

CORPORATE SERVICES REPORTS
PRESENTED TO THE BLAYNEY SHIRE COUNCIL
MEETING HELD ON MONDAY, 12 DECEMBER 2011



08) REPORT OF COUNCILS INVESTMENTS AS AT 30 NOVEMBER 2011
(Manager Financial Services)

RECOMMENDED:

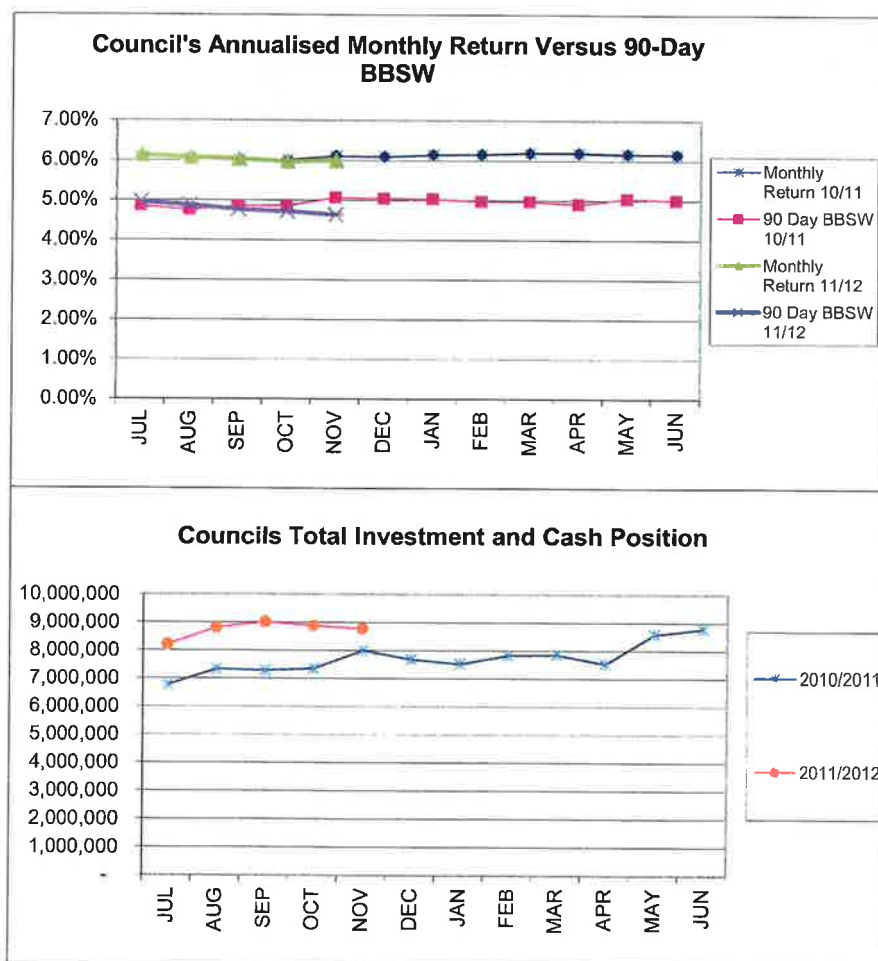
1. That the report indicating Council's investment position as at 30 November 2011 be received and noted.
2. That the certification of the Responsible Accounting Officer be noted and the report be adopted.

REPORT

This report provides details of Council's Investment Portfolio as at 30 November 2011.

Council's total investment and cash position as at 30 November 2011 is \$8,764,105. Investments earned interest of \$42,857 for the month of November 2011.

Council's monthly net return annualised for November of 5.97% outperformed the 90 day Bank Bill Swap Rate of 4.63%.



REGISTER OF INVESTMENTS AND CASH AS AT 30 NOVEMBER 2011

Institution	Maturity	Amount \$	Monthly Net Return Annualised
Term Deposits			
Bank of Cyprus Australia	28/02/2012	500,000.00	5.90%
Bank of Cyprus Australia	20/12/2011	500,000.00	6.05%
Bankstown City Credit Union	6/12/2011	500,000.00	6.00%
Bankstown City Credit Union	13/12/2011	500,000.00	6.00%
ME Bank	13/12/2011	500,000.00	5.95%
Beirut Hellenic Bank Ltd	10/01/2012	500,000.00	6.01%
Credit Union Australia	24/01/2012	500,000.00	5.94%
ING Direct	24/01/2012	1,000,000.00	6.00%
ME Bank	20/12/2011	500,000.00	5.85%
Bank of Queensland	10/01/2012	500,000.00	5.95%
Peoples Choice Credit Union	17/01/2012	500,000.00	5.82%
Suncorp Metway	7/02/2012	500,000.00	5.91%
Suncorp Metway	21/02/2012	500,000.00	5.90%
Total		7,000,000.00	5.94%
Collateralised Debt Obligation (CDO's)			
ANZ Custodian (Kakadu, BBSW + 140 points)	20/03/2014	500,000.00	6.11%
ANZ Custodian (Flinders, BBSW + 150 points)	20/03/2012	500,000.00	6.21%
Total		1,000,000.00	6.16%
Total Investments		8,000,000.00	5.97%
Benchmark: BBSW 90 Day Index			4.63%
Commonwealth Bank - At Call Account		201.25	
Commonwealth Bank Balance		763,903.80	
TOTAL INVESTMENTS & CASH		8,764,105.05	

Summary of Investment movements - NOVEMBER			
Financial Institution	Fund Rating	Invst/(Recall) Amount \$	Commentary
Term Deposits			
Police and Nurses Credit Union		(507,579.18)	Term Deposit matured 1/11/2011
Suncorp Metway		500,000.00	Term Deposit invested 2/11/2011
Credit Union Australia		(507,280.00)	Term Deposit matured 22/11/2011
Bank of Cyprus Australia		500,000.00	Term Deposit matured 29/11/2011
Bank of Cyprus Australia		(507,458.90)	Term Deposit invested 29/11/2011

Collateralised Debt Obligations (CDO's)

As per Council's Auditor recommendations the disclosure of the impact of market conditions on the value of the Collateralised Debt Obligations held is provided. It is estimated by ANZ Custodian Services that the market value of Flinders and Kakadu are \$436,845.68 and \$105,936.99 respectively as at 30 September 2011. It is anticipated that as the investments draw near to maturity the market values will increase. Council is also involved in ongoing legal action to minimise any losses.

Council's monthly net return annualised for September on the CDO's is 6.16% outperforming the 90 day Bank Bill Swap Rate of 4.63%.

CERTIFICATION – RESPONSIBLE ACCOUNTING OFFICER

I, Chris Hodge, certify that the investments listed in this report have been made in accordance with Section 625 of the Local Government Act 1993, the Local Government (General) Regulation 2005 and Council Policy.

BUDGET IMPLICATIONS

A good investment strategy optimises Council's return on investments.

POLICY IMPLICATIONS

Nil effect.

Attachments

Nil

09) REQUEST TO WAIVE FEES - DEAF FOOTBALL AUSTRALIA
(Director Corporate Services)

RECOMMENDED:

1. That Council approve the request from Deaf Football Australia to waive hire fees in the amount of \$530.00 associated with hire of King George Oval.
2. That it be exhibited for public comment for 28 days in accord with section 610E of the Local Government Act.

REPORT

Council is in receipt of a request from Deaf Football Australia seeking Council to waive charges associated with hire of King George Oval on 24 and 25 January 2011. The hire fees applicable will be \$530.00 including GST.

Deaf Football Australia will have their national team residing within Blayney and have undertaken to make themselves available for festivities at the Australia Day Breakfast and run training / coaching sessions during their visit. (The coach of the Australian team is a former National Soccer League player and will head the sessions.)

The request for use of CentrePoint has been referred to the CentrePoint Secretary for their process.

Division 3 (section 610E(2)) of the Local Government Act 1993 requires Council to adopt a resolution on its determination following public exhibition as it would a proposed fee under section 610F(2) or (3). A copy of section 610E is shown below:

610E Council may waive or reduce fees

(1) A council may waive payment of, or reduce, a fee (whether expressed as an actual or a maximum amount) in a particular case if the council is satisfied that the case falls within a category of hardship or any other category in respect of which the council has determined payment should be so waived or reduced.

(2) However, a council must not determine a category of cases under this section until it has given public notice of the proposed category in the same way as it is required to give public notice of the amount of a proposed fee under section 610F (2) or (3).

BUDGET IMPLICATIONS

Council will forego the income that would be generated by this activity.

POLICY IMPLICATIONS

Nil effect.

Attachments

1 Correspondence from Deaf Football Australia 1 Page

10) BLAYNEY SHIRE YOUTH COUNCIL CHARTER

(Director Corporate Services)

RECOMMENDED:

1. That Council adopt the Blayney Shire Youth Council Charter.

REPORT

Council at its meeting held 10 October 2011 in consideration of the Youth Council Memorandum of Understanding report approved to place the Blayney Shire Youth Council Charter on public exhibition for 28 days.

At the close of period for public comment no submissions on the Draft Charter were received however two minor amendments were required after discussion with the Blayney High School Principal. The amendments were required so as to not exceed the number of memberships (25) and are as follows:

- Up to a maximum of 12 students of the leadership program (LOFT), previously no number was specified; and
- Up to 2 Student Representative Council members from each year commencing from Year 8, previously specified as 2.

The Charter serves to outline the aims, roles and responsibilities, composition and associated machinery matters for the seamless operation of the Youth Council.

The adoption of this Charter for the Blayney Shire Youth Council will provide a framework for its ongoing operation.

BUDGET IMPLICATIONS

Nil effect.

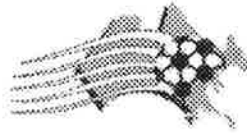
POLICY IMPLICATIONS

Nil effect.

Attachments

- 1 Blayney Shire Youth Council Charter 2 Pages

DEAF FOOTBALL AUSTRALIA



PRESIDENT: Daryl Jordan
Mobile: 0433 582 455
Fax (02) 97030490
Email: president@deaffootballaustralia.com.au

Send all correspondence to:
The Secretary
P.O. Box 5305
GREYSTANES, NSW. 2145

SECRETARY: Brian Seymour
Mobile: 0411542430 (Voice / SMS)
Fax: (02) 98963907
Email: secretary@deaffootballaustralia.com.au

29th November 2010

Attention: Anton Franze

Director of Corporate Services
Blayney Shire Council
Po Box 62
BLAYNEY
NSW 2799

RE: Australian Deaf Football Team Training Camp

The Australian Deaf Soccer team has organised a training camp from the 23rd January – 27th January 2011 in Orange whereby the team will be accommodated at the Blayney Caravan Park.

This camp will have the coaching staff determining the final squad before the up and coming qualifiers of the Deaf Olympics.

The qualifiers will be held in South Korea next year where the top five Asian countries will qualify for the World Cup to be held in Hungary July 2013.

On Thursday afternoon at 2pm the Australian Deaf team will take on Orange Waratahs 1st Grade squad in a Match that we are hoping will attract a healthy attendance. Apart from the training camp we are hoping that this match will raise the awareness of Deaf Football Australia.

We want to make this a fun day for all those that attend.

Deaf Football Australia is seeking support in the form of a sponsorship arrangement where by the local council will be able to assist in any way possible be through a small donation or free access to use the pool and gym facilities in Blayney as well as the use of your football oval for 1 hour on the mornings of the 24th and 25th January 2012.

We anticipate too bring a squad and officials of no more than 25 people.

In return Deaf Football Australia will do the following;

- Make themselves available on the morning of your Australia Day Breakfast.
- Allow the Blayney local football club to participate in a player and Coaches training / coaching sessions which will be coordinated with the Orange Football Association.

If there is anything that Deaf Football Australia can assist you with, other than above please do not hesitate in contacting myself on 0419 542 430

Regards,

Brian Seymour
Deaf Football Australia

Blayney Shire Youth Council Charter

1. Name

The name of the Youth Council will be "Blayney Shire Youth Council".

2. Mission Statement

To empower young people to play a positive role in the Blayney Shire.

3. Objectives

- i) To develop a positive image of youth in the Community.
- ii) To be a voice to community leaders.
- iii) To help the Council solve problems and accomplish the goals of this community by working directly with youth representatives.
- iv) To work with the Council on youth issues in the Blayney Shire Local Government Area.
- v) To work with other community groups as Youth Representatives

4. Role of Blayney Youth Council

- i) To raise awareness of youth issues.
- ii) To inform the Council of the needs and wishes of local youth.
- iii) To promote youth in a positive way through community and youth events.
- iv) To represent youth in the Blayney Shire Council to schools, service clubs promoting leadership opportunities for youth such as Rotary.
- v) To promote youth community pride.
- vi) To develop leadership skills among young people in the Blayney local government area.
- vii) To provide regular reports to Council.

5. Membership – Composition and Nomination

- i) Membership of the Youth Council is open to young people aged between 12 and 25 years. A total of 25 members will be chosen annually.
- ii) Membership will comprise members of the Blayney High School "Leadership Program" (~~maximum of 12~~) and ~~up to~~ two (2) SRC representatives from each year, commencing from Year 8.
- iii) Remaining vacancies will be advertised and nominations invited from the community.
- iv) A member may resign from the Youth Council at any time, following which vacancies can be filled during the year.
- v) The Youth Council will have the guidance of a Councillor (as determined by the Blayney Shire Council), invited mentors from the community, such as Rotarians, Council employees and Church leaders.

6. Election of Office Bearers

- i) The Annual General Meeting will be advertised in the Council column a week before the meeting.
- ii) Each nomination must be proposed and seconded.
- iii) If more than the required number of candidates is nominated, an election will be conducted by the members of the Youth Council by a secret ballot.
- iv) The result will be published in the Council Column of the Blayney Chronicle following the election.

7. Officer Bearers

The appointment of Office Bearers will be for a twelve (12) month fixed term.

- i) Chairperson
 - i. Controls each meetings proceedings
 - ii. Prepares the agenda in consultation with the Secretary and Council representative.
 - iii. Enforces standard procedures for meetings.
 - iv. Represents the Blayney Shire Youth Council to the community
- ii) Deputy Chairperson
 - i. To fulfil the role of Chairperson during the absence of the Chairperson
- iii) Secretary
 - i. Is responsible for preparing and recording the minutes of each meeting
- iv) Communications Officer
 - i. Is responsible for coordination of publicity and promotional activities.

8. Role of Council's Youth Council contact / Representative

- i) Type minutes recorded by secretary and distribute minutes.
- ii) Book venues
- iii) Make members aware of income and expenditure and the earmarking of funds
- iv) Inform any members and services to changes to times and dates.
- v) Assist Blayney Shire Youth Council to carry out tasks.

9. Meetings

- i) Blayney Shire Youth Council will meet monthly or at least once per quarter at a time and date agreed by the committee and Council.
- ii) Annual general meetings and ordinary meetings will be advertised in the Council's column in the Blayney Chronicle.
- iii) The quorum for a meeting will be a least five members

10. Finance

- i) Funding of the Blayney Shire Youth Council will be considered and determined by Blayney Shire Council through its Corporate Planning process.

11. Grounds for Dismissal

- i) Complaints or concerns over the behaviour of a member of the Youth Council are to be referred to a current Mentor of the Youth Council.
- ii) A person who is not playing a constructive role in the group including service providers may be dismissed.
- iii) Persons absent for three consecutive meeting, without prior leave of absence approval, shall be dismissed.

ENGINEERING SERVICES REPORTS
PRESENTED TO THE BLAYNEY SHIRE COUNCIL
MEETING HELD ON MONDAY, 12 DECEMBER 2011



11) **BRIDGE REPORTS: GARLAND ROAD, NAYLOR STREET
AND CARCOAR ROAD**
(Operations Manager)

RECOMMENDED:

1. That Council receives and notes the report regarding the condition and limits imposed on Carcoar Road, Garland Road, and Naylor Street bridges.
2. That Council approve a change to the management plan providing for the replacement of Garland Road bridge in the 2012/2013 financial year.

REPORT

Executive Summary

Council's Engineering Department engaged Local Government Engineering Services to inspect three (3) of Council's timber bridges, being Garland Road bridge, Carcoar Road bridge, and Naylor Street bridge.

The inspections revealed significant issues with each of the three (3) bridges and provided advice on options to minimise Council's risk.

Background

Following the failure of Carcoar Road bridge, it was determined that obtaining further information on the condition of Council's timber bridges would be beneficial and enable Council to properly mitigate its risk, and assist in prioritising and planning replacement of the bridges.

Report

Council engaged Local Government Engineering Services to undertake a level 2 inspection of the three (3) timber bridges, being on Carcoar Road, Garland Road, and Naylor Street.

These inspections involve a detailed assessment of the condition of the timbers within the bridge structure by test boring the timbers to determine the amount of remaining timber that is supporting the bridge.

With this information it is possible to determine the current load carrying capacity of the bridge, and the actual condition of the structure.

These inspections showed that various elements of the three (3) bridges are in a severe state of decay, resulting in a large loss of bearing capacity, and needing various restrictions placed on their use.

As Councillors would be aware, there is no provision for the replacement of any bridges in this financial year, and nor is there any indicative funding available next financial year.

Garland Road Bridge

The Garland Road bridge is a single span bridge with a total length of 10.4m and being a single carriageway width bridge with a maximum width of 5.2m.

It is showing severe decay in the decking and the downstream girder, greatly reducing the load bearing capacity of the bridge. Local Government Engineering Services recommended the installation of a 4 tonne load limit on this bridge.

Due to the nature of the road, and the route that Garland Road provides, this bridge is considered by Councils Engineering staff to be the priority for replacement.

The replacement cost of this bridge is estimated to be \$200,000 in Council's Draft Transportation Asset Management Plan.

Carcoar Road Bridge

The Carcoar Road bridge has three (3) spans for a total length of 31.2m and is a single carriageway width bridge with a maximum width of 4.7m.

It is showing severe decay within the piles, head stocks, and corbels in the pier closest to Carcoar. The extent of the decay is such that this bridge is no longer suitable for any traffic, and in desperate need of repair.

Due to the nature of the route that Carcoar Road provides, Engineering Staff consider the closure of this road to be an inconvenience, but does not greatly restrict motorists ability to travel throughout the district, and as a result this bridge is considered to have a lower replacement priority than Garland Road.

The replacement cost of this bridge is estimated to be \$560,000 in Council's Draft Transportation Asset Management Plan.

Naylor Street Bridge

The Naylor Street bridge has three (3) spans for a total length of 32.2m and currently provides space for a 2 way carriageway with a maximum roadway width of 6.4m. However it is noted that in general terms the bridge is a single carriageway.

It is showing severe decay in the corbels and girders on the down-stream side, and also decay in the pier on the court house side.

Due to the width of the bridge, there is the option to maintain an unrestricted weight limit by restricting the traffic to the up-stream side of the bridge to remove the loading from the failing down-stream girder. This will necessitate the installation of a give way sign, and appropriate line marking on the northern side of the bridge.

By restricting the traffic Council can maintain a suitable level of service to Carcoar, and minimise the potential risk posed by failure. As a result it is considered a low priority for replacement. It is proposed to monitor and maintain the bridge as required.

The replacement cost of this bridge is estimated to be \$960,000 in Council's Draft Transportation Asset Management Plan.

Funding Replacement

As can be appreciated, Council does not have \$760,000 easily available to quickly replace the two (2) failed bridges. Whilst there are options for maintenance of the bridges, these options still come at a cost far greater than Council's remaining allocation for bridge maintenance, being \$12,200.

Further, a concrete replacement will significantly reduce Council's maintenance liability on the replaced bridges for an extended period of time.

Council's current management plan has identified works on Forest Reefs Road to be undertaken in the 2012/2013 and 2013/2014 financial years. These projects were proposed to be undertaken utilising Roads to Recovery funding in those years.

Council's current allocation of Roads to Recovery funding is an indicative \$380,000 per annum. However the program guidelines allow for the funding to be allocated how the receiving Council sees fit.

Council has also received advice from the Hon Paul Toole MP, Member for Bathurst, regarding a funding opportunity that the current State Government can offer.

It entails provision of \$175,000 in the 2011/2012 financial year and 2012/2013 financial years providing a total of \$350,000 to be matched by Blayney Shire Council on approved projects.

If successful in gaining the funding, it is proposed to utilise \$175,000 this year on Browns Creek Road, thus freeing up \$175,000 of Roads to Recovery funding to be used in the 2012/2013 financial year to match the State Government's funding opportunity.

As the Garland Road bridge is outside of the Bathurst electorate, it is not anticipated that it would be possible to utilise the proposed funding on the replacement of this bridge, meaning that it can-not be funded through State Government grant, so would be required to be undertaken under Roads to Recovery.

By doing this it is possible to fund the replacement of Garland Road bridge in the 2012/2013 year utilising part of Roads to Recovery funding, and still undertake works on Forest Reefs Road utilising the roll-over from the current financial year and State Government funding.

BUDGET IMPLICATIONS

With the inclusion of the State Governments \$350,000 funding over two years, funding can be made to undertake works to replace Garland bridge and commence work on Forest Reefs Road in 2012/2013.

POLICY IMPLICATIONS

Nil Effect

Attachments

Nil

12) **SEWERAGE TREATMENT PLANT ENERGY EFFICIENCY SAVINGS**

(Operations Manager)

RECOMMENDED:

1. That Council receive and note this report on the investigation into energy savings for the Sewerage Treatment Plant.
2. That Council approve the variation to the Management Plan to undertake the development of design documentation for quotation.

REPORT

Executive Summary

As part of Council's commitment to reducing its energy consumption and subsequently reducing electricity bills, investigations have commenced for the augmentation of Council's Sewerage Treatment Plant to realise potential energy savings.

Background

Council's current control system installed in the Sewerage Treatment Plant is an ageing system with limited capabilities. As part of the increased reporting requirements for Sewerage Treatment Plants investigations were undertaken to improve the control system to gather more data for the annual returns.

Upon the investigation, Council was advised that through upgrading the control system there are opportunities for the control system to run the plant more efficiently saving energy, improving effluent quality, and providing an increase in capacity.

Report

As a result of increasing reporting requirements, Council's Engineering Department undertook an investigation into the upgrading of the Sewerage Treatment Plant control system to provide more information on the operations of the plant to provide more accurate reporting to the NSW Office of Water for the Performance Monitoring Database.

During this investigation, it became apparent that by upgrading the control system, that there was scope to install a more intelligent control system that better utilises the existing hardware installed in the plant to improve the efficiency of the plant, potentially providing a significant savings in energy cost.

Council's current electricity costs for the treatment plant are approximately \$5,000 per month. This represents a significant expenditure on the running of Council's treatment plant, and due to the quantum of the expenditure it offers a good opportunity for Council to realise significant cost savings by more energy efficient practises.

Based on the information provided by NSW Public Works, installation of smarter control systems can save up to 20% on energy consumption of the treatment plant.

If Council realises a 15% reduction in energy costs, the potential savings are in the order of \$9,000 annually at current electricity prices. With electricity pricing approved to increase further, the actual dollar savings will increase with the increase in electricity cost.

In addition to the energy savings, the installation of the smarter control system can also provide a benefit in the capacity of the treatment plant.

Currently the operation of the plant is as follows:

- Approximately 70mins aeration
- 10 to 20 minutes settling time
- 60 minutes 'decant' (removing treated effluent)

The efficiency savings providing for the increase in treatment capacity is located within the aeration time. If the aeration time can be shortened, then the 'decant' can occur more frequently, thus increasing the total quantity of influent that can be suitably treated throughout the plant.

The smarter control system will operate the aerators based on the Dissolved Oxygen (DO) demand of the system. Council currently has a DO sensor installed, however it is only providing information at the moment, and not altering the operation of the plant. Should the control system be upgraded, the running time of the aerators will alter based on the DO levels to ensure they run the minimum amount of time required to properly treat the bio-solids.

Current Capacity

The current capacity of Council's treatment plant is 7,000 Equivalent Persons (EP). This is based on the size of the treatment ponds and its capability to suitably treat the influent without overflowing due to the quantity of the inflow.

Based on 2006 Census data, the population of Blayney is 2,745 and Millthorpe is 725. This gives a predicted loading of 3,470 EP as at 2006. The estimated 2011 population is 3,738 based on a 1.5% growth rate.

Based on these figures, the treatment plant is operating at 55-60% capacity. It should be noted that Council currently discharges very good quality effluent from the plant, indicating that it is currently operating very well and is within capacity.

Given the proposed subdivisions in Millthorpe and future development, it is assumed that the EP will increase beyond 4,000 in coming years, and by undertaking these works expensive capital improvements may be offset.

Estimate of Works

Council's Engineering Staff have been in contact with NSW Public Works to develop the drawings and specifications to enable Council to undertake a quotation for the works.

Preliminary estimates indicate that the total cost of developing the quotation documents will be in the order of \$20,000.

With the increased importance placed on energy efficiency, it is considered that this system has the potential to provide significant savings, and environmental benefits to Council, and should be investigated further to determine a suitable course of action.

BUDGET IMPLICATIONS

The sewer fund has adequate provision for this expenditure.

POLICY IMPLICATIONS

Nil effect

Attachments

Nil

13) **ORANGE CYCLE AND TRATHLON CLUB RACING 2012**
(Director Engineering)

RECOMMENDED:

1. That the report of the Blayney Traffic Committee be received and Council approve the Orange Cycling & Triathlon Club road events for 2012. The events are to be classified as Class 2 events and approved subject to the conditions as determined by the Blayney Local Traffic Committee, and contained within the Traffic Committees report.

REPORT

Executive Summary

Council has received correspondence from the Orange Cycling & Triathlon Club requesting approval to conduct cycling road racing events during the 2012 season.

Background Information

In previous years the Orange Cycling & Triathlon Club has undertaken races on various roads in the Forest Reefs, Tallwood, Panuara areas. However this year propose to modify the courses used. The route modification is due to ongoing activity in the area associated with construction of Newcrest's concentrate pipeline. The roads in the Forest Reefs, Tallwood, Panuara, area are relatively quiet and remote from built up or highly trafficked roads. Start/finish lines are proposed to be located in the Village of Millthorpe from the intersection of Glenorie and Forest Reefs Roads, on Beneree Road immediately South of the Forest Reefs Tavern, and at the intersection of Errowanbang and Flyers Creek Roads at Errowanbang.

Under the Roads and Traffic Authority "*Guide to Traffic and Transport Management for Special Events*" (version 3.4) dated 2 August 2006, the events are defined as Class 2 events, requiring the Traffic Committee's consideration. Councils Traffic Committee considered the matter out of session in order to provide a report to the December 2011 Council meeting, and the conditions considered appropriate for the Event Organiser to comply with include the following:-

- a. Development and implementation of a Traffic Management Plan which shall include a Traffic Control Plan. All implementation and Traffic Control works and Plans are to be completed by persons qualified to do so.
- b. All appropriate warning signage shall be placed by persons qualified to do this, including "Cyclists Ahead" signs at intersections.
- c. Approval is to be obtained from NSW Police, with all instructions given by Police are obeyed.

- d. Council is to be provided with a copy of a \$20M Public Liability Insurance Policy indicating Blayney Shire Council's interests, with the date and location of the event.
- e. The Event Organiser is to notify all Emergency Services of the event including Blayney and Orange City Hospitals.
- f. The Event Organiser is to notify all business proprietors and residents affected by the event at least 7 days prior to the event.
- g. The Event Organiser is to comply with the requirements of the "Guide to Traffic and Transport Management for Special Events" (version 3.4), 2 August 2006, for a Class 2 events.
- h. The Event Organiser is to comply with the requirements of the "Guide for Bicycle Road Races" NSW 1 January 2004.
- i. The Event Organiser is to notify Cadia Valley Operations of the events, and request that all employees and contractors of Cadia Valley Operations be notified of the events.

BUDGET IMPLICATIONS

Nil Effect

POLICY IMPLICATIONS

Nil Effect

Attachments

Nil

14) CROWN ROAD TRANSFER, TURNER STREET, BARRY
(Director Engineering)

RECOMMENDED:

1. That Council approve:
 - a. the transfer of the Crown Public Road identified as Turner Street, between Sawyer and Barker Streets, Barry, and,
 - b. The placement of Council's Seal on all documentation associated with the crown road transfer of Turner Street, Blayney

REPORT

Executive Summary

Council has received correspondence from Department of Primary Industries seeking to transfer a section of Unformed Crown Road, known as Turner Street, in Barry, to Council ownership.

Background Information

As Councillors would be aware, the locality of Barry, has a reticulated non-potable water supply, that provides "subscribers" with access to water for garden, toilet, and stock use only.

In 1982, Council provided in principle support for a two stage scheme for Barry, comprising of:

- Stage 1 – Establishment of a bore, construction of a 20,000l tank and access to the tank by residents.
- Stage 2 – The reticulation to homes in Barry

Under the 1982 Drought Relief Scheme, a bore and tank were established, although the bore reportedly only had a flow rate of 1.5l/s.

In a report to Council in 1986, the Shire Engineer provided advice on alternative schemes for Stage 2, and the financial implications associated with such schemes.

In approximately 1989, records indicate Council funded the installation of a tank located on the Crown Road Reserve known as Turner Street, between Sawyer and Barker Streets, as identified in the **attachment**, and the materials for the reticulation network, to supply residences. It would also appear, that the reticulation network was installed using the voluntary labour of members of the Barry Community.

The scheme is now operated and administered by the Barry Community Supplementary Bore Inc. and Council has continued to provide a quarterly contribution toward electricity costs. This contribution is currently \$480 per year, paid on a six monthly basis. Council staff have previously coordinated or undertaken minor repair works to the bore pump and tank as requested, including electrical works, with an estimated value of \$500.

Research would indicate Council does not undertake any works on the tank in Turner Street, nor the reticulation network, only maintaining the bore and associated tank that was part of the original bore installation dated back to 1982.

Recently council received correspondence from the Department of Primary Industries seeking to transfer the subject section of Turner Street, to Council ownership. It came to the attention of Department of Primary Industries that the tank had been placed without approval, following the termination of an enclosure permit on the subject section of Crown Road reserve.

Council has previously approved and submitted documentation for the transfer of Crown Road in Barry, where it has been identified, and as shown in the **attachment**, council maintains a road within the subject reserve. It is noted that the Council does not maintain a road beyond that previously applied for.

In the interests of continuing to provide support for the Barry Supplementary Community Bore Inc., it is recommended that Council approve the transfer of the Crown Public Road, known as Turner Street between Sawyer and Barker Streets to Council Public road, and the placement of Councils Seal on all documentation associated with the transfer of Turner Street.

BUDGET IMPLICATIONS

Nil Effect

POLICY IMPLICATIONS

Nil Effect

Attachments

1 Crown Roads (Water Tank) - Barry Layout

15) PURCHASE OF MACHINE GUIDANCE
(Operations Manager)

RECOMMENDED:

1. That Council approve the addition of \$110,665 to the Management Plan under Major Plant for the potential purchase of the Leica machine guidance system from C.R. Kennedy and Company Pty. Ltd.

REPORT

Executive Summary

Councillors may recall the report submitted to the November Council Meeting regarding the hire of a GNSS machine guidance system for Councils grader.

As Councils Engineering and Operations Staff continue to assess the system, approval is sought to make the funding available for purchase of the system should the remaining month of hire turn out to be satisfactory.

Report

To date Council has completed two (2) projects with the system, and whilst some teething issues have been experienced, the overall impression of the equipment is that it provides an excellent resource for Councils Operator, and assists in the delivery of an exceptional construction quality of the projects. Council's staff have been liaising with the supplier to rectify these issues to allow a full assessment of the equipment to be undertaken.

When undertaking the quotation for the hire of the machine guidance, Council's Engineering Staff allowed a provision for purchase of the equipment with a full rebate of the hire costs whilst undertaking the assessment.

Council received four (4) complying submissions from three (3) companies for the provision of full 3D machine guidance and GNSS survey equipment, the submissions were as follows:

Company	Submitted Cost (inc. GST)
Submission 1:	\$123,062.50
Submission 2a:	\$110,665.00
Submission 2b:	\$121,005.00
Submission 3:	\$121,749.40

Note that C.R. Kennedy provided two (2) options, with the difference being in the quality of the survey equipment offered.

From the requested information it is considered that C.R. Kennedy first option provided the best value for money to Council for the hire and potential purchase of the equipment.

Detailed Financial Analysis

As Councillors will appreciate, all decisions regarding purchase and sale of equipment are required to be justified and demonstrably provide savings to Councils operations.

Council Staff recognise that the benefits provided by machine guidance systems can be quite substantial, however the initial capital outlay, and the subsequent funding required to fund replacement must be justifiable and be demonstrably less than the costs.

Further to the November report, where savings of approximately \$19,000/km were realised by Forbes Shire Council, additional savings can be realised by Blayney due to the upgrading of Council's current survey equipment to GNSS as part of this potential purchase.

Currently Council utilises an older Total Station survey instrument. To operate this equipment in a safe manner that complies with RTA and OH&S requirements necessitates the need to have a 3 man team whilst undertaking surveying work; being a surveyor, chainmen, and safety observer.

By upgrading Councils current survey equipment to a GNSS system enables Council to reduce the required staff members for surveying to 2 instead of 3. This reduction in labour requirements offers Council a saving of \$1,400/week surveying, and also provides better utilisation of existing staff. In addition to the reduced staffing requirements; due to the nature of the GNSS equipment, survey times are also reduced on the job through minimising setup times.

The GNSS machine guidance system also assists in enabling Council to better utilise current staffing levels of both professional and operations staff. The system eliminates the need to 'set-out' a construction job. As a result of this, Councils Design Officer would not be required on site for set-out, freeing up time to undertake other duties. Set-out costs are in the vicinity of \$1,500/km and often pegs are lost during the construction process and require re-instating to ensure suitable quality.

To ensure suitable cross fall is obtained, current practise is to 'stringline' the job at particular intervals. This process, requires an additional 3 people on site during the final trim, at a cost of \$950/day when final trimming.

Summary of Savings

Benefit of Purchase	\$/km
Reduced Survey Costs	\$1,100
Removed Set-out Costs	\$1,500
Removed Stringing Costs	\$1,900
Productivity Benefit	\$19,000
Total Saving	\$23,500/km

This financial year Council has 3.5km of road construction projects identified, with a further 2km of heavy patching that will obtain partial savings of about 50% of the above benefits.

Estimated savings in 2011-2012 Financial Year: \$105,750

In addition to the actual dollar savings against the jobs, the reduced labour requirements enables Council to re-allocate staff resources that would otherwise be used on these projects, to other tasks.

Ongoing Costs of Purchase

As the system is attached to an item of plant, the recommended course of action is to provide for the systems replacement through charging out to jobs through plant hire rates, adding the running cost of the system to Councils three (3) graders results in a hire rate increase of \$4/hr from \$64/hr to \$68/hr, providing an additional \$9,600 annually to the plant reserve.

The survey equipment could also be placed into the plant system as an item of plant. As an item of plant, it will ensure that suitable funding is available for its replacement. Councils current survey equipment is approximately 10 years old, and is lacking the functionality of the newer equipment. Utilising an estimate of 100hrs use per annum, results in a hire rate of \$66/hr, providing an additional \$6,600 annually to the plant reserve.

The total annual costs of owning this equipment is therefore \$16,200.

Conclusion

From the analysis undertaken, it can be seen that the total operating costs per year for this system is \$16,200. With a saving of \$23,500/km of road constructed, to ensure Council can break even with this purchase, a minimum of 700m of road is required to be reconstructed each year.

Historically Council has completed at least this quantity of road works annually, and there are further opportunities to utilise this system where designs are not currently being undertaken thus improving the utilisation and Councils road network.

It is emphasised that the purchase of this equipment has not yet been confirmed. Unless the initial teething issues are resolved, it is not recommended to purchase this item of equipment as the productivity savings are greatly reduced with the issues that have been identified thus far.

The supplier is confident that the issue is a faulty radio in the system, and will hopefully be rectified in the week of the 5 December 2011.

It should be noted that due to the nature of the hire agreement, a decision on purchase must be made during December, and Council approval to the change in the Management Plan is required to undertake the purchase should the equipment be considered suitable.

BUDGET IMPLICATIONS

The purchase of this equipment is able to be fully funded from Councils plant fund.

POLICY IMPLICATIONS

Nil effect.

Attachments

Nil

