

SUPPLEMENTARY INFORMATION

TO

ISSUED BUSINESS PAPER

COUNCIL MEETING

11/08/09

Mayoral Minute

Subject

Construction of Nimbin Police Communications Tower

Recommendation

That Council:

1. Express to the Honourable Tony Kelly, Minister for Police, Lands and Rural Affairs, its extreme dissatisfaction with the lack of proper process leading to the recent construction of a Police communications tower in Nimbin; and
2. Urgently request Minister Kelly's intervention to relocate the tower to a more acceptable site.

Background

On 11 February 2009 NSW Police notified Council via email of the intention to erect a communications tower in Nimbin under the terms of the Infrastructure SEPP but did not provide plans. Council could not make any meaningful response without plans and a set of plans was requested, which NSW Police advised would be forthcoming when they were available.

The media informed Council by telephone on July 28 that a tower was being constructed. Council rang NSW Police in Sydney and plans were subsequently sent by email.

It should be stressed that Council has no approval role in this process but must have the opportunity to provide input. NSW Police were also obliged under the terms of the SEPP to inform the occupiers of any adjoining land. Consideration must be given to any response received from those land occupiers or from Council within 21 days of this notification. It is understood that notification of adjoining land occupiers did not occur.

This lack of process and transparency in the planning process has not only led to an unacceptable outcome for Nimbin but has also compromised the relationship between the Police and the Nimbin community.

Should the proper process have been followed, Council would have expressed its views that:

- The tower is in the Nimbin Heritage Conservation Area;
- The planned location of the tower would impact on the visual amenity of the village and the views of Nimbin Rocks; and
- An alternative site should be identified.

If the required process had been followed with adequate consultation, a better outcome would have resulted.

Now that the tower is in position, Council suggests that relocation is not beyond the budget or the capabilities of NSW Police.

Given that neither the community nor the Council finds the current site of the tower to be acceptable, it is therefore recommended that the Minister for Police, Lands and Rural Affairs is requested to intervene to relocate the tower.

(ED09/10382:EF09/1921)

Report

Subject

Addendum to 'June 2009 Quarterly Budget Review Statement' Report

File No

ED09/10323:EF09/582

Prepared by

Manager – Finance

Reason

Northern Rivers Quarry & Asphalt financials for 2008/09 have been finalised.

Objective

To accurately report a matter of Budget significance

Strategic Plan Link

Best-Practice Corporate Governance

Management Plan Project

Various

Overview of Report

This report is an addendum to the June 2009 Quarterly Budget Review Statement report on pages 1-9 of the August 11, 2009 Council business paper.

As the 2008/09 result for Northern Rivers Quarry & Asphalt has now been quantified, the budget variance is required to be reported to Council.

Background

The 2008/09 Budget for Council's business unit Northern Rivers Quarry & Asphalt which includes Blakebrook Quarry, Asphalt Plant, Ballina Quarries, Pre-Coat and Gravel Quarries) anticipated a surplus on operations of \$511,800. From that surplus, a dividend to the General Fund of \$470,000 was expected. The final result for NRQ&A has now been calculated to reveal a deficit on operations of \$662,500. In total, the variance reported for 2008/09 is \$1.174 million.

Whilst there are plausible explanations for the increased expenditure and reduce sales, the result is very disappointing.

*The Manager – Business Services **has provided the following comment:-***

"The negative variance to budget for the 2008/09 quarry operations was the result of a number of conditions which saw an overrun in costs of production.

The main driving factor for the poor performance was the extended very wet conditions (1755 mm) experienced from November to June (Total rainfall for 2006/07 was 1317 mm). Wet weather reduces production capacity in two ways:

- *Firstly, by rain actually preventing crushing as the crushers and screens block up causing stoppages and product contamination.*

- *Secondly, by decreasing throughput for some time after the rain event as the raw feed remains wet for some time. This means that as crushing costs per hour are somewhat fixed in nature the cost per tonne to produce product is significantly increased.*

This compounded problems created at Blakebrook by the previous wet year which experienced 1627 mm from October to April. The result of that wet period was a situation where very little stock was on the ground causing several supply arrangements to be unfulfilled. In an effort to rectify this situation additional crushing equipment and contractors were brought in to assist in rebuilding stock levels. This strategy was progressing well until the wet weather arrived. Production attempts persisted until January when contracts were terminated.

At Ballina a slightly different set of circumstances prevailed but results were similarly heavily impacted by the wet weather. In late 2008 Council accepted a contract from the Ballina Bypass to supply 90,000 tonne of cobble material to the highway upgrade. Again additional crushing equipment and contractors were brought in fulfill this requirement. The equipment was signed up at lower than market rates but with conditions requiring minimum hire hours per month attached. The contractors were also hired on lower than market rates on an hourly basis. The onset of the wet weather meant that these arrangements locked us in to minimum payments with very little production occurring. In April with no sign of an improvement in weather conditions a decision was made to withdraw from these activities. Only 50,000 tonne of cobble was able to be supplied to the highway meaning that some costs were not recouped.

Compounding the effect of the wet weather was the loss of key supervisory and production personnel early in the financial year. New staff had to be trained on the equipment which saw a drop in productivity for several months. A supervisor was given responsibility for the quarry operations as an interim arrangement while a full time manager could be sourced. While this activity commenced in October 2008 it was not until July 2009 that a suitable replacement was able to be recruited.”

Management have been actively monitoring NRQ&A performance on a monthly basis and the geared-up arrangements have been wound back from April 2009. Management was optimistic that sales and costs could be realigned. In addition, the staffing structure was reviewed and key personnel positions have been filled or redesigned and an improved costs management focus is now in place.

In regards to the impact on the 2008/09 Budget, it is proposed to contain the deficit to within the NRQ&A business. This means NRQ&A will be required to recover the full cost of the deficit from future revenues as well as meeting its operational and dividend commitments. Realistically, this will take at least two years depending on the demand for quarry products.

With the cost management changes implemented, the employment of key supervisory staff in place, production staff placements occurring and the significant infrastructure spending anticipated in the next two to three years, it is reasonable to expect that NRQ&A will be able to recover these costs.

The following provides a summary of the Budget, Actual and Variance for all budget categories.

Description	Budget	Actual	Variance
Revenues	(7,376,000)	(10,692,000)	(3,316,000)
Expenses	6,970,000	11,460,300	4,490,300
Deferred Debtor Repayments	(45,800)	(45,800)	0
TTR - Surplus	511,800	0	(511,800)
TFR - Capital Works	(60,000)	(60,000)	0
TFR - Dividend	(470,000)	(470,000)	0
Program Cash Position (Surplus)/Deficit	(470,000)	192,500	662,500
Result (Surplus)/Deficit	(511,800)	662,500	1,174,300

Conclusion

The NRQ&A result for 2008/09 has finalised and a deficit of \$662,500 with variances totalling \$1.174 million reported. The result is attributable to a number of factors including business focus, staffing and weather conditions.

Management will continue to actively monitor performance and have implemented a number of changes to improve the result and meet reporting requirements. These include a cost management focus; winding back hired equipment and contract crushing arrangements and amending the staff structure.

So as there is no impact on the 2008/09 Budget, it is proposed to contain the deficit to within the NRQ&A business. This means NRQ&A will be required to recover the full cost of the deficit as well as meeting its operational and dividend commitments.

Recommendation

1. The additional information be received and noted.
2. Council adopt the June 2009 Quarterly Budget Review Statement for General Water and Sewerage Funds.
3. That the deficit of \$662,500 be contained within the business unit and recovered from future Northern Rivers Quarry & Asphalt business unit revenues.
4. This report is forwarded to Council's Auditor's for information.

Financial Assistance - Section 356

a) Representative Selection – Policy 1.4.10 (GL390.735.15)

Budget: \$1,100 Spent to date:\$356

Ms Jessica Gilfillan has been selected in the School Sport Australia team to participate in the 2009 World School Games to be held in Doha, Qatar. The Australian Team tour will be from 1-15 December 2009. Ms Gilfillan is seeking financial assistance with the cost of the trip (CI09/9860).

In accordance with policy.

\$356.00

Mr Simon Mahony has been selection to represent the Southern Cross Deaf Ruby Union Inc when it tours Fiji in October 2009. Mr Mahony is seeking financial assistance with the cost of the trip (CI09/10946).

In accordance with policy.

\$356.00

b) City Hall Reductions in Rental – Policy 8.4.2 (GL390.125.15)

Budget: \$15,200 Spent to date: \$0

Novaskill requesting Council discount the hire charges (\$125) for the hire of the Fountain Room to holds it annual recruitment drive aiming to recruit school leavers for Traineeship and Apprenticeship vacancies on August 25 2009. Novaskill is a not for profit Company (limited by guarantee) that exists to enrich people's lives by helping them achieve their full potential. An entrance fee is not to be charged.

Recommendation: In accordance with Clause 5 of the policy, a donation of 25% of the hire fee applies.

\$31.25

In accordance with policy.

c) Council Contributions to Charitable Organisations

Waste Facility – Policy 5.6.1 (GL390.965.15)

Budget: \$11,000 Spent to date:\$903.81

Challenge Foundation \$242.73
Five Loaves \$160.36
Friends of the Koala \$24.00
LifeLine \$280.00
Saint Vincent De Paul \$28.00
Salvation Army \$132.36
Westpac Life Saver Rescue Helicopter \$36.36
Total

\$903.81

In accordance with policy.

d) Development & Other Application Fees – Policy 1.4.7 (GL390.200.15)

Budget: \$300 Spent to date: \$0

Goolmangar School of Arts have requested a donation towards fees paid for the extension and alteration to Goolmangar Hall including new kitchen, covered verandah and disabled access ramp.

Recommendation: In accordance with Clause B of the policy, a donation of 30% towards eligible fees applies

\$498.45

In accordance with policy.

e) Mayor's Discretionary Fund (GL390.485.15)

Budget: \$2,700 Spent to date:\$100

The Lismore Rotary Club is seeking to raise funds to send Kath Duncan to present at an international conference in England in September 2009 in the area of bringing together disability and the arts (CI09/9057).

\$50.00

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\$50.00

Mr Jesse Smith from Trinity Catholic College is seeking assistance with travel expenses to attend the 2009 National Student Leadership Forum on Faith and Values, held in Canberra in September (CI09/011126).

\$50.00

Ms Gillian Murray, Mental Health Respite Coordinator from the Mental Health Interagency Northern Rivers (MHIA NR) is seeking financial assistance with hosting an event in Lismore forWorld Suicide Prevention Day on 10th September 2009 (CI09/011123)

\$50.00

Recommendation

In accordance with Section 356(1) of the Local Government Act 1993, the assistance to persons as listed above is hereby approved.