

ITEM NO: 1**SUBJECT: SCHEDULE OF INVESTED MONIES****FILE NO: F03848**

Recommendation:

That the Schedule of Invested Monies for January 2009 be received.

Report by Group Manager, Community & Corporate:

This report is submitted 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 Schedule of the Council Invested Monies for January 2009 is attached for information (refer Table 1).

The increased returns, above budget as at January 2009, on the Council investments are due to a greater than anticipated cash position for the financial year (refer Table 6).

Valuations and credit ratings have been calculated and updated to 31 January 2009 for all the Council investments (with the exception of the CBA – Palladin Portfolio note that is valued as at 31 October 2008) and shows the Council investment's fair value market valuation reducing by \$82,955 (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 \$6.7m indicatively between 1 July 2007 and 31 January 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.

Global and domestic issues

There were large downward revisions to global economic growth forecasts for 2009 due to the considerable decline in economic activity among the major economies and the continued impacts of the global financial crisis.

The Australian economy showed signs of softening further, aside from the partial boost to retail activity from the Government's pension and family tax payments.

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

- The Reserve Bank of Australia reduced the official cash rate by a further 1%, to 3.25%, the lowest cash rate since the early 1960s. The rate has now been cut by 4% since September 2008. The market expects further cuts from the 3.25% current level to 2% by June 2009;
- The Federal Government announced a \$42bn additional dual-pronged fiscal stimulus plan over four years, comprised of more tax bonus payments and a lift in public investment in schools, housing and roads;
- The Government now projects the underlying cash deficit will be \$22.5bn in 2008/2009 and increase to \$35.5bn in 2009/2010;
- The Australian annual inflation rate moderated to 3.7% for the 2008 calendar year from 5% for the previous year;
- Unemployment is expected to rise to 6% in 2009 and 7% in 2010;
- The Australian Stock Exchange Index fell 4.9% in January, to be down 32% so far from July 2008; and
- The US hopes to pass a US\$819bn stimulus package through the Senate to reinvigorate their economy and the UK government announced a second bail-out for the ailing UK financial sector.

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.

Developments in the month of January 2009 included:

- The CBA – Callable CPI Linked Note (\$1,000,000) was redeemed for 100% of the original face value on 5 January 2009 (refer Table 1);
- The Deutsche Bank Yield Curve Note (\$250,000) was redeemed for 98% of the original face value on 28 January 2009 (refer Table 1);
- As reported in October 2008, the CBA – Palladin Portfolio Note (\$500,000) that was affected by the bankruptcy of Sigma Finance Corporation who is the collateral Issuer for this security has terminated the issuer agreement. The affect of this termination is being assessed by the Council investment and legal advisors but we are advised that we should expect a nil recovery level on this security and we have therefore valued the security at \$0 (refer Table 1);
- Athena Series 1 Camelot Note (\$500,000) has ceased paying coupon interest until maturity in 2012. The proceeds are sitting in a Westpac zero coupon bond account to protect the original capital in the security. Oakvale Capital, the Council investment advisor is investigating the scope of selling this security and other alternatives (refer Table1);
- The Council still awaits advice as to the recovery on the Lehman CPPI principal protected property note where Lehman Brothers Holdings Inc. was the guarantor. Final distribution to the Council on this holding is still impossible to estimate at this stage but we are advised that recovery should be regarded as very low and so we have valued the security at \$0 (refer Table 1); and

- Lehman Brothers Holdings Inc (LBHI) continues proceedings in the United States Bankruptcy Court. The Council continues investigating with our legal advisors 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 - January 2008 (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
CBA Bank Bill (maturity 12/1/2009)	A1/AA-	A1/AA-	5.18%	0	0	2,000,000	\$1m re-invested to 13/3/09
IIAB Professional Funds A/C (at call)	n/a	n/a	4.25%	5,268,144	5,268,144	4,399,912	cashflow investment
IIAB Term Deposit (maturity 21/1/2009)	A-1+	A-1+	4.50%	0	0	1,000,000	Re-invested to 25/3/09
ANZ Term Deposit (maturity 28/1/2009)	A-1+	A-1+	4.50%	0	0	1,000,000	Re-invested to 1/4/09
CBA Bank Bill (maturity 13/3/2009)	A1/AA-	A1/AA-	4.12%	1,000,000	1,000,000		Re-investment on 12/1/09
IIAB Term Deposit (maturity 25/3/2009)	A-1+	A-1+	3.88%	1,000,000	1,000,000		Re-investment on 21/1/09
ANZ Term Deposit (maturity 1/4/2009)	A-1+	A-1+	3.84%	1,000,000	1,000,000		Re-investment on 28/1/09
Bendigo Bank FRN	BBB	BBB	8.57%	1,000,000	841,156	834,718	Valuation 31/1/09
CBA – Palladin Portfolio Note	AA	BBB-	0.00%	500,000	0	0	Valuation as at 31 October 2008
Generator Income Notes (administered by Rim Securities Ltd)	AAA	AAA	1.94%	1,000,000	191,900	200,000	Valuation 31/1/09
Macquarie Cash Management	AAA	AAA	4.25%	151,775	151,775	150,156	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	358,457	355,185	Valuation 31/1/09
CBA – Equity Linked Note	AA	AA	3.00%	1,000,000	1,003,300	995,900	Valuation 31/1/09
CBA – Callable CPI Linked Note	AA	AA	0.00%	0	0	1,000,000	Redeemed at 100% of face value on 5/1/09
Athena Series 1 Camelot Notes (administered by ICAP)	AA-	AA-	0.00%	500,000	457,132	451,838	Valuation 31/1/09.
Aphex Pacific Capital Phoenix Notes (administered by ABN-AMRO Morgans)	AA1	AAA	6.30%	500,000	420,820	426,445	Valuation 31/1/09
Investments arranged by Lehman Brothers:-							
Adelaide Bank FR Sub Debt	BBB+	BBB+	5.50%	750,000	760,349	757,121	Valuation 31/1/09
Adelaide Bank FR Sub Debt	BBB+	BBB+	4.70%	1,500,000	1,436,217	1,518,755	Valuation 31/1/09
Aphex (Glenelg)	AA-	BB+	5.50%	280,000	22,064	25,617	Valuation 31/1/09
BELO (Kalgoorlie)	AA+	AA+	6.02%	600,000	503,821	499,207	Valuation 31/1/09
Bendigo Bank FR Sub Debt	BBB+	BBB+	4.49%	500,000	502,344	500,018	Valuation 31/1/09
Bendigo Bank FR Sub Debt	BBB+	BBB+	5.35%	500,000	506,862	504,724	Valuation 31/1/09
Corsair (Torquay)	AA	CCC+	5.45%	300,000	4,161	4,244	Valuation 31/1/09
Corsair (Kakadu)	AA-	B+	5.25%	300,000	18,232	20,511	Valuation 31/1/09
Deutsche Bank Yield Curve Note	AA-	AA-	8.25%	0	0	246,570	Redeemed at 98% of face value on 28/1/09
Elders Rural Bank Sub Debt	BBB-	BBB-	4.76%	500,000	457,431	461,445	Valuation 31/1/09
Beryl (AAA Global Bank Note)	AAA	CCC-	4.85%	350,000	4,040	3,592	Valuation 31/1/09
Helium (Esperance)	A+	BB-	5.95%	450,000	27,336	34,359	Valuation 31/1/09
Helium(Scarborough)	AA	CCC	5.44%	1,100,000	14,272	12,692	Valuation 31/1/09
Herald Limited (Quartz AA)	AA	AA	5.75%	250,000	202,378	206,738	Valuation 31/1/09
HSBC FRN	AA-	AA-	4.53%	1,000,000	867,996	860,738	Valuation 31/1/09
Lehman CPPI	AA-	D	0.00%	250,000	0	0	Valuation 31/1/09
Magnolia (Flinders)	AA	AA	5.75%	550,000	370,064	377,730	Valuation 31/1/09
MAS6-7(Parkes)	AAA	BB	5.25%	250,000	11,797	15,305	Valuation 31/1/09
Start (Blue Gum) (Jun 13)	AA-	CCC	5.65%	300,000	2,916	2,406	Valuation 31/1/09
Zircon (Miami) (Mar 17)	AA	C	5.75%	95,000	739	592	Valuation 31/1/09
Zircon(Merimbula) (Jun 13)	AA	C	5.30%	400,000	2,788	2,277	Valuation 31/1/09
Zircon (Coolangatta) (Sept 14)	C	B+	5.55%	450,000	3,330	2,700	Valuation 31/1/09
Total				24,094,919	17,411,821	18,871,495	

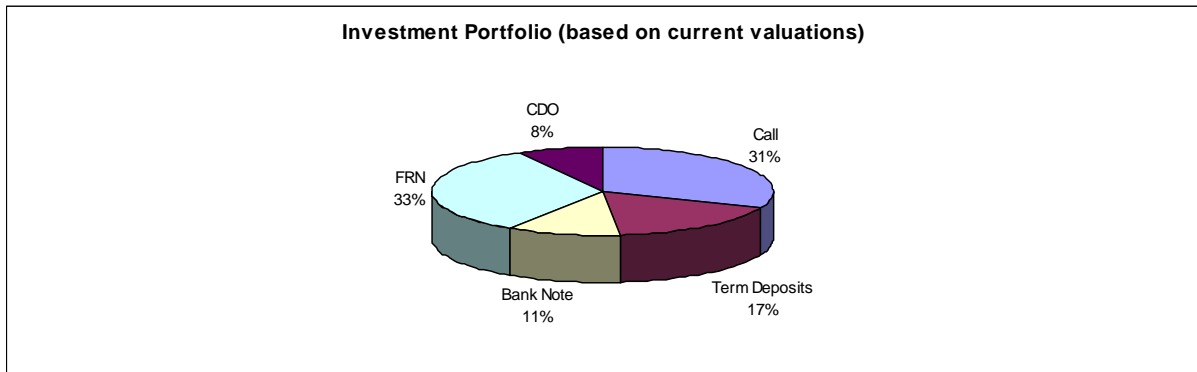
(Table 2)

Balance of investments December 2008 (Market Value)	18,871,495
Funds invested during month (Gross)	3,000,000
Funds withdrawn during month (Gross)	(4,396,570)
Interest re-invested during month	19,851
Revaluation of investments during month. Favourable/(Unfavourable)	(82,955)
Balance of investments January 2009 (Market Value)	17,411,821

BBSW 30 Days 3.82%
Average Rate of Return for Month 3.50%

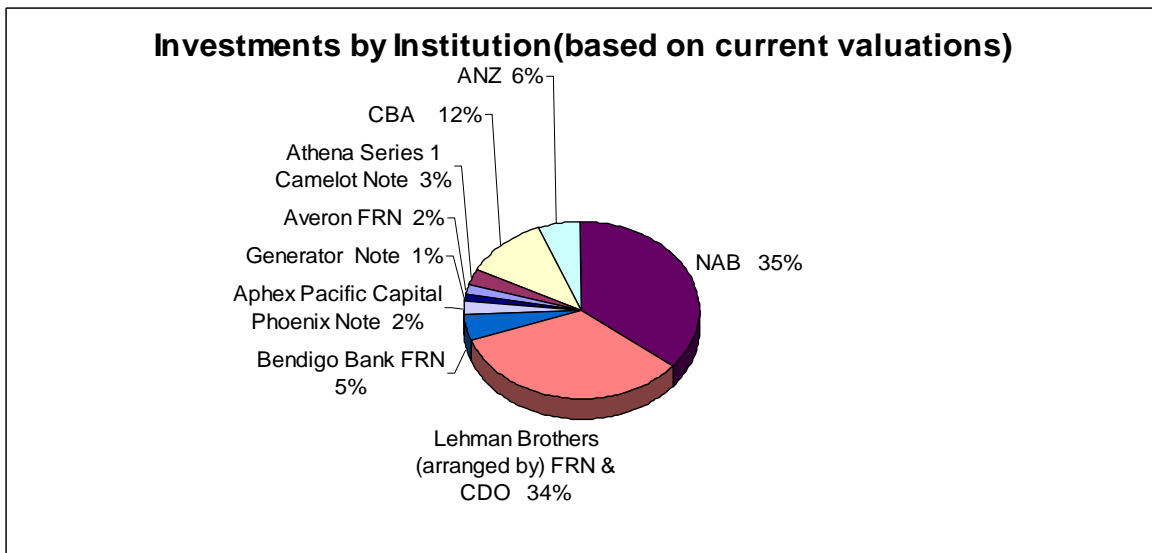
Current market valuations of all investments are as at 31 January 2009 with the exception of CBA – Palladin Portfolio note which is valued as at 31 October 2008 as advised in the comments column in Table 1. It is also important to note that valuations are indicative only with no assurance that trades could be completed at such values.

(Table 3)

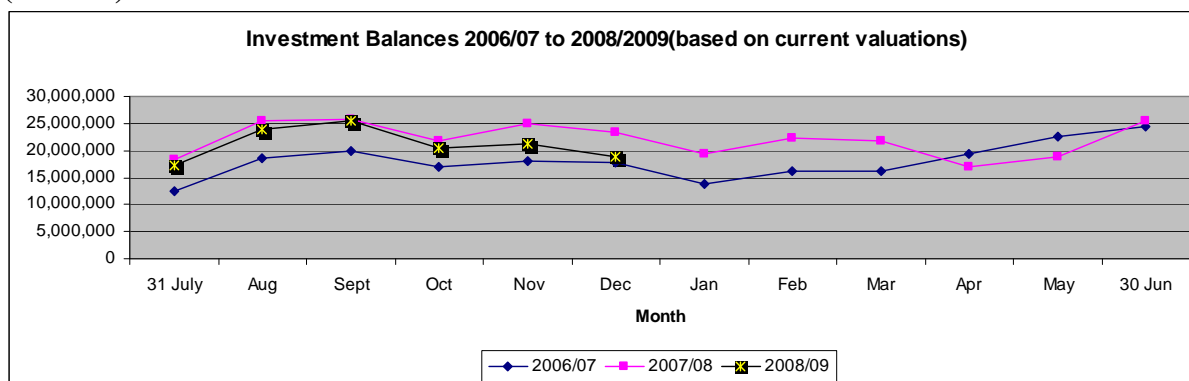


- Call – Cash at Call
- Term Deposits – Deposits for Fixed Term
- Bank Note – Structured Notes
- FRN – Floating Rate Note
- CDO – Collateralised Debt Obligation

(Table 4)



(Table 5)



(Table 6)

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

	Actual	Budget
Income to 31 December 2008	813,811	657,126
Income for month January 2009	71,641	109,521
Total Accrued Income to date	885,452	766,647
Less restricted income for RTA contribution – Lawson Town Centre and Property Investment Fund	(111,809)	
	773,643	766,647
Estimated for remainder of year	540,607	547,603
Estimated total 2008/2009	1,314,250	1,314,250

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: 2

SUBJECT: RESPONSE TO QUESTION WITHOUT NOTICE - SCHEDULE OF INVESTED MONIES REPORT FOR DECEMBER 2008

FILE NO: F03848

Recommendation:

That the response to the Question without Notice from Councillor Mays regarding the Schedule of Invested Monies report for 31 December 2008 be received.

Report by Group Manager, Community & Corporate

Reason for report

The purpose of this report is to respond to a Question Without Notice from Councillor Mays at the 27 January 2009 Council Meeting regarding the Schedule of Invested Monies report for December 2008.

Councillor Mays requested the following:

“Could I please have information on the origin and the purpose for which the funds were reserved of the original \$25 million investment portfolio?”

Background

The \$25 million investment portfolio as detailed in the December 2008 Schedule of Invested Monies represents the Council investment balance as at 31 December 2008. This investment portfolio includes unrestricted and also restricted funds. Unrestricted funds in the investment portfolio are largely cash funds that will be utilised through the remainder of the financial year and are therefore not represented in any reporting of reserve funds.

The Council maintains reserve funds and these funds can be either subject to external or internal restrictions.

The projected amount held in external reserves is \$3.9 million to 30 June 2009. Externally restricted reserves mean that the Council can only use the reserved funds for the purpose for which they are held and this requirement is largely governed by a particular Act, Legislation or a commitment to an external body. The origin and purpose of these reserved funds include:

- Specific purpose unexpended loans;
- Specific purpose unexpended grants;
- Developer contributions which are not yet expended for the provision of services and amenities in accordance with contribution plans;
- RTA contributions for works on State classified roads; and
- Domestic Waste Management Levy funds.

The projected amount held in internal reserves is \$6.3 million to 30 June 2009. Internally restricted reserves mean that the Council has identified a specific purpose for the reserved

fund but the funds are not subject to any external restrictions or pursuant to any Act or Legislation. The origin of internally restricted reserves is largely a result of a decision by the Council to create a specific purpose reserve from favourable variations to revenue or expenditure within a financial year. The origin and purpose of internally restricted reserved funds include the following examples:

- Employee leave entitlements;
- Plant and vehicle replacement;
- Carry over works;
- Pay and Display – Echo Point;
- Environmental Levy; and
- Councillor Elections.

A more extensive list of Reserves is attached to every Review of the Management Plan that is reported to the Council on a quarterly basis. A detailed listing of reserve funds is also included in the externally audited Annual General Purpose Financial Report, Note 6c. The Details of Movements & Utilisation of Restricted Cash Assets & Investments Schedule for the December 2008 Quarterly Review to the Management Plan has been included in this Business Paper in Item 2 (Enclosure).

Sustainability Assessment (Triple Bottom Line Reporting):

There are no Social, Environmental and Economic impacts on the City and/or the Council of the report.

Financial implications for the Council

There are no financial implications of the report recommendation. However, there may be impacts of the global financial crisis that force the Council to sell some of its investment securities for less than the original investment face value or in the event of an investment security default the Council could realise a loss based on current market conditions. The key effect of these losses could translate into a need to consider rationalising funds held in reserve.

Legal and risk management issues for the Council

There are no legal or risk management issues associated with the report’s proposed recommendation.

External consultation

Oakvale Capital, the Council independent investment advisor were consulted in the preparation of this report through discussions with the Executive Management Team and the Council Finance Branch.

Conclusion

The origin and purpose for which funds have been reserved has been explained in this report and a detailed listing is included in every quarterly review of the management plan and in the Annual General Purpose Financial Report. This response to the Question without Notice highlights how the Council Restricted Reserves have the potential to be directly impacted by the global financial crisis and that the Council will need to continue to keep a watching brief and fully informed on the investment fund position.

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ITEM NO: 3**SUBJECT: 2008-2009 MANAGEMENT PLAN REPORT – QUARTER 2****FILE NO: F04617 – 08/350776**

Recommendations:

1. *That the General Manager's report together with the accompanying document titled "Quarterly Report - Management Plan, October to December 2008" be noted and endorsed.*
 2. *That the variations of income and expenditure as identified in the accompanying document be noted and endorsed.*
 3. *That the organisational sustainability measure for reducing the Council's energy consumption be reviewed and the revised target be included in the Draft 2009-2010 Management Plan for public exhibition.*
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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 second quarterly progress report on the 2008-2009 Management Plan and provides information on the Council's performance for Quarter 2 (October to December 2008).

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 December 2008. More detailed information is contained in the enclosure provided separately '*Quarterly Report - Management Plan, October to December 2008*'.

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 April / 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, July October to December 2008*’. An update on the Council’s performance against the target for reduced energy consumption is provided in this report.

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 year-to-date capital expenditure against budget; and
- 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	10	3	2	0	1	81%
Looking after Environment	24	15	6	3	0	0	75%
Environment Levy	19	17	2	0	0	0	89%
Looking after People	36	23	6	7	0	0	83%
Using Land for Living	19	15	1	2	0	1	95%
Moving Around	9	6	2	1	0	0	78%
Working and Learning	7	6	1	0	0	0	86%
TOTAL	130	92	21	15	0	2	84%

As shown in the table above, with 84% of projects on-target, completed or not scheduled to commence, the Council is performing satisfactorily against project targets.

Key Achievements for the Second Quarter by Principal Activity

This section highlights key achievements in Quarter2.

Providing Good Government

- The 2007-2008 Annual Report was completed and submitted to the Department of Local Government.

Looking after Environment

- The Council was successful in receiving a grant from the Department of Environment and Conservation NSW to undertake 100 free home sustainability assessment audits. Promotions commenced during quarter 2.
- Cities for Climate Protection Milestone 4 and ICLEI Water Campaign Milestone 1 were achieved by the Council. Participation in these programs supports the Council's focus on achieving energy and water savings. The Milestone awards were presented to the General Manager at the recent LGMA Conference in Melbourne.
- The Council received a Highly Commended Award in the Community Engagement Category of the NSW Sustainable Water Challenge - 2008 (Mountain Living with Sustainable Catchment Activity Model).
- The Council received \$380,000 grant funding under the Caring for Country Grant Program for swamp restoration works.
- The Sustainability Street Projects at Wentworth Falls and Warrimoo were completed.
- The State of Environment Report for 2007-2008 was endorsed at the Council Meeting of 11 November 2008 and submitted to the Department of Local Government on 19 November 2008.

Looking after People

- Vacation care accreditation achieved 'High Quality' during Quarter 2.
- The 2009-2010 Access and Equity Action Plan was developed in November 2008 in consultation with the Access and Equity Working Group.

Using Land for Living

- The Department of Planning - quarterly report on State Environmental Planning Policies (SEPP) 1 was implemented.
- GIS maps of potential exempt and complying development areas were developed.
- Resolution for Blackheath Soccer Club to be able to hold one senior game of soccer a week on Browntown Oval, Blackheath.
- Sealing and associated works of three netball courts - Lapstone Reserve, Explorers Road, Lapstone by the Blue Mountains Netball Association (BMNA).
- Heritage Advisor commenced duties to improve heritage outcomes.

Projects Behind Target for the Second Quarter by Principal Activity

This section provides details on the projects identified as being behind-target in relation to quarter 2 targets. 'CWP' denotes that the project is in the Capital Works Program.

Providing Good Government

- Project: Continue development and improvements to the Sustainable Asset Management Plans
Comment: Framework for continuous improvement has been drafted but tasks not yet identified. Resources to advance the tasks are not currently available.
- Project: Implement the new Human Resource System modules in accordance with the implementation plan
Comment: Council's Executive Management Team (EMT) deferred decision subject to further information being provided and obtaining level of interest with other Councils, report due back to EMT early February 2009.
- Project: Commence High Conservation Value Land Strategy for lands currently covered by Local Environment Plan 1991

Comment: Draft guidelines for the High Conservation Land Strategy were not developed as planned. Targets and programs are being reviewed. Work will progress in Quarter 3.

Looking after Environment

- Project: Implement Living Catchment Program targeting Wentworth Falls and Glenbrook Lagoon catchments
Comment: Living Catchment groups not established as planned. Glenbrook and Wentworth Falls Living Catchment groups to be established in Quarter 3.
- Project: Commence Glenbrook-Erskine Flood Study
Comment: Project did not go out to tender as planned. Tender documents will go out in early 2009.
- Project: Replace pipe - Delungra Pl, Wentworth Falls (CWP)
Comment: The procurement phase of this project has been delayed until completion of Oaklands Road procurement phase, to ensure adequate budget is available to do this project.
- Project: Lawson Landfill Remediation - commence site preparation and slope stabilisation (Major Project)
Comment: Refer to Major Project section below.
- Project: Blaxland Waste Management Facility Upgrade - commence civil and building works for the entrance upgrade (contingent on the Development Application being approved (Major Project)
Comment: Refer to Major Project section below.
- Project: Commence Katoomba Waste Management Facility including upgrade of resource recovery facilities and construction of waste transfer station (Major Project)
Comment: Refer to Major Project section below.

Environment Levy

- Project: Aquatic Systems Monitoring / Catchment Health - Creepline Restoration
Comment: Creepline Restoration Project at Summerhayes Park Springwood completed. Other works postponed due to risk factors associated with summer storms. Work is planned for completion end of March 2009.
- Project: Closure and remediation of former Lawson and Blackheath Waste Management Facilities
Comment: The annual Environment Levy budget is allocated for repayment of loans for these projects. Refer to Lawson Landfill Remediation project comments and Blackheath Landfill Remediation project comments in the Major Project section below.

Looking after People

- Project: Develop Lawson Family Day Care Playground
Comment: Recommendation for funding under Federal Government community infrastructure funding not supported by the Council. Project scope now being revised to be completed in 2008-2009 within existing Council funding available.
- Project: Revise 'Bush Fire Prone Land' map in line with guidelines from the NSW Rural Fire Service
Comment: The draft of the revised Bushfire Prone Land Map was not given to NSW Rural Fire Service as planned as Council officers are continuing to finalise the revised maps.
- Project: Complete Blackheath Park Plan of Management

Comment: The Draft Plan of Management did not get adopted for public exhibition as planned. The Draft Plan of Management is scheduled for the Council Meeting in March 2009.

- Project: Replacement of footbridge and boardwalk along Darwin's Walk, Wentworth Falls

Comment: Contractor was not appointed as planned. Contract documentation has been prepared will be advertised in Quarter 3.

- Project: Replace locks and master key systems to the Council's building portfolio, Stage 1 (CWP)

Comment: System design proceeding but Master Key System options still to be confirmed.

- Project: Complete arborist report and remedial works to Darwins Tree, Wentworth Falls (CWP)

Comment: Awaiting arborist's report and then onsite work can commence.

Using Land for Living

- Project: Katoomba Town Entry - round-a-bout improvement (Project carried over from 2007-2008) (CWP)

Comment: Contractor not appointed as planned. Quotes closed on 24 December 2008 and evaluation process underway.

Moving Around

- Project: Complete traffic safety pedestrian refuge at Explorers Rd, Lapstone (CWP)

Comment: Procurement phase not commenced as planned. Consultation completed and project brief being prepared.

- Project: Improve existing pedestrian refuge at Lurline St, Katoomba (CWP)

Comment: Procurement phase not commenced as planned. Project brief being prepared.

Working and learning

- Project: Review and commence implementation of Tourism Signage Policy

Comment: Draft design guidelines not developed as planned. Brief completed, tender process undertaken and consultant appointed. Draft guidelines to be developed in Quarter 3.

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

This year's Capital Works Program (CWP) budget is \$4,968,248 after incorporation of adopted carryovers and Quarter 1 variations and recommended Quarter 2 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 second quarter, 90% of the capital projects and programs were on-target as presented in the table below. Details on those projects identified as behind-target have been provided in the section above.

Item	No. projects / programs	On-Target	Behind Target	Complete	Will Not Complete	% On-Target
Capital Works Program	60	44	6	10	0	90%

The table below provides a summary of the Council’s Quarter 2 progress compared to previous financial years.

	Dec Qtr 2005/2006	Dec Qtr 2006/2007	Dec Qtr 2007/2008	Dec Qtr 2008/2009
Total Budget*	\$12,822,925	\$7,364,030	\$7,994,429	\$4,968,248
Total Dollars Spent plus Committals	\$5,651,331	\$2,346,412	\$4,793,989	\$2,674,174
% Spent	44.07%	31.86%	59.97%	53.83%

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

Hazelbrook Town Centre Upgrade Update

Whilst this project is currently on target, with the scope of works and initial stakeholder consultation completed, a carryover of funding may be required into 2009-2010.

The reason why a carryover of funding may be required is because:

- RTA has been asked to complete the works as part of their highway widening; and the
- RTA is yet to confirm if they can undertake the works and if so, when the works will commence.

It is highly likely that the works will commence this financial year – whether it is the RTA who undertakes the work or not – however the works may not be completed by the end of the financial year.

Should a carryover of funding be required, a recommended target and budget variation will be included in the Quarter 3 Management Plan Report.

Recommended Capital Works Program Budget Variations

Capital Projects	Recommended Variation
Civil Infrastructure Program – various (grant funded by DOTARS) - Variation to align with the current 2008-2009 available DOTARS grant funding amount.	+106,704
Lawson Town Centre Redevelopment – Additional Capital Works expenditure funded by the RTA for Trunk drainage and Adelaide Street works.	+327,488
Blue Mountains Cultural Centre Precinct Project – The construction for the Civic Centre and Laneway connections will not commence in the 2008-2009 financial year.	-484,810
Blackheath Landfill Remediation – Works delayed due to delay in commencing Cultural Centre.	-390,000
<i>Note: It is recommended that the funds be restricted for use in 2009-2010.</i>	

Councillors are referred to the separately enclosed document titled “*Quarterly Report - Management Plan, October to December 2008*” for the status of individual capital projects and programs. For a summary of the above recommended variations refer to page 17 of the enclosure.

Summary of Second Quarter 2008/2009 Major Projects

Preparation of Comprehensive Local Environmental Plan (LEP)

2008-2009 milestone	Quarter 2 Comment
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. Principle LEP framework completed with the Department of Planning. Progress on project now dependant on Department of Planning.

Waste Management Projects

2008-2009 milestones	Quarter 2 Comment
Lawson Landfill Remediation - commence site preparation and slope stabilisation	This project is behind target. The development application was lodged in mid-December 2008. Commencement of works in 2008-2009 is still likely, however is dependent on timely approval of the development application.
Blackheath Landfill Remediation – stage 1 site remediation (contingent on availability of fill from Cultural Centre site)	This project is on target. This project is tied to the commencement of the Cultural Centre project site works (current advice indicates that site works will now commence in Quarter 1 of 2009-2010). Blackheath Landfill Remediation works are ready to commence in line with the revised commencement date for the Cultural Centre site works. Preliminary site works at Blackheath Landfill are currently scheduled to commence in Quarter 4. The majority of budget is recommended to be deferred to 2009-2010. <i>Note: It is recommended that the 2008-2009 budget for this project be reduced from \$500,000 to \$110,000 as works have been delayed due in the commencement of construction of the Cultural Centre. Funds to be restricted for use in 2009-2010.</i>
Blaxland Waste Management Facility – creek works (carried over from 2007-2008)	This project is complete. 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. All lining systems installed and leachate drainage installed. Leachate containment infrastructure also complete.

2008-2009 milestones	Quarter 2 Comment
Blaxland Waste Management Facility – commence civil and building works for the entrance upgrade (contingent on the development application being approved)	<p>This project is behind target.</p> <p>The development application was lodged in mid-December 2008.</p> <p>Commencement of works in 2008-2009 is still likely, however delays in development application approval could prevent this from occurring.</p>
Katoomba Waste Management Facility Upgrade – commence upgrade of resource recovery facilities and construction of waste transfer station	<p>This project is behind target.</p> <p>The construction certificate was not obtained as planned. The construction certificate application was still being assessed at the end of Quarter 2.</p> <p>Commencement of works in 2008-2009 is still likely.</p> <p><i>Note: construction certificate has since been obtained in January 2008.</i></p>
2008/2009 Capital Budget for waste projects*	\$8,274,796
2008/2009 Capital Expenditure Quarter 2	\$1,276,022

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

Lawson Town Centre Redevelopment

2008-2009 milestones	Quarter 2 Comment
<p>In 2008-2009, the Council is planning to:</p> <ul style="list-style-type: none"> • Complete land acquisitions • Complete Stage 1 design and construction works • Complete local drainage project 	<p>This project is on target. It is noted that Stage 1 now incorporates works that were to be in future stages.</p> <p>Lawson Town Centre Redevelopment Construction of stage 1 is well underway and is on schedule to be completed in May 2009. The following elements have been completed:</p> <ul style="list-style-type: none"> • Initial sealing of roadway to Blind Street, Benang Street and Bellevue Street is complete. • Installation of kerb to Adelaide Street is complete. • New water mains have been installed to Blind Street, Benang Street and Bellevue Street. • Initial sealing of Adelaide Street outside of Lawson Public School is complete.

2008-2009 milestones	Quarter 2 Comment
	<ul style="list-style-type: none"> • The installation of the footpath to Adelaide Street outside of Lawson Public School is complete. • The stormwater service installation to Adelaide Street up to New Street has been completed. • The retaining wall and loading dock behind the grocery store have been completed. <p><i>Note: It is recommended that the 2008-2009 budget for this project be increased from \$6,614,385 to \$6,971,873 for Trunk drainage and Adelaide Street works. The additional Capital Works expenditure is funded by the RTA.</i></p>
2008/2009 capital budget*	\$6,971,873
2008/2009 capital expenditure Quarter 2	\$2,585,042

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

Springwood Town Centre Project

2008-2009 milestones	Quarter 2 Comment
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 on target.</p> <p>The first stage tender was developed. Various studies were commissioned. It is noted that the further progress of this project is subject to the Council's consideration.</p>

Blue Mountains Cultural Centre, Library & Mixed Use Precinct

2008-2009 milestones	Quarter 2 Comment
<p>In 2008-2009, the Council is planning to:</p> <ul style="list-style-type: none"> • Commence World Heritage Centre design and fit-out • Complete Stage 1 of Blue Mountains Cultural Centre public art program • Commence early site works • Complete design and fit-out of Blue Mountains Cultural Centre • Complete design and fit-out of new Katoomba Library • Commence work on Civic Centre and laneway connections 	<p>This project is on target.</p> <ul style="list-style-type: none"> • Exhibition Development and Fit-out Draft Brief finalised. RFT (Request for Tender) process commenced. • Expression of Interest issued to Blue Mountains schools notifying of 2009 BM Cultural Centre - Art Panels project and inviting participation. Six responses received to date. Call for expression of interest for public art curator scheduled for March. • Coles building works are behind target and this has delayed Council's fit-out project.

2008-2009 milestones	Quarter 2 Comment
	<ul style="list-style-type: none"> • Library fit-out design is progressing well with the preliminary layouts being workshopped with the Katoomba Library Technical Advisory Panel on 12 January 2009. • Easement documents have been prepared and issued for the Link from Katoomba Street to the new Blue Mountains Cultural Centre through the Carrington. The schematic designs have been finalised and a pre-lodgement meeting was held regarding the Development Application. <p><i>Note: It is recommended that the 2008-2009 budget for this project be decreased from \$1,030,000 to \$615,000 as the construction of the Civic Centre and laneway connections will not commence in the 2008-2009 financial year.</i></p>
2008/2009 capital budget	\$615,000
2008/2009 capital expenditure Quarter 2	\$38,445

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

Summary of Second Quarter 2008/2009 Financial Position

Councillors are referred to the separately enclosed document titled “*Quarterly Report - Management Plan, October to December 2008*”. 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 December 2008 has resulted in a decrease in working capital of \$58,500 from the original 2008/2009 adopted budget, giving a revised total working capital as at 30 June 2009 of \$1,511,637.

The following reconciliation illustrates the expected Working Capital position as at 30 December 2008 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)
Revised Estimated Working Capital – 30 June 2009	1,511,637

Working Capital is the net amount of uncommitted funds consisting of:	Estimated 2008-2009
Unrestricted current cash	2,387,000
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
Total	1,512,000

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 \$1,511,637 is at a satisfactory level.

Update on Organisational Sustainability Target for Reducing Council’s Energy Consumption

In July 2006 the Council adopted a target of achieving a 10% reduction in corporate greenhouse gas emissions on 2004-2005 levels by 2012. This required a reduction in emissions from 18,367 tonnes CO2 equivalent in 2004-2005 to 16,530 tonnes CO2 equivalent by 2012 or a reduction of 1,837 tonnes CO2 equivalent.

The Council has surpassed this target. Greenhouse emissions for 2007-2008 totaled 15,565 tonnes CO2 equivalent - a reduction of 2,802 tonnes. This equates to the achievement of a 15% reduction in emissions against the 2004-2005 baseline.

More detailed information on the achievement of this target will be provided as part of the Quarter 4 Management Plan Report.

The Council is now in the process of establishing a new organisational energy reduction target. This new target will be included in the Draft 2009-2010 Management Plan. Councillors and the community will be able to provide comment on the new target during the public exhibition period.

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 2.

* * * * *

ITEM NO: 4

SUBJECT: INTERIM REPORT IN RESPONSE TO NOTICE OF MOTION ON ESTABLISHMENT OF A COMMUNITY GARDEN IN LAWSON

FILE NO: F04617 – 08/353407

Recommendations:

1. *That the Council note the interim report.*
 2. *That further investigation into establishing a community garden at Lawson (as outlined in the preliminary process and generic timeline in this report) be considered for possible inclusion as a project in the 2009-2010 Management Plan, as part of the organisational business planning process.*
-

Report by Group Manager, Community and Corporate:

Summary

This report is provided as an interim report in response to the following Notice of Motion of the 8 December 2008 Council meeting:

“That Council receive a report outlining options for a Community Garden in Lawson to service the Mid-Mountains Community and that the report detail:

- *Background on other community gardens across the mountains;*
- *Consultation process on potential Community Garden sites and management process;*
- *Potential sites;*
- *Management process for a community garden;*
- *Any support that Council can provide to establishing and providing ongoing maintenance of a Community Garden; and*
- *A preliminary process and timeline for establishing a Community Garden in Lawson.”*

(Minute No. 778, 8/12/08)

In particular, the report:

- Provides background on other community garden initiatives implemented across the mountains including how they were developed and what support was provided by the Council;
- Presents a preliminary outline of issues to be assessed relative to possible establishment of a community garden in Lawson; and
- Puts forward a process and generic timeline for consultation and assessment of costs, benefits and possible management and site options consideration by the Council.

Background

Community gardens are generally collectively grown gardens comprising of either individual allotments in a communal area or of a communally shared garden site. Plants grown are generally used by the growers themselves and / or shared with or sold to others. There are

many different models for implementing community garden/ food projects depending on resources, needs and aims of the project. Community gardens have developed in a range of settings in community centres, parks, schools, prisons and on vacant sites within urban and rural areas where this type of use is permitted.

Other Blue Mountains Community Garden Initiatives

As requested this section provides background information on known community garden projects implemented to date in the Blue Mountains, including:

- 1) The North Katoomba Community Garden Project;
- 2) The Blackheath Community Garden; and
- 3) A previous attempt to establish a Community Garden in Lawson;

The process and time involved in establishing these community garden projects has been briefly detailed to inform understanding of what might be involved in the Council supporting establishment of a new community garden in Lawson.

1) North Katoomba Community Garden Project

In 1992 members of the Blue Mountains Community Garden Project approached the Council seeking support for the establishment of a community garden. At the Council meeting of 15 December 1992 the Council resolved to:

“support in principle the initial proposal for an organic community garden, and a report come back to Council in February 1993 showing possible sites for such a garden on Council-owned land, including the land mentioned in the proposal with estimated environmental impact of the garden on each site. The report should also investigate the feasibility and expense involved”

(Minute No. 1026, 15/12/92)

A steering committee comprising of Council officers, representatives of the community garden committee and interested councillors was subsequently formed to investigate sites for a community garden. A number of sites within Katoomba/ Leura were assessed including Peter Carroll Reserve, Melrose Park, Bureau Park, the former State Emergency Services Centre at Orient St, Frank Walford Park and Harold Hodgson Reserve in North Katoomba. At the Council meeting of 26th April 1994, the Council authorised the use of Harold Hodgson Park for the project – a 2.5 hectare site. Given that the site was Community Land the proposed change in its use necessitated preparation of a Plan of Management. The project also required a Development Application. In order to meet the Council’s legal requirements regarding the lease of the land, the Blue Mountains Organic Community Garden Project was incorporated as a non-profit association in December 1993. At the Council meeting of 27th May 1997 the Council adopted the following resolution:

“1. That Council enter in an agreement with the Blue Mountains Organic Community Garden Project Incorporated for the use and management of Harold Hodgson Reserve, Katoomba for a period of 5 years at a rental of \$10.00 per annum.”

(Minute No. 228, 27/5/97)

Other details of the agreement included:

- Allowing Blue Mountains Organic Community Garden Project Incorporated to use Harold Hodgson reserve in accordance with the Plan of Management (1994);
- Any charges relative to the community garden would be the responsibility of the Blue Mountains Organic Community Garden Project Incorporated;
- The project was required to take out Public Liability Insurance for \$5,000,000 for the period of the agreement;
- Blue Mountains Organic Community Garden Project Incorporated would be responsible for all maintenance associated with any building structures on the site;
- Blue Mountains Organic Community Garden Project Incorporated would be responsible for all cultivated gardens on the site;
- All works on the site to be in accordance with the Council's Sediment and Erosion Control Policy; and
- The leasor was to pay all outgoing expenses associated with the use of the site (including water, electricity, telephone and any other) and was to acquire public liability insurance.

The Development Application consent conditions included the requirement for on-site car parking as well as the construction of a toilet. The Council funded the construction of the carpark to the sum of \$30 000. The toilet was installed by group members with funding from Western Sydney Area Assistance Scheme. The five year lease was last renewed on 27 May 2002 with the rental increasing from \$10 to \$20 per annum and the amount of public liability insurance required to be purchased by the lessor rising to \$10,000,000. This later requirement has been financially challenging for the Blue Mountains Organic Community Garden Project Incorporated to meet.

2) Blackheath Community Garden

In 1997 a Blackheath resident approached the Blackheath Area Neighbourhood Centre (BANC) with a proposal to establish a community garden in Blackheath. In 1999 the Blackheath Community Gardens Steering Committee was established under the auspices of BANC to progress the project. With the assistance of Council staff, a review of possible land sites was undertaken. A site on a section of land within Whitely Park on the corner of Prince George Road and the Great Western Highway was identified as the preferred location for the garden.

In July 2001 the Council received a request from BANC for a license to establish and operate a community garden in part of Whitely Park, Blackheath. Whitely Park is Crown Land, dedicated as part of the Village of Blackheath under a Reserve Trust and the Council was gazetted as Trust Manager on 10/2/95. Any development on the site would be subject both to the approval of a Development Application and Council approval of a licence. The Department of Land and Water Conservation, which administers Whitely Park, indicated that it 'would be amenable to the proposed use of part of the reserve for a community garden'. The Department suggested that the use of a temporary licence, under the provisions of Section 108 of the Crown Lands Act (1989), granted by the Council as the Reserve Trust on behalf of the Crown, would be the most appropriate formal arrangement in the first instance.

Community consultation was a strong component of the overall development of this community garden project. A steering committee was established. A 'door knock' of all residences surrounding the area of the proposed site at Whitely Park was undertaken by the residents involved in the project with no adverse responses from local residents. An on-site 'open/information day' was conducted in September 2001. Over forty people visited the site

and expressed interest in helping or being involved in the project. A household and business survey was also carried-out across Blackheath to assess the broad level of support for the project. Around 2,500 survey forms were delivered to houses, businesses and post boxes in the Blackheath area and 578 were returned, a response rate of 23%, with the majority supporting the proposal. The public were further invited to comment on the Development Application for the project once the trial lease was signed.

At the Council meeting of December 2001 it was resolved unanimously:

“1. That Council support the proposal to establish a Community Gardens project in Blackheath on a two year trial basis and that a report comes back to Council at that time for consideration of a long-term licence arrangement subject to a satisfactory evaluation of the trial period.

2. That Council, as the Trust Manager of Whitely Park for the Department of Land and Water Conservation, enter into an initial 12 month licence arrangement with the Blackheath Area Neighbourhood Centre (on behalf of the Blackheath Community Gardens Steering Committee) to lease a portion of land in Whitely Park at the corner of Prince George Road and the Great Western Highway at Blackheath, for the purpose of establishing a Community Gardens.”

(Minute No. 571, 11/12/01)

In May 2003 a second one-year license was granted for the use of the land for a community garden. Minimal progress in the works program had been achieved up to that point so the licence was amended to clarify:

- That BANC is responsible for ensuring that the site is always maintained and presentable; and
- That significant progress is required to be made during the one-year license period in the development of the site.

The temporary lease of Whitely Park for the community gardens expired in May 2004, and the Development Consent expired July 2004. In December 2006 BANC were advised by the Council that they would need to lodge a Development Application in order to continue to use the site. BANC lodged a Development Application in February 2007. After reviewing this application the Council realised that it was invalid due to the lack of owner's (i.e. Department of Lands) consent on the application form. Further, site assessments and a review of the Development Application raised a number of concerns about the viability of extending the proposal. In particular that:

- Despite the strong initial public support for establishing the garden, there was a low level of community participation at the garden;
- The site was not very centrally located to major community facilities;
- The site's location adjacent to the Highway resulted in high public exposure of the gardens.
- The location provided little amenity or privacy for garden users and attracted attention (which was thought to be negative as the gardens were still in early stages of establishment);
- The lack of water supply to the site created significant challenges to establishing a garden; and
- The site contained impoverished soils not suitable for the establishment of a garden;

At the Council meeting in January 2008 it was subsequently resolved:

“1. That the Council, in response to advice from the Department of Lands, direct the Blackheath Area Neighbourhood Centre (BANC) to cease development of community gardens in Whitely Park.

2. That, after liaison with BANC, the Council receives a further report outlining the options for alternatives for the community gardens.”

(Minute No. 382, 29/01/08)

The Council has since met with BANC and agreed in principle to an alternative site, which is Reserve 44506 (for drainage purposes) at 31 Prince George Street Blackheath. This is Crown Land that currently has no trustee. The Council’s preferred way forward is to be granted trusteeship. The Council is currently actively seeking Trusteeship.

3) Previous Attempt to Establish a Community Garden in Lawson

In 2001 the Mid Mountains Neighbourhood Centre approached the Council wishing to establish a community garden. Two sites were investigated:

- The rear of the Council’s depot site in Loftus St Lawson – not recommended
- The rear of Mid Mountains Neighbourhood Centre, New St Lawson – recommended

A Statement of Environmental Effects and Land Use Application form was submitted by the Mid Mountains Community Gardens Steering Committee to the Council in December 2003.

In May 2004 the Mid Mountains Neighbourhood Centre was presented with conditions that would form an agreement to establish a community garden. These conditions required that:

- All activities associated with the garden are covered under the Neighbourhood Centre’s Public Liability and volunteer insurances, evidence to be provided to council annually;
- An OH&S plan for the operation of the garden be developed;
- Young people working in the garden are supervised by an adult at all times;
- Issuing of equipment be monitored and coordinated;
- All equipment is returned to storage after use;
- Any damage to the Council’s property resulting from garden activities is made good;
- The area is kept free of noxious and environmental weeds;
- In the event that the Community Garden Group cannot maintain the garden, the Neighbourhood Centre negotiate alternative arrangements with the Council for the use of the site or return the site to the Council in an approved condition, at no expense to the Council; and
- Advice be sought and liaison occur with Council staff on planting and maintenance issues.

The site of the Mid Mountains Neighbourhood Centre was identified on the Council’s adopted Lawson Town Centre Master Plan to be the site for a community garden - this was subsequently altered to be the site for a carpark. As a result of pressure from the community, the carpark location was then moved and the original site of the proposed community garden is currently unaccounted for. Since the Lawson township redevelopment process this project has not progressed.

Key Issues to be considered arising from past experience with development of community gardens in the Blue Mountains

Issues raised as a result of the Council’s experience with community gardens that would need to be considered in any future projects include:

- Establishing such gardens takes considerable time (in the case of the North Katoomba and Blackheath gardens many years) and Council resources in terms of staff time and financial support required to establish and maintain such initiatives;
- There are limited unconstrained and suitable sites available for use as community gardens – zoning and land title needs to be appropriate;
- Prohibitive costs (e.g. insurance) to community groups may make it difficult for them to participate in a garden over time;
- Investigating and supporting establishment of a community garden is likely to require significant input from a range of Council staff in the areas of environment/ parks and gardens, community development, assets, land use assessment;
- It is difficult to ensure an ongoing community interest in participating in a garden throughout its life. Both Katoomba and Blackheath community gardens have experienced periods of very low participation and it is reasonable to weigh up the opportunity costs and benefits associated with the Council supporting development of any more gardens;
- The aims and purpose of the garden must be established early on (i.e. is it primarily for education and demonstration purposes or is it to grow produce for participants or to sell);
- There may be other ways to achieve desired outcomes that do not necessarily involve establishment of a community garden – these may be more cost effective and benefit larger numbers of residents e.g. identification and use of demonstration gardens owned by existing organisations/ individuals – see also other alternative /educational food garden initiatives outlined in *Appendix 1*; and
- Careful consideration needs to be given to the best management structure for overseeing a community garden (if it is developed) to ensure it is effective and the project remains viable over time.

More general information about challenges and issues that may arise with the establishment of community gardens is provided in *Appendix 2*.

Preliminary Process and Generic Timeline for Investigating Possible Establishment of a Community Garden in Lawson

The following table outlines a preliminary process and generic timeline for assessing costs, benefits and options for possible development of a community garden in Lawson. As highlighted above, the Council needs to consider the opportunity cost of deploying limited staff and financial resources to this type of project against other priorities. The process outlined below aims to assess benefits against costs and also consider whether there might be more cost effective ways of achieving the aims of the project once they have been clarified with stakeholders.

Task	Time Required*
Investigate a range of models for implementing / managing community garden projects – and assess their associated costs and benefits to Council and the community	2 months
Consult with key stakeholders and general community in the Mid Mountains regarding need /demand for establishment of a community garden in Lawson. Consultation to:	2 months

Task	Time Required*
<ul style="list-style-type: none"> - Clarify purpose / aims of project - Assess potential number of participants in a community garden in Lawson - Seek input on possible site locations - Seek input on possible management models - Depending on project aims, seek input on most cost effective and sustainable ways to address project aims <p>Consultation methods to possibly include Gazette article / focus groups/ survey/ and meetings with key stakeholders</p>	
<p>Complete assessment of possible options, sites and management models – assess benefits and costs and report to Council on the outcomes</p>	<p>2 months</p>

**Based on 2-day per week sustainability officer having to also undertake other sustainability projects at the same time as this project.*

Sustainability Assessment (Triple Bottom Line Reporting):

As this report only provides background information on community gardens and the proposed approach to addressing the Notice of Motion, only a brief sustainability assessment has been provided. A more detailed sustainability assessment would be provided as part of further investigations into the possible establishment of a community garden in Lawson.

Effects	Positive	Negative
<p>Environmental</p>	<ul style="list-style-type: none"> • Educating about living more sustainably. 	<ul style="list-style-type: none"> • Potential for weed infestation.
<p>Social</p>	<ul style="list-style-type: none"> • Responding to community request/need. • Provide a place for social interaction, learning and sharing. 	<ul style="list-style-type: none"> • Unless well managed can have some negative social impacts.
<p>Economic</p>	<ul style="list-style-type: none"> • Provide community with skills to grow their own food and subsidise food expenses. 	<ul style="list-style-type: none"> • Significant costs to Council in staff time to investigate and support the establishment of a new community garden that may only benefit small numbers of residents – issue of opportunity cost. • There may be more cost effective ways to address project objectives that do not involve establishment of a single community garden. • Costs of infrastructure, equipment, set-up and insurances to council and / or community.

Financial implications for the Council

Experience at Blackheath and North Katoomba community gardens indicates that there are likely to be significant financial implications for the Council in terms of staff time involved in

investigating and supporting establishment of and ongoing maintenance of a new community garden. These costs would need to be more fully assessed and considered against potential benefits as part of further investigations into the possible establishment of a community garden in Lawson.

Legal and risk management issues for the Council

The legal and risk management issues associated with possible establishment of a Community Garden at Lawson would be outlined in a detailed report to the Council following further investigations into the possible establishment of a community garden in Lawson.

External consultation

To be implemented as part of investigations into the possible establishment of a community garden in Lawson.

Conclusion

The community interest in food gardening and sustainable food is growing. However, there are number of issues to be considered in relation to establishing a community garden and a number of models and options that need to be considered. It is recommended that the Council note the background information in this report.

It is also recommended that any further investigation into establishing a community garden at Lawson (as outlined in the preliminary process and generic timeline in this report) be considered for possible inclusion as a project in the 2009-2010 Management Plan, as part of the organisational business planning process. Councillors will have the opportunity to consider annual projects for inclusion in the 2009-2010 Management Plan at the 25 February Councillor Workshop.

* * * * *