



# Corporate & Works Committee

**Agenda:** *Corporate & Works Committee*

**Date:** *Monday 21 May 2007*

**Time:** *6.00pm*

### **Outline of Meeting Protocol & Procedure:**

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

### **Delegated Authority (“D” Items):**

- General financial and corporate management of the Council, except those specifically excluded by statute, by Council direction or delegated specifically to another Committee.
- Note: This not to limit the discretions of nominated staff members exercising Delegated Authorities granted by the Council.
- Quarterly review of Council's Management Plan.
- Finance Regulations, including:-
  - Authorisation of expenditures within budgetary provisions where not delegated;
  - Quarterly review of Budget Review Statements;
  - Quarterly and other reports on Works and Services provision; and
  - Writing off of rates, fees and charges because of non-rateability, bad debts, and impracticality of collection.
- Auditing.
- Property Management.
- Asset Management.
- Traffic Management - Works Implementation.
- Works and Services - Monitoring and Implementations.
- Legal Matters and Legal Register.
- Parks and Reserves Management.
- Infrastructure Management, Design and Investigation.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agenda (and as may be limited by specific Council resolution).
- Confirmation of Minutes of its Meeting.
- Any other matter falling within the responsibility of the Corporate and Works Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed below.

### **Recommendation only to the Full Council (“R” Items):**

- Such matters as are specified in Section 377 and within the ambit of the Committee considerations.
- The voting of money for expenditure on works, services and operations.
- Rates, Fees and Charges.
- Donations
- Matters which involve broad strategic or policy initiatives within responsibilities of the Committee.
- Matters not within the specified functions of the Committee.
- Asset Rationalisation.
- Corporate Operations:-
  - Statutory Reporting;
  - Adoption of Council's Management Plans;
  - Quality Service/Communications;
  - Leases.
  - Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes
  - Delegations.
  - Policies.
  - Tenders as per Regulation requirements.

**Committee Membership:**

7 Councillors

**Quorum:**

The quorum for a Committee meeting is 4 Councillors.

# WOOLLAHRA MUNICIPAL COUNCIL

## Notice of Meeting

17 May 2007

To: Her Worship the Mayor, Councillor Huxley, ex-officio  
Councillors      Julian Martin                      (Chair)  
                         Marcus Ehrlich  
                         Wilhelmina Gardner  
                         Isabelle Shapiro  
                         David Shoebridge              (Deputy Chair)  
                         Fiona Sinclair King  
                         John Walker

Dear Councillors

### **Corporate & Works Committee Meeting – 21 May 2007**

In accordance with the provisions of the Local Government Act 1993, I request your attendance at a Meeting of the Council's **Corporate and Works Committee** to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 21 May 2007 at 6.00pm.**

Gary James  
General Manager

# **Additional Information Relating to Committee Matters**

**Site Inspection**

**Other Matters**

## Meeting Agenda

<b>Item</b>	<b>Subject</b>	<b>Pages</b>
1	Leave of Absence and Apologies	
2	Late Correspondence	
3	Declarations of Interest	

### **Items to be Decided by this Committee using its Delegated Authority**

D1	Confirmation of Minutes of Meeting held on 7 May 2007	1
D2	Monthly Financial Report – April 2007	2
D3	Council's Workforce – 103.G	9
D4	Organisation Support Principal Activity – 3 <sup>rd</sup> Quarter Management Plan Review	15
D5	Customer Service & Communication Principal Activity – 3 <sup>rd</sup> Quarter Management Plan Review	40
D6	Roads, Traffic & Transport Principal Activity – 3 <sup>rd</sup> Quarter Management Plan Review	49
D7	Environmental & Infrastructure Works Program Principal Activity – 3 <sup>rd</sup> Quarter Management Plan Review	66

### **Items to be Submitted to the Council for Decision with Recommendations from this Committee**

R1	Adoption of Commercial Fitness Training Fee – 172.G	84
R2	Goods & Services Tax Compliance Certification – 329.G	85
R3	26-28 Royston Street, Paddington – Proposed Road Closure & Sale – 395.26-28	88

**Item No:** D1 Delegated to Committee  
**Subject:** **Confirmation of minutes of meeting held on 7 May 2007**  
**Author:** Les Windle, Manager – Governance  
**File No:** See Council Minutes  
**Reason for Report:** The Minutes of the Meeting of Monday 7 May 2007 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

**Recommendation:**

That the Minutes of the Corporate and Works Committee Meeting of 7 May 2007 be taken as read and confirmed.

Les Windle  
Manager - Governance

**Item No:** D2 Delegated to Committee  
**Subject:** **Monthly Financial Report - April 2007**  
**Author:** Tracey Walker, Financial Accountant  
Michelle Phair, Acting Finance Manager  
**File No:** 987G  
**Reason for Report:** To present the monthly financial report for April 2007

**Recommendation:**

A. THAT the monthly financial report for April 2007 be received and noted.

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**Background:**

The monthly financial report for April 2007 is submitted to the Committee for consideration.

The monthly report includes the following:-

- Summary of Investments
- Summary of Receipts, Payments and Bank Balance

**Summary of Investments:**

Investment results for the month of April 2007 were strong with both fund managers out performing benchmark. Annualised returns for Oakvale and Grange were 7.33% and 7.65% respectively. Returns for individual investments over recent months have highlighted the need to maintain a medium to long term focus rather than month to month returns.

A point to note is the Perpetual Fund underperformed benchmark with specific underlying investments being downgraded. Oakvale Capital advises that this underperformance should be short-lived and the return on Council's total portfolio is expected to remain strong on the back of the continuing supportive economic environment and outperformance from the cash enhanced managed funds and direct securities.

On advice from Grange Securities we have updated our investment report to include a comparison of the Capital Value with Market Value. This approach results in a more meaningful representation of returns.

This month the investment report includes historical investment performance charts to track each fund manager's performance against benchmark.

Monthly reports from Oakvale and Grange are attached as **ANNEXURES 1 & 2** respectively.

Michelle Phair  
Acting Finance Manager

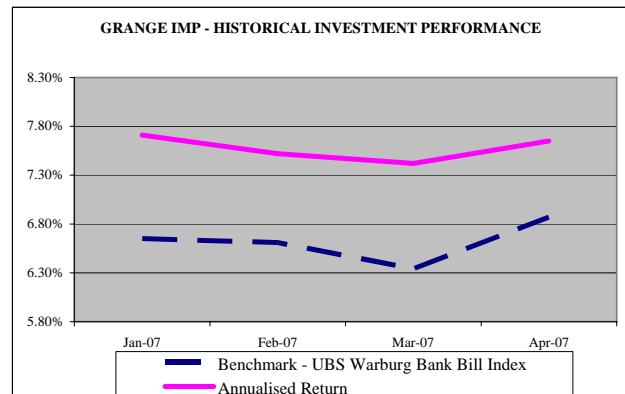
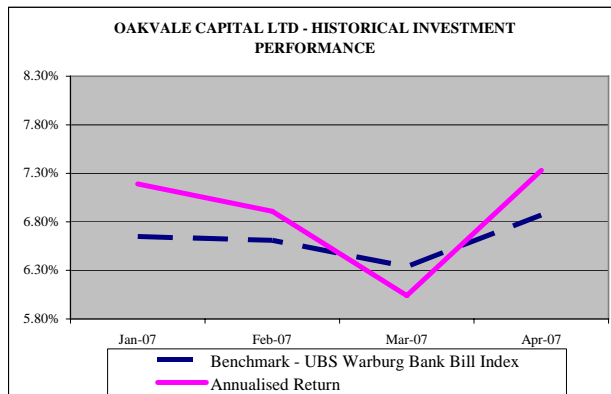
Tracey Walker  
Financial Accountant

Don Johnston  
Acting Director Corporate Services

**INVESTMENTS AS AT 30 APRIL 2007**

CATEGORY	PURCHASE DATE	MATURITY DATE	DAYS	%	DAILY BANK BILL	MARGIN	AMOUNT \$	TOTAL \$
<b>1. WMC INVESTMENTS</b>								
<i>COMMONWEALTH BANK</i>								
ONLINE SAVER				6.15			<u>2,820,028</u>	2,820,028
<i>LOCAL GOVT FINANCIAL SERVICE P/L (S&amp;P RATING, A1)</i>								
C.R.I.	20-Feb-07	21-May-07	90	6.48	6.36	0.12	<u>1,000,000</u>	1,000,000

CATEGORY	ANNUALISED RETURN %	BENCHMARK %	MARGIN	PRINCIPAL / CAPITAL VALUE \$	ACCRUED VALUE \$	MARKET VALUE \$	TOTAL \$
<b>2. OAKVALE CAPITAL Limited *</b>							
	7.33	6.87	0.46				
MERRILL LYNCH (DIVERSIFIED CREDIT FUND)	8.06	6.87	1.19	3,049,828	16,347	3,066,175	
MERRILL LYNCH (ASSET BACKED SECURITY)	7.19	6.87	0.32	1,000,196	6,700	1,006,896	
PERPETUAL	5.72	6.87	-1.15	3,039,996	-13,728	3,026,268	
ADELAIDE BANK AAA SAVER	6.50	6.87	-0.37	4,926,093	-	<u>4,926,093</u>	12,025,431
<i>* See Annexure 1</i>							
<b>3. GRANGE SECURITIES Limited</b>							
Individually Managed Portfolio (IMP) *	7.65	6.87	0.78	10,705,389	88,910	<u>10,794,299</u>	10,794,299
<i>* See Annexure 2</i>							
<b>GRAND TOTAL</b>							26,639,758



I hereby certify that the above investments have been made in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulation 2005 and Council's investment policy.

M. Phair  
ACTING FINANCE MANAGER

D. Johnston  
ACTING DIRECTOR CORPORATE SERVICES

**Summary of Receipts, Payments and Bank Balance**

Cash Book Balance as at 31 March 2007 - 833,790.30

**Receipts**

Rates 293,506.68  
Other 6,574,530.28

**Total Receipts** 6,868,036.96

Description	Amount
Parking Fines	-440,534
Deposits & Bonds	-404,070
Rates	-294,459
Traffic Route Lighting Subsidy	-277,000
Other Debtor Receipts	-263,054
Asset Disposal	-147,547
Parking Meters	-124,226
S94 & S94A Contributions	-121,442
Car Park Leases	-113,401
Trade Waste Debtors	-102,393

**Payments - Cheque**

Cheque Payments (799,766.10)

Cancelled Cheques 30,299.34

Total Cheque Payments for period (769,466.76)

Cheque No.	Cheque Date	Payee	Amount
194535	19/04/2007	Energy Australia	-94,424.83
194545	19/04/2007	State Debt Recovery Office	-82,224.10
194397	05/04/2007	City Ford, Mascot	-81,061.50
194608	26/04/2007	Roads & Traffic Authority	-64,416.00
194604	26/04/2007	John Nixon Engineering Pty Ltd	-37,579.00
194472	12/04/2007	Premier Parking	-35,996.71
194490	12/04/2007	Suttons City Holden-Rosebery	-29,956.91
194587	26/04/2007	City Ford, Mascot	-28,804.29
194644	27/04/2007	Deposit Refund	-24,900.00
194420	05/04/2007	Randwick City Council	-21,280.47

**Payments - EFT**

EFT Payments (3,825,820.28)

Returned EFT Payments

Total EFT Payments for period (3,825,820.28)

Reference	EFT Date	Payee	Amount
13957	26/04/2007	Ozpave (Aust) Pty Ltd	-192,056.37
13805	05/04/2007	WSN Environmental Solutions	-160,814.71
13946	26/04/2007	Local Govt Super Scheme-Div.A	-155,206.48
0404	13/04/2007	PAYG Tax Payment- WK 40	-125,340.65
13922	26/04/2007	Collex Waste Management Pty Ltd	-110,618.51
1804	18/04/2007	PAYG Tax Payment - WK 42	-102,258.14
1104	13/04/2007	PAYG Tax Payment - WK 41	-100,912.88
13911	19/04/2007	WSN Environmental Solutions	-84,603.00
13749	05/04/2007	BEST HINO - SYDNEY	-79,575.39
13947	26/04/2007	Local Govt Super Scheme-Div.B	-61,204.49

**Payments - Direct Debits From Bank A/c**

Payroll (1,232,877.64)

Credit Card Payments (2,545.59)

Bank Charges (7,556.63)

Total Direct Debits for period (1,242,979.86)

**Total Payments**

- 5,838,266.90

**Cash Book Balance as at 30 April 2007**

195,979.76

Unpresented Cheques No. of Cheques: 143 343,550.84

Outstanding Deposits & Miscellaneous Items 221.42

**Reconciled Cash Book Balance as at 30 April 2007** 539,752.02

**Bank A/c Balance as at 30 April 2007** 539,752.02

**Unpresented Cheques > \$30,000.00**

Cheque No.	Cheque Date	Payee	Amount
194545	19/04/2007	State Debt Recovery Office	82,224.10
194608	26/04/2007	Road & Traffic Authority	64,416.00
194604	26/04/2007	John Nixon Engineering Pty Ltd	37,579.00

**Item No:** D3 Delegated to Committee  
**Subject:** **Council's Workforce**  
**Author:** Nita Carthew, Manager Human Resources  
**File No:** 103.G  
**Reason for Report:** To provide information in regard to staff movements as requested

**Recommendation:**

That the report be received and noted.

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**Background:**

Following consideration of the December Budget Review on 5 February 2007, the Corporate & Works Committee resolved, in part:

B. *That a further report(s) be provided on:*

- *an analysis of the reasons for staff leaving the organisation*
- *the turnover of outdoor staff and the ability of the organisation to attract outdoor staff*
- *the financial impact of recent resignations in construction and maintenance*
- *any other relevant staffing issues*
- *the changes and issues identified in the discussion concerning the balance sheet.*

This report responds to dot points 1, 2 and 4 of the above resolution. Dot point 3 was addressed in the March Budget Review report considered by the Committee on 7 May 2007 while dot point 5 was addressed in a separate report to the Committee on 19 February 2007.

**Introduction:**

A quick overview of the Australian employment market shows that Australia is experiencing a long term workforce problem. Australia has an aging population, declining birth rate and an escalating shortage of skilled, qualified workers. In Australia, immigration has replaced childbirth as our main source of population growth. In 2003, there was a net gain of 125, 000 migrants compared with 114,000 births. Furthermore, for every skilled immigrant who comes to Australia, three skilled workers leave.

Estimates suggest that by 2007/2008, more people will leave the workforce than join it. In the next decade our annual workforce growth will drop from 0.8 to 0.4 per cent and the current workforce growth of 180,000 new workers entering the employment market will slow to 140,000. By the late 2020's, the number of people entering the workforce will have declined to almost zero growth.

When these figures are combined with strong economic growth and the increasing domestic demand for skilled labour, Australia, and more importantly Council, is faced with the challenge of attracting and retaining staff in an employee's market.

Whilst Council experiences active turnover, it is generally suffering along with the rest of the nation. This is felt particularly in high demand occupations, such as trades, all fields of engineering, accounting/finance, human resources, planning, strategic planning, building and compliance and environmental health.

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## Woollahra's Workforce

Woollahra has 381 full time equivalent positions. These positions are spread over the Divisions of Council to deliver our services.

Division	Staff
General Manager	5
Community Services	48
Corporate Services	58
Technical Services	192
Planning & Development	78
	<b>381</b>

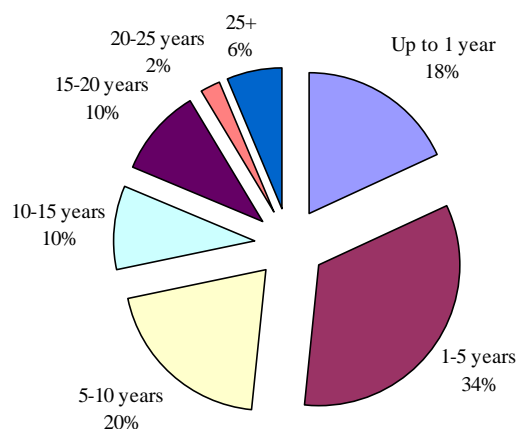
From a different perspective, the workforce can be broken down into different employment groups.

Group	Staff	%
Administrative	30	8
Technical/Specialist	62	16
Operational	169	45
Executive	5	1
Managers	20	5
Planners *	31	8
Other Professionals	64	17
	<b>381</b>	<b>100</b>

\* Planners have been separated from 'Other Professionals' to demonstrate a point in regard to turnover later in the report.

The largest group in our workforce is operational (outdoor) staff who fall mainly into Regulatory, Civil Works, Parks & Street Trees, Street Cleaning, Business Centres and Waste Services.

It is also interesting to note the break up of Council's current workforce by length of service.



More than half of our workforce has less 5 or less years of service with Council.

## Staff Movements

Council supports staff development and career advancement. Managers and experienced staff invest time mentoring and supporting staff on learning and development programs. Council provides a study assistance program and engages trainees where possible. These activities have provided Council with a source of applicants for positions within Council.

Over the last 3 years, Council has been able to appoint quite a number of staff to vacant positions after going through the recruitment process. In 2004, 30 internal applicants were appointed to positions, in 2005, 26 internal applicants were appointed and in 2006, 22 internal applicants were appointed to positions.

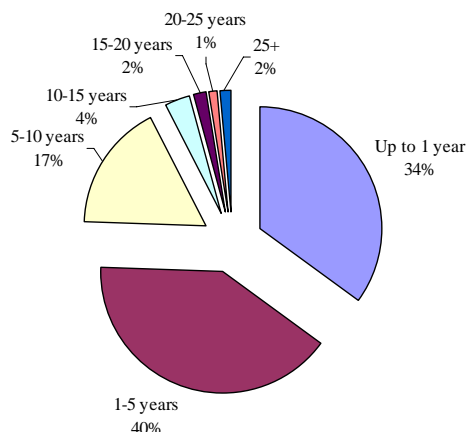
At the same time, there has been some staff movement away from Council. Council has a system of conducting exit interviews to ascertain information on the reasons why people are leaving and to gather input into the employment areas that may warrant consideration for improvement. While exit interviews are voluntary, and therefore the information provided is from only those that chose to participate, the majority of those leaving chose to participate.

From the exit interview information collected since 2004, the number one reason provided for leaving Council was career advancement. The number two reason was travelling time and location. This is consistent with the years of service of the resignations that have been received. Most people that leave Council have had up to 5 years service. Council has a good reputation for providing learning and development opportunities. People are coming to Council to receive exposure to different tasks, they learn new skills and develop knowledge and then move on to positions with other organisations to advance their careers.

In the 3 years January 2004 to March 2007, Council has had 197 resignations. For the years 2004, 2005 and 2006 the resignations were 65, 58 and 64 respectively. There have been 10 resignations to March 2007. For the 3 full years, the average number of resignations was just over 62, or some 16% of our workforce.

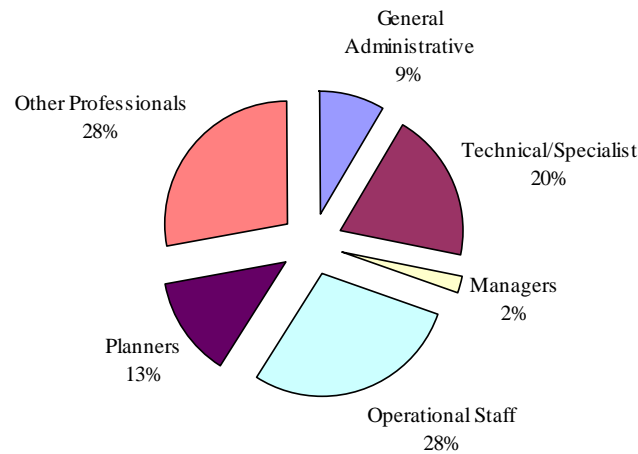
As mentioned above, resignations are dominated by those with less than 5 years service who, in the main, leave Council to progress their career. This reflects a current trend within the workforce generally of being more mobile and moving through several employers over the course of a career. It is also a reflection of the makeup of our current workforce.

### Resignations by Length of Service



Another view of resignations is by the employment groups outlined above.

### Resignations by Employment Type



The groups that are statistically over represented in our turnover are Planners and Other Professionals which make up 8% and 17% of our workforce and 13% and 28% of our turnover respectively. To some extent the same applies to Technical/Specialist staff. Again this reflects the modern, mobile workforce. Conversely, the turnover of operational staff is much lower than the proportion of the workforce they make up.

#### Attracting Staff

Council continues to have high standards and expectations of staff and applicants. Even though there is a skilled labour shortage, Council continues to use a thorough recruitment process and appoint employees based on merit.

Council advertises all of its positions, including casual and temporary positions. The total numbers presented are for all advertisements lodged and include positions that were and were not filled and casuals and temporary positions. In 2004 there were 83 positions advertised. In 2005 and 2006, 94 positions and 110 positions were advertised respectively. To date in 2007 there have been 55 positions advertised.

The number of applications received in response to the advertisements for positions varies according to many factors, such as, market forces, the labour shortage, timing and location of the advertisement.

The following table is an example of the range in numbers of applications that can be received.

Position Advertised	No. of Applications
Library Assistant	68
Admin Officer – Library	41
Customer Service Officer	34
Environmental Education Officer	18
Inspections Officer	10
Arboricultural Labourer	6

<b>Position Advertised</b>	<b>No. of Applications</b>
Building & Compliance Officer	4
Strategic Planner	3

We have also recently advertised for multiple (15) operational worker positions following the Civil Works restructure. The results of this recruitment process are very indicative of the difficulties we face in attracting candidates.

<b>Recruitment Round</b>	<b>Applicants</b>	<b>Appointments</b>
One – February 07	13	7
Two – March 07	3	1
Three – April 07	7	0

During the third recruitment round, the positions were advertised as labourers to make it easier to understand exactly what the role is and hopefully attract more candidates. All 7 of the applicants were short listed for interview. Of the 7, 4 withdrew as they found other employment. The 3 interviewed were not suitable for the role. There are still 8 vacancies to be filled for Civil Works operational workers.

There are a number of attraction and retention options that are being investigated as to their suitability. The intention is to build the suitable options into a suite from which applicable ones can be negotiated and implemented with relevant staff. The options being investigated include:

- salary sacrifice for such items as portable computer devices, child care, vehicles, university fees
- flexible work time & part time arrangements
- purchasing leave through salary sacrifice
- purchasing additional paid parental leave through salary sacrifice
- travel allowance
- travel assistance
- working from home
- vacation care and out of hours care
- staff rotation or secondments
- leadership development and mentoring programs
- paid university holiday engagement and trainee positions for last year study

Already Council has trialled or put in place salary sacrifice for university fees, rearrangement of working hours, secondments and mentoring. If the investigation is completed for other options proves suitable, they will be trialled and formalised.

### **Conclusion:**

Council has a diverse workforce across a range of professions and levels. While some of these are more impacted than others, there is a widespread difficulty in attracting applicants. This is not a reflection on Council as an employer, but of the employment market generally. In fact, Council enjoys a good reputation for providing learning and development opportunities. Given the skilled labour shortage afflicting Australia's employment market, Council's staff movements and attraction of applicants for vacant positions is reasonable.

Staff turnover figures vary across the different employment groups within Council. As a general observation, professional staff are statistically over represented in our turnover. Some 74% of our turnover involves staff with less than five years service. The consistent number one reason why people are leaving Woollahra Council is career advancement. Considered in conjunction with the learning and development opportunities provided, it is not surprising that professional staff come, take advantage of this opportunity and move on to progress their career. At the same time it needs to be emphasised that these opportunities also provide Council with an employment pool and quite a number of internal applicants have been appointed to vacant positions over the past three years.

The modern workforce, particularly the professional/technical workforce, are quite mobile and can move through several employers over the course of their careers. This is very much reflected in our turnover statistics. The statistics provided in the report do not reflect adversely on Council as an employer, they simply reflect the current employment market.

Council continues to pursue options to make us a model employer. Implementing relevant attraction and retention strategies will assist in maintaining a committed, skilled and effective workforce.

Nita Carthew  
Manager Human Resources

Don Johnston  
Acting Director Corporate Services

**Annexures:**

Nil

**Item No:** D4 Delegated to Committee

**Subject:** **Organisation Support Principal Activity - 3rd Quarter Management Plan Review**

**Author:** Don Johnston - Acting Director Corporate Services  
Warwick Hatton - Director Technical Services

**File No:**

**Reason for Report:** To review the status of works, services, and Notices of Motion for the Management Plan principal activity of Organisation Support for the 3 months ending 31 March 2007

**Recommendation:**

- A. That the status of projects for the Organisation Support principal activity be noted.
- B. That the variations to projects be agreed subject to adoption of the relevant budget variations included in the separately reported end of year financial review.

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**Background:**

Section 407(1) of the Local Government Act requires that Council review the progress of the adopted management plan on a quarterly basis. Included with this report is the third quarterly review of Principal Activity No 7 of the Management Plan, which is "Organisation Support". This principal activity has the following sub- activities:

- 7.1 Governance and Records Management
- 7.2 Finance
- 7.3 Risk Management
- 7.4 Human Resources
- 7.5 Information Technology
- 7.6 Property Management
- 7.7 Management Executive
- 7.8 Technical Services Management
- 7.9 Technical Services Operations

Included as annexure to this report are:

1. The Organisation Support Principal activity of the Management Plan with detailed comments on the status of items in each sub activity
2. Any uncompleted adopted "Notices of Motion" related to the Organisation Support principal activity

The annexures include all the details whereas set out in the following part of this report is a commentary on variations, changes, exception, completed work, achievements, etc. The purpose being to provide Councillors with a snapshot on the key influences or issues arising from this quarterly review.

"Notices of Motion" which have a major impact on approved management plan core activities and projects have been included in the management plan as variations so as to facilitate the changing of priorities in an orderly and transparent manner.

Comments on budget variations where they are material or have an impact on the program of works or projects may be included in this report. However the budget review and confirmation of any changed forecast will be considered in a separate budget report which reviews the overall financial position of the Council at the end of the quarter.

Following is the commentary on each sub activity

### **7.1 Governance and Records Management**

This sub-activity covers the areas of governance, committee, council and councillor support, and records management. The review of the privacy management plan has been put back until the end of the September quarter in the new management plan year. The review of Sub Committee operations and procedures (sub committees with external members only) was commenced. All other general management plan items identified have been completed.

Some delays in records management projects have been experienced due to the appointment of the Records and Documents Manager to Manager Customer Services. Recruitment of a Records Management Team Leader commenced. Routine records management activities have continued. The implementation of the document management system has been scheduled for the first quarter 2007/08.

### **7.2 Finance**

The focus in the March quarter was the preparation of a preliminary draft budget for 2007/2008. All routine and project activities have been completed in accordance with the Management Plan targets. Following a review of the investment policy and appointment of investment advisers, the transition of our direct investments to being under advisement was largely completed. There were a number of direct investments yet to mature at the end of the quarter which will be palced under advisement at maturity.

### **7.3 Risk Management**

Projects and core activities are proceeding in accordance with the revised management plan targets. The quarter saw the adoption and implementation of a number of procedures for high risk activities. A significant amount of effort is being placed on prevention activities and the underlying support systems.

This year has seen the completion of a comprehensive risk management plan and the development of risk action plan by managers. An external audit of our progress in implementing these plans was completed during April.

### **7.4 Human Resources**

Projects and core activities are generally proceeding in accordance with management plan targets. Implementation of the new Human Resource Information System is in progress and modules will be progressively rolled. Payroll went live late last quarter and subsequent refinements have improved processing workloads. Recruitment is nearing go live, being in the final stages of user acceptance testing. Employee self service prototype (phase 1) has been delivered and development and review is being conducted. A draft AWA and standard collective agreement is being prepared.

## **7.5 Information Technology**

Projects and core activities are proceeding in accordance with the management plan. During the quarter an upgrade to Windows XP was completed, new printers were installed in all locations, an upgrade of the Library Management System was installed and testing of the new E-Services module commenced.

## **7.6 Property Management**

The Agreement to dispose of the Process Plant to Landcom was completed. The drafting of the legal agreements for the Cosmopolitan Centre ground lease continued and will be finalised for submission to Strategic and Corporate Committee in June 2007. The second Councillor Workshop to be conducted by the Property Asset Study consultants was scheduled for 8 May. The external painting of the Library building was carried out, a new chiller commissioned at Redleaf, and waterproofing treatment and retiling was commenced. Bus shelter installation was commenced at Glenmore Road, Paddington.

## **7.7 Management Executive**

Systematic reviews within Divisions are proceeding in accordance with the Plan.

## **7.8 Technical Services Management**

Reviews and updates of procedures commenced in a number of departments.

## **7.9 Technical Services Operations**

Recommended organisational changes in Civil Works were implemented and staff were recruited.

Don Johnston  
Acting Director - Corporate Services

Warwick Hatton  
Director - Technical Services

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### **Annexures:**

1. March 2007 quarterly review of principal activity: Organisation Support
2. March 2007 quarterly review of Outstanding Notices of Motion Organisation Support

**Item No:** D5 Delegated to Committee  
**Subject:** **Customer Service and Communication Principal Activity - 3rd Quarter Management Plan Review**  
**Author:** Mandy Quayle – Acting Communications Manager  
Judy Port – Manager Customer Service  
Geoff Clarke – Director Corporate Services/  
**File No:** 827.G 04-07  
**Reason for Report:** To review the status of works and services for the Management Plan principal activity of Customer Service and Communication for the 3 months ending 31 March 2007

**Recommendation:**

- A. That the status of projects for the Customer Service and Communication principal activity be noted.

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**Background:**

Section 407(1) of the Local Government Act requires that Council review the progress of the adopted management plan on a quarterly basis. Included with this report is the third quarterly review of Principal Activity No 6 of the Management Plan, which is "Customer Service and Communication". This principal activity has the following sub- activity:

6.1 Customer Service & Communication

Included as an Annexure to this report is the Communication and Customer Service Principal Activity of the Management Plan with detailed comments on the status of items in the sub activity

The Annexure includes all the details whereas set out in the following part of this report is a commentary on variations, changes, exceptions, completed work, achievements, etc, the purpose being to provide Councillors with a snapshot of the key influences or issues arising from this quarterly review.

Comments on budget variations where they are material or have an impact on the program of works or projects may be included in this report. However, the budget review and confirmation of any changed forecast will be considered in a separate budget report which reviews the overall financial position of the Council at the end of the quarter.

Following is the commentary on each sub activity :

**Customer Service**

The March quarter saw the appointment of Council's new Manager Customer Service. With this appointment comes a renewed enthusiasm in undertaking the core activities of the Customer Services department including the call centre and customer services counter.

Significantly, the new Council web site went live in January. During the quarter there has been a focus on refining the website and improving its functionality. The Corporate & Works Committee was given a brief demonstration of the new web site. Funding has been provided in the 2007/2008 Draft Budget to bring our planning instruments online which will be a further enhancement to the site.

Planning for the implementation of a new Customer Request Management System (CRM) commenced during the quarter with a target implementation date of October 2007. All the existing Customer Request information will be migrated to the CRM for continuity of reporting. In keeping with the internet strategy of providing services on line, CRM will be available online to improve service delivery across the organisation. The future intention is to provide the ability for the community to submit a request on line.

### **Communication**

Core activities and projects are proceeding in line with the management plan. During the quarter, Communications and Risk Management conducted internal training sessions for staff involved in event management in order to provide a consistent approach to event planning, risk analysis and post event evaluation.

A summary of communications strategy, event management and media liaison work over the last three months which supports the core activities of the Management Plan follows:

#### **Communication & media:**

Bushcare newsletter for volunteers  
Crime Stoppers Community Education Campaign  
Tea Topics  
Rose Bay and Point Piper Marinas  
Rushcutters Bay Median Strip  
Earth Hour  
Speaker Series  
Lions Youth of the Year  
Graffiti hotline launch  
Community and Social Planning  
Women in Woollahra  
Harmony Day  
Secondhand Sunday  
Youth Week  
Mayoral Medallion  
The Beast magazine (monthly editorial)  
Sale of the Waverley Woollahra Process Plant  
New Website Banner images  
Seniors Week Writing Competition  
Woollahra News (monthly)  
Website content updates  
Eastside radio interviews (monthly)  
Mayoral column and advertising placements for SMH/Wentworth Courier (weekly - copy, proof, production).

#### **Event management, publicity and support:**

Australia Day Citizenship Ceremony and Woollahra Citizen of the Year  
Citizenship (monthly)  
Sydney Harbour Week  
Rose Bay Primary School Council tour  
Poets Picnic  
Writers and Readers  
Seniors Week  
Easter Holiday activities  
Coast Care Month  
Speech notes for events attended by the Mayor/representative

International Women's Day

Internal Event Management training for staff in conjunction with Risk Management

**Summary:**

The new web site going live was a significant achievement in the quarter. While we are continuing to work on improving its functionality, it has received a positive response from our community.

Communications staff continued to work closely with staff working in other departments to improve communication on projects and to assist with design, print production and publicity. An increasing emphasis has been placed on providing adequate planning time prior to an event or campaign launch in order to maximise media coverage and public participation.

Council's communications team will continue to offer in-house communications advice and support to the Mayor, Directors, Managers and staff in all departments.

Mandy Quayle  
Acting Communications Manager

Judy Port  
Manager Customer Service

Geoff Clarke  
Director Corporate Services

**Annexure:**

1. March 2007 quarterly review of principal activity: Customer Service & Communication

**Item No:** D6 Delegated to Committee  
**Subject:** **Roads, Traffic and Transport Principal Activity - 3rd Quarter Management Plan Review**  
**Author:** Warwick Hatton - Director Technical Services  
**File No:** 827.G 04-07  
**Reason for Report:** To review the status of works, services, and Notices of Motion for the Management Plan principal activity of Roads, Traffic & Transport for the 3 months ending 31 March 2007

**Recommendation:**

- A. That the status of projects for the Roads, Traffic & Transport principal activity be noted.
  - B. That the variations to projects be agreed subject to adoption of the relevant budget variations included in the separately reported end of year financial review.
- 

**Background:**

Section 407(1) of the Local Government Act requires that Council review the progress of the adopted management plan on a quarterly basis. Included with this report is the third quarterly review of Principal Activity No 3 of the Management Plan, which is "Roads, Traffic and Transport". This principal activity has the following sub- activities:

- 3.1 Road and Infrastructure Asset Management
- 3.2 Maintenance and Construction
- 3.3 Traffic and Transport Management
- 3.4 Parking
- 3.5 Other Transport Facilities
- 3.6 Streetscape

Included as an Annexure to this report is the Roads, Traffic & Transport Principal Activity of the Management Plan with detailed comments on the status of items in each sub activity

The Annexures include all the details whereas set out in the following part of this report is a commentary on variations, changes, exceptions, completed work, achievements, etc, the purpose being to provide Councillors with a snapshot of the key influences or issues arising from this quarterly review.

"Notices of Motion" which have a major impact on approved management plan core activities and projects have been included in the management plan as variations so as to facilitate the changing of priorities in an orderly and transparent manner.

Comments on budget variations where they are material or have an impact on the program of works or projects may be included in this report. However, the budget review and confirmation of any changed forecast will be considered in a separate budget report which reviews the overall financial position of the Council at the end of the quarter.

Following is the commentary on each sub activity:

### **3.1 Road and Infrastructure Asset Management**

Implementation of the asset renewal strategy was carried out to schedule. The condition of road infrastructure assets was reviewed. The road infrastructure asset models are currently under review. Survey and investigation of retaining walls in roads is under way.

### **3.2 Maintenance and Construction**

All routine maintenance activities and programmed capital works were carried out in accordance with the Management Plan targets. Proactive footpath inspections and maintenance programs were commenced and continue. Based on the proactive defects register, the footpath trip hazard program is being implemented.

Capital works projects which were completed as part of the Infrastructure Renewal Program are reported in the Environmental and Infrastructure Works Program report.

### **3.3 Traffic and Transport Management**

The impact of the Cross City Tunnel continued to be monitored. An 18 month review will be reported to the Community & Environment Committee in June 2007.

Bellevue Hill Shopping Centre LATM works, Edgecliff Road pedestrian refuge, and Brown Street/Glenmore Road pedestrian facilities designs were completed; works scheduled to be completed in 4<sup>th</sup> quarter.

Hopetoun Avenue Traffic Calming and Bike Route plans were exhibited. Construction will commence in 4<sup>th</sup> quarter.

### **3.4 Parking**

Expansion of weekend resident parking in Elanora Street, Manion Avenue and Iluka Street to include weekdays, introduced on 6 March 2007.

The GIS database has been updated to reflect the replacement of all No Standing signs with No Parking or No Stopping within the Municipality in accordance with RTA directives.

### **3.5 Other Transport Facilities**

Civil works for Bike Route 34 50% completed – remaining works scheduled for 4<sup>th</sup> quarter. Routes 4 and 25 issued for construction. Signs for Route 1 have been ordered. Bus shelter approved for Route 4 at intersection of Victoria Rd and Old South Head Rd.

A status report on the handover and ongoing services of ferry wharves by the State Government was submitted to Council in November 2006. Protracted negotiations have continued on the terms of the agreement to transfer ownership of the ferry wharves to the State Government.

### **3.6 Streetscape**

The Watsons Bay bus shelter location has been discussed at length with Sydney Buses and will be reported on in June 2007. The Glenmore Road shelter commenced installation in March 2007 (now complete). Modified designs were requested for Etham Avenue and Lyne Park bus shelters and adopted by Council. Detailed design is currently under way.

Tenders were called for the footway and balustrade restoration for the Rose Bay Promenade and for the Five Ways project. Negotiations continued with Energy Australia regarding undergrounding. (Both projects have now been reported upon and contracts awarded.)

Warwick Hatton  
**Director Technical Services**

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**Annexures:**

1. March 2007 Quarterly Review of Principal Activity: Roads, Traffic and Transport
2. March 2007 Quarterly Review of Outstanding Notices of Motion, Roads, Traffic and Transport

**Item No:** D7 Delegated to Committee  
**Subject:** **Environmental and Infrastructure Works Program Principal Activity - 3rd Quarter Management Plan Review**  
**Author:** Warwick Hatton - Director Technical Services  
**File No:** 827.G 04-07  
**Reason for Report:** To review the status of works, services and projects for the Management Plan principal activity 8.0 Environmental and Infrastructure Works Program for the 3 months ending 31 March 2007 2006.

**Recommendation:**

- A. That the status of projects for the principal activity 8.0 Environmental and Infrastructure Works Program be noted.
- B. That the variations to projects be agreed, subject to adoption of the relevant budget variations included in the separately reported end of year financial review.

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**Background:**

Section 407(1) of the Local Government Act requires that Council review the progress of the adopted Management Plan on a quarterly basis. Included with this report is the third quarterly review of Principal Activity No 8 of the Management Plan, which is the "Environmental and Infrastructure Works Program". This principal activity has the following sub-activities:

- 8.1 Administration and auditing
- 8.2 Water Quality "at source" treatment program
- 8.3 Water quality "end of line" treatment program
- 8.4 Watercourse and bushland vegetation treatment program
- 8.5 Stormwater Works
- 8.6 Road pavements
- 8.7 Footpaths
- 8.8 Kerb and guttering
- 8.9 Seawalls
- 8.10 Retaining walls

The Annexure includes all the details for this principal activity, whereas, set out in the following part of this report is a commentary on variations, changes, exception, completed works, achievements, etc. The purpose being to provide Councillors with a snapshot of the key influences or issues arising from this quarterly review.

Comments on budget variations, where they are material or have an impact on the program of works or projects, may be included in this report. However, the budget review and confirmation of any changed forecast will be considered in a separate budget report, which reviews the overall financial position of the Council at the end of the quarter. It should be noted that this program is funded from a special rate levy and needs to meet the special rate requirements when it comes to variations and changes

Following is the commentary on each sub activity:

## **8.1 Administration and Auditing**

The delivery of the Environmental Works Program (EWP) requires project management support to deliver the program. The following is a brief outline over the quarter:

- Twelve projects were actively managed over the quarter.
- The next Environmental Levy Community Reference Group is planned for April 2007.
- Developed EWP material for new Council web site.
- The Spill Response Procedure was finalised.

## **8.2 Water Quality "at source" Treatment Program**

The objectives of this program are to prevent pollutants, litter, vegetation matter and sediment entering the Harbour. Targeted education programs and installation of water quality devices, such as stormwater inlet pit baskets, are the types of projects that meet this objective.

Achievements over the quarter:

- Temporary Part Time Environmental Education Officer commenced employment in January for the next 12 months to implement the EWP environmental education program.
- Quotations have been received to install cigarette disposal bins at targeted hot spots including bus stops and commercial centres.
- Water Sensitive Urban Design (WSUD) encompasses new technologies and methods for treating stormwater by filtering a large range of pollutants at source, including heavy metals. This stormwater treatment technology has now been incorporated into the Rose Bay Promenade upgrade project, to reconstruct the parking bays along New South Head Road with porous pavers for stormwater treatment with storage tanks below to re-use treated stormwater for irrigation of the fig trees along the promenade.

## **8.3 Water Quality "End of Line" Treatment Program**

The objectives of this program are to prevent pollutants, litter, vegetation matter and sediment entering the Harbour. This may be achieved by projects such as installation of larger water quality devices, such as GPT's and Stormwater Booms, constructed low in the catchment, at the end of the stormwater network, prior to discharging into the Harbour.

Achievements over the quarter:

- Awaiting comments from the Environmental Levy Community Reference Group on draft report with recommendations to improve foreshore cleaning services.
- Biotrack Australia Pty Ltd (private consultant operating at Macquarie University) who developed the Water Quality Treatment program in the main creek tributaries of Cooper Park and Parsley Bay Reserve no longer operates. The program is now under review to ascertain who can continue to collect samples and maintain the database.

## **8.4 Watercourse and Bushland Vegetation Treatment Program**

The objective of this program is to prevent uncontrolled run-off, erosion, nutrient transport and weed intrusion into remnant bushland.

Achievements over the quarter:

- Tender has been called for two new pollution control devices including; upstream of Queens Ave, Hermitage Reserve, and Harbour View Park.
- Primary weed removal on the western sandstone outcrop in Parsley Bay has been completed and crushed sandstone imported to allow planting of new native tub stock.
- Quotations have been called for the removal of asparagus weed along the cliff edge of Gap Park.

## **8.5 Stormwater Drainage**

The objective of this program is to prevent local flooding of flood-affected properties and to minimise the level of pollution reaching streams and watercourses by reducing uncontrolled overland flows.

Achievements over the quarter:

- Detailed design and tender documents for the drainage works and water quality treatment for The Crescent, Vaucluse were 90% completed.
- Construction works completed in Cliff Street, Watsons Bay, to upgrade the drainage infrastructure and lower the road level to improve overland flow to alleviate flooding impacts.
- Flood study for Rushcutters Bay has been completed and adopted by Council.
- Double Bay Catchment Flood Study survey complete, flood modelling complete and the overall study 95% complete.
- Received a grant for the Rose Bay Flood Study and consultant commissioned.
- Sediment sampling was collected for Cooper Park Water Quality Pond and stormwater treatment and ancillary environmental works. Awaiting results.

### **8.6-8.10 Infrastructure Renewal Projects (includes 8.6 Road Pavements, 8.7 Footpaths, 8.8 Kerb and Guttering, 8.9 Seawalls and 8.10 Retaining Walls)**

The following capital works projects were completed:

*Road Reconstruction Projects including kerb and gutter and Stormwater Drainage Works:*

- Courtenay and Mitchell Road, Rose Bay.
- Magney Street, Woollahra.

*Road reconstruction and resurfacing:*

- Ocean Street, Edgecliff.

*Footpath reconstruction:*

- Forth Street, Woollahra;
- Old South Head Road, Vaucluse;

Tenders were invited and contracts awarded for a number of projects which are currently (4<sup>th</sup> quarter) programmed or being constructed.

Documentation for projects was completed or was under way for works to be carried out in the 4<sup>th</sup> quarter or 1<sup>st</sup> quarter of 2007/08.

Warwick Hatton  
Director Technical Services

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**Annexures:**

1. March 2007 Quarterly Review of Principal Activity: Environmental and Infrastructure Works Program

**Item No:** R1 Recommendation to Council  
**Subject:** Adoption of Commercial Fitness Training Fee  
**Author:** David Sheils - Manager Public Open Space  
**File No:** 172.G  
**Reason for Report:** To adopt the Commercial Fitness Training Application fee

**Recommendation:**

That an application fee of \$200 be adopted for the use of public open space for conducting commercial fitness training activities, in accordance with the Commercial Fitness Training Policy (2007).

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**Background:**

In consideration of a report regarding the impact of commercial fitness activities on public land, Council at its meeting of 12 February 2007, resolved in part:

*“ B. That the administration fee be \$200 for 2 years...;*

*E. That the Commercial Fitness Training Activities on Public Open Space Policy (2007) be adopted for a 12 month trial period and a further report be presented to Council following the 12 month trial period.”*

In accordance with Section 610 (F) of the Local Government Act 1993, the proposed fee was publicly notified in the Wentworth Courier and Council’s website inviting submissions. The exhibition period commenced 11 April 2007 and concluded 9 May 2007.

**Consultation:**

We received no submissions regarding the introduction of the proposed fee. The proposed fee has also been incorporated into the draft 2007/08 Management Plan.

**Conclusion:**

During the public notification period no submissions or enquires were received regarding the proposed fee. Following Council adoption of the fee, we will commence to promote amongst the commercial fitness industry the need for operators to apply to obtain a permit from Council to conduct their businesses on Council managed land. Following the completion of a 12 month trial period, a further report will be presented to Council for consideration regarding the management of the Commercial Fitness Training Policy.

David Sheils  
Manager Public Open Space

Warwick Hatton  
Director Technical Services

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**ANNEXURES:**

Nil

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**Item No:** R2 Recommendation to Council  
**Subject:** **Goods and Services Tax Compliance Certification**  
**Author:** Michelle Phair, Acting Finance Manager  
**File No:** 329G  
**Reason for Report:** To seek a recommendation to Council in regard to Goods and Services Tax compliance certification.

**Recommendation:**

THAT Council, having noted this report and the statement by the Responsible Accounting Officer, make the following resolution in regard to goods and services tax:

To assist compliance with Section 114 of the Commonwealth Constitution, we certify that:

- Voluntary GST has been paid by Woollahra Municipal Council for the period 1 May 2006 to 30 April 2007.
- Adequate management arrangements and internal controls were in place to enable Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.
- No GST non-compliance events by the Council were identified by or raised with the Australian Taxation Office.

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**Background:**

Circular 05/26 issued by the Department of Local Government (DLG) changed the requirements in regard to the certification of adequate management systems and internal controls in relation to the goods and services tax (GST) regime. Prior to the issue of this directive, Council's auditor was required to certify that our systems and controls were adequate. As of 2005/2006, this responsibility now rests with Council and the following certification needs to be resolved by Council and signed by the Mayor, a Councillor, the General Manager and the Responsible Accounting Officer (Manager Finance):

To assist compliance with Section 114 of the Commonwealth Constitution, we certify that:

- Voluntary GST has been paid by Woollahra Municipal Council for the period 1 May 2006 to 30 April 2007.
- Adequate management arrangements and internal controls were in place to enable Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.
- No GST non-compliance events by the Council were identified by or raised with the Australian Taxation Office.

A question has been raised with regard to the use of the term 'voluntary' in the above certification. The DLG advises this terminology has been used to merely reflect language applied under Section 5 of *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*. Council only makes GST payments which it is obliged by legislation to make.

The purpose of the GST compliance certificate via separate Council resolution is to allow the DLG to provide more accurate and current information to NSW Treasury. Last year, being the first year of this approach the certification covered the period 1 July 2005 to 30 April 2006. This year and in future years the certificate will cover 1 May to 30 April. The due date for the certification to the Department of Local Government is 1 June.

**Discussion:**

Last year, Council's auditor was requested to undertake an independent review of our GST management procedures and internal controls. Spencer Steer's statement in regard to this review was:

*Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the GST Management Systems were not adequate to enable compliance with GST Legislation.*

*Nothing has come to our notice with respect to any correspondence between Council and the Australian Taxation Office regarding outstanding taxation debts that are attributable to a Business Activity Statement (BAS).*

In addition to this, Spencer Steer undertake a continuing transactional based audit throughout the year which includes a check of GST transactions. The latest audit letter of April 2007 reveals no non-compliance in Council's GST management.

Council incorporates tight controls into its GST management procedures. Preparation of the monthly Business Activity Statement (BAS) includes transactional checks for items over \$5,000 to ensure correct GST treatment is applied. Additionally, all transactions with a GST category other than inclusive of GST are individually checked during BAS preparation. Furthermore, the GST control accounts are reconciled to the Business Activity Statement each month.

Council's GST management procedures and internal controls continue to enable compliance with GST Legislation. Council has not received any correspondence from the Australian Taxation Office with regard to outstanding taxation debts attributable to a Business Activity Statement. All Business Activity Statements have been lodged on time and Council's financial system and records together with Australian Taxation Office records via its electronic client interface confirm Council's Business Activity Statements for the period 1 May 2006 to 30 April 2007 have been lodged. The Australian Taxation contacted us in March 2007 seeking clarification of a large refund on our June 2006 Business Activity Statement. As a result of end of financial year processing, the June statement included Input Tax Credits for insurance premiums and a number of large contractor payments. No other issues have been raised by the Australian Taxation Office.

In addition to the auditor's statement, as Responsible Accounting Officer, I am very comfortable in recommending Council accept the GST compliance certification and I also certify that:

- Voluntary GST has been paid by Council for the period 1 May 2006 to 30 April 2007.
- Adequate management arrangements and internal controls are in place to enable Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.
- No GST non-compliance events have been identified by or raised with the Australian Taxation Office.

**Conclusion:**

Council's GST compliance certification for the period 1 May 2006 to 30 April 2007 is due to the Department of Local Government by 1 June 2007. Council is required to, by resolution, make the certification set out in the recommendation to this report. To assist in making the required resolution, as Responsible Accounting Officer I confirm that Council's GST management systems and internal controls are tightly managed and this is reflected in its auditor's statement and in the continuing transactional reviews performed which reveal no non-compliance events.

Michelle Phair  
Acting Manager Finance

Don Johnston  
Acting Director Corporate Services

**Item No:** R3 Recommendation to Council  
**Subject:** 26-28 Roylston Street, Paddington - Proposed Road Closure and Sale  
**Author:** Anthony Sheedy, Property Officer  
**File No:** 395.26-28  
**Reason for Report:** To give consideration to the closure and subsequent sale of unmade roadway in Sutherland Ave, adjoining the property of 26-28 Roylston St, Paddington.

**Recommendation:**

- A. That Council proceed with the road closure application, subject to receiving a 10% deposit of the Sale price before the application to close the road is made. This amount is to be non-refundable unless the Minister's approval to the closure is not given.
- B. That subject to the portion of road being closed, Council proceed with the sale of stratum unmade roadway adjoining 26-28 Roylston St, Paddington, with the following conditions:
1. That the stratum land to be sold is to be limited in height to the first floor sill height, as defined in Council resolutions of 11 December 2006 and 5 February 2007, but unlimited in depth.
  2. A purchase price of \$850 per square metre (exclusive of GST) is to be paid to Council subject to final survey.
  3. The balance of the purchase price is to be paid in full upon completion of the Sale.
  4. The owner of 26-28 Roylston St, Paddington is to pay all costs, including but not limited to GST, legal fees, survey etc associated with the closure and Sale.
- C. That the Seal of Council is to be affixed to all necessary documentation to effect the road closure and sale i.e. Contract for Sale of Land, Plan of Road Closure, Transfer documents etc.

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**Background:**

The Corporate and Works Committee considered this matter at its Meeting of 5 February 2007, where it was resolved to recommend to Council:

- A. *That the stratum portion of unmade road reserve in Sutherland Avenue, Paddington which adjoins 26-28 Roylston Street be valued for its market sale price, and in accordance with the adopted Corporate and Works Committee Meeting resolution of 11 December 2006.*
- B. *That a further report be submitted, following part A above, noting that in the previous resolution of the 11 December 2006 the sill height referred to was the "1<sup>st</sup> floor" sill.*

The resolution of 11 December 2006 was:

- A. *That the proposal to sell a stratum section of unmade road reserve adjoining 26-28 Roylston Street, Paddington be advertised and notified to adjoining properties, and further that the stratum be up to the sill height and that any necessary easements for access, services and support etc be provided.*

*That a further report be submitted, following part A above.*

- B. That the policy be changed so as to invite resident submissions at the time of the on-site inspection.*

**Valuation:**

In determining a value for the approximately 8.25 square metre stratum unmade road portion, Egan National Valuers (NSW) used the comparison approach and had reference to recent sales transactions in the near vicinity of the subject land. Considerations were made of size, shape, topography, location, and position relevant to the adjacent property. The Valuer also considered any benefit that would accrue in regard to consolidation of the unmade road portion with the adjoining property.

The current market value of the subject land as at 20 March 2007 is considered to be \$850 per square metre, which equates to about \$7000 for the estimated land parcel size of 8.25 square metres. This rate is consistent with valuations of land over the past 3 years in the Woollahra Local Government Area by the NSW Government's Department of Commerce.

The most reliable valuations use directly comparable current market sale evidence to determine value. Egan National Valuers have inspected and analysed recent sale transactions of improved residential property to assess the value that the subject land adds to the adjoining property.

Egan Valuers report stated that sales evidence during 2006 showed sales ranges of between \$500,000 and \$1,690,000 for improved sales with land sizes of between 108 and 145 square metres in the Paddington and Edgecliff area. The valuation report commented that these sales broadly indicate an added value of approximately \$3400 to 4700 per square metre, which yield a core land value of \$28,050 for the estimated 8.25 square metres subject portion.

Upon considering the sales evidence, and market indicators, specific adjustments have been made for:

- The characteristics of the location.
- The irregular shape of the parcel, being elongated and only 0.75 metre wide.
- Its limitation in height, being restricted to 3 metres and comprising a stratum parcel.
- Its location adjacent to a vertical cliff face adjoining and under the Sutherland Street roadway.
- The area of the site only being 8.25 square metres and incapable of being developed in isolation
- The lack of any natural light to the subject parcel.

The abovementioned factors reduce the core land value (essentially "rear land") by some 75% to give an estimated parcel value of \$7,000 or \$850 per square metre as at 20 March 2007.

Egan Valuers stated that if the ground floor area has a commercial use e.g. studio, then by reference to comparable "commercial strata sales within the Eastern Suburbs, a range of \$4,000 to \$5,000 per square metre would be deduced." Egan's are of the opinion that a notional balcony or terrace area (which the subject land could be likened to) "would be worth 15 to 20% of this value range i.e. \$600 \$1,000 per square metre equating to a value \$4,950 to \$8,250."

Council's Property staff believes that the assessed rate of \$850 per square metre as at 20 March 2007 is fair and reasonable.

**Easement for support:**

An easement of support is necessary where access is required to repair and maintain Council infrastructure such as retaining walls for roads like Sutherland Ave, Paddington. I note that in accordance with DA 889/2001 consent condition 40, Mr Cohen the adjoining owner of 26-28 Roylston St has installed rock anchors to stabilise the Sutherland Ave cliff face.

Council's Manager of Public Infrastructure has inspected this site and provided comments which indicate that an easement of support is unnecessary in these circumstances. In an email dated 14/5/07 he stated:

"The overhang at this location is reinforced by recently installed rock anchors. This overhang supports Council's road."

Council would only require an easement to this land if it was deemed that the overhang may become a threat in the future by the unlikely failure of these rock anchors. This event is highly unlikely. In any event if failure does occur the building would also be at risk and therefore it would be expected that the owner of 26-28 would co-operate with Council to remedy the matter. "

"I confirm that Council does not require an easement over the land which is subject to sale."

**Proposal:**

The adjoining owner of 26-28 Roylston St was advised of Council's valuation of an estimated \$7,000 for the subject stratum land portion, being a rate of \$850 per square metre subject to final survey. Mr Cohen has agreed to this proposed rate per square metre sale price including Council's terms and conditions regarding payment of all costs, payment of applicable GST, and that the sale price is subject to final determination of the land area by a registered Surveyor.

It is proposed to sell the stratum portion as defined in Council resolutions of 11 December 2006 and 8 February 2007. This stratum parcel will be limited in height but unlimited in depth.

The owner has also agreed to enter into all necessary easement covenants in connection with purchase of the unmade road portion, and wants to proceed with the purchase as soon as possible.

**Conclusion:**

The topography of the subject land makes it unusable for general pedestrian access over the road reserve portion. It is beneficial for the owner of the adjoining property to purchase the said stratum portion so as to improve their property security, and consolidate it with the existing land title. There is also Community benefit to the Council in the proceeds from the sale of a portion of road, which is not required for road purposes.

Pursuant to the 11 December 2006 & 8 February 2007 Council resolutions, the subject stratum portion of unmade road will be limited in height but unlimited in depth. It has been valued at a rate of \$850 per square metre and \$7,000 for an estimated 8.25 square metre size parcel, subject to final survey. Current market evidence indicates that the rate of \$850 per square metre as at 20 March 2007 is fair and reasonable.

The owner of 26-28 Royston St, Paddington has agreed to the proposed purchase price and all of the Council's terms and conditions for the sale, including to enter into all necessary easement covenants and pay all Council's costs in connection with purchase of the unmade road portion.

Because it is in the owner's best interests to ensure that cliff face underpinning and access to Sutherland Ave is maintained by Council; it is considered unnecessary to create an easement of 'support and access' over the subject land.

It is therefore recommended that Council now proceed with Sale of the land in accordance with the Council's adopted Policy and procedure for the Sale of Council land.

Anthony Sheedy  
Property Officer

Warwick Hatton  
Director, Technical Services

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**ANNEXURES:**

1. Topographic and locality map of Sutherland Avenue, Paddington.
2. Overhead photo of subject land (shown hatched) and Sutherland Avenue.
3. Architect's Plan drawing showing in hatched relief the area of the proposed road closure and sale.
4. Site photos.
5. South West Elevation of 26-28 Royston St building, showing FFL of window sill.