



# Corporate & Works Committee

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

**Date:** *Monday 21 July 2008*

**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 July 2008

To: His Worship The Mayor, Councillor Rundle, ex-officio  
Councillors      Andrew Petrie                      (Chair)  
                         Anthony Boskovitz  
                         John Comino                      (Deputy Chair)  
                         Claudia Cullen  
                         Marcus Ehrlich  
                         Fiona Sinclair King  
                         John Walker

Dear Councillors

### **Corporate & Works Committee Meeting – 21 July 2008**

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 July 2008 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 July 2008	1
D2	Monthly Financial Report – June 2008	2
D3	Hopetoun Avenue/Petrarch Steps, Vaucluse – Pedestrian Access – T240 – 240.	13
D4	104 Hopetoun Avenue, Vaucluse – Proposed Road Lease – 240.104	18
D5	Urban Sustainability Grant – Program Update – 1142.G	23

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

R1	Watsons Bay Tea Rooms Lease Tender 08/09 – Tender 08/09	31
R2	Privacy Management Plan – 802.G PRI	43

**Item No:** D1 Delegated to Committee  
**Subject:** **Confirmation of Minutes of Meeting held on 7 July 2008**  
**Author:** Les Windle, Manager – Governance  
**File No:** See Council Minutes  
**Reason for Report:** The Minutes of the Meeting of Monday 7 July 2008 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 July 2008 be taken as read and confirmed.

Les Windle  
Manager – Governance

**Item No:** D2 Delegated to Committee  
**Subject:** **Monthly Financial Report – June 2008**  
**Author:** Toby Andreassen, Financial Accountant  
Michelle Phair, Team Leader Financial Services  
**File No:** 349G  
**Reason for Report:** To present the monthly financial report for June 2008

**Recommendation:**

A. THAT the monthly financial report for June 2008 be received and noted.

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**Background:**

The monthly financial report for June 2008 is submitted to the Committee for consideration.

The monthly report includes the following:-

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

**Discussion:**

*Investment Update:*

Any additional investment updates received with regard to Council's investments will be tabled at the meeting.

*Summary of Investments:*

The Monthly Financial Report lists 'Technical Valuations' for Lehman Brothers and Oakvale Capital securities. It should be noted that the Financial Statements for the year ended 30 June 2008 will report the portfolio value at 'Fair Value' and therefore valuations may differ from this report.

Lehman Brothers have advised that due to the underlying performance of the Lehman Global Property Note no coupon was paid in June 2008. Council currently holds \$60k in this security which is due to mature in June 2009.

Investment portfolio returns for Oakvale Capital and Lehman Brothers for the month of June 2008 were -5.04% and -5.55% respectively. The portfolio returns calculated by Council since the portfolio's inception were -2.26% for Oakvale Capital and -7.56% for Lehman Brothers

Monthly reports for Oakvale Capital and Lehman Brothers are attached as **ANNEXURES 1 & 2** respectively.

Michelle Phair  
Team Leader Financial Services

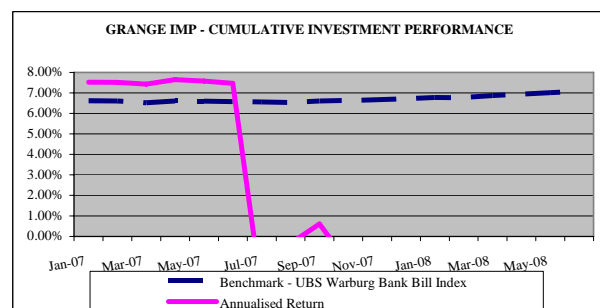
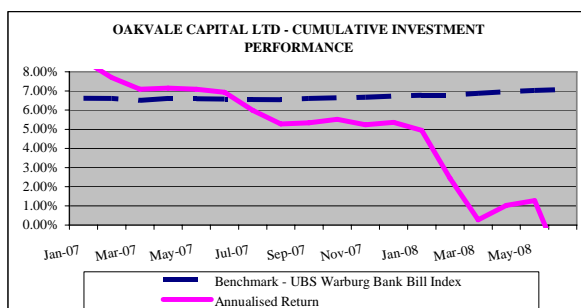
Toby Andreassen  
Financial Accountant

Don Johnston  
Manager Finance

**INVESTMENTS AS AT 30 JUNE 2008**

CATEGORY	PURCHASE DATE	MATURITY DATE	DAYS	%	FACE VALUE \$	TOTAL \$
<b>1. WMC INVESTMENTS</b>						
<u><b>BANK WEST</b></u>						
TERM DEPOSIT	17/04/2008	17/07/2008	91	8.08	1,500,000	
TERM DEPOSIT	20/05/2008	20/08/2008	92	8.08	1,000,000	
TERM DEPOSIT	28/05/2008	26/08/2008	90	8.04	1,500,000	
TERM DEPOSIT	03/06/2008	01/10/2008	120	8.17	2,000,000	
<u><b>NAB LIMITED</b></u>						
BANK BILL	26/05/2008	25/07/2008	60	7.82	2,000,000	
<u><b>ST GEORGE BANK LTD</b></u>						
TERM DEPOSIT	03/06/2008	03/07/2008	30	7.52	1,000,000	
<u><b>METWAY</b></u>						
TERM DEPOSIT	18/03/2008	02/07/2008	106	7.87	1,000,000	
<u><b>CITIBANK</b></u>						
TERM DEPOSIT	04/06/2008	05/08/2008	62	8.02	1,500,000	
TERM DEPOSIT	03/06/2008	05/08/2008	63	8.03	2,000,000	
TERM DEPOSIT	28/05/2008	28/08/2008	92	8.14	2,000,000	
<u><b>IMB LTD</b></u>						
TERM DEPOSIT	03/06/2008	02/09/2008	91	8.13	2,000,000	
TERM DEPOSIT	03/06/2008	03/12/2008	183	8.39	2,000,000	
<u><b>COMMONWEALTH BANK</b></u>						
ONLINE SAVER A/C					1,473,338	20,973,338

CATEGORY	SINCE INCEPTION RETURN ANNUALISED %	BENCHMARK %	MARGIN	TECHNICAL VALUATION \$	TOTAL \$
<b>2. OAKVALE CAPITAL Limited</b>					
Funds under management	-2.26	7.06	-9.32	7,450,814	7,450,814
* See Annexure 1					
<b>3. LEHMAN BROTHERS (formerly Grange Securities Ltd)</b>					
Funds under management	-7.56	7.06	-14.62	14,807,303	14,807,303
* See Annexure 2					
<b>GRAND TOTAL</b>					<b>43,231,455</b>



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  
TEAM LEADER FINANCIAL SERVICES

D. Johnston  
MANAGER FINANCE

Woollahra Municipal Council Portfolio						TECHNICAL VALUATIONS		
Security	Purchase Date	Final Maturity Date	Face Value (FV)	Premium / (Discount)	Purchase Price	30-Apr-08	31-May-08	30-Jun-08
<b>LEHMAN BROTHERES (formerly GRANGE SECURITIES)</b>								
<b>Issued by non-ADIs</b>								
Lehman Global Property Note	13/06/2007	15/06/2009	60,000	0	60,000	54,582	54,702	53,922
Herald Limited (Quartz AA)	04/07/2007	20/12/2010	400,000	2,428	402,428	302,732	320,964	269,860
BELO (Kalgoorlie AA+)	27/02/2007	27/02/2012	500,000	0	500,000	447,130	431,745	419,785
Magnolia (Flinders AA)	08/06/2007	20/03/2012	500,000	4,950	504,950	430,215	429,155	381,275
Omega (Henley AAA)	20/12/2006	22/06/2012	450,000	0	450,000	334,607	353,817	304,227
Helium (Esperance AA+)	04/07/2007	20/03/2013	500,000	125	500,125	338,375	361,155	282,605
Zircon (Merimbula AA)	06/06/2007	20/06/2013	250,000	0	250,000	131,500	146,875	111,738
Corsair (Torquay AA)	04/07/2007	20/06/2013	500,000	400	500,400	317,095	337,360	261,135
Start (Blue Gum AA-)	08/01/2007	22/06/2013	400,000	1,316	401,316	262,184	277,904	220,868
Corsair (Kakadu AA)	22/01/2007	20/03/2014	500,000	-50	499,950	247,735	272,865	234,460
Helium (Scarborough AA)	17/01/2007	23/06/2014	400,000	844	400,844	252,904	271,988	223,740
Helium (Scarborough AA)	04/07/2007	23/06/2014	500,000	1,320	501,320	316,130	339,985	279,675
Helium (Scarborough AA)	23/07/2007	23/06/2014	500,000	850	500,850	316,130	339,985	279,675
Zircon (Coolangatta AA)	20/03/2007	20/09/2014	500,000	0	500,000	257,675	268,830	195,310
Beryl (AAA Global Bank Note)	03/04/2007	20/09/2014	100,000	0	100,000	88,706	87,397	83,776
Zircon (Coolangatta AA)	04/07/2007	20/09/2014	500,000	-50	499,950	257,675	268,830	195,310
Beryl (AAA Global Bank Note)	04/07/2007	20/09/2014	350,000	-25	349,976	310,471	305,890	293,216
Aphex (Glenelg AA-)	04/07/2007	22/12/2014	500,000	145	500,145	359,855	376,490	316,570
Aphex (Glenelg AA-)	10/01/2007	22/12/2014	500,000	-30	499,970	359,855	376,490	316,570
MAS6-7 (Parkes IIA 'AA-')	13/06/2007	20/06/2015	450,000	2,822	452,822	181,931	199,845	122,531
MAS6-7 (Parkes IIA 'AA-')	04/07/2007	20/06/2015	500,000	2,700	502,700	202,145	222,050	136,145
Zircon (Miami AA)	16/04/2007	20/03/2017	50,000	-5	49,996	27,192	28,021	20,428
			8,910,000	37,706	8,947,706	5,796,823	6,072,342	5,002,820
<b>Issued by ADIs</b>								
ANZ Principal Protected Yield Curve Note (AA)	17/07/2007	17/07/2008	100,000	0	100,000	90,351	92,221	89,930
Bank of Queensland (BBB+)	04/07/2007	30/10/2008	1,000,000	10,620	1,010,620	998,060	1,006,120	1,012,800
Home Building Society FRN (BBB+)	10/01/2007	17/08/2009	500,000	6,080	506,080	503,640	496,975	498,370
Home Building Society FRN (BBB+)	11/01/2007	17/08/2009	500,000	6,070	506,070	503,640	496,975	498,370
Royal Bank of Scotland (AA)	04/07/2007	28/10/2009	500,000	2,000	502,000	492,440	494,475	493,385
Elders Rural Bank Sub Debt (BBB-)	04/07/2007	23/03/2010	500,000	3,880	503,880	486,465	490,935	479,915
NM Rothschild FRSD (unrated)	09/07/2007	10/08/2010	1,000,000	1,310	1,001,310	976,100	963,960	963,310
HSBC Sub Debt (AA-)	04/07/2007	20/05/2011	500,000	-50	499,950	487,755	480,230	469,200
Suncorp Metway Sub Debt (A)	19/01/2007	22/06/2011	500,000	705	500,705	481,560	488,040	476,100
St George Bank Sub Debt (A+)	10/01/2007	26/07/2011	1,000,000	1,120	1,001,120	947,170	987,860	968,380
HSBC FRN (AA-)	07/02/2007	22/09/2011	500,000	1,170	501,170	471,010	470,440	469,185
CBA FRN (AA)	19/01/2007	28/09/2011	500,000	1,600	501,600	486,300	491,155	479,840
CBA FRN (AA)	31/01/2007	28/09/2011	500,000	1,635	501,635	486,300	491,155	479,840
CBA FRN (AA)	04/07/2007	28/09/2011	500,000	1,805	501,805	486,300	491,155	479,840
Westpac FR Sub Debt (AA)	07/02/2007	24/01/2012	500,000	295	500,295	478,375	484,590	483,170
Royal Bank of Scotland (AA)	31/07/2007	17/02/2012	1,000,000	1,460	1,001,460	964,680	947,670	939,410
Adelaide Bank FRN (BBB+)	04/07/2007	28/03/2012	500,000	885	500,885	479,435	484,190	481,380
			10,100,000	41,400	10,141,400	9,819,581	9,858,146	9,762,425
Macquarie Cash Trust (AAA)			CASH	0	CASH	69,359	4,002	42,059
Bank West I lam at call			0	0	0	650,000	650,000	0
			0	0	0	719,359	654,002	42,059
<b>Total Lehman Brothers</b>			<b>19,010,000</b>	<b>79,106</b>	<b>19,089,106</b>	<b>16,335,762</b>	<b>16,584,490</b>	<b>14,807,303</b>

Security	Purchase Date	Final Maturity Date	Face Value (FV)	Premium / (Discount)	Purchase Price	30-Apr-08	31-May-08	30-Jun-08
<b>OAKVALE CAPITAL</b>								
Aramis (Merrill Lynch) - ABS	02/04/2007	20/12/2012	1,000,000	0	1,000,000	624,336	602,042	123,341
Momentum CDO-Credit Linked Note	29/06/2007	30/06/2012	1,000,000	0	1,000,000	940,980	941,890	876,490
Emerald Reverse Mortgage Series 2007-1 Class B	06/07/2007	06/07/2011	1,000,000	0	1,000,000	982,960	990,670	995,290
Merrill Lynch-Blackrock Diversified Credit Fund	05/01/2007		3,000,000	0	3,000,000	3,009,233	3,040,731	3,029,600
Adelaide Bank MF-AMF Yield Fund (AAA Saver)			2,426,093	0	2,426,093	2,426,093	2,426,093	2,426,093
<b>Total Oakvale Capital</b>			<b>8,426,093</b>	<b>0</b>	<b>8,426,093</b>	<b>7,983,602</b>	<b>8,001,426</b>	<b>7,450,814</b>
<b>WMC Investments</b>								
St George Term Deposit (7.52% 30 days)	03/06/2008	03/07/2008	1,000,000	0	1,000,000	0	0	1,000,000
St George Term Deposit (7.87% 90 days)	18/03/2008	16/06/2008	0	0	0	1,000,000	1,000,000	MATURED
NAB Bank Bill (7.59% 60 days)	26/05/2008	25/07/2008	2,000,000	0	2,000,000	2,000,000	2,000,000	2,000,000
Citibank Term Deposit (8.03% 60 days)	03/06/2008	05/08/2008	2,000,000	0	2,000,000	0	0	2,000,000
Citibank Term Deposit (8.02% 60 days)	04/06/2008	05/08/2008	1,500,000	0	1,500,000	1,500,000	1,500,000	1,500,000
Citibank Term Deposit (8.14% 92 days)	28/05/2008	28/08/2008	2,000,000	0	2,000,000	2,000,000	2,000,000	2,000,000
Bank West Term Deposit (8.08% 92 days)	20/05/2008	20/08/2008	1,000,000	0	1,000,000	0	1,000,000	1,000,000
Bank West Term Deposit (8.04% 90 days)	28/05/2008	26/08/2008	1,500,000	0	1,500,000	0	1,500,000	1,500,000
Bank West Term Deposit (7.93% 90 days)	17/06/2008	24/06/2008	1,000,000	0	0	1,000,000	1,000,000	MATURED
Bank West Term Deposit (8.08% 90 days)	17/04/2008	17/07/2008	1,500,000	0	1,500,000	1,500,000	1,500,000	1,500,000
Bank West Term Deposit (8.17% 120 days)	03/06/2008	01/10/2008	2,000,000	0	2,000,000	0	0	2,000,000
Metway Term Deposit (7.87% 106days)	18/03/2008	02/07/2008	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000
IMB Term Deposit (8.39% 183 days)	03/06/2008	03/12/2008	2,000,000	0	2,000,000	0	0	2,000,000
IMB Term Deposit (8.13% 91 days)	03/06/2008	02/09/2008	2,000,000	0	2,000,000	0	0	2,000,000
CBA Online Saver			1,473,338	0	1,473,338	1,403,296	3,610,597	1,473,338
<b>Total WMC Investment</b>			<b>21,973,338</b>	<b>0</b>	<b>20,973,338</b>	<b>15,403,296</b>	<b>16,110,597</b>	<b>20,973,338</b>
<b>Total Portfolio</b>			<b>49,409,431</b>	<b>79,106</b>	<b>48,488,536</b>	<b>39,722,660</b>	<b>40,696,514</b>	<b>43,231,455</b>

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

Cash Book Balance as at 31 May, 2008

83,755.76

**Receipts**

Rates 2,294,873.47  
Other 24,999,580.60 27,294,454.07

**Total Receipts**

Description	Amount
Sundry Debtors Control	- 1,054,010.53
Parking Fines	- 325,541.00
Deposits & Bonds Control Account	- 288,953.25
Other Developer Contributions	- 109,201.49
GST Clearing Balance Account	- 100,508.00
Security Deposit Misc Deposits	- 99,755.25
Disposal (Asset) Clearing Account	- 99,587.71
Trade Waste Debtors Control	- 99,543.09
Development Application Fees	- 93,126.89
Recovered Costs	- 59,310.10

**Payments - Cheque**

Cheque Payments (2,482,524.34)  
Cancelled Cheques 12,312.85  
Total Cheque Payments for period (2,470,211.49)

Cheque No	Cheque Date	Payee	Description	Amount
199966	26/06/2447	Statewide Mutual	Fidelity Insurance renewal 1/7/08-30/6/09	- 903,161.81
199958	18/06/2447	NSW Fire Brigades	1st qtr contribution for 2008/09	- 435,570.00
199844	24/02/2447	Energy Australia	Street lighting for May 08	- 99,086.20
199760	02/12/2446	Ausflow Irrigation Pty Ltd	Christison Park Irrigation Project	- 91,575.00
200001	31/07/2447	Withheld	Architectural costs 594-596 NSH Rd; Wunulla Rd	- 87,000.00
199939	30/05/2447	Barloworld Volkswagen	Purchase council fleet	- 63,346.22
199871	23/03/2447	Unicorn Landscaping Services	Restoration work to wall/paths - Hopetoun Av.,	- 49,300.00
199909	30/04/2447	Subaru Rushcutters Bay	Purchase council fleet	- 35,930.82
199803	14/01/2447	Withheld	Rates refund	- 32,769.00
199824	04/02/2447	Withheld	Refund of security deposit	- 28,000.00

**Payments - EFT**

EFT Payments (23,742,370.23)  
Returned EFT Payments 0.00  
Total EFT Payments for period (23,742,370.23)

Reference	EFT Date	Payee	Description	Amount
17831	19/06/2008	WSN Environmental Solutions	Tipping charges	-363,490.37
17812	19/06/2008	MacDonald Johnston Engineering	Heavy vehicle purchases x 2	-282,700.00
17888	26/06/2008	Ozpave (Aust) Pty Ltd	General works - Rowe St., Woollahra	-195,415.90
200608	20/06/2008	Sulo MGB Australia	Purchase of garbage bins	-148,840.01
17771	12/06/2008	WSN Environmental Solutions	Tipping charges	-146,142.72
17773	13/06/2008	Asphalts Consulting & Testing	General works - Fernleigh Av., Rose Bay	-145,749.23
17881	26/06/2008	Local Govt Super Scheme-Div.A	Employer/Employee Super contributions for May08	-135,563.04
300608	30/06/2008	CBA Loan Principal	Loan repayment	-121,967.84
49	11/06/2008	Australian Taxation Office	PAYG TAX 49	-116,840.08
17651	05/06/2008	Collex Waste Management	Collection of recyclable waste	-112,676.05

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

Payroll (1,265,145.03)  
Bank Charges (20,959.12)  
Credit Cards (5,430.36)  
Councillors' fees (36,000.00)  
Council Rates 0.00  
Total Direct Debits for period (1,327,534.51)

**Total Payments**

- 27,540,116.23

**Cash Book Balance as at 30 June 2008**

- 161,906.40

Unpresented Cheques No. of Cheques: 188 328,083.27

Outstanding Deposits & Miscellaneous Items - 67,152.18

**Reconciled Cash Book Balance as at 30 June 2008** 99,024.69

**Bank A/c Balance as at 30 June 2008** 99,024.69

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

Cheque No.	Cheque Date	Payee	Amount
199682	29/05/2008	Steven Flanigan	44,000.00

**Item No:** D3 Delegated to Committee  
**Subject:** **Hopetoun Avenue/Petrarch Steps, Vacluse – Pedestrian Access**  
**Author:** Frank Rotta, Traffic Engineer  
**File No:** T.240 240.  
**Reason for Report:** Report on the results of public consultation for the proposal to widen the nature strip and to introduce a pedestrian-proof fence on the north side of Hopetoun Avenue.

**Recommendation:**

- A. That Council regrade the nature strip outside 6-10 Hopetoun Avenue
- B. That Council relocate the arris rail fence and regrade and return the section of nature strip between Nos.12-18 Hopetoun Avenue to improve pedestrian access to these properties.
- C. That Council plant the verge on the northern side of Hopetoun Avenue with barrier planting, from the eastern side of the driveway outside No.18 Hopetoun Avenue to the southern side of the driveway to No.24 Hopetoun Avenue to prevent pedestrian crossing and pedestrian access along this section of Hopetoun Avenue.

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**Background:**

Council has previously received correspondence from residents of Hopetoun Avenue claiming that it is dangerous for pedestrians to walk along the northern side of Hopetoun Avenue, generally between Wentworth Road and Petrarch Avenue steps, Vacluse.

At the Corporate and Works Committee meeting held on 8 October, 2007, Council considered a report on this matter which recommended:

- A. *That Council relocate the arris rail fence and regrade and return the section of nature strip between Nos. 6-16 Hopetoun Avenue to improve pedestrian access to these properties.*
- B. *That Council provide a pedestrian proof fence behind the kerb from the eastern side of the driveway outside No. 18 Hopetoun Avenue to the southern side of the driveway to No.24 Hopetoun Avenue to prevent pedestrians crossing and pedestrian access along this section of Hopetoun Avenue.*
- C. *That Council advise the residents of the properties on the northern side of Hopetoun Ave between Wentworth Road and Petrarch Ave that the works referred to in A. and B. above are for safety reasons and that pedestrians should be using the concrete footpath on the southern side of Hopetoun Avenue at this location.*

At this meeting Council resolved to defer this matter to allow for a period of public consultation and that notification of this proposal include residences Nos. 6 - 26 Hopetoun Avenue and also residences on the opposite side of the road.

A letter and a plan detailing this proposal was circulated during November 2007 to twenty-five residences in close proximity to the proposed works including the residences specified in Council's resolution. The proposal incorporates:

- Regrading of the nature strip outside Nos 6-10 Hopetoun Avenue (minor works),

- Relocation of the existing arris rail fence and regrading of the nature strip outside Nos. 12-18,
- Construction of a pedestrian proof fence outside Nos. 22-24.

**Issues:**

A total of seven responses were received. Four of these responses were received from residents in the immediate vicinity of the proposal and three uninvited submissions were received from residents of Hopetoun Avenue/ Wentworth Road properties which are remote from the proposal. Two of these submissions were concerned with other aspects of Hopetoun Avenue, not related to the fencing being proposed at this location. The third submission (from a Wentworth Road resident) refers to the recent traffic calming works undertaken by Council at this location as well as the access along the northern nature strip of Hopetoun Avenue which is the focus of this report.

Of the four submissions received from residents in the vicinity of the proposal, three respondents favour the proposal and one respondent opposes the proposal. Objection to the proposal is based on the visual effect of the proposed fencing. The submission from the resident of Wentworth Road objects to the proposal on the basis of perceived safety problems and access along the section of nature strip which is the subject of this report.

A summary of the various matters raised in the submissions and comments on each matter are provided below:

Matter Raised	Matter Raised Comments
The fence will impact on views from residences across the road.	The proposed fence is what is generically referred to as a “pool” fence. The fence is see-through and only 1.2 metres in height. The colour of the fence will be sympathetic with the adjacent shrubbery. Council’s Landscaping Section was requested to investigate a natural alternative to the pool fence and have suggested a number of species that could be grown as a pedestrian proof hedge at this location.
Remove parking lane on the northern side of Hopetoun Avenue near Nos. 10-18 and provide extra width for parking on the southern side.	Removal of the northern parking lane would promote higher vehicle speeds in Hopetoun Avenue and therefore is not favoured. The current layout is based on safety principles and provides for an up-hill bike lane to accommodate cyclists travelling up the steep hill to New South Head Road. A separate bike lane on the northern (eastbound) side is not required.
Install a pedestrian crossing across Hopetoun Avenue at its intersection with New South Head Road.	Pedestrian volumes at this intersection are low and therefore the RTA warrants for a pedestrian crossing will not be met.
Create a “surreptitious” pedestrian crossing near to the Petrarch Steps, in similar location to the proposed pedestrian crossing point near 11 Hopetoun Avenue as shown on Council’s plan.	Council cannot provide a formal pedestrian crossing point along this section of roadway, but can provide a location east of Petrarch Steps with improved sight distances for pedestrians who wish to cross this road.
Cut trees/shrubs on the northern side of Hopetoun Avenue to improve sight distance.	This conforms with the proposal.
Increase the width of the proposed nature strip between Nos.6 -16 Hopetoun Avenue to more than 1.0 metres.	The regrading and returfing of this section of path and the relocation of the arris rail fence at this location will be sufficient to satisfy resident concerns
Remove the median strip in Hopetoun Avenue.	This matter is unrelated to the pedestrian safety issue.

Replace the existing water-logged southern footpath.	This footpath has been reconstructed as part of the 2007/2008 Infrastructure Renewal Program and includes sub-soil drainage to remedy the seepage problem.
Remove shrubs and vegetation to provide pedestrian access along the northern side of Hopetoun Avenue in front of Nos 18-22.	The reason for this report is stop the public from using this section of nature strip because it is narrow, dangerous and at the top of a steep embankment which cannot easily be converted into a safe public footpath.
The writer claims that the recently installed median islands are a danger for pedestrians wishing to walk along the northern side of the roadway adjacent to the overgrown nature strip.	The median islands were installed as traffic calming to slow vehicles down. Pedestrians should not walk along the roadway but should use the footpath on the southern side of Hopetoun Avenue at this location.

The low number of responses and objection to the proposal indicates that the residents in the vicinity of the works are not generally concerned with the proposal.

The objector from Wentworth Road would like to be able to walk along the northern side of Hopetoun Avenue either on the nature strip or along the roadway. The objector also voices opposition to the recently installed median islands as these islands “squeeze” traffic thereby making it dangerous for him to walk along the road carriageway on the northern side of Hopetoun Avenue outside Nos 18-22. It is pointed out that neither route offers safe passage to pedestrians. Pedestrian traffic on the carriageway is dangerous and is not condoned, and the existing nature strip on the northern side of the street is of insufficient width, even if cleared of vegetation, to provide a safe route for pedestrians. The steep and high embankment at this location makes the provision of a footpath of suitable width and safety on the northern side of Hopetoun Avenue prohibitively expensive.

With respect to the traffic calming at this location, this has been highly effective in reducing vehicle speeds in Hopetoun Avenue and should be retained. Nevertheless, even if these measures were to be removed as requested, pedestrian traffic on the carriageway would not be condoned.

It is pointed out that a recently restored footpath of suitable and safe width is conveniently located on the southern side of Hopetoun Avenue for the ready use of the public.

In view of the objection to the appearance of the proposed fence, Council’s Landscape Section and Open Space Manager were consulted to recommend suitable low maintenance species of plants which could provide a barrier for pedestrians wanting to cross Hopetoun Avenue and to walk along the naturestrip in front of and in the vicinity of Nos 18-22 Hopetoun Avenue, Vauclose. This would be in lieu of the proposal for fencing. After careful consideration it was agreed that the planting of native grasses and monocots such as *Lomandra longifolia* and its cultivars and *Dianella cerulia* and its cultivars would provide the optimum solution to achieve Council’s aims. This type of planting has been used very successfully in a number of landscaping projects around Woollahra recently.

Some of the benefits of using these species are:

1. They are highly suitable for our local conditions because they were bred from local species.
2. They grow and establish quickly with little maintenance.
3. They are very drought tolerant, especially some of the new cultivars.
4. They get very little dieback compared with more traditionally used ornamental grass species.
5. They give a very aesthetically pleasing architectural finish to a bed or bank area.
6. They look good en masse or mixed with other native shrubs.
7. Their look is stylish and popular with residents.

Unlike most shrub species, these monocots have a fixed maximum leaf length, so final heights and widths of the adult plant can be accurately estimated. This minimises the likelihood of plants growing over signage, or encroaching on roads. This in turn will also ensure that they will not interfere with any views for the residents on the southern side of Hopetoun Avenue.

A copy of a plan indicating the revised proposal is attached as Annexure 1. Planting of a barrier in lieu of a structural fence will save approximately \$2,000.

**Identification of Income and Expenditure:**

The cost of these works is \$16,000 and will be funded from the current Infrastructure Renewal Program.

**Conclusion:**

The proposal resolves two pedestrian safety issues namely, the hazard for residents of Nos.6-18 Hopetoun Avenue in walking from their vehicles to their premises, and the hazard for the general public walking on the unsuitable northern footpath outside Nos.22-24 Hopetoun Avenue.

The provision of barrier planting with low maintenance implications in lieu of a pedestrian-proof fence is favoured.

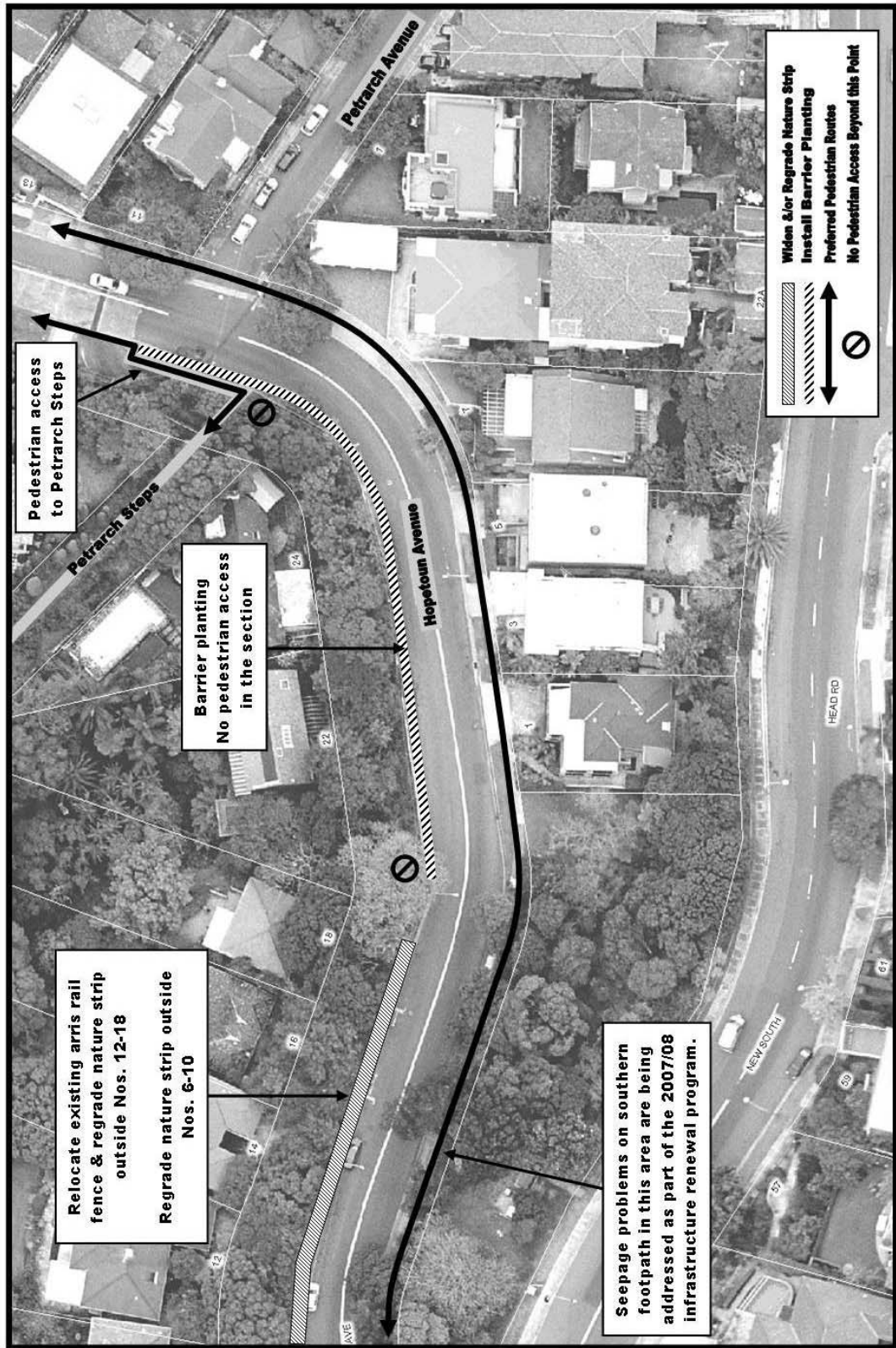
Frank Rotta  
**Traffic Engineer**

Warwick Hatton  
**Director Technical Services**

Annexures:

1. Plan of proposal for widened nature strip and planting in Hopetoun Avenue.

**ANNEXURE 1  
 HOPETOUN AVENUE / PETRARCH STEPS—PEDESTRIAN ACCESS  
 REVISED PLAN (10 JULY 2008)**



**Item No:** D4 Delegated to Committee  
**Subject:** **104 Hopetoun Avenue, Vacluse - Proposed Road Lease**  
**Author:** Anthony Sheedy, Property Officer  
**File No:** 240.104  
**Reason for Report:** To give consideration to the lease of unmade roadway adjoining the property.

**Recommendation:**

- A. That the proposal to lease a portion of the unmade road reserve adjoining 104 Hopetoun Avenue, Vacluse be valued for its current market lease rental.
- B. That the valuation be submitted with a further report to Council.

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**Background:**

Following a site inspection, the Corporate and Works Committee considered this matter on 7 April 2008, when it was resolved:

- A. That the proposal to lease a portion of the unmade road reserve adjoining 104 Hopetoun Avenue, Vacluse be advertised and notified to adjoining properties.*
- B. That any proposed lease contain a condition that the owner of 104 Hopetoun Avenue prune and maintain the vegetation overhanging the public footpath.*

The site inspection was to consider a proposal to lease an area of 51.52 square metres of unmade road to adjoining owners of 104 Hopetoun Avenue, to formalise an existing encroachment, which is used to extend the available area at the front of the property for children to play in.

The road verge at this location has steeply sloping topography, which does not allow easy pedestrian passage on areas other than the Council's concrete footpath. The area of encroachment is significant and a low-rise rendered masonry wall and metal fence have been constructed on the road reserve which effectively forms a boundary between public access and private use.

Pursuant to Council's resolution of 7 April 2008, an advertisement was placed in the Wentworth Courier of 16 April 2008 calling for any public submissions to be made within 28 days of the public notice. Neighbours within a 50 metre radius of the subject land were also issued a letter of notice and a copy of the plan detailing the proposal to lease the unmade road portion to the adjoining owner of 104 Hopetoun Ave, Vacluse (Annexure 1).

Two letters were received by Council within the 28 day period. One was received on 19 May, three days after the advertising period closed, but has been included in the table below for completeness. All of the letters received were registering an objection to the proposal. The location of the objectors' residences in relation to the subject land is shown in Annexure 2.

Receipt Date	Owner Address	Particulars of Objection
7 May 2008	98 Hopetoun Ave	<ul style="list-style-type: none"> <li>▪ Resident owner objects to Council offering “nature strips” for the exclusive benefit of an adjoining property owner. Creates precedent for the potential destruction of street line of property boundaries in Hopetoun Ave or elsewhere.</li> <li>▪ There appears to be no community benefit. Rental value is insignificant when measuring against the value of the nature strip to Hopetoun Ave residents.</li> <li>▪ Council should differentiate between those property owners who maintain the nature strip and those who enclose for private use.</li> <li>▪ Resident owner asserts that Council has no established guidelines and acts in ad hoc manner when determining what land is to be leased.</li> <li>▪ Lease advertisement is ineffective and does not address the real issue.</li> </ul>
13 May 2008	96 Hopetoun Ave	<ul style="list-style-type: none"> <li>▪ Resident owner objects to proposed road lease as the visual continuity of house boundaries along Hopetoun Ave will be broken.</li> <li>▪ Owner of No 104 has attempted to coerce Council by an illegal appropriation of public land and requested “post hoc” approval for their “fait accompli”.</li> <li>▪ Council’s lease approval would set dangerous precedent and similar widespread actions would be contrary to the public interest.</li> <li>▪ On the basis of equity all or no households should be permitted to act similarly.</li> <li>▪ The proposed approval conflicts with the Council’s residential development control plan (RDCP).</li> </ul>
19 May 2008	Burrabirra Ave, Vaucluse	<ul style="list-style-type: none"> <li>▪ Resident owner concerned about fencing/foilage planted by the adjoining owner of 104 Hopetoun Ave which is blocking the pedestrian footpath access.</li> <li>▪ Hopetoun Ave has an open streetscape and this inclusion does not fit well into the balance of the footpath reserve.</li> <li>▪ Resident owner objects to the lease proposal, and requests removal of dense plantings adjoining the footpath.</li> <li>▪ Formalising of encroachment is inappropriate with regard to fellow ratepayers and possibly not in accordance with the law.</li> </ul>

As can be observed from the table, the main concerns of neighbours are that a precedent may be set by formalising the encroachment through a grant of lease, and that the encroachment impacts upon the Hopetoun Ave streetscape.

Council does not act in an “ad hoc” manner on encroachment matters. The proposal to lease the land is in accordance with Council’s recently adopted Policy for the Management of Encroachments on Road Reserves.

The intention to lease will be publicly advertised, and the lease will be subject to payment of rent commensurate with the valuation of land use, by a certified valuer.

As stated in the Policy, a lease is the preferred arrangement where a fenced or hedged area is created that gives the adjoining owner exclusive use of the land, or is formed as a car parking space, *and the Council agrees to allow the encroachment to remain.* Council, as Road Authority under the Roads Act 1993, is empowered to grant a road lease provided that the lease is for a period not exceeding five years and contains only “a fence or temporary structure that can easily be demolished or removed”.

In this case, and following inspection, it is considered that Council may agree that the encroachment can remain (if formalised) because of the sloping topography of the road reserve, between the footpath and property boundary in the vicinity of 104 Hopetoun Avenue, rendering the land largely unsuitable for pedestrian traffic and requiring some form of stabilisation by garden walls, embankments or the like. These treatments are also in evidence on the road reserve adjoining some neighbouring properties. In the circumstances, a smooth passageway along the property boundary line is not possible as asserted in the objectors’ letters.

The owners of 104 Hopetoun Avenue note that the landscaping adds to the street amenity, and removes Council's need to provide maintenance for this area. The road reserve adjoining 104 Hopetoun Ave has low rise shrubs (garden plantings) and mature trees upon it which retain the scenic qualities provided by natural vegetation. This is in keeping with the intention of the residential development control plan (RDCP). From the road kerb it is not possible to see the steel fencing as it is hidden by vegetation. With respect to this, the Committee meeting of 7 April 2008 resolved that the lease should contain a provision to prune and maintain the vegetation overhanging the public footpath, so as to maintain good pedestrian access.

The owners have agreed to pay all Council's costs in connection with the lease of the unmade road portion.

**Conclusion:**

The Manager Engineering Services has advised that there are no road widening plans in respect of land adjoining 104 Hopetoun Avenue and, because of the steeply sloping topography, the subject land is of little practical value for pedestrian access. The area is landscaped and the planting adds to the streetscape character.

There will be a benefit for the owner of 104 Hopetoun Avenue to lease the unmade road portion. In return, there will be a benefit to the community from the proceeds of the lease rental, for a portion of road which is not required for road purposes.

The lease term will be for five years, at which time Council will be required to review the circumstances and determine whether a further five year lease should be granted.

It is recommended that a current market lease rental valuation be obtained, followed by a further report to the Corporate and Works Committee.

Anthony Sheedy  
Property Officer

Warwick Hatton  
Director Technical Services

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**Annexures:**

1. Copy of the proposed lease area plan.
2. Cadastral plan showing objector location in relation to the subject property.

**Item No:** D5 Delegated to Committee  
**Subject:** Urban Sustainability Grant – Program Update  
**Author:** Chris Munro  
**File No:** 1142.G  
**Reason for Report:** To provide Council with an update regarding the Urban Sustainability Grant Program and the progress made on specific Sustainability Projects.

**Recommendation:**

- A. That Council note this report as the first update of the Urban Sustainability Grant Program and the progress made under the ‘3 Council Ecological Footprint Project’.
- B. That Council be advised of the Sustainability Projects undertaken between the three participating councils.

**Background:**

The basis for the collaboration between the 3 Councils above is a three year Urban Sustainability Grant project from The Department of Environment and Climate Change (DECC) totalling \$1.875 million dollars, called the ‘3 Councils Ecological Footprint Project’. This project was reported to the Community and Environment Committee on the 25 February 2008, advising of the success of the grant project. A copy of that report is attached as Annexure 1.

This 3 Council Ecological Footprint Project adopts an integrated approach that focuses on capacity building between the three Councils and the local community to implement a range of tangible actions capable of producing measurable reductions in the Ecological Footprint across the Eastern Suburbs.

Each Council will undertake at least one major and one minor project, together with a number of joint projects that will be coordinated across the three local government areas.

**Project Update:**

	<b>Project</b>	<b>Council Area</b>	<b>Current Status</b>	<b>Outcome</b>
Major Project	Water Sensitive Urban Design: Rose Bay Promenade	Woollahra	Completed	<ul style="list-style-type: none"> <li>• Retrofit 11 parking bays for collection and treatment of stormwater runoff from New South Head Road</li> <li>• 200,000L storage capacity</li> <li>• Re-use of treated stormwater for irrigation</li> <li>• Increase water quality at Rose Bay</li> </ul>
	Commercial Organic Food Waste Collection Trial	Randwick & Waverley	Pre-trial waste audit scheduled for mid July	<ul style="list-style-type: none"> <li>• This trial will test the viability and environmental benefits of recovering food organics from local cafes and restaurants for reprocessing and reuse as composted soil on a permanent basis.</li> </ul>

	<b>Project</b>	<b>Council Area</b>	<b>Current Status</b>	<b>Outcome</b>
Minor Project	Home Energy Makeover	All	Due to commence in July/August	<ul style="list-style-type: none"> <li>• A minimum of 400 residential Home Energy Audits completed spread across the three Councils.</li> <li>• Option to extend up to 1,200 audits and include local businesses.</li> </ul>
Joint Projects	Barrett House: Sustainable Demonstration House	All	Development Application for retrofit to be lodged to Council by Michael Mobbs mid July.	<ul style="list-style-type: none"> <li>• Public facility displaying working examples of practical sustainability measures incorporating: energy and water efficiency, sustainable transport options, productive gardens, the use of sustainable building materials, waste avoidance, minimisation and recovery.</li> </ul>
	Sustainability Street (Vox Bandicoot)	All	Under investigation	<ul style="list-style-type: none"> <li>• An innovative environmental and community development program.</li> <li>• Sustainability Street educates and engages community members in sustainable living practices and initiatives.</li> </ul>
	Eco-Fingerprinting (Vox Bandicoot)	All	Under development	<ul style="list-style-type: none"> <li>• An online tool providing the opportunity for community engagement and action to begin reducing the individual size of the Ecological Footprint.</li> <li>• Recently endorsed by David Suzuki.</li> </ul>
	Website	All	Under development	<ul style="list-style-type: none"> <li>• A new website that improves the communication of, and increase community participation in, the 3 Council Ecological Footprint Project</li> </ul>

All the above projects comply with the funding conditions and have been approved by the Department of Environment and Climate Change through the 3 Council Ecological Footprint Business Plan.

It is proposed that the Home Energy Makeover project will be undertaken across the three council area targeting different housing types. In Woollahra the project will target the Paddington Area to record energy use of residents living in terrace housing. The data can then be used to compare energy use in differing housing types within Woollahra, Randwick and Waverley.

#### **Identification of Income & Expenditure:**

Randwick Council is administering the funding for this project which includes administration and support of the project officer appointed to work with the three Councils for the duration of the project.

The total funding for the three year period of this project totals \$1.875 M, divided equally between the three participating Councils with contributions of \$75,000 per year per Council. Woollahra's contribution comprises in-kind support and financial support provided through the environmental levy funding.

**Conclusion:**

The Project Officer based at Randwick will continue to provide regular reports on the progress and projects carried out as part of the 3 Council Ecological Footprint Project.

Chris Munro  
Sustainability Projects Co-ordinator

Warwick Hatton  
Director Technical Services

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**Annexures:**

1. Report to Community and Environment Committee 25 February 2008.

**Item No:** R1 Recommendation to Council  
**Subject:** **Watsons Bay Tea Rooms Lease Tender 08/09**  
**Author:** Trevor Sutton – Property Officer  
Zubin Marolia – Manager Property & Projects  
**File No:** Tender 08/09  
**Reason for Report:** To recommend to Council the acceptance of a Tender

**Recommendation:**

- A. That Council enter into a lease agreement with Damien Bastic, Apollo Kanakis and Anthony Bastic for a five year initial term plus five year renewal option, at a commencement rent of \$41,600 per annum plus GST, with rent review to market upon exercise of the renewal option, and to CPI in the intervening years, subject to (B) and (C).
- B. That the lease agreement include a provision that once a shade structure is installed the rent will be \$57,200 per annum plus GST, with rent review to market upon exercise of the renewal option, and to CPI in the intervening years.
- C. That Damien Bastic, Apollo Kanakis and Anthony Bastic agree in writing that the lease agreement will include a provision that any capital expenditure below the tendered amounts will be converted to supplementary rent over the remaining period of the first term to ensure no disadvantage to Council.
- D. That Council accept the offers by Damien Bastic, Apollo Kanakis and Anthony Bastic of a contribution of \$30,000 towards the fitout of the Watsons Bay Branch Library, and \$1,000 per year contribution to the Premier’s Reading Challenge program for the term of the lease.
- E. That successful and unsuccessful tenderers be advised.

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**Background**

Watsons Bay Tea Rooms are located at 8 Marine Parade, Watsons Bay, across the road from the Watsons Bay Baths. The Tea Rooms are situated on Crown Land and Council is responsible for the care, control and management of the site. The facility serves the patrons of the Tea Rooms, the Baths, and other visitors to the area, and will serve future patrons of the relocated Branch Library. The building is in need of an upgrade.

Until 2005, the Tea Rooms were leased to Watsons Bay Tea Gardens Pty Ltd. This lease was terminated due to non-payment of rent and trade waste charges. The premises were vacant while minor repairs were carried out and public expressions of interest invited in October 2005. No submissions were received and, following contact with all those who had attended the on-site inspection, the current management agreement was negotiated with Watsons Bay Tea Rooms Cafe for a period of two years.

The current manager has now been operating the Tea Rooms for two and a half years, commencing 8 December 2005. The management agreement for Watsons Bay Tea Rooms Café is currently on monthly holdover. Due to the short term nature of the agreement, the manager was not required to undertake any building upgrades but had to supply refrigerators, displays and furniture, and the rent was discounted well below market, initially at \$1,200 per month in December 2005, rising in increments to the current rent of \$2,000 per month.

The lease terms and conditions which are the subject of the tender invitation have been developed to enhance the amenity to users and the commerciality of the Café complex, and to return improved benefits to Council and the community. In order to ensure the commercial viability of the venture and cover start-up costs of the new lease, a five year initial lease term is offered, with an option for a further five years.

During the tender period the proposal has been developed that Council should install a shade structure over the out-door paved area at this site to protect patrons from the sun, wind and light rain, and thereby extend the potential use of the outdoor space. Therefore, the tenders were invited on the basis of two options: a rental offer for the lease 'Without a shade structure' and alternatively a rental offer for the lease 'With the shade structure'.

Tender No 08/09 for the Watsons Bay Tea Rooms was publicly advertised in May 2008. Tenderers were asked to submit a lease rental offer for the two following lease options.

**Option 1:** Lease from the Council of the Café **without** the shade structure.

**Option 2:** Lease from the Council of the Café **with** the shade structure installed at Council's cost.

Tenderers were invited to include additional proposals for upgrading the facilities, at their discretion. Such proposals have not been included in the scoring, but are discussed in the following assessments of the tenders.

### **Tender Assessment**

Tenders closed at 2:30 pm on 20 June 2008. Three complying tenders were received, as listed in table 1 below.

**Table 1.**

<b>TENDERER</b>	<b>Lease Rent (pa) Option 1 (WITHOUT shade structure)</b>	<b>Additional Offer (pa)</b>	<b>Lease Rent (pa) Option 2 (WITH shade structure)</b>
Bastic, Kanakis & Bastic	\$41,600	\$1,000 library grant	\$57,200
WB Tea Gardens Café	\$36,000		\$38,400
Emine Sahin	\$50,000		\$55,000

The tenders have been assessed in accordance with the selection criteria stated in the tender documents. The tender evaluation panel comprised Mark Ramsay representing the Purchasing Section, Michelle Phair, the independent member, Trevor Sutton and Zubin Marolia representatives for the Property Department.

Council has resolved that a probity adviser should be included during the tender assessment stage for high risk, high value or sensitive projects. This lease was deemed to meet this definition and it was agreed that a probity adviser should be included in the tender process. Mr Les Windle acted as Probity Adviser.

The tenders were given a preliminary score on each item of the selection criteria, which resulted in a total score out of 100. Tenderers were ranked in accordance with their scores.

Post-Tender Interviews were conducted with all three tenderers. The purpose of the interviews was to review and test the information provided by the tenderers with regard to the published selection criteria, and where necessary to raise questions which the panel had regarding aspects of the tenders. The Probity Adviser attended these interviews.

Following the interviews, where considered appropriate, the panel amended tenderers' scores and rankings. Final scores and rankings are shown in Table 3.

Tenders were assessed against the following criteria:

**Rental Offer:** the highest offer was deemed to achieve 100% of the score for this criterion. The other tenderers' offers were divided by the highest rental offer to give their respective scores as percentages.

**Demonstrated Experience and Qualifications:** Information was requested pertaining to personal experience and relevant qualifications of each member of the bid team, and the team's experience in similar business. From this information the tender panel assessed the level of demonstrated experience and qualifications for each tenderer.

**Business Plan:** This was scored on the information provided under the requested headings of estimates of income, estimates of capital costs, overheads (estimates of expenditure), proposed fee structure on which income estimate was based, estimates of projected numbers of customers, and staffing mix and ratios.

**Occupational Health & Safety:** Information was requested on the occupational health and safety systems proposed. From this information the evaluation panel assessed demonstrated level of appreciation of Occupational Health & Safety issues and the measures proposed to manage these.

### Tender Analysis

The two options were received and ranked (as set out in the tables). The following tables show the scores and rankings compiled by the tender evaluation panel of all tenders received for Options (1) and (2). The scores are based on the opinion formed by the assessment panel from information provided in the Tender schedules and interviews, and verified by responses from referees. The figures tabled below represent the agreed scores from the assessment panel members.

### Option 1 (WITHOUT Shade Structure) Tender Evaluation

Table 2.

Tenderer (in rank order)	Demonstrated experience 25	Business Plan 25	OH&S 10	Sub-Total	Return 40	Total Score 100	Rank
Bastic, Kanakis & Bastic	22.50	21.25	6.25	50.00	33.28	83.28	1
WB Tea Gardens Café	22.50	18.75	8.75	50.00	28.80	78.80	2
Emine Sahin	16.25	12.50	2.50	31.25	40.00	71.25	3

### Option 2 (WITH Shade Structure) Tender Evaluation

**Table 3.**

Tenderer (in rank order)	Demonstrated experience 25	Business Plan 25	OH&S 10	Sub-Total	Return 40	Total Score 100	Rank
Bastic,Kanakis & Bastic	22.50	21.25	6.25	50.00	40.00	90.00	1
WB Tea Gardens Café	22.50	18.75	8.75	50.00	26.85	76.85	2
Emine Sahin	16.25	12.50	2.50	31.25	38.46	69.71	3

A brief summary of each Tender submission follows, in order from lowest to highest ranked.

### **Emine Sahin**

This tender was submitted by Ermine Sahin of Vladonia Pty Ltd. This tenderer has operated the Olivo Restaurant at Darling Harbour since December 2007. Prior to this she has taught in the hospitality industry and managed cafes in the city. The information provided indicates that the tenderer has useful experience in restaurant management, but is rated lower to the other two tenderers due to a lack of experience operating a comparable café. This tenderer has not demonstrated experience in running a similar community based café in a suburban location, which the other two tenderers have.

A basic business plan was submitted outlining how the café would be managed and showing proposed projected monthly sales forecasts. The financial records provided indicate the tenderer has the financial means to begin operating the café.

This tenderer has offered a rental of \$50,000 per year for Option 1 and \$55,000 per year for Option 2. This was the highest tender without a shade structure and second highest offer with a shade structure.

The tender did not propose any significant capital works for the café. At the post-tender interview, Ms Sahin mentioned that the café required renovation as it was run down and she was committed to carrying out renovation works and upgrading the equipment, but has provided little detail of how this would be implemented.

The tender included same basic information on OH&S but did not include references to any regulations or safety plan.

The tender evaluation panel ranked this Tenderer third, with a score of 71.25 (Option 1) and 69.71 (Option 2) out of a total score of 100, reflecting low scores in all criteria except rental return (Option 1).

### **Watsons Bay Tea Rooms Café**

This tender was submitted by Patricia Timperi, Robert Agueci and Katie Agueci. They are the present managers of the Café. Their qualifications to run the café and demonstrated capacity for the past 2 1/2 years are considered to be of a high order. The café has been equipped by these tenderers to their own specifications as required by the management agreement and as recognised by the current rental level. They state that they have expended \$121,000 to bring the café to a reasonable standard. This amount appears high and the list of items includes internal painting carried out by Council prior to the commencement of the management agreement. No breakdown has been provided as to what proportion of this comprises equipment which they would remove if they were not to continue as operators of the café.

The tender proposes capital works within the first two years estimated at \$57,500 to upgrade the café. No breakdown of the costs is provided. The proposed works comprise restoration of perimeter sandstone wall, landscaping and garden benches, tiling of kitchen floor, replacement of internal furniture, repainting internal walls, new internal lighting and external heaters. These capital works would add value to Council's property asset and provide improved amenity to community and users alike. Their tender submission states that the works will be funded from the profits generated, personal capital and bank overdraft facility.

From the information presented, the tenderers appear to have the financial capacity to continue running the cafe. Profit and loss financial projections for the café for two years were included in the tender. Figures were provided for the café with and without the shade structure.

This tenderer has offered a rental of \$36,000 for Option 1 and \$38,400 for Option 2. This is the lowest rental offered for both options.

This tender provided the most comprehensive information on OH&S. Their plan included information on hazardous chemicals, staff induction and a safety plan.

The tender evaluation panel ranked this Tenderer second, with a score of 78.80 (Option1) and 76.85 (Option2), reflecting low scores in rental return for both options.

### **Damien Bastic, Apollo Kanakis and Anthony Bastic**

This tender was submitted by three partners, Damien Bastic, Apollo Kanakis and Anthony Bastic. Each partner has some degree of special skill and experience that they bring to the partnership, i.e. hospitality, business management and marketing, that may be applied to managing and operating a café in this location. They are local residents and demonstrated at the post-tender interview their local business and community knowledge and understood the potential for a well run café in this location.

The tenderers have experience in managing a similar enterprise as Damien Bastic and Apollo Kanakis currently manage the Cooper Park Tennis Centre at Woollahra, which has a café as part of the lease. The Cooper Park café has been much improved and is being managed to Council's satisfaction. Anthony Bastic has 20 yrs experience in arts, events and hospitality and will be responsible for the marketing aspects of this venture.

From the information presented, the tenderers appear to have the financial capacity to commence running the café.

This tenderer has offered a rental of \$41,600 for Option1 and \$57,200 for Option2. The rent without a shade structure was the second highest and with the shade structure was the highest.

Profit and loss financial projections for the café for two years from July 2008 to June 2010 were included in the tender. Figures were provided for the café with and without the shade structure. This tendered proposed significant capital works and kitchen upgrade as part of their tender. These itemised capital works include \$117,685 for installing a commercial grade kitchen, approximately \$42,000 in building and fit-out works, The internal and external painting of the whole building, repair and/or replacement of doors and windows and the commercial upgrade of the kitchen, would add value to Council's property asset and provide improved amenity to community and users alike.

A \$30,000 contribution towards the library renovations and a \$1,000 per annum donation to the library for the Premiers Reading Challenge, have been offered in their tender. These supplementary offers do not form part of the assessment and are discussed later in this report.

This tender provided adequate information on OH&S issues upon which the panel concluded that the tenderer could comply with the lease obligations. There are no recorded OH&S breaches associated with the tenderer's current lease with council at Cooper Park.

Overall this tender provided a good financial return with added benefits. The tender document was comprehensive and provided superior response to the tender criteria. The assessment panel judged this to be the overall best submission. The tender team supplies a good mix of skills; hospitality, business management and marketing.

The tender evaluation panel ranked this Tenderer the best with a score of 83.28 (Option 1) and 90.00 (Option 2), reflecting the consistent high scores in all criteria except Option 1 rental return.

### **Tender Assessment taking into account the shade structure**

Council resolved 10.06.08, in considering a report on the Relocation of Watsons Bay Library from Dunbar House to the Watsons Bay Tea Rooms:

- A. *That Council proceed with the relocation of the Watsons Bay Library from Dunbar House to the Watsons Bay Tea Rooms.*
- B. *That all renovation works necessary to relocate the library be completed outside the summer season.*
- C. *That staff bring forward a report for an appropriate shade structure for wet weather.*

A design proposal is being prepared for the shade structure and a report will be submitted to Council in the near future. The installation of a shade structure is feasible, has no adverse impact on neighbouring properties, and would improve the amenity for café patrons, and it is anticipated that the recommendation will be to proceed with this improvement.

Consequently, a comparison has been carried out of the tender offers on the basis of the first year's rent without a structure in place, and the following four years' rent including a shade structure (see Table 4).

### **Comparison of Rental Offers in the first term**

**Table 4.**

TENDER	Year 1 Without Shade structure	Year 2 With shade structure & 3%CPI	Year 3 With shade structure & 3%CPI	Year 4 With shade structure & 3%CPI	Year 5 With shade structure & 3%CPI	5 year total
Bastic Kanakis and Bastic	\$41,600	\$58,710	\$60,471	\$62,285	\$64,154	\$287,221
Emine Sahin	\$50,000	\$56,650	\$58,350	\$60,100	\$61,903	\$287,002
WB Tea Rooms Café	\$36,000	\$39,552	\$40,739	\$41,961	\$43,220	\$201,471

The rental analysis over the first 5 year term assumes a modest 3% CPI increase in years 2, 3, 4 and 5 and also assumes that the shade structure would be installed in the first year, and the higher rent would be charged in the subsequent years.

The results indicate that the rent payable by Bastic, Kanakis & Bastic is \$218 more than the Emine Sahin ranked third and \$87,750 more than the WB Tea Rooms Café who are ranked second.

A projection over a ten year period including 3% pa CPI increments, (but excluding a market review at the end of year 5), as stipulated by the lease, indicates a rental gap of \$12,528 more than Emine Sahin and \$200,228 more than Watsons Bay Tea Rooms Café .

### Capital Works

Proposals for capital works upgrades were received from Bastic, Kanakis and Bastic and Watsons Bay Tea Gardens Café. At the interview Emine Sahin made a statement that the capital works would cost \$100,000, but has provided no details. Proposed capital works for each tenderer are set out in the table below.

It is recommended that the capital upgrade expenditure be reflected in the final lease document to ensure that all the proposed works are carried out. Also, if the final works are deemed to have cost less than the committed figure then there will be a clause in the lease requiring additional rental return be received by Council, so that Council benefits from the full extent of the committed expenditure.

**Table 5.**

<b>Tenderer</b>	<b>Capital Works proposed</b>	<b>Cost</b>
Bastic, Kanakis & Bastic	Internal & external painting Repair/replacement of doors & windows Childrens play area Security lighting Landscaping (\$1,000 Option 2 only) Commercial grade kitchen WiFi also available for library users Library fitout (omitted see supplementary offer below)	\$160,229
Emine Sahin	New equipment Décor Tables and chairs	Not specified
WB Tea Rooms Café	Restoration of sandstone perimeter wall Landscaping & garden benches Kitchen tiling Internal tables and chairs Internal painting New internal lighting External heaters Web page Shade structure contribution (omitted see supplementary offer below)	\$57,500

### Supplementary Offers

Bastic, Kanakis and Bastic's offer includes a \$1,000 per annum contribution to the library to support the Premier's Reading Challenge. They have also offered to contribute \$30,000 towards the fit-out of the library once it is relocated to the Tea Gardens. These offers have been discussed with the Director Community Services and the Manager- Library services and Information and they are both appreciative of the donation and see it as a tangible benefit to the branch library service.

Watsons Bay Tea Rooms Café have offered to contribute \$2,000 towards the construction of the shade structure. They have also mentioned that a web page for the café will be created to inform the public and market the café.

Both these offers are supplementary to the tenders submitted and have not formed part of the tender assessment process. However as they have been offered as part of the tenders, once a decision has been taken to accept a tender, the Council should also determine whether to accept the relevant supplementary offer(s).

### **Petition**

We received a petition with approximately 430 signatures and several independent letters generally supporting the current operators of the Tea Gardens, to which we have responded, see Annexure 3. The petition indicates goodwill that the operators have developed over their two and a half year tenure and is brought to the attention of Councillors, but does not form part of the assessment of the tender.

### **Conclusion:**

Although the rental offered by Emine Sahin for Option 1 exceeds that of Bastic, Kanakis & Bastic by \$8,400 per annum, the tender panel is of the view that the overall package of management, professional and operational skills, financial returns and capital upgrade works offered by Bastic, Kanakis & Bastic is the most beneficial to Council at this facility.

The current operators, Watsons Bay Tea Rooms Café and Bastic & Kanakis currently manage the Council premises and have similar experience. The current operators have offered the lowest rent of all the tenders' received and though they have undertaken some improvements to date they have only offered modest additional improvements. Watsons Bay Tea Rooms Café have managed the café in a satisfactory manner as specified in the current management agreement, however their tender does not foreshadow continuous business development to the same level as outlined in the tender from Bastic, Kanakis & Bastic.

Both the tender received and the later interview demonstrated that Bastic, Kanakis & Bastic have suitable relevant experience and the ability to operate this café. Their performance of operating the café at Cooper Park Tennis Centre café demonstrates their ability to operate a community based café of high quality.

The tender panel recommends that Council grant a Lease to Bastic, Kanakis & Bastic for the Watsons Bay Tea Rooms Café for the commencing rent of \$41,600 without the shade structure and \$57,200 once the shade structure has been installed at Council's cost.

Trevor Sutton  
Property Officer

Zubin Marolia  
Manager – Property & Projects

Warwick Hatton  
Director Technical Services

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### **Annexures:**

1. Aerial view of Watsons Bay Tea Gardens
2. Lease area of Watsons Bay Tea Rooms
3. Typical response letter to submissions

**Item No:** R2 Recommendation to Council  
**Subject:** **Privacy Management Plan**  
**Author:** Helen Tola – Team Leader Governance  
**File No:** 802.G PRI  
**Reason for Report:** To adopt a revised Privacy Management Plan prepared in accordance with the requirements of the Privacy and Personal Information Protection Act 1989 and the Health Records and Information Privacy Act 2002.

**Recommendation:**

- A. THAT the revised Privacy Management Plan prepared in accordance with the requirements of the Privacy and Personal Information Protection Act 1989 and the Health Records and Information Privacy Act 2002 as contained in Annexure 2 to the report to the Corporate & Works Committee on 21 July 2008 be adopted.
- B. THAT the revised Privacy Management Plan be forwarded to the NSW Privacy Commissioner in accordance with Section 33 of the Privacy & Personal Information Protection Act 1988.

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**Background:**

The Privacy and Personal Information Protection Act 1989 (PPIPA) was implemented in stages with the majority of the provisions of the Act commencing on 1 July 2000. The PPIPA required public sector agencies to comply with a set of privacy standards (Information Protection Principles) and to adopt a Privacy Management Plan.

A report concerning this matter was considered at the Corporate and Works Committee on 19 June 2000 with a recommendation “That the authority to prepare, adopt and implement a Privacy Management Plan be delegated to the General Manager.”

The Council adopted the recommendation on 26 June 2000 and the General Manager adopted the current Privacy Management Plan on 30 June 2000. (see Annexure 1)

The Model Privacy Management Plan was released by the Department of Local Government on 28 June 2000.

In addition to the PPIPA, a Privacy Code of Practice for Local Government was Gazetted on 30 June 2000 and distributed by the Department of Local Government in early July 2000. The Privacy Code of Practice for Local Government has the effect of modifying parts of the PPIPA as it applies to local government.

Subsequent to the PPIPA and adoption of Council’s Privacy Management Plan, the Health Records and Information Privacy Act 2002 (HRIPA) was enacted requiring Councils and other health sector organisations to protect personal health information through a set of Health Privacy Principles. The effect of HRIPA is that the Privacy and Personal Information Protection Act 1998 (PPIPA) no longer covers personal health information and Section 33 of the PPIPA was amended to require Councils to prepare a Privacy Management Plan that included policies and practices that Councils would implement to comply with both the PPIPA and the HRIPA.

Section 33 of the PPIPA identifies the following matters which must be included in privacy management plans:

- policies and practices to ensure compliance by the Council with the requirements of the Privacy and Personal Protection Act 1998 or the Health Records and Information Privacy Act 2002;
- the dissemination of those policies and practices to persons within the Council;
- the procedures that the Council proposes for internal review of privacy complaints; and
- such other matters as are considered relevant by the Council in relation to privacy and the protection of personal information held by it.

A comprehensive review of the Privacy Management Plan has been conducted to incorporate the twelve (12) Information Protection Principles of PPIPA, the fifteen (15) Health Privacy Principles of HRIPA and the Privacy Code of Practice. Although a lengthy document, the revised Privacy Management Plan, demonstrates how Council will include the legislative requirements into its everyday functions to protect the personal and health information of individuals. A copy of the revised Privacy Management Plan is annexed to this report. (See Annexure 2).

**Conclusion:**

Council adopted a Privacy Management Plan on 30 June 2000. The Privacy Management Plan has been revised to include the current practices of Council as required by the PPIPA and legislation enacted subsequent to the original plan being adopted. The revised Privacy Management Plan outlines Council's responsibilities and the operational procedures for the protection of personal information and personal health information under the requirements of the Privacy and Personal Information Protection Act, the Health Records and Information Privacy Act and the Privacy Code of Practice for Local Government.

It is recommended that the proposed revised Privacy Management Plan be adopted and be forwarded to the NSW Privacy Commissioner in accordance with Section 33 of the Privacy and Personal Information Protection Act.

**Helen Tola**  
**Team Leader Governance**

**Geoff Clarke**  
**Director, Corporate Services**

**Annexures:**

1. Current Privacy Management Plan dated 30 June 2000
2. Revised Privacy Management Plan July 2008