

**ITEM NO: 2****SUBJECT: SCHEDULE OF INVESTED MONIES****FILE NO: F03848**

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**Recommendation:**

*That the Schedule of Invested Monies with updated investment valuations for March 2009 be received.*

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**Report by Group Manager, Community & Corporate**

This report is re-submitted with updated investment valuations for March 2009 for the purpose of financial accountability and in satisfaction of the investment reporting requirements of the Local Government (General) Regulation 2005 (REG 212) and the Local Government Act, 1993 (Section 625). The report also certifies that the Council investments comply with the forms of investment made by order of the Minister under section 625(2) of the Local Government Act 1993. The current Ministerial Order was issued under the Council Circular 08-48 on 18 August 2008.

The Local Government (General) Regulation 2005 – REG 212 (1)(a) and (2) specifically states the following:

- (1) *The responsible accounting officer of a council:*
  - (a) *must provide the council with a written report (setting out details of all money that the council has invested under section 625 of the Act) to be presented:*
    - (i) *if only one ordinary meeting of the council is held in a month, at that meeting, or*
    - (ii) *if more than one such meeting is held in a month, at whichever of those meetings the council by resolution determines.*
- (2) *The report must be made up to the last day of the month immediately preceeding the meeting.*

There are unavoidable delays in receiving monthly investment valuations from financial institutions and this combined with stringent Council business paper reporting deadlines creates a situation where the monthly schedule of invested monies report regularly represents investment valuations older than the current reporting month. Therefore, with REG 212 and the delays in mind, Management has decided to rework the investment reporting schedule so that the Council is informed each month with the most current valuations relative to the reporting period. This new reporting schedule commences from the 26 May 2009 Council Meeting. An updated Schedule of Invested Monies for March 2009 has also been resubmitted with the latest valuations for March 2009 so that realignment with the new reporting schedule is achieved.

The Schedule of the Council Invested Monies for March 2009 is attached for information (refer Table 1).

The decreased returns on the Council investments, below budget as at March 2009, are due to the falling interest rates that were not anticipated for the financial year (refer Table 6).

Valuations and credit ratings have been calculated and updated to 31 March 2009 for all the Council investments (with the exception of the CBA – Palladin Portfolio note that is valued as at 31 October 2008). These show the Council investment's fair value market valuation reducing by \$174,020 (refer Table 2).

The financial impact on the Council's investment portfolio is that the mark to market valuation of the Council investment securities, classified as fair value through the profit and loss statement, has now been reduced by a total of \$7.2m indicatively between 1 July 2007 and 31 March 2009. If the Council were forced to sell these securities for liquidity reasons it could potentially realise a loss based on current market conditions. However, based on current cash flow projections, there is no short-term requirement to liquidate the long-dated investments for cash flow needs.

The Council continues to monitor and review the liquidity position so that any potential future financial impacts can be understood for proactive decision making to be considered by the Council. The Council continues to explore potential legal avenues against Lehman Brothers Australia Ltd and other defendants as an additional means to securing its investment position.

### **Global and domestic issues**

The financial markets now look a little more optimistic and there have also been tentative signs of an improvement in investor sentiment.

In Australia, financial markets took heart from the reassuring words from the Reserve Bank of Australia on the good health of Australia's financial system compared to the rest of the world.

During March 2009 the following occurred (not an exhaustive list):

- US Federal Reserve announced its plan to free financial firms of their toxic assets via the Private-Public Investment Program;
- Improved coordination of global financial policy now looks increasingly coordinated;
- Equity markets rallied strongly across the world;
- The Reserve Bank of Australia stated that the Australian Banking System is "considerably better placed to weather the current challenges...", noting solid bank profitability, sound capitalisation and high credit ratings; and
- There was some indication that Australian financial markets are starting to believe we are at the bottom of the rate cut cycle.

### **The Council Investment Position**

The credit market opportunities, corporate default rates, the Lehman Brothers Holding Inc. bankruptcy and the Lehman Brothers Australia Ltd administration continue to be reviewed by the Council independent investment advisor Oakvale Capital, in conjunction with advice from the Council legal advisor, Piper Alderman.

Lehman Brothers Holdings Inc (LBHI) is continuing its proceedings in the United States Bankruptcy Court. The Council is continuing to investigate and keep abreast of developments with our legal advisors on the process of early termination of the securities for which LBHI is a swap counterparty (i.e. Zircon and Beryl securities). There have been estimates of recovery rates of 70-95% but these are very preliminary and we have chosen instead to value these securities much more conservatively until the position is more certain (refer Table 1).

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SCHEDULE OF INVESTED MONEY - March 2009 (Table 1)							
Institution & Fund	Original Rating	Current Rating	Return for month	Face Value	Investment Valuation (Net)	Investment Valuation (Net) Previous Month	Comment on movements and valuation
IAB Professional Funds A/C (at call)	n/a	n/a	3.25%	8,305,323	8,305,323	6,182,438	Cashflow investment
CBA Bank Bill (maturity 13/3/2009)	A1/AA-	A1/AA-	4.12%		0	1,000,000	Re-investment on 13/3/09
IAB Term Deposit (maturity 25/3/2009)	A-1+	A-1+	3.88%		0	1,000,000	Re-investment on 25/3/09
ANZ Term Deposit (maturity 1/4/2009)	A-1+	A-1+	3.84%	1,000,000	1,000,000	1,000,000	
Westpac Term deposit (maturity 25/5/2009)	A-1+	A-1+	4.20%	1,000,000	1,000,000	1,000,000	
CBA Bank Bill (maturity 11/6/2009)	A1/AA-	A1/AA-	3.16%	1,000,000	1,000,000		Re-investment from 13/3/09
IAB Term Deposit (maturity 23/6/2009)	A-1+	A-1+	3.70%	1,000,000	1,000,000		Re-investment from 25/3/09
Bendigo Bank FRN	BBB	BBB	5.50%	1,000,000	841,720	849,200	Valuation 31/3/09
CBA – Palladin Portfolio Note	AA	BBB-	0.00%	500,000	0	0	Valuation as at 31/10/08
Generator Income Notes (administered by Rim Securities Ltd)	AAA	AAA	1.94%	1,000,000	260,030	166,000	Valuation 31/3/09.
Macquarie Cash Management	AAA	AAA	4.25%	151,775	151,775	151,775	Interest received for the month held in cash mgt.
Averon Series AF7 Floating Rate Note (administered by ANZ Bank)	AAA	AAA	0.00%	500,000	275,700	251,900	Valuation 31/3/09.
CBA – Equity Linked Note	AA	AA	3.00%	1,000,000	1,014,300	1,001,520	Valuation 31/3/09.
Athena Series 1 Camelot Notes (administered by ICAP)	AA-	AA-	0.00%	500,000	456,564	456,548	Valuation 31/3/09.
Aphex Pacific Capital Phoenix Notes (administered by ABN-AMRO Morgans)	AA1	AAA	6.30%	500,000	366,650	409,645	Valuation 31/3/09.
Investments arranged by Lehman Brothers:-							
Adelaide Bank FR Sub Debt	BBB+	BBB+	4.09%	750,000	754,540	752,331	Valuation 31/3/09.
Adelaide Bank FR Sub Debt	BBB+	BBB+	3.84%	1,500,000	1,425,189	1,431,447	Valuation 31/3/09.
Aphex (Glenelg)	AA-	B	5.85%	280,000	16,293	19,012	Valuation 31/3/09.
BELO (Kalgoorlie)	AA+	AA+	4.46%	600,000	466,787	473,631	Valuation 31/3/09.
Bendigo Bank FR Sub Debt	BBB+	BBB+	3.63%	500,000	500,277	504,107	Valuation 31/3/09.
Bendigo Bank FR Sub Debt	BBB+	BBB+	3.83%	500,000	503,225	501,669	Valuation 31/3/09.
Corsair (Torquay)	AA	CCC-	4.21%	300,000	2,750	5,252	Valuation 31/3/09.
Corsair (Kakadu)	AA-	B	4.01%	300,000	13,219	15,919	Valuation 31/3/09.
Elders Rural Bank Sub Debt	BBB-	BBB-	4.76%	500,000	457,291	458,535	Valuation 31/3/09.
Beryl (AAA Global Bank Note)	AAA	CCC-	4.75%	350,000	2,595	5,191	Valuation 31/3/09.
Helium (Esperance)	A+	CCC+	4.71%	450,000	26,604	30,700	Valuation 31/3/09.
Helium(Scarborough)	AA	CCC-	4.33%	1,100,000	9,471	18,260	Valuation 31/3/09.
Herald Limited (Quartz AA)	AA	BB+	4.51%	250,000	44,663	44,103	Valuation 31/3/09.
HSBC FRN	AA-	A	3.31%	1,000,000	798,882	872,159	Valuation 31/3/09.
Lehman CPPI	AA-	D	0.00%	250,000	0	0	Valuation 31/3/09.
Magnolia (Flinders)	AA	AA	4.51%	550,000	233,081	366,629	Valuation 31/3/09.
MAS6-7(Parkes)	AAA	CCC+	4.01%	250,000	10,626	13,065	Valuation 31/3/09.
Start (Blue Gum) (Jun 13)	AA-	CCC-	4.43%	300,000	1,704	3,900	Valuation 31/3/09.
Zircon (Miami) (Mar 17)	AA	C	5.75%	95,000	336	920	Valuation 31/3/09.
Zircon(Merimbula) (Jun 13)	AA	C	5.20%	400,000	1,247	3,478	Valuation 31/3/09.
Zircon (Coolangatta) (Sept 14)	C	C	5.85%	450,000	1,503	4,149	Valuation 31/3/09.
<b>Total</b>				<b>28,132,098</b>	<b>20,942,345</b>	<b>18,993,480</b>	

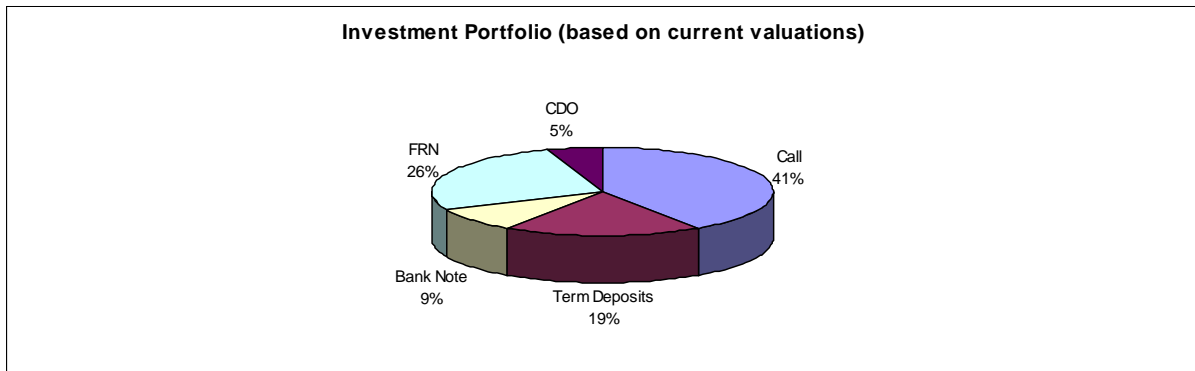
(Table 2)

Balance of investments February 2009 (Market Value)	18,993,480
Funds invested during month (Gross)	3,100,000
Funds withdrawn during month (Gross)	(1,000,000)
Interest re-invested during month	22,885
Revaluation of investments during month. Favourable/(Unfavourable)	(174,020)
<b>Balance of investments March 2009 (Market Value)</b>	<b>20,942,345</b>

**BBSW 30 Days 3.2%**  
**Average Rate of Return for Month 3.6%**

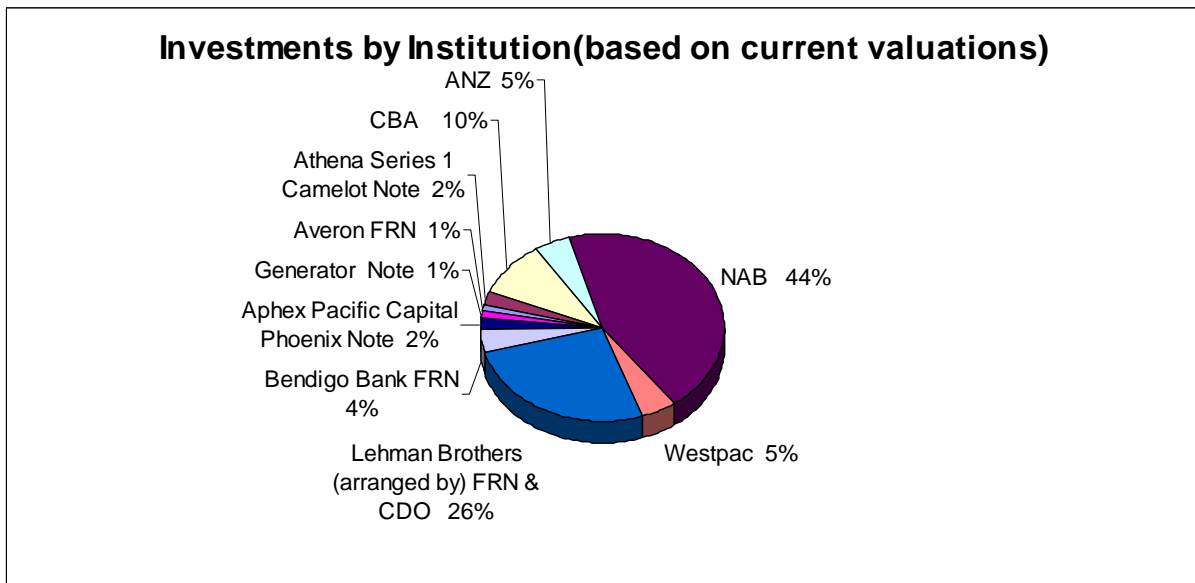
Current market valuations of all investments are as at 31 March 2009 unless otherwise advised in the comments column in Table 1. It is also important to note that valuations are indicative only with no assurance that trades could be completed at such values.

(Table 3)

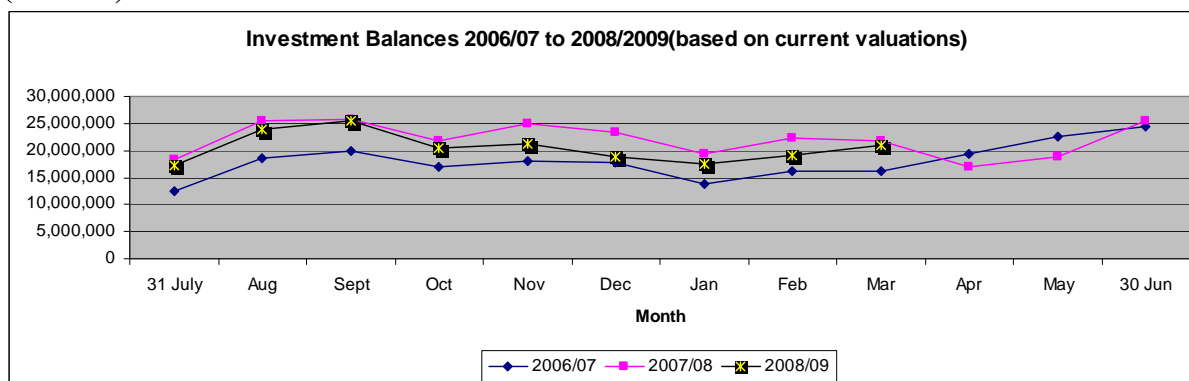


- Call – Cash at Call
- Term Deposits – Deposits for Fixed Term
- Bank Note – Structured Notes
- FRN – Floating Rate Note
- CDO – Collateralised Debt Obligation

(Table 4)



(Table 5)



(Table 6)

**Interest Income (Accrued/Not yet received) - Budget vs. Actual**

	Actual	Budget
<b>Income to 28 February 2009</b>	<b>964,877</b>	<b>876,168</b>
<b>Income for month March 2009</b>	<b>81,547</b>	<b>109,521</b>
<b>Total Accrued Income to date</b>	<b>1,046,424</b>	<b>985,689</b>
<b>Less restricted income for RTA contribution – Lawson Town Centre and Property Investment Fund</b>	<b>(111,809)</b>	
	<b>934,615</b>	<b>985,689</b>
<b>Estimated for remainder of year</b>	<b>379,635</b>	<b>328,561</b>
<b>Estimated total 2008/2009</b>	<b>1,314,250</b>	<b>1,314,250</b>

I certify and report that the Schedule of Invested Monies listed above describes all the Council funds invested by virtue of Section 625 of the Local Government Act, 1993. The monies referred to in this Schedule are invested in accordance with the Local Government Act, 1993 (Section 625 and Order of the Minister dated 18/08/2008), and Local Government Regulation 1999 (Clause 16).

Neil Farquharson  
Responsible Accounting Officer

**ITEM NO: 3**

**SUBJECT: COMMUNITY ASSISTANCE / DONATIONS – RECOMMENDATIONS BY COUNCILLORS**

**FILE NO: F02560**

**Recommendation:**

*That the council approve the following donations from the Councillors’ Minor Local Projects vote:*

<i>Organisation</i>	<i>Amount</i>
<i>Springwood Neighbourhood Centre</i>	<i>115.00</i>
<i>Lawson Youth Centre</i>	<i>250.00</i>

**Report by General Manager**

On 11 July 2000 the Council adopted a revised Policy for Councillors’ Minor Local Projects allocations for the provision of community assistance/donations. The following recommendations for donation, which appear to fall within the ambit of the Policy, have been received and are submitted for approval.

**Minor Local Projects**

<b>Recommending Councillor</b>	<b>Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Clr Mays	Springwood Neighbourhood Centre	Kinship Care Regional Project	\$115.00
Clr Clark	Lawson Youth Centre	Assist in excursion costs	\$250.00

**Mayoral Contingency Fund**

<b>Recommending Councillor</b>	<b>Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Clr Searle	Nil	Nil	Nil

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**ITEM NO: 4**

**SUBJECT: 2008-2009 MANAGEMENT PLAN REPORT – QUARTER 3**

**FILE NO: F04899 / F04623**

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**Recommendations:**

- 1. That the General Manager's report together with the accompanying document titled "Quarterly Report - Management Plan, January to March 2009" be noted and endorsed.*
  - 2. That the variations of income and expenditure as identified in the accompanying document be noted and endorsed.*
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**Report by General Manager**

**Report summary**

The 2008-2009 Management Plan describes Blue Mountains City Council's strategic focus over the next four years and provides information about how that strategic intent is being translated into action particularly in 2008-2009. This is the third quarterly progress report on the 2008-2009 Management Plan and provides information on the Council's performance for Quarter 3 (January to March 2009).

This Report provides a summary on the status of the Council's 2008-2009 Projects / Programs including the Environment Levy Program and the Council's budget position as at the end of March 2009. More detailed information is contained in the enclosure provided separately '*Quarterly Report - Management Plan, January to March 2009*'.

**How is the Council measuring and reporting on its performance?**

**1. Community Satisfaction Measures - making a difference for the community:** these measures help us understand if results for the community have been achieved, based on community perceptions of the Council's services as measured by the Community Survey. The 2008-2009 Management Plan contains a number of targets related to the Community Survey. The Council's performance against these targets will be reported annually and will be included as part of the Quarter 4 Report. The 2008-2009 Community Survey will be undertaken in May 2009.

**2. Organisational Sustainability Measures – a sustainable organisation leading a sustainable City:** these measures help us understand whether as an organisation, we are improving our governance, environmental, financial and social performance. The 2008-2009 Management Plan contains a number of targets related to organisational sustainability. The performance against most of these targets will be reported annually and will be included as part of the Quarter 4 Report. Some of the financial sustainability measures are reported quarterly and are included in the separate enclosure '*Quarterly Report - Management Plan, January to March 2009*'.

**3. Service Delivery Measures - how services are delivered:** these measures help us understand whether we have delivered the required services, to what standard and the quality of service delivery. The 2008-2009 Management Plan contains a number targets related to service delivery. The Council’s performance against these targets will be reported annually and will be included as part of the Quarter 4 Report.

**4. Project Measures - what activity has been completed:** these measures help us understand whether we have completed work we committed to undertaking. Projects and Programs are undertaken to improve the services the Council provides to the community. The status of projects is provided each quarterly report. Projects have been classified as follows:

- Annual projects - projects that begin and finish within one financial year. The status of each project is provided ie. whether a project is on target or not.
- Capital Works Projects / Programs - projects and programs that renew existing built assets or create new built assets. The status of each project is provided ie. whether a project is on target or not as well as year-to-date capital expenditure against budget.
- Major Projects - those projects that have a significant capital component and / or have a high political profile and / or require significant financial / staff resources usually over more than one financial year. The status of each project is provided ie. whether a project is on target or not as well as year-to-date capital expenditure against budget if applicable.

**Summary of Second Quarter 2008/2009 Progress – Status of All Projects by Principal Activity**

<i>Item</i>	<i>No. Projects/ Programs</i>	<i>On Target</i>	<i>Behind Target</i>	<i>Complete</i>	<i>Will Not Complete</i>	<i>Not Programmed to Commence</i>	<i>% On Target</i>
Providing Good Government	16	8	2	4	2	0	75%
Looking After Environment	24	14	2	5	3	0	79%
Environment Levy	19	19	0	0	0	0	100%
Looking After People	36	17	7	8	2	2	75%
Using Land for Living	20	12	3	5	0	0	85%
Moving Around	9	4	2	3	0	0	78%
Working and Learning	7	6	0	1	0	0	100%
<b>TOTAL</b>	<b>131</b>	<b>80</b>	<b>16</b>	<b>26</b>	<b>7</b>	<b>2</b>	<b>82 %</b>

As shown in the table above, with 82% of projects on-target, completed or not scheduled to commence, the Council is performing satisfactorily against project targets.

**Key Achievements for the Third Quarter by Principal Activity**

This section highlights key achievements in Quarter 3, with a focus on those achievements that are in addition to projects included in the Management Plan and Capital Works Program.

***Providing Good Government***

- The 2009-2010 Draft Management Plan process has been successfully implemented with the Council adopting the Draft Plan for public exhibition at the 24 March Council meeting;
- A new online consultation tool has been set-up for the public exhibition of the 2009-2010 Draft Management Plan and for the Dog Off-Leash Trial at [www.bangthetable.com/blue-mountains-city-council](http://www.bangthetable.com/blue-mountains-city-council);
- The Council's Personal Performance Review System Policy was reviewed and updated with efficiencies identified; and
- A new streamlined Recruitment and Selection Process Policy was updated and implemented.

***Looking after Environment***

- Thermal pool blankets were installed at Springwood Aquatic and Fitness Centre as an energy saving measure;
- Seventy five (75) free home energy audits have been completed by Steplight Pty Ltd on behalf of the Council supported by grant funding;
- A new Sustainable Action Guide was added to the Sustainable Blue Mountains website - providing information on what households in the Blue Mountains can do to work towards sustainability. Information has been customised with Blue Mountains specific content added where appropriate; [www.sustainablebluemountains.net.au/resources/sustainable-action-guide](http://www.sustainablebluemountains.net.au/resources/sustainable-action-guide)
- 'Microstrobos Blue Mountains World Heritage Caring for Country' grant project commenced with a community awareness campaign in target catchments. The grant project also includes the establishment of a community volunteering equipment kit and a series of eight community Microstrobos weedout events;
- 'Save our Swamps' Environmental Trust grant was commenced with a swamp education package developed for Blue Mountains primary and high schools; and
- Three new Swampcare / Landcare groups were established.

***Looking after People***

- The Family Day Care service provided input into the Family Day Care Association submission to the Commonwealth Senate Inquiry into the Provision of Child Care and has registered to participate in the Federal Government's Early Years Learning Framework online discussion and consultation;
- The opening of Winmalee Skate Park was held on 29 March 2009 which included community input into planning of the event;
- The consortium funding application for the 'Healthy for Life' program was successful. The funding is from the Office of Aboriginal and Torres Strait Islander Health;
- The Blue Mountains interagency for local Aboriginal Community Workers and Aboriginal workers was developed and its inaugural meeting held. This interagency will be attended by Aboriginal workers who have responsibility for servicing the Mountains; and
- The Council was successful in its funding application to implement the biannual ArtStart Festival in September 2009.

***Using Land for Living***

- The Policy on temporary fencing structures (hoardings) and barrier systems was adopted;
- \$30,000 planning reform funding from the Department of Planning was secured to improve the Geographic Information System (GIS) baseline for the LEP 1991 area and to investigate tourism patterns;
- A draft Section 94 developer contribution plan for Lawson was adopted for public consultation; and
- Heritage advisers are making significant headway on outstanding items including the Queen Victoria Hospital Site.

***Moving Around***

- The Bikeplan 2020 was adopted by the Council.

***Working and Learning***

- The Library Summer Reading Program was an outstanding success with over 300 registered readers and over 3,000 books read;
- Greater Blue Mountains Drive was awarded Qantas Australia Tourism Award 2008 for New Tourism Development. The award was announced at the Australian Tourism Awards held in Melbourne on 27 February 2009 and was received by the Chairperson of Blue Mountains Tourism Ltd;
- As a result of the Better Economic Future forum, two business clusters were formed and have met twice – the Printers, Publishers and Writers Cluster and the Performing Arts Cluster;
- A relationship has been established with the Sutherland Shire Shed (an advanced business incubator) with the view to the Blue Mountains being a pilot for the new net based product to assist with local business incubation. Grant funding is being sought to support this project; and
- The Council received confirmation of Federal funding of \$1.8 million for the Cultural Centre and Precinct Project.

**Projects Behind Target for the Third Quarter by Principal Activity**

This section provides details on the projects identified as being behind-target in relation to quarter 3 targets and also highlights those project that will not be completed by the end of the financial year as planned. 'CWP' denotes that the project is in the Capital Works Program.

***Providing Good Government***

- Project: Implement the new Human Resource Information System (HRIS) modules in accordance with the implementation plan.  
*Comment: Implementation of the HRIS modules was not commenced in Quarter 3 as planned. The Council's Executive Management Team endorsed the purchase of HRIS software on 18 February. An implementation plan and revised target dates are currently being developed and will be dependent on resourcing levels of the Human Resources Branch.*
- Project: Review the Long Term Financial Model to inform organisational business planning.  
*Comment: The Long Term Financial Model has been reviewed and revised however Group interviews are behind schedule. The project is expected to be completed in Quarter 4.*
- Project: Commence Katoomba Kiosk to Sewer Line connection (CWP)  
*Comment: Evaluation of hydraulic design quotes underway. Works are substantially underway but are unlikely to be completed this financial year. Works are expected to be completed in Quarter 1 of the 2009-2010 financial year. It is recommended that the project and associated balance of funds be carried forward into the 2009-2010 financial year.*
- Project: Replace Fire Hydrant, Katoomba Headquarters (CWP)  
*Comment: Works are substantially underway but are unlikely to be completed this financial year. Works are expected to be completed in Quarter 1 of the 2009-2010 financial year. It is recommended that the project and associated balance of funds be carried forward into the 2009-2010 financial year.*

***Looking after Environment***

- Project: Implement Living Catchment Program targeting Wentworth Falls and Glenbrook Lagoon catchments.  
*Comment: Living Catchment groups were not established in Quarter 3 as planned due to a staff vacancy. Glenbrook and Wentworth Falls Living Catchment groups to be established when the vacancy has been filled.*
- Project: Commence Glenbrook-Erskine Flood Study.  
*Comment: The Glenbrook-Erskine Flood Study will not commence this financial year as planned. In Quarter 3 it was intended that a consultant be selected to undertake the Flood Study. A consultant was not selected due to the release in February of new guidelines for the preparation of Floodplain Risk Management Studies and Plans. The Glenbrook-Erskine consultant brief will now have to be rewritten. This will be undertaken when the Stormwater Engineer vacancy is filled.*
- Project: Replace pipes and stabilise embankment and replace headwall – Oaklands Rd, Hazelbrook (CWP)  
*Comment: This project did not commence in Quarter 3 as planned. The existing stormwater culvert underneath the roadway in Oaklands Road, Hazelbrook is failing, with diverted water flows undermining the pipeline. Settlement of the pipe is evidence of the current extent of deterioration of the system. Increases to stormwater run off in the developed area of the catchment upstream have augmented the stress on the*

*drainage infrastructure at this location. Initially this project was viewed as a pipe replacement like-for-like. However, detailed design and construction issues have raised concerns that the previous solution is not sufficient to alleviate the matter. Issues identified during the detailed design process, relating primarily to required depth of the pipeline through the roadway, and additional costs associated with site establishment and retaining walls to provide support for the road and footpaths have resulted in increased scope and cost of the project. It is recommended that the project and associated balance of funds be carried forward into the 2009-2010 financial year. Additional funds have been identified in the 2009-2010 Draft Capital Works Program to complete this project.*

- Project: Replace pipe - Delungra Pl, Wentworth Falls (CWP)  
*Comment: This project did not commence in Quarter 3 as planned. Request for Quotations were sent to market, closing 15 April 2009. This project is expected to be completed by the end of the 2008-2009 financial year.*
- Project: Blackheath Landfill Remediation - Complete Stage 1 (contingent on availability of fill from Cultural Centre site) (Major Project)  
*Comment: Refer to Major Project section below.*

### ***Looking after People***

- Project: Revise 'Bush Fire Prone Land' map in line with guidelines from the NSW Rural Fire Service (RFS).  
*Comment: The draft of the revised Bushfire Prone Land Map was not approved by the NSW Rural Fire Service in Quarter 3 as planned, however the mapping is currently with the RFS and approval is imminent*
- Project: Replacement of footbridge and boardwalk along Darwin's Walk, Wentworth Falls.  
*Comment: The boardwalk has been replaced however there have been delays in completing the footbridge component of the project. The detailed design for the footbridge is progressing however, fabrication costs require a revision of the project to make it cost feasible. The footbridge is expected to be completed next financial year.*
- Project: Complete Blackheath Park Plan of Management.  
*Comment: The Plan of Management will not be adopted this financial year. The public exhibition of the Draft Plan of Management did not commence in Quarter 3 as planned due to staff shortages. It is intended that the draft Plan of Management will be reported to Council by the end of this financial year for adoption for public exhibition and adoption of the final Plan is expected to occur in 2009-2010.*
- Project: Project: Complete Benoit Park Plan of Management.  
*Comment: The public exhibition of the Draft Plan of Management did not commence in Quarter 3 as planned due to staff shortages. It is intended that the draft Plan of Management will be reported to Council by the end of this financial year for adoption for public exhibition and adoption of the final Plan is expected to occur in 2009-2010.*
- Project: Complete Bunya Child Care Centre Drainage (CWP)  
*Comment: Works did not commence in Quarter 3 as planned. The redesign of the drainage was completed. Request for Quotations for construction are scheduled to be released at the beginning of Quarter 4 and the project is expected to be completed by the end of the 2008-2009 financial year.*
- Project: Replace locks and master key systems to the Council's building portfolio, Stage 1 (CWP)

*Comment: The Requests for Quotation were not called in Quarter 3 as planned. A key management overview was developed. The scope of work is being finalised and the project is expected to be completed by the end of the 2008-2009 financial year.*

- Project: Upgrade Emergency Services Centre Essential Services (CWP)  
*Comment: Works were not commenced in Quarter 3 as planned. Works are substantially underway but are unlikely to be completed this financial year. It is recommended that the project and associated balance of funds be carried forward into the 2009-2010 financial year.*
- Project: Install floodlights, Tom Hunter Oval (CWP)  
*Comment: This project was not completed in Quarter 3 as planned as a Request for Quotations to prepare design and documents was required to be called twice due to the first call being unsuccessful. The Land Use Application was approved and electrical design commenced. This project will not be completed by the end of the 2008-2009 financial year. It is recommended that the project and associated balance of funds be carried forward into the 2009-2010 financial year.*
- Project: Complete arborist report and remedial works to Darwins Tree, Wentworth Falls (CWP)  
*Comment: This project was not completed in Quarter 3 as planned. Request for Quotations for remedial work closes 15 April. This project is expected to be completed by late May 2009.*

### **Using Land for Living**

- Project: Implement Blackheath Cemetery Landscape works (CWP)  
*Comment: The Blackheath Cemetery Landscape project (originally proposed by the Blackheath Streetscape Group) will not be able to be undertaken. The RTA have placed conditions on the proposed plantings that will not enable the project to meet its proposed outcomes. In particular, the land proposed for the planting is Highway road reserve and the RTA do not advocate tree planting close to the highway. Another project has been proposed by Blackheath Streetscape Group for a landscaping project along the Great Western Highway side of Whitley Park, Blackheath. This will complement recent Council works in the park after the closure of the Blackheath Community Gardens. It is recommended that the landscaping project along Whitley Park commence this financial year instead of the Blackheath Cemetery Landscape project. The original Blackheath Cemetery Landscape project was funded from \$5,000 Council loan funds with a \$5,000 contribution from Blackheath Rotary. Blackheath Rotary has agreed to provide their contribution for the Whitley Park project.*
- Project: Install toilet in Medlow Bath Park (CWP)  
*Comment: Works were not commenced in Quarter 3 as planned. The Land Use Application was submitted and is now being assessed. If the Land Use Application is approved in time, this project could be completed by end of the 2008-2009 financial year.*
- Project: Springwood Town Centre (Major Project)  
*Comment: Refer to Major Project section below.*

### **Moving Around**

- Project: Complete traffic safety pedestrian refuge at Explorers Rd, Lapstone (CWP)  
*Comment: Works were not commenced in Quarter 3 as planned. The Request for Quotations close on 15 April 2009. This project is expected to be completed by the end of the 2008-2009 financial year.*
- Project: Improve existing pedestrian refuge at Lurline St, Katoomba (CWP)

*Comment: Works were not commenced in Quarter 3 as planned. The Request for Quotations close on 15 April 2009. This project is expected to be completed by the end of the 2008-2009 financial year.*

*Note: there are two projects that are “not programmed to commence”. These projects are not behind target as commencement is reliant to some degree on input that is external to the Council:*

- *Valley Heights Bushfire Station – this project was carried over from 2007-2008 and is dependent on resolution of zoning issues and the Rural Fire Service.*
- *Implement Sport Council Major Projects (dependent on funds raised from sports fees) – project priorities are established with the Sports Council and funding levels achieved through the sports fees.*

**Summary of Third Quarter 2008/2009 Capital Works Program (excluding Major Projects)**

This year’s Capital Works Program (CWP) budget is \$5,178,569 after incorporation of adopted carryovers and Quarter 1 and 2 variations and recommended Quarter 3 variations (excluding Waste projects, Lawson Town Centre project and Cultural Centre, Library and Mixed Use Precinct project reported separately below). At the end of the third quarter, 76% of the capital projects and programs were on-target as presented in the table below.

<i>Item</i>	<i>No. Projects /Programs</i>	<i>On Target</i>	<i>Behind Target</i>	<i>Complete</i>	<i>Will Not Complete</i>	<i>% On Target</i>
Capital Works Program (Excluding Major Projects)	62	28	8	19	5	76%

The table below provides a summary of the Council’s Quarter 3 progress compared to previous financial years.

	<b>Mar Qtr 2005/2006</b>	<b>Mar Qtr 2006/2007</b>	<b>Mar Qtr 2007/2008</b>	<b>Mar Qtr 2008/2009</b>
Total Budget*	\$8,779,391	\$7,631,016	\$8,611,389	\$5,178,569
Total Dollars Spent plus Committals	\$6,962,108	\$3,841,775	\$5,736,826	\$3,388,242
% Spent	79.3%	50.30%	66.62%	65.42%

*\*Excludes Major Projects - Lawson Town Centre projects, Cultural Centre projects and Waste projects reported separately below*

***Details on those capital works projects identified as behind-target have been provided in the section above titled ‘Projects Behind Target for the Third Quarter by Principal Activity’. In summary:***

- Capital Works Projects that are currently behind target but that are anticipated to be completed by the end of the financial year:
  - Replace pipe - Delungra Pl, Wentworth Falls
  - Complete Bunya Child Care Centre Drainage
  - Replace locks and master key systems to the Council’s building portfolio, Stage 1

- Complete arborist report and remedial works to Darwins Tree, Wentworth Falls
  - Install toilet in Medlow Bath Park
  - Complete traffic safety pedestrian refuge at Explorers Rd, Lapstone
  - Improve existing pedestrian refuge at Lurline St, Katoomba
- Capital Works Projects that will not be completed by the end of the financial year as planned:
    - Commence Katoomba Kiosk to Sewer Line connection
    - Replace Fire Hydrant, Katoomba Headquarters
    - Replace pipes and stabilise embankment and replace headwall – Oaklands Rd, Hazelbrook
    - Upgrade Emergency Services Centre Essential Services
    - Install floodlights, Tom Hunter Oval

It is recommended that these capital projects and their associated balance of funds be carried forward into 2009-2010 financial year.

- Capital Works Projects that cannot be completed:
  - Implement Blackheath Cemetery Landscape works – Due to RTA conditions placed on this project, it is recommended to spend the \$5,000 Council loan funds on the Whitley Park landscaping project instead.

*Recommended Capital Works Program Budget Variations*

<b>Capital Projects</b>	<b>Recommended Variation</b>
Katoomba Waste Management Facility Upgrade - works deferred to 2009-2010 – this project is on track to the agreed timeline and the scheduling of works traversing two financial years is reflected in this carry forward.	(5,730,200)
Public Hall Furniture Replacement additional works funded from reserves	2,552
Warrimoo Oval Irrigation - The Warrimoo oval job is almost complete, however additional works were required during the construction period. During the removal of the old turf and topsoil, it was revealed that a high rock profile has been responsible for the limited growth of turf, and contributed to poor drainage. Not addressing this issue would result in perpetuating the problems of the past. The cheapest way to overcome this issue is to raise the subsoil profile. Certified recycled organic sand/soil mix was imported to raise the levels by 200mm. Additional work was required to ensure the levels and drainage compensated for this change. Additional turf was also needed to expand the level turfed areas, this improves the use of the oval for training. The additional cost of works has been \$70, 000. Fortunately, cost estimates and competitive rates for two other projects have resulted in shortfalls which can be transferred within the CWP to cover this addition costs.	70,000
Drainage – Western Highway Service Road, Blackheath – transfer	(40,000)

<b>Capital Projects</b>	<b>Recommended Variation</b>
of savings to Warrimoo Oval Irrigation project	
Drainage – View Road Springwood - transfer of savings to Warrimoo Oval Irrigation project	(30,000)
<b>Total</b>	<b>(5,727,648)</b>

Councillors are referred to the separately enclosed document titled “*Quarterly Report - Management Plan, January to March 2009*” for the status of individual capital projects and programs.

*Federal Government Regional and Local Community Infrastructure Program*

The Council was allocated \$1.313 million as part of the Federal Government funded Regional and Local Community Infrastructure Program. The Council nominated a number of capital projects to be undertaken with this funding. These projects have been approved by the Department of Infrastructure, Transport and Regional Development and some projects have now commenced. For a list of these projects and their status refer to page 16 of the separately enclosed document titled “*Quarterly Report - Management Plan, January to March 2009*”.

**Summary of Third Quarter 2008/2009 Major Projects**

*Preparation of Comprehensive Local Environmental Plan (LEP)*

<b>2008-2009 milestone</b>	<b>Quarter 3 Comment</b>
In 2008-2009, the Council is planning to commence preparation of the comprehensive LEP 2005 and 1991, including establishment of an agreed principle LEP framework.	This project is on target.  The Principle LEP framework was completed with the Department of Planning. The project is ongoing with Department of Planning input.

*Waste Management Projects*

<b>2008-2009 milestones</b>	<b>Quarter 3 Comment</b>
Lawson Landfill Remediation - commence site preparation and slope stabilisation	This project is on target.  The Development Application for this project was approved at the Council Meeting of 24 March 2009.
Blackheath Landfill Remediation – stage 1 site remediation (contingent on availability of fill from Cultural Centre site)	Stage 1 site remediation will not be completed this financial year.  This project is tied to commencement of Katoomba Cultural Centre project. Further delays in commencing the Cultural Centre (current advice indicates that site works will now not commence until Quarter 2 2009-2010) have delayed these works. Preliminary works to commence in Quarter 4 and majority of budget has been deferred to 2009-2010.
Blaxland Waste Management Facility – creek works (carried over from 2007-	This project is complete.

<b>2008-2009 milestones</b>	<b>Quarter 3 Comment</b>
2008)	The pipeline was completed and encased in concrete. The headwalls are in place.
Blaxland Waste Management Facility Upgrade – complete construction of Stage 1 of the new landfill cell	This project is on target.  The new landfill works were completed. Filling of the new cell has been delayed to April as formal approval from the Department of Environment and Climate Change is still to be provided (verbal approval has been given).
Blaxland Waste Management Facility – commence civil and building works for the entrance upgrade (contingent on the development application being approved)	This project is on target.  The Development Application for this project is still being processed. Additional information is being provided by consultants to assist development assessment.
Katoomba Waste Management Facility Upgrade – commence upgrade of resource recovery facilities and construction of waste transfer station	This project is on target.  Bulk earthworks are well underway. The Transfer Station foundation earthworks were completed.
2008/2009 Capital Budget for waste projects*	\$2,544,5961
2008/2009 Capital Expenditure Quarter 3	\$1,703,177

*\*Budget incorporates adopted carryovers and Quarter 1 and 2 budget variations and recommended Quarter 3 variations.*

*Lawson Town Centre Redevelopment*

<b>2008-2009 milestones</b>	<b>Quarter 3 Comment</b>
In 2008-2009, the Council is planning to: <ul style="list-style-type: none"> <li>• Complete land acquisitions</li> <li>• Complete Stage 1 design and construction works</li> <li>• Complete local drainage project</li> </ul>	This project is on target. It is noted that Stage 1 now incorporates works that were to be in future stages.  Construction of stage 1 is well underway and is on schedule to be completed in May 2009. The following elements have been completed: <ul style="list-style-type: none"> <li>• 95 % of the footpath installation has been completed;</li> <li>• The installation of the landscaping has been completed;</li> <li>• The town square and village green works are well underway (the granite steps have been installed and the installation of the sandstone paving is complete);</li> <li>• The concrete bases have been installed for installation of sandstone seating steps;</li> </ul>

<b>2008-2009 milestones</b>	<b>Quarter 3 Comment</b>
	<ul style="list-style-type: none"> <li>• The large retaining walls in the Town Square area have been completed;</li> <li>• The installation of timber play equipment has been completed;</li> <li>• The installation of the street lights has been completed.</li> </ul>
2008/2009 capital budget*	\$6,941,873
2008/2009 capital expenditure Quarter 3	\$5,183,984

*\*Budget incorporates adopted carryovers and Quarter 1 and 2 budget variations and recommended Quarter 3 variations.*

*Springwood Town Centre Project*

<b>2008-2009 milestones</b>	<b>Quarter 3 Comment</b>
In 2008-2009, the Council is planning to develop a detailed brief outlining requirements and community and civic facilities within Springwood Town Centre.	<p>This project is behind target.</p> <p>This project was reviewed by council resolution and is being redefined in consultation with Council.</p> <p><i>Note: Reports have since been presented to the Council in April and a Councillor workshop is proposed for May for the Council to provide direction on forms of consultation to be undertaken and whether further studies are to be pursued.</i></p>

*Blue Mountains Cultural Centre, Library & Mixed Use Precinct*

<b>2008-2009 milestones</b>	<b>Quarter 3 Comment</b>
<p>In 2008-2009, the Council is planning to:</p> <ul style="list-style-type: none"> <li>• Commence World Heritage Centre design and fit-out</li> <li>• Complete Stage 1 of Blue Mountains Cultural Centre public art program</li> <li>• Commence early site works</li> <li>• Complete design and fit-out of Blue Mountains Cultural Centre</li> <li>• Complete design and fit-out of new Katoomba Library</li> <li>• Commence work on Civic Centre and laneway connections</li> </ul>	<p>Overall, this project is on target from the perspective of targets set for 2008-2009 that the Council has responsibility for and control over.</p> <p>This is a large project being undertaken by a private developer and the Council. Some aspects of the project that are behind target, including the early site works and the building works, are the responsibility of the developer.</p> <p><b>World Heritage Interpretive Centre:</b> The Exhibition Development &amp; Fitout Request for Tender (RFT) pre-planning process was finalised and the RFT process commenced. An Industry Briefing to be held on 7 April. The assessment process is to commence and conclude in April / May 2009. A report to Council is scheduled for June 2009.</p>

2008-2009 milestones	Quarter 3 Comment
	<p><b>Public Art Program Integration &amp; Commissions:</b> 2009 Blue Mountains Cultural Centre Art Panels project pre-planning phase commenced. As this project relates to art panels on the building hoardings the next stage of the project is on hold pending notification of confirmed construction excavation commencement by Coles. Once notified, the next stage is scheduled to commence 6 weeks prior to building excavation currently anticipated to be November 2009. A call for expression of interest for a public art curator will be progressed in May.</p> <p><b>Cultural Centre Building Works &amp; Fit-Out:</b> Coles building works are behind target and this has delayed the Council’s fit-out project.</p> <p><b>Katoomba Library Building Works &amp; Fit-Out:</b> The library schematic designs have been finalised with the library lay-out approved by the Katoomba Library Technical advisory panel. The schematic design phase has been completed and the design development stage is underway.</p> <p><b>Civic Centre &amp; Laneway Connections:</b> The schematic designs have been finalised and the Development Application (DA) for the Civic Centre has been submitted. The Froma Lane DA has been prepared. The Carrington designs are on hold until the easements have been resolved. The design development for the Civic Centre and Froma Lane is underway.</p>
2008/2009 capital budget	\$615,000
2008/2009 capital expenditure Quarter 3	\$143,573

*\*Budget incorporates adopted carryover and Quarter 1 and 2 budget variations and recommended Quarter 3 variations.*

**Summary of Third Quarter 2008/2009 Financial Position**

Councillors are referred to the separately enclosed document titled “*Quarterly Report - Management Plan, January to March 2009*”. The Budget Report is prepared by the Responsible Accounting Officer in accordance with the Local Government (Financial Management) Regulation and details the budget variations that have now been identified and which have not previously been adopted by the Council.

An analysis of the actual results as at March 2009 has resulted in a decrease in working capital of \$91,123 from the revised December 2008 adopted budget and \$288,486 from the original 2008/2009 adopted budget, giving a revised total working capital as at 30 June 2009 of \$1,420,514.

The following reconciliation illustrates the expected Working Capital position as at 31 March 2009 review.

Actual Working Capital – 1 July, 2008	1,709,000
Original Budget 2008-2009 Forecast Improvement in Working Capital	0
Adopted Council Resolutions	0
September 2008 Review	(138,863)
December 2008 Review	(58,500)
March 2009 Review	(91,123)
<b>Revised Estimated Working Capital – 30 June 2009</b>	<b>1,420,514</b>
<b>Working Capital is the net amount of uncommitted funds consisting of:</b>	<b>Estimated 2008-2009</b>
Unrestricted current cash	2,296,000
Current receivables	4,700,000
Inventories	395,000
Prepayments	330,000
Payables (excluding liabilities budgeted next year 2007/08)	(6,300,000)
Cash (overdraft)	0
<b>Total</b>	<b>1,421,000</b>

Under the Local Government (Financial Management) Regulation the Council’s Responsible Accounting Officer is also required to formally report on whether the Council’s financial position is considered “satisfactory” and if not, what remedial action needs to be taken. The optimum level of working capital for the Council has previously been identified in the range of \$1.5 million to \$1.6 million, which represents the industry standard to allow for stores and the provision of hard-core debtors. Subject to the Council adopting the recommended variations, the estimated effective working capital of \$1,420,514 is marginally less than the benchmark level and will need to be closely monitored.

**Further Information**

Councillors and residents are reminded that they are welcome to contact the Group Managers if they would like further information on what is contained in the 2008-2009 Management Plan Report for Quarter 3.

\* \* \* \* \*

*Enclosure*

**ITEM NO: 5**

**SUBJECT: MANAGEMENT OF BLAXLAND BASKETBALL COURTS**

**FILE NO: F02196 - 09/075584**

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**Recommendations:**

- 1. That the Council seeks to have the Management Agreement for the Blaxland Basketball Facility re-written to ensure that:
    - a) The Council has a role;
    - b) Public access is available; and
    - c) A portion of funds raised go into a sinking fund to ensure the long term sustainability of the facility.*
  - 2. That a briefing on the Management Agreement for the Blaxland Basketball Facility comes to an appropriate Councillor session prior to a new agreement being finalised.*
  - 3. That the Council's current nominees, Mr Kevin Frappell and Mr Tony Adamski remain the Council's representatives on the Management Committee until May 2010."*
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**Report by Group Manager Community and Corporate**

**Reason for report**

Concerns have been raised with the Council regarding public access to the Blaxland Basketball Facility, and the long term maintenance and renewal of the Centre. On 30 September 2008 the Council resolved:

- "1. That the Council receives a further report on the Council's involvement in the running of the Blaxland High School Sports Centre in May 2009.*
- 2. That the Council's current nominees, former Councillor Kevin Frappell and Mr Tony Adamski remain the Council's representatives on the Management Committee until May 2009."*

(Minute No: 656, 30/9/08)

Since this time discussions have been held but little progress made to resolve the issues raised.

**Background**

The Blaxland High Basketball Facility was built at Blaxland High School in 2003 as a joint project as outlined below.

*Stakeholders:*

- Blue Mountains City Council (BMCC)
- Department of Training & Education/Blaxland High School (BHS)
- Springwood & Districts Basketball Club Incorporated (SDBC)

*Funding Contributions:* BMCC – \$550,000  
BHS – \$200,000  
SDBC – \$200,000  
Department of Training & Education – \$400,000  
Department of Sport & Recreation – \$150,000

*Total Cost of Works:* \$1,467,215

*Owner on completion:* NSW Dept of Training & Education

*Governing documents:* Prior to the commencement of the project the stakeholders all signed, on October 2001, the “Heads of Agreement”. Part of the Heads of Agreement was that an incorporated body would be established and that a “Blaxland High School Sports Centre Joint Use & Management Agreement” document would be developed. The document was developed but the Council was not a signatory. This means that the Council has limited means to ensure that the facility is available to the public or properly maintained in the long term.

The Heads of Agreement allows for the Council to require the document to be re-written to include the Council and any other clauses as negotiated by the Council to ensure the outcome for which the \$550,000 was contributed.

The Council does have some input into the management of the facility through two community representatives on the Management Committee which are reviewed annually. The current representatives are Kevin Frappell and Tony Adamski who have indicated their willingness to continue in the role.

### **Public access to the Blaxland High School Sports Centre**

Public access is noted as desirous in the Management Agreement, as reproduced in Clause B from the Management Agreement below.

*"B. The Minister, the Blue Mountains City Council and the Springwood and Districts Basketball Club Incorporated are desirous that the Sports Centre should be made available for the purposes of social, educational, cultural, recreational and sporting activities to members of the public and to bodies or associations desiring to conduct such activities and have incorporated the Management Committee for the purpose of managing the Sports Centre."*

However, the result of the clauses reproduced below effectively discriminate against general public or other user group access.

- "3.2 The promotion management care and control of the Sports Centre will be the responsibility of:-*
- (a) the Minister between 7:00am – 5:00pm on school days; and*
  - (b) the SDBC between the hours noted in Clause 4.4 of this Deed.*
  - (c) the Management Committee outside of the hours noted in clauses 3.2 (a) and (b).*

4.4 *The SDBC shall be entitled to exclusive use of the Sports Centre during the following hours including public holidays and school holidays:-*

- Monday – Thursday: 5:00pm – 10:00pm*
- Friday: 5:00pm – 12:00am (midnight)*
- Saturday: 9:00am – 12:00am (midnight)*
- Sunday: 9:00am – 10:00pm"*

The Council representatives have made some progress in obtaining additional public access to the facility but it is not yet considered satisfactory.

**Long term maintenance**

Fees are charged for the use of the Blaxland High School Sports Centre by the SDBC and the income retained by SDBC. SDBC use an unspecified portion of these fees for day to day maintenance of the facility. No sinking fund is established and no money is being set aside for long term replacement of such items as floor, seating, roofing repairs etc. The Management Agreement is silent on income distribution or use. The Council Representatives have not been able to make progress in changing this.

**Sustainability Assessment:**

The recommendations of this report are assessed as follows.

<b>Effects</b>	<b>Positive</b>	<b>Negative</b>
Environmental	No change	No change
Social	Potential for increased public use of a recreation facility. Ongoing availability of facility if maintenance sinking fund is established.	Possible constraint on exclusive use of facility by SDBC at certain times.
Economic	Multi-use has the potential to increase the income of the facility. Long term maintenance will be better addressed.	Nil

**Financial implications for the Council**

The short term financial implications of the proposed recommendations are staff time and the legal costs of preparing and negotiating a new agreement. These costs should be able to be covered in the operational budget. Without a long term sinking fund there is a risk that either the facility will become unavailable or dangerous, or that Council will be approached to provide large and unplanned for lump sums for maintenance in the future.

**Legal and risk management issues for the Council**

No known legal risks associated with the recommendations of this report.

**Conclusion**

The Council needs to actively seek changes to the current Management Agreement for Blaxland High School Sports Centre to ensure public access and long term maintenance. Councillors will be briefed prior to any agreement being finalised.

\* \* \* \* \*

**ITEM NO: 6**

**SUBJECT: MEMBERSHIP OF BOTTLED WATER ALLIANCE**

**FILE NO: F04899 / F04013**

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**Recommendation:**

*That the Council join the bottled water alliance by registering on the Bottled Water Alliance website, with an appropriate link provided on the Council's own website.*

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**Report by Group Manager, Community and Corporate**

**Background**

At the 5 March 2009 Council Meeting, it was resolved in part:

*"6. That the Council receive a report that explores the possibility of joining the Bottled Water Alliance."*

(Minute No. 70, 5/03/09)

**About the Bottled Water Alliance**

The Bottled Water Alliance is an initiative of 'Do Something', an Australian not-for-profit organisation that works to bring about positive environmental and social change. 'Do Something' facilitate alliances, such as the Bottled Water Alliance between Councils, businesses, government and the community to identify problems, to rally resources and to promote initiatives to achieve measureable outcomes.

'Do Something' was established by Planet Ark founders Jon Dee and Pat Cash in association with Tina Jackson, former Executive Director of the National Trust of Australia.

Through different media channels including television, radio, print, the internet, and email, 'Do Something' encourages, educates and assists Australian businesses and people to volunteer, donate, and fundraise more for charities and local organisations.

The Bottled Water Alliance is an Australia-wide campaign that aims to reduce the environmental impact of bottled water. The current Alliance partners include 'Do Something', Manly Council and Culligan Water.

The Alliance states that it wants Australian councils to stop purchasing bottled water for their offices, facilities and events. They also want councils to upgrade and improve their water bubblers so that litter and environmental problems caused by bottled water can be reduced.

Joining the Alliance requires registering the Council on the Bottled Water Alliance website to receive regular tips and updates on initiatives that support the avoidance of bottled water.

If the Council joins the Alliance, it is intended that updates and examples of initiatives that support the avoidance of bottled water would be circulated amongst appropriate Council staff for their consideration.

**Sustainability Assessment (Triple Bottom Line Reporting)**

In registering with the Bottled Water Alliance, there are positive environmental and social outcomes as described in the table below.

<b>Effects</b>	<b>Positive</b>	<b>Negative</b>
Environmental	<ul style="list-style-type: none"> <li>• The Council keeps abreast of initiatives that support the avoidance of bottled water.</li> </ul>	No significant negative environmental impacts.
Social	<ul style="list-style-type: none"> <li>• Sends a clear positive message about the Council’s support for the avoidance of bottled water.</li> </ul>	No significant negative social impacts.
Economic	<ul style="list-style-type: none"> <li>• No cost to register on the website.</li> </ul>	No significant negative economic impacts.

**Financial implications for the Council**

There are no cost implications in registering with the Bottled Water Alliance. There would however be cost implications if the Council were to implement a public water bubbler strategy or other similar initiative to support the avoidance of using bottled water.

**Legal and risk management issues for the Council**

There are no legal or risk management issues in registering with the Bottled Water Alliance.

**External consultation**

No external consultation has been undertaken in preparing this report.

**Conclusion**

It is recommended that the Council register with the Bottled Water Alliance to receive updates on initiatives that support the avoidance of bottled water.

It is also recommended that the Council should promote the avoidance of bottled water via the Council’s website.

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**ITEM NO:** 7**SUBJECT:** BLUE MOUNTAINS CULTURAL CENTRE & KATOOMBA LIBRARY  
ADVISORY COMMITTEE**FILE NO:** F04889 – 09/80041

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**Recommendations:**

- 1. That the Council note the options as outlined in this report;*
- 2. That the Council adopt Option One as outlined in this report, being that a Councillor be appointed to the Blue Mountains Cultural Centre and Katoomba Library Advisory Committee and that the Committee retain an independent Chair;*
- 3. That the Terms of Reference for the Blue Mountains Cultural Centre & Katoomba Library Advisory Committee be amended in accordance with the Council's determination regarding Committee composition; and*
- 4. That the Terms of Reference for the Blue Mountains Cultural Centre & Katoomba Library Advisory Committee be amended to extend the term for the Committee until the conclusion of the duration of the developmental phase or the establishment of the proposed Blue Mountains Cultural Centre Board, whichever is soonest.*

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**Report by Group Manager, Community and Corporate****Purpose**

This Report has been prepared in response to a Council resolution:

*“That the Council receive a further report that addresses the original motion which called for a report on options for including Councillor representation on the Committee.”*

(Minute No 69, 03/03/09)

**Summary**

The Blue Mountains Cultural Centre and Katoomba Library Advisory Committee (the Committee) was formed in 2007 to assist the development of the Blue Mountains Cultural Centre and Katoomba Library as a vital, sustainable regional cultural facility of local, state and national significance. Since this time the Committee has worked strongly to support the Council in its development of the Centre. Initial focus has been on engaging with the local and regional community, fact finding and business development. The Committee formally meets five times per year. The Committee additionally meets up to four times a year for site visits in relation to specific cultural and arts centre business analysis. Working group members meet as the need arises, usually on the same day as the Committee Business meeting. The initial Committee term was for two years with the appointment ceasing upon the establishment of the proposed Blue Mountains Cultural Centre Board (Attachment 1).

This report presents four options for including Councillor representation on the Committee. In addition to any amendments to the Terms of Reference that the Council may determine in relation to Committee composition, this report recommends that the Term of Committee appointment be amended to reflect the current project phase as follows:

*“The Committee will meet quarterly in accordance with project requirements for the duration of the project development phase or the appointment of the Blue Mountains Cultural Centre Board, whichever comes soonest.”*

### **Background**

The Council Report of 23 November 2004 outlined the proposed governance structure for the Blue Mountains Cultural Centre and the Katoomba Library, which proposed an Advisory Committee for the design and construction phase leading to the development of a Board for the operational phase. On 5 September 2006 the Council appointed Joan Domicelj AM as Chair and adopted the Terms of Reference for the Committee (Minute No 698, 05/09/06). On 17 October 2006 the Council endorsed a staged approach to appoint the regional representatives and to conduct an expression of interest for community members (Minute No 743, 17/10/06). The Council appointed the members in April 2007 with four of seven potential community members being appointed, with an additional three members to be appointed as needs arose (Minute No 73, 03/04/07).

A business representative was appointed in August 2008 but did not take up the position (Minute No 573, 05/08/08). The inaugural Chair Joan Domicelj AM resigned on 6 March 2009 and a community member, Mr John Marsh resigned on 30 March 2009. The current membership is outlined in Attachment 2.

### **Terms of Reference- Committee Composition**

The current adopted Terms of Reference provide for fifteen members, comprising:

- An independent Chair;
- Seven community members;
- Five regional representatives; and
- Two staff members (the General Manager or his delegate and the Director, Blue Mountains Cultural Centre).

The Terms of Reference provided for the involvement of Councillors as observers and did not have Councillor Representation (Attachment 1). In adopting the Terms of Reference without Councillor representation, and in appointing an independent Chair, the Council endorsed the principle of arms length independent advice to the Council. The report for the Ordinary Meeting 05/09/06 stated: “As a first step in this process it is proposed that the Council adopt the Terms of Reference for this Committee (Attachment 1) and appoint an independent Chair with the necessary attributes and skills to provide skilful leadership.”

There were two rationales for the appointment of an independent Chair:

1. The Council accepted that it would benefit the Cultural Centre project to appoint a respected high profile Chairperson with the requisite skills and attributes to:

- Chair a high level expert community Committee
- Advocate the project to a range of stakeholders and the community
- Negotiate with project partners

- Attract people with the requisite skills, experience and attributes to make a positive contribution to the project to participate on the Committee

2. The Council endorsed the principle that the Committee should provide independent advice. The Council has now resolved to re-examine the issue of Councillor representation on the Committee. Five options are outlined below for the Council's consideration and determination. This report recommends that the Terms of Reference are amended in accordance with the Council's preferred option.

### **Options for Councillor Representation on the Committee**

In all options Councillors would continue to be encouraged to attend meetings as observers in accordance with the transparency and accountability principle expressed in the original Terms of Reference.

#### Option 1 - Retention of Independent Chair and Appointment of Councillor Representative

This option retains the benefit of the original intention of the appointment of an independent Chair. The addition of one (1) Councillor could be achieved without expanding the size of the Committee by not filling one of the three vacant community member positions.

#### Option 2 - Retention of Independent Chair and Appointment of Ward Councillor Representatives

This option retains the benefit of the original intention of the appointment of an independent Chair, with the addition of Councillor representation from the four (4) Wards of the Blue Mountains City Council.

The addition of four Councillor Members would increase the Committee size to nineteen (19), unless a consequent reduction in non-Council members were to be made, which could be achieved by reducing the community members from the current seven to three. Without reducing the number of community members, this option would increase the size of the Committee and would significantly change the current composition.

#### Option 3 - Appointment of the Mayor as Chair

Currently the Chair position is vacant as a result of the resignation of Joan Domicelj AM in March 2009, and as a result the Mayor could be appointed as the Chair of the Committee. This option would not increase the committee numbers and would change the composition of the Committee to a minor degree.

#### Option 4 - Appointment of the Mayor as Chair and Appointment of a Councillor Representative

This option sees the Mayor appointed as Chair of the Committee with one additional Councillor appointed. This option would slightly increase the Committee numbers to sixteen (16) and would change the composition of the Committee to a minor degree.

**Sustainability Assessment (Triple Bottom Line Reporting)**

<b>Effects</b>	<b>Positive</b>	<b>Negative</b>
Environmental	An effective, experienced Advisory Committee will contribute to positive environmental outcomes in the design and operation of the Cultural Centre	Nil
Social	Involvement and advice of the Committee will enhance social capital in the local government area.	Nil
Economic	Involvement and advice of the Committee will enhance the economic benefits of the facility when operational.	Nil

**Financial implications for the Council**

There is no budget allocated specifically for the Committee. Expenses are met within the annual operational budget for the project.

**Legal and risk management issues for the Council**

The ongoing operation of the Blue Mountains Cultural Centre and Katoomba Library Advisory Committee has been subject to probity audit as part of the overall project probity planning and audit.

**Conclusion**

The Blue Mountains Cultural Centre and Katoomba Library Advisory Committee has sound stakeholder representation and will ensure that the development of the Blue Mountains Cultural Centre and new Katoomba Library will achieve the outcomes that best cater for the diverse needs of the community. This report recommends that Option One (1) be adopted to include Councillor representation on the Committee and that the terms of Reference be amended accordingly. It further recommends that the term of the Committee be extended to encompass the project development phase until the appointment of the proposed Board for the Cultural Centre.

\* \* \* \* \*

*Attachments x 2*

**Attachment 1 -. Blue Mountains Cultural Centre & Katoomba Library Advisory Committee Terms of Reference**

(Ordinary Meeting 05/09/06, Minute No 698)

**Objective**

To assist the development of the Blue Mountains Cultural Centre and Katoomba Library as a vital, sustainable regional cultural facility of local, state and national significance.

**Reporting Structure**

The Committee will operate in a project advisory capacity. Advice will be given to the Council and where appropriate to the Project Control Group and the Design Review Panel through the Centre Director/Project Manager.

**Purpose/Role**

1. To act as a forum for members with experience and expertise in the arts, culture and business to provide advice to Council and to support the Centre Director in the development phase of the Blue Mountains Cultural Centre & Library Project.
2. To engage in information seeking and consultation to add value to the project through engagement of local and regional communities.
3. To assist in the establishment of networks within the Blue Mountains cultural communities and to engage the broader community in support for the Centre's development.
4. To provide advice and assist the Centre Director in shaping agreements with other relevant parties including the owner of the retail level.
5. To provide advice to the Design Review Panel for the project.
6. To establish and participate in specialist subcommittees as required.
7. To carry out any other matters required for the Cultural Centre and Katoomba Library.

**Term**

The term is two years. It is anticipated that the Committee will meet initially on a six weekly basis until established and then move to a bi-monthly or quarterly schedule in accordance with project requirements. The term of appointment will cease upon the establishment of the Board.

**Appointment Criteria**

Key skills to be sought in committee members include:

- Artistic/heritage/gallery development
- Knowledge of community & networking capacity
- Public relations/ marketing/business/regional development/economic development
- Community/ government relations

Key personal attributes include:

- Sufficient time to devote to the role
- Good communication skills
- Ability to engage productively in critical debate
- Holding respect and good relationships with the Blue Mountains communities
- A focus on the broader interests of the whole community
- Understanding of and tolerance for committee processes
- A commitment to a positive outcome for the Cultural Centre and the Katoomba Library

The Committee would have a role in encouraging/sourcing appropriate additional expertise. These would be incorporated into the specialist advisory sub-committees as required. It is envisaged that a specialist technical advisory panel for the Katoomba Library in particular will be established.

The 2004 report indicated that not all members need to be local. It is proposed that the Committee comprise both community members from the cultural and business communities, sufficient to ensure diversity of opinion and expertise, as well as members from key regional organisations with specialist expertise.

The membership of the Committee is proposed to be fifteen as follows:

Chair (1)

Independent community member

Appointed Members (5)

These members will be selected on the basis of their professional positions (ex-officio) and associated expertise within relevant regional organisations. It is likely that the majority of these members will be drawn from the local community, given the strength of expertise in the Blue Mountains community.

Community Members (7)

Community members will represent a range of expertise from the local arts, cultural heritage & business communities across the mountains and will be selected by an expression of interest process.

Council Representatives (2)

General Manager or delegate

Blue Mountains Cultural Centre Director

Other relevant Council staff would be in attendance as required and the Committee will be resourced by the project administrator.

Councillors will be welcome to attend as observers.

**Attachment 2**Chair

Vacant - (formerly Joan Domicelj AM). Deborah Ely is acting Chair until a replacement is recommended.

Community Members:

- Vacant - John Marsh (Resigned 30 March 2009)
- Dr Peter Shepherd
- Martin Thomas
- Cheryl Yin-Lo

Regional Organisation Members:

- Jason Ardler, Director, Cultural Heritage Division, Department Environment and Conservation
- Wendy Carlson, Convenor, Central West Heritage Network
- Deborah Ely, CEO Bundanon Trust (Deputy Chair)
- John Kirkman, CEO Penrith Joan Sutherland Performing Arts Centre, Lewers Bequest & Penrith Regional Gallery
- Tony Nesbitt, Manager, Arts Programming, Sydney Olympic Park Authority

Council Staff Members:

- Peter Adams, representing the General Manager
- Simon Ambrose, Blue Mountains Cultural Centre Director

**ITEM NO: 8****SUBJECT: GOODS AND SERVICES TAX COMPLIANCE****FILE NO: F04899**

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**Recommendations:**

*1. That the Council approve the certification of:*

- (a) Voluntary GST having been paid by Blue Mountains City Council for the period 1 May 2008 to 30 April 2009;*
- (b) Adequate management arrangements and internal controls having been in place to enable the Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed;*
- (c) No GST non-compliance events by the Council being identified by or raised with the Australian Taxation Office; and*

*2. That the attached compliance certificate be signed on behalf of the Council by the Mayor, one other Councillor, the General Manager and the Responsible Accounting Officer.*

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**Report by Group Manager, Community & Corporate****Background**

The Department of Local Government requires the Council to provide a certificate of confirmation signed by the Mayor, one other Councillor, the General Manager and Responsible Accounting Officer, with respect to compliance with Goods and Services Tax Legislation. The certificate is for the period 1 May to 30 April, to enable the Department to provide more accurate and current information to NSW Treasury.

**Compliance Certification**

The certificate of confirmation requires the Council to certify that:

- Voluntary GST has been paid by Blue Mountains City Council for the period 1 May 2008 to 30 April 2009.
- Adequate management arrangements and internal controls were in place to enable the Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.
- No GST non-compliance events by the Council were identified by or raised with the Australian Taxation Office.

Management confirms that all voluntary GST has been paid for the period, that appropriate internal controls and systems are in place to account for the Council GST liabilities and recoupment and that no GST non-compliance event has been identified or raised with the Australian Taxation Office.

The previous Council Auditors, PricewaterhouseCoopers (PwC) completed a review of the procedures and GST management systems within the Council on 5 June 2006. There were no significant issues identified and the Council has continued with the same level of GST management procedures since this audit. A review has not been done for the 2007/2008 or 2008/2009 financial year as this is no longer a requirement from the Department.

\* \* \* \* \*

*Attachment x 1*

**Attachment 1**

**COUNCIL OF THE CITY OF BLUE MOUNTAINS**

**GOODS AND SERVICES TAX CERTIFICATE**

**Payment of Voluntary GST 1 May 2008 to 30 April 2009**

To assist compliance with Section 114 of the Commonwealth Constitution, we certify that:

- Voluntary GST has been paid by the Blue Mountains City Council for the period 1 May 2008 to 30 April 2009.
- Adequate management arrangements and internal controls were in place to enable the Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.
- No GST non-compliance events by the Council were identified by or raised with the Australian Taxation Office.

Signed in accordance with a resolution of the Council made on 26 May 2008.

.....  
Adam Searle  
**MAYOR**

.....  
**COUNCILLOR**

.....  
Phil Pinyon  
**GENERAL MANAGER**

.....  
Neil Farquharson  
**RESPONSIBLE  
ACCOUNTING OFFICER**