	Lanc Munmorah	X	\$148,525	X
Roads	2 - Gap	BALD STREET: Road Upgrade with stormwater drainage	Norah Head	X	\$300,000	X
Roads	2 - Gap	SOHIER PARK: Timber bridge replacement programme	Ourimbah	X	\$1,200,000	\$1,200,000
Roads	2 - Gap	GDORAMA AVE: Road Upgrade/Renewal including stormwater drainage	San Remo	X	\$1,100,000	\$1,100,000
Roads	2 - Gap	Regional Road 3 x 3	Shire Wide	X	\$151,000	\$151,000
Roads	2 - Gap	Bridge Upgrades & Renewals	Shire Wide	X	\$700,000	\$700,000
Roads	2 - Gap	THE ENTRANCE ROAD DISABLED PARKING IMPROVEMENTS: Road Safety Facilities	The Entrance	X	\$10,000	\$10,000
Roads	2 - Gap	FWLERS: Timber bridge replacement programme	Tuggerah	X	\$450,000	X
Roads	2 - Gap	TUMBI RD @ THE RIDGEWAY: Road Safety Facilities	Tumbi Umbi	X	\$20,000	\$20,000
Roads	2 - Gap	PENINSULA: Timber Footbridge replacement programme	Tumbi Umbi	X	\$50,000	\$50,000
Roads	2 - Gap	THE RIDGEWAY (CH1100 CH1870): Road Upgrade and Renewal	Tumbi Umbi	X	\$1,400,000	\$1,400,000
Roads	2 - Gap	ALISON/HOPE: Backspot Programme	Wyong	X	\$116,900	X
Roads	2 - Gap	BUMBLE HILL GUARDRAIL: Road Safety Facilities	Yarramalong	X	\$50,000	\$50,000
Roads Total	2 - Gap				\$0	\$14,078,125
Sport Leisure and Recreation	2 - Gap	Norah Head Bald Street Boat Ramp Replacement: Finish Replacement of Boat Ramp	Norah Head	X	\$800,000	\$800,000

Unit	Capital Type	Project	Suburb Location	Option 1 3.4% Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
Sport Leisure and Recreation	2 - Gap	Toukley Pool - Upgrade filtration system in pool plant room. Required for efficient operations and to reduce ongoing maintenance costs. Without improvements the water is in danger of being poorly filtered	Toukley	X	\$25,000	\$25,000
Sport Leisure and Recreation Total	2 - Gap				\$0	\$25,000
Sustainability	2 - Gap	Natural Asset Capital Upgrades and Renewals including signage, trail restoration, fencing, barriers, erosion control	Shire Wide	X	\$150,000	\$150,000
Sustainability	2 - Gap	Asset Protection Zone (APZ) Upgrades: Upgrade and improvement in 30 APZ	Shire Wide	X	\$150,000	\$150,000
Sustainability	2 - Gap	Fire Trail Upgrades: Upgrade and improvement in 2 fire trails	Shire Wide	X	\$380,000	\$190,000
Sustainability Total	2 - Gap				\$0	\$680,000
Waterways and Asset Management	2 - Gap	RFS - Manning Park Station Upgrade	Manning Park	X	\$200,000	\$200,000
Waterways and Asset Management Total	2 - Gap				\$0	\$200,000
Community and Cultural Development	3 - New	Feasibility/Design of a crematorium: Undertake a feasibility study and design concept for a Crematorium	Shire Wide	X	\$100,000	\$100,000
Community and Cultural Development	3 - New	Design Warnervale Knowledge Centre: Design the community centre planned for Warnervale town centre	Warnervale	X	\$150,000	X
Community and Cultural Development	3 - New	The Art House (sH and Ordinary Rates funded)- design: Review and update design and business modelling for The Art House	Wyong	X	\$1,000,000	\$1,000,000
Community and Cultural Development Total	3 - New				\$0	\$1,250,000
Community Buildings	3 - New	Extension to Long Jetty Depot Office block: Add a meeting room and one more office space to the Administration block to cater for meetings and to have office space for HR Partners/Payroll/hot desking. Planned for 2013/14	Bateau Bay	X	\$47,200	X
Community Buildings Total	3 - New				\$0	\$47,200
Economic and Property Development	3 - New	Warnervale Town Centre Entry Road: Contribution/Construction of entry road off Sparks Road	Warnervale		\$1,500,000	\$1,500,000
Economic and Property Development Total	3 - New				\$1,500,000	\$1,500,000
Finance	3 - New	Optical Character Recognition (OCR) technology for accounts payable: Scanning technology to check data and match to purchase orders in Oracle making the processing of supplier invoices more efficient for invoices where POs have been raised	Wyong	X	\$200,000	\$200,000
Finance Total	3 - New				\$0	\$200,000
Human Resources	3 - New	Purchase of noise dosimeters for safety inspections: In the event new equipment required every 5 years. Will be advised by external calibration specialists.	Wyong	X	\$5,000	X
Human Resources Total	3 - New				\$0	\$5,000
Information Management	3 - New	Disaster Recovery Site : Establish 2014, expansion over years	Charmhaven	X		X
Information Management	3 - New	Enterprise Risk Management System (ERMS): Corporate wide ERMS software and implementation	Wyong	X	\$148,500	X
Information Management	3 - New	COL Middleware	Wyong	X	\$500,000	X
Information Management Total	3 - New				\$0	\$648,500
Lifelong Learning	3 - New	Bateau Bay Library Security Camera purchase and installation: Install re-locatable CCTV and security camera to improve safety and security to address WHS issues identified in WHS Audit.	Bateau Bay	X	\$11,000	X
Lifelong Learning	3 - New	Online Directory of Education, Training and other learning activities in Wyong shire: Directory of Learning, Education and Training activities which will provide a web based "one stop shop" to enable the community to more easily access education and training	Shire Wide	X	\$10,000	\$10,000
Lifelong Learning Total	3 - New				\$0	\$21,000
Roads	3 - New	ROPER RD.: Footpath Programme (new)	Blue Haven	X	X	X
Roads	3 - New	WOOLANA AVE.: Footpath Programme (new)	Budgevol	X	X	X
Roads	3 - New	ARLINGTON AVE.: Road Safety Facilities	Gorokan	X	\$10,000	X
Roads	3 - New	DONALD AVE.: Footpath Programme (new)	Kanwal	X	X	X
Roads	3 - New	ROBERTSON RD.: Footpath Programme (new)	Killarney Vale	X	X	X
Roads	3 - New	LAKE HAVEN DRIVE: Road Safety Facilities	Lake Haven	X	X	X
Roads	3 - New	LAKE HAVEN DRIVE: Footpath Programme (new)	Lake Haven	X	X	X

Unit	Capital Type	Project	Suburb Location	Option 1 3.4% Rate Peg	Option 2 9.5% SRV	Option 4 5.9% SRV	
Roads	3 - New	SHIRLEY ST : Footpath Programme (new)	Durimbah	X	X	X	
Roads	3 - New	BRAWA AVE: Road Safety Facilities	San Remo	X	X	X	
Roads	3 - New	BUS SHELTER CONSTRUCTION AND CLAUDE PAYMENT: BUS SHELTER CONSTRUCTION AND CLAUDE PAYMENT	Shire Wide	X	\$52,000	\$52,000	
Roads	3 - New	TO BE ADVISED: Shared Pathway Programme (new)	Shire Wide	X	\$500,000	\$500,000	
Roads	3 - New	TO BE ADVISED: Road Safety Facilities	Shire Wide	X	\$80,000	X	
Roads	3 - New	NEW BUS SHELTERS: NEW BUS SHELTERS	Shire Wide	X	\$27,000	X	
Roads	3 - New	LORRAINE AVE: Footpath Programme (new)	Toukley	X	X	X	
Roads	3 - New	BEACHCOMBER PDE.(NTH): Footpath Programme (new)	Toukley	X	X	X	
Roads	3 - New	WYONG CARPARKING INVESTIGATION	Wyong	X	\$60,000	\$60,000	
Roads Total	3 - New				\$0	\$729,000	\$612,000
Sport Leisure and Recreation	3 - New	EDSACC North Oval Sub-soil drainage: Drainage of all 3 fields at EDSACC North. Funding partnership with Central Coast Football (CCF) and Killamey Vale District Football Club (KVDFC).	Batoou Bay	X	\$200,000	\$200,000	
Sport Leisure and Recreation	3 - New	Tunkuwilin Oval sub-soil drainage: Drainage of both fields at Tunkuwilin Oval.	Givandalan	X	\$200,000	\$200,000	
Sport Leisure and Recreation	3 - New	Dinghy Storage Structures: Design, approvals and construction of dinghy storage structures in priority areas.	Shire Wide	X	\$20,000	X	
Sport Leisure and Recreation	3 - New	North Entrance Lifeguard Tower: New life guard tower	The Entrance North	X	\$140,000	X	
Sport Leisure and Recreation Total	3 - New				\$0	\$560,000	\$400,000
Waterways and Asset Management	3 - New	SES - New Facility Preparation	Shire Wide	X	\$50,000	X	
Waterways and Asset Management Total	3 - New				\$0	\$50,000	\$0
Grand Total					\$24,062,788	\$46,661,500	\$41,540,897

Wyong Shire Council 2014/15 Proposed Capital Expenditure

	Option 1 3.4% Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
Renewals	\$24,690,029	\$24,690,029	\$24,690,029
Gap	\$0	\$18,870,100	\$15,137,303
New	\$0	\$9,195,999	\$4,947,000
	\$24,690,029	\$52,756,128	\$44,774,332

Unit	Capital Type	Project	Suburb Location	Option 1 Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
Community and Cultural Development	1 - Renewal	Community facility equipment upgrade: Replacement of equipment at 10-15 community facilities - including tables, chairs, data projector, visual aides.	Shire Wide	\$50,000	\$50,000	\$50,000
Community and Cultural Development	1 - Renewal	Community facility signage: Upgrade/replace/renew community facility signage and/or noticeboards- this is part of a rolling works program based on new branding for community facilities	Shire Wide	\$50,000	\$50,000	\$50,000
Community and Cultural Development	1 - Renewal	Community Facilities : A targeted renew/upgrade program for community facilities. This is in addition to routine maintenance.	Shire Wide	\$500,000	\$500,000	\$500,000
Community and Cultural Development Total	1 - Renewal			\$600,000	\$600,000	\$600,000
Community Buildings	1 - Renewal	Installation of new storage racking at Long Jetty Depot : Installation of new storage racking to northern elevation of the yard at Long Jetty Depot to improve yard stock control, security and safety	Long Jetty Depot	\$40,500	\$40,500	\$40,500
Community Buildings	1 - Renewal	Year 1 - Pavement Upgrade: Upgrade area 1 of the Long Jetty Depot pavement	Long Jetty Depot	\$354,000	\$354,000	\$354,000
Community Buildings	1 - Renewal	Renew Carpet the Council Chambers: Replace worn carpet in Civic Centre on priority basis (4 yr plan commencing 12/15)	Shire Wide	\$82,000	\$82,000	\$82,000
Community Buildings	1 - Renewal	Community Buildings Renewals - projects to be identified once valuations are completed by external valuers	Shire Wide	\$80,300	\$80,300	\$80,300
Community Buildings Total	1 - Renewal			\$556,800	\$556,800	\$556,800
Information Management	1 - Renewal	Edge Switches: Switch expansion	Shire Wide	\$13,000	\$13,000	\$13,000
Information Management	1 - Renewal	Appliances: Web, Email, Security, UPS, Wireless	Shire Wide	\$15,000	\$15,000	\$15,000
Information Management	1 - Renewal	Backup tapes, Cabling and Lighting: Data Centre Only (Upgrade 2016)	Shire Wide	\$14,500	\$14,500	\$14,500
Information Management	1 - Renewal	Servers (Physical): Voice, Backup, Non-virtual	Shire Wide	\$32,000	\$32,000	\$32,000
Information Management	1 - Renewal	Core Switch: Replacement of Existing Core Switch (>10 Years old)	Shire Wide	\$100,000	\$100,000	\$100,000
Information Management	1 - Renewal	UPS Battery Replacements: Data Centre & Remote Sites	Shire Wide	\$5,000	\$5,000	\$5,000
Information Management Total	1 - Renewal			\$179,500	\$179,500	\$179,500
Lifelong Learning	1 - Renewal	Library Lending Resource Purchases: The purchase of lending resources: books, CDs, DVDs, electronic resources, databases to address depreciation of existing stock. Formula based on population size and depreciation schedule.	Shire Wide	\$545,000	\$545,000	\$545,000
Lifelong Learning Total	1 - Renewal			\$545,000	\$545,000	\$545,000
Open Space	1 - Renewal	Replacement of fencing Mazlin Reserve and Jenny Dixon Park: Asset renewal of fencing within identified priority area	Norah Head	\$79,000	\$79,000	\$79,000
Open Space	1 - Renewal	Replacement of damaged and failed assets in parks and reserves : Asset renewal of furniture and shelters which are vandalised or fail in parks and reserves, fences such as BBQ, Shelters and benches	Shire Wide	\$50,000	\$50,000	\$50,000
Open Space	1 - Renewal	Replacement of damaged and failed assets in sports fields : Asset renewal of irrigation, cricket wickets, goal posts, BBQs, Shelters and benches which are vandalised or fail in sports fields	Shire Wide	\$50,000	\$50,000	\$50,000
Open Space Total	1 - Renewal			\$179,000	\$179,000	\$179,000
Plant and Fleet	1 - Renewal	Purch Workshop Tools & Equip: Annual workshop tools and equipment Replacement program.	Charmhaven Depot	\$50,000	\$50,000	\$50,000
Plant and Fleet	1 - Renewal	CHD Pavement & Building Improvements: CHD Pavement & Building Improvements	Charmhaven Depot	\$250,000	\$250,000	\$250,000
Plant and Fleet	1 - Renewal	Small Plant Capital Purchases: Annual Small Plant Capital Replacement Program	Charmhaven Depot	\$300,000	\$300,000	\$300,000

Unit	Capital Type	Project	Suburb Location	Option 1 Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
Plant and Fleet	1 - Renewal	Purchase Heavy Vehicles: Annual Heavy Plant Replacement Program	Charmhaven Depot	\$862,000	\$862,000	\$862,000
Plant and Fleet	1 - Renewal	Fleet - Commercial Vehicles: Annual Light Commercial vehicle Replacement Program	Charmhaven Depot	\$890,000	\$890,000	\$890,000
Plant and Fleet	1 - Renewal	Purchase Trucks Current Proj: Annual Truck Replacement Program	Charmhaven Depot	\$1,500,000	\$1,500,000	\$1,500,000
Plant and Fleet	1 - Renewal	Passenger Vehicles: Annual Passenger vehicle Replacement Program	Charmhaven Depot	\$1,610,000	\$1,610,000	\$1,610,000
Plant and Fleet Total	1 - Renewal			\$5,462,000	\$5,462,000	\$5,462,000
Roads	1 - Renewal	NEPEAN ST: Road Pavement Renewal	Bateau Bay	\$200,000	\$200,000	\$200,000
Roads	1 - Renewal	GERMAINE AVE: Road Pavement Renewal	Bateau Bay	\$312,500	\$312,500	\$312,500
Roads	1 - Renewal	HILLCREST AVE: Road Pavement Renewal	Bateau Bay	\$162,500	\$162,500	\$162,500
Roads	1 - Renewal	VENTURA AVE: Road Pavement Renewal	Bateau Bay	\$250,000	\$250,000	\$250,000
Roads	1 - Renewal	BERKELEY VALE - Reseal Programme	BERKELEY VALE	\$747,449	\$747,449	\$747,449
Roads	1 - Renewal	SUNRISE AVE: Roads to Recovery	Budgewoi	\$500,000	\$500,000	\$500,000
Roads	1 - Renewal	NATUNA AVE: Road Pavement Renewal	Budgewoi	\$250,000	\$250,000	\$250,000
Roads	1 - Renewal	BUFF POINT AVE: Road Pavement Renewal	Bull Point	\$187,500	\$187,500	\$187,500
Roads	1 - Renewal	ENTERPRISE DR CH6.830 - CH6.327: Regional Road Repair Programme (50/50 Grant)	Fountaindale	\$500,000	\$500,000	\$500,000
Roads	1 - Renewal	GASCOINGNE ROAD: Road Pavement Renewal	Gorokan	\$650,000	\$650,000	\$650,000
Roads	1 - Renewal	KANANGRA DR: Road Pavement Renewal	Gwardalan	\$750,000	\$750,000	\$750,000
Roads	1 - Renewal	GEORGE EVANS: Road Pavement Renewal	Killamey Vale	\$200,000	\$200,000	\$200,000
Roads	1 - Renewal	GEORGE HELY CRESCENT: Road Pavement Renewal	Killamey Vale	\$375,000	\$375,000	\$375,000
Roads	1 - Renewal	PATRICIA ST: Road Pavement Renewal	Killamey Vale	\$250,000	\$250,000	\$250,000
Roads	1 - Renewal	STURT ST: Road Pavement Renewal	Killamey Vale	\$250,000	\$250,000	\$250,000
Roads	1 - Renewal	GOCCARABAH AVE: Road Pavement Renewal	Lake Haven	\$250,000	\$250,000	\$250,000
Roads	1 - Renewal	MAYFAIR STREET: Road Pavement Renewal	Long Jetty	\$100,000	\$100,000	\$100,000
Roads	1 - Renewal	MCPHERSON ROAD: Road Pavement Renewal	Mardi Tuggerah	\$180,000	\$180,000	\$180,000
Roads	1 - Renewal	OURIMBAH - Reseal Programme	OURIMBAH	\$61,824	\$61,824	\$61,824
Roads	1 - Renewal	TO BE ADVISED: Footpath Programme (Renewal) - Inspections underway to determine future renewal needs	Shire Wide	\$450,000	\$450,000	\$450,000
Roads	1 - Renewal	NON-PROGRAMMED WORKS: Unprogrammed Emergency Works	Shire Wide	\$500,000	\$500,000	\$500,000
Roads	1 - Renewal	BLOCK GRANT: RMS Block Grant	Shire Wide	\$200,000	\$200,000	\$200,000
Roads	1 - Renewal	TO BE ADVISED: Rolled Kerb and Gutter - Priorities based condition - Inspected annually	Shire Wide	\$500,000	\$500,000	\$500,000
Roads	1 - Renewal	TUGGERAH PARADE: Road Pavement Renewal	South Tacoma	\$550,000	\$550,000	\$550,000
Roads	1 - Renewal	BENNING ST: Road Pavement Renewal	The Entrance	\$437,500	\$437,500	\$437,500
Roads	1 - Renewal	LEONARD AVE: Road Pavement Renewal	Toukley	\$250,000	\$250,000	\$250,000
Roads	1 - Renewal	BLUEGUM CL: Roads to Recovery	Tuggerah	\$250,000	\$250,000	\$250,000
Roads	1 - Renewal	JOHNSTON ROAD: Roads to Recovery	Tuggerah	\$562,500	\$562,500	\$562,500
Roads	1 - Renewal	TUGGERAWONG ROAD: Roads to Recovery	Tuggerawong	\$1,200,000	\$1,200,000	\$1,200,000
Roads	1 - Renewal	TUGGERAWONG - Reseal Programme	TUGGERAWONG	\$55,956	\$55,956	\$55,956
Roads	1 - Renewal	TUMBI RD CH6.061 - CH6.283: Regional Road Repair Programme (50/50 Grant)	Tumbi Umbi	\$500,000	\$500,000	\$500,000
Roads	1 - Renewal	JENSENS ROAD: Road Pavement Renewal	Wadalba	\$750,000	\$750,000	\$750,000
Roads	1 - Renewal	JENSENS ROAD: Road Upgrade including stormwater drainage	Wadalba	\$450,000	\$450,000	\$450,000
Roads	1 - Renewal	HIAWATHA ROAD: Road Pavement Renewal	Woongarah	\$312,500	\$312,500	\$312,500
Roads	1 - Renewal	BYRON ST: Road Pavement Renewal	Wyong	\$312,500	\$312,500	\$312,500
Roads Total	1 - Renewal			\$13,457,729	\$13,457,729	\$13,457,729
Sport Leisure and Recreation	1 - Renewal	Adelaide Street Oval sub-soil drainage: Install sub soil drainage in a funding partnership with AFL NSW-ACT and State Government funding	Killamey Vale	\$150,000	\$150,000	\$150,000
Sport Leisure and Recreation	1 - Renewal	Amenities Building Refurbishments: Program of Rolling works to renew and upgrade existing assets with minor capital works. 13/14 priority is Baker Park grandstand	Shire Wide	\$80,000	\$80,000	\$80,000
Sport Leisure and Recreation	1 - Renewal	The Entrance Ocean Baths - Rebuild upper deck: Make improvements to the external area, leading from the Kitchen/Kiosk/Prep. Room. Able to make use of an unused space as a site for locals and tourists to enjoy.	The Entrance	\$70,000	\$70,000	\$70,000
Sport Leisure and Recreation	1 - Renewal	Toukley Pool - Refurbish toddler pool and fence: High use area. Maintain facility and safety	Toukley	\$30,000	\$30,000	\$30,000
Sport Leisure and Recreation	1 - Renewal	Wyong Pool - Replace and relocate main pump in plant room: Make repairs and improve overall ageing amenity	Wyong	\$40,000	\$40,000	\$40,000
Sport Leisure and Recreation	1 - Renewal	Baker Park tennis court resurfacing (6 courts): Resurfacing of 6 of the 10 courts	Wyong	\$105,000	\$105,000	\$105,000

Unit	Capital Type	Project	Suburb Location	Option 1 Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
Sport Leisure and Recreation Total	1 - Renewal			\$475,000	\$475,000	\$475,000
Sustainability	1 - Renewal	APZ Renewals - details to be finalised	Shire Wide	\$200,000	\$200,000	\$200,000
Sustainability	1 - Renewal	Fire Trail Renewals - details to be finalised	Shire Wide	\$200,000	\$200,000	\$200,000
Sustainability Total	1 - Renewal			\$400,000	\$400,000	\$400,000
Waterways and Asset Management	1 - Renewal	Refurbish beach accesses : Refurbish 4 beach accesses per year as determined by needs analysis	As determined	\$85,000	\$85,000	\$85,000
Waterways and Asset Management	1 - Renewal	Gross Pollutant Traps and other appropriate stormwater treatment works: Remove and replace existing foreshore Gross Pollutant Traps. Retrofit offline screens and containment bays to existing foreshore Gross Pollutant Traps where replacement is not possible.	Shire Wide	\$2,000,000	\$2,000,000	\$2,000,000
Waterways and Asset Management	1 - Renewal	Fire Station Improvements Various: Various Station upgrade projects	Shire Wide	\$200,000	\$200,000	\$200,000
Waterways and Asset Management	1 - Renewal	Bushfire Vehicles & Capital: RFS vehicle/equipment Replacement program	Shire Wide	\$550,000	\$550,000	\$550,000
Waterways and Asset Management Total	1 - Renewal			\$2,835,000	\$2,835,000	\$2,835,000
Building Certification and Health	2 - Gap	Mobile Technology: Upgrade of Existing Devices including software,	Shire Wide	X	\$10,000	\$10,000
Building Certification and Health Total	2 - Gap			\$0	\$10,000	\$10,000
Community and Cultural Development	2 - Gap	Community Facilities : A targetted renew/upgrade program for community facilities. This is in addition to routine maintenance.	Shire Wide	X	\$300,000	X
Community and Cultural Development Total	2 - Gap			\$0	\$300,000	\$0
Community and Customer Relations	2 - Gap	Customer Interaction Technology: Expand functionality of m.anyong (mobile version of Council website) to allow customers to report a problem, make an enquiry or make a payment via their mobile device.	Shire Wide	X	X	\$28,000
Community and Customer Relations	2 - Gap	Customer Contact Counter and Call Centre Acoustic Ceiling: Supply and install insulated ceiling over customer contact counter to complete previous upgrade and reduce noise to and from call centre. Installation of suspended acoustic ceiling over call cent	Shire Wide	X	\$36,700	X
Community and Customer Relations	2 - Gap	Video equipment for online engagement and communications: Upgrade existing smaller video camera, purchase tripod, video bag and light reflector, two x SLR flashes and cases.	Shire Wide	X	\$9,500	X
Community and Customer Relations	2 - Gap	Website Stage 2 Strategy: Phase 1 Redesign and implementation of home page and other council website pages to improve visual appeal and interactive capability, reduce clutter and improve navigation to support changes to online services. Phase 2 & 3 Develo	Shire Wide	X	\$20,000	X
Community and Customer Relations Total	2 - Gap			\$0	\$66,200	\$28,000
Community Buildings	2 - Gap	Refurbish South St Toilet block, Killarney Vale : Refurbish South St Toilet block, Killarney Vale	Killarney Vale	X	X	\$45,600
Community Buildings	2 - Gap	Refurbish Shelly Beach Toilet Block: Refurbish the existing toilet block at Shelly Beach	Shelly Beach	X	X	\$95,500
Community Buildings	2 - Gap	A/C units replacements: Replace various A/C units based on recommendations from an audit carried out last year	Shire Wide	X	\$280,000	\$280,000
Community Buildings	2 - Gap	Kitchenettes Upgrades: Upgrading of 4 kitchenettes (per annum) to meet legislative requirements per year	Shire Wide	X	\$44,000	\$44,000
Community Buildings	2 - Gap	Refurbish Soldiers Beach Toilet Block: Refurbish Soldiers Beach Toilet Block	Soldiers Beach	X	X	\$75,000
Community Buildings	2 - Gap	Refurbish Toilet Block at Picnic Point: Refurbish the toilet at Picnic Point Reserve - The Entrance	The Entrance	X	X	\$175,000
Community Buildings Total	2 - Gap			\$0	\$324,000	\$715,100
Finance	2 - Gap	Pathway Change Requests: Changes to Pathway for more efficient business processes - not budgeted by IT	Shire Wide	X	\$25,000	\$25,000
Finance	2 - Gap	Oracle Change Requests: Changes to Oracle for more efficient business processes - not budgeted by IT	Shire Wide	X	\$25,000	\$25,000
Finance	2 - Gap	Management Reporting - Dashboards: Continuous updating of the Dashboard to reflect Councils structure and reporting needs.	Shire Wide	X	\$40,000	\$40,000

Unit	Capital Type	Project	Suburb Location	Option 1 Rate Peg	Option 2 9.5% SRV	Option 4 6.9% SRV
Finance	2 - Gap	Management Reporting - HR Report: To provide a electronic version of the monthly HR report via the Management Reporting Dashboard	Shire Wide	X	\$50,000	\$50,000
Finance	2 - Gap	Starcare (childcare) system integration with core systems: Currently staff are duplicating data entry - child care staff in Starcare who then report and Finance enter into core financial system from these reports. Integration will mean the elimination of duplicated data entry	Shire Wide	X	X	\$50,000
Finance	2 - Gap	RCS (holiday parks) system integration with core systems: Currently staff are duplicating data entry - holiday parks staff in RCS who then report and Finance enter into core financial system from these reports. Integration will mean the elimination of duplicated data entry	Shire Wide	X	X	\$50,000
Finance	2 - Gap	IP Framework - Service Unit Business Plans: To provide an electronic solution for the development of the Service Unit Business Plan	Shire Wide	X	\$30,000	\$30,000
Finance	2 - Gap	Management Reporting - Service Unit needs: To provide an electronic dashboard for service unit reporting	Shire Wide	X	\$100,000	\$100,000
Finance Total	2 - Gap				\$0	\$270,000
Information Management	2 - Gap	Reporting: Additional Reporting Functionality	Shire Wide	X	\$15,000	\$15,000
Information Management	2 - Gap	Kronos: Upgrade System Functionality	Shire Wide	X	\$40,000	\$40,000
Information Management	2 - Gap	Router Replacements and Upgrades: Memory, Flash, some Replacements	Shire Wide	X	\$16,000	\$16,000
Information Management	2 - Gap	Mobility Platform, test devices and associated hardware:	Shire Wide	X	\$40,000	\$40,000
Information Management	2 - Gap	Firewall Replacements: ASA 5520 X 2	Shire Wide	X		\$40,000
Information Management	2 - Gap	Sharepoint: Forms development and enhancements	Shire Wide	X	\$15,000	\$15,000
Information Management	2 - Gap	GIS: Upgrade to Enterprise Licence	Shire Wide	X	\$60,000	\$60,000
Information Management	2 - Gap	eRecruitment: Additional Functionality	Shire Wide	X	\$40,000	\$40,000
Information Management	2 - Gap	SAN Disk Growth & GIS:	Shire Wide	X	\$55,000	\$55,000
Information Management	2 - Gap	System Centre Upgrade: Upgrade in 2015	Shire Wide	X	\$200,000	\$200,000
Information Management	2 - Gap	Microwave Hardware Replacement: Unlicensed Spectrum	Shire Wide	X	\$30,000	\$30,000
Information Management Total	2 - Gap				\$0	\$551,000
Lifelong Learning	2 - Gap	Retail presentation subject rooms at Bateau Bay and The Entrance Library branches. : Purchase of furniture and signage to create subject rooms in all libraries to make access to the collection easier, renew layout of resources and purchase and install sl	Bateau Bay and The Entrance	X	\$35,000	X
Lifelong Learning	2 - Gap	Outdoor playground upgrade at Karwal Care & Education Centre: Complete final of 5 stages of the outdoor playground area upgrade for this Centre to meet National Quality Framework requirements and commitments made to The Department of Education and Communities. This includes resurfacing of 3-5yrs playground area and installation of retaining wall.	Karwal	X	\$30,000	\$30,000
Lifelong Learning	2 - Gap	IT hardware: IT hardware replacement and upgrade program	Shire Wide	X	\$20,000	X
Lifelong Learning	2 - Gap	Tuggerah Library Window Treatment: Implement graphic design that designates and promotes this venue as a library.	Tuggerah	X	\$19,000	X
Lifelong Learning	2 - Gap	Local Library Priority Grant. Applied for each year for a specific project: Library Local Priority Grant - Specific project to be determined when funding guidelines are released by the funding body (State Library) each year.	Tuggerah, Lake Haven and Toukley	X	\$29,106	\$29,106
Lifelong Learning	2 - Gap	Outdoor playground upgrade at Trelands Care & Education Centre: Complete outdoor playground area upgrade started in 11/12 to meet National Quality Framework requirements and commitments made to The Department of Education and Communities. This includes construction of wooden deck, digging patch and installation of shade sail. 2014/15 program includes complete resurfacing of infants playground and construction of new sandpit and shade area.	Waterobbi	X	\$34,000	\$34,000