

A1.	DEVELOPMENT APPLICATION 106/09 FOR A PROPOSED SUBDIVISION TO EXCISE (1) LOT FOR THE PURPOSE OF AGRICULTURE	3
A2.	SUBDIVISION CERTIFICATE APPLICATION 148/09 FOR A PROPOSED FIVE (5) LOT SUBDIVISION.....	4
A3.	REVIEW OF THE SWIMMING POOLS ACT 1992	6
A4.	ACCREDITATION OF COUNCIL BUILDING SURVEYORS.....	7
A5.	APPLICATION TO VARY CLAUSE B14.12.9 OF DEVELOPMENT CONTROL PLAN 2001	7
A6.	HERITAGE STRATEGY ANNUAL REPORT FOR 2008 – 2009 FOR OBERON COUNCIL	9
A7.	DESIGNATED DEVELOPMENT APPLICATION 50/09 FOR A CONCRETE BATCHING PLANT	10
A8.	JOINT REGIONAL PLANNING PANELS.....	11
B1.	OBERON SES CONTROLLER	13
B2.	PROPOSED CASUAL STAFF RECRUITMENT	13
B3.	FEES FOR COUNCILLORS AND MAYORS	14
B4.	OBERON MEN’S SHED.....	15
B5.	EVENTS COMMITTEE MEETING	16
B6.	LIBRARY COMMITTEE MEETING	16
B7.	DRAFT MANAGEMENT PLAN	17
B8.	CEMETERY COMMITTEE REPORT.....	22
B9.	OBERON HIGH SCHOOL – REQUEST FOR DONATION.....	22

This is Page No. 1 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

B10. INTERNAL AUDIT COMMITTEE	23
B11. BLUE MOUNTAINS TOURISM LIMITED – REPRESENTATIVE REPORT	35
B12. COMMUNITY INFRASTRUCTURE SURVEY.....	35
M1. HERITAGE COMMITTEE MEETING MINUTES	36
M2. TIMBER HERITAGE WALK COMMITTEE MEETING MINUTES	37

This is Page No. 2 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

**A1. DEVELOPMENT APPLICATION 106/09 FOR A PROPOSED SUBDIVISION TO
EXCISE (1) LOT FOR THE PURPOSE OF AGRICULTURE
Staff Report to the 16 June 2009 Ordinary Meeting
File No. PR21.760 & PR21.990
Prepared by Jaclyn Burns on 27 May 2009**

Applicant: Mr. J. P. Kelleher (Owner)
Property: Lots 1 and 2 in DP 114847 & Lot 1 in DP 1130702, 990 Gingkin Road, Oberon

Reason for Submission to Council

On the 21 May 2009 Council staff received a Subdivision Certificate Application (10.2009.106.2) for the excision of one lot for the purpose of agriculture subject to compliance with the Conditions of Consent attached to Development Application 106/09.

Condition 4. Restriction as to the Use of Land requires:

"The provision of a public positive covenant / restriction as to user with Council as nominee in accordance with Section 88 of the Conveyancing Act placing restriction on user relative to proposed Lot 10 that:

- a. *No dwelling house, cottage, other erection or construction or otherwise for the purpose of or capable of use for habitation purposes shall be erected, maintained or allowed to remain upon the land hereby burdened.*
- b. *No person shall dwell or remain in any dwelling house, cottage, other erection or construction or otherwise for the purpose of or capable of use for habitation purposes upon the land hereby burdened.*

Reason: - *To ensure that suitable notice is provided to indicate that no dwelling entitlement exists on the burdened land/s."*

Essentially, the 88B Instrument restricts the construction or placement of a dwelling on the land in accordance with Clause 12 of Oberon Local Environmental Plan 1998 as the land owner has exhausted all his available excised lots under former Clauses 13 and 14 in previously approved subdivisions (**Attachment A1a**).

Staff have reviewed the document and found it to be in order and now request Council to affix the Council Seal to the 88B Instrument.

This is Page No. 3 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

Recommendation:

That the Common Seal of Oberon Council be affixed to the 88B Instrument for Mr. J. P. Kelleher in relation to Development Application 166/09 and Subdivision Certificate 10.2009.106.2 for the excision of an Agricultural Lot at Lots 1 and 2 in DP 114847 and Lot 1 in DP 1130702, 990 Gingkin Road, Oberon.

**A2. SUBDIVISION CERTIFICATE APPLICATION 148/09 FOR A PROPOSED FIVE (5) LOT SUBDIVISION
Staff Report to the 16 June 2009 Ordinary Meeting
File No. PR22.176
Prepared by Jaclyn Burns on 28 May 2009**

Applicant: Mr. J. Hogan (owner)
Property: Lot 12 in DP 864260, "Gainsford", 176 Titania Road, Oberon

Reason for Submission to Council

On the 8 May 2009 Council received a Subdivision Certificate Application 148/09 associated to Development Application 66/05 and Modification Application 130/07 for the excision of five (5) lots.

Condition 8 regarding a caveat was attached to the development consent on the request of the applicant for the DA. Accordingly condition 8 was imposed and reads as follows (**Attachment A2a**):

8. Caveat

Prior to the release of a Subdivision Certificate, submission of evidence of registration of a Caveat over Lot 4, DP 864260, which requires that fencing and tree buffers referred to in conditions 3 and 7 of this Consent, be completed prior to the sale of a lot in the subdivision of Lot 4.

REASON: To ensure that fencing and buffer requirements are met prior to change of ownership.

Conditions 3 and 7 are reproduced below:

3. Fencing

Fencing of the boundaries of the proposed lots in accordance with the approved plans and specifications. Construction Certificate approval is required for this work, unless the fencing meets the Exempt Development criteria of Oberon Development Control Plan 2001.

This is Page No. 4 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

The enclosed Rural Fencing Certification Form shall be completed and returned to Council after all work has been completed prior to or with the application for a Subdivision Certificate.

REASON: To ensure rural boundary fencing as proposed in the application and of a suitable standard is provided to avoid disputes between adjoining property owners and to contain stock within each property.

7. Provision of Buffer

A Buffer Management Plan shall be submitted to Council for the proposed buffer area between the building envelope shown in the site plan and the Southern and Western boundaries of the existing dwelling on proposed Lot 5. Approval of the Plan and its implementation is required prior to the submission to Council of the Subdivision Certificate application.

REASON: To meet the design requirements of the subdivision and comply with Part B.14.12.9 of the Oberon Development Control Plan 2001 which requires the provision of suitable buffers between any dwelling site and the boundary of Class 1, 2 or 3 prime crop and pasture land.

Essentially the Caveat restricts the sale of proposed Lot 4 unless Conditions 3 and 7 are complied with thus enabling the applicant to register his subdivision without completing all the required works.

Staff have reviewed the document and found it to be in order and now request Council to affix the Council Seal to the caveat.

Recommendation:

That the Common Seal of Oberon Council be affixed to the caveat for Mr. J. Hogan in relation to Subdivision Certificate application 148/09 for a five (5) Lot Subdivision at Lot 12 in DP 864260, "Gainsford", 176 Titania Road, Oberon.

This is Page No. 5 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

A3. REVIEW OF THE SWIMMING POOLS ACT 1992
Staff Report to the 16 June 2009 Ordinary Meeting
File No. D52.1
Prepared by Ralph Tambasco on 1 June 2009

The Department of Local Government (DLG) has been conducting a review of the Swimming Pools Act 1992.

The Act review recommended that the scope, form and content of the current Act be retained subject to a number of amendments to improve clarity.

It also identified a range of issues requiring further consideration, including removing existing exemptions for pool barriers, mandatory inspections of pools requiring Council's to keep a pool register, increasing penalties for non-compliance, and giving Council's the power to undertake remedial work on pool fencing.

As these issues have significant implications for pool owners and Council's and because there are a number of ways some of these issues could be addressed, an Options Paper has been prepared. The Options Paper also includes a number of suggestions that have been brought to the DLG's attention since the review was completed. These suggestions include compulsory CPR training for pool owners and further restriction of access to spa pools by young children.

The Report of the Review of the Swimming Pool Act 1992 and the Options Paper are available on the DLG website at www.dlg.nsw.gov.au.

In parallel with this review, the Swimming Pool Regulation 2008 was re-made on 1 September 2008. It calls up the latest Australian Standard for pool barriers, which includes new requirements for non-climbable zones, mesh sizes for fences, retaining walls that form part of a barrier and balconies that project into the pool area.

Any options that receive a reasonable level of support will require a cost-benefit analysis before determining if they should progress to legislation.

Recommendation:

That the information be received and noted.

This is Page No. 6 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

A4. ACCREDITATION OF COUNCIL BUILDING SURVEYORS
Staff Report to the 16 June 2009 Ordinary Meeting
File No. D52.1
Prepared by Ralph Tambasco on 1 June 2009

Councillors will recall that a detailed Confidential Report dealing with the above matter was referred to Council's 17 March 2009 Ordinary Meeting.

Following the recent exhibition of proposed changes to introduce the accreditation of Council Building Surveyors and the consideration of submissions received from stakeholders the Building Professionals Board has been given additional time to consult with Council's and other industry stakeholders on options to address concerns raised.

Recommendation: That the information be received and noted.

A5. APPLICATION TO VARY CLAUSE B14.12.9 OF DEVELOPMENT CONTROL PLAN 2001
Staff Report to the 16 June 2009 Ordinary Meeting
File No. PR150.29
Prepared by Jaclyn Burns on 2 June 2009

Applicant: McLachlan Homes Pty Ltd
Owner: Mr. G. Evans c/- Mr. J. Evans and Ms. K. Russell
Premises: Lot 213 & 214 in DP: 757068, 29 Homeward Bound Avenue, Oberon
Zone: Rural 1(a)

Reason for the Submission to Council:

On the 5 May 2009 Council Staff received Development Application 144/09 for the construction of a single storey dwelling 30 metres from the western boundary of Lot 213, in DP 757068, 29 Homeward Bound Avenue, Oberon (**Attachment A5a**).

Accordingly to enable determination of the Development Application the land owner has requested a variation to Clause B14.12.9 of Development Control Plan 2001 (DCP 2001) in their letter received with the Development Application (**Attachment A5b**).

The Proposal

The position and location of the proposed dwelling on lot 213 is limited by the undulating nature of the land. Whilst the owner could build further away from the western boundary to meet the requirements of DCP 2001, this would require significant earthworks and also would place their proposed septic tank and disposal trench in close proximity to the drainage channel which is evident from the photos.

This is Page No. 7 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

The effected adjoining landowner to the west has been notified of the reduced setback and whilst Council staff do not envisage any objections from land leased by the Department of Lands the notification period expires on 22 June 2009.

Lots 213 and 214 (once consolidated) form a vacant original holding with a dwelling potential approved under Development Application 108/06. Accordingly under clause 18 (1) (a) of Oberon Local Environmental Plan 1998 (OLEP), a dwelling may be erected on a vacant original holding. Clause 18 (1) (b) (i) of the LEP states as follows:

“(b) the dwelling is not erected within, or within 100 metres of the high water mark of a water body listed in Schedule 1 and

(i) is not less than 150 metres from the boundary of any adjoining lot which is being used for agricultural activity, if that lot is prime crop and pasture land, unless a buffer between the dwelling and the boundary of that lot is provided in accordance with the provisions of Development Control Plan 2001.”

Clause B14.12.9 of DCP 2001 deals with dwelling setbacks in the Rural 1(a) Zone and states, inter alia:

“A buffer of 150 metres is to be provided between the nearest external wall of any proposed dwelling and the boundary of an adjoining or adjacent lot, allotment, portion or parcel of land comprising Class 1, 2 or 3 prime crop and pasture land (as defined by the Oberon LEP 1998). The distance may be reduced to 50 metres if a Buffer Management Plan (BMP) incorporating acceptable natural/or artificial buffers between the proposed dwelling and the adjoining agricultural lands is submitted to and approved by Council and implemented to the satisfaction of Council prior to the occupation of the dwelling and issue of the Occupation Certificate.”

Ralph Tambasco and myself conducted a site inspection on 21 May 2009 which revealed the following:

- a) The proposed site for the dwelling is the most favoured owing to the existence of a natural drainage depression immediately to the east of the dwelling site. The dwelling would encroach onto this drainage depression if it had to be constructed at a distance of 50 metres from the western boundary.
- b) A large proportion of the Class 3 agricultural land adjoining the site to the west would not be suitable for agricultural purposes due to fairly dense vegetation cover.
- c) The applicant is required to construct a vegetation buffer along the western boundary in accordance with a Buffer Management Plan.

This is Page No. 8 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

- d) There appears to have been very little agricultural activity on adjoining land owing to the vegetation, with the only agricultural activity being grazing of stock. Therefore the proposed vegetation buffer between the building envelope and the adjoining land will be more than adequate to allow the adjoining property owner to continue his agricultural activities without the issue of land use conflicts.

As the application is compliant with all other aspects of both the LEP 1998, DCP 2001, Planning for Bushfire Protection 2006 and a Geotechnical Investigation has been submitted for on-site wastewater disposal, staff consider that the application should be supported by Council.

Recommendation:

That the request to vary clause B14.12.9 of Development Control Plan 2001 as part of Development Application 144/09 for Mr. G. Evans to allow a dwelling to be constructed on Lots 213 and 214 in DP 757068, 29 Homeward Bound Avenue, Oberon at a distance of 30 metres from the western boundary of the lot be approved.

**A6. HERITAGE STRATEGY ANNUAL REPORT FOR 2008 – 2009 FOR OBERON COUNCIL
Staff Report to the 16 June 2009 Ordinary Meeting
File No. D52.7
Prepared by Ralph Tambasco on 5 June 2009**

As part of Council's Heritage Management Program it is a requirement of the funding agreement with the Heritage Branch, Department of Planning, that Council prepares and adopts an annual report in respect of the implementation of Council's Heritage Strategy. The report is prepared in conjunction with Council's Heritage Advisor to identify achievements and shortfalls in accordance with the Heritage Branch "Strategy Annual Report Template for 2007 – 2008 to 2008 – 2009".

The Heritage Strategy Annual Report addresses the achievements / shortfalls of Council's Heritage Management activities from the current financial year, and identifies Council's direction for heritage management for the following financial year.

The draft Heritage Strategy Annual Report for the period 2008 – 2009 is attached (**Attachment A6**).

Recommendation:

That Council adopt the 2008 – 2009 Heritage Strategy Annual Report and that a copy of the report be referred to the Heritage Branch of the Department of Planning.

This is Page No. 9 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

A7. DESIGNATED DEVELOPMENT APPLICATION 50/09 FOR A CONCRETE BATCHING PLANT

Staff Report to the 16 June 2009 Ordinary Meeting

File No. E38.4

Prepared by Jaclyn Burns on 9 June 2009

Property: Lot 6 in DP: 1095426, Hawken Street, Oberon
Proposal: Construction of a Concrete Batching Plant
Zone: 2(v) Village
Applicant: Moorhead Engineering Pty Ltd

Reason for Submission to Council:

On 17 October, 2008 Council received a Designated Development Application under Part 4 of the Environmental Planning and Assessment Act, 1979. The application has been assessed by Consultant Town Planner, Mr. Anthony Daintith, of Anthony Daintith Town Planning, in accordance with legal advice received regarding a potential conflict of interest in consideration that Oberon Council owns the land subject to the Development Application and the sale of the land is subject to Development Consent being granted.

During the assessment of the Designated Development Application and associated Environmental Impact Statement (**Attachment A7a**) Mr Daintith advised Council staff of a number of items requiring clarification, including two (2) items that require a variation to Development Control Plan 2001 (DCP 2001), in respect to Car parking and Landscaping. Council's subsequent letter to the applicant is enclosed as **Attachment A7b**. Please note a copy of the Environmental Impact Statement will be made available for Councillors at the meeting for their information.

Despite numerous attempts by staff to receive the required information from the applicant it was Council's correspondence (**Attachment A7c**) that prompted the applicant to respond.

Accordingly on 3 June 2009 a request was received by the applicant to formally vary clause D4.4 of DCP 2001. (**Attachment A7d**)

Discussion:

Clause D4.4 of the DCP 2001 states as follows:

D4.4 Car parking:

"The development will be required to provide for car parking at the rear of the development site in accordance with Councils Parking Code".

This is Page No. 10 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

Car parking is unable to be provided at the rear of the development due to the significant vehicle manoeuvring areas required for the development, and as such has been provided to the front of the building.

In consideration of the minor nature of the variation requested, the fact that the proposal is sited in the Industrial Area and will not adversely detract from the visual amenity of the area and is considered satisfactory by the Engineering Department, the following recommendation is made.

Recommendation:

That Council give delegation to the Director of Development to vary Clause D4.4 of Development Control Plan 2001 to allow the car parking area to be provided at the front of Lot 6 in DP: 1095426, Hawken Street, Oberon as requested by the applicant for Designated Development Application 50/09.

**A8. JOINT REGIONAL PLANNING PANELS
Staff Report to the 16 June 2009 Ordinary Meeting
File No. D52.1
Prepared by Ralph Tambasco on 10 June 2009**

By letter, dated 5 May 2009, the Honourable Kristina Keneally MP, Minister for Planning, advised all Council's of the NSW Government's intention to establish Joint Regional Planning Panels (JRPP's) to determine development proposals of regional significance. Proposals that will be determined by JRPP's include:

- a) Commercial, residential, retail and tourism with a capital investment value (CIV) of between \$10 million and \$100 million.
- b) Public and private community infrastructure and ecotourism with a CIV of more than \$5 million e.g. schools, community halls, libraries, e.t.c.
- c) Designated Development i.e. development under Schedule 3 of the Environmental Planning and Assessment Act, 1979 (involves development that is subject to an Environmental Impact Statement).
- d) Certain major coastal developments.
- e) Projects with a CIV over \$5 million where Council is the proponent or has a conflict of interest.

Development Applications for projects classed as regional development will be assessed by Council staff. The Council officer's assessment and recommendations will then be referred to a JRPP for determination.

This is Page No. 11 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

Six regions are proposed to cover metropolitan and regional areas of NSW. Initially, it was only proposed to appoint JRPP's in five of the six regions, with the functions of the JRPP in the Western Region (which includes the Oberon Local Government Area (LGA)) being undertaken by the Planning Assessment Commission.

JRPP's will be comprised of 3 members appointed by the Minister for Planning, and 2 members appointed by Council's to participate in JRPP development and planning matters in their particular LGA.

By letter, dated 3 June 2009, (received by Council on the 9 June 2009), the DoP has advised that JRPP will now be established for each Council in the Western Region.

Therefore Council is now invited to nominate 2 members, and an alternate member, to sit on a JRPP to determine required development applications in our LGA.

Requirements of Council Members

At least one Council nominee is required to have expertise in one or more of planning, architecture, heritage, the environment, urban design, land economics, traffic and transport, law, engineering or tourism.

In addition to the above level of expertise, the selection criteria will include:

- Senior level experience in dealing with multiple stakeholders.
- High level communications skills.
- Capability to drive high profile outcomes in a credible and authoritative manner.
- High level analytical skills, and
- Knowledge of the assessment of complex developments and planning matters.

Alternate Member

The State Government also requests Council's to nominate an alternate member who could replace a Council nominee if unavailable. The alternate member must also meet the above selection criteria.

Support and Training

Prior to the commencement of the JRPP, the DoP will conduct information sessions for Council staff, stakeholders and the community. Person's appointed as panel members will be required to attend a training program that will be developed by the DoP.

This is Page No. 12 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

Attached is an Information Package for Council Nominees (**Attachment A8**). Councillor Hooper has indicated that he wishes to seek Council nomination for membership of the appropriate joint regional planning panel.

Recommendation: That:

- a) Council nominate Councillors Hooper and _____ as Council's members to sit on the Western Region Joint Regional Planning Panel to determine regional development applications in the Oberon Local Government Area.
- b) Council nominate Councillor _____ as the Alternate Council member to sit on the Western Regional Joint Regional Planning Panel to determine regional development applications in the Oberon Local Government Area in the event that a Council nominee is unavailable.

B1. OBERON SES CONTROLLER
Staff Report to the 16 June 2009 Ordinary Meeting
File No. A3.5.2
Prepared by Leigh Robins on 20 May 2009

The Regional Controller of the SES has requested (**Attachment B1**) that Council support Mr James Young's reappointment as Volunteer Controller for the Oberon SES Unit.

Recommendation:

That the reappointment of Mr. James Young for a two year period from 1 August 2009 to the position of Volunteer Controller for the Oberon SES Unit be supported.

B2. PROPOSED CASUAL STAFF RECRUITMENT
Staff Report to the 16 June 2009 Ordinary Meeting
File No. C19.1
Prepared by John Chapman on 28 May 2009

At the Special Council Meeting held on 5 February 2009, it was resolved "*That there be no staff replacements without prior approval of Council.*"

While it is not intended to actually replace staff, this report recommends Council's approval to seek applications for a casual position (or positions) to relieve existing staff within the Corporate Services Department, specifically to facilitate service to the community in the event of unplanned sick leave etc. The areas to be covered are the finance and accounting section, the Visitor Information/Community Technology Centre and the Library.

This is Page No. 13 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

In recent years, a “pool” of casual staff has been maintained to provide relief at the Visitor Information/Community Technology Centre and Library. Casual staff have been utilised to assist with filling “gaps” at the Information Centre when rostered staff are unable to attend – this is necessary to ensure the ongoing maintenance of the required opening hours of the Visitor Information Centre (7 days a week except Christmas Day), in accordance with the accreditation criteria. The same casual staff have been utilised to fill “gaps” at the Library in emergencies (eg unplanned sick leave) if existing staff are unable to extend their hours. Recent movements in staff and the approval for extended leave for a key Visitor Information Centre staff member have resulted in the depletion of the pool of casual staff available. Additionally, recent developments indicate that there will be a requirement for a period of extended sick leave for a staff member within the finance and accounting section, which will result in the requirement for additional casual assistance.

Employment of the subject casual staff is generally only as a result of unplanned sick leave taken by permanent staff. As provision is made in the budget for sick leave for permanent staff, provision for employment of the subject casual staff is effectively included in the budget.

Appointment of the casual staff will therefore have no effect on the budget.

Recommendation:

That the General Manager be authorised to proceed with the recruitment of casual staff for relief within the Corporate Services Department.

B3. FEES FOR COUNCILLORS AND MAYORS
Staff Report to the 16 June 2009 Ordinary Meeting
File No. A1.2.3
Prepared by John Chapman on 1 June 2009

Advice has been received from the Local Government & Shires Association (**Attachment B3**) that the Local Government Remuneration Tribunal has determined the annual fees for Councillors and Mayors for the 2009/2010 financial year.

The Tribunal sets a minimum and maximum fee, and Council may determine the fee anywhere within the range. Oberon Council is classed as Rural in the revised categories.

This is Page No. 14 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

The fees currently paid and the fees determined for 2009/2010 are summarised as follows:

	<u>Councillors</u>	<u>Mayor</u>
Paid 2008/2009	\$ 9,000	\$ 19,600
Maximum Allowable	\$ 9,060	\$ 19,790
Council Draft Budget 2009/2010	\$ 9,189	\$ 20,000
Increase over 2008/09 Actual	2.10%	2.04%
<u>Remuneration Tribunal Determination 2009/2010</u>		
Minimum Payable	\$ 7,040	\$ 7,480
Maximum Payable	\$ 9,290	\$ 20,280
Increase over 2008/09 Determination	2.48%	2.42%
Increase over 2008/09 Actual	3.12%	3.35%

Recommendation

That the annual fee for Councillors and the Mayor for 2009/2010 be determined.

B4. OBERON MEN'S SHED
Staff Report to the 16 June 2009 Ordinary Meeting
File No. A3.3
Prepared by Bruce Fitzpatrick on 2 June 2009

The Oberon Men's Shed has been operational for approximately 12 months and became incorporated on 12 May 2009. The Oberon Men's Shed is currently working to restore an old pavilion at the Oberon Showground which will then become the permanent Men's Shed. The Men's Shed meets once per week on a Tuesday at 10.00 am.

By letter, dated 15 May 2009 (**Attachment B4a**), the Oberon Men's Shed has written seeking financial assistance to provide a small working capital while the group endeavours to raise funds to allow current projects to proceed.

Staff have assessed the request, and believe it complies with Council's Financial Assistance Policy. Council currently has \$803 available in its annual donations budget.

Recommendation:

That a donation of \$_____ be provided to the Oberon Men's Shed to assist with establishment costs.

This is Page No. 15 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

B5. EVENTS COMMITTEE MEETING
Staff Report to the 16 June 2009 Ordinary Meeting
File No. A2.5
Prepared by John Chapman on 4 June 2009

The Events Committee meeting scheduled for Tuesday 2 June 2009 did not proceed as a formal meeting due to a lack of sufficient numbers to form a quorum. However, discussions were held based upon matters contained in the agenda and it was agreed that a staff report would be prepared for consideration by Council in relation to matters considered to require determination by Council prior to the next meeting of the committee. A copy of the minutes of the meeting is attached for Council's information (**Attachment B5**).

It was noted that the Oberon Vintage and Collectors' Club Inc is concerned at some deficiencies associated with infrastructure at the Showground and the option of alternative sites for the 2010 Highlands Steam & Vintage Fair is being considered.

It is proposed by the Events Committee to organise music based events (to include the villages) on a suitable weekend to close the 2010 Oberon & Villages Summer Festival. It will be necessary to seek assistance from community members/groups to assist with the co-ordination of the music events.

Recommendation: That:

1. Council provide assistance to the Oberon Vintage and Collectors' Club Inc in identifying a suitable site for the 2010 Highlands Steam & Vintage Fair.
2. Council assist to encourage the community to co-ordinate a music event (facilitated by Council) for the official closing of the 2010 Oberon & Villages Summer Festival.

B6. LIBRARY COMMITTEE MEETING
Staff Report to the 16 June 2009 Ordinary Meeting
File No. A2.8
Prepared by John Chapman on 31 March 2009

The Library Committee meeting scheduled for Tuesday 2nd June 2009 did not proceed as a formal meeting due to a lack of sufficient numbers to form a quorum. However, discussions were held based upon matters contained in the agenda and it was agreed that a staff report would be prepared for consideration by Council in relation to matters considered to require determination by Council prior to the next meeting of the committee. A copy of the minutes of the meeting is attached for Council's information (**Attachment B6**).

It was noted that a letter of resignation from the committee had been received from Mr. Malcolm Graham and it was considered that it is necessary to seek a replacement community delegate or delegates as soon as possible.

This is Page No. 16 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

It was noted that, due to the fact that it is known that at least two members will not be available on the scheduled date for the next meeting of the committee (4th August 2009), together with the fact that the resignation from Mr. Graham has been received, it would be appropriate to defer the next meeting of the committee to Tuesday 1st September 2009.

Recommendation: That:

1. The resignation of Mr Malcolm Graham from the Library Committee be accepted and a letter of appreciation be forwarded to Mr Graham.
2. Expressions of interest from the community be invited for appointment to the Library Committee, and
3. The next meeting of the Library Committee be re-scheduled to be held on Tuesday 1st September 2009, commencing at 3.30pm.

B7. DRAFT MANAGEMENT PLAN
Staff Report to the 17 June 2009 Ordinary Meeting
File No. C15.5
Prepared by Toni Dwyer on 1 Jun 2008

The Draft Management Plan, Fees & Charges and Budget/Estimates have been on display for the required 28 days, with submissions closing on Friday 12th June, 2008. To date the following submissions have been received;

1. FEES AND CHARGES

Received from Director of Development, Ralph Tambasco

During the advertising period the Director of Development became aware of changes required to the Fees & Charges advertised. The relevant fees are detailed in section 14, on page 10 of the Draft Fees and Charges. The recommended changes are;

From

Approval to operate Caravan Park, or camping ground	\$ 5.00
Minimum Fee	\$100.00
Approval to operate primitive camping ground	\$ 5.00
Minimum Fee	\$ 80.00
Application for approval to operate a manufactured home estate (per site)	\$ 6.00
Minimum Fee	\$ 90.00
Application for renewal of an approval or for annual inspection of Caravan Park, camping ground or manufactured home estate	\$ 5.00
Minimum Fee	\$ 90.00

This is Page No. 17 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

To

Operate Caravan Park or Camping Ground - Section 68 (F.2) of LGA

Application for New Caravan or Camping Ground

Approval to operate caravan park, camping ground or manufactured home estate

per site **\$5.00 per site or \$500.00, whichever is the lesser**

(does not include State Government levy of \$2.70 per site)

Application for Primitive Camping Ground

Approval to operate primitive camping ground

per site **\$5.00per site or \$550, whichever is the lesser**

(does not include State Government Levy of \$2.70 per site)

Manufactured Homes Estate

Application for approval to operate a manufactured home estate

per site **\$7.00**

Minimum fee

\$90.00

Fees for annual Inspections of Caravan parks, Camping Grounds and manufactured Home Estates

Application for renewal of an approval or for annual inspection of caravan park,

camping ground or Manufactured Home Estate

per site **\$7.00**

Minimum fee

\$90.00

2. PRESENTATION OF BUDGET/ESTIMATES

Received from the Director of Corporate Services

The Local Government Code of Accounting Practice and Financial Practice and Financial Reporting, Update 17 states that Councils must prepare on an annual basis, a detailed statement of income and expenditure (budget) on an accrual basis presented to Council on both type/item and function/activity basis before commencement of the new financial year (1 July). These must be consistent with that shown in the Income Statement, and also in activity format consistent with that shown in Note 2a. Consequently, the statements are provided in **Attachment B7a**.

This is Page No. 18 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

Recommendation:

1. That the following fees be adopted.

Operate Caravan Park or Camping Ground - Section 68 (F.2) of LGA

Application for New Caravan or Camping Ground

Approval to operate caravan park, camping ground or manufactured home estate

per
site

**\$5.00 per site or
\$500.00,
whichever is the
lesser**

(does not include State Government levy of \$2.70per site)

Application for Primitive Camping Ground

Approval to operate primitive camping ground

per
site

**\$5.00per site or
\$550,
whichever is the
lesser**

(does not include State Government Levy of \$2.70per site)

Manufactured Homes Estate

Application for approval to operate a manufactured home estate

per
site

\$7.00

Minimum fee

\$90.00

Fees for annual Inspections of Caravan parks, Camping Grounds and manufactured Home Estates

Application for renewal of an approval or for annual inspection of caravan park,

per
site

\$7.00

camping ground or Manufactured Home Estate

Minimum fee

\$90.00

2. That the presentation of estimates in a type/item and function/activity be noted.
3. That the following **General Fund** ordinary rates for 2009/2010 be made:

Farmland – a base amount of \$175.00, producing 15% of the total amount payable for the category, and an ad valorem amount of 0.2088 cents in the dollar, on all rateable assessments categorised as farmland.

Residential – a base amount of \$160.00, producing 42% of the total amount payable for the category, and an ad valorem amount of 0.2837 cents in the dollar, on all rateable assessments categorised as residential.

This is Page No. 19 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

Business – a base amount of \$230.00, producing 35% of the total amount payable for the category, and an ad valorem amount of 0.3750 cents in the dollar, on all rateable assessments categorised as business.

Residential Rural – a base amount of \$165.00, producing 28% of the total amount payable for the category, and an ad valorem amount of 0.1855 cents in the dollar, on all rateable assessments categorised as residential rural.

Non-Urban Centres of Population – a base amount of \$225.00, producing 41% of the total amount payable for the category, and an ad valorem amount of 0.2466 cents in the dollar, on all rateable assessments categorised as non-urban centres of population.

4. That the following **Town Improvement Fund** special rates for 2009/2010 be made on all rateable properties within the Oberon Town area:

Residential – an ad valorem amount of 0.2676 cents in the dollar on all rateable land in the town improvement area categorised as residential.

Business – an ad valorem amount of 0.6504 cents in the dollar on all rateable land within the town improvement area categorised as business.

Farmland – an ad valorem amount of 0.2149 cents in the dollar on all rateable land within the town improvement area categorised as farmland.

5. That the following **Waste Water (Sewerage) Service** charges for 2009/2010 be made:

- a) A charge of \$361.00 for all residential properties accessible to the waste water system, consisting of an access charge of \$100.00 and a usage charge of \$261.00.
- b) An access charge for all non-residential properties accessible to the waste water system, levied in accordance with the size of the water meter for the respective property, as follows:

Meter Size	Charge (\$)
20 mm (¾")	\$ 100.00
25 mm (1")	\$ 156.00
30 mm (1¼")	\$ 225.00
38 mm (1½")	\$ 361.00
50 mm (2")	\$ 625.00
80 mm (3¼")	\$1,600.00
100 mm (4")	\$2,500.00
150 mm (6")	\$5,625.00

This is Page No. 20 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

- c) A usage charge of \$1.19 per kilolitre for all non-residential properties accessible to the waste water system, based upon the estimated volume discharged into the waste water system utilising total water consumption figures, together with the SDF (Sewage Discharge Factor) determined for each property.
6. That the following **Water Service** charges for 2009/2010 be made:
- a) A base charge of \$117.00 and a consumption charge for water of \$1.23 per kilolitre.
- b) A special levy to be applied to each water meter, to be set aside for the payment of the water treatment plant at Oberon, as follows:

Meter Size	Charge (\$)
20 mm (¾")	\$ 100.00
25 mm (1")	\$ 156.00
30 mm (1¼")	\$ 225.00
38 mm (1½")	\$ 361.00
50 mm (2")	\$ 625.00
80 mm (3¼")	\$1,600.00
100 mm (4")	\$2,500.00
150 mm (6")	\$5,625.00

and any other meter size to be charged in accordance with the formula of the radius squared in mm x \$1.00.

7. That:
- a) The following **Domestic Waste Management** charges for 2009/2010 be made:
- | | |
|---|--------------------|
| Vacant Land | \$10.00 per annum |
| A 240 litre bin weekly collection service | \$137.00 per annum |
- b) The following **Non-Domestic Waste Management** charges for 2009/2010 be made:
- | | |
|---|--------------------|
| A 240 litre bin weekly collection service | \$137.00 per annum |
|---|--------------------|
8. That the Management Plan as advertised for 2009/2014, subject to the above amendments and incorporating the adopted Fees & Charges and Budget, be adopted.

This is Page No. 21 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

B8. CEMETERY COMMITTEE REPORT
Staff Report to the 16 June 2009 Ordinary Meeting
File No. A2.20
Prepared by Bruce Fitzpatrick on 5 June 2009

The Oberon Council Cemetery Committee has prepared a report outlining its activities over the last eight months since the last report (**Attachment B8**).

The committee has visited all the Council cemeteries and made lists of names, dates etc for plaques for most of these cemeteries. O'Connell and Isabella have not had plaques ordered as yet and the list for Porters Retreat has not been fully completed.

Plaques have been ordered and received for the Black Springs and Shooters Hill cemeteries. Installation of plaques at the Oberon Cemetery is nearing completion and once a final inspection has been carried out an invitation will be issued to Councillors and Staff to meet at the Oberon Cemetery to carry out an inspection of the work completed by the Cemetery Committee.

The Committee has requested that Council again write to the Register of Deaths with regard to representatives from the committee visiting the Register of Deaths office in Sydney to gain access to their records of the original Hartley Register which is missing from Lithgow. A response has not been received to Council's previous requests regarding this matter.

Recommendation

That a letter be written to the Register of Deaths requesting that representatives from the Oberon Council Cemetery Committee be authorised to visit the Register of Deaths office in Sydney to view records of the original Hartley Register which has been lost from Lithgow.

B9. OBERON HIGH SCHOOL – REQUEST FOR DONATION
Staff Report to the 16 June 2009 Ordinary Meeting
File No. A3.3
Prepared by Bruce Fitzpatrick on 5 June 2009

Oberon High School has written to advise of its programs for 2009 for which it seeks financial support (**Attachment B9**).

There are three programs which seek financial assistance through this request and these are as follows:

This is Page No. 22 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

Scholarship program:

- 2 awards to Stage 4 for an incoming Year 6 student from each of Oberon High Schools partner schools.
- 2 awards to students in Stage 4 (Years 7 and 8)
- 3 awards to students in Stage 5 (Years 9 and 10)
- 4 awards to students in Stage 6 (Years 11 and 12)

Scholarships are held in trust for use against school expenses, such as excursions, uniforms, fees and materials required for courses.

Presentation Night Awards

Awards are presented at the Annual Presentation night for academic achievement, sport and citizenship.

School Magazine Sponsorship:

The school magazine is produced annually. Oberon High School offers Magazine sponsorship as follows:

- \$100 purchases a half page advertisement and a copy of the magazine.
- \$50 purchases inclusion of a business card sized advertisement and a copy of the magazine.

In previous years, Council has provided financial assistance to all schools (\$100 each in 2008) in the local government area for annual presentation night awards. \$803 remains unspent in the donations budget for 2008/2009, while a total of \$11,700 has been provided in the draft budget for 2009/2010.

Recommendation:

Submitted for Council's consideration.

B10. INTERNAL AUDIT COMMITTEE
Staff Report to the 16 June 2009 Ordinary Meeting
File No. C15.1 & A1.1.2
Prepared by Bruce Fitzpatrick on 5 June 2009

The following report has been prepared by CENTROC, proposing a regional approach to the development of an Internal Audit Function for Council.

This is Page No. 23 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

It makes recommendations in two key areas:

1. The setting up of an Internal Audit Committee
2. Council joining with other members of Centroc in seeking internal audit services regionally where an Expression of Interest undertaken has identified that an aggregated purchase will provide benefits in terms of information sharing and cheaper prices

Background

Parkes Shire Council approached Central NSW Councils (Centroc) requesting a regional approach be taken to introduce internal audit to Councils.

Centroc represents members include Bathurst Regional, Blayney, Boorowa, Cabonne, Cowra, Forbes, Harden, Lachlan, Lithgow City, Oberon, Orange City, Parkes, Upper Lachlan, Weddin, Wellington and Young Councils and Central Tablelands County Council.

One of the organisation's aims is to develop programming to reduce costs to Councils.

Consequently, Centroc was asked to issue an Expression of Interest (EoI) where General Managers of the region sought information on whether there:

- were companies who were prepared to provide internal audit services in the region
- was benefit to undertake internal audit across a number of Councils

Accordingly the brief for the EoI was developed that sought maximum flexibility in service delivery across a number of Councils. The brief is available upon request.

Ten responses were received from:

- AECIA
- BDO Kendall
- Deloitte
- IAB Services
- Morse Group
- Oakton
- Pitcher Partners
- RSM Bird Cameron
- Stamfords
- Water Turnbull

Of these eight were strong with sound experience in the government sector.

This is Page No. 24 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

These responses were given a brief assessment where the purpose of the assessment was to ascertain if it was possible to deliver flexible, affordable and professional internal audit services to members, rather than to undergo a selection process of an expression of interest with a view to appointment. Responses are available upon request.

The General Managers Advisory Committee of Centroc directed that member Councils be requested to identify their commitment to a full tender process.

The balance of this report provides advice regarding the nature and cost benefit of this commitment.

About Internal Audit

- **What is Internal Audit?**

Internal Audit examines the way an organisation does business and provides advice accordingly. As an audit function it needs to be separate from the rest of the organisation either through being a separate function within Council or brought in as a service from outside Council, alike the external auditors who sign off on our annual accounts each year.

In the first instance, an internal audit committee and internal auditor are appointed. The Department of Local Government provides guidelines for how this is to occur and this is outlined further into the report.

An Internal Audit Plan is then developed. Processes within Council are then examined and advice is provided back through the internal audit committee to Council. Examples of processes are fleet management, procurement processes, the use of contractors and debt recovery.

The internal audit can help with identifying fraud, ensure compliance and outline ways to do things more cheaply and efficiently. The Council must then put into place the processes to ensure the improvements suggested. The internal audit function can then review how the improved processes are tracking.

- **Why Should Council engage in Internal Audit?**

Firstly, internal audit helps protect the organisation from fraud, ensure compliance and identify ways to do things more cheaply and efficiently.

Secondly, a consequence of the Department of Local Government periodic reviews of Councils is a list of expectations for organisational improvement. The inclusion of internal audit appears as a consistent feature in recommendations to Councils and follow-up by the Department of Local Government has been the circular on internal audit that is paraphrased below.

This is Page No. 25 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

Meeting the direction of Department of Local Government (DLG) for Internal Audit functions to be incorporated into Council business

Two key recommendations of the DLG circular are:

1. The inclusion by Councils of an internal audit function which can be either purchased as a staff member or bought in as consultancies, some Councils around the State are employing staff across a number of Councils
2. The implementation of an internal audit committee whose membership includes one to two elected representatives, independent community members and attendance by the General Manager or nominee in observer status

Appointing an internal auditor

The Department of Local Government provides the following advice regarding the appointment of a full time or part time internal auditor:

2.4.1. Appointment of Full-Time or Part-Time Internal Auditor

Ideally the internal auditor should be an independent position reporting directly to the Audit Committee and administratively to the General Manager, with no other operational or management responsibilities. The role and duties and a sample position description are described in more detail in the appendices.

Depending upon the size and complexity of the organisation, councils may consider appointing an internal auditor or internal audit team. The appointment could be full-time or part-time personnel and may be staffed by more than one auditor if the size of the council demands. Position descriptions should be set for internal audit staff and should identify required qualifications and competencies, including:

- *Proficiency in applying internal audit standards, procedures and techniques*
- *Proficiency in accounting principles and techniques*
- *An understanding of management principles required recognising and evaluating the significance of deviations from good business practices*
- *An appreciation of fundamental concepts in areas such as accounting, economics, commercial law, taxation, finance, quantitative methods and IT*
- *Effective interpersonal skills*
- *Skills in oral and written communication*
- *Ability to identify key issues in any area under review*
- *Ability to influence senior management as and when required.*

This is Page No. 26 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

2.4.2 Outsourced or co-sourced function

Providing that independence requirements are adhered to, councils can contract their internal audit function to private sector accounting firms or internal audit service providers. If this is the preferred option, then councils need to ensure that the service provided is for a professional internal audit service and not an extension of the financial assurance based external audit.

Councils should note that outsourcing or co-sourcing the internal audit function does not abrogate the council's responsibility to oversee and manage the internal audit function.

In monitoring the performance of the internal audit services provided by accounting firms, councils need to ensure that an appropriately qualified auditor is conducting the internal audit. To ensure an effective and comprehensive internal audit program, contracted internal auditors should have authority to independently set an ongoing audit program, which is not constrained by a narrow scope of audit coverage pre-determined by management.

A co-sourced function is one where a staff internal auditor supplements audit services with an outsourced internal audit service provider. An outsourced internal audit function is one where the service provider assumes all the responsibilities of the internal audit function.

Several options are set out below:

- *Private sector accounting firms – most large accounting firms have specialist internal audit divisions, which provide a good service. Internal audit is a specialised skill and hence councils are advised to only use firms who have a specialised internal audit division.*
- *Boutique firms – a number of boutique firms exist that specialise in internal audit services.*
- *Internal audit contractors – there a range of experienced internal audit contractors available for this sort of work.*
- *NSW GTE - IAB Services is a State Government agency that provides internal audit services to the public sector.*

Each of these options will have their advantages and can be appropriate for different circumstances. The advantages of using external providers include: flexibility; access to a wide range of expertise; ability to access the service as and when required. Disadvantages include loss of corporate knowledge and possible increased costs.

The NSW State Contracts Control Board has compiled a panel of qualified internal audit service providers at competitive rates through a competitive tender process. Councils are able to access this panel to save them time and effort in the procurement process and are encouraged to do so.

2.4.3 Regional or Inter-Council Sharing of Internal Audit Resources

Councils are also encouraged to consider resourcing their internal audit function via collaborative arrangements with other councils or through a regional organisation of councils (ROC).

A ROC or some other body (such as a strategic council alliance) could agree to jointly employ or contract an appropriately qualified internal auditor. This may have benefits in terms of cross-council benchmarking, reduction in travel costs and access to a bigger resource pool than would be available to a single council.

This is Page No. 27 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

Each council should nevertheless establish its own independent audit committee and the internal auditor would need to report separately to each council, maintaining confidentiality. A funding model could be established that shares the costs on a user-pays basis between participating councils, with internal audit costs based on an agreed cost sharing basis.

Under this model, the appointed internal auditor would prepare an audit plan for each council, based on individual council requirements. There will be some common systems and shared knowledge and tools, such as audit planning, risk assessment, audit programs and procedures.

A small team of internal auditors directed by a suitably qualified and experienced auditor could be appropriate for serving several smaller councils in adjacent local government areas. This model should result in lower audit costs compared to councils employing separate internal auditors or consultants at various management levels.

Risk assessments and annual audit plans need to be designed with input from senior management of each of the participating councils. The internal audit team will need to retain a high degree of independence from management in the planning and conduct of audits. The reporting framework will need to ensure the independence of the audits and confidentiality of findings. The internal auditor should report directly to the General Manager and the Audit Committee of each council.

As can be seen from this advice, there are options for Council to consider regarding internal audit services and the Department of Local Government recognises that through Centroc providing the architecture for the initiative that “*This may have benefits in terms of cross-council benchmarking, reduction in travel costs and access to a bigger resource pool than would be available to a single council.*”

As also advised above, Councils can tackle internal audit support either through:

- employing staff
- bringing in specialist consultant support
- a combination of both

General Managers from Forbes, Cowra and Harden gave consideration to these options and thought it best to go for the provision of services from an accredited expert because:

1. Commitment to employing an individual full time at this stage is seen as a risk as Councils are in the “learning phase” and may not benefit from staffing
2. There were concerns regarding suitably qualified staff availability turnover
3. It would be a challenge to structure a shared employee across Councils where there is insufficient knowledge about how internal audit will work
4. Independent, expert advice from established internal audit services is seen as beneficial as the project gets on its feet
5. As independence is a key feature of this initiative this can be best achieved by buying in specialist services
6. Review of this approach in three years at the end of the contract period may show a better way forward

This is Page No. 28 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

As advised earlier, Centroc has taken this on board and undergone an Expression of Interest process.

Advice regarding the Expression of Interest (Eoi) proffered by Centroc

Costings for various combinations of Councils ranging from stand alone to support for the full suite of all members were requested, as was an hourly and daily rate. Where all figures are inclusive of GST:

- Blended rates (blending the hourly rate of the senior and junior personnel in the percentages assumed for the service delivery) for service come in at between \$1500-\$2000 per day
- Strategic work would cost a minimum of \$7,500 per Council
- The **minimum** for a quarterly internal audit program that assumes a number of Councils working consecutively on similar programming is \$20,000
- Tenderers typically noted Councils having limited capacity to pay, cited regional deals and suggested lower levels of service, for example only two audits per year

From the above it is clear that these services are available, can be purchased at an hourly rate and members wishing to be involved should be prepared for about \$20,000pa. **Based on Eoi advice, it is hoped this expenditure will buy the strategic work, attendance at audit committees and three to four audits per year.** With greater work undertaken to design programming better advice on price can be provided. Advice from respondents to the Eoi suggests that the more Councils involved the lower the price to each will be.

It is suggested the buy in be for three years to get Council internal audit well established.

Further, the benchmarking and shared opportunities of working across a number of Councils are recognised by companies providing internal audit services and should be realised in a regional approach.

It is recommended that Council advise Centroc it is prepared to commit to a three year internal audit process at \$20,000 per year.

Setting up the internal audit committee

The DLG is looking for internal audit committees that are independent from the operational side of Council. As can be seen from the quote below, a balance between Councillors and independent members is sought.

This is Page No. 29 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

It is recommended that the format for Councils Internal Audit Committee be:

- The Mayor or nominee
- 2 independent members where skills in internal audit will be sought

The internal auditor and General Manager or nominee also attends.

4.3. Structure and Membership

The structure and membership of an audit committee in the NSW local government environment will depend on the size of the council. Membership should have a balance of independent members and councillors, with between 3 and 7 members. Good practice in governance is for council staff not to be members of the committee. However, this may not be practical for some councils. The chair should be an independent member. A suggested membership is:

- 1 or 2 councillors
- 2 or 3 independent members, at least one with financial expertise and one of whom should be the chair.

The internal auditor should attend all meetings, as should the General Manager and the Chief Financial Officer. The external auditor should also be invited to attend as an independent advisor.

A suggested structure for smaller councils is as follows:

- 1 councillor – eg, Mayor or Deputy Mayor
- 2 independents – at least one with financial expertise and one of whom could be from a nearby council
- 2 staff members with observer status – eg, the General Manager or representative and the Chief Financial Officer.

A structure for bigger councils could be:

- 1 or 2 councillors – eg, Mayor or Deputy Mayor and perhaps one other
- 2 or 3 independents – at least one with financial expertise and/or one with financial, legal or business expertise
- 2 staff members with observer status – eg, the General Manager or representative and the Chief Financial Officer.

The audit committee should also have its own charter that sets out the roles and responsibilities of the audit committee and its oversight of the internal and external audit functions, including any statutory duties. The elected council should approve the audit committee charter.

An example charter for audit committees is included in Appendix 2. Councils should not use this example verbatim but should tailor it according to their specific circumstances.

Generally, the audit committee should meet at least four times a year. It is also appropriate to have meetings dedicated to considering the annual external audit plan, external management letters and council's audited annual financial reports. Where significant issues arise during the year, committees should consider the need to schedule additional meetings.

This is Page No. 30 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

4.4.2. Functions

Clear roles and responsibilities should be given to an audit committee, and documented in the audit committee charter (see Appendix 2 for a model charter). The broad responsibilities for best practice include the following:

- *Risk management*
- *The control framework*
- *External accountability (including the council's annual audited financial reports)*
- *Legislative compliance*
- *Internal audit*
- *External audit*
- *Approving the internal audit charter that will guide the activities of an internal audit group*
- *Having input into and approving an internal audit's long-term strategic plan and annual audit plan*
- *Having input into the appointment and remuneration of the internal auditor*
- *Making enquiries of management and the internal audit to determine if there are scope or budgetary limitations that impede an internal auditor's ability to function properly*
- *Approving the scope of an external assessment or equivalent internal assessment of internal audit to be undertaken every 5 years.*

An audit committee, as a crucial component of corporate governance, is fundamental to assisting the General Manager and council with their oversight function to:

- *Ensure all key controls are operating effectively*
- *Ensure all key controls are appropriate for achieving corporate goals and objectives*
- *Meet their statutory and fiduciary duties*
- *Provide a forum for discussing problems and issues that may affect the operations of the internal audit group and acting as a forum for discussion*
- *Provide a forum for discussion to identify areas worthy of examination by an internal audit group*
- *Review the implementation of the annual audit plan and implementation of audit recommendations.*

The 53 page document then goes into some detail on risk management and the role of the internal audit function in tackling this. The nexus between internal audit and enterprise risk management is outlined below.

- **Steps in setting up the internal audit committee – regional support**

General Managers from the region have provided advice that it may be possible for Councils to use the same independent members across grouping of Councils. This would increase the expertise and capacity of the independent members and provide information sharing possibilities for the various committees. Should Council resolve to set up a committee it is recommended that Centroc be requested to try and deliver shared independent members.

This is Page No. 31 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

Should Council resolve to set up an internal audit committee, the next steps are:

1. Deciding on remuneration for independent members
2. Advertising for positions
3. Adopting a charter
4. Developing an internal audit plan
5. Progressing internal audits

1. Deciding on remuneration for independent members

Advice from Councils underway with this process suggests that between \$200 and \$300 per meeting for independent members is reasonable.

It is recommended that Council provide meeting fees of \$200 for independent members.

2. Advertising for positions

Support from Centroc can be sought for assistance in this area.

3. Adopting a charter

4. Developing an internal audit plan

5. Progressing internal audits

The engagement of the internal audit services through the regional deal suggested above buys the strategic work necessary to progress internal audit as well as internal audits themselves.

For more information, the DLG Guidelines can be requested, as they are 53 pages long, viewing them on the web is an option at

<http://www.dlg.nsw.gov.au/dlg/dlghome/documents/Information/08-64%20Internal%20Audit%20Guidelines.pdf>

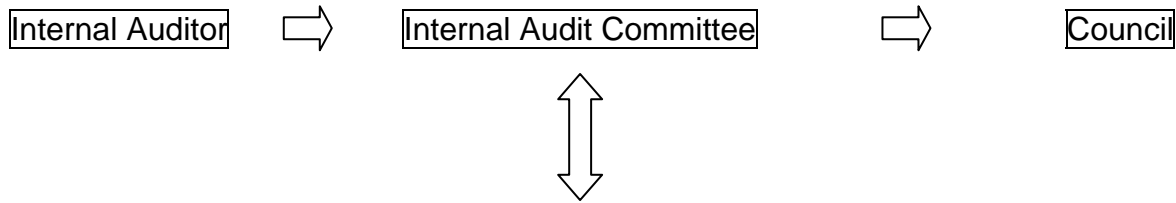
Internal audit and enterprise risk management

There is a clear connection between internal audit and enterprise risk management and to maximize the benefit of internal audit, consideration of growing Council capacity in enterprise risk management should also be undertaken. It is clear that enterprise risk management will be a critical feature of any operational programming to deliver on real improvements of internal controls for the organisation. This includes the development of a risk management function inside Councils and recognizes that managing risk is an all-of-Council activity, not unlike OH&S.

Further, close work inside Councils in risk management should help keep the direct costs in the internal audit program facilitated by the paid services as outlined above, to a minimum.

Reporting between Council, the internal audit committee and those responsible for enterprise risk management inside Council would be along the following lines.

This is Page No. 32 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.



Conflicts of interest

Given that independent members being sought may have connections with the internal audit company engaged to provide services, care should be taken to ensure no conflicts of interest.

Monitoring this throughout the process with advice provided back to Council is recommended.

Financial and resourcing impacts

As advised above, \$20,000 per annum for three years is the commitment to progress a regional internal audit program.

All administrative and tendering support for this project is provided by Centroc staff and the compliance and cost savings team of General Managers or their nominees.

Two independent audit committee members being engaged with meeting fees of \$200 per meeting assuming quarterly meetings as commended by the DLG is \$1600 per annum.

There will be further resourcing impacts on staff time to provide support material and advice to the internal audit function.

Options

There are a number of options at Councils disposal for progressing internal audit.

- Council could employ a staff member part time or full time.
- Council could collaborate with nearby Councils and employ a full time or part time employee.
- Council could engage the services of specialist internal auditors through tender “going alone.”

This is Page No. 33 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

The WBC Alliance has provided advice that they are looking at auditing each other. This is another possibility. Staff training will need to occur such that Council can have confidence when reporting on its internal audit function. This will come at a cost both in terms of training and taking staff away from their usual role. This approach also does not offer the level of independence bringing these services in should assure. The risks here are that staff move on, it takes time achieve a level of competency to assure the internal audit function where the DLG makes the following commentary:

Position descriptions should be set for internal audit staff and should identify required qualifications and competencies, including:

- *Proficiency in applying internal audit standards, procedures and techniques*
- *Proficiency in accounting principles and techniques*
- *An understanding of management principles required recognising and evaluating the significance of deviations from good business practices*
- *An appreciation of fundamental concepts in areas such as accounting, economics, commercial law, taxation, finance, quantitative methods and IT*

Given that a professional and truly independent service will provide a sound basis for developing internal audit services in the first instance, it is recommended that Council take part in the regional tender to engage internal audit services from established service providers in this sector.

Conclusion

The DLG have provided direction that Council develop an internal audit function. While compliance with this is expected, there are ways in which Council can benefit from internal audit and tackle it in as inexpensive a way as possible.

Central NSW Councils has offered support to engage professional service through a regional tender and provide assistance with setting up internal audit committee.

Recommendation: That Council

1. Take part in the three year internal audit tender through Centroc.
2. Commit \$20,000 pa as its contribution to an internal auditor.
3. Request Centroc seek a tender that provides advice on costings for a 'minimal' approach, a service that provide up to four audits per year and the cost of 'extra services'.
4. Seek support from Centroc for setting up internal audit committees and where possible share independent members across Councils.
5. Nominate the Mayor as the Council committee member.
6. Receive advice regarding any conflicts of interest in this process.
7. Advise Centroc of its decision.
8. Receive a report updating progress on this initiative.

This is Page No. 34 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

B11. BLUE MOUNTAINS TOURISM LIMITED – REPRESENTATIVE REPORT
Staff Report to the 16 June 2009 Ordinary Meeting
File No. P73.1
Prepared by Bruce Fitzpatrick on 9 June 2009

A report has been provided by Mr Wayne Cooper, Oberon Council's elected representative on the Board of Blue Mountains Tourism Limited (BMTL) regarding the May Meeting of BMTL (**Attachment B11**).

At the May meeting of the BMTL, the board accepted in principal a report by John King on the review of the structure of the organisation. The report will be discussed in detail at the June board meeting and further information will be provided following the meeting.

Mr. Cooper advised that the report as it stands will, if adopted, fulfil Oberon's objectives of a separation of the function of the Regional Tourism Organisation (RTO) from the Blue Mountains City Council. The board has changed the logo of the RTO to "Blue Mountains, Lithgow and Oberon Tourism".

Tourism Awards are again being held in early August, with Jenolan Caves House being a possible venue for this year's award ceremony.

Recommendation:

That the information be received and noted.

B12. COMMUNITY INFRASTRUCTURE SURVEY
Staff Report to the 16 June 2009 Ordinary Meeting
File No. A3.11 & E34.9.1
Prepared by Bruce Fitzpatrick on 9 June 2009

Council, at its 19 May 2009 Ordinary Meeting resolved as follows:

"That the community be consulted in regards to providing funds to repay any necessary borrowings for inclusion of community infrastructure program in council's future asset management plans."

It also resolved:

"That the proposed Library/Community Centre Co-located Facility at the existing site as set out in the consultants recommendation be included in the costing for consultation with the community."

This is Page No. 35 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

and;

“That the proposed Multi-Purpose Sporting Complex and the additional cost of enclosing the swimming pool and renovating the existing pool amenities be included as separate items for inclusion in the costing of capital repayment and operating costs for consultation with the community.”

and further;

“That the proposed format and wording of the survey be approved by council and that the survey be carried out of ratepayers.”

In accordance with Councils resolutions staff have obtained a cost quotation and timetable for a ratepayer survey to be carried out to assist in determining priorities for capital investment in Oberon.

The Western Research Institute has provided a costing and timetable, and this is attached for Council’s consideration (**Attachment B12**). Further quotes have been sought and will be tabled at the meeting.

Recommendation:

Submitted for Council’s consideration.

**M1. HERITAGE COMMITTEE MEETING MINUTES
Staff Report to the 16 June 2009 Ordinary Meeting
File No. A2.22
Prepared by Ralph Tambasco on 2 June 2009**

The minutes of the Heritage Committee Meeting held on 1 June 2009 are attached (**Attachment M1a**).

Recommendation: That:

1. The Heritage Committee meet with the consultant to assist with formulating boundaries to define the O’Connell Urban Conservation Area, and
2. The list of items of European heritage in the new LEP be based upon the current listing with the addition of the weatherboard bakery building adjacent to the O’Connell Hotel and the National Trust registered O’Connell Anzac Memorial Avenue.
3. The draft Heritage Policy as per **Attachment M1b** be adopted.

This is Page No. 36 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor

M2. TIMBER HERITAGE WALK COMMITTEE MEETING MINUTES
Staff Report to the 16 June 2009 Ordinary Meeting
File No. A2.27
Prepared by Ralph Tambasco on 3 June 2009

The minutes of the Meeting held on 1 June 2009 are attached (***Attachment M2***).

Recommendation:

That the information be received and noted.

Submitted,

Bruce Fitzpatrick
GENERAL MANAGER

This is Page No. 37 of the Staff Report as presented to the duly convened Ordinary Meeting of Oberon Council to be held at the Council Chambers, Oberon on Tuesday, 16 June 2009 commencing at 5.30 pm.

General Manager

Mayor