



# Corporate & Works Committee

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

**Date:** *Monday 3 August 2009*

**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; - Delegations.
  - Adoption of Council's Management Plans; - Policies.
  - Quality Service/Communications; - Tenders as per Regulation requirements.
  - Leases.
  - Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes

**Committee Membership:**

6 Councillors

**Quorum:**

The quorum for a Committee meeting is 4 Councillors.

# WOOLLAHRA MUNICIPAL COUNCIL

## Notice of Meeting

30 July 2009

To: His Worship The Mayor, Councillor Andrew Petrie ex-officio  
Councillors      Greg Medcraft              (Chair)  
                         Anthony Boskovitz  
                         Peter Cavanagh              (Deputy)  
                         Nicola Grieve  
                         Ian Plater  
                         Isabelle Shapiro

Dear Councillors

### **Corporate & Works Committee Meeting – 3 August 2009**

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 3 August 2009 at 6.00pm.**

Gary James  
General Manager

# **Additional Information Relating to Committee Matters**

**Site Inspection**

**Other Matters**

## Meeting Agenda

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

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

D1	Confirmation of Minutes of Meeting held on 20 July 2009	1
D2	Hopetoun Avenue/Petrarch Steps, Vacluse – Pedestrian Hazard – T240/240	2
D3	Customer Service and Communication Principal Activity – Fourth Quarter Management Plan Review – 827.G 08-11	10
D4	Organisation Support Principal Activity – Fourth Quarter Management Plan Review – 827.G 08-11	25
D5	Structured Finance Investor Claim against Lehman Brothers Australia Limited – 349G CDOs <b>* See Confidential annexure distributed separately</b>	62

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

R1	Statutory Review of Delegation, Organisational Structure and Contractual Conditions of Senior Staff – 473.G	65
R2	Stage 1 – Old South Head Road, Vacluse, Traverse Sub Pavement Drainage Works – Tender 09/011	93

**Item No:** D1 Delegated to Committee  
**Subject:** **Confirmation of minutes of meeting held on 20 July 2009**  
**Author:** Les Windle, Manager – Governance  
**File No:** See Council Minutes  
**Reason for Report:** The Minutes of the Meeting of Monday 20 July 2009 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 20 July 2009 be taken as read and confirmed.

Les Windle  
Manager - Governance

**Item No:** D2 Delegated to Committee  
**Subject:** **Hopetoun Avenue/ Petrarch Steps, Vaucluse – Pedestrian Hazard**  
**Author:** Alan Opera Manager – Engineering Services  
**File No:** T240 / 240.  
**Reason for Report:** To report on the results of geotechnical investigation into the stability of the embankment on the northern side of Hopetoun Avenue outside Nos. 22 & 24 and to examine options to resolve pedestrian safety issues.

**Recommendation:**

- A. That the proposal incorporating a concrete footpath on the northern side of Hopetoun Avenue outside Nos. 18-24 Hopetoun Avenue, the widening, regrading and returfing of the nature strip outside Nos. 6-18 Hopetoun Avenue, the removal of existing medians and the construction of speed humps outside Nos. 10 and 18 Hopetoun Avenue, and associated adjustments to traffic lanes and bike lanes as detailed in Plan No. 15044 be approved in principle.
- B. That Council canvass the local residents affected by the proposal.
- C. That following the above consultation the matter be referred to the Woollahra Traffic Committee for its concurrence.
- D. That the \$19,000 budget allocation for this project in 2008/09 and the required additional funding of \$55,000 be considered when Council considers the revotes for 2009/10.
- E. That maintenance of the embankment be completed as part of the current roads maintenance program.

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**Background:**

This matter was the subject of several reports to Council during 2008 which examined pedestrian hazards in Hopetoun Avenue outside Nos. 6-24 Hopetoun Avenue and at the Petrarch Steps. These reports investigated several options to improve pedestrian safety including various fencing proposals and the construction of a footpath on the northern side of the street.

A proposal to introduce a pedestrian-proof fence on the northern side of Hopetoun Avenue to prevent pedestrians from crossing to the northern side of the road was the subject of public consultation in mid-2008. Subsequently in August 2008 an on-site meeting was held with residents and ward councillors to discuss the various safety issues at this location. During this meeting discussion on the possibility of construction of a concrete footpath on the northern side of the road brought into question the stability of the embankment which supports Hopetoun Avenue at this location. The Corporate & Works Committee therefore resolved on 4 August, 2008:

- A. That the matter be deferred to allow further investigation of the stability of the embankment and a study of the traffic issues raised at the inspection.*

Council has now received a geotechnical report from its consultants Douglas Partners Pty Ltd which has examined the stability of this embankment and the possibility of constructing a footpath atop the embankment.

In summary the report finds that the embankment is stable and that with regular maintenance it will remain in satisfactory condition. The report has also found that the embankment is capable of supporting a footpath, however, the footpath would need to be in the form of suspended slabs supported on piers which will make its construction very expensive.

**Issues:**

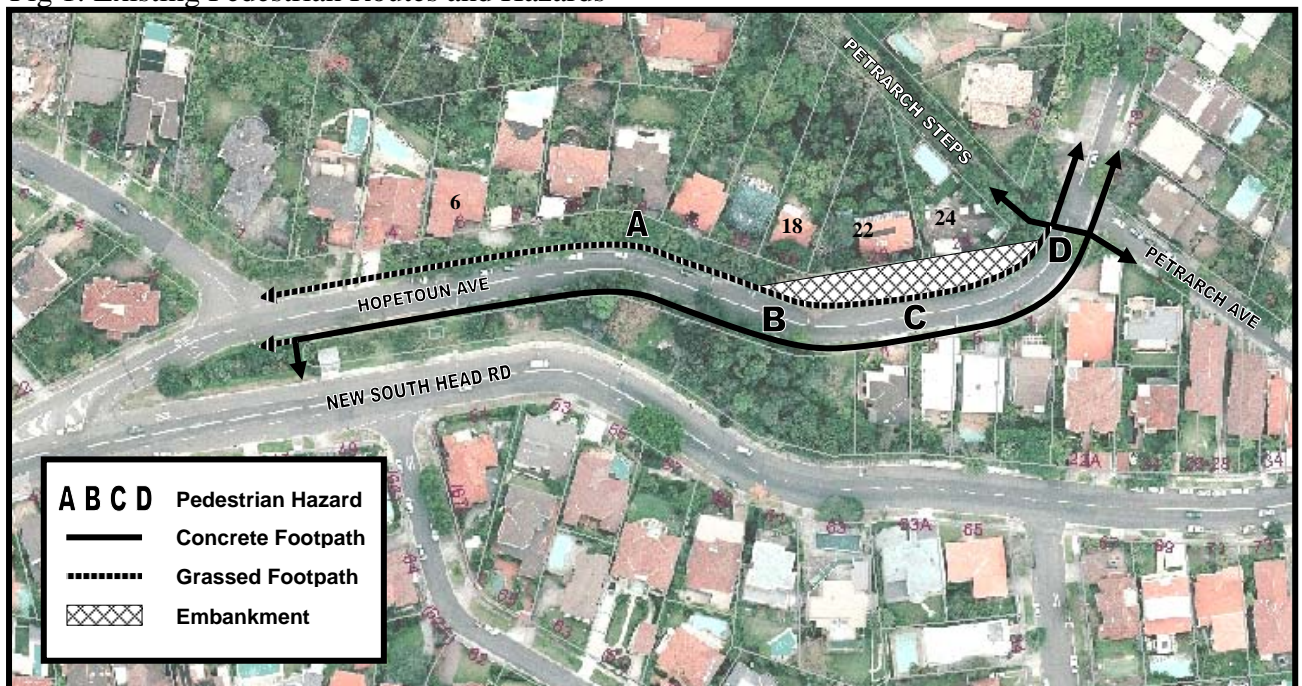
Three separate issues have evolved during Council’s investigation into this matter, namely:

- Outside Nos. 6-18 Hopetoun Avenue the existing nature strip is narrow which causes difficulty and safety concerns for parents with prams/children,
- A serious pedestrian hazard exists in Hopetoun Avenue, along the top of the embankment and extending down to Petrarch Steps,
- Some residents are seeking the construction of a footpath along the top of this embankment for amenity and the stability of the embankment has been brought into question.

**Pedestrian Hazards:**

For clarity the existing pedestrian routes and the four pedestrian hazards identified at this location are shown in Fig.1 below.

Fig 1: Existing Pedestrian Routes and Hazards



The identified pedestrian hazards are:

HAZARD

- A. The nature strip outside residences Nos. 6-18 Hopetoun Avenue is very narrow and causes difficulty for parents with prams and children in accessing these properties. Because of the difficulty in using the nature strip parents load their children from the road rather than from the footpath. (Note: This hazard has been previously investigated and Council has adopted a proposal to relocate the existing arris rail fence and to widen, regrade and returf this unmade section of nature strip to improve pedestrian access to these premises.



This improvement at a cost of \$9,000 is not contingent on any other treatments outside Nos.18-24 and the Petrarch Steps.)

- B. Pedestrians, predominantly school children, cross the road from the southern concrete footpath to the northern unmade verge at a dangerous location. This mainly occurs in the afternoon after school children have alighted from the bus stop in New South Head Road at Johnson's Lookout and proceed down Hopetoun Avenue. The problem occurs anywhere between Nos. 14 and 24 Hopetoun Avenue but is of most significant risk east of the bend at No.18 Hopetoun Avenue.
- C. No formal footpath exists on the northern side of the street above the embankment. Whilst this area is not currently promoted as a walking path and is planted out to prevent pedestrian traffic, some pedestrians choose to walk on the northern side of the road (see Hazard B above). As pedestrians walk on the roadway this practice is very dangerous, especially when in groups or when pedestrians are passing.
- D. Pedestrians cross between the southern footpath and the northern footpath at a dangerous location. Pedestrian access to the Petrarch Steps from either Petrarch Avenue or along Hopetoun Avenue coming from Johnson's Lookout is dangerous as pedestrians currently cross to the northern side of the road immediately east of the bend outside No.24 Hopetoun Avenue. This location is very hazardous as both pedestrians and motorists travelling east in Hopetoun Avenue have as little as 10 metres of sight distance (well below the desirable minimum of 60 metres in a 50kph zone).

### **Stability of the Embankment:**

The embankment in question is approximately 70m long. The top of the embankment adjoins Hopetoun Avenue and the bottom of the embankment adjoins a single lane private access way that serves Nos. 22 & 24 Hopetoun Avenue. The slope of the embankment is generally 40% or less and it is moderately vegetated.

In the past there have been a few incidents of rock falls from the embankment onto the bottom access way. In response to this in 2008 Council installed a mesh fence at the base of the slope to catch rocks before they roll on to the access way. Currently the embankment has a narrow unmade nature strip on the top (varies between 0.3 – 0.8 metres in width) that, although used by some pedestrians, is too narrow and uneven for safe pedestrian use.

Council's geotechnical consultants Douglas Partners Pty. Ltd. were commissioned to:

- Determine the extent of landslip hazard within the site,
- Carry out a slope stability and hazard analysis of the existing slope,
- Detail any remedial works needed to maintain the long-term stability of the road, and,
- Provide a schedule and cost estimate of the works required

The consultant's report has rated the embankment using the RTA's "Guide To Slope Risk Analysis" which rates embankments on a scale ranging from ARL1 (*highest risk*) to ARL5 (*lowest risk*) and has rated this embankment as ARL5 (i.e. low risk) for rocks impacting on vehicles driving along the access way and for pedestrians falling into erosion chutes, and as between ARL4 and ARL3 (i.e. low-moderate risk) for a vehicle impacting on a depression or pot hole in Hopetoun Avenue.

The RTA guidelines aim to achieve a risk level of less than ARL3. This embankment is rated at less than ARL3 and therefore it represents an acceptable hazard level. The embankment requires minimal work apart from minor routine maintenance and regular inspections. The consultant's report does not call for immediate action but recommends as good management that the embankment be shot-creted, that some of the vegetation in the area be removed, and that the embankment be inspected regularly. The cost of this maintenance work is estimated at \$5,000.

In respect of proposals to construct a footpath above the embankment, the consultant has advised that the best construction method for a footpath in this location would be to use a suspended slab supported on piers. Estimated cost to construct a new footpath using piers and beams with the required safety fencing in this location would be in the order of \$130,000.

### **Options:**

Numerous options have been examined and these have now been refined down to four options, namely:

- Option 1. Erection of a pedestrian-proof fence or a combination of pedestrian-proof fencing and barrier planting to prevent pedestrian access to the top of the embankment on the northern side of the street, across the frontages of Nos. 18, 22 & 24 Hopetoun Avenue (\$14,000-\$20,000).
- Option 2. Erection of a pedestrian-proof fence on the southern side of the street between Johnson's Lookout Steps and Petrarch Steps to prevent pedestrians crossing to the northern side. Minimum cost of this option will be in the order of \$75,000 - total cost is dependent on the amount of retaining wall construction which will be required.
- Option 3. To construct a pier and beam concrete footpath cantilevered over the embankment to allow pedestrian access (\$130,000). This option was assessed by Council's geotech consultant as a possible engineering solution for the provision of a footpath above the embankment.
- Option 4. To construct a concrete footpath on the roadway above the embankment to allow pedestrian access. This differs from option 3 in that the adjustment to the traffic lanes will permit the footpath to be constructed on the existing roadway and not to be cantilevered out over the embankment, and that the existing medians will be replaced with speed humps - see Annexure 1. (\$50,000)

In order to adjust traffic lanes for Option 4 it will be necessary to remove the existing median outside No. 18 Hopetoun Avenue. This median and a sister median outside No. 10 Hopetoun Avenue were constructed in 2007 as part of a traffic management strategy to reduce vehicle speeds in Hopetoun Avenue. Whilst these facilities have been very successful in reducing speeds, the constrictions imposed by the medians have resulted in a number of complaints to Council. These complaints refer to vehicles being side-swiped by passing traffic and complaints that large vehicles experience difficulty negotiating the curves outside Nos. 10 and 18 and therefore cross to the other side of the road.

Option 4 includes two speed humps outside Nos. 10 and 18 in lieu of the existing concrete medians. These will be Watts Profile speed humps as have been recently constructed in Neild Avenue and Cascade Street, Paddington. The speed humps will prevent vehicles from speeding at the same time providing increased travel lane widths to better accommodate traffic. This will resolve the problems with vehicles being side-swiped and large vehicles crossing to the wrong side of the road.

Option 3 does not provide for the removal of the medians as this is not necessary to provide for a suspended pier and beam slab footpath over the embankment. If the removal of the medians and the construction of speed humps is added to Option 3 then this will cost an additional \$18,000 bringing the total cost of Option 3 to \$148,000.

It should be noted that these speed humps are not intended to be crossing points, and in accordance with RTA Standards barrier planting will be introduced to ensure that pedestrians do not cross at these points.

Option 4 also provides for the replacement of the existing bike lane on the southern side of the street between Petrarch Avenue and the curve west of No. 1 Hopetoun Avenue with a shared on-road bike lane. This section of Hopetoun Avenue is at a moderate average grade of only 4.5%. It is proposed that a separated bike lane recommence immediately west of No. 1 Hopetoun Avenue where grades start to exceed 5%.

It is also pointed out that none of the four options includes the construction of a concrete footpath outside premises Nos. 2-16 (estimated cost \$28,000). This is not considered necessary as this area experiences a low level of pedestrian traffic and Council's previously adopted proposal to regrade and returf this section of verge at a cost of \$9,000 is considered appropriate.

### **Management of Risk:**

A risk assessment has been completed for the existing conditions and for these four options and a copy of this report is attached to file. The assessment provides an annualised cost based on the number of pedestrians which are placed at risk and the monetary cost of loss for a serious injury or a fatality. For the existing conditions the risk has been calculated as an annualised cost of \$31,106 (based on 19,240 persons per year being placed at risk).

The risk assessment summaries that Options 1 and 2 would not reduce the number of pedestrians crossing the road and therefore would not reduce the risk. These options are not recommended by the risk assessor.

The assessment summaries that whilst Options 3 and 4 will not necessarily reduce the number of pedestrians crossing the road, by providing a footpath above the embankment fewer pedestrians will be placed at risk as they will not walk on the roadway atop the embankment. For Options 3 and 4 the risk is identical and has been calculated as an annualised cost \$9,573, a reduction of \$21,533 per annum (based on 16,640 persons per year being placed at risk).

In summarizing the risk assessment, the best way to manage the hazards in this section of Hopetoun Avenue is to provide a safe pedestrian route on the northern side of the street (i.e. Option 3 or 4) rather than to attempt to prevent pedestrian access to the northern side of the street (i.e. Option 1 or 2). Although it will not reduce the risk to people crossing the road at Hazards B, C and D, the provision of a formal footpath may reduce the number of people who cross at these locations and may encourage pedestrians to cross at safer locations (e.g. at the Wentworth Road intersection or at the Johnson's Lookout steps).

The risk assessment estimates that based on construction costs of \$130,000 and \$50,000 respectively for Options 3 and 4 the estimated payback period is approximately 6.0 years (i.e.  $130,000 \div 21,533$ ) and 2.3 years (i.e.  $50,000 \div 21,533$ ).

## Conclusion:

Option 4 is the preferred option on both risk management and economic grounds.

Whilst both Option 3 and Option 4 provide the same level of pedestrian safety and risk, Option 4 will cost approximately one quarter of the cost of constructing a suspended pier and beam footpath (Option 3 - \$130,000).

Although there have been no reported pedestrian accidents in this location there is a significant potential for serious pedestrian accidents as is demonstrated in the risk assessment which estimates the annual risk to Council as \$31,106.

Numerous options have been considered over a lengthy period of time which provide varying degrees of risk minimisation. From both a risk management perspective and a traffic engineering perspective the preferred option (Option 4) is considered to be the optimum treatment at this location. This proposal provides a usable footpath (concrete and grassed) on the northern side of Hopetoun Avenue from Wentworth Road to the Petrarch Steps.

This proposal will also improve the swept path and lane width for traffic at the bends outside Nos. 10 and 18 Hopetoun Avenue and will therefore overcome current problems with vehicles being side-swiped or large vehicles crossing the centreline. The replacement of existing medians with speed humps will effectively manage vehicle speeds in Hopetoun Avenue.

Maintenance of the embankment in the form of shot-creting as recommended by Council's geotech consultant should proceed as part of Council's current roads maintenance program.

## Identification of Income and Expenditure:

Costs of this proposal and associated ancillary works include:

i.	The construction of a footpath and pedestrian-proof fencing on the northern side of the road on top of the embankment outside premises Nos. 18-24, including removal of medians and construction to two Watts profile speed humps	\$50,000
ii.	Relocation of the existing arris rail fencing and regrading and returfing of the nature outside premises Nos. 6-18 Hopetoun Avenue strip to a minimum width of 1.0 metres	\$ 9,000
iii.	Signage, linemarking and traffic control	\$15,000
	<b>TOTAL COST</b>	<b>\$74,000</b>

A budget of \$19,000 was allocated in the 2008/09 budget which was sufficient for fencing/barrier planting atop the embankment and for regrading and returfing the nature strip outside Nos 6-18 Hopetoun Avenue. It is proposed that this sum be revoted in 2009/10.

Additionally several projects in the Traffic Capital Works Program were completed under budget in 2008/09 or have been deleted from the program. It is proposed that the additional funding of \$55,000 required to complete this project be provided from these areas of savings when the Council considers the revotes for 2009/10.

Maintenance of the embankment at an approximate cost \$5,000 should be funded from the current allocation for roads maintenance.

Alan Opera  
**Manager Engineering Services**

Warwick Hatton  
**Director Technical Services**

Annexures:      1. Preferred Option - Plan No. 15044

**Item No:** D3 Delegated to Committee

**Subject:** **Customer Service and Communication Principal Activity - Fourth Quarter Management Plan Review**

**Author:** Justine Henderson –Communications Manager  
Stephen Dunshea– Director Corporate Services

**File No:** 827.G 08-11

**Reason for Report:** To review the status of services for the Management Plan principal activity of Customer Service and Communication for the three months ending 30 June 2009 and to provide an overview of achievements during the 2008-09 financial year.

**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.
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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 fourth quarterly review of Principal Activity No 6 of the Management Plan, which is "Communication and Customer Service". This principal activity has the following sub- activity:

6.1 Customer Service & Communication

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

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

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

Following is the commentary on each sub activity:

**Customer Service**

Core activities of the customer services department, including the call centre and customer services counter operations, all performed well during the quarter with over 21,800 calls received at our call centre and 3,500 customer service requests generated.

Key Activities for the quarter included:

- The development of additional customer service staff training resources and the commencement of cross training to provide the opportunity for call centre staff to enhance their skills in front counter and reception duties.
- Current work flows and procedures were reviewed and documentation updated to support staff training and development.
- Policies and procedures reviewed in conjunction with various Council departments.
- Coordinating the release of Fees and Forms with other departments for the commencement of the new financial year was completed in June.

## Communication

Core activities and projects are proceeding in line with the Management Plan. During the quarter, two events occurred that resulted in significant media management – the damage to road and park infrastructure as a result of a burst Sydney Water main pipe and the bogging of a backhoe at Rose Bay beach. The Bellevue Hill landslip incident resulted in around 98 media interviews and mentions.

During this quarter our Website Project Manager and Website Project Officer followed up with Management to discuss content management improvements for Council's website. We are planning to introduce training sessions for staff to refresh them on content management procedures and to thank them for keeping the content on the site current and easy to find and understand.

In consultation with risk management staff we have been working with staff involved in event management to reinforce our procedures for insurance and risk minimisation at public events for the benefit of all.

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

### **Event management/support/General Projects**

Bushcare newsletter for volunteers

Double Bay Public Art program

Customer service plasma screen PowerPoint presentation

People and Pets Day preparation for 09 event  
Kincoppal school group tours and sessions x 2, conducted in cooperation with Sustainability Education Officer.

Grieve memorial rededication

Citizenship

Media training and event management training for staff conducted in house

Relay for Life – event management of Council team and running silent auction + local media

Preparation of a graphic style manual for logo use and corporate colours etc. To be used in briefing consultants.

### **Media/support or sole publicity management**

Youth Photo Prize – secure contra sponsorship with the Wentworth Courier

Garden competition and week secure contra sponsorship with the Wentworth Courier  
Bushcare volunteers

Bellevue Hill hole

Whale watching season, walk and talk

Kitchen to Compost

Kincoppal organic garden planting

Backhoe bogged Rose Bay Beach

Gap Park, funding and general media

Ashington, advertising and media

Draft banner artwork for the Double Bay multifunction poles to be installed later in the year.

Mayoral column and advertising placements for SMH/Wentworth Courier (weekly - copy, proof, production).  
Speech notes for events attended by the Mayor/representative.

**Summary:**

The Customer Service Department continued to work on improving work practices and procedures to improve internal and external service delivery. Particular attention this quarter was given to enhancing service delivery through targeted staff training programs and reviewing and updating procedures.

The Communications team continued to work closely with staff in other departments to improve communication on projects and to assist with design, print production and promotion and enhancing in-house training for Councillors and staff. A significant amount of time was dedicated to dealing with the Bellevue Hill hole incident and keeping stakeholders informed and delivering a consistent message.

Justine Henderson  
Communications Manager

Stephen Dunshea  
Director Corporate Services

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**Annexure:**

1. June 2009 quarterly review of principal activity: Customer Service & Communication



**Item No:** D4 Delegated to Committee

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

**Author:** Stephen Dunshea - Director Corporate Services  
Warwick Hatton - Director Technical Services

**File No:** 827.G 08-11

**Reason for Report:** To review the status of services for the Management Plan principal activity of Organisation Support for the three months ending 30 June 2009 and to provide an overview of achievements during the 2008-09 financial year.

**Recommendation:**

- A. That the status of projects for the Organisational Support principal activity be noted.
  - B. That the variations to projects be agreed.
- 

**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 fourth 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

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. to provide Councillors with a snapshot on the key influences or issues arising from this quarterly review.

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

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

Following is the commentary on each sub activity

## **7.1 Governance and Records Management**

This sub-activity covers the areas of Governance, Council, Committee and Councillor support and Records Management. The support of the council and committee process continued through the quarter as well as routine records management activities.

In conjunction with the relevant Council officers, Records staff continued the review of Council's legal documents during the quarter which resulted in a number of documents being identified as expired. These documents are being archived to off-site storage.

Following a number of workshops, a report on DA delegations was considered by the Development Control Committee on 20 July 2009 and was deferred for further consideration at a future Development Control Committee meeting. A report on other Council delegations will be submitted to the Corporate & Works Committee on 3 August 2009.

Site visits were undertaken during this quarter as part of the investigation into an Electronic Document Management System which is included in the 2009/10 Operational Plan.

The major achievements during the year have been the development of the Councillor induction program following the election in September and the statutory review of major policies required after the election.

## **7.2 Finance**

The June quarter saw the continuation of the 2009/2010 Budget preparation cycle. Following initial consideration of the preliminary draft Budget at the end of March, the Budget was further considered at a Working Party meeting in April and by the Strategic & Corporate Committee on 5 May. Concurrently, the Corporate & Works Committee considered alternatives to the loan funding proposed in the preliminary draft budget on 20 April. On 11 May, Council endorsed the Draft Budget for exhibition as part of the Delivery Program & Operational Plan (DPOP). Following exhibition, a report was presented to the Corporate & Works Committee on 22 June recommending adoption of the DPOP, including the 2009/2010 Budget. Council adopted the DPOP, Draft Budget and rating structure (subject to approval of Council's Special Rates Variation application by the Minister for Local Government) on 29 June.

During the quarter the March Quarterly Budget Review was presented to the Corporate & Works Committee. The Review noted the proposed variations to the Budget and forecast a \$272k improvement to Council's forecast working funds position.

There was also activity relating to the administration of Lehman Brothers Australia. The Investment Working Party considered a revised Deed of Company Arrangement (DOCA) which was to be considered at a meeting of creditors on 28 May. While Council maintained its position of voting in favour of the liquidation of Lehman Brothers Australia, the DOCA was supported by a majority of creditors.

Draft Investment Policy Guidelines were released by the Department of Local Government (DLG) during the quarter. Council made a brief submission relating to interest rate hedging in accordance with its resolution and supported some aspects of our investment advisors submission, particularly in respect of the legal title of ADI deposits and the experience and independence of investment advisers.. A review of Council's Investment Policy and Guidelines will be undertaken early in the new financial year after the final guidelines are issued by the DLG.

### **7.3 Risk Management**

Projects and core activities progressed in accordance with the Management Plan targets. Council's risk management systems were audited and significant improvements made over the past twelve months were noted across the various Council Departments. Following on from the audit, all Departments have developed a risk register profiling business risks that arise out of their work activities and this information will be used to assist with the development their Service Plans. This quarter has seen an increase in prevention activity of our OHS Hazard Management System. A major review of our Workers' Compensation & Rehabilitation Management System was completed and improvements implemented.

Extensive staff hours have been allocated to manage emergency situations in both Bellevue Hill and Rose Bay.

### **7.4 Human Resources**

The Department's role was broadened with the addition of responsibility for organisational development. This will make it a pivotal player in achieving further improvement in business processes. Changes in key staff have added to the department's capability.

The HR Central employee self service system was launched during the June quarter following extensive testing and staff training. The system gives staff access to a range of HR and Payroll services on-line. Further system enhancement and development will continue.

Significant efficiency gains in Payroll were achieved with the consolidation of systems and strengthening of processes and controls.

The department played a lead role in the development and implementation of Council's corporate values. This involved a number of workshops with staff and the design of presentation material and events.

In its organisational development role the department has been heavily involved in the design of business planning processes and associated staff training. This will ensure that council is well placed to comply with state government requirements in relation to integrated strategic corporate planning.

### **7.5 Information Technology**

We have commenced a server replacement project using VMWare virtualisation technology. The technology offers significant cost efficiencies, customer service improvements and improved business continuity planning and capacity. It will also provide a significant reduction in power consumption.

The GIS section commenced working on a new principal LEP to comply with the Department of Planning requirements for standardised LEPs across NSW. The project is progressing well and will be completed in the next few months.

Investigations continued during the quarter in relation to the implementation of an Electronic Document Management System (EDMS). A comprehensive business case for this project will now be prepared.

Other projects and core activities progressed in accordance with the Management Plan targets.

## **7.6 Property Management**

The Cosmopolitan Centre car park was handed over to Council in July 2009. The retail level works were completed in April 2009. Once the Plan of Sub-division is issued by Council, Gloxinia will make the final \$4 million payment in accordance with the Agreement for Lease.

The lease for the management of the Dunbar House restaurant and function facility was awarded to The Tearoom Pty Ltd, a 7 year lease with a 7 year option period, at an annual rent for \$200,000 per annum plus an undertaking to carry out capital works in excess of \$1 million. The lease commenced in July 2009.

Negotiations continued with Woolworths in relation to the Kiaora Lands development and a report seeking approval to enter into a Heads of Agreement with Woolworths Corporation will be submitted in August 2009, once the key commercial terms have been agreed by the two parties.

After many months of searching for a suitable tenant, the commercial space at 52-54 O'Dea Avenue, previously occupied by Schindler Lifts, was leased to The Big Picture Pty Ltd and the hardstand was licensed to Audi Australia Pty Ltd.

The lease documentation for the Watsons Bay Tea Rooms Café has been executed. Development Approval for the refurbishment and relocation of the library from Dunbar House has been obtained and contract has been let to Bilas Knight Pty Ltd. Refurbishment works are due to commence in late July 2009 and will take 12 weeks to complete, weather permitting. These works are being carried out in winter in accordance with the café lessee's request and Council resolution.

A request was received from Pruniers Corporation, for an extension of their lease of the building in Chiswick Park. This is currently being negotiated subject to expert advice being received on the proposal and a report will be submitted to Council in August 2009.

During the year a number of capital works were undertaken which included structural works at RANSA, fencing and construction of an accessible ramp at the Gunyah, installation of a weatherproof deck at the Pre-school, painting at Trumper Park amenities building, refurbishment of the Robertson Park toilets. Construction of an accessible toilet at Cooper Park Tennis facility was commenced. Energy saving improvement contract works which were undertaken for the selected properties are being monitored over the next three years to ensure that the projected savings are being achieved.

Two unmade roadway sales were approved by Council. The Encroachment Policy was enforced and a detailed report submitted to Council regarding the encroachments along Hopetoun Avenue. Investigations are underway regarding encroachments along Cranbrook Road and a report will be submitted to Council in November 2009.

## **7.7 Management Executive**

The Woollahra Preliminary draft Community Strategic Plan was endorsed by Council in April 2009 and used as the basis of the Delivery Program 2009 to 2013 and Operational Plan 2009/10, adopted on 29 June 2009. The completion of the Woollahra Community Strategic Plan will occur following consultation and community engagement, which is due to commence in August and be completed by December 2009.

To support Council's integrated planning and reporting framework, a corporate planning and reporting system (Interplan) was implemented during the June quarter. This will provide the basis for the reporting to Council and the community on Council's progress against the actions and priorities contained in the Delivery Program 2009 to 2013 and Operational Plan 2009/10.

A further development with our integrated planning and reporting framework during the June quarter was the commencement of developing Departmental Service Plans across all Council Departments.

## **7.8 Technical Services Management**

Enterprise Agreements were finalised for Business Centres and Beach Cleaning, and Waste Services. The Agreements include provisions for productivity improvements in each area. A study has been commissioned into our depot operations to develop future strategies for these sites. Application forms were comprehensively reviewed for Technical Services customer service areas, and procedures are being progressively reviewed in all departments.

Stephen Dunshea  
Director - Corporate Services

Warwick Hatton  
Director - Technical Services

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### **Annexures:**

1. June 2009 quarterly review of principal activity: Organisation Support
2. June 2009 quarterly review of Outstanding Notices of Motion Organisation Support

**Item No:** D5 Delegated to Committee  
**Subject:** **Structured Finance Investor Claim Against Lehman Brothers Australia Limited**  
**Author:** Stephen Dunshea  
**File No:** 349G CDOs  
**Reason for Report:** To report back to the Committee on further advice received in respect of Council's participation in a Structured Finance Investor Claim against Lehman Brothers Australia

**Recommendation:**

- A. That Council note the confidential advice received from Council's investment adviser in response to the Corporate & Works Committee's request from 6 July 2009.
  - B. That Council agree to participate in the Structured Finance Investor Claim against Lehman Brothers Australia as detailed in the invitation from IMF (Australia) Ltd.
  - C. That Council authorise the General Manager to execute the IMF Lehman Brothers Australia Ltd Investigation, Management and Funding Agreement and return the signed agreement to IMF (Australia) Ltd on 4 August 2009, noting that there is a 21 day cooling off period.
  - D. The Confidential Annexure to this report remain confidential.
- 

**Background:**

Having considered a report at its meeting on 6 July 2009 in relation to an invitation from IMF (Australia) Ltd to join a Structured Finance Investor Claim against Lehman Brothers Australia, the Corporate and Works Committee resolved as follows:

- A. *Council note the invitation received from IMF (Australia) Ltd for Council to participate in a Structured Finance Investor Claim against Lehman Brothers Australia.*
- B. *Council note the advice received from Council's investment adviser in respect of the IMF (Australia) Ltd proposal.*
- C. *To enable further evaluation of the IMF (Australia) Ltd Proposal, Council seek the additional information requested in the Confidential Recommendation for consideration by the Investment Working Party.*
- D. *The Confidential Annexures to this report remain confidential.*

This report advises of the Investment Working Party's consideration of the additional information received in response to Resolution C above and recommends Council's acceptance of the invitation from IMF (Australia) Ltd (IMF) to join the Structured Finance Investor Claim.

**Discussion:**

Information in response Confidential Resolution C above was sought from Mr Andrew Vallner, who is currently engaged by Council to provide investment advice. A copy of Mr Vallner's report in response is provided in Confidential Annexure 1 to this report.

In addition to providing a response to the specific information requested, Councillors will note Mr Vallner's concluding comments which suggest that Council's interests in matters relating to the Lehman Brothers investments would be best served through participation in the IMF proposal, particularly given the range of procedural matters that are falling due in coming weeks in respect of action against Lehman Brothers Australia. Further, given the IMF proposal provides for the extension of action to "potentially other parties" it is considered that participation in the IMF proposal provides the best opportunity for Council to keep abreast of all related matters, including potential action against the rating agencies.

In respect of timing, IMF originally requested Council's acceptance of the invitation to join the class action by 20 July 2009. The proposal also provided for a 21 day cooling off period commencing from the date of IMF receiving Council's signed IMF Agreement.

Given the further investigation being undertaken, Council requested an extension of time from IMF to advise of Council's acceptance. Confirmation was subsequently received from IMF that they would accept Council's signed agreement by 4 August 2009, providing sufficient time for the additional information to be considered by the Investment Working Party and for a recommendation from the Working Party to be presented to the Corporate & Works Committee on 3 August 2009.

It was also confirmed that the 21 day cooling off period would apply from 4 August 2009. This would enable any outstanding matters to be further investigated and if necessary, to advise of Council's withdrawal from the Agreement by 25 August 2009.

Mr Vallner's comments in relation to Council's participation in the IMF proposal are supported by Council management. A recommendation in this regard was forwarded to Council's Investment Working Party in a recent update report. A copy of this report is provided as Confidential Annexure 1 to this report.

In considering the update report, the Investment Working Party were supportive of the view that participation in the IMF proposal was in Council's best interest and that a recommendation to accept the IMF invitation be presented to the Corporate & Works Committee on 3 August, noting that details of any further information that may become available during 21 day cooling off period, and which affects Council's involvement, will be reported to Council.

Councillors will note that the report to the Investment Working Party includes an update on related matters that have been investigated since the report to the Corporate & Works Committee on the IMF on 6 July 2009. This includes information in response to questions from Councillors on the potential for Council to join other action referred to as the UK and New York Actions.

**Conclusion:**

The further information requested by the Corporate & Works Committee in relation to the invitation received from IMF (Australia) Ltd for Council to join a Structured Finance Investor Claim against Lehman Brothers Australia is provided in Confidential Annexure 1 to this report.

Having considered this additional information, Council management and the Investment Working Party are of the view that Council's interests in this matter are best served through participation in the Structured Finance Claim against Lehman Brothers Australia as detailed in the invitation from IMF (Australia) Ltd.

It is therefore recommended that Council agree to participate in the Structured Finance Claim against Lehman Brothers Australia as detailed in the invitation from IMF (Australia) Ltd.

Stephen Dunshea  
Director Corporate Services

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**Confidential Annexures:**

- 1 Investment Working Party Update – Email to Councillors 24/7/09



**Item No:** R1 Recommendation to Council  
**Subject:** **Statutory Review of Delegations, Organisational Structure and Contractual Conditions of Senior Staff**  
**Author:** Les Windle – Manager Governance  
**File No:** 473.G  
**Reason for Report:** The Local Government Act requires that Council delegations and the organisational structure be reviewed after each Local Government election and that the contractual conditions of senior staff be reported annually.

**Recommendation:**

1. That the delegations to the Corporate & Works Committee, Urban Planning Committee, Community and Environment Committee and the Strategic and Corporate Committee contained in Annexure 2 to the report to the Corporate and Works Committee on 3 August 2009 be adopted.
2. That Council notes that delegations for development and related applications are still under review by the Development Control Committee.
3. That the current delegations to the Mayor and Deputy Mayor contained in Annexure 3 to the report to the Corporate and Works Committee on 3 August 2009 be reaffirmed subject to the Mayor's delegation including an additional part "g" to read as follows:
  - g. Unless appointed by resolution of Council, to appoint Councillor representatives to working parties, task forces, community committees and other organisations and where appropriate, appoint the Chairperson of those working parties, task forces or community committees.
4. That the delegations to the General Manager contained in Annexure 5 to the report to the Corporate and Works Committee on 3 August 2009 be adopted.
5. That the current organisational structure be confirmed.
6. That the contractual conditions of the senior staff be noted.

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**Background:**

The Local Government Act (The Act) requires each Council to undertake certain reviews within 12 months after an election and as part of its normal operations to do certain things throughout the year.

A report was submitted to the Committee on 7 October 2008 outlining the required statutory reviews and the other matters that would be submitted during the year.

This report introduces the final 3 matters from that report and covers:

1. Review of delegations (other than delegations for development and related applications)
2. Review of organisation structure
3. Contractual conditions of senior staff

## **Proposal:**

### **Review of Delegations**

Section 380 of The Act requires that Council carry out a review of its delegations within 12 months of a local government election. A review of delegations relating to the determination of development and related applications is currently being undertaken through the Development Control Committee.

This section of the report reviews the delegations to:

1. The Corporate & Works, Community & Environment, Urban Planning and Strategic and Corporate Committees of Council
2. The Mayor and Deputy Mayor
3. The General Manager

### **Delegations to the Corporate & Works, Community & Environment, Urban Planning and Strategic and Corporate Committees**

Section 377 of The Act provides that the Council may by resolution delegate to Committees certain functions of the Council to allow the business of the Council to be conducted in an effective and efficient manner.

This Council over many years has developed a set of delegations to Committees which incorporate safeguards which allow decision making to occur efficiently while enabling Councillors to be effectively involved in key decisions.

The delegation and safeguards system allows the standing Committees to determine matters under delegation or requires the matter to be referred to full Council (the safeguards) with a Committee recommendation if that recommendation contains a substantive change to the recommendation on the business paper.

The current delegations to Standing Committees (except the Development Control Committee) are set out in Annexure 1. These delegations were last adopted by Council on 1 October 2008 in conjunction with the Mayoral Election and are exercised subject to safeguards included in the Committee Policies and Procedures.

The current delegations have proved effective for the efficient decision making requirements of Council and subject to the minor amendments discussed below, are recommended for re-adoption.

#### *Corporate and Works Committee recommended changes:*

Under the "Recommendation only to Full Council" section

"Adoption of Council's Management Plan" be replaced with "Adoption of Council's Community Strategic Plan, Delivery Program and Operational Plan."

Under the "Delegated Authority" section:

"Quarterly review of Council's Management Plan" be replaced with "Statutory reviews of Council's Delivery Program and Operational Plan."

These changes reflect Council's new corporate planning and reporting framework.

*Urban Planning Committee recommended changes*

Under the "Delegated Authority" section:

"Statutory Reviews of Council's Delivery Program and Operational Plan" be added.

This has been added to reflect the current practice of individual Committees reviewing the functional areas of Council's corporate planning documents.

*Community & Environment Committee recommended changes*

Under the "Recommendation only to Full Council" section:

"Matters not within specific functions of the Committee, or which are not the subject of a Business Agenda (current or past)" be replaced with "Matters not within the specified functions of the Committee."

This change standardises the wording of this requirement for the Corporate & Works, Urban Planning and Community & Environment Committees.

Under the "Delegated Authority" section:

"Waverley/Woollahra Process Plant" has been deleted as this facility no longer exists.

"Statutory Reviews of Council's Delivery Program and Operational Plan" be added.

This has been added to reflect the current practice of individual Committees reviewing the functional areas of Council's corporate planning documents.

*Strategic and Corporate Committee recommended changes*

Under the "Delegated Authority" section:

"Nil" has been added to clarify the Committee has no delegated authority.

The proposed delegations to Standing Committees (except the Development Control Committee) are set out in Annexure 2. Recommended changes are shown as ~~strike through~~ for deleted matters and underlined for new matters.

### **Delegations to the Mayor and Deputy Mayor**

The current delegations to the Mayor and Deputy Mayor are set out in Annexure 3. These delegations were last adopted by Council on 1 October 2008 in conjunction with the Mayoral Election and are exercised subject to safeguards contained within the delegation.

The role of the Mayor as set out in Section 226 of The Act is as follows:-

226 *The role of the Mayor is:*

- *to exercise, in cases of necessity, the policy-making functions of the governing body of the council between meetings of the council.*
- *to exercise such other functions of the council as the council determines.*

- *to preside at meetings of the council.*
- *to carry out the civic and ceremonial functions of the mayoral office.*

The role of the Deputy Mayor as set out in Section 231 (3) of The Act is as follows:-

*The deputy mayor may exercise any function of the mayor at the request of the mayor or if the mayor is prevented by illness, absence or otherwise from exercising the function or if there is a casual vacancy in the office of mayor.*

The delegations provide specific details as to the exercise of the function of the Mayor and Deputy Mayor so as to give effect to Sections 226 and 231(3).

From time to time Council establishes working parties, task forces and community committees and participates in other organisations, ie SSROC, to undertake specific tasks and/or reviews.

It has been the usual practice for the Mayor to be given delegated authority to appoint Councillors to the working parties, task forces and community committees and to appoint Councillors to the other organisations and if appropriate, appoint the Chairperson to those working parties, task forces or community committees. In the past this authority has been given to the Mayor at the time the working party, task force or community committee is established.

As this has been a continuing practice of the Council, it is considered appropriate that this delegation be included in the Mayor's standing delegation.

It is recommended that the delegation to the Mayor include an additional part "g" to read as follows:

- g. Unless appointed by resolution of Council, to appoint Councillor representatives to working parties, task forces, community committees and other organisations and where appropriate appoint the Chairperson of those working parties, task forces or community committees.*

It is also recommended that the current delegation to the Deputy Mayor be reaffirmed.

### **Delegations to the General Manager**

The current delegations to the General Manager are set out in Annexure 4. These delegations were last adopted by Council on 13 December 2004 with further specific delegations added on 31 January 2005 and 25 June 2007. The current delegation under Part 4 of the Environmental Planning and Assessment Act concerning development and related applications were delegated to the General Manager for sub-delegation to the Application Assessment Panel and staff on 14 August 2006. The exercise of the delegation is subject to conditions and limitations contained within the delegation.

The delegation is wide ranging but is subject to conditions and limitations. It does not delegate powers under acts but functions of the Council. The reason being that the Council exercises its functions under numerous acts and operates with a large range of policy and planning documents.

The benefits of the current approach of delegation to the General Manager are as follows:

- The delegation operates by way of exception that does not require the drafting of an exhaustive list of specific delegations and responsibilities.
- The delegation is consistent and logical and eliminates the need to constantly update delegations due to changes in legislation or council policy.

- The delegation allows Council policy and resolutions to become immediately effective without the need to constantly update delegations at a following meeting by way of resolution.
- The delegation provides certainty by clearly identifying by way of exception those powers limited or held by the Council.
- Policy and resolutions of the Council take precedence over delegations.

It is recommended that the structure of the delegation to the General Manager be continued.

In addition to the general delegations, Council has also delegated specific functions to the General Manager in relation to matters under the Roads Act, Transport Administration Act, Water Act, Food Act and the writing off of amounts due to Council.

The specific delegations are as follows:

*Roads Act matters delegated 31 January 2005*

This delegation is as follows:

That Council delegate to the General Manager the authority to enter into new licences or to renew licences under S125 of the Roads Act 1993, or S68(E)2 of the Local Government Act 1993.

The purpose of this delegation is to facilitate the entering into or renewing a licence agreement for footway restaurants or the display of goods when an application has achieved development consent and the licence agreement has been drafted in accordance with Council's policy.

*Traffic matters originally delegated 8 July 2002*

This delegation is as follows:

THAT Woollahra Council delegate to the General Manager powers to exercise Traffic related functions in accordance with Section 50 of the Transport Administration Act 1988 and the Road Transport (Safety and Traffic Management) Regulation 1999:

The purpose of this delegation is to facilitate the installation of traffic management signage.

*Sydney Water Act matters originally delegated 20 October 2003*

The clause and Regulation references in this delegation were updated in 2006 following commencement of the Sydney Water Regulation 2006.

This delegation is as follows

That pursuant to section 377 of the Local Government Act 1993 the General Manager is delegated, as from 1 November 2003, those functions that Council may exercise as an authorised person for the purpose of section 50 of the Sydney Water Act 1994 limited to offences against clause 15(3) of the Sydney Water Regulation 2006.

The purpose of this delegation is to allow Council staff to issue infringement notices for use of water not in accordance with water restrictions.

*Authority to write-off amounts due to Council delegated 25 June 2007*

This delegation is as follows

Delegates to the General Manager the authority to write-off amounts due to Council up to an amount of \$25,000 for any one item subject to a report detailing rates and charges written off being submitted to the Council.

The purpose of this delegation is to facilitate the writing off of long-term debts up to \$25,000 which are considered not recoverable, subject to the action being reported to Council.

*Food Act matters originally delegated 15 November 2004*

This delegation is as follows:

THAT Council delegate to the General Manager the power of the Director General to issue Clean-up and Order for Closure Notices on food premises in accordance with Part 4, Division 2, of the Food Act 1989.

- A. That Council, pursuant to Section 377(1) of the Local Government 1993, resolve to delegate to the General Manager those functions and powers contained in the Food Act 2003 and Food Regulation 2004 relating to enforcement agencies including, but not limited to, the following;

The serving of prohibition orders pursuant to Section 60 of the Food Act 2003; and

The appointment of authorised officers pursuant to Section 114 of the Food Act 2003.

- B. That Council, pursuant to Section 381(3) of the Local Government Act 1993, approve the delegation by the Director-General of the NSW Food Authority under Section 109E(1)(d) of the Food Act 2003 to the General Manager the functions of the “appropriate enforcement agency” as it relates to Clauses 15 and 17 of Standard 3.2.2 and Clauses 10 and 14 of Standard 3.2.3 of the Food Standards Code and as detailed in the Director-General’s letter dated 30 September 2004.

The purpose of this delegation was to put beyond doubt the delegation to take action for breaches under the Food Act.

These additional delegations allow Council staff to take specific action under Acts other than the Local Government Act or in the case of writing off amounts due to Council, specifies the amount the General Manager can authorise being written off without a specific resolution of the Council. This latter delegation is a requirement of clause 131 of the Local Government (General) regulation 2005.

It is recommended that these additional specific delegations be reaffirmed.

As the delegations for development and related applications is currently under review by the Development Control Committee, the current delegation to the General Manager concerning Part 4 matters of the Environmental Planning and Assessment Act should continue until the current review has been determined.

To facilitate this, it is recommended that the General Manager’s delegation relating to Part 4 matters be as follows:

*“Woollahra Municipal Council, pursuant to Section 377 of the Local Government Act delegates to the General Manager those functions under Part 4 of the Environmental Planning and Assessment Act 1979 as resolved by Council from time to time.”*

The proposed delegation to the General Manager is shown in Annexure 5.

### **Review of organisation structure**

Section 333 of The Act requires that Council must determine the organisation structure. The Council may re-determine the organisation structure at any time but must re-determine the structure within 12 months of an ordinary election.

#### *Existing Structure*

The current organisation structure comprises 4 main units (directorates) which are headed by a Director. The current structure is shown in Annexure 5.

The directorates are:

1. Corporate Services
2. Community Services
3. Planning and Development
4. Technical Services

The departments under each directorate are also shown in annexure 5.

The Directors report to the General Manager however there is an additional Communications Department, headed by the Communications Manager who also reports to the General Manager.

The departments within each directorate are continually under review and each Director undertook a specific review of their departments over the last 12 months through Management Plan projects. As a result of this process some changes were made to the departmental structures to improve accountability and performance.

It is recommended that the current organisational structure be confirmed.

### **Contractual conditions of senior staff**

Section 339 of The Act requires the General Manager to report contractual conditions of senior staff.

The senior staff of Council are:

1. General Manager – Mr Gary James
2. Director Corporate Services – Mr Stephen Dunshea
3. Director Community Services – Ms Kylie Walshe
4. Director Planning and Development – Mr Allan Coker
5. Director Technical Services – Mr Warwick Hatton

The General Manager is employed under the Department of Local Government’s “Standard Contract of Employment – General Managers of Local Councils in New South Wales.” The contract has no exceptions or additions to the standard contract.

Each Director is employed under the Department of Local Government’s “Standard Contract of Employment for Senior Staff (other than the General Manager)”. None of the Directors contracts contain exceptions or additions to the standard contract.

The contract termination dates are as follows:

1. General Manager – 30 June 2012.
2. Director Corporate Services – 8 February 2014.
3. Director Community Services – 31 August 2013.
4. Director Planning and Development – 31 August 2013.
5. Director Technical Services – 31 December 2009.

It is recommended that the contractual conditions of the senior staff be noted.

**Conclusion:**

Council is required to undertake certain actions within 12 months of an ordinary election and annually. This report reviews the following matters:

1. Review of delegations (other than delegations for development and related matters).
2. Review of organisation structure
3. Contractual conditions of senior staff.

It is recommended that the recommendations relating to these matters be adopted.

Les Windle  
Manager Governance

Gary James  
General Manager

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**Annexures:**

1. Current delegations to Standing Committees (except Development Control Committee)
2. Proposed delegations to Standing Committee (except Development Control Committee)
3. Current delegations to the Mayor and Deputy Mayor
4. Current delegations to the General Manager
5. Proposed delegations to the General Manager
6. Current organisational structure



**Item No:** R2 Recommendation to Council  
**Subject:** Stage 1 - Old South Head Road, Vaucluse, Traverse Sub Pavement Drainage Works.  
**Author:** Sam Badalati – Project Manager  
**File No:** Tender No 09/11  
**Reason for Report:** To recommend to Council the acceptance of a Tender

**Recommendation:**

- A. That Council enter into a Contract with Celtic Civil Pty Ltd for Old South Head Road, Vaucluse - Civil Infrastructure Project for the lump sum of \$202,305 (excluding GST), and provisional rates used.
- B. That successful and unsuccessful tenderers be advised accordingly.

**Background**

Council adopted an Asset Management Strategy in 2005 which includes a detailed condition indicator analysis of all our infrastructure assets. This condition analysis identified that the road pavement, kerb and gutter; footpath and driveways, drainage pits and pipes in Old South Head Road, Vaucluse require renewal. The area of works to be carried out under this contract is shown in the location aerial photograph below:



Detailed design plans and specifications were prepared for the following works:

- Sawcut and removal of existing concrete pavement slabs.
- Rock Excavation for road pavement, stormwater drainage lines, drainage log, headwall, rock benching and drainage cell.
- Construction of new storm water pipelines and associated pits and structures, sub-surface drainage and permanent and temporary road pavement including all excavation, disposal of spoil, shoring pipe laying and backfilling.
- Supply and installation of geotextile encapsulated ballast drainage mat.
- Construction of rain garden including landscaping and planting of species.
- Installation of Jointex seal to concrete gutter inverts joints.
- Adjust service covers to suit new surface levels and/or reconstruction of new service boxes and/or lids.
- Reinstatement of traffic signs, parking signs and pavement line-marking.
- Protection of all existing services as required.
- Protection of all existing items of heritage significance.
- Provision and establishment of associated landscaping, including tree plantings, garden beds and verges.

### **Invitation to Tender**

Tender 09/11 for the Old South Head Road, Vaucluse Traverse sub-pavement drainage was advertised in the Tenders section of the Sydney Morning Herald commencing on Tuesday 16 June 2009, and in the Wentworth Courier on Wednesday 20 June 2009.

A pre-tender meeting was held on Wednesday 1 July 2009. All tenderers who had registered their interest in the tender were invited to attend. Questions raised by tenderers were answered and a record of the questions and answers was circulated to all tenderers who attended, or who were unable to attend but registered their wish to receive information. Tenders for this project closed at 2:30pm on Thursday 9 July, 2009. Six tenders were received by the closing date and time. No late tenders were received.

### **Tender Assessment**

The tender assessment panel comprised Mr Gary Gale as the convenor and independent member of the tender panel, Mr Sathiya Sathiyanoorthy as the Commissioning Officer, and Mr Sam Badalati as the Project Manager. Prior to the tender closing date, the tender panel agreed on the following weightings that would be used against the advertised selection criteria:

Cost and Pricing	45%
Demonstrated experience and capacity	25%
Program and methodology	15%
Management systems (OHS, quality and environment)	10%
Duration of works	5%

Council has resolved that a probity adviser should be included during the tender assessment stage for high risk, high value or sensitive projects. This project was deemed not to require a probity adviser.

The tenders were first checked for conformance and were all accepted by the evaluation panel as having met the requirements for further consideration

The tender prices were then ranked excluding any provisional amount. Provisional amounts apply where the final cost cannot be determined.

All figures in the tables are net of GST:

RANKING BY PRICE	TENDERER	Lump sum tender price	Time (Weeks)
1	Celtic Civil	\$202,305	7
2	Kodi Civil	\$222,051.10	7
3	Sydney Civil	\$231,170	6
4	Civil Constructions	\$239,012*	8
5	Kingston Civil Constructions	\$372,773	14
6	Mid West Excavations	\$464,340	12

\*Tender form showed \$313,929 but this sum included \$74,917 provisional amounts.

The tender documents were then assessed in detail, including the responses to the qualitative criteria. Lump sum prices were scored relative to the lowest price. Each tender was given an initial total score out of 100. The highest score was achieved by Celtic Civil. Celtic Civil is a new tenderer and therefore not known to Council so they were asked to attend an interview on 22 July 2009 for further evaluation. The panel did not consider there was any merit in interviewing the next two highest tenderers as they are known to Council. The final scores are:

TENDERER	CRITERIA						TOTAL SCORE (100%)
	Cost and pricing (45%)	Demonstrated experience and capability (25%)	Program and methodology (15%)	Management Systems (OH & S, Environmenta I and Quality) (10%)	Duration of works (5%)		
Celtic Civil	45	21.88	15	8.33	4.29	94.49	
Kodi Civil	41	18.75	9.38	7.50	4.29	80.91	
Sydney Civil	39.38	22.92	11.25	7.50	5	86.05	
Civil Constructions	38.09	22.92	9.38	7.50	3.75	81.63	
Kingston Civil Constructions	24.42	20.83	13.13	9.17	2.14	69.69	
Mid West Excavations	19.61	22.92	3.75	8.33	2.5	57.11	

**Explanatory notes:**

- Cost and Pricing:** Tenderers provided information on estimated quantities and rates that make up the lump sum price, with a weighting of 45%. The lowest tender price received the highest score, with all other prices ranked accordingly using the formula (lowest price/each price)x 45).
- Experience and capacity:** Each tender was scored on scope and complexity of past civil experience, particularly for this type of project where drainage and site access are significant issues.
- Program & Methodology:** Information was requested on each tenderer's approach to the project program and construction methodology to check the tenderer's ability to meet the stated works duration.
- Duration of Works:** The shortest duration of 6 weeks received the maximum score, with others ranked according using the formula (shortest duration in weeks/each duration in weeks) x 5.
- Management Systems: Assessment of Quality, Environment controls and OH & S,** scored according to comprehensiveness of documentation and evidence of it being applied to past projects. The highest scores were allocated for systems with independent accreditation.

## Comment

The three highest scoring tenderers are Celtic Civil, Sydney Civil and Civil Constructions. The evaluation panel agreed that due the considerable higher score from Celtic Civil and the fact that Sydney Civil and Civil Constructions are known to Council, only Celtic Civil needed to be interviewed.

The interview confirmed the excellent tender submission from Celtic Civil and Mr John Frisby, the company's director, demonstrated that the construction methodology and traffic management had been well thought through. Mr Frisby confirmed that he was satisfied with the costing basis of his submission as well as the time to complete the work. Mr Frisby stated that he could commence work one week after being awarded the work.

It is normal practice to allow tenderers to submit provisional rates for tasks or activities that could possibly apply, or where it is not practical to determine the quantity required. For such items provisional rates are sought from the tenderer and these are used only if applicable. The likely cost for Provisional items used for this project by the three tenderers is projected in the table below. The cost has been arrived by using the submitted rates and an assumed equal quantity.

	Celtic Civil	Sydney Civil	Civil Constructions
1. Additional Excavation in rock	\$6000	\$16000	\$6700
2. Supply & place 32 MPa concrete	\$3600	\$3840	\$2868
3. Supply & place of ballast infill.	\$2400	\$6400	\$6160
Total Cost	\$11760	\$26240	\$15728

As can be seen from the above table Celtic Civil maintains their costing advantage even when including provisional rates.

A referee submitted by Celtic Civil at Sutherland Shire Council was contacted. The feed back received from the referee was very positive. In the referee's view Celtic Civil was a capable contractor in the drainage field. Celtic Civil maintained good on site supervision, was very flexible in relation to any changes to the work and the only variations were instigated by the Principal. The referee had no reservation in utilising Celtic Civil services again.

## Tender Assessment Panel Opinion

Celtic Civil's tender price is \$28,865 lower than the next highest scoring tenderer, Sydney Civil and maintains this price advantage even when including provisional rates. Celtic Civil achieved the highest overall score when the qualitative factors and interview responses are taken into account, including community consultation, site and construction management.

The tender panel agreed that Celtic Civil provides the best value to Council and recommends they be appointed to carry out the work.

**Identification of Income and Expenditure:**

All figures in this report exclude GST. The preferred tenderer's lump sum price for this project is \$202,305. In addition, a contingency amount of approximately \$17,695 should be allowed for potential provisional items and variation claims and \$5,000.00 for project management. To date, funds of \$21,192 have been expended on design and project management. The total funding required for this project is estimated to be \$241,192. A total available budget of \$245,000 is allocated for this project from the Environmental and Infrastructure Works Levy and Stormwater Management Charge, which is sufficient to cover the anticipated total project cost.

**Recommendation:**

That Council enter into a Contract with Celtic Civil Pty Ltd for the for Old South Head Road, Vaucluse - Civil Infrastructure Project for the lump sum of \$202,305 excluding GST, plus any provisional rates used.

Sam Badalati  
Project Manager

Warwick Hatton  
Director Technical Services

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**POLITICAL DONATIONS DECISION MAKING FLOWCHART  
FOR THE INFORMATION OF COUNCILLORS**

