



# Corporate & Works Committee

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

**Date:** *Monday 20 November 2006*

**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

16 November 2006

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 – 20 November 2006**

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 20 November 2006 at 6.00pm.**

Gary James  
General Manager

## 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 6 November 2006	1
D2	Monthly Financial Report – October 2006	2
D3	Hand Over of the Council’s Commuter Ferry Wharves to the State Government – 908.G	35
D4	Organisation Support Principal Activity – 1st Quarter Management Plan Review – 827.G 04-07	43
D5	Customer Service & Communication Principal Activity - 1st Quarter Management Plan Review – 827.G 04-07	70
D6	Roads, Traffic & Transport Principal Activity - 1st Quarter Management Plan Review – 827.G 04-07	80
D7	Woollahra Golf Club Ltd – O’Sullivan Road, Rose Bay – Sub Licence in favour of Oaklands House Pty Ltd – 221.G	94

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

R1	Notice of Motion – Adjournment of Committee Meetings to allow Council Meetings to commence on time – 1191.G	112
R2	Urban Walkabout Guide for Paddington & Woollahra – 28.G/900.G	114
R3	Preliminary Report on Section 94 Contributions Plan – Provision of Public Car Parking in Double Bay Commercial Centre – 136.G	120
R4	Regional Dry Waste Recovery/Disposal – 588.G	163
R5	Public Domain improvement strategy – Double Bay Commercial Centre – 527.G Part 19	174

**Item No:** D1 Delegated to Committee  
**Subject:** **Confirmation of minutes of meeting held on 6 November 2006**  
**Author:** Les Windle, Manager – Governance  
**File No:** See Council Minutes  
**Reason for Report:** The Minutes of the Meeting of Monday 6 November 2006 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 6 November 2006 be taken as read and confirmed.

Les Windle  
Manager - Governance

**Item No:** D2 Delegated to Committee  
**Subject:** **Monthly Financial Report - October 2006**  
**Author:** Tracey Walker, Financial Accountant  
Don Johnston, Manager Finance  
**File No:** 987G  
**Reason for Report:** To present the monthly financial report for October 2006

**Recommendation:**

- A. THAT the monthly financial report for October 2006 be received and noted.
- B. THAT the Committee determine its position in regard to ethical investment.

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**Background:**

The monthly financial report for October 2006 is submitted to the Committee for consideration.

The monthly report includes the following:-

- Summary of Investments.
- Summary of Receipts and Payments and statement of bank balance

Further, when the Committee considered the monthly financial report for September it was resolved, in part:

*That the next report gives:*

- i) a further breakdown of the summary of receipts and payments.*
- ii) a further report on how the investments are placed and any scope within the adopted policy to consider ethical investments at the time the investments are placed.*

**Discussion:**

Part (i) of the resolution has been covered in the Summary of Receipts, Payments and Bank Balance which now provides the 10 largest receipt items, 10 largest cheque payments and 10 largest EFT payments for the month. The 10 largest payments exclude the placement of investments.

Part (ii) of the resolution is discussed in the section below.

Placement of Investments and scope for Ethical Investment

Council currently receives daily 'Rate Sheets' from two advisors, Grange Securities and FIIG. When Council has either a maturing investment or surplus funds to invest (particularly around a rates instalment) these Rate Sheets are used to select an appropriate investment depending on our forecast cash flow requirements. Of late, in a market where there has been upward pressure on interest rates we have tended to keep terms quite short.

In light of the recent adoption of a new investment policy that effectively opens our policy to the full extent of the Ministers Investment Order we are currently looking at our options for taking on formal investment advice or, alternatively, outsourcing our treasury management. We do not have the expertise on staff to appropriately select from a broad range of investment opportunities now available to Council.

In regard to any scope within the current policy to consider ethical investment the Committee is referred back to a report in December 2005 prepared in response to a Notice of Motion. This report is attached as **ANNEXURE 1**. The report covered a number of investment options available in the market place at the time that were offered as “ethical” and also indicated that there were some barriers in the investment policy current at the time, that is, in regard to investment in corporate bonds where the issuer was considered to be “ethical”. This barrier does not exist in the current policy.

The report notes:

The Local Government Act and the Investment Order are both silent on ethical investment. Council is not precluded from developing an ethical investment policy. If council wished to move toward an ethical investment policy it would need to amend the current policy to specify Council’s commitment to ethical investment, define what it considered to be ethical investment, make any required amendments to what council chooses to invest in and establish guidelines to investing ethically.

This position remains unchanged. To move forward the report identified three key questions:

Does Council want to invest ethically?

What is Council prepared to invest in – does it want to continue with its current Policy or open it up to the full extent of the Ministers order?

What proportion of its portfolio does Council want to invest ethically?

In responding to these questions the Committee resolved not to pursue ethical investment, instead resolving:

That a draft revised investment policy be prepared for consideration of the Committee which does not make specific provision for ethical investment and explores the option of extending the range of investment options taking into consideration all those permitted by the Ministerial Order.

The draft revised policy called for was considered by the Committee in September. In doing so the Committee resolved to open up our policy to the full extent of the Ministers Order. A copy of the current policy and guidelines is attached as **ANNEXURE 2**.

In the absence of a commitment to investing ethically, a definition of what Council considers to be “ethical investment” and guidelines for ethical investment no further action has been taken in regard to investing ethically.

### **Conclusion:**

There is nothing precluding Council from developing an ethical investment policy. However, two key questions remain:

Does Council want to invest ethically?

What proportion of its portfolio does Council want to invest ethically?

If Council answers the first of these questions “Yes” a further report can be brought to the Committee on defining “ethical investment” and guidelines for investing ethically. Until this happens there is no basis for determining whether an investment is ethical or not and so, to date, no consideration has been given to “ethical investment” at the time of placing Councils investments.

Tracey Walker  
Financial Accountant

Don Johnston  
Manager Finance

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**Annexures:**

1. Ethical Investments Policy Report to Corporate & Works 12 December 2005
2. Investment Policy and Guidelines

INVESTMENTS AS AT 31/10/06

<u>CATEGORY</u>	<u>PURCHASED</u>	<u>MATURING</u>	<u>DAYS</u>	<u>%</u>	<u>B/B</u>	<u>MARGIN</u>	<u>AMOUNT</u> \$	<u>TOTALS</u> \$	<u>% of TOTAL</u>
<b><u>BANKWEST (S&amp;P) RATING, A1)</u></b>									
11AM CALL				5.95			250,000.00		
TERM DEPOSIT	12-Jul-06	08-Nov-06	119	6.16	6.01	0.15	750,000.00		
TERM DEPOSIT	04-Aug-06	15-Nov-06	103	6.32	6.20	0.12	1,000,000.00		
TERM DEPOSIT	09-Aug-06	22-Nov-06	105	6.31	6.20	0.11	1,000,000.00		
TERM DEPOSIT	04-Oct-06	03-Jan-07	91	6.29	6.18	0.11	<u>1,000,000.00</u>	4,000,000.00	14.90%
<b><u>LOCAL GOVT FINANCIAL SERVICE P/L (S&amp;P RATING, A1)</u></b>									
C.R.I.	21-Aug-06	20-Nov-06	91	6.29	6.17	0.12	<u>1,000,000.00</u>	1,000,000.00	3.72%
<b><u>AUST CENTRAL CREDIT UNION Limited</u></b>									
TERM DEPOSIT	22-Aug-06	22-Nov-06	92	6.42	6.17	0.25	<u>1,200,000.00</u>	1,200,000.00	4.47%
<b><u>CREDIT UNION AUSTRALIA Limited</u></b>									
TERM DEPOSIT	09-Aug-06	06-Dec-06	119	6.46	6.22	0.24	1,500,000.00		
TERM DEPOSIT	06-Sep-06	13-Dec-06	98	6.44	6.19	0.25	2,000,000.00		
TERM DEPOSIT	13-Sep-06	14-Feb-07	154	6.52	6.26	0.26	<u>1,500,000.00</u>	5,000,000.00	18.62%
<b><u>CPS CREDIT UNION (SA) Limited</u></b>									
TERM DEPOSIT	11-Oct-06	11-Apr-07	182	6.56	6.33	0.23	<u>1,200,000.00</u>	1,200,000.00	4.47%
<b><u>GREATER BUILDING SOCIETY Limited</u></b>									
TERM DEPOSIT	12-Sep-06	10-Jan-07	120	6.42	6.20	0.22	1,000,000.00		
TERM DEPOSIT	03-Oct-06	17-Jan-07	106	6.39	6.20	0.19	1,500,000.00		
TERM DEPOSIT	03-Oct-06	31-Jan-07	120	6.41	6.20	0.21	<u>2,000,000.00</u>	4,500,000.00	16.76%
<b><u>HERITAGE BUILDING SOCIETY</u></b>									
TERM DEPOSIT	29-Aug-06	30-Nov-06	93	6.40	6.2	0.20	1,014,956.11		
TERM DEPOSIT	30-May-06	30-Nov-06	184	6.21	6.02	0.19	2,000,391.05		
TERM DEPOSIT	20-Sep-06	22-Dec-06	93	6.50	6.2	0.30	<u>983,708.18</u>	3,999,055.34	14.89%
<b><u>SAVINGS &amp; LOANS CU (SA) Limited</u></b>									
TERM DEPOSIT	23-Aug-06	01-Nov-06	70	6.36	6.17	0.19	800,000.00		
TERM DEPOSIT	02-Aug-06	01-Nov-06	91	6.39	6.19	0.20	750,000.00		
TERM DEPOSIT	18-Oct-06	20-Dec-06	63	6.44	6.22	0.22	1,400,000.00		
TERM DEPOSIT	20-Sep-06	20-Dec-06	91	6.42	6.22	0.20	1,000,000.00		
TERM DEPOSIT	27-Sep-06	24-Jan-07	119	6.43	6.23	0.20	1,000,000.00		
TERM DEPOSIT	25-Oct-06	07-Feb-07	105	6.54	6.32	0.22	<u>1,000,000.00</u>	5,950,000.00	22.16%
<b>GRAND TOTAL</b>								<b>26,849,055.34</b>	<b>100.00%</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.

J.C. Blake  
FINANCE OFFICER

D. Johnston  
FINANCE MANAGER

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

**Cash Book Balance as at 30 September 2006** (1,059,665.19)

**Receipts**

Rates 553,954.37  
Other 6,299,473.13

Description	Amount
Investments Maturities	4,012,379
Sundry Debtor Receipts	434,029
Parking Fines	311,051
Deposits and Bonds	178,370
GST Refund - September BAS	164,941
Car Park Leases	120,195
Interest on Investments	116,916
Risk Management Bonus	102,537
Parking Meter Charges	92,849
LSL Levy Agency Receipts	78,942

**Total Receipts**

6,853,427.50

**Payments - Cheque**

Cheque Payments (1,391,538.62)  
Cancelled Cheques 121,805.31  
Total Cheque Payments for period (1,269,733.31)

Cheque No.	Cheque Date	Payee	Amount
192164	06/10/2006	Holdsworth St Community Centre	184,250.00
192439	27/10/2006	Energy Australia	73,204.56
192151	06/10/2006	City Ford, Mascot	63,970.98
192355	20/10/2006	State Debt Recovery Office	56,659.90
192156	06/10/2006	Department of Lands	51,783.00
192245	11/10/2006	Commander NSW Pty Ltd	51,006.88
192453	27/10/2006	Premier Parking	41,153.13
192206	06/10/2006	Sydney Water	40,824.78
192320	20/10/2006	City Ford, Mascot	38,684.64
192296	11/10/2006	Suttons City Holden	33,427.70

**Payments - EFT**

EFT Payments (3,096,361.70)  
Returned EFT Payments 0.00  
Total EFT Payments for period (3,096,361.70)

EFT No.	EFT Date	Payee	Amount
12411	27/10/2006	StateCover Mutual Limited	325,525.29
12218	06/10/2006	Volvo Truck & Bus Sydney	163,317.80
12252	11/10/2006	Local Govt Super Scheme	152,376.07
12199	06/10/2006	MacDonald Johnston Engineering Co	125,169.00
12256	11/10/2006	MacDonald Johnston Engineering Co	125,169.00
12332	20/10/2006	Hughes Contractors Pty Ltd	83,676.37
12420	27/10/2006	WSN Environmental Solutions	79,629.64
12253	11/10/2006	Local Govt Super Scheme	62,156.13
12414	27/10/2006	Suttons City Holden	60,480.25
12385	27/10/2006	Emoleum (Australia) Ltd	58,332.74

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

Payroll (1,525,273.96)  
Councillor Fees (17,406.15)  
Bank Charges (11,874.77)  
Credit Card Payments (4,982.07)  
Total Direct Debits for period (1,559,536.95)

**Total Payments**

(5,925,631.96)

**Cash Book Balance as at 31 October 2006**

(131,869.65)

Unpresented Cheques No. of Cheques: 251 248,999.42

Outstanding Deposits & Miscellaneous Items (35,962.88)

**Reconciled Cash Book Balance as at 31 October 2006**

81,166.89

**Bank A/c Balance as at 31 October 2006**

81,166.89

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

Cheque No.	Cheque Date	Amount
Nil		

**Item No:** D3 Delegated to Committee  
**Subject:** **Hand over of the Council's Commuter Ferry Wharves to the State Government**  
**Author:** Greg Stewart - Project Manager Strategic Projects and Policy  
**File No:** 908.G  
**Reason for Report:** To inform Council of the details of the hand over of the Council's commuter ferry wharves to the State Government

**Recommendation:**

- A. That Council note that NSW Maritime will take over responsibility for the maintenance, repair and upgrading of the Council's three commuter ferry wharves once works commence on the safety and structural repair works for which tenders are currently being obtained by Maritime NSW.
- B. That Council negotiate with Maritime NSW on the following basis:
- a. that until the end of the current financial year, Council is prepared to provide the following services to these wharves at Council's cost:
    - i. Rubbish removal
    - ii. Twice weekly wharf cleaning
    - iii. Graffiti removal
    - iv. Minor repairs (light globes/fittings, bins and seats)
    - v. Ongoing provision of lighting and electrical services.
  - b. that at the completion of the current financial year, Council would provide these services on a negotiated fee for service basis which reflects the true cost of providing the service.
- C. That Council note that Council's Disability Action Plan for ferry wharves will no longer apply once the ownership of these ferry wharves is transferred to Maritime NSW.

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**Background:**

In May this year, Council received a letter from the Minister for Ports and Waterways advising Council of the State Government decision approving the transfer of ownership of all commuter ferry wharves on Sydney Harbour and its tributaries, including the Parramatta and Lane Cove Rivers, to NSW Maritime. This letter further advised that, in accordance with this decision, the ownership of the Council's ferry wharves at Lyne Park, Rose Bay; Bay Street, Double Bay, and at McKell Park, Darling Point were to be transferred to NSW Maritime.

Following receipt of the above letter of notification, a meeting was held with representatives of NSW Maritime to discuss the process and actions required to effect the hand over of these wharves. At this meeting, NSW Maritime advised Council that, although they would assume responsibility for the repair, maintenance and upgrading of these wharves, they were requesting that Council continue to provide some services to these wharves at Council's cost.

### **Current status of the hand over of these wharves**

On 7 September 2006, a letter was received from NSW Maritime setting out, in draft form, what they saw as being the ongoing management responsibilities for these wharves. The ongoing management responsibilities listed in this letter (attached as Annexure 1) were as follows:

#### *NSW Maritime – Wharf Hand Over Activities:*

Wharf upgrade prioritisation  
Initial safety repair works  
Detailed inspections by specialist consultants including:

- a) structural engineers and wharf carpenters
- b) divers
- c) termite inspections
- d) electrical engineers
- e) lighting consultants
- f) access and BCA consultants
- g) fire safety consultants
- h) hazardous materials surveyors, and
- i) coating specialists.

Compilation of a Maintenance Plan incorporating:

- a) wharf summary
- b) disabled access compliance
- c) loading capacity and vessel restrictions
- d) asset register, and
- e) maintenance program.

#### *NSW Maritime – Ongoing Wharf Maintenance:*

Wharf safety and maintenance inspections - monthly  
Detailed wharf inspections in accordance with the Maintenance Program  
Planned maintenance works in accordance with the Works Schedule  
Emergency management and response  
Urgent repairs  
Wharf upgrades (for safety, disabled and structural compliance).

#### *Woollahra Council – Ongoing Wharf Cleaning:*

Daily rubbish removal  
Twice weekly wharf cleaning  
Graffiti removal  
Minor repairs (light globes/fittings, bubblers, bins, windows, seats)  
Ongoing provision of lighting, electrical and water services to public facilities.

### **Consideration of the items listed by NSW Maritime as being Council's responsibility**

It can be seen from the contents of the letter received from NSW Maritime that NSW Maritime will be responsible for the maintenance, repair and upgrading of these three commuter ferry wharves but they are requesting Council to continue providing the following services at Council's cost.

Daily rubbish removal  
Twice weekly wharf cleaning  
Graffiti removal  
Minor repairs to light globes/fittings, rubbish bins, seats, etc  
Ongoing provision of lighting, electrical and water services to these public facilities.

Apart from the last item, these maintenance items are those that require regular inspections and attention and are works that are generally carried out by Council on a regular basis throughout the Municipality. Comments in relation to each of these items are as follows:

*Daily rubbish removal*

The ferry wharf at Lyne Park is the only ferry wharf that has rubbish bins that require emptying. Most of the rubbish collected in these bins comes from private boat users using the adjoining boat launching ramp and from general park users. Accordingly, it is considered that it would be reasonable for Council to continue, at least to the end of the current financial year, to remove rubbish from this wharf provided no rubbish is deposited on this wharf from Sydney Ferries. The cost of removing rubbish from this wharf has been included in the Council's current Operational Budget.

At the completion of the current financial year, it is recommended that if NSW Maritime requests Council is to continue to provide this service, it be provided on a negotiated fee for service basis which reflects the true cost of providing the service.

*Twice weekly wharf cleaning*

In their current form, there are minimal cleaning works required to these wharves and it is considered that it would be reasonable for Council to continue to perform these works at least to the end of the current financial year for which funds have been provided in Council's current budget.

At the completion of the current financial year or should the wharves be upgraded with ferry waiting shelters requiring a higher level of service, it is recommended that if NSW Maritime requests Council is to continue to provide this service, it be provided on a negotiated fee for service basis which reflects the true cost of providing the service.

*Graffiti removal*

Because the ferry wharves generally consist of a timber or concrete deck and handrails, they currently attract very little graffiti. As for the cleaning of the wharves, and it is considered that it would be reasonable for Council to continue to perform these works, at least to the end of the current financial year, while the ferry wharves remain in the current form and for which funding has been allocated in Council's current budget.

At the completion of the current financial year or should the wharves be upgraded with ferry waiting shelters requiring a higher level of service, it is recommended that if NSW Maritime requests Council is to continue to provide this service, it be provided on a negotiated fee for service basis which reflects the true cost of providing the service.

*Minor repairs to light globes/fittings, rubbish bins, seats, etc*

Again, it is considered that it would be reasonable for Council to continue to provide this service to the end of the current financial year at Council's cost with any continuation of the provision of this service in successive years, being on a negotiated fee for service basis which reflects the true cost of providing the service.

*Ongoing provision of lighting, electrical and water services to these public facilities*

No water services are currently provided to the three ferry wharves so, should it be considered that a water service should be provided to these wharves, then it is considered that such a service should be provided by NSW Maritime.

In relation to the provision of lighting to the wharves, this lighting is generally connected to the Council lighting system in the adjoining park. If the wharf lighting was to be disconnected from the Council lighting system, NSW Maritime would have to install their own lighting system, which would require trenching and the installation of a separate meter box and switchboard.

It is understood that NSW Maritime have already engaged specialist lighting consultants and electrical engineers to inspect the wharves and provide recommendations in relation to the need to upgrade the existing lighting and electrical circuits. As it is considered that it is likely that some upgrading works will be required to either the existing lighting system and/or the electrical circuits servicing the wharves, it is recommended that Council continue to provide lighting and electrical services to the end of the current financial year. At the end of the current financial year or once these services require upgrading, NSW Maritime should be responsible for these works together with the ongoing provision of these services.

**Repair and upgrading works proposed by NSW Maritime**

NSW Maritime has recently advised Council that they propose to carry out substantial safety and structural repair works to the three ferry wharves in this Municipality. These works generally comprise the following:

Lyne Park Wharf

- pile repairs
- substructure repairs including stair stringer replacement
- deck and handrail repairs
- improved signage
- repairs to fendering
- monthly and annual inspections.

Double Bay Wharf

- pile repairs
- substructure repairs including the replacement of a section of concrete decking
- new pile/headstock/girder connections
- deck and handrail repairs
- improved signage
- monthly and annual inspections.

Darling Point Wharf

- substructure repairs including additional cross bracing
- deck and handrail repairs
- provision of new mooring cleats
- improved signage
- repairs to fendering
- monthly and annual inspections.

Tenders for these repair works are currently being obtained by Maritime NSW and they anticipate that a contract for these works will be let on 7 December 2006. *They have further advised that they will take over responsibility for wharf structural and safety works once the appointed contractor commences the works.*

Maritime NSW have also advised that a draft upgrading programme for all the commuter ferry wharves under their control has been developed and it is understood that the upgrading of the Rose Bay and Double Bay Ferry wharves are towards the top of this list for funding in the next few years.

### **Next steps in the formal hand over of these ferry wharves**

A number of items need to be addressed and resolved prior to the ownership of the wharves being formally transferred to NSW Maritime, eg:

1. all three ferry wharves rest on and are supported on sea walls which are either owned or maintained by Council. Easements for support may need to be created to regularise this,
2. easements for access and services will need to be created over adjoining lands, where the adjoining land is not dedicated as roadway. This applies in the case of McKell Park Wharf and Lyne Park Wharf, where the adjoining land is Crown Land, although Council is currently attempting to have the constructed roadway adjacent to the Lyne Park Wharf dedicated as a public roadway, and
3. the lease for the wharf at Lyne Park will have to be partially surrendered as the northern wharf, boat ramp and launching steps are all contained on the same lease document and will remain under lease to Council. The same applies in the case of Double Bay Wharf, where the concrete ramp on the south eastern side of the Double Bay 18 Footers Sailing Club is included on the wharf lease.

As it is likely that it will be some time before all these issues are resolved, it has been proposed by NSW Maritime that the ongoing management responsibilities for these wharves, as detailed in their letter of 7 September 2006, be covered in a Memorandum of Understanding until the legal transfer of these wharves can be effected.

### **Disability Action Plan – Public Ferry Wharves**

In November 2003, Council adopted a Disability Action Plan for the upgrading of Council's public ferry wharves in accordance with the Disability Discrimination Act and Council's Environmental, Social and Disability Access Plans. The upgrading of these wharves in accordance with this Plan, has been allowed for in Council's budgets, however, because of the pending transfer of ownership of these wharves to the State Government, the proposed upgrading of these wharves including the provision of disabled access has been suspended.

The Council's Disability Action Plan for public ferry wharves will not apply when ownership of these ferry wharves is transferred to Maritime NSW.

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

The estimated cost of providing the services requested by NSW Maritime is less than \$5,000 per annum. Funding for these works is available in Council's Operational Budget.

Greg Stewart  
Project Manager Strategic Projects & Policy

Warwick Hatton  
Director Technical Services

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### **ANNEXURES:**

Letter received from NSW Maritime, dated 7 September 2006.

**Item No:** D4 Delegated to Committee

**Subject:** **Organisation Support Principal Activity - 1st Quarter Management Plan Review**

**Author:** Geoff Clarke - 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 30 September 2006

**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 first 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 year.

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. All general management plan items identified have been completed. Routine records management activities have continued. Specific activities for completion in both governance and records management have completion dates in the second quarter and beyond.

### **7.2 Finance**

All routine and project activities have been completed in accordance with the Management Plan targets. A new team leader financial services commenced in September. This will allow for further improvements in financial and management reporting. Planning work for the commencement of next years budget is in progress.

### **7.3 Risk Management**

Projects and core activities are proceeding in accordance with the revised management plan targets. 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 risk action plan by managers. A comprehensive procurement procedure has been rolled out throughout the organisation.

### **7.4 Human Resources**

As reported in the last quarterly report staff turnover continues to provide a high workload for the HR staff in the recruitment area. It is becoming increasingly difficult to attract and retain certain professional staff due to industry wide shortages. A comprehensive response to retaining and attracting staff is being developed. Implementation of the new Human Resource Information System is in progress and modules will be progressively rolled out with payroll going live in the first week in December.

### **7.5 Information Technology**

Projects and core activities are proceeding in accordance with the management plan. Work has been completed the upgrade of software to reduce the incidence of spam emails. The network operating system software has been changed from Novell to Microsoft active directory. Installation of new aerial photography has been completed. The installation of the content management system software has been completed.

### **7.6 Property Management**

The drafting of the legal agreements for the Cosmopolitan Centre ground lease continued and will be finalised in the near future. The Property Asset Study consultants were selected and preliminary investigations have commenced.

A contract for the management of the Redleaf Kiosk was let. Upgrading works were carried out in the grounds of the Tea Rooms at Watsons Bay, and to the Vaucluse Bowling Club to prepare it for Council use. The installation of rainwater tanks has been completed at four locations.

Negotiations continued with NSW Maritime and Sailability in relation to a licence to manage the marina and hardstand. (Subsequently Maritime has terminated the licence to Council effective 9 December 2006.)

### **7.7 Management Executive**

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

### **7.8 Technical Services Management**

Project management of capital works projects has been reviewed to address the requirements of the combined environmental and infrastructure works program and the major streetscape projects to be undertaken this year, as well as a potential stormwater management works program in 2007-08. A fixed term appointment has been made to the position of Manager Strategic Projects and Policy to address a number of major issues such as future options for the Watsons Bay Baths, the transfer of ferry wharves to the State Government, resident parking schemes, street lighting, and a business centre upgrading strategy for Double Bay and other centres.

In the Civil Works department a benchmarking review of maintenance and construction operations has been completed. Amendments to team structure and positions are being finalised, and will be discussed with staff in the near future.

Geoff Clarke  
Director - Corporate Services

Warwick Hatton  
Director - Technical Services

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### **Annexures:**

1. September 2006 quarterly review of principal activity: Organisation Support
2. September 2006 quarterly review of Outstanding Notices of Motion Organisation Support

**Item No:** D5 Delegated to Committee  
**Subject:** **Customer Service and Communication Principal Activity - 1st Quarter Management Plan Review**  
**Author:** Justine Henderson – Communications Manager  
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 30 September 2006

**Recommendation:**

- A. That the status of projects for the Customer Service and Communication 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 first 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 year.

Following is the commentary on each sub activity :

**Customer Service**

Core activities and projects are proceeding in line with the management plan. In addition to the core activities and projects included in the Management Plan further progress has been made in improving customer request management system (CRMS) management and reporting. CRMS reporting and telephone reporting have been cross analysed to provide information which will better target customer service improvements, ie what issues are we getting the most calls on and the most requests for service.

The customer request management system provides us with information about what request for service we have been receiving however this does not include the full range of none actionable enquiries we receive. We are analysing the calls we receive across the organisation to better understand what customers are asking us. From this we are documenting specific questions and their answers to assist in consistent customer service and as an aid to training staff.

This is also providing valuable input into the redesign of the Council's web site. We had previously advised the web site would go live on the 10th October however we have delayed the live date so as to review the content in detail. Almost all the content was transferred from the current site to the new site however it had number of shortcomings which need to be rectified so as to ensure that the new site meets the standards expected. We are also taking the opportunity to add significant additional content to the development and building section of the site. While a firm date for the go live has not been set, it is expected to be in December

### **Communication**

Core activities and projects are proceeding in line with the management plan. 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:**

Have a Go Day  
Second hand Sunday Paddington  
Organic Food Trial media and publications – Vaucluse & Watsons Bay  
Community grants Program  
Cranbrook and Scots Das  
New Mayor  
40km speed zones  
Conservation Award  
Citizen of the Year call for nominations  
Cat owners fact sheet  
Bushcare newsletter for volunteers  
Joint discussions with C of Syd re: Oxford Street  
School talks and tours  
Woolpress magazine (monthly editorial)  
Woollahra Small Sculpture Prize  
Brochures: redraft Road Safety brochure for local schools  
Woollahra News (monthly)  
Website content updates  
City to Surf  
Eastside radio interviews (monthly)  
Mayoral column and advertising placements for SMH/Wentworth Courier ( weekly - copy, proof, production).

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

Citizenship (monthly)  
People and Pets Day  
Writers & Readers events  
Greenhome Design and Renovations Expo  
The Gonyah Open Day  
Speech notes for events attended by the Mayor/representative  
Wentworth Courier Business Excellence Awards  
People and Pets Day 06

Have a Go Day  
Kids Day Out  
Red Cross Blood donation  
Disability Awareness Week event

**Summary:**

Communications staff continued to work closely with staff working in other departments to improve communication on projects and to assist with design and print production. 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. In addition to the new look and feel of Woollahra News, published in the Wentworth Courier each month, media releases and images are supplied to colour monthly magazine Woolpress. The most successful People and Pets Day event was held in mid September with a record crowd and fundraising total. Event evaluation is underway to ensure we continue to improve this event.

Council's small communications team will continue to offer in-house communications advice and support to the Mayor, Directors, Managers and staff in all departments. Ongoing event management for regular events and event publicity will continue to improve through post event analysis and community feedback. Through a commitment of continuous improvement we aim to meet the needs and exceed the expectations of our internal and external stakeholders – by delivering support on time and within budget.

Justine Henderson  
Communications Manager

Geoff Clarke  
Director Corporate Services

**Annexure:**

1. September 2006 quarterly review of principal activity: Customer Service & Communication
2. September 2006 quarterly review of Outstanding Notices of Motion – Customer Service & Communication

**Item No:** D6 Delegated to Committee  
**Subject:** **Roads, Traffic and Transport Principal Activity - 1<sup>st</sup> 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 30 September 2006

**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.

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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 first 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 and is currently being reviewed. The road infrastructure asset models are currently under review. Survey and investigation of retaining walls in roads has commenced.

### **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 has been prepared. The grinding of these trip hazards have been completed.

The following capital works projects were completed:

#### *Reconstruction and Resurfacing:*

- Fitzwilliam Road, (Wentworth St to End) Vaucluse
- Glenmore Road (Walker St to Hampden Rd) Paddington
- Hoddle St, (Glenmore Rd to Goodhope St) Paddington
- Kiaora Rd, (NSH Rd to Forrest Rd) Double Bay
- Victoria Rd (Bellevue Hill Rd to Hs No. 186) Bellevue Hill
- Cecil Lane (Hampden St to End) Paddington
- Glenmore Rd (NSH Rd to Walker St) Paddington
- Glenmore Rd (Ormond to Brown St) Paddington

*Footpath reconstruction:* Queen Street, (Oxford St to Moncur St) Woollahra

*Traffic Islands:* Hargrave St and Cascade St, Paddington

*Stormwater Drainage Works:* 20 Kiaora Rd, Woollahra

Council has approved designs for bus shelters at Military Rd (see 3.6) and Glenmore Rd (Royal Women's Hospital Park). Specifications and drawings were being finalised for quotations to construct. Council has called for a further report on Etham Avenue and Lyne Park bus shelters.

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

The impact of the Cross City Tunnel continued to be monitored. An 18 month review is planned for March-April 2007.

Construction was completed in respect of traffic calming measures related to the CCT, and for the 40K Zone in Paddington. Paddington PAMP Study was reviewed and referred to PTWP to comment. Resulting amendments are to be incorporated and referred to Council for adoption of a 3-year PAMP program. Preliminary plans were approved by RTA for a 40K zone in Bellevue Hill shopping centre, and design will commence shortly.

A meeting was held 22 August of the Inner City Council forum of traffic officers which discussed Oxford Street bus lanes, transit lanes and light rail options, and a coordinated approach to intersection operation.

A parking and traffic management scheme was negotiated with IMG and adopted by Council for the 2006 Australian Open. A similar management scheme is being negotiated for the Australian Women's Open in February.

### **3.4 Parking**

A survey was completed of current resident parking arrangements in Elanora Street, Manion Avenue and Iluka Street, with a view to extending this scheme to weekdays. A report will be submitted in the near future.

The staged replacement of all No Standing signs with No Parking or No Stopping neared completion.

### **3.4 Other Transport Facilities**

Routes 9 (Victoria Rd) and 38 (O'Sullivan Rd), from the 2005-06 program, were completed. Civil works for Route 34 50% completed. Routes 4 and 25 preliminary design was completed. Signage Plan for Route 1 was prepared to be reported to the Bicycle Working Party in October 2006.

Plans were prepared for an extended Hopetoun Avenue bicycle route, which it is proposed to exhibit shortly.

Negotiations continued on the terms of an agreement to transfer of ownership of ferry wharves to the State Government.

### **3.5 Streetscape**

The bus shelter design and location for Watsons Bay was approved and documentation was commenced for quotations to construct. A report will be provided to Council in November on phasing of Watsons Bay Stage 1 streetscape works.

Design and documentation proceeded on the footway and balustrade restoration for the Rose Bay Promenade, and the lighting design was commenced. A concept plan was developed for a stormwater treatment and re-use scheme to be incorporated in the project.

The Five Ways concept plan was approved by Council. Detailed design and documentation has commenced.

Warwick Hatton  
**Director Technical Services**

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### **Annexures:**

1. September 2006 Quarterly Review of Principal Activity: Roads, Traffic and Transport
2. September 2006 Quarterly Review of Outstanding Notices of Motion, Roads, Traffic and Transport

**Item No:** D7 Delegated to Committee  
**Subject:** **Woollahra Golf Club Limited, O'Sullivan Rd, Rose Bay –Sub Licence in favour of Oaklands House Pty Ltd.**  
**Author:** Anthony Sheedy, Property Officer  
**File No:** 221.G  
**Reason for Report:** To seek Council's consent to Woollahra Golf Club Limited granting a Sub-Licence to Oaklands House Pty Ltd.

**Recommendation:**

- A. That Council consent to Woollahra Golf Club Limited granting a Sub-Licence to Oaklands House Pty Ltd for the purpose of a restaurant for members and their guests, subject to the following conditions:
1. The Head-Licence be varied to ensure that the Council's interests are protected. Head-Licencee to pay Council an additional rent of \$1 if demanded in relation to the Restaurant, unless turnover rental provision applies.
  2. Head-Licencee to pay Council a rental of 12.5% of turnover of Restaurant food sales in excess of \$190,000 per annum.
  3. The Woollahra Golf Club Limited agreeing to pay all Council's costs associated with the Sub-Licence proposal.
- B. That the Head-licence be amended to permit Community service group meetings as these are permissible under the current Local Environment Plan (LEP).
- C. That the Golf Club be advised that Council proposes to vary the license to permit community service group meetings, but permission is not granted to rent sections of the Golf Club building for auction presentations or business conferences as these uses are not permissible under the current Local Environment Plan (LEP).
- D. That Council consider the proposed uses of auction presentations and conferences specifically for the Club building when it prepares the new comprehensive Local Environmental Plan for the Municipality.

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**Background:**

The Corporate and Works Committee considered this matter on 3 October 2006, where it was resolved:

- A. *That the matter be deferred for a further report to the committee as to:*
1. *The proposed clientele, use, operation, and hours of operations of the proposed restaurant.*
  2. *An appropriate rental and /or valuation of a commercial restaurant on the site.*
  3. *The compliance with Council planning instruments, the Plan of Management for the site and the licence with the club.*
  4. *The lawfulness of the recently erected neon restaurant sign.*

Council Property staff met with officials of Woollahra Golf Club to discuss the resolution and issues raised. The Golf club agreed to provide the details requested by Committee, and have done so in their letter dated 6 October 2006 (Annexure 2).

## **Club's Restaurant Use**

In the letter Woollahra Golf Club stated that "the current use of the kitchen is to provide sandwiches, light lunches and evening snacks for members and their guests. The intention of the club is to continue with the snacks and to provide our members and guests with a family friendly area to dine at lunch and dinner. This has involved an extensive upgrade of the kitchen and dining areas using only the area in current use with no expansion. There is no intention to provide a public take away service."

The club further said in their letter that "the commercial activity of the restaurant will be confined to members and their guests, including local residents who may become social members. It will not be comparable in any way to Oatlands House function centre in Western Sydney. Hours of operation will be six days per week, closed on Monday. Snacks will be provided seven days per week for players from approximately 8.00am until dusk, determined by the number of players on a daily basis. Lunch is from 11:30am until 2:30 pm, dinner from 5pm until 10:30pm. It is hoped that the restaurant will assist in increased turnover on the course and in the Clubhouse."

Clause 6 "Purpose" in the Licence clearly states that "The club must not use or allow to be used the Golf Course or any part of the Golf course other than for the purpose of playing Golf and for activities related to playing golf and Club registered under the Registered Clubs Act, 1976." Council's Property staff has received advice from HWL Lawyers that the proposed Restaurant operation for Club members and their guests, is consistent with the 'purpose' of the licence.

## **Restaurant Valuation**

At the staff meeting with Woollahra Golf Club it was revealed that the club had already completed the Restaurant upgrade works without Council approval, and that this was paid for by the proposed Sub-licensee. The club provided Council with a copy of a construction schedule prepared by the Wisu Group detailing expenditure in July 2006 of \$213,750. A letter was also received from Tony Ng of Oatlands House (proposed sub-licensee) confirming the fit-out costs to the club restaurant area totalling \$213,750 (Annexure 3). I note that Council compliance staff have inspected the upgrade works, and are currently assessing them in regard to an application for a Building Certificate.

In accordance with Council resolution 3/10/06 point 2, Egan National Valuers NSW were briefed to provide a Valuation of the current market rental of a commercial restaurant (as proposed), and situated at the Woollahra Golf Club, O'Sullivan Rd, Rose Bay. The Valuer was asked to include a financial analysis of the sub-licence proposal by evaluating it with respect to the current licence fee of \$46,280 that the club pays to Council. The Valuer has inspected the club's Restaurant and was supplied with the details of the upgrade works and expenditure. The Valuation report has now been received.

It is proposed that the Sub-Licensee will pay no licence fee for the seven year term, and will contribute to the Club's outgoings in relation to the restaurant activities. The Sub-Licence contains a 2 year option for the Sub-Licensee to exercise, and this is for the remainder of the Head-Licence term (30 September 2015). A market rent is to be charged by the Sub-Licenser to the Sub-Licensee for the option term (approximately two years).

Within the restaurant area there is scheduled provision for 100 chairs and 30 tables, although the Valuer stated the restaurant would have a maximum seating capacity of 60, and the residue available for function use.

After due consideration of comparable market transactions at other registered clubs plus other relevant data, the Valuer was of the opinion that a rental of \$7.50 per chair per week or \$23,400 per annum was applicable for the club's commercial Restaurant operation.

### **Rent Free Period Analysis**

The Valuer noted that the sub licensee has spent \$213,750 comprising a building fit out works cost of \$111,200, and \$102,550 for the Kitchen, Restaurant Equipment, tables, chairs and cookeries. Because of the Asian style cooking operation it was the Valuer's opinion that the kitchen equipment "would be heavily depreciated within the first five to seven years of use, and require replacement at year 10. Similarly tables, chairs and cookeries would generally have a maximum five to seven year life, and ...within the club industry profitable club operations generally view a fit-out as having a life of ten years use, assuming constant activity and maintenance."

The Valuer remarked in the valuation report that whilst the sublicensee had spent \$213,750 that only the building fit out works component of \$111,200 could be considered in regard to the 7 year rent free period. This is because these are the only works that can be seen to benefit Council in the long term due to:

- (a) Depreciated value of Kitchen Equipment, tables, chairs, and cookeries.
- (b) all the restaurant equipment being able to be removed by either the sub-licensor (club) or the sub-licensee (restaurant) under the terms of the lease.
- (c) the building fit-out works are a capital improvement and could arguably be considered to extend the life of a Council asset.

The Valuer has calculated a Net Present Value of the \$111,200 building fit-out works over the rent free term. This equates to an annual rent of \$23,400 per annum for six (6) years, with "a seven year rent free period" being fair and "not unreasonable in consideration of:

The level of fit-out and capital expenditure made by the proposed sub-licensee  
The skill required to establish an operation  
The profit and risk associated (estimated at 14%).

The above analysis of the 7 year rent free period shows that the sub licensee has paid an equivalent market rent upfront by virtue of the restaurant upgrade works at their cost.

The Valuation report further noted that should turnover increase during the course of the lease term then a similar rental to that of the Golf Club be payable based on a rental cost equivalent to 12.5% of turnover of food sales in excess of \$190,000 per annum. This is in accordance with usual market Restaurant lease terms and condition.

After due consideration of similar transactions and other relevant market data the Valuer in their final "Valuation Statement" was of the opinion "that as at the 18 October 2006 the subject property warrants a market rental value of one dollar (\$1) per annum if and when demanded unless turnover provision applies subject to our remarks and qualifications".

Please note that this valuation statement relates to the 'market rental' which the Head licensee may charge the sub licensee.

### **Woollahra Golf Club Planning Consents and licence**

The sub-licence proposal of Woollahra Golf Club for a Restaurant for members and guests is an approved use.

Council's Manager – Development Control advice was sought in relation to the permissible uses within this land zone. In an email to the Manager of Property & Projects dated 20/9/06, we were advised that the Woollahra Golf club is located in an area zoned for Public Open Space in the Woollahra Local Environmental Plan 1995 (LEP). "Open Space zoning applies to public or private land used or intended to be used for recreational purposes. Land which is within this zone may also be used for community facilities. All other development is prohibited."

The LEP's definition of *recreational facility* is "a building or place used for indoor recreation", such as a Golf club and restaurant for members and guests. The definition of *community facility* states that it "means a building or place owned or controlled by the Council...which may include meeting rooms, a community club, being a building or place used by persons sharing like interests, but not a registered club, whether or not that building or place is also used for another purpose."

More recently on 9 March 2001 the Council adopted the Woollahra Park Plan of Management (POM). This document describes the Golf Course as "licensed to Woollahra Golf Club. Nine hole course, pro shop, licensed clubhouse, two cottages (one for superintendent's accommodation, one for greenkeeper's accommodation / Rose Bay play group." The Manager – Development Control stated that as soon as a 'use' steps outside the Plan of Management, if it's not a community or recreational facility, it is prohibited."

Based on the advice received from Council's Planning and Development staff, the proposed sub-licence for a Restaurant for members and guests of the Golf Club is in accordance with all the abovementioned planning instruments.

Clause 6 "Purpose" in the Woollahra Golf Club Licence clearly states that "The club must not use or allow to be used the Golf Course or any part of the Golf course other than for the purpose of playing Golf and for activities related to playing golf and Club registered under the Registered Clubs Act, 1976. Licence clause 17 permits assignment and sub-licence of part of the Golf course, upon obtaining the written consent of Council. Council Property staff has received legal advice from HWL Lawyers that the proposed Restaurant for members and guests, and use of a sub-licence by the Club, is consistent with the licence terms and conditions.

Other proposals recently received from the Golf Club (Annexure 4) are "to rent sections of the building at various times to community service groups such the Lions Clubs and Rotary Clubs as well as real estate agents for auction presentations and other local business groups for conferences.

The Council's Director of Planning has advised Property staff that use of the Club-house rooms for Community service group meetings is an approved activity under the existing planning and development instruments.

However, it is clear from the Council planning instruments and the POM, that the use of the Golf Club buildings or grounds for Community meetings real estate Auction would be a prohibited activity. The Manager – Development Control has stated that Council's Assessment officers when considering a development application must consider ancillary uses, "where part of the use is claimed by the applicant to be ancillary to a permissible use but not permissible by itself." Nevertheless, the Manager advised that in his opinion the proposed Real Estate Auction 'use' is not considered ancillary or essential to the Golf Club's principal activity.

The appropriate way to broaden, yet strictly control, a wider range of permissible uses within the Golf Club (Licensed Club-house) is through a revised Plan of Management.

Council could resolve at a further date to permit the proposed ancillary uses by the Golf Club by amending the LEP and the Plan of Management for the area, and then incorporate the relevant changes into the Head-Licence. However, Council should be confident that these additional uses are acceptable for the site, taking into account the type, intensity and frequency of the use.

### **Neon Sign**

In respect of Council's resolution point 4, as to the lawfulness of the recently erected neon sign, Property staff has been advised by the Manager-Development and Planning that a development application by the Woollahra Golf Club is required, and consent obtained before the said neon sign may be erected. Council Technical Services staff would also need to give land owners consent to the proposal under delegated authority before the application could be processed.

The neon sign was illegally erected because the Club had not obtained the aforementioned consent from Council. Property staff understands that the neon sign which was erected unlawfully to advertise the new Thai restaurant; has now been removed.

### **Income and Expenditure:**

The Sub-Licence Agreement provides for a seven-year rent-free period to Oaklands House Pty Ltd in recognition of the refurbishment works for the restaurant. For the remaining two years of the Head Licence with Council, ie from 2013 to 2015, the Golf Club will charge market rent to Oaklands House Pty Ltd. Upon expiry of this Head Licence in 2015, as a prudent landlord, Council will need to evaluate the financial impact upon the terms and conditions of the Head-Licence to ensure that Council is not disadvantaged and its interests are protected.

### **Conclusion:**

The proposed Sub-Licence has been reviewed by Council's solicitor, HWL Lawyers. The Head-Licence provides that the Club must not Sub-licence any part of the Golf Course (which includes the Club-house) without first obtaining Council's written consent.

There is benefit to the Club in granting a Sub-Licence by Woollahra Golf Club to Oaklands House Pty Ltd. This has already resulted in an upgrade of the Club Restaurant at no cost to members and Council will be the owner of a more valuable asset. The 'use' is consistent with the Council's planning instruments and Head-Licence. Sub-Licensing is also permitted with Council consent under Clause 17 of the Head-licence.

The Valuation and analysis of the Sub licence proposal shows that it is in Council's interest to vary the term and conditions of the Head licence. The primary benefit of this relates to the insertion of a 12.5% turnover provision for food sales greater than \$190,000 per annum by the proposed Restaurant.

The Woollahra Golf Club also proposes to casually hire rooms to community service groups such as Lions and Rotary club members. This activity is permissible under the current planning instruments; however the licence 'use' clause 6 only supports Golf activities. I recommend that the licence terms and conditions be varied to allow all uses permitted by the current planning instruments.

The Club's proposal to hold regular sales meetings for Real Estate staff, use the Club premises for Real Estate Auction(s), and local business conferences is not permissible by the Council planning instruments or under the Golf Club licence. Council could in future consent to a widened set of 'uses' permitted at the Woollahra Golf Clubhouse, through amendment of the planning instruments and licence. This would help the club broaden its income base, and ensure future viability.

Anthony Sheedy  
Property Officer

Warwick Hatton  
Director Technical Services

**Annexures:**

1. Copy of report to Corporate and Works Committee meeting of 3 October 2006.
2. Letter from Woollahra Golf Club dated 6 October 2006.
3. Fit-out schedule and Oatlands House letter for Restaurant upgrade works.
4. Letter from Woollahra Golf Club, dated 15 September 2006.

**Item No:** R1 Recommendation to Council  
**Subject:** Notice of Motion – Adjournment of Committee Meetings to allow Council Meetings to Commence on time  
**Author:** Les Windle – Manager Governance  
**File No:** 1191.G  
**Reason for Report:** To report on a Notice of Motion

**Recommendation:**

THAT the amended Code of Meeting Practice containing the new section 7.21 (Adjournment of Committee Meetings to allow Council Meetings to commence on time) be placed on public exhibition in accordance with the legislative requirements and a further report be submitted to the Committee at the conclusion of the exhibition period.

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**Background:**

Council adopted the following Notice of Motion at the meeting held on 11 September 2006:

*That the Council's Code of Meeting Practice be submitted to the Corporate and Works Committee with an amendment which provides that Standing Committees may be adjourned at the discretion of the Mayor or Chairman no later than 7-40 pm on scheduled Council Meeting nights and be reconvened at the close of the Council Meeting, this to recognise the status and importance of Council Meetings and to ensure the public and other Councillors are not inconvenienced by delays resulting from earlier meetings running overtime.*

**Proposal:**

Council is required to conduct its Council and Committees meetings in accordance with the Local Government Act and Local Government (Meetings) Regulation. Council may also, by the adoption of a Code of Meeting Practice, supplement those requirements with other provisions that are not inconsistent with those legislative requirements (Section 360 Local Government Act).

Under the current Code of Meeting Practice the Chair of each Committee Meeting has authority to adjourn a meeting in the following circumstances:

1. When a quorum is not present,
2. If disorder occurs at a meeting.

Council could include an additional section in the Code of Meeting Practice to allow for a Committee meeting to be adjourned in order to allow a Council Meeting to commence at the scheduled time.

It is considered that in order to reduce any ambiguity in the operation of the provision proposed by the Notice of Motion, that the words “without debate” be added after the word Chairman. This would make it clear that the adjournment was for the Mayor or Chairman of the Committee to decide and was not a matter for the Committee to vote on.

Council could include the following section in the Code:

**7.21 ADJOURNMENT OF COMMITTEE MEETINGS TO ALLOW COUNCIL MEETINGS  
TO COMMENCE ON TIME**

*A standing committee may be adjourned at the discretion of the Mayor or Chairman, without debate, no later than 7-40 pm on scheduled Council Meeting nights and be reconvened at the close of the Council Meeting, this to recognise the status and importance of Council Meetings and to ensure the public and other Councillors are not inconvenienced by delays resulting from earlier meetings running overtime.*

**Consultation:**

In accordance with Section 361 of the Local Government Act, Council must advertise proposed changes to its Code of Meeting Practice for a period of not less than 28 days and allow a period of not less than 42 days for the public to make submissions on the proposed changes to the Code.

**Conclusion:**

It is recommended that the amended Code of Meeting Practice containing the new section 7.21 (Adjournment of Committee Meetings to allow Council Meetings to commence on time) be placed on public exhibition in accordance with the legislative requirements and a further report be submitted to the Committee at the conclusion of the exhibition period.

Les Windle  
Manager Governance

Geoff Clarke  
Director Corporate Services

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**Annexures:**

Nil

**Item No:** R2 Recommendation to Council  
**Subject:** **Urban Walkabout Guide for Paddington and Woollahra**  
**Author:** Justine Henderson, Communications Manager  
**File No:** 28.G/900.G  
**Reason for Report:** In response to previous resolution of Council and to consider support for local businesses in Paddington and Woollahra by subsidising their advertisement in the "Urban Walkabout" free map guide.

**Recommendation:**

That Council demonstrate its support for local businesses in Paddington and Woollahra through a contribution of \$5000 to subsidise the advertising cost for inclusion in the December edition of the "Urban Walkabout" map guide.

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**Background:**

This report follows a resolution of Council on 28 August 2006 that requested:

- a. That Council consider sponsoring Urban Walkabout's shop guides for Double Bay, Paddington and Woollahra.
- b. That Council staff prepare a report on possible funding arrangements for sponsorship, should Council's support of a sponsorship arrangement be achieved.

Urban Walkabout is a Paddington-based company that produces the "Urban Walkabout Sydney Guide Maps". The series of stylish, free, foldable, pocket-sized publications, feature guide maps and tips for interesting places to shop, eat and drink in each urban village. The guide maps include an illustrated map, photos, reviews and contact details for local businesses. The maps are aimed at local consumers and domestic and international visitors to the area. The "Urban Walkabout" maps are well supported by a web site, where users can find out about each shop and go directly to the retailer's website. Approximately 50,000 maps are distributed.

The maps are distributed at Sydney airport, 250 star-rated hotels, tourist information booths, visitor centres, transit venues, shopping malls and other venues. Participating clients include small boutiques, bars, cafes and international stores. The next edition of the map will include some galleries and antique stores to widen the market of the product.

The last edition of Paddington's "Urban Walkabout" map, which largely focussed on Oxford Street retailers, was distributed in July 2006 and the next issue is due for release in December 2006. There will be another edition distributed in July 2007. The December release will target businesses in Paddington and Woollahra, extending beyond Oxford Street. Initial market testing in Double Bay showed little interest from retailers. Another approach in Double Bay may be made in the future.

**Proposal:**

That a contribution of \$5000 by Council would provide a subsidy for new and existing businesses wanting to advertise in the December edition of the “Urban Walkabout” map. Each business located in our local government area would receive a letter from Urban Walkabout which would clearly outline the Council’s initiative in providing a subsidy for a full listing (map, category, photo and editorial and online reference), or a modified listing (map, category and online reference). The advertising subsidy would represent a 10% saving for retailers. The subsidy will also assist in increasing the distribution of the map to other outlets. Council’s logo would be placed on the front cover of the “Urban Walkabout” map and recognition would be included on the “Urban Walkabout web site. A late November newsletter to local businesses from Urban Walkabout would reinforce Council’s contribution and its objective of supporting local businesses. Council has offered Urban Walkabout the opportunity to distribute the map at relevant community events and through the customer service centre and libraries. Council would provide free editorial support in the January edition of Woollahra News, published in the *Wentworth Courier*. Woollahra Council’s web site would feature a link to the “Urban Walkabout” map web site to ensure cross promotion and greater distribution of the product ( the map can be downloaded from the site).

If it can be demonstrated that this project has successfully attracted a reasonable take up of advertising by local businesses in our local government area and that positive feedback from retailers is forthcoming, consideration would be given to ongoing support for this kind of initiative in the future.

**Identification of Income & Expenditure:**

The project will be funded from Council’s existing promotional budget.

**Conclusion:**

Council is regularly approached by the Paddington Chamber of Commerce and Oxford Street retailers requesting assistance in promoting and improving trade in an increasingly competitive market.

This project offers Council the opportunity to help promote commercial retailers along Oxford Street Paddington and retailers along feeder streets in Paddington and Woollahra. The high quality guide map and its distribution and shelf life make for an ideal investment. Council’s support allows for direct communication with our stakeholders – local businesses and domestic and international visitors through the map and through the web site. Good branding recognition for Council and its support of local businesses is a key objective of our potential involvement in this project and the proposal meets our objectives.

Justine Henderson  
Communications Manager

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**Annexures:**

Copy of the Winter/Spring edition of “Urban Walkabout”.

**Item No:** R3 Recommendation to Council  
**Subject:** **Preliminary Report on Section 94 Contributions Plan - Provision of Public Car Parking in Double Bay Commercial Centre**  
**Author:** Chris Bluett - Manager Strategic Planning  
**File No:** 136.G  
**Reason for Report:** To respond to two adopted notices of motion

### **Recommendation**

- A. That no amendments be made to the Woollahra Section 94 Contributions Plan 2002 or the Woollahra Section 94A Development Contributions Plan 2005 at this time.
- B. That a further report on development contributions towards public car parking in the Double Bay Commercial Centre be prepared and submitted to the Corporate and Works Committee after the report from the consultant's undertaking work on the business management strategy for the Double Bay Commercial Centre has been received.

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This matter was submitted to the Corporate and Works Committee meeting on 6 November 2006 which submitted the following Recommendation to the Council meeting on 13 November 2006:

- A. That the report be received and noted.
- B. That a further report on development contributions towards public car parking, car sharing and improved access to public transport in the Double Bay Commercial Centre be prepared and submitted to the Corporate and Works Committee after the report from the consultant's undertaking work on the business management strategy for the Double Bay Commercial Centre has been received.
- C. That the report include a review of the current car parking requirements compared to the forecast requirements in the Section 94 Plan and costing for the construction of any new car parks.
- D. That the further report be brought back to the Committee in or before March 2007.

Council resolved to refer the matter back to the Corporate and Works Committee for further discussion. The original report to the Corporate and Works Committee meeting 6 November 2006 follows:

### **1. Background**

This report has been prepared in response to two adopted notices of motion. The most recent notice of motion was adopted on 14 August 2006:

*That a report be brought to Corporate and Works Committee within 12 weeks to examine the review of s.94 parking contributions currently applied in Double Bay, having regard to the decline in development and in retail activity in Double Bay.  
Such a report to address the following:*

- *A review of the calculation of the fee for s.94 parking contributions.*
- *Consideration of a short-term decrease in the current fee, and the ability to waive the fee for a designated period or periods in certain specified circumstances as a means to encourage both development and an improvement in the retail trading environment in Double Bay.*
- *Any other matters staff consider are relevant.*

The first notice of motion was adopted on 11 July 2005:

*THAT a report be brought within 8 weeks to the appropriate committee considering removal or suspension of the s.94 car parking levies in the Double Bay commercial area where there is a change of use.*

Although specifically not stated in the decision of 11 July 2005, both notices of motion link section 94 contributions with declining business and development activity in the Double Bay Commercial Centre. The issue of whether the current monetary contribution rates for public car parking are a disincentive to business activity requires very careful consideration. Any decision resulting in a change to rates or the application of Woollahra Section 94 Contributions Plan 2002 (the Plan) must be based on sound research and analysis. This is necessary because the Council must be able to support its decisions on planning grounds if the Plan is challenged. It is also necessary because the section 94 contributions are a significant source of funds for providing additional public car parking facilities in the Centre. Changes to the Plan will affect the delivery time of those facilities or may require alternative funding options, which in turn have potential impacts on the Council's budget and provision of other facilities and services.

This report is provided as a first step in responding to the notices of motion. A complete response will be given when further research is finished. Part of that research is now being undertaken by consultants we have engaged in the Double Bay business management project. The consultant's have been asked to gather information about the current trading profile of the Centre. They will interview a range of tenants and owners, obtain retail trade turnover figures and examine tenancy mix, vacancy rates, trading conditions and trends.

Information from the consultant's research can be used to identify the reasons for any decline in business and development activities. We have also asked the consultants to include questions to the traders and owners about section 94 contributions.

This first stage report will provide the following information:

- an overview of the current contribution rates,
- powers of the Council to waive or reduce contributions, vary the type of contribution and allow deferred payment of contributions or allow payment of contributions through instalments, and
- response to matters raised in the notices of motion.

## **2. Woollahra Section 94 Contributions Plan 2002**

The Plan was approved by the Council on 10 March 2003 and came into operation on 31 March 2003. A copy of the Plan is provided in **annexure 1**. The Plan enables the Council to impose as a condition of development consent a requirement for the contribution towards the provision of certain public services and facilities, being:

1. Recreation facilities across the Municipality – relevant to residential proposals.
2. Public parking in the Double Bay and Rose Bay Commercial Centres.
3. Civic improvement works in the Double Bay and Rose Bay Commercial Centres.

The current monetary contribution for off-street car parking in the Double Bay Centre is \$38,496 per space. This figure is based on providing an additional level on the Cross Street Public Car Park for 86 spaces at a total cost of \$3,310,644.

Applicants are not required to pay a section 94 contribution for car parking unless the proposal will result in an intensification of land use, which creates a demand for additional car parking spaces. (There are several exceptions to this requirement, which will be discussed later in section 4.3). The intensification may be in the nature of the land use type or an increase in gross floor area. For instance, in the Double Bay Centre, where it is proposed to use a property for retail purposes and the premises has only been used for commercial purposes there is a land use intensification and additional car parking will be required. Unless the additional parking can be provided on site, a section 94 contribution for public off-street car parking can be imposed. The contribution may be satisfied by a monetary payment or provision of a material public benefit.

In Double Bay many new businesses or existing businesses will not attract a section 94 contribution because they will not intensify the use of a premises. This raises the question of how influential section 94 contributions are in detracting new businesses or impeding new development.

Since its inception in March 2003, \$412,620 dollars in monetary contributions have been received from two applications. This equates to 10.6 car spaces. **Annexure 2** contains a table showing the contributions received to date.

Where a section 94 contribution is not required or is waived (see section 2.1 below) the Council can impose a condition to a development consent under Woollahra Section 94A Development Contributions Plan 2005 for the payment of a development levy. The current levy, set by the Environmental Planning and Assessment Regulation 2000, is 1% of the proposed cost of carrying out the development.

Funds raised by the Section 94A Development Contributions Plan 2005 are allocated towards a range of capital works for community facilities, environmental projects, Council properties, infrastructure renewal, open space improvements, and business centres and harbourside projects. Provision of additional public car parking in the Cross Street Car Park is included in the Plan's capital works program.

A distinct from section 94, a levy under section 94A could be imposed irrespective of car parking demand generated by a proposal. Also, funds obtained under section 94A are not subject to the nexus test. That is, under section 94A a link between the proposed development and the capital works project does not need to be demonstrated in order to impose the levy. Funds collected from development across the Municipality could be used to pay for additional parking in the Double Bay Commercial Centre.

## **2.1 Waiving or varying contributions, deferred or periodic payment**

There are provisions within the Plan to address circumstances where contributions may vary in nature, be waived or where payment may be deferred or made through instalments over a specified time.

### **2.1.1 Reducing or waiving the contribution**

Clause 3.14 of the Plan deals with these options and states:

### **3.14 Flexibility and avoidance of disputes**

The provisions of this Plan are intended to achieve consistent and equitable levying of new development that generates increased demand for public facilities. Council recognises, however, that there may be circumstances where payment of the full contribution assessed in accordance with the provisions of the Plan would not be appropriate because of the development history of the property or the extent to which a development proposal would achieve an adopted planning objective or some other public benefit. In these circumstances, Council may reduce or waive the contribution that would otherwise be required.

There is an onus on the applicant to provide *sound planning reasons* when asking the Council to use these provisions. Similarly, in order “to achieve consistent and equitable levying” and maintain the Plan’s integrity, the Council must agree that the request meets the criteria for reducing or waiving the contribution. Where an applicant cannot argue on planning grounds for a contribution to be reduced or waived, other options may be available (see sections 2.1.2 and 2.1.3, below).

### **2.1.2 Alternatives to monetary contributions**

Instead of paying a monetary contribution the applicant may satisfy the demand created by the proposed development for public facilities by means of a material public benefit. Clause 3.9 of the Plan states:

#### **3.9 Material public benefit**

The Council may accept a written offer for the provision of a material public benefit (other than the dedication of land or the payment of a monetary contribution) in part or full satisfaction of a development consent condition requiring:

- (a) dedication of land or a monetary contribution, or both, or
- (b) the recoupment of expenditure for the provision of public facilities.

Before deciding to accept an offer for the provision of a material public benefit the Council must be of the opinion that the material public benefit will satisfy the demand for which the dedication of land or monetary contribution, or both, or the recoupment of expenditure is required.

A material public benefit does not need to be a physical work. Where a physical work is offered as the material public benefit, and the Council is of the opinion that the works will satisfy demand, as mentioned above, the works will be the subject of a written agreement between the applicant and the Council. The agreement will include:

- (a) plans and specifications of the works
- (b) a timetable for construction
- (c) construction details.

### **2.1.3 Deferred or periodic payment**

The deferred or periodic payment methods may be used where an applicant is unable either immediately or in the short term to meet the payment. The Plan accommodates these situations in clause 3.8, which states, in part:

#### **3.8 Deferred or periodic payment**

Where the applicant makes a written request supported by reasons for payment of the contribution other than as required by part 3.7, the Council may accept deferred or periodic payment. The decision to accept a deferred or periodic payment is at the sole discretion of the Council, which will consider:

- (a) the reasons given;
- (b) whether any prejudice will be caused to the community deriving benefit from the public facilities required by the proposed development;
- (c) whether any prejudice will be caused to the efficacy and operation of this Plan; and
- (d) whether the provision of public facilities in accordance with the adopted works schedule will be adversely affected.

Where Council accepts periodic payment by way of instalments, it will be on the basis that each instalment is paid before work commences on the corresponding stage of the development and the amount of each instalment will be calculated on a pro-rata basis in proportion to the cost of the overall development.

This option may be appropriate where an applicant for business reasons is not able to make an immediate payment.

### **Role of Double Bay car parking contributions**

Contributions, whether monetary or otherwise, obtained for the purpose of providing additional public off-street car parking form part of a car parking strategy for the Double Bay Commercial Centre. The strategy manages existing parking provision and the demand for additional parking arising from growth (occurring from new development and intensification of land use). The strategy is an important element in the effective operation of the Commercial Centre in terms of private business operations, pedestrian movement and vehicle movement. Other elements of the strategy are:

- On-site parking and servicing provided within developments – generally, other than where larger sites allow, these facilities can only meet, or partly meet, parking demand for shop keepers and staff.
- Car parking meters and car parking signage – allowing turnover of on-street car spaces close to shops and facilities.
- Resident parking schemes – located outside the Centre and structured to allow short-term use of on-street parking for people visiting the Centre.

## **4. Response to notices of motion**

The notices of motion require responses to four points:

- (i) Review the calculation of the fee for section 94 parking contributions
- (ii) Consider a short term decrease in the fee requirement
- (iii) Waive the fee for a designated period or periods in specified circumstances
- (iv) Remove or suspend the fee for a change of use.

### **4.1 Review the calculation of the fee for s.94 parking contributions**

The financial contribution is based on several elements:

- demand for existing off-street parking using current floor space figures and car parking generation rates,
- supply of existing parking,
- anticipated growth in floor space, broken down into land use types,
- likely demand for additional parking,
- cost of providing additional parking in a car parking structure.

A proper review of the contribution rate, the outcome of which must be supportable on challenge to the Courts, requires a detailed investigation and analysis of:

- car parking generation rates for relevant land use types, including retail and commercial uses (both general and sub-categories), various other non-residential types and residential uses,
- current floor space,
- current supply of car parking, including on-site and kerb parking,
- anticipated growth in floor space for land use types over a 5 to 10 years period,
- further options for providing additional on-site parking, including land acquisition.

This methodology meets the process outlined in the *Section 94 Contributions Manual, 1997*, published by the Department of Urban Affairs and Planning.

The review requires substantial work, some of which would involve consultant input. In particular, we would need to engage consultants to provide information about economic and market factors that will impact on anticipated growth within the Centre.

#### **4.2 Short term decrease in fee**

The difficulties with this option lie in determining the period over which the fee reduction should occur and the amount by which the fee should be reduced. These are matters which are not part of a section 94 contributions plan, other than where they are addressed through the normal provisions of deferred or period payments (clause 3.8) and waiving of payments (clause 3.14). Those provisions are taken up on a case by case basis and provide a fair and equitable method of dealing with the payment of a contribution.

We have concerns about whether the general reduction of a contribution rate over a specified period is a fair and equitable approach for all applicants over the longer term. We consider such a practice skirts the real issues which relate to the additional demand for facilities and the reasonableness of the contribution rate. These issues should be addressed through the review process listed in section 4.1, above.

#### **4.3 Waive the fee for a designated period or periods in specified circumstances**

This option is similar to the previous one, but rather than generally covering all applications it would be limited to nominated situations. Again, however, in attempting to observe matters of fairness and equity there are difficulties in setting the period over which the fee would be waived.

The option is partly taken up in clause 3.14 of the Plan (see above), which allows contributions to be waived and includes circumstances where this may be appropriate. These provisions were recently used in the assessment and determination of DA 799/2005/1 for a proposed dental surgery at 409-411 New South Head Road, Double Bay.

The option is also partly taken up in the DCP for Off-street Car Parking and Servicing Facilities. Clause 6.13 of the DCP provides exemptions for outdoor eating areas on footpaths and for proposals involving a change of use from a shop or commercial premises to a café or restaurant.

#### **6.13 Cafes and restaurants in the Double Bay Commercial Centre**

The Council will not require additional off-street car parking or require a contribution under the Council's Section 94 Contributions Plan for proposed outdoor eating areas on public footpaths subject to compliance with the requirements of the Council's Footpath Restaurant Code.

Additional off-street car parking will not be required for proposals for an existing building and its site involving a change of use from a shop or commercial use to a café or restaurant.

Clause 6.13 was introduced for particular planning reasons related to the operation of the Centre. Its aim is to facilitate active street frontages and improve the vitality of the Centre, particularly in the evenings and at night. The Council could introduce similar exclusions for other land uses for appropriate planning reasons that benefited the Centre as a whole and the broader community. Research now being undertaken for the Double Bay business management project can provide input to the type of uses that might be excluded from the Plan.

#### **4.4 Remove or suspend the fee for a change of use**

This option is currently available in limited forms through clause 3.14 of the Plan and clause 6.13 of the DCP for Off-street Car Parking and Servicing Facilities. The Council might increase the types of uses that would be excluded from the operation of the Plan having regard to planning objectives. It might also extend the exclusion to all change of use proposals. Both cases would need to be considered in light of:

- the cumulative increase in the parking shortfall and the consequent impact on parking demand throughout the Centre and on the adjoining residential precincts,
- implications on the timeframe for delivering the public off-street parking facilities nominated in the Plan,
- obligations to those applicants who have made contributions in providing facilities in a reasonable time,
- implications on Council's budget if facilities are needed due to demand and sufficient money is not available from the section 94 fund,
- matters of equity and fairness – the load is shifted solely to redevelopment proposals,
- the integrity of the Plan.

If there are sound planning reasons to exclude certain types of uses from the Plan, and the matters raised are satisfactorily addressed, then the option might be explored further. However, in our opinion the exclusion of all change of use proposals is not supportable on planning grounds and undermines the Plan's intention. Also, it is not an equitable arrangement as it shifts the weight of contributions onto redevelopment proposals even though demand for parking may be the same for a change of use and a new development.

The Council can be guided on the types of uses that might be excluded from the Plan by the findings of the Double Bay business management study.

### **5. Conclusion**

The Plan, in its current form, provides adequate and equitable measures to enable Council to waive a contribution, change the nature of the contribution and accept deferred or periodic payment of a contribution.

We do not feel there is sufficient evidence to say that the current amount of monetary contribution is an impediment to new business or to existing businesses that wish to expand. Without an understanding of the business conditions and business history of Double Bay, comments about the impact of section 94 contributions are speculative. The Double Bay business management study will assist with understanding the current business climate of the Centre.

If the Council wishes to amend the contribution rates we strongly recommend that changes are based on planning grounds. This is necessary to maintain the Plan's integrity and successfully withstand legal challenges. Amendments should be prepared with regard to the methodology outlined in the *Section 94 Contributions Manual, 1997*. This will require consideration of matters such as current demand and anticipated growth.

As an alternative to section 94 contributions, the Council may wish to consider relying solely on funds raised from the 1% levy imposed on all development consents under the Section 94A Development Contributions Plan 2005. At present the Council has the ability to require a section 94 contribution for public parking if there is a demand for additional parking that cannot be met by the development on-site or by other means. The 1% levy under the Section 94A Plan can only be applied to a development consent if that consent does not have a condition requiring a section 94 contribution. In order to remove consideration of a section 94 contribution for car parking shortfall, the Section 94 Contributions Plan 2002 would need to be amended. A formal process of amending the Plan, which includes public exhibition, would be necessary. Several issues will need to be addressed in a further report if this option is pursued. They include:

- the amount of funds that might be obtained under the section 94A levy compared with funds raised from section 94 contributions,
- the priority given to providing the public car park facility in the Double Bay Centre in the context of the whole capital works program; and
- the consequent impact on the timeframe for providing other capital works if priority is given to public car parking in Double Bay.

We consider that no amendments should be made to the Section 94 Contributions Plan at this time. Results from the Double Bay business management study can provide valuable information which can assist with further consideration of the public car parking contribution. In the short term, applicants and the Council can use the existing provisions of the Section 94 Contributions Plan that allow for waiving a contribution, deferring payment or requiring payment through instalments.

Chris Bluett  
Manager Strategic Planning

Allan Coker  
Director Planning and Development

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## **ANNEXURES**

1. Woollahra Section 94 Contributions Plan 2002
2. Double Bay section 94 car parking contributions

**Item No:** R4 Recommendation to Council  
**Subject:** **Regional Dry Waste Recovery/Disposal**  
**Author:** Mark Ramsay- Manager Depot & Waste Services  
**File No:** 588.G  
**Reason for Report:** Recommendation to Council for Disposal of Dry Waste

**Recommendation:**

That Council engage WSN Environmental Solutions as the disposal point for Dry (Hard) Waste Recovery Disposal for Product and Material collected from the four participating SSROC Councils under the terms and conditions set out in the contract documentation.

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**Background:**

As reported to Council's Corporate & Works Committee on 7 August 2006, SSROC member Councils collectively tendered for the disposal of the Dry (Hard) Waste Disposal/Recovery. All tenders were rejected due to being non-conforming and not meeting the objectives of the tender. The northern cluster of SSROC Councils formed a group (Botany Bay, Marrickville, Waverley and Woollahra Councils), to negotiate with Veolia Environment and WSN Environmental Solutions.

An initial meeting was held with Botany Bay, Randwick, Marrickville, Waverley and Woollahra Councils on the 12 July 2006. This was to discuss the negotiation process with the councils that wished to take part in the negotiations and the expected outcomes from the process. It was at this meeting that Randwick Council advised they were not willing to participate in the negotiation process as they had decided to call for new tenders.

The northern cluster of Councils began negotiations with Veolia Environment and WSN Environmental Solutions, the two most favourable previous tenderers, as per the Public Works Committee report of the 19 July 2006.

A further meeting was held on the 4 September 2006, where details of the length of the contract, the negotiation panel and the negotiation process were discussed. A tender evaluation team of four was established, with one representative from each Council.

On 5 September 2006, tender clarification documents were sent to WSN and Veolia, with the closing date for the return of tenders to the City of Botany Bay Council Administration building on the 20 September 2006. Both WSN and Veolia submitted documentation by the closing date.

Another meeting was held on 26 September 2006 with the tender negotiation team and a list of questions was developed to ask both tenderers, in order to get further information relating to their submissions. Interviews with Veolia and WSN were held on the 27 September 2006.

On 3 October 2006, the final meeting of the tender negotiation team was held. The decision was made to recommend WSN Environmental Solutions' tender for Dry (Hard) Waste Disposal be accepted.

## **Results of Tender Assessment**

The tender pricing schedules were divided into three parts to allow the tenderers to submit separate prices for general dry waste, metals and street cleaning material.

In assessing the price of each tender, the tender negotiation team agreed that the decision made would be the best value for money for the group as a whole and not necessarily that of individual councils.

The prices submitted were exclusive of GST but tenderers were, specifically, asked to include the Section 88 levy payable over the contract period. The prices will be adjusted annually to include Consumer Price Index adjustments.

The most attractive proposal relating to price was the submission from WSN Environmental Solutions. The cost per tonne in Year 1 is \$87.00 (exclusive of GST). Year 1 price is a \$7 saving on what Council is currently paying for the disposal of clean up material, ie approximately \$7,000 per annum.

Overall, WSN was the more attractively priced tenderer, accompanied by the fact that their Burrows Road, Alexandria, transfer station is closer to the four Councils than Veolia's facility at Port Botany.

The tender negotiation team then undertook a review of the Aims and Objectives of the Contract and felt that there was marginal difference between the two tenders in this regard. The resource recovery component was being met by both tenderers.

### **Conclusion:**

The Tender Evaluation Team recommends that Council engage WSN Environmental Solutions as the disposal point for Dry (Hard) Waste Recovery/Disposal for Product and Material collected from the four participating SSROC Council's under the terms and conditions set out in the contract documentation.

Mark Ramsay  
Manager Depot & Waste Services

Warwick Hatton  
Director Technical Services

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### **Annexures:**

A copy of the report from the Corporate & Works Committee Meeting of 7 August 2006.

**Item No:** R5 Recommendation to Council  
**Subject:** **Public Domain Improvement Strategy– Double Bay Commercial Centre**  
**Author:** Greg Stewart - Project Manager Strategic Projects and Policy  
**File No:** 527.G Part 19  
**Reason for Report:** Council resolution calling for a report on streetscape improvements in Double Bay and other centres

**Recommendation:**

- A. That Council endorse the public domain improvement program of works for Double Bay Centre as detailed in the report, at an estimated value of \$5.87m.
- B. That the program of works referred to in (A) be funded by a loan repayable over 10 years.
- C. That Council agree in principle to accelerate public domain improvements in other centres identified in the report at an estimated value of \$2.07m.
- D. That the program of works referred to in (C) be considered with the 2007-08 budget, having regard to the outcome of the Council's application for an Infrastructure and Environmental Works Levy for 2007-08, and the impact of changes to the S94A legislation.
- E. That as soon as the loan funding can be arranged, a staged program of replacing existing pavers in stone, retaining the "Double Bay" pattern, be commenced.
- F. That further reports be provided as soon as the necessary information is available, on options for decorative street tree lighting and banner poles, and the design for the information/wayfinder signage.

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**EXECUTIVE SUMMARY**

In 2002, Council adopted a Public Domain Improvements Plan, which set out urban design guidelines for paving, lighting, planting and street furniture in the Double Bay shopping centre. Streetscape works in the centre have generally followed these guidelines since, although an alternative to the Double Bay litter bin has been installed for OH&S reasons. Current major upgrading works by EnergyAustralia and current or proposed redevelopments of significant sites in Double Bay provide the opportunity to review and enhance the condition of the public domain in the centre.

Discussions have been held with the Chamber of Commerce and, more recently, Councillors have requested a report on "*opportunities to accelerate and undertake streetscape improvements... to actively assist in the revitalisation of Double Bay*".

A proposed public domain upgrading strategy is set out in the following report. The main elements can be identified as: Paving, Street Lighting, Tree Lighting, Banners, Planters and Signage. A decision matrix is provided for Council guidance.

**Paving**

The EnergyAustralia upgrade will necessitate the restoration of paving in about 37% of all footpaths. This can be done by:

- (1) replacing like with like, or
- (2) upgrading the present pavers but retaining the Double Bay paving pattern, or
- (3) replacing the present paving pattern with a new paving treatment.

Replacing like with like is the least expensive short term option, estimated at \$1.69M. The other two options are comparable in price for matching quality pavers, estimated at \$5.03M.

- (1) Replacing the current concrete pavers with matching concrete pavers (like with like) would mean least disruption to businesses but would forgo the opportunity to upgrade the presentation of the centre.
- (2) The present Double Bay paving pattern is very distinctive and is the recognised “brand” of Double Bay. (see illustration **Annexure 1A**) The need to restore the footpaths provides the opportunity to maintain the distinctive pattern but upgrade it to, for example, dark grey and off-white or light grey granite pavers, which would give the centre the quality of presentation recently achieved in the City. This upgrade would commence in Cross St, Bay St, Transvaal Ave and Knox Lane, (following EnergyAustralia), and then be staged in Knox St and New South Head Road. As the pattern would be maintained, the staging can be carried out over a reasonable time to minimise disruption to businesses without resulting in a “patchwork” effect over an extended period.
- (3) Abandoning the Double Bay paving pattern and replacing it with a new paving style (e.g. see illustration **Annexure 1B**) would achieve a completely new look for Double Bay. This may be seen as desirable but the drawbacks include loss of the distinctive “branding” of the current paving pattern, an extended lead time while the necessary research, consultation and exhibition are carried out to agree upon and select the new look; and greater disruption to businesses as all pavers would need to be replaced over a relatively short time frame to minimise the “patchwork” effect of old and new patterns.

***Option (2), upgrading the present pavers to stone but retaining the Double Bay paving pattern is, therefore, recommended.***

### **Upgrading of Short Street, Goldman Lane and Gumtree Lane**

The Double Bay Public Domain Improvements Plan, adopted by Council in 2002, recommended that streetscape improvement works be carried out to Short Street, Goldman Lane and Gumtree Lane.

The developers of the Cosmopolitan site, which abuts Short Street and Goldman Lane, are required, as a condition of their consent, to widen and reconstruct the existing footpath along the Short Street / Goldman Lane frontage of their site as part of their development works. EnergyAustralia is also to undertake works in these streets.

To ensure that the new kerb line of the footpath widening works and the proposed surface materials, adjacent to the development site, integrate with that proposed for the other side of the laneway, a detailed design for these streetscape improvement works will be prepared as soon as possible.

***It is recommended that the widening of the footpaths and the upgrading of the streetscape of Short Street / Goldman Lane, between Bay Street and Knox Street, in conjunction with the proposed adjacent redevelopment and the permanent reinstatement of the EnergyAustralia services trenches be carried out as a joint project.***

As the streetscape design of Gumtree Lane and Goldman Lane, between New South Head Road and Short Street, should be compatible with Short Street / Goldman Lane above, ***it is recommended that a design for the upgrading of Gumtree Lane and Goldman Lane, between New South Head Road and Short Street, should be prepared in conjunction with the design for Short Street / Goldman Lane and that the combined design be exhibited and be the subject of a further report to Council.***

### **Decorative Street Lighting**

A total of 137 decorative footpath lights are installed throughout the Double Bay shopping centre. They are on the street lighting system and, under an agreement between Council and EnergyAustralia, are serviced by EnergyAustralia but parts must be supplied by Council. Currently, about 20% of the lights are not working and have not been repaired because, to date, replacement parts have been unavailable.

The Corporate and Works Committee, at its meeting of 6 November 2006, considered a report on the options available regarding the repair or replacement of these decorative lights and resolved to replace the existing defective and missing decorative footpath lights with lights of the current style, parts for which can now be obtained. Arrangements are currently being made for the manufacture of the decorative light fittings required to replace those that are either missing or damaged. The manufacturer has advised that this will take eight weeks to complete.

### **Tree Lighting**

It was agreed at the meeting with the Chamber that the decorative lighting of street trees would be upgraded and this would provide the opportunity to enhance the evening ambience of Double Bay. The existing partly-defective bud lighting has been removed from the trees and alternative systems are being investigated.

A bud lighting system or optical fibre attached to the branches gives the most striking effect but has several drawbacks, eg it entails a high level of maintenance and is vulnerable to damage because of the extent of elements involved, it has to be adjusted as trees grow and cables have to be carried over or under the road to the trees.

Uplighting under the trees can be programmed to include changing lighting effects but, again, requires cables to be installed over or under the road and the in-ground lights can be vulnerable to moisture penetration.

Floodlighting from adjoining buildings can be programmed to give changing effects and avoids the need for cabling to the trees but requires either the agreement of individual owners; or using poles on the footpath adjacent to buildings. A system of floodlighting was demonstrated to Chamber and Council representatives on 4 October 2006 but those present felt that further options needed to be explored.

A lighting consultant has recently been engaged to prepare some concept designs for the lighting of these street trees and these design concepts should be received by the end of this month. ***When the concept designs have been received, they will be the subject of consultation with the Chamber of Commerce and a report to Council.***

### **Banners**

There is general agreement that banner displays could add colour and interest to the street scene in Double Bay and provide an effective medium for promoting local events. There are presently about 30 poles in Double Bay fitted with brackets to carry banners but some of these are damaged and they all permit only a small banner, with limited impact, to be displayed.

Discussions have been held with the supplier of the multi-function “smart pole”, as used in the City, and a feasibility study for their use in the Double Bay centre is being prepared. The multi-function pole offers the potential for a single integrated street pole design, which can support street lights, traffic lights, signs, banners, bicycle racks, CCTV and wireless communications. The suppliers have been requested to provide further details on a number of issues, such as necessary agreements with EnergyAustralia and the RTA, footing details, etc.

Discussions have also been held with the supplier of an alternative product, to which banners can be attached, that can be retrofitted to the existing street lighting poles. A feasibility study has been requested. This supplier proposes that an annual “royalty” payment and other provisions which are being investigated for their implications for Council.

***Both options would provide the opportunity for larger banners to be displayed throughout the Shopping Centre, and will be reported upon in the near future.***

### **Planting**

The present planter boxes are an attractive and distinctive feature of the streets. However, in some locations they have been subject to extensive and recurring vandalism and have had to be withdrawn. It is not considered that any further planter boxes should be installed except possibly as part of the upgrade of Short Street/Goldman Lane, adjacent to the Cosmopolitan Centre.

The Chamber has advocated the installation of hanging flower baskets. The proposal would add colour and interest to the streets. However, because of the recurring problem with vandalism to the planter boxes, because additional street poles would need to be erected in some streets, and because of the considerable costs and difficulties in terms of maintenance, replacement and watering particularly at this time of severe climate conditions and water shortage, ***installation of hanging flower baskets is not recommended.***

The Chamber has suggested the use of baskets of artificial flowers. This would overcome the difficulties of maintenance and watering, although periodic cleaning and replacement would still be required. However, the Council needs to consider whether the use of artificial flowers presents the appropriate quality image for Double Bay. On this basis, ***this approach is not recommended***, but, if Council wishes to pursue it, it is suggested a pilot installation be trialled to gauge community acceptance and actual maintenance costs.

### **Signage**

A consultant has been engaged to prepare a design for an identification/information/ way-finding sign to be located at the Double Bay Wharf. ***When the design is available, expected in the week following this Committee meeting, it will be the subject of consultation with the Chamber, and with Councillors.***

It was suggested at the meeting with the Chamber that car parking advisory signage should be installed at various locations to advise visitors of the location and numbers of parking spaces available in Double Bay. ***Locations and text for the signs have been selected. These signs are currently being manufactured and should be installed by 8 December 2006.*** A map of the sign locations will be available at the Committee meeting.

### **Summary**

The following Table summarises the arguments for and against the various options and our recommendations.

<b>Paving</b>	Est cost	Arguments for	Arguments against	Rec'n	Cost of rec'd option
Replace existing concrete pavers	\$1.69	Can be staged Retains DB image Least disruption Least cost	Does not change image of centre	NO	
Upgrade existing pattern in stone	\$5.03M	Can be staged Retains DB image	Upgrades quality of centre Higher cost	YES	\$5.03M
Change to new pattern in concrete or stone	\$5.03M	Upgrades quality of centre New DB image	Higher cost Lead time to select Patchwork effect if staged OR most disruption if accelerated	NO	
<b>Streetscape Improvement Works</b>	Est cost	Arguments for	Arguments against	Rec'n	Cost of rec'd option
Preparation of design for Goldman Lane/ Short Street	\$20K	Overall streetscape improvement plan for the street. Works required by developer consistent with overall plan for the street	Nil	YES	\$20K
Construction of streetscape improvement works to Goldman Lane / Short Street	\$400K	Works carried out in one stage in association with works required by adjacent development. Potential cost savings to Council	Cost of the works	YES	\$400K
Preparation of design for Gumtree and Goldman Lanes	\$20K	Design would need to be compatible with the design for Short Street/ Goldman Lane Street needs to be reinstated following works by Energy Australia	Cost	YES	\$20K
<b>Decorative Street Lighting</b>	Est cost	Arguments for	Arguments against	Rec'n	Cost of rec'd option
Repair existing. (C&W 6 Nov. 2006)	\$71K + fitting costs	No removal charges Least supply cost Retains DB image	Does not change image of centre	YES	\$71K + fitting costs
<b>Decorative Tree Lighting</b>	Est cost	Arguments for	Arguments against	Rec'n	Cost of rec'd option
New generation "bud" lighting	TBA	Strong visual effect	Highest mtce costs Cables across streets Must be adjusted as trees grow or are pruned	EXPLO RE FURTH ER	TBA
Uplighting from ground	TBA	Visual effect needs to be tested Not affected by growth or pruning	Cables across streets	EXPLO RE FURTH ER	TBA
Floodlighting from buildings	TBA	No cables across streets Not affected by growth or pruning	Requires agreement of building owners Weaker visual effect	EXPLO RE FURTH ER	TBA

<b>Banners</b>	Est cost	Arguments for	Arguments against	Rec'n	Cost of rec'd option
Remove existing street poles and install multi-function poles	TBA	Achieves strong visual effect Upgrade street furniture presentation	Highest cost Many of the multiple functions are redundant in DB Installation will cause disruption	EXPLO RE FURTH ER	TBA
Fit improved larger banner frames to existing poles	TBA	Achieves strong visual effect Least cost Can be installed with minimal disruption	No change to street furniture presentation	EXPLO RE FURTH ER	TBA
<b>Planting</b>	Est cost	Arguments for	Arguments against	Rec'n	Cost of rec'd option
Install natural flowers in basket – 2 baskets every 2 <sup>nd</sup> pole	\$31K + fitting costs	Achieves strong visual effect	High installation and maintenance and watering costs Difficult to justify in drought conditions	NO	
Install artificial flowers in baskets- 2 baskets every 2 <sup>nd</sup> pole	\$7.48K + fitting costs	Achieves strong visual effect Reduced maintenance costs	Questionable image of DB presented by synthetic flowers Will require replacement from time to time	NO	
<b>Signage</b>	Est cost	Arguments for	Arguments against	Rec'n	Cost of rec'd option
Install wayfinder, promotional signage at Wharf	\$3K	Creates good introductory image for DB		YES	\$3K
Install car park promotional and wayfinder signage at various key locations	\$2.2K	Promotes DB car parking facilities		YES	\$2.2K
<b>Total cost of recommended options</b>					<b>\$5.546M</b>

## Funding

### Cost estimates

Double Bay: The estimated costs of the works in the Double Bay Shopping Centre are as follows:

The replacement of the footpath paving throughout the shopping centre using a distinctive and original new paving stone or surface finish	\$5,030,000
Installation of 'smart' poles (note: preliminary estimate only – detailed proposal awaited)	\$300,000
Permanent decorative lighting (note: preliminary estimate only – detailed investigation continuing)	\$100,000
The upgrading of Goldman Lane / Short Street, between Bay Street and Knox Street	\$400,000
Preparation of design for Gumtree Lane and Goldman Lane, between Gumtree Lane and Short Street	\$20,000
Preparation of detailed design for Goldman Lane / Short Street, between Bay Street and Knox Street	\$20,000
<b>Total</b>	<b>\$5,870,000</b>

Other centres: Below is a list of streetscape works in other commercial areas to which consideration of priority funding should be given if an acceleration of a streetscape program is pursued.

Project	Project Estimate
Oxford Street, Paddington	500,000
Bellevue Hill Shopping Centre	600,000
Queen Street Shopping Centre	100,000
Watsons Bay Commercial Centre – Stage 1	200,000
Stage 2	420,000
Rose Bay (New South Head Road)	75,000
Edgecliff Shopping Centre	175,000
<b>Total</b>	<b>\$2,070,000</b>

Total: The total cost of works proposed for the Double Bay Shopping Centre and an acceleration of works in other shopping centres is \$7.94m. Having regard to current strategies and agreed priorities, only a small proportion of the works set out above can be carried out in the foreseeable future with funds available.

The Council resolution of 11 September 2006 calls for advice on the “*most appropriate method of financing the works so as to not impact on other infrastructure works, and opportunities that this may present to accelerate more urgent streetscape works in other commercial centres*”

Clearly, works to this extent cannot be funded by deferring other budgeted works without serious impact on our ability to deliver Council’s current management plan priorities for programs such as Infrastructure Renewal, Environmental Works, essential property upgrades, and so on. Additional sources of funding will have to be found.

### Sources of funds:

There is little or no scope for grant funds for works of this nature. Some funds will be provided through works paid for by developers in association with redevelopment of major sites such as the Westpac site and the Cosmopolitan site, and potentially in association with Kiaora Lands. Some S94A funds will become available as take up of the new plan increases.

By allocating \$500k to streetscape projects each year, as in the current budget, the works in Double Bay would take 12 or more years to complete. This approach would earmark future budget provisions to Double Bay only, and effectively prevent works being undertaken in any other business centres over this period of time. It is considered this approach would not meet the terms of the Notice of Motion, that is, contribute to the revitalisation of Double Bay or other centres, and is not recommended.

Loan funds:

The only realistic source of significant additional funds would be a loan, whereby the impact on other Council expenditure in each budget year would be restricted to the annual loan repayments. A loan of \$6M to fund the works in Double Bay would entail repayments of \$900k per year for 10 years depending on prevailing interest rates at the time of drawing down the loan.

Upgrading works which have been identified for other shopping centres have a total estimated cost of \$2.1M. To fund all such works would require borrowing of approximately \$8M in total, which would entail repayments of \$1,200k per year over 10 years.

In the longer term the following funding sources will become available to service a loan, should Council resolve to proceed that way.

\$500k	New revenue streams from Double Bay development
\$300k	Parking meter revenue earmarked for loan repayments rather than going to general Capital Budget allocations
<u>\$150k</u>	Section 94A contributions
\$950k	

Funding of this order would service a \$6M loan over 10 years.

In the shorter term, however, until the new revenue streams (Double Bay and Section 94A) come to fruition, any debt servicing would need to be borne within existing budget allocations or from reserves. Indicatively, the new income streams from Double Bay will not be realised until 2009/2010, subject to continuing negotiations.

In regard to S94A contributions, the take-up has been slower than anticipated. This is due partly to the slowdown in development activity but also to the time lag as applications reach construction certificate / occupation certificate stage, triggering the requirement for payment. This may impact on S94A funding available for other works following the allocation of \$150k to the Double Bay works. Further, announced changes to the S94A legislation will have a significant impact on the total amount Council will receive from contributions in future years.

Before committing to a funding strategy for streetscape projects in isolation, consideration should be given to the bigger picture. Council has committed itself to an Infrastructure Renewal Strategy. Part of this strategy requires a successful application to the Minister for Local Government for a special rate variation to convert the Environmental Levy that expires at the end of this financial year into the second stage of introducing an Infrastructure Levy. If this application is not successful, Council will need to consider alternative courses of action, one of which may be to borrow to fund infrastructure renewal.

Given the uncertainties of the outcome of the special variation application, changes to the S94A legislation and funding available to meet loan repayments in the longer term, it would be prudent at this stage to limit the scope of works to the \$6M in Double Bay. We should not jeopardise service delivery by prematurely committing to an accelerated program of works. Rather, it is considered that decisions in relation to the funding of the remaining projects in other centres should only be made after we know the outcome of our special variation application, of changes to S94A, and in the context of the overall 2007/2008 budget.

It will not be until the 2009/2010 financial year that we see the benefit of the additional income streams from Double Bay. \$300k from existing parking meter revenue can be redirected in the 2007/2008 budget and \$150k from S94A contributions can also be set aside for loan repayments. This means that for the 2007/2008 and 2008/2009 budgets we will need to find \$450k to service a \$6M loan.

In the current budget \$200k has been provided for works in Double Bay. This amount can be set aside for loan repayments. In addition, Council will receive some \$310k from EnergyAustralia as payment for restoration charges. This amount can also be set aside for loan repayments in the first year. These allocations will cover the \$450k required for year 1 of the loan repayments and leave \$60k available for year 2. The balance of the year 2 repayments (\$390k) can be funded, initially, from our Infrastructure Reserve.

From year 3 onwards, that is 2009/2010, the additional revenue streams from Double Bay will be available to meet loan repayments in conjunction with S94A contributions and existing parking meter revenue.

This funding strategy can be underwritten by the interest on investment earned on the upfront capital payment associated with the Cosmopolitan Centre project. If additional S94A contributions are not realised, or there are delays in the new incomes streams from Double Bay coming on line, funding shortfalls can be covered.

The benefits of this loan funding strategy are:

- The Double Bay work gets done over a much shorter period of time
- Future cost escalations are avoided, offsetting interest costs
- Council is not extending itself from a debt servicing point of view
- It does not impact on Council's commitment to infrastructure renewal

Council is in a position to be able to approve moving forward with the public domain improvement works for Double Bay. Approval at this stage will allow a formal application for additional loan funding to be made to the Department and have the funding in place to facilitate commencement of the works as soon as practicable, following EnergyAustralia's completion of service upgrading works.

*End of Executive Summary*

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## **1. Background**

On 1 August 2006, Council convened a meeting with the Double Bay Chamber of Commerce, at which details were provided of EnergyAustralia's plans to upgrade its network in the centre, the likely impact on businesses and the opportunity the works presented of reviewing the public domain in the centre. A presentation was made covering a number of aspects of a public domain upgrade strategy for Double Bay.

Subsequently, on 11 September 2006, Council adopted the following Notice of Motion from Councillors Walker and Huxley:

*“That, having regard to the condition of the existing public domain infrastructure, together with the advice that disruptions will occur as a result of EnergyAustralia removing pavers to undertake electrical works and the desire for the Council to actively assist in the revitalisation of Double Bay, a report be brought to the Corporate and Works Committee canvassing the following:*

- *Opportunities to accelerate and undertake streetscape improvements in Double Bay,*
- *Details of all public domain improvements considered appropriate,*
- *Estimated costs of the proposed works,*
- *Most appropriate method of financing the works so as to not impact on other infrastructure works, and*
- *opportunities that this may present to accelerate more urgent streetscape works in other commercial centres.”*

This report addresses the Council resolution. It deals, specifically, with New South Head Road and the Double Bay commercial centre, north of New South Head Road, but the strategy proposed would be applied to the areas south of New South Head Road when the development of the lands surrounding Council’s Kiaora Lane car park site is resolved.

### **Details of the works proposed by EnergyAustralia**

In July this year, EnergyAustralia advised Council of their proposal to upgrade a large percentage of their underground low voltage cable network throughout the Double Bay Commercial Centre. EnergyAustralia advised that the majority of their existing low voltage underground cable network was now reaching the end of its serviceable life and that the upgrading programme was required to improve reliability and to meet rising customer demand for power. Details of the extent of the works are attached as Annexure 2.

Generally, each stage of the works will be carried out in three parts:

#### *Part 1 – Trenching and cable installation*

This work comprises the excavation of a trench approximately 600mm wide along the footpath, the installation of new conduits and electrical cabling, and the backfilling of the excavation and the provision of a temporary asphalt footpath surface. During this stage of the works, each business will be directly affected for approximately two-three days and pedestrian bridges will be provided by EnergyAustralia to maintain pedestrian access to properties at all times.

#### *Part 2 – Transfer of electricity supply*

This work consists of the transfer of the electrical supply for each individual property from the old electrical supply to the new supply. This connection will be by way of a new electrical pillar, which is to be installed on the footpath as part of the works. The transfer of the electrical supply will take approximately one-two hours to complete and will be done at a mutually agreeable time with the adjoining shopkeepers.

In total, approximately thirty-one above-ground electrical pillars will be installed throughout the commercial area as part of this project. EnergyAustralia have recently adopted this form of customer connection as it provides a significant improvement in reliability to the previous system and enables network faults to be more easily isolated and supply restored more quickly to customers.

*Part 3 – Reinstatement of the footpath*

Footpaths will be temporarily reinstated in asphalt by EnergyAustralia at the end of each day. After sections of the works have been completed, EnergyAustralia will provide Council with a Restoration Order to carry out the permanent reinstatement of the affected sections of footpath at an agreed cost.

EnergyAustralia commenced work on Stage 1 of the upgrading programme in Goldman Lane and Gumtree Lane on Monday 9 October 2006. They are undertaking these works prior to Christmas as there have been a number of recent power disruptions in this area and EnergyAustralia cannot guarantee supply to these customers unless the cabling is renewed. They anticipate that the excavation and cable laying component of these works will be completed by early November and that all electrical connections will be transferred to the new cabling by 1 December 2006. At the completion of these works, work on the upgrading programme will cease until mid February 2007 when the remaining stages of the works (Stages 2-5) will be carried out. They anticipate that the major excavation works associated with Stages 2-5 of the works will be completed by August 2007 and all electrical connections transferred by October 2007.

**2. Streetscape/public domain improvements in the Double Bay Commercial Area**

Possible streetscape / public domain improvements within the Double Bay Commercial Area have been identified in the following ways:

- a) In the Double Bay Centre Public Domain Improvements Plan,

The Double Bay Centre Public Domain Improvements Plan, adopted 9 September 2002, listed a number of recommended public domain improvement projects throughout the Double Bay area. Within the central shopping centre, apart from works proposed as part of any development on the Kiaora Lane Car Park site, the only public domain projects in the Plan that have not been implemented are streetscape improvements to Short Street, Goldman Lane and Gumtree Lane, and the reversal of the colour of the existing paving on the northern side of New South Head Road, between Bay Street and Cross Street, from white paving to gunmetal, to reduce the need for frequent cleaning.

- b) In the recommendations of the Double Bay Commercial Centre Working Party

The recommendations of the Double Bay Commercial Centre Working Party, adopted by Council 10 April 2006 relating to streetscape / public domain improvements are:

*“That.....*

*9. A report be presented to the Corporate and Works Committee identifying the cost of implementation of planters/hanging baskets in Double Bay to be located along Cross and Bay Streets and the Kiaora Lane car park.*

*10. That parking direction signs be erected in prominent locations to clearly identify and direct vehicles to the three council car parks, i.e. Kiaora, the cosmopolitan and Cross Street and that welcome signs be erected at the Double Bay ferry wharf and at the western end of New South Head Road and that the sign at the ferry wharf also include a site map.”*

- c) In discussions held between the Double Bay Chamber of Commerce and the Mayor and Council staff, from time to time.

Streetscape / public domain improvements identified and discussed at these meetings are as follows:

- Upgrading of the footpath paving throughout the shopping centre
- Installation of banners throughout the shopping centre
- Use of multi-function “smart” poles for street lighting throughout the shopping centre, and especially along New South Head Road, to reduce the number of poles in the footpath and to also permit the installation of large banners to inform the public of coming events and to improve the appearance and add colour to the streetscape of the shopping centre
- The repair of the decorative footpath lighting
- The upgrading of the street tree lighting.

**Discussion and proposals in relation to the above identified public domain improvement projects:**

- *Streetscape / Public Domain Improvements to Short Street/ Goldman Lane, between Bay Street and Knox Street*

The developers of the Cosmopolitan site, which abuts Short Street and Goldman Lane, are required, as a condition of their development consent, to widen and reconstruct the existing footpath along the Short Street / Goldman Lane frontage of their site as part of their development works.

EnergyAustralia, as part of their upgrading works, are currently installing new conduits and cabling on the southern side of Goldman Lane, between Knox Street and Short Street, in Stage 1 of their works. They also propose to install spare conduits on the southern side of Short Street, between Goldman Lane and Bay Street, in Stage 5 of their works, which are programmed for implementation in the second half of next year.

A detailed design for the overall upgrading of Short Street / Goldman Lane, between Bay Street and Knox Street, will be prepared for these works as soon as possible to ensure that the new kerb line of the footpath widening works and the proposed surface materials adjacent to the development site will integrate with that proposed for the other side of the laneway. The design will also enable all the upgrading works to Short Street / Goldman Lane to be carried out as one project, in conjunction with the adjoining development works and the permanent reinstatement of the EnergyAustralia works, which could result in some savings to Council in the total cost of these works. It would also eliminate the need to carry out these works in stages and, accordingly, would minimise disruption to adjoining shopkeepers.

The estimated cost of the proposed streetscape upgrading and improvement works is \$420,000. (Design \$20,000 Construction \$400,000)

It is therefore proposed that the widening of the footpaths and the upgrading of the streetscape of Short Street / Goldman Lane, between Bay Street and Knox Street, in conjunction with the proposed adjacent redevelopment and the permanent reinstatement of the EnergyAustralia service trenches, be carried out as a joint project.

- *Streetscape / Public Domain Improvements to Goldman Lane between Gumtree Lane and Short Street and Gumtree Lane between New South Head Road and Short Street*

The streetscape design of Gumtree Lane and Goldman Lane, between New South Head Road and Short Street, should be compatible with Short Street / Goldman Lane, between Bay Street and Knox Street (1 above). Accordingly, it is proposed that a design for the upgrading of these streets will be prepared, in conjunction with the detailed design for the upgrading of Short Street / Goldman Lane recommended above.

The estimated cost of preparing a design for the upgrading of Gumtree Lane and Goldman Lane, between New South Head Road and Short Street, is \$20,000. The estimated cost of the streetscape upgrading and improvement works is \$ 400,000.

It is proposed that the design for the upgrading of Gumtree Lane and Goldman Lane, between New South Head Road and Short Street, be prepared, in conjunction with the detailed design plans for the upgrading of Short Street / Goldman Lane, between Bay Street and Knox Street, and that the combined design be exhibited and be the subject of a further report to Council.

### **3. Reinstatement and upgrading of paving**

As stated above, at the completion of each section of the upgrading works, EnergyAustralia will provide Council with a Restoration Order to carry out the permanent reinstatement of the excavated footpath. This Restoration Order, however, will only cover the permanent reinstatement of that portion of the footpath that has been excavated or damaged as a direct result of their upgrading works. In order to achieve a uniform appearance, Council will need to reinstate the full width of the footpath. As most of the existing footpaths are laid on road-base, it is proposed to take the opportunity to upgrade the footpath construction to include a concrete slab base, which will extend the life of the reinstated footpath.

The paving in Double Bay was mainly installed in the late 1980's and early 1990's, as part of the Double Bay Improvement Scheme. The paving, which is now some sixteen years old, is generally in reasonable condition. However, there are a number of locations where there has been differential settlement between adjacent pavers, where sections of paving have subsided, and where pavers have been cracked and damaged by vehicles being driven onto the footpath. The worst sections of footpath are:

- the northern footpath of New South Head Road, between Bay Street and Cross Street, where the white paving stones have badly discoloured and stained and require replacement,
- the eastern end of Guilfoyle Park, adjacent to the stage, again where the white paving stones have badly discoloured and stained and require replacement,
- the southern side of New South Head Road, between Woolworths and Manning Road, where there is a substantial amount of differential settlement between pavers and adjacent service box covers,
- the northern side of Cross Street, between Transvaal Avenue and the Cross Street Car Park, where sections of the paving, which were re-laid and replaced during the adjacent development works, were incorrectly laid and have also subsided.
- parts of Knox Lane, where the paving stones have been badly stained from oil spillages or have been damaged due to delivery vehicles parking on the paved footpath areas.

Apart from Knox Lane, none of the locations listed above is one where EnergyAustralia will be upgrading their underground electrical cable network and, therefore, there will only be a very limited opportunity to use funds from EnergyAustralia to help fund repaving of sections that are in poor to fair condition.

The area of paved footpath in the Double Bay Shopping Centre is approximately 10,500 sq m. The areas of paving to be removed by EnergyAustralia plus the areas listed above as being in poor to fair condition total approximately 6,300 sq m.

▪ *Upgrading options*

It is considered that Council has three options in relation to the footpath paving throughout the shopping centre:

- 1) To replace only those sections of footpath paving removed by EnergyAustralia (full width) or where the condition is such that existing paving requires replacement with matching concrete pavers on a street by street basis.
- 2) To replace all the concrete paving throughout the shopping centre with a paving stone of a higher quality but to the Double Bay pattern, in a staged program.
- 3) To replace all the paving throughout the shopping centre with a new paver of a higher quality and to a new design, in a relatively short timeframe.

**Comments in relation to each of these main options are as follows:**

- 1) To replace only those sections of paving removed by EnergyAustralia or where the condition is such that existing paving requires replacement with matching concrete pavers on a street by street basis.

Although EnergyAustralia will take care in lifting the pavers so that they are not damaged and can be reused following their excavation works, a number, which may already be cracked or damaged, will be unable to be reused and will need to be replaced. As the existing pavers are some sixteen years old, their surface texture and colour has changed since they were first laid. If new pavers are used to replace the damaged pavers, the colour and texture of the surface of the footpath will be non-uniform and unattractive.

An alternative would be to use recovered and new pavers in discrete sections of replacement works. This would provide a more uniform surface colour and surface treatment in local areas, however, there would still be differences in colour and surface texture of the reinstated pavers throughout the centre.

If Option 1 is selected, the initial works will comprise those areas affected by EnergyAustralia, those areas identified above as being the footpaths in the worst condition, and the area of white paving on the northern side of New South Head Road, which should be replaced with gunmetal grey pavers. The white paving, which is badly discoloured and stained severely, detracts from the appearance of New South Head Road, which is a focal point of the Shopping Centre. These works should be staged to reduce disruption. Later stages would comprise the replacement, with matching pavers - the remaining pavers (those presently in better condition).

The estimated cost of replacing the white paving and repaving the footpaths identified above as being in the worst condition and reinstating the footpath following the works by EnergyAustralia (full width) is \$2.768M. It is estimated EnergyAustralia will reimburse Council in the order of \$310,000.

Option 1 involves the least outlay to Council. Approximately 60% of the paving would be replaced initially under this option. However, it would do little to upgrade the centre's presentation and thus "*assist in the revitalisation of the Double Bay Shopping Centre*". Also, as the colour and surface texture of the new paving would be slightly different to the old paving, the footpaths throughout the Shopping Centre would appear to be in a state of ongoing refurbishment for a number of years, until such time as the entire footpath paving throughout the Shopping Centre had been replaced.

- 2) To replace all the concrete paving throughout the shopping centre with a paving stone of a higher quality but to the Double Bay pattern, in a staged program

The pavers and paving pattern installed throughout the Double Bay Shopping Centre, are very distinctive and unique to Double Bay. Double Bay is, therefore, unlike a lot of other shopping centres throughout Sydney, which have non-customized pavers or surface finishes that have been used elsewhere. For this reason, it is considered that there is a strong argument for retaining the existing paving pattern as a well-known public image or "brand" of Double Bay.

It is possible to retain the distinctive and unique footpath paving pattern of Double Bay, while at the same time refreshing the "tired" appearance of the paving, by replacing the existing concrete pavers with a paver of a higher quality, with an improved and denser surface finish to resist staining. It is suggested that this could be achieved through the use of dark grey and contrasting light grey granite or similar stone pavers, similar to those employed recently in the City.

The cost of replacing the existing paving throughout the Shopping Centre with a stone paver is estimated to be in the order of \$5.03M.

This option would improve the quality of the streetscape throughout the Shopping Centre and would retain its current public image. This benefit, however, would only be fully obtained when all the paving throughout the Shopping Centre had been upgraded. Accordingly, this option should be staged to minimise disruption to businesses but over a relatively short time, say 1-2 years.

- 3) To replace all the paving throughout the shopping centre with a new paver of a higher quality and to a new design, in a relatively short timeframe.

One of the ways to stimulate a change in the public image of a shopping centre is to change its streetscape character. The replacement of the existing footpath paving throughout the Double Bay Shopping Centre, with a new higher quality paver, would be one way of commencing this process. In order to create a distinctive image for Double Bay, any new footpath paver or surface finish used should be unique to this Centre.

The cost of replacing the existing footpath paving throughout the Shopping Centre, using a distinctive new paver or surface finish of a higher quality, is estimated to be a minimum of \$5.03M, depending upon the cost of the paving stone or surface finish to be used.

As for Option 2 but even more so in this case, the benefit would only be fully obtained when all the paving throughout the Shopping Centre had been replaced. Staging over an extended period would result in a patchwork effect of old and new paving patterns, which could have a detrimental effect on the Centre. Therefore, the works would need to be carried out as one project over a relatively short time, say 9-12 months, with commensurate increased potential for disruption to businesses though for a limited time.

Allowance would need to be made in Option 3 for research into the type of paver and paving pattern to be recommended, consultation with the community, exhibition of proposals and adoption by Council of the design.

## **Consideration of the options identified**

Although Option 1 would be the least-cost approach it would do little to assist in upgrading the presentation and the revitalisation of the Double Bay Shopping Centre.

Options 2 and 3, appropriately staged, would upgrade the image of the Centre and, thus, could assist in its revitalisation.

Option 2 would significantly improve the quality and appearance of the paving, while reinforcing the recognised public image of Double Bay. It can be carried out in stages with minimal visual and business disruption.

Option 3 would contribute to creating a new image for Double Bay. It would need to be staged over a relatively short time to minimise a patchwork of old and new paving and disruption to businesses would need to be managed carefully. Reaching community agreement on the choice of new paver and paving pattern may take some time.

The costs of implementing Options 2 and 3 are comparable.

### ***Recommendation***

***That Council replace the concrete pavers throughout the shopping centre with a paving stone of a higher quality but to the Double Bay pattern, in a staged program***

## **4. Decorative Street Lighting**

As part of the Double Bay Improvement Programme undertaken by Council in the late 1980s and early 1990s, a total of 137 decorative footpath lights were installed throughout the Double Bay Shopping Centre. These decorative footpath lights were installed to improve the streetscape and visual appearance of the Shopping Centre, especially at night, and were not installed for street lighting purposes, although they do have this added benefit. A plan showing the location of these decorative lights is attached as Annexure 2.

The decorative footpath lights in Double Bay are directly connected to the underground street lighting circuit of EnergyAustralia (then known as the Sydney County Council). At the time of installation, Council entered into an Agreement with EnergyAustralia for EnergyAustralia to maintain these lights on Council's behalf on the basis that Council would supply any parts requiring replacement. The reason Council entered into this Agreement was to ensure that power supply to the street lighting system was properly isolated at the electrical substation before any repairs were carried out, for safety reasons.

### **Defective lights**

An inspection of the decorative footpath lighting, carried out on Friday 23 June, 2006, revealed that 22 of the 137 decorative lights throughout the Shopping Centre (16%) were not working. Since this inspection, it has been noted that a few more decorative lights have been damaged.

For some time, individual parts for the repair of the Double Bay decorative lights, apart from the globes, have been unavailable from the manufacturer as this light fitting has now become a discontinued line. Council, therefore, has been unable to provide EnergyAustralia with the necessary individual parts to repair these light fittings. The manufacturer has, however, recently advised Council that it is prepared and able to manufacture replacement light fittings provided they are ordered in lot sizes of 50 or more and that the cost would be \$645 per light for an order of 50 or \$595 per light for an order of 100. They have further advised that they own all the tooling and mouldings for this light fitting and, therefore, have the capability of manufacturing this light fitting in reasonable lot sizes in future years.

### **Council resolution**

A report on the options available regarding the repair and replacement of these decorative footpath lights was submitted to the Corporate and Works Committee on 6 November, 2006, where it was resolved:

- A. That the existing defective and missing decorative footpath lights in the Double Bay Shopping Centre be replaced with light fittings of the current style*
- B That Council carry, as stock, a sufficient number of replacement light fittings as is necessary to enable defective light fittings to be repaired promptly*
- C That all replacement light fittings and globes be energy efficient.”*

Arrangements are currently being made for the manufacture of the decorative light fittings required to replace those that are missing or damaged. The manufacturer has advised that tis will take approximately eight weeks to complete.

## **5. Tree Lighting**

The bud lighting that was installed some years ago in the trees in the median islands of Knox Street, in the large trees in Bay Street at the intersection of Knox Street, and in the trees at the intersection of Transvaal Avenue and Cross Street, has recently been removed as most of the lighting was in poor condition and did not work.

Because of the high costs associated with the installation and maintenance of bud lighting, it was considered that alternative options to light these trees such as floodlighting and up-lighting should be explored.

A bud lighting system attached to the branches gives the most striking effect but has several drawbacks eg, it entails a high level of maintenance and is vulnerable to damage because of the extent of elements involved, it has to be adjusted as trees grow and cables have to be carried over or under the road to the trees.

Uplighting under the trees can be programmed to include changing lighting effects but again requires cables to be installed over or under the road and the in-ground lights can be vulnerable to moisture penetration.

Floodlighting from adjoining buildings can be programmed to give changing effects and avoids the need for cabling to the trees but requires either agreement of individual owners or poles erected on the footpath adjacent to buildings.

A demonstration of coloured LED lighting was held on 4 October 2006, however, it was felt that the lighting demonstrated did not achieve the desired outcome and that further options needed to be explored.

A lighting consultant has recently been engaged to prepare some concept designs for the lighting of these street trees and these design concepts should be received by the end of this month. ***When the concept designs have been received, they will be the subject of consultation with the Chamber of Commerce and a report to Council.***

## **6. Banner Poles**

Banners advertising the Small Sculpture Prize Exhibition were erected in New South Head Road in the Double Bay Shopping Centre, on the frames that were installed on EnergyAustralia's street light poles some years ago. It is understood that the Double Bay Chamber of Commerce is currently arranging for these banners to be replaced with Christmas banners. The existing frames attached to EnergyAustralia's street lighting poles are relatively small and, therefore, only permit small banners to be displayed. The options being explored in relation to the possible use of smart poles will permit larger banners to be displayed in the future.

There is general agreement that banner displays could add colour and interest to the street scene in Double Bay and provide an effective medium for promoting local events. There are, presently, about 30 poles in Double Bay fitted with brackets to carry banners but some of these are damaged and they all permit only a small banner to be displayed.

Discussions have been held with the supplier of the multi-function "smart pole", as used in the City and a feasibility study for their use in the Double Bay centre is being prepared. The multi-function pole offers the potential for a single integrated street pole design, which can support street lights, traffic lights, signs, banners, bicycle racks, CCTV and wireless communications.

Discussions have also been held with the supplier of an alternative product to which banners can be attached, that can be retrofitted to the existing street lighting poles. A feasibility study has been requested. Both schemes will be reported upon in the near future. Both would provide the opportunity for larger banners to be displayed throughout the Shopping Centre.

***It is recommended that a further report be presented to Council on the possible use of multi-function poles or an alternative banner system in the Double Bay Shopping Centre following the receipt of information from the suppliers.***

## **1. Planters/Hanging Baskets**

The present planter boxes are an attractive and distinctive feature of the streets in the Double Bay shopping centre. However, in some locations they have been subject to extensive and recurring vandalism and have had to be withdrawn. It is not considered any further planter boxes should be installed except possibly as part of the upgrade of Short Street/Goldman Lane adjacent to the Cosmopolitan Centre.

The Chamber has advocated the installation of hanging flower baskets. There are numerous types of baskets on the market that can be hung outdoors with manufacturers able to fabricate baskets to suit most design needs.

In reviewing this proposal, it was considered that baskets would need to be hung from the decorative street light poles in Cross and Knox Streets and that, due to the close spacing of these, baskets at every second pole would create sufficient display. Two options for hanging the baskets containing live plants were considered:

- Hang one basket from every second decorative light pole with the basket hanging out over the road. This would require the purchase of forty baskets to cover both Cross Street and Bay Street. The drawbacks with this option are that the baskets would need to be hung at a height sufficient to allow high vehicles such as trucks to pass underneath, which would lessen the effect. Staff would have to operate from the roadway to water the plants and the excess water could drip onto parked cars.
- Hang two baskets from every second pole with the baskets running lengthwise down the footpath, which would require the purchase of eighty baskets. The baskets would have to be hung at a height of no lower than 2.2 metres to allow pedestrian traffic to pass underneath. This would limit the type of plant used so that it could still be viewed from ground level.

The cost of implementing these options in Cross and Bay Streets is: for one basket every second pole - \$15,500 plus fitting; for two baskets every second pole - \$31,000 plus fitting

Hanging baskets require more frequent watering and fertilizing than normal planter boxes. In the hotter months, they can require watering twice a day. The amount of water needed could create an overflow problem to pedestrians walking underneath them and puddles may form on the pavement below. There would be a considerable amount of maintenance needed to keep these plants in a healthy condition in this type of application. To water the plants would require the purchase and use of special watering equipment capable of reaching the hanging basket. In order to gain sufficient sunshine for plants to grow into full displays, it may also be necessary to rotate the baskets.

Significant problems have been experienced in Double Bay with existing plants and planter boxes being stolen and damaged. The cost to Council for the repairs to damaged planters and plants in the past twelve months has been over \$3,000.

The potential for hanging baskets in Knox Lane is limited due to the lack of suitable poles from which to hang them. To hang enough baskets in this area, to make an effective display, would require additional poles to be installed to accommodate them.

Because of the high purchase and maintenance costs, as well as the problems of watering and potential vandalism, the installation of planted hanging baskets is not recommended.

The Double Bay Chamber of Commerce have suggested the use of artificial flowers to avoid the maintenance and watering problems. This alternative has been explored and it has been determined that the cost of implementing baskets containing artificial flowers in Cross and Bay Streets would be: Option 1- one basket every second pole - \$3,740 plus fitting; Option 2- two baskets every second pole - \$7,480 plus fitting. The artificial plants would not require watering or horticultural care but would need to be cleaned and/or replaced from time to time.

However, the Council needs to consider whether the use of artificial flowers presents the appropriate quality image for Double Bay. In our view on this basis, ***this approach is not recommended*** but, if Council wishes to pursue it, it is suggested that a pilot installation be trialled to gauge community acceptance and actual maintenance costs.

***It is therefore recommended that hanging baskets of natural flowers not be installed, but that if Council determines it wishes to trial artificial flowers, a location be selected in consultation with the Chamber of Commerce.***

## Visitor signage

Council has adopted a suite of signs for parks and public open spaces. Welcome to Double Bay signs or way-finding signs should be of the same style as this suite of signs. To greet visitors at the Double Bay Ferry Wharf, the preferred location of the way finding signs would be on the footpath directly outside the 18 Footers Sailing Club. This sign would also include a map of the area. It is estimated to cost in the order of \$3,000.

Other locations, which could be considered in the future, include:

Cross Street Carpark  
Guilfoyle Park  
Kiaora Lane Carpark  
New South Head Road bus stop, outside Woolworths.

A consultant has been engaged to prepare a concept design for visitor or way-finding signs at the Wharf. *When this concept design has been prepared, programmed for 21 November, 2006, it will be reviewed in consultation with the Double Bay Chamber of Commerce with a view to the design being finalised and the sign installed as soon as possible.*

## Car park signage

A plan showing the locations and content of the signage considered necessary to direct drivers to the Cross Street, Cosmopolitan, Stamford Plaza and Kiaora Lane car parking stations has been developed. *These signs are currently being manufactured and should be installed by 8 December 2006.*

## 8. Funding

The costs of the works in the Double Bay Shopping Centre are as follows:

The replacement of the footpath paving throughout the shopping centre using a distinctive and original new paving stone or surface finish	\$5,030,000
Installation of 'smart' poles (note: preliminary estimate only – detailed proposal awaited)	\$300,000
Permanent decorative lighting (note: preliminary estimate only – detailed investigations continuing)	\$100,000
The upgrading of Goldman Lane / Short Street, between Bay Street and Knox Street	\$400,000
Preparation of design for Gumtree Lane and Goldman Lane, between Gumtree Lane and Short Street	\$20,000
Preparation of detailed design for Goldman Lane / Short Street, between Bay Street and Knox Street	\$20,000
<b>Total</b>	<b>\$5,870,000</b>

Additional costs would be associated with:

the upgrading of Gumtree Lane and Goldman lane between Gumtree Lane and Short Street  
the introduction of hanging baskets in Cross Street and Bay Street  
the supply and installation of banner frames to existing poles

The following funds have also been allocated in the current capital Works budget for streetscape improvement works this year:

Oxford Street, Paddington	\$300,000
Vaucluse Shopping Centre (Old South Head Road)	\$80,000

Listed below is a list of the more urgent streetscape works in other commercial areas to which consideration of funding should be given if an acceleration of a streetscape program is pursued.

<b>Project</b>	<b>Project Estimate</b>
Oxford Street, Paddington	500,000
Bellevue Hill Shopping Centre	600,000
Queen Street Shopping Centre	100,000
Watsons Bay Commercial Centre – Stage 1	200,000
- Stage 2	420,000
Rose Bay (New South Head Road)	75,000
Edgecliff Shopping Centre	175,000
<b>Total</b>	<b>\$2,070,000</b>

The total cost of works proposed for Double Bay Shopping Centre and an acceleration of the more urgent works in other shopping centres is \$7.94m.

There are other shopping centre improvement projects which have also, previously, been identified in reports to Council as being projects for implementation. These projects were identified when Council was considering the borrowing of funds to implement shopping centre streetscape improvement works. These projects, together with some additional streetscape improvement projects have been listed in Council's Section 94A Development Contributions Plan 2005 for funding by way of developer contributions.

Having regard to current strategies and agreed priorities, only a small proportion of the works set out above can be carried out in the foreseeable future with funds available. The Council resolution calls for advice on the *“most appropriate method of financing the works so as to not impact on other infrastructure works, and opportunities that this may present to accelerate more urgent streetscape works in other commercial centres”*

Clearly, works to this extent cannot be funded by deferring other budgeted works without serious impact on our ability to deliver Council's current management plan priorities for programs such as Infrastructure Renewal, Environmental Works, essential property upgrades, and so on. Additional sources of funding will have to be found. Some funds will be provided by developer works in association with redevelopment of major sites such as the Westpac site and the Cosmopolitan site, and potentially in association with Kiaora Lands. Some S94A funds will become available as take up of the new plan increases, although we need to be conservative in this regard given the scope of our Contributions Plan has been narrowed. In response to recent adverse publicity changes to the current legislation have been announced. The changes mean that applications with an:

- estimated cost of works of less than \$100,000 will be exempt
- estimated cost of works between \$100,000 and \$200,000 can be levied at 0.5%
- estimated cost of works above \$200,000 can be levied at 1%

Council's Section 94A Contributions Plan currently provides for a levy of 1% across all works.

There is little or no scope for grant funds for works of this nature. The only realistic source of significant funds would be a loan whereby the impact on other Council expenditure in each budget year would be restricted to the annual loan repayments. A loan of \$6M to fund the works in Double Bay would entail repayments of \$900k per year for 10 years depending on prevailing interest rates at the time of drawing down the loan.

Upgrading works which have been identified for other shopping centres have a total estimated cost of \$2.1M. To fund all such works would therefore require borrowing of approximately \$8M in total, which would require repayments of \$1,200k per year over 10 years.

Initial enquiries have been made to the Department of Local Government in regard to approval for an additional loan allocation. We have been advised that the global borrowing limit for local government no longer exists and the allocation is at the discretion of the Minister. Given our current very low level of indebtedness and debt servicing ratio we do not envisage any difficulties in securing a loan allocation.

With our current debt of just \$3.1m our debt servicing ratio is less than 1%. If council were to borrow the \$8m required to complete the Double Bay works and the more urgent works in other shopping centres, over 10 years, our debt servicing ratio would increase to around 3.3% which is well below the generally accepted threshold of 10%.

Alternatively, using the \$500,000 allocated to streetscape projects in the current budget (\$200,000 for Double Bay and \$300,000 for Oxford Street) the works could be staged over 12 or more years. This approach would earmark future budget provisions to the Double Bay project and effectively prevent works being undertaken in any other business centres over this period of time. This piecemeal approach would not meet the terms of the Notice of Motion and is not recommended.

In the longer term the following funding sources will become available to service a loan, should Council resolve to proceed that way.

\$500k	New revenue streams from Double Bay
\$300k	Parking meter revenue earmarked for loan repayments rather than going to general Capital Budget allocations
\$150k	Section 94A contributions
<u>          </u>	
\$950k	

Funding of this order can service a \$6M loan over 10 years.

In the shorter term, however, until the new revenue streams (Double Bay and Section 94A) come to fruition, any debt servicing will need to be borne within existing budget allocations or from reserves. Indicatively, the new income streams from Double Bay will commence in 2009 and increase to \$500k for the 2009/2010 financial year. It is important to note that the timing of these income streams, and their ultimate quantum, is subject to continuing negotiations, the timing of the handover of car parking and completion of construction of the retail component of the Cosmopolitan centre project.

In regard to S94A contributions, the take up has been slower than anticipated. This is due partly to the slowdown in activity but also the time lag as applications reach construction certificate / occupation certificate stage triggering the requirement for payment. The 2006/2007 budget is dependent upon receiving \$1m from section 94A contributions and, to date, we have received only \$230k. Estimating the timing of this revenue stream reaching its full potential is made more difficult by the recently announced changes in the legislation narrowing the scope of the levy. Notwithstanding these difficulties an estimate of S94A levies will need to be made in light of the changes which will probably require an adjustment to the program of works in the 2006/2007 budget proposed to be funded from this source.

In preparing this funding strategy, anticipated lump sum payments from the Cosmopolitan project and sale of the Waverley/Woollahra Process Plant site have been considered. The strategy has been developed based on current and future income streams that can be directed toward debt servicing rather than using these one-off funds to cover the cost of these projects. The utilisation of these one-off amounts should be the subject of separate consideration by Council.

Before committing to a funding strategy for streetscape projects in isolation, consideration should be given to the bigger picture. Council has already committed itself to an Infrastructure Renewal Strategy. Part of this strategy requires a successful application to the Minister for Local Government for a special rate variation to convert the Environmental Levy that expires at the end of this financial year into the second stage of introducing an Infrastructure Levy. If this application is not successful Council will need to consider alternative courses of action, one of which may be to borrow to fund infrastructure renewal or, alternatively, reassess priorities.

Given the uncertainties of the special variation application, changes to the S94A legislation and funding available to meet loan repayments in the longer term, it would be prudent at this stage to limit the scope of works discussed above to the \$6M in Double Bay. While we see benefit in doing the additional work the extra loan repayments put additional pressure on an already stressed operating budget. Preparation of the 2007/2008 budget will be made even more difficult by changes to WorkChoices legislation enabling the cashing out of annual leave and sick leave. We do not want to jeopardise service delivery by prematurely committing to the accelerated program of works. Rather, it is considered appropriate that decisions in relation to the funding of the remaining projects be made in light of the outcome of our special variation application and changes to S94A in the context of the overall 2007/2008 budget with a view to including the program.

It will not be until the 2009/2010 financial year that we see the benefit of the additional income streams from Double Bay. The \$300k from parking meters can be redirected in the 2007/2008 budget and \$150k from S94A contributions can also be set aside for loan repayments. This means that for the 2007/2008 and 2008/2009 budgets we will need to find \$450k to service a \$6M loan.

In the current budget \$200k has been provided for works in Double Bay. This amount can be set aside for loan repayments. In addition, Council will receive some \$310k from EnergyAustralia as payment for restoration charges. This amount can also be set aside for loan repayments. These allocations will cover the \$450,000 required for year 1 of the loan repayments and leave \$60k available for year 2. The balance of the year 2 repayments (\$390k) can be funded, initially, from our Infrastructure Reserve. This reserve currently has a small amount of unallocated funds that can be applied to this purpose and subsequently reimbursed, if necessary.

From year 3 onwards, that is 2009/2010, the additional revenue streams from Double Bay will be available to meet loan repayments in conjunction with S94A contributions and existing parking meter revenue.

The funding strategy outlined above can be underwritten by the interest on investment earned on the upfront capital payment associated with the Cosmopolitan Centre project. If additional S94A contributions are not realised, or there are delays in the new incomes streams from Double Bay coming on line, funding shortfalls can be covered.

The benefits of this loan funding strategy are:

The work gets done over a much shorter period of time

If Council was to rely on the current level of budget funding for streetscape projects expenditure of this magnitude would need to be staged over many years

Future cost escalations are avoided, offsetting interest costs

Interest costs are generally offset by the avoidance of future cost escalations that arise through staging or postponing project delivery

Council is not extending itself from a debt servicing point of view

10% is a generally accepted threshold where our debt service ratio may represent an over-commitment to debt. This strategy would see a worst case scenario of a 3.3% debt service ratio

Does not impact on Council's commitment to infrastructure renewal

The strategy targets future income streams for debt servicing avoiding any impact on council's current commitment to infrastructure renewal

Council is in a position to be able to approve moving forward with the public domain improvement works for Double Bay. Approval at this stage will allow a formal application for additional loan funding to be made to the Department and have the funding in place to facilitate commencement of the works as soon as practicable, following EnergyAustralia.

### **Conclusion:**

The conclusions and recommendations are set out in the Executive Summary.

Greg Stewart  
Project Manager Strategic  
Projects and Policy

Don Johnston  
Manager Finance

Warwick Hatton  
Director Technical Services

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### **ANNEXURES:**

1. ILLUSTRATIONS OF PAVERS.
2. PLAN SHOWING THE EXTENT OF WORKS PROPOSED BY ENERGYAUSTRALIA

ANNEXURE 1



Illustration 1(A): “Double Bay” Paver, as installed in various streets.



Illustration 1(B): Example of possible alternative paver, as installed in Knox Lane.