



AGENDA

FINANCE AND POLICY COMMITTEE

12 DECEMBER 2016

MEMBERSHIP:

Mr M Kneipp (Administrator).

The meeting is scheduled to commence at _____ pm.

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- FPC16/37** **OLD DUBBO GAOL CULTURAL TOURISM AWARD AND MANAGER
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- The Committee had before it the report dated 29 November 2016 from the Director Community Services regarding Old Dubbo Gaol Cultural Torism Award and Manager Dubbo Regional Theatre and Convention Centre Awards.



Report of the Finance and Policy Committee - meeting 21 November 2016

AUTHOR: Administrative Officer - Governance

REPORT DATE: 7 December 2016

The Committee had before it the report of the Finance and Policy Committee meeting held 21 November 2016.

MOTION

That the report of the Finance and Policy Committee meeting held on 21 November 2016, be adopted.



REPORT
FINANCE AND POLICY COMMITTEE
21 NOVEMBER 2016

PRESENT:

Mr M Kneipp (Administrator).

ALSO IN ATTENDANCE:

The Interim General Manager, the Director Organisational Services, the Manager Governance and Risk, the Supervisor Governance, the Director Corporate Development, the Corporate Communications Supervisor (K Matts), the Director Technical Services, the Manager Technical Support, the Manager Civil Infrastructure and Solid Waste, the Manager Works Services, the Director Environmental Services, the Director Community Services (J Watts), the Director Parks and Landcare Services and the Transition Project Manager.

Mr M Kneipp (Administrator) assumed chairmanship of the meeting.

The proceedings of the meeting commenced at 5.30pm.

Clause FPC16/22 was brought forward for consideration and was dealt with at this juncture.

FPC16/22 PRESENTATION OF DUBBO'S MINOKAMO AND WUJIANG STUDENT EXCHANGE GROUPS (ID16/2121)

The Committee reports having met with representatives of the Minokamo Student Exchange, Georgia Benton-Bryant, Alexander Cameron, Emily Exner, Hamish Grant, Natasha Janetzki, Bailey Mountjoy, Sam Neave, Clare Noonan, Finn Palin, Emilee Talbot and chaperones Emilay Philmachanh and Karen Hagan and Wujiang Student Exchange, Jackie Bayley, Emily Bell, Rebecca Kennedy, Claudia Morrison and Dominic Ambler and chaperones Craig Turner and Rebecca Jackson regarding this matter.

Moved by Mr M Kneipp (Administrator)

MOTION

That the presentations by representatives of the Minokomo Student Exchange and Wujiang Student Exchange be noted.

At this juncture the meeting adjourned, the time being 5.47pm.

The meeting recommenced at 5.54pm.

FPC16/17 REPORT OF THE FINANCE AND POLICY COMMITTEE - MEETING 17 OCTOBER 2016 (ID16/2116)

The Committee had before it the report of the Finance and Policy Committee meeting held 17 October 2016.

Moved by Mr M Kneipp (Administrator)

MOTION

The Committee recommends that the report of the Finance and Policy Committee meeting held on 17 October 2016, be adopted.

CARRIED

FPC16/18 INVESTMENTS UNDER SECTION 625 OF THE LOCAL GOVERNMENT ACT (ID16/2117)

The Committee had before it the report dated 8 November 2016 from the Director Organisational Services regarding Investments Under Section 625 of the Local Government Act.

Moved by Mr M Kneipp (Administrator)

MOTION

The Committee recommends that the information contained within the report of the Director Organisational Services, dated 8 November 2016 be noted.

CARRIED

FPC16/19 ANNUAL REPORT ON COMPLAINT STATISTICS UNDER COUNCIL'S CODE OF CONDUCT (ID16/2122)

The Committee had before it the report dated 14 November 2016 from the Director Organisational Services regarding Annual Report on Complaint Statistics Under Council's Code of Conduct.

Moved by Mr M Kneipp (Administrator)

MOTION

The Committee recommends that the information contained within the report of the Director Organisational Services, dated 14 November 2016 be noted.

CARRIED

**FPC16/20 REFERRAL OF THE FORMER WELLINGTON AND DUBBO CITY COUNCIL
STATEMENTS TO AUDIT (ID16/2123)**

The Committee had before it the report dated 14 November 2016 from the Manager Financial Accounting Services regarding Referral of the Former Wellington and Dubbo City Council Statements to Audit.

Moved by Mr M Kneipp (Administrator)

MOTION

The Committee recommends:

- 1. That the statement in accordance with Section 413(2)(c) of the Local Government Act 1993, and Clause 215 of the Local Government (General) Regulation 2005, for the General Purpose Financial Statements for the year ending 12 May 2016 be made for both the former Dubbo City and Wellington Councils.**
- 2. That the statement in accordance with the requirements of the Code of Accounting Practice in relation to the Special Purpose Financial Statements for the year ending 12 May 2016 be made for both the former Dubbo City and Wellington Councils.**
- 3. That the statements be signed by the Administrator, Interim General Manager and the Responsible Accounting Officer.**

CARRIED

**FPC16/21 ANTI-DISCRIMINATION, HARASSMENT AND EQUAL EMPLOYMENT
OPPORTUNITY POLICY AND THE PREVENTION OF WORKPLACE BULLYING
POLICY. (ID16/2098)**

The Committee had before it the report dated 2 November 2016 from the Human Resources Advisor 3 regarding Anti-Discrimination, Harassment and Equal Employment Opportunity Policy and the Prevention of Workplace Bullying Policy.

Moved by Mr M Kneipp (Administrator)

MOTION

The Committee recommends:

- 1. That the Anti-Discrimination, Harassment and Equal Employment Opportunity Policy be adopted.**
- 2. That the Prevention of Workplace Bullying Policy and procedure be adopted.**

CARRIED

FPC16/23 QUARTERLY REVIEW OF THE 2016/2017 DUBBO SOCIAL PLAN (ID16/2124)

The Committee had before it the report dated 15 November 2016 from the Manager Social Services regarding Quarterly Review of the 2016/2017 Dubbo Social Plan.

Moved by Mr M Kneipp (Administrator)

MOTION

The Committee recommends that the information contained in the report of the Manager Social Services, dated 15 November 2016 be noted.

CARRIED

FPC16/24 QUARTERLY REVIEW OF THE DUBBO DISABILITY INCLUSION PLAN (ID16/2125)

The Committee had before it the report dated 15 November 2016 from the Manager Social Services regarding Quarterly Review of the Dubbo Disability Inclusion Plan.

Moved by Mr M Kneipp (Administrator)

MOTION

The Committee recommends that the information contained in the report of the Manager Social Services, dated 15 November 2016 be noted.

CARRIED

FPC16/25 QUARTERLY REVIEW OF THE DUBBO AGEING STRATEGY (ID16/2126)

The Committee had before it the report dated 15 November 2016 from the Manager Social Services regarding Quarterly Review of the Dubbo Ageing Strategy.

Moved by Mr M Kneipp (Administrator)

MOTION

The Committee recommends that the information contained in the report of the Manager Social Services, dated 15 November 2016 be noted.

CARRIED

**FPC16/26 TENDER FOR THE SUPPLY AND DELIVERY OF RUBBER MATTING FOR THE
DUBBO REGIONAL LIVESTOCK MARKETS (ID16/2113)**

The Committee had before it the report dated 4 November 2016 from the Director Corporate Development regarding the Tender for the Supply and Delivery of Rubber Matting for the Dubbo Regional Livestock Markets.

Moved by Mr M Kneipp (Administrator)

MOTION

The Committee recommends that members of the press and public be excluded from the meeting during consideration of this item, the reason being that the matter concerned information that would, if disclosed, prejudice the commercial position of the person who supplied it (Section 10A(2)(d)(i)).

CARRIED

Moved by Mr M Kneipp (Administrator)

MOTION

The Committee recommends:

- 1. That the tender from Active Areas Pty Ltd be accepted in the amount of \$242,000 ex GST to undertake the supply and delivery of rubber matting at the Dubbo Regional Livestock Markets.**
- 2. That any necessary documents be executed under the Common Seal of the Council.**
- 3. That the documents and considerations in regard to this matter remain confidential to Council.**

CARRIED

The meeting closed at 6.03pm.

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CHAIRMAN



**REPORT: Investments Under Section 625 of the
Local Government Act**

AUTHOR: Director Organisational Services

REPORT DATE: 6 December 2016

TRIM REFERENCE: ID16/2265

EXECUTIVE SUMMARY

As required by Clause 212 of the Local Government (General) Regulation 2005, set out below are the details of all monies that Council has invested under Section 625 of the Local Government Act as at 30 November 2016.

This report is presented in a format which consolidates the former Dubbo City and Wellington councils' investment portfolios.

Investments when placed were in accordance with the Local Government Act, Local Government Regulations and Council's Investment Policy and Strategy. Interest on investments for the month of November 2016 has been accounted for on an accrual basis for the former Dubbo City Council and a cash basis for the former Wellington Council.

This report details investments and annualised returns for the month of November 2016.

FINANCIAL IMPLICATIONS

Interest earned on investments has been included within Council's 2016/2017 Operational Plan.

POLICY IMPLICATIONS

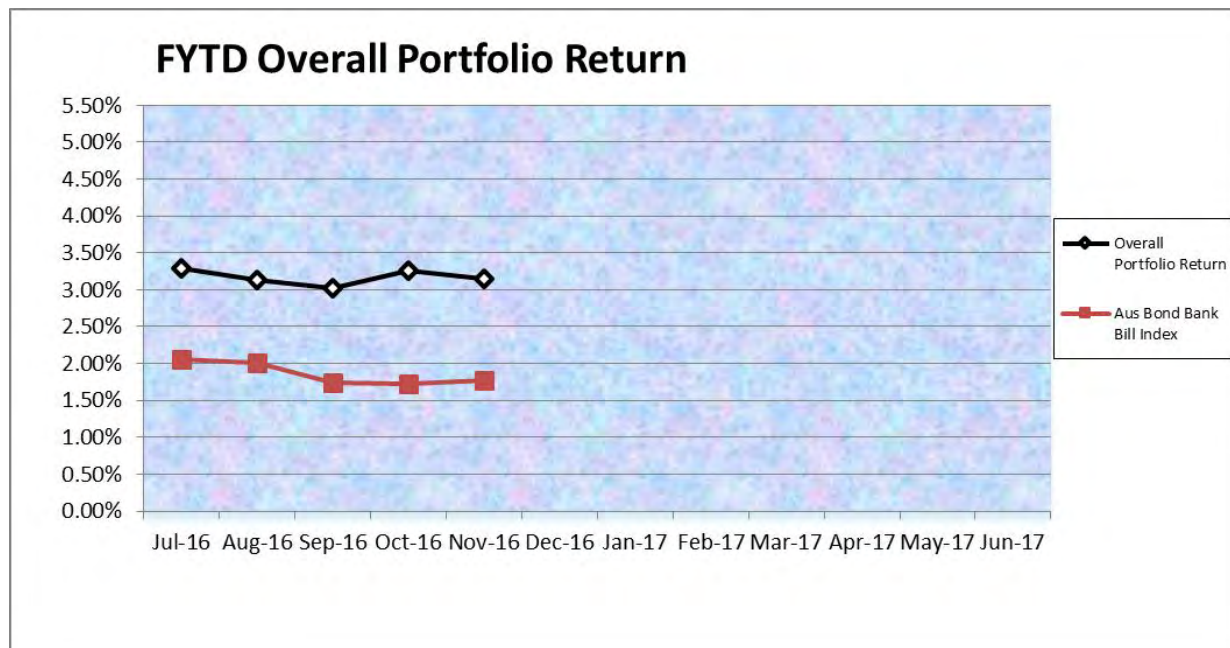
There are no policy implications arising from this report.

RECOMMENDATION

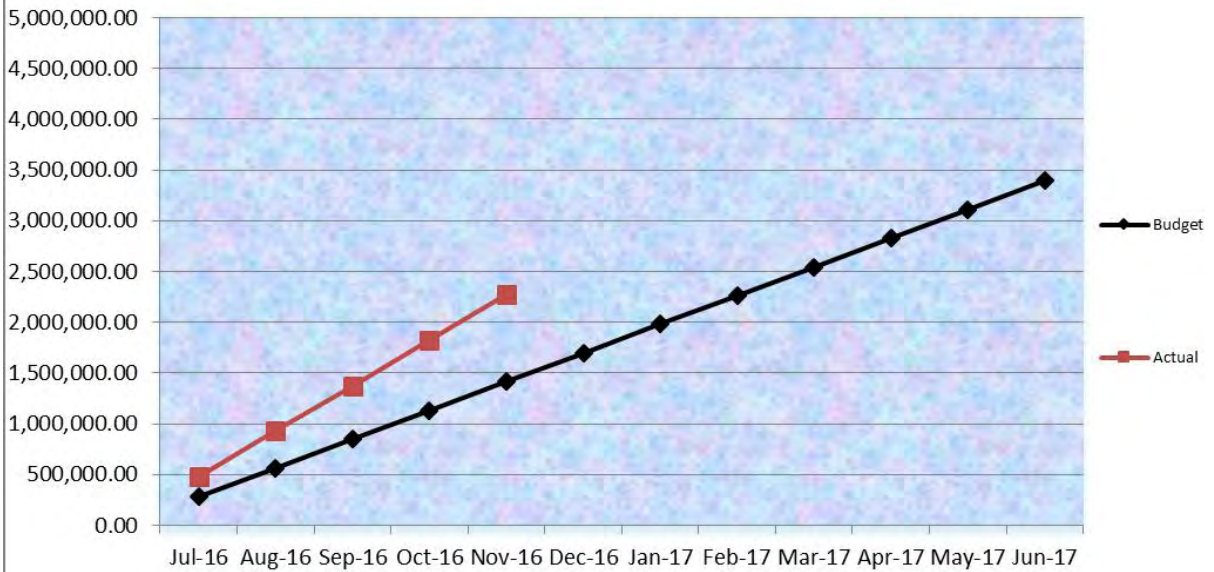
That the information contained within this report be noted

Craig Giffin
Director Organisational Services

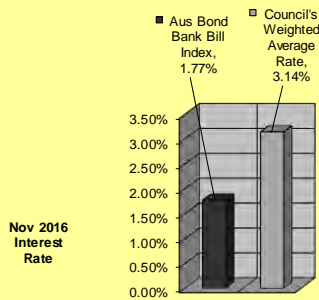
Dubbo Regional Council					
NOVEMBER 2016 REPORT					
Investments	Notes	2017	2017	2017	2017
		Total	Current	Non-Current	Total
		As at 31/10/2016	Maturity By 30/06/2018	Maturity After 30/06/2018	As at 30/11/2016
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		\$610,452.82	\$3,436,706.70	\$0.00	\$3,436,706.70
Cash-Equivalent Assets (1)					
- Deposits At Call		\$24,178,805.07	\$24,433,607.38	\$0.00	\$24,433,607.38
Total Cash & Cash Equivalents	6(a)	\$24,789,257.89	\$27,870,314.08	\$0.00	\$27,870,314.08
Investments (Note 6b)					
- Long Term Deposits > 3 Months		\$119,873,292.97	\$67,890,061.85	\$53,983,269.98	\$121,873,331.83
- NCD's and FRN's > 3 Months		\$24,251,856.44	\$8,500,000.00	\$15,751,779.97	\$24,251,779.97
- CDO's		\$111,677.00	\$111,677.00	\$0.00	\$111,677.00
Total Investments	6(b)	\$144,236,826.41	\$76,501,738.85	\$69,735,049.95	\$146,236,788.80
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		\$169,026,084.30	\$104,372,052.93	\$69,735,049.95	\$174,107,102.88
(1) Those Investments where time to maturity (from date of purchase) is < 3 months					



Budget to Actual - Interest on Investments



Performance Benchmark as per Council Policy



Investment % Held as per Council Policy

Institution	Amount Invested	% Invested	% Allowable as per Policy	\$ Allowable as per Policy
Cash on Hand and at Bank				
CASH ON HAND AND AT BANK	3,436,706.70	1.97%		
Direct / Other Investments				
AMP BANK	11,539,218.92	6.63%	20%	34,821,421
ANZ BANK	5,471,167.54	3.14%	30%	52,232,131
BANK OF QUEENSLAND	29,073,331.83	16.70%	20%	34,821,421
BANKWEST	3,500,000.00	2.01%	30%	52,232,131
BENDIGO ADELAIDE BANK LIMITED	6,000,000.00	3.45%	20%	34,821,421
COMMONWEALTH BANK	15,100,000.00	8.67%	30%	52,232,131
GREATER BANK	1,000,000.00	0.57%	10%	17,410,710
HERITAGE BANK	2,000,000.00	1.15%	10%	17,410,710
IMB LIMITED	2,500,000.00	1.44%	10%	17,410,710
MACQUARIE BANK	1,000,000.00	0.57%	20%	34,821,421
MAQUARIE CREDIT UNION	1,000,000.00	0.57%	1%	1,741,071
NATIONAL AUSTRALIA BANK	44,623,220.92	25.63%	30%	52,232,131
NEWCASTLE PERMANENT BUILDING SOCIETY	2,000,000.00	1.15%	10%	17,410,710
ST GEORGE BANK	35,500,000.00	20.39%	30%	52,232,131
SUNCORP METWAY	8,001,779.97	4.60%	20%	34,821,421
TEACHERS MUTUAL BANK LTD	500,000.00	0.29%	10%	17,410,710
WESTPAC BANK	1,000,000.00	0.57%	30%	52,232,131
TOTAL AT CALL, TERM DEPOSITS AND FRN'S	169,808,719.18	97.53%		
Grandfathered Investments				
Term Deposits				
WAW CREDIT UNION	250,000.00	0.14%		
FRN's				
QLD TEACHERS MUTUAL BANK LTD	500,000.00	0.29%		
CDO's				
Lehman Brothers CDO	111,677.00	0.06%		
TOTAL GRANDFATHERED INVESTMENTS	861,677.00	0.49%		
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS	174,107,102.88	100.00%		

SUMMARY

Dubbo Regional Council outperformed the 11am Official Cash Rate market benchmark of 1.50%, with an average annualised return of 1.93% for its At Call investments for the month of November 2016. Council also outperformed the Bloomberg AusBond Bank Bill Index of 1.77% for the month, with an average annualised return of 3.14% for its overall portfolio return and an average annualised return on its Term Deposits and Floating Rate Notes of 3.35% for the month of November 2016.



REPORT: Delegation to the Interim General Manager the Acceptance of a Tender to Construct a Child Care Centre

AUTHOR: Manager Governance and Risk Services

REPORT DATE: 1 December 2016

TRIM REFERENCE: ID16/2228

EXECUTIVE SUMMARY

Council has invited tenders for the construction of a childcare centre, being Playmates Cottage, during late November 2016 with tenders closing on 20 December 2016. Due to the tight timeframes associated with this project it is recommended that acceptance of the tender be delegated to the Interim General Manager in accordance with section 377(1)(i) of the Local Government Act 1993. It is further recommended that a report be presented to the February 2017 Ordinary meeting of Council detailing the outcome of this tender process for information.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

POLICY IMPLICATIONS

There are no policy implications arising from this report. This delegation applies to a specified tender and ceases following acceptance of this tender.

RECOMMENDATION

- 1. That in accordance with Section 377(1)(i) of the Local Government Act 1993 Council delegate to the Interim General Manager the acceptance of tenders in relation to the construction of a child care centre being Playmates Cottage.**
- 2. That a report be presented to the February 2017 meeting of Council detailing the outcome of this tender process.**

Michael Ferguson
Manager Governance and Risk Services

REPORT

Council has invited tenders for the construction of a childcare centre, being Playmates Cottage, during late November 2016 with tenders closing on 20 December 2016. Due to the tight timeframes associated with this project it is recommended that acceptance of the tender be delegated to the Interim General Manager in accordance with section 377(1)(i) of the Local Government Act 1993.

The Council now has the ability to delegate to the General Manager, or any other person or body (not including another employee of the council) the acceptance of tenders when those services are not provided by the members of staff of the Council in accordance with Section 377(1)(i) of the Local Government Act 1993. The construction of Playmates Cottage is not a service which would be provided by Dubbo Regional Council staff members.

Section 377(1) of the Local Government Act 1993 states, in part:

377 General power of the council to delegate (Current)

- (1) A council may, by resolution, delegate to the general manager or any other person or body (not including another employee of the council) any of the functions of the council, other than the following:
 - (i) the acceptance of tenders to provide services currently provided by members of staff of the council,

This has been a recent amendment to the Act following the Local Government Amendment (Governance and Planning) Act 2016 being assented to on 30 August 2016. This particular amendment came in force on 23 September 2016 as the provisions of the Local Government Amendment (Governance and Planning) Act 2016 are being introduced in a staged manner. Previously to this amendment, Council did not have the ability to delegate the acceptance of tenders to the General Manager, with Section 377(1)(i) of the previous version of the Act providing as follows:

377 General power of the council to delegate (Previous)

- (1) A council may, by resolution, delegate to the general manager or any other person or body (not including another employee of the council) any of the functions of the council, other than the following:
 - (i) the acceptance of tenders which are required under this Act to be invited by the council,

It is further recommended that a report be presented to the February 2017 Ordinary meeting of Council detailing the outcome of this tender process for information.



REPORT: Investment Policy and Strategy Review

AUTHOR: Manager Financial Accounting Services

REPORT DATE: 6 December 2016

TRIM REFERENCE: ID16/2264

EXECUTIVE SUMMARY

This report covers the review and update of Council's Investment Policy and Investment Strategy, and recommends the adoption of the draft Policy and Strategy as attached to this report

FINANCIAL IMPLICATIONS

Interest on investment income has already been incorporated into the 2016/2017 Operational Plan. It is not anticipated that the changes proposed in the attached draft Investment Policy and Investment Strategy will change the amount of forecast income from investments.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

- 1. That the draft Investment Policy December 2016 and the draft Investment Strategy December 2016 be adopted.**
- 2. That Council's Investment Policy and Investment Strategy be again reviewed and submitted to Council for determination via Council's Finance and Policy Committee in June 2017.**

Wayne Sonneman
Manager Financial Accounting Services

BACKGROUND

The former Dubbo City Council, at its December 2015 meeting resolved as follows:

“That Council’s Policy in respect of the review of its Investment Policy and Strategy be amended such that effective 2016, the Investment Policy and Strategy be reviewed and submitted to Council for determination, via Council’s Finance and Policy Committee, in July and December annually.”

REPORT

The Investment Policy and Strategy documents (attached) have been reviewed with advice from CPG Advisory Pty Ltd. Both documents remain largely unchanged.

References to Western Plains Regional Council have been replaced with Dubbo Regional Council in both the Investment Policy and Strategy.

The Investment Policy has been changed to increase the maximum holding in the A Category from 45% to 50%, which gives Council a wider scope to invest in this category. Without the increase in limit, Council would be unnecessarily restricted to AA or higher, as the A category was approaching the previous limit.

The Investment Strategy has been updated with current capital works, and returns updated to November 2016. The Strategy proposes a slight shift towards opportunistic purchase of Floating Rate Notes in anticipation of increases in rates within the next five years, however the existing strategy of heavy weighting towards fixed rate investments will continue.

SUMMARY

The review of the Investment Policy and Strategy has been completed and is now submitted for review and adoption.

Appendices:

- 1 Draft Investment Policy December 2016
- 2 Draft Investment Strategy December 2016



Investment
Policy

December

2016

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General

PURPOSE OF DOCUMENT

The purpose of this document is to establish the framework within which investment principles are to apply to the investment of Council funds. It details:

- Council Funds covered by this Investment Policy;
- **Council's objectives for its investment portfolio;**
- how investments are to be undertaken;
- the applicable risks to be managed;
- any constraints and other prudential requirements to apply to the investment of Funds having regard to the applicable legislation and regulations governing Council investment;
- the manner in which compliance with the Policy & Strategy will be monitored and reported; and
- appropriate benchmarks for each category of investments.

RELATED DOCUMENTS

This policy statement has been prepared to recognise the legislative requirements and **obligations for the investment of Council's funds**. The legislative requirements are detailed within this Investment Policy.

Council will comply with investment regulations and directions of the Office of Local Government – which will prevail in the event of inconsistencies with the adopted Policy and Strategy.

EFFECTIVE DATE

This document replaces any previous Investment Policy document approved by Council.

The effective date of this Investment Policy is 19 December 2016 and will be reviewed in July and December each year, or when a change in either regulation or market conditions necessitate a review.

DEFINITIONS

Act	<i>Local Government Act, 1993.</i>
ADI	Authorised Deposit-Taking Institutions (ADIs) are corporations that are authorised under the <i>Banking Act 1959 (Commonwealth)</i> to take deposits from customers.
Bill of Exchange	A bill of exchange is an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at a fixed or determinable future time, a sum certain in money to or to the order of a specified person, or to bearer.
BBSW	The Bank Bill Swap reference rate (BBSW) is the midpoint of the nationally observed best bid and offer for AFMA Prime Bank eligible securities. The BBSW is calculated daily. Floating rate securities are most commonly reset quarterly to the 90-day BBSW.
Council Funds	Surplus monies that are invested by Council in accordance with section 625 of the Act
Debenture	A debenture is a document evidencing an acknowledgement of a debt, which a company has created for the purposes of raising capital. Debentures are issued by companies in return for medium and long-term investment of funds by lenders.
OLG	NSW Office of Local Government.
FRN	A Floating Rate Note (FRN) is a medium to long term fixed interest investment where the coupon is a fixed margin ("coupon margin") over a benchmark, also described as a "floating rate" . The benchmark is usually the BBSW and is reset at regular intervals – most commonly quarterly.
LGGR	<i>Local Government (General) Regulation 2005 (NSW).</i>
NCD / TCD	Is an investment in an underlying security, being a negotiable certificate of deposit (NCD) where the term of the security is often for a period of 185 days or less (but occasionally longer terms). Short NCDs are generally discount securities, meaning they are issued and on-sold to investors at a discount to their face value. Sometimes also "transferable certificate of deposit" (TCD).

RAO	Responsible Accounting Officer of a council means a member of the staff of the council designated by the General Manager. (LGGR, clause 196)
T-Corp	New South Wales Treasury Corporation.
AusBond BBI	Formerly the UBS BBI. The UBS Australia index family was acquired by Bloomberg from Q3 2014, and while branding changed the benchmark is unaltered. The Bank Bill Index represents the performance of a notional rolling parcel of bills averaging 45 days and is the widely used benchmark for local councils and other institutional cash investments.

Investment Policy

INVESTMENT OBJECTIVES

The purpose of this Policy is to provide a framework for the optimum investment of Dubbo Regional Council's funds.

While exercising the power to invest, consideration is to be given to the preservation of capital, liquidity and the return of investment. Council therefore has several primary objectives for its investment portfolio:

- Compliance with legislation, regulations, the prudent person tests of the *Trustee Act* and best practice guidelines;
- The preservation of the amount invested;
- To ensure there are sufficient liquid funds to meet all reasonably anticipated cash flow requirements; and
- To generate income from the investment that exceeds the performance benchmarks mentioned later in this document.

Council's Investment Strategy will run in conjunction with this Investment Policy and will outline:

- Councils current cash flow expectations and the implications for deviations from a long-term liquidity profile;
- Diversification: the allocation of investment type, credit quality, counterparty exposure and term to maturity profile;
- Market conditions and the appropriate responses – particularly relative positioning within the limits outlined in this Policy;
- Relative return outlook, risk-reward considerations, assessment of the market cycle and hence constraints on risk; and
- **Appropriateness of overall investment types for Council's portfolio.**

LEGISLATIVE AND REGULATORY REFERENCES

All investments are to comply with the following:

- *Local Government Act (1993)*;
- *Local Government (General) Regulation (2005)*;
- Ministerial Investment Order;
- *The Trustee Amendment (Discretionary Investments) Act (1997)* – Section 14;
- Local Government Code of Accounting Practice and Financial Reporting;
- Australian Accounting Standards;
- Office of Local Government *Investment Policy Guidelines*; and

- Office of Local Government *Circulars*

DELEGATION OF AUTHORITY

Authority for implementation of the Investment Policy is delegated by Council to the Interim General Manager in accordance with the *Local Government Act (1993)*.

The Interim General Manager has in turn delegated the day-to-day management of Councils investments to the Director of Organisational Services (RAO), the Manager Financial Accounting Services Dubbo Branch, and the Financial Accountant Wellington who must ensure adequate skill, support and oversight is exercised in the investment of Council funds.

Officers' delegated authority to manage Council's investments shall be recorded and they are required to acknowledge they have received a copy of this policy and understand their obligations in this role.

PRUDENT PERSON STANDARD

The investments will be managed with the care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to **manage Council's investment portfolios to safeguard the portfolio** in accordance with the spirit of this Investment Policy and not for speculative purposes.

ETHICS AND CONFLICTS OF INTEREST

Officers shall refrain from personal activities that would conflict with the proper **execution and management of Council's investment portfolio**. This Policy requires officers to disclose any conflict of interest to the Interim General Manager.

Independent advisors are also to declare that they have no actual or perceived **conflicts of interest and receive no inducements in relation to Council's investments**.

AUTHORISED INVESTMENTS

All investments must be denominated in Australian Dollars. Authorised Investments are limited to those allowed by the Ministerial Investment Order issued in January 2011, currently:

- Commonwealth / State / Territory Government securities *e.g.* bonds;
- Interest bearing deposits / senior securities issued by an eligible ADI;
- Bills of Exchange (< 200 days duration) guaranteed by an ADI;
- Debentures issued by a NSW Council under *Local Government Act (1993)*;

- Deposits with T-Corp &/or Investments in T-Corp Hour-Glass Funds; and
- Existing investments grandfathered under the Ministerial Investment Order.

PROHIBITED INVESTMENTS

This Investment Policy prohibits the following types of investment:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow; and
- Standalone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

This Policy also prohibits any investment with speculative purposes, including the use of leveraging (borrowing to invest) for an investment. However, nothing in the policy shall prohibit the short-term investment of loan proceeds where the loan is raised for non-investment purposes and there is a delay prior to the expenditure of loan funds.

RISK MANAGEMENT GUIDELINES

Investments obtained are to be considered in light of the following key criteria:

- *Preservation of Capital* – the requirement for preventing losses in an **investment portfolio's total value.**
- *Credit Risk* – The risk that a party or guarantor to a transaction will fail to fulfil its obligations. In the context of this document it relates to the risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment;
- *Diversification* – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market;
- *Liquidity Risk* – the risk an institution runs out of cash, is unable to redeem investments at a fair price within a timely period, and thereby Council incurs additional costs (or in the worst case is unable to execute its spending plans);
- *Market Risk* – the risk that fair value or future cash flows will fluctuate due to changes in market prices, or benchmark returns will **unexpectedly overtake the investment's return;**
- *Maturity Risk* – the risk relating to the length of term to maturity of the investment. The longer the term, the greater the length of exposure and risk to market volatilities; and

- *Rollover Risk* – the risk that income will not meet expectations or budgeted requirement because interest rates are lower than expected in future.

INVESTMENT ADVISOR

The Council's investment advisor is appointed by the Interim General Manager and must be licensed by the Australian Securities and Investment Commission. The advisor must be independent and must confirm in writing that they have no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of the investment policy. Independence includes receiving no commissions or other benefits in relation to the investments being recommended or reviewed, except as fully rebated to Council, promptly. Council will continue to make all decisions in relation to the placement of investments.

ACCOUNTING

Council will comply with appropriate accounting standards in valuing its investments and quantifying its investment returns.

In addition to recording investment income according to accounting standards, published reports may show a break-down of its duly calculated investment returns into realised and unrealised capital gains and losses, and interest.

Other relevant issues will be considered in line with relevant Australian Accounting Standards, such as discount or premium, designation as held-to-maturity or on a fair value basis and impairment.

SAFE CUSTODY ARRANGEMENTS

Where necessary, investments may be held in safe custody on Council's behalf, as long as the following criteria are met:

- Council must retain beneficial ownership of all investments;
- Adequate documentation is provided, verifying the existence of the investments at inception, in regular statements and for audit;
- The Custodian conducts regular reconciliation of records with relevant registries and/or clearing systems; and
- The Institution or Custodian recording and holding the assets will be:
 - ▶▶ The Custodian nominated by TCorp for Hour-Glass Funds;
 - ▶▶ Austraclear;
 - ▶▶ An institution with an investment grade Standard and Poor's, Moody's or Fitch rating; or

- ▶ An institution with adequate insurance, including professional indemnity insurance and other insurances considered prudent and appropriate to cover its liabilities under any agreement.

CREDIT QUALITY LIMITS

The portfolio credit guidelines to be adopted will reference the Standard & Poor's (S&P) ratings system criteria and format - however, references in the previous Minister's Orders also recognised Moody's and Fitch Ratings and any of the three ratings may be used where available.

However, the primary control of credit quality is the prudential supervision and government support and explicit guarantees of the Approved Deposit Institution (ADI) sector, not ratings.

The maximum holding limit in each rating category and the target credit quality weighting for Council's portfolio shall be:

Long Term Rating Range (or Moody's equivalent)	Maximum Holding
AAA Category	100%
AA Category or Major Bank*	100%
A Category	50%
BBB+ and Unrated Category	25%

*For the purpose of this Policy, "Major Banks" are currently defined as:

The ADI deposits or senior guaranteed principal and interest ADI securities issued by the major Australian banking groups:

- ▶ *Australia and New Zealand Banking Group Limited*
- ▶ *Commonwealth Bank of Australia*
- ▶ *National Australia Bank Limited*
- ▶ *Westpac Banking Corporation*

including ADI subsidiaries whether or not explicitly guaranteed, and brands (such as St George).

Council may ratify an alternative definition from time to time.

Standard & Poor's ratings attributed to each individual institution will be used to determine maximum holdings.

In the event of disagreement between agencies as to the rating band ("split ratings") Council shall use the higher in assessing compliance with portfolio Policy limits, but for conservatism shall apply the lower in assessing new purchases.

Grandfathering provisions apply to those investments currently held that **complied with the investment policies of the former Council's but do not** comply with the newly adopted Dubbo Regional Council Policy.

COUNTERPARTY LIMITS

Exposure to individual counterparties/financial institutions will be restricted by their rating so that single entity exposure is limited, as detailed in the table below.

Limits do not apply to Federal or NSW-guaranteed investments, which are uncapped. It should be noted that the NSW government does not guarantee the capital value or unit price of the TCorp Hour-Glass Funds. Operational cash in or linked to Council's operating cheque account are also excluded from the counterparty limits.

Individual Institution or Counterparty Limits	
Long Term Rating Range (or Moody's equivalent)	Limit
AAA Category ¹	40%
AA Category or Major Bank* ²	30%
A Category	20%
BBB+ Category	10%
Unrated Category	1.0%

*For the purposes of this Policy, "Major Banks" are currently defined as:

The ADI deposit or senior guaranteed principal and interest ADI securities issued by the major Australian Banking Groups:

- *Australia and New Zealand Banking Group Limited*
- *Commonwealth Bank of Australia*
- *National Australia Bank Limited*
- *Westpac Banking Corporation*

including ADI subsidiaries whether or not explicitly guaranteed, and brands (such as St George).

The Unrated Category is for investment in Financial Institutions that are community based within the Dubbo Regional Council area, and the interest rates offered must be competitive with rates offered by other institutions for the same investment amount and term.

¹ AAA Category includes TCorp Hour-Glass Cash Facility, which typically maintains a credit score consistent with a AAA^f rating.

² AA Category also includes TCorp Hour-Glass Strategic Cash Facility, which typically maintains a credit score consistent with a AA^f rating.

Grandfathering provisions apply to those investments currently held that complied with the investment policies of **the former Council's but do not** comply with the newly adopted Dubbo Regional Council Policy.

Council may ratify an alternative definition from time to time.

INVESTMENT HORIZON LIMITS

Council's investment portfolio shall be structured around the time horizon of investment to ensure that liquidity and income requirements are met.

"Horizon" represents the intended minimum term of the investment; it is open for the Investment Strategy to define a target date for sale of a liquid investment.

Once the primary aim of liquidity is met, Council will ordinarily diversify its maturity profile as this will ordinarily be a low-risk method of obtaining **additional return as well as reducing the risks to Council's income.** However, Council always retains the flexibility to invest as short as required by cashflow requirements or the economic outlook.

The factors and/or information used by Council to determine minimum allocations to the shorter durations include:

- ▶▶ Council's liquidity requirements to cover both regular payments as well as sufficient buffer to cover reasonably foreseeable contingencies;
- ▶▶ Medium term financial plans and major capital expenditure forecasts;
- ▶▶ Known grants, asset sales or similar one-off inflows;
- ▶▶ Seasonal patterns to Council's surplus funds.

Investment Horizon Description	Investment Horizon - Maturity Date	Minimum Allocation	Maximum Allocation
Working capital funds	0-3 months	10%	100%
Short term funds	3-12 months	20%	100%
Short-Medium term funds	1-2 years	0%	70%
Medium term funds	2-5 years	0%	50%
Long term funds	5-10 years	0%	25%

Within these broad ranges, Council relies upon assumptions of expected investment returns and market conditions that have been examined with its investment advisor.

PERFORMANCE BENCHMARKS

The performance of each investment will be assessed against the benchmarks listed in the table below.

It is Council's expectation that the performance of each investment will be greater than or equal to the applicable benchmark whilst taking into account its risks, liquidity and other benefits.

It is also expected that Council will take due steps to ensure that any investment is executed at the best pricing reasonably possible.

Investment	Performance Benchmark	Time Horizon
Funds held in overnight accounts - 11 am Account, Cash Management Accounts, Professional Funds Accounts	11am Official Cash Rate	3 months or less
Short dated bills, deposits issued by financial institutions of appropriate term. Term Deposits of appropriate remaining term, FRN's nearing maturity.	AusBond Bank Bill Index (BBI)	3 months to 12 months
Term Deposits with a maturity date between 1 and 2 Years, FRN's.	AusBond Bank Bill Index (BBI)	1 to 2 years
FRN's, Bonds, Term deposits with a maturity date between 2 and 5 Years (except as otherwise designated on a shorter horizon)	AusBond Composite 2-5 Year Bank Bill Index (BBI)	2 to 5 Years

REPORTING

Documentary evidence must be held for each investment and details thereof maintained in an investment register. The documentary evidence must provide Council legal title to the investment.

For audit purposes, certificates must be obtained from the banks/fund managers/custodian confirming the amounts of investment held on Council's behalf as at the end of the Financial Year.

All investments are to be appropriately recorded in Council's financial records and reconciled at least on a monthly basis.

A monthly report will be provided to Council. The report will detail the investment portfolio in terms of holdings by maturity, reconciliation of movements by *Financial Statements Note 6* category returns generated for the portfolio compared to the AusBond Bank Bill Index, and comparison with the budget. The monthly **report will also confirm compliance of Council's** investments within legislative and policy limits. Council may nominate additional content for reporting.

REVIEW OF POLICY

The Investment Policy will be reviewed by Council in July and December each year and as required in the event of legislative change or as a result of significantly changed economic/market conditions. As mandated by the ***Minister's Order***, an amended Policy does not take effect until ratified by a resolution of Council.

To the extent that the Policy becomes inconsistent with the regulatory framework, the regulations will prevail.



Investment
Strategy

December

2016

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General

PURPOSE OF DOCUMENT

Having outlined the framework for investment in the Investment Policy, this document sets out:

- current market conditions;
- how Council is responding to structure its investment portfolio;
- realistic objectives for the investment portfolio;
- risk management

RELATED DOCUMENTS

This Strategy relates to implementation of the portfolio within the constraints set out in the Investment Policy. It has been prepared to recognise the legislative requirements and obligations for the investment **of Council's funds. The legislative requirements are listed in the Investment Policy.**

Council will comply with investment regulations and directions of the Office of Local Government, which will prevail in the event of any inconsistencies with published Policy and Strategy.

EFFECTIVE DATE

This document replaces any previous Strategy document approved by Council.

The effective date of this Strategy is 19 December 2016 and will be reviewed in July and December each year, or when a change in either regulation or market conditions necessitates a review.

Investment Strategy

Council's Investment Strategy is set in relation to the following parameters:

Cash flow expectations

Council anticipates the following major capital expenditure in 2016-17:

- Water augmentation - \$7.8m
- Sewerage augmentation - \$16.9m including a major upgrade to the Cootha Pump Station \$9.55m
- Rural Roads construction and reconstruction \$13.5m
- Urban Roads construction and reconstruction \$9.56m

These projects are being funded from either loan funds, grants or restricted assets, and will have minimal impact on the overall cash available for investment.

As at 30th November 2016, Council held \$24.25m of liquid Senior Floating Rate **Notes (FRN's) including near-term** maturities. Sufficient liquid cash or near-cash (around \$19m) is available to meet short term cash flow requirements in addition to near-term deposit maturities for these projects should this be required.

Diversification

Council's investments are diversified only within the fixed interest sector: Cash, term deposits and senior FRNs, and it is still dominated by deposits. It is **not Council's current intention to diversify further across other asset classes** through TCorp Growth facilities.

Economic Background

Investors remained nervous prior to U.S. Presidential election, despite a recent solid U.S. payrolls report. The U.S. unemployment rate fell to 4.9% in October, from 5.0% in September. The fall in the unemployment rate was assisted by a decline in the labour force participation rate to 62.8% in October, from 62.9% in September.

U.S. Fed officials decided to leave interest rates unchanged at 0.25-0.50% in November as widely expected. It continued to point to further improvement in **the labour market and that** *"the case for an increase in the federal funds rate has continued to strengthen but decided, for the time being, to wait for some further evidence of continued progress toward its objectives"*.

As the rest of the world digested the reality of President-elect Trump, our time-zone had a trading session as the vote unfolded. As with Brexit, the initial reaction was panic and a flight to defensive assets – stockmarket indices fell, bond yields were lower, and bill futures showed the likelihood of more supportive policy. For the second time this year, markets had their heart set on a different result, but had no indication at all from polls that disappointment loomed. The last time Republicans had the White House, the House and the Senate was in 1928.

While the U.S. Federal Reserve is reluctant to allow politics to visibly intrude into monetary policy decisions, during the panic when the votes were being counted, the market reduced the probability of a December rate hike below 50%. But after equities rallied on the first day of trading following the election result (e.g. S&P 500 gained over +1%), the Fed had seemingly been given the green light to hike in December, with the probability rising to around 80%.

The Bank of England (BoE) left monetary policy unchanged as widely expected, and ditched the signal that it would ease monetary policy further. The significant decline in the sterling has resulted in a sharp upgrade in inflation and growth forecasts. Inflation was expected to jump to 2.7% next year. Nonetheless, the BoE is far from looking at raising rates. It appears rates will likely be on hold over the near-term, although this depends highly on currency moves.

Australia's trade deficit narrowed for the third consecutive month to \$1.2bn in September, which was the smallest deficit since December 2014. The improvement in recent months largely reflects the rebound in commodity prices which has boosted the value of exports - exports rose 1.6% in September.

The Reserve Bank of Australia's (RBA) latest Statement on Monetary Policy presented a rather upbeat commentary on the economic outlook. Much of the optimism appears to centre on the recent lift in commodity prices, particularly iron ore and coal, and a stabilisation in the Chinese economy, despite considerable uncertainty around these areas.

Newly appointed RBA Governor Philip Lowe spooked the markets with the speeches in his first month. Not only did he argue against the case for a rate cut; he actually argued it might be damaging.

Return Outlook

Bonds continued to be sold off over recent weeks as the market all but priced in a U.S. Fed rate hike in December. Domestically, RBA Governor Lowe's hawkish views also provided additional pressure to the bond market. 10-year Australian government bond yields traded up to 2.34% pre-U.S. election, rising from their all-time lows of 1.82% after the RBA's rate cut in early August.

Bill futures are now starting to price in the next move being up, the first time we have seen an aggressively steep curve in many months. This has seen deposit rates rise in the out years. (Although lagging bonds a little, which has seen spreads tighten.)

Money markets continue to price in some possibility of another rate cut although this has significantly diminished from previous months:

Council's return outlook is considerably better. As at 30 September 2016, deposits still had an average term of approximately 1.6 years, and returning, on average, 3.14% p.a., which is more than double the official cash rate. **The strategy over recent years has made a dramatic difference to Council's income** – inevitably as the current deposits mature, this will tend to adjust lower.

Term Deposit Market

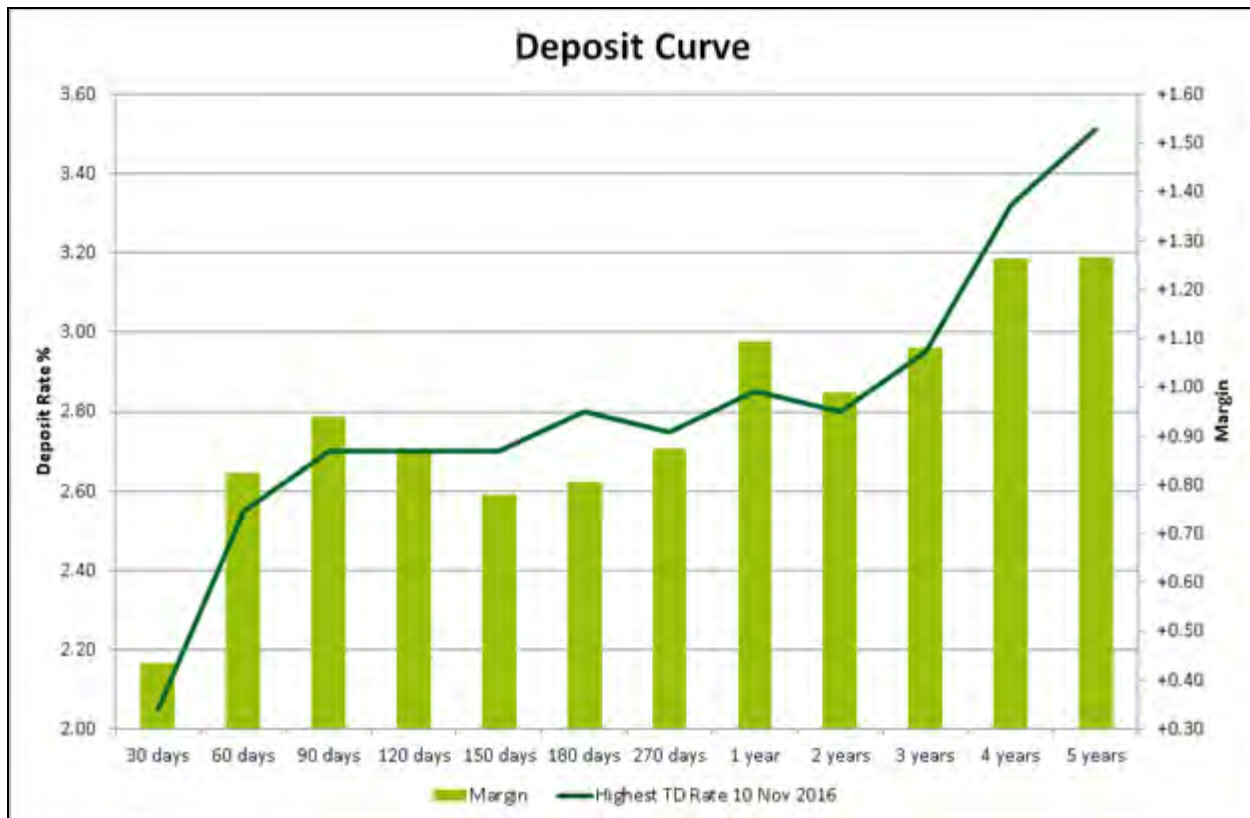
Deposit margins have contracted over the past 6 months, reflecting the recovery since the earlier selloff in risk assets at the beginning of the calendar year.

Following the RBA's second rate cut in early August, bond yields reached new lows. As a result, the ADIs quickly adjusted their headline deposit rates lower, with some even reducing their rates beyond the movement in the bond market, on expectation of further rate cuts.

At the shorter-end, margins generally narrowed below +90bp, apart from a handful of lower and unrated ADIs, offering one-off specials. Terms under 6 months narrowed to under +80bp, although slightly wider than recent cyclical tights at around +70bp. Very short-dated deposits (1-2 months) remain **uncompetitive with "notice accounts"**.

Despite the selloff in the bond market (rising yields), the overall longer-term outlook for interest rates remains relatively flat on a historical basis. However a steeper yield and deposit curve provides opportunities for Council to take advantage amongst the highest payers at the longer-end of the curve (2-5 years).

Figure 2



Currently there is value in both long deposits and FRNs. The deposit curve is steeper as banks competed more strongly at the longer end. FRNs also offer excellent initial yields with the prospect of additional gains.

Senior FRNs & Bonds

The credit curve, and therefore forwards, are showing a “classic” shape in which:

- New Issues represent strongest value as the curve is quite steep
- Issuers have tended to pay a premium to get new issues placed in volume (around 5-7bp for majors, more for regionals)
- Medium term securities are efficiently priced, with no obvious spikes
- At the short and middle end, they trade as enhanced cash and CPG advise that they are sub economic shorter than 2 years when considering the gain or loss implicit in the security price. Council will **concentrate on the FRN margin of a “Held to Maturity” asset** in evaluating new investments.

Given the attractive spreads on credit securities, newly issued bank FRNs are likely to be one of the highest yielding (and complying) source of returns going forward if traded out prior to the low yield period ahead of maturity.

The final year is likely to be the optimum exit point for regional banks, and the mid-term point for major-bank securities. Switching may also be recommended opportunistically.

Apart from providing diversification and additional liquidity in a portfolio, this strategy has been highly lucrative for credit investors, especially for early 2012 purchases.

Primary issues continue to be favoured over secondary market offers in the wholesale market. ANZ was the latest to issue a new 5 year senior FRN at +113bp in mid-August, which has now tightened around 11bp to +102bp (or \$100.5 capital). A new issue would still likely need to show over +100bp margin. In fact, NAB issued a new 5-year FRN in late-October at +105bp, which has remained flat over the first 2-3 weeks of trading.

For new issues, the regional ADIs (rated A or BBB) naturally offer a higher spread compared to the major banks due to their lower credit rating. Our FRN analytics suggest that the respective curves are relatively fair, with higher spread but greater difficulty extracting capital gains from regional bank FRNs. However, again the new issue discount provides additional value to investors.

Private placement FRNs or secondary market 'taps' can sometimes be offered, usually at a premium yield to the wholesale secondary market although it is noted they are generally less liquid due to their smaller issue sizes and daily turnover. **The most recent example was Greater Bank's (BBB+) new 3 year private placement FRN at +155bp, issued in late August.**

Where secondary FRN's can be sourced at a discount, they will be evaluated as a "Held to Maturity" investment. Council reserves the right to sell existing FRNs prior to maturity; if securities are purchased with the intent to sell them, this will be designated in the accounting treatment.

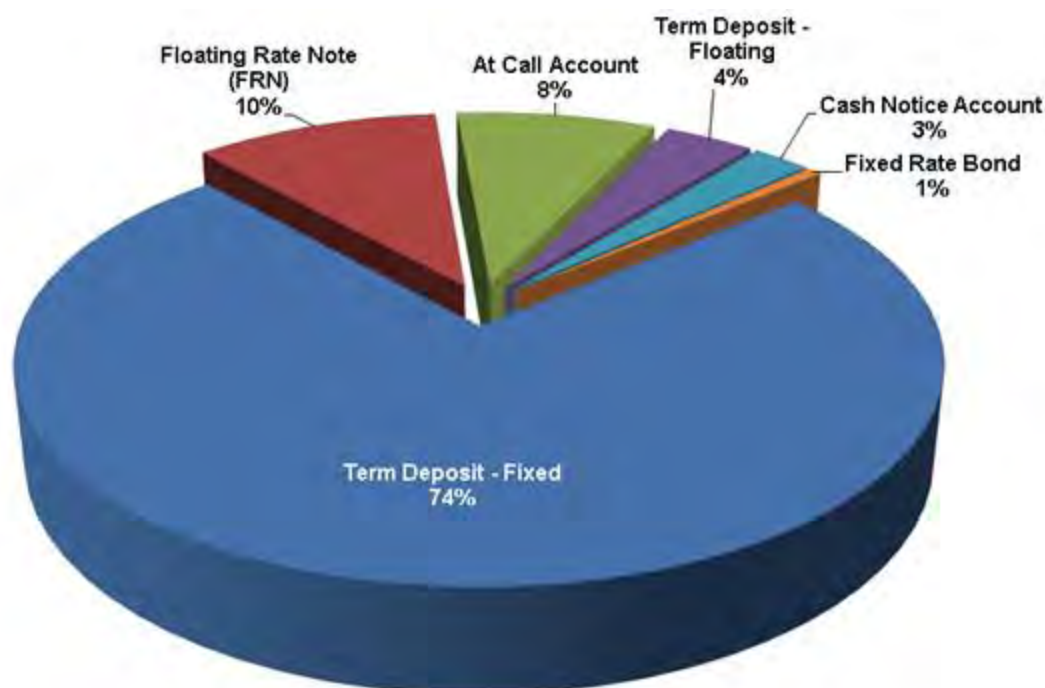
EXISTING PORTFOLIO STATUS

The Strategy throughout the past few years has been to prioritise long-dated deposits ahead of significant cuts to interest rates. Returns in the future will be significantly lower, given the current record low rates and the flat interest rate outlook over coming years.

Historically, the significant portfolio lengthening has reduced income risk, with the higher yields available from long-dated deposits an added benefit.

As at the end of November 2016, Council's deposits were still yielding 3.14% p.a., an outstanding result – this remains close to the highest rate available for a 5 year deposit in the market, from any ADI.

Returns have also been enhanced by other Medium Term investments – the recent purchases of FRNs were secured at wider levels compared to recent years. The majority of the \$19m of securities (FRNs and bonds) continue to be quoted at a premium to cost.



All assets comply with the current *Minister's Order*.

Proposed Actions

Returns above 3½% are not currently achievable in complying products at a guaranteed yield or volume (the ASX listed Heritage Fixed Bonds being an occasional exception). Only the higher-risk Growth Facilities at TCorp have the potential to offer high returns, and risks remain elevated.

Council's total investment income will continue to fall as FY2017 progresses, barring an interest rate shock. Maturing assets are being reinvested well below current returns. This reduction in interest income should be incorporated into the forward budgets for the remainder of 2016/2017 and onwards.

To maximise performance, the intention is to pursue the following actions during this strategy period.

New Investments

- *Cash*: The use of higher yielding at-call accounts or cash notice accounts will be considered, particularly those which can **gross up Council's investment returns** while maintaining liquidity. For example, a **10bp rebate can be accessed utilising Council's investment advisor, CPG**, on the AMP Business Saver (grossed up return of +65bp above cash), with other rebates from deposits also available. The AMP 31-Day Notice Account (grossed up return of +80bp above cash) is evaluated at each investment maturity for competitiveness of rates. Most banks have largely discontinued premium at-call accounts.
- *Deposits*: At the time of writing, a 4 year fixed deposit from Bank of Queensland (A-) at 3¼% p.a. equates to just under 130bp above bank bills. It continues to yield more than double the prevailing cash rate and remains relatively attractive given the longer-term interest rate outlook.

- *FRNs*: Surplus funds excess to liquidity requirements should be allocated towards 5 year liquid FRNs going forward where returns exceed term **deposit rates, in the higher rated names. We currently favour the "A"** rated ADIs as margins have contracted less than the domestic majors. Primary issues are generally favoured over secondary market offers, although this would be reviewed if spreads widen dramatically.
- Newly issued securities will be evaluated for pricing opportunities relative to deposit margins, which can include private placement FRNs which are considered less liquid (due to their smaller issue sizes).

The ability to transact quickly is critical for new issues. To support this, Council has the ability to utilise existing at-call reserves (to be replenished from subsequent deposit maturities), or sell shorter-dated securities.

There is no intention at this time to invest in the long term (greater than 5 years) investments, being TCorp Hour-Glass Growth funds.

Disposals

No disposals are being considered at this stage, although the respective costs and benefits are evaluated on an ongoing basis.

RISK MANAGEMENT GUIDELINES

The strategy addresses risk management as outlined below:

Preservation of Capital

With the current **composition of the portfolio consistent with the Minister's Order**, there will be very minimal capital risk going forward.

Credit Risk

Credit rating profile is currently extremely strong. The majority of investments **are now rated "A-" or higher. Previously**, A or AA rated banks tended to **overpay relative to peers, providing a "free lunch" for yield and credit quality.** However where higher deposit rates are concerned, lower and unrated ADIs have tended to show a premium more recently.

A more diversified portfolio with the BBB+ or unrated ADIs may be considered for a small portion of the portfolio if the returns are sufficiently attractive relative to higher rated investments.

Diversification

Investments are currently diversified within the fixed interest sector – fixed and floating, at-call and senior bonds and FRNs; liquid and non-tradeable, and by term and issuer.

There is no current intention to diversify outside the fixed interest sector.

Liquidity Risk

Council's portfolio is highly liquid, from at-call accounts, near-term maturities and tradeable FRNs. Approximately 55% matures within 12 months, and so over half of the investment portfolio is accessible at short notice once the FRNs are included.

Council has been in a position to extend the duration of some investments during recent years – sacrificing some liquidity in the portfolio in exchange for income protection and budgeting certainty. The interest rate protection was greatest at the time when deposit yields approached 8%; now, at record lows, duration is considerably lower.

Market Risk

Along with credit risk, market risk has now been substantially reduced by the exit from managed credit. The tradeable instruments (being short-dated major bank FRNs) have extremely low price volatility.

Maturity Risk

Council's long-term investments are primarily in a mix of term deposits and floating rate investments, minimising the effect of maturity risk as there is a regular maturity pattern and spread of maturity dates.

Rollover Risk

Council has reduced this risk through a deposit portfolio duration of 1.6 years. It includes deposits maturing as late as 2021.

This is considered a very strong level of protection against rollover risk, and will continue to help anchor the upcoming FY17 income budget despite interest rates being cut to a record low.

Economic weakness can see official cash rates remain low for a period significantly longer than the term of the investments. However, the current duration provides Council with time to plan for lower income.

Council is well within its required limits for working capital and short-term funds, which together account for around 55% of the portfolio at time of writing.

Longer term holdings are conservative relative to portfolio limits, and there is high capacity for further investments as opportunities and available cash permits.

PERFORMANCE BENCHMARKS

Council's overall portfolio (including cash) is currently yielding approximately 1¼ % above the benchmark return. Deposits are higher still, at close to 1½% above benchmark - supported by extremely high yields on deposits from prior years ahead of the current interest rate cycle.

This yield is very strong given the high credit ratings targeted. It is almost certain to continue to fall over time, as official interest rates are expected to remain low over the long term which will mean lower rates on reinvestments.

DELEGATIONS/RESPONSIBILITIES

Within the constraints of the Policy, strategic or execution decisions are delegated to the Director Organisational Services and the Manager Financial Accounting Services.

REVIEW OF STRATEGY

The Strategy will be reviewed in July and December each year, or as required in the event of legislative change or as a result of significantly changed economic/market conditions. Council is in regular contact with its advisors and is able to adjust strategy as market conditions dictate.



REPORT: Emergency Services Property Levy

AUTHOR: Revenue Accountant

REPORT DATE: 5 December 2016

TRIM REFERENCE: ID16/2256

EXECUTIVE SUMMARY

It is currently proposed that from 1 July 2017, the NSW Government (represented by Treasury NSW) will abolish the Emergency Services Levy (ESL) on insurance policies and replace it with an Emergency Services Property Levy (ESPL), which will be paid by all property owners alongside council rates and will be collected by local councils.

At present the introduction of the ESPL is provisional, being subject to the passage of the Emergency Service Property Levy Bill 2016. It is currently proposed by Treasury NSW that the Bill will be introduced in the first quarter of 2017.

As the ESPL is proposed to be introduced from 1 July 2017, Councils have been asked to classify all land by 31 December 2016 and provide the classification data to the Valuer General by 15 February 2017. Council is currently undertaking the classification of all land in the Dubbo Regional Council Local Government Area. The initial classifications will be uploaded to Valuation Services by the required date in February 2017.

This report provides Council with information on the Emergency Services Property Levy.

FINANCIAL IMPLICATIONS

Council has received an amount of \$55,007 from Treasury NSW to undertake the initial land classification. Council will receive two additional instalments from Treasury NSW to cover Council's future expenses in the set-up of the Emergency Services Property Levy.

Treasury NSW has advised that a further set of guidelines is being prepared to cover the ongoing Emergency Services Property Levy operating costs.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

That the information within this report be noted.

Bronwyn Maxwell
Revenue Accountant

BACKGROUND

It is currently proposed that from 1 July 2017, the NSW Government (represented by Treasury NSW) will abolish the Emergency Services Levy (ESL) on insurance policies and replace it with an Emergency Services Property Levy (ESPL), which will be paid by all property owners alongside council rates and will be collected by local councils.

The NSW Government is proposing to change the system for the collection of the levy that funds the NSW Fire Service, Rural Fire Service and State Emergency Service in NSW in order that the burden of funding these services will no longer fall on only those with property insurance, but all land owners.

An outline of the proposed Emergency Services Property Levy is:

- Councils will collect ESPL on behalf of NSW Government
- New levy will be listed as a separate line item on rates notices
- Levy will be based on unimproved land values
- Different rates for different ESPL property sectors
- Revenue to be transferred to Office of State Revenue

At present the introduction of the ESPL is provisional, being subject to the passage of the Emergency Service Property Levy Bill 2016.

As the ESPL is proposed to be introduced from 1 July 2017, Councils have been asked to classify all land by 31 December 2016 and provide the classification data to the Valuer General by 15 February 2017.

REPORT

Proposed Emergency Services Property Levy

The NSW Government has informed councils that the ESPL will replace the revenue raised by the insurance-based ESL. Emergency Services Property Levy rates will be announced no later than 30 April each year, commencing in 2017. The levy rates will change each year, depending on the budgeted costs of the fire and emergency services, and NSW land values.

The ESPL will be a charge payable on all land other than Government land except in certain cases where the land is the subject of a lease. Government land will be exempt as NSW State and Local Governments already directly contribute 26.3% of the annual costs of the State's emergency services, and NSW does not have the power to tax the Commonwealth.

Councils will still make direct contributions of 11.7% but will be notified of the amount in April, *before* the financial year begins (they are currently notified *during* the financial year) – this change has been made by the State Government to assist councils with their budgeting process.

Like council rates, the ESPL will apply to individual units in strata and company title properties according to their unit entitlements and include:

- A fixed component – a single amount per property, regardless of land value; and
- An ad valorem component – a variable amount per property, calculated by multiplying the ad valorem rate by the unimproved land value.

The land values used for the levy of the ESPL will be the same as those determined by the Valuer General for the levying of Council's Ordinary rates. The NSW State Government has announced that all councils, regardless of their current rating cycle, will be required to adopt a 1 July 2016 valuation base date for both the ESPL and council rates effective 2017/2018 through an amendment to the Local Government Act 1993.

Property owners must pay the sum of their council rates and ESPL as issued on the council rates notice. Property owners are liable to pay in the same time frame as permitted for council rates.

Treasury NSW have advised that Councils will be required to undertake a range of functions to implement the ESPL, including:

- Classifying land for purpose of ESPL
- Advising property owners of the ESPL classification
- Levying ESPL on rate notices
- Collecting ESPL revenue
- Collecting ESPL debt
- Submitting ESPL revenue to the NSW Office of State Revenue (OSR)
- Providing ESPL classification and pensioner data to the Valuer Genral.

Land Classification Process

Councils have been asked to classify all parcels of land within their area, to be within one of the following categories by 31 December 2016, and then provide this data to Valuation Services by 15 February 2017. This information will be used in setting ESPL rates in April 2017

ESPL Categories

1. Government land
2. Public benefit land
3. Farmland
4. Residential land (non-vacant)
5. Residential land (vacant)
6. Industrial land (non-vacant)
7. Industrial land (vacant)
8. Commercial land (non-vacant).
9. Commercial land (vacant).

Computer Software

NSW Treasury, the Office of State Revenue and the Office of the Valuer-General, in consultation with council representatives and software providers, are currently developing a functional specification for software providers. This will set out data to be collected and reported by councils and functions to be performed by councils. At present, Council's existing Civica Authority software used for rating, revenue and reporting purposes does not have fields to capture the ESPL categorisation or the required parameters to levy the ESPL.

Concessions

Treasury NSW have advised that pensioners, war veterans and other concession cardholders will be eligible for a concession under the ESPL. At present Treasury NSW has not provided Council with particulars regarding concessions.

Emergency Services Property Levy timeline

As per the NSW Emergency Services Property Levy Memorandum of Understanding between Dubbo Regional Council and the Treasury NSW, Council will be submitting initial land classifications to the Valuer General by required due date in February 2017.

The following timeline on the implementation of the ESPL has been provided by Treasury NSW.

Activity	Due Date
1. ESPL land classification and data exchange webcast posted to ESPL Council Portal.	November 2016
2. ESPL Reform Update webinar including proposed legislation.	24 November 2016
3. Data provided to Valuation Services for Strata and Company Title ESPL data exchange	November 2016
4. 'ESPL Flying Squad' contractors deployed to assist councils with land classification and broader ESPL implementation.	November 2016 – June 2017

5.	Series of pre-recorded training webcasts, on a range of ESPL reform themes, developed and made available to councils.	December 2016 – June 2017
6.	Valuation Services to match Strata and Company Title Files, investigate exceptions, and deliver updated Strata and Company Title Files to Council progressively.	31 December 2016
7.	Initial ESPL land classifications to be completed. Council to have classified all parcels of land under one of the ESPL classifications / sub-classifications.	31 December 2016
8.	Valuer-General advises updated land valuations as at 1 July 2016 to all councils.	January – March 2017
9.	Initial ESPL land classifications to be e-mailed to Valuation Services at: <u>ESPL.Valuation@lpi.nsw.gov.au</u>	15 February 2017
10.	ESPL Bill introduced.	First quarter 2017
11.	Testing of new rating software specifications specified to support ESPL implementation.	March - May 2017
12.	Council to have notified all land owners of their initial ESPL land classification.	30 April 2017
13.	First rates notices incorporating ESPL levies issued.	July 2017
14.	First ESPL reconciliation period payment due to OSR.	30 September 2017

Impact on Dubbo Regional Council

NSW Treasury have required Council to classify all parcels of land into an ESPL category by 31 December 2016, with land classification to be uploaded to Valuer General in February 2017. From 1 April 2017 landowners will be able to apply for a 'vacant' land sub classification. Council is required to notify all liable land owners (or lessees) of their classification by 30 April 2017. Land owners will be able to make an application for review of their ESPL classification on or before 31 August 2017.

Council is currently categorising all properties in the Dubbo Regional Council Local Government Area into an ESPL category based on the New South Wales Emergency Services Property Levy Manual of Operating Procedures for Local Government. The manual provides councils with definitions of each of the property sectors. The definitions are provisional and are subject to the passage of the ESPL Bill. Council have allocated one full time staff member to undertake the ESPL land categorisation task in order to classify all parcels of land by the required due date of 31 December 2016.

At present Council has two separate valuation registers with the Valuer General, one being for the former Dubbo City Council and one for the former Wellington Council Local Government Area. The valuations for the former Dubbo City Council have a base date of 1 July 2014. The valuations for the former Wellington Council have a base date of 1 July 2013. Council had previously requested the Valuer General to defer the General Revaluation of the former Wellington Council land valuations for a period of 12 months in order to determine a rating structure for 2017/2018 that conformed with the NSW State Government's Rate Path Freeze requirements and did not impact on individual rate assessments outside the announced rate peg increase.

NSW Treasury have since announced that all Councils in NSW will undergo a General Revaluation in order that ESPL be levied on valuations with a base date of 1 July 2016. This will require Council to undertake a General Revaluation and determine a rating structure for 2017/2018 taking into consideration the requirements of the Rate Path Freeze. At present Councils are awaiting the release of amendments to the Local Government Act due in December 2016 and additional information regarding the requirements of the Rate Path Freeze. The requirement to undertake a General Revaluation will potentially impact on ratepayers outside the announced rate peg percentage of 1.5% as Council will be required to levy rates in 2017/2018 on new land valuations.

NSW Treasury have advised that property owners have the ability to make an application for review of the ESPL classification applied to their property on or before 31 August 2017. This is to provide property owners with the opportunity to request a review of their categorisation after receipt of the 2017/2018 rate notice in order that they may assess the impact of the category applied. Under the Local Government Act 1993, Councils are required to serve the rate notice before 1 August 2017, with the first instalment of the 2017/2018 financial year being due on 31 August 2017. The ability to request an ESPL categorisation review up to 31 August 2017 could result in significant work for Council in assessing applications for a change in ESPL category and the requirement to process amendments to the ESPL categorisation which will include the requirement to issue an adjusted rate notice should it be determined that the initial classification applied requires amendment.

Start-up Costs

Councils will be paid for ESPL start-up costs that fall within eight cost heads:

- 1) Project Management
- 2) Classification of Land

- 3) Software Updates
- 4) Software configuration and testing
- 5) ESPL revenue processing and change management
- 6) Moving to a common base date for land valuations
- 7) Printing and mailing ESPL communications
- 8) Customer Service enquiries

In claiming these costs, councils could choose one of two options for each cost head:

(a) **Formula approach:** this comprises a simple formula for each cost head, which will require minimal record-keeping on the part of the council. The formulas represent an estimate of the likely costs that councils will encounter in implementing the ESPL.

(b) **Cost-recording approach:** this will require records to be kept of the actual costs incurred by a council. The recorded costs must be within the approved sub-categories and be reasonable.

Formula approach: Where councils choose formula payments, payment will be made in three instalments:

- The first instalment is an up-front payment intended to cover the cost of land classification.
- The second instalment will be set at a level intended to cover half of the council's remaining formula payments, and will be paid once a council has provided information to the Valuer-General about the ESPL classification of all land within the council's boundaries as at 31 December 2016.
- The final instalment for formula payments will be paid when the council's General Manager, or delegate, provides a signed certification to Treasury that all software necessary for ESPL revenue collection and remittance has been installed and is in operation.

The Crown in right of the State of New South Wales (represented by the Treasury) and Council entered a Memorandum of Understanding that Council would undertake the initial land classification task by 31 December 2016 and provide land classification data to NSW Treasury by 15 February 2017 and that the State would provide Council with funding equal to \$55,007. Council received the \$55,007 from the State Government on 19 October 2016.

Ongoing Costs

In addition to initial costs incurred by Council in implementing the ESPL, Council will incur ongoing costs in collecting the ESPL including:

- Categorising new properties
- Verification of vacant land applications
- Managing ESPL on non-rateable land applications
- Administration/accounting/reporting/remittances/audit
- Customer service Enquiries

- Debt Recovery
- Objections to classification

Reimbursement of Operating Costs

A further set of guidelines is currently being prepared by the Treasury NSW to cover council ESPL operating costs. During 2017/2018 councils will be asked to record operating costs. As with the start-up costs, these operating costs will be grouped into allowable cost-heads. The information gathered during the first year will be used to develop a simple formula based on readily verifiable information, which will be used to reimburse councils for operating costs on an ongoing basis.

The formula will be developed by NSW Treasury, in consultation with Local Government NSW. Treasury NSW have advised that further information on this process will be provided to councils in advance of the 2017/2018 financial year.

SUMMARY

At present the introduction of the ESPL is provisional, being subject to the passage of the Emergency Service Property Levy Bill 2016. It is currently proposed by Treasury NSW that the Bill will be introduced in the first quarter of 2017.

As the ESPL is proposed to be introduced from 1 July 2017, Councils have been asked to classify all land by 31 December 2016 and provide the classification data to the Valuer General by 15 February 2017. Council is currently undertaking the classification of all land in the Dubbo Regional Council local government area. The initial classifications will be uploaded to Valuation Services by the required date in February 2017.

Council will undertake additional tasks as required by Treasury NSW following introduction of the Emergency Services Property Levy Bill 2016.

Appendices:

- 1 ESPL Operating Procedures Manual for Local Government



New South Wales Emergency Services Property Levy

Operating Procedures
Manual for Local
Government

Release 2 | November 2016



Release notes

Release 2: November 2016

This second version of the ESPL Manual contains more detailed information on the proposed legislative provisions, and what these mean for councils. While the information will be updated in future releases of the Manual, this should be considered the first comprehensive edition of the Manual.

ESPL Manual of Operating Procedures for Local Government

Overview

This Operating Procedures Manual (“the Manual”) has been developed to inform and assist local government in preparing for the implementation of the Emergency Services Property Levy (ESPL) on 1 July 2017.

The information contained in this Manual, including the proposed land classification framework, is provisional and is still subject to change following decisions by the NSW Government and Parliament.

This second release of the Manual provides more comprehensive detail on ESPL implementation including on land classification and recording and claiming ESPL start-up costs.

As further information becomes available and any implementation issues arise, this manual will be updated periodically.

Points of contact

emergencyservicespropertylevy.nsw.gov.au

espl.info@treasury.nsw.gov.au

Release 2 | November 2016

ESPL Manual of Operating Procedures for Local Government

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1 Background

From 1 July 2017, the NSW Government will abolish the Emergency Services Levy (ESL) on insurance policies and replace it with an Emergency Services Property Levy (ESPL), paid alongside council rates.

The current insurance-based levy is used to fund Fire and Rescue NSW, NSW Rural Fire Service and the NSW State Emergency Service. State and local governments also contribute directly to these vital services.

The fairer model for funding fire and emergency services will mean the burden of funding these services will no longer fall on only those with property insurance, but all landowners.

The reform will also reduce the cost of insurance and encourage more people to insure their properties. The most recent data from the Australian Bureau of Statistics indicates 36 per cent of NSW households do not have contents insurance, compared with an average of 25 per cent for other States where the insurance levy has been abolished. Abolishing the ESL will help reduce NSW's high rates of under-insurance and reduce the number of households and businesses that are exposed to financial ruin when fire or other emergencies occur.

NSW is the last of the mainland States to transition from an insurance-based levy to a property-based levy to fund their fire and emergency services. Victoria abolished its insurance-based fire services levy and introduced a property levy in July 2013 – a reform prompted by recommendations of the Royal Commission into the 2009 bushfires.

Numerous tax reviews, including the Henry Tax Review (Australia's Future Tax System) and the NSW Independent Pricing and Regulatory Tribunal's review of State taxes, found the insurance-based ESL is inequitable, inefficient and lacking transparency. The same studies recommended a property-based levy instead, as it would reduce the cost of insurance, therefore removing the disincentive to insure property while still generating the same revenue.

The NSW Government is committed to ensuring the new arrangements are fair to all parts of the community. The Government has conducted an extensive consultation process that began in 2012.

2 How the levy is to be formulated

The ESPL will replace the revenue raised by the insurance-based ESL. ESPL rates will be announced no later than 30 April each year, commencing in 2017. The levy rates will change each year, depending on the budgeted costs of the fire and emergency services, and NSW land values.

The ESPL will be a charge payable on all land other than Government land except in certain cases where the land is the subject of a lease. Government land will be exempt as NSW State and Local Governments already directly contribute 26.3% of the annual costs of the State's emergency services, and NSW does not have the power to tax the Commonwealth.

Like council rates, the ESPL will apply to individual units in strata and company title properties according to their unit entitlements and include:

- **A fixed component** – a single amount per property, regardless of land value; and
- **An ad valorem component** – a variable amount per property, calculated by multiplying the ad valorem rate by the unimproved land value.

Land values will, in nearly all cases, be the same as those determined by the Valuer-General. Where councils effectively levy rates on a lower valuation, such as arises in the case of a heritage restriction by deferring the full rates charged, this lower valuation will be used for the purpose of the ESPL. Importantly, all councils, regardless of current rating cycle, will be required to adopt a 1 July 2016 valuation base date for both the ESPL and council rates for 2017-18 through an amendment to the *Local Government Act 1993*.

Rates rebasing cycles to converge

NSW councils periodically revise the land values on which they base their rates. Currently this cycle varies across councils. To ensure a common set of land values is used across the State for the ESPL and council rates, councils will be required to move to a common three-year cycle, with local governments using land values as of 1 July 2016 for 2017-18, 2018-19 and 2019-20 rating years with this valuation base date being updated every 3 years. Councils will be reimbursed for any reasonable administrative cost resulting from this change.

The ESPL levied can only be a multiple of quarters of the levy that would be due where the land is leviable for the entire financial year. Therefore, if the gross annual levy due is \$200, but the land is only leviable for the three of the financial year quarters, the gross levy due would be \$150.

This rule regarding multiples of a quarter applies to all areas of the levy, including discounts, changes in land classification and vacant land sub-classifications, and any new liabilities or changes to liability take effect from the first day of the following financial year quarter.

For example, if a property first becomes liable on 30 September, the levy can be charged on the second and subsequent quarters; however, if a property first becomes liable on 1 October, or any time between 1 October and 31 December, the levy can only be charged on the third and fourth quarters of that year.

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Similarly, if a liable person's pensioner eligibility changes during a quarter, or if a property ceases to be vacant, that change takes effect, for the purposes of ESPL levied, from the beginning of the following quarter.

3 Who and what is leviable

3.1 Who is liable to pay ESPL

The land owner is liable to pay the levy, except where leviable land is owned by the Crown or a council and is the subject of a lease for more than a nominal or 'peppercorn' rent (such as \$1 or \$2)¹. In such cases, the lessee is liable to pay the levy. Further, where there are two or more owners or two or more lessees who are liable to pay the levy in respect of the same land, they are jointly and severally liable to pay the levy.

3.2 ESPL is payable on each separate parcel of land

The ESPL levy on land that is within a particular property sector is proportionate to the number of quarters within a financial year for which the land is within that property sector. A separate levy is payable for each separate parcel of land. For the purposes of ESPL, land is taken to be a separate parcel of land if:

- a) it has a separate valuation determined by the Valuer-General
- b) it is a strata unit that is separately rateable under the *Local Government Act 1993*
- c) it is a company title unit that is separately rateable under the *Local Government Act 1993*
- d) it is land owned by the same person and worked as one holding for agricultural or pastoral purposes, and thereby included in a single valuation by the Valuer-General under s.27(2) of the *Valuation of Land Act 1916* (unless the lands are in two different LGAs, in which case s.28 provides that the lands in each LGA shall be separately valued).

Furthermore, s.548A of the *Local Government Act 1993* is also applied for the purposes of ESPL. Under this provision, local governments can decide to aggregate several parcels to avoid applying fixed components of council rates multiple times. If a council does this, the same aggregation will apply for purposes of the ESPL. This provision does not, however, affect the requirement for the council to separately classify each of the underlying parcels for purposes of the ESPL.

3.3 Application of strata provisions

Section 192 of the *Strata Schemes Development Act 2015* applies to the charging of ESPL in the same way as it applies to the levying of a rate under the *Local Government Act 1993*. For the purposes of ESPL, a reference in section 192 of the *Strata Schemes Development Act 2015* to a rateable lot, rateable parcel, or rateable part of a parcel, should be taken as being a reference to a lot, parcel or part of a parcel for which ESPL is payable, or would be payable were it not for an exemption, discount or waiver.

3.4 Value of land

The value of land is the value (within the meaning of the *Local Government Act 1993*) used by the council for the purpose of levying rates under Chapter 15 of the *Local Government*

¹ Commonwealth land is not taxable by the State under the Constitution and therefore does not fall within the definition of leviable land.

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Act 1993. For any period in which the rates payable are postponed under Division 2 of Part 8 of Chapter 15 of the *Local Government Act 1993*, the levy is to be charged as if the land value of the land were the non-attributable value of the land.

Where land is **unvalued land** (such as on Lord Howe Island), the regulations may specify the land value, or the method by which the land value of unvalued land is to be calculated. The regulations may also specify a zero land value for unvalued land, in which case no levy is payable on the land (including no fixed component). The Valuer-General may also separately ascertain the land value of each parcel of unvalued land.

3.5 Discounts

A liable person is eligible for a **vacant land discount** in respect of the levy payable if the land is vacant (see separate definition at 6.7). The levy payable for a financial year is to be discounted by a percentage to be determined by legislation. The discount applies to the fixed and ad valorem components only and not to any interest that accrues on overdue payments of the levy.

A liable person is eligible for a **pensioner discount** if they are an eligible pensioner, within the meaning of pensioner as provided in Sections 577–579 of the *Local Government Act 1993*. The pensioner discount will be a dollar amount to be determined by legislation. Only one pensioner discount can be claimed in respect of a parcel of land, even if more than one eligible pensioner is a liable person in respect of the land. If the pensioner discount amount is more than the gross levy payable, the levy payable is zero. If a pensioner discount is only claimed for one, two or three quarters of the financial year, the discount amount will be $\frac{1}{4}$, $\frac{1}{2}$ or $\frac{3}{4}$ of the pensioner discount amount respectively.

3.5.1 Change of circumstances

If circumstances occur during a financial year that cause an entitlement to a discount to change, that change takes effect from the first day of the next quarter immediately following the quarter in which those change of circumstances occur.

If, at the time the entitlement is taken to arise or cease, the levy for the whole year has been paid in full, an adjustment should be made to the levy payable for the year.

4 Implementation

4.1 Initial land classifications

In order to inform the timely determination of ESPL rates for all sectors, councils have been asked to classify all parcels of land within their area by 31 December 2011, and then provide this data to Valuation Services by 15 February 2017.

As part of the provision of initial ESPL Land Classification data, each council is asked to provide the following information for each property to the Valuation Services:

- District code (3 digit code council identifier)
- Property ID
- ESPL classification and when the determination was made
- Whether the parcel is rateable
- Whether a pensioner discount already applies for the purposes of rates
- Land value applied for rating purposes
- Whether the parcel is mixed land and, if so, the mixed development apportionment factor and the secondary ESPL classification.

To ensure that councils have the appropriate property IDs for all strata and company title properties, Valuation Services will conduct a data exchange with councils, whereby councils provide a file of all properties to Valuation Services to which Property IDs added by the Valuer-General and the file will then be provided back councils.

A document outlining this data exchange and the initial land classification process, and setting out required data items in more detail has been prepared and is available on the ESPL Council Portal at: <http://www.emergencyservicespropertylevy.nsw.gov.au>. Users who have not previously accessed the Portal can access it via entering the following login details:

Username: council

Password: #emergency

4.2 Classification / sub-classification and effective date

Landowners will be able to apply for a 'vacant' land sub classification, and councils should determine whether the land meets the definition. Any classification of land, including a vacant sub-classification, takes effect from the date specified for the purpose in the declaration of the council (and this is the **effective date** for the classification). If a council classifies, sub-classifies or revokes the sub-classification of land because of a change in circumstances or in the requirements for classification or sub-classification, the council should set as the effective date the first day of the next quarter after the quarterly period during which that change occurs.

4.3 Notifications, objections and review

Councils will need to advise liable land owners (or lessees) of their initial classification by 30 April 2017, in future years, notice must occur within 30 days after classification is declared. Land owners will be able to make an application to the council at any time for a review of an ESPL classification.

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An application for review:

- a) must be in a form approved by the council
- b) must include a description of the land
- c) must nominate the property sector that the applicant considers the land should be within (if a different classification is sought)
- d) must set out the reasons why the applicant considers the land should be within that property sector
- e) must nominate the effective date for the classification that is sought by the applicant, and
- f) must be accompanied by the fee (if any) charged by the council for the application.

If the council disagrees with the property sector or effective date nominated by the applicant, the council must include in the notice:

- a) the reasons for the decision, and
- b) information about appeals to the Land and Environment Court (including the time limit for making an appeal).

If the council has not notified the applicant of its decision within 40 days after the application is made to it, the council is taken, at the end of the 40-day period, to have refused the application.

The fee (if any) for making an application for classification or review of classification is to be refunded:

- a) if the council declares the land to be within the property sector nominated by the applicant, or
- b) if the council fails to notify the applicant of a decision within 40 days after the application is made to it.

4.4 Appeals to Land and Environment Court

A liable person who is dissatisfied with a relevant decision by a council may appeal to the Land and Environment Court against the decision. An appeal must be made no later than 30 days after notice of the relevant decision is given to the person or, where applicable, 30 days after the expiry of the 40 day decision period.

A council is to give the Valuer-General notice of any appeal made to the Land and Environment Court within 7 days after the council is given notice of the appeal.

4.5 Zoning and use changes

A council must review its classification of a parcel of land and its sub-classification (if any) if:

- a) the zoning or designated use for the land under an environmental planning instrument changes, or
- b) a change in use for the land is approved by the council.

A council must also ensure that it reviews the sub-classification of any land as vacant land at least once every 4 years.

4.6 Adjustment of levy following change in classification

Councils should make an appropriate adjustment of any levy or instalments payable following a change in classification or sub-classification. If, at the effective date, the levy for the whole year has been paid in full, an adjustment should be made to the levy payable for the year based on the change of circumstances applying from the start of the next quarter.

4.7 Issuing ESPL notices

Councils will be required to issue the first ESPL assessments alongside council rates on first notice issued on or after 1 July 2017. The levy notice is to contain the following information:

- a) the land on which the levy is charged,
- b) the ESPL classification of the land,
- c) the ESPL sub-classification of the land (if any),
- d) the amount of the ESPL payable,
- e) the land value for ESPL purposes,
- f) the date of 1 July by reference to which the land is valued (unless the land is unvalued land),
- g) any other information specified in the regulations.

The levy is to be described as the "NSW Government Emergency Services Property Levy" or as the "NSW Govt ESPL". The description of the levy may also include a reference to the property sector that the land is within. The fixed and ad valorem components of the levy may (but are not required to) appear on separate lines of the rates notice, or can be combined into a single ESPL amount due.

Lines on a rates notice related to the ESPL, including any pensioner discounts, should be grouped together (with the gross ESPL and any pensioner discount amounts shown separately), after lines relating to council rates or charges, and before lines that specify the total amount due. Where both local government rates and ESPL are due, notices should include a single sum due for all rates and charges including ESPL.

4.8 Charging and collection of levy by councils

The levy may be paid in a single instalment or by quarterly instalments. If a rate or charge under Chapter 15 of the *Local Government Act 1993* payable for the same period as the levy is paid by a single instalment, the levy must be paid by single instalment.

4.9 Payment of levy

If a levy is paid by single instalment, the instalment is payable by 31 August. If the levy is paid by quarterly instalments, a quarterly instalment is payable for each of the following periods:

- a) the period starting on 1 July and ending on the next 30 September, payable on 31 August,
- b) the period starting on 1 October and ending on the next 31 December, payable on 30 November,
- c) the period starting on 1 January and ending on the next 31 March, payable on 28 February,
- d) the period starting on 1 April and ending on the next 30 June, payable on 31 May.

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However, if the levy notice is not served by 1 August, the first 2 quarterly instalments are payable by 30 November, or by the day that is 30 days after service of the notice, whichever is the later.

4.10 Accrual of interest on overdue levies

Interest accrues on a daily basis on any levy or part of a levy that remains unpaid after it becomes due and payable. The rate of interest is that set by the council but must not exceed the rate specified for overdue rates and charges by the Minister administering the *Local Government Act 1993* under section 566 of that Act. Interest continues to accrue on an unpaid levy or part of a levy even though judgment for payment of the levy may have been obtained in a court.

5 Land classification process

5.1 ESPL property sectors

A council must classify each parcel of land in its area to be within one of the following categories:

1. Government land
2. Public benefit land
3. Farmland
4. Residential land (non-vacant)
5. Residential land (vacant)
6. Industrial land (non-vacant)
7. Industrial land (vacant)
8. Commercial land (non-vacant).
9. Commercial land (vacant).

Each parcel of land is a property sector for the purposes of the ESPL. Definitions of each property sector are provided in this section.

A process of elimination is to be applied when classifying land noting that all land parcels should be classified based on their **dominant** use:

- A council should first consider whether the land is government land, and classify the land as 'government' if it meets that definition
- If the land is not classified as government land, the council should then consider whether it meets the definition of public benefit land
- If the land is not classified as either government land or public benefit land, the council should then consider whether to classify the land as farmland, residential land or industrial land, if it meets one of these respective definitions
- If the land does not meet the requirements for any of the above classifications, then the council should classify the land as commercial land.

This process is illustrated in the flow chart at Figure 1 on page 14.

1.2 Dominant use

When assessing the dominant use of a single parcel of land for the purposes of classification, the following guidelines should be taken into account:

- The amount of land actually used for any purpose
- The nature and extent and intensity of the various uses of the land
- The extent to which land is used for activities which are incidental to a common business or industry of a type specified [in the relevant statutory provision]
- The extent to which land is used for purposes which are unrelated to each other, and
- The time and labour resources spent in using the land for each purpose.

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5.3 Classification of mixed development land

If a valuation has been prepared under the *Valuation of Land Act 1916* for mixed development land, a council may classify the part of the land that is non-residential as Industrial, Commercial or Public Benefit land, and the remaining part as Residential.

In these cases, the levy payable will be as follows:

- (a) the amount obtained by applying the apportionment factor to the levy that would be payable for the land if it were wholly within the first classification

PLUS

- (b) the amount obtained by applying the remainder factor to the levy that would be payable for the land if it were wholly within the second classification.

The apportionment factor to be applied is the apportionment factor for the parcel of land ascertained under section 14X of the *Valuation of Land Act 1916*, while the remainder factor is the factor obtained by deducting the apportionment factor from 100%.

5.4 Classification of a parcel of land in two or more areas.

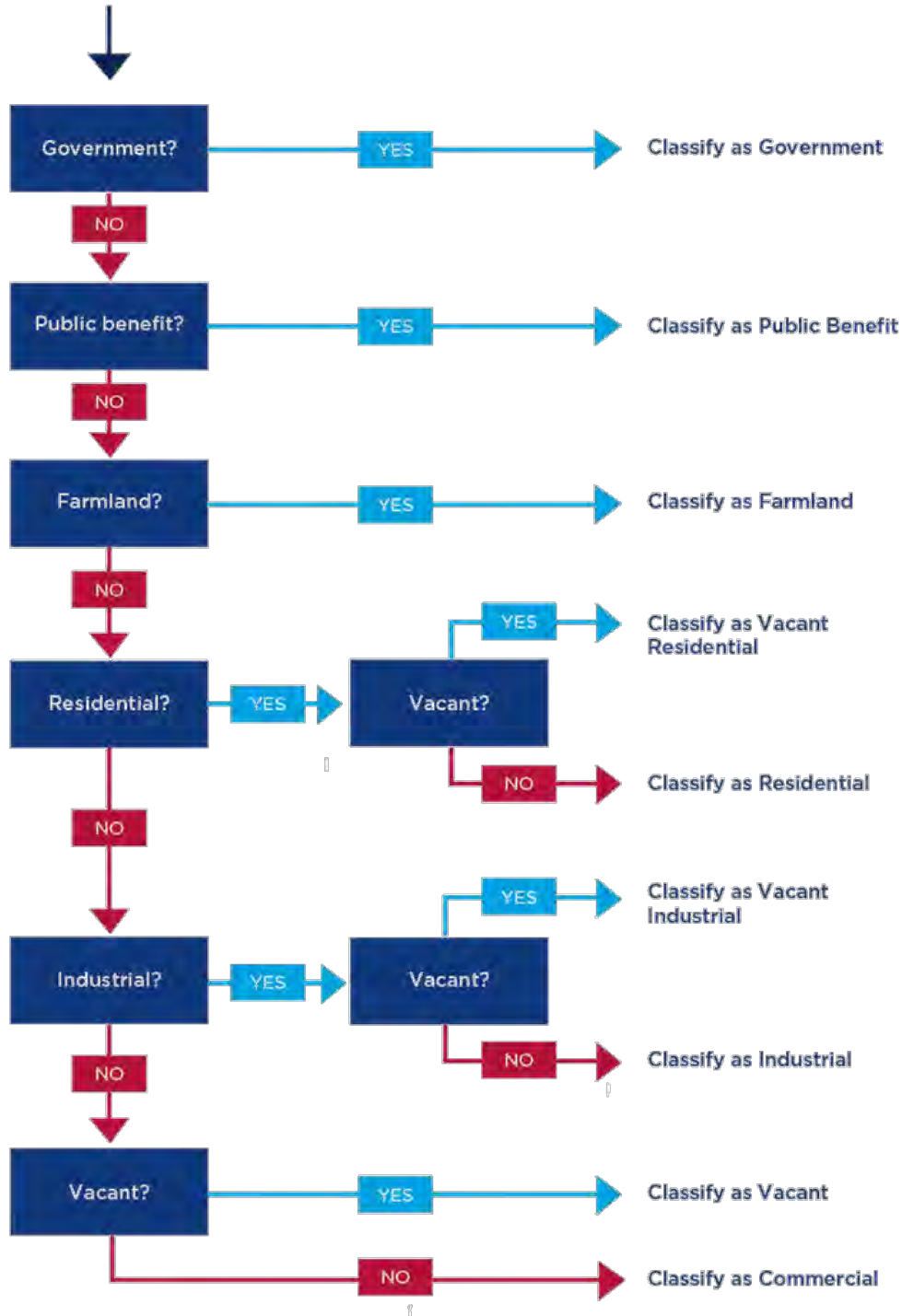
If different parts of the same parcel of land are situated in different council areas, each part is taken, to be a separate parcel of land. Accordingly, a council must classify, sub-classify (if necessary) and levy the part of the parcel of land that is situated in the council's area, as if that land were a separate parcel of land.

However, a council may, on application by a liable person, waive or refund part of the fixed component of the levy if satisfied that the parcel of land is situated in more than one council area and that more than one levy is payable in respect of the parcel.

The maximum amount that can be waived or refunded is the amount obtained when the *appropriate proportion* is deducted from the fixed component of the levy. The appropriate proportion is the amount that is obtained by dividing the fixed component of the levy that would be payable if the land were situated wholly in the council's area by the number of areas in which the parcel of land is situated.

ESPL Manual of Operating Procedures for Local Government

Figure 1 - Land classification process



6 ESPL Property Sectors

The following section provides definitions of the property sectors. These definitions are provisional, subject to the passage of the Bill, however, councils are asked to initiate their land classification work on this basis, noting the NSW Government will reimburse councils for duplicative work arising from any changes to these definitions.

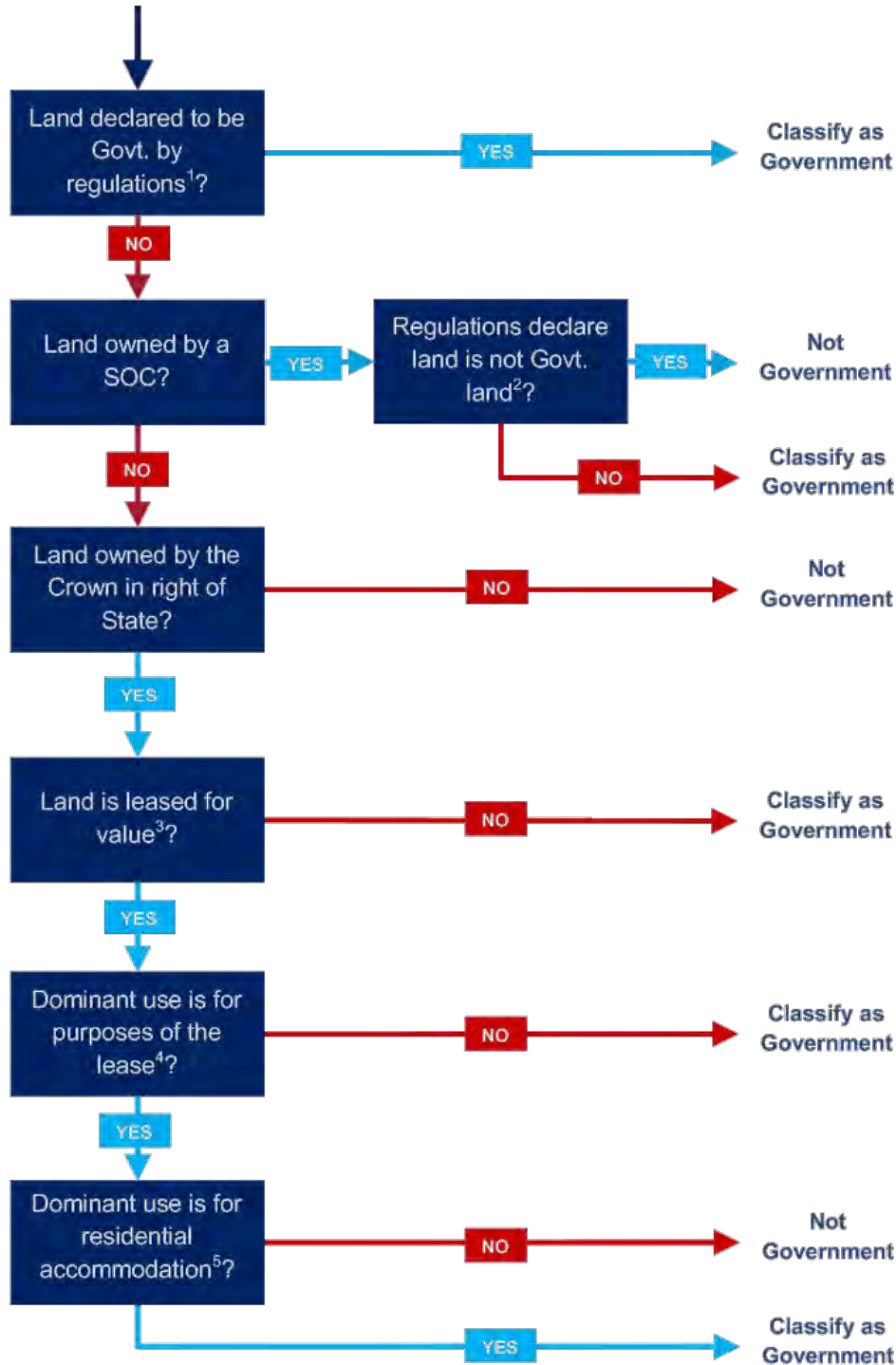
6.1 Government Land

Government land will be exempt from the ESPL. Land should be classified as Government land if it is:

1. Land owned by the Crown, unless the land is the subject of a lease for value and the dominant use of the land is for the purposes of the lease.
2. Land owned by the Crown and **is** the subject of a lease, if the dominant use of the land is for residential accommodation (being the type of residential accommodation that permits land to be categorised as residential under section 516 of the Local Government Act 1993).
3. Land owned by a NSW Government agency, including a State Owned Corporation (SOC) or by a subsidiary of any SOC, except land owned by
 - a. Essential Energy,
 - b. Ausgrid,
 - c. Endeavour Energy.
4. Land owned by a local government, except where that land is leased or licenced to any other person for value; or
5. Land owned by the Crown in right of the Commonwealth (refer Attachment B for agency list), except where that land is leased or licenced to any other person for value; or
6. Land owned by the Crown or by a council that is the subject of a lease to the Commonwealth, a State, a Territory or a council,
7. Land that is the subject of a lease and is used for the purpose of a government school (within the meaning of the *Education Act 1990*), but only if that use is the dominant use of the land.
8. Land in the unincorporated area of the Western Division (i.e. areas in the western-most part of NSW where there is no local government and most land parcels are pastoral leases of crown land).

This process for determining whether land should be classified as Government land is illustrated in the flow chart at Figure 2 on page 16.

Figure 2 - Government land classification process



Explanatory Notes: Government Land classification process

1. The following land is government land:
 - a) land owned by WCX M4 Pty Limited (ACN 602 963 806),
 - b) land owned by the Crown or by a council that is the subject of a lease to the Commonwealth, a State, a Territory or a council,
 - c) land that is the subject of a lease and is used for the purpose of a government school (within the meaning of the Education Act 1990), but only if that use is the dominant use of the land.
2. Land owned by, or by a subsidiary of, any of the following State owned corporations, is not government land:
 - a) Essential Energy,
 - b) Ausgrid,
 - c) Endeavour Energy.
3. The legal definition of nominal rent would be construed as meaning purely nominal or “peppercorn” rent, such as \$1 or \$2. Heavily discounted rent (eg a quarter of the market rate) would not be considered to be “nominal rent”.
4. For example, if a national park leases out part of the land for use to a café, the dominant use is that of a national park and not the purposes of the lease, the café. Thus this land would be classified as Government.
5. Land meets the requirements for classification as government land if the land is owned by the Crown and is the subject of a lease, if the dominant use of the land is for residential accommodation (being the type of residential accommodation that permits land to be categorised as residential under section 516 of the Local Government Act 1993).

6.2 Public Benefit Land

Land meets the requirements for classification as Public Benefit Land for the purposes of the ESPL if it is not used for a profit-making purpose and if its **dominant** use is for a purpose referred to in Attachment C. Note: Land may be used for a profit-making purpose even if no profit is made.

6.3 Farmland

Land meets the requirements for classification as Farmland for purposes of the ESPL if it is classified by a council as farmland for purposes of the *Local Government Act 1993*, or would be categorised as farmland under the Act if the land were rateable.

6.4 Residential Land

Land meets the requirements for classification as Residential Land for purposes of the ESPL if it is classified by a council as residential for purposes of the *Local Government Act 1993*, or would be categorised as residential under the Act if the land were rateable.

6.5 Industrial land

Land meets the requirements for classification as Industrial Land for purposes of the ESPL if the **dominant** use of the land is for a purpose referred to in Attachment D.

6.6 Commercial land

Commercial is the default classification for leviable land. If land cannot be classified under one of the other property sectors, it is to be classified as commercial land.

6.7 Vacant land

It is anticipated that vacant residential, commercial or industrial land will be subject to lower levy rates. From April 2017 landowners will be able to apply for a 'vacant' land sub-classification. As a service to landowners, councils may choose to identify vacant land as part of the initial classification. However, councils are not required to identify vacant land as part of the initial classification and may choose instead to rely on landowner applications to identify land.

Upon receiving an application, councils will need to determine whether the applicant's land meets the ESPL definition of vacant. Land may be given an ESPL sub-classification of vacant, if:

- a) it has been classified as residential, industrial or commercial land, and
- b) there are no buildings or structures (complete or incomplete) on the land that are being used or that could be used for a residential, industrial or commercial purpose, and
- c) the land is not being used for storage or treatment of goods, materials or any other item.

An application for a vacant sub-classification:

- a) must be in a form approved by the council, and
- b) must include a description of the land concerned, and
- c) must include the reasons why the applicant considers the land to be vacant land, and
- d) must nominate the date from which the applicant considers the land should be sub-classified as vacant land, and
- e) must be accompanied by the fee (if any) charged by the council for the application.

If the council refuses the vacant application, the council must include in the notice:

- a) the reasons for the decision, and
- b) information about appeals to the Land and Environment Court (including the time limit for making an appeal).

If the council has not notified the applicant of its decision within 40 days after the application is made to it, the council is taken, at the end of the 40-day period, to have refused the application.

The fee (if any) for making an application that land be declared to be vacant land is to be refunded:

- a) if the council declares the land to be within the property sector nominated by the applicant, or
- b) if the council fails to notify the applicant of a decision within 40 days after the application is made to it.

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Note: The earliest **effective date** for the sub-classification is the date of 1 July in the financial year in which the application is received by the council. The effective date for the sub-classification cannot be in a previous financial year.

Councils are responsible for removing the vacant sub-classification when information comes to their attention that the land is no longer vacant e.g. issue of an occupancy certificate.

Where land is currently not being used, the approach to classification of the land set out in s.519 of the *Local Government Act* will apply:

- a) **if the land is zoned or otherwise designated for use under an environmental planning instrument** – the land should be classified according to any purpose for which the land may be used after taking into account the nature of any improvements on the land and the nature of surrounding development, or
- b) **if the land is not zoned or designated** – the land should be classified according to the predominant categorisation of surrounding land.

7 Recording & Claiming ESPL Start-up Costs

This section provides guidelines covering start-up costs incurred by NSW councils in preparing for the operation of the Emergency Services Property Levy. Separate guidelines will be prepared in respect of ongoing costs incurred after the ESPL commences.

7.1 General Principles for ESPL Start-up cost reimbursement

- A. The NSW Government will fully fund all reasonable costs incurred by councils as a result of the implementation of the Emergency Services Property Levy (ESPL). The NSW Government does not intend to shift costs on to councils, or to require councils to make expenditure savings in order to fund the reasonable costs of implementing the ESPL.
- B. The framework for reimbursing council costs seeks to balance multiple considerations
 - payments to councils should fully cover reasonable incremental costs,
 - the administrative burden required to claim reasonable costs should be minimised, and
 - safeguards should exist to ensure that cost claims are not excessive.
- C. Councils must exert their best endeavours to minimise the costs incurred in implementing the ESPL. Councils and the NSW Government share a common goal in seeking to minimise the costs that will ultimately be passed on to NSW landowners.
- D. Councils will only be reimbursed for incremental costs incurred as a result of ESPL implementation (i.e. the difference between actual reasonable costs incurred by councils, and the costs that would have been incurred had the ESPL not been introduced).
- E. Councils may claim costs under a formula approach or a cost-recording approach for each cost head:
 - Where a formula approach is adopted, the claim under that cost head will generally not be subject to audit (with the exception of Cost Head G – printing and mailing costs).
 - Where a cost recording approach is used, no payment will be made without the necessary supporting documentation, and claims may be subject to audit by the Auditor General.

Example 1: Incremental costs

If the council is required to include an ESPL leaflet with a council rates notice, the council would be reimbursed for the cost of printing the leaflet and inserting it in the envelope. The council would not be reimbursed for the envelope or postage as these costs would have been incurred by the council regardless of the reforms necessitating the ESPL flyer.

7.2 Options for reimbursement

Councils will be paid for ESPL start-up costs that fall within eight cost heads, specified below. In claiming these costs, councils can choose one of two options for each cost head:

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- (a) **Formula approach:** this comprises a simple formula for each cost head, which will require minimal record-keeping on the part of the council. The formulas represent an estimate of the likely costs that councils will encounter in implementing the ESPL.
- (b) **Cost-recording approach:** this will require records to be kept of the actual costs incurred by a council. The recorded costs must be within the approved sub-categories and be reasonable. The types of records to be kept are specified below in section 3.

Councils must choose a formula or cost-recording approach in respect of each cost head by 31 December 2016. The council's election must be communicated in writing to kevin.pugh@treasury.nsw.gov.au. If a council does not indicate its choice of reimbursement method by the due date, it will be deemed to be using the formula approach in respect of all cost heads where an optional choice is provided.

7.3 Formula payments

Where councils choose formula payments, payment will be made in three instalments:

- The first instalment is an up-front payment intended to cover the cost of land classification. It has already been provided to councils that have signed an undertaking to classify all land for purposes of ESPL by 31 December 2016. All councils are encouraged to submit this undertaking to enable funding to be provided. The Treasurer has approved a total of \$5 million for this first instalment.
- The second instalment will be set at a level intended to cover half of the council's remaining formula payments, and will be paid once a council has provided information to the Valuer-General about the ESPL classification of all land within the council's boundaries as at 31 December 2016.
- The final instalment for formula payments will be paid when the council's General Manager, or delegate, provides a signed certification to Treasury that all software necessary for ESPL revenue collection and remittance has been installed and is in operation.

7.4 Cost recording

Where councils choose a cost recording approach, the NSW Government will provide up to four instalments, based on initial estimates followed by a reconciliation against actual start-up costs:

- First instalment: The same as the formula payment first instalment.
- Second instalment: The same as the formula payment second instalment.
- Third instalment: Claims for the third instalment cannot be submitted until the council's accounts for 2016-17 have been audited. The instalment will be the amount by which the actual start-up costs incurred during 2016-17 exceeds the amounts paid under the first two instalment payments.
- Fourth instalment: Any additional start-up costs incurred during 2017-18 (for example objections to initial land classifications, or initial applications for vacant land lodged in July or August 2017) may be claimed by councils after the 2017-18 accounts have been audited. A final reconciliation will occur between the amounts paid and the actual costs incurred in ESPL start-up. Any positive or negative

difference will result in an adjustment to the payment for 2018-19 ESPL operating costs.

7.4.1 Cost recording methodology

For councils choosing to record actual costs, time sheets should be kept for each person recording time against the ESPL project: time should be recorded on an hourly basis; the time sheets should indicate against which ESPL cost head time is recorded; the time sheets should be signed by the person recording time and by their manager. The time sheets need not be submitted with a claim for payment, but should be retained for audit purposes. A claim for payment should include a summary of information recorded in time sheets against each cost head, and should include the hourly salary paid to each person (excluding on-costs such as superannuation or other overheads). The claim for payment should include an on-cost allowance of 12.5 per cent for time recorded. This on-cost allowance will be taken to also cover the costs of any phone calls or correspondence by council staff for purposes of ESPL implementation.

Vehicle use costs will be reimbursed at the ATO cents per kilometre basis – for 2016-17 this is \$0.66 per kilometre travelled. For example, if a council officer travels 100KM in a journey (or journeys) undertaken for the purposes of implementing ESPL (e.g. land classification assessment visits), in addition to the staff cost and on-cost allowance for that officer, councils will be able to claim \$66 for vehicle use. As with tax claims, logs must be kept of the journeys taken for purposes of the ESPL and any journey should be apportioned between ESPL and Non-ESPL activities.

Summary records must be submitted to support the third and fourth instalment payments, following auditing of the council's annual accounts. Councils will be requested to submit summary cost claim spreadsheets, via the ESPL website council portal. Councils will also need to retain for possible audit individual time sheets for ESPL work – a template for this is provided at Attachment E.

7.4.2 Reasonable costs

In addition to being incremental, claimed costs should be reasonable. Treasury will compare claims made by different councils, and may ask the Auditor General to investigate certain cost claims. Where inadequate records have been kept, the cost claim will not be considered reasonable, and Treasury may withhold some or all of the claimed costs.

In formulating claims, councils should consider the following questions:

- Where an agency is hired to conduct ESPL implementation work, is the rate paid to the agency for these staff commensurate with the level at which the work is being conducted, and consistent with rates paid previously for similar work or work at a similar level?
- Is the time recorded against tasks undertaken by agency staff commensurate with the time that might reasonably be required for the completion of such tasks?
- Where the cost relates to overtime for ongoing staff, is the overtime rate the standard overtime rate under the appropriate award?
- Is the time recorded against tasks undertaken by in-house staff accurate, approved by the staff member's manager and is there evidence it was necessarily incurred?

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- Where a service is being commissioned from a third party (e.g. printing), is the cost supported by an approved itemised invoice, and has an appropriate evaluation / tender process occurred?
- Where costs relate to activities involving travel (e.g. site visits for land classification), has council used reasonable efforts to combine site visits to minimise average costs per site visited?

7.5 Cost Heads

Start-up costs may be claimed against the following eight cost heads.

- Project management
- Classification of land
- Software updates
- Software configuration and testing
- ESPL revenue processing and change management
- Moving to a common base date for land valuations
- Printing and mailing ESPL communications
- Customer service enquiries

A: Project Management

Formula payment: \$17,500

It is expected that these costs will largely be common across councils. Councils may each claim \$17,500 for this cost head without detailed cost recording. Councils will not need to keep any records to claim costs under the formula.

Cost Recording Approach

Costs allocated to project management will be those incurred for overall coordination of the activities carried out in relation to cost heads, rather than discrete activities that should be captured under one or other of the cost heads.

Example 2: Project management

ESPL implementation by councils may require project management outputs (such as Gantt charts) and project control group meetings. Production of these outputs, and attendance at these meetings would constitute a project management cost. Work conducted by separate work groups outside of this structure, for example on software or land classification, would instead be captured under those separate cost heads.

An element of project management will include establishing a system for recording costs incurred under other cost heads. Where a formula payment approach is chosen, the cost recording activities would likely be minimal. If the council elects to record costs, the following items should be recorded:

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Task	Staff time	Other expenses	Other relevant information
Type of project management function or activity	Most costs under this cost head will be associated with staff time.	For example: <ul style="list-style-type: none"> Staff time on-cost allowance 	As applicable

B: Classification of land

Formula payment: \$15,000 + \$1 per head of population (up to maximum total payment of \$72,500)

The costs involved in performing this function are expected to be proportionate to the number of properties that are ultimately classified as Government, public benefit or industrial land, and hence also roughly proportionate to the council's population. Treasury will determine the population of each Local Government Area, using ABS data. Councils will not need to keep any records to claim costs under the formula.

Where legal costs result from a council land classification decision prior to 31 August 2017, the council may submit records of these costs under the cost recording approach, notwithstanding that the council has elected to claim the formula payment for cost recording.

Cost Recording Approach

Land classification should be completed by 31 December 2016 and will require councils to identify land that should be classified as Government land, public benefit land or industrial land – other categories will then be automatically classified based on their council rates categories. The task will involve a mix of desk reviews, site visits and potentially contact with landowners to determine Government ownership (e.g. telephone calls).

Land classifications will need to be recorded in the council's software, and communicated to the Valuer-General. Costs recorded under this cost head should relate purely to staff time and any necessary travel costs, and not relate to changes to computer systems which, where applicable, are to be recorded under Cost Heads C and D.

Councils will inform landowners of their land classifications in April 2017. Costs incurred on this task should be recorded under Cost Head G (printing and mailing ESPL communications).

Councils will need to deal with landowner objections to their land classifications, with review requests being made until 31 August 2017, and potentially appeals being made to the Land and Environment Court. Costs incurred on assessing these review requests and objections could include all of the same costs incurred in the initial land classification, in addition to possible legal costs. Legal costs associated with appeals to the Land and Environment Court should only be recorded in respect of requests for council review made on or before 31 August 2017. Subsequent legal challenges to land classifications should be treated as operating costs.

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Time spent dealing with general customer complaints, rather than actual applications for review or appeal, should be treated as 'customer service enquiries' (Cost Head H).

From April 2017, landowners may apply for a vacant land sub-classification. Any applications received before 31 August 2017 should be treated as a start-up cost. Subsequent applications should be treated as operational costs. Councils will need to assess whether to grant the vacant land sub-classification, based on information supplied by the applicant and any other relevant information. Other relevant information could include aerial imagery (where already available), development application information, or site visits.

Information to be recorded in respect of this cost head includes:

Task	Staff time	Other expenses	Other data
Initial land classification, focusing on identifying: (a) Government properties (b) Public benefit properties (c) Industrial properties	<ul style="list-style-type: none"> Staff time spent on desk reviews. Staff time spent on site visits. 	For example: <ul style="list-style-type: none"> Vehicle kilometres travelled allowance Staff time on-cost allowance 	Number of properties in each category.
Recording property classifications and communicating them to the Valuer-General	<ul style="list-style-type: none"> Staff time. 	For example: <ul style="list-style-type: none"> Staff time on-cost allowance 	As applicable
Processing reviews and objections to initial classifications - dealing with any applications for review received up to 31 August 2017.	<ul style="list-style-type: none"> Staff time spent on desk reviews. Staff time spent in site visits. 	For example: <ul style="list-style-type: none"> Legal expenses – provide details Vehicle kilometres travelled allowance Staff time on-cost allowance 	As applicable
Processing applications for vacant land sub-classification received on or before 31 August 2017.	<ul style="list-style-type: none"> Staff time spent on desk reviews. Staff time spent in site visits. 	For example: <ul style="list-style-type: none"> Vehicle kilometres travelled allowance Staff time on-cost allowance 	As applicable

C: Software updates

NSW Treasury, the Office of State Revenue and the Office of the Valuer-General, in consultation with council representatives and software providers, are currently developing a functional specification for software providers. This will set out data to be collected and reported by councils and functions to be performed by councils likely to require modifications of existing enterprise software (or other such software that councils use for rating, revenue and reporting purposes).

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Once the functionality specification for software upgrades has been prepared, NSW Treasury will discuss arrangements for payment with the software providers. In principle, payment could be made directly by Treasury to the software providers, or alternatively payment could be made to councils for costs billed by their software providers. Once payment arrangements have been finalised, these guidelines will be updated.

Where a council is using a software version that is supported by its software provider, the NSW Government will meet the full cost of updates to council software required for purposes of ESPL implementation. Where a council is not using a supported version, the NSW Government will not pay for any costs incurred in migrating from an unsupported version to a supported version, but will pay for ESPL upgrades that are made to a supported version.

D: Software configuration and testing

Formula payment for pilot councils: \$15,000

Formula payment for other councils: \$7,500

In introducing software updates, a small number of councils will be operating as pilot sites, under agreement with NSW Treasury. This means they will help inform configuration of the software coding, and will also run some initial testing of a software beta version before final updates are made. Costs are likely to be higher for participating pilot site councils as they will need to conduct two rounds of testing – one for the beta version of updated software, and one on the updated standard release version alongside all other councils. Where a formula payment is chosen for this cost head, no documentation for audit will be required for this cost head.

Cost Recording Approach

It is anticipated that most of the cost associated with software changes will be incurred through software coding and testing at the provider end (and hence covered under Cost Head C). However, some system configuration work, for example configuration to enable capture of ESPL classification as a separate field, may also be required by councils.

User acceptance testing is also likely to be necessary. Since configurations will vary across councils, acceptance testing will need to be conducted in each council. Councils will need to record the hours of staff time required for this work, and the cost of that time.

Task	Staff time	Other expenses	Other relevant information
Software configuration / User Accessibility Testing	Most costs under this cost head will be associated with staff time.	Staff time on-cost allowance	As applicable

E: ESPL revenue processing and change management

Formula payment: \$5,000

It is expected that these costs will largely be common across councils. Councils may each claim \$6,000 for this cost head as a formula payment. Where a formula payment is chosen under this cost head, documentation for audit will not be required.

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Cost Recording Approach

This work strand comprises management and administration relating to the levying of ESPL, excluding the process of land classification. This includes incremental work on:

- receipt mapping
- print files
- rates notice templates
- ESPL account creation
- rating staff training
- revenue management
- reporting.

Task	Staff time	Other expenses	Other data
Revenue processing / change management task	Most costs under this cost head will be associated with staff time.	Staff time on-cost allowance.	As applicable

F: Moving to a common base date for land valuations

NSW councils periodically revise the land values on which they base their rates. Most councils do this on a three-yearly basis, while a minority of 16 do so every four years. This cycle currently varies across councils, with approximately one third of councils using new land valuations each year.

Councils will use a common valuation base date for both rates and ESPL. The change in valuation cycle will not change the annual amounts that the Valuer-General charges councils for land value data.

However, a new set of land values requires councils to review, and potentially revise their rating structures. Tasks typically involved include: import land values, undertake land value comparisons, model rates, create change maps, and report to council for decision on the rates structure.

In the absence of the ESPL, councils would need to perform this task periodically, but the requirement of a changed valuation cycle may bring forward the time at which the function is performed. Accordingly, the amount of compensation to be paid will vary depending on the year in which a rates rebase was planned in the absence of the ESPL. This discounting will apply to both the formula payment and the cost recording methodologies.

Without change in cycles:	Amount of compensation to be paid
Next rates rebase to be conducted in 2017	Zero payment, because a rates rebase would have been required in any case.
Next rates rebase to be conducted in 2018	1/2 of calculated cost (formula or actual)

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Next rates rebase to be conducted in 2019	2/3 of calculated cost (formula or actual)
Next rates rebase to be conducted in 2020	3/4 of calculated cost (formula or actual)
Lord Howe Island	zero

Where two or more councils have been amalgamated and were operating on different valuation cycles, the proportion to be applied will be the highest proportion applicable for any of the individual pre-amalgamation councils.

Councils would not be paid for the cost of valuation lists provided by the Valuer-General in respect of rateable land. These costs would have been incurred in any case by the council. However, councils would be paid for the cost of land values in respect of non-rateable land that is subject to the ESPL (e.g. schools). These will be treated as operating costs, and will be covered in the separate guidelines on operating costs.

Formula payment: Fractional proportion of \$10,500 (subject to current land valuation cycle)

Where a formula payment is chosen under this cost head, councils must indicate when their next rates rebase was scheduled to occur.

Cost Recording Approach

To claim costs under this category on a cost-recording basis, councils will need to retain a cost breakdown as per the following table.

Task	Staff time	Other expenses	Other data
Land valuation administrative activity	Most costs under this cost head will be associated with staff time.	Staff time on-cost allowance.	As applicable
Rates rebasing	Most costs under this cost head will be associated with staff time.	No payment will be made for the cost of land value data from the Valuer-General	Financial year in which the next rates rebase was scheduled, prior to introduction of ESPL.

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G: Printing and mailing ESPL communications

Legislation may require councils to mail written documents to landowners (for example, a leaflet explaining the abolition of the ESL and the introduction of the ESPL). As the Government's communications program is developed, councils will be informed of the information to be included in these materials.

Costs incurred under this heading may include:

- Labour associated with preparing addresses using the council database
- Printing of documents
- Insertion of document into envelope
- Envelope costs
- Mailing costs.

Depending on the circumstances, some or all of these costs could be directly incurred by councils. For example, the NSW Government might provide councils with finished printed materials, with councils then responsible for ensuring their inclusion in a council rates notice. In this case, councils would be reimbursed for the costs of insertion of the document only. Where a council needs to send a notice purely for purposes of the ESPL (for example, because no notices regarding rates or charges are sent to the landowner in the relevant period), the NSW Government will also pay for the costs of postage, provided adequate records are kept.

Formula payment:

- ***\$2 for every ESPL communication that requires a separate envelope;***
- ***\$.20 for each document (double-sided A4 page) that is required to be included with an annual or quarterly council rates notice.***

For each ESPL communication required by legislation, the council should keep the following records:

Name and date of the communication	Document type	Number printed & mailed
E.g. April 2017 notification of land classification	Options include: <ul style="list-style-type: none"> • Insert in a council rates notice • Separate envelope required 	The number of documents printed and mailed should be itemised.

Cost-Recording Approach

To claim costs under this category on a cost-recording basis, councils will need to provide cost breakdown as per the following table.

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Name and date of the communication	Rateable / Non-rateable	Cost type	Unit cost	Total cost
E.g. April notification of land classification	Whether land is rateable	For example: <ul style="list-style-type: none"> • Labour (hours) • Printing (per document) • Insertion (per document) • Envelope** (per document) • Postage** (per document). 		

*** Not to be claimed where the correspondence is required for council rates purposes.*

Councils will not be reimbursed for any costs associated with the printing of a council rates notice on which an ESPL assessment appears, or for any written information about the ESPL provided to landowners unless required by ESPL legislation or regulations.

Costs of inserting ESPL documents in a council rates envelope must be documented through a separate line item on the printer's invoice.

Where postage costs are claimed, adequate documentation should be retained to indicate the cost of postage required for the ESPL (as opposed to postage that would have been required in the absence of the ESPL). Payment will be made where the inclusion of an ESPL document in a council rates notice results in an increase in the applicable postage rate. Councils should take account of ESPL requirements when determining what information they will include in their rates notices.

H: Customer Service Enquiries

Formula payment: 25 cents for each leviable (i.e. non-Government) property (e.g. if there are 30,000 ESPL properties within the council, the payment will be \$7,500).

The Government recognises that implementation of the ESPL will give rise to additional customer enquiries occupying council staff time. Customer service enquiries are likely to peak in July and August 2017, and any costs incurred in this period should be treated as a start-up cost (rather than an operating cost).

The Government will establish a State-wide hotline and website to deal with public enquiries. Council staff will be able to refer general public enquiries to the State hotline and website. Accordingly, it should be possible for council staff interactions arising from the ESPL to be kept to a minimum. More specific queries, relating to land classification of individual properties, or initial ESPL notices, are likely to require more resources.

Where a formula payment is chosen under this cost head, it will not be required that documentation is retained for audit.

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Cost-Recording Approach

It is considered impractical to accurately measure the duration of every call that mentions the ESPL, and the time spent dealing with each call, and councils should not keep such records.

Moreover, in many cases it is expected that councils will not employ additional staff or pay overtime because of the ESPL workload, and in such cases councils would incur no incremental costs.

However, there may be cases where customer relations staff are required to work overtime to catch up on a backlog of work arising because of the volume of ESPL enquiries. Records kept should indicate the date and amount of overtime or additional staff paid as a direct result of such backlogs. The records should also be accompanied by an attestation from the council's general manager that these payments were incurred as a direct result of additional workload generated by the ESPL.

7.6 Reimbursement of Operating Costs

A further set of guidelines is being prepared to cover council ESPL operating costs. During 2017-18 councils will be asked to record operating costs. As with the start-up costs, these operating costs will be grouped into allowable cost-heads. The information gathered during the first year will be used to develop a simple formula based on readily verifiable information, which will be used to reimburse councils for operating costs on an ongoing basis.

The formula will be developed by NSW Treasury, in consultation with Local Government NSW. Further information on this process will be provided to councils in advance of the 2017-18 financial year.

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8 Future releases of this manual

The purpose of releasing this Manual iteratively is to ensure the most up-to-date ESPL information available is provided to councils. Accordingly, details on further issues will be progressively introduced in future releases, including:

- Levy rates to be applied for each property sector
- Levy rates to be applied for vacant sub-classifications
- Remittance to State Revenue
- Reporting requirements and processes for OSR and Valuation Services
- Facilitating reporting requirements through software revisions.

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Attachment A**NSW Government Departments and Agencies**

Aboriginal Affairs	Aboriginal and Torres Strait Islander Health Practice Council of New South Wales	Aboriginal Education Consultative Group Incorporated, NSW
Aboriginal Housing Office	Aboriginal Land Council, NSW	<i>Aboriginal Land Rights Act 1983</i> (NSW), Office of the
Adult Migrant English Service, NSW	Ageing, Disability and Home Care	Agency for Clinical Innovation
Agricultural Scientific Collections Trust	Ambulance Service of NSW	Anti-Discrimination Board
Art Gallery of NSW	Arts NSW	Audit Office of NSW
Australian Museum	Barangaroo Delivery Authority	Biofuels, Office of
Births, Deaths & Marriages, NSW Registry of	Board of Studies, Teaching and Educational Standards	Board of Surveying and Spatial Information
Building Insurers Guarantee Corporation	Building Professionals Board	Bureau of Health Information
Bush Fire Coordinating Committee	Business Services, Family and Community Services	Cancer Institute NSW
Centennial Park and Moore Park Trust	Central Coast Local Health District	Central Coast Regional Development Corporation
Centre for Affordable Housing	Cessnock Service Centre	Charles Sturt University
Child Health Networks	Children's Guardian, Office of the	Children's Hospital at Westmead, The
City West Housing Pty Ltd	Clinical Excellence Commission	Cobar Water Board
Cobbora Holding Company Pty Ltd	Combat Sports Authority of NSW	Community Housing
Community Languages Schools Board, NSW	Community Services	Cooks Cove Development Corporation
Corrective Services NSW	Council of Law Reporting for New South Wales	Crime Commission, NSW
Crown Finance Entity	Crown Solicitor's Office	Dams Safety Committee, NSW
Dental Council of New South Wales	Department of Education	Department of Family and Community Services
Department of Finance, Services and Innovation	Department of Industry, Skills and Regional Development	Department of Justice
Department of Planning and Environment	Department of Premier and Cabinet	Destination NSW
Director of Public Prosecutions, Office of the	Education, NSW Department of	Electoral Commission, NSW
Electricity Assets Ministerial Holding Corporation	Electricity Transmission Ministerial Holding Corporation (established 16 December 2015)	Environment and Heritage, Office of
Environment Protection Authority	Environmental Trust	Exhibited Animals Advisory Committee
Fair Trading Administration Corporation	Family and Community Services, NSW Department of	Far West Local Health District
Farrer Memorial Trust	Finance, Services and Innovation, NSW Department of	Fire & Rescue NSW
Fire Services Joint Standing Committee	First Australian Mortgage Acceptance Corporation	First State Super
Fluoridation of Public Water Supplies Advisory Committee	Food Authority, NSW	Forestry Corporation NSW

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Garvan Institute of Medical Research	Government Property NSW	Guardianship Division
Harbour City Ferries (Sydney Ferries)	Hardship Review Board	Hazardous Chemicals Advisory Committee
Health Care Complaints Commission	Health Education and Training Institute NSW	Health Infrastructure
Health Professional Councils Authority	Health, NSW Ministry of	HealthShare NSW
Historic Houses Trust of New South Wales	Home Building Compensation Fund	Home Care Service of New South Wales (disposed of as at 20 February 2016)
Home Purchase Assistance Fund	Housing Appeals Committee	Housing NSW
Hunter Development Corporation	Hunter Drug Court	Hunter New England Local Health District
Hunter Water Corporation	Illawarra Shoalhaven Community Health Centres	Illawarra Shoalhaven Local Health District
Independent Commission Against Corruption	Independent Liquor & Gaming Authority	Independent Pricing and Regulatory Tribunal
Independent Transport Safety Regulator	Industrial Relations Commission of NSW	Industry, Skills and Regional Development, NSW Department of
Information and Privacy Commission	Infrastructure NSW	Inspector of the Crime Commission, Office of the
Inspector of the Independent Commission Against Corruption, Office of the	Inspector of the Police Integrity Commission	Institute of Psychiatry, NSW
Institute of Sport, NSW	Insurance and Care NSW (established 1 September 2015)	Jenolan Caves Reserve Trust
Judicial Commission	Justice, NSW Department of	Juvenile Justice NSW
Kempsey Service Centre	Lake Illawarra Authority	Landcom (trading as UrbanGrowth NSW)
LawAccess NSW	Legal Aid Commission of New South Wales	Legal Aid NSW
Legal Profession Admission Board	Liability Management Ministerial Corporation	Lifetime Care and Support Authority of New South Wales
Liquor & Gaming NSW	Local Government Grants Commission	Local Land Services
Long Service Corporation	Lord Howe Island Board	Luna Park Reserve Trust
Macquarie Generation	Macquarie University	Marine Estate Management Authority
McGarvie Smith Institute Trust	Medical Committees (and Sub Committees) under the <i>Poisons and Therapeutic Goods Act</i>	Medical Council of New South Wales
Medical Radiation Practice Council of New South Wales	Medical Services Committee	Mental Health Commission of NSW
Mental Health Review Tribunal	Metalliferous Mines and Extractive Industries Competence Board	Mid North Coast Local Health District
Mine Subsidence Board Head Office	Minister Administering the <i>Environmental Planning and Assessment Act</i>	Ministry of Health
Motor Accidents Authority – CTP Insurance	Mount Druitt Registry	Multicultural NSW
Murrumbidgee Local Health District	Museum of Applied Arts and Sciences (Powerhouse Museum)	National Parks and Wildlife Service
Natural Resources Commission	Nepean Blue Mountains Local Health District	Nepean Blue Mountains, Community Health Facilities
New South Wales Electoral Commission	Newcastle Port Corporation	Northern NSW LHD – Community Health
Northern NSW Local Health District	Northern Sydney Local Health District	Noxious Weeds Advisory Committee

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NSW Architects Registration Board	NSW Civil and Administrative Tribunal	NSW Fair Trading
NSW Food Authority	NSW Government Telecommunications (Telco) Authority	NSW Industrial Relations
NSW Land and Housing Corporation	NSW Procurement	NSW Public Works
NSW Self Insurance Corporation	NSW TrainLink	NSW Trains
NSW Treasury Corporation	NSW Volunteering	Nursing and Midwifery Council of New South Wales
Occupational Therapy Council of New South Wales	Office of Environment and Heritage	Office of Local Government
Office of Racing	Office of Sport, NSW	Office of State Revenue
Office of Strategic Lands	Office of the Children's Guardian	Office of the Director of Public Prosecutions
Office of the General Counsel	Office of the Governor of NSW	Office of the NSW Advocate for Children and Young People
Office of Transport Safety Investigations	Official Visitors Program - <i>NSW Mental Health Act 2007</i>	Ombudsman's Office
Optometry Council of New South Wales	Osteopathy Council of New South Wales	Parliamentary Counsel's Office
Parramatta Drug Court	Parramatta Park Trust	Pharmacy Council of New South Wales
Physiotherapy Council of New South Wales	Planning and Environment, NSW Department of	Poisons Advisory Committee
Police Force, NSW	Police Integrity Commission	Port Authority of NSW
Port Kembla Port Corporation	Port of Eden	Port of Yamba
Ports Assets Ministerial Holding Corporation	Premier and Cabinet, NSW Department of	Primary Industries, Department of
Private Health Facilities Advisory Committee	Products Safety Committee	Professional Standards Councils, Office of the
Public Guardian NSW	Public Service Commission	Queanbeyan Community Corrections Office
Rail Corporation New South Wales	Registrar of Community Housing	Registry of Co-operatives and Associations
Rental Bond Board	Rice Marketing Board for the State of NSW	Riverina Citrus Committee
Roads and Maritime Services	Royal Botanic Gardens and Domain Trust	Rural Assistance Authority, NSW
Rural Fire Service Advisory Council	Rural Fire Service, NSW	SafeWork NSW
SAS Trustee Corporation (State Super)	Scientific Committee, NSW	Screen NSW
Service NSW	Silverwater Driver Test Centre	Soil Conservation Service
South Eastern Sydney Local Health District	South Western Sydney Local Health District	Southern Cross University
Southern NSW Local Health District	St Vincent's Health Network	State Coroner, Office of the NSW
State Debt Recovery	State Emergency Service NSW	State Insurance Regulatory Authority
State Library of NSW	State Records Authority (NSW)	State Transit Authority of New South Wales
State Transit Authority of NSW	StatePlus	Superannuation Administration Corporation
Sydney Children's Hospitals Network (Randwick and Westmead)	Sydney Cricket and Sports Ground Trust	Sydney Drug Court
Sydney Ferries	Sydney Harbour Foreshore Authority	Sydney Living Museums (Historic Houses Trust)
Sydney Local Health District	Sydney Motorway Corporation	Sydney Olympic Park Authority
Sydney Opera House Trust	Sydney Ports Corporation	Sydney Trains
Sydney Water Corporation	TAFE Commission	TAFE NSW

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Taronga Conservation Society Australia	Taronga Western Plains Zoo, Dubbo	Taronga Zoo, Sydney
Teacher Housing Authority NSW	The Legislature	The Treasury
Transport Appeal Boards	Transport for NSW	Transport Safety Investigations, Office of
Transport, NSW Department of	Trustee and Guardian, NSW	Trustee of the ANZAC Memorial
Universities Admissions Centre	University of New England	University of New South Wales
University of Newcastle	University of Sydney	University of Technology Sydney
University of Western Sydney	University of Wollongong	UrbanGrowth NSW
UrbanGrowth NSW Development Corporation	Valuer General of NSW	Venues NSW
Veterans' Affairs	Veterinary Practitioners Board, NSW	Vocational Education and Training Accreditation Board, NSW
Waste Assets Management Corporation	Water Administration Ministerial Corporation	Water, NSW Office of
WCX M4 Corporation Pty Ltd	WCX M5 Corporation Pty Ltd (established 15 October 2015)	Western NSW Local Health District
Western Sydney Local Health District	Western Sydney Parklands Trust	Wine Grapes Marketing Board
Women NSW	WorkCover Authority (part transferred to Insurance and Care NSW and part transferred to State Insurance and Regulatory Authority)	Workers' Compensation (Dust Diseases) Authority (previously known as Workers' Compensation (Dust Diseases) Board)
Young Offenders Advisory Council	Youth NSW	Zoological Parks Board of New South Wales

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Attachment B**Australian Commonwealth Government Departments and Agencies**

Departments		
Attorney-General's Department	Department of Agriculture and Water Resources	Department of Communications and the Arts
Department of Defence	Department of Education and Training	Department of Employment
Department of Finance	Department of Foreign Affairs and Trade	Department of Health
Department of Human Services	Department of Immigration and Border Protection	Department of Industry, Innovation and Science
Department of Infrastructure and Regional Development	Department of Social Services	Department of the Environment and Energy
Department of the Prime Minister and Cabinet	Department of Veterans' Affairs	Treasury

Agencies		
ABC – Australian Broadcasting Corporation	Aboriginal Hostels Limited	Administrative Appeals Tribunal
Airservices Australia	Army and Air Force Canteen Service	Asbestos Safety and Eradication Agency
Anindilyakwa Land Council	Austrade – Australian Trade and Investment Commission	Australia Council for the Arts
Auditing and Assurance Standards Board	Australian Accounting Standards Board	Australian Aged Care Quality Agency
Australia Post	Australian Border Force	Australian Bureau of Statistics
Australian Antarctic Division	Australian Charities and Not-for-profits Commission	Australian Civil-Military Centre
Australian Centre for International Agricultural Research	Australian Commission on Safety and Quality in Health Care	Australian Communications and Media Authority
Australian Commission for Law Enforcement Integrity	Australian Competition Tribunal	Australian Criminal Intelligence Commission
Australian Competition and Consumer Commission	Australian Egg Corporation Ltd	Australian Electoral Commission
Australian Curriculum, Assessment and Reporting Authority	Australian Federal Police	Australian Film Television and Radio School
Australian Energy Regulator	Australian Fisheries Management Authority	Australian Government Solicitor
Australian Financial Security Authority	Australian Human Rights Commission	Australian Institute for Teaching and School Leadership
Australian Hearing	Australian Institute of Criminology	Australian Institute of Family Studies
Australian Institute of Aboriginal and Torres Strait Islander Studies	Australian Institute of Marine Science	Australian Institute of Police Management
Australian Institute of Health and Welfare	Australian Maritime Safety Authority	Australian National Audit Office

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Australian Law Reform Commission	Australian National Maritime Museum	Australian Nuclear Science and Technology Organisation
Australian National Botanic Gardens	Australian Pesticides and Veterinary Medicines Authority	Australian Pork Ltd
Australian Office of Financial Management	Australian Public Service Commission	Australian Radiation Protection and Nuclear Safety Agency
Australian Prudential Regulation Authority	Australian Reinsurance Pool Corporation	Australian Renewable Energy Agency
Australian Rail Track Corporation	Australian Secret Intelligence Service	Australian Securities and Investments Commission
Australian Research Council	Australian Signals Directorate	Australian Skills Quality Authority
Australian Security Intelligence Organisation	Australian Sports Anti-Doping Authority	Australian Sports Commission
Australian Small Business and Family Enterprise Ombudsman	Australian Statistics Advisory Council	Australian Strategic Policy Institute
Australian Sports Foundation	Australian Transaction Reports and Analysis Centre	Australian Transport Safety Bureau
Australian Taxation Office	Australian Wool Innovation	Board of Taxation
Australian War Memorial	Bureau of Meteorology	Cancer Australia
Bundanon Trust	Centre for Australian National Biodiversity Research and Australian National Herbarium	Civil Aviation Safety Authority
Central Land Council	Clean Energy Regulator	Climate Change Authority
Clean Energy Finance Corporation	Commonwealth Director of Public Prosecutions	Commonwealth Grants Commission
Comcare	Commonwealth Superannuation Corporation	Cotton Research and Development Corporation
Commonwealth Ombudsman	CSIRO – Commonwealth Scientific and Industrial Research Organisation	Dairy Australia
Creative Partnerships Australia	Defence Force Remuneration Tribunal	Defence Housing Australia
Defence Force Discipline Appeal Tribunal	Defence Science and Technology Group	Department of Parliamentary Services
Defence Materiel Organisation	Digital Transformation Office	Export Finance and Insurance Corporation
Department of the Senate	Fair Work Commission	Fair Work Ombudsman
Fair Work Building and Construction	Federal Circuit Court of Australia	Federal Court of Australia
Family Court of Australia	Fisheries Research and Development Corporation	Food Standards Australia New Zealand
Financial Reporting Council	Forest and Wood Products Australia	Future Fund
Foreign Investment Review Board	Grains Research and Development Corporation	Great Barrier Reef Marine Park Authority
Geoscience Australia	Independent Hospital Pricing Authority	Indigenous Business Australia
High Court of Australia	Inspector General of Taxation	Inspector-General of Intelligence and Security
Indigenous Land Corporation	LiveCorp	Meat and Livestock Australia
IP Australia	Murray-Darling Basin Authority	Museum of Australian Democracy at Old Parliament House
Ministry for the Arts	National Blood Authority	National Capital Authority
National Archives of Australia	National Disability Insurance Scheme	National Film and Sound Archive

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National Competition Council	National Health and Medical Research Council	National Health Funding Body
National Gallery of Australia	National Health Practitioner Ombudsman and Privacy Commissioner	National Heavy Vehicle Regulator
National Health Performance Authority	National Library of Australia	National Measurement Institute
National Industrial Chemicals Notification and Assessment Scheme	National Museum of Australia	National Native Title Tribunal
National Mental Health Commission	National Portrait Gallery	National Transport Commission
National Offshore Petroleum Safety and Environmental Management Authority	Northern Land Council	NRL – National Serology Reference Laboratory
NBN Co	Office of Parliamentary Counsel	Office of the Australian Information Commissioner
Office of National Assessments	Office of the Federal Safety Commissioner	Office of the Migration Agents Registration Authority
Office of the Children's eSafety Commissioner	Office of Township Leasing	Organ and Tissue Authority
Office of the Registrar of Indigenous Corporations	Parliament of Australia	Parliamentary Budget Office
Parks Australia	Productivity Commission	Professional Services Review
Parliamentary Education Office	Questacon – The National Science and Technology Centre	Regional Development Australia
Professional Standards Board for Patent and Trade Mark Attorneys	Reserve Bank of Australia	Royal Australian Mint
Remuneration Tribunal	Safe Work Australia	Safety, Rehabilitation and Compensation Commission
Rural Industries Research and Development Corporation	Screen Australia	Seafarers Safety, Rehabilitation and Compensation Authority
SBS – Special Broadcasting Service	Sugar Research Australia	Superannuation Complaints Tribunal
Snowy Hydro Limited	Tax Practitioners Board	Telecommunications Universal Service Management Agency
Sydney Harbour Federation Trust	Tiwi Land Council	Torres Strait Regional Authority
Tertiary Education Quality and Standards Agency	Veterans' Review Board	Workplace Gender Equality Agency
Tourism Australia		

Attachment C**Definition of Public Benefit Land**

1. Animal shelters operated by a community group, which may include keeping the animals on the premises for treatment or adoption.
2. Approved education and care service (within the meaning of *the Children (Education and Care Services) National Law (NSW)*).
3. Boat sheds, ramps and jetties used for recreational purposes.
4. Cemeteries or crematoria, but only if the land is included on the Cemeteries and Crematoria Register under the *Cemeteries and Crematoria Act 2013*.
5. Community centres and facilities including:
 - a. Welfare Centre used for the purposes of providing welfare services to the community
 - b. Community Health Centre used as consulting facilities, for a range of public health issues to the wider community
 - c. Halls and Service Clubrooms used as an occasional meeting place by community-based groups or clubs
 - d. Rural and Community Camps with land developed with accommodation used by persons or groups for short term recreation/training/education purposes by a community service provider e.g. scout camp/hall
 - e. Community Facility used as a meeting place by groups involved in community interests e.g. neighbour centre
 - f. Land used for the provision of education and health to the public by community service groups.
6. Cultural sites with local, state or national significance including:
 - a. Museums
 - b. Libraries / Archives
 - c. Art galleries
 - d. Zoos
 - e. Aquariums
 - f. Botanic gardens
 - g. Observatories i.e. land developed with purpose-built infrastructure associated with astronomy
 - h. Monuments / memorials
 - i. Venues used for live theatrical or musical performances.
7. Emergency services complexes including:
 - a. a fire station, an ambulance station or a police station,

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8. land used by an emergency service for training purposes, land used by the State Emergency Service (within the meaning of the *State Emergency Service Act 1989*).Hospitals including:
 - a. Public hospitals
 - b. Private hospitals operating not-for-profit
 - c. Centres for the mentally ill with specialist facilities and used for the treatment of mentally ill patients including rehabilitation clinics.
9. Nature and game reserves with land reserved for the preservation or protection of aesthetic, scientific, flora or fauna values including:
 - a. Bike Track / Walking Trails
 - b. Parks and Gardens
 - c. Vacant land with special conservation values designated but not proclaimed as a reserve
 - d. Nature Reserve
 - e. World Heritage Area
 - f. Wilderness Area
 - g. National Park – Land
 - h. National Park – Marine
 - i. Natural Monument – Land
 - j. Natural Monument – Marine
 - k. Forest Reserves – Public or Private
 - l. Conservation Area – Public or Private
 - m. Protected Landscape (recognised for its natural and cultural values) – Public or Private
 - n. Protected Seascape (recognised for its natural and cultural values) – Public or Private
 - o. River Reserve, usually with all year round flows (fresh or salt water)
 - p. Creek Reserve, usually with intermittent flows and tides (fresh or salt water)
 - q. Floodway Reserve
 - r. Fresh or Salt Water Lake Reserve that usually holds water all year round.
 - s. Inland Low Lying Tidal Estuary Wetlands Reserve with enclosed bays/salt water river estuary
 - t. Seabed – Open sea / Ocean / Bays (Open sea below high water mark, not being a marine park)
 - u. Game Reserve – Public or Private (Hunting of game may be permitted).
10. Places of worship, religious study centres and religious halls used for social interaction by a religious organisation.
11. Public toilet or amenities block.
12. Retirement villages operated by a religious organisation or public benevolent institution.

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13. Non-government schools (within the meaning of the *Education Act 1990*) including:
 - a. Schools – primary school, secondary school/college, combined primary/secondary, technical school, playing fields and sporting facilities
 - b. School Camps – used as a camp exclusively for the education of students by a registered education provider
 - c. Special Needs Schools by a registered education provider.
14. Technical and Further Education facilities (within the meaning of the *Technical and Further Education Commission Act 1990*) used for post-secondary school education and training by a registered education provider, usually aimed at developing specific job core competencies.
15. Sports complex, outdoor or indoor sports areas including:
 - a. Outdoor / Indoor Sports Complex (non major) – Used as a state or regional sports facility with limited commercial application e.g. Velodrome, Netball / Hockey centre
 - b. Outdoor Sports – Extended Areas / Cross Country – Land developed with specialist infrastructure over extended open areas used for recreational/sporting activities e.g. member facility golf course, polo fields
 - c. Racecourses – Land developed with specialised infrastructure used for racing e.g. Randwick
 - d. Outdoor Sports Grounds town or suburban facilities – Used as a local outdoor recreation facility e.g. Tennis club, bowling club, outdoor park and facilities
 - e. Water Sports (Outdoor) – Land developed with specialised infrastructure used for local open air water sports e.g. rowing
 - f. Aero Club Facility – Land used by aero clubs for flying pursuits which may include aircraft hangers.

Higher education provider (within the meaning of Division 16 of Part 2-1 of the *Higher Education Support Act 2003* of the Commonwealth).

Attachment D**Definition of Industrial Land**

1. Manufacturing, including:
 - a. General purpose factory, being land that is used for manufacturing, assembly or repairs e.g. factory, garage, motor vehicle repair facility, or workshop
 - b. Food processing factory, being land that is developed with purpose built food processing facilities e.g. cannery, milk production plant, dairy, processing plant
 - c. Major industrial complex with special purpose improvements for large scale industrial use e.g. car plant or paper mill.
2. Warehousing, Distribution or Storage, including:
 - a. General purpose warehouse used for the storage of goods
 - b. Open area storage, with extensive hardstand area used for the storage of goods and equipment. Examples include a wrecking yard, concrete batching yard, or container storage.
3. Bulk Grain Storage developed with silos used for the storage of grain, or bunkers used for the storage of grain.
4. Bulk Liquid Storage Fuel Depot, being land developed with tanks for the storage and distribution of bulk liquids e.g. fuel depot or oil terminal, but excluding retail fuel outlets and service stations.
5. Coolstore or Coldstore, being land with a purpose built structure used for the cold storage of perishable products.
6. Works Depot, being land developed as a works depot used in conjunction with infrastructure maintenance e.g. municipal depot.
7. Tannery or skins drying depot, being land developed for the tanning of skins and hides.
8. Abattoir, being land developed with purpose built structures used for the holding and slaughter of stock and the preparation of meat for the wholesale market.
9. Stock sales yards, being land developed with purpose built structures used for the yarding and selling of stock.
10. Rendering Plant being land developed with purpose built structures used for the extraction of lard, tallow and oil from animal parts.
11. Oil Refinery, being land developed with purpose built structures used in the refinement and storage of petroleum products.
12. Petro-chemical Manufacturing, being land developed with purpose built structures used in the production of chemical based products from petroleum.
13. Sawmill, being land developed with purpose built structures used for the milling and curing of timber.
14. Mining, being any land that is classified as mining for purposes of the *Local Government Act 1993*.
15. Other extractive industries, including but not limited to land permitted to be used for the extraction of sand, gravel, stone, clay, limestone, dolomite, gypsum, soil, precious

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metals, uranium, bauxite, gold, other metals, precious stones, and other minerals and ore; and land from which non-metals are being extracted by a licensed operator, from deep underground, by way of an inclined or vertical passageway or shaft equipped with lifting machinery.

16. Tailings dumps, being land permitted to be used for the storage or treatment of minerals or non-minerals in tailing dumps or dams.
17. Oil well or bore.
18. Water well, being land containing a narrow hole drilled or dug into the earth for the production of water, including mineral water, water for stock or domestic purposes, and water for use in irrigation.
19. Evaporative salt pan.
20. Salt extraction basin, being land containing a lake or man-made evaporative basin from which salt is extracted.
21. Dredging operations, being land on which dredging for the extraction, treatment and restoration of submerged materials occurs.
22. Gas or fuel wells, being land developed with specialist infrastructure used as a gas or fuel well.
23. Gas or fuel refinery.
24. Gas or fuel storage, excluding retail fuel outlets and service stations.
25. Electricity power generators, including thermal power plants, hydroelectric generators, wind farms, and solar electric generation.
26. Refuse incinerator.
27. Refuse transfer station.
28. Sanitary land fill, being land permitted to be used for the disposal of household, commercial, industrial and public waste.
29. Refuse recycling.
30. Hazardous materials or toxic storage centre.
31. Toxic by-product storage or decontamination site, being land that is permitted to be used for the storage of mining waste
32. Sewerage or storm water treatment plant.
33. Sewerage or storm water pump station.
34. Water treatment plant, including a desalination plant.
35. Water storage tank, pressure control tower or pumping station.
36. Weighbridge.
37. Railway switching and marshalling yards.
38. Railway maintenance facility.
39. Railway passenger terminal, including a station.
40. Railway freight terminal facilities.
41. Tramway maintenance and terminal facilities.
42. Tram stop, including a shelter or a platform.

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43. Airport hangar.
44. Heliport.
45. Port dock or berth, including the seabed adjoining a wharf developed with infrastructure used for the berthing of ships.
46. Cargo port wharf or pier and apron, being land developed with specialist infrastructure to facilitate the movement of containers and cargo to and from ships.
47. Wharf storage sheds, being land developed with enclosed storage facilities within a wharf.
48. Piers, storages and slipways, being land developed and used for maintenance and launching of boats.
49. Lighthouse and navigation aids, being land developed with specialist infrastructure used to assist in sea navigation.
50. Postal exchange and mail and package sorting centres.
51. Telecommunications buildings and maintenance depots.
52. Telecommunications towers and aerials.
53. Printing Works and printing press, being land developed with specialist infrastructure and used for printing works e.g. newspaper print and magazines.
54. Purpose-built telephone exchange.

Attachment E

Cost Recording Template

ESPL TIME SHEET TEMPLATE FOR COUNCIL EMPLOYEES AND AGENCY STAFF

NAME:	
POSITION:	

ESPL Cost Head	Activity description (if applicable)	Date of activity	Number of hours	Manager initials
Choose an item.				
Choose an item.				
Choose an item.				
Choose an item.				
Choose an item.				
Choose an item.				

MANAGER NAME:	
MANAGER POSITION:	
MANAGER'S SIGNATURE:	
DATE SIGNED:	



REPORT: Wellington Correctional Centre Expansion Opportunities Paper and Action Plan

AUTHOR: Economic Development Officer

REPORT DATE: 6 December 2016

TRIM REFERENCE: ID16/2267

EXECUTIVE SUMMARY

The Wellington Correctional Centre (WCC) is undertaking an expansion and upgrade by mid-2017, generating an additional 220 new operational jobs. This significant investment in infrastructure is expected to be a potential new driver of the local economy.

To understand and maximise the economic opportunities as a result of this expansion, including the impact on the resident workforce, employment and industry as well as the implications for future infrastructure, an opportunities paper has been developed. This paper is attached as **Appendix 1**.

The purpose of the paper is to identify the potential economic impacts for the Wellington regional economy of the current operation, and the construction and operational phases. It aims to establish a greater understanding the future activities that will need to be undertaken by Council and other stakeholders to realise, support and manage such economic impact.

The report notes that the expansion project has been received positively by the community - with the overall major challenges being identified as the lack of suitable housing for WCC staff and appropriate long day care services for WCC staff.

As a result of the opportunities paper being developed, a high level internal action plan, attached as **Appendix 2** has also been developed. This Action Plan will ensure a coordinated approach to opportunities and impacts as a result of the WCC expansion. It is important to note that the opportunities paper, and its consultative process of development has identified a number of issues and opportunities in regards to the broader Wellington economic environment, including destination and image management, landuse planning and Dubbo Regional Council administration. These valuable insights and community feedback will provide a solid platform for the development of the new LGA Economic Development Strategy in 2017 and will inform consideration for future Wellington destination management activities.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

- 1. That the information contained within this report be noted.**
- 2. That progress on the implementation of the Action Plan be reported to Council in line with the Economic Development Action Plan quarterly report.**

Jacki Parish

Economic Development Officer

BACKGROUND

The \$90M expansion, which is part of a \$3.6 billion State Government investment into expanding the State's facilities, will involve the construction of a new, separate high-security facility on Wellington Correctional Centre land. The new facility will be named Macquarie Correctional Centre and will be the first prison in the state to be expanded using "rapid build", pre-fabricated materials which will see construction completed over a 12 month period.

Construction has already commenced with an extra 400 beds to be added, it is also reported that an extra 220 jobs will also be created, doubling the current work force at the prison. This is considered to be a significant investment and potential boost for Wellington, delivering a doubling of jobs in the corrections portfolio in addition to the impacts the multiplier effect will have on the Wellington economy.

Economic analysis in this opportunity report uses REMPLAN Economy – regional economic modelling and analysis system. The study applies REMPLAN economic data for the defined regions of former Wellington Council LGA and the new Dubbo Regional Council LGA along with data sourced from the ABS 2011 Census, ABS National Input / Output Tables, ABS Gross State Product and Dubbo Regional Council.

Economic analysis of the WCC expansion, in regards to the economic impact of operation jobs includes:

- Total employment, including all direct, industrial and consumption effects that are estimated to be supported by the estimated additional 240 operational jobs at the WCC in the former Wellington LGA is up to 309 jobs.
- Total value-added, including all direct, industrial and consumption effects is estimated to increase by up to \$33.357 million.

The 'State of Play' in the report was established through two stages, a desktop review and a series of workshops in Wellington. Workshops were conducted with 60 stakeholders including Correctional Centre and government agency representatives, community members, real estate agents and business owners. Combining the workshop outcomes, with an understanding the 'state of play' of the Wellington economy, the issues associated with the strengths, weakness and opportunities of the broader Wellington Region have been identified.

Utilising economic modelling and desktop research findings from facilitated workshops, this report identifies:

- The economic impacts of the existing and expanded facility.
- How does the facility currently interact with the region?
- What does the proposed development mean for the region?
- What are the future implications for the region?
- Wellington Correctional Centre workforce analysis.
- Recruitment issues and opportunities.

REPORT

As noted in the report, the short time frame to the opening of the Centre in July/August 2017 will provide challenges from a strategic, planning, marketing and administrative perspective, to achieve actionable and effective outcomes.

Whilst Council has the ultimate goal of achieving 50% of staff of the new Macquarie Correctional Centre living in Wellington, this goal is unlikely to be achieved in the next 12 months – or on the opening of the expanded WCC due to a number of factors;

- 6-12 month probation period for employees, resulting in more staff willing to rent elsewhere and travel during that period until job certainty is obtained. An internal workshop with the consultants Remplan key Council staff identified key actions to be undertaken in the coming 12 months in regards to the expansion,
- Current availability of turn ready housing (for rental or purchase) and current lack of market interest in developing,
- Community and potential relocater speculation that the expansion will fuelling unrealistic rental and property development expectations,
- limited long day childcare options for shift workers in Wellington.

As noted in the report, 'in the initial stages of planning and development of the original facility, there was a high expectation that a large proportion of the 240 staff would be residing in the region, however, this did not occur. It is noted that approximately 60% of WCC now reside within the Wellington region – this has taken almost 10 years to evolve'.

Whilst there are many possibilities to address the above factors Council must carefully consider the level of involvement it undertakes in each and weigh these against the priorities, influence and resources it has to maximise opportunities. There are short term 'easy win' actions to support the WCC expansion however these must be underpinned by a long term view and strategic commitment by Council to work with the community to develop destination Wellington.

As current housing availability is listed in the report as an issue for the attraction and retention of new WCC staff Council could investigate options to provide transitional housing accommodation to assist in attracting potential residents from the outset, as opposed to new staff locating and residing outside of Wellington. Council could also consider undertaking a land development role in stimulating development of new housing. At this stage, and based on the workforce analysis in the paper, and learnings from the establishment of the original correctional centre, it is proposed that Council work with potential private investors and developers and promote the opportunity. In 12 months' time, when the new workforce is settled, Council may look at further involvement.

As a greater priority, to support the WCC expansion and the Wellington community it is proposed that Council undertake an analysis of childcare service in Wellington and that recommendation regarding level of involvement or activity to stimulate any development in this area be considered by Council.

In the long term, Council must establish, build and support community engagement in strengthening Wellington destination image and community pride. Whilst activities can be undertaken to support promotion of Wellington to support recruitment drives for employees at the WCC, such as develop a new resident guide and establish enquiry/engagement management process, the strengthening of Wellington's image management approach will take years to develop, foster and deliver results. These results including building desire for reinvestment in Wellington by current community and business owners, strengthening Wellington's appeal for new investment and new residents, and housing and community infrastructure development.

Longer term infrastructure challenges and opportunities include appropriate land and housing development, childcare services and community and government engagement in place development and management of the CBD. Whilst these activity areas will not be resolved before the WCC expansion is complete, the required ground work to start creating and influencing an environment for the above to be achieved, will be underway. These activity areas include strategic landuse planning, community strategy development, investor engagement and market analysis of key services such as childcare will be critical in Council working with the community to build an environment that can help create an appetite for community, developer, business and government investment.

SUMMARY

The internally developed Action Plan identify some short term activities to be undertaken to support the recruitment of workers and encourage them relocating in Wellington. The Action Plan also includes a number of longer term infrastructure and planning opportunities that will need to be further explored in future projects or included in the new LGA Economic Development Strategy.

Any short term 'easy win' actions to support the WCC expansion must be underpinned by a long term view and commitment by Council in regards to strategic destination development, management and promotion.

Appendices:

- 1 Wellington Economy and Correctional Centre Overview
- 2 WCC expansion action plan

APPENDIX NO: 1 - OPPORTUNITIES PAPER

ITEM NO: ESC16/629

Opportunities Paper:
Wellington Economy and
Correctional Centre Overview



PROJECT UNDERTAKEN FOR
Dubbo Regional Council
December 2016



Page 1

Opportunities Report: Wellington Economy and Correctional Centre Overview

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December 2016

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RESOURCES

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Executive Summary

Introduction

The Opportunities Report has been prepared to identify the potential opportunities associated with the expansion of the Wellington Correctional Centre (WCC) in terms of the impact on the resident workforce, employment and local industry. Additionally, the implications for future infrastructure, and understanding the broader issues for the Wellington region economy are explored. This paper will provide the background documentation for Dubbo Regional Council to develop an Action Plan for the WCC expansion of an additional facility, the Macquarie Correctional Centre.

The WCC is running at capacity accommodating 700 inmates and employing approximately 236 staff. The construction of the Macquarie Correctional Centre (MCC) is a new, separate, high security facility on Wellington Correctional Centre land. The MCC is expected to generate an additional 220 jobs and 400 new inmate beds. Included in the proposal are ancillary buildings and additional access roads and services.

The rapid timing of the expansion process is noted, with earthworks currently underway (November / December). The MCC is being constructed using "rapid build" pre-fabricated materials (the first in New South Wales), with construction originally expected to be completed over a 12-month period. The MCC is expected to be operational by July-August 2017.

The first round of staff recruitment occurred in October (2016), with additional rounds planned in January 2017 – providing a limited timeframe for Council to be proactive in developing a strategy and 'local regional employment' drive with the Correctional Centre.

The short time frame to the opening of the Centre in July/August 2017 will provide challenges from a strategic, planning, marketing and administrative perspective, to achieve actionable and effective outcomes.

Economic Overview

Compared to the broader Dubbo Regional Local Government Area (LGA), the former Wellington LGA comprises a higher proportion of residents earning a low income (less than \$400 per week). Residents generally reside in dwellings that are owned outright, with a lower proportion of dwellings that are owned with a mortgage or being rented. Compared to the Dubbo Regional LGA, the former Wellington LGA comprises a higher proportion of lone person households.

The largest employing industry sector in the former Wellington LGA is the 'Agriculture, Forestry and Fishing' sector. Employment in the 'Government Administration and Defence' sector has continued to increase from 2006, in line with the construction and operation of the WCC.

Built on the primary industry sector that was long protected by government from international competition, Wellington's economy has fluctuated as the industries which are the region's drivers have been deregulated and restructured.

The restructure has resulted in high levels of unemployment and the closure of major retail within the region (e.g. Target Country). The town has no major shopping, with the businesses generally being

small, independent and locally run. Since the Wellington Correctional Centre opened there have been two major supermarkets enter the town (Coles and Woolworths) as well as a McDonald's.

Over the 10 year period from 2005 to 2015, the average unemployment rate in the former Wellington LGA has been 7.6%, compared to 4.4% in Dubbo Regional LGA and 5.3% in New South Wales. While there has been investment in major infrastructure in the region in the Wellington Correctional Centre (originally opening in September 2007) employing approximately 236 staff, the majority of staff were not local residents, providing limited opportunity for local resident employment. Over the last 9 years of operation, while there has been local resident employment at the WCC, this has been to the detriment of small and local business with the transfer of jobs from one industry sector to another.

Economic Impacts

The potential direct and indirect (flow-on) economic impacts in relation to the construction of the MCC, the additional operational jobs at MCC and total number of jobs across both facilities have been identified. These impacts are summarised below.

Construction Phase Impacts of the Expanded Centre

All estimated direct and flow-on construction phase economic benefits are short-term and limited to the period of construction. Given the limited construction supply chains in the former Wellington LGA, construction impacts have been modelled for the broader Dubbo Regional LGA.

Table E-1 Construction Phase of WCC Economic Impact Summary – Dubbo Regional LGA

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$90.000	\$65.781	\$23.949	\$179.730	1.731	1.997
Employment (Jobs)	99	174	86	359	2.758	3.626
Value-Added (\$M)	\$21.696	\$24.682	\$13.916	\$60.294	2.138	2.779

Based on construction costs of \$90 million in the region:

- Output is estimated to increase by up to \$179.730 million
- Employment, including direct, industrial and consumption effects that are estimated to be supported by the construction phase is up to 359 jobs.
- Value-added: estimated to increase by up to \$60.294 million.

Macquarie Correctional Centre Operational Phase Impacts (Annual)

The operational phase impacts for the expanded Centre have been modelled. The new Centre is expected to generate 220 jobs. Impacts are calculated on an annual basis.

Table E-2 Additional 220 Operational Jobs Economic Impact Summary – Former Wellington LGA

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$33.994	\$7.503	\$9.795	\$51.293	1.221	1.509
Employment (Jobs)	220	29	35	284	1.132	1.291
Value-Added (\$M)	\$20.793	\$3.645	\$6.139	\$30.577	1.175	1.471

Based on an additional 220 jobs in the expanded centre:

- Output is estimated to increase by up to \$51.293 million.

- Employment, including all direct, industrial and consumption effects is estimated to increase by up to 284 jobs.
- Value-added is estimated to increase by up to \$30.577 million.

The following table models the estimated annual impacts of the operational phase of the expanded facility including the existing 236 jobs at the Wellington Correctional Centre as well as the estimated 220 jobs at the Macquarie Correction Centre – a total of 456 direct jobs within the expanded facility.

Table E-3 Total Operational Jobs at Completion Economic Impact Summary – Former Wellington LGA

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$70.461	\$15.552	\$20.303	\$106.316	1.221	1.509
Employment (Jobs)	456	60	72	588	1.132	1.289
Value-Added (\$M)	\$43.099	\$7.555	\$12.724	\$63.378	1.175	1.471

Workshops

REMPLAN facilitated four workshops and four one-on-one interviews, consulting with approximately 60 stakeholders including Correctional Centre and Government Agency representatives, community members, business owners and real estate agents in late October 2016. The purpose of the consultation process was to gain an understanding and explore:

- the drivers of the Wellington economy – including the impact of the Wellington Correctional Centre since opening in late 2007;
- the impact of the expansion of the Wellington Correctional Centre.

The workshop process was seen by many attendees as the first round of consultation since the amalgamation of Wellington Council and Dubbo City Council. The focus of the workshops and interviews was understanding the Wellington economy and dynamics as well as the impact of the WCC on economy and business. Attendees had an active interest in the role, function and administration of the new Council. There were three recurring themes during the process:

- Wellington Economy and Business – Demographics, image and perception
- Wellington Correctional Facility – role and impact on Wellington economy and business
- Council Amalgamation – role and function specifically related to the Wellington region.

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Opportunities Report: Wellington Economy and Correctional Centre Overview

Table E-4 Workshop SWOT Summary

	Strengths	Weaknesses	Opportunities	Threats
Wellington Business and Economy	<ul style="list-style-type: none"> Heritage buildings key to town identity State government investment Town planning and infrastructure Local natural tourism assets Low residential vacancy rates 	<ul style="list-style-type: none"> Demographics, Image and Perception Change in economic base Recruitment and retention issues High commercial rents Former Wellington Council Undersupply of new housing 	<ul style="list-style-type: none"> Leverage capacity and capabilities of amalgamated Council Number of successful home-based business; Compliance of historical buildings Tourism, event attraction, weekend tourist destination Attract New Residents - lifestyle and affordability Provide "Community Hub" for residents experiencing economic and social stress; Provision of extended hours' daycare services 	<ul style="list-style-type: none"> Long- term strategy to change perception and reality of stigma associated with Wellington Large number of commercial vacancies; Boarded up / closed off shops Subdued Population Growth and Property Dynamics Proximity to Dubbo for services and infrastructure
Wellington Correctional Centre	<ul style="list-style-type: none"> State Gov't investment in WCC Attracting Resident Population Annual local buy of approx. \$1m Attracting skilled labour and higher incomes Construction phase accommodation (limited) Community Projects and Services Inmates are provided with jobs, education and trade training opportunities 	<ul style="list-style-type: none"> Expected increase in demand on existing services Lack of transport options to get from town to WCC Lack of readily available new housing stock Wellington is outside of remote area location Skilled resident workers have left job to work for WCC Limited construction phase workforce and benefits Perception of inmate families moving to region Local transitional housing options for released inmates Existing facility has limited local economic impact and expanded facility is expected to be the same 	<ul style="list-style-type: none"> Work with WCC in promoting area to live, play and work After hours on-site / proximate child care facility Affordable short-stay accommodation option Provide inmates with agricultural training / experience to value-add to existing economic driver once released Utilize additional inmates labour for community projects 	<ul style="list-style-type: none"> Uncertainty around Regional Strategy for WCC Increased inmate population impacts on demand for community services and infrastructure Negative impact on current workforce, as residents are leaving existing job to work at WCC Inmate and worker population is transient across other Correctional Centres Lack of available new housing product Speculators artificially inflating prices and rents
Council Amalgamation	<ul style="list-style-type: none"> Amalgamated proactive Council Increased capacity Experience in 'turning economy around' 	<ul style="list-style-type: none"> Former Wellington Council Limited capacity and resources No 'Town Centre Strategy' Reactive to negative media, not proactive in changing image 	<ul style="list-style-type: none"> Providing local presence to local priority needs Identification, prioritising and developing strategies for region: Town Centre; WCC; Tourism; Social services; Crime Strategy for marketing and promotion / new identity Support service providers that are contributing to community Funding options / support for Heritage building compliance Develop "New Resident" and "Business Investment" information packages 	<ul style="list-style-type: none"> Residents accepting Council amalgamation as a positive change Sufficient resourcing of Wellington office Perception Council will favour Dubbo for investment

Correctional Centre Opportunities

The table below builds on the findings specific to the WCC, as well as identifying opportunities for the broader Wellington economy that may be addressed in the short, medium, and long-term.

It is suggested the short-term actions supporting the WCC expansion are underpinned by a longer-term commitment by Council to work with the resident and business community to change the perception of Wellington and develop the region as a destination.

Five actionable outcomes have been identified:

- Wellington destination development, management and promotion – changing the image
- Housing options for Correctional Centre staff
- Transitional inmate population implications and impacts
- Impact on community services
- Transitional workforce impacts

The summary table below has been produced to provide input and direction to Dubbo Regional Council for the Wellington Correctional Facility Upgrade Action Plan. Given the construction phase is well underway and the operation phase of the expanded centre is expected to open in July/August 2017, the opportunities for the Correctional Centre extension as a potential catalyst for economic growth and development is minimal and limited, making the identification and timing of actionable outcomes and opportunities for Council challenging under the given timing constraints.

Table E-5 Correctional Centre and Broader Economic Opportunities

Outcome Area	Opportunity	Timing
Wellington destination development, management and promotion - Changing the image of being a 'Prison Town'	<ul style="list-style-type: none"> • Identify the WCC and its expansion as a regionally significant infrastructure investment project and build partnerships around potential opportunities to facilitate future resident worker population. • Council to work with WCC to support specific recruitment activities for gaol expansion. • With the Centre expansion, develop marketing material to attract a resident worker population, built on lifestyle and proximity to work and family. Feature lifestyle residential options (acreage / small farm); proximity to work (reduced commuting time); working in the same town as where the family is - more quality time at home and not on the road commuting. • Undertake local business skills development programs to support business pride, presentation and destination development. 	Short-term (Now)
	<ul style="list-style-type: none"> • Develop destination development programs specifying place making / Wellington CBD enhancements and collaborations. • Develop Tourism Destination Management Plan in consideration of the former Councils' DMP's. • Develop Destination Image Program that incorporates a brand strategy as part of a framework to market Wellington but also capitalise on the strengths, awareness and proximity of Dubbo. • Develop an Event strategy which includes capacity building, industry engagement and actions. 	Medium Term (next 12 months)
	<ul style="list-style-type: none"> • Council to establish, build and support community engagement in strengthening Wellington's destination image and pride. • Strategic land use planning and community strategy development programs specific to the Wellington region. 	Long Term (beyond 12 months)
Housing and Accommodation Options for Correctional Centre Staff	<ul style="list-style-type: none"> • Council communications with land owners and local developers regarding short-term development opportunities. • Opportunity to release and promote acreage block for those wanting to live in Wellington, but not in town or on small blocks – appealing to farm lifestyle. 	Short-term (Now)

	<ul style="list-style-type: none"> Addressing the fundamental changes in planning strategies and cultural expectations that population growth is traditionally located within proximity to employment and services - while balancing the increased pressure placed on infrastructure, including road, public utilities and social services. Wellington as a regional community does not fit into this traditional mould. Council investigate incentives for developers and new residents, for example: <ul style="list-style-type: none"> reduced developer contributions fast-tracking development applications 12-month rate free period (reimbursed in arrears) 	Medium Term (next 12 months)
Transitional Inmate Population Implications and Impacts (Centre Visitors and Released Inmates)	<ul style="list-style-type: none"> Investigate State / Federal funding for bus service from town to WCC. 	Short-term (Now)
	<ul style="list-style-type: none"> Planning for the construction and development of affordable housing in the region for: <ul style="list-style-type: none"> Released inmates that may be either permanent or transitional residents Relatives and visitors of inmates requiring short-term accommodation / boarding house facilities Visitors to the region to visit inmates may want to also explore natural assets within the region – making it a multifaceted trip. 	Medium Term (next 12 months)
Impact on Community Services of the Expansion of the Correctional Centre	<ul style="list-style-type: none"> Childcare Service Provision to Support Correctional Centre 	Short-term (Now)
	<ul style="list-style-type: none"> Identification of new roles in the health and community sector and forecasting employment and education skill gaps within these industries. Need to develop pathways to these new roles and promote opportunities within this fast-growing sector. Strengthen capabilities of the Hospital to enable it to function as a regional health care services hub as well as additional expected demand from increased inmate population. Council work with WCC to identify areas where WCC can support local community services and projects. Establish a framework to enable collaborative and innovative cross-pollination between the Correctional Centre, business and industry, community and education sectors. 	Medium Term (next 12 months)
Transitional Workforce Implication and Impacts	<ul style="list-style-type: none"> Council to investigate the de-centralisation of the Correctional Services Academy to have the recruitment and training facility relocated to Wellington. 	Short-term (Now)
	<ul style="list-style-type: none"> Council work with educational providers to assist in the ongoing development of education provision (courses/subjects) for Wellington’s education provision. Council investigate transitional housing accommodation options and alternatives to assist in attracting potential residents from the outset, as opposed to new staff locating and residing outside of Wellington. 	Medium Term (next 12 months)
	<ul style="list-style-type: none"> Work with existing educational stakeholders to assist in the delivery of workforce development and training programs to be delivered in WCC relevant to the needs of the regional workforce (i.e. long term pathways for released inmates). Work with educational providers to attract / develop courses for residents to undertake appropriate courses to enhance skills to apply for Correctional Centre jobs (both direct and indirect employment). 	Long Term (beyond 12 months)

Implications

As a generalisation, the Wellington Correctional Centre is not considered to be a significant contributing factor to the economy, demography or business within the region – either during the initial development of the facility, the ongoing operations and now the expansion.

While not providing a significant contribution or impact to economy or business, the feedback regarding the impact of the WCC on the community and economy is generally positive. The WCC expansion is not considered to have significant negative or positive impacts on local business and economy. A major issue is the place of residence of WCC staff. In the initial stages of planning and development of the original facility, there was a high expectation that a large proportion of the 236 staff would be residing in the region, however, this did not occur. It is noted that approximately 60% of WCC now reside within the Wellington region – this has taken almost 10 years to evolve.

The consultative process that has been undertaken as input to the Opportunities report has identified a number of factors that will impact on the future of Wellington. The immediate needs to support the WCC are short-term with broader economic issues and opportunities being supported by Council over the medium and longer term.

In developing the Action Plan for the Wellington Correctional Centre, there are a number of dynamics that are beyond the scope of Council, limiting potential identifiable, realistic actions in the short-term, including:

- The recruitment process and construction have already started, with the expansion opening mid 2017.
- Department of Corrective Services probationary period for new recruits – creates uncertainty around permanent residency until completion of probation period.
- Transient workforce – staff are transient moving across Correctional Centres, increasing demand for rental properties as opposed to purchasing in a region where a contract may be short term.
- Lack of available ‘new’ product for rental or purchase in Wellington, with Dubbo being a proximate alternative.
- Lack of long day childcare facilities to cater to shift workers.
- Perception and image – the negative image of Wellington is subject to a longer term strategic approach.
- Local benefits of the WCC having minimal impact on the local economy.

The timing of the opening of the expanded centre, and the identification of opportunities to build on this in a short time frame limits the capacity for Council to action outcomes that support the Correctional Facility to act as a catalyst for economic growth. While short-term actions are limited, the process has assisted in identifying broader opportunities which will directly benefit the community, business and economy in the medium and longer term. The medium and longer term opportunities identify future activities which can be supported by Council working with the community, business, residents and industry in the region to support broader economic objectives.

1 Introduction

1.1 Background

In May 2016, the former Dubbo City Council and former Wellington Council Local Government Areas (LGAs) were amalgamated to form Dubbo Regional Council (DRC). DRC has engaged REMPLAN to develop an "Opportunities Report" to identify the potential issues and opportunities associated with the expansion of the Wellington Correctional Centre in terms of the impact on the resident workforce, employment and industry as well as the implications for future infrastructure, and understanding the broader issues for the Wellington region economy.

The Wellington Correctional Centre (WCC) is operated by Corrective Services NSW as an Australian maximum security prison accepting sentenced and un-sentenced male and female inmates. The existing facility was opened in September 2007, accommodating a maximum operational capacity of 703 inmates including maximum, medium and minimum security male inmates and minimum security female inmates. The facility is located at Goolma Road accessible from the Mitchell Highway, approximately 8 kilometres north-east of the Wellington town centre.

Map 1-1 Wellington Correctional Centre



Source: <https://www.google.com.au/maps/@-32.5313495,148.9567041,6758m/data=!3m1!1e3>

1.2 Project Proposal

The WCC is running at capacity accommodating 700 inmates. The facility is currently being expanded and upgraded, with completion estimated to be July/August 2017. The expansion is expected to generate an additional ongoing 220 jobs and 400 new inmate beds. Included in the proposal are ancillary buildings and additional access roads and services.

Current expansion cost estimates of the proposed development are between \$80-\$100 million. The expansion, which is part of a \$3.6 billion NSW State Government investment into expanding the State's correctional facilities will involve the construction of a new, separate high-security facility on Wellington Correctional Centre land. Wellington will be the first prison in the state to be expanded using "rapid build", pre-fabricated materials which will see construction completed over a 12-month period. The expansion will provide a new style of dormitory, the first of its kind in Australia, as well as new programs intended to have inmates outside of their cells for about 12 hours a day.

This is a significant investment for Wellington, delivering a doubling of jobs in the corrections portfolio in addition to the multiplier effect for the Wellington economy.

1.3 Region

The following regions have been used to assess the local and regional impacts of the expansion of the WCC.

Map 1-2 Former Wellington LGA



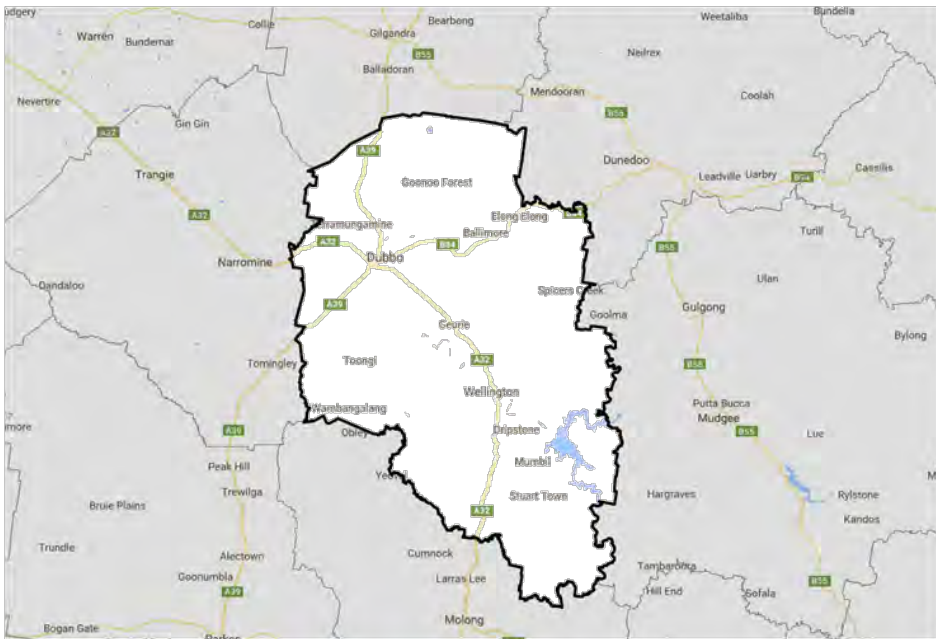
Source: REMPLAN MapBuilder: <http://remplan.co/2dycGdZ>

Map 1-3 Former Dubbo LGA



Source: REMPLAN MapBuilder: <http://remplan.co/2fe7NYi>

Map 1-4 Dubbo Regional LGA (Formed in 2016 – Combined Former Dubbo LGA and Former Wellington LGA)



Source: REMPLAN MapBuilder: <http://remplan.co/2g4mEst>

1.4 Scope

1.4.1 Wellington Economy Overview

The focus of this step is to provide an overview of the economic climate and the identification of the relative contribution to the local economy of industry sectors, their supply chains, opportunities (Gap analysis) and trends in economic activity.

This stage includes both desktop research and qualitative research across a number of workshops and one-on-one interviews.

Combining the workshop outcomes with an understanding of the 'state of play' of the Wellington economy, the issues associated with the strengths, weakness and opportunities of the broader Wellington Region have been identified.

1.4.2 Wellington Correctional Centre

This stage includes both desktop and qualitative research.

The desktop research identifies and quantifies the potential direct and indirect (flow-on) economic impacts in relation to the current operation of the Wellington Correctional Centre as well as the impacts induced by the construction and operational phases of the proposed temporary expansion of the correctional centre.

1.5 Methodology

1.5.1 Desktop Research

Desktop research includes a review of existing reports and documents relating to both the Wellington regional economy as well as the Correctional Facility.

These economic impacts of the current and expanded WCC have be measured in terms of:

- **Output / Revenue (\$M)** – refers to the gross revenue generated by businesses / organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income.
- **Employment (Jobs)** – is the number of people employed by businesses / organisations in each of the industry sectors in a defined region. Employment data presented by REMPLAN is destination of work data. That is, no inference is made as to where people in a defined region reside. This employment represents total numbers of employees without any conversions to full-time equivalence.
- **Value-Added (\$M)** – refers to the marginal economic value that is added by each industry sector in a defined region. Value-added can be calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector, or alternatively, by adding the Wages and Salaries paid to local employees, the gross operating surplus and taxes on products and production. Value-added by industry sector is the major element in the calculation of Gross Regional Product / Gross State Product / Gross Domestic Product.

Economic analysis in this report has been undertaken using REMPLAN – *regional economic modelling and analysis system*¹. This study applies REMPLAN economic data for the defined region of former Wellington LGA and the Dubbo Regional LGA, incorporating data sourced from the 2011 Australian Bureau of Statistics (ABS) Census, 2012 / 2013 ABS National Input / Output Tables, and ABS Gross State Product (June 2015).

1.5.2 Workshops

REMPLAN conducted a total of four workshops, each being two hours in duration, as well as four one-on-one interviews over the period from 26th to 28th of October 2016. There were 60 attendees across the workshops and one-on-one interviews.

The purpose of the qualitative research was to gain an understanding of underlying reasons, opinions and motivations in order to provide insights into the general Wellington economy as well as the Correctional Centre as input into the Opportunities Report.

The following themes were explored:

- Understanding business and industry
 - Understanding the regional economy and business from an historical perspective through to future drivers
 - Understanding the opinions of business owners on the business conditions in Wellington and the impact the WCC has had in the region.
- Understanding the Correctional Centre
 - Understanding the Wellington Correctional Centre’s impact on the regional economy – Existing and future expansion from business, industry and WCC perspective.

1.6 Report Structure

The report has been divided into four primary components:

- 1) Wellington Economy Overview
- 2) Wellington Correctional Centre - Economic Impacts
- 3) Workshop Outcomes
- 4) Correctional Centre Opportunities

¹ www.rempln.com.au

2 Wellington Overview – State of Play

2.1 Economic Overview

2.1.1 Demographic Characteristics

This section provides an overview of the demographic characteristics of the former Wellington LGA residents, compared to the former Dubbo LGA residents and the broader Dubbo Region and New South Wales residents. Additional information can be found in Appendix 8.1.

2.1.1.1 Weekly Individual Income

Analysis of weekly individual incomes in the former Wellington LGA shows that of the residents in Wellington that earn an income, 8.64% earn \$1,250 or more per week while 41.59% earn less than \$399 per week. The former Wellington LGA comprises a significantly lower proportion of persons earning an income greater than \$400 and a significantly higher proportion of persons earning incomes between \$200 and \$400 when compared to the Dubbo Regional LGA and New South Wales.

Table 2-1 Persons by Weekly Individual Income – Former Wellington LGA

	Former Wellington LGA		Former Dubbo LGA		Dubbo Regional LGA		New South Wales	
	No.	%	No.	%	No.	%	No.	%
Negative income	61	0.9%	159	0.5%	220	0.6%	33,435	0.6%
Nil income	312	4.6%	1,526	5.1%	1,838	5.0%	448,628	8.0%
\$1-\$199	444	6.6%	2,081	6.9%	2,525	6.9%	405,037	7.3%
\$200-\$299	959	14.2%	3,087	10.3%	4,046	11.0%	594,227	10.6%
\$300-\$399	1,031	15.3%	3,421	11.4%	4,452	12.1%	569,457	10.2%
\$400-\$599	896	13.3%	4,083	13.6%	4,979	13.5%	640,840	11.5%
\$600-\$799	659	9.8%	3,899	13.0%	4,558	12.4%	564,555	10.1%
\$800-\$999	414	6.1%	2,680	8.9%	3,094	8.4%	442,261	7.9%
\$1,000-\$1,249	349	5.2%	2,426	8.1%	2,775	7.5%	416,842	7.5%
\$1,250-\$1,499	220	3.3%	1,631	5.4%	1,851	5.0%	293,770	5.3%
\$1,500-\$1,999	239	3.5%	1,861	6.2%	2,100	5.7%	362,463	6.5%
\$2,000 or more	124	1.8%	984	3.3%	1,108	3.0%	369,399	6.6%
Not stated	1,041	15.4%	2,252	7.5%	3,293	8.9%	444,232	8.0%
Total	6,749	100.0%	30,090	100.0%	36,839	100.0%	5,585,146	100.0%

Source: REMPLAN Community

2.1.1.2 Qualifications

Residents in the former Wellington LGA predominantly hold a Certificate qualification (14.6%), followed by a Bachelor Degree (4.9%). Compared to the Dubbo Regional LGA, the former Wellington LGA comprises a similar proportion of residents with no qualifications (59.1% in former Wellington LGA, compared to 59.2% in Dubbo Regional LGA), but a higher proportion when compared to New South Wales (53.8%).

Table 2-2 Persons by Qualifications

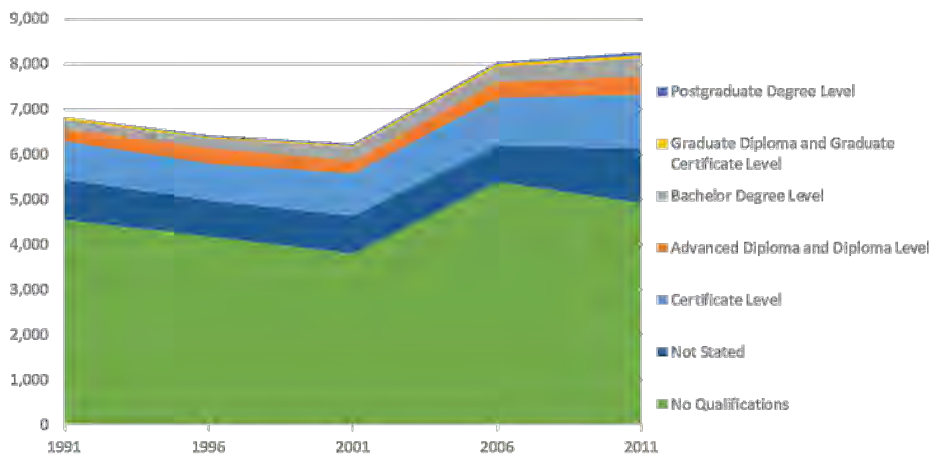
	Former Wellington LGA		Former Dubbo LGA		Dubbo Regional LGA		New South Wales	
	No.	%	No.	%	No.	%	No.	%
Postgraduate Degree Level	51	0.6%	433	1.1%	484	1.0%	238,853	3.5%
Graduate Diploma and Graduate Certificate Level	60	0.7%	367	0.9%	427	0.9%	82,617	1.2%
Bachelor Degree Level	417	4.9%	2,864	7.4%	3,281	6.9%	787,335	11.4%
Advanced Diploma and Diploma Level	393	4.6%	1,762	4.5%	2,155	4.6%	462,060	6.7%
Certificate Level	1,236	14.6%	7,093	18.3%	8,329	17.6%	986,708	14.3%
Inadequately described	90	1.1%	451	1.2%	541	1.1%	100,288	1.4%
Level of education not stated	1,224	14.4%	2,860	7.4%	4,084	8.6%	539,065	7.8%
No Qualifications	5,021	59.1%	22,976	59.2%	27,997	59.2%	3,720,732	53.8%
Total	8,492	100.0%	38,806	100.0%	47,298	100.0%	6,917,658	100.0%

Source: REMPLAN Community

2.1.1.2.1 Qualification Trends

Between 1991 and 2011, the number of persons with a formal qualification in the former Wellington LGA has increased in line with the change in total population. The largest increase has occurred for those with a Bachelor Degree qualification, with an average annual increase of 4.7% over the 20 year period from 1991 to 2011. Residents who hold no formal qualifications have continued to comprise the highest proportion of total persons over this time.

Figure 2-1 Persons by Qualification, 1991 to 2011 - Former Wellington LGA



2.1.1.3 Dwelling Tenure

Overall, 39.7% of dwellings in the former Wellington LGA are owned outright, 25.4% are owned with a mortgage and 25.1% are being rented. Compared to the Dubbo Regional LGA and New South Wales, the former Wellington LGA comprises a higher proportion of dwellings that are owned outright and a lower proportion that are owned with a mortgage or being tenanted.

Table 2-3 Dwellings by Tenure

	Former Wellington LGA		Former Dubbo LGA		Dubbo Regional LGA		New South Wales	
	No.	%	No.	%	No.	%	No.	%
Owned outright	1,276	39.7%	4,256	29.0%	5,532	31.0%	830,225	31.9%
Owned with a mortgage	816	25.4%	5,044	34.4%	5,860	32.8%	822,534	31.6%
Being purchased under a rent/buy scheme	6	0.2%	59	0.4%	65	0.4%	5,604	0.2%
Rented	807	25.1%	4,170	28.4%	4,977	27.8%	731,207	28.1%
Being occupied rent-free	79	2.5%	148	1.0%	227	1.3%	25,627	1.0%
Being occupied under a life tenure scheme	10	0.3%	76	0.5%	86	0.5%	8,908	0.3%
Other tenure type	23	0.7%	76	0.5%	99	0.6%	12,537	0.5%
Not stated	194	6.0%	831	5.7%	1,025	5.7%	162,549	6.3%
Total	3,211	100.0%	14,660	100.0%	17,871	100.0%	2,599,191	100.0%

Source: REMPLAN Community

2.1.1.4 Household Formation

Overall, 62.3% of families in the former Wellington LGA are one family households with only family members present. Lone person households comprise 26.4% of families. The household formations of former Wellington LGA families are in line with the Dubbo Regional LGA and State benchmarks.

Table 2-4 Household Formation

	Former Wellington LGA		Former Dubbo LGA		Dubbo Regional LGA		New South Wales	
	No.	%	No.	%	No.	%	No.	%
One family household with only family members present	2,115	62.3%	10,026	63.9%	12,141	63.6%	1,748,351	62.8%
One family household with non-family members present	100	2.9%	536	3.4%	636	3.3%	104,787	3.8%
Two family household	77	2.3%	435	2.8%	512	2.7%	101,457	3.7%
Three or more family household	0	0.0%	32	0.2%	32	0.2%	5,760	0.2%
Lone person household	897	26.4%	3,604	23.0%	4,501	23.6%	599,148	21.5%
Group household	60	1.8%	443	2.8%	503	2.6%	94,748	3.4%
Visitors only	50	1.5%	263	1.7%	313	1.6%	35,001	1.3%
Other non-classifiable	98	2.9%	362	2.3%	460	2.4%	92,896	3.3%
Total	3,397	100.0%	15,701	100.0%	19,098	100.0%	2,782,148	100.0%

Source: REMPLAN Community

2.1.1.5 Type of Non-Private Dwelling

There are 640 persons living in non-private dwellings in the former Wellington LGA (or 7.65% of the local population). Of these, 471 persons reside in the Wellington Correctional Centre (73.6%).

Table 2-5 Persons in Non-Private Dwellings – Former Wellington LGA

	Former Wellington LGA	
	No.	%
Prison, corrective institution for adults	471	73.6%
Accommodation for the retired or aged (not self-contained)	57	8.9%
Hotel, motel, bed and breakfast	52	8.1%
Nursing home	43	6.7%
Public hospital (not psychiatric)	17	2.7%
Other and non-classifiable	0	0.0%
Total	640	100.0%

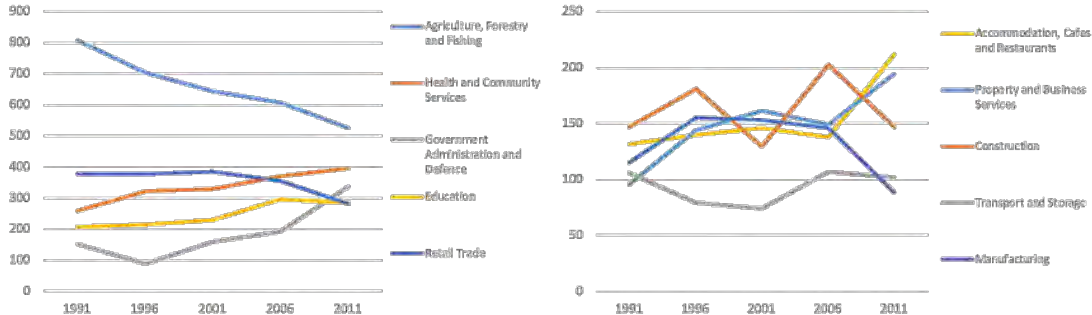
Source: REMPLAN Community

2.1.2 Employment

At the 2011 Census, there are 2,258 persons employed in the former Wellington LGA. This represents a 2.1% increase from 2006 in which 2,212 persons were recorded as working in the region. The industry employing the largest portion of workers is ‘Agriculture, Forestry & Fishing Industry’.

The below graphs illustrate the change in employment in the top ten industries of employment in the former Wellington LGA between the 1991 and 2011 Censuses.

Figure 2-2 Top 10 Industries of Employment, 1991 to 2011 – Former Wellington LGA



Source(s): 1991 to 2011 ABS Censuses; Collating Industry of Employment (ANZSIC 1993). Note: 2011 Data has been reconstituted to fit ANZSIC 1993 and hence fit previous Censuses and their respective industry classifications more accurately, however, 2011 values should be treated indicatively only and may differ from other references to employment elsewhere in this report.

The ‘Agriculture, Forestry and Fishing’ industry experienced the largest overall change in employment between 1991 and 2011 and is also the largest employing industry. This industry experienced an average annual decrease of 2.11%. The ‘Government Administration and Defence’ sector, which covers the operations of the Wellington Correction Centre, has steadily increased since 1996.

2.1.2.1 Workforce (Resident vs. Non-Resident)

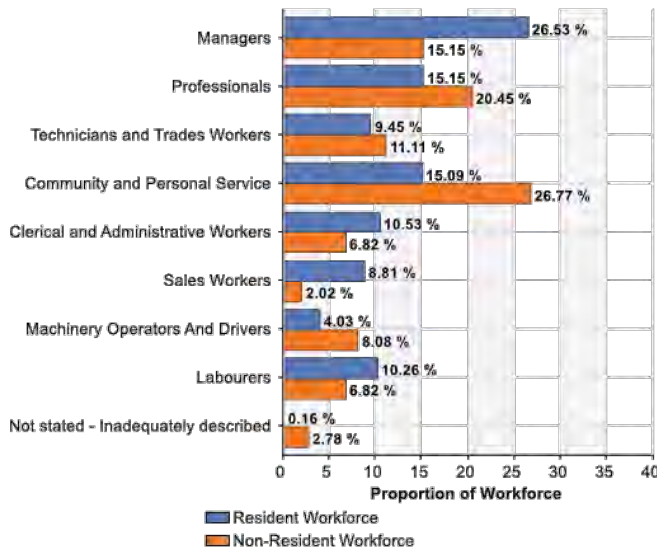
This section outlines comparisons between the resident workforce and the non-resident workforce of the former Wellington LGA. Resident Workforce refers to those employed and living in the former Wellington LGA as at the 2011 Census while the Non-Resident Workforce refers to those employed in the former Wellington LGA but whose usual residence is outside the region as at the 2011 Census.

As at the 2011 Census, there are 2,258 persons employed in the former Wellington LGA. Of these, 1,862 persons work and live in the region (Resident Workforce) and 396 persons work in the region but live outside the region (Non-Resident Workforce).

2.1.2.1.1 Occupation

The former Wellington LGA comprises a larger proportion of ‘Managers’ who live locally and a lower proportion of ‘Community and Personal Service Workers’ who travel to the region to work. Workers employed as ‘Professionals’, ‘Machinery Operators and Drivers’ and ‘Technicians and Trades Workers’ are more likely to travel to the region to work, while ‘Clerical and Administrative Workers’, ‘Sales Workers’ and ‘Labourers’ are more likely to live locally.

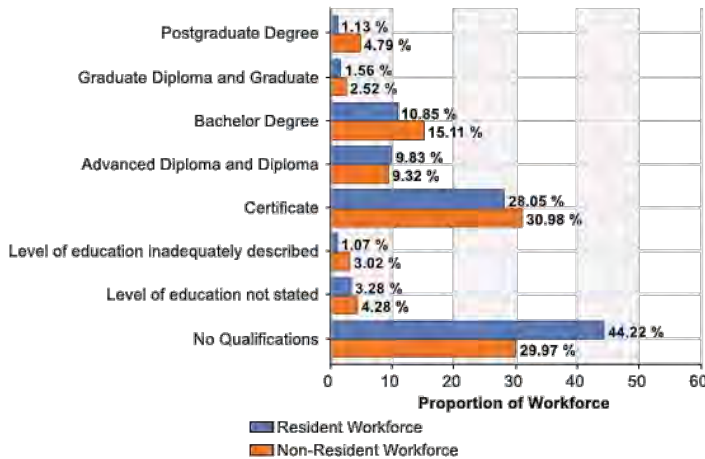
Figure 2-3 Resident vs. Non-Resident Workforce, by Occupation - Former Wellington LGA



2.1.2.1.2 Qualification

The resident and non-resident workforce follow similar trends in qualifications. However, there is a significantly higher level of local workers without formal qualifications.

Figure 2-4 Resident vs. Non-Resident Workforce, by Qualifications - Former Wellington LGA



2.1.2.1.3 Income

The former Wellington LGA comprises a significantly higher proportion of non-resident workers that are high income earners (greater than \$1,000 per week) (49.75%), compared to resident workers (11.62%).

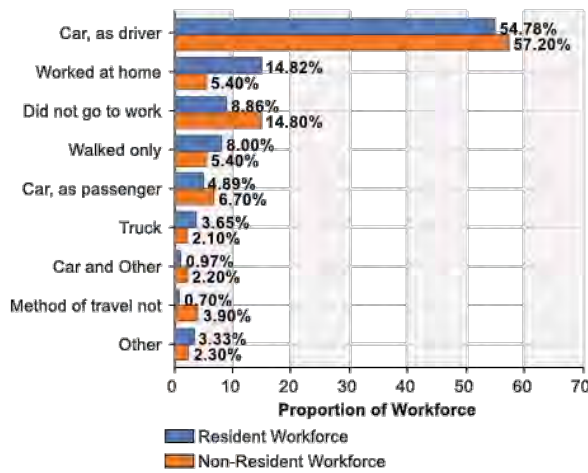
Figure 2-5 Resident vs. Non-Resident Workforce, by Weekly Individual Income - Former Wellington LGA



2.1.2.1.4 Method of Travel to Work

The most common method of travel to work is via a car as a driver or passenger.

Figure 2-6 Resident vs. Non-Resident Workforce, by Method of Travel to Work - Former Wellington LGA



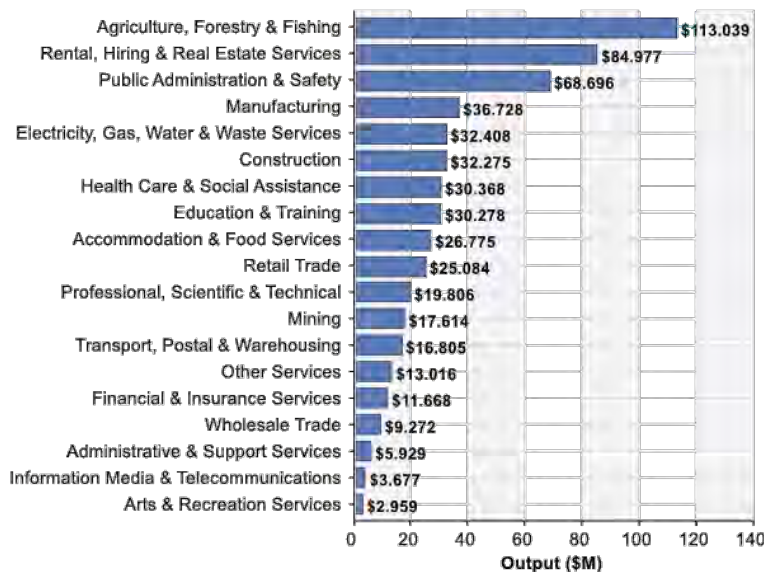
2.1.3 Industry

2.1.3.1 Output

Output data represents the gross revenue generated by businesses / organisations in each of the industry sectors in a defined region.

The output generated by the former Wellington LGA’s economy is estimated at \$581.374 million. ‘Agriculture, Forestry & Fishing’ accounts for \$113.039 million followed by ‘Rental, Hiring & Real Estate Services’ (\$84.977 million) and ‘Public Administration & Safety’ (\$68.696 million).

Figure 2-7 Output - Former Wellington LGA

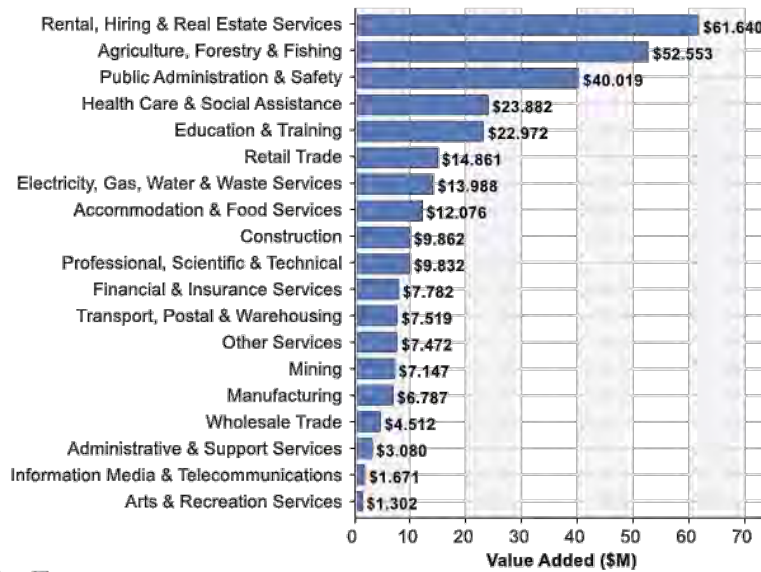


2.1.3.2 Value-Added

Value-added data represents the marginal economic value that is added by each industry sector in a defined region. Value-added can be calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector, or alternatively, by adding the Wages & Salaries paid to local employees, the gross operating surplus and taxes on products and production. **Value-added by industry sector is the major element in the calculation of Gross Regional Product.**

The total value-added by the former Wellington LGA economy is estimated at \$308.955 million. ‘Rental, Hiring & Real Estate Services’ contributes the highest value-added (\$61.640 million), followed by ‘Agriculture, Forestry & Fishing’ (\$52.553 million) and ‘Public Administration & Safety’ (\$40.019 million).

Figure 2-8 Value-Added - Former Wellington LGA

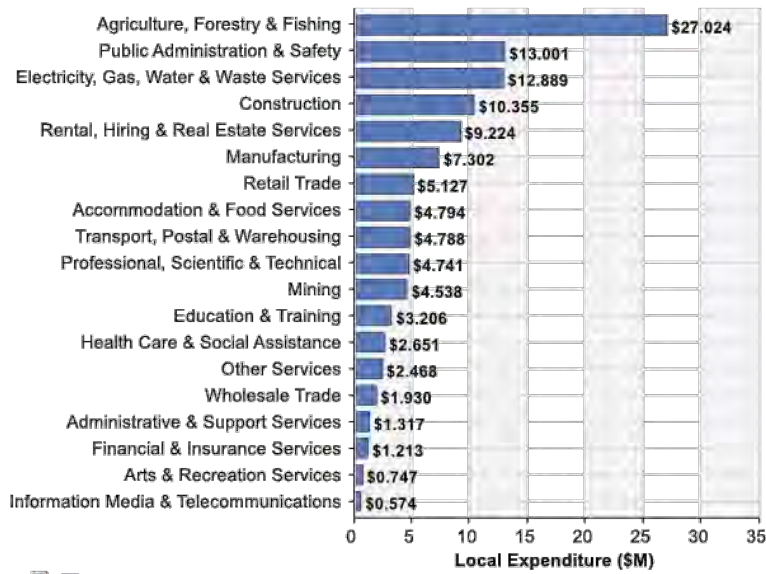


2.1.3.3 Local Expenditure

Local Expenditure data represents the value of intermediate goods and services purchased by local industry sectors within the region. A high level of local expenditure on intermediate goods and services proportionate to total output is indicative of well-developed local supply chains and also that any expansion in this sector would typically deliver broad based benefits for the region’s economy.

The total local expenditure estimate for the former Wellington LGA is \$117.890 million. The ‘Agriculture, Forestry & Fishing’ sector has the highest level of local expenditure, purchasing \$27.024 million on locally sourced goods and services.

Figure 2-9 Local Expenditure - Former Wellington LGA

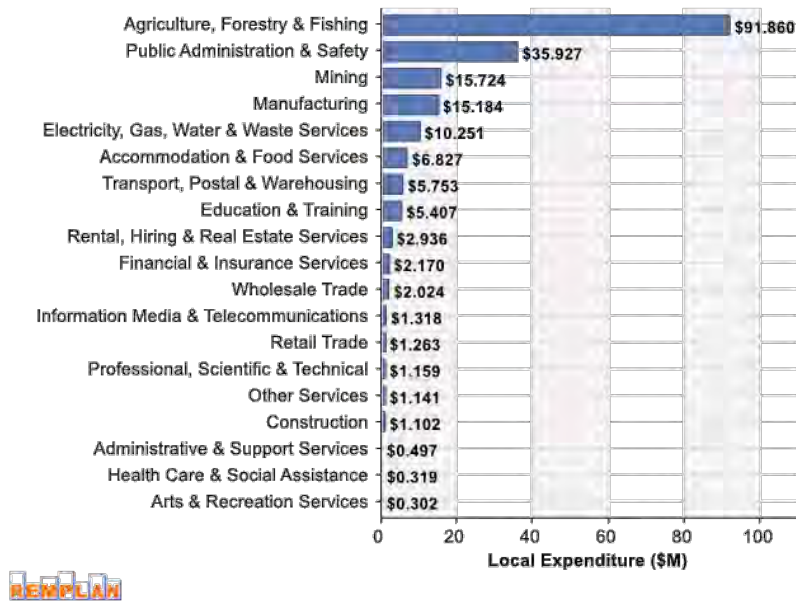


2.1.3.4 Regional Exports

Regional Imports data represents the value of goods and services imported from outside of the region. Imports are necessary for many reasons and the following graph depicts the value of sector dependency on total regional imports by each of the industry sectors ranked from highest to lowest.

The total regional import estimate for the former Wellington LGA is \$201.164 million. The ‘Agriculture, Forestry & Fishing’ sector has the highest level of regional imports of \$91.860 million, followed by ‘Public Administration & Safety’ (\$35.927 million) which is the industry associated with the Wellington Correctional Centre.

Figure 2-10 Regional Exports - Former Wellington LGA

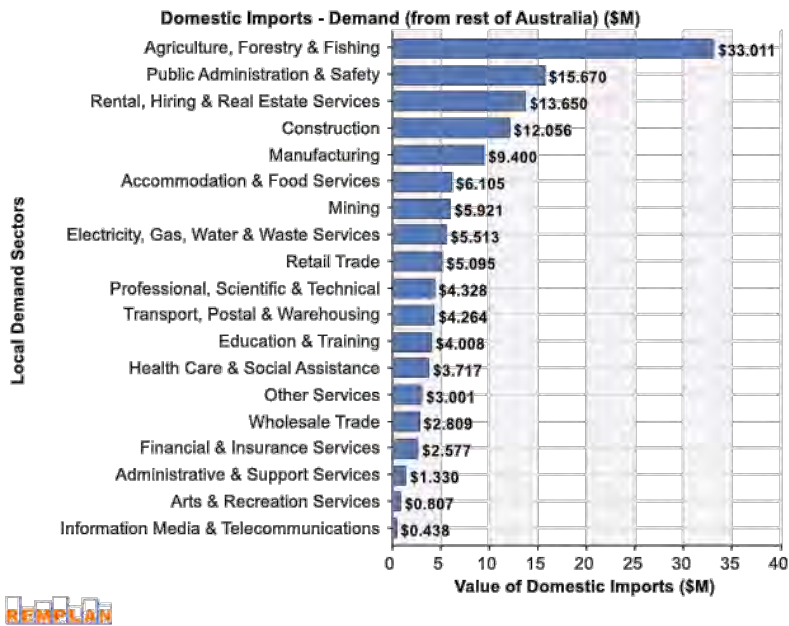


2.1.4 Gap and Opportunities Identification and Analysis

2.1.4.1 Import Replacement Opportunities

Imports reflect demand in the area’s economy for goods and services not supplied locally and therefore represent ‘Gaps’ in local supply chains. Imports from the rest of Australia may indicate opportunities for import replacement, increased value-adding and supply chain development. Supply of these goods and services is currently feasible in the Australian context and may provide a guide to realistic, high value strategic opportunities to further develop the local economy. The total replacement of imports with local production is improbable however it may be possible to capture a proportion of this escape expenditure.

Figure 2-11 Demand from the Rest of Australia - Former Wellington LGA



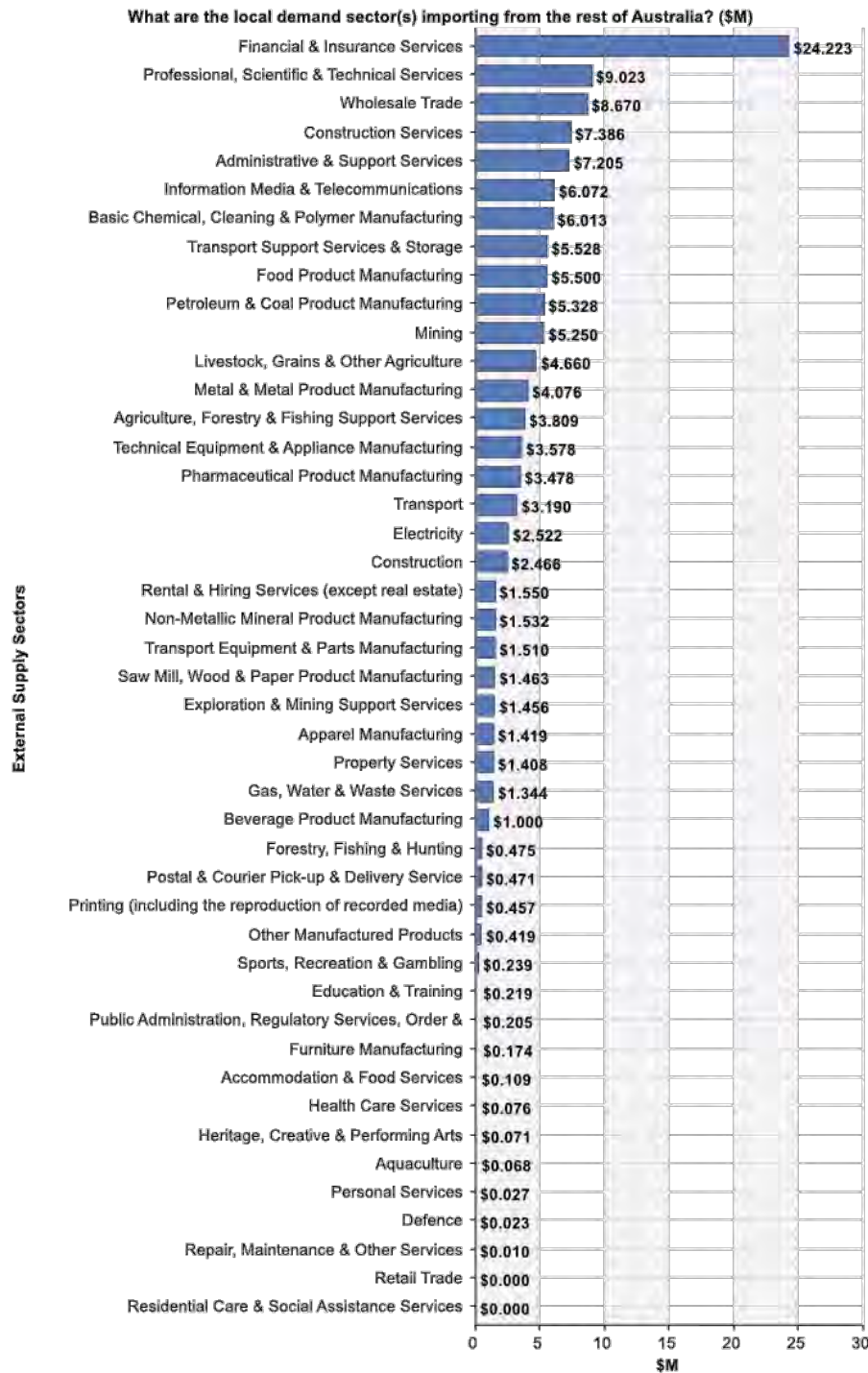
Total imports by industry sectors in the former Wellington LGA from the rest of Australia are estimated at \$133.701 million. The 'Manufacturing' sector imports \$33.011 million (24.7%) of goods and services for input to production from the rest of Australia, the 'Public Administration & Safety' sector imports \$15.670 million, accounting for 11.7% of industry imports.

2.1.4.2 External Industry Sectors

In order to identify potential gaps within the region, REMPLAN data has been applied at the 45 industry sector level. The local industry sectors import a total of \$133.701 million of goods and services from the rest of Australia, conversely industry sectors in the rest of Australia supply \$133.701 million of goods and services to the local industries as part of the process of production.

Industry sectors within the former Wellington LGA import \$24.223 million from the 'Financial & Insurance Services' sector, \$9.023 million from the 'Professional, Scientific & Technical Services' sector, and \$8.670 million from the 'Wholesale Trade' sector from the 'rest of Australia'.

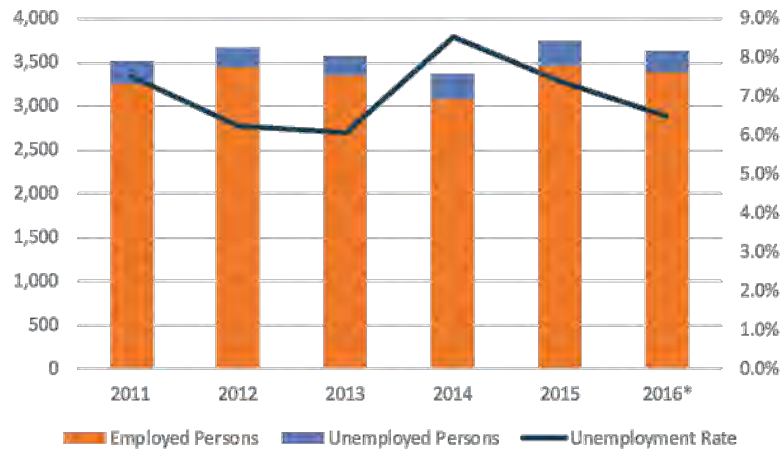
Figure 2-12 External Supply Markets - Former Wellington LGA



2.1.5 Labour Force

Between 2011 and 2015, the size of the labour force in the former Wellington LGA has experienced an average annual increase of 1.48%. The number of employed persons has experienced an average annual increase of 1.52% while the number of unemployed persons has experienced an average annual increase of 1.07% over the same period.

Figure 2-13 Labour Force - Former Wellington LGA



Source: Department of Employment Small Area Labour Market. Note: *Year to June 2016

Table 2-6 Labour Force Breakdown – Former Wellington LGA

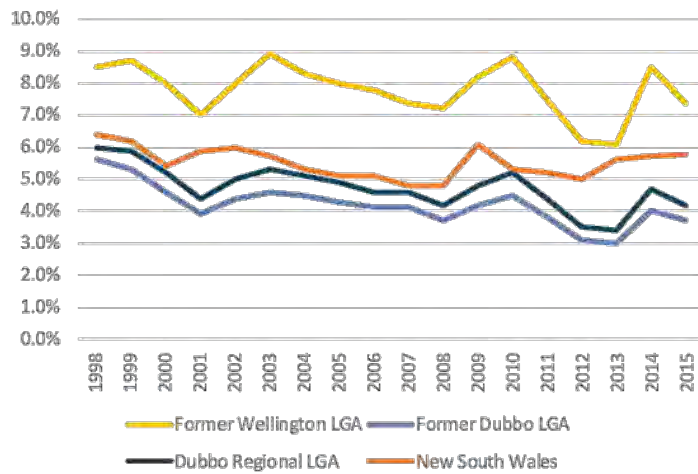
	Unemployed	Employed	Labour Force	Unemployment Rate	Job Growth Rate
2011	265	3,263	3,528	7.5%	-
2012	229	3,441	3,670	6.2%	5.5%
2013	215	3,356	3,571	6.0%	-2.4%
2014	286	3,089	3,375	8.5%	-8.0%
2015	277	3,465	3,742	7.4%	12.2%
2016*	236	3,392	3,628	6.5%	-2.1%

Source: Department of Employment Small Area Labour Market. Note: *Year to June 2016

2.1.6 Unemployment Rate

Over the 10 year period from 2005 to 2015, the average unemployment rate in the former Wellington LGA has been 7.6%, compared to 4.4% in the Dubbo Regional LGA and 5.3% in New South Wales.

Figure 2-14 Unemployment Rates, by Year (1998 to 2015)

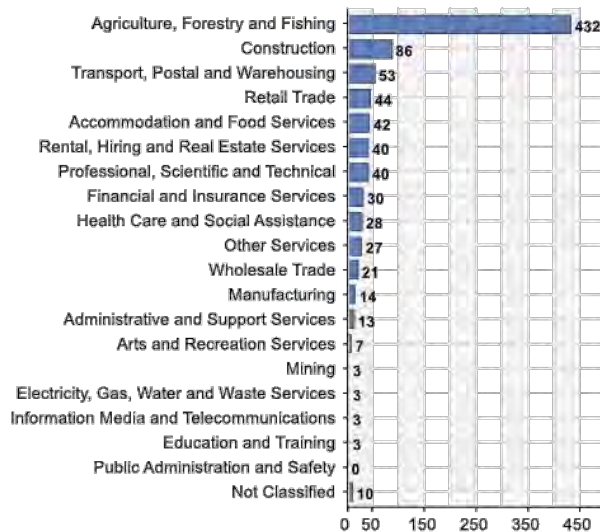


Source: Department of Employment Small Area Labour Market. Note: *Year to June 2016

2.1.7 Business Activity

As at June 2015, there are 899 businesses operating in the former Wellington LGA. The largest number of registered businesses is in the 'Agriculture, Forestry and Fishing' sector (432), followed by 'Construction' (86).

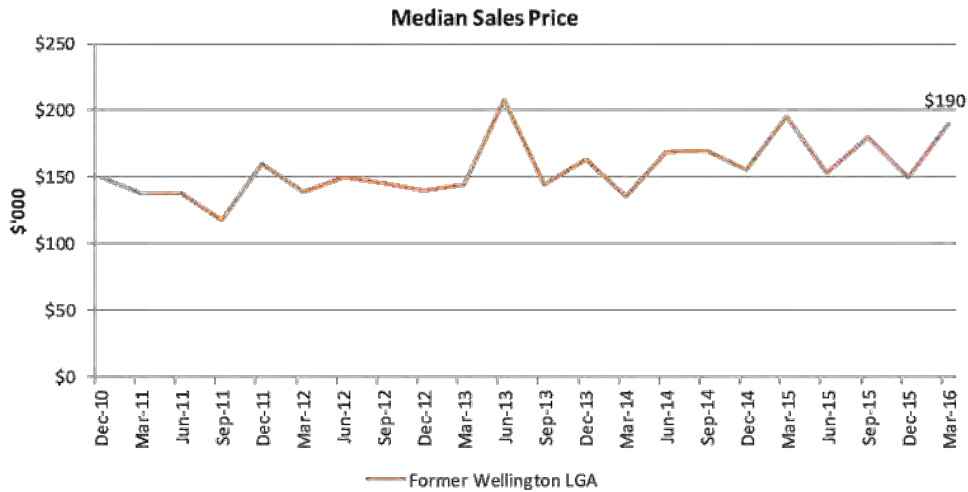
Figure 2-15 Business Activity (2015) - Former Wellington LGA



2.1.8 Residential Overview

2.1.8.1 Median house and land prices

The median sales price of dwellings in the former Wellington LGA as at March 2016 is \$190,000. The median sales price of all dwellings types has been cyclical, increasing overall from the December Quarter 2010. The median sales price peaked in June 2013 with \$208,000. Over the last five years, the average annual change in median sales price has been 6.8%.



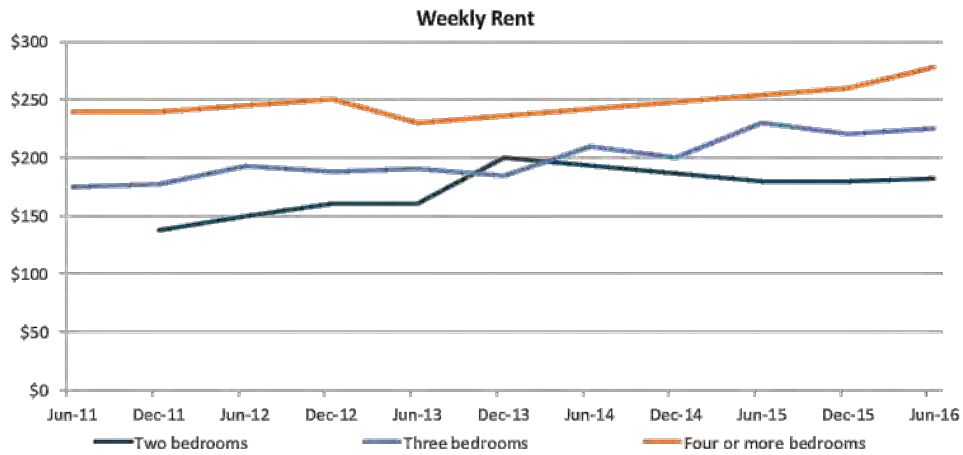
Source: NSW Government Department of Family and Community Services, Rent and Sales Report

2.1.8.2 Rental Market

Regional data has been sourced from the NSW Government Department of Family and Community Services' Rent and Sales Report on median rental data from December Quarter 2010 to June Quarter 2016 for:

- Two bedroom dwellings;
- Three bedroom dwellings; and
- Four or more bedroom dwellings.

Four or more bedroom dwellings in the former Wellington LGA are experiencing the highest rental rates, followed by three bedroom dwellings. Two bedroom dwellings provide the lowest rental option. Since 2011, weekly rents have continued to increase across all dwelling types in the former Wellington LGA.



Source: NSW Government Department of Family and Community Services, Rent and Sales Report

Former Wellington LGA Median Weekly Rents

	Jun-11	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14	Dec-14	Jun-15	Dec-15	Jun-16
2 bedrooms	-	\$138	\$150	\$160	\$160	\$200	-	-	\$180	\$180	\$182
3 bedrooms	\$175	\$178	\$193	\$188	\$190	\$185	\$210	\$200	\$230	\$220	\$225
4+ bedrooms	\$240	\$240	-	\$250	\$230	-	-	-	-	\$260	\$278

Note: Blank Cells indicate periods with insufficient number of bonds lodged for reliable data estimates.

Source: NSW Government Department of Family and Community Services, Rent and Sales Report

Over the past four months rental vacancy rates within the former Wellington LGA have gradually decreased, from 3.8% in July 2016 to 3.0% in October 2016.

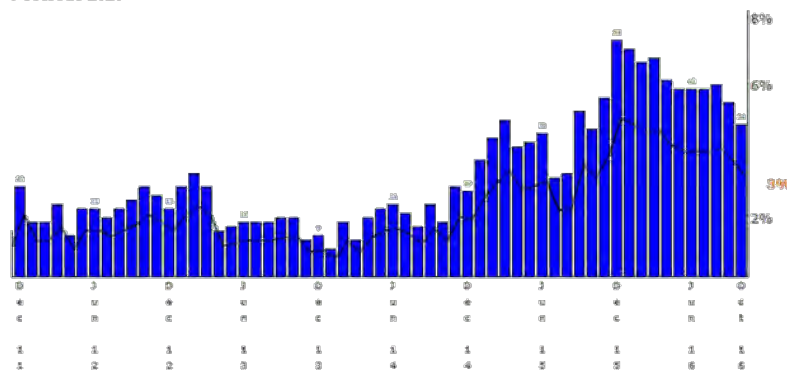
Former Wellington LGA Vacancy Rate and Vacant Properties

	Jul-16	Aug-16	Sep-16	Oct-16
Vacancy Rate	3.8%	3.9%	3.5%	3.0%
Vacant Properties	42	43	39	34

Source: SQM Research Pty Ltd

Residential Vacancy Rates

Postcode 2820



Source: SQM Research Pty Ltd

2.2 Population Projections

The former Wellington LGA is projected to experience an average annual increase in population of 0.3% over the 20 year period from 2016 to 2036. This is lower than the former Dubbo LGA (1.0%) and broader Dubbo Regional LGA (0.9%). Over the 20 year period to 2036, the population growth of the former Wellington LGA is anticipated to represent 5.8% of overall Dubbo Regional LGA population growth.

Table 2-7 Population Projections, 2011 to 2036

	2011	2016	2021	2026	2031	2036
Former Wellington LGA	8,834	8,999	9,156	9,299	9,431	9,553
Former Dubbo LGA	40,246	42,249	44,136	46,144	48,425	51,279
Dubbo Regional LGA	49,080	51,248	53,292	55,443	57,856	60,832

Source: REMPLAN Forecast

2.3 Land Supply

2.3.1 Current Land Supply

Based on a search of www.allhomes.com.au, there is approximately 25,000 Sq M of vacant land currently available within the former Wellington LGA. The average size lot is 1,019 Sq M, while the average price is \$79.94 per Sq M.

Table 2-8 Current Vacant Land Supply, Former Wellington LGA

Address	Size (Sq M)	Price	\$/ Sq M
25a Arthur Street	490	\$45,000	\$91.84
6 Bangalla Crescent	640	\$15,000	\$23.43
8 Bangalla Crescent	658	\$15,000	\$22.80
14 Bangalla Crescent	949	\$35,000	\$36.88
16 Bangalla Crescent	920	\$35,000	\$38.04
20 Bangalla Crescent	725	\$40,000	\$55.17
Lot 5 Eucalyptus Drive	800	\$135,000	\$168.75
49a Gipps Street	1,425	\$65,000	\$45.61
Lot 23 Grevillea Place	1,020	\$95,000	\$93.14
Lot 25 Grevillia Place	934	\$105,000	\$112.42
Lot 26 Grevillia Place	1,282	\$115,000	\$89.70
Lot 2 King Street	954	\$75,000	\$78.62
Lot 21 King Street	749	\$70,000	\$93.46
16 Melaleuca Drive	1,114	\$79,500	\$71.36
18 Melaleuca Drive	1,080	\$79,500	\$73.61
21 Melaleuca Drive	714	\$105,000	\$147.06
23 Melaleuca Drive	769	\$105,000	\$136.63
48 Montefiores Street	1,600	\$89,500	\$55.94
51 Montefiores Street	3,800	\$99,000	\$26.05
90 Montefiores Street	404	\$97,000	\$240.10
19 Nicholii Street	1,182	\$125,000	\$105.75
Pleasant View Estate	Various	\$68,000	-
9 Railway Avenue	847	\$29,000	\$34.24
2 William Street	727	\$35,000	\$48.14
92 Zouch Street	671	\$19,990	\$29.79
Average	1,019	\$71,060	\$79.94

Source: www.allhomes.com.au; accessed 15 November 2016

It is noted that there is a variation of pricing of supply in the same street (e.g. Montefiores Street), with a 404 Sq M lot at \$240.10 per Sq M to a 3,800 Sq M lot at \$26.05 per Sq M.

2.3.2 Future Land Supply

The former Wellington LGA is anticipated to experience an average increase in residential land supply of 39 lots per year from 2015 to 2036. Over the same period, residential land supply in the former Dubbo LGA is anticipated to increase by an average of 263 lots per year.

Table 2-9 Future Residential Land Supply

	2015-20	2020-25	2025-30	2030-36	Total
Former Wellington LGA	187	220	220	234	861
Former Dubbo LGA	1,542	1,332	1,300	1,604	5,778
Dubbo Region	1,729	1,552	1,520	1,838	6,639

Source: Dubbo Regional Council

2.3.3 Dwelling Approvals

In 2015-16 the former Wellington LGA saw a total of 5 dwelling approvals, a decrease of 10 approvals from 2014-15, which comprised 15 house and no "other" (unit) dwellings. Dwelling approvals peaked in 2013-14, with 19 approvals.

Table 2-10 Dwelling Approvals, Former Wellington LGA

	Houses	Other	Total
2005-06	10	0	10
2006-07	7	6	13
2007-08	10	0	10
2008-09	8	0	8
2009-10	4	0	4
2010-11	11	0	11
2011-12	18	0	18
2012-13	17	0	17
2013-14	19	0	19
2014-15	15	0	15
2015-16	5	0	5

Source: ABS 8731.0

2.4 Summary

Compared to the broader Dubbo Regional Local Government Area (LGA), the former Wellington LGA comprises a higher proportion of residents earning a low income (less than \$400 per week). While these residents earn a lower average income, they generally reside in dwellings that are owned outright, with a lower proportion of dwellings that are owned with a mortgage or being rented. This can be attributed to the relative affordability of housing in the area.

The largest employing industry sector in the former Wellington LGA is the 'Agriculture, Forestry and Fishing' sector. This demonstrates the importance of agriculture within the region. Employment in the 'Government Administration and Defence' sector has continued to increase from 2006, in line with the construction and operation of the WCC.

Residents of the former Wellington LGA predominantly hold a Certificate qualification. In terms of people who work in the former Wellington LGA, there is a higher proportion of local workers with no formal qualifications compared to workers who travel to work from outside of the region. A higher proportion of workers who live locally are employed as 'Managers', 'Clerical and Administrative Workers' and 'Labourers' compared to workers who travel to the region to work, who are more likely to be employed as 'Community and Personal Service Workers', 'Professionals' and 'Technicians and Trades Workers'.

Over the 10 year period from 2005 to 2015, the average unemployment rate in the former Wellington LGA has been 7.6%, compared to 4.4% in Dubbo Regional LGA and 5.3% in New South Wales. Workers that are unemployed will benefit from Government investment in the local region.

2.5 Implications

When compared to the broader Dubbo Regional LGA and New South Wales, Wellington is a region that is personified by low socio demographics, including high levels of unemployment; a higher proportion of lower incomes; lower formal qualifications; limited skills and further education opportunities for youth and high rates of crime.

The original investment in the Wellington Correctional Centre was seen as a positive for the region, with relatively high expectations of provision of local jobs for local residents and business, industry and economy benefiting from local purchases – however, this did not occur in the early years. This can be attributed to the lack of local skills and qualifications as well as a minimal local recruitment drive.

While there is angst with the level of local employment, the appeal of jobs with higher salaries at the Correctional Centre has also been to the detriment of local employment, where residents have left their current job to pursue a career in Corrections, leaving gaps in local business. Ideally, local employment in the WCC would be the attraction of new residents and new jobs.

It is only over the last few years where there are now approximately 60% of the workforce residing in the Wellington region, with housing preference being for the more modern estates in Montefiores as well as out-of-town "blocky's", which are small acreages offering the farm lifestyle. The supply of demand led housing product – new, or relatively new, housing that is immediately available for the incoming workforce, proved problematic in the past in attracting potential new residents. The Correctional Centre workers are earning relatively high incomes and demand housing that is new, modern and well located – with the lack of supply pushing these potential residents toward Dubbo, where there is available supply within a 30 minute commute to employment.

3 Wellington Correctional Centre Overview

3.1 Wellington Correctional Centre Overview

The Wellington Correctional Centre (WCC) is operated by Corrective Services NSW as an Australian maximum security prison accepting sentenced and un-sentenced male and female inmates. The existing facility was opened in September 2007, with the anticipation that it would stimulate the local economy. WCC accommodates a maximum operational capacity of 703 inmates including 619 maximum, medium and minimum security male inmates and 84 minimum security female inmates. It is Correctional Services NSW (CSNSW) policy to accommodate inmates proximate to family.

The facility is located at Goolma Road accessible from the Mitchell Highway, approximately 8 kilometres north-east of the Wellington town centre. The facility is located on 200.15 hectares of land owned by the Department of Justice. The new complex is being built on the same land.

Figure 3-1 Wellington Correctional Centre



Source: NSW Department of Justice, Wellington Correctional Centre. GHD. July 2016

Inmates can receive visitors on Saturday, Sunday and public holidays. There is no public transport from Wellington to the Centre, so access is by private vehicle or taxi.

The Wellington Correctional Centre is a large industrial complex employing inmates across a wide variety of jobs that include²:

- Engineering – including light metal fabrication.

²<http://www.correctiveservices.justice.nsw.gov.au/Pages/CorrectiveServices/custodial-corrections/table-of-correctional-centres/wellington.aspx>

- Bakery – services in-house as well as other facilities including Lithgow, Bathurst, etc.
- Technology/Assembly
- Printing
- Food Services Unit where meals are prepared for inmates
- Laundry
- Buy Ups
- Internal and external ground maintenance and hygiene where inmates are involved in maintaining all the grounds and buildings.
- Community Projects – provision of free labour for Council and not-for-profit organisations.

The WCC will also implement fabrication of foil trays for internal use and distribution across other correctional facilities.

It is understood that every function of the gaol is provided within the Corrective Services system and Corrective Service Industries (CSI) transport between facilities across New South Wales. For example, WCC produces bread rolls, pies and bread for other facilities and receive frozen breakfast trays from other centres.

The Centre is contracted to buy local where possible, e.g. local butchers provide meat for the weekly BBQ (approximately \$7,000 per fortnight); and a local hairdresser visits the centre to cut the female inmates' hair as part of the buy-up system. Other local businesses include: newsagency, post office, banks, hardware, service stations, electrical and plumbing.

The 'buy-up' system provides a basic 'supermarket function' for the inmates to purchase goods – this is an internal system, with supplies being distributed from Corrective Services. Inmates have a weekly maximum spend of \$100 (from earnings from work participation and family provided funds). With 700 inmates, this means that as much as \$70,000 is being spent on the 'buy-up' system per week at the WCC. It is understood that suppliers deliver goods to five prison hubs, from which the goods are then sent on to Corrective Services NSW centres across the State³.

Community Projects is a positive program within the Wellington community. They provide around 390-430 hours of free labour to Council projects and not-for-profit community groups. Projects include collecting rubbish from the town entry, yard work for the local churches, trail work on the Mt Arthur Reserve, paving/gardening for the local schools. The process is that groups write to the GM requesting assistance with a project, a security check is undertaken and once cleared the inmates leave the gaol with a supervisor to undertake the work. Depending on the task, they generally bring their own equipment and tools to complete the job.

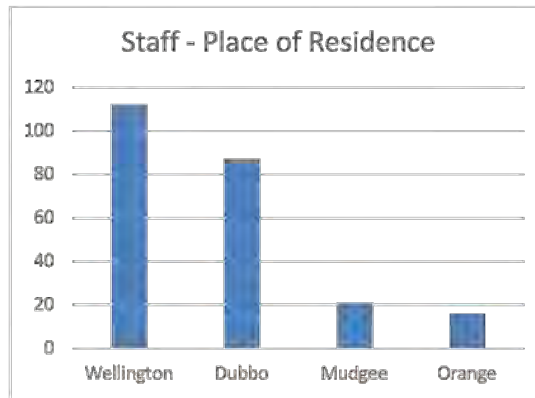
Based on a report by GHD⁴, the existing facility is the largest employer in Wellington with 224 staff employed by CSNSW. Staff comprise of 134 custodial staff, 34 industries staff, 37 programs staff and 19 administration staff. In addition, CSNSW has a community corrections office in the Wellington area. It also engages other services such as Justice Health and Forensic Mental Health Network which provide a number of personnel to the centre.

³<http://www.dailytelegraph.com.au/news/nsw/nsw-prisoners-are-being-sold-guilty-pleasures-in-jails-by-corrective-services-nsw/news-story/fb14129526a31f5f88bcb80b3220e0c1>

⁴ NSW Department of Justice, Wellington Correctional Centre. GHD. July 2016. P.70

During the workshop process, Wellington Correctional Centre staff provided a presentation which included an overview of the facility, upgrades, function and expansion. The presentation also included the latest data for number of staff, by place of residence and value of wages and salaries.

	Staff	Wages
Wellington	112	\$8,960,112
Dubbo	87	\$6,960,000
Mudgee	21	\$1,280,032
Orange	16	\$1,680,063



Wellington Correctional Centre wages are in the order of \$18,880,207, of which almost \$9 million is for staff living in the Wellington area. Given the expansion is expected to have a similar number of staff, it is estimated additional wages will be approximately \$19 million, how much of this is retained in the local (Wellington) region will be dependent on the number of staff living locally.

3.2 Wellington Correctional Centre Expansion

The Wellington Correctional Centre is proposed for an expansion and upgrade by mid to late-2017 providing an additional 400 beds and creating another 220 jobs, consisting of administration, education, industries management and custodial staff, effectively doubling the current work force at the prison. The expansion, which is part of a \$3.6 billion State Government investment into expanding the State’s facilities, will involve the construction of a new, separate high-security facility on Wellington Correctional Centre land. The expanded centre is being developed within a 12 hectare area located 340 metres south-west of the existing facility, and will operate as a standalone, self-operating facility, to be called the Macquarie Correctional Centre.

Wellington will be the first prison in the State to be expanded using "rapid build", pre-fabricated materials with construction planned to be completed over a 12 month period. The expansion will provide a new style of dormitory which will be the first of its kind in Australia, as well as new programs intended to have inmates outside of their cells for about 12 hours a day.⁵

⁵ <http://www.abc.net.au/news/2016-08-05/wellington-prison-to-be-expanded-to-cope-with-increasing-inmates/7693038>

This is a significant investment for Wellington, delivering a doubling of jobs in the corrections portfolio in addition to the multiplier effect for the Wellington economy. The following sections will assess these considerations.

Figure 3-2 Wellington Correctional Centre Expansion Site



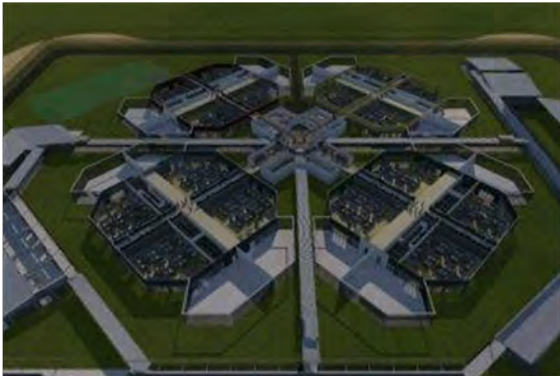
Source: NSW Department of Justice, Wellington Correctional Centre. GHD. July 2016

The new facility will include the following⁶:

- Four single storey buildings, each housing 100 inmates and include kitchens and living/dining areas
- Visitors centre – indoor / outdoor visit areas with officer post
- Officer programs building
- Clinic
- Industries – two workshops in separate buildings
- Segregation unit for solitary confinement
- Open space/exercise area
- Staff and visitor car park - Two new car parks for visitor and staff car parking. A new access to the car park would be provided from Mudgee-Goolma Road. The car park would provide parking for approximately 160 cars (80 staff and 80 visitor).
- Surrounding 3.6 metre high chainwire security fence.
- Operational for 24 hours a day / 7 days a week

⁶ NSW Department of Justice, Wellington Correctional Centre. GHD. July 2016. P.18

Figure 3-3 Wellington Correctional Facility



Source: NSW State Government (<http://www.abc.net.au/news/2016-08-05/wellington-prison-development/7694858>)

4 Wellington Correctional Centre - Economic Impact Assessment

This stage identifies and quantifies the potential direct and indirect (flow-on) economic impacts in relation to the current operation of the Wellington Correctional Centre as well as the proposed expansion of the facility.

As at 2011, there were 184 people working in Wellington's 'Correctional and Detention Services' sector which makes it the largest employing sector in the Wellington area.

The proposed upgrade and expansion is expected to cost between \$80 to \$100 million and employ an additional 220 new jobs.

The below economic impact assessment will measure three stages:

- 1) Current Impacts – Showing the impacts of the current level of employment generated by Wellington Corrective Centre.
- 2) Construction Phase – Showing the impact of an \$80-\$100 million construction of the Macquarie Correctional Centre (MCC). All estimated direct and flow-on construction phase economic benefits are short-term and limited to the period of construction.
- 3) Operational Phase – Showing the impact of 220 new jobs created as a direct result of the MCC. These impacts of the operational phase are subject to the creation of new jobs and are expected to cease if these jobs are discontinued.

4.1 Current Operational Impacts

Assumptions

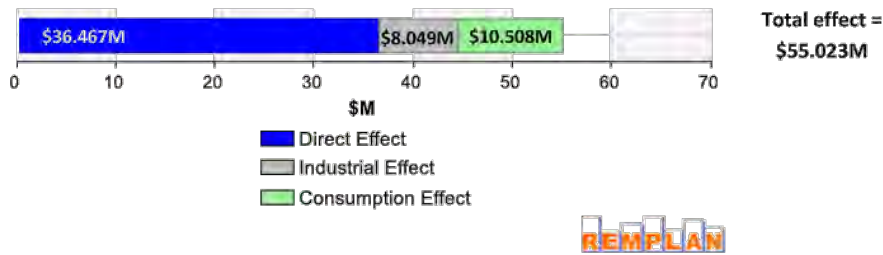
Based on a presentation given by the WCC at the third workshop, it is understood the Correctional Centre currently employs 236 workers. These workers generate both direct and indirect economic contributions to the former Wellington LGA's economy. Current operational phase impacts have been modelled in the 'Public Order and Safety' industry sector.

4.1.1 Output

Based on the 236 jobs at the Correctional Centre, it is estimated that the direct total output of the WCC is \$36.467 million. It is estimated that local demand for intermediate goods and services supports an additional \$8.049 million of local turnover. These industrial effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy.

The above activity in direct and indirect output would typically support additional jobs in the economy. Corresponding to this employment would be the payment of wages and salaries to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects are estimated at \$10.508 million.

Figure 4-1 Current Impact on Output - Former Wellington LGA



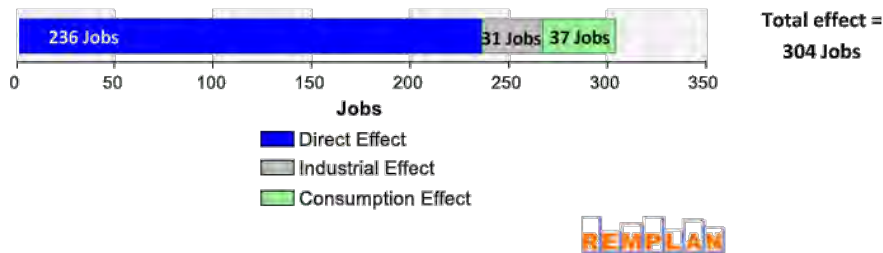
Total output, including all direct, industrial and consumption effects generated by the Wellington Correctional Centre is estimated at \$55.023 million.

4.1.2 Employment

The Wellington Correction Centre directly employs 236 workers. The current flow-on industrial effects in terms of local purchases of goods and services support up to 31 additional jobs.

The direct and indirect output of these industries and the corresponding creation of jobs in the economy also support additional wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The current consumption effects supported are estimated to be sustaining a further 37 jobs.

Figure 4-2 Current Impact on Employment - Former Wellington LGA



Total employment in the former Wellington LGA as result of the activity at the correction centre, including all direct, industrial and consumption effects is up to 304 jobs.

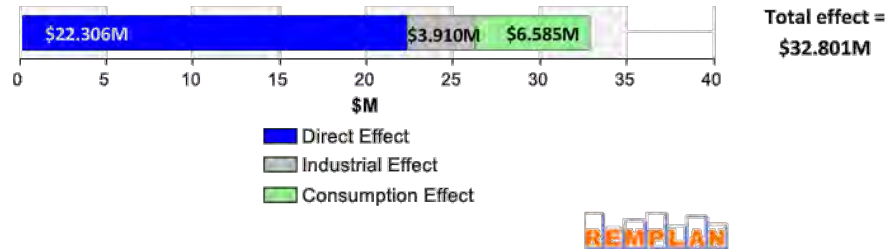
4.1.3 Value-Added

Based on the Wellington Correctional Centre’s current employment of 236 jobs and direct output of \$36.467 million, the direct value-added to the Gross Regional Product of the Wellington economy is estimated at \$22.306 million. From the existing operations, there are flow-on industrial effects, in terms of local purchases of goods and services, and it is estimated that these indirect impacts would support a further value-added of \$3.910 million in the economy.

The direct and indirect output and the corresponding jobs in the economy also support wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on

consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to account for \$6.585 million of value-added to Wellington’s Gross Regional Product.

Figure 4-3 Current Impact on Value-Added - Former Wellington LGA



Total value-added, including all direct, industrial and consumption effects is estimated to be up to \$32.801 million.

4.1.4 Summary

Figure 4-1 provides a summary of the economic benefits currently generated by the operation of the Wellington Correction Centre.

Table 4-1 Summary of Current Impacts – Former Wellington LGA

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$36.467	\$8.049	\$10.508	\$55.023	1.221	1.509
Employment (Jobs)	236	31	37	304	1.131	1.288
Value-Added (\$M)	\$22.306	\$3.910	\$6.585	\$32.801	1.175	1.471

4.2 Construction Phase

Assumptions

Construction of the MCC has an estimated cost build of \$80-\$100 million. For the purposes of this impact assessment a construction value of \$90 million has been modelled. This construction value has been modelled under the ‘Non-Residential Building Construction’ sector. As there were negligible supply networks supporting this sector in the former Wellington LGA at the time of the 2011 Census, the construction phase economic impacts in this section have been modelled for the wider Dubbo Regional LGA.

All estimated direct and flow-on economic benefits are short-term and limited to the period of construction.

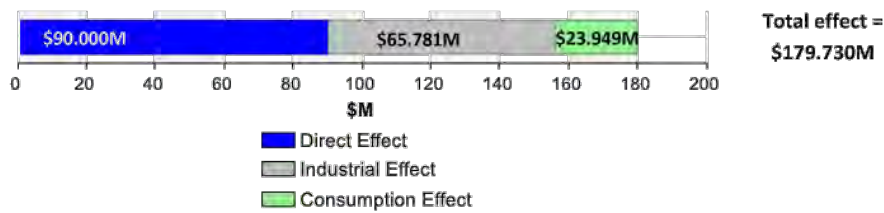
4.2.1 Output

Based on construction phase direct output of \$90 million, it is estimated that the demand for intermediate goods and services within the broader Dubbo Regional LGA economy would increase by \$65.781 million. These industrial effects include multiple rounds of flow-on effects, as servicing sectors

increase their own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$23.949 million.

Figure 4-4 Construction Impact on Output – Dubbo Regional LGA



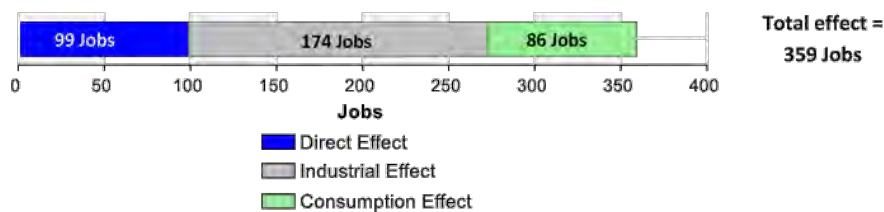
The total output generated in the Dubbo Regional LGA economy, including all direct, industrial and consumption effects, is estimated to increase by up to \$179.730 million. This represents a Type 2 Output multiplier of 1.997. That is, for every dollar of output generated during the construction phase, it is estimated that the broader Dubbo Regional LGA economy benefits by up to a further \$1.00 once flow-on industrial and consumption effects are taken into consideration.

4.2.2 Employment

The \$90 million construction phase costs are expected to generate up to 99 direct jobs. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 174 jobs.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the Dubbo Region economy. The consumption effects under this scenario are estimated to further boost employment by 86 jobs.

Figure 4-5 Construction Impact on Employment – Dubbo Regional LGA



Total employment, including all direct, industrial and consumption effects that are estimated to be supported by the construction phase is up to 359 jobs. This represents a Type 2 Employment multiplier of 3.626.

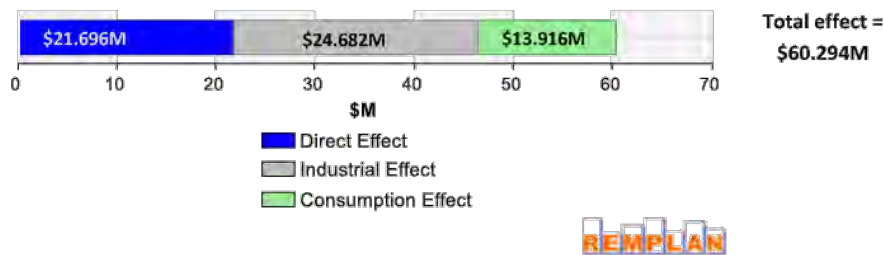
4.2.3 Value-Added

Based on construction phase costs of \$90 million the corresponding increase in direct value-added is estimated at \$21.696 million. From this direct expansion in the economy, flow-on industrial effects in terms of purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to value-added of \$24.682 million.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost value-added by \$13.916 million.

Total value-added, including all direct, industrial and consumption effects is estimated to increase by up to \$60.294 million. This represents a Type 2 Value-Added multiplier of 2.779.

Figure 4-6 Construction Impact on Value-Added – Dubbo Regional LGA



4.2.4 Summary

Table 4-2 provides an overview of the economic impacts for the Dubbo Regional LGA economy resulting from the construction phase of the MCC.

Table 4-2 Construction Phase Economic Impact Summary – Dubbo Regional LGA

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$90,000	\$65,781	\$23,949	\$179,730	1.731	1.997
Employment (Jobs)	99	174	86	359	2.758	3.626
Value-Added (\$M)	\$21,696	\$24,682	\$13,916	\$60,294	2.138	2.779

4.3 Operational Phase

4.3.1 Additional Jobs

Assumptions

An additional 220 new jobs are expected to be created as a direct result of the MCC. Operational phase impacts have been modelled in the 'Public Order and Safety' industry sector.

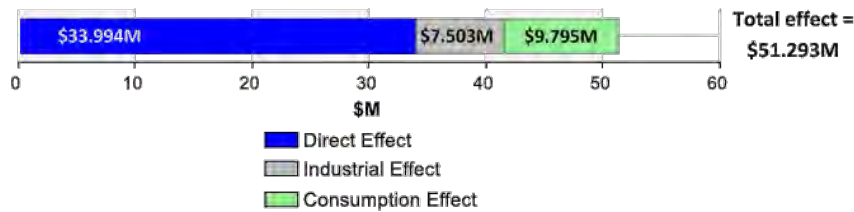
The following economic impacts are generated on an annual basis. These impacts are subject to the creation of new jobs and are expected to cease if these jobs are discontinued.

4.3.1.1 Output

Based on a total of 220 new jobs at the MCC, the corresponding increase in direct output is estimated at \$33.994 million. The local demand for intermediate goods and services is expected to support a further \$7.503 million of local turnover. These industrial effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy.

The above activity in direct and indirect output/revenue supports jobs in the local economy. Corresponding to this employment is the payment of wages and salaries to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured locally. The consumption effects under this scenario are estimated at \$9.795 million.

Figure 4-7 Additional Operational Jobs Impact on Output – Former Wellington LGA



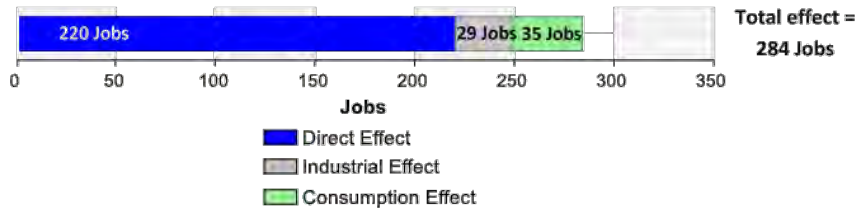
Based on a total of 220 new jobs at the MCC, the total output generated in the former Wellington LGA economy, including all direct, industrial and consumption effects, is estimated at up to \$51.293 million. This represents a Type 2 Output multiplier of 1.509.

4.3.1.2 Employment

Based on a total of 220 new jobs at the MCC, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts support a further 29 jobs.

The direct and indirect output and the jobs supported in the local economy correspond to the payment of wages and salaries to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the former Wellington LGA economy. The consumption effects under this scenario are estimated to further support local employment by 35 jobs.

Figure 4-8 Additional Operational Jobs Impact on Employment – Former Wellington LGA



Total employment, including all direct, industrial and consumption effects that are estimated to be supported by the additional 220 operational jobs at the MCC in the former Wellington LGA is up to 284 jobs.

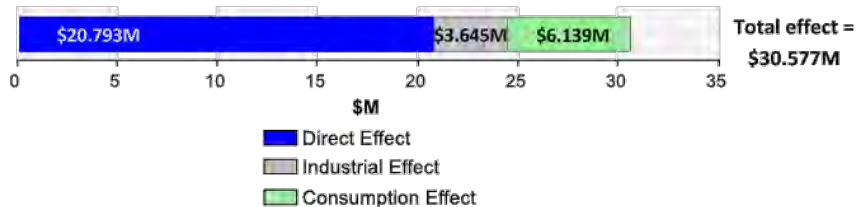
4.3.1.3 Value-Added

Based on a total of 220 new jobs at the MCC, the corresponding increase in direct value-added is estimated at \$20.793 million. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to value-added of \$3.645 million.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost value-added by \$6.139 million.

Total value-added, including all direct, industrial and consumption effects is estimated to increase by up to \$30.577 million.

Figure 4-9 Additional Operational Jobs Impact on Value-Added – Former Wellington LGA



4.3.1.4 Summary

Table 4-3 provides an overview of the total economic impacts for the former Wellington LGA economy of the additional 220 new jobs at the MCC.

Table 4-3 Additional Operational Jobs Economic Impact Summary – Former Wellington LGA

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$33.994	\$7.503	\$9.795	\$51.293	1.221	1.509
Employment (Jobs)	220	29	35	284	1.132	1.291
Value-Added (\$M)	\$20.793	\$3.645	\$6.139	\$30.577	1.175	1.471

4.3.2 Total Jobs at WCC and MCC

Table 4-4 provides an overview of the total economic impacts for the former Wellington LGA economy of the total 456 jobs (236 existing plus 220 additional) that are expected to be generated at both the WCC and MCC upon completion.

Table 4-4 Total Operational Jobs Economic Impact Summary – Former Wellington LGA

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$70.461	\$15.552	\$20.303	\$106.316	1.221	1.509
Employment (Jobs)	456	60	72	588	1.132	1.289
Value-Added (\$M)	\$43.099	\$7.555	\$12.724	\$63.378	1.175	1.471

5 Workshop Outcomes

5.1 Workshop Overview

REMPAN facilitated a total of 4 workshops, conducted in the Function Room at the Soldiers Club in Wellington. The purpose of the workshops was to explore the economic climate of the Wellington economy; understand the impact of the Wellington Correctional Centre since opening in late 2007; as well as the potential impacts and issues associated with the expansion of the WCC.

Workshop 1:	Understanding Wellington Business and Industry Understanding: Economy, Business, Demography and Infrastructure - The Government Perspective.
Time & Date:	12-2pm, Wednesday 26 October 2016
Themes:	<ul style="list-style-type: none"> Understanding the historical perspective of the region and identifying future drivers from those who are "on the ground" and have a history with the region. Understanding the regional economy and business prior to the opening of the Correctional Facility to determine the influence of the facility on the economy and community to identify potential future impacts and opportunities.
Desired Outcome:	Gain an understanding of the Wellington economy and community - Past, Present and Future.

Workshop 2:	Understanding Wellington Business and Industry Understanding: Economy, Business, Demography and Infrastructure - The Business and Industry Perspective.
Time & Date:	6-8pm, Wednesday 26 October 2016
Themes:	Understanding the local business economy prior to the opening of the Correctional Facility to determine the influence of the facility on business to identify future impacts and opportunities.
Desired Outcome:	Understanding the opinions of business owners on the business conditions in Wellington and the impact the Correctional Centre has had in the region.

Workshop 3:	Understanding the role and function of the WCC - Wellington Correctional Centre Perspective
Time & Date:	12-2pm, Thursday 27 October 2016
Themes:	<ul style="list-style-type: none"> WCC conducted a PowerPoint presentation providing an overview of the facility, current operations, role of WCC in the local economy and Correctional Centre network (as supplier of in-house made goods). Understanding WCC workforce – resident requirements
Desired Outcome:	Understanding the Wellington Correctional Centre's impact on the regional economy – Existing facility and future expansion.

Workshop 4:	Impact of WCC on Business, Economy, Community - Community / Business Perspective
Time & Date:	6-8pm, Thursday 27 October 2016
Themes:	-
Desired Outcome:	Gain an understanding of the impact of the Wellington Correctional Centre – Existing facility and the future expansion from business and industry perspective.

5.2 Workshop Findings

A total of 60 people were consulted as part of the workshops and one-on-one interview process. The workshop process was interesting, given that it was seen by many attendees as the first round of consultation since the amalgamation of Wellington Council and Dubbo City Council. While the focus of the workshops and one-on-one interviews was understanding the Wellington economy and dynamics as well as the impact of the WCC on economy and business, there was also considerable focus by attendees on the role and function of the new Council.

As such, there were three recurring themes during the process:

- Wellington Economy and Business
- Wellington Correctional Facility – role and impact on Wellington economy and business
- Dubbo Regional Council – role and function specifically related to the Wellington region.

Based on the qualitative research, the following provides a SWOT (strength, weaknesses, opportunities and threats) assessment of the workshops and one-on-one interview findings.

Based on the above, the following Sections will provide an understanding of the “Top 10 Issues” (Section 6) that have been identified as well as issues relating specifically to the Correctional Centre (Section 7).

5.2.1 Wellington Economy and Business

As a generalisation, the Wellington Correctional Centre is not considered to be a significant contributing factor to the economy, demography or business within the region – either during the initial development of the facility, the ongoing operations and now the expansion.

Issues that are typical of a regional community with a traditional agricultural base have been identified within the Wellington economy, including:

- Youth leaving the region, for education and job opportunities, and not returning
- Issues concerning recruitment and access to skilled staff
- Lack of services and associated infrastructure to keep up with lower sociodemographic and aging population
- Success planning for business – limited opportunity to onsell the business
- Proximity to Dubbo’s retail and services infrastructure
- Ineffective business support and communication between business, industry and Council
- Town centre presentation, vacancies, and perceived high commercial rents
- Losing agriculture positions to the WCC

Figure 5-1 Wellington Economy and Business – SWOT Assessment

<p>Strengths</p>	<p>Heritage</p> <ul style="list-style-type: none"> • Opportunity to re-establish the historic scale of economy from more than 70 years ago, where Wellington surpassed many towns as the agricultural centre of the broader region • Heritage buildings in town are key to the town’s identity with the opportunity to attract business and visitors, however, there is pressing need for renewal and upgrade <p>Tourism</p> <ul style="list-style-type: none"> • Local attractions and assets including Mount Arthur; Wellington Caves; Historical buildings /township • Town is located on the Mitchell Highway between Dubbo and Orange / Blue Mountains, providing opportunity for increased tourism • Research / Academic Relationships <ul style="list-style-type: none"> ○ Interaction with Wellington Caves & Phosphate Mine (University of Sydney) ○ Groundwater research, Connected Water Initiative – Wellington (UNSW) <p>Housing</p> <ul style="list-style-type: none"> • Low residential vacancy rates • High demand for ‘appropriate’ housing product – particularly from Correctional Centre workers and their families <p>Infrastructure and Investment</p> <ul style="list-style-type: none"> • State investment in major infrastructure in town – original Correctional Centre as well as the upgrade and expansion • Structure and planning of town – Located on Mitchell Highway; train station (originally opened in June 1880 with services to and from Sydney Central Station and Dubbo), substantial built form with large town centre footprint; recreation infrastructure town (pool and skate park, park); town centre located on Macquarie River.
<p>Weaknesses</p>	<p>Former Wellington Council</p> <ul style="list-style-type: none"> • Former Council reactive and not proactive <p>Demographics, Image and Perception</p> <ul style="list-style-type: none"> • Declining socioeconomics and demographics of Wellington region • Significant pockets of disadvantage and problems with residents • High local crime rate • Housing NSW has made Wellington a “dumping ground” • Poor image – considered to be due to negative national media (drugs, crime, violence) <p>Economy and Business</p> <ul style="list-style-type: none"> • Change in economic base – dramatic reduction in use of labour on land. Labour has been redirected, but the smaller (ag) businesses have been dissolved <ul style="list-style-type: none"> • Some farmers left agriculture to join the WCC • Risk averse community – missed opportunities, need active participants in the development of the community • Business perceive building owners to have too high commercial rents • Commercial building compliance issues to meet rental demand, costly process to bring to standard with no guarantee for owner of longevity of local business • Recruitment and retention – limited opportunities • Succession planning in existing business isn’t occurring, no one to sell business to • Lack of cohesiveness and communication between similar business’ and business in general

	<ul style="list-style-type: none"> • Youth are leaving the region and not returning (lack of opportunity and pathways to 'big business') • Lack of opportunity to develop and increase skill diversity within local economy <p>Community Services and Infrastructure</p> <ul style="list-style-type: none"> • Undersupply of childcare facilities • Increasing demand on existing aged care providers • proximity to Dubbo and associated infrastructure (Retail, commercial, services etc.) <ul style="list-style-type: none"> • Not a 'shop local' attitude because of lack of choice and proximity to Dubbo • Regardless of business type, Dubbo is accessible with more services and infrastructure (retail, health, education, childcare, aged care, housing) <p>Supply of Appropriate Housing Stock</p> <ul style="list-style-type: none"> • Available housing supply is older housing located in town proximate to lower sociodemographic areas • Lack of 'new' housing stock – making Dubbo an attractive housing / accommodation alternative
<p>Opportunities</p>	<p>Dubbo Regional Council</p> <ul style="list-style-type: none"> • Leverage increased capability and strength of Dubbo Regional Council – larger Council organisation with proven experience • Provide capacity within Wellington regional office • Develop business prospectus • Actively deliver new resident / new business packs • Beautification of main street – make out-of-towners want to stop, shop and visit <p>Attracting New Residents</p> <ul style="list-style-type: none"> • Position as desirable place to live (affordable / village lifestyle / commutable distance) • Revised timetable or intercity commuter train may present significant opportunity to attract lifestyle alternative in long term • Develop new housing product – "House & Land" packages purchased 'off-the-plan' with 12 month development <p>Business and Industry</p> <ul style="list-style-type: none"> • Develop relationships outside of the region (e.g. Brennans) • Increase effectiveness of Business Chamber • Large number of 'home-based' business – some very entrepreneurial (Qantas biscuits / Wool). Encourage and support relocation in town as additional visitor experience. • Compliance of historical buildings – provide opportunity for worthwhile return on investment for building owners to invest and potential tenants to commit to tenancy • New mine is thought to provide more potential opportunities than the WCC <p>Community Services and Infrastructure</p> <ul style="list-style-type: none"> • Develop "Community Hub" to extend the range of services for community in need (e.g., Department of Veteran Affairs, HomeCare, Community Health) • Provision of crèche / daycare to cater to shift workers (gaol, nurses, aged care) • Aging demographic with aged care accommodation demand requirements – growing aged care as part of the community. <p>Tourism</p> <ul style="list-style-type: none"> • Attract events to the region building on natural assets, including river frontage in town centre • Market niche of town – weekend escape destination e.g., Millthorpe

Threats	<p>Business and Commercial Vacancies</p> <ul style="list-style-type: none"> • High level of commercial vacancies in town centre, combined with some of these having boarded up / closed off shop fronts is not attractive to investment • Continued growth and diversification of Dubbo – bleeding into Wellington economy <p>Subdued Population Growth and Property Dynamics</p> <ul style="list-style-type: none"> • Lack of population growth is inhibiting potential business investment opportunities • Difficult to deliver new housing product given local property economics (lower socio-demographic; limited skills and education opportunities for youth; large number of houses for sale, but not appropriate product for higher salaried workers in the Correctional Centre). <p>Demographics, Image and Perception</p> <ul style="list-style-type: none"> • Current ‘stigma’ associated with Wellington requires a long-term strategy and commitment to change perception and reality <p>Services and Infrastructure</p> <ul style="list-style-type: none"> • Limitation of Secondary and Tertiary Education locally • Lack of opportunity to develop and increase skill diversity within local economy • Proximity to Dubbo as a service centre for residential, commercial, business, and community facilities and services.
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5.2.2 Wellington Correctional Centre

During the consultation process, it emerged that, as a generalisation, the impact of the existing and expanded Wellington Correctional Centre (WCC) is considered to be ‘peripheral’ to the town centre, business, community and local economy unless the workforce lives and work within the Wellington district.

The consultation found there was generally positive feedback regarding the impact of the WCC on community and economy. The WCC expansion is not considered to have a significant negative or positive impact on local business and the economy.

A major issue is the place of residence of WCC staff. In the initial stages of planning and development of the original facility, there was a high expectation that a large number of the 236 staff would be residing in the region, due to a number of factors, this was not the case. However, it is noted that approximately 60% of WCC staff now reside within the Wellington region – this has taken almost 10 years to evolve. A major impediment is thought to be the ‘Western Line’ defined by NSW Government, with Wellington and Dubbo on opposite sides of this line. Wellington is not considered a remote western region and is on ‘the wrong side of the line’, providing a disincentive for the Wellington workforce and at the same time incentivising employment in Dubbo.

Wellington Correctional Facility Overview

Current Facility

- 700 inmates (intended to accommodate 500)
- Employment:
 - 236 jobs including 120 security staff, 30 vocational, 40 service and program staff + additional
 - 112 staff live in Wellington – wages of \$8.96 million

- o 87 staff live in Dubbo – wages of \$6.9 million
- o 16 staff live in Orange – wages of \$1.28 million
- o 21 staff live in Mudgee – wages of \$1.68 million

Expansion

- Long term facility – originally earmarked for 5 year short-term solution, but incarceration increases and changing dynamics, expect the facility to be operational in the longer term.
- Rapid build construction – completion July / August 2017.
- 400 inmates.
- Open plan dormitory (first of its kind in Australia).
- Employment:
 - o 220 jobs at expanded facility – upon completion, total of approximately 456 jobs.
 - o 120 June 2016 recruits including: security, business managers, psychologists to go through Academy in early 2017.

Figure 5-2 Wellington Correctional Centre – SWOT Assessment

Strengths	<p>Investment in State Infrastructure</p> <ul style="list-style-type: none"> • Business and community are generally positive about the WCC, can see the benefit in having major state government infrastructure located in Wellington <p>Attracting Resident Population</p> <ul style="list-style-type: none"> • Currently approximately 60% of WCC staff live in the Wellington region • Opportunity to increase local resident population with the expansion of the WCC attracting another 220 employees • Further increase in population will be beneficial <p>Business and Economy</p> <ul style="list-style-type: none"> • The WCC purchases approximately \$1 million per annum from Wellington businesses • Attracting skilled labour and higher incomes to the region • Provides a range of enterprise, with an existing tender system - but not allowed to undercut local business • The Central Hotel is booked out with Construction workers, providing short-term increase in expenditure in town for local goods and services • Development of original Centre provided catalyst for commercial development – KFC, McDonald’s, Coles, Woolworths <p>Community Projects and Service</p> <ul style="list-style-type: none"> • Provision of community projects, not taking local jobs, but providing services (rubbish collection – PCYC, Caves) / bakery providing goods for charity events • Full-time community projects team provide between 390-430 hours per month • Raised \$12,000 for charity in the last 12 months. <p>In Centre Work, Training and Development</p> <ul style="list-style-type: none"> • WCC is reported to be relatively self-sufficient, with goods and services provided in-house or from other Correctional Centres. Inmates are provided with jobs and paid to work: laundry; bakery (feeds 12,000 inmates per day); food; engineering (metal fabrication); packing and assembly (female inmates); commercial print shop (mainly Gov’t contracts); packaging for high security inmates. • New industry being developed (operational by end 2016) – foil trays, to be distributed nationally across gaols. Potential to diversify industry e.g. BBQ trays.
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	<p>Cognisant of not competing with local industry, but will compete with overseas industry.</p> <ul style="list-style-type: none"> Inmates have the opportunity learn new trades / skills, such as bricklaying etc. within the facility.
Weaknesses	<p>Demand on Community Services</p> <ul style="list-style-type: none"> Expecting increased demand for Police and Parole Services Lack of public transport between Wellington Town Centre, train station and WCC. Existing facilities, e.g., Childcare, do not cater to WCC staff needs, who are working shift work. <p>Industry and Employment</p> <ul style="list-style-type: none"> NSW Government Award 'Western Line' is an issue for recruitment - disincentive for Wellington / benefit for Dubbo Skilled residents have left existing employment to work for WCC Lack of short-term affordable accommodation for visiting families of inmates Construction phase has limited local workforce – due predominantly to lack of local required skills and experience with project this size, as well as local companies not having the capacity to bid for job Other impacted industry sectors uncertain of what WCC expansion and additional inmates will mean for their sector e.g., requirement for more probation and parole staff, and then recruitment around that and timing. <p>Residential Supply Constraints</p> <ul style="list-style-type: none"> Concentration of WCC resident workers in Montefiores – modern housing product, removed from town. Supply constrained market in appropriate locations forces potential residents to look outside of Wellington. <p>Attracting Inmate and Families as Permanent Residents</p> <ul style="list-style-type: none"> Issue of WCC inmates and families adding to the perception of the lower social demographic of the region. Need for local transitional support accommodation for ex-inmates. <p>Limited Local Economic and Business Benefits</p> <p>The WCC has been operational for approximately 9 years and beyond the minimal local purchases (approx. \$1m per annum) that are occurring and the attraction of new resident workers, there are minimal economic benefits to the local business community. The expanded centre (MCC) is expected to have similar impacts.</p>
Opportunities	<p>Attract new resident population</p> <ul style="list-style-type: none"> WCC has a focussed effort on local recruitment drive Further increase resident population by attracting staff to work and live in Wellington Develop 'new resident investment package' – promoting outside work activities (natural assets) <p>Community Facilities</p> <ul style="list-style-type: none"> Incorporating on-site child care facility for children of staff as well as children of those visiting inmates <p>Inmate Visitor Services and Infrastructure</p> <ul style="list-style-type: none"> Provide a community hub for families visiting inmates, with information on accommodation, support, activities etc. (different to Visitor Information Centre)

	<ul style="list-style-type: none"> Develop affordable housing option of families of in-mates with accessible transport options to WCC <p>Local Business</p> <ul style="list-style-type: none"> Local entrepreneurs with affiliations to WCC – opportunity to grow business Train inmates into agricultural sector once they leave WCC to build on existing value of the region <p>Community Projects and Service</p> <ul style="list-style-type: none"> Leverage the correctional centre <ul style="list-style-type: none"> Role of inmates involved in community projects Using labour for ‘town beautification’ projects (not to the detriment of existing business’)
<p>Threats</p>	<p>Inadequate Housing Supply</p> <ul style="list-style-type: none"> Lack of appropriate housing stock for WCC staff (existing and new) staff that is readily available to the market. This is repeating previous experience. Speculators inflated price with development of original facility, concerns this may occur again – anecdotal evidence this is reoccurring with investors buying in the region, artificially inflating prices, making Dubbo appear as viable option. <p>Impact on Current Workforce</p> <ul style="list-style-type: none"> Negative impact of taking local workforce & skills (e.g., administrative staff / tradesman) out of Wellington economy to work in the WCC – happened previously and concerns will happen again <ul style="list-style-type: none"> Inmate and worker population is transient across other Correctional Centres <p>Community Services and Infrastructure</p> <ul style="list-style-type: none"> Concern about increase in inmates and associated population issues without appropriate levels of social services Increase in inmate number will have an impact on existing facilities and services <ul style="list-style-type: none"> Police and parole officers Impact on hospital (demand for additional services) <p>Uncertainty around Wellington region Strategy for the WCC</p> <ul style="list-style-type: none"> Expectations of local benefit from Correctional Facility too high first time Uncertainty around overall strategy to support the new Correctional Facility

5.2.3 Council Amalgamation

The importance of the Dubbo Regional Council’s support and commitment to promote Wellington is considered key for future growth, investment and prosperity. General feedback is if Council genuinely supports Wellington, then this will provide the pathway for all business.

<p>Strengths</p>	<p>New Council</p> <ul style="list-style-type: none"> New amalgamated council considered to provide opportunity for Wellington to reinvent, rebrand and reinvigorate the community and economy Increased on the ground capacity, skills and expertise Experienced in changing perception of region and turning economy around
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<p>Weaknesses</p>	<p>Former Wellington Council</p> <ul style="list-style-type: none"> • Had a “closed shop” approach • Business/Investment too difficult • Lack of in-house staff in appropriate positions e.g. Planning Department (“lack of resources and proactivity”) • DA’s process full of uncertainty and very slow • No clear strategy for the future of the Township • Muddled through opportunities • Streetscaping • Wellington Learning Community – Council run committee no longer active since amalgamation • Need to counteract negative press
<p>Opportunities</p>	<p>Strategic Presence</p> <ul style="list-style-type: none"> • Matching future Dubbo Regional Council and local Wellington presence to local priority needs: Customer Service / Economic Development / Place Management (Making) / Town Planning / Community Services and core infrastructure requirements. • Council Funding / Grants Officer – assist in funding applications, provide direction and advice for professional services in developing a submission • Streamline / incentivise Development Application process <p>Strategic Approach</p> <ul style="list-style-type: none"> • Town Centre strategy – not just well planned, but also a deliverable strategy to benefit the community, business and economy. • Addressing increasing services and social planning services including: <ul style="list-style-type: none"> • Crime and social planning • Aged care planning • Rehabilitation / wellbeing facility <p>Business and Industry</p> <ul style="list-style-type: none"> • Supporting service providers that are ‘giving back’ to the local community, e.g., Maranatha are training staff and equipping them with skills (some being family of inmates) – they are becoming an education centre for the industry • Make Wellington the “Aged Care Centre of Excellence” • Working with Business Enterprise Australia (BEC) and similar organisations who provide support to small business, including start-ups. Have the ‘New Enterprise Incentive Scheme’ for those in receipt of Centrelink, provide support in developing business idea, training and development – if successful, they get income and mentoring support. <p>Attracting Investment and Resident Population</p> <ul style="list-style-type: none"> • Heritage Funding or Low Interest Loans for significant listed Heritage Buildings requiring maintenance or conservation works • Showcase Wellington’s low cost of living ‘Sell what we have got’ • Local pool is not up to standard – locals go to Dubbo for swimming lessons, and make purchases while there. <p>Change Image / Perception</p> <ul style="list-style-type: none"> • Building on existing strengths and assets – Lake Burrendong, Caves, Mt Arthur • Identify, develop and invest in ‘wicked’ problems e.g., <ul style="list-style-type: none"> • youth disengagement – more infrastructure for engaging youth including community centres/facilities as well as • increased bus services to support providing access for displaced / disengaged children

Threats	<p>Perception of 'new' Council</p> <ul style="list-style-type: none"> • Need to break mould of Wellington Council being perceived as a "Commodore" Council – that is supplying the basic services with no additional offerings or resources • Resourcing to meet expectations and needs of the Wellington resident and business community • Level of activity and scale of works/projects/investments in Dubbo will overshadow needs of Wellington. • Council Planning to inform future budgets will prioritise the growing population and infrastructure needs associated with Dubbo region.
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5.3 Workshop Implications

While there were three recurring themes during the process, there were recurring findings that were observed as providing the primary opportunities in supporting the economic growth of the Wellington region:

- Change perception and Image - Wellington suffers from poor image and media
- Socio Economic Issues – high crime levels; lower socio demographic; unskilled labour;
- Attracting new residents – specifically directed at the WCC workforce
- Commercial Buildings and Heritage – heritage buildings are foundation of town with major compliance issues
- Business and Investment Attraction – focus on supporting existing business community
- Government and Community Infrastructure and services – There is increased demand on existing services
- Council Services and Strategy – local Council inadequacies and amalgamation opportunities
- Tourism – Existing infrastructure with natural assets. Opportunity for event attraction
- Accessibility and Transport
- Education / Training / Upskilling: youth and residents

6 Wellington Region Workshop Opportunities

6.1 Top 10 Workshop Findings

As highlighted in the previous Section, three themes were consistently discussed, including the economic environment (encapsulating destination and image; land use planning); the WCC as well as the amalgamated Council.

Based on the consultation process, REMPLAN has identified the “Top 10” findings that have been identified for Wellington. Not all of these relate specifically to the WCC, as there are broader economic development and strategic planning implications that have emerged, which can be used to inform a more specific approach in the longer term.

The following table identifies the Top 10 findings, implications and opportunities relating to the Wellington Correctional Centre, as well as broader economic development opportunities, these have been addressed under the following themes:

- Change Perception and image - Promotion of Town
- Socio/Economic Issues
- Attracting New Residents - Housing and services infrastructure
- Commercial Building Compliance / Building on Town Centre Heritage
- Attracting Business and Investment
- Government and Community Infrastructure and Services
- Council Services and Strategy
- Tourism
- Accessibility and Transport
- Education / Training / Upskilling

Opportunities Report: Wellington Economy and Correctional Centre Overview

Issues	Implications	Opportunities – Wellington Correctional Centre	Opportunities – Broader Economic Development
<p>1. Change Perception and image of "Prison Town" - Promotion of Place and Destination</p>	<ul style="list-style-type: none"> As a town, Wellington suffers from poor image and associated negative media History of residents talking town down Wellington does not appear to promote itself – need to 'sell' good aspects of the community. It appears that only negative publicity is getting the press. Self-perpetuating situation where perception is becoming reality 	<ul style="list-style-type: none"> The continued investment in the region by State Government through original Correctional Centre development and additional investment in the expansion of the Centre as a basis to attract future investment. Opportunity to promote the town as a 'place to live, work and invest'. 	<ul style="list-style-type: none"> Need to lift image of the town – aspirational changes. This will be a longer term strategy. Reinvent the brand/identity through well planned marketing campaigns Marketing & Attraction – need to understand how to position and market Wellington as a destination Main Street needs to make an entry statement and be a highlight for the region Improve amenity/beautification e.g., Work on main street and key sites (Cnr Warne & Lee St) Regeneration / restoration of historical housing as an attraction
<p>2. Socio/Economic Issues</p>	<ul style="list-style-type: none"> Concern about increase in inmates and associated population issues without appropriate levels of social services Perception/Issue of gaol related families and transient releases adding wrong type of person to town Significant pockets of disadvantage and problems with residents Housing NSW has made Wellington a "dumping ground" High local crime rate Lack of jobs – provides issues for educators and trainers of being able to provide jobs on completion of upskilling Intergenerational youth disengagement 	<ul style="list-style-type: none"> Develop a "Wellington Correctional Centre Local Strategy" to assist in educating community on WCC and impacts on local community, including Community Service activities; visiting times are weekends and public holidays only; industry within the gaol, employment within the gaol etc. Work with WCC to understand statistics on former inmates and their new locale upon release i.e., back to original home town, family ties, community connections. Intent of Department of Justice to accommodate inmate proximate to family - however, given capacity constraints within the correctional system, WCC also accommodates inmates from outside the region. 	<ul style="list-style-type: none"> Review the ownership (private vs govt) of housing in problem locations: <ul style="list-style-type: none"> Preliminary investigation by DRC advise of a total of 1,986 properties in Wellington and Montefiores, 152 (7.7%) are owned by either the Aboriginal Housing Office or the State Government Land and Housing Corporation. Investigate social housing options out of centre of town.

APPENDIX NO: 1 - OPPORTUNITIES PAPER

ITEM NO: ESC16/629

Opportunities Report: Wellington Economy and Correctional Centre Overview

Issues	Implications	Opportunities – Wellington Correctional Centre	Opportunities – Broader Economic Development
<p>3. Attracting New Residents - Housing and services infrastructure</p>	<ul style="list-style-type: none"> ▪ Limited available "new" product for Correctional Services Officers ▪ Difficult to deliver new housing product given local property economics ▪ Currently pockets of lower demographic families in centre of town – acts as a deterrent for potential residents. ▪ Relatively high turnover of inmates, families tend to not relocate, but have weekend visits. ▪ Concern of release of inmates into local community ▪ Construction phase is short term - 350 workers for 9 months, demand led rental market increase, rents are not sustainable in the longer term and impacting permanent staff, overpriced supply is driving corrections staff outside of the region. ▪ Very low res vacancy, although in lower socioeconomic areas. Preliminary investigation by DRC advise of 50 vacant properties in Wellington / Montefiores, equating to 2.5% vacancy. ▪ Theoretical zoned / planned residential supply of 900 lots (zoned res) with lower Development Contributions requirement ▪ Local real estate agents report that Return on Investment for residential property is 9% over 10 years in Wellington. ▪ Limited supply of acreage – need to release and promote 'blocky's' for those wanting to live in Wellington, but not in town or on small blocks – appealing to farm lifestyle. 	<ul style="list-style-type: none"> • WCC expansion recruitment – recruitment phase in underway, including local 'roadshow' with high proportion of local residents. • Council to host "new resident nights" • The right housing is essential to secure increase in resident working population • Promote Wellington as the affordable lifestyle alternative to Dubbo • Market Wellington as a place to invest to attract residential developers to bring supply to the market. Work with landowners and builders • Council incentives to attract investment and development, e.g., fast-tracking development applications: <ul style="list-style-type: none"> ◦ Already different developer contributions (Dubbo - \$22,000 per lot, Wellington - \$2,000) ◦ Incentivise 12 months free rates, cannot move out of house for 12 months and rates are reimbursed in arrears. • Extend new Resident Packs from DRC to Wellington including "House & Land" package options with 12 month build time, as well as promoting tourism and 'things to do' in region. • Council assistance in the provision of affordable housing for the release of inmates. • Council support to build 'workers camp' on site to accommodate 200 workers in construction phase • Quantify rental price issues • Council as developer in early stages?? 	

APPENDIX NO: 1 - OPPORTUNITIES PAPER

ITEM NO: ESC16/629

Opportunities Report: Wellington Economy and Correctional Centre Overview

Issues	Implications	Opportunities – Wellington Correctional Centre	Opportunities – Broader Economic Development
<p>4. Commercial Building Compliance / Building on Town Centre Heritage</p>	<ul style="list-style-type: none"> • Compliance Issues (Access / DDA / Fire Rating) • High commercial rent for age and quality • Commercial rents reported to be 1/3 to 1/5 of Dubbo rents • Historic scale of economy 70+ years ago surpassed many towns • Heritage Buildings in town are key to identity but need renewal / upgrade • Some older buildings are not feasible for owners to bring up to code. Building are remaining unoccupied and unrestored. Risk of losing the heritage component of the regions assets. 		<ul style="list-style-type: none"> • Audit issues of building entrances • Consider temporary ramps to activate / potential to brand DDA ramps placemaking approach • Use history to help define identity and aspirations for the township • Explore options for a Heritage Fund • Investigate option of co-contribution from Council to contribute to restoration of heritage buildings • Conduct an audit of vacant commercial rental properties – those that can be rented (meeting code) and their rental rates; those that do not meet compliance; • If NSW Local Government Act supports, explore differential rating to incentivise leasing where property has been vacant over 4-5 years.
<p>5. Attracting Business and Investment</p>	<ul style="list-style-type: none"> • There is community, business and Council uncertainty around overall strategy to support the new Correctional Facility • Business owners' perception of town is not all doom and gloom • Reportedly a high incidence of home based business activity • Unlocking entrepreneurs in home-based businesses. • Current Business Chamber has no unity, lacking in direction, not proactive. Needs to get on the 'same page as local business' • Target Country closed up last year – no longer able to purchase basic clothing needs in town 	<ul style="list-style-type: none"> • Expectations of local benefit from Correctional Centre too high first time, need to work with and educate community on potential and expected impacts of WCC expansion. 	<ul style="list-style-type: none"> • Develop Business Prospectus • Revitalisation of the Business Chamber to be reflective of younger business operators / reimagining of town. • Align similar business with aligned strategies to work together cross-promoting • Provision of incentives for business growth – trainees / apprentices – invest in growing business and community • Low interest business loan / rent incentive to grow home business to rent in main street (need to fill the empty shops) • Attract higher order retail, such as discount department store – considered to be problematic with low population base within required catchment; retaining historical town feel; proximity to Dubbo and retail infrastructure.

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Issues	Implications	Opportunities – Wellington Correctional Centre	Opportunities – Broader Economic Development
<p>6. Government and Community Infrastructure and Services</p>	<ul style="list-style-type: none"> ▪ Expecting increased demand for Police and Parole Services; ▪ 'Western (remote area) line' is an issue for recruitment - for NSW government positions Wellington lies to the east of the line and Dubbo to the West – more incentive to be on the western side of line (additional leave etc.) ▪ Lack of transitional accommodation to accommodate 'resident' government employees ▪ Dire need for long day Childcare to cater to shift workers ▪ Fragmentation of communication between government organisations ▪ No central Community Hub to extend the range of services for community in need ▪ Sports used to have major facilities to support use, but now no longer happening <ul style="list-style-type: none"> ○ Still opportunity but popularity of sports have changed ▪ Issue of 24 hour policing was raised with Police. To become a 24 hour station requires increase from 16 to 26 staff, (additional staff would have to come from an existing placement) for a town of 4,500 – this is not feasible. <ul style="list-style-type: none"> • Wellington has suffered from decentralisation of services: Soil Conservation was 60 staff, now 2; Native Grasses was 23 staff, now 1. 	<ul style="list-style-type: none"> ▪ Increasing capacity of WCC will increase workload of Police. Police have requested an increase in staffing levels – have recruitment and retention issues. ▪ It is understood that the 'Western (remote area) line' for NSW Government jobs is under review. Need to understand implications of amalgamation and if Wellington will now be on the western side of the 'line'. ▪ Council provide transitional housing accommodation to assist in attracting potential residents from the outset, as opposed to new staff locating and residing outside of Wellington ▪ Council run Childcare Enterprise to address shortage. Seed the early year's sector within Wellington for short term then sell to market when appropriate. ▪ Attracting broader NSW Government Administration departments ▪ De-centralising Correctional Services Academy and locating the recruitment and training facility in Wellington 	

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Issues	Implications	Opportunities – Wellington Correctional Centre	Opportunities – Broader Economic Development
<p>7. Council Services and Strategy</p>	<ul style="list-style-type: none"> • Previous Council had a "closed shop" approach <ul style="list-style-type: none"> ◦ Business and investment deemed "too difficult" ◦ DA process full of uncertainty and very slow ◦ Muddled through opportunities • No clear strategy for the future of the Township • Community swimming pool is not adequate (locals going to Dubbo to use the facilities). DRC is undertaking renovations an upgrade as pool had safety compliance issues. • Develop Aged Care industry - building on Maranatha and aging population. 		<ul style="list-style-type: none"> • Unlocking investment - Council needs to advocate and lead integrated response to new investment • Placemaking Strategy - Need a clearly defined and implementable Town Strategy • Leverage off the broader resources of DRC • Match local DRC staff presence with preferred Town Strategy and priority community needs • Brand / Identity • Aged Care Centre of Excellence • Provision of housing and childcare facilities – local government intervention
<p>8. Tourism</p>	<ul style="list-style-type: none"> • Not promoting town's assets • Lack of resources / funding / aspiration to attract events to the region 		<ul style="list-style-type: none"> • Marketing & Attraction • Attract Events (initially piggy back on Dubbo, but need to create own identity separate from Dubbo). Events to be hosted on non-competing weekends e.g. <ul style="list-style-type: none"> ◦ Farmers markets ◦ Food week / wine week • Highlight local assets (Caves/Phosphate Mine, Mt. Arthur has 16 trails; Burrendong Dam; Heritage building attraction) • A Destination Management Plan (DMP) needs to be developed for the Dubbo Regional LGA in consideration of the former Dubbo and Wellington Councils DMPs.
<p>9. Accessibility and Transport</p>	<ul style="list-style-type: none"> • Too close to Dubbo • Very easy to get to Orana Mall • Bus service is a key link for disadvantaged • No bus transport links between Correctional Centre and Township for visitors on Public Transport. • WCC currently supplementing taxi from station to facility. 	<ul style="list-style-type: none"> • Federal and/or State funding for bus service from town to WCC. Accessibility to WCC was under a subsidy scheme and now funded by WCC. 	<ul style="list-style-type: none"> • Engaging bus services to support events – even outside of the region • Long term opportunity to consider role of rail for commuter service between Wellington and Dubbo (initially timetables – longer term intercity service).
<p>10. Education / Training / Upskilling</p>	<ul style="list-style-type: none"> • Training of inmates with agricultural skills but no assurance these will be in demand once released • Primary Schools are well funded and well regarded • Some leakage of High School age students to Dubbo or further 	<ul style="list-style-type: none"> • Partnership with prospective employees, e.g., shearing and animal husbandry. Farmers to provide assurance / agreement that there will a placement (job) for upskilled inmate upon release. 	<ul style="list-style-type: none"> • Need to leverage University relationships to the region to attract youth back to the region, i.e. 19 - 30 year olds (CSU, UNSW and UoS)

6.2 Dubbo Regional Council

With regard to the findings relating to promoting the town, attracting business and investment and tourism, the former Dubbo City Council has been proactive in their involvement in the development of a "Community Road Map" and "Great Western Plains Destination Management Plan" for Coonamble, Dubbo, Gilgandra, Lachlan, Narromine, Warren and Warrumbungle LGA Areas originally conducted by Knowledge Transfer Services Pty Ltd in August 2013 and updated in April/May 2016 by the Inland Regional Tourism Organisation.

The following is from the Community Road Map, which could readily be applied in the Wellington context:

"In an increasingly competitive environment where destinations struggle to stand out, the region will need to differentiate itself from other destinations by offering experiences that are both compelling and real. If the region is to grow its visitor economy and contribute to state and national goals, significant changes to the current offering and approaches need to occur."

Council recognises:

- A Destination Management Plan (DMP) needs to be developed for the Dubbo Regional LGA in consideration of the former Dubbo and Wellington Councils' DMPs. In addition, a Destination Image Program needs to be developed that will incorporate a brand strategy, and as part of a framework to market Wellington as a destination but also to capitalise on the strengths and awareness of its neighbouring City, Dubbo.
- An event strategy that incorporates the Dubbo Regional LGA will need to be developed, in consideration and noting that key actions should include capacity building, industry engagement and actions to align event organisers with Council's existing Event Support and Development Program. The development of an events strategy for the LGA will help drive visitation to Wellington, build or develop event supply businesses and help to enhance community pride and amenity.

In addition, the Dubbo Regional Council Strategic Planning department is conducting land supply monitors as well as developing long term strategic plans specific to Wellington.

6.3 Implications

While there have been many opportunities identified above, Council requires weighted consideration in the identification of actionable and achievable priorities in the context of supporting the WCC expansion as well as those relating to broader economic development priorities.

The Wellington Correctional Centre Opportunities identified in the above table are reflective of a 'wish list' of potential actions, with the following section further distilling the opportunities, implications and associated risks specific to the WCC.

7 Correctional Centre Opportunities

7.1 Correctional Centre Outcomes, Opportunities and Risk

Distilling the information from the previous section, a number outcome areas, opportunities and risks have been identified for input into Councils Action Plan for the Wellington Correctional Centre expansion. The outcomes of the consultation can be summarised across the following headings:

- Wellington's Perception and Stigma of "Prison Town"
- Wellington's Lack of Appeal and Attraction
- Housing and Accommodation Options for Correctional Centre Staff
- Impact on Community Services of the Expansion of the Correctional Centre
- Transitional Workforce Implications and Impacts
- Transitional Inmate Implications and Impacts
- Childcare Service Provision to Support Correctional Centre Workers

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Outcome Area	Current Status	Implications	Opportunity	Risk
Perception and Stigma of 'Prison Town'	<ul style="list-style-type: none"> Wellington suffers from a negative image. Expansion of the Correctional Centre to include Macquarie Correctional Centre reinforcing image of Wellington being a 'Prison Town'. Concern about increase in inmates and associated population issues without appropriate levels of social services. WCC is located 8 kilometres from the town centre, with visual impact on the landscape being minimal. Perception of attracting population of 'undesirables' - visitors to the Correctional Centre, and relatives of inmates. However, 'camp followers' perception is not reality, as the likelihood of inmate family arrivals is minimal, given the transient nature of the facility and the families already settled within their own communities. 	<ul style="list-style-type: none"> The workshops and operational aspects of the Wellington Correctional Centre confirm the Facility is not deemed to be an economic driver of the region, but is peripheral to the economy with its own impacts (positive and negative) on the area. It is a land use function within the region, not the function of the region. The presence of the Correctional Centre does not appear to have had a major impact on the town of Wellington or on its psychology. Build on investment that has been committed to the region by State Government through original Correctional Centre development approximately 10 years ago, and additional investment in the expansion of the Centre. Investment in the region by State Government as well as new Council commitment to improving the image and wellbeing of Wellington provides opportunity to promote Wellington as a 'place to live, work and invest'. 	<ul style="list-style-type: none"> Identify the Wellington Correctional Centre and its expansion as a regionally significant infrastructure investment project and build partnerships around potential opportunities to facilitate future resident worker population. Market positive aspects of State and Local Government commitment to the region. Develop destination development programs specifying place making / Wellington CBD enhancements and collaborations. Council to work with WCC to support specific recruitment activities for gaol expansion 	<ul style="list-style-type: none"> Risk of placing too much emphasis on the Correctional Facility as being a catalyst for economic growth. It may act as a stimulus to attract additional resident population associated with the Centre, but may not necessarily directly benefit the broader community, business and economy. Expectations of local benefit from Correctional Centre were too high first time, need to work with and educate community on potential and expected impacts of WCC expansion. Requires a longer-term strategy beyond short term opportunities relating to the Correctional Centre.
Lack of Appeal and Attraction to attract permanent residents (Lack of Retail, Commercial, Education and Housing Infrastructure)	<ul style="list-style-type: none"> Wellington's economy has traditionally been agricultural / primary industry based and has struggled with the globalisation of primary industry. Built on the primary industry sector that was long protected by government from international competition, Wellington's economy has fluctuated as the industries which are the regions drivers have been deregulated and restructured. The restructure has resulted in high levels of unemployment and the closure of major retail (Target Country). The town has no major shopping, with the businesses generally being small, independent and locally run. Since the Wellington Correctional Centre opened, there has been two major supermarkets enter the town (Coles and Woolworths) as well as a McDonalds. Primary research by Dubbo Regional Council indicates that there is adequate supply for increased student numbers within the primary and high schools in the region. 	<ul style="list-style-type: none"> With the evolution of towns, Wellington was historically independent to Dubbo, with a different economic base and 50 kilometres apart. However, with the improvement in road infrastructure and vehicles, Wellington gradually loses its geographic independence, with Dubbo and its regional town infrastructure, becoming a relatively quick commute to access services and infrastructure - as well as jobs and education. Wellington has no major shopping outlets, let alone a consolidated town centre, whereas neighbouring Dubbo has a number of shopping centres, franchises and chain-operated businesses. Residents from Wellington and surrounds travel to Dubbo to access the superior level of servicing in the larger centre (health, education, childcare facilities, schools, education infrastructure) 	<ul style="list-style-type: none"> With the development of the original Correctional Centre, there was the opportunity to attract new residents and boost economic improvement - this was missed first time round. With the Centre expansion, there is the opportunity to revisit the marketing strategy to attract a resident worker population, built on lifestyle and proximity to work and family. Market "New Resident Package" in conjunction with the new Macquarie Correctional Centre. Be on the front foot with potential new staff about the benefits / attractiveness of Wellington as a place to live and work. Feature lifestyle residential options (acreage / small farm); proximity to work (reduced commuting time); working in the same town as where the family is - more quality time at home and not on the road commuting. 	<ul style="list-style-type: none"> The major risk of developing significant infrastructure, and the subsequent associated increase in new jobs, is the risk that the benefits gained by hosting the Correctional Centre might be lost to neighbouring communities. Wellington will always be a satellite town of its larger neighbour, Dubbo. With Dubbo only 30 minutes' drive from Wellington, with a high level of community and retail services and provision, Wellington will be competing as the preferred location to reside primarily on a proximity to work, lifestyle and affordability basis.

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Outcome Area	Current Status	Implications	Opportunity	Risk
Housing and Accommodation Options for Correctional Centre Staff	<ul style="list-style-type: none"> Correctional Facility staff want new / near new houses with proximity to services and facilities in rural environment. New product in new estates is in high demand e.g., Montefiores. There is limited supply of acreage land, with anecdotal evidence of demand for WCC workers wanting to live appealing to farm lifestyle. 	<ul style="list-style-type: none"> Retention of existing industry and skills in the region, and the identification of future opportunities is vital as new investment may potentially stimulate: <ul style="list-style-type: none"> better use of under-used resources; a more stable workforce; broadening of the skills base; improved local goods and services; more sustainable community facilities and assist in sustaining the Wellington region labour market into the future. Continuous improvement in tourism, accommodation and food services contributes to maintaining liveability, sustaining population and visitor growth. 	<ul style="list-style-type: none"> Addressing the fundamental changes in planning strategies and cultural expectations that population growth is traditionally located within proximity to employment and services - while balancing the increased pressure placed on infrastructure, including road, public utilities and social services. Opportunity to release and promote acreage block for those wanting to live in Wellington, but not in town or on small blocks – appealing to farm lifestyle. Council communications with land owners and local developers regarding short-term development opportunities. Council investigate incentives for developers and new residents, for example: <ul style="list-style-type: none"> reduced developer contributions fast-tracking development applications 12 month rate free period (reimbursed in arrears) Council host "New Resident Information" nights in combination of a New Resident Package which includes information including: community services and infrastructure; housing options (rent and purchase); education options; childcare facilities; etc. 	<ul style="list-style-type: none"> The expansion is currently under construction, with the new Macquarie Correctional Centre set to open around August 2017 - this provides a short time frame for actionable and effective development of marketable product in appropriate locations.
Transitional Inmate Population Implications and Impacts (Centre Visitors and Released Inmates)	<ul style="list-style-type: none"> No bus transport links between Correctional Facility and Wellington town centre for visitors on Public Transport. Accessibility to WCC was under a subsidy scheme and now WCC currently supplementing taxi from station to facility. No transitional affordable housing / boarding house for released inmates requiring immediate short-term accommodation No short-term affordable non-traditional commercial accommodation facilities / boarding houses for visiting Inmate families 	<ul style="list-style-type: none"> Provision of information and community support services for families of inmates spending short-stays in the region. Scheduled bus from town / railway station / accommodation to Correctional Centre for ease of visitation to the Correctional Centre. 	<ul style="list-style-type: none"> Investigate State / Federal funding for bus service from town to WCC. Planning for the construction and development of affordable housing in the region for: <ul style="list-style-type: none"> Released inmates that may be either permanent or transitional residents Relatives and visitors of inmates requiring short-term accommodation / boarding house facilities Visitors to the region to visit inmates may want to also explore natural assets within the region – making it a multifaceted trip. 	<ul style="list-style-type: none"> Providing housing / accommodation option for released inmates may be providing a potential 'hub' for released inmates to settle - may need requirements around occupancy such as secured employment (on local farm etc.).

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Outcome Area	Current Status	Implications	Opportunity	Risk
Impact on Community Services of the Expansion of the Correctional Centre	<ul style="list-style-type: none"> Impact of increasing demand on existing health and community services and infrastructure that are already servicing community and Correctional Centre inmates. With the increase in inmate population, there will be increased demand for health care and social assistance services, requiring infrastructure and skilled workforce to meet demand. Prioritising Social and health services supply and demand – matching social needs with services and improving accessibility to community facilities and employment. Expectation of 24 hour Policing with the development of the Wellington Correctional Centre led to disappointment within the community, however, due to Policing rates of provision - this was not a consideration. Uncertainty regarding expected increase demand for probation and parole officers 	<ul style="list-style-type: none"> Imperative to develop and attract the skills and education to support this industry sector. Retention of existing industry and skills and the identification of future opportunities is vital and new investment will stimulate better use of potentially under-used resources; a more stable workforce; broadening of the skills base; improved local goods and services; more sustainable community facilities and the achievement of other economic, environmental and social objectives will assist in supporting the Wellington labour market into the future. Increasing training and education for health and education sectors. Increasing inmate population of WCC will increase workload of Police. Police have requested an increase in staffing levels – have recruitment and retention issues. 	<ul style="list-style-type: none"> Identification of new roles in the health and community sector and forecasting employment and education skill gaps within these industries. Need to develop pathways to these new roles and promote opportunities within this fast growing sector. Strengthen capabilities of the Hospital to enable it to function as a regional health care services hub as well as additional expected demand from increased inmate population. Council, in partnership with WCC, develop information brochure outlining expected impacts on community services (Policing, Parole, Probation, Emergency Services) and infrastructure (hospital) and Correctional Services response. Council work with WCC to identify areas where WCC can support local community services and projects. 	<ul style="list-style-type: none"> Impact on future community services and infrastructure will need to meet more than potential demand from increased inmate and worker population - but also the aging demographic of the region in general.
Transitional Workforce Implication and Impacts	<ul style="list-style-type: none"> Recruitment training is initially conducted off site at the Correctional Services Academy, followed by a 12-week intensive training in centre. Correctional Centre staff have a 12-month probationary period. 'Western (remote area) line' for NSW government positions places Wellington to the east of the line and Dubbo to the West – more incentive to be on the western side of line (additional leave etc.) 	<ul style="list-style-type: none"> 'Western Line' is an issue for recruitment - disincentive for Wellington / Benefit for Dubbo Appropriate skills and workforce development are essential for successful industry development. 	<ul style="list-style-type: none"> Work with existing educational stakeholders to assist in the delivery of workforce development and training programs that support the Correctional Centre, both for released inmates as well as resident population upskilling with appropriate courses for employment within the Department of Justice. Council provide transitional housing accommodation to assist in attracting potential residents from the outset, as opposed to new staff locating and residing outside of Wellington. Council to actively pursue the de-centralisation of the Correctional Services Academy to have the recruitment and training facility relocated to Wellington. 	<ul style="list-style-type: none"> Wellington as a 'stepping stone' in the career path and may not be considered by some workers as a permanent place of residence. For new recruits, there is 10 weeks training delivered by Brush Farm Corrective Services Academy, followed by a 12-month on-the-job probation period. Officers must then "receive a satisfactory performance appraisal at the end of the 9-month period to be recommended for permanency"

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Outcome Area	Current Status	Implications	Opportunity	Risk
<p>Childcare Service Provision to Support Correctional Centre</p>	<ul style="list-style-type: none"> • There are a number of Childcare Centres, Preschools and Family Daycare centres, however, the quality and standard of centres is varied, with waiting lists for centres of higher standard and vacancies in other centres. • While availability is an issue, the opening hours of the centres is more of an issue as WCC staff are shift workers (many who have relocated from outside the region with no proximate family) requiring traditional out-of-hours care for their children. • Based on primary research conducted by Dubbo Regional Council, there is currently one 'Childcare' Centre, 10 'Family Daycare' Centres and one 'Inspired Family Daycare' centre operating within Wellington. 7 of the 10 'Family Daycare' Centres are full, with waiting lists, as is the 'Inspired Family Daycare' Centre. Interestingly only one of the 10 Family Daycare Centres care for children of Corrective Services. 	<ul style="list-style-type: none"> • Under the Child Care Benefit Scheme, preference for spots goes to government priority listing, which can be problematic with both parents working who do not receive subsidies as they fall into the last category for preference of spots and can potentially lose their spots to the unemployed residents who are deemed high risk. This also makes it difficult to obtain full time day care (5 days) as carers identified that they fill each day on this basis and preference doesn't go to the full time working parent. <p>"Every Child Care Benefit approved child care service has to abide by the guidelines and tell you about them when you enrol your child into care.</p> <p>Priorities</p> <ul style="list-style-type: none"> • First Priority: a child at risk of serious abuse or neglect • Second Priority: a child of a single parent who satisfies, or of parents who both satisfy, the work/training/study test under Section 14 of the 'A New Tax System (Family Assistance) Act 1999' • Third Priority: any other child. <p>Within these main categories priority should also be given to the following children:</p> <ul style="list-style-type: none"> • children in Aboriginal and Torres Strait Islander families • children in families which include a disabled person • children in families which include an individual whose adjusted taxable income does not exceed the lower income threshold of \$43,727 for 2015-2016, or who or whose partner are on income support • children in families from a non-English speaking background • children in socially isolated families • children of single parents. <p>A child care service may require a Priority 3 child to vacate a place to make room for a child with a higher priority. They can only do so if you:</p> <ul style="list-style-type: none"> • are notified when your child first entered care that your service follows this policy • are given at least 14 days' notice of the need for your child to vacate." 	<ul style="list-style-type: none"> • There are only a small number of Childcare operators that provide care for Correctional Centre workers - this is considered to be reflective of the operating hours not meeting the demands of a 24/7 shift worker. • Council run Childcare facility to address demand and need for shift workers. While the expansion of the Correctional Centre would be the catalyst, other shift working residents will also benefit from the new concept being delivered in the region. Seed the early years' sector within Wellington for short term then sell to market when appropriate. 	<ul style="list-style-type: none"> • While there are a number of operators that are running at capacity with waiting lists, there are a still a number of facilities with vacancies. Providing additional facilities in the region may impact on existing business - either positively by getting those who currently are not providing an adequate level of service to increase their offer or negatively, by displacing existing operators. The negative impacts are considered minimal as a specialist long-hours child care facility would be marketed to the Correctional Centre shift workers, providing a service where there is a gap in the market.

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Outcome Area	Current Status	Implications	Opportunity	Risk
<p>Develop Strategy for the Wellington Correction Centre and Wellington community</p>	<ul style="list-style-type: none"> The development of the original Correctional Centre (approximately 10 years ago) came with high expectations from local residents regarding the potential economic impacts that may be brought to the region, including increased jobs, property values, and infrastructure that is generated as a result of increased population demand. However, many residents were disappointed with the perceived benefits from the development of the facility, with many jobs coming from outside the region and many workers living outside of Wellington. Council recognises there may be potential impacts of doubling the workforce (and proactively pursuing local resident workforce) of the Correctional Centre with the expansion that is currently under construction. 	<ul style="list-style-type: none"> There is currently no strategy providing public awareness regarding the Correctional Facility, its function and impacts on the local community, business and industry. Council recognises the miscommunication (or lack of) with the original development and is being proactive about the expansion of the facility. 	<ul style="list-style-type: none"> Establish a framework to enable collaborative and innovative cross-pollination between the Correctional Centre, business and industry, community and education sectors. 	<ul style="list-style-type: none"> Timing of construction and recruitment phases of the Correctional Centre with regard to the amalgamated Council. <ul style="list-style-type: none"> Realistically, the construction phase is well underway, making timing of any actionable outcomes for Council very limited. Construction staff have been recruited, appointed and accommodated. The first round of recruitment has occurred (October) with additional rounds planned in January - this provides a limited timeframe for Council to be proactive in developing a strategy and 'local regional employment' drive with the Correctional Centre. Operation of the expanded facility is expected for July-August 2017, with recruitment well underway and supply chains being predominantly internal as a self-sufficient facility. There may be perceived risk of 'failure' to attract permanent residents and building on the expansion of the Correctional Centre being a reflection on newly formed Council.

7.2 Short, Medium and Long Term Opportunities

The above identifies potential specific areas of opportunity with targeted outcomes, however, some may be beyond the scope of Council given: the timing of the construction and opening of the expanded centre; Councils resources, capacity and priorities for the region.

Short-term, medium term and long-term opportunities have been identified as part of the process, with the short-term actions supporting the WCC expansion being underpinned by a longer-term commitment by Council to work with the resident and business community to change the perception of Wellington and develop the region as a destination.

Five actionable outcomes have been identified:

- Wellington destination development, management and promotion – changing the image
- Housing options for Correctional Centre staff
- Transitional inmate population implications and impacts
- Impact on community services
- Transitional workforce impacts

Table 7-1 Correctional Centre and Broader Economic Opportunities

Outcome Area	Opportunity	Timing
Wellington destination development, management and promotion - Changing the image of being a 'Prison Town'	<ul style="list-style-type: none"> • Identify the WCC and its expansion as a regionally significant infrastructure investment project and build partnerships around potential opportunities to facilitate future resident worker population. • Council to work with WCC to support specific recruitment activities for gaol expansion. • With the Centre expansion, develop marketing material to attract a resident worker population, built on lifestyle and proximity to work and family. Feature lifestyle residential options (acreage / small farm); proximity to work (reduced commuting time); working in the same town as where the family is - more quality time at home and not on the road commuting. • Undertake local business skills development programs to support business pride, presentation and destination development. 	Short-term (Now)
	<ul style="list-style-type: none"> • Develop destination development programs specifying place making / Wellington CBD enhancements and collaborations. • Develop Tourism Destination Management Plan in consideration of the former Councils' DMPs. • Develop Destination Image Program that incorporates a brand strategy as part of a framework to market Wellington but also capitalise on the strengths, awareness and proximity of Dubbo. • Develop an Event strategy which includes capacity building, industry engagement and actions. 	Medium Term (next 12 months)
	<ul style="list-style-type: none"> • Council to establish, build and support community engagement in strengthening Wellington's destination image and pride. • Strategic land use planning and community strategy development programs specific to the Wellington region. 	Long Term (beyond 12 months)
Housing and Accommodation Options for Correctional Centre Staff	<ul style="list-style-type: none"> • Council communications with land owners and local developers regarding short-term development opportunities. • Opportunity to release and promote acreage block for those wanting to live in Wellington, but not in town or on small blocks – appealing to farm lifestyle. 	Short-term (Now)
	<ul style="list-style-type: none"> • Addressing the fundamental changes in planning strategies and cultural expectations that population growth is traditionally located within proximity to employment and services - while balancing the increased pressure placed on infrastructure, including road, public utilities and social services. Wellington as a regional community does not fit into this traditional mould. • Council investigate incentives for developers and new residents, for example: <ul style="list-style-type: none"> ○ reduced developer contributions ○ fast-tracking development applications ○ 12-month rate free period (reimbursed in arrears) 	Medium Term (next 12 months)

Transitional Inmate Population Implications and Impacts (Centre Visitors and Released Inmates)	<ul style="list-style-type: none"> Investigate State / Federal funding for bus service from town to WCF. 	Short-term (Now)
	<ul style="list-style-type: none"> Planning for the construction and development of affordable housing in the region for: <ul style="list-style-type: none"> Released inmates that may be either permanent or transitional residents Relatives and visitors of inmates requiring short-term accommodation / boarding house facilities Visitors to the region to visit inmates may want to also explore natural assets within the region – making it a multifaceted trip. 	Medium Term (next 12 months)
Impact on Community Services of the Expansion of the Correctional Centre	<ul style="list-style-type: none"> Childcare Service Provision to Support Correctional Centre 	Short-term (Now)
	<ul style="list-style-type: none"> Identification of new roles in the health and community sector and forecasting employment and education skill gaps within these industries. Need to develop pathways to these new roles and promote opportunities within this fast-growing sector. Strengthen capabilities of the Hospital to enable it to function as a regional health care services hub as well as additional expected demand from increased inmate population. Council work with WCC to identify areas where WCC can support local community services and projects. Establish a framework to enable collaborative and innovative cross-pollination between the Correctional Centre, business and industry, community and education sectors. 	Medium Term (next 12 months)
Transitional Workforce Implication and Impacts	<ul style="list-style-type: none"> Council to investigate the de-centralisation of the Correctional Services Academy to have the recruitment and training facility relocated to Wellington. 	Short-term (Now)
	<ul style="list-style-type: none"> Council work with educational providers to assist in the ongoing development of education provision (courses/subjects) for Wellingtons education provision. Council investigate transitional housing accommodation options and alternatives to assist in attracting potential residents from the outset, as opposed to new staff locating and residing outside of Wellington. 	Medium Term (next 12 months)
	<ul style="list-style-type: none"> Work with existing educational stakeholders to assist in the delivery of workforce development and training programs to be delivered in WCC relevant to the needs of the regional workforce (ie, long term pathways for released inmates). Work with educational providers to attract / develop courses for residents to undertake appropriate courses to enhance skills to apply for Correctional Centre jobs (both direct and indirect employment). 	Long Term (beyond 12 months)

7.3 Summary and Implications

The consultative process that has been undertaken as input to the Opportunities report has identified a number of factors that will impact on the future of Wellington. The immediate needs to support the WCC are short-term with broader economic issues and opportunities being supported by Council over the medium and longer term.

In developing the Action Plan for the Wellington Correctional Centre, there are a number of dynamics that are beyond the scope of Council, limiting potential identifiable, realistic actions in the short-term, including:

- The recruitment process and construction have already started, with expansion opening mid 2017.
- Department of Corrective Services probationary period for new recruits – creates uncertainty around permanent residency until completion of probation period.
- Transient workforce – staff are transient moving across Correctional Centres, increasing demand for rental properties as opposed to purchasing in a region where a contract may be short term.
- Lack of available ‘new’ product for rental or purchase in Wellington, with Dubbo being a proximate alternative.

- Lack of long day childcare facilities to cater to shift workers.
- Perception and image – the negative image of Wellington is subject to a longer term strategic approach.
- Local benefits of the WCC having minimal impact on the local economy.

The timing of the opening of the expanded centre, and the identification of opportunities to build on this in a short time frame limits the capacity for Council to action outcomes that support the Correctional Facility to act as a catalyst for economic growth. While short-term actions are limited, the process has assisted in identifying broader opportunities which will directly benefit the community, business and economy in the medium and longer term. The medium and longer term opportunities identify future activities which can be supported by Council working with the community, business, residents and industry in the region to support broader economic development objectives.

8 Appendices

8.1 Economic Overview

8.1.1 Weekly Individual Income

Figure 8-1 Persons by Weekly Individual Income

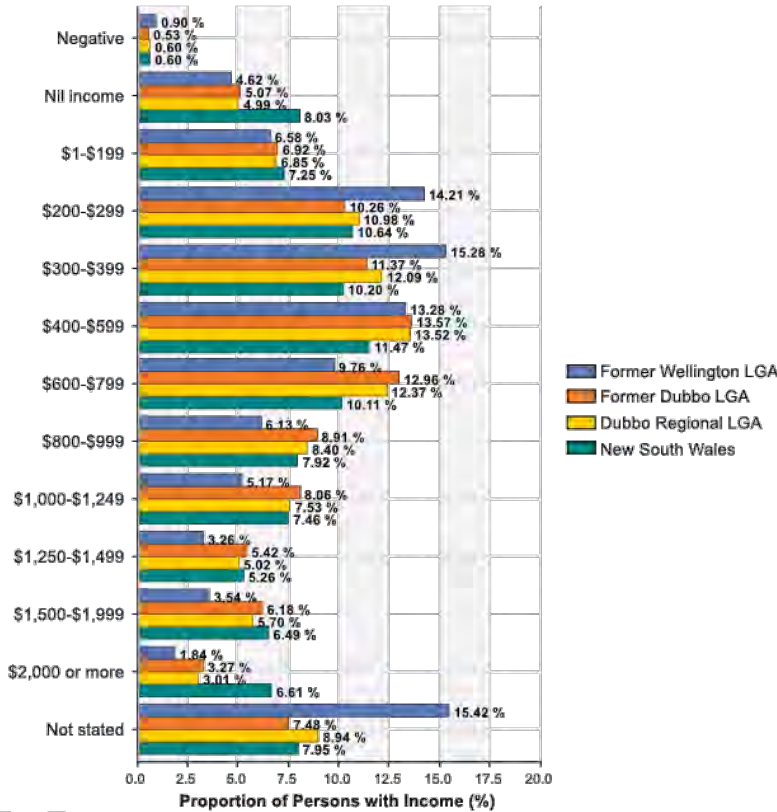


Table 8-1 2006 and 2011 Weekly Individual Income – Former Wellington LGA

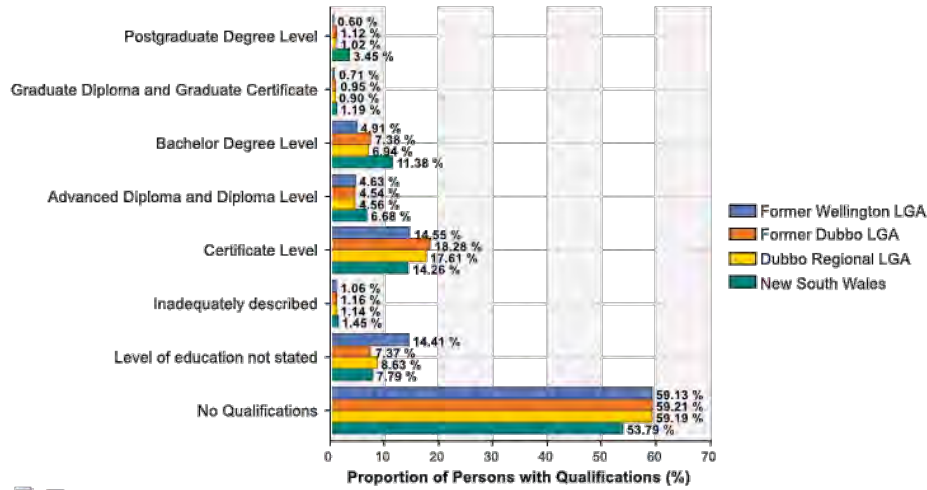
	2006		2011		Change 06-11	
	No.	%	No.	%	No.	%
Negative income	64	1.0%	61	0.9%	-3	-4.7%
Nil income	327	5.2%	312	4.6%	-15	-4.6%
\$1-\$399	2,898	46.5%	2,434	36.1%	-464	-16.0%
\$400-\$999	1,807	29.0%	1,969	29.2%	162	9.0%
\$1,000-\$1,999	515	8.3%	808	12.0%	293	56.9%
\$2,000 or more	66	1.1%	124	1.8%	58	87.9%
Not stated	560	9.0%	1,041	15.4%	481	85.9%
Total	6,237	100.0%	6,749	100.0%	512	8.2%

Source: REMPLAN Community

Between 2006 and 2011, there was an increase of 512 persons earning an income in the former Wellington LGA. The largest change occurred for those earning \$1-\$399 per week (-16.0%).

8.1.2 Qualifications

Figure 8-2 Persons by Qualifications



Between 2006 and 2011, the largest changes in population in terms of qualification occurred for residents with:

- No Qualifications (-318 residents, or -6.0%)
- Certificates (+154 residents, or 14.2%)
- Bachelor Degrees (+57 residents, or 15.8%)

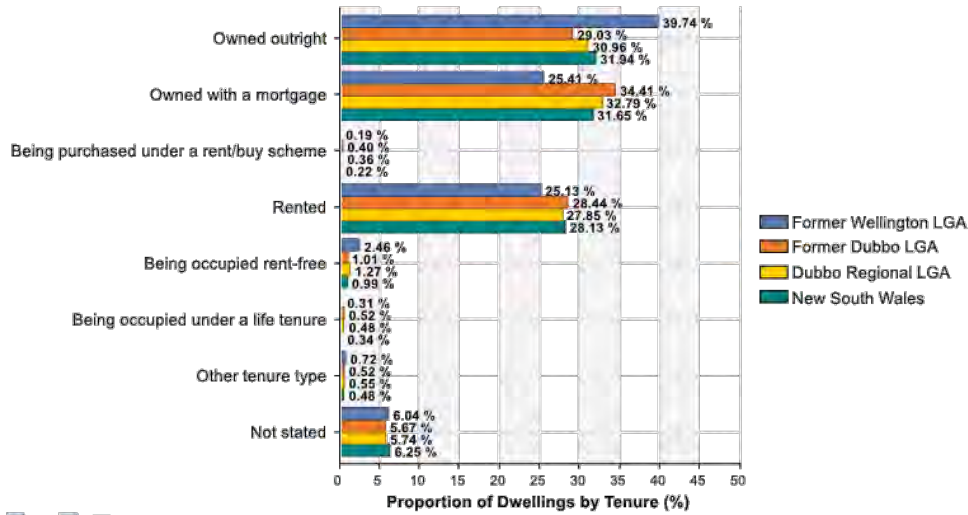
Table 8-2 2006 and 2011 Qualifications – Former Wellington LGA

	2006		2011		Change 06-11	
	No.	%	No.	%	No.	%
Postgraduate Degree Level	47	0.6%	51	0.6%	4	8.5%
Graduate Diploma and Graduate Certificate Level	59	0.7%	60	0.7%	1	1.7%
Bachelor Degree Level	360	4.4%	417	4.9%	57	15.8%
Advanced Diploma and Diploma Level	319	3.9%	393	4.6%	74	23.2%
Certificate Level	1,082	13.3%	1,236	14.6%	154	14.2%
Inadequately described	91	1.1%	90	1.1%	-1	-1.1%
Level of education not stated	826	10.2%	1,224	14.4%	398	48.2%
No Qualifications	5,339	65.7%	5,021	59.1%	-318	-6.0%
Total	8,123	100.0%	8,492	100.0%	369	4.5%

Source: REMPLAN Community

8.1.3 Dwelling Tenure

Figure 8-3 Dwellings by Tenure



The largest changes in housing tenure categories for dwellings in the former Wellington LGA between 2006 and 2011 were:

- Owned outright (-72 dwellings, or -5.3%)
- Owned with a mortgage (+72 dwellings, or 9.7%)
- Rented (+60 dwellings, or 8.0%)

Table 8-3 2006 and 2011 Dwelling Tenure - Former Wellington LGA

	2006		2011		Change 06-11	
	No.	%	No.	%	No.	%
Owned outright	1,348	42.2%	1,276	39.7%	-72	-5.3%
Owned with a mortgage	744	23.3%	816	25.4%	72	9.7%
Being purchased under a rent/buy scheme	9	0.3%	6	0.2%	-3	-33.3%
Rented	747	23.4%	807	25.1%	60	8.0%
Being occupied rent-free	92	2.9%	79	2.5%	-13	-14.1%
Being occupied under a life tenure scheme	10	0.3%	10	0.3%	0	0.0%
Other tenure type	28	0.9%	23	0.7%	-5	-17.9%
Not stated	215	6.7%	194	6.0%	-21	-9.8%
Total	3,193	100.0%	3,211	100.0%	18	0.6%

Source: REMPLAN Community

8.1.4 Household Formation

Figure 8-4 Families by Household Formation

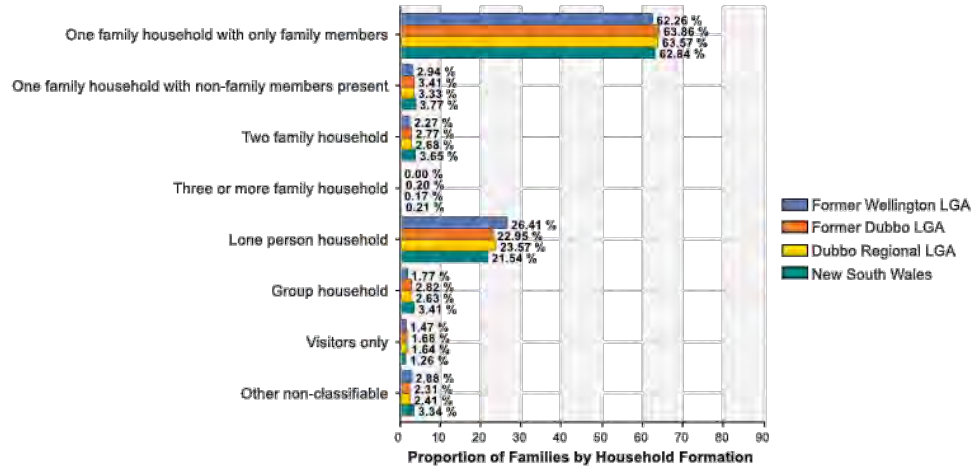


Table 8-4 2006 and 2011 Household Formation – Former Wellington LGA

	2006 (Pers. by Enumeration)		2011 (Pers. By Usual Resid.)		Change 06-11	
	No.	%	No.	%	No.	%
One family household with only family members present	2,150	63.8%	2,115	62.3%	-35	-1.6%
One family household with non-family members present	95	2.8%	100	2.9%	5	5.3%
Two family household	76	2.3%	77	2.3%	1	1.3%
Three or more family household	0	0.0%	0	0.0%	0	-
Lone person household	857	25.4%	897	26.4%	40	4.7%
Group household	43	1.3%	60	1.8%	17	39.5%
Visitors only	53	1.6%	50	1.5%	-3	-5.7%
Other non-classifiable	94	2.8%	98	2.9%	4	-
Total	3,368	100.0%	3,397	100.0%	29	0.9%

Source: REMPLAN Community

8.1.5 Type of Non-Private Dwelling

Figure 8-5 2006 to 2011 Change in Persons, by Type of Non-Private Dwelling - Former Wellington LGA

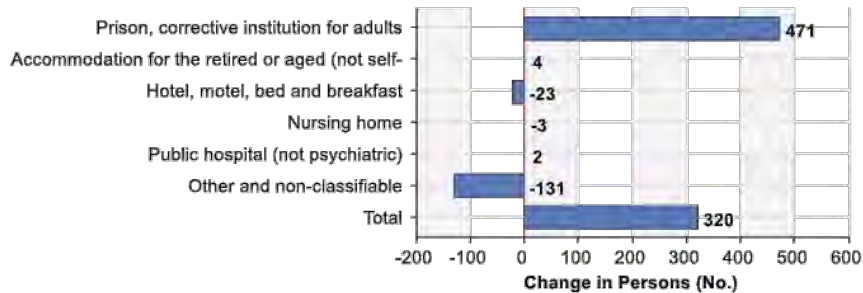


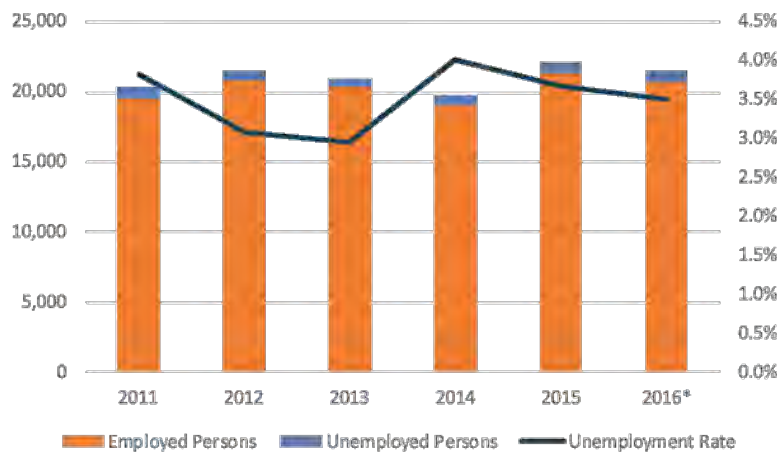
Table 8-5 2006 and 2011 Persons in Non-Private Dwellings – Former Wellington LGA

	2006		2011		Change 06-11	
	No.	%	No.	%	No.	%
Prison, corrective institution for adults	0	0.0%	471	73.6%	471	-
Accommodation for the retired or aged (not self-contained)	53	16.6%	57	8.9%	4	7.5%
Hotel, motel, bed and breakfast	75	23.4%	52	8.1%	-23	-30.7%
Nursing home	46	14.4%	43	6.7%	-3	-6.5%
Public hospital (not psychiatric)	15	4.7%	17	2.7%	2	13.3%
Other and non-classifiable	131	40.9%	0	0.0%	-131	-100.0%
Total	320	100.0%	640	100.0%	320	100.0%

Source: REMPLAN Community

8.1.6 Labour Force

Figure 8-6 Labour Force - Former Dubbo LGA



Source: Department of Employment Small Area Labour Market. Note: *Year to June 2016

Table 8-6 Labour Force Breakdown – Former Dubbo LGA

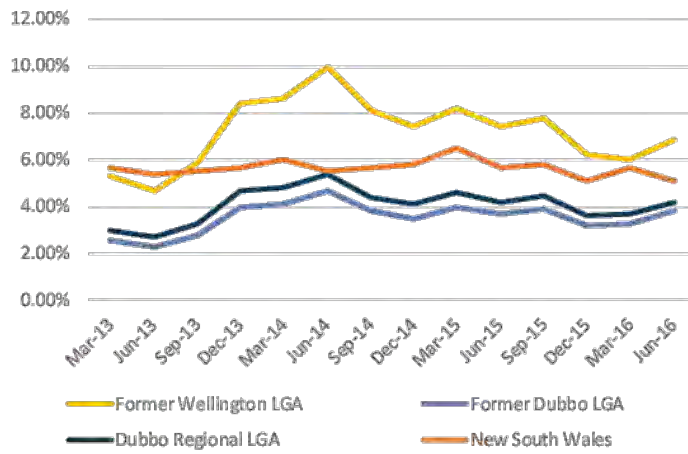
	Unemployed	Employed	Labour Force	Unemployment Rate	Job Growth Rate
2011	775	19,559	20,334	3.8%	-
2012	661	20,863	21,523	3.1%	6.7%
2013	614	20,353	20,967	2.9%	-2.4%
2014	793	19,028	19,821	4.0%	-6.5%
2015	815	21,323	22,137	3.7%	12.1%
2016*	756	20,759	21,515	3.5%	-2.6%

Source: Department of Employment Small Area Labour Market. Note: *Year to June 2016

8.1.7 Unemployment Rate

The unemployment rate of the former Wellington is 6.9% as at June Quarter 2016. Between March 2013 and June 2016, the unemployment rate peaked at 10.0% in June 2014 and experienced a low of 4.7% in June 2013. Since September 2013, the unemployment rate has been consistently higher in the former Wellington LGA when compared to the Dubbo Regional LGA.

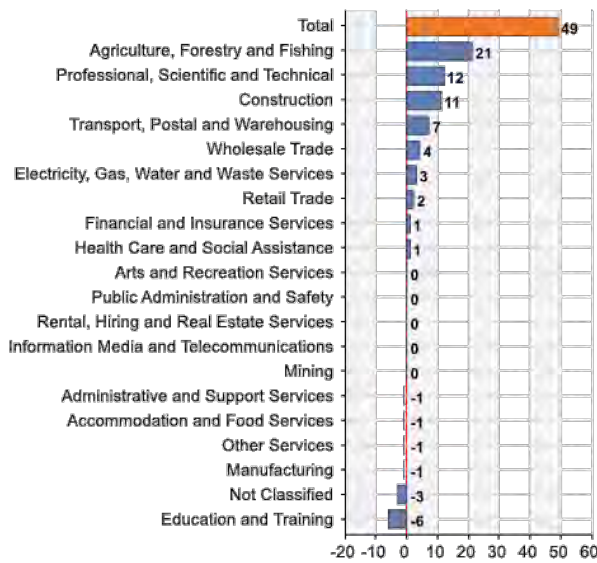
Figure 8-7 Unemployment Rates, by Quarter (March 2013 to June 2016)



8.1.8 Business Activity

Between 2013 and 2015, the number of registered businesses has increased by 49 businesses. The 'Education and Training' sector experienced the largest decline in business numbers (-6), while the 'Agriculture, Forestry and Fishing' industry experienced the largest increase (+21).

Figure 8-8 2013 to 2015 Change in Business Counts, Former Wellington LGA



8.2 Literature Review

This section reviews and explores the relevant literature in regards to outcomes affecting either the former Wellington LGA or the efficacy of the Wellington Correctional Centre expansion. The relevant identified literatures are as follows:

- **Destination Management Plan for Wellington, NSW (2014)** – Prepared by, Simon McArthur and Associates
- **Economic Development Plan, 2011-15** – Prepared by Wellington Council (Former) and NSW Department of Industry and Investment
- **Wellington Correctional Centre – 400 Bed Temporary Correction Accommodation: Review of Environmental Factors (2016)** – Prepared for NSW Department of Justice by GHD Pty Ltd.
- **The Economic Prison and Regional Small Business (2006)** – Prepared by Liam Frayne (under advisement of Pf. Susan Thompson, UNSW)

8.2.1 Destination Management Plan for Wellington, NSW

Prepared by Simon McArthur and Associates in December 2014, the Destination Management Plan (DMP) for Wellington, NSW covers critical insights into the management of region.

One of the critical insights of the DMP is the outstanding need to increase public awareness and the development of a brand image for the region.

The focus of the DMP is tourism. The DMP provides an analysis of Wellington's tourism sector, regional competitors in terms of tourism, market and industry, and an audit of Wellington's tourism in terms of attractions, available accommodation, retail, food/beverage operations and local annual events.

The DMP does not cover the role of the prison or its associated expansion within the regional management plan of the former Wellington LGA, nor does it discuss any way in which it might.

8.2.2 Economic Development Plan, 2011-15

The Economic Development Plan (EDP) aims to identify a range of strategies to enhance economic and population growth within the former Wellington LGA.

The EDP suggests that the increase in construction sector employment in the former Wellington LGA in the 2006 ABS Census can be attributed to the construction of the Wellington Correctional Centre. Notably, since the completion of the correctional centre, construction sector employment in the former Wellington LGA decreased in 2011. Therefore, there is evidence to suggest that any construction works associated with the expansion of the correctional centre would boost the local construction sector which would be in line with goals set out by the EDP.

Furthermore, the EDP also notes that the development of the Wellington Correctional Centre provided a boost to the local community during a time of severe drought, affecting economic and job activities in Wellington.

The principal regional strategies for economic development outlined in the EDP include:

- Partnership with business and industry to establish, implement and review strategic direction of regional economic development

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Opportunities Report: Wellington Economy and Correctional Centre Overview

- Support for industry
- Facilitating investment by addressing precondition of investment and focus on attracting both private and public investment.
- Attraction and retention of industry and residents
- Supporting the growth and sustainability of the local tourism sector

Economic Development Plan: Principal Activities

PRINCIPAL ACTIVITY 1 ECONOMIC DEVELOPMENT

STRATEGY	OUTLINE OF INITIATIVES TO ACHIEVE STRATEGY	OPERATIONAL – 2011/12	PERFORMANCE TARGETS
<p><u>Implementing our Strategic Direction:</u> In partnership with business and industry we will establish, implement and review our strategic direction for economic development.</p>	<ul style="list-style-type: none"> ▪ Implement a strategic evidence based program for economic development (Economic Development Plan) ▪ Monitor and review the implementation and impact of Council's Economic Development Plan ▪ Participate in Regional economic opportunities ▪ Forge strong ties with regional economic & development organisations, government and local councils 	<ul style="list-style-type: none"> ▪ Implement Council's Economic Development Plan ▪ Monitor and review Council's Economic Development Plan ▪ Maintain relationship with Regional Development Australia (RDA) ▪ Liaise & co-ordinate activities with Dept of Industry and Investment(I&I) ▪ Participate in regional forums 	<p>Strategies are implemented in accordance with the timeframes established in Council's Economic Development Plan</p> <p>Implementation progress is assessed bimonthly by Council's Economic Development Steering Committee</p> <p>The impact of Council's Economic Development Plan is reviewed in April 2012</p> <p>Actively participate With RDA</p> <p>Regular consultation undertaken</p> <p>Attend Forum & professional group meetings</p>

STRATEGY	OUTLINE OF INITIATIVES TO ACHIEVE STRATEGY	OPERATIONAL – 2010/11	PERFORMANCE TARGETS
<p><u>Supporting Industry:</u> We will support existing business and industry</p>	<ul style="list-style-type: none"> ▪ Consult with local business to identify needs for additional services and facilities ▪ Initiate and coordinate local business forums ▪ Improve the exchange of information between business and Council ▪ Establish strategies which promote local services ▪ Work in partnership with business to improve crime prevention outcomes 	<ul style="list-style-type: none"> ▪ Regular meetings with business and Business Groups ▪ Finalise Business Retention and Expansion survey ▪ Work in partnership with Industry & Investment NSW to deliver business workshops and forums ▪ Distribute a monthly newsletter to industry as a tool for promoting information sharing and developing capacity within industry ▪ Develop and implement a shop local campaign ▪ Work in partnership with business to install CCTV within the Central Business District ▪ In partnership with industry, develop and implement crime prevention strategies, and seek funding to support these strategies 	<p>Monthly meeting with business groups</p> <p>Survey finalised and results published</p> <p>2 workshops delivered</p> <p>Monthly newsletters delivered</p> <p>Shop local campaign designed and implemented</p> <p>CCTV is in place in CBD</p> <p>Crime prevention strategy focussed on industry is developed and funding identified / secured</p>

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STRATEGY	OUTLINE OF INITIATIVES TO ACHIEVE STRATEGY	OPERATIONAL – 2010/11	PERFORMANCE TARGETS
<p><u>Facilitating Investment:</u> We will address the preconditions of investment and focus on attracting government and private investment</p>	<ul style="list-style-type: none"> ▪ Review and implement our asset management plans to ensure quality infrastructure is provided to the community ▪ Lobby state and federal governments for improved resources to address industry concerns relating to crime ▪ Apply for government grants, and support industry and the community in their applications for grants ▪ Work with industry to improve visual amenity and town cleanliness ▪ Work with industry to improve council processes and practices <ul style="list-style-type: none"> ▪ Provide incentives for the construction of new premises on vacant land 	<ul style="list-style-type: none"> ▪ Refer Principal Activity 3: Financial Sustainability ▪ Continue to lobby state and federal governments for improved resources to address issues relating to crime prevention ▪ In collaboration with Council staff, industry and the community generally prepare grant applications as and when opportunities arise ▪ Develop and implement programs which support Council's litter reduction program ▪ Develop and implement a program which supports building owners to improve visual amenity ▪ In partnership with Industry identify and develop strategies to respond to development issues <ul style="list-style-type: none"> ▪ Implement a revised construction incentive program 	<p>Refer Principal Activity 3: Financial Sustainability</p> <p>Local issues are presented and pursued</p> <p>Grant applications are prepared</p> <p>Litter reduction project implemented with further strategies developed in consultation with business</p> <p>Building rejuvenation project is developed to improve amenity</p> <p>Industry issues with development processes are identified and considered</p> <p>Revised construction incentive program implemented</p>
<p><u>Facilitating Attraction and Retention:</u> We will implement strategies and programs focussed on the attraction and retention of industry and residents</p>	<ul style="list-style-type: none"> ▪ Implement the strategies identified in the Living in Wellington Project report ▪ Engage with industry to maximise local benefit from major projects ▪ Develop and implement promotional packages and associated marketing strategies which promote Wellington as a location for industry and commerce 	<ul style="list-style-type: none"> ▪ In partnership with industry and other key stakeholders develop programs targeted at the retention of young people ▪ In partnership with industry and other key stakeholders identify service gaps and business opportunities within the current local economy <ul style="list-style-type: none"> ▪ Develop and implement a strategy focussed on maximising local outcomes from major projects (eg ERM, Infigen) <ul style="list-style-type: none"> ▪ Develop guidelines for incentives to attract new industry which is targeted at industries which provide either significant employment opportunities or respond to currently unmet demand in the community ▪ Publish in hard copy and on the internet a promotional package targeted at the attraction of industry and residents (Prospectus) ▪ Develop a web page promoting economic development priorities and information 	<p>Programs targeted to the retention of young people are developed</p> <p>Service gaps and investment opportunities are identified</p> <p>Strategy to maximise local outcomes from major projects is developed and implemented</p> <p>Guidelines for incentive programs are identified</p> <p>Promotional package available online and in hard copy</p> <p>Web page developed</p>

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STRATEGY	OUTLINE OF INITIATIVES TO ACHIEVE STRATEGY	OPERATIONAL – 2010/11	PERFORMANCE TARGETS
<u>Tourism</u> : Promote and Develop Tourism	<p>Promotion and development of local tourism</p> <ul style="list-style-type: none"> Monitor state and federal policies to identify opportunities for involvement in economic development programmes and associated funding Assist and support local business and community in securing grant funds Liaise between Council and the Business Community to promote funding opportunities for projects Actively seek to create opportunities for the promotion of Wellingtons initiatives and programmes Work with tourism operators to develop and promote local industry and attractions <p>Promotion of Wellington as a tourism and investment destination</p> <ul style="list-style-type: none"> Participation in regional and local activities including attendance at relevant events, promotions and exhibitions Active member of Central NSW Tourism and the Wellington/Dubbo/Narromine tourism cluster group <p>Support of major local events</p> <ul style="list-style-type: none"> Expansion of existing and develop new events and festivals Provide professional development and support for local events and festivals 	<ul style="list-style-type: none"> Seek & assist local business and community in securing grant funds particularly through other government agencies promote funding opportunities for projects Attendance at business & working group meetings Attend events and distribute promotional material Participation in regional activities and events Complete Tourism Strategic Plan Complete Tourism Marketing Strategy Quarterly Tourism workshops with local business and tourism operators Seek & source funding options Liaise with event organisers to advise on marketing and promotion strategies Provide advice on Council assistance available 	<ul style="list-style-type: none"> Actively seek & identify relevant grants Referral of businesses to relevant agencies to provide assistance (eg Dept of I & J and capability network) Participate in business group meetings Attend relevant expo's and shows Attend Regional events Plan formulated Strategy formulated Workshops undertaken Actively seek & identify relevant grants and funding sources Assist organisers with marketing strategies Attend to enquiries

8.2.3 Wellington Correctional Centre – 400 Bed Temporary Correction Accommodation: Review of Environmental Factors

The 'Review of Environmental Factors' report was published in July 2016 and explores the expansion of the correctional centre in detail.

The focus of this report is on the environmental effects of the expansion such as traffic, pollution, waste management, noise, etc. but the report also includes a justification of the project in which it is recognised that the existing facility is unable to meet the increasing and changing demands of the growing prison population in NSW. It is considered that a temporary facility is the best way to meet the immediate needs of the Department of Justice whilst longer term solutions are resolved and implemented elsewhere. Furthermore, this report explores the lifecycle of the project; from construction to operation and eventual demolition, identifying how the former Wellington LGA may be affected in terms of social and environmental factors.

The life cycle of the project is as follows:



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The identified socio-economic risks associated with construction and demolition in the review are as below:

Risk	Detail
Amenity	<p>Increased construction traffic along Goolma Road and Mitchell Highway may temporarily reduce the amenity particularly in the town centre. The community may experience increased noise and air quality impacts as a result of increased construction and demolition activities and associated traffic.</p> <p>Construction and demolition activities may generate short term amenity impacts on surrounding residential properties along Cadia Place. Noise assessment reports indicate that there may be some properties that experience higher noise levels than regulation standards during normal and out of standard work hours.</p>
Economic	<p>The proposal would generate jobs during construction, which could be accessed by local residents. Depending on the split of local workers and non-resident workers, the construction workforce could potentially increase demand for housing and services (e.g. health). The construction workforce would result in local economic benefits, including increased expenditure particularly for food and accommodation services.</p> <p>One of the risks associated with demolition is that jobs created during the operation of the proposed facility will no longer exist. Consequently, any workers that have moved to Wellington for the employment opportunities generated by the Correctional Centre will have to find new employment.</p>
Access	<p>As per the traffic impact assessment completed for the proposal (refer to section 6.3) up to 300 light vehicles and 50 heavy vehicles per day would be required for construction, 7 days a week. Construction vehicles are expected to travel between Wellington town centre and the construction site along Goolma Road and Mitchell Highway. Increased construction traffic particularly through the town centre may potentially reduce the access of road users, including motorists and bus passengers. Road users may experience increased inconvenience, travel times, disruptions and potential perception of traffic related safety risks.</p>

Source: Review of Environmental Factors – Wellington Correctional Centre

The review also identifies benefits and risks of the operation of the temporary correctional accommodation centre:

Benefits	Detail
Facility that services broader NSW	<p>The proposal is being undertaken to address an urgent need for additional custodial accommodation across NSW. The facility will assist in meeting the demand that is being experienced across NSW.</p>
Economic Impacts	<p>There are number of economic benefits associated with the proposal. A more detailed economic assessment would provide estimates of these benefits. In summary, potential economic impacts would include:</p> <ul style="list-style-type: none"> • Additional 220 jobs employed by CSNSW • Increased local procurements of goods and services required to operate the facility • Inmate expenditure of local goods and services • Staff expenditure of local goods and services • Visitors expenditure including accommodation, meals and local transport • In addition to the direct economic impact of the temporary expansion, the proposal will create flow on or multiplier effects • Additional accommodation to support new workers could result in an increase in local house prices due to pressure on the housing market.
Demographic changes	<p>There is a potential that increased employment opportunities as a result of the proposal would attract some employees to move into the town of Wellington with</p>

	their families for medium (five to six years) to long term. Such in-migration of workers and their families would promote growth in town.
Community benefit	The existing facility has an active community projects program with inmates working in partnership with Council to maintain local community assets. The proposal would accommodate an additional 400 inmates and may increase the capacity of the community projects program to expand its projects leading to increased demand for workers and innovation in the planning and delivery of these programs. This would be a positive benefit to the community.
Accommodation	The potential increase in the local population would increase demand for housing and accommodation facilities in town. Currently in Wellington there are 150+ properties for sale and remaining on market for over 300 days and 50 properties for rent. It is therefore anticipated that the additional population as a result of the proposal will benefit accommodation in the area increasing property values and rental opportunities.
Risks	Detail
Stigma and impact to town's reputation	There is the potential that the community will be concerned that the proposal will have an adverse impact on the character and reputation of the Wellington town centre. Consultation as part of the community strategic plan identified that there are sometimes negative perceptions about Wellington town. There is the potential that this stigma could impact on investment in the town particularly in regards to tourism and related new business opportunities.
Fear about impact on local crime	Crime within the community is already a concern as outlined within the Council strategies. There is the potential that the community may perceive that the proposal may result in an increase in local crime due to prison escapees, visitors of inmates or inmates choosing to stay within the local community after their prison term. Although there is no evidence to suggest that this may be the case, it would need to be investigated further.
Traffic and access	The proposal is expected to generate 634 vehicle movements per day (refer to section 6.3.3) The majority of trips are expected to be taken by CSNSW staff and visitors of inmates. Traffic impacts are expected to minor.
Impact on community and social infrastructure	The proposal has the potential to increase local population through the additional workforce required to support the proposal, visitors to the facility as well as in-mates that choose to move into the local area. The additional population is likely to increase demand on existing community and social infrastructure facilities and service including education, health and social services, particularly those that support released inmates, if they are already operating at capacity.

Source: Review of Environmental Factors – Wellington Correctional Centre

While there is some analysis on the economic outcomes of the expansion, this is generally beyond the scope of the report.

Included in the review of environmental factors, is a consideration of legislative criteria that the correctional centre must meet. Most of the report regards environment obligations such as the Environmental Planning and Assessment Act 1979 but also Roads Act 1993. The proposal has received valid approvals from the Department of Justice and Roads and Maritime Services.

This report, as well as the NSW Department of Justice’s ‘Review of Environmental Factors’ report, are considered to be complementary reports in regards to the expansion of the Wellington Correctional Centre.

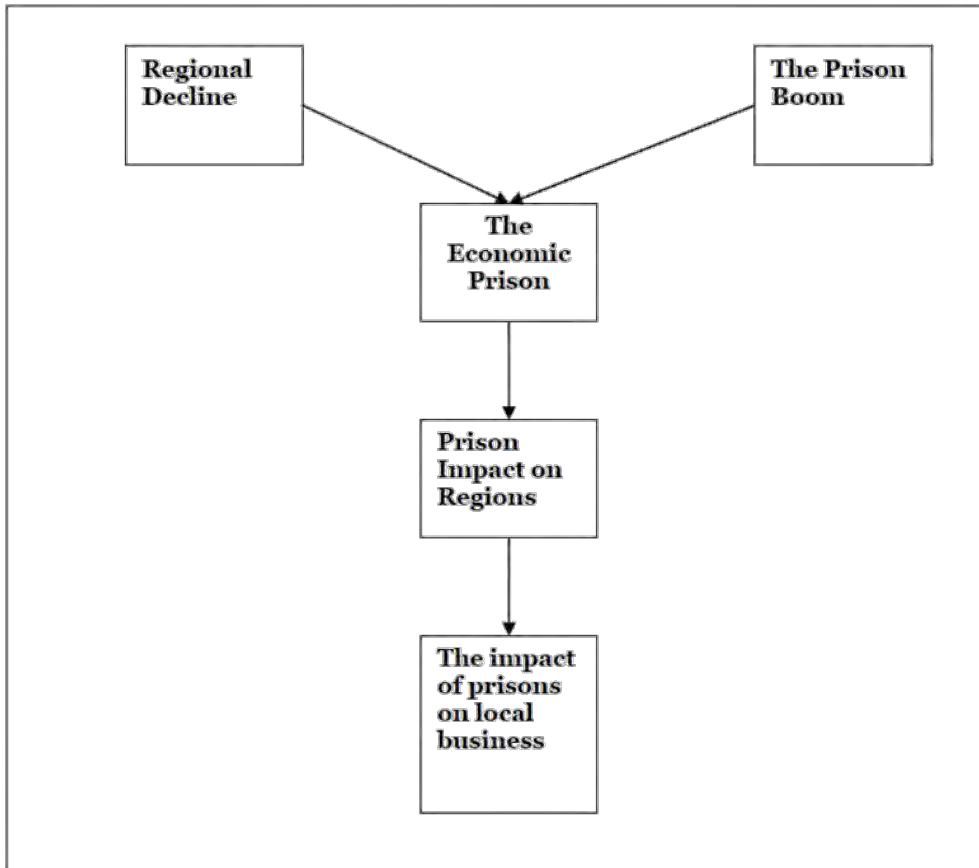
8.2.4 The Economic Prison and Regional Small Business

An academic case study, the ‘The Economic Prison and Regional Small Business’ explores the impacts that regional prisons have on regional communities, with an emphasis on local small business. In

In addition to background research, the case study focuses on the Kempsey and Mid-North Coast Correctional Centres via a local business survey in regards to attitudes associated with the impacts of a local correctional centre.

The figure below shows the framework of the impact that prisons can have on a region.

The Economic Prison and Regional Small Business: Conceptual Framework



The background research found in this case study found that many small towns have been torn apart by prison proposals. Additionally, stigma associated with prisons, community bonds, ‘camp followers’ or prison related migration, traffic, increases in land values and local business replacement and other local level impacts. Most of this background data is based on examples found in the United States but can have effect here.

In addition to extensive background research on the subject matter, the case study explores the reasons behind a non-metropolitan region’s willingness in developing and hosting a correctional centre; such as regional industry divergence, reduced opportunities from other primary industries, regional development, etc. Specifically, the literature in this study sought to answer the following questions:

-
- Can a prison be successfully used as an economic development 'engine', and in what circumstances?
 - What impacts do prisons bring a local community- socially, economically, and environmentally?
 - Does the construction of a prison in town affect a regions sense of itself- that is, does it bring with it a stigma?

The respondents to this survey undertaken in the case study were local small business operators located in the Kempsey Shire.

The literature background and the field research found that prison facilities are not so important to small business operators in Kempsey that they mention the facility when talking about general economic conditions in the community suggests that the correctional centre should probably be treated by a potential host community as simply another land use with its own set of impacts, positive and negative, on the surrounding area. However, the study goes on to say that the development of a correctional centre in Kempsey has been a positive decision. The only investment made by the Kempsey Shire has been in upgrading one intersection for access to the correctional centre. The prison has brought employment to Kempsey, and has enabled offenders from the region to be housed near their social support networks. The correctional centre during its construction stage also helped local tradesmen develop some start-up capital for locally operating businesses.

The case study provides valuable background information that potentially underpins discussions of the viability and opportunities of the Wellington Correctional Centre. The case study provides a conceptual layout of the role prisons affect regional development. This is illustrated below, and is a useful way of demonstrating the economic opportunities for the former Wellington LGA.

8.2.5 NSW Prisoners Are Being Sold Guilty Pleasures in Jails by Corrective Services NSW

CRIMINALS are spending up big behind bars, splashing out on LCD televisions, Tim Tams, thermal underwear and tinned halal meats.

The Daily Telegraph can reveal the state's prisoners are buying millions of luxury items, including whitening toothpaste, make-up, diet drinks, protein bars and chocolate treats.

Corrective Services NSW data shows 32,000 Tim Tam packets, 180,000 Weight Watchers Orange Drink powder packs and 1800 TVs are sold to prisoners each year.

Other items — purchased by inmates from money raised through prison jobs or cash put in their accounts by family or friends — include almost 14,000 multivitamins, artist packs, soap holders and fabric softener.

Prisoners buy more than 1.38 million juices and soft drinks each year through a "buy up" service which offers them access to special groceries, clothing and entertainment items.

CSNSW officials say the scheme is less about making prisoners comfortable than assisting with their rehabilitation which they say it does so in a number of ways.

Also on the shopping list are lip glosses, toasted sandwich makers and non-prison-issue towels.

“The Inmate Buy Up Service provides the inmate population with a range of approved items that can be purchased on a weekly basis with funds received from participation in work programs and deposited into their trust account by external parties,” they said.

“The ability to purchase these goods allows the inmate to maintain a sense of independence and personal responsibility whilst replicating real-world activity.”

In a move to keep supply costs down, CSNSW has issued a tender calling on interested companies to take over the delivery of 401 grocery, clothing, hygiene, electrical, make-up and bulk products.

The government agency maintains a stockpile of electrical goods waiting to be sold, including 8000 fans, electric kettles and digital televisions.

Suppliers will deliver the items to five prison hubs, including the Mid-North Coast Correctional Centre and Long Bay jail.

NSW prisoners are only provided with the basics and must work for and purchase any extras.

From the hubs, the goods are sent on to 27 CSNSW centres across NSW.

For the buy-up service CSNSW employs 120 inmates who are undertaking traineeships in warehousing, logistics and hospitality. All buy-up orders are “X-rayed prior to delivery to an inmate”.

A CSNSW spokesman said inmates were provided with “basic food, clothing and toiletries only”.

“Prison general managers use the buy-up system as an important behaviour management tool. They can restrict or ban an inmate’s access to the buy-up service for periods of time as punishment for poor behaviour or breaches of regulations,” he said.

The CSNSW spokesman said the budgeting skills helped inmates “develop essential life skills”.

“An inmate’s weekly wage ranges from \$15 to \$85. They can spend up to \$100 per week on food items and the same amount per month on other items such as clothing and toiletries,” he said.

“However, the average weekly spend is about \$45.”

<http://www.dailytelegraph.com.au/news/nsw/nsw-prisoners-are-being-sold-guilty-pleasures-in-jails-by-corrective-services-nsw/news-story/fb14129526a31f5f88bcb80b3220e0c1>

DRAFT Wellington Correctional Centre expansion: Opportunity Action Plan.

Outcome area one: Wellington destination image and appeal including perception and stigma of 'prison town'			
Opportunity	Action	Who	When
Identify the Wellington Correctional Centre (WCC) and its expansion as a regionally significant infrastructure investment project and build partnerships around potential opportunities to facilitate future resident worker population.	1.1 Develop WCC expansion communications in partnership with WCC to positively promote the expansion project and inform community, media and potential new staff and residents.	Manager City Development and Communications	Ongoing
	1.2 In partnership with WCC develop information brochure outlining expected impacts on community services (Policing, Parole, Probation, Emergency Services) and infrastructure (hospital) and Correctional Services response.	Economic Development Project Officer	February 2017
	1.3 Update investment attraction materials for the LGA to reflect the infrastructure project and reflect investment in relevant stakeholder engagement, including positive aspects of State and Local Government commitment to the region.	Economic Development Officer	February 2017
	1.4 Maintain responsive service to investment and expansion enquiries, ensuring reference to WCC expansion as appropriate.	Economic Development Officer	Ongoing
Work with WCC to support specific recruitment activities for the gaol expansion	1.5 Develop new relocation/lifestyle video, and include WCC staff as case study in video.	Economic Development Project Officer	January 2017
	1.6 Utilise relocation video in social media and WCC online recruitment activity.	Economic Development Project Officer	February – June 2017

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DRAFT Wellington Correctional Centre expansion: Opportunity Action Plan.

	1.7 Attend Recruitment workshops in regional NSW and Metro area and provide materials to support employee/resident attraction.	Economic Development Project Officer	October 2016– May 2017
	1.8 Leverage evocities – evojob platform and media to effectively promote positons available at the WCC.	Economic Development Project Officer	January – December 2017
	1.9 Provide prospective new residents/visitors with relevant local industry contacts and facilitate famils/targeted tours/meetings as appropriate.	Economic Development Officer and Economic Development Project Officer	Ongoing
Development of marketing material required to promote Wellington as a lifestyle choice and to highlight the growth opportunities presented by the Macquarie Correctional Centre	2.0 Develop new Destination Wellington Tourism Guide / new resident guide.	Manager City Development and Communications	December 2016
	2.1 Develop and promote successful Wellington relocation case studies.	Economic Development Project Officer	March 2017
	2.2 Maintain and update Council and Visit Wellington destination websites to promote positive image and lifestyle advantages for prospective Wellington new residents.	Economic Development Project Officer	January 2017
	2.3 Develop effective enquiry management and follow up process for new resident Correctional centre employees including Maintain relevant databases of prospective residents Maintain relevant databases of prospective residents, welcome kits, follow up communications and community engagement/ welcome events as appropriate.	Economic Development Project Officer	January – December 2017

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	2.4 Actively promote Wellington lifestyle and relocation advantages through Lifestyle video, positive media and relocation communication channels i.e. real estate agents, schools, information centres, community centres.	Economic Development Project Officer	Ongoing
	2.5 Leverage the Love The Life We Live program to effectively promote Wellington and Wellington real estate.	Economic Development Project Officer	January – December 2017
Undertake a local business skills development program that supports destination pride and assist businesses in store presentation	2.6 Implement 'Your Business' program in to include store presentation.	Economic Development Officer and Economic Development Project Officer	June 2017
Define a destination development program that proposes specific place making/ Wellington CBD enhancements and collaborations	2.7 Investigate collaborative main street beatification initiatives with Wellington Correctional Centre and other third parties.	Economic Development Project Officer	December 2017

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Outcome area two : Housing and accommodation options for correctional centre staff			
Opportunity	Action	Who	When
Addressing the fundamental changes in planning strategies and cultural expectations that population growth is traditionally located within proximity to employment and services - while balancing the increased pressure placed on infrastructure, including road, public utilities and social services.	2.8 A Residential Land Monitor for Wellington is prepared and reviewed.	Manager City Strategy Services	December 2017
	2.9 Land Use Strategies are prepared in accordance with the requirements of Council and the State Government Department of Planning and Environment.	Manager City Strategy Services	<i>(Note: A specific range of land use strategies for Wellington and their associated development horizon have not been considered or adopted by the Executive Staff Committee. Completion of these actions is dependent on these decisions)</i>
	3.0 Identify obstacles real or perceived which are preventing the sale of lots within the "One Tee Hill" development.	Corporate Development	

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Communicate with land owners and local developers regarding opportunity to develop housing in the short-term.	3.1 Undertake forums and initiate discussions with developers to inform housing development opportunities and needs.	Director Corporate Development	December 2017
Council work with land owners to develop housing in the short-term.	3.2 The Administrators Developers Forum is extended to Wellington based developers and land owners.	General Manager/ Administrator	Ongoing
Council investigate incentives for developers and new residents, for example: reduced developer contributions o fast-tracking development applications	3.3 Facilitate forums and discussions with the real estate agents, development and building industries and Chamber of Commerce on planning and building issues.	Director Corporate Development	December 2017
	3.4 Identify potential opportunities for flexibility of application of the BCA requirements with to retail premises refurbishment in the CBD.	Manager City Strategy Services Director	December 2017
	3.5 A Wellington Developer Contributions System is maintained and reviewed in accordance with legislative requirements.	Manager City Strategy Services	December 2017

DRAFT Wellington Correctional Centre expansion: Opportunity Action Plan.

Outcome area three: Transitional inmate population implications and impacts (centre visitors and released inmates)			
Opportunity	Action	Who	When
Investigate federal and/or State funding for bus service from town to WCC.	3.6 Facilitate meetings to explore opportunities with relevant government agencies (Justice and Probation), stakeholders and developers to discuss partnerships in respect of the transport needs of Wellington Correctional Centre stakeholders.eg visitors of inmates and transport needs for transitional personnel. (e.g. former inmates looking to reenter the community and workforce).	Director Community Services	April 2017
	3.7 Develop an action plan for the provision of public transport between Wellington Township and Wellington Correctional Centre.	Manager Community Services	July 2017
Planning for the construction and development of affordable housing in the region for Released inmates that may be either permanent or transitional residents and Relatives and visitors of inmates	3.8 Undertake discussions with WCC to determine viability an impact and undertake activity based on the analysis.	Economic Development Officer	December 2017

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requiring short-term accommodation / boarding house facilities			
Visitors to the region to visit inmates may want to also explore natural assets within the region – making it a multifaceted trip.	3.9 Support promotion of Wellington to visitor audiences via the WCC and other destination touchpoints including public transport and on line.	Manager City Development and Communications	December 2017

Outcome area four: Impact on community services of the expansion of the Correctional Centre			
Opportunity	Action	Who	When
Identification of new roles in the health and community sector and forecasting employment and education skill gaps within these industries. Need to develop pathways to these new roles and promote opportunities within this fast growing sector.	4.0 Undertake discussion with health industry to determine immediate and future impacts.	Director Community Services	December 2017
	4.1 Pathways and opportunities in health sector to be explored in economic development strategy.	Director Corporate Development	December 2017
Strengthen capabilities of the Hospital to enable it to function as a regional health care services hub as well as additional expected demand from increased inmate population.	4.2 Undertake a review of the provision of health services particularly emergency health services at the Wellington Hospital.	Director Community Services	December 2017

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	4.3 Opportunities / requirement in health sector to be explored in economic development strategy.	Director Corporate Development	December 2017
Work with WCC to identify areas where WCC can support local community services and projects	4.4 Hold discussions with WCC regarding any identified projects and consider opportunities as they arise.	Director Community Services	December 2017
Childcare services provision to support Correctional Centre	4.5 Undertake a detailed review of existing Day care offerings in Wellington including identification of gaps, services, obstacles and opportunities.	Director Community Services	March 2017
	4.6 Report on the provision of and demand for child care places in Wellington, with proposal for Councils potential involvement in the market, directly or indirectly.	Director Community Services	May 2017
Establish a framework to enable collaborative and innovative cross-pollination between the Correctional Centre, business and industry, community and education sectors.	4.7 Undertake analysis of collaborative opportunities and maintain effective communications with key stakeholders.	Economic Development Officer	December 2017
	4.8 Work with WCC to identify current production gaps in the LGA that may be able to be fulfilled via production services at the WCC.	Economic Development Officer	December 2017

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DRAFT Wellington Correctional Centre expansion: Opportunity Action Plan.

Outcome area five: Transitional workforce implication and impacts			
Opportunity	Action	Who	When
Work with existing educational stakeholders to assist in the delivery of training and development programs to be delivered in WCC relevant to the needs of the LGA workforce (i.e. long term pathways for inmates)	4.9 Regional workforce analysis to be discussed with WCC and potential opportunities explored – for example agricultural skills.	Economic Development Officer	December 2017
Work with existing educational stakeholders to assist in the ongoing development of the Wellington school education provision	5.0 Meet with the Department of Education to discuss primary and secondary education in Wellington, including the potential and realised impact of new students in relation to the WCC expansion.	Director Community Services	June 2017
De-centralisation of the Correctional Services Academy to have the recruitment and training facility relocated to Wellington.	5.1 Council to actively pursue the decentralisation opportunity and maintain communications with the Correctional Services Academy and relevant stakeholders.	Economic Development Officer	Ongoing



**REPORT: Event Development Fund (EDF) and
Major Event Sponsor Program (MESP) - Stream 2:
Applications**

AUTHOR: City Promotions and Events Supervisor

REPORT DATE: 29 November 2016

TRIM REFERENCE: ID16/2176

EXECUTIVE SUMMARY

Combined, Council received 12 applications for funding under Stream 2 of Council's Event Development Fund (EDF) and Major Event Sponsor Program (MESP) totalling \$101,400.34.

Funding allocated has been based on the availability of funding across the two (2) channels, and in-kind services pledged prior to the development of the MESP.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

That the information contained within this report be noted.

Lana Willetts
City Promotions and Events Supervisor

BACKGROUND

Event Development Fund (EDF)

The Event Development Fund (EDF)

- Established:* 2012/2013 as an action under the Dubbo Events Strategy
Aim: Build industry capacity to deliver and grow local events
Stream 1: \$1000 or less for not-for-profit events held in the LGA in the current financial year
Stream 2: \$1001 or more for not-for-profit events held in the LGA in the next calendar year.

Major Event Sponsor Program (MESP)

In the past, the Organisation has provided in-kind assistance to attract/support major events. This in-kind assistance has been void of a framework to support an application process, a sponsorship-like agreement and transparency. An increase in requests to Council for in-kind support, together with existing pledges made to attract events, resulted in the establishment of the MESP.

- Established:* 2016/2017 to provide a framework to support in-kind requests from events that bring a minimum of \$30,000 into the LGA
Aim: to support and attract events that drive economic benefits for the LGA
Stream 1: \$2000 or less for not-for-profit events held in the LGA in the current financial year
Stream 2: \$2001 or more for not-for-profit events held in the LGA in the next calendar year.

This report is provided in regard to Stream 2 of both the EDF and MESP.

REPORT

Applications for funding under Stream 2 of the EDF and MESP opened on 12 September 2016.

Communications regarding availability of funding included: a dedicated media release, placement in the Photo News, targeted eBlasts, and inclusion in two editions of the City Development eBlast. Staff also presented to meetings of event organisers held in Dubbo and Wellington. Funding available under both channels was also presented as an agenda item on the Event Network and Sports Council meetings.

Applications for both channels of funding closed Monday 7 November with a total of 12 applications totalling \$101,400.34 received by Council.

Based on availability of funding across Stream 1 and Stream 2 of both the EDF and MESP, and subject to an assessment of applications as per each channel's funding guidelines and criteria, funding was allocated as follows:

Stream 2: Event Development Fund

[help build events and grow the City's event offerings]

Event	Date	Amount of application	Recommendation
Dubbo NYE Fireworks	Saturday, 31 December 2016	\$10,000.00	\$7,000.00
NSW/National Indigenous Touch Championships	25-26 February 2017	\$15,785.60	\$5,000.00
Lake Burrendong Fishing Classic	14-16 April 2017	\$20,000.00	\$12,000.00
Wellington Show	19-21 May 2017	\$7,188.00	\$4,000.00
Greater Dubbo Fun Run	Sunday, 23 April 2017	\$4,170.00	\$2,000.00
			\$30,000.00

Stream 2: Major Event Sponsor Program

[attract/support event activity that injects in excess of \$30,000 into the local economy]

Event	Date	Amount of Application	Recommendation
NSW Athletics Country Championships*	20-22 January 2017	\$9,901.00	\$9,901.00
U13 & U14 Cricket Championships*	23-26 January 2017	\$7,862.04	\$7,862.04
Swimming NSW Country Championships**	28-29 January 2017	\$2,842.00	\$8,342.00
NSW Touch Championships*	21-22 October 2017	\$8,823.70	\$8,823.70
NSW Little Athletics Region 3*	11-13 February 2017	\$3,328.00	\$3,328.00
Rotary 9670 Conference	17-20 March 2017	\$9,500.00	\$2,000.00
Lions District 201N4 Conference	13-15 October 2017	\$2000.00	\$1000.00
			\$41,256.74

*pledged in 2015/2016 to attract event to the LGA

** includes \$5,500 hosting fee negotiated prior to merger

SUMMARY

Stream 2 of Council's Event Development Fund (EDF) and Major Event Sponsor Program (MESP) attracted 12 applications totalling \$101,400.34 from not-for-profit events scheduled to be held in the LGA in 2017.

Referencing funding available, in-kind assistance pledged prior to the development of the MESP, and criteria and guidelines applicable to each channel funding a total of \$71,256.74 will support 12 events that will inject more than \$3M into the LGA.



REPORT: Interim Corporate Communications Strategy

AUTHOR: Media and Public Relations Coordinator

REPORT DATE: 6 December 2016

TRIM REFERENCE: ID16/2266

EXECUTIVE SUMMARY

Dubbo Regional Council Corporate Communications Strategy is a six month strategy developed to ensure communications support for Council's major projects and initiatives are appropriately resourced and supported during the transition period of Dubbo Regional Council.

The former Western Plains Regional adopted a Corporate Communications Strategy for 2015/2016 with a new strategy due in December 2016. The establishment of Dubbo Regional Council provides an opportunity to develop a new communications strategy which considers the challenges of the new media and communication landscape and the needs and expectations of the new Council area.

During this time of Organisational change the Council is still required to meet the needs of the community and deliver activities contained in the combined adopted Annual Operational Plan which stem from the Community Strategic Plans of the former councils.

FINANCIAL IMPLICATIONS

Costs associated with implementing the Corporate Communications Strategy are incorporated in existing 2016/2017 Budget for City Development and Communications and applicable cost recovery services provided to the Organisation and Divisional budgets.

POLICY IMPLICATIONS

Applicable policies related to communications are subject to review as part of the transition to Dubbo Regional Council. These include the Corporate Image Policy and the Corporate Media Protocols Policy of the former Dubbo City Council. Policy reviews will be considered separately.

RECOMMENDATION

- 1. That the draft six month 2017 Corporate Communications Strategy be adopted.**
- 2. That a report and new six month Communications Strategy be provided to Council in June 2017.**

Katherine Matts

Media and Public Relations Coordinator

REPORT

Dubbo Regional Council Corporate Communications Strategy is a six month strategy developed to ensure communications support for Council's major projects and initiatives are appropriately resourced and supported during the transition period of Dubbo Regional Council.

The former Western Plains Regional adopted a Corporate Communications Strategy for 2015/2016 with a new strategy due in December 2016. The establishment of Dubbo Regional Council provides an opportunity to develop a new communications strategy which considers the challenges of the new media and communication landscape and the needs and expectations of the new Council area.

During this time of Organisational change the Council is still required to meet the needs of the community and deliver activities contained in the combined adopted Annual Operational Plan which stem from the Community Strategic Plans of the former councils.

Appendices:

- 1** Draft Corporate Communications Strategy 2017



2017 Corporate Communications Strategy

DUBBO REGIONAL COUNCIL

Introduction

The Dubbo Regional Council Corporate Communications Strategy is a six month strategy developed to ensure communications support for Council's major projects and initiatives are appropriately resourced and supported during the establishment of the new entity.

Many elements that are ordinarily used to inform the objectives of a comprehensive corporate communications strategy are in their infancy for Dubbo Regional Council. This includes the recently proclaimed Council name, the Council brand and organisational mission and vision. Furthermore the organisational framework and community strategy, which a communications strategy and service operates in, and delivers on are also under development, for example a new organisation structure. However, during this time of change the organisation is still required to meet the needs of the community and deliver activities contained in the combined adopted Annual Operational Plan which stem from the two Community Strategic Plans of the former councils. Additionally, in times of change effective communications and engagement practices are vital in supporting change and stakeholder relationships.

This Corporate Communications Strategy serves the purpose of managing business as usual while allowing for further research and development of a Council wide communications strategy to be developed in line with the introduction of the new organisational structure.

This strategy complements the Merger Implementation Communication and Engagement Plan which has been developed separately as a requirement of the Department of Premier and Cabinet. The strategic outcomes listed in this strategy will contribute to assisting the establishment of Dubbo Regional Council through positive promotion and open communication of Council's services, successes and achievements of the transformed organisation.

Strategic outcome one:

To create and drive a culture of transparency for the organisation and engage stakeholders across the LGA on Council's decisions, programs, services, priorities and achievements, including establishment of the new entity.

Objectives

- Produce engaging, quality and effective communications material that disseminates Council's key messages throughout a diverse community via a variety of approved channels.
- Provide strategic communications support to all divisions, including for key corporate and community events, projects, decisions and activities.
- In accordance with adopted communications policies, work with Executive Staff and managers to ensure Council is presented as a beacon of corporate accountability during a time of significant change.
- Develop an channel of trust and exchange with media and stakeholders to convey council messaging
- Foster and maintain strong and beneficial relationships with community stakeholders in a proactive manner to enable responsive distribution of timely, relevant and engaging information to the community in a clear, concise and relatable manner.

Strategic outcome two:

Facilitate an effective, ongoing, community engagement program that creates a two-way exchange of information across the new LGA and enables participation in and feedback on Council's decision making process

Objectives

- Foster and maintain strong and beneficial relationships with community stakeholders in a proactive manner to enable effective development of a draft community strategic plan in a transparent, engaging and timely manner.
- Ensure Council has the capacity to effectively engage with stakeholder groups and the broader community
- Ensure effective consultation is valued by Council and assist the Organisation to seek meaningful feedback from the community and action where relevant
- Develop, support and harness effective community engagement and consultation activity, including community research

Strategic outcome three: Maintain professional communication standards that reflect and protect the integrity of Council's brand and identity

Objectives

- Actively promote and protect the integrity of the Council brand

- Develop a modern communications strategic approach for Dubbo Regional Council which incorporates best practice online and offline communication methods
- Ensure Council's online and social media capabilities are integrated across the communication program.

DRAFT Corporate Communications Strategy Action Plan (January- July 2016)
City Development and Communications Services Branch – Corporate Development

STRATEGIC OUTCOME ONE :TRANSPARENCY AND ORGANISATIONAL ACCOUNTABILITY		
To create and drive a culture of transparency for the organisation and engage stakeholders across the LGA on Council’s decisions, programs, services, priorities and achievements, including establishment of the new entity.		
Objectives	Actions	Timelines
Produce engaging, quality and effective communications material that disseminates Council’s key messages throughout a diverse community via a variety of approved channels.	Actively promote and drive customers to the corporate website dubbo.nsw.gov.au as Council’s central online information portal	Ongoing
	Disseminate key messages to identified stakeholders through the following platforms: <ul style="list-style-type: none"> • Weekly Administrator Column • Pre-arranged Administrator radio segments • GM Monthly interview (2DU) • Weekly Snapshot • Targeted media pitches • Outcomes focussed/proactive media releases 	Ongoing
	Distribute Council information to the community via Council’s corporate communications digital platforms in an engaging manner with images and relatable language.	Ongoing
	Establish an online news subscription service for promoting Council content (to be launched in tandem with new Org Structure)	February/March
Provide strategic communications support to all divisions, including for key corporate and community events, projects, decisions and activities.	Provide advice to the Organisation on cost-effective advertising placements/campaigns and other promotional opportunities	Ongoing
	Support corporate events and official openings to ensure effective delivery and appropriate levels of stakeholder participation	Ongoing
	Coordinate communication support for identified capital and major projects delivered by Divisions of Council	As identified in project calendar

Work with executive staff and managers in-line with policy to ensure Council is presented as a beacon of corporate accountability during a time of significant change	Offer expert professional advice on communications strategy for projects, Events, services, campaigns and critical incident management, including media training for staff with media delegations where necessary	Ongoing
	Draft and supply approved key messages and disseminate through channels as appropriate	Ongoing
	Protect and promote the integrity of the new and progressive organisation to Internal and external stakeholders by investigating a suite of modern, streamlined communications policies for the new organisation	Ongoing

STRATEGIC OUTCOME TWO: COMMUNITY PARTICIPATION		
Facilitate an effective, ongoing, community engagement program that creates a two-way exchange of information across the new LGA and enables participation in and feedback on Council's decision making process		
Objectives	Actions	Actions/Timelines
Develop an channel of trust and exchange with media and stakeholders to convey council messaging	Provide a centralised media management service, including co-ordination/briefing of authorised spokespersons and offering crisis and issues management support	Ongoing
	Effectively communicate major Council decisions, successes, events and progress of new Council through effective channels	Monthly
	Investigate the feasibility of a 'news room' platform to act as a source of Council news available for media and public access	Ongoing
Facilitate the proactive and responsive distribution of timely, relevant and engaging information to community stakeholders	Provide corporate communications support to deliver targeted, cost-effective proactive campaigns for the Organisation as identified by Divisions	As identified in project calendar
	Guide and curate Council's messaging through approved channels according to identified outcome required	Ongoing
	Review and maintain an appropriate media monitoring service which enables the Organisation to track and respond to current media issues and identify trends in community attitude towards Council	Ongoing
Ensure Council has the capacity to effectively engage with	Identify, co-ordinate and support specific opportunities for the Administrator and General Manager to promote Council initiatives to the community	

stakeholder groups and the broader community.	Disseminate Council messaging and collateral throughout approved channels and encourage concise, clear and conversations	
	Identify opportunities to deliver Council messaging through external influencers and commentators	
	Identify training and development opportunities for communications and other relevant staff to increase community engagement skills across the organisation	
	Ensure adherence to Council's Community Participation Policy across all areas of Council.	
	Support corporate events and official openings to ensure effective delivery and encourage appropriate levels of stakeholder participation	
Ensure effective consultation is valued by Council and assist the Organisation to seek meaningful feedback from the community and action where relevant	Maintain and fully utilise Council website and online channels for public consultation and public exhibition	
	Build a robust stakeholder databases to increase opportunities for direct communication with the community to increase participation in broad community consultation	

STRATEGIC OUTCOME THREE: COMMUNICATIONS STANDARDS		
Maintain professional communication standards that reflect and protect the integrity of Council's brand and identity across the new LGA		
Objectives	Actions	Timelines
Actively promote and protect the integrity of the Council brand	Provide a value-for-money, flexible and professional in-house graphic design and production service that responds to the demands of the Organisation	Ongoing
	Ensure effective processes for engaging private contractors for specialist photographers, videographers and specialist design services is followed	Ongoing
Develop a modern communications strategic approach for Dubbo Regional Council which incorporates best practice online and offline communication methods	Review and implement a new accessible image library via a subscription service	June 2016
	Implement and monitor the Corporate SEO keyword strategy	ongoing
	Develop and implement of Digital remarketing strategy across the corporate and business of channels of Council	ongoing
	Create and deliver Website administration program training Create and deliver Social Media training in-line with policy Provide strategic advice and technical support across divisions	Ongoing Ongoing
Ensure Council's online and social media capabilities are integrated across the communication program.	Review of Corporate website and Social Media Policies to support the vision of the new organisation	ongoing
Promote and protect Council's corporate brands	Support the management of Council business brands through partnerships with managers according to the Corporate Image Policy	ongoing

2017 Corporate Communications Projects Calendar*	Jan	Feb	Mar	April	May	June
<i>Note: Further discussions and negotiations with various project owners required to confirm required to determine timing and level of communications support</i>						
STRATEGIC COMMUNICATIONS AND CONSULTATION						
Creating a strong new Council (Corporate Development)						
Food and Garden Waste Collection Service (Technical Services)						
Dubbo Aquatic Leisure Centre Master Plan						
Economic Development Strategy						
Public Communication of DRC vision, missions and values		■				
Public consultation on Community Strategic Plan			■	■	■	
Public Exhibition of 2017/2018 Annual Operational Plan and Budget					■	
Support preparations for 2017 Local government Elections						■
Support round 2 Stronger Communities Grant funding						■
Support for recruitment of senior staff						■
CAPITAL AND MAJOR PROJECT COMMUNICATIONS						
Construction of South Dubbo Weir rockfill ramp and safety upgrades (Technical Services)						
Wellington Destination rebrand						
Start of Major projects funded by SCF	■	■	■	■	■	■
Eumungerie Water Supply Construction and Connection (Technical Services)						
Mitchell Highway/Capstan Drive Roundabout (Technical Services)						
Ignite the CBD	■	■	■	■	■	■
Your Business/Your Dubbo						
Upgrade of Dubbo Regional Livestock Markets (Corporate Development)		■	■			
Old Dubbo Gaol Capital Works (Community Services)						
Tracker Riley Lighting Project (Parks and Landcare)						
Extension of Airport General Aviation apron (Corporate Development) TBA		■				
CBD Business Elevation Program TBA						
Capital works as a result of Fixing Country Roads – Purvis Lane and Gundy Creek Bridge (Technical Services) TBA						

Wellington Museum – Internal/External Painting & Replacement of Perimeter Fence TBA						
Bi-Centennial Park Fence Upgrade TBA						
Wellington Showground						
Wellington CBD Beautification TBA						
Wellington Caves Complex – Upgrade Works TBA						
Dubbo Regional Organics Processing Plant Construction (Technical Services) TBA						
SPECIAL PUBLICATIONS						
GM’s News (internal monthly newsletter) (Organisational Services)						
DRTCC Season brochure (Community Services)						
CORPORATE PROJECTS						
Corporate Image Library expansion and improvements (Corporate Development)						
2017 Internal Communications Strategy development / 2016 Strategy Report (Corporate Development)						
2017 Corporate Communications Strategy (Corporate Development)						
Corporate Communications policy reviews (Corporate Development)						
Destination Digital Marketing Scoping Report (Corporate Development)						



**REPORT: Commencement of Development of
Keswick Stage 4 Release 3B**

AUTHOR: Manager Commercial Facilities

REPORT DATE: 6 December 2016

TRIM REFERENCE: ID16/2261

EXECUTIVE SUMMARY

Keswick Stage 4 Release 3 consists of 76 residential allotments, as approved under development consent D1996/155 part 5. Stage 4 Release 3A consists of 33 Lots of the approved 76 Lots. Construction works for Stage 4 Release 3A are underway with subdivision works due for completion in February 2017.

The 30 single residential lots in Release 3A commenced selling off the plan on 17 October 2016. Fifteen of these lots are under contract at the time of this report. Keswick Stage 4 Release 3B adjoins Release 3A and consists of a further 29 residential lots, including five dual occupancy lots.

It is proposed to commence the process to develop Release 3B. This process includes engaging Council's Works Services to prepare and issue tenders and oversee project management of the awarded works. The construction works are estimated to be completed in late October 2017.

FINANCIAL IMPLICATIONS

Development of Keswick Stage 4 Release 3B would be funded from the Property Development restricted asset.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

- 1. That approval be granted to commence the process to develop Keswick Stage 4 Release 3B residential subdivision.**
- 2. That all necessary documentation relating to the construction and subdivision of the subject land be executed under the common seal of the Council.**

Simon Tratt
Manager Commercial Facilities

BACKGROUND

Development consent for Council's Keswick Estate residential subdivision (D1996/155) was granted in January 1998 for the development of 194 residential allotments. These allotments were incrementally developed until 2004, after which Council commenced development of a new section of Keswick residue land under development consent (D2005/515).

In April 2014, RSL Aged Care formally advised Council they were not in a position to purchase a 5.77 ha parcel from Council that adjoined the northern boundary of Keswick Stage 4. As a result, subdivision plans were produced for this area to be developed into 62 residential allotments known as Stage 4 Release 3. Thirty three of these Lots are currently under construction and are referred to as Release 3A with fifteen of these lots having already been sold since October 2016. This is the 'trigger point' for Corporate Development to commence development of Release 3B to ensure there is land available for sale prior to all lots in Release 3A being sold.

The subdivision layout and staging details for Release 3A and 3B are included as **Appendix 1** to this report.

REPORT

Keswick Estate Stage 4 Release 3B comprises 29 allotments as per **Appendix 1**. Five of the 29 lots are designed to accommodate dual occupancy dwellings with dual services being installed to these Lots.

The size of the allotments in Release 3B is mixed to cater for a range of potential purchasers. The lot layout has been designed to ensure allotment dimensions provide for practical building envelopes to enable compliance with BASIX Building Legislation. The lot sizes and subdivision layout is included as **Appendix 2**.

The project timeline included as **Appendix 3** to this report details the actions to be undertaken to complete the subdivision project including a separate report to Council with regard to awarding of the tender for the subdivision works.

SUMMARY

This report is for council to approve the commencement of processes to undertake subdivision works on Release 3B at Keswick. There would be a subsequent report to Council with regard to awarding of the tender for construction works and a further report relating to sale prices of the residential lots, nearer to completion of the physical works.

Appendices:

- 1 Keswick Stage 4 Release 3 Staging Plan
- 2 Keswick Stage 4 Release 3B layout and lot sizes
- 3 Gantt Chart - proposed timeline for construction of Keswick Stage 4 Release 3B



Mitchell Highway

NOTES

1. THESE PLANS ARE FOR DEVELOPMENT APPLICATION PURPOSES ONLY. MINOR CHANGES MAY BE MADE AT A LATER STAGE DURING THE DESIGN PROCESS AND THE PREPARATION OF CONSTRUCTION CERTIFICATE PLANS.

NUMBER OF BLOCKS

HOUSE BLOCKS : 52

DUPLEX BLOCKS : 10

TOTAL BLOCKS : 62

LEGEND

DUPLEX BLOCKS



DRAFT

SURVEY: _____ DATE: _____ DESIGN: _____ DATE: _____ DRAWING: _____ DATE: 2/1/2014 CHECKED: _____ DATE: _____		FIELD BOOK/SURVEY FILES: DESIGN FILES: DRAWING FILES:	SCALES: NOT TO SCALE ORIGINAL SIZE A1 0 1 2 3 4 5 m	PERMANENT MARK: N/A ; RL: N/A ; DATUM: AHD & MGA ; STATUS: DRAFT ISSUE ; PRINT DATE: 27/1/2014 NO: _____ DATE: _____ APPD: _____ 1: 20/1/2014 ; J.L. CONCEPT ISSUE	DUBBO CITY COUNCIL TECHNICAL SERVICES DIVISION	DRAWING TITLE: KESWICK STAGE 4 RS LOT LAYOUT, DIMENSIONS & SIZES	JOB: KESWICK ESTATE STAGE 4 RELEASE 3 PLANS FOR DEVELOPMENT APPLICATION	SHEET NO: 3/ OF 9 SHEETS PLAN NO: SN 6888
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REPORT: Bodangora Airstrip - Licensed Hangar Areas

AUTHOR: Manager Commercial Facilities

REPORT DATE: 5 December 2016

TRIM REFERENCE: ID16/2259

EXECUTIVE SUMMARY

At its meeting held 25 May 2016 Dubbo Regional Council adopted an item relating to licence agreements with three different entities that utilise the aerodrome. There is a requirement for a further two licence agreements to be entered into between Council and Wellington Aero Club, and Council and Mack Watson. These licence agreements will then ensure all users of the Bodangora Aerodrome can continue to use the aerodrome and to develop their hangar sites with certainty of the future.

FINANCIAL IMPLICATIONS

The revenue from the hangar licence agreements will be retained in the airport function for ongoing operational expenses.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

1. That Council enter into a licence agreement with Wellington Aero Club in accordance with the following terms and conditions:
 - (i) Licence term 5 years, with an option to renew for a further 5 years at the end of first term with the licence fee in any further term is to be determined in consideration of market conditions.
 - (ii) Licensee must provide public liability insurance of not less than \$20 million.
 - (iii) Licensee cannot sub-lease without the authorisation of Council.
 - (iv) Licence fee of \$100.00 per annum (exc. GST) for the first term only.
2. That Council enter into a licence agreement with Mack Watson in accordance with the following terms and conditions:
 - (i) Licence term 5 years, with an option to renew for a further 5 years at the end of first term with the licence fee in any further term is to be determined in consideration of market conditions.
 - (ii) Licensee must provide public liability insurance of not less than \$20 million.
 - (iii) Licensee cannot sub-lease without the authorisation of Council.
 - (iv) Licence fee of \$50.00 per annum (exc. GST) for the first term only.
3. That the current lease at Bodangora between Wellington Council (lessor) and Mack Watson (lessee) be extinguished upon the commencement of the new licence agreement between Council and Mack Watson for Hangar area A4.
4. That any documentation in relation to these matters be executed under the Common Seal of the Council.

Simon Tratt
Manager Commercial Facilities

BACKGROUND

Officers of the former Wellington Council had been in negotiations with aerodrome users for a considerable period of time prior to the amalgamation with regard to licence agreements for hangar spaces at the aerodrome. This culminated in a report going to Dubbo Regional Council on 25 May 2016 (CCL16/27) which adopted the recommendations to enter into licence agreements with three different entities that utilise the aerodrome.

Subsequent to council report CCL16/27 it has come to the attention of Council staff that there is an existing lease between the former Wellington Council and Mack Watson over the aerodrome at a fee of \$50 per annum (exc. GST). The licence agreements with the other three parties are not able to be exchanged until this lease agreement with Mack Watson is extinguished and replaced with a licence agreement between Dubbo Regional Council and Mack Watson relating to Hangar site A4 which Mack Watson currently occupies.

The Wellington Aero Club are entering into a licence agreement with Council to occupy newly formed Hangar Area A1. Wellington Aero Club currently occupy the existing hangar they constructed on Hangar Area A5. This report seeks Council approval to enter into licence agreements with Mack Watson and the Wellington Aero Club.

REPORT

The Bodangora Airstrip is an unlicensed and unregistered aerodrome that provides aerodrome services to the Wellington area. The aerodrome is located at Bodangora, approximately 11 kilometres north of Wellington.

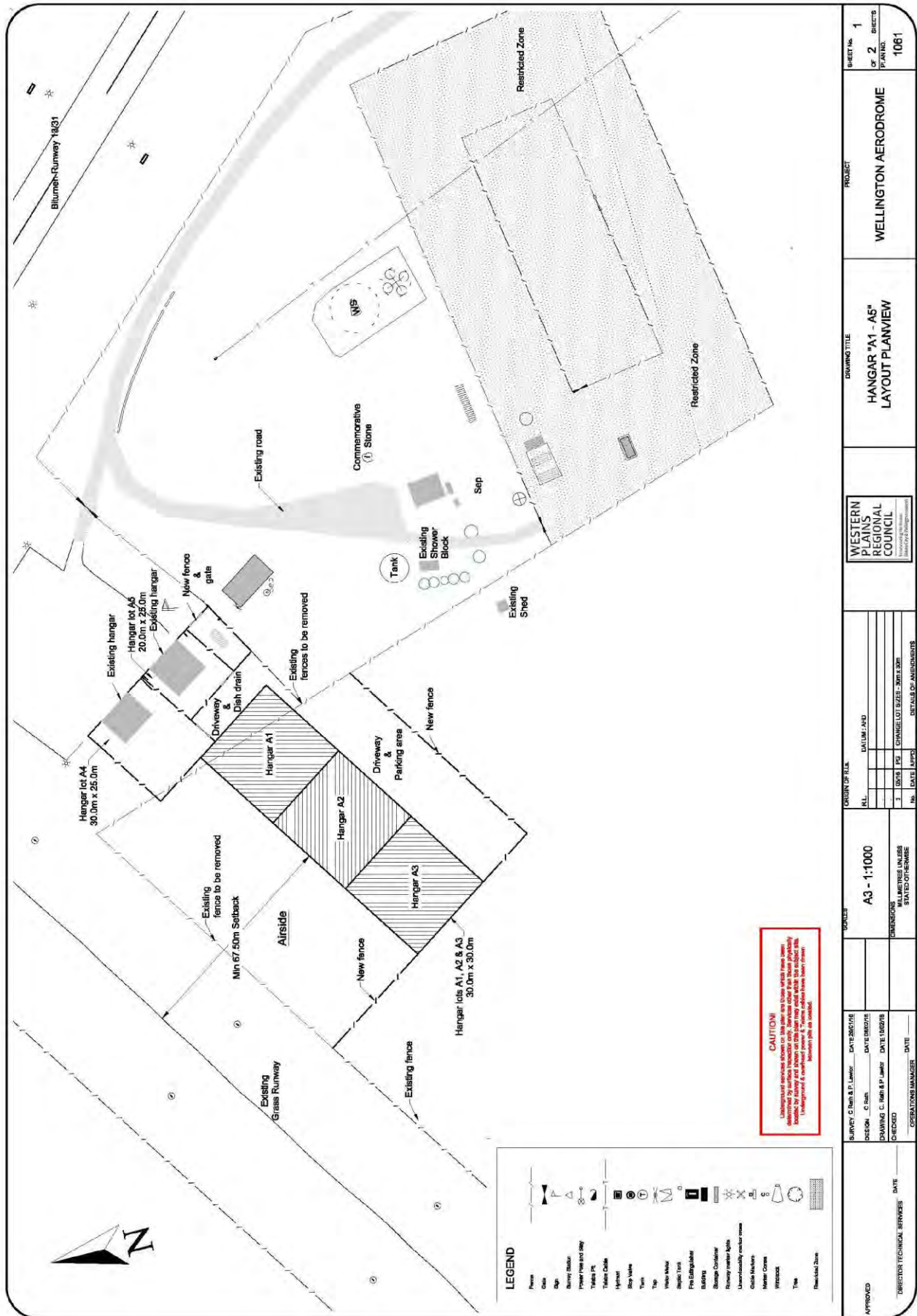
The aerodrome land is on a combination of crown and freehold land. Dubbo Regional Council is the Committee of Management of the Crown Land and the owner of the freehold land. Council has been the manager of the aerodrome since its inception.

Wellington Aero Club is seeking to formalise their existing arrangement to occupy and use Hangar Area A5 by entering into a licence agreement with Council. The club constructed the hangar in previous years through their own funds. The Club has seemingly expanded to a point where they are proposing to construct a new hangar on Hangar Area A1.

Mack Watson currently occupies the hangar at Bodangora described as Hangar Area A4. Mack Watson has provided Council with a letter stating that he is prepared to extinguish his existing lease at Bodangora upon a new licence agreement (only) for Hangar Area A4 being entered into between Mr Watson and Council. This extinguishment of his existing lease is necessary to enable Council to legally enter into licence agreements with the other parties seeking to continue using the aerodrome. The terms of the existing lease between Council and Mack Watson include a lease fee of \$50 (exc. GST) per annum. The new licence agreement will continue at this fee in consideration that Mr Watson has been prepared to extinguish his existing lease for the benefit of all parties involved.

Appendices:

- 1 Wellington Aerodrome hangar Layout Plan - designed by Wellington Council





**REPORT: Old Dubbo Gaol Cultural Tourism Award
and Manager Dubbo Regional Theatre and Convention
Centre Awards**

AUTHOR: Director Community Services

REPORT DATE: 29 November 2016

TRIM REFERENCE: ID16/2161

EXECUTIVE SUMMARY

The Old Dubbo Gaol has won a bronze award in the 2016 NSW Tourism Awards in the category of Cultural Tourism. Linda Christof, Manager Dubbo Regional Theatre and Convention Centre, has won a Highly Commended Employee of the Year Award and Orana Region Ambassador Award in the 2016 Women Out West Awards. It is recommended that the Manager Business Support Community Services, Jamie Angus who is in charge of the Gaol and all the staff of the Old Dubbo Gaol be formally congratulated on their efforts to make the Gaol a premier tourist attraction in New South Wales. It is further recommended that Linda Christof be formally congratulated on her outstanding achievements as Manager of the Dubbo Regional Theatre and Convention Centre to have received two awards in the 2016 Women Out West Awards.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

- 1. That the Manager Business Support Community Services, Jamie Angus, and staff of the Old Dubbo Gaol be formally congratulated on the Old Dubbo Gaol's Cultural Tourism Award in the 2016 NSW Tourism Awards.**
- 2. That the Manager of the Dubbo Regional Theatre and Convention Centre, Linda Christof, be formally congratulated on her Highly Commended Employee of the Year Award and Orana Region Ambassador Award in the 2016 Women Out West Awards.**

David Dwyer
Director Community Services

REPORT

The Old Dubbo Gaol has won a bronze award in the 2016 NSW Tourism Awards in the category of Cultural Tourism. The Awards ceremony was held in Sydney on Thursday 24 November 2016.

The State Heritage listed Old Dubbo Gaol has been a significant tourist attraction for Dubbo and the Central West Region of NSW for many years and to be now recognised as a culturally significant attraction within the entire State of NSW is a credit to the staff who provide direction to the ongoing development of the facility and its marketing to visitors. There are numerous cultural tourism facilities in NSW and to be ranked amongst the best of these reinforces the recent Council decision to allocate the \$1M received under the Cobbora Transition Fund to Gaol upgrades. The Gaol has also been a well regarded educational facility by schools and as a recreational facility by locals for many years.

It is recommended that the Manager Business Support Community Services, Jamie Angus, and the staff of the Old Dubbo Gaol be formally congratulated on the Old Dubbo Gaol's Cultural Tourism Award in the 2016 NSW Tourism Awards.

It is also noted that Taronga Western Plains Zoo won a gold award in the Unique Accommodation category and was inducted into the Hall of Fame for winning the category for the third consecutive year. The Zoo also won a gold award in the Tourist Attraction category. Manera Heights Apartments was a finalist in the Standard Accommodation category.

Linda Christof, Manager of the Dubbo Regional Theatre and Convention Centre, has won a Highly Commended Employee of the Year Award and Orana Region Ambassador Award in the 2016 Women Out West Awards. The ceremony was conducted in Dubbo on Saturday 26 November 2016. These awards recognise women who work in the geographical area from Bathurst to Broken Hill and are every competitive. Linda has worked tirelessly to make the Dubbo Regional Theatre and Convention Centre one of the most highly regarded theatres and conference centres in New South Wales and many complimentary communications are received by Council from artists, promoters, conference organisers and patrons on the quality of the customer service at the Centre.

It is therefore recommended that Linda be formally congratulated on her Highly Commended Employee of the Year Award and Orana Region Ambassador Award in the 2016 Women Out West Awards.