



# **WALGETT SHIRE COUNCIL**

## **AGENDA**

**16 December 2008**

**RAY KENT**  
*General Manager*



8 December 2008

Walgett Shire Council  
PO Box 31  
WALGETT NSW 2832

**NOTICE IS HEREBY GIVEN** that the Ordinary Meeting of Walgett Shire Council will be held on Tuesday 16 December in the **Walgett Shire Council Chambers commencing at 10.00AM.**

## **AGENDA**

### **1. Opening of Meeting**

### **2. Acknowledgement of Traditional Owners**

I would like to acknowledge the traditional owners of the lands within the Walgett Shire and I would also like to acknowledge the Aboriginal and Torres Strait Islander people who now reside within this Shire.

### **3. Apologies**

### **4. Welcome to Visitors**

### **5. Public Forum Presentations**

*(Limited to five minute presentations, and must relate to items listed within the Business Paper)*

### **6. Declaration of Pecuniary/Non Pecuniary Interests**

### **7. Confirmation of Minutes**

### **8. Reserve Trust Management Committee Reports**

### **9. Mayoral Minutes**

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4. Debt Recovery Update – Coeman/Walgett Spectator .....
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**19. Close of Meeting**



**WALGETT SHIRE COUNCIL**

**MINUTES**

**25 November 2008**

*RAY KENT*  
*General Manager*



## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

#### MINUTES OF THE MEETING OF THE WALGETT SHIRE COUNCIL HELD AT THE BURREN JUNCTION RSL CLUB ON TUESDAY 25 NOVEMBER 2008 COMMENCING AT 10.00am

#### PRESENT

Clr I Woodcock (*Mayor*)  
Clr G Colless (*Deputy Mayor*)  
Clr R Greenaway  
Clr J Keir  
Clr M Martinez  
Clr L Walford  
Clr G Murray  
Mr R Kent (General Manager)  
Ms C Medcalf (Director Corporate & Community Services)  
Mr I Taylor (Director Rural Infrastructure & Support Services)  
Mr F Coralde (Director Urban Infrastructure)  
Miss H Lovegrove (Minute Secretary)

#### APOLOGIES

Clr K Smith  
Clr D Lane  
Mr M Goodwin (Director of Planning and Regulatory Services)

#### 234/08 Acceptance of Apologies

##### Motion:

That the apologies of Councillor's Smith and Lane be noted and leave of absence granted for the November Council meeting.

**MOVED:** Clr Greenaway  
**SECONDED:** Clr Keir

**CARRIED**

#### Public Forum Presentations

##### Mr Brett Stevens – Burren Junction Precinct Committee

Mr Stevens spoke on numerous issues including

- Street Sealing
- Playground Equipment
- Pedestrian Crossings
- The Bore Baths
- The Fire Shed
- Removal of Athol Pines
- Tree Planting

Mr Stevens provided his notes for circulation

WALGETT SHIRE COUNCIL MINUTES

**235/08 Burren Junction Bore Baths**

**Motion:**

That the flow at Burren Junction Bore Baths be increased for one month.

**MOVED:** Clr Murray

**SECONDED:** Clr Martinez

**CARRIED**

**Ms Jill Roughley** – Country Womens Association

Ms Roughley spoke on the Country Womens Associations Bush Bursary

**Mr Jack Baker** – Walgett Ratepayer Association

A note from Mr Baker was read and discussed the following:

- General Council closedown between Christmas and New Year
- Postponing the Agenda until the December meeting

**Declaration of Pecuniary/Non Pecuniary Interests**

Clr Greenaway declared an interest in:

- Item 16, as he is a member of the Castlereagh Macquarie County Council
- Item 17, as his partner has an interest

Clr Keir declared an interest in Item 17

Clr Woodcock declared an interest in Item 16, as he is a member of the Castlereagh Macquarie County Council

Clr Colless declared an interest in

- his Notice of Motion as he is a lessee at the Saleyards
- Item 19

Clr Walford declared an interest in Item 16

**236/08 Confirmation of Minutes**

**Motion:**

That the minutes be confirmed with the following change:

Clr Lane asked the following question:

1. Can reflectors be placed on the tree on Lorne Road

**MOVED:** Clr Murray

**SECONDED:** Clr Martinez

**CARRIED**

## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

#### 237/08 Mayoral Minute – CWA Request for Funding

**Motion:**

1. That \$3000 be allocated from the 2008/2009 budget to the Barwon Group of CWA Medical Scholarship Scheme.
2. That \$500 be given to the Walgett CWA Branch towards the cost of the Senior Citizens Christmas Lunch.
3. That the contributions to the CWA listed in 1 & 2 be indexed inline with the movement in rates and included in the draft budgets of Council for the balance of this Council's term.
4. That a \$1500 contribution to the Rural Doctors Network Medical Scholarship Scheme be considered in the 2009/2010 draft budget of Council

**MOVED:** Clr Greenaway

**SECONDED:** Clr Murray

**CARRIED**

#### 238/08 Mayoral Minute – End of Year Dinner

**Motion:**

That the Mayor be authorized to host an end of year dinner for Councillors, senior staff and partners in accordance with the proposal outlined in the Minute.

**MOVED:** Clr Colless

**SECONDED:** Clr Keir

**CARRIED**

#### 239/08 Mayoral Minute – Donation for Carols in the Park

**Motion:**

1. That a donation of \$100.00 be made to St Peters Anglican Church for Carols in the Park.
2. That the Mayor be delegated authority to donate an amount to cover the hire fees for any other church which applies for a donation for a similar event within the Shire

**MOVED:** Clr Keir

**SECONDED:** Clr Martinez

**CARRIED**

Meeting adjourned for morning tea at 11:06am

Meeting resumed at 11:37am

Clr Colless left the meeting at 12:03pm

Clr Colless rejoined the meeting at 12:05pm

## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

#### 240/08 Mayoral Minute – Regional and Local Infrastructure Grant

**Motion:**

That:

1. The General Manager circulate to Councillors a schedule of potential projects for ranking
2. A report be presented to the December Council meeting detailing the ranking and costing of projects including the following:
  1. Playground Equipment across the Shire
  2. Primitive camping grounds for Walgett and Collarenebri
  3. Burren Junction Bore Baths development
  4. Skate Parks across the Shire
  5. Hot Water for the Lightning Ridge Swimming Pool
  6. Replace of Athol Pine Tress
  7. Historic Walk for Carinda

**MOVED:** Clr Colless

**SECONDED:** Clr Murray

**CARRIED**

#### 241/08 Motions of which Notice has been given

**Motion:**

That Council carry out the Saleyard's maintenance detailed in the attached letter from Clemson Hiscox & Co of 5/11/2008 subject to available funding and recommend any uncompleted maintenance be considered for Council's 2009/2010 budget.

**MOVED:** Clr Greenaway

**SECONDED:** Clr Murray

**CARRIED**

**Motion:**

That the Shire Road 64 (Mission Road from the Kamillaroi Highway to the Castlereagh Highway) be maintained to the Wimbledon mailbox.

**MOVED:** Clr Greenaway

**SECONDED:** Clr Colless

**CARRIED**

## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

**Motion:**

That a report be presented to the next Council Meeting on the Policy, Procedures, Practices and Guidelines governing Council Investments.

**MOVED:** Clr Murray

**SECONDED:** Clr Keir

**CARRIED**

**Motion:**

After each Council meeting, a media release be issued of the minutes and discussion for local newspapers, newsletters and general population.

**MOVED:** Clr Murray

**SECONDED:** Clr Keir

**CARRIED**

**242/08 Castlereagh Macquarie County Council****Motion:**

That the minutes be noted

**MOVED:** Clr Greenaway

**SECONDED:** Clr Murray

**CARRIED**

**243/08 Mid Term meeting of the Western Division of the Shires Association****Motion:**

1. That the minutes be noted
2. The Secretary of the Western Division be advised that the Minutes need to be amended to record the attendance of Deputy Mayor Geoffrey Colless and Acting General Manager Carole Medcalf

**MOVED:** Clr Colless

**SECONDED:** Clr Murray

**CARRIED**

## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

#### 244/08 Council Planning Day – Preparation of Community Strategic Plan

**Motion:**

1. A Council Planning Day be held in the Council Chamber on Tuesday 10<sup>th</sup> February 2009 commencing at 10.00 am and concluding at 4.30 pm
2. The Agenda for the Day be as generally outlined in the Report
3. The Mayor and General Manager be authorised to engage a Facilitator for the Planning Day

**MOVED:** Clr Walford

**SECONDED:** Clr Keir

**CARRIED**

#### 245/08 “C” Division Conference of the Shire Association

**Motion:**

That:

1. The report be received
2. A motion be placed before the Conference requesting that the Shires Association undertake a review of the number and membership of Divisions

**MOVED:** Clr Greenaway

**SECONDED:** Clr Murray

**CARRIED**

#### 246/08 Walgett Community College Review

**Motion:**

A letter be sent to the Minister and Director General stating that Council does not object to the proposed model and suggesting that the model could be further improved by having Walgett TAFE brought under the same management as the High School, Primary School and Pre-School

**MOVED:** Clr Murray

**SECONDED:** Clr Martinez

**CARRIED**

## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

#### **247/08 Dates for December Council Meeting and Xmas New Year Administration Close Down**

**Motion:**

1. The December Ordinary Meeting of Council be held on Tuesday 16th and the General Manager publicise the changed date for the Ordinary Meeting.
2. With the exception of essential operations and emergency services, the outdoor operations of Council be closed from Monday 22nd December 2008 to Friday 2nd January 2009 inclusive and the Administration be closed from Thursday 25th December to Friday 2nd January inclusive.
3. The General Manager publicise the close down dates and advise residents of emergency and essential service arrangements during the close down period.

**MOVED:** Clr Walford

**SECONDED:** Clr Keir

**CARRIED**

**248/08 Precinct Committees**

**Motion:**

1. General guidelines relating to Precinct Committees be as follows:
  - (i) Committees only to be established if eight or more members of the community from different family groups within the area of the Committee express an interest in establishing, and becoming members of, the Committee
  - (ii) Committees must elect a Chairperson and Secretary annually
  - (iii) Councillors should not be members of Committees
  - (iv) Must be an Annual General Meeting of the Committee when all residents within the area invited to attend
  - (v) Any resident of an area is entitled to attend any meeting of the Committee for the area
  - (vi) Committees should meet a minimum six times a year and generally each meeting should be held in a different month
  - (vii) Committees are responsible for advising residents of meetings
  - (viii) A quorum for any meeting of the Committee is half the number of members plus one
  - (ix) There must be an Agenda for each meeting and the Minutes for each meeting must be forwarded to Council
  - (x) Council will provide Committees with: Agendas and Minutes of all Council Meetings; publicly exhibited documents; press releases
  - (xi) Council will provide each Committee with an annual grant of \$500 to cover the cost of convening and conducting meetings, photocopying, postage, telephone and related
2. The Secretaries of the existing Precinct Committees at Carinda, Burren Junction, Collarenebri and Rowena be advised of Councils resolutions in respect of this subject and further advised that Council will provide an initial grant of \$250 to each Committee to assist them to conduct an Annual General Meeting prior to May 2009 at which, among other things, a Committee would be established that satisfied the general guidelines
3. The Secretary of the Walgett District Ratepayers Association be advised of Council's resolutions and further advised that if they satisfy the general guidelines they will receive an annual grant of \$500
4. A public call be made for persons to register an interest in establishing and becoming a member of a Precinct Committee for the Lightning Ridge area
5. A further report on the implementation of Councils resolutions in respect of this subject be placed before the February 2009 Council Meeting

**MOVED:** Clr Greenaway

**SECONDED:** Clr Walford

**CARRIED**



## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

#### 249/08 Future of the Western Division of the Shires Association

**Motion:**

1. Council not ratify the decision made at the Mid Term Meeting of the Western Group of Councils to support Option 3 from the Consultants Report being the appointment of a full time CEO at an estimated cost of \$9,000 per Council per annum
2. The President of the Western Group of Councils be advised that Council is concerned at the duplication of time and effort between the Group and certain Divisions of the Shires Association and recommends that consideration be given to a request being made to the Shires Association for a review of Division boundaries and the creation of a formal Division to be comprised of the Councils of the Western Group
3. The Mayor and General Manager explore the possible benefits and procedures associated with Council seeking to move from Division C to Division J of the Shires Association

**MOVED:** Clr Greenaway  
**SECONDED:** Clr Murray

**CARRIED**

#### 250/08 Australia Day 2009

**Motion:**

1. The Mayor be the Chairperson of the Australia Day Awards Judging Panel
2. The following Councillor/s be members of the Panel:
3. A public invitation be extended for community members to join the Panel
4. The Council members on the Panel be authorised to invite community members to join the Panel

**MOVED:** Clr Colless  
**SECONDED:** Clr Walford

**CARRIED**

#### 251/08 Annual Report

**Motion:**

That Council endorses the Annual Report and that the Annual Report be forwarded to the Department of Local Government

**MOVED:** Clr Walford  
**SECONDED:** Clr Greenaway

**CARRIED**

## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

#### 252/08 Investment Report as at 30 November 2008

**Motion:**

That the investment report as at 30 November be received

**MOVED:** Clr Greenaway

**SECONDED:** Clr Keir

**CARRIED**

#### 253/08 Staff Consultative Committee

**Motion:**

That the report be noted

**MOVED:** Clr Greenaway

**SECONDED:** Clr Murray

**CARRIED**

#### 254/08 Records Management

**Motion:**

That Council receive the report on Records Management

**MOVED:** Clr Martinez

**SECONDED:** Clr Walford

**CARRIED**

#### 255/08 Heritage Strategic Plan

**Motion:**

That Council endorse and adopt the draft amended Walgett Shire Council: Heritage Strategic Plan 2009-11 as prepared by Council's Heritage Advisor, High Ground Consulting, in October 2008.

**MOVED:** Clr Greenaway

**SECONDED:** Clr Murray

**CARRIED**

## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

#### 256/08 State of the Environment Report

**Motion:**

That Council:

1. Note and endorse the draft Namoi Regional State of the Environment Report for 2007-2008, as prepared by Hyder Consulting Pty Ltd in November 2008.
2. Submit the Namoi Regional State of the Environment Report for 2007-2008, as prepared by Hyder Consulting Pty Ltd in November 2008, to the Department of Local Government.

**MOVED:** Clr Keir  
**SECONDED:** Clr Greenaway

**CARRIED**

Clr Murray left the meeting at 1:50pm

Clr Murray rejoined the meeting at 1:53pm

#### 257/08 Additional Camping Facilities within the Shire

**Motion:**

That Council consider developing priorities for formalising primitive camping grounds within the Shire as part of the process of developing its management plan and budget for the next financial year.

**MOVED:** Clr Colless  
**SECONDED:** Clr Greenaway

**CARRIED**

Clr Colless left the meeting at 1:52pm

Clr Colless rejoined the meeting at 1:55pm

#### 258/08 Development and Complying Development Certificate Applications

**Motion:**

That Walgett Shire Council note the Development and Complying Development Certificate applications dealt with under delegated authority by the Director Planning and Regulatory Services and General Manager during October 2008

**MOVED:** Clr Walford  
**SECONDED:** Clr Greenaway

**CARRIED**

**259/08 Hudson Pear Control Program Funding**

**Motion:**

That Council commit to funding the continuation of the five year Hudson Pear Program

**MOVED:** Clr Colless

**SECONDED:** Clr Keir

**CARRIED**

Clr Greenaway left the meeting at 1:58pm

Clr Keir left the meeting at 1:58pm

**260/08 Tenders – Plant Hire**

**Motion:**

That Council accept tenders from the following businesses for E08007 Request for Standing Offers: Casual Plant Hire Walgett Shire NSW –

Batterline Earthmoving Pty Ltd  
Bows Sand and Gravel  
Christopher Underwood  
Coats Hire Operations Pty Ltd  
Duncorp Pty Ltd  
Hunters Agricultural Pty Ltd  
JR Weate  
KJ Sherar  
RGT Cochrane  
Rob Rubie  
Rollers Australia Pty Ltd  
Sherrin Rentals Pty Ltd  
Thurston & Sons Pty Ltd  
Wax Grading  
Wintergreen Investments Pty Ltd

**MOVED:** Clr Murray

**SECONDED:** Clr Colless

**CARRIED**

Clr Greenaway rejoined the meeting at 2:00pm

Clr Keir rejoined the meeting at 2:02pm

## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

#### 261/08 Intelligent Access Program Approvals

**Motion:**

That approval is endorsed for vehicles operating under the NSW Roads and Traffic Authority Intelligent Access Program on all road train approved routes in Walgett Shire at General Mass Limits.

**MOVED:** Clr Greenaway

**SECONDED:** Clr Martinez

**CARRIED**

#### 262/08 Private Use of Council Motor Vehicles

**Motion:**

1. That Council note it's Policy AFM - Motor Vehicle Policy.
2. That Council note the Procedure AFM – Motor Vehicle.
3. That Council note the current utilisation of private use offered to staff is 20 employees.

**MOVED:** Clr Colless

**SECONDED:** Clr Walford

**CARRIED**

The meeting was adjourned for Lunch at 2:32pm

The meeting resumed at 2:55pm

#### 263/08 Burren Junction Aerodrome – Licence to Use Crown Land

**Motion:**

1. That Council accept the Offer of the Licence LI 411396 from the Department of Lands to occupy the Burren Junction Aerodrome.
2. That Council agree to Lot 37 DP 753960 being converted to a Crown Reserve and Walgett Shire Council being appointed Reserve Trust Manager

**MOVED:** Clr Greenaway

**SECONDED:** Clr Walford

**CARRIED**

## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

#### 264/08 Closed Council Meeting

**Motion:**

That the public be excluded from the meeting pursuant to Section 10A (2) (a) of the Local Government Act 1993 on the basis that the item deals with :

(a) personnel matters concerning particular individuals (other than Councillors)

**MOVED:** Clr Woodcock

**SECONDED:** Clr Greenaway

**CARRIED**

#### 265/08 Family Day Care

**Motion:**

1. That Council confirm the closure of the Family Day Care Service on 19 December 2008 and pursue arrangements for the continuation of the In Home Care service.
2. That Council continue negotiations with as many parties as possible to enable a wide range of childcare options to be offered in the Shire
3. That Council approach both State and Federal Ministers responsible for childcare funding to assist in the funding approaches that are currently impacting negatively on the Shire

**MOVED:** Clr Murray

**SECONDED:** Clr Keir

**CARRIED**

#### 266/08 Return to Open Council Meeting

**Motion:**

That Council move out of Closed Session

**MOVED:** Clr Woodcock

**SECONDED:** Clr Murray

**CARRIED**

**Questions without notice from Councillors**

**Clr Murray**

1. Why does the youth centre only open from 3pm till 6pm and who sets the hours?

**Response**

The Director Corporate and Community Services advised that Youth Centres are only funded to open those hours and it can be difficult to find staff to operate the centres for additional hours. It is agreed that 3 hours a day is not enough. Council is currently investigating a trial that would see the Youth Centres open on Friday nights for 6 weeks. Councillors have the option of increasing funding for the 2009/2010 Budget.

2. Where in Walgett would you put a skate park?

**Response**

The Director Corporate and Community Services indicated that opposite the Youth Centre or on the corner of Dewhurst Street where the tennis courts are currently located would be the preferred locations

3. What is happening with the excess water from the Treatment Plant in Walgett

**Response**

The Director Urban Infrastructure Services advised he would provide a report to Council on this issue at the next Council meeting.

**Clr Keir**

1. Bill Price from Wee Waa used to sell plants on the footpath outside the BP Service Station. Diana Smith from Narrabri would like to do the same once a fortnight on the grass of the block next to the Service Station which is owned by Jim Woodham. She went to Council to get permission to do so and was given a Development Application for herself and Jim Woodham. Why is a DA necessary when Bill Price did not need one?

**Response**

The General Manager indicated that the responsible Director would provide an answer to Councillor Keir in the December Council meeting Agenda.

2. Hunter Ag Services would like to purchase the block of land in Peel Street opposite them. Why is it so expensive and how does Council determine the value of the land?

**Response**

The General Manager advised that the reserve price for Council land is set having regard to the Valuer Generals valuation and the advice of the relevant Real Estate Agent

## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

#### **Clr Greenaway**

1. What is happening with the Community Centre?

#### **Response**

The Director Corporate and Community Services advised that she has had conversations with Arts NSW regarding funding. Three community groups had approached the Director regarding a Community Centre and a public meeting was held with approximately 30 attendees. They are currently identifying the community facilities within the Shire with a view to upgrading existing facilities.

2. Could we use the BAC Building and are the rates payments on the property up to date?

#### **Response**

The Director Corporate and Community Services advised a report would be provided to the next Council meeting on this issue.

#### **Clr Walford**

1. Can a Town Hall for Lightning Ridge and a Club House at the sports fields in Lightning Ridge be including in the 10 year plan to be discussed at the Council Planning Day?

#### **Response**

The General Manager indicated that this could be discussed at the Planning Day

1. Is the Walgett Youth Centre up to fire code, how often are the fire extinguishers in the building checked and what changes were made during the recent renovations?

#### **Response**

The Director of Corporate and Community Services indicated that an answer would be provided to Councillor Walford.

#### **Clr Martinez**

1. On the Walgett to Brewarrina Road there are no suitable toilet stop facilities, can we put a toilet block up.

#### **Response**

The Director of Rural Infrastructure and Support Services indicated that the Walgett to Brewarrina Road is a State Highway and all works on this road need to be approved by the RTA. The RTA would need to be approached regarding the toilet block.

2. The bus that services Lightning Ridge cannot pull in straight at the bus stop which can cause problems when unloading passengers. Can we extend the bus stop and paint a white line around it?

#### **Response**

The Director of Rural Infrastructure and Support Services indicated that the bus stop was the normal length for a bus stop and the problem may be illegal parking in the bus zone. It would not be appropriate to paint a white line around the bus stop as it is only a bus stop during certain hours and the Director is not aware of any line marking configuration that would be correct in this situation. Policing the illegal parking may fix the problem. (A letter from the bus company was tabled)



## WALGETT SHIRE COUNCIL AGENDA

### WALGETT SHIRE COUNCIL MINUTES

**Clr Woodcock**

The Lightning Ridge Mining Board would like to know if they can mine the highlighted area on the map provided (the map was tabled).

**Response**

The General Manager indicated that the Director of Planning and Regulatory Services would report on the matter at the December Council Meeting

**268/08 Disclosure of Interest in Written Returns**

The General Manager tabled a Return pursuant to Section 449 (1) of the Local Government Act 1993 from Councillor Murray.

The meeting closed at 4:09pm

To be confirmed by Council at its ordinary meeting to be held on Tuesday, 16<sup>th</sup> December 2008.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
General Manager

25 November 2008

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**Recommendations:**

- 
1. That the minutes of Council Meeting held 25 November 2008 be confirmed

## Motions of which notice has been given

### **Councillor Smith – House numbering on gutters**

That a costed proposal to paint house number son gutters in Collarenebri, Lightning Ridge and Walgett be considered at the time that the 2009/10 budget is being formulated.

## Presentations of Petitions

### **1. Petition – State of footpaths in Wee Waa Street between Fox and Pitt Street**

**REPORTING SECTION:** Urban Infrastructure Services

**AUTHOR:** Siegfredo O Coralde – Director of Urban Infrastructure Services

**FILE NUMBER:** 006/05/01/27

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#### **Summary:**

This information relates to the petition received regarding the asset condition of kerb and gutters as well as footpaths on the northern side of Wee Waa Street, between Fox and Pitt Streets as referred to in the attached document.

#### **Discussion (including issues and background):**

Council received a petition from several businesses about the physical condition of footpath inconvenience not only to the general public but to persons with disabilities. An informal meeting was held on 04 December at Café 64 with these petitioners.

#### **Recommendations:**

1. This petition is received and noted.

2. That Council considers cost of repairs and rehabilitation in the formulation of its 2009/2010 budget.

#### **Attachment:**

1. Petition

Attachment 1 - Petition

From:  
The Manager  
Cafe 64  
64 Wee Waa St  
Walgett 2832

To:  
General Manager  
Walgett Shire Council  
Fox St  
Walgett 2832  
20-10-08

Dear General Manager,

We the undersigned are writing to bring your attention to the terrible state of the footpath on the Northern side of Wee Waa St between Fox and Pitt Streets.

Compared to the footpath on the southern side of the road in front of the Post Office and Best Employment it is dangerous, unsightly and difficult to manoeuvre wheelchairs, prams, walking frames etc.

There is recorded one incident in which an elderly lady tripped, fell and broke her hip due to the rough state of the footpath.

With the impending opening of the 'Hon Do', there will be quite a lot of pedestrian traffic along the northern side of this street.

We, the under signed, would like to invite Council engineers to observe the problem first hand, consult with business owners and managers in the effected area and take measures to bring the surface of the sidewalk up to a safe and acceptable standard.



Rod White, Licensee, The Gateway.

Don Lillyman. Manager, Café 64.



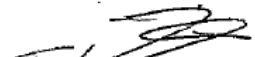
Manager, Hon Do.



Kimberly Newton, "The Tizzy Inn".



Ron Mair, Accountant.



Wal Brown. Solicitor.



Dr Vlad Matic, General Practitioner.

Wal Manton, Butcher.

Walgett Shire  
Council  
REC'D

- 5 NOV 2008

FILE:

006/05/01/27

LETTER No:

6609.

REFER:

Fred.

COPY:



E-MAILED

6/11/08

## **1. REGIONAL AND LOCAL COMMUNITY INFRASTRUCTURE PROGRAM 2008-09**

**REPORTING SECTION:** General Manager  
**AUTHOR:** Ray Kent – General Manager  
**FILE NUMBER:** 195/04/00/00

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### **Summary:**

Council has been awarded a sum of \$492,000 pursuant to the above named Program. Details of projects proposed for funding must be provided to the Department of Infrastructure, Transport, Regional Development and Local Government by the 30<sup>th</sup> January 2009. Funding must be expended by 30<sup>th</sup> September 2009.

At the November Meeting, Council resolved that:

2. The General Manager circulate to Councillors a schedule of potential projects for ranking
3. A report be presented to the December Council meeting detailing the ranking and costing of projects including the following:
  - Playground equipment across the Shire
  - Primitive camping grounds for Walgett and Collarenebri
  - Burren Junction bore baths development
  - Skate parks across the Shire
  - Hot water for the Lightning Ridge Swimming Pool
  - Replacement of Athol Pine trees
  - Historic walk for Carinda

Funding is not available for operational and maintenance costs or for transport infrastructure.

### **Discussion (including issues and background):**

A Schedule has been circulated to Councillors, under separate cover, which contains a list of projects suitable for funding (the Minute and Schedule are also attached to this report). As Councillors have indicated that they wish to see a spread of projects across the Shire, a cap of \$100,000 has been set for the cost of an individual project included in the Schedule. For this reason the provision of hot water to the Lightning Ridge Diving Pool has not been included in the list.

Councillors have been requested to score each project and present their completed schedules to the Director, Corporate and Community Services at the commencement of the Council meeting. The Director will prepare a schedule of the combined scores of Councillors at the meeting so that a ranking for the purposes of funding applications can be determined.

### **Relevant Reference Documents:**

Guidelines for the Regional and Local Community Infrastructure Program 2008/09

**Stakeholders:**

Residents of the Shire

**Financial Implications:**

Expenditure on some projects already included in the 2008/09 Budget may need to be deferred in order that new projects can be completed by 30<sup>th</sup> September 2009.

**Recommendations:**

1. **That funding applications be made for projects in the priority order established by the consolidated scoring of Councillors**

**Attachments:**

1. Associated Minute
2. Project Scoring Schedule

**Attachment 1 – Associate Minute**

**Minute to:** Mayor and Councillors

**Subject:** Ranking of Projects for Local Government Community Infrastructure Funding (\$492,000)

**From:** General Manager

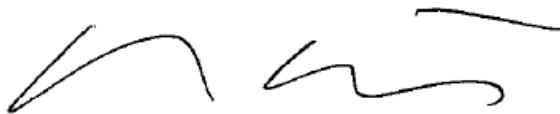
**Date:** 5<sup>th</sup> December 2008.

Attached is a Schedule containing a list of potential projects which would be eligible for funding.

Could you please score each project on a scale of 1 to 5. A score of 1 indicates a project is of the lowest priority to you. A score of 5 indicates a project is of the highest priority to you. You can also allocate a score of 2,3 or 4.

If you do not score a project it will be given a score of 1.

Councillors are asked to bring their completed schedules to the Council meeting, where a schedule combining all Councillors' scores will be prepared.

A handwritten signature in black ink, appearing to read 'Ray Kent', with a stylized, flowing script.

**Ray Kent**  
**General Manager**

**Attachment 2 - Project Scoring Schedule**

<b>Project</b>	<b>Approximate Cost</b>	<b>Estimated Benefit</b>	<b>Employment creation</b>	<b>Ranking 1-5 (1 =Low priority, 5= High priority)</b>
Computers for LR Neighbourhood Centre	\$8,500	Increase access to IT for tourists and locals	Nil	
Recycling for Burren Junction	\$8,000	Environmental awareness and improvement in environmental management	Shire staff	
Gem Gardens LR	\$5,000	Establishment of Bush Tucker garden	Local businesses trade	
LR Main street beautification program Push bike racks	\$2,000			
Primitive Camping Grounds Walgett	\$100,000 Wet areas, signage,BBQ, security lighting	Overnight stays for tourists able to be accommodated bringing economic benefit to community	Project suitable for employment schemes	
Primitive Camping Grounds Collarenebri	\$75,000 Wet areas, gravel standing areas, signage,BBQ lighting	Overnight stays for tourists able to be accommodated bringing economic benefit to community	Project suitable for employment schemes	
Development of tourism centre at Alex Trevallyn Park with added attractions related to Aboriginal history in area	\$85,000	Tourism development for Shire	Employment scheme and local skilled tradespeople	

<b>Project</b>	<b>Approximate Cost</b>	<b>Estimated Benefit</b>	<b>Employment creation</b>	<b>Ranking 1-5 (1 =Low priority, 5= High priority)</b>
Historical walking trail in Carinda (signposted)	\$8,000	Tourist interest plus benefit for local school and residents in trail establishment. Involve community	employment program	
Historical sites throughout Shire signposted for tour	\$15,000	Community involvement, including Aboriginal groups,	employment scheme suitable	
Night sky viewing spot (with stars named and Aboriginal stories) on Carinda road or any other spot with little town light intruding	\$30,000	Aboriginal group involvement, expertise brought to community	Employment scheme suitable	
Playground equipment program brought forward and completed early and at once Walgett	\$70,000	All playground equipment compliant with required standards, each community has access in next year to same	Suitable for employment scheme working with Shire workers	
Playground equipment program brought forward and completed early and at once Collarenebri	\$60,000	All playground equipment compliant with required standards, each community has access in next year to same	Suitable for employment scheme working with Shire workers	
Playground equipment program brought forward and	\$60,000	All playground equipment compliant with required	Suitable for employment scheme working with	



WALGETT SHIRE COUNCIL AGENDA

completed early and at once Burren Junction		standards, each community has access in next year to same	Shire workers	
Playground equipment program brought forward and completed early and at once Carinda	\$60,000	All playground equipment compliant with required standards, each community has access in next year to same	Suitable for employment scheme working with Shire workers	
Playground equipment program brought forward and completed early and at once Rowena	\$60,000	All playground equipment compliant with required standards, each community has access in next year to same	Suitable for employment scheme working with Shire workers	
LR tourism centre extension and development	\$20,000	VIC able to operate to higher capacity than currently, drawing more tourists	Local tradespeople and employment scheme	
Assist in development of multicultural centre in LR	\$25,000	Centre to be developed anyway but assists in bringing project forward	Local tradespeople and employment scheme	
Main street development in Walgett	Walgett \$60,000 (35,000 in current budget for Walgett)	Start to change image of both towns and decrease negative impact on residents and tourists. Benefit to whole Shire	Shire workers and possible employment scheme	
Main street development in Collarenebri	\$65,000	Start to change image of both towns and decrease negative impact on residents and tourists. Benefit to whole Shire	Shire workers and possible employment scheme	
Burren Junction Bore Baths	\$10,000	Provide amenities for	Employment scheme suitable	

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development		visitors/residents	also Shire workers	
Installation of skate park in Collarenebri	\$40,000 (may need to purchase land)	Provide entertainment for young people in Collarenebri	Shire workers and employment scheme if necessary	
Installation of net/basketball courts in Walgett (located with programmed skate park)	\$40,000	Provide entertainment for young people in Walgett	Shire workers and employment scheme if necessary	
Shire wide signage depicting Aboriginal heritage and culture	\$25,500	Increased recognition of Aboriginal heritage, local Elders and other groups to be consulted	Regional business, employment scheme	
Replacing trees in Walgett, Collarenebri and LR CBDs	\$35,000	Improve town profile, raise environmental awareness, provide training opportunities	engage local CDEP or employment scheme	
Landscaping Parks/cemeteries Walgett	\$20,000	Improve look of townships	Engage CDEP or other employment scheme	
Landscaping Parks/cemeteries Lightning Ridge	\$15,000	Improve look of townships	Engage CDEP or other employment scheme	
Landscaping Parks/cemeteries Collarenebri	\$10,000	Improve look of townships	Engage CDEP or other employment scheme	
Landscaping Parks/cemeteries Carinda	\$10,000	Improve look of townships	Engage CDEP or other employment scheme	
Landscaping Parks/cemeteries Burren Junction	\$10,000	Improve look of townships	Engage CDEP or other employment scheme	
Landscaping Parks Rowena	\$8,000	Improve look of townships	Engage CDEP or other	

WALGETT SHIRE COUNCIL AGENDA

			employment scheme	
Landscaping Parks Cumborah	\$8,000	Improve look of townships	Engage CDEP or other employment scheme	
Additional street lighting in Walgett x 8-10 poles	\$27,000 + additional ongoing electricity costs	Provide additional safety identified at Police precinct meetings and other community meetings	Country Energy	
Purchase Screen and projector/player Walgett for films/com. group useage	\$1200	Provide entertainment people in Walgett		
Purchase Screen and projector/player Collarenebri for films/com. group useage	\$1200	Provide entertainment people in Collarenebri		
Purchase Screen and projector/player Lightning Ridge for films/com. group useage	\$1200	Provide entertainment people in Lightning Ridge		
Purchase land and install public toilets in Carinda	\$10,000	Public space in Carinda	Employment scheme suitable	
No 1 oval Walgett refurbish toilets	\$60,000	Improve facilities for sports people children and visitors	Employment scheme suitable	
Bike track LR Pandora St to Cardinal rd	\$84,000	Improve facilities for sports people children and visitors	Employment scheme suitable	

## **2. COMMUNITY INFRASTRUCTURE PROGRAM – STRATEGIC PROJECTS 2008/09**

**REPORTING SECTION:** General Manager  
**AUTHOR:** Ray Kent – General Manager  
**FILE NUMBER:** 245/02/08/00

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### **Summary:**

A request has been received for Council to apply to the Australian Government, on behalf of the Australian Opal Centre, for funding from the recently announced \$50 million Regional and Local Community Strategic Projects Program. “Strategic Projects” must have a value of at least \$2 million and a Council can only make one application, either for itself or on behalf of a non profit organisation.

Applications, with all supporting documentation, must be received by the Department of Infrastructure, Transport, Regional Development and Local Government by 4.00 pm 23<sup>rd</sup> December 2008. Note that elsewhere in this Agenda, Council is asked to determine project priorities for the expenditure of \$492,000 which has been earmarked for Council under the related Regional and Local Community Infrastructure Program.

### **Discussion (including issues and background):**

The Guidelines for the Strategic Projects Program are attached. Apart from matters already mentioned, key requirements are as follows:

- Projects must be ready to proceed within six months of signing the Funding Agreement
- Eligible projects include social and cultural facilities and tourism infrastructure
- Council would be required to enter into the Funding Agreement with the Australian Government
- The Application must be supported by detailed financial data including: 3 year cash flow projections; detailed cost estimates; feasibility study; business plan; budget.

A detailed project description, prepared by the Australian Opal Centre, has been circulated under separate cover. The application is for total project cost (in excess of \$20 million) though development stages are identified and costed. A representative of the Australian Opal Centre will deliver a presentation on the project at the Council Meeting.

The Australian Opal Centre is arguably the only project within the Shire that satisfies the guidelines for the Strategic Projects Program, including the requirement that the project be able to be commenced within a very tight timeframe.

The Strategic Projects Program presents an opportunity for funding a project of major significance to the Shire – an opportunity which is unlikely to be repeated for quite some time. It is considered that Council should agree to apply for funding on behalf of the Australian Opal Centre.

### **Relevant Reference Documents:**

Guidelines: Regional and Local Community Infrastructure Program – Strategic Projects 2008/09.

**Stakeholders:**

Council, Australian Opal Centre, Walgett Shire residents

**Financial Implications:**

Minimal

**Recommendations:**

**That:**

1. Council agrees to lodge an application on behalf of the Australia Opal Centre for funding from the “Regional and Local Community Infrastructure Program – Strategic Projects 2008/09” for the development of the Australian Opal Centre at Lightning Ridge
2. The proponents of the scheme be advised of Council’s decision

**Attachments:**

1. Guidelines: Regional and Local Community Infrastructure Program – Strategic Projects 2008/09

**Attachment 1 - Guidelines: Regional and Local Community Infrastructure Program – Strategic Projects 2008/09**

## **Guidelines**

# **Regional and Local Community Infrastructure Program – Strategic Projects 2008-09**

### **1. INTRODUCTION**

Under the Regional and Local Community Infrastructure Program – Strategic Projects (RLCIP – Strategic Projects) the Australian Government is making up to \$50 million available in 2008-09 to local government to stimulate additional growth and economic activity across Australia as a part of the Australian Government's contribution to addressing the global economic crisis.

Under the RLCIP – Strategic Projects funding will be available to local government for a limited number of large strategic projects seeking a minimum Commonwealth contribution of \$2 million.

Larger projects and projects which include partnership funding will be given preference.

Projects will be allocated funding on a nationally competitive basis and will be assessed by the Department of Infrastructure, Transport, Regional Development and Local Government (the Department) on a tight timetable.

All local councils, or groups of councils, are eligible to apply for funds under RLCIP - Strategic Projects. Local councils may also apply on behalf of not-for-profit organisations. There is a limit of one application per Council or group of Councils.

Eligible projects must be additional and 'ready-to-proceed' (the project must be ready to commence construction within six months of signing the Funding Agreement [contract]), or be additional stages of projects that are currently underway.

### **2. PROJECT ELIGIBILITY**

#### **2.1 What can the funding be spent on?**

RLCIP – Strategic Projects will provide funding for community infrastructure including new and major renovations or refurbishments such as:

- social and cultural infrastructure (e.g. art spaces, gardens);
- recreational facilities (e.g. swimming pools, sports stadiums);
- tourism infrastructure (e.g. walkways, tourism information centres);
- children, youth and seniors facilities (e.g. playgroup centres, senior citizens' centres);
- access facilities (e.g. boat ramps, footbridges); and
- environmental initiatives (e.g. drain and sewerage upgrades, recycling plants).

Projects that can be funded need to be consistent with the attached list at Annexure A.

Funding can be used for:

- construction or fit-out;
- preparatory work such as necessary engineering and geotechnical studies;
- land surveys and site preparation; and
- project management costs.

## **2.2 What will not be funded?**

Funding will not be available for activities such as ongoing costs (e.g. operational costs and maintenance), transport infrastructure, such as roads, or related infrastructure covered by the Roads to Recovery or Black Spots programs.

## **2.3 How RLCIP - Strategic Projects proposals will be assessed**

### **2.3.1 The application process**

Local councils are required to complete the application form available from [www.infrastructure.gov.au/local/index.aspx](http://www.infrastructure.gov.au/local/index.aspx)

Application forms can either be sent in hard copy to:

Regional and Local Community Infrastructure Program – Strategic Projects  
Department of Infrastructure, Transport, Regional Development and Local Government.  
GPO Box 594  
CANBERRA ACT 2601

Or emailed to < [RegionalGrants@infrastructure.gov.au](mailto:RegionalGrants@infrastructure.gov.au) > .

A final and complete application form including all supporting documentation must be received by the Department of Infrastructure, Transport, Regional Development and Local Government (the Department) by **4pm (Australian Eastern Daylight Saving Time) on 23 December 2008**.

Incomplete applications will not be considered for funding.

### **2.3.2 Obtaining information about the project**

In order that RLCIP – Strategic Projects can be assessed for funding by the Department, each proponent will need to provide the following:

- details of the Council;
- details of the project funding including other contribution arrangements;
- financial information including quotations, cost estimates and budgets;
- project timeframes;
- project delivery information including project and business plans; and
- all statutory and other approvals required if relevant for the project .

Councils will also need to provide authorisation for the Department to undertake an Independent Viability Assessment if necessary.

### **2.3.3 Assessment of Applications**

Based on the information provided, the Department will conduct a risk analysis of the Council undertaking the proposed project.

#### *Proponent viability*

In the risk analysis of the project, consideration will be given to the financial viability of the proponent.

#### *Project viability*

Project viability will be considered from two perspectives: whether the project can be completed on time and within budget; and whether the project will be sustainable.

Important aspects that may be considered in relation to the overall viability of the project include:

- evidence of the Council's expertise/skills to deliver the project in a timely manner and sustain it into the future;
- ownership and/or lease arrangements of equipment or facilities or other assets to be used in the delivery of the project;
- the level and status (e.g. contribution received; contribution committed but yet to be received; contribution in negotiation) of any of the funding contributions for the project and whether there are conditions attached to this funding;
- the budget and costings;
- feasibility studies or project plans;
- information on whether there is any need for planning approvals or licences and that these requirements have been met or fully considered;
- business and project plans and cash flow projections;
- ongoing maintenance and management strategies;
- funding that may be required for any future stages of the project;
- whether the project had previous stages, how it was funded in the past; and
- the results of any independent viability assessments if undertaken (copies of independent viability assessments undertaken by the Council should be provided).

#### *Independent Viability Assessments*

Where the Australian Government believes there are risks with the viability of the proponent or project that require further consideration, an Independent Viability Assessment (IVA) will be undertaken by a qualified external consultant engaged by the Department. The findings of the IVA will be considered in the project analysis.

#### *Ranking applications*

The Department will rank applications under three categories:

- recommended;
- not recommended; and
- non-compliant.



#### **2.3.4 Consultation with the Australian Council of Local Government**

Those applications ranked by the Department as recommended will be provided to the Australian Council of Local Government (ACLG) for its comment. These comments will be provided to the decision maker. ACLG members will need to sign a confidentiality agreement and declare any conflicts of interest.

#### **2.4 Approval of Funding**

Following the due diligence assessment and ranking of the project by the Department a decision on funding will be sought from the Minister for Infrastructure, Transport, Regional Development and Local Government.

The Minister will consider whether the project is consistent with the requirements of Commonwealth legislation and whether any risk treatments will need to be imposed as a condition of funding, based on risk assessments undertaken.

A letter will be sent to the Council advising whether funding has been approved and if there are any conditions attached to that funding.

Before any funding can be paid, the proponent will need to enter into a Funding Agreement (contract) with the Australian Government that will set out the terms and conditions under which the funding is provided.

**Proponents should not make financial commitments based on notification of funding approval from the Australian Government until the Funding Agreement (contract) has been executed by both parties.**

Requests for additional funding from the Australian Government will not be approved.

Changes to the partnership arrangements or requests to change the scope of the project that do not involve the provision of additional funding by the Australian Government will be considered.

The Minister for Infrastructure, Transport, Regional Development and Local Government expects to announce successful projects by **February 2009**.

### **3. Contracting and Funding**

#### **3.1 Accountability**

The provision of funding for RLCIP- Strategic Projects will be conditional upon proponents entering into Funding Agreements (contracts) with the Commonwealth (represented by the Department of Infrastructure, Transport, Regional Development and Local Government). The Funding Agreement (contract) is a legally enforceable document which defines the obligations of both parties.

#### **3.2 Funding Agreements and Payments**

The Department will work with the proponent with the aim of finalising the Funding Agreement (contract) within **4 weeks of the letter of offer**. The offer of funding may be withdrawn if the proponent cannot meet this timeframe or has not obtained agreement from the Department to obtain an extension to this timeframe.

The executed Funding Agreement (contract) will define the obligations of both parties. It will describe the purpose for which Australian Government funding must be used and will provide a description of how, when and where the project must be delivered.

Construction must commence within six months of the Funding Agreement (contract) being signed. Funding Agreements (contracts) will be structured to schedule the release of 100 per cent of funds to proponents on signing of the Funding Agreement (contract) and confirmation of commencement date of construction.

Action may be taken by the Department to terminate Funding Agreements (contracts) where requirements have not been met.

### **3.3 Progress reports**

Once funding is confirmed the proponent will be required to actively manage the project.

It is recommended that proponents consider appointing appropriate project management arrangements proportionate to the size and nature of the project.

The Department will monitor the project's progress through reports received under the Funding Agreement (contract) at agreed milestones and may conduct site visits.

*Examples of Community Infrastructure*

**Social and cultural infrastructure**

- Town halls
- Community centres
- Libraries
- Local heritage sites
- Museums
- Cultural centres
- Enhancement of main streets and public squares
- Theatre/music/art spaces
- Historic buildings
- Parks and gardens
- Internet kiosk infrastructure
- Kitchens for organisations
- Community market areas

**Recreation facilities**

- Sports grounds and facilities
- Sports stadiums
- Community recreation spaces
- Playgrounds
- Rail trails
- Swimming pools
- Walking tracks and bicycle paths
- Skate Parks
- BMX/Mountain Bike parks/trails
- Surf lifesaving clubs

**Tourism infrastructure**

- Convention or trade centres
- Memorial halls/walkways
- Tourism information centres
- Local infrastructure to support or provide access to tourist facilities
- Community public attractions
- Buildings for exhibits

**Children, youth and seniors facilities**

- Playgroup centres
- Youth centres
- Scout/guide halls
- Senior citizens' centres

**Access facilities**

- Disabled access infrastructure
- Footbridges
- Bus/rail terminal upgrade
- Jetties/wharves/piers/pontoons
- Foreshore development
- Boat ramps

**Environmental Initiatives**

- Water source and treatment
- Drain and sewerage upgrades
- Water conservation infrastructure
- Waste management and processing infrastructure
- Wastewater infrastructure
- Water recycling plants
- Water catchments
- Recycling plants

### **3. *RESIDENT'S PROPOSALS FOR PROJECTS IN WALGETT***

**REPORTING SECTION:** General Manager  
**AUTHOR:** Ray Kent – General Manager  
**FILE NUMBER:** 006/05/03/44

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#### **Summary:**

Ms Debra Walford, a resident of Walgett, has written to Council requesting that consideration be given to undertaking works to improve the facilities available at Number One Oval and the adjacent sporting fields. Mrs Walford also requests that consideration be given to constructing netball courts at the site of the old tennis courts located at the corner of Dewhurst and Fox Streets, Walgett. Mrs Walford was formally invited to address her proposals at the December Meeting of Council.

#### **Discussion (including issues and background):**

Two letters from Mrs Walford are attached. The first, dated 12<sup>th</sup> September 2008, proposes the “reconstruction of the old tennis courts, located at the corner of Dewhurst and Fox Streets, Walgett, into netball courts for general use by the community and to provide additional sporting facilities that our schools, students and teachers can utilise to conduct a range of recreational activities”. Mrs Walford believes there is a particular need to focus on recreational and sporting facilities for “female youth”.

A second letter from Mrs Walford, dated 15<sup>th</sup> September, proposes various works at Number One Oval. In particular, Mrs Walford comments “that the present state of the dressing sheds, male and female toilets are in urgent state of repairing as there is only two female toilets that can be used. I am asking the Shire to consider opening up the remainder of the toilets that are in the female block and for it to be fully refurbished with new toilet bowls, doors, aluminium wash basins and the entire toilets should be tiled”.

The refurbishment of the toilets and the construction of the netball courts have been included as projects for possible funding under the “Local Government Community Funding Program”. A report on this Program is included elsewhere in the Agenda. If the projects are not ranked as priority projects for funding under the Program in question than it is recommended that they, along with other works proposed by Mrs Walford, be considered for funding in the 2009/10 Budget. The preliminary cost estimates are toilet refurbishment \$60,000 and netball courts \$40,000.

#### **Relevant Reference Documents:**

Nil

#### **Stakeholders:**

Walgett town community

#### **Financial Implications:**

Minimum cost of \$100,000

**Recommendations:**

**That:**

- 1. The toilet refurbishment and construction of netball courts be considered for funding under the Local Government Infrastructure Program but if not ranked for funding than the works, along with others identified by Mrs Walford, be considered for funding in the 2009/10 Budget**
- 2. Mrs Walford be advised of Council's decisions in respect of her proposals**

**Attachments:**

1. Letter from Mrs Walford dated the 12<sup>th</sup> September 2008.
2. Letter from Mrs Walford dated the 15<sup>th</sup> September 2008.

**Attachment 1 - Letter from Mrs Walford dated the 12<sup>th</sup> September 2008.**

P0 Box 344  
WALGETT 2832 NSW

12<sup>th</sup> September, 2008

Mr Vic Smith  
Administrator  
Walgett Shire Council  
PO Box 33  
WALGETT 2832

Dear Sir,

I am writing to Council to propose a project that requires Council support. I would like to propose a project for the reconstruction of the old tennis courts, located at the corner of Dewhurst and Fox Streets, Walgett, into netball courts for general use by the community and to provide additional sporting facilities that our Schools, students and teachers can utilise to conduct a range of recreational activities..

Walgett Shire Council is aware that these facilities have not been in use for many years and I believe that the female youth in our community would enjoy this recreational reconstruction in which the community can benefit more on a regular basis.

The Walgett Shire Council Township community is of low socio-economic status in all areas especially in the domain of sport and recreation facilities for all community members but in particular the female population of the town.

I am quite aware that there is funding available from Local, State and Commonwealth Government Departments that have been assisting your Council in such projects for many years. I would be willing to offer my assistance and support to Council in preparing any such submissions to funding authorities.

The current amount of facilities for sports and recreation for females to access is very limited. This is having a negative effect as I see my fellow women have become reserved and are not leading a healthy and active lifestyle.

If this proposal is supported by Council I am requesting that the area, or upgraded facility, be named after Aunty Jenny Wright. Mrs Wright worked for about twenty five years and was employed as an Aboriginal Education Assistant at the Walgett Primary School. In August 1998 the inaugural Jenny Wright Netball Competition was founded for the young primary school students to be actively involved in all forms of ball sports and this have been successful for the past ten years. These courts will be used more on a regular basis.

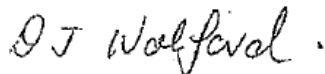
Walgett Shire Council Township doesn't have many landmarks named after Prominent Aboriginal Community Citizens especially females who have worked above and beyond in all areas of their lives for their community by placing others first instead of themselves. Aunty Jenny Wright was a icon to all people she had come into contact with in her life.

Naming the courts in this way will strengthen the annual school netball carnival that has been named in her honour. The carnival has been running for some 10 years now. Since it's inception this carnival has been conducted on makeshift netball courts on the Rugby Union Training Oval. This is not a suitable area for these young schoolgirls to safely participate in their sport.

Could you please send a copy of this letter to Department of Sport and Recreation, The Prime Ministers Mr Kevin Rudd, Mrs Jenny Macklin Federal Minister for Indigenous Affairs, Murdi Paaki Regional Council etc. for financial assistance for the reconstruction of this worthwhile project for our community to lead a active and healthy lifestyle with focussing on positive outcomes for everyone.

I look forward to your reply.

Yours in unity,

A handwritten signature in cursive script, reading "DJ Walford".

Debra Joan Walford.

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**Attachment 2 - Letter from Mrs Walford dated the 15<sup>th</sup> September 2008.**

P0 Box 344  
WALGETT 2832 NSW

Mrs Carol Metcalf  
Administrator  
Walgett Shire Council  
PO Box 33  
WALGETT 2832 NSW

15<sup>th</sup> September, 2008

Dear Sir,

I am writing to Council to propose a project that requires Council support. I would like to propose a project for the number one football oval that is located at the corner of Dewhurst and Fox Streets, Walgett, for general use by the community and to provide the following refurbishment of buildings and beautification of the grounds.

Walgett Shire Council and the community is aware that the present state of the dressing sheds, male and female toilets are in urgent state of repairing as there is only two female toilets that can be used. I am asking the Shire to consider opening up the remainder of the toilets that are in the female block and for it to be fully refurbished with new toilet bowls, doors, aluminium wash basins and the entire toilets should be tiled. The Shire needs to also cater for our disabled community of children and adults whom need wheelchair access to utilise these amenities also. With the traditional very ancient existing toilets at Number one oval maybe a proposal for a new toilet facility because of the limitation with the dressing sheds toilets.

The female and male community is really ashamed of using these facilities when local celebrations and school sporting activities are scheduled. Visitors from outside Walgett come to support their children and therefore take their children elsewhere to use other amenities and therefore this has a negative effect on our community.

The number one oval requires permanent barbeque and a sheltered picnic area facility, exactly the same as the Grey Park setup because when an event is held community stakeholders usually take their own equipment and therefore the Shire should provide this as a permanent facility that could be used all the times.

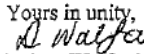
The number one oval is in desperate need of seating and the Shire have mobile grandstand seating, but I am requesting for the Shire to build seating all around the oval for our community and visitors usage.

The oval is in despair of a beautification program and I am requesting Council to plant native unity trees all around the fenced area of the oval with a plaque commemorating each family name of the entire community, I ask that a controlled sprinkler system be provided to water all the trees and also ask that all families take care of their unity trees as this will bring belonging, ownership, pride, respect and self esteem back into our community.

I am quite aware that there is funding available from Local, State and Commonwealth Government Departments that have been assisting your Council in such projects for many years. I would be willing to offer my assistance and support to Council in preparing any such submissions to funding authorities.

Could you please send a copy of this letter to Department of Sport and Recreation, The Prime Ministers Mr Kevin Rudd, Mrs Jenny Macklin Federal Minister for Indigenous Affairs, Murdi Paaki Regional Council for financial assistance for the reconstruction of this worthwhile project for our community, to lead a active and healthy lifestyle focussing on positive outcomes for everyone in our community.

I look forward to your reply.

Yours in unity,  
  
Debra Walford.



#### **4. LETTER FROM LIGHTNING RIDGE OLYMPIC POOL ASSOCIATION INC**

**REPORTING SECTION:** General Manager  
**AUTHOR:** Ray Kent – General Manager  
**FILE NUMBER:** 145/11/11/00

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##### **Summary:**

The Mayor has asked that the attached letter be placed before Council. The letter from Mr R Mallouk, of the Lightning Ridge Olympic Pool Association Inc, asks that the following funds “Be re-allocated towards getting the heated water to our new Heated Pool”:

1. A\$75,000.00 was allocated in the budget of 2002-03
2. A\$180,000.00 was allocated in the budget of 2006-2007
3. A\$30,000.00 was allocated in the budget of 2008-09”

##### **Discussion (including issues and background):**

The only amount budgeted for the Diving Pool is \$30,000. This amount is to be used by Council in 2008/09 to engage an expert engineer to identify, cost and assess options for heating the Diving Pool and to recommend a preferred option. The Brief will be prepared by the end of January and a consultant will be engaged in late February/early March. The report and recommendation will be available in time for the Council to consider the level of support it will provide to the Diving Pool during the 2009/10 Budget formulation process.

Past budget allocations to the Diving Pool project, apart from annual operational grants, have included the following:

1. a loan of \$200,000 in November 2000.
2. purchase of pipes with monies (possibly \$75,000) from the Water Fund in 2002/03. The pipes were to be used for a main to deliver water to the Diving Pool but the specification of the pipe was not suitable for carrying high temperature water. The pipes were subsequently used for Water Fund purposes. No provision was made in any subsequent Budget of Council for purchase of further pipes for the main.
3. \$80,000 was budgeted in 2006/07 for the construction of a main to supply bore water to the Diving Pool. Tenders were called but no tender was accepted by the Administrator of the time and the money was not voted to be included in the 2007/08 Budget.

##### **Relevant Reference Documents:**

Nil

##### **Stakeholders:**

Lightning Ridge Olympic Pool Association Inc and the Lightning Ridge community

##### **Financial Implications:**

Nil

**Recommendations:**

**That**

- 1. The report be received**
- 2. The Lightning Ridge Olympic Pool Association Inc be provided with a copy of this report and advised of Council's resolutions in respect of the matter**

**Attachments**

1. Letter from Mr R Mallouk and attached press clippings

**Attachment 1 - Letter from Mr R Mallouk and attached press clippings**

**LIGHTNING RIDGE OLYMPIC POOL ASSOCIATION INC.  
RESERVE TRUST**

**P.O BOX 179  
LIGHTNING RIDGE  
NSW, 2834**

**TEL: 02 68290569  
FAX: 02 68290773**

**The General Manager  
Mr Raymond Kent  
Walgett Shire Council  
Walgett  
NSW, 2832**

**December 4<sup>th</sup>, 2008**

Dear Mr Kent,

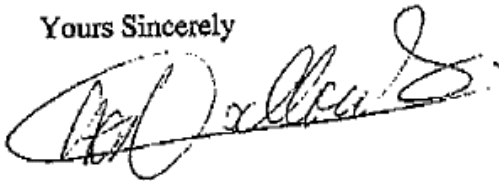
As we are nearing completion of our Indoor Heated Diving Pool, we request herewith that the following funds allocated for our Heated Pool at various stages of construction;

1. A\$ 75,000.00 was allocated in the budget of 2002- 2003
2. A\$180,000.00 was allocated in the budget of 2006-2007
3. A\$ 30,000.00 was allocated in the budget of 2008-2009

Be re-allocated towards getting the heated water to our new Heated Pool.

Thank you for your co-operation and please see that this letter is included in the agenda for the Walgett Shire Council meeting of the 16/12/08.

Yours Sincerely



R.Mallouk

P.s. Councillors Woodcock, Martinez, Lane and Walford each have a copy of this letter.

Carroll Races  
Six Races  
Saturday  
from 1pm

# New setback for Ridge diving pool

HEA 1530 contained a floating pool at the Lightning Lake Pool complex. The positive dash with a lightning bolt in the middle was usually used to discontinue a paragraph in the middle of a page.

When a child has a sore throat, it's often because of a virus, where the child has a cold or flu, and the child's throat has become irritated. In some cases, the child may have a bacterial infection and consume some antibiotics. But the child's throat is often sore.

The authors would like to thank all students who participated in the research project and the following individuals who assisted in data collection:

Dr. Robert A. Johnson  
Dr. William H. Jones  
Dr. James E. Smith  
Dr. David L. White

As the two vessels draw closer, they form a vortex from the water and air that is drawn in. The speed with which the water is drawn in depends on the distance between the two ships before turning around each other.

It is possible that the high level of interest in the current debate about the environment, and the growing public demand for a more responsible and sustainable management of the environment, will lead to the planned introduction of a new environmental management system for the railway, which will be based on the ISO 14000 standard.

# Peace deal puts diving pool on track

A heated diving pool at Lightning Ridge took a giant step forward after Pool Association agreed to deal directly with the Department of Natural Resources (DNR) and the Minister for Lands over the development and future operation of the complex.

Instead of council managing the Crown Reserve on behalf of the NSW government, the pool association becomes the reserve trust managers and will deal direct with DNR and the Minister, pool committee member Ian Woodcock said.

"The whole problem of a lease over the pools and the sports centre has been resolved with a decision there will be no lease. The whole area will be part of the one reserve."

Instead council will excise the library and arts and craft centre from the present reserve and take out separate leases for them.

The decision came more than a year of wrangling over a loan lease for the site, acceptable both to the department and the pool committee. Mr Woodcock declared just a fortnight ago that he was prepared to resign, but said, "We thought we would have to walk away from it."

Mr Woodcock said.

Walgett Shire Council has been the middleman in the negotiations and administrator. Hugh Percy hailed the new deal as a "wonderful outcome".

The negotiations had been "lost, lose situation" for council to trying to please the pool committee and "try and sell them what the department was telling us," he said. They will become the reserve trust and as reserve trust managers they don't need a lease.

"There are model conditions they have to comply with instead of Council telling them what to do."

"It's quite simple really."

"I suggested it two years ago but the pool committee wasn't interested," but at last week's meeting when DNR offered that they manage the reserve trust, they jumped at it," he said.

At the council meeting next day Mr Percy passed a development application for the diving pool - one of the many contentious issues in the negotiations with the pool committee.

It is one of the many instances of poor administration he was sent in to fix.

A D.A. was approved by council, but was not signed off by the Minister (as owner of the land) it was "legally invalid", council was told.

To assist with completion of the diving pool, Mr Percy agreed to transfer \$195,000, its annual subsidy of pool running costs, on July 28 - rather than in two payments six months apart.

It also approved \$185,000 for a new rising main deviation to take bore water to the heat exchangers at the diving pool.

The Pool Association will also receive an \$80,000 loan "to be repaid when the diving pool becomes operational," according to Mr Woodcock.

"I'm very pleased with the outcome, I think it will work well," he said.

Pool chairman, Richard Mallouk has been receiving medical treatment overseas but was relieved at the outcome.

"It will take a great weight off his shoulders," he said.

## 5. INVESTMENT REPORT

**REPORTING SECTION:** Corporate and Community Services  
**AUTHOR:** Myrene Lovegrove  
**FILE NUMBER:** 180/02/01/00

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### Summary:

This report provides an overview of Walgett Shire Council's investments held as at 30<sup>th</sup> November 2008.

### Discussion (including issues and background):

The Local Government Act 1993, Chapter 15, Part 13 Section 625 (2) states:

#### **625 How may councils invest?**

*(2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.*

Local Government investment policy, procedure and practices are governed by the Ministerial Investment Order. The most recent Investment Order dated 31<sup>st</sup> July 2008 was released in circular 08-48 from the Department of Local Government and is attachment 1.

Investment orders have priority in all investment decisions. In the current economic climate the Australian Government "Financial Claims Scheme" guarantee of deposits needs equal consideration.

On the 12<sup>th</sup> October 2008, the Australian Government made provision to guarantee deposits. Under this new "Financial Claims Scheme" total deposits up to and including \$1 million dollars per customer held in eligible Australian deposit-taking institutions are covered free of charge. A higher level of coverage is available on application and for a fee. The fee varies between 0.7% and 1.5% based on the credit rating of the product. Please refer to attachment 2.

Council's current investment policy is included in the policy manual supplied to all councillors. This replaced the policy adopted at the June 2007 meeting. The Investment Report to Council in June 2007 is attachment 3.

Information on the scheme from the Australian Government guarantee scheme website including an 8 page schedule of eligible institutions can be found at Attachment 4. The wide range of potential investment institutions provides the opportunity for a prudent spread of risk to benefit from the guarantee provisions provided by the Australian Government at no cost. Specifically there are 14 Australian banks, 11 Australian building societies and 110 credit unions listed.

At 30<sup>th</sup> November 2008 Walgett Shire Council held \$12,532,245.00 in investments. The investment products include

- Term deposits (89%),
- Callable Range Accrual Notes (CRAN) (7.9%)
- Floating Rates Collateralized Debt Obligations (CDO) (3.05%).

## **Term Deposits**

A term deposit is an interest bearing savings deposit or certificate of deposit with a financial institution including banks, building societies and credit unions. Term deposits have specific maturity dates and the interest rate is set at the time of deposit. Currently WSC has \$11,150,000 invested in 24 different term deposits ranging from 91 days to 216 day terms. Interest rates vary from 7.32% to 9.14%. Recent interest rates are declining and are generally quoted below 6%. This will require some management if Walgett Shire Council is to continue getting a reasonable return on invested monies.

## **Callable Range Accrual Notes (CRAN)**

Currently Walgett Shire Council has \$1 Million invested in two Callable Range Accrual Notes (CRAN's) with FIIG Securities Limited. FIIG Securities Limited is a fixed income investment service that provides WSC with an investment service independent of financial institutions.

Attachment 5 is a report from FIIG Securities Limited on all products held by Walgett Shire Council detailing product, maturity dates and security arrangements. The two CRAN's are for a medium term of 5 years with interest paid quarterly when the BBSW index falls within a defined range. The principle is repaid at maturity date. Early disposal is only available by selling the CRAN on a secondary market.

## **Floating Rates Collateralized Debt Obligations (CDO)**

As disclosed in Walgett Shire Council's audited annual financial statements the market value of the four Floating Rates Collateralized Debt Obligations (CDO) was \$382,245.00 or 3.05% of total investments. CDO's are a single product representing a pool of typically 120 to 150 other assets. Walgett Shire Council's CDO's are all held with Lehman Brothers who are currently under administration. We are arranging to transfer the safe custody of these investments as the administrator has advised that this service will cease shortly. Attachment 6 provides general information on CDO's.

The Lehman's portfolio includes 4 products listed in attachment 7 valuations. Prior to 30<sup>th</sup> June 2008 all products were paying quarterly interest called a "coupon". With the appointment of an administrator 3 of the 4 products paid interest in September to a total of \$12,157.25 representing an effective return of 12.72% on the market value of the 4 products. The next interest is due at the end of December 2008.

All Walgett Shire Council's current investments fall within part (d), (f) or within the transitional arrangement (i) of the investment order.

(d) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the Banking Act 1959 (Cwth)), but excluding subordinated debt obligations;

(f) a deposit with the Local Government Financial Services Pty Ltd

(i) Subject to paragraph (ii) nothing in this Order affects any investment made before the date of this Order which was made in compliance with the previous Ministerial Order dates 15 July 2005, and such investments are taken to be in compliance with this order.

Our current practice for investing or reinvesting term deposits includes:

- Assess cash flow needs
- Seek 3 quotes from complying financial institutions
- Assess current investments to limit investments above \$1 million dollars with any one institution.
- Ensure institution is listed as a eligible institution with the Australian Government “Financial Claims Scheme”
- Invest or reinvest using the prudent person principle.

**Relevant Reference Documents:**

Department Local Government circular 08-48  
Investment policy report to Council June 2007  
WSC Investment Policy

**Stakeholders:**

Walgett Shire Council Rate payers

**Financial Implications:**

Nil

**Recommendations:**

1. Council note the investment report.

**Attachments**

- 1 - Department Local Government Circular 08-48
- 2 - 2007 Australian Government Questions and Answers on Deposit guarantee
- 3 - Investment policy report to Council June
- 4 - Schedule 1 Eligible Institutions
- 5 - FIIG Securities Limited Report on Investments
- 6 - Wikipedia information on CDO's
- 7 - Valuation of CDO's as at 30 June 2008



Attachment 1 - Department Local Government Circular 08-48



Circular No. 08-48  
Date 18 August 2008  
Doc ID. A153888

Contact Chris Duff  
02 4428 4133  
chris.duff@dlg.nsw.gov.au

**REVISED MINISTERIAL INVESTMENT ORDER**

The recent Review of NSW Local Government Investments ("the Cole Report") investigated the impact on councils that invested in structured financial products. The NSW Government adopted all the recommendations from the report.

The Minister for Local Government has now issued a revised Order pursuant to section 625 of the *Local Government Act 1993*. The Minister signed the amended Order on 31 July 2008 and it was gazetted on Friday 15 August 2008. It replaces the Order dated 15 July 2005. The revised Order is attached to this circular.

The changes to the Order include:

- including both principal and investment income in the definition of investment instruments
- removal of investments with specific credit ratings under items (k) and (l) of the previous Order. This decision will be reviewed after 31 December 2009
- removal of item (g) in the previous Order, which identified purchase of land as a form of investment. This removal does not preclude a council from acquiring land for the purpose of exercising any of its functions (s186(1) *Local Government Act 1993*)
- streamlining the wording around investing in public funds and securities issued by or guaranteed by the Commonwealth or Territory (part (a))
- restricting mortgages over land to first mortgages with a Loan to Value ratio of no greater than 60% (part (c))
- excluding subordinated obligations (part (d))
- improving the wording for investments and bills of exchange with authorised deposit-taking institutions (part (e))
- transitional arrangements regarding existing investments (grandfathering provisions).

The Department is preparing guidelines aimed at assisting councils in developing a comprehensive investment policy. The process will incorporate consultation with stakeholders. The guidelines will include issues raised in the Cole Report relating to conflicts of interest, such as product manufacturers and distributors being appointed as investment advisors, and the fiduciary responsibilities of councils and county councils in relation to investment activities.

Department of Local Government  
5 O'Keefe Avenue NOWRA NSW 2541  
Locked Bag 3015 NOWRA NSW 2541  
T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209  
E [dlg@dlg.nsw.gov.au](mailto:dlg@dlg.nsw.gov.au) W [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au) ABN 99 567 863 195

When considering selling current investments that fall below the requirements of the revised Ministerial Investment Order (see Circular 06-70), councils should exercise due care and diligence. Councils should not solely rely on advice from the issuer of the investment and should seek independent financial advice. An investment adviser or dealer acting on behalf of a council should be licensed by the Australian Securities and Investment Commission (ASIC) ([www.asic.gov.au](http://www.asic.gov.au)).

A handwritten signature in black ink, appearing to be 'Garry Payne', with a stylized, flowing script.

**Garry Payne AM**  
**Director General**

**LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER**

(Relating to investments by councils)

I, the Hon. Paul Lynch MP, Minister for Local Government, in pursuance of section 625(2) of the *Local Government Act, 1993* and with the approval of the Treasurer, do, by this my Order, notify for the purposes of section 625 of that Act that a council or county council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- (b) any debentures or securities issued by a council (within the meaning of the *Local Government Act 1993 (NSW)*);
- (c) mortgage of land in any State or Territory of the Commonwealth (restricted to first mortgages over land with a Loan to Value ratio of no greater than 60%);
- (d) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the *Banking Act 1959 (Cwth)*), but excluding subordinated debt obligations;
- (e) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (f) a deposit with the Local Government Financial Services Pty Ltd
- (g) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation.

**All investment instruments (excluding short term discount instruments) referred to above include both principal and investment income.**

Transitional Arrangements

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the date of this Order which was made in compliance with the previous Ministerial Order dated 15 July 2005, and such investments are taken to be in compliance with this Order.
- (ii) Paragraph (i) only applies to those investments made before the date of this Order and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

Dated this 31<sup>st</sup> day of July

2008

  
Hon PAUL LYNCH MP  
Minister for Local Government

**Attachment 2 - 2007 Australian Government Questions and Answers on Deposit guarantee**



**Australian Government**

**Guarantee Scheme for Large Deposits and Wholesale Funding**

---

## **Questions & Answers about the Guarantee on Deposits**

1. Why has the Australian Government introduced the Guarantee Scheme for Large Deposits and Wholesale Funding?
2. What is the position up until 27 November 2008?
3. What will be the arrangements from 28 November 2008?
4. How does the guarantee for large deposits work?
5. What deposits and institutions are covered?
6. What is the level of the fee?
7. Who pays the fee?
8. What is the timing of the fee?
9. Who should depositors contact for more information?
10. Who should ADIs contact for more information?

### **1. Why has the Australian Government introduced the Guarantee Scheme for Large Deposits and Wholesale Funding?**

On 12 October 2008, the Australian Government announced temporary arrangements to enable the provision of a guarantee for the deposits and wholesale funding of Australian deposit-taking institutions.

In the lead up to this announcement, developments in international wholesale funding markets were restricting the ability of financial institutions both here and overseas to access funding, with potentially serious implications for liquidity and lending activity.

To address these pressures, the Government guarantee arrangements are designed to promote financial system stability in Australia, by supporting confidence and assisting authorised deposit-taking institutions (ADIs) – banks, building societies and credit unions – to continue to access funding at a time of considerable turbulence. They are also designed to ensure that Australian institutions are not placed at a disadvantage compared to their international competitors that can access similar government guarantees on their wholesale funding.

The arrangements contain features and variables that may require adjustment in light of market developments, including the overall fee level and structure, the threshold for the deposit guarantee and the overall coverage of the Guarantee Scheme. The deposit and wholesale guarantee scheme will be reviewed on an ongoing basis and revised if necessary.

### **2. What is the position up until 27 November 2008?**

Up until 27 November 2008, deposits in eligible ADIs – including banks, building societies and credit unions – are guaranteed by the Australian Government without charge. The guarantee of deposits is implemented by the Financial Claims Scheme, which was enacted into law in October 2008.

### **3. What will be the arrangements from 28 November 2008?**

Under the Financial Claims Scheme total deposit balances up to and including \$1 million per customer held in an eligible ADI will be covered without charge. No application is required for coverage under the Financial Claims Scheme.

<http://www.guaranteescheme.gov.au/qa/deposits.html>

5/12/2008

For customers with total deposit balances over \$1 million, at a single ADI, a guarantee is available on that portion of their balances over \$1 million, under the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding (the Guarantee Scheme), subject to an approval process and other conditions, including the payment of a monthly fee by the ADI on the amounts guaranteed. The \$1 million amount applies even if the deposits are spread across multiple accounts in the same institution.

The Financial Claims Scheme is estimated to cover the entire deposit balances of over 99 per cent of depositors, as most depositors have balances less than \$1 million. Those depositors whose total balances at a single institution exceed \$1 million will have \$1 million of such deposits covered by the Financial Claims Scheme, with the option of having the amount in excess of \$1 million guaranteed under the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding.

Separate arrangements apply for deposits with foreign bank branches – see Foreign Bank Branches.

#### **4. How does the guarantee for large deposits work?**

Under the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding, eligible ADIs can apply to the Scheme Administrator to be able to offer guaranteed large deposits. It is up to individual ADIs whether they choose to apply for this approval to offer guaranteed large deposits.

Having received the necessary approval, an eligible ADI can then offer guaranteed deposits to its customers whose total deposit balances exceed \$1 million. Customers are under no obligation to have the guarantee apply to that portion of their total deposit balances over \$1 million, should the ADI holding their account offer a guarantee.

The ADI is obliged to pay the Scheme Administrator a fee based on the value of deposits it has covered by the guarantee. The fee only applies to the amount of each customer's total deposits above \$1 million that is guaranteed.

#### **5. What deposits and institutions are covered?**

Only deposit products provided by ADIs supervised by APRA are eligible to be covered. A listing of eligible institutions is at Schedule 1 of the Scheme Rules. Separate arrangements apply for deposits with foreign bank branches – see Foreign Bank Branches.

Deposit products include all conventional deposits, including on-line savings accounts, call accounts and term deposits. For a non-exhaustive list of sample accounts – see Sample Accounts. ADIs must apply to have specific deposit products covered under the Guarantee Scheme.

Further information on the coverage of the guarantee is in the Scheme Rules.

#### **6. What is the level of the fee?**

The same fee schedule will apply to an ADI's large deposits as to its wholesale funding.

The fee depends on the credit rating of the ADI, with higher rated institutions paying a lower fee to access the Government guarantee.

The same fee applies regardless of the term of the deposit.

Credit Rating	Fee per annum

<http://www.guaranteescheme.gov.au/qa/deposits.html>

5/12/2008

AAA to AA–	70 basis points (0.7 per cent)
A+ to A–	100 basis points (1.0 per cent)
BBB+ and below and Unrated	150 basis points (1.5 per cent)

The Government will monitor the appropriateness of the fee schedule over time and will, if necessary, make changes in response to market developments.

## 7. Who pays the fee?

The fee is payable by the ADI, based on the value of deposits that are subject to the guarantee. It is only payable on that portion of a customer's total deposit balance over \$1 million that is subject to the guarantee.

While it is up to each ADI to determine the arrangements it makes with its customers, including whether and to what extent it passes the fee on to customers, it is expected that where an institution offers both guaranteed and non-guaranteed deposits, the difference in interest paid to the customer will reflect the guarantee fee it must pay.

## 8. What is the timing of the fee?

The fee will apply from 28 November 2008 and will be paid by the ADI monthly in arrears.

## 9. Who should depositors contact for more information?

Depositors whose deposit balances are less than \$1 million are automatically covered by the free guarantee on the deposit.

Depositors with total deposit balances above \$1 million at a single institution should contact their ADI for more information on the arrangements the ADI will make regarding the guarantee.

A listing, by institution, of the deposits that have been approved for access to the Government guarantee is at Guaranteed Liabilities.

## 10. Who should ADIs contact for more information?

Eligible ADIs should review the Scheme Rules and Application Documentation.

Eligible ADIs wishing to make an application for the guarantee or ask questions in relation to the administrative arrangements can contact

Scheme Administrator  
Australian Government Guarantee Scheme for  
Large Deposits and Wholesale Funding  
GPO Box 5367  
SYDNEY NSW 2001

Toll Free: 1800 013 806  
E-mail: [administrator@guaranteescheme.gov.au](mailto:administrator@guaranteescheme.gov.au)

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© Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding, 2008. All rights reserved.

**Attachment 3 – Investment policy report to Council June**

**136/07 – Investment Policy**

**RESOLUTION: -**

It was resolved on the Motion of the Administrator that Council's Investment Policy as attached be adopted and reviewed in June 2008.

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**INVESTMENT POLICY**



**1.1 Policy Statement**

Walgett Shire Council is committed to openness and transparency in its financial management practices and sets out to ensure that the Council's funds are secure when investing surplus funds by adopting appropriate credit and duration limits and to maximise earnings subject to those limits. Walgett Shire Council is committed to the preservation of capital rather than rate of return.

## INVESTMENT POLICY



### 1.2 Authority for Investment

All investments are to be made in accordance with:

- Local Government Act 1993 – Section 625
- Local Government Act 1993 – Investment Order (of the Minister) dated 15<sup>th</sup> July 2005.
- Local Government (Financial Management) Regulation 2005 – Clause 16

### 1.3 Delegation of Authority

The General Manager has the authority to invest surplus funds and may delegate this function to the Director of Corporate Services and/or Council Accountant. All investments must be signed by two (2) signatories. The following officers have the authority to sign investments:

1. General Manager
2. Manager Corporate Services
3. Accountant
4. Finance Officer

### 1.4 Policy Objectives

The purpose of this policy is to ensure that:

- Preservation of capital is maintained;
- Council maximises the return on surplus funds, taking into consideration the levels of risk;
- Risk Management strategies are in place to protect Council investments;
- Council complies with its legislative responsibilities, including provisions of the Local Government Act 1993 and Clause 212 of the Local Government (General) Regulation 2005 that provides for reporting on council investments by the Responsible Accounting Officer.

### 1.5 Scope

This policy applies to the employees of Walgett Shire Council and in particular to the Manager Corporate Services, Accountant and employees of the Finance Department.



## INVESTMENT POLICY



### 2.1 Investment Guidelines

- **Forms of Investment** – Forms of Investment for the purposes of section 625 (2) of the Local Government Act 1993 are by Order of the Minister notifying forms of investment. A copy of the Investment Order is attached as “Annexure A”.
- **Legislative Obligations** – All investments are to be made exercising care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons. Investments that are speculative or hazardous in nature are to be avoided.
- **Legislative Requirements** – All investments are to be made in accordance with the provisions of the Local Government Act 1993, with particular regard to the following:
  1. The purpose of the investment;
  2. The desirability of diversifying council investments;
  3. The nature of and risk associated with council investments;
  4. The desirability of maintaining the real value of the capital and income of the investment;
  5. The risk of capital or income loss or depreciation;
  6. The potential for capital appreciation;
  7. The likely income return and the timing of income return;
  8. The length of the term of a proposed investment;
  9. The period for which the investment is likely to be required ;
  10. The liquidity and marketability of a proposed investment during, and on the determination of, the term of the investment;
  11. The aggregate value of the assets of the council;
  12. The likelihood of inflation affecting the value of the proposed investment;
  13. The costs of making a proposed investment;
  14. The results of any review of existing council investments.
  15. Other matters as appropriate.

## INVESTMENT POLICY



- **Working Capital** – the Commonwealth Bank working account balance of Council is to be kept at a level no greater than is required to meet Council's immediate working capital requirements, with any surplus funds being applied either to reduce debt or for investment purposes.
- **Quotations** – Three (3) quotations will be obtained from authorised institutions before making an investment. The Code of Accounting Practice and Financial Reporting require that Council maintains a separate record of these quotations.
- **Maximum Value** – The maximum value allowed to be invested with any one institution is \$1,000,000 unless approved by Council.
- **Long term investments** – Investments fixed for a period greater than 12 months, should they arise, are to be approved by Council.
- **Separate Records Maintained** – The Code of Accounting Practice requires Council to maintain a separate record of money it has invested under section 625 of the Act. The record must specify
  - a) the source and amount of money invested;
  - b) particulars of the security or form the money is invested;
  - c) if available, the rate of interest to be paid, the amount of money that the council has earned, in respect to the money invested.
- **Reports on Council Investments** – The responsible accounting officer must provide Council with a written report detailing all money that Council has invested. This information must be presented in accordance with Section 625 of the Act and must be presented at each monthly ordinary meeting. This report must include a certificate as to whether or not the investment has been made in accordance with the Act, the regulations and Council's investment policy.
- **Third Party Investors** – Any investment advisor or investment dealer acting on behalf of Council must be licensed with the Australian Securities and Investment Commission. These third parties are expected to exercise the care, diligence and skill that a prudent person would exercise in investing council funds. This policy is to be presented to all third parties to ensure that Fund Managers are delivering appropriately and complying with Council's requirements, including the Ministerial Investment Order. The responsible accounting officer should obtain assurance from Fund Managers that third party investments comply with Council's requirements.
- **Withdrawal of Investments** – In the event that a credit rating of a security, company or body issuing the security falls below the minimum requirement, as set out in the Minister's Order, a council must make all the necessary arrangements to withdraw the deposit as soon as practicable.

## INVESTMENT POLICY



- **Annual Review** – Investment performance will be reviewed at the end of each financial year, and the outcomes will be reported to Council. The investment policy will also be reviewed at this time.

## Appendix A – Local Government Act 1993 – Ministerial Investment Order (2005)

**APPENDIX "A"****LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER**

(Relating to investments by councils)

I, David Campbell, MP, Acting Minister for Local Government, in pursuance of section 625 (2) of the Local Government Act 1993 and with the approval of the Treasurer, do, by this my Order, notify for the purposes of section 625 of that Act that a council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or Government stock or Government securities of the Commonwealth or any State of the Commonwealth;
- (b) any debentures or securities guaranteed by the Government of New South Wales;
- (c) any debentures or securities, issued by a public or local authority, or a statutory body representing the Crown, constituted by or under any law of the Commonwealth, of any State of the Commonwealth or of the Northern Territory or of the Australian Capital Territory and guaranteed by the Commonwealth, any State of the Commonwealth or a Territory;
- (d) any debentures or securities issued by a Territory and guaranteed by the Commonwealth;
- (e) any debentures or securities issued by a council (within the meaning of the Local Government Act 1993);
- (f) mortgage of land in any State or Territory of the Commonwealth;
- (g) purchase of land (including any lot within the meaning of the State Securities Management Act 1996) in any State or Territory of the Commonwealth;
- (h) interest bearing deposits in a bank authorised to carry on the business of banking under any law of the Commonwealth or of a State or Territory of the Commonwealth;
- (i) interest bearing deposits with a building society or credit union;
- (j) any bill of exchange which has a maturity date of not more than 200 days and if purchased for value confers on the holder in due course a right of recourse against a bank, building society or credit union as the acceptor or endorser of the bill for an amount equal to the face value of the bill;
- (k) any securities which are issued by a body or company (or controlled parent entity either immediate or ultimate) with a Moody's Investors Service, Inc. credit rating of "Aaa", "Aa1", "Aa2", "Aa3", "A1" or "A2" or a Standard & Poor's Investors Service, Inc. credit rating of "AAA", "AA+", "AA", "AA-", "A+", "A", or "A-" or a Fitch Rating credit rating of "AAA", "AA+", "AA", "AA-", "A+", "A", or "A-";
- (l) any securities which are given a Moody's Investors Service, Inc. credit rating of "Aaa", "Aa1", "Aa2", "Aa3", "A1", "A2" or "Prime-1" or a Standard and Poor's Investors Service, Inc. credit rating of "AAA", "AA+", "AA", "AA-", "A+", "A", "A1" or "A1" or a Fitch Rating credit rating of "AAA", "AA+", "AA", "AA-", "A+", "A", or "A-";
- (m) any debentures or securities issued by a bank, building society or credit union;
- (n) a deposit with the Local Government Investment Service Pty Ltd;
- (o) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation.

Dated this 15th day of July 2005

Hon DAVID CAMPBELL MP  
Acting Minister for Local Government

Carried.

**Attachment 4 - Schedule 1 Eligible Institutions**

**SCHEDULE 1 ELIGIBLE INSTITUTIONS**

The following institutions are eligible to apply for the Guarantee:

**A. Australian-owned Banks**

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- Adelaide Bank Limited
- AMP Bank Limited
- Australia and New Zealand Banking Group Limited
- Bank of Queensland Limited
- Bendigo and Adelaide Bank Limited
- Commonwealth Bank of Australia
- Commonwealth Development Bank of Australia Limited
- Elders Rural Bank Limited
- Macquarie Bank Limited
- Members Equity Bank Pty Limited
- National Australia Bank Limited
- St.George Bank Limited
- Suncorp-Metway Limited
- Westpac Banking Corporation

**B. Australian-incorporated ADIs which are subsidiaries of foreign banks**

---

- Arab Bank Australia Limited
- Bank of China (Australia) Limited
- Bank of Cyprus Australia Limited
- BankWest (the trading name of Bank of Western Australia Ltd)
- Citigroup Pty Limited
- HSBC Bank Australia Limited
- ING Direct (the trading name of ING Bank (Australia) Limited)
- Investec Bank (Australia) Limited
- Laiki Bank (Australia) Ltd
- Rabobank Australia Limited

**C. Branches of Foreign Banks**

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- ABN AMRO Bank N.V.
- Allied Irish Banks, Public Limited Company
- Bank of America, National Association
- Bank of China Limited
- Bank of Scotland plc
- Barclays Capital (the trading name of Barclays Bank plc)
- BNP Paribas
- Citibank, N.A.
- Credit Suisse
- Deutsche Bank Aktiengesellschaft
- Fortis Bank SA/NV
- HSBC Bank plc
- Industrial and Commercial Bank of China Limited
- ING Bank N.V.
- JPMorgan Chase Bank, National Association
- Mega International Commercial Bank Co., Ltd.
- Mizuho Corporate Bank, Ltd.
- Oversea-Chinese Banking Corporation Limited
- Rabobank Nederland (the trading name of Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A.)
- Royal Bank of Canada
- Société Générale
- Standard Bank Plc
- Standard Chartered Bank
- State Bank of India
- State Street Bank and Trust Company
- Sumitomo Mitsui Banking Corporation
- Taiwan Business Bank
- The Bank of Tokyo-Mitsubishi UFJ, Ltd

- The Hongkong and Shanghai Banking Corporation Limited
- The Northern Trust Company
- The Royal Bank of Scotland PLC
- The Toronto-Dominion Bank
- UBS AG
- United Overseas Bank Limited
- WestLB AG

**D. Building Societies**

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- ABS Building Society Ltd
- B & E Ltd
- Greater Building Society Ltd
- Heritage Building Society Limited
- Hume Building Society Ltd
- IMB Ltd
- Lifeplan Australia Building Society Limited
- Maitland Mutual Building Society Limited
- Newcastle Permanent Building Society Limited
- The Rock Building Society Limited
- Wide Bay Australia Ltd

**E. Credit Unions**

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- Alliance One Credit Union Ltd
- Allied Members Credit Union Ltd
- AMP Credit Union Ltd
- Australian Central Credit Union Ltd
- Australian Country Credit Union Ltd (trading as Reliance Credit Union)
- Australian Defence Credit Union Limited
- AWA Credit Union Limited
- Bananacoast Community Credit Union Ltd
- Bankstown City Credit Union Ltd

- Ford Co-operative Credit Society Limited
- Gateway Credit Union Ltd
- Geelong & District Credit Co-operative Society Limited
- GMH (Employees) Q.W.L. Credit Co-operative Limited
- Goldfields Credit Union Ltd
- Gosford City Credit Union Limited
- Goulburn Murray Credit Union Co-operative Limited
- H.M.C. Staff Credit Union Ltd
- Heritage Isle Credit Union Limited
- Holiday Coast Credit Union Ltd
- Horizon Credit Union Ltd
- Hunter Mutual Limited
- Hunter United Employees' Credit Union Limited
- Industries Mutual Credit Union Limited
- Intech Credit Union Limited
- Karpaty Ukrainian Credit Union Limited
- La Trobe Country Credit Co-operative Limited
- La Trobe University Credit Union Co-operative Limited
- Laboratories Credit Union Limited
- Latvian Australian Credit Co-operative Society Limited
- Lithuanian Co-operative Credit Society "Talka" Limited
- Lysaght Credit Union Ltd
- Macarthur Credit Union Ltd
- Macquarie Credit Union Limited
- Maleny and District Community Credit Union Limited
- Manly Warringah Credit Union Limited
- Maritime, Mining & Power Credit Union Limited
- Maroondah Credit Union Ltd
- MECU Limited

- Berrima District Credit Union Ltd
- Big Sky Credit Union Ltd
- CAPE Credit Union Limited
- Capricornia Credit Union Ltd
- Central Murray Credit Union Limited
- Central West Credit Union Limited
- Circle Credit Co-operative Limited
- Coastline Credit Union Limited
- Collie Miners Credit Union Ltd
- Community Alliance Credit Union Limited
- Community CPS Australia Limited
- Community First Credit Union Limited
- Companion Credit Union Limited
- Country First Credit Union Ltd
- Credit Union Australia Ltd
- CSR and Rinker Employees Credit Union Limited
- Defence Force Credit Union Limited
- Dnister Ukrainian Credit Co-operative Limited
- Electricity Credit Union Ltd
- Encompass Credit Union Limited
- EECU Limited
- Eurobodalla Credit Union Ltd
- Family First Credit Union Limited
- Fire Brigades Employees' Credit Union Limited
- Fire Service Credit Union Limited
- Firefighters & Affiliates Credit Co-operative Limited
- First Choice Credit Union Ltd
- First Option Credit Union Limited
- Fitzroy & Carlton Community Credit Co-operative Limited



- Melbourne University Credit Union Limited
- MemberFirst Credit Union Limited
- MyState Financial Credit Union of Tasmania Limited
- New England Credit Union Ltd
- Newcom Colliery Employees Credit Union Ltd
- Northern Inland Credit Union Limited
- Nova Credit Union Limited
- NSW Teachers Credit Union Ltd
- Old Gold Credit Union Co-operative Limited
- Orange Credit Union Limited
- Phoenix (N.S.W.) Credit Union Limited
- Plenty Credit Co-operative Limited
- Police & Nurses Credit Society Limited
- Police Association Credit Co-operative Limited
- Police Credit Union Limited
- Polish Community Credit Union Ltd
- PowerState Credit Union Ltd
- Pulse Credit Union Limited
- Qantas Staff Credit Union Limited
- Queensland Country Credit Union Limited
- Queensland Police Credit Union Limited
- Queensland Professional Credit Union Ltd
- Queensland Teachers' Credit Union Limited
- Queenslanders Credit Union Limited
- R.T.A. Staff Credit Union Limited
- Railways Credit Union Limited
- RegionalOne Credit Union Limited
- Resources Credit Union Limited
- Satisfac Direct Credit Union Limited

- Savings and Loans Credit Union (S.A.) Ltd
- Select Credit Union Limited
- Service One Credit Union Limited
- SGE Credit Union Limited
- Shell Employees' Credit Union Limited
- South West Slopes Credit Union Ltd
- Southern Cross Credit Union Ltd
- South-West Credit Union Co-operative Limited
- St Mary's Swan Hill Co-operative Credit Society Limited
- Sutherland Credit Union Ltd
- Sutherland Shire Council Employees' Credit Union Ltd
- Sydney Credit Union Ltd
- Tartan Credit Union Ltd
- The Broken Hill Community Credit Union Ltd
- The Gympie Credit Union Ltd
- The Police Department Employees' Credit Union Limited
- The Summerland Credit Union Limited
- The University Credit Society Limited
- Traditional Credit Union Limited
- Transcomm Credit Co-operative Limited
- Victoria Teachers Credit Union Limited
- Wagga Mutual Credit Union Ltd
- Warwick Credit Union Ltd
- WAW Credit Union Co-operative Limited
- Woolworths Employees' Credit Union Limited
- Wyong Council Credit Union Ltd

**F. Other ADIs**

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- Australian Settlements Limited
- Cairns Penny Savings & Loans Limited

- Cuscal Limited
- Indue Ltd

## Attachment 5 – FIIG Securities Limited Report on Investments



FIIG Securities Limited  
ABN 68 085 661 632  
AFS Licence No. 224659

5<sup>th</sup> December 2008

Myrene Lovegrove  
Walgett Shire Council

Dear Myrene,

### Report on Investments

We would like to confirm that Walgett Shire Council currently holds the following investments through FIIG Securities.

#### Term Deposits

ADI	Investment Date	Maturity Date	Interest Rate	Amount
Australian Central Credit Union	8/7/2008	6/1/2009	8.50%	\$500,000.00
Commonwealth Bank	15/7/2008	15/1/2009	7.95%	\$500,000.00
Savings & Loans Credit Union	19/8/2008	10/2/2009	7.91%	\$250,000.00
Savings & Loans Credit Union	2/12/2008	3/3/2009	6.00%	\$500,000.00
			<b>TOTAL</b>	<b>\$1,750,000.00</b>

The Australian Government's Deposit Guarantee provides a full government guarantee for the first \$1,000,000.00 invested with any ADI (Authorised Deposit-Taking Institution) at no cost. The above investments are all covered under the Australian Government's Deposit Guarantee as they represent deposits of less than \$1,000,000.00 with any one ADI.

#### Range Accrual Notes

Issuer	Commonwealth Bank of Australia
Issue Date	16/12/2005
Maturity Date	16/12/2010
Amount	\$500,000.00
Coupon Rate	7.50%

#### FIIG Securities Limited is a member of The Driven Group

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# WALGETT SHIRE COUNCIL AGENDA



FIIG Securities Limited  
ABN 68 085 561 632  
AFS Licence No. 224659

Range	Year 1 – 4.50% to 6.25% Year 2 – 4.50% to 6.50% <b>Year 3 – 4.50% to 6.50%</b> Year 4 – 4.50% to 6.50% Year 5 – 4.50% to 6.50%
Rating	AA
Capital Protection	Provided by a Commonwealth Bank of Australia bond

Issuer	Royal Bank of Canada
Issue Date	16/3/2006
Maturity Date	16/3/2011
Amount	\$500,000.00
Coupon Rate	7.70%
Range	Year 1 – 5.25% to 6.25% Year 2 – 5.25% to 6.25% <b>Year 3 – 4.75% to 6.50%</b> Year 4 – 4.75% to 6.50% Year 5 – 4.75% to 6.50%
Rating	AA-
Capital Protection	Provided by a Royal Bank of Canada bond

Range Accrual Notes provide for a significant premium on return when the 90 day BBSW rate remains within the range shown above. The 90 day BBSW rate is a benchmark rate set by the market at around 10am every morning reflecting the average 90 day bank bill rate across a number of institutions. While the 90 day BBSW rate remains in the ranges shown above those notes earn interest at the coupon rate. When the 90 day BBSW falls outside the range the notes earn no coupon. Both of these notes have principal protection provided by the issuer. This means that the full amount of the note will be paid out on maturity.

The 90 day BBSW is currently at 4.66% so the CBA Range Accrual Note is paying coupon while the RBC Range Accrual Note is not.

Yours faithfully,

Simon Michell  
FIIG Securities - Sydney

## Attachment 6 - Wikipedia information on CDO's

### Market history and growth

The first CDO was issued in 1987 by bankers at now-defunct Drexel Burnham Lambert Inc. for Imperial Savings Association, a savings institution that later became insolvent and was taken over by the Resolution Trust Corporation on June 22, 1990.<sup>[2][3][4]</sup> A decade later, CDOs emerged as the fastest growing sector of the asset-backed synthetic securities market. This growth may reflect the increasing appeal of CDOs for a growing number of asset managers and investors, which now include insurance companies, mutual fund companies, unit trusts, investment trusts, commercial banks, investment banks, pension fund managers, private banking organizations, other CDOs and structured investment vehicles.

CDOs offered returns that were sometimes 2-3 percentage points higher than corporate bonds with the same credit rating.

It may also reflect the greater profit margins that CDOs provide to their manufacturers.

A major factor in the growth of CDOs was the 2001 introduction by David X. Li of Gaussian copula models, which allowed for the rapid pricing of CDOs.<sup>[5][6]</sup>

According to the Securities Industry and Financial Markets Association, aggregate global CDO issuance totaled US\$ 157 billion in 2004, US\$ 272 billion in 2005, US\$ 552 billion in 2006 and US\$ 503 billion in 2007.<sup>[7]</sup> Research firm Celent estimated the size of the CDO global market to close to \$2 trillion by the end of 2006.<sup>[8]</sup>

### Concept

CDOs vary in structure and underlying assets, but the basic principle is the same. Essentially a CDO is a corporate entity constructed to hold assets as collateral and to sell packages of cash flows to investors. A CDO is constructed as follows:

- A special purpose entity (SPV) acquires a portfolio of credit. Common assets held include mortgage-backed securities, Commercial Real Estate (CRE) debt, and high-yield corporate loans.
- The SPV issues different classes of bonds and equity and the proceeds are used to purchase the portfolio of credits. The bonds and equity are entitled to the cash flows from the portfolio of credits, in accordance with the Priority of Payments set forth in the transaction documents. The senior notes are paid from the cash flows before the junior notes and equity notes. In this way, losses are first borne by the equity notes, next by the junior notes, and finally by the senior notes. In this way, the senior notes, junior notes, and equity notes offer distinctly different combinations of risk and return, while each reference the same portfolio of debt securities.

A CDO investor takes a position in an entity that has defined risk and reward, not directly in the underlying assets. Therefore, the investment is dependent on the quality of the metrics and assumptions used for defining the risk and reward of the tranches.

The issuer of the CDO, typically an investment bank, earns a commission at time of issue and earns management fees during the life of the CDO. An investment in a CDO is therefore an investment in the cash flows of the assets, and the promises and mathematical models of this intermediary, rather than a direct investment in the underlying collateral. This differentiates a CDO from a mortgage or a mortgage-backed security (MBS).

[http://en.wikipedia.org/wiki/Collateralized\\_debt\\_obligation](http://en.wikipedia.org/wiki/Collateralized_debt_obligation)

5/12/2008

The loss of an investor's principal is applied in reverse order of seniority (i.e., highest credit risk tranches to lowest). The senior tranche is protected by the subordinated security structure; thus, it is the most highly rated tranche. The equity tranche (also known as the first-loss tranche or "toxic waste") is most vulnerable, and has to offer higher coupons to compensate for the higher risk.

Creating CDOs from other CDOs creates enormous problems for accounting, allowing large financial institutions to move debt off their books by pooling their debt with other financial institutions and then bringing these debts back on to their books calling it a Synthetic CDO asset. [9] This not only has allowed financial institutions to hide their losses, but has allowed them to inflate their earnings.[10] This has the unfortunate effect of doubling potential losses book-wise[11].

## Structures

CDO is a broad term that can refer to several different types of products. They can be categorized in several ways. The primary classifications are as follow:

Source of funds -- cash flow vs. market value

- *Cash flow CDOs* pay interest and principal to tranche holders using the cash flows produced by the CDO's assets. Cash flow CDOs focus primarily on managing the credit quality of the underlying portfolio.
- *Market value CDOs* attempt to enhance investor returns through the more frequent trading and profitable sale of collateral assets. The CDO asset manager seeks to realize capital gains on the assets in the CDO's portfolio. There is greater focus on the changes in market value of the CDO's assets. Market value CDOs are longer-established, but less common than cash flow CDOs.

Motivation -- arbitrage vs. balance sheet

- *Arbitrage transactions* (cash flow and market value) attempt to capture for equity investors the spread between the relatively high yielding assets and the lower yielding liabilities represented by the rated bonds. The majority, 86%, of CDOs are arbitrage-motivated[12].
- *Balance sheet transactions*, by contrast, are primarily motivated by the issuing institutions' desire to remove loans and other assets from their balance sheets, to reduce their regulatory capital requirements and improve their return on risk capital. A bank may wish to offload the credit risk in order to reduce its balance sheet's credit risk.

Funding -- cash vs. synthetic

- *Cash CDOs* involve a portfolio of cash assets, such as loans, corporate bonds, asset-backed securities or mortgage-backed securities. Ownership of the assets is transferred to the legal entity (known as a special purpose vehicle) issuing the CDO's tranches. The risk of loss on the assets is divided among tranches in reverse order of seniority. Cash CDO issuance exceeded \$400 billion in 2006.
- *Synthetic CDOs* do not own cash assets like bonds or loans. Instead, synthetic CDOs gain credit exposure to a portfolio of fixed income assets without owning those assets through the use of credit default swaps, a derivatives instrument. (Under such a swap, the credit protection seller, the CDO, receives periodic cash payments, called premiums, in exchange for agreeing to assume the risk of loss on a specific asset in the event that asset experiences a default or other credit event.) Like a cash CDO, the risk of loss on the CDO's portfolio is divided into tranches. Losses will first affect the equity tranche, next the mezzanine tranches, and finally the senior tranche. Each tranche receives a periodic payment (the swap premium), with the

junior tranches offering higher premiums.

A synthetic CDO tranche may be either funded or unfunded. Under the swap agreements, the CDO could have to pay up to a certain amount of money in the event of a credit event on the reference obligations in the CDO's reference portfolio. Some of this credit exposure is funded at the time of investment by the investors in funded tranches. Typically, the junior tranches that face the greatest risk of experiencing a loss have to fund at closing. Until a credit event occurs, the proceeds provided by the funded tranches are often invested in high-quality, liquid assets or placed in a GIC (Guaranteed Investment Contract) account that offers a return that is a few basis points below LIBOR. The return from these investments plus the premium from the swap counterparty provide the cash flow stream to pay interest to the funded tranches. When a credit event occurs and a payout to the swap counterparty is required, the required payment is made from the GIC or reserve account that holds the liquid investments. In contrast, senior tranches are usually unfunded since the risk of loss is much lower. Unlike a cash CDO, investors in a senior tranche receive periodic payments but do not place any capital in the CDO when entering into the investment. Instead, the investors retain continuing funding exposure and may have to make a payment to the CDO in the event the portfolio's losses reach the senior tranche. Funded synthetic issuance exceeded \$80 billion in 2006. From an issuance perspective, synthetic CDOs take less time to create. Cash assets do not have to be purchased and managed, and the CDO's tranches can be precisely structured.

- *Hybrid CDOs* are an intermediate instrument between cash CDOs and synthetic CDOs. The portfolio of a hybrid CDO includes both cash assets as well as swaps that give the CDO credit exposure to additional assets. A portion of the proceeds from the funded tranches is invested in cash assets and the remainder is held in reserve to cover payments that may be required under the credit default swaps. The CDO receives payments from three sources: the return from the cash assets, the GIC or reserve account investments, and the CDS premiums.

#### Single-tranche CDOs

The flexibility of credit default swaps is used to construct Single Tranche CDOs (bespoke CDOs) where the entire CDO is structured specifically for a single or small group of investors, and the remaining tranches are never sold but held by the dealer based on valuations from internal models. Residual risk is delta-hedged by the dealer.

#### Variants

Unlike CDOs, which are terminating structures that typically wind-down or refinance at the end of their financing term, Structured Operating Companies are permanently capitalized variants of CDOs, with an active management team and infrastructure. They often issue term notes, commercial paper, and/or auction rate securities, depending upon the structural and portfolio characteristics of the company. Credit Derivative Products Companies (CDPC) and Structured Investment Vehicles (SIV) are examples, with CDPC taking risk synthetically and SIV with predominantly 'cash' exposure.

## Taxation of CDOs

CDOs are bonds issued by special purpose vehicles that are backed by pools of bonds, loans or other debt instruments. CDOs are typically issued in classes or "tranches" with some being senior to others in the event of a shortfall in the cash available to make payments on the bonds. The issuer of a CDO typically is a corporation established outside the United States to avoid being subject to U.S. federal income taxation on its global income. These corporations must restrict their activities to avoid U.S. tax; corporations that are deemed to engage in trade or business in the U.S. will be subject to federal



taxation.<sup>[13]</sup> However, the U.S. government will not tax foreign corporations that only invest in and hold portfolios of U.S. stock and debt securities because investing, unlike trading or dealing, is not considered to be a trade or business, regardless of its volume or frequency.<sup>[14]</sup>

In addition, a safe harbor protects CDO issuers that do actively trade in securities, even though trading in securities technically is a business, provided the issuer's activities do not cause it to be viewed as a dealer in securities or engaged in a banking, lending or similar business.<sup>[15]</sup>

CDOs are generally taxable as debt instruments except for the most junior class of CDOs which are treated as equity and are subject to special rules.

## Types of CDOs

### A) Based on the underlying asset:

- Collateralized loan obligations (CLOs) -- CDOs backed primarily by leveraged bank loans.
- Collateralized bond obligations (CBOs) -- CDOs backed primarily by leveraged fixed income securities.
- Collateralized synthetic obligations (CSOs) -- CDOs backed primarily by credit derivatives.
- Structured finance CDOs (SFCDOs) -- CDOs backed primarily by structured products (such as asset-backed securities and mortgage-backed securities).

Note: In 2007, 47% of CDOs were backed by structured products, 45% of CDOs were backed by loans, and only less than 10% of CDOs were backed by fixed income securities<sup>[16]</sup>.

### B) Other types of CDOs include:

- Commercial Real Estate CDOs (CRE CDOs) -- backed primarily by commercial real estate assets
- Collateralized bond obligations (CBOs) -- CDOs backed primarily by corporate bonds
- Collateralized Insurance Obligations (CIOs) -- backed by insurance or, more usually, reinsurance contracts
- CDO-Squared -- CDOs backed primarily by the tranches issued by other CDOs.
- CDO<sup>n</sup> -- Generic term for CDO<sup>3</sup> (CDO cubed) and higher, where the CDO is backed by other CDOs/CDO<sup>2</sup>/CDO<sup>3</sup>. These are particularly difficult vehicles to model due to the possible repetition of exposures in the underlying CDO.

## Types of Collateral

The collateral for cash CDOs include:

- Structured finance securities (mortgage-backed securities, home equity asset-backed securities, commercial mortgage-backed securities)
- Leveraged loans
- Corporate bonds

- Real estate investment trust (REIT) debt
- Commercial real estate mortgage debt (including whole loans, B notes, and Mezzanine debt)
- Emerging-market sovereign debt
- Project finance debt
- Trust Preferred securities

## Transaction Participants

Participants in a CDO transaction include investors, the underwriter, the asset manager, the trustee and collateral administrator, accountants and attorneys. Beginning in 1999, the Gramm-Leach-Bliley Act allowed banks to also participate.

### Investors

Investors have different motivations for purchasing CDO securities depending on which tranche they select. At the more senior levels of debt, investors are able to obtain better yields than those that are available on more traditional securities (e.g. corporate bonds) of a similar rating. In some cases, investors utilize leverage and hope to profit from the excess of the spread offered by the senior tranche and their cost of borrowing. This is because senior tranches pay a spread above LIBOR despite their AAA-ratings. Investors also benefit from the diversification of the CDO portfolio, the expertise of the asset manager, and the credit support built into the transaction. Investors include banks and insurance companies as well as investment funds.

Junior tranche investors achieve a leveraged, non-recourse investment in the underlying diversified collateral portfolio. Mezzanine notes and equity notes offer yields that are not available in most other fixed income securities. Investors include hedge funds, banks, and wealthy individuals.

### Underwriter

The underwriter, typically an investment bank, acts as the structurer and arranger of the CDO. Working with the asset management firm that selects the CDO's portfolio, the underwriter structures debt and equity tranches. This includes selecting the debt-to-equity ratio, sizing each tranche, establishing coverage and collateral quality tests, and working with the credit rating agencies to gain the desired ratings for each debt tranche.

The key economic consideration for an underwriter that is considering bringing a new deal to market is whether the transaction can offer a sufficient return to the equity noteholders. Such a determination requires estimating the after-default return offered by the portfolio of debt securities and comparing it to the cost of funding the CDO's rated notes. The excess spread must be large enough to offer the potential of attractive IRRs to the equityholders.

Other underwriter responsibilities include working with a law firm and creating the special purpose legal vehicle (typically a trust incorporated in the Cayman Islands) that will purchase the assets and issue the CDO's tranches. In addition, the underwriter will work with the asset manager to determine the post-closing trading restrictions that will be included in the CDO's transaction documents and other files.

The final step is to price the CDO (e.g. set the coupons for each debt tranche) and place the tranches with investors. The priority in placement is finding investors for the risky equity tranche and junior debt tranches of the CDO. It is common for the asset manager to retain a piece of the equity tranche. In addition, the underwriter was generally expected to provide some type of secondary market liquidity for the CDO, especially its more senior tranches.

According to Thomson Financial, the top underwriters before September 2008 were Bear Stearns, Merrill Lynch, Wachovia, Citigroup, Deutsche Bank, and Bank of America Securities. CDOs are more profitable for underwriters than conventional bond underwriting due to the complexity involved. The underwriter is paid a fee when the CDO is issued.

### **The Asset Manager**

The asset manager plays a key role in each CDO transaction, even after the CDO is issued. An experienced manager is critical in both the construction and maintenance of the CDO's portfolio. The manager can maintain the credit quality of a CDO's portfolio through trades as well as maximize recovery rates when defaults on the underlying assets occur.

The asset manager's role begins before the CDO is issued. Months before a CDO is issued, a bank will usually provide financing to enable the manager to purchase some of the collateral assets that may be used in the forthcoming CDO in a process called warehousing.

Even by the issuance date, the asset manager often will not have completed the construction of the CDO's portfolio. A "ramp-up" period following issuance during which the remaining assets are purchased can extend for several months after the CDO is issued. For this reason, some senior CDO notes are structured as delayed drawdown notes, allowing the asset manager to drawdown cash from investors as collateral purchases are made. When a transaction is fully ramped, its initial portfolio of credits has been selected by the asset manager.

However, the asset manager's role continues even after the ramp-up period ends, albeit in a less active role. During the CDO's "reinvestment period", which usually extends several years past the issuance date of the CDO, the asset manager is authorized to reinvest principal proceeds by purchasing additional debt securities. Within the confines of the trading restrictions specified in the CDO's transaction documents, the asset manager can also make trades to maintain the credit quality of the CDO's portfolio. The manager also has a role in the redemption of a CDO's notes by auction call.

The manager's prominent role throughout the life of a CDO underscores the importance of the manager and his or her staff.

There are approximately 300 asset managers in the marketplace. Some collateral managers are active whilst some are nothing more than placebos where the investor will be at risk to the underlying portfolio. Asset Managers make money by virtue of the senior fee (which is paid before any of the CDO investors are paid) and subordinated fee as well as any equity investment the manager has in the CDO, making CDOs a lucrative business for asset managers. These fees, together with underwriting fees, administration {approx 1.5 - 2%} by virtue of capital structure are provided by the equity investment, by virtue of reduced cashflow.

*See also: List of CDO Managers*

### **The Trustee and Collateral Administrator**

The trustee holds title to the assets of the CDO for the benefit of the noteholders (i.e. the Investor). In the CDO market, the trustee also typically serves as collateral administrator. In this role, the collateral administrator produces and distributes noteholder reports, performs various compliance tests regarding the composition and liquidity of the asset portfolios in addition to constructing and executing the priority of payment waterfall models. Two notable exceptions to this are Virtus Partners and Wilmington Trust Conduit Services, a subsidiary of Wilmington Trust, which offer collateral administration services, but are not trustee banks. In contrast to the asset manager, there are relatively few trustees in the marketplace. The following institutions currently offer trustee services in the CDO marketplace:

- Bank of New York Mellon (note: the Bank of New York Mellon recently also acquired the corporate trust unit of JP Morgan which is the market share leader)
- BNP Paribas Securities Services (note: currently serves the European market only)
- Deutsche Bank
- Fortis Intertrust (note: was formerly known as MeesPierson Intertrust)
- HSBC
- LaSalle Bank (Recently acquired by Bank of America)
- Sanne Trust
- State Street Corporation
- US Bank (note: US Bank recently also acquired the corporate trust unit of Wachovia)
- Wells Fargo
- Wilmington Trust

### Accountants

The underwriter typically will hire an accounting firm to perform due diligence on the CDO's portfolio of debt securities. This entails verifying certain attributes, such as credit rating and coupon/spread, of each collateral security. Source documents or public sources will typically be used to tie-out the collateral pool information. In addition, the accountants typically calculate certain collateral tests and determine whether the portfolio is in compliance with such tests.

The firm may also perform a cash flow tie-out in which the transaction's waterfall is modeled per the priority of payments set forth in the transaction documents. The yield and weighted average life of the bonds or equity notes being issued is then calculated based on the modeling assumptions provided by the underwriter. On each payment date, an accounting firm may work with the trustee to verify the distributions that are scheduled to be made to the noteholders.

### Attorneys

Attorneys ensure compliance with applicable securities law and negotiate and draft the transaction documents. Attorneys will also draft an offering document or prospectus the purpose of which is to satisfy statutory requirements to disclose certain information to investors. This will be circulated to investors. It is common for multiple counsels to be involved in a single deal due to the number of parties to a single CDO from asset management firms to underwriters.

## Subprime mortgage crisis

*See also: Subprime lending and Bear Stearns subprime mortgage hedge fund crisis*

From 2003 to 2006, new issues of CDOs backed by asset-backed and mortgage-backed securities had increasing exposure to subprime mortgage bonds. Mezzanine ABS CDOs are mainly backed by

the BBB or lower-rated tranches of mortgage bonds, and in 2006, \$200 billion in mezzanine ABS CDOs were issued with an average exposure to subprime bonds of 70%. As delinquencies and defaults on subprime mortgages occur, CDOs backed by significant mezzanine subprime collateral experience severe rating downgrades and possibly future losses.

As the mortgages underlying the CDO's collateral decline in value, banks and investment funds holding CDOs face difficulty in assigning a precise price to their CDO holdings. Many are recording their CDO assets at par due to the difficulty in pricing. The pricing challenge arises because CDOs do not actively trade and mortgage defaults take time to lead to CDO losses. However, in June 2007, two hedge funds managed by Bear Stearns Asset Management Inc. (<http://www.bsamonline.com/>) faced cash or collateral calls from lenders that had accepted CDOs backed by subprime loans as loan collateral. The now defunct Bear Stearns, at that time the fifth-largest U.S. securities firm, said July 18, 2007 that investors in its two failed hedge funds will get little if any money back after "unprecedented declines" in the value of securities used to bet on subprime mortgages.<sup>[17]</sup>

Some CEOs have lost their jobs as a result of the crisis. On 24th October 2007, Merrill Lynch reported third quarter earnings that contained \$7.9 billion of losses on collateralized debt obligations.<sup>[18]</sup> A week later Stan O'Neal, Merrill Lynch's CEO, resigned from his position, reportedly as a result.<sup>[19]</sup> On 4th November 2007, Charles (Chuck) Prince, Chairman and CEO of Citigroup resigned and cited the following reasons : "...as you have seen publicly reported, the rating agencies have recently downgraded significantly certain CDOs and the mortgage securities contained in CDOs. As a result of these downgrades, valuations for these instruments have dropped sharply. This will have a significant impact on our fourth quarter financial results. I am responsible for the conduct of our businesses. It is my judgment that the size of these charges makes stepping down the only honorable course for me to take as Chief Executive Officer. This is what I advised the Board."<sup>[20]</sup>

The new issue pipeline for CDOs backed by asset-backed and mortgage-backed securities slowed significantly in the second-half of 2007 and the first quarter of 2008 due to weakness in subprime collateral, the resulting reevaluation by the market of pricing of CDOs backed by mortgage bonds, and a general downturn in the global credit markets. Global CDO issuance in the fourth quarter of 2007 was US\$ 47.5 billion, a nearly 74 percent decline from the US\$ 180 billion issued in the fourth quarter of 2006. First quarter 2008 issuance of US\$ 11.7 billion was nearly 94 percent lower than the US\$ 186 billion issued in the first quarter of 2007.<sup>[7]</sup> Moreover, virtually all first quarter 2008 CDO issuance was in the form of collateralized loan obligations backed by middle-market or leveraged bank loans, not by home mortgage ABS.<sup>[21]</sup>

This trend has limited the mortgage credit that is available to homeowners. CDOs purchased much of the riskier portions of mortgage bonds, helping to support issuance of nearly \$1 trillion in mortgage bonds in 2006 alone. Investors criticized S&P, Fitch Ratings and Moody's Investors Service, saying their ratings on bonds backed by U.S. mortgages to people with limited credit didn't reflect the gaining default rate. In the first quarter of 2008 alone, rating agencies announced 4,485 downgrades of CDOs.<sup>[21]</sup> Declining ABS CDO issuance could affect the broader secondary mortgage market, making credit less available to homeowners who are trying to refinance out of mortgages that are experiencing payment shock (e.g. adjustable-rate mortgages with rising interest rates).<sup>[22]</sup>

## See also

- Asset-backed security
- Collateralized Bond Obligation
- Collateralized mortgage obligation (also known by initials CMO)
- Collateralized Fund Obligation
- Credit default swap

## References

1. ^ <http://knowledge.wharton.upenn.edu/article.cfm?articleid=1993> Susan Wachter of the Wharton School of Economics
2. ^ <http://www.oscn.net/applications/oscn/deliverdocument.asp?citeid=433720> Located in footnote of court documents
3. ^ Imperial's sour real estate loans dot the country. (Imperial Federal Savings Association) | San Diego Business Journal | Find Articles at BNET ([http://findarticles.com/p/articles/mi\\_hb5247/is\\_199012/ai\\_n19908728&tag=rel.res1?tag=coll;fa\\_related\\_widget](http://findarticles.com/p/articles/mi_hb5247/is_199012/ai_n19908728&tag=rel.res1?tag=coll;fa_related_widget))
4. ^ <http://www.law.cornell.edu/supct/html/92-1370.ZO.html> See Notes of Supreme Court ruling
5. ^ <http://infoproc.blogspot.com/2005/09/gaussian-copula-and-credit-derivatives.html>
6. ^ <http://online.wsj.com/article/SB112649094075137685.html> *How a Formula Ignited Market That Burned Some Big Investors*, Mark Whitehouse, Wall Street Journal
7. ^ <sup>a b</sup> [http://www.sifma.org/research/pdf/SIFMA\\_CDOIssuanceData2008.pdf](http://www.sifma.org/research/pdf/SIFMA_CDOIssuanceData2008.pdf)
8. ^ Collateralized Debt Obligations Market (<http://www.celent.com/PressReleases/20051031/CDOMarket.htm>)
9. ^ [http://www.yieldcurve.com/Mktresearch/files/RISK\\_Paris2003BBG.pdf](http://www.yieldcurve.com/Mktresearch/files/RISK_Paris2003BBG.pdf)
10. ^ <http://www.creditmag.com/public/showPage.html?page=133213>
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12. ^ [http://archives1.sifma.org/assets/files/SIFMA\\_CDOIssuanceData2007q1.pdf](http://archives1.sifma.org/assets/files/SIFMA_CDOIssuanceData2007q1.pdf)
13. ^ PEASLEE, JAMES M. & DAVID Z. NIRENBERG. FEDERAL INCOME TAXATION OF SECURITIZATION TRANSACTIONS. Frank J. Fabozzi Associates (2001, with annual supplements, [www.securitizationtax.com](http://www.securitizationtax.com)): 768.
14. ^ *Id.* at 772.
15. ^ *Id.* at 775.
16. ^ Securitization rankings of bookrunners, issuers, etc ([http://www.abalert.com/Public/MarketPlace/Ranking/index.cfm?files=disp&article\\_id=1044676277](http://www.abalert.com/Public/MarketPlace/Ranking/index.cfm?files=disp&article_id=1044676277))
17. ^ Bloomberg.com: Worldwide (<http://www.bloomberg.com/apps/news?pid=20601087&refer=home&sid=aQKWd1Xc2Vt4>)
18. ^ How Merrill Lynch goofed its \$7.9 billion writedown - Oct. 24, 2007 ([http://money.cnn.com/2007/10/24/news/companies/merrill\\_eavis.fortune/index.htm?section=money\\_latest](http://money.cnn.com/2007/10/24/news/companies/merrill_eavis.fortune/index.htm?section=money_latest))
19. ^ Merrill Lynch | Herd's head trampled | Economist.com ([http://www.economist.com/daily/news/displaystory.cfm?story\\_id=10050287&top\\_story=1](http://www.economist.com/daily/news/displaystory.cfm?story_id=10050287&top_story=1))
20. ^ BBC NEWS | Business | Citigroup chief executive resigns (<http://news.bbc.co.uk/1/hi/business/7078251.stm>)
21. ^ <sup>a b</sup> CDO deals resurface but down 90 pct in Q1-report | Markets | US | Reuters (<http://uk.reuters.com/article/marketsNewsUS/idUKN0947372020080409>)
22. ^ McLean, Bethany (2007-03-19), "The dangers of investing in subprime debt ([http://money.cnn.com/magazines/fortune/fortune\\_archive/2007/04/02/8403416/index.htm](http://money.cnn.com/magazines/fortune/fortune_archive/2007/04/02/8403416/index.htm))", *Fortune*, [http://money.cnn.com/magazines/fortune/fortune\\_archive/2007/04/02/8403416/index.htm](http://money.cnn.com/magazines/fortune/fortune_archive/2007/04/02/8403416/index.htm)

## External links

- - Global Pool of Money and CDOs (NPR radio) (<http://www.npr.org/templates/player/mediaPlayer.html?action=1&t=1&islist=false&id=90327686&m=90327669>)
- "Investment Landfill" ([http://goldnews.bullionvault.com/files/Investment\\_Landfill.pdf](http://goldnews.bullionvault.com/files/Investment_Landfill.pdf))
- Portfolio.com explains what CDO's are in an easy-to-understand multimedia graphic (<http://www.portfolio.com/interactive-features/2007/12/cdo>)
- The Making of a Mortgage CDO (<http://online.wsj.com/public/resources/documents/info-flash07.html?project=normaSubprime0712&h=530&w=980&hasAd=1&settings=normaSubprime0712>) multimedia graphic from The Wall Street Journal
- JPRI Occasional Paper No. 37, October 2007 Risk vs Uncertainty: The Cause of the Current Financial Crisis By Marshall Auerback

- (<http://www.jpri.org/publications/occasionalpapers/op37.html>)
- Collateralized debt obligations: who's to blame when the market blows up? - Summer, 2007 (<http://www.entrepreneur.com/tradejournals/article/168163227.html>)

Retrieved from "[http://en.wikipedia.org/wiki/Collateralized\\_debt\\_obligation](http://en.wikipedia.org/wiki/Collateralized_debt_obligation)"

Categories: Bonds | Financial services | Fixed income securities | Funds | Structured finance |

Derivatives | Terms and concepts of the 2000s United States housing bubble

Hidden categories: Articles lacking sources from July 2007 | All articles lacking sources | All articles with unsourced statements | Articles with unsourced statements since July 2007 | Articles with unsourced statements since August 2007 | Articles with unsourced statements since July 2008

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# WALGETT SHIRE COUNCIL AGENDA

## Attachment 7 - Valuation of CDO's as at 30 June 2008

### FIIG Securities

#### Bid Prices

**Organisation Name:** Walgett Shire Council  
**Contact Name:** Myrene Lovegrove  
**Email Address:** mlovegrove@walgett.nsw.gov.au  
**Phone Number:** 02 6828 6146  
**Fax Number:**

Investment Name	Face Value	Investment Type (eg CDO, FRN, CPDO etc)	Final Maturity Date	Coupon	ISIN/Identifier (if available)	Bid Price	Value 30 June 2008
Helium Series 64(Scarborough AA)	\$ 200,000.00	Floating Rate CDO	23-Jun-14	130bp	AU300HCAP027	\$ 52.900	\$ 105,800.00
MAS Series 2006-7(Parkes AA-)	\$ 250,000.00	Floating Rate CDO	20-Jun-15	200bp	AU300MSMA020	\$ 25.868	\$ 64,670.00
ZIRCON (Coolangatta AA)	\$ 500,000.00	Floating Rate CDO	20-Sep-14	130bp	AU3FN0002085	\$ 35.055	\$ 175,275.00
Magnolia Finance limited 2005-14 (Flinders AA)	\$ 50,000.00	Floating Rate CDO	20-Mar-12	150bp	XS0210401930	\$ 73.000	\$ 36,500.00
<b>Total</b>	<b>\$ 1,000,000.00</b>						<b>\$ 382,245.00</b>



## **6. WALGETT SHIRE GROWTH MANAGEMENT STUDY & STRATEGY**

**REPORTING SECTION:** Planning and Regulatory Services  
**AUTHOR:** Matthew Goodwin – Director Planning and Regulatory Services  
**FILE NUMBER:** 315/01/02/00

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### **Summary:**

This report recommends that Walgett Shire Council endorse an amended Walgett Shire Growth Management Study and Strategy document dated October 2008.

### **Discussion (including issues and background):**

This report is based on one submitted to the Council meeting held on 28th October 2008. At that meeting Council deferred further consideration of the recommendations contained within that report regarding the Walgett Shire Growth Management Study and Strategy (GMS) document until the December 2008 Council meeting. Deferral has allowed Councillors time to consider the GMS tabled at the 28th October 2008 meeting.

Arrangements have been made for the following parties to attend this Council meeting:

- The author of the GMS, Ian Sinclair.
- Representatives of the regional office of the Department of Planning, Lois Gray and Wayne Garnsey.

Between 2.00 and 4.00PM these parties will be providing Councillors with presentations on:

- The development of the GMS.
- Its relationship to the draft Local Environmental Plan.
- State government policy related to Local Environmental Plans.
- Procedural aspects of Local Environmental Plan development.
- Any relevant questions that Councillors wish to raise.

The GMS is a document that deals with many land use planning related matters, including:

- Providing an overview of existing land use patterns within the Shire.
- Identifying issues arising from existing land use patterns.
- Analysing factors that will influence future land use patterns within the Shire, including legal requirements, demographics, existing land uses, land availability, etc.
- Making recommendations to Council to guide its decisions relating to planning and services for the future development of the Shire.
- Providing a mechanism for community consultation and input into land use planning within the Shire.

The GMS has been prepared by the principal of Edge Land Planning, Ian Sinclair, a specialist in rural land use planning.

Development of the GMS has involved lengthy consultation process with the community, government agencies and adjoining shires. The initial draft of the GMS was prepared in 2005 and was the subject of extended discussions during 2006 and 2007 between Walgett Shire Council, the Department of Planning and government authorities. The draft GMS was the subject of public consultation during August and September 2007, after being endorsed for public exhibition by the Department of Planning.

Since then Walgett Shire Council has been seeking the Department of Planning's endorsement for the GMS to enable the finalisation of a draft Local Environmental Plan that is based on the land use planning recommendations contained in the GMS. This has required several phases of revising and improving the GMS in response to requests from the Department. Key phases are dealt with in reports presented to Council meetings held on:

- 19 February 2008 (February 2008 version of GMS).
- 15 April 2008 (April 2008 Version of GMS).
- 5 August 2008 (July 2008 version of GMS).

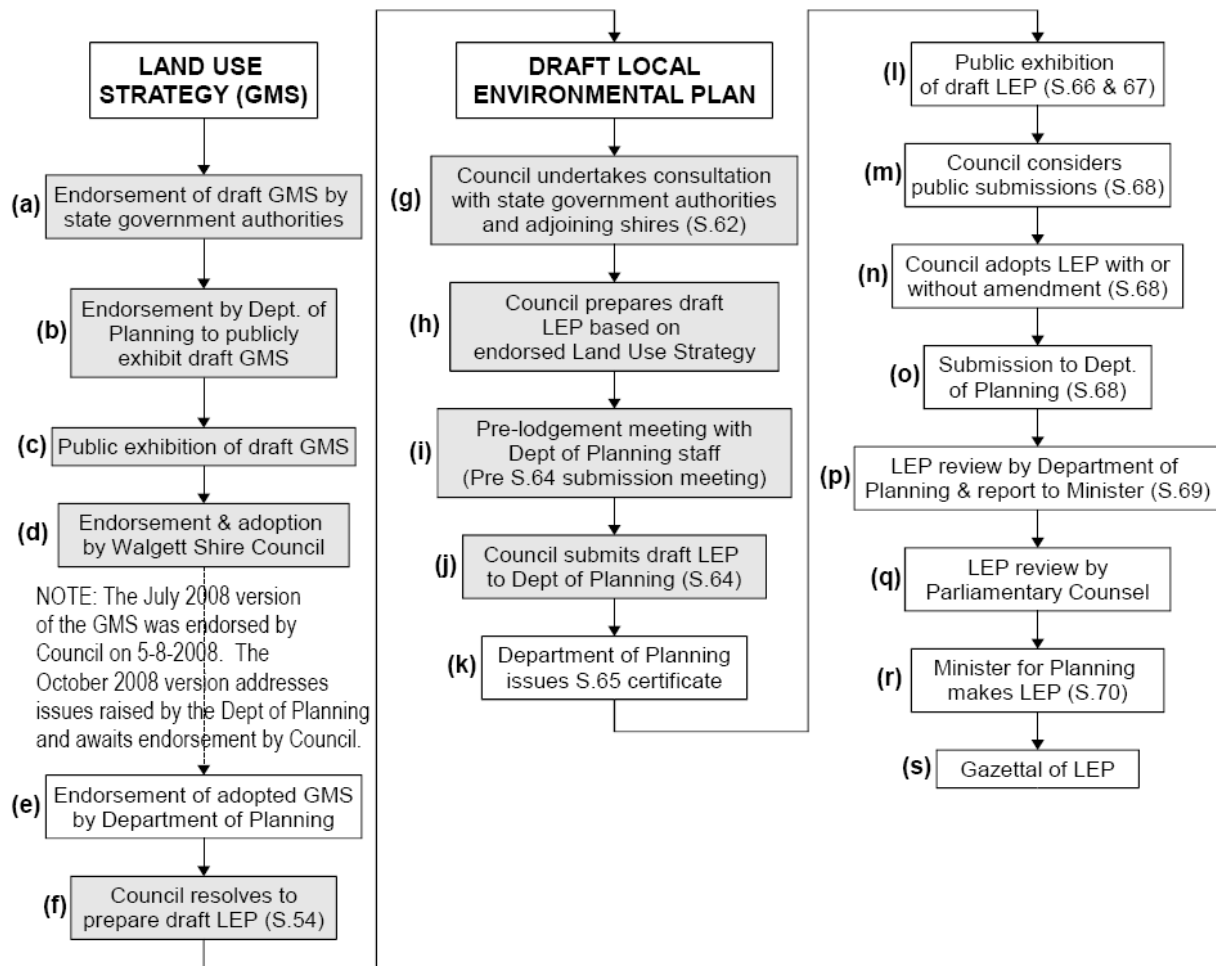
A copy of the October 2008 version of the GMS was provided to each Councillor at the 28<sup>th</sup> October 2008 Council meeting. That version incorporates the amendments shown in the table below which address issues identified by the Department of Planning, as well as others identified by Council's Planning staff.

Walgett Shire Council's Director Planning and Regulatory Services, Matthew Goodwin, has assisted Ian Sinclair with refining the GMS and believes that the changes requested by the Department of Planning have generally improved it.

# WALGETT SHIRE COUNCIL AGENDA

PAGE (July GMS)	ISSUE
22	Section 2.2.7 Flooding - Some background words missing.
27	Table 2.1 Settlement Population - Walgett population figure is incorrect. Should be 1731 not 7731.
27, 46, 149	Table 2.1, 2.6 and 8.2 -Correlate population figures and dwelling house numbers so they are consistent.
49	Table 2.9 - Check projected population against 2001 & 2006 figures previous tables.
65	Section 3.2.3 Directions for LEP Preparation - Superfluous numbering of Section 117 directions.
164 & 165	Address tourism and recreation for Walgett. If not required, then say so.
166	Map 8.10 Proposed Land Use Changes – Walgett - Show airport.
172	Map 8.13 - Check title
169	Section 8.3.2 Lightning Ridge <ul style="list-style-type: none"> <li>Second last paragraph, last sentence should start with the word “Therefore” not “There for”.</li> <li>Last paragraph, last sentence should read “not been any interest show by developers”.</li> </ul>
170	Map 8.12 Mining Constraints around Lightning Ridge - Correct title is “Mining Constraints Associated with a Mining Enclave in the Lightning Ridge Urban Area”
175	Section 8.3.2 Lightning Ridge - Reference flora and fauna study of proposed urban expansion area.
176	Map 8.15 Lightning Ridge Future Residential Development Area - Should identify the Lightning Ridge airport to make orientation easier.
177	Section 8.3.2 Lightning Ridge - Recommendations should be reiterated in Section 5 on page 235 relating to Lightning Ridge.
178	Section 8.3.2 Lightning Ridge <ul style="list-style-type: none"> <li>As previously discussed there is a need for a subsection titled “Future tourism development” which identifies the larger size lots at the eastern end of Pandora St as appropriate for a tourism zone because: <ul style="list-style-type: none"> <li>Of their proximity to the bore baths, a major local tourism feature.</li> <li>They adjoin a sealed cycle/pedestrian path.</li> <li>Pandora St is a major street which can be managed in a suitable manner to cope with any increase in traffic density and frequency that may be associated with a tourism development.</li> <li>Within the area there is already some tourism development in the form of an aboriginal artifact gallery and a currently inoperative pottery gallery.</li> <li>The majority of the lots are significant larger than 1000m2 in area, hence large enough for many forms of tourism development which have a significant footprint. Examples include motels, cabins, caravan parks and tourist displays.</li> </ul> </li> <li>Need to address recreation requirements.</li> </ul>
180	Map 8.17 Proposed Land Use Changes - Lightning Ridge <ul style="list-style-type: none"> <li>Proposed tourist zone at eastern end of Pandora St not shown.</li> <li>One mineral claim adjoining Potch St has been incorrectly shown as being part of the proposed residential zone.</li> <li>Should identify the Lightning Ridge airport to make orientation easier.</li> </ul>
183	Table 8.8 Dwellings on the ‘Preserved’ Opal Fields - Recent review work in conjunction with development of the draft LEP has shown some relatively minor errors in the figures used.
188	Section 8.4.3 Issues (preserved opal fields) - Recent review work in conjunction with development of the draft LEP has shown that some existing and/or approved developments have been overlooked, as follows: <ul style="list-style-type: none"> <li>Dig In – add Spectrum tourist mine which also exists on this site.</li> <li>Add Big Opal, a tourist mine.</li> <li>Add Bevan’s Black Opal and Cactus, a tourist facility.</li> <li>Add Kangaroo Hill, a tourist facility</li> <li>Add the Australian Opal Centre, a tourist facility.</li> </ul>
191	Section 8.4.5 Recommended management strategies (preserved opal fields) - The commencement of the Mining SEPP on 16 February 2007 effectively rendered seven of the recommended management strategies irrelevant. As a result these recommendations should be deleted.
219-220	Section 8.8.3 Recommended minimum holding size for dwelling houses <ul style="list-style-type: none"> <li>Discuss rural SEPP.</li> <li>P 219, last paragraph refers to Lachlan River and Forbes twice. Needs to be fixed.</li> </ul>
232	Implementation strategies & policy actions <ul style="list-style-type: none"> <li>Add reference to tourism use here.</li> <li>Add reference to recreation use here.</li> </ul>
235 - 236	Implementation strategies & policy actions <ul style="list-style-type: none"> <li>Add reference to new residential and industrial zones at Lightning Ridge.</li> <li>Add reference to the additional permitted uses identified for the preserved opal fields on page 188.</li> </ul>
239	Section 9.5.5, action 3.1 - 1ha versus 2000m2 for onsite effluent disposal. Contrary to other information provided in the document.

The flow chart below provides a simplified overview of the process involved in developing a draft Local Environmental Plan and its relationship with the GMS. Shaded steps have been completed or substantially progressed. Recommendations included with this report are intended to address the “relatively minor matters” associated with the GMS, as raised by the Department of Planning in Attachment 1 to its letter dated 10 October 2008. Once these matters have been resolved, it is expected that the Department of Planning will endorse the GMS, hence steps (d) and (e) in the flow chart below will be complete.



The Department has stated that it must endorse the GMS before it will be prepared to issue a Section 65 certificate under the Environmental Planning and Assessment Act 1979 to enable Council to publicly exhibit a comprehensive draft Local Environmental Plan. Furthermore the draft Local Environmental Plan must be based on the recommendations contained in the GMS.

#### Relevant Reference Documents:

Council file 315-01-02-00 – Local Environmental Plan

Walgett Shire Growth Management Study and Strategy prepared by Edge Land Planning, dated July 2008.

Walgett Shire Growth Management Study and Strategy prepared by Edge Land Planning, dated October 2008.

Standard Instrument (Local Environmental Plans) Order 2006.

Environmental Planning and Assessment Act 1979.

Environmental Planning and Assessment Regulation 2000.

**Stakeholders:**

The community, Walgett Shire Council and State government.

**Financial Implications:**

Fees associated with consultancy services provided by Edge Land Planning are being met from the existing project budget for Local Environmental Plan development. The initial budget was \$140,000, which included \$70,000 from Council funds and a \$70,000 grant from the Department of Planning (Planning Reform Fund). As of 5 December 2008 \$45,307.56 remained available for this project.

**Recommendations:**

**That Walgett Shire Council resolve to:**

- 1. Note the letter dated 10 October 2008 from the Team Leader, Western Region, Department of Planning, regarding the draft Walgett Principal LEP 2008, Section 64 submission and Growth Management Study.**
- 2. Adopt and endorse the Walgett Shire Growth Management Study and Strategy document dated October 2008, as amended by Edge Land Planning to address issues raised by the Department of Planning in its letter dated 10 October 2008 and Walgett Shire Council's planning staff.**
- 3. Forward the Walgett Shire Council Growth Management Study and Strategy, dated October 2008, to the Department of Planning and request its endorsement for that document.**
- 4. Note that the Director Planning and Regulatory Services is undertaking ongoing consultation with the Department of Planning seeking a Section 65 Certificate under the Environmental Planning and Assessment Act 1979 to allow the public exhibition of the draft Walgett Local Environmental Plan 2009.**
- 5. Endorse the ongoing development of the draft Walgett Local Environmental Plan 2009 in accordance with:**
  - (a) The Standard Instrument (Local Environmental Plans) Order 2006,**
  - (b) The recommendations contained in the Walgett Shire Growth Management Study and Strategy, dated October 2008, as prepared by Edge Land Planning, and,**
  - (c) Feedback from the Department of Planning, including the letter dated 10 October 2008**

**ATTACHMENT A - DEPT PLANNING RESPONSE TO GMS & DRAFT LEP SUBMISSION**



NSW GOVERNMENT  
**Department of Planning**

Contact: Wayne Garnsey  
Phone: 02 68417528  
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Email: [wayne.garnsey@planning.nsw.gov.au](mailto:wayne.garnsey@planning.nsw.gov.au)  
Our ref: 110908 s64 ltr  
Your ref: MG:CM:315-01-02-00  
File: D07/00022

Mr Ray Kent  
General Manager  
Walgett Shire Council  
PO Box 31  
WALGETT NSW 2832

**Attention: Mr Matthew Goodwin**

10 October 2008

Dear Matthew

**Subject: Draft Walgett Principal LEP 2008 – Section 64 Submission and Growth Management Study**

I refer to the subject matter and to Council's letter dated 8 August 2008. Council is seeking formal endorsement of the Walgett Growth Management Study (GMS) and have made a section 64 submission to the Department requesting the issue of a section 65 Certificate to allow public exhibition of the draft LEP.

Council is to be congratulated for progressing the Growth Management Study and draft LEP to this stage, the good quality work and the manner in which it has continued consultation with the Department, community and other agencies.

I wish to advise that the Department is assessing the section 64 submission, the GMS and the draft LEP. After preliminary assessment there are only relatively minor matters, as identified in **Attachment 1**, that are to be addressed and submitted by Council to the Department so that the GMS can be further considered for endorsement. Once the matters raised in relation to the draft LEP and maps have been addressed and resubmitted to the Department further consideration will be given to the issue of a section 65 Certificate to allow public exhibition of the draft LEP.

Please note there will be continuing consultation required between the Department and Council as the draft LEP develops.

I hope this information is of assistance to you and the Department looks forward to receiving the additional information so that the draft LEP can be progressed promptly.

Should you require further information please contact Wayne Garnsey on 68417528 at our Western Region office in Dubbo.

Yours sincerely

Tim Deverell  
Team Leader,  
Western Region (Dubbo)

Western Region 209 Cobra Street, Dubbo NSW 2830 PO Box 717 Dubbo NSW 2830  
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Phone 02

**ATTACHMENT A - DEPT PLANNING RESPONSE TO GMS & DRAFT LEP SUBMISSION**



NSW GOVERNMENT  
**Department of Planning**

**Attachment 1**

**Matter to be addressed**

**Section 64 Submission**

Generally well prepared and contains satisfactory information however there is a need to address s117 Direction 1.5 – Rural Lands having regard to SEPP (Rural Lands) 2008 as Council is proposing to change the minimum lots size for a dwelling on rural land.

**Growth Management Study dated July 2008**

**Comments**

- It is pleasing to see that the matters identified in the Departments email dated 22 February 2008 have been addressed.

**Matters that require attention**

- page 22 section 2.2.7 - 3rd para - not complete
- correlate pages 27 - table 2.1, p46 - table 2.6 & p149 table 8.2 - population figures and dwelling house numbers so that they are consistent
- p49 - table 2.9 check projected population against 2001 & 2006 figures in dotpoint 2 above
- p65 - numbering of s117 directions
- p 164 & 165 – address tourism and recreation for Walgett – if not required say so
- p166 - sec 8.3.2 - where is Lightning Ridge Airport – it is mentioned in the text but not shown on a map - please show airport on map so that it can be seen in context of existing and proposed landuses.
- p172 - Map 8.13 – check title.
- p175 - Lightning Ridge - proposed urban expansion area - is there additional information available – ie outcome of Fauna report
- p 177 - recommendations for Lightning Ridge should be reiterated in section 5 on p235 relating to Lightning Ridge
- p 178 – include information relating to tourism and future tourism land use for Lightning Ridge eg. along Pandora. Also address Lightning Ridges recreation requirements here.
- p 188 – existing businesses need to identified in section 5 on page 235 of the Strategy
- p 219 - 220 - re Rural SEPP - discusses ...*Lachlan River & Forbes* - are the figures stated for Walgett or Forbes? – please address
- p 232 – need to include tourism and recreation uses etc here

**ATTACHMENT A - DEPT PLANNING RESPONSE TO GMS & DRAFT LEP SUBMISSION**

3

- p 235 – development for Lightning Ridge - include the acknowledgement of existing businesses as identified on page 188
- p 239, sec 9.5.5 - part 3.1 - 1 ha vs 2000m2 - for onsite effluent disposal - contrary to other information provided elsewhere in the document

**Draft LEP words**

- Please review Land use Tables
- Please check Infrastructure and Mining SEPP's for uses that should not be included in the specific Landuse Tables



## ATTACHMENT A - DEPT PLANNING RESPONSE TO GMS &amp; DRAFT LEP SUBMISSION



Clause No	Comments	Action
General	<ul style="list-style-type: none"> <li>Remove references to strategies to avoid the need to amend the LEP when the Strategy is updated. Rather, ensure the key elements of the strategy take effect in the LEP.</li> <li>References to ESD principles, legislation, Australian Standards, BASIX, "adopted settlement hierarchy" and so on must be removed. Use Practice Note (PN 08-003): Transitional arrangements for exempt and complying development to avoid these and other references in the LEP (not only in Schedules 2 and 3).</li> <li>Avoid phrases such as "unacceptable", "uneconomic" and "unlikely" including in the zone objectives, local provisions etc. to avoid ambiguity.</li> </ul>	<ul style="list-style-type: none"> <li>Remove e.g. in cl. 1.2(2) and so on.</li> <li>Remove these references</li> <li>Remove</li> </ul>
1.2	<ul style="list-style-type: none"> <li>There should be no more than 5-6 aims and avoid duplication. Provide aims which give local content guidance.</li> </ul>	<ul style="list-style-type: none"> <li>Not addressed. Revise.</li> </ul>
Land Use Tables - Objective	<ul style="list-style-type: none"> <li>A note will be provided at the beginning of the land use tables to identify Infrastructure SEPP, Mining SEPP requirements.</li> <li>There should be no more than 3-4 additional objectives.</li> <li>Additional objectives should not generally be repeated across several zones e.g. "proper regard to environmentally sensitive areas." General requirements are more appropriately placed in cl. 1.2.</li> <li>Ensure any zone objectives and uses added to the tables are consistent with the mandatory zone objectives e.g. RE1. In this instance another zone would be more appropriate to accommodate areas where uses are required that do not conform to public recreation.</li> </ul>	<ul style="list-style-type: none"> <li>Revise, remove anything that repeats the mandatory objectives.</li> <li>Revise.</li> <li>Revise.</li> </ul>
Uses	<p><u>General</u></p> <ul style="list-style-type: none"> <li>Cut and fill, earthworks, excavation must be removed from the land use tables (LUTs). Either these are ancillary or will fall under a model clause "Earthworks" (for inclusion).</li> <li>"Temporary structures" are covered by a model clause.</li> <li>"Filming" is now listed in the exempt schedule as a mandatory item.</li> <li>SP1 and SP2 must have no additional text in Item 3. The main uses are to be placed on the map and ancillary uses remain unnamed.</li> <li>Business, industrial and the higher density residential zones must have inordinate uses in Item 3 e.g. move "any development not specified..." etc into Item 3 in B2. The</li> </ul>	<ul style="list-style-type: none"> <li>Remove from LUTs</li> <li>Remove from LUTs</li> <li>Remove from LUTs</li> <li>Revise</li> <li>Revise the tables</li> </ul>

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## ATTACHMENT A - DEPT PLANNING RESPONSE TO GMS &amp; DRAFT LEP SUBMISSION

5

Clause No	Comments	Action
	<p>other zones (lower density residential, rural, SP and E zones) should have innominate uses in Item 4</p> <ul style="list-style-type: none"> <li>• Generally review all the LUTs in terms of proposed uses for the particular zones. Also particularly have regard to the Infrastructure SEPP e.g. RU1 is a prescribed zone for bush fire hazard reduction works in the Infrastructure SEPP. Consider whether this is necessary or whether council wishes to control private hazard reduction. Similarly flood mitigation works on any land for a public authority does not require consent.</li> <li>• Avoid duplication of uses in the Infrastructure SEPP prescribed zones e.g. "sewage treatment plants", "water recycling facilities", "water storage facilities", "water reticulation facilities", "water treatment facilities", "telecommunications facilities" in prescribed zones..</li> <li>• Use a matrix to assist with sorting out innominate uses, duplications and to check the reasonableness of uses in the zones.</li> </ul>	<ul style="list-style-type: none"> <li>• Review land use tables for Infrastructure SEPP prescribed zones and uses and remove the uses covered by the SEPP.</li> <li>• Remove.</li> </ul>
	<p><u>Rural zones</u></p> <ul style="list-style-type: none"> <li>• RU1: "Boarding houses" and "caravan parks" are generally not appropriate.</li> <li>• RU1: Are "water recreation structures" and other water uses likely to be development in this zone? If not, there is no need to list any of them as prohibited.</li> <li>• RU1: Not all industries are appropriate in this zone.</li> </ul> <p><u>Business zone</u></p> <ul style="list-style-type: none"> <li>• B2: Most "wholesale supplies" are permitted except for "industry retail outlets. Is this what was intended?</li> </ul> <p><u>SP zones:</u></p> <ul style="list-style-type: none"> <li>• All uses should be placed on the land zoning maps.</li> </ul>	<ul style="list-style-type: none"> <li>• Revise or rezone for these uses.</li> <li>• Revise.</li> <li>• Revise to ensure uses are compatible with the rural mandatory objectives of the zone.</li> <li>• Review</li> </ul> <p>Remove from the tables.</p>
	<p><u>SP1 Opal Mining</u></p> <ul style="list-style-type: none"> <li>• "Old opal fields" in Western Lands with some active and some non-active claims to be identified as "SP1 – Opal mining" on the maps. It is understood that the existing dwellings would be kept under existing use rights and that uses will lapse eventually.</li> <li>• "Bed and breakfast accommodation" is "permitted with consent". It is important to highlight this as being low impact ancillary development (could be identified as such in the zone objectives and possibly as an ancillary use under SP1 "Opal Mining" on the maps.</li> </ul>	<ul style="list-style-type: none"> <li>• Revise.</li> </ul>

## ATTACHMENT A - DEPT PLANNING RESPONSE TO GMS &amp; DRAFT LEP SUBMISSION

6

Clause No	Comments	Action
	<p><u>RE1 Public recreation</u></p> <ul style="list-style-type: none"> <li>• "Water reticulation systems" are permitted without consent on any land under the Infrastructure SEPP.</li> <li>• Remove infrastructure e.g. emergency services facility, educational establishment and other uses not in keeping with the zone objectives from this zone.</li> </ul> <p><u>E1 National Parks and Nature Reserves</u></p> <ul style="list-style-type: none"> <li>• E1 requires no additional text.</li> </ul>	<ul style="list-style-type: none"> <li>• Revise.</li> <li>• Use another zone for these. Use the Infrastructure SEPP as a guide.</li> <li>• Remove 'roads' from Item 3.</li> <li>• Use as a check.</li> </ul>
Land Use Matrix	<ul style="list-style-type: none"> <li>• Ensure land use matrix is consistent with the LUTs.</li> </ul>	
Cl. 4.1	<ul style="list-style-type: none"> <li>• Objective (a) and (b) overlap. Only (b) is required with the addition of "rural".</li> <li>• The issue in (c) needs to be reworded to avoid ambiguity.</li> </ul>	<ul style="list-style-type: none"> <li>• Revise.</li> <li>• Revise.</li> </ul>
Cl. 4.3	<ul style="list-style-type: none"> <li>• "Landscape", "character" and "solar access" are DCP provisions.</li> </ul>	<ul style="list-style-type: none"> <li>• Revise objectives.</li> </ul>
6.1 Dwelling in Zones	<ul style="list-style-type: none"> <li>• RU1, RU5, R1, R5. DoP Model clause for the rural zones was provided. It is not clear why this would extend to residential zones. One option, if appropriate, for the residential zones is for an "urban release" model clause to be provided. This deals with provision of services etc</li> <li>• The Department is currently working on a clause to acknowledge the situation in the Opal Fields</li> </ul>	<p>Further information required.</p>
6.2 Flooding, 6.4	<ul style="list-style-type: none"> <li>• DoP Model clause was provided.</li> </ul>	<ul style="list-style-type: none"> <li>• Insert appropriate clause.</li> </ul>
6.3 Tourist dev in SP1	<ul style="list-style-type: none"> <li>• Draft clause being reviewed.</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback to be provided.</li> </ul>
Schedules 2 and 3	<ul style="list-style-type: none"> <li>• Council should indicate which exhibited plan Schedules 2 and 3 came from and provide a marked up copy of the schedule as per PN08-003.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide details.</li> </ul>

**ATTACHMENT A - DEPT PLANNING RESPONSE TO GMS & DRAFT LEP SUBMISSION**



NSW GOVERNMENT  
**Department of Planning**

**Draft maps**

General

- Maps must be consistent with the Mapping Guidelines. The most recent version of the Mapping Guidelines can be obtained from [http://www.planning.nsw.gov.au/planningsystem/pdf/req\\_lepmaps\\_complete\\_lowres\\_au07.pdf](http://www.planning.nsw.gov.au/planningsystem/pdf/req_lepmaps_complete_lowres_au07.pdf).
- The date on the map ID number on all maps should read yyyymmdd as per the mapping guidelines (not addressed).

Land application map

- Identify adjoining LGAs by naming on this and other appropriate maps.
- Provide a legend map to identify the location of the LGA in NSW as per the mapping guidelines (Appendix E).

Land zoning maps

- All SP2 lands must be identified using either a Standard Dictionary term or a term for the Infrastructure SEPP. This applies to SP1 where it is possible to do so. (Rather than aerodrome use airport, airstrip etc as appropriate).
- SP1 opal mining: ensure this is named the same on all maps e.g. LZN -010.
- For SP1 and SP2 areas, identify any other key issues on the map as annotations directly under the item
- LZN-013: distinguish between air port or air transport facility and the waste or resource management facility to avoid overlap of uses.

Lot size maps

- LSZ 002: Maps equivalent in area to LZN-015 and LZN-016 contain areas with no minimum lot size. Justify
- LSZ 002: each of the 7 map inserts must be on a separate sheet and numbered accordingly.
- Ensure all sheet are numbered correctly e.g. map LZN-001 is actually named LZN-002. Check all map numbers so that the actual map, the map title number and the map insert number are all consistent.
- No LZN-002 has been provided (although a map is named LZN-002 which covers the same land as LZN-001)..Correct.

Additional provisions

- Walgett and Lightning Ridge airports?: If OHL constraints etc are required, these should be mapped. Please indicate.

Heritage maps

- Ensure heritage items are coloured brown and not hatched as per mapping guidelines.
- Follow the mapping guidelines on the heritage maps: number the items.

Extraneous map

Remove 'Walgett LEP 2008-24K Grid' as it is not part of the standard set

## **7. DEVELOPMENT AND COMPLYING DEVELOPMENT CERTIFICATE APPLICATIONS**

**REPORTING SECTION:** Planning and Regulatory Services  
**AUTHOR:** Matthew Goodwin – Director Planning and Regulatory Services  
**FILE NUMBER:** 007/02/04/55

---

### **Summary:**

This report provides a summary of the Development and Complying Development Certificate applications recently processed under delegated authority.

### **Discussion (including issues and background):**

The table following this report provides details of Development Applications (DA) and Complying Development Certificate (CDC) applications dealt with under delegated authority by the Director Planning and Regulatory Services and General Manager during November 2008.

### **Relevant Reference Documents:**

Files for the respective Development and Complying Development Certificate applications.

### **Stakeholders:**

Public and applicants.

### **Financial Implications:**

Nil.

### **Recommendations:**

**That Walgett Shire Council resolve to:**

- 1. Note the Development and Complying Development Certificate applications dealt with under delegated authority by the Director Planning and Regulatory Services and General Manager during November 2008**

### **Attachments:**

## AUTHORITY

## Determined Applications



12/04/2008      Parameters:      Date Range: Y      Document Type: 20      Page: 1  
 Start Date: 1/11/2008      Officer: ALL  
 End Date: 30/11/2008      Number of Days: 0  
 As At Date:      Stop The Clock: Yes

Document	Applicant Name / Address	Development Type	Determination	Determined	Received
Document Type: 20					
	Stop the Clock	Total Elapsed Calendar Days: 21 Calendar Stop Days: 0 Adjusted Calendar Days: 21			
02/0/2008/00/0000026/001	160 Subdivision/Consolidation		Approved - Staff Delegation	13/11/2008	24/10/2008

PT: I DP: 1130663

Mr K D &amp; Mrs L J Hatton

*There are Multiple Parcels on this application*

Officer: Ms J R Babic      Average Elapsed Calendar Days: 21.00      Total Elapsed Calendar Days: 21.00  
 Number of Applications: 1      Average Calendar Stop Days: 0.00      Total Calendar Stop Days: 0.00  
 Average Adjusted Calendar Days: 21.00      Total Adjusted Calendar Days: 21.00

Document	Applicant Name / Address	Development Type	Determination	Determined	Received
Document Type: 24					
	Stop the Clock	Total Elapsed Calendar Days: 4 Calendar Stop Days: 0 Adjusted Calendar Days: 4			
02/4/2008/00/0000038/001	151 Class 10b - Fence 13 Gilbert ST WALGETT LOT: 36 DP: 632187 Walgett Aboriginal Medical Service Co-op Ltd		Approved - Staff Delegation	07/11/2008	04/11/2008

## AUTHORITY

## AUTHORITY

## Determined Applications



12/04/2008      Parameters:      Date Range: Y      Document Type: 20      Page: 2  
 Start Date: 1/11/2008      Officer: ALL  
 End Date: 30/11/2008      Number of Days: 0  
 As At Date:      Stop The Clock: Yes

Document	Applicant Name / Address	Development Type	Determination	Determined	Received
Document Type: 24      Stop the Clock					
Total Elapsed Calendar Days: 4					
Calendar Stop Days: 0					
Adjusted Calendar Days: 4					
024/2008/000000039/001	142      Class 10a - Shed	49 Harlequin ST LIGHTNING RIDGE	Approved - Staff Delegation	07/11/2008	04/11/2008
		LOT: 13 SEC: 14 DP: 758612 IP: 403204			
		Mr C D Brown			

Officer: Mr L J Smyth      Average Elapsed Calendar Days: 4.00      Total Elapsed Calendar Days: 8.00  
 Number of Applications: 2      Average Calendar Stop Days: 0.00      Total Calendar Stop Days: 0.00  
 Average Adjusted Calendar Days: 4.00      Total Adjusted Calendar Days: 8.00

Report Totals & Averages      Average Elapsed Calendar Days: 9.67      Total Elapsed Calendar Days: 29.00  
 Total Number of Applications : 3      Average Calendar Stop Days: 0.00      Total Calendar Stop Days: 0.00  
 Average Adjusted Calendar Days: 9.67      Total Adjusted Calendar Days: 29.00

## AUTHORITY

## **8. *RURAL ADDRESSING ROAD NAME AMENDMENTS***

**REPORTING SECTION:** Planning and Regulatory Services  
**AUTHOR:** James Abel, Geographic Information Systems Co-ordinator  
**FILE NUMBER:** 100/03/00/00

---

### **Summary:**

Recently Council publicly exhibited information on a proposal to change the names of SR102 and Narran Street Cumborah as part of its rural addressing program. This report recommends that Council adopt the proposed name changes that have been subject to public consultation.

### **Discussion (including issues and background):**

Walgett Shire Council is in the process of implementing rural addressing throughout the Shire. Rural addressing is an Australia wide initiative with its main objective to provide a unique address for all rural properties.

Recently Walgett Shire Council requested that the Geographical Names Board of NSW formally gazette 109 unique rural road names throughout Walgett Shire. Unfortunately the Board declined several proposals on the basis that they were too similar to other road and street names within the Shire. Similar names listed by the Board included Narran Lake Rd, Narran St at Collarenebri, Narran Rd at Angledool and Narran St at Cumborah.

At a meeting held on 28th October 2008 Walgett Shire Council resolved to undertake consultation regarding proposed name changes for SR 102 Narran Road and Narran Street Cumborah. The proposed changes would address the Geographical Names Boards concerns whilst complying with Australian Standard 4819:2003 Geographic Information – Rural and Urban Addressing and "Guidelines for the naming of roads".

Walgett Shire Council also resolved to undertake public consultation about the proposed name changes. Details of the proposed changes were made available via:

- \* Council's website [www.walgett.nsw.gov.au](http://www.walgett.nsw.gov.au)
- \* Advertisements in the Ridge News
- \* Advertisements in the Walgett Spectator

A letter explaining why the changes were required and the proposed new names was sent to all people who own land adjoining the road and street affected by name changes.

The public consultation period concluded on 1st December 2008 and no submissions were received. In this context it is proposed that Walgett Shire Council adopt the name Angledool Road for SR 120 and rename Narran Street in Cumborah to Glengarry Street.

In a related matter, Walgett Shire Council wrote to Brewarrina Shire Council on 30th October 2008 indicating that it was proposing to shorten the name of SR 101 Wilby Wilby Bridge Road to SR 101 Wilby Wilby Road. This matter is expected to be considered at a meeting of Brewarrina Shire Council that will be held on 19th December 2008.

Any names adopted by Council will need to be referred to the Geographical Names Board for gazettal.



The next phase of the rural addressing program will involve updating of the road name signage throughout Walgett Shire and the implementation of rural address numbers.

**Relevant Reference Documents:**

- Australia/New Zealand Standard. Geographic information - Rural and urban addressing. AS/NZS 4819:2003
- "Guidelines for the naming of roads", published by the Geographical Names Board of NSW.

**Stakeholders:**

Walgett Shire Council, community.

**Financial Implications:**

Costs associated with road signage will be met from budgets established for that purpose. The full cost has not yet been determined.

**Recommendations:**

**That Walgett Shire Council resolve to:**

1. **Rename Narran Street Cumborah as Glengarry Street.**
2. **Rename SR102 Narran Road at Angledool as SR 102 Angledool Road.**
3. **If there is no objection offered by Brewarrina Shire Council, rename SR 101 Wilby Wilby Bridge Road as Wilby Wilby Road.**
4. **Submit the amended names to the Geographical Names Board of NSW and request that they be gazetted as formal road names.**
5. **Proceed to implement signage and rural address numbering throughout Walgett Shire, in compliance with the Australian Standard AS/NZ 4819:2003 Geographic Information - Rural and urban addressing.**

## **9. ENVIRONMENTAL RISK ASSESSMENT AND MITIGATION PACKAGE (E-RAMP))**

**REPORTING SECTION:** Director Urban Infrastructure Services  
**AUTHOR:** Siegfredo Coralde - Director of Urban Engineering Services  
**FILE NUMBER:** 185/01/00/00

---

### **Summary:**

This report provides relevant information for the operators of small landfills and transfer stations on how to use E – Ramp, a new management tool developed by the Department of Environment and Climate Change. This tool is relevant to small waste management centres not required to be licensed under the Protection of Environment Operations Act 1997 such as The Lightning Ridge Landfill, Rowena Landfill, Collarenebri Landfill and Carinda Landfill and Burren Junction Landfill.

### **Discussion (including issues and background):**

The Department of Environment and Climate Change (DECC) sought assistance from interested local authorities in New South Wales in developing a waste management tool for small landfills a couple of years ago. Twenty one councils participated and as a result of this, E-Ramp was officially launched this year. This tool is useful in monitoring small landfills below the 5,000 tonnes of wastes annually. However, this tool is not intended as specific guidance for the operation and/or management of small waste facilities.

One good indicator should this tool be used properly is that councils can make sound waste management decisions in future landfill improvements and mitigating possible environmental risks. E-RAMP is useful in obtaining objective and site-specific assessment of environmental risks and potential measures to treat these risks.

The software package follows the risk management process detailed by AS/NZS 4360:2004 and considers in its calculations the following features:

- the sensitivity of the surrounding environment
- the types and quantities of wastes received, stored and/or disposed at the facility
- the presence/absence of management controls and measures to minimise the likelihood of emissions to the environment in determining the risks.

The E-RAMP waste management tool software is provided free by DECC to all local councils. To encourage local councils to be proactive in managing their small landfills using this tool, they can apply for a grant once this tool has been recognised as being used.

### **Relevant Documents:**

Nil

**Stakeholders:**

Walgett Shire Council  
Landfill Operators

**Financial Implications:**

Using the E – RAMP tool attracts a dollar for dollar match funding from the DECC but Council would need to expend approximately \$10,000.

**Recommendations**

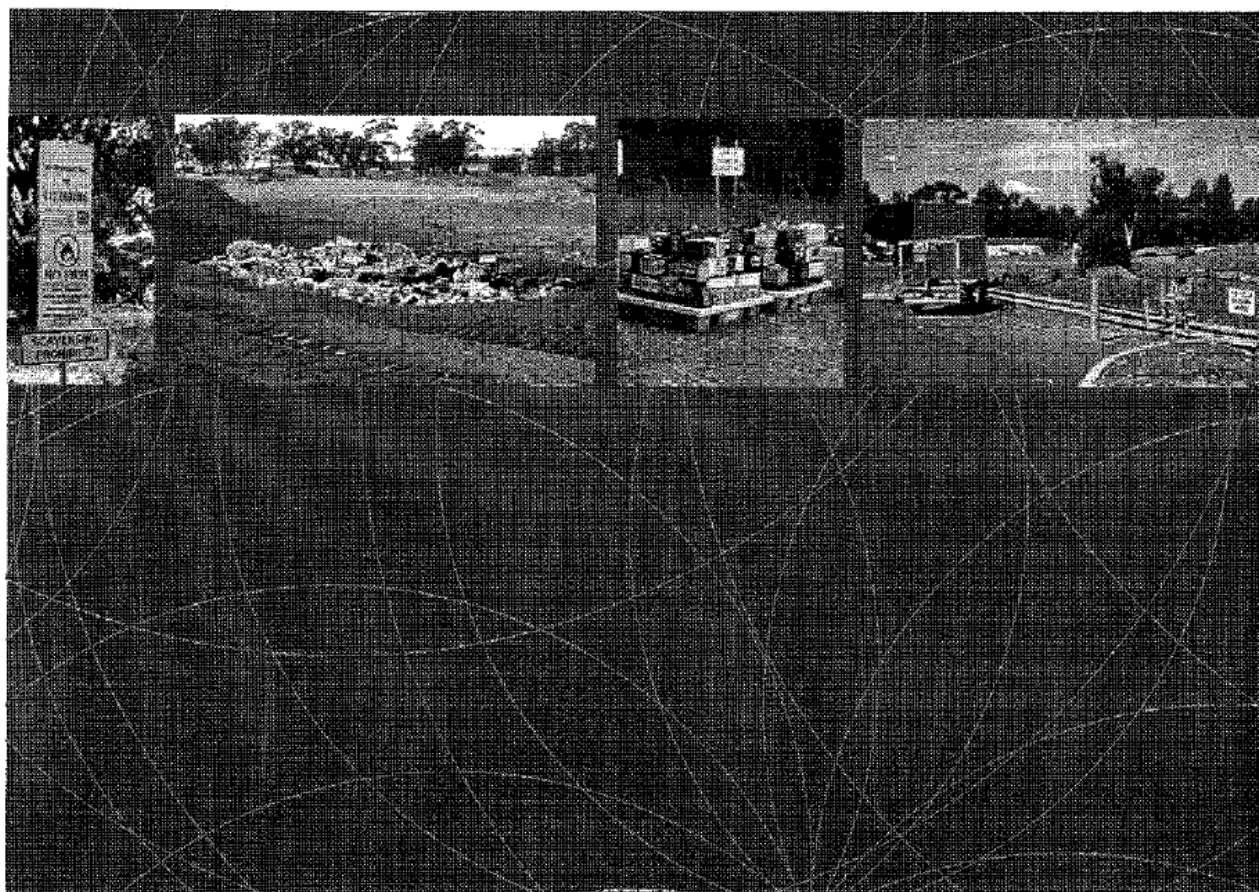
1. Council use the E – RAMP tool to assess which areas need attention and measures required to meet sound waste management decisions in its small landfills.
2. Council apply for appropriate funding.
3. Council use E-Ramp tool in developing the Solid Waste Management Plan.
4. Council provide financial matching funds when formulating its 2009-2010 fiscal budget.

**Attachments**

1. E-Ramp Manual

# Environmental Risk Assessment and Mitigation Package for small waste facilities **E-RAMP manual**

Version 1.0



Department of **Environment & Climate Change** NSW



Project management and development: Jason Scarborough, Regional Project Officer, Department of Environment and Climate Change NSW

**Disclaimer**

The Department of Environment and Climate Change NSW has developed the E-RAMP package for use as a management tool for the operators of small landfills and transfer stations not required to be licensed under the *Protection of the Environment Operations Act 1997*. E-RAMP is not intended as specific guidance for the operation and/or management of small waste facilities, but rather to assist in making management decisions regarding these facilities. It does not constitute legal or regulatory advice. Councils should seek and rely on their own legal and other advice concerning the operations and/or management of small waste facilities. The Department of Environment and Climate Change NSW accepts no responsibility for errors or omissions in the package, or for any loss or damage arising from the use of the package.

The risk assessment undertaken by this package relates to environmental factors only. It does not specifically consider human health, economic, social or other factors that may influence management decisions regarding small waste facilities. In addition, all the environmental factors that may influence environmental risk for a particular site may not have been identified and/or fully considered in this assessment. Users of the software in this package do so at their own risk. Care should be exercised in using the results of the program where this situation exists, especially in the absence of site-specific environmental information.

The suggestions made with respect to potential risk mitigation measures by this package are of a general nature only. The design and construction of any small waste facility and/or mitigation measures at waste facilities should only be undertaken by suitably qualified and experienced persons.

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### *Acknowledgements*

The Department of Environment and Climate Change NSW acknowledges the valuable input into the development of the Environmental Risk Assessment and Mitigation Package (E-RAMP) from the following local council officers and voluntary regional waste groups:

Nicole Ashton, Cabonne Shire Council  
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Amanda Muir, City of Lithgow Council  
Paul O'Brien, Bourke Shire Council  
Ken Silich, Cooma-Monaro Shire Council  
Jason Stratford, Tamworth Regional Council  
Brent Wellham, Gwydir Shire Council  
Sue Williams, Narrabri Shire Council

Midwaste Regional Waste Forum  
MurrayROC Waste Group  
Netwaste  
North East Waste Forum  
Northern Inland Regional Waste  
RENEW NSW  
Riverina East Regional Organisation of Councils Waste Forum  
Riverina Regional Organisation of Councils Waste Group  
South East Resource Recovery Regional Organisation of Councils

### *Problems/further questions*

If you experience any problems using E-RAMP or need further information on any aspect of the package, please contact:

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Project Manager, North West Branch  
Environment Protection and Regulation Group  
Department of Environment and Climate Change NSW  
Phone: (02) 6332 7607  
Fax: (02) 6332 7630  
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Email: [jason.scarborough@environment.nsw.gov.au](mailto:jason.scarborough@environment.nsw.gov.au)

E-RAMP for Small Waste Facilities

## Purpose

The Department of Environment and Climate Change (DECC) has developed the Environmental Risk Assessment and Mitigation Package (E-RAMP) to help the operators of small waste facilities assess and manage potential risks at their sites.

The operators of small waste facilities (usually local councils) generally face the challenge of providing an essential service – often with limited budgets and resources – that meets the community's waste management expectations, while at the same time minimising the environmental impacts.

E-RAMP has been developed in consultation with council waste managers across NSW. It aims to guide the managers of smaller waste facilities in undertaking risk analysis of their operations and prioritising mitigation plans to deal with any potential impacts.

## Background

Since the introduction of the *Waste Minimisation and Management Act 1995*, operators of large waste facilities, such as landfills and transfer stations, have required licences to conduct their operations. However over the same period, smaller waste facilities, especially landfills receiving less than 5000 tonnes of solid waste per annum, have been exempt from licensing.

The issues most small waste facilities typically deal with relate to the effects the site has on amenity, such as smoke from fires, odours, flies, vermin and wind-blown litter. However, other potential environmental impacts from these facilities, such as groundwater contamination, may not be so obvious. DECC is aware that many operators of small waste facilities are currently examining potential improvements in their waste management practices, including establishment of engineered environmental controls, regionalisation of waste facilities, rationalisation of small landfills and establishment of small transfer stations. Through the generation of risk analysis reports, E-RAMP can support council decisions on how and where to invest capital and operational expenditure to improve performance.

E-RAMP is designed to support other guidance materials on managing waste provided by DECC:

- *Environmental guidelines: Solid waste landfills* (EPA 1996) – This document was intended as guidance for larger landfills (those accepting over 5000 tonnes of waste per annum).
- *Handbook for design and operation of rural and regional transfer stations* (DEC 2006) – This handbook assists operators intending to develop resource recovery and/or waste transfer facilities in rural and regional areas in NSW by drawing on the successful experiences sourced from other operators.

DECC examined several approaches to providing direction to operators of small waste facilities, particularly small landfills. After consultation with council waste managers, it was decided a risk management approach offered a number of distinct advantages:

- it would be site-specific
- the risks identified could be prioritised and dealt with within the operator's budget
- it could be part of the process of deciding whether to open a new small landfill, extend an existing one or convert operations from a landfill to a transfer station
- it could support 'due diligence' procedures.

To examine the risk management approach further, DECC developed a trial E-RAMP in consultation with the operators of small waste facilities, voluntary regional waste groups and



### E-RAMP for Small Waste Facilities

DECC regional officers, using various DECC documents and information from site inspections of a sample of these small facilities. The main component of the trial E-RAMP was a Microsoft *Excel*-based risk assessment tool that undertakes and documents approximately 90% of the risk management process, as outlined by Standards Australia in *AS/NZS 4360:2004*.

In developing the trial E-RAMP tool, DECC was also careful to ensure that:

- the risk assessment process reflected differing circumstances across NSW, such as waste facility type, rainfall, average wind speed/direction and surrounding land use, which could then be applied anywhere in NSW
- the required information inputs could be obtained directly by the operator and/or other readily available sources
- operators could perform the risk assessment without the need to engage specialist waste, environmental or risk management expertise
- the assessment process could be done in a timely manner, yet still provide meaningful information.

The response to the trial E-RAMP package was very positive and has resulted in this final product now being available for use by all small waste facility operators in NSW. While the use of this package is not mandatory, DECC believes it offers many benefits for the operators of small waste facilities.

## Risk management process

E-RAMP follows the risk management process detailed in *AS/NZS 4360:2004* (Standards Australia 2004), as shown in Figure 1. This figure also identifies the steps in the risk management process that E-RAMP attempts to capture.

In summary, the key steps of the risk management process are:

### Communicate and consult

Communication and consultation engages internal and external stakeholders in the exchange of information. It is essential to communicate the objectives of the risk management process, and identify, analyse, evaluate and treat risks, and set the risk evaluation criteria.

### Establish the context

An understanding of the context defines the basic parameters within which risks must be managed and sets the scope for the rest of the risk management process. Context includes the broad external environment in which the organisation operates ('external' context) and the factors that drive decisions or influence an organisation's ability to manage risks ('internal' context). This step also determines the objectives of the risk management process and the risk criteria to be assessed.

### Identify risks

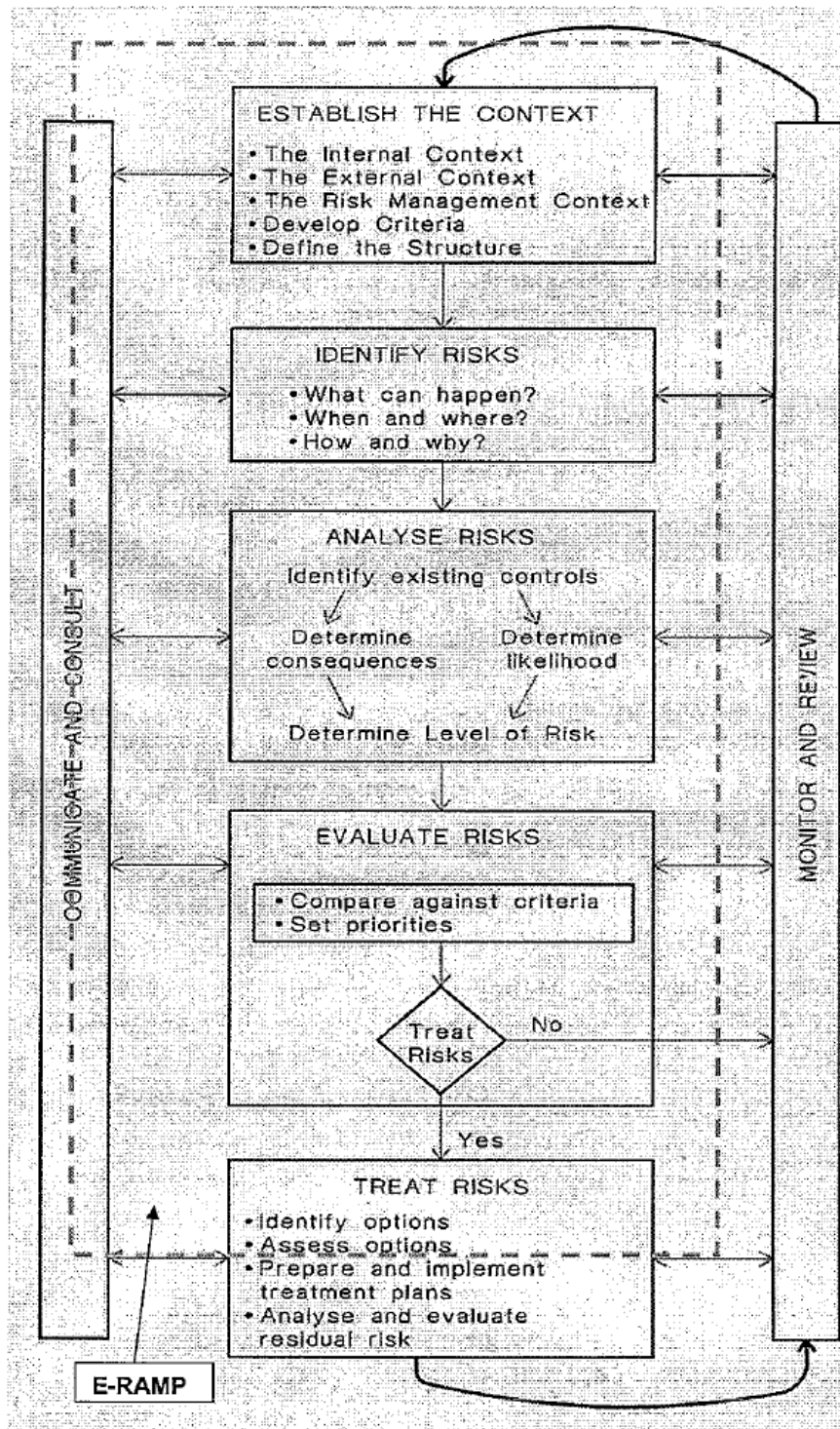
A well-structured, systematic process is used to identify potential risks. This step is critical as any risks not identified here may be excluded from future analysis. It involves identification of potential sources of risk as well as potential environmental impacts.

### Analyse risks

The analysis of risk is the examination of the combination of the likelihood of an event occurring and the consequences. This process can employ one or several quantitative, semi-quantitative or qualitative methods to analyse risks.

E-RAMP for Small Waste Facilities

Figure 1: The risk management process and steps captured by E-RAMP  
(adapted from AS/NZS 4360:2004)



E-RAMP for Small Waste Facilities

**Evaluate risks**

This step concerns setting priorities for decisions about risk, based on a comparison between the risk analysis and the risk criteria. The outcome of this process is typically three groups of risk: acceptable risks, tolerable risks (unacceptable risks that can be treated) and unacceptable risks.

**Treat risks**

Risks that are not acceptable require treatment. This step of the risk management process identifies the risk treatment options available and assesses them in terms of the impact on the level of risk and cost-effectiveness. Risk treatment plans are also developed in this step, which schedules the risk treatment work(s).

**Monitor and review**

Factors may change over time, when new processes/procedures are implemented and/or as new information comes to light. Ongoing monitoring and review identifies any impact these changing factors may have on the level of risk and, if necessary, triggers a re-evaluation of risks and the development of updated treatment plans.

**Context**

There is a wide degree of operational and environmental variation between small waste facility sites in NSW. For example:

- The quantity of waste received each year at small landfill facilities can range from less than 20 tonnes to 5000 tonnes.
- The quantity of waste received at small transfer stations can range from less than 100 tonnes to 30,000 tonnes per year.
- Precipitation at these facilities can range from less than 200 millimetres a year to over 2000 mm.
- The landscapes where facilities are located vary widely from coastal floodplains to alpine ridgelines.
- Some facilities are extremely remote, while others are close to large population centres.
- The level of management at these facilities varies widely.

Regardless, however, of these local variations, all small waste facilities play an important role in local waste management. Without them, widespread and significant environmental harm would almost certainly result from the inappropriate management of waste.

The operators of small waste facilities (mostly local councils) face several considerable challenges. While providing an essential service to local communities, these facilities can in themselves pose significant environmental risks. Their operators have a statutory obligation to minimise these risks, while meeting community expectations about the service being provided. Often, this has to be achieved with very limited budgets and resources.

This is where a risk management approach can be beneficial in focusing budgets and resources in areas where they will achieve the greatest environmental outcomes. In addition, risk management can also discover previously unidentified risks for a particular facility.

E-RAMP is designed to assist operators assess the environmental risks of small waste facilities under their management and control. Using information about the operation and management of the facility and the surrounding environment, a number of hypothetical mitigation measures can be examined to gauge how they will change the level of environmental risk. The expected benefits of using E-RAMP are:

### E-RAMP for Small Waste Facilities

- a reduction in the time and resources ordinarily required to undertake risk assessments of small waste facilities
- the generation of environmental information about small waste facilities which operators may not previously have had access to
- the provision of environmental risk information to assist operators of small waste facilities make management decisions.

### Communication and consultation

A communication and consultation exercise was undertaken for the development of both the trial and final versions of E-RAMP with a representative cross-section of stakeholders. Communication and consultation had two objectives:

- to inform stakeholders about the exercise being undertaken and its objectives
- to obtain feedback in relation to process, potential sources of risks and constraints.

Prior to the E-RAMP trial, this was achieved primarily through presentations and information sessions with stakeholders and direct feedback from council and DECC officers.

During the trial of the package, participants had an opportunity to provide their opinions and suggestions for improvement on the use of E-RAMP and the consistency between perceived and calculated risk. This feedback was incorporated into the final version of E-RAMP.

### Risk identification

In parallel with the communication and consultation, a list of potential environmental risks from small waste facilities was compiled. This process was supplemented by:

- a review of DECC files in relation to small waste facilities across NSW
- information on public complaints to DECC's Environment Line
- inspections of 49 small waste facilities across 38 local government areas
- a thorough examination of relevant DECC documents, in particular, *Environmental guidelines: Solid waste landfills* (EPA 1996) and *Handbook for design and operation of rural and regional transfer stations* (DEC 2006).

The potential sources of risk identified were primarily related to any, some or all of the following:

- the sensitivity of the surrounding environment
- the types and quantities of wastes received, stored and/or disposed at the premises
- the presence or absence of management controls and measures to minimise the likelihood of emissions to the environment.

As a result of this exercise, 'sources of risk' were identified and these are listed in Appendix I. It should be noted that it is highly unlikely that all of the identified sources of risk would apply to a particular site.

### Risk analysis

For the purposes of the E-RAMP risk analysis, the potential risks associated with a small waste facility have been grouped into seven categories:

E-RAMP for Small Waste Facilities

1. **Groundwater** – the potential risk to groundwater from landfill leachate and leaks/spills of hazardous substances
2. **Surface water** – the potential risk to surface water from landfill leachate, leaks/spills of hazardous substances, sediments, saline and/or acidic soils
3. **Air** – the potential risk to air quality from smoke, fine particulates (dust) and odours
4. **Noise** – the potential risk from noise on neighbouring residences/land uses
5. **Fire** – the potential risk of fire occurring at a premises and the potential risk that any such fire poses to the immediate surrounds
6. **Amenity** – the potential risk to amenity from litter, smoke, dust, odours, vermin and general site operations
7. **Conservation and heritage** – the potential risk to surrounding areas of high environmental and/or heritage value

E-RAMP uses a semi-quantitative risk analysis: values have been assigned to the answer options in E-RAMP which are then calculated to produce the overall risk score. However it should be noted that the risk scores obtained are not intended to be a quantitative estimate of risk – a risk score of 50 out of 100 does not necessarily mean that there is a 1-in-2 chance of a pollution incident occurring.

The risk score is calculated by taking the normal logarithm of the product of the individual risk scores applicable to each category and then normalising this result as a percentage of the total possible score, i.e. a score out of 100. A weighting factor has also been applied to the scores based on the facility type, i.e. active landfill, closed landfill or transfer station. In addition, the 'inverse square' law<sup>1</sup> has also been applied to the noise category.

E-RAMP draws upon several sources of data, most of which are contained in online NSW Government data bases. E-RAMP also requires site-specific information and information that is likely to be held by the operator of the facility.

E-RAMP makes two main assumptions:

1. The operator of the small waste facility will not take any action to increase environmental risk at the premises, such as discontinuing groundwater monitoring, removing litter fences, etc. Doing this works against the intent of the risk management process.
2. The existing situation options and proposed mitigation options match (or closely match) the options presented in E-RAMP.

E-RAMP also accommodates potential information gaps by providing an 'unknown' answer option to some questions. However, it should be noted that in the absence of information, E-RAMP assumes a conservative level of risk, i.e. a risk level that is likely to be higher than the actual level of risk, should the relevant information be available.

It should also be noted that due to the complexity of environmental interactions, a single source of risk may have differing likelihoods of impact/severity of impact on the surrounding environment. In addition, multiple sources of risk can combine to increase the likelihood and/or severity of impacts on the surrounding environment. E-RAMP has attempted to capture as many of these interactions as possible, although there may be some situations where these differences/interactions have not been able to be accounted for.

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<sup>1</sup> The inverse square law is applicable to noise measurements where every doubling of distance from the noise source (in a free field situation under ideal conditions) results in a reduction of the sound pressure level of 6 decibels (dB).

## E-RAMP for Small Waste Facilities

To validate the E-RAMP process, several scenarios were examined using information obtained from site inspections. The results were checked for consistency (for similar situations), contrast (for vastly different situations), sensitivity (for slightly different situations) and sensibility (e.g. larger facilities having higher risk than smaller facilities in the same environmental settings with the same management/controls).

## Evaluation of risks

The evaluation of risks associated with small waste facilities is undertaken within the risk assessment model of E-RAMP. Five risk categories have been established as part of this process, as described below.

<b>Very high</b>	The risk posed is very high because of the high likelihood of an event occurring and the significant environmental consequences of this. Very high risks should be treated as soon as possible as a priority, and may include closure of the facility. Frequent monitoring and review after treatment is necessary to ensure the level of risk is reduced to a level where it is either acceptable or where further treatment can be scheduled once the initial very high risk is alleviated.
<b>High</b>	The risk posed is high because of the high likelihood of an event occurring and/or the significant environmental consequences of this. High risks should have the highest priority in scheduled risk treatment plans. Frequent monitoring and review before and after treatment should be undertaken to ensure the risk treatment is effective.
<b>Medium</b>	The risk posed is medium because of the likelihood of an event occurring and the environmental consequences of this. Medium risks should be prioritised for treatment and regularly monitored and reviewed to ensure changing circumstances do not also change the level of risk. Medium risks are only acceptable in situations where there are no reasonable or feasible risk mitigation options available. Stringent monitoring programs should be in place to identify potential impacts and procedures established to respond to situations where the monitoring identifies a potential issue.
<b>Low</b>	The risk posed is low because of the likelihood of an event occurring and/or the environmental consequences of this. Low risks can be accepted, subject to justification in terms of the cost-effectiveness of treatment options and ongoing monitoring and review. Otherwise low risks should be prioritised for treatment and monitored and reviewed to ensure changing circumstances do not also change the level of risk.
<b>Very low</b>	The risk posed is very low because of the low likelihood of an event occurring and the insignificant environmental consequences if it did. Very low risks can be accepted, contingent upon regular monitoring and review to ensure changing circumstances do not also change the level of risk.

## Risk treatment

E-RAMP presents potential risk treatment options based on data collected in the communication and consultation and risk identification stages. The focus of mitigation options is primarily on reducing the likelihood and/or severity of an event, but can also include avoiding risks, such as closing a landfill where uncontrolled fires are an ongoing problem.

The result on the overall risk by employing these 'hypothetical' treatments can be observed in E-RAMP. Once a risk treatment program is selected, the operator of a small waste facility can then formulate a risk treatment that outlines accountabilities, responsibilities, resource/budget allocations and time frames for implementation. This need not be a lengthy document and can be attached as an addendum to the risk report from E-RAMP.

E-RAMP for Small Waste Facilities

Appendix III lists a range of actions that have been successfully used by councils to mitigate risk.

## Monitoring and review

Monitoring and review is a crucial component of the overall risk management process. It is particularly important for environmental risks because of some of their unique characteristics including:

- the complexity of the environment and natural variability
- a general lack of data, or limited data sets, and the need to make assumptions
- the long time spans in which environmental changes may emerge slowly due to delays and lack of clear or direct links between causes and effects.

The E-RAMP assessment should be repeated at the lesser of the following intervals:

- after an incident occurs that can directly affect the level of environmental risk assessed as part of the previous assessment
- the availability of new or updated information directly relevant to the previous risk assessment
- after risk mitigation measures are employed at the small waste facility
- after a period of 12 months from the previous assessment.

Re-assessment should start afresh with the master copy of E-RAMP as older assessment files will not re-assess information about the surrounding environment that may change over time, such as residential encroachment, newly installed groundwater bores, new national parks, etc.

Documentation relating to the re-assessment process should be produced and kept to demonstrate that the monitoring and review step in the risk management process is being undertaken.

E-RAMP for Small Waste Facilities

## Appendix I: Sources of risk

### *Common sources of risk*

#### **Operational**

Area (size) of the facility  
 Quantity of waste received  
 Quantity of segregated wastes stored  
 Types of waste received (incl. liquid and special)  
 Bundling/containment of stored wastes  
 Supervision/waste screening (incl. fees charged)  
 Security of premises  
 Hours of operation  
 Size of disturbed areas/sediment management  
 Litter control  
 Signage  
 Controlled burning  
 Access/drop-off area construction  
 Dust controls  
 Plant/equipment used and frequency  
 Pest management  
 Fire controls/prevention  
 Absence of documented procedures/plans  
 On-site segregation/recycling  
 Household waste/recyclable collection service  
 Hazardous/chemical waste collection service  
 Staff training

#### **Incident**

Uncontrolled fires  
 Disposal of unlawful/hazardous waste  
 Public complaints  
 Leachate contamination of waters

#### **Physical**

Annual rainfall/evaporation  
 Prevailing winds  
 Surrounding land use  
 Distance to nearest resident  
 Distance to nearest major centre  
 Distance to nearest watercourse  
 Site hydrology  
 Site slope/morphology  
 Soil type/characteristics/chemistry  
 Depth to groundwater  
 Depth to bedrock  
 Geology  
 Proximity to sensitive areas, e.g. bushfire-prone land  
 Visibility of site  
 Landfill gas generation  
 Proximity to threatened species  
 Proximity to endangered ecological communities  
 Proximity to Aboriginal cultural heritage  
 Proximity to Sydney metropolitan area  
 Proximity to Extended Regulated Area

#### **Information**

Lack of environmental information  
 Absence of monitoring  
 Data reliability  
 Community education programs  
 Regulation/enforcement activities



E-RAMP for Small Waste Facilities

*Small transfer station-specific sources of risk*

Type of transfer station	Construction/completion of transfer station
Quantity of waste for transfer stored	Previous land use (i.e. former landfill)
Frequency of removal	

*Small landfill-specific sources of risk*

Amount of waste in place	Covering (frequency and materials)
Type of landfill (trench, above ground, etc.)	Construction/completion of cells/pits/trenches
Compaction (frequency and method)	Post-closure land use

E-RAMP for Small Waste Facilities

## Appendix II: Using E-RAMP

### Introduction

E-RAMP is a Microsoft *Excel*-based program developed to assess the risks posed by small waste facilities and suggest potential mitigation measures to treat identified risks. This version has been developed in consultation with small waste facility operators and DECC regional and technical officers.

The primary objective of E-RAMP is to condense the time taken for a risk assessment of a small waste facility (as outlined in AS/NZS 4360:2004) from days/weeks down to hours. Other key considerations were also taken into account during the development:

- There is significant variation between waste facilities across NSW in terms of type, size, wastes received, climate, environmental sensitivities, etc. The risk assessment process must be able to draw on information across all of NSW and be applied to any location within the state.
- Information inputs should not be onerous, that is the information required to undertake the risk assessment is either readily available to small waste facility operators or easily accessible from other sources.
- The program should be easy to use without the need to seek specialist waste, environmental or risk management expertise.

E-RAMP incorporates as much information as possible so users avoid having to read volumes of reference material prior to commencing the risk assessment process. In this way, only the information relevant to the particular situation being assessed is accessed, again saving time.

Throughout E-RAMP, there are links to various external information sources. They are current at the time of production. However, if any link in E-RAMP fails to connect with the desired source, please contact the person nominated at the end of this document.

E-RAMP makes regular use of two online information resources in particular:

- ***Natural Resource Atlas*** that is produced by the Community Access to Natural Resources Information (CANRI) Program of the NSW Government – This online atlas combines natural resource information from numerous NSW Government agencies into a ‘one-stop shop’. The Natural Resource Atlas can be found at [www.nratlas.nsw.gov.au](http://www.nratlas.nsw.gov.au).
- ***Spatial Information Exchange*** administered by the NSW Department of Lands – This provides fast and easy access to high resolution satellite imagery across the whole of NSW as well as 1:100,000 topographic maps, cadastral (land tenure) and address information that can be searched against. Use of this resource may require the download of a plug-in, which can be done automatically from the Spatial Information Exchange website at <http://imagery.maps.nsw.gov.au>.

It is recommended that users of E-RAMP familiarise themselves with both the *Natural Resource Atlas* and the *Spatial Information Exchange* prior to using E-RAMP to ensure the most efficient use of their time in undertaking a risk assessment of a small waste facility or facilities.

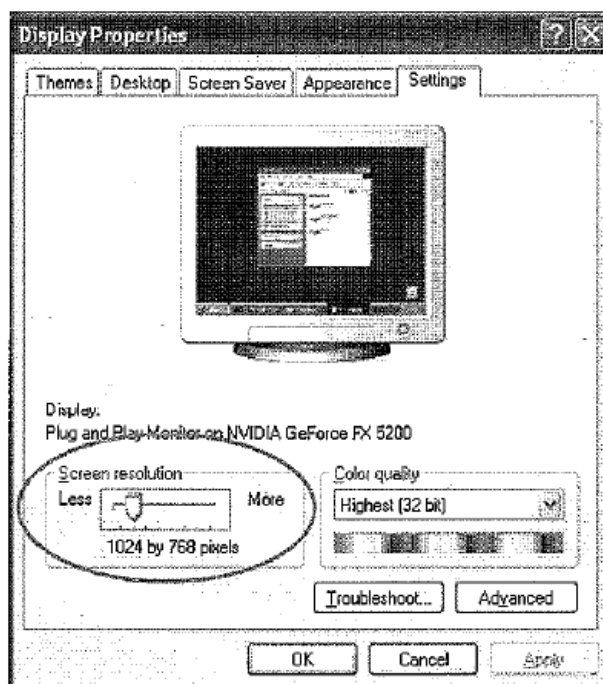
E-RAMP for Small Waste Facilities

## Getting started

### Screen resolution

E-RAMP has been designed to operate at a minimum screen resolution of 1024 x 768 pixels. If your monitor is operating at a lower resolution, it may be necessary to adjust it prior to using E-RAMP. This process may require your system administrator's assistance. However, if you are using a stand-alone machine, it is possible to adjust the screen resolution by the following steps:

1. 'Control panel' on you computer (mostly accessed from the 'Settings' options on the Start menu).
2. Select the 'Display' option and then the 'Settings' tab. The following screen should appear.



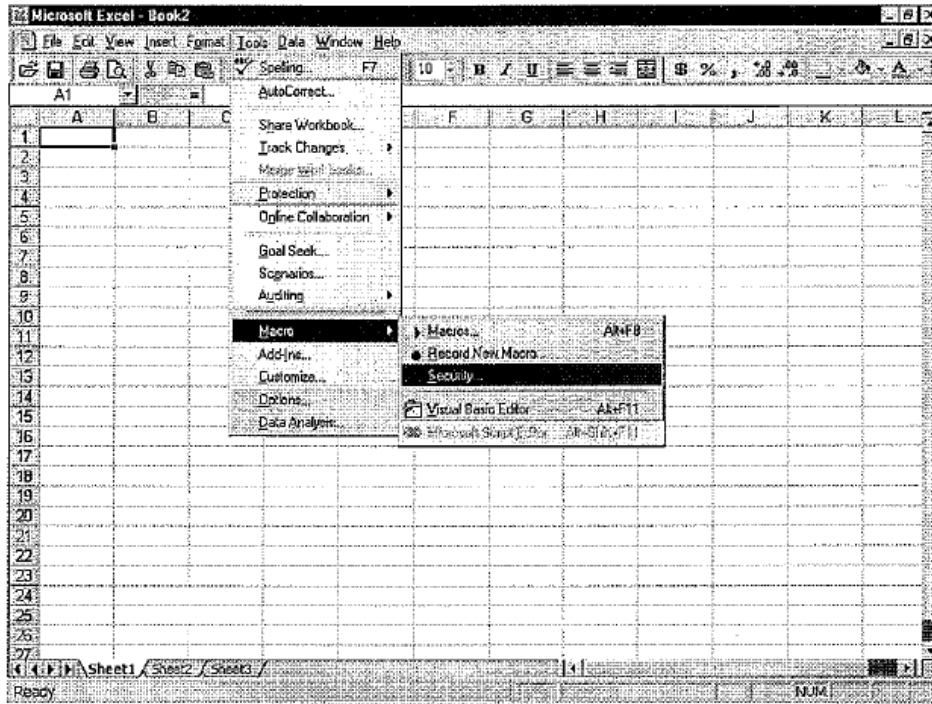
3. Ensure that the screen resolution is set to a minimum of 1024 x 768 pixels.

### Adjusting macro security

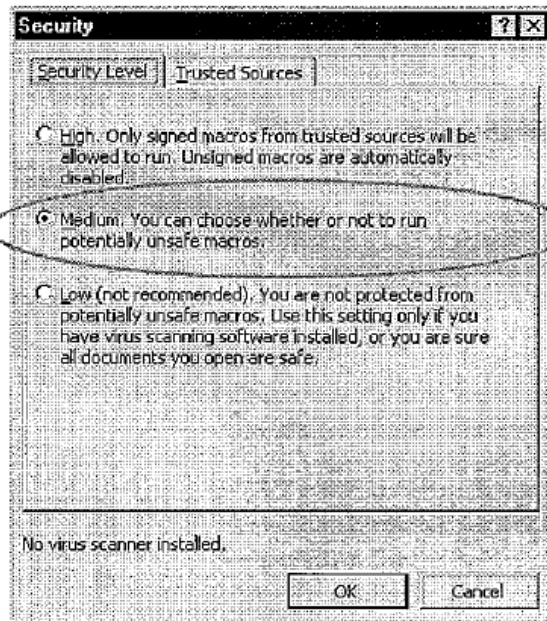
The second step is to configure Excel to run macros. E-RAMP contains numerous macros to assist with the user input and risk analysis. If the macros in E-RAMP are disabled, the program will not function. Again, you may require the assistance of your system administrator with this step, although the process is outlined below.

1. Click on 'Tools' and then 'Macro' and then 'Security' (as below).

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2. The following message should then appear.

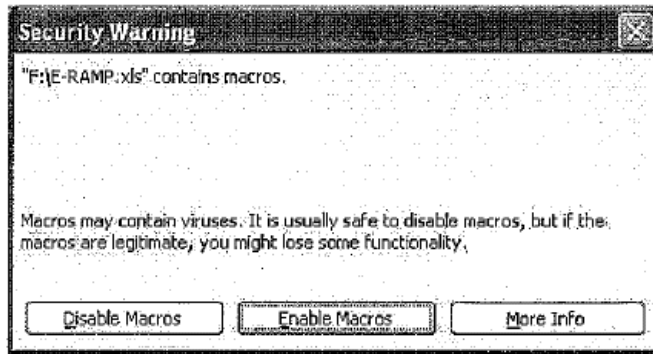


3. Select the 'Medium' setting and select 'OK'.

### Opening E-RAMP

Having completed these two steps, you are now ready to open E-RAMP. With the macro security set to 'medium', you will see a message similar to the following:

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Click on 'Enable Macros'.

### Using E-RAMP

E-RAMP has been designed for ease of use via a 'Q&A' format. Almost all of the responses required are via selection from lists, check boxes and yes/no buttons. The only keyboard input required in E-RAMP is on the 'Premises description' page where the name of the operator of the facility, the name of the facility itself and the location of the facility are required to be input.

The possible responses to the questions asked have been designed to closely reflect the most common situations encountered during the information collection stage of developing E-RAMP. If a situation at your particular waste facility does not appear on the possible list of answers exactly, just select the option that most closely describes the situation.

## E-RAMP for Small Waste Facilities

Below is a sample E-RAMP screen and description of the various elements.

**E-RAMP Progress - Part 1: Existing Facility Information**

**Surrounding Environment**

**Soils at the facility (USCS description)**

Surface (0-10 cm) Sub-surface (10-30 cm)

SWAY, SW, SA, SC Clay, CL, OL, OH, OM

Soil classification remarks/notes:

Interpret Street Brooming Pick Up/tons / year

Notes (50 - 100)

NEW erosion signposted

Are the soils at the facility dispersive?

Dispersive

Stability of soils at the facility

Not classified as soil

NEW erosion signposted

Slope of ground at the facility (%)

2-5

Depth of lands - Special Investigation Required

Are any of the erosion types present at / near the facility?

☐ Water erosion ☐ Gully erosion

☐ Sheet erosion ☐ Local erosion

☐ Slurp erosion ☐ Non erosion

Soil hazard:

Moderate

Acid sulfate soil risk:

Low risk

Distance to nearest watercourse (m)

200-500

Depth of lands - Special Investigation Required

Back

Next

- 1. Page heading** – Each page of E-RAMP contains a related group of questions. In this case, the questions relate to the surrounding environment of the premises.
- 2. Progress Bar** – Shows the user their progress in the assessment process.
- 3. Input question** – Details the information sought for this part of the assessment.
- 4. Check boxes** -- There are also Yes/No buttons throughout E-RAMP that operate in a similar fashion to the check boxes.
- 5. Comment marker** – Additional information is contained within E-RAMP to provide further information about the questions asked where relevant. By hovering the mouse pointer over the marker, the comment will appear.
- 6. Comment** – As described above.
- 7. Hyperlink** – Link to a relevant external data source to assist in answering the question.
- 8. Drop down list** – Clicking on this box will reveal a list of potential responses that can be selected.
- 9. Navigation buttons** – These buttons will guide you through the E-RAMP process.
- 10. Save and Close** – Used when you want to complete and save your data input to return to it at a later stage.

E-RAMP for Small Waste Facilities

The E-RAMP process contains three main parts:

**1. Existing facility information**

This part of E-RAMP initially collects information about:

- the premises itself (name, type, size, location, etc.)
- the surrounding environment (local meteorology, premises soil types, surrounding land use, topography, proximity to environmentally significant areas, etc.)
- available environmental information for the premises, including any monitoring undertaken
- operational management practices and control measures employed at the premises
- community education.

At the completion of this step, you will be prompted to review the information or proceed to the mitigation options. It is important to note that once the 'proceed' option is selected, the information provided is locked in and cannot be changed for the particular assessment being undertaken. After 'proceed' is selected, the risk profile for the premises, based on the information provided, will be displayed.

**2. Potential mitigation options**

From this point, you will move to the mitigation section, where you can apply hypothetical mitigation measures to your existing situation to assess the difference made to the level of risk. These screens look very similar to the existing premises data input screens with some differences to the navigation button:

- The 'Reset' button – This button will return to the mitigation options for the page to the existing situation (i.e. the status quo). The 'Reset' button is very useful when comparing many different scenarios of hypothetical control measures as you can always return to the existing situation and level of risk.
- The 'Risk Profile' button – This button will take you to the risk profile so you can view what effect the hypothetical mitigation measures will have on the overall risk profile of the premises.

The mitigation options section only asks questions in relation to factors that can be changed at a facility. For example, questions regarding depth to bedrock will not appear in the mitigation section as it is assumed that it will not change (at least significantly) over the life of the facility. However, questions regarding things like fencing of the premises will appear in the mitigation section as this is within the power of the operator to change.

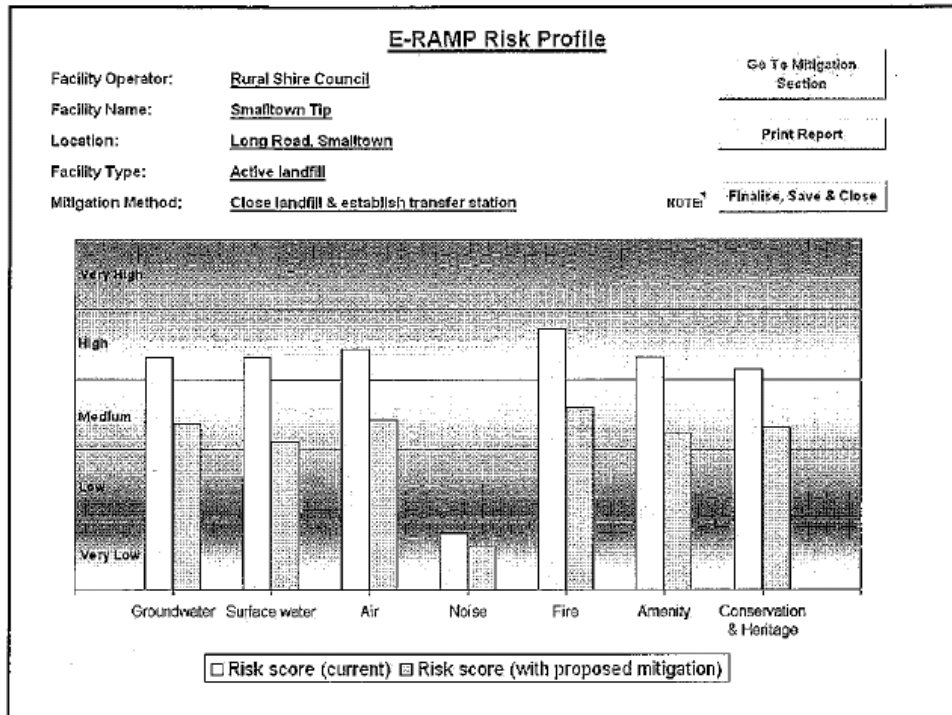
**3. Risk analysis and risk profile**

The risk analysis part of E-RAMP operates simultaneously with the existing premises data and potential mitigation options. Each response is fed into the risk analysis model and used in the assessment of the overall level of risk. Some of these calculations are very long and intricate so to avoid confusion, they occur in the background of E-RAMP.

The risk profile is the main output of E-RAMP. This graphical display allows the user to see at a glance the level of risk the assessed facility poses and the effect that the hypothetical mitigation measures will have on this existing level of risk.

Once the E-RAMP process is complete, you can print a report. The report compiles all the information used for the risk assessment, along with the risk profile. This report can then form part of the documented record of the risk management process for the premises.

E-RAMP for Small Waste Facilities



## Saving E-RAMP

You can save your data at any time by selecting the 'Save and close' button that is located on each data input page. The file will automatically be renamed to be saved. If E-RAMP is saved from a data input page, the format used for the file name is:

'E-RAMP [name of facility] (in progress) [today's date]'

For example, when using E-RAMP to assess the environmental risks at the Smallville Tip on 27 August 2008, the file will be saved as 'E-RAMP Smallville Tip (in progress) 27 August 2008'.

From the Risk Profile page, the 'Finalise, save & close' button will finalise the E-RAMP assessment. The name of the file is slightly different:

"E-RAMP [name of facility] (final) [today's date]"

This naming convention is important to ensure that the history of the risk management process can be accurately documented and that the most current version of the assessment for a particular facility is being used to make management decisions.



E-RAMP for Small Waste Facilities

## **Appendix III: Some successful risk minimisation practices**

### **Introduction**

As part of the information gathering exercise for E-RAMP, a range of operational practices were observed to be some of the more effective in minimising environmental risk at small waste facilities.

This list is not an exhaustive inventory of risk minimisation practices, and not all of the practices listed may be applicable, suitable or feasible to all small waste facilities. However, sites that have implemented some of the practices below have reported a significant improvement in the frequency of complaints, environmental incidents and regulatory interventions.

### **Strategic management**

- Rationalisation/consolidation of small landfill sites, particularly those located in areas at high environmental risk
- Detailed site selection process for new waste facilities, using exclusion mapping (or similar process)
- Detailed planning and design of the waste facility to minimise the site footprint while maintaining maximum functionality
- Documented and implemented waste management procedures
- Customised training of operators of waste facilities that is suited to the needs of the particular site

### **Environmental information and monitoring**

- Detailed environmental investigation of site(s) for proposed new waste facilities or existing sites where potential environmental sensitivities exist
- Environmental monitoring where warranted by risk
- Investigation of sites where groundwater is vulnerable to pollution – where there is evidence of groundwater pollution, notification of DECC to discuss suitable mitigation measures

### **Community information, education and awareness**

- Clear, communicative and uniform signage at waste facility sites
- Providing information to the community through several means (media, internet, council newsletter, directly by operating staff, etc.)
- Targeting community information where/when required, e.g. penalties for unlawful dumping of waste
- Active and consistent investigation and enforcement of identified waste-related offences

### **Operational**

- Minimising the quantity of waste stored on site at any one time

E-RAMP for Small Waste Facilities

- Minimising the time waste is stored on site
- Storage of liquid/hazardous wastes in impermeable bunds
- Exclusion of liquid wastes from landfill disposal
- Minimising the amount of wastes received which require special management (e.g. asbestos, clinical, animals, biosolids and contaminated soil) where viable alternatives exist
- Restricting the time the waste facility is open to specified hours on specified days, supported by information to the local community on operating hours and the reasons for limiting access
- Effectively securing the waste facility outside of the restricted open hours through fencing and securing access points
- Supervision by an operator of the waste facility at all times the facility is open to the public
- Minimising the size of 'dirty' water catchments (disturbed and waste handling/disposal areas)
- Preventing or minimising surface run-on into areas where wastes are being landfilled/stored, including the removal of waste out of drainage channels and excluding landfilling out of the 1:100 year flood zoned land
- Minimising areas and stockpiles of disturbed soil
- Use of litter fences/cages and regularly scheduled litter clean-ups
- Provision of a community hazardous waste collection/drop-off service
- Elimination of controlled burning
- A documented and implemented fire response plan prepared in consultation with the NSW Fire Brigades/Rural Fire Service
- Preparation, and regular updating of, a site filling plan, detailing the capacity of the cells, sequence of filling and rehabilitation of the disposal cells
- Regularly scheduled covering of landfilled waste
- Progressive capping and rehabilitation of completed landfill areas

E-RAMP for Small Waste Facilities

**References and further reading**

DEC 2006, *Handbook for design and operation of rural and regional transfer stations*, Department of Environment and Conservation NSW, Sydney

Environment Agency 2000, *Licensed waste management facility site inspection methodology and consistent scoring guidance*, Bristol

Environment Agency 2004, *Guidance on assessment of risks from landfill sites*, Bristol

EPA 1996, *Environmental guidelines: Solid waste landfills*, NSW Environment Protection Authority, Sydney

EPA 2002, *Industry sector: Rural waste landfill facilities – Compliance performance report*, Environment Protection Authority, Sydney

Golder Associates (NZ) Ltd 2002, *Risk assessment for small closed landfills*, Ministry for the Environment, Christchurch

Standards Australia 2004, *AS/NZS 4360:2004: Risk management*, SAI Global, Sydney

Standards Australia 2006, *HB 203:2006: Environmental risk management – Principles and Process*, SAI Global, Sydney

United States Environmental Protection Agency 2005, *Introduction to municipal solid waste disposal facility criteria (USEPA)*, Office of Solid Waste and Emergency Response, Washington DC

## **10. EFFLUENT AT OXIDATION PONDS IN WALGETT**

**REPORTING SECTION:** Urban Infrastructure Services  
**AUTHOR:** Siegfredo O Coralde – Director of Urban Infrastructure Services  
**FILE NUMBER:** 185/01/00/00

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### **Summary:**

This report is in relation to the enquiry of Councillor Murray about the excess wastewater emanating from oxidation ponds at Walgett Wastewater Treatment Plant at the Ordinary Council Meeting on 25 November 2008. Councillor Woodcock further requested that a report be provided regarding this matter as well as the current operational status of the oxidation ponds.

### **Discussion (including issues and background)**

#### The Ponds.

The treatment system has four ponds, one sludge pond, and three oxidation ponds. These three ponds traditionally without using any mechanical aeration stabilise organic matter using bacteria where the organic matter is converted into inorganic matter. The bacteria produce acids under aerobic conditions and carbon dioxide under anaerobic conditions. The aerobic conditions are created from a traditional 'wind' surface aeration and algae that, through photosynthesis, produce oxygen.

#### Containment of Wastewater.

The third pond in earlier years released the wastewater into two defined ditches. Restriction of wastewater releases to these ditches followed when stringent rules and regulations were introduced over the years.

#### Release of Wastewater.

An agreement appears to exist between Council and Mr G Shelton but a search in our records has failed locating any record of this agreement. Mr Shelton is currently allowed to draw wastewater and pump to his water storage a few kilometres away from the oxidation pond. This practice seems to work provided Mr Shelton keeps on receiving wastewater all the time but however, he intentionally blocks the outlet pipe leading to his storage pump station at his own will. This act creates problems of containing acceptable effluent levels in ponds where structural embankment failures in these ponds begin to exist.

On 09 May 2007, Council sent a letter to Mr Shelton formalising a Supply Agreement but was not concluded.

#### Future of Wastewater Treatment.

The ponds now require structural embankment rehabilitation. The following rehabilitation works schedule are recommended in the following Stages:

#### **Stage 1.**

Construct a temporary/alternative sludge pond and decommission temporarily the existing sludge pond. Allow the existing pond to dry and once ready for removal, initiate excavation procedures sending unwanted materials to landfill or any acceptable open areas for disposal.

This stage includes having an agreement in place between Mr Shelton and Council in future wastewater drawings from the existing ponds.

**Stage 2.**

Rehabilitate each pond separately by providing a master plan to execute this activity. A possibility of constructing a temporary or a new oxidation pond area/s needs to be explored.

**Stage 3.**

Develop a strategic plan to 'recycle' the wastewater for use in our Parks and Reserves around the Walgett township. One immediate area for a pilot trial is watering Alex Trevallion Park and the Cemetery. Proposed implementation of this plan will be in stages and expected to be completed within 3 to 4 years.

**Relevant Documents:**

Nil

**Stakeholders:**

Walgett Community

**Financial Implications:**

Delay to institute corrective measures will continually erode the integrity of the ponds in containing the effluent before its final discharge to approved area of containment. Costs in future remediation should the ponds collapse will be enormous and subject to the Department of Environment and Climate Change (DECC), Council will be heavily penalised.

**Recommendations:**

**That:**

1. Council continue its negotiation with Mr Shelton regarding his future wastewater drawings from ponds.
2. Council consider funding implementation of treatment plant rehabilitation and/or up-grading when formulating its 2009 - 2010 budget.
3. The Director, Urban Infrastructure Services develop a strategic plan for 'recycling' wastewater for use in parks and reserves and include this strategy in formulating its 2009 -2010 budget.

## **11. TENDERS – PLANT HIRE**

**REPORTING SECTION:** Director Rural Infrastructure & Support Services  
**AUTHOR:** Ian Taylor - Director Rural Infrastructure & Support Services  
**FILE NUMBER:** 230/00/80/07

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### **Summary:**

Tenders calling for standing offers E08007 for the hire of various plant and related services have been advertised in accordance with the Local Government (General) Regulation. This report recommends that Council accept all conforming tenders submitted to date.

### **Discussion (including issues and background):**

Tenders were called requesting standing offers for casual plant hire. The tender period is on-going.

The offer document makes provision for the selection of a plant hire contractor from those offers accepted. Selection must consider:

- Availability
- Suitability for Council's Project Requirements
- Total Estimated Project Price
- Documented Past Performance
- Value for Money

The offer documents include performance specifications and require the contractor to provide various insurances to mitigate public liability and worker death and injury risks associated with this class of work. Engagement is based on a Purchase Order Contract and Australian Standard 4905 Minor Works contract Conditions.

As the expenditure over a 12 month period with some of the plant hire contractors, or on an individual project may exceed the tender threshold of \$150,000, it is recommended that Council formally accept all conforming offers as follows:

AusRoad Pty Ltd  
Bell Equipment Pty Ltd

Any further offers received will be referred to Council at its meeting following the assessment of such offers.

The following offers have been submitted but were nonconforming and require resubmission before they can be accepted:

- Junction City Transport
- Remoplains Pty Ltd

These tenderers have been advised of their non-conformances and will be reassessed on receipt of a new offer.

**Relevant Reference Documents:**

Offer Documents E08007

**Stakeholders:**

Walgett Shire Council

**Financial Implications:**

Costs associated with the engagement of contractors are included in the expenditure of the relevant Council service delivery area in the Management Plan.

**Recommendations:**

**That Council accept tenders from the following businesses for E08007 Request for Standing Offers: Casual Plant Hire Walgett Shire NSW –**

- a. AusRoad Pty Ltd**
- b. Bell Equipment Pty Ltd**

## 12. NORTH WEST WEIGHT OF LOADS GROUP

**REPORTING SECTION:** Director Rural Infrastructure & Support Services  
**AUTHOR:** Ian Taylor - Director Rural Infrastructure & Support Services  
**FILE NUMBER:** 195/04/00/00

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### Summary:

Council is a member of the North West Weight of Loads Group. This report informs Council of the benefits of being a member of this group.

### Discussion (including issues and background):

Council is a member of the North West Weight of Loads Group (NWWOLG). NWWOLG provides an enforcement capability to Council for policing the compliance of heavy vehicle operators with statutory vehicle mass limits. The Group works in cooperation with RTA compliance officers, however their operations are not limited to State Highways.

Council maintains the following lengths of road in Walgett Shire:

	Sealed	Unsealed	Total
Regional *	358km	295km	653km
Local	115km	1,835km	1,950km
Total	473km	2,130km	2,603km

\* Sealed length to increase to approximately 430km by 31/12/2009 as a result of Council's current commitments to extending the sealed regional road network.

Sealed pavements are designed on the basis of a given number of Equivalent Standard Axle (ESA) passes over their life. One ESA is the equivalent of a single truck axle with dual tyres at a standard load. Typically granular pavements are designed for a life of 20-25 years, after which they will require reconstruction or a similar remediation treatment.

Rural road sealed pavement reconstruction in Walgett Shire typically costs between \$130,000 and \$160,000 per kilometre.

At the forecast sealed road length of 545 kilometres at December 2009, the annualised sealed road *reconstruction* budget would need to be between \$2.834M and \$4.36M in today's dollars. Nothing is being spent on reconstruction at this time because those pavements at or near the end of their design life are generally low traffic urban roads. Further, more than 50% of the funds currently being used to extend the sealed road network would not be available for reconstruction works.

The damage caused to a pavement by the passage of a heavy vehicle depends not only on its gross weight but also on how this weight is distributed across the pavement – ie the axle loads and spacings.

Over mass axles result in increased wear on Council's road pavements and hence they shorten pavement life. Over mass axles also result in increased impact loading on bridges. This brings forward the need to reconstruct existing pavements and potentially shortens the life of bridges.



On unsealed roads, over mass axles result in increased rate of rutting and other deformation. This requires the roads to be reshaped more frequently. It is also significantly impacted by climatic factors. For a given maintenance budget, it will also tend to result in the pavements remaining in a dangerous, or higher risk condition for longer periods of time.

If axle mass limits were unregulated, the deterioration of the condition of road in Walgett Shire would deteriorate at an increasing rate. Road damage as a result of increased wheel loading is generally accepted as following the "fourth power rule". This means that if the wheel load is doubled, the damage to the road will be  $2^4$  times greater (i.e. 16 times greater). At 1.5 times the loading (e.g. a 9T axle at 13.5T) the damage would be more than 5 times greater. Even allowing for the inaccuracies of this "rule", when this is transposed to reduced pavement life, it will result in pavements failing prematurely and the cost of building a pavement that can sustain these loads for 20 years will be significantly greater than what has been allowed for, or is currently available.

To withdraw from NWWOLG may imply that, notwithstanding State government legislation, Council does not want vehicle masses regulated on Regional and Local roads in Walgett Shire. To do so it will require the agreement of the NWWOLG and the RTA, who subsidise the Group's operations. I have invited Moree Plains Shire Council, who administers the NWWOLG to make a presentation to Council and to assist in answering any specific questions about the operation of the Group or regarding how a Council could withdraw from the group.

**Relevant Reference Documents:**

Nil

**Stakeholders:**

All Heavy Vehicle Operators in Walgett Shire

**Financial Implications:**

The cost of being a member of the Group varies depending upon the time spent in the Shire by the compliance officers, the fines/penalties received, and the subsidy from the RTA of NSW.

**Recommendations:**

**That Council note the report outlining the benefits of membership of the North West Weight of Loads Group.**

### **13. WALGETT LOCAL AREA TRAFFIC COMMITTEE**

**REPORTING SECTION:** Director Rural Infrastructure & Support Services  
**AUTHOR:** Ian Taylor - Director Rural Infrastructure & Support Services  
**FILE NUMBER:** 145/04/00/00

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#### **Summary:**

This report recommends that Council note and adopts the recommendations of the recent meeting of the Local Area Traffic Committee.

#### **Discussion (including issues and background):**

The draft minutes of the recent meeting of the Local Area Traffic Committee on 19 June 2008 are attached for consideration. Subject to the confirmation of these minutes by NSW Police, who were unable to attend the meeting, the recommendations of these minutes may be noted and adopted by Council.

#### **Relevant Reference Documents:**

Minutes of the LATM meeting of 18 November 2008

#### **Stakeholders:**

Walgett Shire Council  
Road Users in Walgett Shire

#### **Financial Implications:**

Recommended works will be completed subject to available funding allocations.

#### **Recommendation:**

**That Council note and adopts the recommendations of the meeting of the Local Area Traffic Committee on 18 November 2008.**

#### **Attachments:**

1. Minutes of the LATM meeting of 18 November 2008

**Attachment 1 - Minutes of the LATM meeting of 18 November 2008**

Walgett Shire Council

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**MINUTES OF THE LOCAL AREA TRAFFIC COMMITTEE MEETING HELD  
THURSDAY 18 NOVEMBER 2008 AT 1.00PM IN THE WALGETT SHIRE  
COUNCIL MEETING ROOM FILE:145/04/00/00**

**PRESENT:**

Ian Taylor, Chair	Director Rural Infrastructure & Support Services Walgett Shire Council
Clr Geoffrey Colless	Walgett Shire Council
David Vant	Roads & Traffic Authority (RTA)
Sharon Grierson	Road User Safety Project Officer, RTA Western Region

**1. APOLOGIES:**

Rob Stratton, NSW Police  
Mary Casey-Marshall (Local Member's Representative)

**2. PRESENTATIONS**

Nil.

**3. PREVIOUS MINUTES**

Moved David Vant Seconded Ian Taylor that the minutes of the meeting of 19 June 2008 be accepted as a true and accurate record of proceedings. **CARRIED**

**4. BUSINESS ARISING FROM PREVIOUS MEETING**

**4.1. Pedestrian Crossing – Burren Junction, Waterloo Street at the intersection of Alma Street**

Moved Ian Taylor Seconded David Vant that the attached plan of the upgrade dated 18 November 2008 be endorsed. **CARRIED**

**4.2. Inquest into the Death of Benjamin David Walford – MR426 (Bill O'Brien Way) Lightning Ridge**

Moved Ian Taylor Seconded David Vant that it is noted that the recommendations of the Inquest into the Death of Benjamin David Walford are still being considered by RTA (legal branch). **CARRIED**

**4.3. Walgett Community College – Safety Issues Corner Peel and Wareena Streets Walgett**

**Moved Ian Taylor Seconded David Vant that: (1) it is noted that site inspections and consultation with the school have been conducted and a report will be provided to the Committee and (2) that the report be circulated to Committee members immediately upon receipt and a recommendation be agreed prior to the December 2008 Walgett Council meeting if possible. CARRIED**

**4.4. Burren Junction Silo Traffic Management Plan**

**Moved Ian Taylor Seconded David Vant that: (1) Council request that Graincorp provide a copy of their Traffic Management Plan for the Burren Junction Silo site to Council and advise what other action they plan to mitigate the hazards associated with their Burren Junction development; and (2) that a copy of the report is forwarded to the RTA when received. CARRIED**

**5. INCOMING CORRESPONDENCE**

**5.1. Relocation of Taxi Zone Walgett**

**Moved Ian Taylor Seconded David Vant that the Taxi Zone located in Fox Street Walgett in front of Oasis Hotel be relocated to the vehicle space to the north of the Gateway Hotel Drive-through Bottle Shop also in Fox Street. CARRIED**

**5.2. Pedestrian Crossing Upgrade – Corner SH18 (Fox Street) and Arthur Streets Walgett**

**Moved Ian Taylor Seconded David Vant that the attached plan of the Pedestrian Crossing Upgrade – Corner SH18 (Fox Street) and Arthur Streets Walgett dated 18 November 2008 be endorsed. CARRIED**

**6. GENERAL BUSINESS**

**6.3. Completion of Pian Creek Bridge MR329 – Removal of Speed and Load Restrictions**

**Moved Ian Taylor Seconded David Vant that the removal of the load limit and speed restriction on the bridge over Pian Creek on MR329 (Burren Junction – Collarenebri Road) following the recent replacement of this bridge be referred to the RTA for consideration. CARRIED**

**6.4. Signage for Multi-articulated vehicles travelling through Walgett on HW29 and HW18**

**Moved Ian Taylor Seconded David Vant that the RTA consider the implementation of more effective directional signage on HW29 in the vicinity of Walgett. CARRIED**

**6.5. Linemarking on Regional Roads to protect Geotextile Sealed Pavements**

**Moved Ian Taylor Seconded David Vant that the following linemarking is recommended for geotextile sealed roads wherever the speed zone is 100 km/h or less, and the seal width is between 7.5m and 9.0m, to provide one (1) vehicle lane in each direction with sealed shoulder bicycle lanes –**

- Separation Lines – S1 (normally), or BS or BB within 200m of intersections, or on curves with restricted sight distance – on centreline of carriageway.**
- Lane Lines – L7 (0.10m with no supplementary markings or signs).**
- Vehicle Lane Width: 3.0m. CARRIED**

**6.6. School Bus Pick-up Areas on MR7716 and HW18**

**Moved Ian Taylor Seconded David Vant that the school bus pick-up areas on HW18 between HW12 and Walgett, and on the sealed section of MR7716 be referred to the next meeting with details of their location and the number of residences served at each site for a review of their wet weather safety. CARRIED**

**6.7. Intersection of HW18 (Fox Street) and Wareena Streets Walgett – U Turn Hazard**

**Moved Ian Taylor Seconded David Vant that a R2-5A “No U Turn” sign be erected at this intersection for northbound traffic on HW18 (Fox Street). CARRIED**

**6.8. Kaolin and Brilliant Streets Lightning Ridge outside Central School – Missing Pedestrian Crossing Signs**

**Moved Ian Taylor Seconded David Vant that the pedestrian crossing signs in Kaolin and Brilliant Streets Lightning Ridge be replaced with R3-1A signs gated (back-to-back both sides of road) in yellow-green reflective material. CARRIED**

**6.9. Burren Junction School Zone Signs**

**Moved Ian Taylor Seconded David Vant that it is noted that all R4-240 School Zone entry signs are now required to be gated and RTA will supply missing signs for installation by Council at Burren Junction. CARRIED**

**6.10. Walgett School Zone – Peel & Wareena Streets**

Moved Ian Taylor Seconded David Vant that vegetation impairing drivers' view of the school zone signs in Peel Street at the intersection of Wareena Streets be trimmed or removed. CARRIED

**6.11. No Standing Signs**

Moved Ian Taylor Seconded David Vant that it is noted that: (1) any remaining "No Standing" signs will operate as "No Stopping" signs as of 1 December 2008 and to avoid confusion Council should expedite their replacement with R5-400 "No Stopping" signs or R5-40 "No Parking" signs as appropriate and (2) all parking regulatory signage zones must be closed across intersections (not around side street kerbs) for them to be enforceable. CARRIED

**6.12. Intersection HW29 and MR329 – Change to Priority**

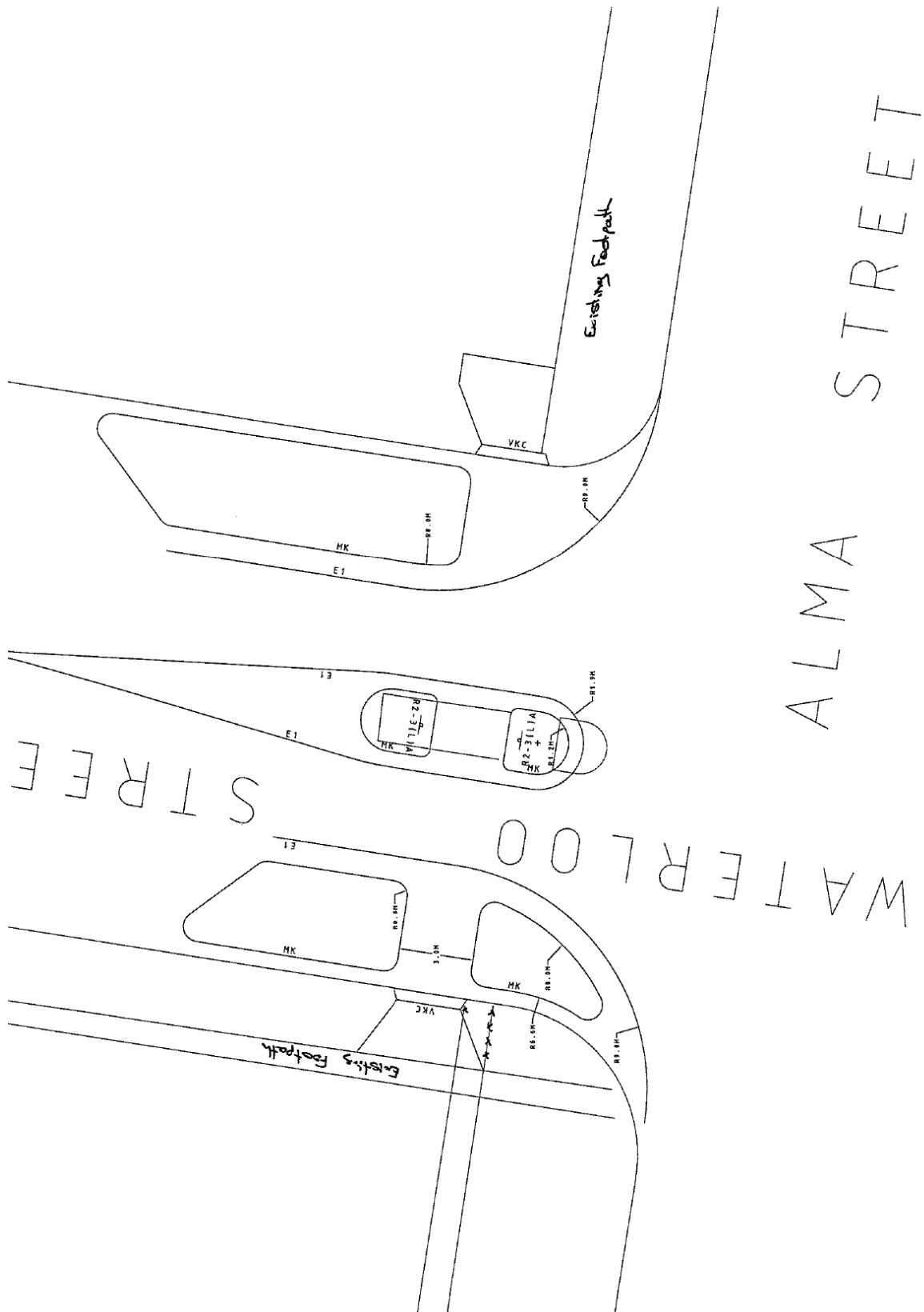
Moved Ian Taylor Seconded David Vant that it is noted that the RTA proposes to change the priority at this intersection to allow eastbound vehicles on HW29 to have right of way, thereby preventing the possibility of queuing across the railway level crossing. CARRIED

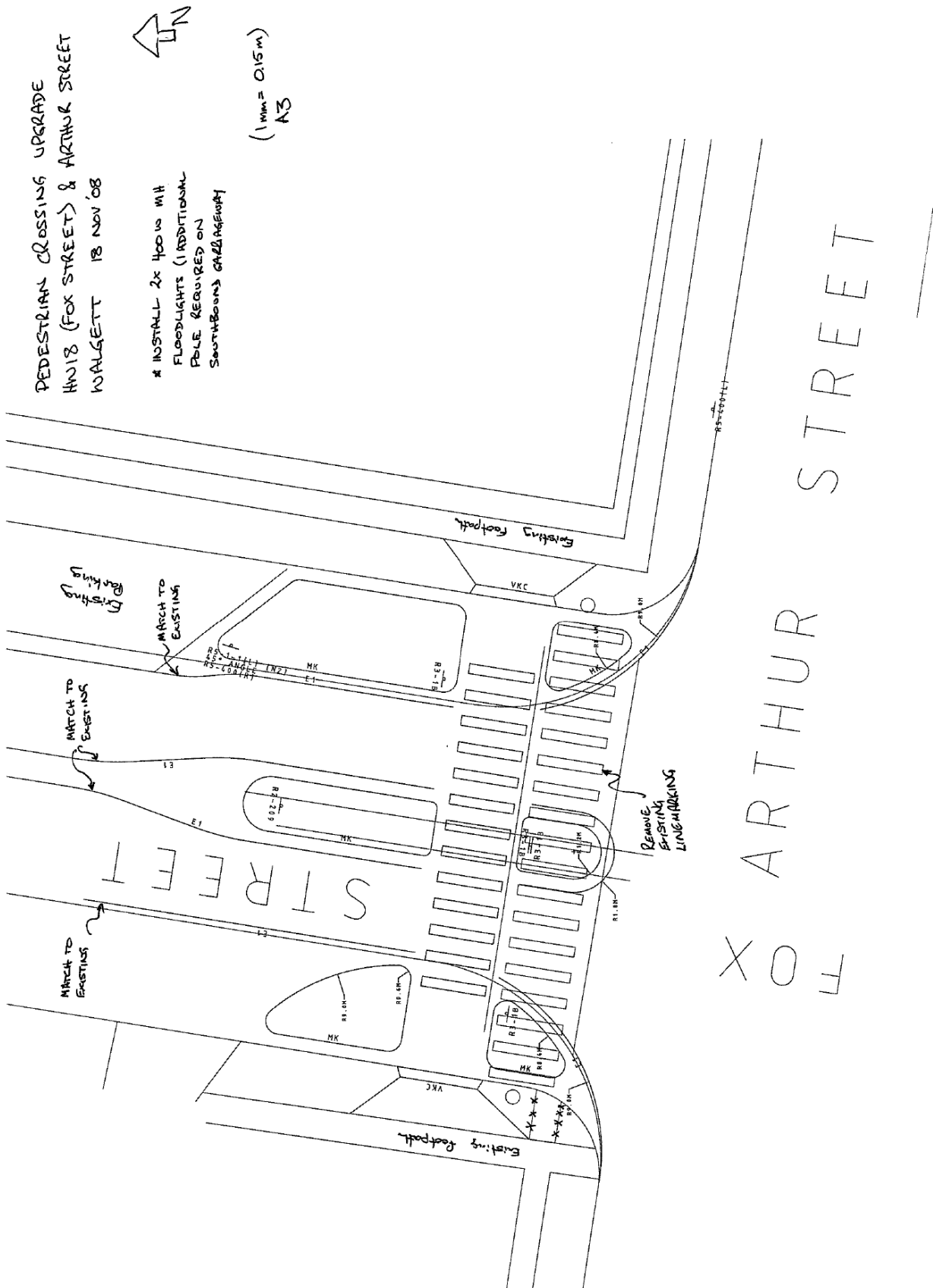
**7. NEXT MEETING**

To be held at Walgett Shire Council Office, 77 Fox Street Walgett, at 1.00pm Thursday 19 February 2009.

**8. MEETING CONCLUDED AT 2.15PM.**

  
 (1mm = 0.15m)  
 A3







**Questions without notice from Councillors**

**Confidential Reports/Closed Council Meeting**

Under separate cover