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2006-2009 MANAGEMENT PLAN

FINANCIAL YEARS

2006/2007

2007/2008

2008/2009

1. INTRODUCTION

Management Planning is a continuous process that provides a framework for Council to achieve its strategic goals through effective planning and utilisation of resources.

The Management Plan is a statement of the Council's intentions for the 2006/07, 2007/08 and 2008/09 financial years and is an indication of preferences and priorities for the future direction of the Local Government area.

The Plan reflects the overall priorities and objectives as determined in the Corporate Plan as well as furthering the foundation of the business plans, which are also included in this document.

An opportunity exists for the public to view what is planned for the future and to voice suggestions for Council activities, particularly for the coming financial years.

Councils Management Plan is exhibited for a period of 28 days and the community are invited to submit comments in writing by the close of the exhibition period at 4pm on the 30 May 2006. Council will give consideration to all submissions received prior to final adoption and implementation on the 1 July 2006.

Copies may be viewed from Councils customer locations at::

Councils Administration Centre

180 Mort St Lithgow

Hours: 8.15am to 4.30pm

Lithgow Learning Centre

157 Main St Lithgow

Wallerawang Library

Main St Wallerawang

Portland Library

Williewa St Portland

Council and the community would also benefit from community consultation workshops to be held in Lithgow, Wallerawang, Portland and Rydal during the week of the 15 May 2006. Dates and locations will be confirmed and advertised

Written submissions in relation to the DRAFT may be forwarded to Council and will be received up until 4pm 30 May 2006.

The General Manager
Lithgow City Council
PO Box 19
LITHGOW NSW 2790

Electronic submissions may be emailed to council@lithgow.nsw.gov.au.

2. GENERAL MANAGERS' MESSAGE

Under the Local Government Act Council must prepare and publish its Management Plan. This plan must include at least an annual budget and 3 year Management plan to inform the community of the activities of the Council.

This plan represents Councils budget and revenue policy for 2006/07 and operational program and strategies for 2006/07, 2007/08 and 2008/09.

This Management Plan is the commencement of our formal process of modernising our service delivery, governance and the organisational structure. This year the budget has been based on a zero budgetary process where all levels of service and activity were commenced from "scratch" and to deliver a budget and program which was accurate and meaningful.

The modernisation agenda has three dimensions:

1. Modernising Service Delivery – by making it more responsive, tailored to localise and specific needs through the delivery of “best value” services;
2. Modernising Governance – by improving the means of decision making through consulting and engaging the community;
3. Modernising Management – by making senior staff strategic in focus and Managers accountable for broad operational outcomes and not functional objectives, by encouraging working across departmental and organisational boundaries and last and definitely not least importantly to be outcomes and customer focussed.

Like any modern business Council exists for many reasons and is expected to fulfil certain community needs and aspirations. To fulfil these needs Council must be mindful of the available resources and priorities.

The Management Plan sets out Councils charter as a statutory body and clearly indicates:

- The principle activities and the directions Council proposes to undertake and the financing of these;
- Goals for each principle activity;
- A process for validation and checking of our program;
- A plan of proposed capitol works;
- Services to be provided;
- Assist replacement and renewal programs;
- Human Resource activities to be undertaken
- Those activities that will protect environmentally sensitive areas and promotion of ecologically sustainable development
- The implementation of Council EEO principles

The plan is split into 2 key areas:

1. The strategic component - the strategies we aim to achieve
2. The operational component - how we propose to achieve the strategies

I encourage all of the community to review the plan whilst on exhibition and provide Council with some feedback on the plan. A plan such as this will become a living document which we, as a community can add to and assist in reflecting the direction we hope to follow.

With your help we can commence a program of greater understanding of the process and improved service delivery.

Paul J Anderson
GENERAL MANAGER

3. CORPORATE VISION & VALUES

LITHGOWS CHARTER

VISION

Council's vision is for the "*Lithgow area to be recognised as a desirable place to live and visit, and a viable place in which to invest.*"

We believe our vision embraces community demands as well as meeting corporate values.

Council directs its efforts to achieve our vision by:

- Quality customer service
- Open democratic government
- Sensible asset management
- Environmental protection
- Competitive works and services
- Positive investment in development
- Safe, productive working environment
- Professional and honest management
- Positive regional networking

As defined in Sect 8 (1) of the Local Government Act 1993 Lithgow City Council has adopted the following charter:

- To provide directly, or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively
- To exercise community leadership
- To exercise our functions in a manner that is consistent with, and actively promotes, the principles of cultural diversity
- To promote, provide and plan for the needs of children
- To properly manage develop, protect, restore, enhance and conserve the environment of the area for which we are responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development
- To have regard to the long term and cumulative effects of our decisions
- To bear in mind that we are the custodian and trustee of public assets and to effectively account for and manage the assets for which we are responsible

- To facilitate the involvement of councillors, members of the public, users of facilities, services and council staff in the development, improvement and coordination of local government
- To raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investment and when appropriate, by borrowings and grants
- To keep the local community and the State Government (and through it the wider community) informed about our activities
- To ensure that in the exercise of our regulatory functions, we act consistently and without bias, particularly where an activity of the council is affected
- To be a responsible employer

We believe that the vision is what the community wishes, and that the corporate values are those that the community would have the Council embrace.

The performance measures outlined in the Business Plans, together with our quarterly Management Information Reports, detail how Council will measure our success in achieving our values and objectives.

Our success is also measured through the survey of our customers in several of major functional areas.

KEY RESULT AREAS

Council has determined a number of measures to ascertain the success of the Management goals by reporting quarterly and annually through management information reports and the Annual Report the following areas:

- Customer satisfaction with service levels and response to complaints and work requests - measured by a change in the complaint / response thresholds, and opinion surveys.
- Maintenance of assets to agreed, sustainable and serviceable standards - measured by change in asset condition and network failures.
- The State of the Environment Report provides a summary of the attributes of the environment and the human impacts on the environment within the local government areas. It also provides a record of government, industry and community activities in protecting and restoring the environment.
- Value of business investment - measured by business 'birth and death' statistics; quantity and value of building and development applications; and growth in new waste, water and property connections.
- Competitiveness - measured by benchmarking against other Councils and State government agencies in areas of average rate bills, turnaround and unit costs

- Democratic government - measured by public persons in attendance and questions asked from the Public Gallery during question time; request for and attendance at public meetings and Citizens Access meetings; and attention to results from Community Survey.
- Productive and safe workplace - measured by accident, workers compensation and absentee ratios; competency assessments and job redesign; turnover, EEO and training statistics.
- Management - measured by successful industrial and public liability claims; financial performance ratios; investment and debt recovery returns; process turnaround times; and resource consumption rates.
- Networking - measured by attendance, participation and financial contribution to regional development and resource sharing.

The Management Information Reports, presented to Council throughout the year, highlight and examine the status and trends emerging in the key areas outlined above.

BACKGROUND OF THE LITHGOW COMMUNITY

The Lithgow area is classified by the Australian Classification of Local Government in Category 4, defined as a regional urban area, with a population of 20,389.

We are located at the western end of the Blue Mountains at an altitude of 940 metres, covering an area of approximately 3,517 square kilometres. The Local Government boundary extends from Little Hartley in the east, to Meadow Flat in the west, to Capertee, Wolgan Valley, Glen Alice in the north, and to Hampton/Tarana in the south.

The extraction of coal and oil shale has a long history in this area, with oil shale mines in the Wolgan and Capertee Valleys dating back to the 1870's. Present mining is focused on the removal of high energy thermal coal, mostly for power generation at Wallerawang and Mount Piper Power Stations, and export quality steaming coal for the Japanese market.

Agriculture is a major land use, mostly limited to parts of the Wolgan, Capertee, Lithgow, Hartley, Megalong Valley, and the Upper Turon River catchment, where grazing of sheep, goats, horses and beef cattle takes place. Some orchards are found in the Hartley and Megalong Valleys. Cultivation is mostly for fodder crops such as lucerne, ryegrass and oats.

Areas of the Blue Mountains, The Gardens of Stone National Park, Wollemi National Park and Pantoneys Crown Nature Reserve account for 42% of the Lithgow LGA and form the major land use of the eastern part. All are highly regarded for their scenic and natural values and are regarded as popular tourist destinations.

Once described as the 'industrial hearth' of Australia, the Lithgow Valley no longer has the smoking chimneys and glowing furnaces that marked the beginnings of heavy industry in Australia. The significant sites of these industrial pioneers have been restored, making Lithgow one of the nation's most important heritage centres.

Lithgow has proudly boasted in the past being named 'NSW Tidiest Town' by the Keep Australia Beautiful Council, achieving National judging and the major award of 'Corporations working with the Community' in 2003, the reference being to Delta working with the local Tidy Towns committees.

Lithgow also in the past graciously accepted the honour of being named the '1999 Australian Community of the Year' and proudly displays the award at the entrance of Councils Administration Centre in Mort St, Lithgow. Prime Minister, John Howard, in making the presentation to representatives of the City and Gerard Martin MP, referred to the great resilience of the community and its ability to turn adversity into success. This award was comforting, during that year, as many families had suffered at the whim of nature, through bush fires and floods as well the decisions of corporations to reduce staff and service levels which affected the livelihoods of many of the local community.

In 2001 Lithgow became the first Learning City of NSW. As a learning community Lithgow strives to promote all sorts of learning opportunities, both formal and informal by developing partnerships, providing suitable infrastructure and involving the whole community.

Lithgow is the main City with suburbs located at Wallerawang, Portland, Cullen Bullen, Lidsdale, Ben Bullen, Clarence, Glen Davis, Rydal, Hartley, Hampton, Tarana and following the 2004 amalgamation of Rylstone and Glen Alice with Lithgow, Bathurst and Mudgee. Statistics show our area with children, aged 0-14 years, representing 23% of the population, 31% of people are aged 25-44 years, while 11% are aged over 65 years.

A multitude of venues and attractions exist for tourists such as water skiing and trout fishing at Lake Lyell, trout fishing also at Wallerawang Lake, Thompson Creek Dam and the Cox's and Fish Rivers as well as the local 'trout farm' complex. Train enthusiasts are compelled to take a steam train ride at the Zig Zag Railway, while bush walking is possible in our many National Park Reserves. Sailing, abseiling, hang gliding, golfing, camping are also a few of the many local activities.

LOCAL GOVERNMENT HISTORY IN LITHGOW

LITHGOW CITY COUNCIL

Lithgow was discovered in 1827 by Hamilton Hume who named the area 'Lithgows Valley' in honour of William Lithgow who at the time was Governor Darling's private secretary.

In 1888 as a result of a progress association obtaining a loan to complete 'an adequate' water supply for Lithgow, which could only be granted to an authority able to 'rate the consumers and guarantee the repayments with interest', a meeting of the towns people resolved to petition the government for the incorporation of Lithgow into a municipality. A petition containing 313 signatures was lodged and as a consequence the valley was surveyed and the 'Borough of Lithgow' was incorporated on 4 June 1889.

Election for a Council was held on Friday August 2 1889 from three wards, Clywdd, Eskbank and Lithgow with three aldermen were elected from each.

In 1945, Lithgow was declared a 'City,' covering 14 sq miles, had a population of over 15,000 and an average gross income of 20,000 pounds.

BLAXLAND SHIRE COUNCIL

Following the 1906 NSW Shires Act, Blaxland Shire was formed and joined 134 other newly formed Shires. It served the surrounding areas of Lithgow, Wallerawang, Portland, Glen Davis, Meadow Flat, Hartley, Hampton, Rydal, Lowther, Lidsdale, Clarence, Newnes, Marrangaroo, Old Bowenfels, Ganbenang, Kanimbla and Tarana.

The first meeting of Blaxland Shire Council was held in the Wallerawang Court House on December 7 1906.

GREATER LITHGOW CITY COUNCIL

Lithgow City Council was formed on the 1 April 1977 from an amalgamation of Lithgow City Council and Blaxland Shire Council.

Blaxland Shire was a 'donut' Council surrounding the main city area of Lithgow. The two Councils formed the 'Greater Lithgow City Council' and covered 1,400 sq miles. It originally consisted of the combined 20 Aldermen until an election on 17 September 1977 when 13 were elected.

This election was on an undivided area basis with proportional voting and provided the opportunity to vote on the introduction of a wards system for the newly amalgamated Council. The 'yes' vote was confirmed and the new Council was divided into a 3 ward system for the 1980 elections.

The newly elected Council held its first meeting on 26 September 1977 and the introduced ward system continued until March 1989.

At the time of the amalgamation the last Mayor of Lithgow City Council, Ald H G Coates, stated:

"I express the view that, if we can capture the same spirit of co operation from elected representatives and from employees of the new Council as we have enjoyed in the City of Lithgow in the past, then the success of the administration of the new area is assured".

A priority to the new Council prior, during and after the amalgamation was to allay fears and concerns of staff, ratepayers and residents ensuring each area retained its individuality and identity. We are pleased to offer as proof to the State Government this has been achieved with great success as all residents have received, not only equal service standards, since the amalgamation but improvements to the level of service provided for water, sewerage, libraries, parks and gardens, roads and tourism. Each main centre also boasts major improvements to Main streets achieved through the joint co operation of Council and locally appointed Tidy Town Committees.

In 1997 Greater Lithgow City Council pursued a name change and became Lithgow City Council.

LITHGOW CITY COUNCIL

THE Lithgow City Council was formed on the 26 May 2004 from an amalgamation of Lithgow City Council and parts of the former Evans Shire Council and Rylstone Shire Councils.

Lithgow inherited 17 properties in the main area of Tarana with the remainder of Evans dedicated to Oberon Shire and the new Bathurst Regional Council. From the former Rylstone Shire Council Lithgow acquired 260 properties and a population of approx 450, the remaining Rylstone properties now form part of the Mid Western Regional Council, formerly Mudgee Shire Council.

Council has endeavoured to improve the assets of the former Council to Lithgow City Council standard and improve these standards as the community indicates.

Council will over the next four years identify an asset improvement plan and levels to improve the standard of all assets across the Local Government area.

4. CORPORATE STRUCTURE

Law requires the Council, to review its structure within one year of the general Council elections, which occurs every four (4) years.

In addition to this legal requirement, Council continually reviews its structure to ensure it is achieving the identified outcomes. Council adopted a recommendation from our new General Manager, Mr Paul Anderson on 20 March 2006 for a new structure to be implemented from the 1 July 2006.

The modernising agenda as endorsed by Council had three crucial dimensions:

1. Modernising Service Delivery – by making it more responsive, tailored to localise and specific needs through the delivery of “best value” services;
2. Modernising Governance – by improving the means of decision making through consulting and engaging the community;
3. Modernising Management – by making senior staff strategic in focus and Managers accountable for broad operational outcomes and not functional objectives, by encouraging working across departmental and organisational boundaries and last and definitely not least importantly to be outcomes and customer focussed.

The modernising agenda therefore demands a new organisational design for the new demands and challenges. A new design to meet the aspirations of the community for better government, better services and a prosperous future. But design alone won't create progress. Aligning new roles and responsibilities is necessary, but not in itself sufficient for real and meaningful progress on the road to modernisation. New behaviours and a new culture of trust, teamwork and accountability will be necessary to make the design work.

Ten principles have been established and will drive the modernising agenda at LCC:-

1. Facilitating Local Government – the task of Local Government is to steer, not row the boat.
2. Community Owned Local Government: Empowering Rather than Serving – to really work programs and services need to be owned by the people they are serving.
3. Competitive Local Government: Injecting Competition into Service Delivery – the issue is not public versus private, it is competition versus monopoly.
4. Mission Driven Local Government: Transforming Rule-Driven Organisations – never tell people how to do things. Tell them what you want them to achieve and they will surprise you with their ingenuity.
5. Results Orientated Local Government: Outcomes, Not Inputs – if you focus and keep track of the results – you can dispense with a lot of red tape.
6. Community Driven Local Government: Meeting the Needs of the community, not the Bureaucracy – quality is only ever determined by the customer.
7. Enterprising Local Government: Earning Rather than Spending – we have to guarantee future revenues by creating new revenue sources.
8. Anticipating Local Government: Prevention Rather than Cure – we must seek to prevent problems rather than delivering services to correct them.
9. Decentralised Local Government: From Hierarchy to Participation and Teamwork – no matter how smart a boss is or how great a leader, he/she will fail

miserably in tapping the potential of employees by working against them rather than with them.

10. Market Orientated Local Government: Leveraging Change through the Market – Local Government needs to function more as facilitators and brokers and seed capitalists in existing and new market places.

Consideration is now given to two aspects of the modernising agenda, modernising governance structures and modernising management structures.

Modernising Governance Structures – Community Engagement and Consultation
Governance is the process by which we collectively solve our problems and meet the needs of the community. Government is the instrument we use.

Many of our communities in the future, due to limited and declining resources, ambiguous solutions and narrowing options will need to make many community judgements. That is, the selection of choices from among alternatives.

LCC will need to display a new style of governance to successfully meet many of the challenges ahead.

The table below provides a summary of the key governance features required by a modernised LCC

Governance in a Modern LCC

Modernised LCC	Non-Modernised LCC
Listens	Tells
Community ship	Selfishness
Share power	Hive power
Empowered Community's	Apathetic Community's
Consensus building	Polarization
Collaboration	Confrontation
Vision setting	Future blind
Learning	Advising
Dialogue	Monologue
Comprehensive solutions	Narrow solutions
“its our problem”	“its governments problem”
results orientated	input orientated
mission driven	rule driven
enterprising focus	spending focus
proactive problem solving	reactive problem solving
decentralised authority	hierarchical authority
flexible	rigid

Achievement of these governance features will require changes in how Council’s bureaucracy thinks, functions and operates, otherwise any efforts to introduce real community consultation and participation will be severely limited. Also, to change institutionalised habits and practices we will require time, immense commitment and effort.

Resources will need to be allocated for community engagement and participation efforts. Council in the first instance needs to develop and adopt a set of core values for the practice of community participation. These core values underpin and guide the development and implementation of all future community participation guidelines and processes.

A suggested Statement of “Core Values for the Practice of Community Participation” is described below:-

1. All community members should have a say in decisions about actions that affect their lives.
2. Community participation includes the promise that the community contribution will actually influence the decision.
3. The Community participation process communicates the interests and meets the process needs of all participants.
4. The Community participation process seeks out and facilitates the involvement of those potentially affected.
5. The Community participation process involves participants in defining how they participate.
6. The Community participation process communicates to participants how their input affected the decision.
7. The Community participation process provides participants with the information they need to participate in a purposeful and meaningful way.

For Council to make it all happen, an integrated approach will be required, in particular the bringing to bear of all those aspects of management which ultimately make anything happen in a successful organisation.

The following framework will assist:

- * Style
- * Shared Values
- * Strategy
- * Systems
- * Staff
- * Skills
- * Structure

Style & Shared Values - This is the culture and vision. Responsiveness by definition requires flexibility. A culture that engenders a close affinity with the Community is necessary. This will not happen by accident; it must be nurtured and actively encouraged.

A vision of where Council wants to be will need to be established and supported by the commitment of Councillors and senior management.

Strategy - Whilst a strategy is not a panacea, it is necessary, particularly in the early stages to ensure there is effective and efficient progress. The strategy will place a high value on consultation efforts. Advice and guidelines with clear standards will be created.

Systems - Whilst having the right culture is critical; various systems will be required to ensure LCC as a whole is fully effective.

Staff and Skills - It is essential that staff have the necessary support, training and development to be able to effectively put the vision and strategy into effect.

Structure - In considering the various options for decentralised systems, considerations of natural community will at times be overriding.

It must be remembered that whatever approach is taken, it will take time, energy and resources to make it work.

The work will come from not just in servicing the community committees and groups, but in dealing with the issues that come out of them. The effort required is a smart investment, for this must be compared with the cost of not dealing with those issues.

Consideration needs to be given to decentralise spending. Small local Community budgets can be very powerful, disproportionately to their absolute size. This budgetary commitment effectively levers in community effort and resources.

Pre-requisites for Success

There is no absolute recipe for success, but here is a selection of pre-conditions which would appear to be necessary to maximise the opportunities:

- * ensure absolute commitment from Council and staff;
- * possess a willingness to live with the outcomes;
- * commit to the approach holistically, so it can continue even if an individual consultation goes wrong;
- * be honest about what you are trying to achieve and how much notice will be taken of the results. In other words, do not ask people their opinions if we are not going to do anything about it;
- * be willing and committed to challenge (without strings attached) our own and Council's long standing beliefs;
- * write and communicate in plain English;
- * be creative and design all materials well;
- * communicate, communicate, communicate – ensure all efforts are co-ordinated and “everyone” knows what is going on;
- * institutionalise consultation into mainstream planning and budgetary processes so it becomes ongoing;
- * use a wide variety of methods that best suit our circumstances – this will be cost effective in the long term;
- * don't be tempted to take short cuts – when you get good at it look for more efficient methods and share the experiences;
- * enjoy the experience.

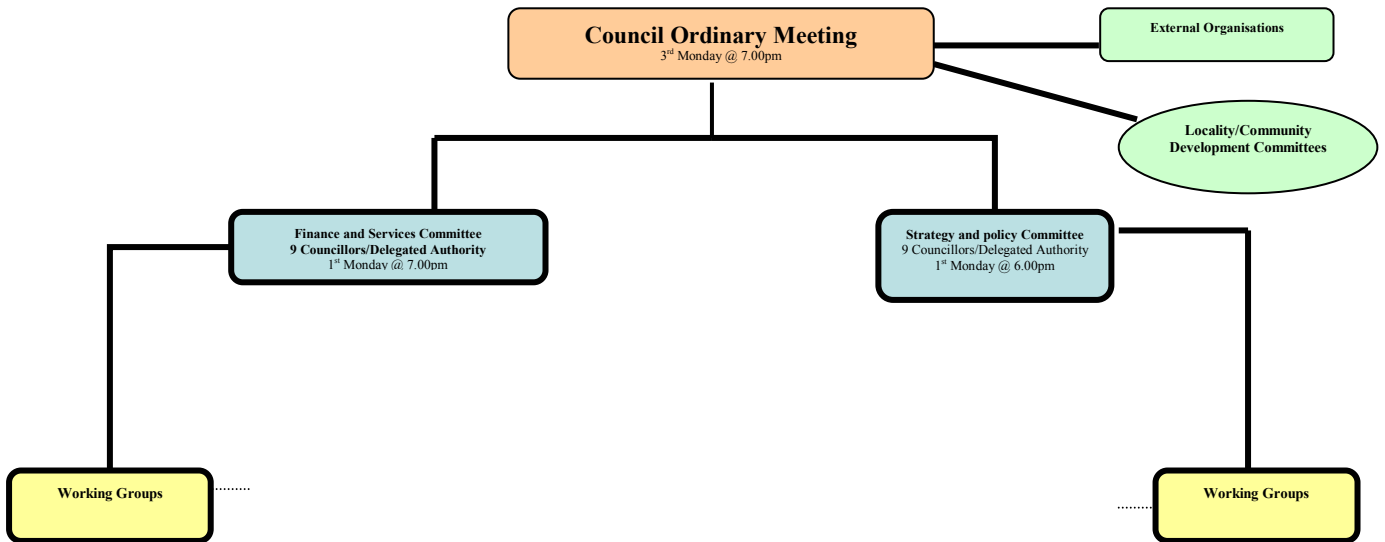
Proposed Community Consultation Structure

Council adopted a number of recommendations pertaining to Council meetings, Council Committees and community consultation structures with the adoption of the code of meeting practise.

It is important that we continue to move forward with the full implementation of these arrangements.

The governance structure encompassing the changes is fully described below at Chart 1 – Lithgow City Council Committee Structure.

Chart 1 - Lithgow City Council Committee Structure



Community Development Committees (CDC's) where possible should cover a defined and/or natural geographic area of interest and community, and only established upon formal request. They could then be provided with their own individual web sites and e-mail facilities, thus providing an efficient and effective communication link.

Every community is unique, so the framework, by which CDC's are established, needs to reflect this diversity. Training for committee members is important, particularly in the early stages. Each committee would be supported by specific and dedicated staff and have a budget for administrative overheads that reflects its role and responsibilities.

CDC's can offer:-

- * ability for local decisions to be made truly locally;
- * ability to articulate community opinions in a way that local interests and opinions can be promoted more effectively and be more influential in shaping decisions on wider issues;
- * real and meaningful participation in Local Government affairs, by providing a user friendly and accessible way for Community's to become involved;
- * a focus for local activities, initiatives, and partnerships which can provide a catalyst to reinvigorate local communities;

- * a valuable Community watchdog role in respect of local services;
- * ability to tap into the vast store of local knowledge and creativity to enhance community problem solving;
- * ability to act as an information conduit to Council;
- * ability to act as a forum for deciding priorities and actions which reflect local needs and aspirations;
- * ability to act as a means through which information can be provided to Community's;
- * ability to strengthen the mandate of Council when dealing with external bodies such as Federal and State Governments;
- * to be a forum by which information and learning can be transmitted to all the Community; and
- * to encourage self-help activities that involve local people in improving the quality of life and in developing social and economic initiatives.

Modernising Management Structures (Organisation Structure)

The organisation structure of LCC is the formal system of working relationships that divide up and co-ordinate both the tasks to be achieved and the resources – human and material – needed to do them. High achievement and productivity depends on both resources and structures being appropriate to the tasks at hand. One without the other will be insufficient to ensure performance success.

Structure must be addressed from a contingency perspective. The goal is to help management identify and implement structures that best fit the demands of various situations. When structure “fits” or matches well with situational challenges, the organisation is best prepared to achieve its performance objectives. From a contingency viewpoint, there are at least five major influences on structure: external environment, strategy, technology, people and size. The structure must also take into account the allocation of overheads and actual “doing” of works and be mindful of the natural span of control individual functions. The structure should also represent what we as an organisation are trying to deliver to the community and be closely aligned around “like” functions.

1. Structure be appropriate to the external environment – Environments pose different challenges to organisations depending on the complexity, variability and uncertainty of their major components.

2. Structure should follow strategy – Structure must be consistent with and support the defined goals and objectives of the organisation and its strategy for achieving them.

3. Structure needs to reflect the technology of the organisation – Availability and degree of technology is a major element in efforts to increase productivity.

4. Structure be appropriate to the people within the system – People vary in their skills, interests, needs and personalities, and structures must accommodate these individual differences to maximise support for individual efforts.

5. Structure accommodate organisational size – As organisations grow they tend to become more complex in terms of people, technologies, functions and environments. These complexities, along with pressures of size, create additional need for structural accommodation.

Proposed Organisation Structure for LCC

LCC needs to modernise its management structures and adopt a new organisational structure pursuant to the provisions of Section 332 and 333 LGA 1993, and the provisions of the Proclamation establishing LCC.

The recommended organisation structure as fully depicted, takes into account of the following drivers and external factors (appendix 1)

- * Legislative framework including
- * Local Government Amendment (Employment Protection) Act 2003;
- * Local Government Amendment (Council and Employee Security) Act 2004;
- * Local Government (General) Amendment (Employment Protection) Regulation 2004;
- * Lithgow City Council Proclamation dated 24th May 2004; and,
- * Local Government Act 1993;

It is additionally important to recognise that the structure acknowledges and takes account of current day situational challenges and the key focus areas already identified by Councillors, and further those functions directly and significantly impacted by the amalgamation process. For example:-

Economic Development

Economic development and employment growth was identified as a priority at the Councillors. LCC desires to attract investment and generate wealth, and to do this, we need to deliver liveable, vibrant, prosperous and sustainable environments.

And this requires change; change in decision making processes and in how we manage development and engage with potential developers; about vision and leadership; about instilling a sense of urgency in the importance of LCC as a motivating and creative force.

A closer strategic and working partnership needs to be created with the numerous economic Development committees, and a full operational review of the working relationship needs to be undertaken. The review needs to focus on achieving the increased capacity to attract business, employment and population growth.

Responsibility for economic development promotion and responding to all enquiries and information requirements from prospective developers and investors will reside within a

unit reporting to a group Manager who has no specific approval or regulatory function and create the "chinese wall" in operational function.

Water, Waste Water and Waste

Strategic planning, development and management of water, waste water and Waste infrastructure in LCC over the next 10 years will be extremely important. Major projects involving significant capital expenditures will require focus, vision, lateral thinking and leadership. For example:-

- * Water & Waste Water infrastructure expansion to promote population and industrial growth,
- * Upgrades of Wallerawang and Portland Waste Water Treatment Plants,
- * Water supply to other urban and rural residential areas,
- * Design and construction of the Blackman's Flat landfill.

Increasing complexity of the policy environment for water management is also an area that demands increasing professional analysis, for example socio-economic impacts of water trading operations on regional communities, National Water Initiative, Australian Water Fund, the NSW Water Management Act, Country Towns Water Supply and Sewerage Program and Department of Energy, Utilities and Sustainability best practice business planning.

Community Visioning

Community visioning was identified as a priority by Councillors.

Community visioning is an exercise in direct democracy that can involve a large number of the Community if undertaken successfully. It is a strategy that truly engages the Community in expressing what they know best: their values, hopes and fears.

A partnership encompassing Local Government, non-profit organisations, business, schools and individual Community collaborates in charting the desired future of the community through a collaborative process of "visioning".

Borrowing a nautical metaphor; if traditional planning makes tactical corrections to the course by manipulating the boat's sails and rudder, then visioning makes strategic decisions about plotting the course itself. It often occurs that planning is undertaken without first choosing a destination that reflects the aspirations of the community, thus leading to undesirable outcomes.

Visioning is intended to reduce the likelihood of this erroneous pattern by using a community-wide participatory process to develop a long-range, goal-oriented framework within which specific planning exercises can be conducted. While visions are long-range goals, it is important to note that they are not static. They are expected to change as the community and its leadership changes, or adapts to new circumstances and knowledge arising from the implementation of its original vision.

The end result of the visioning process is an agreed community framework that is designed to produce action; to guide and improve policy and decision-making; to stimulate creative and powerful partnerships, and to help resolve debates between competing community interests. Once adopted, the vision plan will allow Council in its decision-making capacity, to be confident that its actions will be embraced and supported.

Visioning demonstrates the tremendous potential of a community's ability to work towards common and diverse goals.

The need to undertake a region wide community visioning program needs to be afforded appropriate recognition in our next three year management plan.

Organisational Development

For at least the next two years this area will require significant focus and attention to detail.

Reporting directly to the General Manager, OD will have organisational wide responsibilities and have the delegation of developing and implementing the LCC Employee Development Strategy.

As indicated previously, organisational design and structure alone won't in itself create progress, new behaviours and new cultures of trust, teamwork and accountability are required to make the design function effectively.

The Employee Development Strategy will compliment the organisation structure and set out a comprehensive approach to help ensure that LCC has the right numbers of people in the right places, with the right skills to deliver improved ("best value") services, greater efficiency and better community focus in mainstream services.

Five priority areas are critical to developing employees. The key challenges under each of these priorities are set out below:-

Priority 1 – Developing Leadership Capacity

1. Improving the quality of managerial leadership, including the capacity of existing teams, planning the development of future leaders, spreading leadership values throughout LCC.

Priority 2 – Developing the Skills and Capacity of the Workforce

2. Raising performance and skill levels in key areas such as project and program management, change management, business planning, procurement, service standards, partnership working and learning from "best management".
3. Achieving an ongoing increase in the skills of all staff, including establishing "skill pathways" to raise levels of training, development and performance and multi-skilling to increase productivity and flexibility.

Priority 3 – Developing LCC

4. Identifying successful approaches to managing productivity and performance and adopting them to deliver continuous improvement to services.
5. Creating a high performance people management culture across LCC, by using quality people management as the foundation for improvement.
6. Developing a successful partnership approach to employee relations.
7. Building and using a more flexible workforce, able to deliver high quality, efficient community focussed services. This includes remodelling the workforce, achieving greater movement across professional and skills boundaries and taking advantage of new technology to develop “win-win” outcomes from flexible working arrangements that achieve improvements in delivery and better work-life balance.

Priority 4 – Resourcing LCC

8. Developing better workforce planning and successfully addressing recruitment, retention and employee demographic issues..
9. Improving the supply of people in shortage areas, and finding ways to attract a bigger number of talented people into LCC, including addressing the “image” of local government among potential recruits.

Priority 5 – Remuneration Policy

10. Modernising pay and reward structures to support high-performance, highly skilled and flexible workforce with the necessary motivation to deliver improved services.
11. Achieving fairness in pay and rewards over time, fairness in relation to job size and transparency in pay and rewards management.
12. Identifying the right approach to overall pay levels in LCC, given the resources available. Finding ways to increase productivity and efficiency to support any increased pay levels.

Information Technology (e-LCC)

The Information Technology Centre will combine the activities of records, GIS, land information management, web and portal co-ordination, Intranet Management, telephone administration, networking and systems management, document management including video, film and picture, internal communication. Strategic business plans need to be developed as a matter of some importance.

The creation of this centre will enable greater strides towards the key strategic project of introducing a records and documents management solution which brings the vision of moving to a paperless environment a step closer.

For the community to benefit, e-LCC must be relevant, accessible and easy to use, but it must also offer a comprehensive service with which Community feels confident. For example:

- * create an efficient, transparent and service oriented administration which will benefit both Community and businesses,
- * strengthen our communities through the full use of IT and by creating innovative participation possibilities,
- * promotion of business partnerships and improved community positioning in the competition between regions by the use of IT,
- * staff must be able to fully understand the possibilities of a portal and web technology,
- * all IT purchases (software and hardware) must be evaluated according to the ability to participate in Council's web strategy,
- * portal and web site requires a centralised style guide or template to preserve corporate integrity.

Vision for e-LCC

e-LCC will be fundamentally innovative, responsible and technologically empowered in its approach to business processes, where:-

Information technology helps Council become faster, flatter and friendlier and our employees are able to get work done easier and more inexpensively, where use of a portal and web is a core competency;

All Councillors, employees, Community and business partners can conduct business online, anytime, anyplace;

Information technology systems and applications are largely web based, robust yet simple and user friendly;

Community and external customers access Council services and information conveniently on the web; and

The core values of development will be end-user requirements and involvement, innovation, collaboration and managed risk taking.

e-LCC must adopt the vision that the Internet will be the dominant means of enabling ready and free access to government information, services and processes. The e-LCC vision therefore should be to provide a one-stop shop for all government and local government services through the Lithgow regional portal.

e-LCC must be driven by a desire to put the community first.

Four key themes are:-

1. easy and free access to information,
2. the ability to give information to the Council quickly and simply,
3. the ability to request services without inconvenience at any time and from any place;
4. the ability to make payments and conduct business swiftly and securely.

The objectives of e-LCC are:-

Better service, more convenient, lower costs, more reliable,

Cost-effectiveness and efficiency, lower transaction costs and delivery,

Leadership, support the knowledge society through public sector innovation,

Improved reputation for LCC as an information age innovator,

Greater participation and engagement by people in government.

COUNCILLOR CONTACTS

NAME AND ADDRESS	CONTACT NUMBERS
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Councillor Martin Ticehurst 1 Evelyn Street PO Box 578 (All mail) LITHGOW NSW 2790	Home: 6352 4744 Mobile: 0417 427 199 Email: karmar2790@bigpond.com.au
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5. CORPORATE PLAN & VALUES

The Council has adopted and regularly reviewed its Corporate Plan. The Corporate Plan and values are the basis that all activities, priorities and policies. The Plan and values are inherent in all our activities and actions.

Provisions of the Plan:

Mission Statement:

Values which the Council would like to endeavour to achieve are:

- Quality customer service
- Open democratic Government
- Sensible Asset Management
- Environmental protection
- Competitively priced works and services
- Positive Investment in development
- Safe, productive work environment
- Professional and honest management
- Positive networking throughout the region

KEY PERFORMANCE INDICATORS

To add meaning to the Corporate Plan and the Financial Plan we communicate the aims of each of the sections of the Council and seek to achieve through adopted business plans which in turn will embrace various key result areas.

These key result areas are intended to be indicators of success in attaining the various goals of the Programs within the Council and will be reported against on a quarterly basis to ensure the organisation is on track to reach the goals set in this Management Plan.

COMMUNITY & CULTURAL DEVELOPMENT

Function - Community Development

Purpose of Activity

To facilitate the development of community well being in Lithgow LGA.

Goal:

- Enhanced opportunities for resident participation in community life.
- Maintenance and development of partnerships with government authorities, businesses, service providers and community groups.
- To provide cost effective community development activities which contribute to Lithgow as a learning City and as a family friendly community.

What Council Will Do:

- Develop and pursue opportunities to attract community funding through grants and other sources
- Provide information and education about services and activities available to the Lithgow City communities
- Community leadership through access and equity activities
- Social planning with reviews and reporting
- Crime prevention planning
- Co-ordination of and participation in community networks e.g. Community Services Interagency, Child Protection Interagency, Domestic Violence Liaison Committee, Youth Council, Community Services Committee, Transport Working Group, Lithgow Correctional Centre Community Consultative Committee, Learning City Committee and Library Committee
- Represent and promote Lithgow City Council in the region
- Undertake capital Projects for 2006/07 to 2008/09

Challenges for Community Development

The key upcoming challenges for community development relate to the completion of the Social Plan and the Crime Prevention Plan. The Social Plan is to be completed in the 2006/2007 financial year and the actions from the plan will then need to be prioritised, resourced and planned. Substantial work on the Crime Prevention Plan will commence after the completion of the Social Plan. The actions flowing from the Crime Prevention Plan will then also need to be considered.

Key Performance Indicators:

- Achievement of financial targets
- Planning and reporting requirements completed for this function
- Program of access and equity activities
- Fulfilment of statutory requirements
- Occupational health and safety requirements met
- Measurable increases in participation levels in community activities

COMMUNITY & CULTURAL

Function: Library & Learning Centre

Goal: To assist in developing the learning needs of the Lithgow local government community.

Targeted Outcomes:

- To provide effective learning opportunities through the Library system including branch libraries.
- To make accessible quality historical and current information resources using international cataloguing standards
- To act as an economic driver and build creative learning partners to enhance the service delivery
- To help create a community which is open to change, highly skilled, tolerant and adaptable

What Council Will Do:

- Operate the Library network using a mix of professional, technical and operational staff
- Provide print material and state of the art technology to disseminate information for research and recreational purposes
- Develop programmes, activities and celebrate special events to promote the library and attract more customers
- Participate in community activities
- Apply for grants to enhance the services and facilities provided
- Network closely with the State Library of NSW and Country Public Libraries Association of NSW.
- Undertake capital Projects for 2006/07 to 2008/09

Challenge:

To improve information literacy levels and encourage lifelong learning in the community.

Key Performance Indicators:

- Achievement of financial targets
- Planning and reporting requirements completed for this function
- Program of access and equity activities
- Fulfilment of statutory requirements
- Occupational health and safety requirements met
- Increase usage statistics including circulation
- Survey community to improve current services and facilities
- Measurable increases in participation levels for library and learning activities

DEVELOPMENT MANAGEMENT

Function: Environment Management

Goal: To manage the natural environment according to the principles of Ecologically Sustainable Development and to enhance community wellbeing through public health programs.

Targeted Outcomes:

- Protection and enhancement of the natural environment
- Working in partnership with government authorities to protect the wellbeing of the community
- To provide cost effective waste management services.

What Council Will Do:

- Provision of day to day services:
 - Environmental education and inspections
 - Recycling, waste collection and disposal
 - Cleaning of buildings and streets
 - Development approvals to protect the environment and public health
 - Public health education, inspections and testing
 - Companion animal education and regulation
- Monitor and report on the State of the Environment
- Manage the Environmental Advisory Committee, Hassans Walls Working Party and the Waste and Recycling Working Party
- Undertake capital Projects for 2006/07 to 2008/09.

Challenges for Waste & Recycling Services

Council currently operates 7 landfills and 3 transfer stations within the Local Government Area. The operational lives of these landfills are coming to an end and Council has identified the need for a modern, centrally located waste management facility for the future waste disposal needs of the community. In response, Council has submitted a Development Application for the Proposed Blackmans Flat Waste Management Facility. Upon the commencement of operations of this Facility the existing landfills will be closed. As a result the key challenges for waste management include reducing the amount of waste being land filled, the provision of acceptable levels of waste management services throughout the Local Government Area, the closure and maintenance of the existing landfill sites and the prevention of illegal dumping. Council has established a Waste and Recycling Working Party to review the Solid Waste Management Strategy.

Performance Indicators

- Achievement of financial targets
- Annual program and services completed for the functions of this activity
- Fulfilment of statutory requirements
- Include activities identified in Council's State of the Environment Report in the following years management plan
- Occupational health and safety management procedures followed and reported on as required

DEVELOPMENT MANAGEMENT

Function – Planning and Development

Goal

To determine development applications for all development in accordance with legislative requirements and Council policy.

What Council Will Do

- Provision of day to day functions of assessing development applications
- Maintain heritage advisor program and local heritage fund

Challenges

The key challenge is to ensure the process remains efficient and customer focussed whilst balancing good planning and environmental outcomes, public participation and legislative compliance.

Performance Indicators

- Achievement of financial targets
- Annual program and services completed for the functions of this activity
- Fulfilment of statutory requirements and timeframes
- Occupational health and safety management procedures followed and reported on as required
- 100% of Full development application determined within 21 days

DEVELOPMENT MANAGEMENT

Function – Building

Goal

To process construction certificates, complying development and septic tank applications for all development within the Lithgow Local Government Area in accordance with legislative requirements and Council policy. The activity will also co-ordinate cemetery operations as well as construct and maintain public buildings.

What Council Will Do

- Provision of day to day functions of building assessment, inspection and regulation
- Feasibility Study for additions to Administration Centre
- Customer Service Counter & Office reorganisation works
- Crystal Theatre works (dependent on funding from others)
- Civic Ballroom – Access & Painting
- Eskbank house disabled facilities
- Cemetery Improvements
- Tony Luchetti Grandstand improvements

Challenges

The key challenge is to ensure the approval process for contestable functions remains efficient and competitive as Council believes it can provide a better service to the public and ensure statutory compliance when compared to any private competitor.

Performance Indicators

- Achievement of financial targets
- Annual program and services completed for the functions of this activity
- Completion of the capital projects
- Fulfilment of statutory requirements and timeframe
- Occupational health and safety management procedures followed and reported on as required.
- Completion of capital Projects for 2006/07 to 2008/09

STRATEGIC PLANNING

Function – Planning and Development

Goal

To provide a comprehensive land use strategy for the Lithgow Local Government Area seeking to encourage ecologically sustainable development through strategic plans and policies

Targeted Outcomes

- Lithgow Strategic Plan
- Local Environmental Plans
- Development Control Plans
- Planning Policy

What Council will do

- Finalise the Lithgow Strategic Plan
- Complete the Heritage Local Environmental Plan
- Complete interim LEP and various alterations to LEP as resolved
- Complete the Notification and Residential Policies (DCP's).
- Complete Marrangaroo Local Environmental Study and Masterplan
- Commence review of comprehensive Local Environmental Plan.

Performance Indicators

- Achievement of financial targets
- Annual program and services completed for the functions of this activity
- Commence or finalise each project as indicated
- Fulfilment of statutory requirements
- Occupational health and safety management procedures followed and reported on as required
- That appropriate consultation is undertaken in preparing and reviewing strategies, plans and policies
- Completion of capital Projects for 2006/07 to 2008/09

FUNCTION: EXECUTIVE / GOVERNANCE SUPPORT

Goal: To provide support to the elected Council and the Mayor to enable them to carry out their role effectively.

TARGETED OUTCOMES

- Councillors are satisfied with level of support.

WHAT COUNCIL WILL DO

- Councillors are satisfied with level of support.
- Provide administrative assistance to the Mayor;
- Produce business papers for Council and Committee Meetings;
- Keep Councillors informed on all relevant issues; and
- Ensure adequate communication technology for Councillors.

KEY PERFORMANCE INDICATORS

- Councillor satisfaction
- Business papers produced and distributed on time, at a minimum three days prior to a meeting

FUNCTION: CORPORATE MANAGEMENT

Goal: To ensure that Council activities are strategically planned and implemented to optimise the use of resources.

TARGETED OUTCOMES

- Management Plan / Annual Report are produced.

WHAT COUNCIL WILL DO

- Ensure input from community, Councillors and staff;
- Public exhibition of Draft Management Plan;
- Quarterly reports to Council on achievements against plan; and
- Develop long term financial plan.
- Provide statistical information as required

KEY PERFORMANCE INDICATORS

- Management Plan adopted by 30 June; and
- Quarterly reports submitted within four weeks of the end of each quarter.
- Annual report within five months of the end of the financial year
- Provide statistical information within designated timeframe

FUNCTION: ORGANISATIONAL DEVELOPMENT

Goal: A workforce, which is well trained and rewarded and has equal opportunity in the workplace and a safe work environment.

TARGETED OUTCOMES

- Employees are selected on merit;
- A training plan/program that meets organisational needs and responsive to changes in Council's external environment.
- Salaries are competitive and meet award requirements and attract and retain staff
- A safe and healthy work environment; and
- Effective management of grievances.

WHAT COUNCIL WILL DO

- Recruit employees in accordance with policies and procedures that ensure selection on merit; and.
- Provide advice and support to other departments.
- Develop and implement training plans;
- Monitor and maintain training records;
- Maintain training records;
- Monitor workplace trainers;
- Maintain skills based salary system.
- Design and implement performance based assessment process
- Review and monitor Salary Management System
- Develop and Implement Occupational Health and Safety Program;
- Ensure salary system is competitive in the market
- Monitor and review existing Occupational Health and Safety Programs;
- Provide advice on workplace safety; and
- Support Occupational Health and Safety Committee.
- Review and monitor grievance procedure; and
- Ensure effective consultation with staff and unions.

KEY PERFORMANCE INDICATORS

- Staff turnover;
- Level of absenteeism;
- Level of industrial disputes;
- Compliance with award and statutes;
- Incidence of accidents and injuries in the workplace; and
- Client satisfaction with service.

FUNCTION: TOURISM & ECONOMIC DEVELOPMENT

Goal: To promote Lithgow as an attractive tourist destination and encourage the economic development of Lithgow in order to optimise the return to Council from its investments in income producing assets.

TARGETED OUTCOMES

- Encourage sustainable economic development
- Promote Tourist Visitation
- Promote jobs growth

WHAT COUNCIL WILL DO

- Assist, in conjunction with State and regional authorities, the establishment of desirable developments in the area; and
- Operate Visitor's Information Centre in Lithgow.

KEY PERFORMANCE INDICATORS

- Number of new industries;
- Employment statistics;
- Economic activity indicators;
- Development, including subdivisions, statistics; and
- Visitor numbers and accommodation statistics.

FUNCTION: WATER SUPPLY

Goal: To adequately plan and provide a reliable, high quality, cost effective water supply service to meet the current and future requirements of the community, the Sydney Catchment Authority and the Department of Environment and Conservation, and comply with the Department of Energy, Utilities and Sustainability Best Practice Management Guidelines.

TARGETED OUTCOMES

- Minimise failures in the system relating to quality and quantity of water supplied to the community
- Design and construct infrastructure to allow increased residential and industrial development and expansion in identified areas

WHAT COUNCIL WILL DO

- Undertake regular maintenance and repairs on water infrastructure including the treatment plant, reservoirs, watermains, hydrants, valves and standpipes;
- Perform condition audits on existing water assets to ensure compliance with adopted standards
- Strategically plan system upgrades and extensions to meet present and future requirements to encourage increase in residential and industrial connections
- Design, construct and operate water supply assets and infrastructure to adopted standards

KEY PERFORMANCE INDICATORS

- Maintain storage levels in reservoirs > 30%;
- Quality failures < 10 per annum;
- Unplanned supply interruptions < 20 per annum;
- New residential connections > 20 per annum; and
- Approved capital improvements programme and maintenance programme completed within satisfactory timeframe, satisfactory standards and expended within budget;

FUNCTION: WASTEWATER

Goal: To adequately plan and provide a reliable, high quality, cost effective wastewater collection and treatment system to meet the current and future requirements of the community, the Sydney Catchment Authority and the Department of Environment and Conservation, and comply with the Department of Energy, Utilities and Sustainability Best Practice Management Guidelines..

TARGETED OUTCOMES

- Minimise failures in the system relating to quality and quantity of effluent due to asset conditions
- Design and construct new infrastructure to allow increased residential and development and expansion in identified areas

WHAT COUNCIL WILL DO

- Undertake regular maintenance and repairs on wastewater infrastructure including the three treatment plants, sewerage pumping stations, sewer mains and sewerage connections;
- Perform condition audits on existing sewerage assets to ensure compliance with adopted standards;
- Implement strategies to reduce household stormwater connections and tree root infiltrations to reduce the volume of flow during wet weather events;
- Ensure compliance with Council's Trade Waste Acceptance and Septic Tank Approvals Policies, minimising transport and treatment system failures and eliminating all unnecessary transport and treatment costs.
- Strategically plan system extensions to meet future requirements to encourage increase in residential connections;
- Strategically plan system upgrades to improve current performance and quality of effluent discharged into local waterways;
- Design, construct and operate sewerage assets and infrastructure to adopted standards;

KEY PERFORMANCE INDICATORS

Compliance with Department of Environment and Conservation licence conditions 100%;

- Sewer surcharges due to chokages to <20 per annum;
- New residential sewerage connections >20 per annum; and
- Approved capital improvements programme and maintenance programme completed within satisfactory timeframe, satisfactory standards and expended within budget;

FUNCTION: DRAINAGE

Goal: To adequately plan and provide a reliable, high quality, cost effective stormwater drainage collection system through the Council area to meet the current and future requirements of the community.

TARGETED OUTCOMES

- Minimise stormwater discharge to private and public properties
- Minimise stormwater discharge to the environment from stormwater drainage
- Enhance the current quality of stormwater being discharged into local waterways

WHAT COUNCIL WILL DO

- Strategically design, construct and maintain suitable drainage networks to meet present and future needs
- Strategically design, construct and maintain extensions and upgrades of existing network to direct captured stormwater into existing infrastructure
- Perform condition audits on drainage infrastructure and assets to ensure compliance with current standards
- Actively participate in water recycling campaigns organised locally and nationally, and encourage the community to utilise rainwater storage tanks.
- Actively encourage the community to improve the quality of stormwater discharged into local drains and waterways by supplying information and advice on improved/alternative methods of disposal/reuse of pollutants.
- Farmers Creek Flood Mitigation Program finalisation of Stage II

KEY PERFORMANCE INDICATORS

Minimise private and public property invasion from excess storm flows;

- Improved stream and waterways sample results;
- Completion of complaints/works requests within adopted timeframes;
- Reduction in public liability claims.
- Approved capital improvements programme and maintenance programme completed within satisfactory timeframe, satisfactory standards and expended within budget;
- Finalisation of Stage II Farmers Creed Flood Mitigation Program within budget and timeframe

FUNCTION: RECREATION

Goal: To provide an enhanced quality of life through equitable and unlimited access to a diverse range of passive and active recreational services and facilities.

TARGETED OUTCOMES

- Equitable access to safe, clean and healthy swimming pools

- Safe and healthy access to and enjoyment of community open spaces

- Equitable access to safe and well equipped and utilised sporting facilities

WHAT COUNCIL WILL DO

- Efficiently maintain and operate the Lithgow War Memorial Olympic Swimming Pool;
- Provide financial support and operational advice to the Portland Olympic Pool Committee and facility.

- Consult with the community and developers for planning improvements to parks and reserves;
- Develop, implement and regularly review Management Plans for community land;
- Develop, implement and regularly review ongoing works programme for improvements to community land;
- Maintain and improve community land and associated facilities to adopted standards;
- Control and regulate activities on community land;
- Strategically plan for new community land to meet future requirements of the community.

- Encourage and support community participation in the management and maintenance of sporting facilities;
- Support local sporting organisations and Committees;
- Officiate and arrange actions raised or resolved at Sports Advisory Committee Meetings;
- Develop, implement and regularly review operating agreements with local sporting organisations and Committees;
- Maintain sporting fields and facilities to adopted standards;
- Consult with the community and local sporting organisations in planning and development of new sporting facilities;

Safe and equitable access to aquatic recreation

- Develop, implement and regularly review ongoing works programme for improvements to sporting facilities and equipment;
- Provide adequate boat launching facilities;
- Maintain and preserve dam foreshore areas;
- Regulate use of recreational vehicles on dam foreshore areas;
- Undertake improvements to dam foreshore areas;
- Develop, implement and regularly review ongoing works programme for improvements to dam foreshore areas.

KEY PERFORMANCE INDICATORS

Increase in number of sporting organisations and users of facilities;

- Continued attendance and participation at Sports Advisory Committee meetings;
- Reduce the number of injuries occurring at Council facilities;
- Continued community satisfaction with recreational services and facilities;
- Approved capital improvements programme and maintenance programme completed within satisfactory timeframe, satisfactory standards and expended within budget;
- Continued level of community participation in maintenance of Council's recreational facilities.

FUNCTION: BUSH FIRE MITIGATION

Goal: Assist with the effective and efficient response to all bush fire emergency and prevention situations, and undertake effective community awareness programmes in conjunction with the Rural Fire Service

TARGETED OUTCOMES

- Effective bush fire hazard reduction/ mitigation

WHAT COUNCIL WILL DO

- Develop, implement, maintain and update bush fire management plan for the Lithgow Local Government Area;
- Acquire and maintain all equipment in a state of readiness;
- Undertake community awareness and education campaigns in conjunction with relevant Fire authorities;
- Officiate and arrange actions and resolutions of the Bush Fire Management Committee;
- Undertake hazard reduction programmes;
- Effectively train staff and volunteers on emergency standards and procedures;
- Respond to emergency situations;
- Maintain an effective communications and support service;
- Provide logistic, administration and technical support.
- Continue to provide funding to the RFS
- Update and review SLA with RFS for next three year period

KEY PERFORMANCE INDICATORS

Response time to emergencies being less than state or national standard timeframes;

- Reduced incidence of property damage;
- Effectiveness of response and recovery from emergency situations;
- Reduced incidence of personal injury or death from disasters;
- Programme costs being less than industry benchmarks;
- Execute new Service Level Agreement with the Rural Fire Service.

FUNCTION: TRANSPORT INFRASTRUCTURE

Goal: To provide safe, efficient, and effective networks to transport people and goods within and through the Lithgow Local Government area.

TARGETED OUTCOMES

- Safe environment for pedestrians, cyclists and motorists
- Cost effective construction and maintenance techniques
- Attractive streetscape and roadside environment
- Clear and precise road signage

WHAT COUNCIL WILL DO

- Perform condition audits on transport network infrastructure and assets to ensure compliance with current standards
- Strategically design, construct and maintain extensions and upgrades of existing transport network to meet present and future needs
- Strategically design, construct and maintain roads, cycle ways and footpaths to adopted standards;
- Facilitate and participate in road safety and educational programmes
- Prepare program of works for maintenance and improvement of Council controlled roadways

KEY PERFORMANCE INDICATORS

Reduced road accident and injury statistics;

- Reduced construction and maintenance cost per kilometre of roadway;
- Completion of complaints/works requests within adopted timeframes;
- Reduction in public liability claims.
- Approved capital improvements programme and maintenance programme completed within satisfactory timeframe, satisfactory standards and expended within budget;
- New SLA for road maintenance adopted by Council and program of all works submitted to Council for approval

FUNCTION: GEOGRAPHICAL INFORMATION SYSTEMS

Goal: To provide accurate GIS data and related information for presentation of all Council's services to meet community needs and requirements.

TARGETED OUTCOMES

- Match existing property database with mapping database
- Provide community with a plan or map of requested service information
- Production of high quality maps and plans to be utilised by the community

WHAT COUNCIL WILL DO

- Liaise with Land and Property Information and Valuer General to ensure information stored in Council's database is accurately maintained and updated;
- Provide an updated link between 'MapInfo' and 'Proclaim', property database to reduce duplication
- Ensure that all service information entered into system is accurate and verified (including water and sewer main locations, zonings, road names and status etc);
- Provide training to staff and volunteers to allow customers to receive all relevant information from one staff member;
- Providing community groups and organisations with specific plans and maps for various uses (funding grants, presentations etc)

KEY PERFORMANCE INDICATORS

- Matching of property with mapping databases to be >95%
- Completion of work requests and production of maps and plans within adopted timeframes;
- Approved programmes completed within satisfactory timeframe, satisfactory standards and expended within budget;
- Increase in community requests, uses and satisfaction;
- Provision of a 'live' link between GIS and the property system

FUNCTION: FINANCIAL SERVICES

Goal: To provide sound financial services and advice to Council

TARGETED OUTCOMES

- Effective and efficient collection of revenue;
- Account for and report on Council's finances;
- Minimise Technology Related Risks
- Maximise return on cash investments;
- Provide Payroll, Stores and Accounts Payable Services

WHAT COUNCIL WILL DO

- Model & levy rates and charges annually;
- Recover rates and sundry debtor accounts promptly;
- Read and issue domestic water accounts on a cyclical basis
- Read and issue Commercial and industrial water accounts quarterly
- Develop quality assured revenue management processes
- Produce three year Financial Plan annually
- Produce Quarterly Budget Review Statements;
- Properly record all income and expenditure;
- Coordinate progressive revaluation of Council's infrastructure assets
- Invest surplus funds appropriately and competitively;
- Prepare a 10 financial strategy for Council operations
- Ensure data backup and retrieval is effective
- Most suitable and up to date technology used
- Implementation of electronic commerce
- Process employee payroll
- Administer superannuation and taxation compliance;
- Maintain Stores for internal supply; and
- Pay Creditors according to agreed terms

KEY PERFORMANCE INDICATORS:

- Completion of Management Plan to allow for advertising of 28 days prior to adoption before 30 June
- Rates levied by 31 July each year;
- Budget review statements submitted to Council quarterly;
- Costing up to date and accurate;
- Audited financial reports composed by 31 October each year;
- All statutory requirements are met;
- Return on cash investments;
- Domestic water accounts issued by 31 January and 31 July each year;
- Commercial/industry water and sewerage accounts issued by 31 January, 30 April, 31 July and 31 October each year;
- Trade Waste accounts issued to business each year
- Payroll - Employer statutory obligations complied with;
- Stores Operated efficiently and stock takes satisfactory; and
- Accounts Payable paid according to terms.
- New 10 year financial plan for adoption by Council by 30 June 2007
- Reduction in outstanding rate payments
- Increase unrestricted cash limit to \$1.3M by 30 June 2007
- Prepare investment strategy for Council to maximise return on all investments by 30 June 2007

FUNCTION: RECORDS MANAGEMENT & INFORMATION TECHNOLOGY

Goal: The provision of timely and accurate information to Councillors, staff and the public to ensure optimum use of resources and effective decision making.

TARGETED OUTCOMES

- Timely access to information;
- Effective management of Councils telecommunications services;
- Effective management of Councils current and non current records;

WHAT COUNCIL WILL DO

- Operate and maintain central, integrated core data system;
- Operate and maintain appropriate computer hardware;
- Develop new systems to meet user needs.
- Pursue the migration of core systems from proprietary mainframe technology to an open client-server platform.
- Manage Council's voice and data telecommunications services; and
- Operate Council's switchboard and corporate facsimile service.
- Develop and implement Records Management Policies
- Ensure the integrity and security of Council's records
- Sort and distribute Council's incoming and outgoing mail.
- Allocate and archive hardcopy and electronic documents
- Provide timely and comprehensive information
- Meet operational business needs, legal, evidential and accountability requirements
- Meet the Communities expectations

KEY PERFORMANCE INDICATORS:

Information and Technology

- Availability of systems;
- Number of breakdowns;
- Response time to rectify breakdowns.
- Migration of core systems in accordance with the adopted Information Technology strategy

Telecommunications Systems

- Availability of telecommunications services.

Records Management

- Document allocation error (file audit) < 5%
- Document turnaround < 4 hours
- 85% satisfaction with system
- Development & implementation of Records management Policies and procedures in accordance with the State Records Act as required.

6. HOW THE COUNCIL OPERATES

The Council sets the broad policy framework in the form of the Corporate and Management Plan. This includes the setting of the priorities for items to be financed, and identifying the source of funds such as rates, loans, government grants or fees and charges.

However there are a number of constraining factors, which influence the decision-making powers of the Council. These include the State Government's "rate pegging" legislation, access to loan funds from the Commonwealth Loan Council, provision by State and Federal Governments of grant funds and some State imposed restrictions on fees that can be charged.

The administration is charged with the responsibility of completing the works and delivering the services and of reporting progress throughout the year.

Councils Ordinary meeting is the first Monday of each month and Committee meetings, Policy & Strategy and Finance and Service are the third Monday of each month.

POLICY & STRATEGY COMMITTEE

Functions:

Management Plan Review (excluding new budget), Corporate Plan, Strategic Planning, Land use Planning (LEP's, DCP's, Contribution / Developer Servicing Plans), Capital projects, Natural resource management, Business activities, Economic development, Policy Development and Review, Organisational performance and audit, Community development and partnering, Recreation Planning, Tourism and Marketing

FINANCE & SERVICES COMMITTEE

Functions:

Development Applications, Regulatory Compliances, Sports Advisory, Community Services, Cultural Services, Community Health and Safety, Public Buildings, Events
Roads, Bridges and Drainage, Waste management, Water and wastewater, Traffic management and parking, Emergency services, Flood plain management and mitigation, Budget Review, Certificates of expenditure / investments.

With such a large area to cover and such a diverse range of communities and spread of population Council will establish a Community Network or some form of Community Consultation. This will involve the community; achieve vital effective communication between the community and the Council and appropriate consultation between the Council and the community.

Council will establish Community Advisory Committees. These committees, like progress associations will assist Council with the formulation of capital work programs, strategic development and community involvement. The committees will have no authority but will act in an advisory capacity to assist Council in managing the business. Ultimately Council may consider such committees to have management rights and responsibilities of certain public infrastructure such as halls and parks.

Advisory Committees and workgroups may include citizen members to ensure the views of the community are included in the reports and recommendations prior to the decision making stage and may be held on site if necessary to assist with the resolution of matters.

All meetings are advertised in the Lithgow Mercury and on Councils website.

Citizens attending meetings are invited to submit questions, in writing to the General Manager by 12pm on the day of the meeting so if possible responses may be prepared. Presentations, with prior arrangement may be provided prior to the meeting

7. ASSET MANAGEMENT STRATEGIES

The Asset Policy enforces certain economic, community and resource considerations into the future acquisition of assets.

Strategically, Council will examine the following:

- the standard at which the asset/s are to be maintained
- what features or facilities characterise those assets
- what resources (and budgets) are required to maintain those assets to the standards
- what would be the social, operative and economic effect of changing an asset standard and its maintenance service level
- upon what frequency and basis will the condition of the assets be assessed
- to what extent will the injection of capital (addition/replacement/renewal) into the asset improve or retain its serviceability
- to what extent will the injection of capital (addition/replacement/renewal) into the asset reduce its maintenance profile; or extend its serviceable life
- what is the failure, safety record and complaints history of the assets through Management Information Reports
- using condition assessment, safety incidents, complaints profile and capital modelling, what should be included in the works programs
- how can depreciation and operating costs be reduced by appropriate asset maintenance
- how costing and recording systems reflect the flow and utilisation of resources consumed in maintenance; complaint and safety thresholds; and asset condition profiles
- to what extent can the assets, the networks and localities be spatially represented.

Council has a Corporate Value of 'Sensible Asset Management' - primarily directed towards maintaining assets to agreed, sustainable and serviceable standards. This will be measured by change in asset condition (and serviceability) and network failures.

We recognise that the analysis of complaints and unplanned work request, will improve our sensitivity to community demand and assist the sensible planning for future works and services.

8. COMMUNITY ACCESS POLICY

The Council is committed to open and consultative relations with its customers. This includes encouraging the wide community to have input into the decision making process.

Meetings are open to the public and opportunities to participate are provided. The various Committees and Working Groups which advise the Council on a wide variety of matters, include community members who have rights on the Committees equal to elected Councillors.

Following is a list of Council representatives on various committees and external bodies.

Council Committees:

Committee	2006/07 Representative
Community Services Committee	Councillor M F Ticehurst
Environmental Advisory Committee	Councillor B P Morrissey
General Managers Performance Review Committee	All Councillors
Lithgow Tourism Advisory Committee	Councillor M M Collins
Sports Advisory Committee	Councillor N L Castle Councillor A E Thompson
Traffic Local Authority Committee	Councillor M F Ticehurst Councillor H K Fisher (alternate)
Union Theatre Management Committee	Councillor M J Wilson
Waste & Recycling Working Party	Councillor M J Wilson Councillor B S Moran Councillor H K Fisher
Youth Council	Community Officer

External Bodies:

Bells Line of Road Motoring Tri-Partite Working Party	Councillor N L Castle General Manager
Blue Mountains Tourism Limited	Mr Malcolm Wells
Bush Fire Advisory Committee	Councillor N L Castle Councillor B S Moran General Manager
Central West Group Apprentices	Councillor M F Ticehurst
Coinda Nursing Homes Management Committee	Councillor B S Moran General Manager
Hassans Walls Working Party	Councillor M J Wilson
Heritage Assets Working Party	Councillor M J Wilson
Lithgow Business Association	Councillor A E Thompson
Lithgow Information & Neighbourhood Centre Inc (LINC)	Councillor M J Wilson

Lithgow Correctional Centre Community Consultative Committee	Councillor N L Castle Councillor M J Wilson Councillor A E Thompson Councillor B P Morrissey General Manager
Lithgow Hawkesbury Tourism Committee	Councillor M M Collins General Manager
Lithgow Learning City Management Committee	Councillor A E Thompson Councillor B S Moran
Sydney Road Links Committee	Councillor M M Collins
Tanderra Nursing Home Management Committee	Councillor B S Moran Councillor M M Collins
Coleman House Portland	Councillor N L Castle
Crystal Theatre Committee	Councillor N L Castle
Centroc	Councillor N L Castle General Manager
Mining Related Councils	Councillor N L Castle Councillor W McAndrew General Manager
Tabulam Management Committee	Councillor N L Castle Councillor M M Collins
Wallerawang Tidy Towns	Councillor B S Moran Councillor M M Collins
Wallerawang Indoor Sports Association Management Committee	Councillor B S Moran

9. COMMUNITY PROFILE SUMMARY

Population

According to the most recent Australian Bureau of Statistics (ABS) Census (2001), the Lithgow LGA population on Census night was 19 197. In the same census, the Central West Area population (of which Lithgow LGA comprises the far eastern portion) was 163 741. The NSW population was 6 871 745.

Population Distribution

Lithgow is made up of both urban centres, and rural localities. Three urban centres exist in the LGA (being population clusters of more than one thousand people under the Australian Standard Geographical Classifications 2001). They are Lithgow, Wallerawang and Portland (see population information below). Lithgow LGA has one population cluster classified as a rural locality (that having 200 – 999 people) which is Cullen Bullen. Other smaller rural populations in the LGA include those at Ben Bullen, Capertee, Glen Alice, Glen Davis, Hartley, Sodwalls, Rydal, Hampton, Tarana, and Marrangaroo. Table 1 is a breakdown of the population of the Lithgow LGA by ABS Urban Centre/ Locality classification.

Table 1: Population clusters by ABS Urban Centres / Localities 2001

Location	Population
Lithgow	11,033
Wallerawang	1,935
Portland	1,817
Cullen Bullen	207
Other	4,205
Total	19,197

Population Projections

Over the previous three ABS Censuses, Lithgow LGA has recorded small decreases in the total population as follows:

1991 – 20 253

1996 – 19 248

2001 – 19 197

In Lithgow, as elsewhere in NSW and Australia, the ABS projects an ageing population in the Lithgow LGA. In the 1999 – 2019 projections for Greater Lithgow, numbers of residents in the age group 55 and over are predicted to increase from 4326 to 5937 over the twenty year period (ie. 37%). For ages 65 and over the change in population is predicted to increase from 2465 to 3416 (ie.39%).

Population projections for Lithgow LGA in the same period for children and young people are decreasing. For children and young people aged birth to fourteen years, numbers are predicted to decrease from 4573 to 2913, representing a decrease by 36% over the twenty year period.

ABS Census	City of Lithgow LGA	Central West Region	NSW
Population			
Total Population 2001	19 197	170 180	6 371 745
Total Population 1996	19 248	172 438	6 024 728
% Change 1996 - 2001	-0.26%	-1.31%	+5.76%
Aboriginal & Torres Strait Islanders			
Aboriginal	512	6 161	112 188
Torres Strait Islanders	21	180	4 222
Identifying as Both	20	167	3 455
Total Indigenous Persons	553	6508	119 865
Indigenous population as percentage of Total Population	2.88%	3.82%	1.88%
Born in Australia	16 552 (86%)	149 894 (88%)	4 450 772 (70%)
Born Overseas	1 549 (8%)	11 131 (7%)	1 474 987 (23%)
Speaks English Only	17 567 (92%)	157 992 (93%)	4 777 493 (75%)
Speaks language other than English	458 (2.4%)	3 931 (2.3%)	1 196 204 (18.8%)
Employed	7 291	71 001	2 748 396
Unemployed	779	5 790	213 196
Not in the Labour Force	6 289	49 570	1 799 540
Unemployment Rate (official ABS)	9.7%	7.5%	7.2%
Mobility			
Same address 5 years ago	10 660 55%	87 530 51%	3 129 454 49%
Different address 5 years ago - different LGA (incl. Mobility not stated)	6 272 33%	63 590 37%	2 469 321 39%
Median Age	37 years	36 years	35 years
Median weekly individual income	\$200-\$299	\$300-\$399	\$300-\$399
Median weekly household income	\$600-\$699	\$600-\$699	\$800-\$999
Mean household size	2.5 people	2.6 people	2.6 people

Age groupings as numbers and percentages of total population, over Time.

Age Structure	1991 No.	1991 %	1996 No.	1996 %	2001 No.	2001 %
Children (0-11 years)	3 948	19.5	3 680	19.0	3 356	17.5
Young People (12-24 years)	3 915	19.5	3 406	17.5	3 231	17.0
Adults (25-54 years)	8 645	42.5	8 264	43.0	8 104	42.0
% Older People (over 55 years)	3 726	18.5	3 898	20.5	4 482	23.5

Source: ABS Census of Population and Housing 2001, Table T02.

10. SOCIAL & COMMUNITY PLAN DEVELOPMENT

The NSW Department of Local Government introduced the Local Government (General) Amendment (Community and Social Plans) Regulation in 1998, which requires all Councils in NSW to develop a social/community plan or its equivalent. The completed plan includes information about access and equity issues, action plans, priorities and evaluation mechanisms.

In the plan, Council addresses the following target groups: children aged 0-5, children aged 6-11, young people aged between 12 & 24, women, single parents, men, older people aged 55 years and over, people with disabilities, people with HIV and AIDS, aboriginal people, and people from culturally/linguistically diverse backgrounds. In the revised plan, additional groups include the gay and lesbian community and community members associated with the Lithgow Correctional Centre.

The action plan will be implemented and the social plan will be reviewed annually. Council is required to review the plan in its entirety every five years.

The original social plan for Lithgow LGA was ratified by Council in 2000. Since then the top three priorities action plans have been at least partially achieved.

These are:

- 3.3 improved library facilities and appropriate educational resources - the state of the art Lithgow Library Learning Centre was opened in December 2004
- 2.4 accessible and affordable transports - a Lithgow Transport Forum and working party was established and will soon be recovered.
- 2.5 community services workers - a part time Community Development Officer was employed by Council in November 2004

The Social plan has been under a major review process over the past two years. During this time target groups have been consulted and the demographic profile is in the process of being updated. Whilst the Department of Local Government has extended the due date for reviewed social plans for new Councils proclaimed during 2004 to November 2006.

11. ECONOMIC DEVELOPMENT ACTIVITIES

The Council's efforts in Economic Development and Employment creation are planned to continue in 2006-2009. Council is seeking the most effective outcomes from limited funds available.

The primary objective of Economic Development is to support existing and establishing businesses sustain and develop their economic activity and the employment opportunities in the Lithgow Local Government area.

Council has established and maintained strategic alliances over many years. These include, but are not limited to:

- The Central West Regional Organisation of Councils (CENTROC);
- The Country Mayors Association;
- The Local Government and Shires Association;
- Lithgow Business Association;
- NSW Premiers Department;
- Department of State and Regional Development;
- University of Western Sydney;
- North West Sydney Regional Economic Organisation;
- As well as many more local education and training service providers.

The Council has understood for many years that business investment decisions are often based on 'quality of life' considerations. For this fundamental reason the development of the Council's image has been acknowledged as critical. The Tidy Towns Committees of Wallerawang, Portland, Lithgow and Cullen Bullen and the Progress Associations from the towns and villages and the various sporting, cultural, education, recreational and lifestyle groups are important to the Council in highlighting needs and opportunities for improving the quality of life and balance of lifestyle elements.

Council recently agreed to the creation of an internally restricted asset for the Economic Development function. This internally restricted asset has been created by the injection of liquid capital from the finalisation of the Lithgow Enterprise Development Agency (LEDA).

Council has created the liquid assets for the purpose of:

- To seek out and encourage the establishment of new business in the Lithgow region.
- To assist existing business to prosper and expand.
- To assist and encourage new development in the region.
- To promote the advantages of living and working in Lithgow.

12. FINANCIAL PLAN STRATEGIC DIRECTION & ACTIVITIES 2006-2009

The Draft 2006-09 Management Plan predicts a General Fund deficit of \$377,441, water, wastewater and waste are revenue neutral due to the injection of internally restricted assets. We have eliminated the cross subsidisation of external service providers water, wastewater and waste funds and annual depreciation charges will be reviewed.

Council has over past weeks deliberated to provide Council a Draft 2006-2009 Management Plan which is considered retains a reasonable operational budget, and allows an acceptable level of capital improvement to develop community assets. Recurrent operations will continue to be provided at a consistent level as is the past Councils day labour will be utilised on the all of projects eliminating the need for contractors, consultants and casual staff.

The Financial plan includes various assumptions and the source of funds for 2006-2009 as follows:-

- General Rates
- Financial Assistance Grant
- Water Rates
- Water usage charges
- Wastewater Rates
- Wastewater Discharge factor usage Charges
- Trade Waste Charges
- Stormwater Levy
- Parking Rates
- Waste Management Charges
- Investment Interest
- Fees & Charges
- Appropriate overhead charges
- Service Delivery agreements
- RTA Regional Roads Funding

Application of funds 2006-2009 include:

- Wages and employment costs
- Debt servicing
- Overhead charges
- Service Delivery Agreements
- External goods and services

Financial factors assumed in the 2006-2009 estimates:-

Rate pegging limit	3.6% increase on 2005/2006
Water Charges	Access and usage charges
Sewerage Charges	Access and Usage charges
Trade Waste	Usage Charges
Stormwater Levy	Charge
Interest on investments	5.8% average expected
Wage growth rates	3.0% increase on 2005/2006
Cost of goods purchased	3.0% increase on 2005/2006
Interest on borrowing's	7.00% on new borrowing's (fixed - medium term)
Interest charged on overdue rates	9% on outstanding balances

WASTE DISPOSAL FACILITY TO BE RELOCATED TO BLACKMANS FLAT

Due to the life of the current Lithgow Waste disposal site it is necessary for Council to relocate the facility. During the 2001/2 financial year land was purchased at Blackman's Flat to develop into a waste disposal facility. This will allow for minor rural tips to be closed and the one facility will service the Lithgow Local Government area.

An Environmental Impact Statement is currently being finalised for the proposed Blackman's Flat Waste Management Facility. It is expected that a development application will be lodged this year.

In the 2006-07 Financial Plan Council has allocated \$2,544,325 for Environmental Waste projects, \$2,150,000 for the new site at Blackman's Flat. Income for Waste projects will be derived from loan and reserve funds put aside in previous years and an increase per assessment in the garbage rate for 2006/07. The residential garbage charge will be to \$238.00 and the business charge \$252.00.

WORKS PROGRAMS

The Works program indicates major reconstruction and improvement works to be undertaken.

A summary of inclusions in each program is detailed below, noting this is not a complete list for each program and relevant income is not shown, therefore for this report the values will not balance.

EXECUTIVE:

Sale of Gasworks site, income of which will be transferred to an internally restricted asset for future property development.

COMMUNITY:

\$ 81,633 Community Programs

TRANSPORT:

\$ 55,000 RTA Partly funded footpath construction (\$27,500)
\$ 30,000 Drainage improvements
\$ 208,000 K & G and Roundabouts (Partly funded contributions)
\$ 55,000 Footpath construction
\$1,234,000 Rural Roads Improvements (Including \$300,000 State funded Dark Corner Rd improvements / ACRD various roads / Roads to Recovery)
\$ 99,156 Urban Road Reseals
\$ 70,000 Urban Road Sealing

RECREATION:

\$ 20,000 Hermitage Site Design / feasibility study (Football / Senior cricket)
\$ 72,000 Sports fields improvements
\$ 68,000 Passive Recreation improvements
\$ 60,000 Swimming Centre improvements
\$ 30,000 Golf Club improvements

OPERATIONS:

\$ 190,000	Rural Fire Service contribution
\$ 98,000	NSW Fire Brigade contribution
\$ 40,000	RFS local operations
\$ 900,000	Flood Mitigation (Partly grant funded)
\$ 677,100	Plant Replacement (Light and heavy vehicles)

BUILDING:

\$ 35,000	Admin Building
\$ 15,000	Civic ballroom
\$142,000	Crystal Theatre Upgrade (Grant funded)
\$ 20,000	Eskbank House (From Trust reserve)
\$ 85,000	Swimming Centre accessibility
\$ 7,500	TL Grandstand seating

PLANNING:

\$ 395,000	Planning studies eg LEP
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ENVIRONMENTAL:

\$ 23,000	Hassans Walls improvements grade road (unsealed) and weed control
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WASTE - ENVIRONMENTAL:

\$2,544,325	Blackmans Flat depot. Closure and fence current depots (Part loan funds)
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WATER:

\$1,830,000	Improvements
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WASTEWATER:

\$5,249,000	Improvements
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LOANS

Loan borrowing will include \$2,150,000 (Waste Fund) for the Blackman's Flat Land fill site and Sewerage Treatment Plant (STP) improvements at Lithgow and Wallerawang \$1,500,000 (Wastewater fund). No general fund or water fund loans are planned.

13. HUMAN RESOURCE ACTIVITIES & EEO POLICIES

Human resource activities are undertaken to maintain and improve the skills, performance, opportunities and conditions of all staff at Council and to reinforce the importance of Council's workforce as vital to the success of the organisation. Human Resource Activities are prepared effectively and fairly for the accomplishment of the individual, the Council and the community.

Human resource activities within Council include, but are not limited to, Recruitment and Selection, Training and Development, Performance Management, Industrial Relations, Workers Compensation and Rehabilitation, and planning for current and future human resource needs.

The human resource activities that will be focused on include the review and improvement of; all human resource policies and procedures; all position descriptions and specifications; the employee performance appraisal system; and opportunities for advancement in the current salary management system. Relevant training in each of these areas will be conducted where necessary.

The annual Performance/Development Appraisal system will continue to promote better communication and performance among all employees and provides a means for management and employees to discuss issues such as job expectations, goals and future development. The Performance Development Appraisal system also identifies future training needs and possible career paths for employees.

Council will continue to support employee development through the implementation of the annual Training Plan. Council invests funds into corporate training, individual training, study assistance support and seminars/conferences in order to maintain and further enhance a skilled and productive workforce.

Major organisation and employee reform issues are referred through the Joint Consultative Committee. Safety issues and the review of safety policies are managed by the Occupational Health and Safety Committee. Both of these committees comprise of employee and management representatives.

Equal Employment Opportunity (EEO)

Council's policy in regard to EEO is:

"to address all EEO, discriminatory and harassment issues existing in Council, with the intent to eliminate discrimination and harassment on the basis of sex, age, marital status, religion, race, language, homosexuality, lesbianism, transgender, pregnancy, physical or intellectual disability who an employee is related to or who an employee associates, through training and active reinforcement of EEO principles."

An Equal Employment Opportunity Management Plan has been implemented to ensure that EEO practices are maintained in the organisation.

Council's strategies and programs in managing EEO will include;

- Review of EEO survey
- Reinforcement of EEO policies and implementation through position descriptions, performance appraisals and training.
- Ensuring that EEO principles are maintained throughout the recruitment process.
- Reviewing Human Resource policies to prevent harassment and ensure compliance with EEO principles.
- Handling all EEO grievances in a timely manner and as per required guidelines.
- Continuing to provide awareness of EEO to all new employees at Induction Training.
- Continuing to provide training in Anti-discrimination and Harassment Prevention for all staff.
- Reporting EEO annual results to management through the Joint Consultative Committee
- Providing regular newsletters to all staff

Council's will ensure EEO principles are maintained and that EEO initiatives are met through Communication, Collection, Review of Practices, Goal setting, Evaluation and Revision.

14. COMPETITION POLICY

Competition Policy is the policy framework introduced into all levels of government following agreement to introduce competitive principles into public utilities. The introduction of competition into government was aimed at promoting greater innovation, efficiency, lower costs and greater consumer choice to the Government and the community.

Under agreements with the Commonwealth, the State Governments undertook the implementation of competition policy principles in exchange for payments for the Commonwealth. One of the undertakings by the States included the implementation of competition to Local Government.

In broad terms, the key elements of competition policy are:

1. Limiting anti-competitive conduct of firms
2. Reforming regulation which unjustifiably restricts competition
3. Reforming the structure of public monopolies to facilitate competition
4. Providing third-party access to certain facilities that are essential for competition
5. Restraining monopoly pricing behaviour
6. Fostering "competitive neutrality" between government and private businesses when they compete

Local Government Obligations

Councils have been required to:

- Identify Category 1 businesses (> \$2m gross operating income) and Category 2 businesses (< \$2m), noting that water and sewerage activities were defined in the State Government Policy Statement.
- Develop internal reports and accounting frameworks; and strategic and business plans (corporatisation model principle)
- Establish a complaints handling mechanism dealing with competitive neutrality complaints
- Separately list the identified business, performance outcomes, pricing policy, financial outcomes and neutrality complaints, in the Annual Report

- Develop a tax equivalent regime (TER), debt guarantee and rates of return factors into pricing structures for those businesses
- Identify and report subsidies to those businesses
- Operate within the same regulatory framework as private business, for those identified

Council's Response and Progress

Competitive Strategies

Council has satisfied a number of the requirements and had embarked on certain strategies focused on enhancing competitive practices. Some of these strategies included:

- Separate reporting for Water and Wastewater activities including full attribution of overhead and indirect/support costs
- Attribution of overhead and indirect/support costs across all activities within Council's budget demonstrate the full cost (direct and indirect) of delivered services. Costs have been distributed under Activity Based Costing principles to the extent possible.
- The adoption of revenue neutral pricing policies in relation to Water, Wastewater and Waste Management
- Investigation of an "alliance partnership" in the operation of the Water, Wastewater, Urban Drainage and Watercourse activities as a Business Unit.
- A program of benchmarking against other Councils

With the legislative implementation of Competition Policy, Council adopted the following policies:

Policy - Competition:

1. Council has the objective to retain the knowledge and experience of its workforce, and commits to improve its competitiveness through structural design, work design, work and service specification, quality improvement, skill expansion and training, and technology expansion.
2. Council believes the fundamental principle of NCP is to identify and promote the best quality, value or "added value" Council services, products or facilities to the community.
3. Council recognises the cost and impact to the workforce and the community of: -
 - Walking away from its current investment in staff and equipment
 - Awarding additional work to contractors that directly causes a nett reduction in local employment
 - Additional costs of contract specification and administration, tax administration, and quality compliance
 - Cost of governance that will remain, regardless of the commissioning of services by council staff or contract
4. Council will endeavour to include local employment clauses in contracts offered for external competition, where possible.
5. Council will benchmark the cost and method of its service delivery and works, against internal and industry standards, to further improve its service delivery.
6. Council recognises the impact of the Trade Practices Act in relation to ensuring Council decisions or activities are not anti-competitive.

Policy - Competitive Neutrality

1. The activities conducted under the auspices of the Business Unit be classified as Category 1 business.
2. Waste Management and Property Development be classed as Category 2 business.
3. Full costs (including TER) will be attributed to identified business in accord with Department of Local Government Pricing Guidelines and Council's "Full Cost Recovery" pricing principle
4. Full costing principles (direct/indirect) will apply as contained in the code where Corporate and other Support net costs will be attributed to all other activities. Council's pricing policies (contained in the Revenue Policy) will apply:
 - Full cost recovery
 - Partial cost recovery
 - Market pricing
 - Disincentive pricing
 - Demand management
 - Development pricing
5. Costs of governance, including democracy, service specification, strategic planning, statutory/community reporting and revenue raising, will remain as the cost of council as an entity
6. Council will retain ownership of the assets employed by the business activities.

Category 1 Businesses

Businesses designated Category 1 are Water and Wastewater Operations.

The objectives, performance targets, means and manner of achieving targets adopted for these operations are included in the Key Performance Indicators (Section 2.1) of this Management Plan.

Pricing of Water and Wastewater Operations are governed by specific provisions in the Local Government Act 1993 which requires revenues raised through Water and Sewerage Rates and Charges to be applied only for the purpose for which they were raised. Competition Policy permits the operations to recognise a return on invested capital through a notional calculation of a return on the written down value of assets. This return is only notional and cannot be used as the basis for upward adjustments to prices. Consequently, Council is limited to recovering the direct operating and capital costs associated with these operations without regard to return on capital.

Pricing of Other Services

Council has adopted an Activity Based Costing framework to recognise all indirect costs associated with its operations. This includes the identification of cost drivers associated with specific areas of operations and the attribution of indirect costs to all business and service activities to fully recognise both the direct and indirect costs of delivered services. The basis of pricing services is included in the schedule of Fees and Charges. Where activities are subsidised, these subsidies are explicit in the presentation of the Financial Plan.

**15. RATING & REVENUE POLICY 2006/07
INCLUDING SCHEDULE OF FEES & CHARGES**

SPECIAL RATE VARIATION

Council has made application the Minister for Local Government recommending consideration of a proposed fire levy as a special rate variation of 0.63% which if approved will be included in the ad valorem rate in the \$ for the General Rate and will achieve an additional income of \$51,000. This will be in addition to the rate pegging limit and the allowable take up of income short fall from previous years.

Whilst not meeting the full costs of Councils activities in this area, the special rate (as proposed) will actually enable Council to provide greater services to the community by assisting to meet fire expenditure and not detract funding from demanded services such as parks and gardens, swimming pools, sporting fields etc.

NSW Fire Brigade and Rural Fire Service operations are controlled by the State Government but they are substantially funded by each local government entity within the State, Lithgow included. With the increasing demands placed on Councils general revenue a special levy is proposed to meet the annual contributions required for the upgrade of fire engines, buildings and equipments, as well as providing for building inspections and pre incident planning.

Council has entered into a Service Delivery Agreement with the RFS for the provision of this fire management in the local area. We also own, maintain and improve the Rural Fire Service premises in Silcock St Lithgow. Annual expenses for the centre which include office expenses, building maintenance and improvements, and the provision of a vehicle for the local RFS Manager total approx \$40,000 per year and are in addition to the contribution of 13.3% of RFS operations, paid annually to the RFS. Lithgow Councils contribution for the 2006/07 financial year will be \$190,000.

Council also make payments to the NSW Fire Brigade for the service provided at the Lithgow, Wallerawang and Portland Fire Stations. For 2006/07 this will be \$98,700 paid quarterly.

The following report focuses on the general, parking and garbage components of the rating structure.

GENERAL RATES

The Policy seeks to distribute the total revenue burden equitably across ratepayers, users of community assets and facilities and purchases of services provided by the Council.

In the 2006-2007 year, the rate peg limit under the Local Government Act was 3.6% which provides additional General income of \$287,982. This is in addition to the allowable take-up of the shortfall due from previous years of \$421,585 which has occurred in relation to the amalgamation and subsequent revaluation of Rylstone and Evans properties to bring them in line with Lithgow City Councils property valuations provides an increase to the rate levy of 8.86%. Council also proposes special rate income of \$51,000 or 0.63% which will provide total general rate increase of \$760,567.

In setting the rates for 2006/07, Council has retained the relationship that existed in 2005/06 for the proportionate amounts of rate revenue raised from each category. The projected yields from each category are as follows:

	\$ M	YIELD
Residential	\$5.28	60.8%
Farmland	\$1.32	15.2%
Business	\$1.30	15.0%
Mining	\$.78	9.0%
TOTAL	\$8.69	100.00%

Council has endeavoured to set a rating structure to alleviate the impact of changes due to valuation changes during the year. This has been achieved by the following:

- Categories of residential, farmland, business and mining contributing are similar percentage of the total general rate 06/07 as in 05/06
- Base rates increased. Base rates form part of property rates and can be as much as 50% of the total rating revenue but this financial year they have been adjusted by \$5.

The accepted rate model endeavours to determine a rating structure which would be favourable in all categories. The model maintains the base rate the same in 06/07 as in 2005/06 and adjusts the rate in the dollar. Categories which show large variations are due to the number of land sales in that particular area as well as fluctuations in land valuations.

The parking rate will remain at the same rate in the dollar, as applied in 2005/06 and will generate income of \$68,756.12. Our current policy in relation to the properties currently being charged parking has been reviewed and from the 2007/08 rating year will include all business properties in Railway Parade, Mort and Lithgow Streets. Surveys are currently being undertaken for this purpose.

STORMWATER

Council has also included in the 2006/07 rating levy the commencement for charging a stormwater levy on all properties (with the exception of vacant land) as per recommendations from the DLG as a new funding mechanism to improve the management of urban stormwater in NSW.

The Local Government Amendment (Stormwater) Act 2005 has recently passed through Parliament and amends the Local Government Act 1993 to allow Councils the option to make a charge for the provision of stormwater management services outside their capped rating arrangements.

The proposed levy will be used stormwater management and infrastructure in the catchment areas:

- Residential Properties \$25.00 per property
- Business Properties \$25.00 per 350 sq metres capped at \$350.00

GARBAGE

The future waste disposal facility at Blackman's Flat will require a high level of funding to commence operations and it is recommended the garbage rate be increased by \$30.00 per residential property from \$208.00 to \$238.00 and \$23.00 per business property from \$229.00 to \$252.00

	2004/05	2005/06	2006/07
Residential per service	\$193.00	\$208.00	\$238.00
Residential 2nd service	\$193.00	\$208.00	\$238.00
Business per service	\$212.00	\$229.00	\$252.00
Base – Unoccupied	\$ 73.00	\$ 78.00	\$ 88.00
Base Rural	\$ 44.00	\$ 49.00	\$ 54.00

INTEREST CHARGES

Interest to be charged on outstanding rate and water arrears has been determined by the Department of Local Government at 9%. (2005/06 9%)

WATER & WASTEWATER CHARGING POLICY

To improve the effectiveness of non – metropolitan water, sewerage and liquid trade waste services, 'Best Practice' pricing is being introduced throughout NSW to result in fair sharing of the costs provided by the service.

The purpose of restructuring the water and sewerage charging policy for 2006/2007 is to provide an equitable 'Access Charge' (Levy) on the rate notice and 'Usage Charge' which provides a financial benefit to the low water users and imposes a high usage charge on the heavy water users in the community.

Councils ultimate aim is to increase income to provide for escalating costs associated with routine expenditure and previously identified infrastructure.

With increasing demand being placed on the finite water resources of NSW it is vital that we use the resources efficiently. Introduction of best practice pricing for water sewerage and liquid trade waste is an essential step for achieving these objectives in non metropolitan NSW.

Best practice pricing for water and sewerages services provides benefits for all customers, the environment and the water utility. Such pricing helps to ensure water resources are used efficiently and minimises the need for investment in new infrastructure.

Customers benefit from appropriate pricing as they can balance the benefits and costs of their use of water supply and sewerage services. They can make a rational decision on how much water to use or what volume of wastewater a non residential customer discharges to the sewerage system.

The main point of best - practice pricing is the removal of significant cross sections of the community where some sections are over charged such as a lone pensioner in a household and others undercharged such as a family of six.

The water and sewerage tariff must raise sufficient annual income to ensure the service is delivered and future infrastructure costs are provided for.

To determine the appropriate level of annual income from water, sewerage and trade waste Council has completed and adopted strategic business plans in late 2004.

The main components are an 'Access Charge' on the rate notice and a 'Usage Charge' on the 'Water /Sewerage Account', and a 'Trade Waste' account to be processed through Council Accounts Receivable system.

The access and usage charges are dependent on the size of the water meters servicing the property.

Sewerage usage charges are determined by defined calculations as shown on attachments provided, but in general are a percentage of between 60% and 95%, of water used is charged as outgoing sewerage, depending on the category of the business. Residential is a defined percentage of .6% then calculated on the charge per property to run the sewerage program each year and the average residential water kl usage each year.

Historically sewerage based tariffs have been calculated on land values in excess of \$68,000 as well as charges placed on premises according to the number of urinals and WC located on site. This no longer applies.

2006/2007 WATER, SEWERAGE & TRADE WASTE

WATER RESIDENTIAL

Water

Access Charge:

Infrastructure charge on rate notice	\$206.00
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Usage Charge:	0-500kl	0.85/kl
	500kl +	1.60/kl

Wastewater

Access Charge:

Infrastructure charge on rate notice	\$270.00
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Usage Charge:

Residential (on account)	\$113.50
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BUSINESS

Water

Access Charge:

Infrastructure charge on rate notice

Business on size of meter

20mm	\$510.00
50mm	\$680.00
100mm	\$772.50
200mm	\$1,545.00

Usage Charge:	0-500kl	0.85/kl
	500kl +	1.60/kl

WASTEWATER

Access Charge:

Infrastructure charge on rate notice

Business on size of meter

20mm	\$510.00
50mm	\$680.00
100mm	\$750.00
200mm	\$1,545.00

Sewerage Usage Charge:

Business on % of ingoing water depending on business type
eg 95% is regarded as outgoing sewerage 0.98 /kl

TRADE WASTE

Trade Waste : As defined by category of business

Annual Fee Category 1	\$128.00.
Annual Fee Category 2	\$128.00.
Annual Fee Category 3 non food	\$190.00.
Annual Fee Category 3 – food	\$348.00.

Usage Cat 2 with approved treatment	\$1.20/kl
Usage Cat 2 without approved treatment	\$11.00/kl

STORMWATER LEVY

Residential per property	\$25.00
Residential per strata unit	\$12.50
Business \$25.00 per 350 sq metres of land - Capped at:	\$350.00

FEES & CHARGES

A complete copy of the proposed Fees & Charges for 2006/07 is provided as an attachment.

PUBLIC CONSULTATION

The Management Plan will be placed on public exhibition for a period of 28 days from 2 May 2006 and all interested parties invited to submit comments in writing by the close of the exhibition period at 4pm on the 30 May 2006. Council will give consideration to all submissions received prior to final adoption and implementation on 1 July 2006.

Submissions should be addressed to:

The General Manager
Lithgow City Council
PO Box 19
LITHGOW NSW 2790

Copies will be available for viewing from all customer locations at Councils Administration Centre, Lithgow Learning centre, Wallerawang and Portland Libraries.

Council and the community would also benefit from community consultation workshops to be held in Lithgow, Wallerawang, Portland and Rydal during the week of the 15 May 2006. Dates and locations will be confirmed and advertised