



LITHGOW CITY COUNCIL

## AGENDA

POLICY AND STRATEGY COMMITTEE  
MEETING OF COUNCIL

TO BE HELD AT

THE ADMINISTRATION CENTRE, LITHGOW

ON

01 MAY 2006

AT 6.00pm

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# **AGENDA**

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**PRESENT**

**QUESTIONS FROM THE PUBLIC GALLERY**

**PRESENTATIONS**

**CONFIRMATION OF THE MINUTES OF THE POLICY AND STRATEGY  
COMMITTEE MEETING OF COUNCIL HELD ON 3 APRIL 2006**

**DECLARATION OF INTEREST**

**MAYORAL MINUTES**

**NOTICES OF MOTION**

**NOTICES OF RESCISSION**

**CORRESPONDENCE AND REPORTS**

General Manager Reports  
Corporate Services Report  
Engineering Services Reports  
Environment And Planning Services Reports

**REPORTS FROM DELEGATES**

**COMMITTEE MEETINGS**

**QUESTIONS WITHOUT NOTICE**

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## GENERAL MANAGER REPORTS

### ITEM:1            EXEC - 01/05/06 - TELSTRA LINE RENTAL CHARGES

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#### REFERENCE

Dataworks Document 265366

#### COMMENTARY

Correspondence was received from our Federal Member for Calare, Mr Peter Andren regarding the Telstra line rental charges.

*"Correspondence has been received from the Minister for Communications in relation to your recent inquiry regarding Line rental charges.*

*As you know, this matter has moved along in recent weeks, with discussion over whether or not a series of differential rates or a standard rate apply to CBD, regional and remote areas.*

*I am keeping a very close watch on this issue and I understand former Telstra Countrywide manager Gavin Priestley is preparing a submission on behalf of central west councils. Mr Priestley certainly has a very detailed understanding of this issue and I hope councils will support me and other representatives and groups in applying maximum pressure around this matter and others relating to any Telstra post - privatisation environment."*

#### POLICY IMPLICATIONS

NIL

#### FINANCIAL IMPLICATIONS

NIL

#### LEGAL IMPLICATIONS

NIL

#### ATTACHMENTS

1. Letter from the Office of the Minister for Communications

#### RECOMMENDATION

**THAT** the information be received.

## ENVIRONMENT & PLANNING SERVICES REPORTS

### ITEM:2            EPS - 01/05/06 - THE GARDENS OF STONE PARK PROPOSAL                          STAGE 2

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#### REFERENCE

Item 8, EPS, 20 March 2006  
Item 3, EPS, 18 April 2006

#### SUMMARY

The Colong Foundation for Wilderness, the Blue Mountains Conservation Society and the Colo Committee are the proponents of the Gardens of Stone Park Proposal Stage 2 which is centred on the Lithgow Local Government Area. It advocates extensions to National Parks and proposes the establishment of new State Conservation Areas.

Council has received submissions and subsequently resolved to reject in principle the proposal. This Report provides an overview of the proposal, the submissions, the legalities and discusses major issues which are of concern. It will provide the basis on which Council can formally resolve a policy position on the Gardens of Stone Park Proposal Stage 2.

#### COMMENTARY

##### The Proposal

The Gardens of Stone Park Proposal Stage 2 was prepared by Mr Keith Muir on behalf of the Colong Foundation for Wilderness, the Blue Mountains Conservation Society (BMCS) and the Colo Committee. The proposal involves extensions to the Gardens of Stone and Blue Mountains National Parks and establishment of new State Conservation Areas (SCAs), ie. the Gardens of Stone SCA and the Western Escarpment SCA. It encompasses some 39,880 hectares from Medlow Bath to Mt Airly. In particular, it includes the following divisions. The proposal area is also illustrated on the attached map.

The Divisions of the Proposal		
Division	Area (Hectares)	Proposal
Genowlan Mountain	1,680	National Park Extension
Airly Mountain	2,020	State Conservation Area
Wollangambe Wilderness	2,380	State Conservation Area
Newnes Plateau	22,000	State Conservation Area
Baal Bone and Long Swamp	7,800	State Conservation Area
The Western Escarpment	4,000	State Conservation Area and National Park Extension

The proposal makes the following key recommendations.

1. Reserve as national park and state conservation area the Gardens of Stone and those parts of the Western Escarpment as indicated on the Proposed Park Extensions map.
2. Develop a conservation management plan for the oil shale ruins at Mount Airly. The plan to preserve these relics and visitation controls should be developed in co-operation with Centennial Coal.

3. Develop a recreation management plan through the park plan of management process that promotes responsible driving on roads and respects closed tracks and management trails. The roads leading into the Wolgan River headwaters, access to Cape Horn, Mount Genowlan and the identified Wollemi Wilderness should be closed and all tributary roads in these areas allowed rehabilitating naturally.
4. Implement subsidence management plans for coal mining that should include subsidence protection for the Newnes Plateau upland swamps, pagodas, cliffs and streams. Wastes effluent from coal mines should be minimised, adequately treated, discharged away from the World Heritage Area and used to enhance environmental flows to the Coxs River.
5. Implement a strategy and management plan for Sydney's sand requirements which should investigate all options, including appropriate off shore options, so that Newnes Plateau and other sensitive sites can be permanently protected, while adequate sand reserves are identified and recycling of construction sand facilitated.
6. Refuse the development application by Sydney Construction Materials for a sand and clay mine near Newnes Junction and add the area subject to the proposal to the Gardens of Stone State Conservation Area.
7. Develop a restructuring package to facilitate termination of native forest logging operations on Newnes Plateau and the removal of the pine plantation, which should be revegetated using native plants of local provenance.
8. Establish appropriate management regimes for adventure recreation activities, particularly for adventure recreation on the Western Escarpment.
9. Prevent further climbing sites being developed on the Western Escarpment. Any intensification of use by commercial operations should be subject to environment assessment, public comment and review processes. Sites selected for development should have a high resilience to impact and not have high environmental values.

The proposal was forwarded for Council's consideration.

### **The Launch**

A media launch of the Gardens of Stone Park Proposal Stage 2 was held on 28 November 2005 at Parliament House sponsored by the Greens Upper House Member Ian Cohen, MLC. A second launch was held on 1 December 2005 at Hassans Walls Reserve to "capture the attention of the local media" (Muir, K, 2006, 'Launch of the Gardens of Stone – Stage Two', *Colong Bulletin*, January 2006, p4.). Council was invited to attend the second launch, although limited supporting documentation was provided with 3 days prior notice. Whilst the timeframe provided some logistical issues, the General Manager and Environment and Health Manager attended. At the launch the General Manager attempted to correct some inaccuracies in the proponent's speeches and stated Council's dismay that they had not firstly been consulted prior to the launch. He also refuted any inference that the proponents had Council's 'tacit support'. However, it was evident that these comments were not welcome.

### **Submissions**

Council sought and received submissions from various stakeholders on the proposal. Copies of all submissions are provided in the Councillors Business Paper Packages, as some submissions were provided on the basis that they are 'in confidence' and only for Council. However, the following provides a brief summary of the major issues raised.

- The proposal area covers a number of important resources such as coal, sand and forestry.
- The proposal will affect the local coal, sand and forestry industries with the potential impacts being of concern.
- The proposal is not supported.

- The report is based on misinformation and general statements which are not supported by evidence.
- The development of a strategy for sand resources is important and is supported.
- The map is not accurate and/or difficult to interpret.
- Concern was expressed that there was no prior consultation.
- The current approval, licence and Subsidence Management Planning processes are rigorous and involve environmental assessment.

In addition, Council has received copies of the following petitions.

- Petition 1 – signed by 575 people  
"TO THE HONOURABLE THE PRESIDENT AND MEMBERS OF THE LEGISLATIVE COUNCIL OF NEW SOUTH WALES

A proposal by the Colong Foundation for Wilderness in conjunction with others has been placed before the Government regarding the extensions to the existing National Parks and/or the creation of new parks in the Gardens of Stone and Western Escarpment areas.

Your petitioners request that the House takes note that we strongly object to these proposals regarding the Gardens of Stone and Western Escarpment. We ask that you protect the AUSTRALIAN RIGHTS FOR THE CONTINUATION OF FREE AND OPEN ACCESS TO LOCAL CROWN LAND and ask that you reject any attempt to provide Legislative force for this proposal."

- Petition 2 – signed by 252 people  
"VOTE TO KEEP OUR FREEDOM  
Petition to save Australian rights for the continuation of free and open access to our local CROWN LAND. We strongly object to:- Proposed Park Extension to the Gardens of Stone and the Western Escarpment."
- Petition 3 – signed by 46 people  
PETITION TO OBJECT  
"We the undersigned object to the:  
Proposed Extensions to the Gardens of Stone National Park, the Blue Mountains National Park, the Gardens of Stone and Western Escarpment State Conservation Areas

Mr Gerard Martin MP.....

We the undersigned, ask you to reject the proposed Park Extensions to the Gardens of Stone National Park, the Blue Mountains National Park and the Gardens of Stone and Western Escarpment State Conservation Areas that is being proposed by the Colong Foundation for Wilderness (Mr K Muir), Blue Mountains Conservation Society and The Colo Committee (Mr Haydn Washington). This petition is to voice our Australian Rights for the continuation of free and open spaces on Australian Crown Land."

- Petition 4 – signed by 18 people  
"TO THE HONOURABLE THE PRESIDENT AND MEMBERS OF THE LEGISLATIVE COUNCIL OF NEW SOUTH WALES

A proposal by the Colong Foundation for Wilderness in conjunction with others has been placed before the Government regarding the extensions to the existing National Parks and/or the creation of new parks in the Gardens of Stone and Western Escarpment areas.

Your petitioners request that the House takes note that we strongly object to these proposals regarding the Gardens of Stone and Western Escarpment. We ask that you protect the AUSTRALIAN RIGHTS FOR THE CONTINUATION OF FREE AND OPEN ACCESS TO LOCAL CROWN LAND and ask that you reject any attempt to provide Legislative force for this proposal that is being proposed by the Colong Foundation for Wilderness (Mr K Muir), Blue Mountains Conservation Society and The Colo Committee (Mr Haydn Washington). This petition is to voice our Australian Rights for the continuation of free and open spaces on Australian Crown Land."

The proposal was reported to Council's Environmental Advisory Committee for comments. At its meeting of 7 December 2005, the Committee expressed concerns about the lack of consultation prior to the launch and would like Council to write to the organising Committee expressing such.

Prior to the Council Meeting of 18 April 2006, the BMCS, the Colo Committee and the Colong Foundation addressed Council on the proposal. This address also provided the opportunity for Council and the community to ask questions of the proponents. Of particular interest were the following answers/comments from the proponents:

- The proposal involves an area between Medlow Bath and Mt Airly, including the Newnes Plateau. It will largely create SCAs, not National Parks and thereby the proposal does not stop underground mining.
- A SCA allows underground mining but protects the surface.
- The Airly Commission of Inquiry stated that coal is running out.
- As a follow up to the Proposal Report, the Gardens of Stone Park Proposal Stage Two, Illustrated has been produced which breaks down the proposal into values.
- Underground mining is recognised and Centennial Coal will not be interfered with. The preservation of the surface is addressed by the Subsidence Management Plans (SMPs) and the imposition of a SCA will not apply more stringent control than SMPs already impose.
- The proposal advocates multiple uses and better management.
- The proposed Running Stream project is not located within the proposal area.
- If concerned about sterilisation of coal resources, support SCA instead of National Park. The Department of Primary Industries says mining is short term.
- Tourism is potentially for ever; more jobs and money.
- Airly will be and a small part of Blue Mountains may be affected by the proposal. The proponents want to engage with Centennial Coal to discuss.
- Clarence Sawmills has something to fear about the proposal.
- To manage the four-wheel drivers, it is suggested to dedicate a pine forest such as Sunny Corner for this activity.
- To stop the degradation of an area without shutting it down, policing is required and once an area is reserved for conservation purposes an attitude change will occur.
- The maps are only indicative as the proponents do not have access to a geographical information system.
- How the proposal affects open cut mining is up to the Government, however, where a mining lease exists so does a right to mine.
- The 5 year review period on SCAs is an unwarranted fear as once a Company has a lease it would not be tolerated for it to be lost and the Company would seek compensation.
- Opposed to the Bells Line of Road upgrade.
- The Exploration Licence would have no effect if a National Park was established over the area.
- The benefits of the proposal include better protection and interpretation.



- The heritage values include the 3 passes at Mt York; oil shale ruins at Mt Airly; nationally endangered shrub swamps; and aboriginal heritage.
- More funding is gained through lobbying.

In addition, the Local Member, Mr Gerard Martin, MP was in attendance during the address. Mr Martin advised that there is no current proposal to privatise or sell off State Forests.

At this meeting Council resolved to "reject in principle" this proposal, and to receive this Report.

#### **Legislative Provisions - National Parks and Wildlife Act 1974**

The National Parks and Wildlife Act 1974 (NPWS Act) sets out a regime for the reservation of National Parks and SCAs. There is no set application process for a person to propose a new National Park or SCA but rather it appears that the reservation of the lands is subject to the whim of the government of the day. No doubt proposals can be brought to the Government's attention through lobby groups. The relevant provisions of the NPWS Act that appear to be relevant to the proposal are attached. In relation to likely concerns in regarding mining, Councillors may wish to peruse Sections 30G(1)(c), 2(c), 41 and 47J to explain the differences relating to the strict prohibition of mining in National Parks (s 41 (1)) without an act of parliament compared to less stringent requirements of SCAs (s 47J). The different restrictions on 'existing interests' in National Parks and SCAs is explained by comparing section 39 to section 47H and the details concerning State Conservation Area Trusts and Trust Boards is explained in sections 47GA, GB, GC and GD. Section 47M deals with the 5 year review of State Conservation Areas with 47M(2) being of particular interest.

#### **The Department of Environment and Conservation**

The Department of Environment and Conservation (DEC) have advised that the Gardens of Stone Park Proposal Stage 2 has been received and is being considered. The Government has not yet made a formal response to this proposal. However, the following situation exists.

- The Mt Airly section of the proposal is an existing Government State Conservation Area commitment which DEC are working on with the Department of Primary Industries and the coal mining company in relation to the establishment of this reserve.
- The Western Escarpment section is part of Blue Mountains Public Lands Rationalisation Process. The DEC is finalising details of future Blue Mountains City Council management of this section.
- Newnes Plateau is not a current park proposal of the Government and DEC is aware of a large number of competing interests in the land including sand mining, 4WD, timber production etc.

#### **Discussion**

##### Resources

The proposal area overlies significant and important resources such as coal, forests and sand. Coal mining and exploration titles cover the majority of the proposed area. Currently there are 7 operating coal mines and 1 mining proposal. Five of these operating mines supply thermal coal to the Mt Piper and Wallerawang Power Stations and 2 supply thermal and coking coal material to the export market.

The legislative impacts of the declaration of National Parks and SCAs are discussed in the above section on legislative requirements and the subsequent attachment.

Subsidence Management Plans (SMP) are now a requirement of all underground coal mines. Plans must be based on a full land use description and impact assessment. Physical landforms and surface infrastructure are addressed, along with ecosystems and items of potential heritage or archaeological significance.

The onus is on the company to demonstrate how it proposes to manage any subsidence which may be caused by underground mining. Applicants must advertise their intention to develop a draft SMP in a local and a State-wide newspaper; identify and consult with all directly affected landholders and local councils and take their views into account.

Applicants must readvertise when the draft SMP is finalised and submit such to the Department of Primary Industries – Mineral Resources. The advertisements must contain details of where the SMP can be accessed by the public.

The Proposal Report admits at page 22 that “the recently introduced coalmine subsidence management planning process should ensure that the values of the Gardens of Stone area are protected for future generations under subsidence management plans upland swamps, pagodas and cliff lines all qualify for protection from mine subsidence. Protection zones require parts of the coal seam to be retained to ensure that the surface environment does not experience environmentally unacceptable subsidence during mining operations.”

If one of the prime concerns driving the proposal is the impact of underground mining and the proponents admit that a regime is now in place to ensure those impacts are acceptable, it raises the question as to the motivation for the proposal.

The Newnes Plateau area contains extensive resources of friable (weathered) sandstone which are currently a significant source of construction sand for the Sydney and local markets. These resources also represent a major future source for the Sydney region. As Council is aware the Newnes Plateau area is being assessed by the Department of Planning as part of the Construction Materials Strategy. The Department has recently advised that it is awaiting the development of Issues Papers for all potential areas of interest to be prepared ie Port Stephens, Shellharbour, Southern Highlands, Newnes, Maroota and Somersby Plateau prior to presenting an overall plan. In addition, the Government has decided to prepare Best Practice Guidelines for Quarries and the Substitutes and Recycling Strategy first. It is envisaged that all Issues Paper and a plan for public exhibition will be ready late 2006, early 2007.

Council will recall that the Minister for Planning approved the development of a kaolin and sand quarry operation at Newnes Junction on 14 March 2006.

Furthermore, as highlighted in the some of the submissions received of which Councillors have a copy, the proposal provides misleading and generalised statements which are not based on fact and/or supported with evidence.

#### Bells Line of Road Upgrade

It is evident that the section in the Proposal Report regarding the upgrade of the Bells Line of Road is biased and inaccurate as indicated by the Mayor prior to Council's Meeting of 18 April 2006. It argues that most vehicle movements in the Blue Mountains are local and totally ignores the importance of providing transport corridors for future growth and economic development. Council has been supportive of this Project since its inception and believes that it is important for the growth and sustainability of the Central West Region.

### Helicopters

The comments in the proposal regarding helicopter joy flights demonstrate bias and statements are made on a lack of evidence. A limit on the altitude on helicopters could only be lawfully set through certain processes administered by the Civil Aviation Safety Authority. Any local 'fly neighbouring agreement' would only be voluntary in nature and have no legal standing.

### Proposed Emirates Luxury Resort

In relation to the Proposed Emirates Luxury Resort, the Proposal Report provides some information which differs from the Concept Plan lodged with the Department of Planning. For example, but not limited too; 40 villas being proposed; and the helipad will accommodate a maximum of 4 movements per week and flight paths will be determined to minimise potential impacts upon wilderness area, with the final route being confirmed with the Civil Aviation Safety Authority and National Parks and Wildlife Service. Council will recall that at its meeting of the 30 November 2005, it resolved to support the proposed Concept Plan, however concerns were raised pertaining the proposed limited improvements to the Wolgan Road.

### Crown Reserves

The DEC has confirmed previous advice that it favours the management of the Western Escarpment by Blue Mountains City Council (BMCC) and is currently finalising details. Council will recall from its meeting of 4 October 2005 that it had some concern over BMCC managing additional land within the Lithgow Local Government Area and wished to consult with the community prior to making a final determination on the matter. In order to prepare any exhibition material, Council firstly required information from DEC and BMCC, however, this information has not been forthcoming to date. Nevertheless, BMCC is preparing a Plan of Management for the Mount York area and has invited Council Officers to sit on the Steering Committee. It is envisaged that regular information reports will be provided to Council on the progress of the plan of management.

The proposal does involve the declaration of Hassans Walls Reserve and possibly other Crown Reserves which Council is Trustee of as SCAs and as such another land manager may be appointed by the Minister. If this was to eventuate, Council would need to re-consider its current/future funding and staff commitments to projects within these areas. This funding is potentially in the vicinity of \$444,500 and includes funds already committed by Council and government departments/authorities; Council budget proposals for 2006/07 to 2008/09; and funding applications already submitted or under preparation. It should be noted that this funding does not include staff costs.

### Other Issues – Tourism and Recreational Pursuits

On a positive note, the proponents promotion of conservation as a means of further developing the local tourism industry is admirable. However, it should not also ignore other economic development activities in a wider context and it lacks this analysis.

The proposal also makes valid comments in relation to damage caused by unrestricted use of recreational vehicles. However, the simple declaration of a locality as a National Park or SCA provides no guarantee that these areas would be better protected than under the current tenure. This is a complex supervision and resourcing issue which can not be adequately resolved by the proposal.

### **Conclusion**

In concluding, the Gardens of Stone Park Proposal Stage 2 Report provides a subjective and biased view which is based on misleading and generalised statements that lack scientific and evidentiary proof. It fails to provide any assessment of the potential impacts of the proposal on local coal, forest and sand resources. It is the economic and social impacts which are of major concern and which need to be fully assessed prior to any decision being made on the proposal.

Council is well aware that the Lithgow Local Government Area is a spectacular area and a great place to live, work and visit, however, the Gardens of Stone Park Proposal Stage 2 Report does not paint the same picture. Therefore, it is disappointing that Council and the community were not consulted during the development of this proposal.

Finally, due to the deficiencies in the proposal, it is considered that the Council has no alternative but to reject the Gardens of Stone Park Proposal Stage 2.

### **POLICY IMPLICATIONS**

Council's resolution from this Report may become Council's stance on the issue.

### **FINANCIAL IMPLICATIONS**

There are no financial implications as a result of this Report.

### **LEGAL IMPLICATIONS**

The legal implications of the National Parks and Wildlife Act 1974 are discussed in the commentary of this Report with more specific requirements attached.

### **ATTACHMENTS**

1. Map of Proposed Park Extensions to the Gardens of Stone and on the Western Escarpment.
2. Copies of submissions received and provided in Councillors Business Paper Packages.
3. Specific provisions of the National Parks and Wildlife Act 1974.

### **RECOMMENDATION**

#### **THAT**

1. The Gardens of Stone Park Proposal Stage 2 be rejected based on the contents of the Report.
2. A delegation to the Minister for Environment be requested through the Local Member, Gerard Martin, MP to present Council's position.

**ITEM:3            EPS - 01/05/06 - LITHGOW COUNCIL WINS MAJOR HERITAGE AWARD**

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**SUMMARY**

To advise of Council's successful partnership with the community that has resulted in recognition in the Energy Australia / National Trust NSW Awards.

**COMMENTARY**

The Energy Australia National Trust Heritage Awards were presented in Sydney by the Hon. Tony Kelly ALGA MLC, Minister for Lands at the Westin Hotel, attended by over 250 people from around New South Wales.

This year's awards program attracted over 70 entries with a total of 35 winners and commendations awarded. The annual awards event provides well-deserved recognition to those who protect NSW's heritage across all sectors of society, including government, community groups, commercial enterprises and individuals.

Lithgow's Furnace Fire & Forge entry received a Highly Commended award in the Education: Corporate / Government category. The judges commented that "Lithgow City Council has worked closely with their community and generated incredible interest in a new heritage trail entitled Furnace Fire & Forge. The trail reinforces Lithgow's importance as a centre for coal mining, minerals processing, manufacturing and railway heritage. It is the educational aspects of the trail that connect the community into this rich history. Many cities and towns could emulate Lithgow's example".

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

This recognition may assist in achieving funding opportunities with government agencies in the future.

**LEGAL IMPLICATIONS**

Nil

**ATTACHMENTS**

1. Application
2. Award

**RECOMMENDATION**

**THAT** the information be received.

**ITEM:4            EPS - 01/05/06 - MARRANGAROO LAND USE LOCAL ENVIRONMENTAL STUDY**

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**SUMMARY**

To provide Council with an update on the progress of the Marrangaroo land use / local environmental study.

**COMMENTARY**

The Marrangaroo land use/Local Environmental study progress is progressing in accordance with the project time frame. A summary for the Council is provided.

**Consultation with State Government & Infrastructure Providers**

**6 February, 2006** round table meeting of agencies and infrastructure providers.

**2 March, 2006** an **authority's workshop** was held to refine State and infrastructure parameters to development of the area. This meeting did not look at land use options but examined more closely constraints to development. The issues raised were then noted by the consultants for resolution in the draft Local Environmental Study.

That afternoon, a joint meeting was held with the **Marrangaroo Community Group and Marrangaroo Working Group** (Council's steering body).

This meeting considered the morning comments from the State agency and infrastructure providers and identified areas with similar characteristics and constraints. Possible land uses were canvassed. Issues raised were then noted by the consultants for resolution in the draft Local Environmental Study.

An **“Open House”** was held at **Lithgow Golf Club on 16 February 2006** comprising continuous presentation, fixed displays on the project and what had been found so far, feedback, updated newsletter, and one-on-one explanation. Open 9.00am – 8.00pm with most people attending during the day (9-5pm). An estimated 100 people came through. Where-ever possible the following comments were recorded: what people valued about the area, the opportunities and concerns/issues with development of the area. These have been summarised. A survey was also available and people invited to fill it in. The majority of attendees who completed the survey identified themselves as local residents and landowners of Marrangaroo. Most heard about the open house through the Newsletter.

The draft of the Local Environmental Study has been produced by the consultants, and a meeting of the Marrangaroo Working Group on 2 April 2006 considered the draft. A number of suggestions and amendments were proposed at the meeting and given to the consultants for amendment.

This was followed immediately by a meeting of the Marrangaroo Community Group, to update the community on the progress of the study, and noting that the Draft study was on track for exhibition.

### **Consultation with the community**

A number of avenues have been developed to let the community know about the project. These are:

- Council's official website (front page link),
- the Marrangaroo newsletter,
- the Marrangaroo Community Group
- newspaper advertisements
- information display and explanation (open house)
- Council's internal newsletter.

### **Project Schedule**

The project is on schedule with the draft LES being due for exhibition in June/July. A coloured updated schedule has been prepared to advise councillors of key periods.

### **POLICY IMPLICATIONS**

This study will provide Council with information to form decisions about the future of Marrangaroo.

### **FINANCIAL IMPLICATIONS**

The study including project management has been funded in the Council budget and no other financial implications are anticipated.

### **LEGAL IMPLICATIONS**

Nil

### **ATTACHMENTS**

1. Coloured updated project schedule

### **RECOMMENDATION**

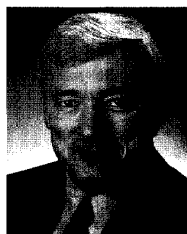
**THAT** progress with the Marrangaroo study be noted

ATTACHMENTS

ITEM:1 EXEC - 01/05/06 - TELSTRA LINE RENTAL CHARGES



28<sup>th</sup> March 2006



Peter Andren M.P.  
Federal Member for Calare

Mr Paul Anderson  
General Manager  
City of Lithgow Council  
PO Box 19  
LITHGOW NSW 2790

*Paul*  
Dear Mr Anderson,

**RE: TELSTRA LINE RENTAL CHARGES**

I have received the enclosed response from the Minister for Communications in relation to your recent inquiry regarding line rental charges.

As you know, this matter has moved along in recent weeks, with discussion over whether or not a series of differential rates or a standard rate apply to CBD, regional and remote areas.

I am keeping a very close watch on this issue and I understand former Telstra Countrywide Manager Gavin Priestley is preparing a submission on behalf of central west councils. Mr Priestley certainly has a very detailed understanding of this issue and I hope councils will support me and other representatives and groups in applying maximum pressure around this matter and others relating to any Telstra post-privatisation environment.

Yours sincerely,

*Peter Andren*

**PETER ANDREN**  
Federal Member for Calare

Please address correspondence to:  
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**Lithgow City Council**  
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31 MAR 2006

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24 MAR 2006

BY:-----

**OFFICE OF THE  
MINISTER FOR COMMUNICATIONS,  
INFORMATION TECHNOLOGY  
AND THE ARTS**

**Senator the Hon Helen Coonan**

PARLIAMENT HOUSE  
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Mr Peter Andren MP  
Member for Calare  
PO Box 181  
BATHURST NSW 2795

22 MAR 2006

Dear Mr Andren

**Telstra line rental charges**

Thank you for your representations of 10 January 2006 on behalf of Mr Lobb of the Weddin Shire Council and Mr Anderson of the City of Lithgow council concerning Telstra line rental charges. The Minister has asked me to respond on her behalf. I apologise for the delay in responding.

The Australian Government's role in the telecommunications industry is to establish the policy framework, including the laws and regulations, under which all service providers operate. The main objective of the Government's policy is to have equitable access by all Australians to efficient telecommunications services at competitive prices.

Mr Lobb and Mr Anderson raised two issues: retail line rental prices, and wholesale charges for the Unbundled Local Loop (ULL) service.

In relation to retail line rental prices, on 19 December 2005, the Government re-affirmed its commitment to retail pricing parity for telephone services in both metropolitan and non-metropolitan areas, and to equitable access to broadband services. It is on this basis that in February 2006 the Government amended the Telstra price controls so as to include an explicit requirement that Telstra offers a basic retail line rental service at the same price nationally.

The price for Telstra's basic retail line rental service will remain frozen as at its level of 31 December 2005 of \$31.95 until 30 June 2007, and thereafter can only be increased at the rate of inflation. The prices for local calls from a standard telephone service will remain capped at 22 cents untime, and Telstra's retail line rental services and call charges will be subject to an overall price freeze during the price control regime.

In relation to the second issue, wholesale charges for ULL, as in many other developed countries, Australia has established a telecommunications access regime which requires the owner of 'bottleneck' services to provide third party access at fair prices. This is necessary to maintain connectivity between telephone networks and to sustain a competitive market.

The Australian Competition and Consumer Commission (ACCC) is the independent regulator responsible for administering the access regime. The ULL was declared under the access regime in 1999 by the ACCC in order to promote competition and since that time, the ACCC has always adopted cost-based wholesale prices divided into four geographic pricing bands.

Last year, Telstra sought Government intervention to override the ACCC and require it to adopt averaged ULL prices. The Government has requested the ACCC to report to Government on how its ULL pricing decisions enable the maintenance of retail pricing parity without placing undue burden on any industry player. It has also asked the ACCC to monitor and advise on any adverse impact of the ULL pricing on Telstra's ability to deliver on retail pricing parity and to report on strategies to address any identified problems.

The Government has also committed significant funding packages towards future-proofing equitable access to telecommunications services by regional Australians. Such funding includes the \$1.1 billion Connect Australia programme and the \$2 billion Communications Fund, the details of which are on public record.

Thank you for bringing the concerns of Mr Lobb and Mr Anderson to the Minister's attention. I trust this information is of assistance in your responses to them.

Yours sincerely



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