general purpose committee

3

section

organisation and resources

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ITEM: 85 **Monthly Financial Report - June 2000**

FILE NUMBER: GF011/005/FNC/OGG25NAX.F07

REPORT:

June 2000

Summarised below, are particulars of both the income received and the expenditure incurred by Council for the month of June 2000. This information is reconciled between the cashbook and the bank statement balance as at the end of June 2000. All expenditure is fully supported by vouchers and invoices which have been duly certified.

A. Cash Book Reconciliation - June 2000

Cash Book Balance as at 1 June 2000		$181,837.28
Add: Receipts for month of June		$6,735,394.25
		$6,917,231.53
Less: Payments for month of June		
Cheque # 69305 - 69955	$1,803,197.55	
EFT # 14044 - 14541	$2,482,899.98	
Family Day Care Payments	$27,627.84	
RTGS (Investment) Transactions	$3,500,000.00	
Cancelled Cheques	$-65,848.90	
Miscellaneous (Bank Charges, Dishonours etc)	$68,642.51	$7,816,518.98
Cash Book Balance as at end of June 2000		$-899,287.45

B. Statement of Bank Balances - June 2000

Bank Statement Balance as at end of June 2000		$265,547.26
Less: Unpresented Cheques		$-1,178,982.01
		$-913,434.75
Add: Outstanding Deposits	$72,836.75	
Statement Credits not Receipted	$-58,689.45	$14,147.30
		$-899,287.45

C. Investments - June 2000

The Local Government (Financial Management) Regulation requires that each month, details of all money that has been invested under section 625 of the Local Government Act, 1993 be reported to a meeting of Council.

The following table outlines the investment portfolio held by Council as at the end of June 2000. All investments have been made in accordance with the Act, Regulations and Council's investment policies.

Investment Type	Balance 31-May-2000	Deposits	Withdrawals	Interest Paid	Balance 31-June-2000
Managed Funds	$23,305,833.10			$121,493.31	$23,427,326.41
On Call Funds	$3,300,000.00	$1,500,000.00	$-1,000,000.00		$3,800,000.00
Term Investments	$3,950,000.00	$2,000,000.00	$-1,000,000.00		$4,950,000.00
TOTAL	$30,555,833.10	$3,500,000.00	$-2,000,000.00	$121,493.31	$32,177,326.41

Geoff Banting
Responsible Accounting Officer

RECOMMENDATION:

That the information be received.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 85 Oooo

ITEM: 86 **Richmond Golf Club**

FILE NUMBER: P258/355 Pt.2/GMA/OGG25NAX.G01

REPORT:

The Richmond Golf Club occupies an area around 40 hectares that is a Crown Reserve, of which the Council is a Trustee. In May the Council resolved:-

> *"That Council support the Richmond Golf Club in obtaining the ownership of the land it now occupies under lease from the Council and advise the Minister for Land and Conservation accordingly. Further, that the Council seek the Minister to allocate any funds from the sale to the Council for utilisation for recreation purposes in the area."*

The reason for the Club's approach was what they saw as a significant disadvantage in them continuing with the current lease arrangement and the:-

- Changing face of the club industry
- Impact of gaming and hotels
- Inability of the club to plan ahead strategically, and
- Potential for the club to be absorbed by larger clubs moving to expand through the club networks.

The Minister has asked that the following response be forwarded to the Council as follows:-

> *"Council is likely to be aware that following earlier inquiries by Richmond Golf Club Ltd in relation to this matter the Department's Director General, Dr Bob Smith, wrote to the Club on 31 March 1999 outlining the process under which a sale of Crown reserve may occur. Given the preliminary nature of the inquiry the advice provided was in general terms.*
>
> *In view of Council's resolution I will now respond in more specific terms. I wish to advise that long standing government policy is opposed to the sale of public assets such as recreation reserves, except in exceptional circumstances. An example of such circumstances is where changed demographics have rendered a reserve as no longer viable or relevant to the community's needs.*
>
> *Given the information provided to date by the golf club this is certainly not the case in this instance. Additionally, Council as a long term reserve trust manager, should be aware that if the sale of a public reserve is considered warranted, there would be a need to demonstrate the capacity to re-establish a like community asset in the locality.*
>
> *I have considered the reasons submitted in our correspondence and do not believe that sufficient argument exists to vary policy. There are many significant recreation and community facilities established on Crown reserve land throughout the State and there is no indication that this arrangement discourages strategic planning or the ability to*

meet community needs. I understand that the course is over one hundred years old, and this very longevity would suggest that its status as public land has not been detrimental to its continuing function as a public course.

Aside from the above, Richmond Golf Club and Council should be conscious of ICAC and NSW Treasury guidelines for such a sale. If the sale were to proceed, the State would, in accord with the guidelines, seek to realise its asset on the open market through a transparent and competitive process. Such a process would be unlikely to preclude international interests.

Council should also be cognisant of the fact that allocation of revenue generated by the sale is not definitive. Although the Minister has power under Sec 106 of the Crown Lands Act 1989 to issue directions on proceeds, this power must be considered in conjunction with 'Treasurer's Directions' which require funds be directed to Consolidated Revenue. It is considered likely that the Treasurer would require the latter to apply in this instance.

However, if the Minister were to issue directions under Sec 106, the question would arise as to what proportion of funds should be directed to other reserve trusts, which would not need to be only within the Hawksbury City Local Government Area. The 'asset' is a State owned one that has no specific attributes which would obligate the directing of funds solely within the local area.

Your correspondence also states that in 1996 the Department of Land and Water Conservation approved the sale of the golf clubhouse, adjoining shop and car park. However, this is not the case.

Richmond Golf Club was advised by letter dated 23 July 1997 that the application to purchase had been refused. It was not approved on the basis that, by allowing removal of these improvements from public ownership, a situation could evolve that such facilities may be freely sold, thus negating the associated financial/community benefits."

The information has been reported to the Club and they have sought the Council's support for a longer term lease of the land to enable them to achieve their objectives of being able to initiate a better planning basis.

RECOMMENDATION:

That the Council support the Club in obtaining an extended lease of the course.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 86 Oooo

ITEM: 87 **Sullage Rate**

FILE NUMBER: GS047/003/GMA/OGG25NAX.G04

REPORT:

The following correspondence has been received from SAFE Incorporated:

"SAFE Inc is making representations to the relevant authority to enable the granting of a subsidy to sullage ratepayers. We seek Council support for our representations.

The sullage rate struck by Council has become a heavy burden upon ratepayers. The 2000/2001 GST-free rate is now $943.80, an increase of 10% on 1999/2000. The Cost of Living Index (CPI) (Sydney) rose during the same period by 2.6%. This increase continues the trend over the last five years where the sullage rate has increased far in excess to the CPI. Residents are understandably angry that the increases continue in the name of cost recovery with no relief in sight.

A sullage rate, first introduced in the Blue Mountains Council area, has now been extended to several other Council areas. Hawkesbury City Council has done nothing. SAFE has taken the initiative on behalf of ratepayers to have the subsidy applied to the Hawkesbury Council area.

Discussions have occurred with the relevant authority, MPs, other Councils and any organisation that will support our cause. Obviously we have a good case and Council's support as the rate authority is crucial to our success.

I request that the matter be dealt with by Council at its General Purpose Meeting on 25 July 2000 where I hope to make a short presentation on subsidisation of the sullage rate."

The SAFE Committee was established by residents of Glossodia to pursue the provision of reticulated sewerage to the area on the basis that sullage pump-out was not only costly, but there were a number of inherent social and environmental problems in urban areas that lack reticulated sewerage. Sullage pump-out is a Local Government responsibility, as it was the Councils that approved of the subdivisions without any requirement for the provision of reticulated sewerage.

In terms of subsidy, Blue Mountains is the only Local Government area where it is known that a subsidy is provided by the State and that was a political decision taken by the former State Government some years ago.

There are currently over 1,800 properties on sullage pump-out and this continues to increase as lots in the non-sewerage reticulated areas develop. The areas involved include Kurrajong Heights, Bowen Mountain, Kurrajong, Kurmond, Glossodia, Freemans Reach, Wilberforce and a small area at Agnes Banks and Vineyard. The number is also likely to increase as inspections are made of current systems as part of the new licensing legislation, where it is found that these are not working satisfactorily.

The Council has previously supported and sought State Government subsidy and been unsuccessful. As there is no State Government agency responsible for sullage pump-out, any subsidy would be the matter of a Government decision and Treasury payable. Members of the SAFE Committee have indicated that they wish to address the Committee on this matter.

RECOMMENDATION:

The SAFE Inc Committee be advised that the Council fully supports a State Government subsidy towards the payment of sullage pump-out due to its cost and the social and environmental disadvantages of its existence.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 87 Oooo

ITEM: 88 **Proposed Acquisition for Road Purposes - Part Lot 9 in DP 544842, Day Street, Windsor**

FILE NUMBER: GC281/078/CSV/OGG25NBX.C02

REPORT:

Due to traffic safety concerns it is proposed to improve conditions near the intersection of Day Street and Mileham Street at Windsor. In order to undertake the required works to improve conditions, it is necessary to acquire an area of 341.7m2 from the adjoining Lot 9 in DP544842.

Negotiations have been conducted with Mrs Lorna Dean, the owner of Lot 9 in Deposited Plan 544842, "Trevallyn", Day Street, Windsor regarding the proposed acquisition. A valuation was obtained from K D Wood Valuations which assessed the appropriate compensation to be in the sum of $4000.00 plus reasonable legal and survey fees and replacement of front fencing. However, the offer was rejected and a counter offer was submitted by Mrs Dean in the sum of $22,820.00.

Given the urgency of the improvements required, and in the interests of public safety, a compromise was sought. Subsequently, Mrs Dean has indicated that she is prepared to accept $10,000.00 in compensation, plus reasonable legal and survey fees. There are a number of items of work which are intended to be carried out in conjunction with the road improvements including;

1. Kerb and guttering with road reconstruction works adjacent to the subject property.
2. Construction of a concrete layback from the new kerb alignment to the property boundary.
3. Fencing of the relocated front boundary line (using new material) for the full extent of the works.
4. Provision of a concrete path footway linking with the existing footpath adjacent to the hospital car park area.
5. Relocation of all existing services in conjunction with the road works. Service infrastructure will be located within the road reserve.

It is noted that the cost of these works is currently being estimated and will be the subject of a further report to Council.

RECOMMENDATION:

That Council acquire part of Lot 9 in Deposited Plan 544842 from Mrs Dean for the sum of $10,000.00 (ten thousand dollars) plus pay reasonable legal and survey fees (exclusive of GST) and the Seal of Council be affixed to necessary documentation.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 88 Oooo

ITEM: 89 **Request for Financial Advice and Assistance - North Richmond Child Care Centre**

FILE NUMBER: GC050/009//OGG25NBX.C06

REPORT:

The Management Committee of the North Richmond Child Care Centre Inc. has made representations to Council seeking financial advice and assistance to secure the ongoing viability of their long day care child care service.

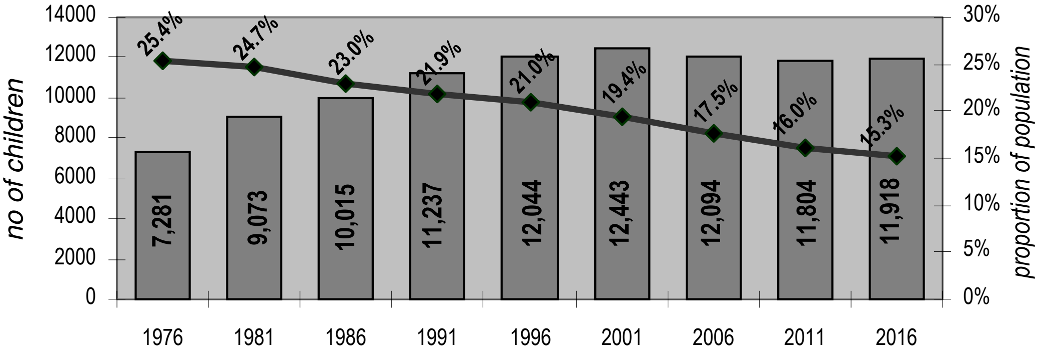
Background

Hawkesbury City Council is the auspicing body for the North Richmond Child Care Centre as well as nine (9) other funded community based children's services. Council is the signatory to the *Deed of Funding* with the Department of Community Services who provide funds amounting to $664,879 (six hundred and sixty four thousand eight hundred and seventy nine dollars) for the provision of services. As the signatory to the *Deed of Funding* Council is nominally responsible for the operation of services in accordance with funding guidelines. However, on a day to day basis, these funded services are managed by incorporated voluntary management committees who are the licensees of these services and operate as separate legal entities.

On 1 August 1997 Commonwealth funding assistance was withdrawn from community based long day care centres. This resulted in the loss of approximately $24,000 (twenty four thousand dollars) annual income to North Richmond Child Care Centre and similar losses to the other five (5) long day care centres in the Hawkesbury.

Due to recent social and demographic trends (including the casualisation of the workforce, changes to the payment of family support benefits, the increasing cost of child care, and the ageing of the population) the demand for child care in the Hawkesbury has been declining. These trends are likely to continue. Population projections released by the Australian Bureau of Statistics indicate that over the next fifteen years the population of children aged 0 to 11 will fall in absolute and relative terms (i.e the total number of children will fall, as will the overall percentage of children as a proportion of the total population- Table 1)

Table 1 - Population Trends 1976 to 2016 - Children 0 to 11



The Impact of Changes to Child Care

The combination of these factors has resulted in falling enrolments across the child care sector. As a result, a number of Long Day Care Centres in the Hawkesbury have experienced financial difficulties and have been required to implement strategies to maintain their ongoing viability. At the same time legislative changes (mandatory employment screening, occupational health and safety, unfair dismissal, tightening of child care licensing) have placed increasing demands on voluntary management committees who are finding it difficult to negotiate the complex and demanding issues involved in managing the operation of a child care business.

In August 1998, representations were made to Council by Hobartville Child Care Centre for financial assistance to cover the anticipated losses arising from declining enrolments and the withdrawal of federally funded operational subsidies. Council declined the provide direct financial assistance, but directed Council staff to work in conjunction with the management committee of the Hobartville Child Care Centre to implement a financial strategy to address the financial difficulties faced by the Service. This task was successfully undertaken, enabling the Service to continue to operate.

In pursuing this strategy, Council was conscious of the precedent that could be set by providing direct financial assistance to funded services to cover operating losses. Given the number of services auspiced by Council, such a precedent could constitute an open-ended commitment.

North Richmond Child Care Centre.

Guided by the Hobartville experience, Council staff have met with the management committee of the North Richmond Child Care Centre to investigate options for addressing the Centre’s financial difficulties.

As a result of low enrolments, Centre had been operating at a loss of approximately $3,000 a month since January. In May, 2000 the management committee implemented a number of measures to reduce expenditures (through a reduction in staff hours) generating savings in the order of $3,000 a month. The Centre is now covering its operating costs. The Service will also be in the position to implement additional staffing measures in October which will generate further annualised savings of approximately $12,000.

However, the impact of the losses incurred between January to May has seen the Service deplete its financial reserves and has created a short-term cash flow problem. The Management Committee are concerned that they may not have access to sufficient short-term funds to meet all their commitments beyond the 21 of July.

To respond to this short-term difficulty, Council staff have advised the management committee to amalgamate their bank accounts into one operating account. This will enable the Service to temporarily draw on funds set aside for employee leave entitlements. At the same time Council staff have identified a 12 month operating budget which will enable the Service to generate a monthly surplus to replace employee entitlement reserves (should it be necessary to access these in the short term).

Understandably, the Committee are concerned that in the event of some unforeseeable circumstances impacting on the Service which could result in its closure in the short term, they may not be in a position to pay-out staff entitlements in full. They are therefore seeking some assurances that if such a scenario were to eventuate, then Council, as the auspice of the North Richmond Child Care Centre, would underwrite the payment of staff entitlements.

Although the Committee are committed to the operation of the Service, the complex and demanding nature of the issues currently faced by the Service may be beyond the capacity of a part-time voluntary management committee to resolve. Without an assurance from Council to support the Service, the Committee may relinquish the management of the Service. This would require Council, as the auspice of the Service, to step into the breach and assume direct management the service - at a significant cost in human and financial resources to Council.

The Future of Child Care in the Hawkesbury

The difficulties faced by the Hobartville and North Richmond Child Care Centres raises the broader issue of the future viability and operation of community based child care centres in the Hawkesbury. The demographic and social trends identified above, together with the increasing demands placed on voluntary management committees, has made the management of child care services more complex and exacting. Child care centres have become business enterprises, and their operation now requires significant financial and management expertise.

To respond to this challenge, it is proposed that Council sponsor a forum for the management and staff of child care centres to discuss the impact of recent changes to the industry. The forum will provide an opportunity to explore options for responding to the requirement for increasing levels of management and financial expertise. Council Staff are currently developing a proposal to establish a professional board of management which would be responsible for the operation of all Council auspiced services. If adopted, the proposal would provide professional financial and management services to child care centres and allow for greater flexibility of staff appointments. The forum would provide the opportunity to discuss the merits of the proposal and ascertain the view of Centres who may be interested in participating in further discussion to develop the proposal.

RECOMMENDATION:

That:

1. The information be received.

2. Council agree to provide an assurance to the Management Committee of the North Richmond Child Care Centre that it will underwrite the payment of employee leave entitlements should the Centre cease to operate over the next quarter.

3. Council sponsor a Children's Service Forum to canvass options for responding to the challenges of ensuring the ongoing provision of effective community based child care services within the Hawkesbury.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 89 Oooo

ITEM: 90 **Payment to External Bodies - GST Implications**

FILE NUMBER: GF016/010/FNC/OGG25NBX.F09

REPORT:

As part of the 2000/2001 budget, Council resolved to provide funding to a number of external organisations. With the introduction of the New Tax System, consideration has to be given to the GST implications on the funding provided by Council.

The provision of funding to external organisations is consideration for a taxable supply made by the recipient of the funding, and accordingly, the supply by the recipient of the funding is subject to GST. The implications of this are that the organisations receiving the funding are required to remit 1/11th of the funding provided by Council to the Australian Tax Office.

In order that the organisations affected receive the amount budgeted by Council, it will be necessary to "gross up" their payments by 10 per cent. Council will be provided with a Tax Invoice from the organisations receiving the funding and will be entitled to receive a tax credit on the GST component.

What this means is that although the payments to external bodies will be increased by 10 per cent, the net cost to Council will be the same as originally allocated, as a credit will be received for the GST component of the invoice.

Organisations receiving funding from Council that are affected by this issue include but are not limited to:

Hawkesbury Sports Council Inc
Tourism Hawkesbury Inc
Hawkesbury River County Council
Hawkesbury Skillshare
Hawkesbury Chamber of Commerce
NSW Rural Fire Service

If payments to external bodies were not to be processed on a "grossed up" basis as described above, then the organisations affected would not receive the full value of the allocated funding, and Council would be left with a surplus at the end of the year after receiving tax credits for the GST component.

RECOMMENDATION:

That tax invoices be received from recipient organisations where GST applies and that allocations be "grossed up" to accommodate the New Tax System.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 90 Oooo

ITEM: 91 **Pecuniary & Non-Pecuniary Interests Conflicts**

FILE NUMBER: GL040/001/GMA/OGG25NCX.G03

REPORT:

The matter of interests has been raised a number of times within the Council, as well as the issue of what councillors should do once they have declared an interest. It would appear that the matter has been raised within a number of Councils, and following is the text of a letter that was recently provided at a Governance Network Group Meeting from the Director-General of the Department of Local Government to the General Manager of a Sydney Council.

> *"Section 451 of the Local Government Act 1993 (the Act) requires councillors to disclose at council and committee meetings, pecuniary interests in matters with which the council is concerned. The Section specifically prohibits a councillor who makes a disclosure from taking part in the consideration or discussion of the matter and from voting on the matter. The Act stops short of requiring such a councillor to leave the meeting.*
>
> *With regard to conflicts of interest of a non-pecuniary nature the Act is silent as to disclosure, participation in discussions, and voting. It is open to a councillor to disclose a conflict of interest but still participate in discussions and vote on a matter. This discretion should be exercised, bearing in mind a councillor's duty under Section 439 of the Act to act honestly and exercise a reasonable degree of care and diligence in carrying out his or her public duties, and also the important issue of public perception. The publication referred to in the Council's letter, 'Under Careful Consideration: Key Issues for Local Government' ('the publication'), provides some guidance on this issue.*
>
> *The reference in the publication to the necessity for a councillor with a conflict of interest (non-pecuniary) in a matter to leave the room when the vote is taken is to avoid a decision by the councillor not to vote being taken as a negative vote and not because of the conflict of interest itself.*
>
> *Clause 24(1) of the Local Government (Meetings) Regulation 1999 (formerly clause 23(1) of the Local Government (Meetings) Regulation 1993) recognises the possibility that a councillor with a pecuniary interest might act in accordance with Section 451 of the Act, but remain at the meeting. If this occurs, and unlike the position in the case of a councillor with a non-pecuniary conflict of interest, then notwithstanding the above, the Department is of the view that it is clearly preferable for a councillor who has disclosed a pecuniary interest in a matter to leave the meeting when that matter is being considered. This would avoid any perception by the community that the councillor, by his or her mere presence, influenced the decision. Several councils make provision in their Code of Conduct for a councillor who has declared a pecuniary interest to leave the meeting.*

By way of guidance in this important area, your attention is drawn to the publication referred to above which was issued jointly by the Independent Commission Against Corruption and the Department, circulars issued to councils by the Department from time to time and the decisions of the Pecuniary Interest Tribunal. Circulars to councils and the Tribunal's decisions are both accessible on the Department's Internet Homepage (http://www.dlg.nsw.gov.au).

An amendment to Section 451 is currently under consideration, as part of a general review of the Act, to require a councillor or committee member who has declared a pecuniary interest to vacate the chamber until consideration, discussion and voting on the item is finalised.

Section 443(3)(c) of the Act provides that a person is not taken to have a pecuniary interest in a matter as referred to in subsection (2) just because the person is a member of, ..., a company or other body that has a pecuniary interest in the matter, so long as the person has no beneficial interest in any shares of the company or body. There may therefore be other reasons why such a person may have a pecuniary interest in the matter.

The reference to "member of a company', would in the Department's view, usually mean shareholder and/or director under the Corporations Law. However, the provision is much wider in application and refers also to a member of any "body". In this sense, the term 'member' would need to be interpreted according to the 'body' involved. If doubt exists in particular situations councillors should seek and be guided by their own independent legal advice."

RECOMMENDATION:

That the information be received.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 91 Oooo

ITEM: 92 **HACC Co-Location Centre - Proposed Name**

FILE NUMBER: GT020/366 PT02 GC305/104 PT02/CSV/OGG25NCX.C05

PREVIOUS ITEM: 123, Ordinary (08.02.2000)

REPORT:

At its Ordinary Meeting held on 8 February 2000, Council resolved to accept a tender for the reconstruction of the Bateman Block at the Old Hospital Site for a Home and Community Care (HACC) Services Centre.

The reconstruction of the HACC Centre has been completed (apart from the associated roadworks and landscaping). The Centre will be available for occupation by tenants on 31 July 2000. The Centre will house up to 9 agencies providing services to the HACC target group (the frail aged, people with disabilities and their carers).

In July 1999, the public were invited to nominate suggestions for the name of the new Centre. In all six suggestions were received. The suggestions were considered by the proposed tenants of the building together with a representative from the Ageing and Disability Department (who provided a capital grant of $551,000) for the construction of the Centre).

The preferred name for the Centre was:

Peppercorn Place
A Centre for Disability and Aged Services

The name was chosen to reflect the fact that tenants would be required to pay a “peppercorn” rent of $1 a year. In addition a large peppercorn tree is located in a very prominent location at the front of the Centre.

RECOMMENDATION:

That the information be received.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 92 Oooo

ITEM: 93 **Web site development and interactive facilities**

FILE NUMBER: GC230/044/CSV/OGG25NCX.C10

REPORT:

In response to a request from Council for further information regarding the development of the Web site to be "more interactive" the following information is provided.

The Hawkesbury City Council (HCC) Web site largely includes static information with limited interactive facilities. Interactive sites are described as having opportunities for the community to interact with the organisation. At this stage of development of the Web site, additional resources and funding would be required to rapidly develop the Council's Web site to make it "fully interactive", allow "Community consultation", as well as incorporate "e-commerce" facilities.

Positive feedback has been received from various sectors of the community with reference made to the ease of use of the Web site and the relevant information supplied. Some criticism has also been received from residents and interested parties concerning the lack of consultation with the community regarding development of the HCC Web site. The criticism was also in regard to the amount of relevant information and facilities for feedback and contact with Council.

To fast track the development of the Web site would require additional resources in the form of funding to outsource the project and /or by additional funding and staffing within the IT section. Additional funding for hardware, software, external consulting and additional staffing would be required to complete the project internally.

A number of metropolitan councils have achieved faster development of their Web sites by outsourcing the project. Councils who have taken this path include Hornsby, Baulkham Hills, Sutherland and Campbelltown as well as a number of other councils throughout New South Wales. Web sites for the above councils can be viewed at *hornsby.nsw.gov.au, bhsc.nsw.gov.au, campbelltown.nsw.gov.au and sutherland.nsw.gov.au*

To date those councils who have outsourced the Web development have not progressed to the stage whereby they provide on-line Web payment facilities. It is anticipated that the financial institutions currently utilised by the councils will provide Web payment facilities in the near future. A link to the facility would be provided from the Council Web site. This method will provide Web payment facilities, without the need to reinvent interfaces to internal Finance Systems which have been set up specifically for each organisations requirements.

A number of Local Government organisations including some South Australian councils, Melbourne City Council and Penrith Council are trialing facilities for online services. These services include license approvals, building applications and development applications. Included in the trials are facilities where residents can view adjoining owner information, plans and visual presentations of a development and then lodge on-line comments regarding the development. These initiatives have been developed over time and usually by the larger councils. While there are merits to these on-line facilities the benefits to the processes of Council are often limited by the fact that customers who do not have access to the technology still need to be catered for. The issues of encouraging and facilitating technology within the community should be considered and any on-line projects be developed in line with the communities uptake of technology.

Currently HCC has one full-time employee whose primary responsibility is preparing and / or converting static and dynamic documents for the Web site. Development of the Council's web site should be based on informed plans to cater to the needs of the Council and community. The current situation with regards to the ability of the community to access and utilise Web services and the situation regarding e-commerce should be considered.

Community Access

- A recent survey (conducted by the ABS - 2000) indicates that only about 30% of Australian households have Internet access at home.
- A survey (conducted by the www.localgov group – June 2000) indicates that more than half the users of Local Government Web sites visit / use the site about weekly, whilst the rest visit / use it about monthly (i.e. not very often).
- Community access is currently provided through email facilities.

These two points indicate that less than a 1/3 of all households have the capability to use the Internet, and considerably less would actually use the Internet to interface with Council. It should be considered whether the end (conduit for Community consultation) justifies the means (cost).

The issue of recording and maintaining Web sourced information and communications should also be considered. Any on-line correspondence received by Council would need to be processed and handled by the Records dept as they could be classified as "Council Records", and would require implementation of a system to handle such communiqué.

E-commerce

The Minister for Communications, Information Technology and the Arts, Senator Richard Alston, has released a report prepared by his Department titled "E-commerce Beyond 2000".

A copy of the Executive Summary of the report was provided to the Hawkesbury Economic Development Advisory Committee (HEDAC) and is provided as an attachment to this report.

In the report to HEDAC the following was provided:

> *"It is suggested that the Board should consider measures to spread the message about the benefits of E-commerce to the local business community. Subsequently, it is proposed that the Board host an E-commerce Seminar covering issues such as a general overview of what E-commerce is, the benefits of same to business and the economy, how to become involved and the presentation of case studies. The Department of State and Regional Development has sponsored a number of three-hour seminars throughout regional areas of New South Wales and the feedback on the Seminars has been quite positive, with many businesses electing to take the next step to move towards e-commerce. Whilst the Department has advised they are not in a position to fund programs throughout metropolitan Sydney, they have provided contacts with*

the consultants that have presented the courses in regional New South Wales on their behalf and contact has been made with them with a view to presenting the same module to Hawkesbury Businesses."

The Hawkesbury Economic Advisory Committee discussed and received the above information and resolved to sponsor an E-commerce seminar for local business. The following additional information is provided:

- E-commerce should be Relevant to Council; on-line Rates payment, etc.
- By developing e-commerce facilities internally each Council may be duplicating each other's efforts – better to combine resources to produce a comprehensive system rather than individually produce a bandaid solution.
- Numerous organisations (Networking the Nation, the Office of Western Sydney Electronic commerce Strategy for Western Sydney, Online Service Strategy Project – LGSA, Western Sydney Regional Organisation of Councils Ltd, Deakin Consulting, and others), both within Government and other sectors, working together to plan the construction and implementation of e-commerce facilities for Local Councils and government organisations.
- It is preferable to have users conduct e-commerce directly with financial institution (banks etc) rather than via Council. The financial institutions are well set up to provide the necessary security and encryption. A link to such services would be set up from the Council Web site. The financial institutions have not yet provided this facility however it is expected to be available in the future.
- Currently the Council's IT staff do not possess the skills necessary to construct and maintain internal e-commerce facilities. Council would need to employ several new employees who possess the necessary skill-set to produce an e-commerce system in-house.
- E-commerce is already utilised to a degree within the organisation in the form of electronic transfer of funds and information between financial institutions, other organisations and Government Departments.

Outsourced Development

The estimated cost of outsourcing this development is $60,000 - $100,000 initially and then $7,000 - $10,000 annually. Outsourcing the development would expedite the delivery of information and interactive services. This does not include a staff member to manage e-commerce or Web payment facilities and a full time Web administrator would still be needed to maintain the site on a day to day basis. Cost for a staff member to manage e-commerce and Web payments is approximately $50,000.

In-house Development

To construct and maintain interactive features will require at least 2 additional staff. One additional full-time employee would be required with an additional staff member required to develop the e-commerce and e-payment facilities. The cost for an additional 2 staff is in the order of $95,000 with consulting, hardware and software estimated at $45,000. It should be noted that in-house development would take considerably longer than outsourcing the project to an experienced organisation who has developed software modules that could be customised to Hawkesbury's requirements.

Email Facilities

The HCC Web site contains email addresses for Councillors and a general email address for the Council. This provides the facility whereby the community can provide input and feedback on council operations by sending an email which will then be dealt with as official correspondence of Council. Email can be sent by simply clicking on one of the email addresses provided on the each and every page of the Web site.

Conclusion

Each and all of these objectives require the commitment of significant resources, both in time and money. The use of technology must be relevant and applicable to the needs and abilities of the users (Council and the community). From a "social equity" point of view, the rapid development or over reliance of technology may tend to alienate the "information poor" by putting resources out of their reach while catering for a limited group, within the community.

The development of the HCC Web site has been a progressive project whereby features and facilities have been added over time. This approach has given the opportunity for in-house skills to be developed while taking advantage of the benefits that the technology has to offer.

It has also provided Council the opportunity to embrace new technologies and encourage the community's awareness and gradual use of these technologies. Development of interactive facilities on the HCC Web site should be developed only if there is a identified demand for these facilities. Further, considerable savings can be realised if a consistent approach is adopted and costs of on-line services are shared across all New South Wales councils.

Initiatives such as those mentioned in this report should be closely monitored to ensure maximum benefits are obtained from participation in any collaborative approach or inter-council projects for the provision of on-line services to the community. Strategies for the development of the HCC Web site take into consideration the recommendations and outcomes of the initiatives currently being undertaken.

RECOMMENDATION:

That the information be received.

ATTACHMENTS:

AT-1 Executive Summary of "E-commerce Beyond 2000 - Final Report"

REPORT

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