Finance, Community & Services Committee

Agenda

Monday 9 April 2018

6.00pm
Outline of Meeting Protocol & Procedure:

- The Chairperson will call the Meeting to order and ask the Committee Members and/or Staff to present apologies and/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 (e.g. applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allocated 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).

Finance, Community & Services Committee Membership: 7 Councillors
Quorum: The quorum for Committee meeting is 4 Councillors
Woollahra Municipal Council

Notice of Meeting

5 April 2018

To:    His Worship the Mayor, Councillor Peter Cavanagh ex-officio
    Councillors

Susan Wynne (Deputy Mayor)
Claudia Cullen
Luise Elsing
Mary-Lou Jarvis
Anthony Marano
Nick Maxwell
Megan McEwin
Harriet Price
Lucinda Regan
Matthew Robertson
Isabelle Shapiro
Richard Shields
Mark Silcocks
Toni Zeltzer

Dear Councillors

Finance, Community & Services Committee – 9 April 2018

In accordance with the provisions of the Local Government Act 1993, I request your attendance at Council’s Finance, Community & Services Committee meeting to be held in the Council Chambers, 536 New South Head Road, Double Bay, on Monday 9 April 2018 at 6.00pm.

Gary James
General Manager
## Meeting Agenda

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

| D1   | Confirmation of Minutes                                                | NIL  |
| D2   | Woollahra Local Traffic Committee Minutes - 3 April 2018 - 18/49347    | 7    |
| D3   | Audit & Assurance Committee Minutes - 21 February 2018 - 18/50874       | 19   |
| D4   | Monthly Financial Report - February 2018 and Investments held as at 31 March 2018 (FY259-03) - 18/30459 | 31   |
| D5   | Draft 2018/19 Fees & Charges - 18/21183                                 | 43   |
| D6   | Statutory review of Council's Integrated Planning and Reporting documents - Progress report - 18/39073 | 49   |

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

| R1   | Closing and Sale of Road Reserve adjoining 48 Cranbrook Road, Bellevue Hill (SC2398) - 18/44393 | 55   |
| R2   | Derby Street Vaucluse - Street Upgrade - Tender Report(SC4109) - 18/35771 | 61   |
| R3   | Guilfoyle Park Upgrade Tender (SC4094) - 18/42608                        | 67   |
| R4   | SSROC Peers Program Update - Renewable Energy PPA Acceptance - 18/49492 | 73   |
| R5   | 15 Minute and 30 Minute Free Parking at Parking Meters in Double Bay - 18/49513 | 77   |
| R6   | Cultural Day 2018/19 - 18/43609                                          | 83   |
| R7   | Draft 2018/19 Budget - 18/42227                                         | 99   |
Item No: D2  Delegated to Committee
Subject: WOOLLAHRA LOCAL TRAFFIC COMMITTEE MINUTES - 3 APRIL 2018
Author: Aurelio Lindaya, Manager Engineering Services
Approver: Tom O'Hanlon, Director - Technical Services
File No: 18/49347
Reason for Report: For the Committee to consider the recommendations of the Woollahra Local Traffic Committee

Recommendation:

That the Recommendations Y1-Y12 contained in the minutes of the Woollahra Traffic Committee held on Tuesday 3 April 2018 be adopted.

Annexures

1. Woollahra Local Traffic Committee Minutes - 3 April 2018
Woollahra Local Traffic Committee

Minutes

Tuesday 3 April 2018
**Woollahra Local Traffic Committee Minutes**

**Tuesday 3 April 2018**

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Woollahra Local Traffic Committee Minutes

The meeting of the Woollahra Local Traffic Committee was held in the Thornton Room (Committee Room), 536 New South Head Road, Double Bay, on 3 April 2018 at 10.00am.

1. Attendance

Committee Members:

Present: Mr Aurelio Lindaya (Woollahra Municipal Council) (Chair)
         Mr Ben Borg (Roads and Maritime Services)
         Sgt Luke Barrett (Eastern Suburbs Police)

Staff: Mr Frank Rotta (Woollahra Municipal Council)
       Mr Sanchit Kapoor (Woollahra Municipal Council)
       Ms Stacey Bulloch (Woollahra Municipal Council)
       Mr Tom O’Hanlon (Woollahra Municipal Council)

Observer: David Ballin (Roads and Maritime Services)

Apologies: Mr Alex Greenwich MP (Member for Sydney)
            Ms Donna Blackburne (Gabrielle Upton MP Representative)
            Ms Suzi Rich (Woollahra Municipal Council)
            Mr Eric Graham (Transport NSW – State Transit)

Also in Attendance: Glen Ilic (Item Y5)
                    Andrew Goldfinch (Item Y5)
                    Darleen Bungey (Item Y5)
                    Geoff Cousins (Item Y5)
                    Alicia Watson (Item Y5)
                    Greg Mason (Item Y5)
                    Richard Dennison (Item Y5)
                    Stephen Wawn (Item Y5)
                    Isabella Nanon (Observer)
                    Eli Katz (Observer)
                    Michael Zammit (Item Y5)
                    Ruth Schmidt (Item Y5)
                    Marianne Knox (Item Y5)
                    Charmaine Roth (Item Y5)
                    Elena Kirillova (Item Y5)
                    Grant Jagelman (Item Y5)
                    Erin Madeisley (Observer)
                    Eli Grauman (Observer)
Woollahra Local Traffic Committee Minutes

2. Minutes of Previous Meeting

The minutes of Meeting No.2/18 held in Council Chambers, Double Bay, on Tuesday 6 March 2018 were confirmed by Ben Borger and Sergeant Luke Barrett.

3. Matters Arising from Minutes of Previous Meetings

Nil

4. Woollahra Local Traffic Committee recommendations not adopted or amended by Woollahra Council Community & Environment Committee

Item No: D2 Delegated to Committee
Subject: WOOLLAHRA LOCAL TRAFFIC COMMITTEE MINUTES - 6 MARCH 2018
Author: Aurelio Lindaya, Manager Engineering Services
Approver: Tom O’Hanlon, Director - Technical Services
File No: 18/34802
Reason for Report: For the Committee to consider the recommendations of the Woollahra Local Traffic Committee

(McEwin/Price)

Resolved:

THAT the Recommendations Y1-Y8 contained in the minutes of the Woollahra Traffic Committee held on Tuesday 6 March 2018 be adopted, subject to an amendment to Y4.

5. Extraordinary Meetings

Nil

6. Late Correspondence

• Alex Greenwich MP did not attend the meeting. A copy of his comments has been distributed to the other committee members via email.

• Donna Blackburne (Representative for Gabrielle Upton MP) did not attend the meeting. No comments were provided regarding the items within this Electorate.

• Late correspondence regarding item Y5 was distributed to the other committee members at the meeting and discussed.
Items to be Recommended to the Community & Environment Committee by the Woollahra Local Traffic Committee for Consideration

Item No: Y1
Subject: CARRARA ROAD, VAUCLUSE - NO PARKING RESTRICTIONS
Author: Frank Rotta, Traffic & Transport Engineer
Approvers: Mark Keulen, Team Leader Traffic & Transport
Aurelio Lindaya, Manager Engineering Services
File No: 18/40199
Reason for Report: To consider No Parking restrictions for improved vehicular access
Recommendation:

A. That “No Parking” restrictions be installed on the western side of Carrara Road in front of Nos 18-22 Carrara Road, Vaucluse to replace the current “No Parking Saturday, Sunday and Public Holiday” restrictions.

B. That the remaining “No Parking Saturday, Sunday and Public Holiday” restrictions on the western side of Carrara Road, north of the driveway serving No 12 Carrara Road, be replaced with full-time “No Parking” restrictions and that this approval be subject to support from the majority of these residents who respond to Council’s future consultation on this matter.

Committee Vote: Unanimous Support

Item No: Y2
Subject: KIAORA ROAD, DOUBLE BAY - 1P PARKING RESTRICTIONS
Author: Mark Keulen, Team Leader Traffic & Transport
Approvers: Aurelio Lindaya, Manager Engineering Services
File No: 18/43281
Reason for Report: To consider adding 1P parking restrictions to the existing 6P zone
Recommendation:

That the existing 30 spaces (20 angled and 10 parallel) of “6P 8am-4pm” parking restrictions fronting the Double Bay Bowling Club in Kiaora Road, Double Bay be changed to “1P 8am-10am/6P 10am-6pm” restrictions to increase turnover of parking spaces in the morning period.

Committee Vote: Unanimous Support
Woollahra Municipal Council
Finance, Community & Services Committee Agenda

Item No: Y3
Subject: NELSON LANE,WOOLLAHRA - NO STOPPING RESTRICTIONS
Author: Mark Keulen, Team Leader Traffic & Transport
Approver: Aurelio Lindaya, Manager Engineering Services
File No: 18/43343
Reason for Report: To consider No Stopping restrictions for pedestrian gate access
Recommendation:

That approximately 8 metres of No Stopping restrictions be installed in Nelson Lane, Woollahra, starting just south of the pedestrian gate to No 5 and ending just north of the driveway access to No 3, as shown in the Location Plan.

Committee Vote: Unanimous Support

Item No: Y4
Subject: NURAN ROAD, VAUCLUSE - NO PARKING RESTRICTIONS
Author: Frank Rotta, Traffic & Transport Engineer
Approvers: Mark Keulen, Team Leader Traffic & Transport
Aurelio Lindaya, Manager Engineering Services
File No: 18/40223
Reason for Report: Request by residents of Coolong Road for parking restriction changes in Nurran Road
Recommendation:

That “No Parking” restrictions be installed on the eastern side of Nurran Road, Vaucluse to replace the existing “No Parking Saturday, Sunday and Public Holiday” restrictions.

Committee Vote: Unanimous Support

Item No: Y5
Subject: WOLSELEY ROAD, POINT PIPER - NO PARKING RESTRICTIONS
Author: Frank Rotta, Traffic & Transport Engineer
Approvers: Mark Keulen, Team Leader Traffic & Transport
Aurelio Lindaya, Manager Engineering Services
File No: 18/42105
Reason for Report: Re-examination of the installation of parking restrictions in Wolseley Road, Point Piper
Recommendation:

That the recently installed ‘No Parking’ restrictions on the northern side of Wolseley Road, Point Piper starting from the western side of the driveway to No 156 Wolseley Road and extending for a distance of 55 metres in a westerly direction remain in their current location.

Committee Vote: Unanimous Support
Woollahra Municipal Council
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Woollahra Local Traffic Committee Minutes

Item No: Y6
Subject: LAWSON ROAD, PADDINGTON - STOP LINE AT PEDESTRIAN CROSSING AT GLENMORE ROAD
Author: Mark Keulen, Team Leader Traffic & Transport
Approver: Aurelio Lindaya, Manager Engineering Services
File No: 18/45457
Reason for Report: To consider relocation of a Stop line in front of a pedestrian crossing
Recommendation:

That the Stop line and Stop sign in Lawson Road, currently at the intersection with Glenmore Road, be retained. The concerns relating to vehicles stopping as required at the pedestrian crossing be referred to the NSW Police Force.

Note: RMS and NSW Police object to the original recommendation which has been amended to read as above.

Note: Council’s Manager of Engineering Services supports both the original recommendation and the new recommendation put forward.

Note: Recommendation amended at meeting.

Committee Vote: Unanimous Support

Item No: Y7
Subject: NORFOLK STREET, PADDINGTON - REQUEST FOR A DISABLED ZONE
Author: Frank Rotta, Traffic & Transport Engineer
Approvers: Mark Keulen, Team Leader Traffic & Transport
Aurelio Lindaya, Manager Engineering Services
File No: 18/40139
Reason for Report: Request from resident of Norfolk Street for a Disabled Parking space
Recommendation:

This recommendation is to be deferred to a future Local Traffic Committee meeting.

Note: Recommendation amended at meeting.

Committee Vote: Unanimous Support
Item No: Y8  
**Subject:** OLD SOUTH HEAD ROAD, VAUCLUSE - ON-STREET ACCESSIBLE PARKING UPGRADE  
**Author:** Mark Keulen, Team Leader Traffic & Transport  
**Approver:** Aurelio Lindaya, Manager Engineering Services  
**File No:** 18/41655  
**Reason for Report:** To upgrade an existing on-street accessible parking space as part of Christison Park grandstand upgrades.  

**Recommendation:**

A. That the existing on-street Accessible Parking space in Old South Head Road, Vaucluse fronting Christison Park and opposite No 136 be upgraded in accordance with AS 2890.5-1993 and as per Annexure 1 involving the following works:

   i. Relocation of the existing ‘Accessible Parking (R)’ sign 2.3 metres north to be just north of the new kerb ramp. The space shall thereby be extended to 7.8 metres in length (from the kerb blister island, not the Accessible Parking (L) sign) with the kerb ramp included within the space at the northern end.

   ii. The footpath shall be widened at the location of the kerb ramp to achieve a continuous 1.5 metre clearance, compliant with AS 2890.5-1993.

   iii. All works (including signage relocation) to be funded and completed as part of Council’s Capital Works project to upgrade Christison Park grandstand.

**Committee Vote:** Unanimous Support

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**Item No:** Y9  
**Subject:** EDGECLIFF ROAD, WOOLLAHRA - LATM TREATMENTS AT WALLIS STREET, MAGNEY STREET, LESWELL STREET, NEWLAND STREET AND NO 376  
**Author:** Mark Keulen, Team Leader Traffic & Transport  
**Approver:** Aurelio Lindaya, Manager Engineering Services  
**File No:** 18/41661  
**Reason for Report:** To recommend approval of LATM treatments as part of the 2017/18 Traffic Capital Works Program.  

**Recommendation:**

A. That the following LATM treatments be installed in Edgecliff Road, Woollahra, be provided as shown Plans 1-5 in Annexure 1.

   i. Median island protected on-road cycle slip lane (northbound), kerb blister islands and painted centre median island outside No 376 Edgecliff Road.

   ii. Reconstruction of median island providing cyclist protection and realignment of green painted bicycle lane along Edgecliff Road at northbound approach to and intersection with Wallis Street.

   iii. Construction of median islands providing cyclist protection and realignment of green painted bicycle lane along Edgecliff Road at eastbound approach to and intersection with Chester Lane.
iv. Realignment of green painted bicycle lane along Edgecliff Road at intersection with Leswell Street.

v. Kerb extension with verge landscaping and realignment of green painted bicycle lane along Edgecliff Road at Magney Street.

vi. Kerb realignments with verge landscaping, relocation of kerb ramps and pedestrian refuge upgrades at the intersection of Edgecliff Road and Newland Street/Harkness Street.

B. That NSW Police, Roads and Maritime Services and the State Transit Authority be provided detailed swept path designs indicating satisfactory turning point manoeuvres prior to set-out and construction.

**Note:** Recommendation amended at meeting.

**Committee Vote:** Unanimous Support

**Item No:** Y10

**Subject:** GLENMORE ROAD, NORTH OF GURNER LANE, PADDINGTON - PEDESTRIAN CROSSING

**Author:** Frank Rotta, Traffic & Transport Engineer

**Approvers:** Mark Keulen, Team Leader Traffic & Transport

Aurelio Lindaya, Manager Engineering Services

**File No:** 18/42123

**Reason for Report:** To audit pedestrian crossing in line with RMS Technical Directions

**Recommendation:**

That the recommendations with regard to the pedestrian crossing in Glenmore Road, north of Gurner Street, Paddington be deferred to a future Local Traffic Committee meeting for further investigation but the lining and pavement marking around the pedestrian crossing be upgraded as soon as possible.

**Note:** Recommendation amended at meeting.

**Committee Vote:** Unanimous Support
Woollahra Municipal Council

Annexure 1 Woollahra Local Traffic Committee Minutes - 3 April 2018

Item No: Y11

Subject: NEWCASTLE STREET, ROSE BAY - SHARED PATH SAFETY

Author: Aurelio Lindaya, Manager Engineering Services

Approver: Tom O’Hanlon, Director - Technical Services

File No: 18/43372

Reason for Report: To report on safety on the Shared Path in Newcastle Street, Rose Bay

Recommendation:

A. That the current Shared Path in Newcastle Street, between Old South Head Road and Norwich Lane, Rose Bay be retained.

B. That modifications to the Shared Path in Newcastle Street, at Norwich Lane be approved as per the concept plan in Annexure 2.

C. That the item be referred to the NSW Police Force for assessment.

Note: Recommendation amended at meeting.

Committee Vote: Unanimous Support

Item No: Y12

Subject: 9 SUTHERLAND CRESCENT, DARLING POINT – ROAD AND FOOTPATH OCCUPANCY

Author: Frank Rotta, Traffic & Transport Engineer

Approver: Mark Keulen, Team Leader Traffic & Transport

Aurelio Lindaya, Manager Engineering Services

File No: 18/43944

Reason for Report: To approve occupancy of the footpath and 1 metre of roadway across the frontage of No.9 Sutherland Crescent.

Recommendation:

That:

A. The application for a Hoarding over the site frontage which takes over the entire footpath area in front of No. 9 Sutherland Crescent, Darling Point as well as a 1 metre wide section of the road carriageway at each end of the site frontage and a straight line in between these points be supported by Council for a period of 2 years subject to:

i. The TCP submitted by the applicant on 22 March, 2018 and indicated in Annexure 2 being implemented when the pedestrian barriers are not functional during works on the site.

ii. The TCP submitted by the applicant on 22 March, 2018 and indicated in Annexure 3 being implemented when the pedestrian barriers are fully functional e.g. at night, when there is no construction activity on the site or when the site works do not need to interfere with these barriers. The applicant must ensure that the lanes at any point of this bend must have a minimum width of 3.5 metres and the minimum clear distance for the pedestrian path between the barrier and the hoarding shall be 1 metre.
B. The applicant be advised that an Activity Application to swing or hoist goods over a public road needs to be submitted so that this matter can be dealt with and suitably conditioned at a future date by Council’s Compliance Section.

C. The applicant be advised that a Permit to Stand Plant application needs to be submitted on each occasion when trucks/large items of plant are placed on Council’s roadway outside the Hoarding area so that they can be dealt with and suitably conditioned by Council’s Traffic Section as they occur. The applicant must liaise with any subcontractors/concrete truck drivers/crane operators and neighbours to ensure that temporary loss of parking in this street is minimised as a result of these activities and that access to these neighbouring properties is maintained in a reasonably timely manner.

D. Should any part of any machinery be located on the site or in the Hoarding area need to slew over private properties the applicant will need to get permission from the relevant property owners to allow this to occur.

E. The applicant must liaise with the site foremen of the other construction sites in Sutherland Crescent and Etham Avenue so that major concrete pours/crane lifts or other similar activities do not overlap creating an impossible parking situation for all stakeholders using these two streets.

Committee Vote: Unanimous Support

There being no further business the meeting concluded at 11.40am.

Aurelio Lindsay
Chair
Item No: D3  Delegated to Committee

Subject: AUDIT & ASSURANCE COMMITTEE MINUTES - 21 FEBRUARY 2018

Author: Damian Whittle, Risk, Safety & Audit Coordinator

Approver: Stephen Dunshea, Director Corporate Services

File No: 18/50874

Reason for Report: To submit the Minutes of the Audit & Assurance Committee Meeting of 21 February 2018.

Recommendation:

THAT the Minutes of the Audit & Assurance Committee meeting of 21 February 2018 be received and noted.

Background:

Council’s Audit and Assurance Committee (AAC) met on 21 February 2018. The following reports were considered at the meeting:

- Draft Three Year Internal Audit Plan - 1 July 2018 to 30 June 2021
- Business Plan Progress Report
- Internal Audit of Kiaora Place, Double Bay – Management of Property and Leases
- Internal Audit - Workforce Planning
- Internal Audit of Work, Health and Safety
- Follow up Review of Internal Audit Recommendations 2015/2016

The minutes of the 21 February 2018 meeting of the AAC have been circulated to all Committee Members and the Committee Chair has endorsed the minutes as an accurate record of the proceedings.

The minutes of the meeting are submitted as Annexure 1 for noting by the Corporate & Works Committee.

Annexures

1. Audit & Assurance Committee Minutes 21 February 2018
Audit & Assurance Committee

Minutes

Wednesday 21 February 2018
Woollahra Municipal Council
Audit & Assurance Committee Minutes 21 February 2018

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Audit & Assurance Committee

Minutes of the Meeting held on
21 February 2018 at 2.00pm.

Present: John Gordon (Chair)
         Jason Masters
         The Mayor, Councillor Peter Cavanagh

Staff: Allan Coker (Director – Planning & Development)
       Stephen Dunshea (Director – Corporate Services)
       Gary James (General Manager)
       Tom O’Hanlon (Director – Technical Services)
       Zubin Marolia (Manager – Property & Projects)
       Ian MacKinlay (Manager Organisational Development & Human Resources)
       Damian Whittle (Risk, Safety & Audit Coordinator)
       Don Johnston (Manager Finance)
       Trang Banfield (Senior Corporate Accountant)
       Helen Tola (Manager Governance & Council Support)

Also in Attendance: Steve Kent Internal Auditor – BDO
                    Gary Mottau External Auditor – Hills Rogers
Apologies

An apology was received and noted from Cheryle Burns, Manager Business Assurance & Risk.

Declarations of Interest

John Gordon declared he is on the Risk & Audit Committee for the Audit Office of NSW.

Jason Masters declared that he is a Council Member at the Wesley College, The University of Sydney.
Section 1 – Open Matters

Item No: 1
Subject: DRAFT THREE YEAR INTERNAL AUDIT PLAN - 1 JULY 2018
TO 30 JUNE 2021
Author: Cheryle Burns, Manager - Business Assurance & Risk
Approvers: Stephen Dunshea, Director Corporate Services
Gary James, General Manager
File No: 18/13379
Reason for Report: To recommend adoption of the draft Three Year Internal Audit Plan 2018 - 2021 and the Annual Audit Plan 2018/19 to the Committee.

Note: Steve Kent, Internal Auditor – BDO briefed the Committee.

Resolved Unanimously:
That the Audit & Assurance Committee adopt the draft Three Year Internal Audit Plan 2018 - 2021 and the Annual Audit Plan 2018/19 presented as Annexure 1 to the report be adopted.

Item No: 2
Subject: BUSINESS PLAN PROGRESS REPORT
Author: Cheryle Burns, Manager - Business Assurance & Risk
Approver: Stephen Dunshea, Director Corporate Services
File No: 18/21078

Resolved Unanimously:
That the Committee:

A. Note this item is deferred until the next meeting.

B. Note the Audit Office of NSW “Management Letter on the Final Phase of the Audit for the Year Ended 30 June 2017” as tabled.
Woollahra Municipal Council  
Audit & Assurance Committee Minutes  21 February 2018

Item No: 3  
Subject: INTERNAL AUDIT OF KIAORA PLACE, DOUBLE BAY – MANAGEMENT OF PROPERTY AND LEASES  
Author: Cheryle Burns, Manager - Business Assurance & Risk  
Approvers: Tom O’Hanlon, Director - Technical Services  
Gary James, General Manager  
File No: 18/17361  
Reason for Report: To enable the Committee to review the Internal Audit of Kiaora Place, Double Bay – Management of Property and Leases completed by BDO.

Note: Steve Kent, Internal Auditor – BDO briefed the Committee.

Resolved Unanimously:

That the Committee:

A. Receive and note the “Internal Audit of Kiaora Place, Double Bay – Management of Property and Leases May 2017” report that includes Council’s management responses to the twenty three (23) recommendations relating to ten (10) detailed findings as ANNEXURE 1.

B. Note the Report’s conclusion that:

“Based on our assessment of the risks and controls relating to the area of Property & Projects – Kiaora Place, Double Bay - Management of Property and Leases the overall residual risk across the process area is rated as HIGH RISK.

Rationale for the Risk Rating: There were six high risk rated areas identified during our internal audit requiring implementation of improved control measures or subject to more detailed and frequent monitoring. In addition, there are a number of areas requiring the monitoring of existing control measures, with three low risk rated items identified.”

C. Note that action has been taken to fully implement 20 of the 23 recommendations and that work is continuing to complete the remaining 3 recommendations.

D. Endorse management’s comments in response to recommendation R11, that implementation of the Sarbanes Oxley regime in respect of all Brookfield’s financial client processing is unnecessary.
Woollahra Municipal Council
Audit & Assurance Committee Minutes 21 February 2018

Item No: 4
Subject: INTERNAL AUDIT - WORKFORCE PLANNING
Author: Cheryl Burns, Manager - Business Assurance & Risk
Approver: Stephen Dunshea, Director Corporate Services
File No: 18/17330
Reason for Report: To enable the Committee to review the Internal Audit of Workforce Planning Report completed by BDO.
Note: Steve Kent, Internal Auditor – BDO briefed the Committee.

Resolved Unanimously:

That the Committee:

A. Receive and note the “Internal Audit of Workforce Planning – June 2017” report that includes Council’s management responses to the thirteen (13) recommendations relating to opportunities for improvement as ANNEXURE 1.

B. Note the Report’s conclusion that:

“Based on our high level assessment of the risks and controls relating to Workforce Planning, the overall residual risk across the process area is rated as LOW.

Rationale for the Risk Rating - there were no extreme, very high or high risk issues identified during our internal audit. There are no concerns regarding the competencies of staff and the recommendations in our report broadly represent process improvement opportunities, rather than significant compliance breaches or control design deficiencies.”
Item No: 5

Subject: INTERNAL AUDIT OF WORK, HEALTH AND SAFETY

Author: Damian Whittle, Risk, Safety & Audit Coordinator
Approvers: Cheryle Burns, Manager - Business Assurance & Risk
Stephen Dunshea, Director Corporate Services

File No: 18/18350
Reason for Report: To enable the Committee to review the Internal Audit – Work, Health and Safety completed by BDO.

Note: Steve Kent, Internal Auditor – BDO briefed the Committee.

Resolved Unanimously:

That the Committee:

A. Receive and note the “Internal Audit of Work, Health and Safety – April 2017” report that includes Council’s management responses to the twelve (12) recommendations relating to opportunities for improvement as ANNEXURE 1.

B. Note the Report’s conclusion that:

“Based on our assessment of the risks and controls relating to the area or WHS, the overall residual risk across the process area is rated as LOW.

Rationale for the Risk Rating - there were no extreme, very high or high risk issues identified during our internal audit. There are a number of areas where improvements could be implemented, with 1 HIGH risk rated area and 7 Low risk rated areas identified. There are no concerns regarding the competencies of staff and the recommendations in our report broadly represent process improvement opportunities, rather than significant compliance breaches or control design deficiencies.”
Woollahra Municipal Council
Audit & Assurance Committee Minutes 21 February 2018

Item No: 6
Subject: FOLLOW UP REVIEW OF INTERNAL AUDIT RECOMMENDATIONS 2015/2016
Author: Damian Whittle, Risk, Safety & Audit Coordinator
Approver: Stephen Dunshea, Director Corporate Services
Cheryl Burns, Manager - Business Assurance & Risk
File No: 18/11651
Reason for Report: To enable the Committee to review the Internal Audit - Follow-up Review of Internal Audit Report Recommendations 2015-2016 completed by DDO.

Note: Steve Kent, Internal Auditor – BDO briefed the Committee.

Resolved Unanimously:

That the Committee:


B. Note the Report’s conclusion that:

“Overall, the status of outstanding recommendations was assessed as satisfactory, considering that some actions had not been completed due to the on-going merger/amalgamation uncertainty.

These related to the Corporate Planning audit (8 recommendations), Development Application Processes (1 recommendation) and the Management of Property, Leases and Licences audit (1 recommendation).

The majority of other recommendations had been satisfactorily addressed and any remaining items in progress or actions that were not going to be undertaken were all process improvements.”

Other Matters – Verbal Updates

A presentation on the Independent Hearing & Assessment Panel (IHAP) was given by Allan Coker, Director Planning & Development.
Advisings

Item No:  7
Subject: PUBLIC INTEREST DISCLOSURES ACT ANNUAL REPORT - JULY 2016 TO JUNE 2017
Author: Helen Tola, Manager - Governance & Council Support
Approver: Stephen Dunshea, Director Corporate Services
File No: 18/22182
Reason for Report: For the Committee to note the reporting of the Public Interest Disclosures.

Note: The Committee noted the advice.

Item No:  8
Subject: GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT - GIPA ANNUAL REPORT FOR PERIOD JULY 2016 TO JUNE 2017
Author: Helen Tola, Manager - Governance & Council Support
Approver: Stephen Dunshea, Director Corporate Services
File No: 18/22184

Note: The Committee noted the advice.

There being no further business the meeting concluded at 3.45pm.

Next meeting to be advised.
Item No: D4  Delegated to Committee

Subject: MONTHLY FINANCIAL REPORT - FEBRUARY 2018 AND INVESTMENTS HELD AS AT 31 MARCH 2018 (FY259-03)

Author: Don Johnston, Chief Financial Officer

Approver: Stephen Dunshea, Director Corporate Services

File No: 18/30459

Reason for Report: To present the monthly financial report for February 2018 and list of investments held as at 31 March 2018.

Recommendation:

THAT the Committee:


B. Note that Council’s 12 month weighted average return for February 2018 on its direct investment portfolio of 2.67% exceeds the benchmark 90 day AusBond Bank Bill Index of 1.77%.

C. Note that the interest earned year-to-date February 2018 of $1,316k is ahead of our revised forecast for the same period of $1,307k.

D. Note the impact that Council’s new Committee structure and meeting schedule has on meeting the investments reporting obligations under the Local Government (General) Regulation.

E. Receive and note the list of investments held as at 31 March 2018.

Background:

Clause 212 of the Local Government (General) Regulation 2005 (the Regulation) requires the Responsible Accounting Officer (RAO) (Council’s Chief Financial Officer) to provide the Council with a monthly report setting out details of all money that the Council has invested.

The Monthly Financial Report is submitted to the Committee for consideration and consistent with previous monthly reports includes:

- Investment Transactions for the month.
- Summary of Receipts, Payments and Bank Balance.
- Details of Investment Portfolio and market valuations.
- Statement of Investment Policy Compliance.
- Charts:
  - Weighted Average Maturity and Weighted Average Returns.
  - Weighted Average Returns v 90 day AusBond Bank Bill Index.
  - Actual Interest Earned v Original Budget & Revised Forecast.
  - Movements in Book Value of Investments.

As a consequence of the change to Council’s monthly committee meetings schedule, a list of investments held at month end (31 March 2018) has also been included in the report in order to meet the investments reporting obligations under the Local Government (General) Regulation.

Details on the need for this additional inclusion in the report are provided later in the report.
## Investment Transactions for the Month of February 2018

<table>
<thead>
<tr>
<th>Date</th>
<th>Investment Description</th>
<th>Term</th>
<th>Rate</th>
<th>Transaction</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance as at 1 February 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>75,046,543.78</td>
</tr>
<tr>
<td>13/02/2018</td>
<td>Bank of Queensland TD</td>
<td>365</td>
<td>2.70</td>
<td>Maturity</td>
<td>-2,000,000.00</td>
</tr>
<tr>
<td>13/02/2018</td>
<td>Bendigo Adelaide Bank TD</td>
<td>365</td>
<td>2.80</td>
<td>Maturity</td>
<td>-5,000,000.00</td>
</tr>
<tr>
<td>13/02/2018</td>
<td>Westpac Banking Corporation TD</td>
<td>365</td>
<td>2.60</td>
<td>Purchase</td>
<td>6,000,000.00</td>
</tr>
<tr>
<td>15/02/2018</td>
<td>Bank of Queensland TD</td>
<td>365</td>
<td>2.70</td>
<td>Maturity</td>
<td>-2,000,000.00</td>
</tr>
<tr>
<td>15/02/2018</td>
<td>Bendigo Adelaide Bank TD</td>
<td>365</td>
<td>2.70</td>
<td>Maturity</td>
<td>-1,000,000.00</td>
</tr>
<tr>
<td>15/02/2018</td>
<td>National Australia Bank TD</td>
<td>365</td>
<td>2.65</td>
<td>Maturity</td>
<td>-1,000,000.00</td>
</tr>
<tr>
<td>15/02/2018</td>
<td>Westpac Banking Corporation TD</td>
<td>365</td>
<td>2.60</td>
<td>Purchase</td>
<td>5,000,000.00</td>
</tr>
<tr>
<td>15/02/2018</td>
<td>Commonwealth Bank TD</td>
<td>365</td>
<td>2.65</td>
<td>Maturity</td>
<td>-1,000,000.00</td>
</tr>
<tr>
<td>16/02/2018</td>
<td>Commonwealth Bank TD</td>
<td>367</td>
<td>2.60</td>
<td>Purchase</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>19/02/2018</td>
<td>Westpac Banking Corporation TD</td>
<td>365</td>
<td>2.61</td>
<td>Purchase</td>
<td>2,000,000.00</td>
</tr>
<tr>
<td>26/02/2018</td>
<td>Suncorp TD</td>
<td>270</td>
<td>2.55</td>
<td>Maturity</td>
<td>-2,000,000.00</td>
</tr>
<tr>
<td>26/02/2018</td>
<td>Westpac Banking Corporation TD</td>
<td>365</td>
<td>2.60</td>
<td>Purchase</td>
<td>2,000,000.00</td>
</tr>
<tr>
<td>27/02/2018</td>
<td>Commonwealth Bank TD</td>
<td>365</td>
<td>2.60</td>
<td>Maturity</td>
<td>-1,000,000.00</td>
</tr>
<tr>
<td>27/02/2018</td>
<td>Members Equity Bank TD</td>
<td>365</td>
<td>2.70</td>
<td>Maturity</td>
<td>-1,000,000.00</td>
</tr>
<tr>
<td>28/02/2018</td>
<td>Commonwealth Bank FRN</td>
<td></td>
<td></td>
<td>Fair Value Adjustment</td>
<td>-11,300.00</td>
</tr>
<tr>
<td>28/02/2018</td>
<td>Newcastle Permanent Big Soc FRN</td>
<td></td>
<td></td>
<td>Fair Value Adjustment</td>
<td>40.00</td>
</tr>
<tr>
<td>28/02/2018</td>
<td>ANZ Bank FRN</td>
<td></td>
<td></td>
<td>Fair Value Adjustment</td>
<td>-2,360.00</td>
</tr>
<tr>
<td>28/02/2018</td>
<td>AMP Online At Call net movement</td>
<td></td>
<td></td>
<td>Deposit</td>
<td>49.60</td>
</tr>
<tr>
<td>28/02/2018</td>
<td>CBA Online At Call net movement</td>
<td></td>
<td></td>
<td>Deposit</td>
<td>3,724,261.18</td>
</tr>
<tr>
<td>28/02/2018</td>
<td>NAB Online At Call net movement</td>
<td></td>
<td></td>
<td>Deposit</td>
<td>1,902,026.33</td>
</tr>
</tbody>
</table>

Net movement in Portfolio for the month

<table>
<thead>
<tr>
<th>Date</th>
<th>Investment Description</th>
<th>Term</th>
<th>Rate</th>
<th>Transaction</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>23/02/2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,612,717.13</td>
</tr>
</tbody>
</table>

Closing Balance as at 23 February 2018

<table>
<thead>
<tr>
<th>Date</th>
<th>Investment Description</th>
<th>Term</th>
<th>Rate</th>
<th>Transaction</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>80,659,260.91</td>
</tr>
</tbody>
</table>

**Commentary:**

Council’s investment portfolio rose by $5.6m during February - which is normal for a rates instalment month.

It is important to note that $11m of the maturities were in the BBB rating category. As previously reported, the ratings downgrade of Bendigo Adelaide Bank and Bank of Queensland saw Council’s portfolio fall into non-compliance with the Investment Policy. These maturities were reinvested with AA rated banks, predominantly Westpac, which sees Council’s portfolio now comfortably in compliance with the credit quality and counter party parameters of the Investment Policy. The Investment Policy Compliance Report appears later in the report.

Our Floating Rates Notes saw a mark-to-market write down of $14k against a combined face value of $14m.

**Update on Standard and Poors mediation**

A confidential update was forwarded by email to members of the Corporate & Works Committee on Monday 12 March 2018. Further updates will be provided as they come to hand.
### Summary of Receipts, Payments and Bank Balance

**Cash Book Balance as at 31 January 2018**

<table>
<thead>
<tr>
<th>Description</th>
<th>This month</th>
<th>Current YTD</th>
<th>Previous YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiaora Place</td>
<td>832,354.83</td>
<td>6,953,673.34</td>
<td>6,837,546.16</td>
</tr>
<tr>
<td>Deposits &amp; Bonds</td>
<td>1,529,160.44</td>
<td>5,236,737.93</td>
<td>3,382,393.90</td>
</tr>
<tr>
<td>Sundry Debtors</td>
<td>590,622.89</td>
<td>4,326,106.11</td>
<td>3,955,683.50</td>
</tr>
<tr>
<td>Parking Fines</td>
<td>372,505.80</td>
<td>1,796,103.35</td>
<td>1,636,545.86</td>
</tr>
<tr>
<td>GST Refund</td>
<td>250,160.00</td>
<td>1,758,219.00</td>
<td>2,179,335.00</td>
</tr>
<tr>
<td>Financial Assistance Grant</td>
<td>204,532.25</td>
<td>738,045.25</td>
<td>1,267,193.50</td>
</tr>
<tr>
<td>Trade Waste Debtors</td>
<td>182,826.12</td>
<td>1,308,981.38</td>
<td>1,389,997.89</td>
</tr>
<tr>
<td>Parking Meter Charges</td>
<td>167,796.36</td>
<td>1,377,669.81</td>
<td>1,340,147.06</td>
</tr>
<tr>
<td>Capital Grants - General</td>
<td>4,750,694.67</td>
<td>28,526,566.24</td>
<td>29,443,401.06</td>
</tr>
</tbody>
</table>

**Receipts**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates</td>
<td>6,684,357.83</td>
</tr>
<tr>
<td>Investment Maturities</td>
<td>16,000,000.00</td>
</tr>
<tr>
<td>Rates</td>
<td>6,460,000.00</td>
</tr>
<tr>
<td>Other</td>
<td>6,223,225.62</td>
</tr>
</tbody>
</table>

**Total Receipts**

35,367,583.25

**Payments - Cheque**

Cheque Payments

-210,925.24

Cancelled Cheques

240.00

Total Cheque Payments for period

-210,685.24

<table>
<thead>
<tr>
<th>Cheque No</th>
<th>Cheque Date</th>
<th>Payee</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>227820</td>
<td>22/02/2018</td>
<td>Artillion Pty Ltd</td>
<td>Lyne Park Sculpture - deposit payment</td>
<td>-30,800.00</td>
</tr>
<tr>
<td>227743</td>
<td>1/02/2018</td>
<td>Vodafone Business Centre</td>
<td>Purchase of replacement mobile phones</td>
<td>-24,552.00</td>
</tr>
<tr>
<td>227813</td>
<td>20/02/2018</td>
<td>Withheld</td>
<td>Refund of security deposit</td>
<td>-21,949.77</td>
</tr>
<tr>
<td>227744</td>
<td>7/02/2018</td>
<td>Withheld</td>
<td>Refund of security deposit</td>
<td>-14,136.72</td>
</tr>
<tr>
<td>227765</td>
<td>8/02/2018</td>
<td>Withheld</td>
<td>Refund of bond</td>
<td>-12,200.00</td>
</tr>
<tr>
<td>227733</td>
<td>1/02/2018</td>
<td>StrataPay 1308 0290 5</td>
<td>Strata levies - Cosmopolitan Centre</td>
<td>-9,239.68</td>
</tr>
<tr>
<td>227783</td>
<td>9/02/2018</td>
<td>Withheld</td>
<td>Refund of security deposit</td>
<td>-7,998.65</td>
</tr>
<tr>
<td>227746</td>
<td>8/02/2018</td>
<td>Alliance Alarms Fire Systems Pty Ltd</td>
<td>Annual evacuation exercises for various sites</td>
<td>-6,083.00</td>
</tr>
<tr>
<td>227764</td>
<td>8/02/2018</td>
<td>Withheld</td>
<td>Refund of bond</td>
<td>-5,000.00</td>
</tr>
<tr>
<td>227794</td>
<td>9/02/2018</td>
<td>Withheld</td>
<td>Refund of security deposit</td>
<td>-4,575.86</td>
</tr>
</tbody>
</table>

**Payments - EFT**

EFT Payments

-4,373,301.42

Returned EFT Payments

0.00

Total EFT Payments for period

-4,373,301.42

<table>
<thead>
<tr>
<th>Reference</th>
<th>EFT Date</th>
<th>Payee</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>64701</td>
<td>22/02/2018</td>
<td>Woolworths Ltd</td>
<td>2018 Land Tax - Kiaora Place, Double Bay</td>
<td>-492,030.00</td>
</tr>
<tr>
<td>64639</td>
<td>22/02/2018</td>
<td>Veolia Environmental Services</td>
<td>Tipping fees - 1-31/1/18</td>
<td>-406,048.41</td>
</tr>
<tr>
<td>64472</td>
<td>9/02/2018</td>
<td>Local Government Super</td>
<td>Employer/employee super - Jan'18</td>
<td>-260,683.91</td>
</tr>
<tr>
<td>64600</td>
<td>15/02/2018</td>
<td>URM Environmental Services Pty Ltd</td>
<td>Recycling contract - Jan'18</td>
<td>-200,503.30</td>
</tr>
<tr>
<td>64584</td>
<td>22/02/2018</td>
<td>StateCover Mutual Limited</td>
<td>Workers' Comp insurance premium - 3rd instalment</td>
<td>-131,971.63</td>
</tr>
<tr>
<td>64551</td>
<td>15/02/2018</td>
<td>Marriott Tree Equipment Pty Ltd</td>
<td>Purchase of wood chipper</td>
<td>-119,510.20</td>
</tr>
<tr>
<td>64506</td>
<td>15/02/2018</td>
<td>Veolia Environmental Services</td>
<td>Tipping fees - 1-31/1/18</td>
<td>-101,395.39</td>
</tr>
<tr>
<td>64472</td>
<td>9/02/2018</td>
<td>Local Government Super</td>
<td>Employer/employee super - Jan'18</td>
<td>-100,215.26</td>
</tr>
<tr>
<td>64696</td>
<td>22/02/2018</td>
<td>Unified Security Group (Australia) Pty Ltd</td>
<td>Installation of Double Bay Public Safety CCTV</td>
<td>-81,660.80</td>
</tr>
<tr>
<td>64475</td>
<td>9/02/2018</td>
<td>PayClear Services Pty Ltd</td>
<td>Employer/employee super - Jan'18</td>
<td>-76,655.84</td>
</tr>
</tbody>
</table>

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

Payroll

-1,774,264.79

PAYG Tax

-618,372.00

Bank Charges

-15,584.66

Investment Purchases

-16,000,000.00

Transfers to At Call Accounts

-12,081,000.00

Credit cards

-1,249.03

Total Direct Debits for period

-30,490,500.50

**Total Payments**

-35,074,487.16

**Cash Book Balance as at 28 February 2018**

1,372,256.54

**Unpresented Cheques**

Count: 173 Value: 117,319.34

**Outstanding Deposits & Miscellaneous Items**

781,155.78

**Reconciled Cash Book Balance as at 28 February 2018**

2,270,731.66

**Bank A/c Balances as at 28 February 2018**

2,270,731.66
Commentary:

This statement presents Council’s bank reconciliation as at 28 February 2018. The top ten receipt and payment items are provided. Excluding investment transactions, receipts exceeded payments by $5.8m due mainly to $6.7m received from the third rates instalment.

Investment Portfolio as at 28 February 2018
<table>
<thead>
<tr>
<th>RATING</th>
<th>SECURITY</th>
<th>PURCHASE DATE</th>
<th>MATURITY DATE</th>
<th>TOTAL TERM (DAYS)</th>
<th>REMAINING DAYS TO MATURITY</th>
<th>%</th>
<th>FACE VALUE $</th>
<th>BOOK VALUE $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. OAKVALE CAPITAL Limited</td>
<td>Emerald Reverse Mortgage Backed Security</td>
<td>14/03/2017</td>
<td>14/03/2018</td>
<td>365</td>
<td>14</td>
<td>2.65</td>
<td>2,000,000.00</td>
<td>2,000,000.00</td>
</tr>
<tr>
<td><strong>2. WMC DIRECT INVESTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BBB</strong></td>
<td>MEMBERS EQUITY BANK</td>
<td>TERM DEPOSIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BBB</strong></td>
<td>BANANACOAST COMMUNITY CU</td>
<td>TERM DEPOSIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AA</strong></td>
<td>NATIONAL AUSTRALIA BANK</td>
<td>TERM DEPOSIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AA</strong></td>
<td>COMMONWEALTH BANK</td>
<td>TERM DEPOSIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BBB</strong></td>
<td>BANK OF QUEENSLAND</td>
<td>TERM DEPOSIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>AMP BANK</td>
<td>TERM DEPOSIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>NATIONAL AUSTRALIA BANK</td>
<td>TERM DEPOSIT</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>SUNCORP</td>
<td>TERM DEPOSIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>AMP BANK</td>
<td>TERM DEPOSIT</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>NATIONAL AUSTRALIA BANK</td>
<td>TERM DEPOSIT</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>ING DIRECT</td>
<td>TERM DEPOSIT</td>
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<tr>
<td><strong>AA</strong></td>
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<td>TERM DEPOSIT</td>
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<td><strong>A</strong></td>
<td>ING DIRECT</td>
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<td>TERM DEPOSIT</td>
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<tr>
<td><strong>A</strong></td>
<td>ING DIRECT</td>
<td>TERM DEPOSIT</td>
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<tr>
<td><strong>AA</strong></td>
<td>WESTPAC BANKING CORPORATION</td>
<td>TERM DEPOSIT</td>
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<td><strong>AA</strong></td>
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<td><strong>AA</strong></td>
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<td>TERM DEPOSIT</td>
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<td>TERM DEPOSIT</td>
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<td>WESTPAC BANKING CORPORATION</td>
<td>TERM DEPOSIT</td>
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</tr>
<tr>
<td><strong>BBB</strong></td>
<td>NEWCASTLE PERMANENT</td>
<td>FLOATING RATE NOTE</td>
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<td>COMMONWEALTH BANK</td>
<td>FLOATING RATE NOTE</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td><strong>AA</strong></td>
<td>ANZ BANK</td>
<td>FLOATING RATE NOTE</td>
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<tr>
<td><strong>AT CALL:</strong></td>
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</tr>
<tr>
<td><strong>AA</strong></td>
<td>COMMONWEALTH BANK</td>
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</tr>
<tr>
<td><strong>A</strong></td>
<td>AMP BANK</td>
<td>31DAY NOTICE ACCT</td>
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</tr>
<tr>
<td><strong>A</strong></td>
<td>NATIONAL AUSTRALIA BANK</td>
<td>PROFESSIONAL FUNDS ACCT</td>
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<td><strong>AA</strong></td>
<td>ANZ BANK</td>
<td>11AM CALL ACCT</td>
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</tbody>
</table>

| | | | | | | | | |
| | | | | | | | | |

**Weighted Average Days to Maturity of WMC Direct Investments**: 371.87

**Weighted Average Return of WMC Direct Investments**: 2.67

**PORTFOLIO TOTALS**

79,857,580.91

80,499,260.91

80,857,580.91

80,659,260.91

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D. Johnston
CHIEF FINANCIAL OFFICER
Previous reports noted Council’s non-compliance with its Investment Policy in relation to BBB rated banks and that the portfolio would return to compliance during February. This Investment Policy compliance Report shows that Council’s portfolio is now in compliance with the credit quality and counter party parameters of the Policy.
Commentary:

February saw a high turnover of term deposit investments resulting in this month’s ‘Average Days to Maturity’ increasing to 372 days arising from the re-investment of $16m on twelve month terms.

Commentary:

The weighted average return dropped two basis points during the month following the re-investment of term deposits at lower interest rates.
**Commentary:**

This chart tracks Council’s weighted average return on its direct investment portfolio against a 90 day AusBond Bank Bill Index. Council’s weighted average return dropped two basis points to 2.67% with the AusBond index rising four basis points over the same period.

**Commentary:**

The chart shows the original budget, actual and revised forecast figures. The actual interest earned to 28 February of $1,316k is in line with the revised forecast for the same period of $1,307k.
Movements in Book Value (Fair Value) of Investments

**Formerly managed by Oakvale Capital**

<table>
<thead>
<tr>
<th>Securities</th>
<th>Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/06/2017 Balance brought forward</td>
<td>610,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>610,000.00</strong></td>
</tr>
</tbody>
</table>

### Direct Investments

<table>
<thead>
<tr>
<th>Securities</th>
<th>Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/06/2017 Balance brought forward</td>
<td>14,168,380.00</td>
</tr>
<tr>
<td>31/07/2017 Revalue to Market Value - ANZ FRN</td>
<td>3,240.00</td>
</tr>
<tr>
<td>31/07/2017 Revalue to Market Value - Ncastle Perm FRN</td>
<td>4,880.00</td>
</tr>
<tr>
<td>31/07/2017 Revalue to Market Value - CBA FRN</td>
<td>11,800.00</td>
</tr>
<tr>
<td>31/08/2017 Revalue to Market Value - ANZ FRN</td>
<td>(560.00)</td>
</tr>
<tr>
<td>31/08/2017 Revalue to Market Value - Ncastle Perm FRN</td>
<td>(800.00)</td>
</tr>
<tr>
<td>31/08/2017 Revalue to Market Value - CBA FRN</td>
<td>(2,100.00)</td>
</tr>
<tr>
<td>30/09/2017 Revalue to Market Value - ANZ FRN</td>
<td>2,340.00</td>
</tr>
<tr>
<td>30/09/2017 Revalue to Market Value - Ncastle Perm FRN</td>
<td>(140.00)</td>
</tr>
<tr>
<td>30/09/2017 Revalue to Market Value - CBA FRN</td>
<td>(4,100.00)</td>
</tr>
<tr>
<td>31/10/2017 Revalue to Market Value - ANZ FRN</td>
<td>5,520.00</td>
</tr>
<tr>
<td>31/10/2017 Revalue to Market Value - Ncastle Perm FRN</td>
<td>9,600.00</td>
</tr>
<tr>
<td>30/11/2017 Revalue to Market Value - ANZ FRN **</td>
<td>0.00</td>
</tr>
<tr>
<td>30/11/2017 Revalue to Market Value - Ncastle Perm FRN **</td>
<td>0.00</td>
</tr>
<tr>
<td>30/11/2017 Revalue to Market Value - CBA FRN</td>
<td>1,600.00</td>
</tr>
<tr>
<td>31/12/2017 Revalue to Market Value - ANZ FRN</td>
<td>1,260.00</td>
</tr>
<tr>
<td>31/12/2017 Revalue to Market Value - Ncastle Perm FRN</td>
<td>2,440.00</td>
</tr>
<tr>
<td>31/12/2017 Revalue to Market Value - CBA FRN</td>
<td>7,300.00</td>
</tr>
<tr>
<td>31/01/2018 Revalue to Market Value - ANZ FRN</td>
<td>(360.00)</td>
</tr>
<tr>
<td>31/01/2018 Revalue to Market Value - Ncastle Perm FRN</td>
<td>360.00</td>
</tr>
<tr>
<td>31/01/2018 Revalue to Market Value - CBA FRN</td>
<td>12,300.00</td>
</tr>
<tr>
<td>28/02/2018 Revalue to Market Value - ANZ FRN</td>
<td>(2,360.00)</td>
</tr>
<tr>
<td>28/02/2018 Revalue to Market Value - Ncastle Perm FRN</td>
<td>40.00</td>
</tr>
<tr>
<td>28/02/2018 Revalue to Market Value - CBA FRN</td>
<td>(11,300.00)</td>
</tr>
</tbody>
</table>

**Reval information not available in time**

**14,191,680.00**

**Commentary:**

The table above details movements in Council’s portfolio formerly managed by Oakvale Capital along with Council’s direct investment floating rate notes (FRNs). It typically includes the maturity or sale of securities, quarterly coupon payments and fair value (market) adjustments.

Council’s FRNs were revalued for February month-end with a mark-to-market reduction in value of $13,620 against a face value of $14m.

No coupons were due for February.
List of Investments as at 31 March 2018

The new Council Committee structure sees the Finance, Community & Services (FCS) Committee meetings held on the first Monday of the month, tonight being an exception. The closing date for reports for the Committee agenda will more often than not be in the last days of previous month.

As a result, the current monthly financial report cannot be prepared in time for the only FCS Committee meeting each month due to the need to:

- Actually reach the end of the month before the agenda closes;
- Allow 3-4 working days for receipt of floating rate note valuations;
- Allow 1-2 working days to finalise the bank reconciliation; and
- Prepare the report following these events.

The specific requirement of the Regulation is to provide a written report to Council each month setting out details of all money the council has invested. The report must be made up to the last day of the month immediately preceding the meeting at which the report is presented. To meet this obligation under the new Committee structure the content of the monthly financial report will now include:

- The current full analysis and market valuation of investments and supplementary information, including the bank reconciliation, for the month before last and;
- A list if investments, at face value, as at the end of last month.

This monthly financial report therefore includes the full analysis and market valuations for February, together with the bank reconciliation as at 28 February and a list of investments held at face value as at 31 March 2018.

The list of investments will be prepared as at the date of the agenda closing. Where this is before the end of the month an update as at month end will be presented to the Committee meeting as late correspondence (if required).

In adopting the new Committee structure Council resolved that a review of the effectiveness of the new structure and meeting cycle be undertaken and presented to Council in September 2018. Meeting Council’s obligations with investments reporting obligations under the Local Government (General) Regulation will be noted as a matter for consideration in the review in September 2018.

The list of investments held at face value as at 31 March 2018 is presented below:
## List of Investments as at 31 March 2018

<table>
<thead>
<tr>
<th>RATING</th>
<th>BANK &amp; SECURITY</th>
<th>PURCHASE DATE</th>
<th>MATURITY DATE</th>
<th>TOTAL TERM (DAYS)</th>
<th>REMAINING DAYS TO MATURITY</th>
<th>FACE VALUE</th>
</tr>
</thead>
<tbody>
<tr>
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<td>19/04/2017</td>
<td>19/04/2018</td>
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<td>19</td>
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<td>51</td>
<td>2.65</td>
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<tr>
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<td>21/05/2018</td>
<td>367</td>
<td>51</td>
<td>2.60</td>
</tr>
<tr>
<td>A</td>
<td>AMP BANK</td>
<td>19/05/2017</td>
<td>21/05/2018</td>
<td>367</td>
<td>51</td>
<td>2.60</td>
</tr>
<tr>
<td>AA</td>
<td>NATIONAL AUSTRALIA BANK</td>
<td>23/05/2017</td>
<td>23/05/2018</td>
<td>365</td>
<td>53</td>
<td>2.50</td>
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<tr>
<td>A</td>
<td>SUNCORP</td>
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<td>12/06/2018</td>
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<td>73</td>
<td>2.50</td>
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<tr>
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<td>SUNCORP</td>
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<td>13/06/2018</td>
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<td>192</td>
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<tr>
<td>A</td>
<td>RIG DIRECT</td>
<td>11/12/2017</td>
<td>12/06/2018</td>
<td>273</td>
<td>192</td>
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<td>2.60</td>
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<td>RIG DIRECT</td>
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<td>15/02/2019</td>
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<td>16/02/2019</td>
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<td>RIG DIRECT</td>
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<td>13/03/2019</td>
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<td>2.69</td>
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<td>356</td>
<td>3.31</td>
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<td>A</td>
<td>COMMONWEALTH BANK</td>
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<td>22/03/2019</td>
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<td>356</td>
<td>3.31</td>
</tr>
<tr>
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<td>A</td>
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</tr>
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</table>

### Total WMC Direct Investments

- Total WMC Direct Investments: 79,014,675.05
- Weighted Average Days to Maturity of WMC Direct Investments: 361.76
- Weighted Average Return of WMC Direct Investments: 2.67

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.

D. Johnston  
CHIEF FINANCIAL OFFICER

## Annexures

- Nil
Item No: D5  Delegated to Committee

Subject: DRAFT 2018/19 FEES & CHARGES

Author: Trang Banfield, Senior Corporate Accountant

Approvers: Don Johnston, Chief Financial Officer
Stephen Dunshea, Director Corporate Services

File No: 18/21183

Reason for Report: To present the proposed 2018/19 Fees and Charges and recommend their inclusion in the public exhibition of the Delivery Program 2018 to 2021 and 2018/19 Operational Plan.

Recommendation:

THAT the Draft Fees & Charges Schedule for 2018/19 attached as Annexure 1 to this report be included in the Delivery Program 2018 to 2021 and 2018/19 Operational Plan for the purpose of public exhibition.

1. Background:

On 11 December 2017 the Corporate & Works Committee considered its strategy for preparation of the 2018/19 Draft Budget and recommended a series of economic parameters to Council including:

C.4. That fees and charges be increased by at least CPI (2%) where practical unless it would have an adverse impact on forecast revenue or users’ capacity to pay.

The Committee also recommended that Council:

D. Receive further progress reports in relation to the preparation of Council’s 2018/19 Operational Plan and Budget at future Corporate & Works Committee Meetings.

These recommendations were adopted by Council on 18 December 2017.

This report presents to the Committee the draft Schedule of Fees & Charges for 2018/19.

Each year Council is required to set its fees and charges as part of its consideration and adoption of the Delivery Program & Operational Plan (DPOP). The schedule of fees and charges forms part of the DPOP and therefore goes through the same public exhibition process prior to final adoption.
Discussion:

The Draft Schedule of Fees & Charges for 2018/19 is attached as **ANNEXURE 1**, which has been circulated separately to the Agenda. The Annexure provides the following information:

- Comparative fees and charges for 2017/18 (shaded yellow) and 2018/19 (shaded green);
- The percentage increase or decrease from 2017/18 to 2018/19 (shaded blue);
- Supplementary information, where applicable, about the fee or charge;
- Explanatory comments where applicable, including the identification of new fees and charges.

**Overview of Council’s Operating Income**

The graphs below show how Council’s income in the original 2016/17 and 2017/18 Budgets is made up. In 2017/18, 42% of income comes from Rates including Special Levies and the Stormwater Management Charge ($38.1m), with a further 15% ($13.9m) coming from the Domestic Waste Management Charge. Another 31% ($29m) comes from grants, interest, infringements, leases & licences and other combined. The remaining 12% ($10.8m) is generated from the various fees and charges set out in the Schedule of Fees & Charges adopted each year.

The preliminary draft 2018/19 Budget, which is also on tonight’s agenda, proposes fees & charges income of around $12m. Of this, $2.19m is made up of fees and charges limited by statute and consequently cannot be increased by Council. The remaining $9.82m is set by Council. Below is a list of the major Fees & Charges income sources and their 2017/18 comparative:

<table>
<thead>
<tr>
<th>Income Source</th>
<th>17/18 Original Budget $'000</th>
<th>17/18 Revised Forecast $'000</th>
<th>18/19 Preliminary Draft Budget $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking Meter Charges</td>
<td>2,100,000</td>
<td>2,100,000</td>
<td>2,130,000</td>
</tr>
<tr>
<td>Trade Waste Charges</td>
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<td>1,937,000</td>
<td>1,968,500</td>
</tr>
<tr>
<td>Work Zone Charges</td>
<td>650,000</td>
<td>730,000</td>
<td>750,000</td>
</tr>
<tr>
<td>Kindergarten Fees</td>
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<td>659,908</td>
</tr>
<tr>
<td>Road Restoration Charges</td>
<td>530,000</td>
<td>530,000</td>
<td>560,000</td>
</tr>
<tr>
<td>Compliance Levy</td>
<td>380,000</td>
<td>380,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Crane Permits</td>
<td>300,000</td>
<td>380,000</td>
<td>380,000</td>
</tr>
<tr>
<td>Residential Parking Permits</td>
<td>370,000</td>
<td>350,000</td>
<td>350,000</td>
</tr>
<tr>
<td>Building Hire</td>
<td>332,270</td>
<td>350,200</td>
<td>343,904</td>
</tr>
<tr>
<td>Hoarding Application Fees</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
</tr>
</tbody>
</table>
The table below shows the budgetary impact of the proposed changes to fees and charges for 2018/19 in more detail.

<table>
<thead>
<tr>
<th>Income Source</th>
<th>17/18 Original Budget $'000</th>
<th>17/18 Revised Forecast $'000</th>
<th>18/19 Preliminary Draft Budget $'000</th>
<th>Revenue $ Increase (Decrease)</th>
<th>% Increase (Decrease)</th>
<th>% Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees &amp; Charges set by statute:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Application Fees</td>
<td>750,000</td>
<td>820,000</td>
<td>70,000</td>
<td>9,300</td>
<td>9.3%</td>
<td>3.6%</td>
</tr>
<tr>
<td>s.96 Amendment Applications</td>
<td>240,000</td>
<td>265,000</td>
<td>25,000</td>
<td>10.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising &amp; Neighbourhood Notification Fees</td>
<td>400,000</td>
<td>430,000</td>
<td>30,000</td>
<td>7.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>s.149 Planning Certificates</td>
<td>280,000</td>
<td>245,000</td>
<td>(35,000)</td>
<td>(12.5%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Overdue Rates &amp; Charges</td>
<td>140,000</td>
<td>145,000</td>
<td>5,000</td>
<td>3.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>s.603 Certificates</td>
<td>120,000</td>
<td>115,000</td>
<td>(5,000)</td>
<td>(4.2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filming Fees</td>
<td>24,000</td>
<td>37,000</td>
<td>13,000</td>
<td>54.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Certificate Applications</td>
<td>40,000</td>
<td>45,000</td>
<td>5,000</td>
<td>12.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part 4A Certificate Registration Fees</td>
<td>45,000</td>
<td>45,000</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>47,000</td>
<td>45,000</td>
<td>(2,000)</td>
<td>(4.3%)</td>
<td>3.6%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Total Income from Statutory Fees &amp; Charges</td>
<td>2,086,000</td>
<td>2,192,000</td>
<td>106,000</td>
<td>5.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees &amp; Charges set by Council:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking Meter Charges</td>
<td>2,100,000</td>
<td>2,130,000</td>
<td>30,000</td>
<td>1.4%</td>
<td>4.6%</td>
<td></td>
</tr>
<tr>
<td>Trade Waste Service</td>
<td>2,037,000</td>
<td>1,968,500</td>
<td>(68,500)</td>
<td>(3.4%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preschool Fees</td>
<td>594,980</td>
<td>659,908</td>
<td>64,928</td>
<td>10.9%</td>
<td></td>
<td>(74.0) to 6.3</td>
</tr>
<tr>
<td>Road Restoration Charges</td>
<td>530,000</td>
<td>560,000</td>
<td>30,000</td>
<td>5.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Zone Charges</td>
<td>650,000</td>
<td>750,000</td>
<td>100,000</td>
<td>15.4%</td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td>Residential Parking Permits</td>
<td>370,000</td>
<td>350,000</td>
<td>(20,000)</td>
<td>(5.4%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Council Venue Hire</td>
<td>332,270</td>
<td>343,904</td>
<td>11,634</td>
<td>3.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance Levy</td>
<td>380,000</td>
<td>400,000</td>
<td>20,000</td>
<td>5.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crane Permits</td>
<td>300,000</td>
<td>380,000</td>
<td>80,000</td>
<td>26.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hoarding Application Fees</td>
<td>200,000</td>
<td>200,000</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding Orders &amp; Notices Certificates</td>
<td>100,000</td>
<td>92,000</td>
<td>(8,000)</td>
<td>(8.0%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy Change Requests</td>
<td>137,350</td>
<td>256,000</td>
<td>118,650</td>
<td>86.4%</td>
<td></td>
<td>1.9 to 46.1</td>
</tr>
<tr>
<td>Credit Card Usage Fee</td>
<td>135,000</td>
<td>80,000</td>
<td>(55,000)</td>
<td>(40.7%)</td>
<td></td>
<td>(45.0)</td>
</tr>
<tr>
<td>Vehicle Crossing Inspection Fees (Works in roadways)</td>
<td>85,000</td>
<td>90,000</td>
<td>5,000</td>
<td>5.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>File Retrieval Charges</td>
<td>77,320</td>
<td>85,000</td>
<td>7,680</td>
<td>9.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposit Administration Fees</td>
<td>80,000</td>
<td>70,000</td>
<td>(10,000)</td>
<td>(12.5%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tree Pruning</td>
<td>90,000</td>
<td>90,000</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Source</td>
<td>17/18 Original Budget $</td>
<td>18/19 Draft Budget $</td>
<td>Revenue $ Increase (Decrease)</td>
<td>% Increase (Decrease)</td>
<td>Fee or Charge</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------------------</td>
<td>----------------------</td>
<td>------------------------------</td>
<td>-----------------------</td>
<td>---------------</td>
<td></td>
</tr>
<tr>
<td>PCA Service Fee</td>
<td>20,000</td>
<td>35,000</td>
<td>15,000</td>
<td>75.0</td>
<td>2.7</td>
<td></td>
</tr>
<tr>
<td>Fire Safety Lodgement Fee</td>
<td>100,000</td>
<td>110,000</td>
<td>10,000</td>
<td>10.0</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>Paid Waste Service</td>
<td>43,000</td>
<td>43,000</td>
<td>0</td>
<td>0.0</td>
<td>2.0¹</td>
<td></td>
</tr>
<tr>
<td>Premises Inspection Fees</td>
<td>60,900</td>
<td>60,000</td>
<td>(900)</td>
<td>(1.5)</td>
<td>2.6¹</td>
<td></td>
</tr>
<tr>
<td>Casual Park &amp; Sportsfield Hire</td>
<td>205,000</td>
<td>360,000</td>
<td>155,000</td>
<td>75.6</td>
<td>1.9 to 33.3</td>
<td></td>
</tr>
<tr>
<td>Library Fines¹</td>
<td>60,000</td>
<td>64,000</td>
<td>4,000</td>
<td>6.7</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Wedding Photos</td>
<td>100,000</td>
<td>100,000</td>
<td>0</td>
<td>0.0</td>
<td>2.1¹</td>
<td></td>
</tr>
<tr>
<td>TPO Application Fees</td>
<td>50,000</td>
<td>50,000</td>
<td>0</td>
<td>0.0</td>
<td>2.9¹</td>
<td></td>
</tr>
<tr>
<td>Construction Certificate Application Fees</td>
<td>10,000</td>
<td>10,000</td>
<td>0</td>
<td>0.0</td>
<td>2.7</td>
<td></td>
</tr>
<tr>
<td>Construction Management Plan Fees</td>
<td>20,000</td>
<td>22,000</td>
<td>2,000</td>
<td>10.0</td>
<td>2.0¹</td>
<td></td>
</tr>
<tr>
<td>Waste Container Licences</td>
<td>35,730</td>
<td>29,240</td>
<td>(6,490)</td>
<td>(18.2)</td>
<td>1.5¹</td>
<td></td>
</tr>
<tr>
<td>Annual Administration Fee - Food Premises</td>
<td>36,900</td>
<td>42,000</td>
<td>5,100</td>
<td>13.8</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>Pre Lodgement Advice Fees</td>
<td>53,000</td>
<td>53,000</td>
<td>0</td>
<td>0.0</td>
<td>2.0¹</td>
<td></td>
</tr>
<tr>
<td>Water Craft Storage Fees</td>
<td>25,000</td>
<td>25,000</td>
<td>0</td>
<td>0.0</td>
<td>3.2¹</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>293,396</td>
<td>312,853</td>
<td>19,457</td>
<td>2.5</td>
<td>Various</td>
<td></td>
</tr>
<tr>
<td><strong>Total Income from Fees &amp; Charges Set by Council</strong></td>
<td><strong>9,311,846</strong></td>
<td><strong>9,821,405</strong></td>
<td><strong>509,559</strong></td>
<td><strong>5.5</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Income from Fees &amp; Charges 2018/19</strong></td>
<td><strong>11,397,846</strong></td>
<td><strong>12,013,405</strong></td>
<td><strong>615,559</strong></td>
<td><strong>5.4</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Interest on Overdue Rates & Charges is categorised as Interest in the graphs but is set in the Schedule of Fees & Charges.
² Statutory increase for Animal Registration fees.
³ Where there are various increases with minor deviation from the 2% CPI increase per budget strategy, the average has been provided.
⁴ Council Venue Hire & Library Fines are categorised as Other Income in the graphs.

Reviews of the schedule of fee and charges and associated income forecasts are an integral part of the development of a draft budget each year. Income forecasts are primarily the result of forecast levels of activity based on current trends, but also take into account any increases in the fees and charges themselves. This is particularly the case for fees and charges set by statute where the majority of the fees and charges remain unchanged. In some instances, where activity can be variable, notwithstanding a proposed increase in the relevant fee or charge, income forecasts can be left unchanged or reduced. Examples of this are Residential Parking Permits and TPO Application Fees.

Over 60% of the $616k increase in Fees & Charges are property development related fees such as Development Application Fees, Work Zone Charges, Crane Permits and Policy Change Requests.

The other significant increase is the Woollahra Oval 1 – Synthetic Sportsfield hire commencing in April 2018 and is expected to bring in approximately $250k in 2018/19.

After allowing for the property development related fees and the Woollahra Oval 1 hire fee, the percentage increase for fees & charges revenue would have been approximately 2.1%, in line with the budget parameter.
Domestic Waste Management Charges

Council’s Domestic Waste Management (DWM) Charge is calculated based on the ‘reasonable cost’ of providing the service. It includes all direct costs and an attribution of management and supervision, corporate overheads and customer service, which have been reviewed for 2018/19. The Charge has been calculated to increase by $5.55 (1.1%) for 2018/19, from $508.35 to $513.90 based on the draft budget as it stands.

For comparative purposes, the 2017/18 Domestic Waste Management Charges for Waverley and Randwick are $515 and $554 respectively.

Based on a Council resolution, the Additional Domestic Waste Service Charge is set at 25% above the DWM Charge.

<table>
<thead>
<tr>
<th>Income Source</th>
<th>17/18 Original Budget $</th>
<th>18/19 Draft Budget $</th>
<th>Revenue $ Increase (Decrease)</th>
<th>% Increase (Decrease)</th>
<th>Fee or Charge % Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Waste Management Charge</td>
<td>13,302,328</td>
<td>13,447,990</td>
<td>145,662</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Additional Domestic Waste Service</td>
<td>659,649</td>
<td>661,235</td>
<td>1,586</td>
<td>0.0</td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td>13,961,977</td>
<td>14,109,225</td>
<td>147,248</td>
<td>1.1</td>
<td></td>
</tr>
</tbody>
</table>

Percentage changes in 2018/19 Fees & Charges of note:

As noted in the background to the report, the broad parameter adopted by Council is for fees and charges to be increased by 2%. The table below draws to the Committee’s attention those fees and charges that vary significantly from this parameter not including statutory fees that are changed per legislation. New and deleted fees have also been highlighted.

<table>
<thead>
<tr>
<th>Fee or Charge</th>
<th>% Change</th>
<th>Page Ref.</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Reports &amp; Documents – Annual Report &amp; DPOP</td>
<td>Deleted</td>
<td>5</td>
<td>Open access information recommends the two reports be free of charge.</td>
</tr>
<tr>
<td>GIPA – Fee for applicant suffering financial hardship</td>
<td>New</td>
<td>5</td>
<td>Legislated fee previously not included in the Fees &amp; Charges schedule.</td>
</tr>
<tr>
<td>Development Application Fees</td>
<td>Deleted</td>
<td>10-11</td>
<td>s82B and s96AB removed from the EP&amp;A Act.</td>
</tr>
<tr>
<td>Various Fees - Review under s82B and s96AB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library Services – Children &amp; Young Adult Activities</td>
<td>233.33</td>
<td>19</td>
<td>Fee varies, maximum amount chargeable is $50. Increase to align with Adult Activity fee.</td>
</tr>
<tr>
<td>Woollahra Oval 1 – Hire Fee Standard and Community</td>
<td>25 to 33.33</td>
<td>22</td>
<td>Increase reflects market rate for similar sporting fields.</td>
</tr>
<tr>
<td>Credit Card Usage Fee</td>
<td>-45</td>
<td>23</td>
<td>Fee reduced per RBA Card Payment Regulation guideline.</td>
</tr>
<tr>
<td>Request for Planning Control Changes – Minor and Major Planning Proposal</td>
<td>15.05 to 46.10</td>
<td>24-25</td>
<td>Increase reflects additional costs in reporting to the Woollahra Local Planning Panel for advice.</td>
</tr>
<tr>
<td>Preschool Fees - various</td>
<td>-74.03 to 14.29</td>
<td>25-26</td>
<td>Various fees adjusted to reflect NSW Government funding rate and reviewed costs. The 74% fee decrease relates to the 2019 Reduced Rate for eligible families. Preschool fees reduction is offset by an increase in the NSW Government subsidy.</td>
</tr>
</tbody>
</table>
Fee or Charge | % Change | Page Ref. | Comments
---|---|---|---
Preschool Fee – Enrolment Fee | New | 26 | Fee to cover costs involved with the enrolment process of a new student placement.
Visitor Parking Permits – Five and Ten Pack | 12.36 to 16.73 | 34 | Increase required to cover costs.
Car Share Parking Permit | New | 34 | Introduction of Car Share Permit per Council Resolution.
Venue Hire – Cancellation Fees (excluding Woollahra Library & Art Gallery) | 10 | 35-40 | Increase required to cover costs.
Venue Hire – Locker Hire Fees | New | 41 | Locker hire for regular hirers.
Composting – Various Fees | Deleted and New | 41-42 | Various fees deleted and added to align with the Compost Revolution program, a Three Council Project (Woollahra, Waverley and Randwick).

2. Conclusion:

Income derived from the schedule of fees and charges is forecast to be in the order of $12m in the draft 2018/19 Budget. This represents an increase of some $615k from the 2017/18 original budget, or 5.4%. Details of this increase are provided in the report.

The schedule of fees and charges and associated income forecasts are reviewed each year as an integral part of preparing a draft budget and continue in relation to the 2018/19 Budget. Generally, income forecasts are based on the level of activity but also have regard to any proposed increase in the fee or charge itself. Further, where activity can be variable, income forecasts can be left unchanged or reduced notwithstanding a proposed increase in the fee or charge. It is a combination of these considerations that give rise to the income forecasts in the budget each year.

Council is required to adopt its fees and charges each year following public exhibition. The fees and charges proposed for 2018/19 are detailed in Annexure 1.

It is recommended that the fees and charges contained in Annexure 1 be included in the Draft Delivery Program 2018 to 2021 and Operational Plan 2018/19 for the purposes of public exhibition.

Annexures

1. Draft 2018/19 Fees & Charges (*circulated under separate cover*)
Item No: D6  Delegated to Committee

Subject: STATUTORY REVIEW OF COUNCIL'S INTEGRATED PLANNING AND REPORTING DOCUMENTS - PROGRESS REPORT

Authors: Cate Trivers, Project Manager - IP&R Review
Jacky Hony, Team Leader - Community Development Officer

Approver: Stephen Dunshea, Director Corporate Services

File No: 18/39073


Recommendation:

THAT the Committee:

A. Receive and note the progress report on the statutory review of Council’s Integrated Planning & Reporting (IP&R) documents.

B. Note the Councillors briefing to be held on Monday 16 April 2018 to present the results of the Community Capacity and Community Satisfaction Surveys which are informing the review of Council’s IP&R documents.

Background:

Council’s community engagement is an ongoing process. In addition to the specific provisions of the Integrated Planning & Reporting (IP&R) legislative requirements, Council continuously engages with the community on a range of strategic and operational matters, including the delivery of services direct to ratepayers and the community at large.

Council first adopted the IP&R legislative requirements in 2010. In 2013, a further review and update of the plans was completed.

In accordance with the legislative requirements post the September 2017 Ordinary election Council is required to review and adopt a new Community Strategic Plan and supporting Plans by 30 June 2018.

These plans include the following:

- Community Strategic Plan (CSP) – Woollahra 2030
- 3 Year Delivery Program – 2019 to 2021
- 1 Year Operational Plan – 2018/19
- Resourcing Strategy:
  - Long-term Financial Plan – 2019 to 2029
  - Workforce Management Plan
  - Asset Management Plan
To provide a greater level of focus to social and cultural issues, Community Services staff have elected to continue to prepare a separate Social & Cultural Plan as part of the integrated planning process. The Social and Cultural Plan is informed by the Community Capacity Survey 2017 that involved surveying 500 people, as well as subsequent consultation with the community and service providers through in-depth telephone interviews and focus groups. The Social & Cultural Plan will form the basis of the social and cultural elements of the Delivery Program and Operational Plan and inform the Community Strategic Plan.

The statutory requirements for Council to review its IP&R documents were outlined in a report to the Corporate & Works Committee in December 2017. This progress reports provide the Committee with an update on work undertaken and continuing for the review of these documents.

**Update on Community Engagement Program for IP&R Review:**

Council is required to establish and implement a community engagement strategy for engagement with the local community when developing the CSP. Council is currently developing a Community Engagement Strategy, policy and tools for ongoing management of community engagement. The Community Strategic Plan community engagement activity is aligning to the principles and processes being developed.

During January to March the following community engagement activities have been progressing to inform the CSP:

- **Research and alignment of Existing Plans – Council, State, Other**

  Council is in a continuing state of planning, engaging the community, delivering, evaluating, reporting and improvement. As such, there is a significant body of existing plans and community feedback at both a Council level, and at other levels of Government and/or in the community.

  As part of the Integrated Planning & Reporting process these plans are being assessed and used to inform the development of the revised CSP. As part of our continuous improvement program, key plans and agreed strategies and actions are being reflected in Council’s planning hierarchy with the planning & reporting system being updated to enable multi-dimensional monitoring and reporting. The aim of this exercise it to record information once and use it in many ways to report back to different key stakeholders.

- **Review and Update of Community Strategic Plan – Themes, Goals, Strategies**

  Council’s current CSP Woollahra 2025 is structured around the five themes:

  1. Community well-being
  2. Quality places and spaces
  3. A healthy environment
  4. Local Prosperity
  5. Community leadership and participation

  These Themes are supported by 11 Goals and a range of Strategies that aim to achieve these Goals.
The CSP also identifies the key challenges that need to be addressed to achieve the goals. This structure of the CSP has been reviewed against the Office of Local Government’s Guidelines for Integrated Planning and Reporting and it remains in line with these requirements. However we are now seeking to reaffirm and refresh the Goals and Strategies for the period to 2030. This is particularly important, as the challenges and opportunities of the future continue to evolve both for the community and Council.

In light of this, the format of the CSP is proposed to be streamlined and refreshed to reflect a simpler and more contemporary, communicative and engaging style. Information will be retained but supported by infographics and made more accessible through a range of forum.

The DPOP structure has also been reviewed internally and given the strength of Council’s internal reporting systems and external reporting against the Strategies, Priorities and Actions contained in the DPOP it is proposed to retain what we consider to be this sound business model which clearly aligns Council’s actions to the DPOP and CSP.

- **Implementation of Online Engagement website – yoursay.Woollahra.nsw.gov.au**

To support ongoing and extended community engagement, Council has procured and implemented a new online community engagement tool, Engagement HQ, with the website: https://yoursay.Woollahra.nsw.gov.au being launched in early April.

This is in response to community feedback on the need for improving online engagement opportunities and feedback. The website allows interested parties to register and to contribute to forums, surveys and other engagement activities and provides Council with the opportunity to directly provide feedback or to publish feedback online. Functionality allows Council to structure engagement across the engagement spectrum from: Inform, Consult, Involve, Collaborate, and Empower.

The Community Satisfaction Survey is being reopened online during April to increase participation and engagement with the Website. A number of other CSP related engagement activities will be used during April – May to inform, consult, involve, collaborate and empower community engagement which will be used to inform and test the CSP and DPOP.

- **Community Satisfaction Survey 2017**

Council engaged Micromex Research to conduct an independent Community Satisfaction Survey in 2017. A Councillor briefing on the findings is planned for Monday 16 April 2018.

The Community Satisfaction survey examines community attitudes and perspectives towards current and future services provided by Council. This is the third survey conducted by Micromex Research on behalf of Council and provides a benchmark of Council’s performance in the eyes of the community over time.

The survey included 604 resident interviews conducted during the period 7th to 16th December 2017. In addition to the interviews, an online survey was also conducted which is being extended during April as part of the consultation phase on the CSP.

Whilst Councillors will receive a detailed briefing on 16 April 2018, in summary the latest survey results remain consistent with the 2012 Survey and on par with the NSW LGA brand scores. The key recommendations of the Micromex report were:
1. Expand community engagement and consultation, ensuring that residents across all demographics are made aware of the opportunities to provide input to Council’s decision making.
2. Improve online communication with residents, both how information is actively provided to the community, and how contact from residents is responded to.
3. Explore community expectations and concerns regarding development and local road and footpath infrastructure.
4. Continue to support fairs, markets and library events.

Responses to these recommendations will be reflected in revised strategies, priorities and actions in the review of the CSP and DPOP.

- **Community Capacity Survey 2017**

Council engaged Micromex Research to conduct the Community Capacity Survey in 2017. Community capacity measures offer additional insight to conventional socio-economic indicators; this social determinants analysis describes the contextual living circumstances that affect health, wellbeing and capacity. Community capacity research is, therefore, indicative of measures of social outcomes, quality of life and community well-being.

A total of 500 residents aged 18 years and above participated in the survey which re-used the survey tool used for the 2007 and 2012 Community Capacity Surveys so as to enable benchmarking.

Objectives of the 2017 survey were to:

- Benchmark any changes in the Woollahra community;
- Identify any priorities and areas that might require additional support; and
- Gain information to inform the Social and Cultural Plan.

Results from the Community Capacity Survey will also be presented at the Councillor briefing on Monday 16 April 2018.

- **Social & Cultural Plan - Interviews & Focus Groups**

Council has elected to continue to prepare a separate Social & Cultural Plan to capture the detail and underlying rationales used to develop the social and cultural plan goals, strategies and priorities.

In preparing this document, Council has commissioned Cred Consulting in partnership with Micromex research to undertake 23 in-depth interviews with services providers and key stakeholders. Findings from the interviews were subsequently further explored during focus groups with internal and external groups to provide inputs into the drafting of the Social & Cultural Plan which will provide updates to the CSP.

- **CSP, Delivery & Operational Planning – Internal Workshops**

As part of the planning process Council completes detailed plans of how the Goals and Strategies of the CSP will be delivered through the DPOP. This is then resourced through the Budgeting process and considered in the Long Term Financial Plan.
As part of this planning process Council is conducting internal workshops to identify challenges and opportunities, and to vision the future from both a community and organisational perspective.

- **Councillor Briefings**

  Following the adoption of the new Councillor meeting cycle, a number of Councillor briefings are being planned for April and May to report on the findings of the research and community engagement and to workshop with Council how these will influence the CSP Themes, Goals and Strategies and the DPOP Priorities and Actions.

**Timeframes:**

To date Council remains inline with the Office of Local Government’s suggested timeframes for the review of its IP&R documents taking into account the non-progression of Council amalgamations and the September 2017 Council elections.

The next three months will focus on finalising community engagement towards agreeing the CSP Themes, Goals and Strategies, ensuring Delivery Program Priorities and Operational Plan Actions are reflective of the Draft 2018/19 Budget which also being considered at this Finance, Community & Services Committee. Drafting of the IP&R documents will be followed by a public exhibition and submission period, and adoption by 30 June 2018.

An updated high-level timeline to achieve the 30 June deadline is presented below:

<table>
<thead>
<tr>
<th>Month</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb/Mar/Apr</td>
<td>Councillor &amp; community workshop/focus groups</td>
</tr>
<tr>
<td></td>
<td>Development of on-line engagement website</td>
</tr>
<tr>
<td>Apr</td>
<td>Community Capacity Study and Community Satisfaction Survey results reported to Committees</td>
</tr>
<tr>
<td>Apr/May</td>
<td>Draft CSP &amp; DPOP reported to Committees</td>
</tr>
<tr>
<td>May/Jun</td>
<td>Public exhibition of the CSP and DPOP (including the draft 2018/19 Budget)</td>
</tr>
<tr>
<td>Jun</td>
<td>Public submissions received and considered</td>
</tr>
<tr>
<td>End of Jun</td>
<td>IP&amp;R Documents adopted</td>
</tr>
</tbody>
</table>

**Conclusion:**

The purpose of this report has been to provide an update relating to the review of Council’s suite of IP&R documents – including the preparation and adoption of a new Community Strategic Plan and Delivery Program & Operational Plan by 30 June 2018.

The report provides a high level summary of the community engagement activities which are informing the development of the CSP and DPOP.

**Annexures**

Nil
Item No:  R1  Recommendation to Council

Subject:  CLOSING AND SALE OF ROAD RESERVE ADJOINING 48 CRANBROOK ROAD, BELLEVUE HILL (SC2398)

Author:  Anthony Sheedy, Senior Property Officer

Approvers:  Zubin Marolia, Manager - Property & Projects
            Tom O'Hanlon, Director - Technical Services

File No:  18/44393

Reason for Report:  To further consider the closing and sale of part road reserve adjoining 48 Cranbrook Road, Bellevue Hill

Recommendation:

A.  That Council proceed with closure of the road reserve portion, subject to a 10% deposit of $37,500 being received by Council before the Application to close the road is made. This amount is to be non-refundable; except where the Minister’s approval to the closure is not given under the Roads Act 1993, or the road is not closed in accordance with the Crown Land Legislation Amendment Act 2017.

B.  That subject to the portion of road being closed, Council proceed with the sale of the road reserve adjoining 48 Cranbrook Road, Bellevue Hill with the following conditions:

   (i)  A purchase price of $3,750 per square metre (plus GST) for the estimated 100 sqm road reserve portion, subject to final survey.

   (ii)  The balance of the purchase price is to be paid in full upon Gazettal of the road closure and completion of the sale.

   (iii)  The owner of 48 Cranbrook Road, Bellevue Hill is to pay all costs, including but not limited to GST, legal, valuation and survey fees associated with the road closure and sale.

C.  That the Seal of Council be affixed to all necessary documentation to effect the Road closure and sale, i.e. Plan of Road Closure, Transfer document etc.

1.  Background:

Council has received a request from the owner of 48 Cranbrook Road, Bellevue Hill to purchase an estimated 100 square metres (subject to final survey) of a rectangular shaped section of Cranbrook Road reserve, which adjoins their property. This is for the purpose of improving their access to Cranbrook Road by renovating the aged structures on the road reserve; and formalising the existing encroachment upon the road reserve, being a two car concrete hardstand with steel railing and underside garden shed, access stairs, retaining wall and garden landscaping.

The Corporate and Works Committee considered this matter on 1 December 2014, and resolved as follows:

A.  That the current market sale price of the subject portion of road reserve adjoining 48 Cranbrook Road, Bellevue Hill be determined by an independent registered Valuer.

B.  That a further report be submitted, following part A above.
The subject land is identified on the attached plan (see hatched line area) and in the site photos (Annexures 1 & 3). The section of road reserve to be sold is steeply sloping and it would be unsuitable for public pedestrian access. Council’s Team leader of Infrastructure Assets considers that the subject portion of road reserve has no benefit to Council and there are no plans to widen the road at this location, subject to the following:

1. At least 1.2m (set back from light pole) of footpath width must be maintained between the light pole and property boundary.
2. Power supply kiosk at the southern corner of the boundary must remain outside of the boundary.

Many portions of Cranbrook Road reserve have been sold over the years to adjoining owners or are in the process of being sold along Cranbrook Road including, 6-8, 18, 20, 22, 26-28, 30, 38, 44 and 50 Cranbrook Road (see Annexure 2). Council is also in discussions with owners of Nos 46 and 42 regarding the formalising of their longstanding encroachments in this road reserve.

2. Valuation:

Pursuant to Council’s resolution, a Valuer was instructed to assess the current “add on” value to the adjoining owner of the estimated 100-sqm road reserve parcel, being the area from the private property boundary up to the public’s pedestrian footpath.

The Valuer analysed recent sales of vacant residential land and redevelopment sites in Bellevue Hill which have transacted on the open market, between willing buyers and sellers and derived a $ rate per square metre, as a starting point for the current market value of land in the area. They then adjusted that rate reflecting the advantages and disadvantages of the site, to determine the current “add on” value to the adjoining owner.

Due to the steep topography, narrow shape, development potential, the existing pedestrian and vehicular access and the restricted market for this type of land, the Valuer determined a rate of $2,000 per square metre (excluding GST) as at 17/3/2015. The owner was advised of Council’s sale price for the subject road reserve area. They however argued that this assessment was too high, noting in their letter dated 7/9/2015, an offer to Council to purchase the land for $1,375 per square metre (plus GST). This offer was not acceptable and the owner has continued their occupation of the road reserve by means of the road lease.

More recently in 2017, Council received another request to purchase the subject road reserve. Property staff informed the owner that as more than 12 months had elapsed since the last valuation that the Valuer would need to determine an updated valuation for the road reserve.

The updated valuation amounted to $3,750 per sqm (excl GST) as at 18 December 2017. This rate equates to an estimated sales price of $375,000 (plus GST) subject to final survey.
3. Proposal:

It is proposed to close and sell the estimated 100 square metre road reserve portion to the adjoining owner of 48 Cranbrook Road, Bellevue Hill. The owner has agreed to purchase the subject road reserve portion at the rate of $3,750 per square metre (exclusive GST), for the purpose of improving their access to Cranbrook Road and formalising the existing encroachment upon the road reserve; being the concrete hardstand, and underside garden shed, retaining wall, access stairs, and garden landscaping. The owner has also agreed to pay all Council’s costs in connection with the purchase portion of the subject road reserve.

4. Conclusion:

The owner of 48 Cranbrook Road, Bellevue Hill has requested to purchase the adjoining Cranbrook Road reserve portion, being an estimated 100 sqm in size, to improve their access to Cranbrook Road and to formalise the existing encroachment upon the road reserve. Because the road reserve is steeply sloping, it is un-suitable for public pedestrian access.

Neighbouring properties at 6-8, 18, 20, 22, 26-28, 30, 38, 44 and 50 Cranbrook Road have completed or are in the process of purchasing road reserve portions adjoining the front boundary of their properties, therefore diminishing the possibility of any road widening in the future.

There is an opportunity for Council to formalise the encroachment by allowing the adjoining owner to purchase the surplus portion of road reserve. In accordance with Council’s policy for Managing Encroachments of Road Reserves and the Sale of Council Land, it is recommended that the subject road reserve be sold at the rate of $3,750 (excl GST) being the current “add on” value to the owner as determined by a registered Valuer.

Annexures

1. Aerial view of road reserve for closing and sale

2. Road reserve in Cranbrook Road being sold or sold.

3. Photos from site inspection 15-3-2018
Annexure 1  Aerial view of road reserve for closing and sale
Annexure 2  Road reserve in Cranbrook Road being sold or sold.
Photos from site inspection 15/3/2018
Item No: R2  Recommendation to Council
Subject: DERBY STREET VAUCLUSE - STREET UPGRADE - TENDER REPORT(SC4109)
Author: Ernesto Romeo, Project Manager - Capital Projects
Approvers: Richard Ladlow, Manager - Capital Projects
Tom O'Hanlon, Director - Technical Services
File No: 18/35771
Reason for Report: To recommend to Council the acceptance of a tender

Recommendation:

A. That Council enter into a contract with KK Consultants Pty Ltd for Derby Street Vaucluse – Street Upgrade Project for the sum of $314,555.00 (excluding GST).

B. That successful and unsuccessful tenderers be advised accordingly

Background:

As part of our infrastructure renewal strategy the road and drainage infrastructure in Derby Street, Vaucluse was identified as requiring renewal and upgrade, and included in the 2017/18 Capital Works Program.

Works include the reconstruction of concrete kerb and gutter, reconstruction of sections of footpaths, driveways and drainage pit upgrades. The area of works is shown in the following aerial photograph. The road re-sheeting component will be carried out separately via the Local Government Procurement Contract LGP213 (Bitumen, Emulsion & Asphalt Materials and Services).
Invitation to Tender

Tender SC4109 for Derby Street, Vaucluse, was advertised in the Tenders section of the Sydney Morning Herald commencing on Tuesday 21 November 2017, and in the Wentworth Courier on Wednesday 22 November 2017. The tender was also available through Council’s tender website.

A Pre-Tender meeting was held on 7 December 2017 at 11.00am. 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, and was placed on Council’s tender website for those who were unable to attend but had registered for the tender documents.

Addendums to tender questions were also issued to the attendees and posted on Council’s tender website.

Tenders for this project closed at 2.30pm on Thursday 21 December 2017. A total of eleven (11) tenders were received prior to the closing date and time. All the tenders received by the closing date and time are listed in Table 1:

<table>
<thead>
<tr>
<th>TENDERER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melhemcorp Pty Ltd</td>
</tr>
<tr>
<td>Stateline Asphalt Pty Ltd</td>
</tr>
<tr>
<td>Planet Asphalt Pty Ltd</td>
</tr>
<tr>
<td>Mack Civil Pty Limited</td>
</tr>
<tr>
<td>KK Consultants Pty Ltd</td>
</tr>
<tr>
<td>North Shore Paving Co Pty Ltd</td>
</tr>
<tr>
<td>Starcon Group Pty Ltd</td>
</tr>
<tr>
<td>State Civil Pty Ltd</td>
</tr>
<tr>
<td>All Civil Solutions Group Pty Ltd</td>
</tr>
<tr>
<td>Awada Civil Engineering</td>
</tr>
<tr>
<td>Ally Property Services Pty Ltd</td>
</tr>
</tbody>
</table>

The tender assessment panel comprised David Byatt, Purchasing Coordinator as the convenor and independent member of the tender panel, Yasas De Silva, Team Leader Infrastructure Assets as the Commissioning Officer and Ernesto Romeo, Project Manager Capital Projects.

Council has resolved that a probity adviser should be included during the tender assessment stage for high risk, high value or sensitive projects. This contract was deemed to not meet this definition and it was agreed that a probity adviser should not be included in the tender process.

Prior to the closing date, the tender panel agreed on the following weightings that would be used against the advertised selection criteria:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost and Pricing</td>
<td>45%</td>
</tr>
<tr>
<td>Demonstrated experience and capacity</td>
<td>25%</td>
</tr>
<tr>
<td>Program and methodology</td>
<td>15%</td>
</tr>
<tr>
<td>Management systems (OHS, quality &amp; environment)</td>
<td>10%</td>
</tr>
<tr>
<td>Duration of works</td>
<td>5%</td>
</tr>
</tbody>
</table>
All tenders received were deemed conforming and their lump sum prices and duration of works are listed in Table 2:

<table>
<thead>
<tr>
<th>TENDERER</th>
<th>Lump Sum Tender Price (excl GST)</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Civil Pty Ltd</td>
<td>$273,920.00</td>
<td>4 Weeks</td>
</tr>
<tr>
<td>KK Consultants Pty Ltd</td>
<td>$314,555.00</td>
<td>7 Weeks</td>
</tr>
<tr>
<td>Ally Property Services Pty Ltd</td>
<td>$316,213.00</td>
<td>12 Weeks</td>
</tr>
<tr>
<td>Stateline Asphalt Pty Ltd</td>
<td>$333,149.00</td>
<td>10 Weeks</td>
</tr>
<tr>
<td>Planet Asphalt Pty Ltd</td>
<td>$336,786.00</td>
<td>11 Weeks</td>
</tr>
<tr>
<td>Starcon Group Pty Ltd</td>
<td>$343,764.00</td>
<td>12 Weeks</td>
</tr>
<tr>
<td>Melhemcorp Pty Ltd</td>
<td>$344,566.00</td>
<td>5 Weeks</td>
</tr>
<tr>
<td>Mack Civil Pty Limited</td>
<td>$353,272.00</td>
<td>13 Weeks</td>
</tr>
<tr>
<td>Awada Civil Engineering</td>
<td>$387,000.00</td>
<td>11 Weeks</td>
</tr>
<tr>
<td>All Civil Solutions Group Pty Ltd</td>
<td>$534,951.00</td>
<td>13 Weeks</td>
</tr>
<tr>
<td>North Shore Paving Co Pty Ltd</td>
<td>$824,865.00</td>
<td>19 Weeks</td>
</tr>
</tbody>
</table>

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

Post-Tender Interviews were not required as the two highest ranked tenderers are known to Council having completed similar works in the recent past.

**Assessment of highest ranked tenderers**

Table 3 shows the scores and rankings of all tenders considered.

<table>
<thead>
<tr>
<th>TENDERER</th>
<th>CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demonstrated Experience and Capability (25%)</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>KK Consultants Pty Ltd</td>
<td>20.31</td>
</tr>
<tr>
<td>Melhemcorp Pty Ltd</td>
<td>21.88</td>
</tr>
<tr>
<td>Mack Civil Pty Limited</td>
<td>19.53</td>
</tr>
<tr>
<td>State Civil Pty Ltd</td>
<td>17.19</td>
</tr>
<tr>
<td>Starcon Group Pty Ltd</td>
<td>19.53</td>
</tr>
<tr>
<td>Planet Asphalt Pty Ltd</td>
<td>17.97</td>
</tr>
<tr>
<td>Stateline Asphalt Pty Ltd</td>
<td>17.19</td>
</tr>
<tr>
<td>Ally Property Services Pty Ltd</td>
<td>17.19</td>
</tr>
<tr>
<td>Awada Civil Engineering</td>
<td>17.19</td>
</tr>
<tr>
<td>All Civil Solutions Group Pty Ltd</td>
<td>17.19</td>
</tr>
<tr>
<td>North Shore Paving Co Pty Ltd</td>
<td>21.88</td>
</tr>
</tbody>
</table>
1. **Cost and Pricing:** the lowest price is deemed to achieve 100% of the score for this criterion. The lowest price is divided by the other tenderers’ prices to give their respective scores as percentages.

2. **Demonstrated Experience and Capability:** Information was requested pertaining to size and value of past works, types of works performed and complexity of past works. From this information the tender panel assessed the level of demonstrated experience for each tenderer.

3. **Program & Methodology:** Information was requested pertaining to project program, construction management plan, traffic management plan and environmental management plan. From the information received the evaluation panel assessed the contractor’s ability to sequentially carry out the works.

4. **Management Systems (OHS, Environmental and Quality):** 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.

5. **Duration of Works:** The shortest time is deemed to achieve 100% of the score for this criterion. The shortest time is divided by other tenderer’s times to give their respective scores as percentages.

**Comment**

The two highest scoring tenders are KK Consultants Pty Ltd and Melhemcorp Pty Ltd. The following is a brief summary of each of these tenderers’ submissions:

1. **KK Consultants Pty Ltd**

   KK Consultants Pty Ltd tendered the second lowest lump sum price to undertake the works and was also a strong scoring tenderer across the non-pricing criteria.

   KK Consultants Pty Ltd is a small civil construction company that has good experience in this type of works across the local government sector.

   They have predominantly completed civil construction, and have recently completed several projects for Woollahra Council, including the Rosemont Avenue and Edgecliff Road Woollahra; and New South Head Road Edgecliff projects.

   KK Consultants Pty Ltd scored well for the program and methodology, submitting a duration of works of seven (7) weeks which was considered well thought out and achievable. They previously demonstrated adequate quality, safety, environmental controls during construction.

2. **Melhemcorp Pty Ltd**

   Melhemcorp Pty Ltd would be quite capable of doing the work and received the second highest total score. However on this occasion their price of $344,566.00 is $30,011 higher than the highest ranked tenderer, KK Consultants Pty Ltd. Therefore Melhemcorp Pty Ltd was not considered further.

**Commentary**

State Civil submitted the lowest confirming tender price of $273,920.00 which is $40,635 lower than KK Consultants Pty Ltd. However their submission lacked credibility, with the tenderer not submitting a detailed methodology or program of works. The proposed duration of 20 days to complete the work is not achievable which would reflect some of the reasoning behind the low price submitted. This falsely scores them high for duration, penalising the well thought out submissions. Derby Street has a known very high community sensitivity and awarding the contract to the lowest priced tenderer would not be a good option.
Tender Assessment Panel Opinion

The tender panel is of the opinion that the tender of KK Consultants Pty Ltd with a submitted price of $314,555.00 (excluding GST) is the most advantageous to Council in terms of value for money, quality of work and the ability to complete the works within an acceptable time frame.

Identification of Income & Expenditure:

All figures below exclude GST. The budget for this project is from Engineering Services – Infrastructure Renewal – 01324.

The preferred tenderer’s lump sum price for this project is $314,555.00.

The total anticipated funding required for this project is estimated to be $410,000. This includes project management costs and road re-sheeting which is estimated to be $90,000.

The road re-sheeting component will be carried out separately via the Local Government Procurement Contract LGP213 (Bitumen, Emulsion & Asphalt Materials and Services).

The total budget allocation for this project is currently $414,000. There are sufficient funds to cover the cost of construction at the highest ranked tenderer’s price.

Conclusion:

The tender panel recommends that Council enter into a Contract with KK Consultants Pty Ltd for Derby Street, Vaucluse – Street Upgrade – for the sum of $314,555.00 (excluding GST).

Annexures

Nil
Item No: R3  Recommendation to Council

Subject: GUILFOYLE PARK UPGRADE TENDER (SC4094)

Author: Rod Ward, Project Manager - Open Space
Approvers: Richard Ladlow, Manager - Capital Projects
           Tom O'Hanlon, Director - Technical Services

File No: 18/42608

Reason for Report: Recommend to Council the rejection of all tenders and the commencement of negotiations with a preferred tenderer.

Recommendation:

A. That Council, in accordance with Clause 178(1) (b) of the Local Government (General) Regulation 2005, decline to accept any tender.

B. That Council, in accordance with Clause 178(3) (e) of the Local Government (General) Regulation 2005, enter into negotiations with Design Landscapes Pty Ltd with a view to entering into a contract for landscaping works at Guilfoyle Park.

C. That the General Manager be authorised to finalise negotiations and enter into a contract with Design Landscapes Pty Ltd.

D. That tenderers be advised accordingly.

Background:

In 2016 Guilfoyle Park was identified in the adopted Double Bay Centre: Public Domain Strategy as a high priority for an upgrade. In July 2016 Council’s Open Space and Recreation Planning Team engaged Aspect Studios, Queensland to undertake a draft Concept Plan, in line with the Public Domain Strategy to take forward to Public Exhibition.

Please see below draft Landscape Concept Plan (Stage 1&2).
The draft Concept Plan is a holistic design for an upgrade which aims to combine the objectives for the Park as detailed in the Double Bay Centre Public Domain Strategy and the comments from the Community Consultation.

The Concept Plan removes the circular raised paved area in the Guilfoyle Park Plaza to better accommodate events and provide an important public square for the centre of Double Bay.

The redesign includes additional trees that better define the space, water elements, raised garden beds/seating and additional bench style seating with back rests. It retains the existing location of the Yitzhak Rabin memorial and olive tree providing additional wall seating within a contemplation space.

Consultation:

Community consultation on the draft concept was undertaken in February 2017 with a local letterbox drop, emails to key stakeholders, Memorandum to Councillors, signage in the park & Double Bay Library and on Council’s website. Feedback was received from the community was incorporated into the final design and subsequent detailed design documentation for tender.

Detailed Design and Tender Proposal:

In June 2017, Aspect Studios was engaged to develop a detailed design for Tender, based on the adopted Council Masterplan. There are different material elements that can be considered in a detailed design. For example, granite versus concrete kerbs. Aspect Studios design was at the higher end of product and material choices that could be made.

The subsequent tender documentation developed considered the staged implementation of upgrade works that could be split into two stages as follows:

1. **Stage 1.** The main plaza area redevelopment to include:
   - Demolition of the raised podium
   - Installation of new granite paving and garden surrounds in the new Double Bay paving design (Double Bay Suite Pavers supplied by Council)
   - Installation of additional Washingtonia palms (for quality control supplied by Council)
   - New electrical outlets and switchboard for market stall operators and events
   - New water outlets
   - A low wall separating Stage 1 and Stage 2 areas
   - Improvements to the garden beds, including irrigation, planting and mulch
   - Lighting
   - New seating (Double Bay Suite Seat supplied by Council)

2. **Stage 2.** Water Play feature area (Provisional Item):
   - Construction of a water play feature with associated below ground plant room, Hydraulic Systems Equipment and underground tank
   - Lighting System Equipment and Electrical Control Systems
   - Platform seating over plant room and associated access covers
   - Sandstone paving and feature tiling
In preparation for tendering, Council staff determined that completion of both Stage 1 and 2 would significantly exceed the available budget. The water play elements of Stage 2 were identified as being a particularly significant cost item. It was therefore decided to call tenders for Stage 1 works, with Stage 2 as a separable, provisional sum. The purpose of this was to allow for the possibility of a two stage construction process over two financial years, if pricing was reasonable and further funding could be made available for Stage 2.

To reduce costs as much as possible some items required for the project were proposed to be supplied by Council using, thereby taking advantage of Council purchasing contracts and avoiding contractor margins, these include:

- Double Bay Suite granite paving
- Double Bay Suite Seat
- Palm trees

**Invitation to Tender**

Tender SC4094 for the Guilfoyle Park Upgrade was advertised in the Tenders section of the Sydney Morning Herald commencing on Tuesday 21 November 2017 and in the Wentworth Courier on Wednesday 22 November 2017. The tender was released on the Tenders Online website.

A Pre-Tender meeting was held on 6 December 2017 at 10.30 am. 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.

An Addendum to the tender was also issued to the attendees and posted on Council’s tender website. Tenders for this project closed at 2.30 pm on Thursday 21 December 2017. Three (3) tenders were received prior to the closing date and time. One other tender was received after the closing time and deemed noncomplying and was rejected. All the tenders received by the closing date and time are listed in Table 1.

<table>
<thead>
<tr>
<th>Tenderer Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Landscapes Pty Ltd</td>
</tr>
<tr>
<td>Regal Innovations Pty Ltd</td>
</tr>
<tr>
<td>Starcon Group Pty Ltd</td>
</tr>
</tbody>
</table>

**Tender Assessment**

The tender assessment panel comprised David Byatt Purchasing Coordinator, as the convenor and independent member of the tender panel, Caitlin Moffat, the Commissioning Officer and Rod Ward Project Manager Civil Projects, the Project Manager for the delivery of the Project. The tender panel was assisted by water feature technical expert Phillip Goodwin, Director of Goodwin Design to provide technical advice.

Council has resolved that a probity adviser should be included during the tender assessment stage for high risk, high value or sensitive projects. This contract was deemed to not to meet this definition and it was agreed that a probity adviser should not be included in the tender process.

Prior to the closing date, on 2.30 pm on Thursday 21 December 2017 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 10%
Management systems (OHS, quality & environment) 10%
Duration of works 10%

All tenders received were deemed conforming and their lump sum and duration of works are listed in Table 2 and Table 3:

**Table 2: Pricing Stage 1 (Prices excl GST) – Main Plaza**

<table>
<thead>
<tr>
<th>TENDERER</th>
<th>Stage 1 Lump sum tender price</th>
<th>Direct purchases by Council (DB Pavers, DB Seats, Palm Trees)</th>
<th>Stage 1 Total Price</th>
<th>Stage 1 Installation Time (weeks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Landscapes Pty Ltd</td>
<td>$542,316</td>
<td>$150,000</td>
<td>$692,316</td>
<td>12</td>
</tr>
<tr>
<td>Starcon Group Pty Ltd</td>
<td>$615,734</td>
<td>$150,000</td>
<td>$765,734</td>
<td>9</td>
</tr>
<tr>
<td>Regal Innovations Pty Ltd</td>
<td>$647,514</td>
<td>$150,000</td>
<td>$797,514</td>
<td>23</td>
</tr>
</tbody>
</table>

**Table 3: Pricing Stage 2 (Prices excl GST) – Water Play feature area**

<table>
<thead>
<tr>
<th>TENDERER</th>
<th>Stage 2 Lump sum tender price (Provisional Items)</th>
<th>Stage 2 Installation Time (weeks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regal Innovations Pty Ltd</td>
<td>$708,061</td>
<td>23</td>
</tr>
<tr>
<td>Design Landscapes Pty Ltd</td>
<td>$757,352</td>
<td>18</td>
</tr>
<tr>
<td>Starcon Group Pty Ltd</td>
<td>$866,519</td>
<td>9</td>
</tr>
</tbody>
</table>

The pricing for Stage 2 considerably exceeds pre tender estimates and is, in the view of staff, excessive for the benefit achieved. It is therefore not recommended that Stage 2 be undertaken as part of this tender process. It is proposed to proceed with Stage 1 only, with consideration of further stages of the project deferred for consideration in future years. It is noted that Stage 1 is designed to stand alone as a project and that the landscaping undertaken in Stage 1 will blend well into the existing park setting. Essential underground works within the footprint of Stage 1 but which are required for future stages have been included in this tender. These works include piping and electrical supply for a future water feature.

The tenders for Stage 1 only were assessed in accordance with the selection criteria stated in the tender documents. The tenders were given a preliminary score on each item of the selection criteria, which resulted in a total score out of 100. Tenderers were ranked in accordance with their scores.

**Assessment of highest ranked tenderers**

Table 4 shows the scores and rankings of all tenders considered for Stages 1.
Table 4 - Stage 1 The Main Plaza Redevelopment

<table>
<thead>
<tr>
<th>TENDERER (ranked by total score)</th>
<th>CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demonstrated Experience and Capability (25%)</td>
</tr>
<tr>
<td>Design Landscapes Pty Ltd</td>
<td>22.66</td>
</tr>
<tr>
<td>Regal Innovations Pty Ltd</td>
<td>19.53</td>
</tr>
<tr>
<td>Starcon Group Pty Ltd</td>
<td>12.50</td>
</tr>
</tbody>
</table>

Cost and Pricing: the lowest price is deemed to achieve 100% of the score for this criterion. The lowest price is divided by the other tenderers’ prices to give their respective scores as percentages.

1. Demonstrated Experience and Capability: Information was requested pertaining to size and value of past works, types of works performed and complexity of past works. From this information the tender panel assessed the level of demonstrated experience for each tenderer.

2. Program & Methodology: Information was requested pertaining to project program, construction management plan, traffic management plan and environmental management plan. From the information received the evaluation panel assessed the contractor’s ability to sequentially carry out the works.

3. Management Systems (OHS, Environmental and Quality): 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.

4. Duration of Works: The shortest time is deemed to achieve 100% of the score for this criterion. The shortest time is divided by other tenderer’s times to give their respective scores as percentages.

Discussion:

The lowest price tender for Stage 1, received from Design Landscapes Pty Ltd, does not allow for completion of all works within the available remaining budget, which is $484,000. The total cost of the project, including the tendered amount plus the Council supplied items, will be $692,000. The shortfall will therefore be $208,000. Council staff have identified a number of potential changes to the scope and design of the project which will significantly reduce costs while not adversely affecting the design intent. Further, Design Landscapes Limited included with their tender a number of engineering and design suggestions which have the potential to reduce costs.

As the proposed design changes represent a material alteration to the scope of the tender as advertised, they cannot be accommodated in this tender process. The Local Government General Regulation (Clause 176) does not allow for variations which would substantially alter the tender. In order to achieve the desired scope changes, it will be necessary to reject all of the tenders received. Having rejected all tenders, a Council may call for fresh tenders or resolve to negotiate with a preferred party. In this instance, it is the view of staff that the best value option is to negotiate on a revised scope with the highest scoring tenderer, Design Landscapes Pty Ltd.
Design Landscapes Pty Ltd have demonstrated excellent experience delivering works in the commercial landscape space including Darling Harbour Live – 2017 Public Domain Works, Centenary Square, Parramatta and Sydney Park Stormwater Harvesting, wetland and cascade water feature construction. On that basis, Design Landscapes Pty Ltd would have been the recommended tenderer, offering the lowest price for Stage 1 and also having achieved the highest score for non-price criteria.

**Proposal**

Design Landscapes Pty Ltd have submitted a strong tender for the Stage 1 works and under normal circumstances staff would have recommended that they be awarded a contract in accordance with their tender. However, as all tenders received significantly exceed the available budget, staff have identified potential savings in materials and construction methods.

It is therefore proposed to reject all tenders and commence negotiations with Design Landscapes Pty Ltd on a revised scope of works. These negotiations will be conducted under the supervision of the Director Technical Services and reported to the General Manager.

It is proposed that the negotiations will be concluded in the next month, with physical works to be undertaken in the coming winter and spring seasons.

**Conclusion**

The tender panel recommends that the Council rejects all tenders received and commences negotiations with Design Landscapes Pty Ltd, as preferred tenderer, on a revised scope of works for Stage 1 of the Guilfoyle Park upgrade and that consideration of further stages of the park upgrade be considered in future capital works programs.

**Annexures**

Nil
Item No: R4  Recommendation to Council

Subject: SSROC PEERS PROGRAM UPDATE - RENEWABLE ENERGY PPA ACCEPTANCE

Author: Mel Sellen, Project Officer

Approvers: Paul Fraser, Manager - Open Space & Trees
           Tom O'Hanlon, Director - Technical Services

File No: 18/49492

Reason for Report: This report provides an update and recommendations in relation to the SSROC Renewable Energy Power Purchasing Agreement (PPA) to be signed in April 2018

Recommendation:

A. THAT Council procure an initial 30% renewable energy through the SSROC Renewable Energy Power Purchase Agreement (PPA) if the terms of the recommended tenderer contract to be received on 23 April 2018 are acceptable to Council.

   i. THAT Council procure an initial 20% renewable energy if the terms of the contract require risk minimisation from Council by lowering our initial procurement percentage.

B. THAT Council endorse the General Manager to assess and accept the Recommended Tenderer from the SSROC Renewable Energy Power Purchase Agreement (PPA) RFT process and execute a contract with the Recommended Tenderer.

Background:

Woollahra Council has a long-standing commitment to sourcing renewable energy to power Council operations. We currently have 88kW’s of solar energy generation installed across our Council sites and have procured 6% GreenPower for our large energy sites, and 25% GreenPower for our small energy sites for the past 8 years through our contracted energy retailer.

Goal 8 of our Community Strategic Plan Woollahra 2025 Our community, our place, our plan commits council to reducing emissions and reducing impacts of climate change. Council’s adopted Environmental Sustainability Action Plan (ESAP), lays out a target to achieve 30% reduction in Council’s greenhouse gas emissions by 2025. Renewable energy generation and procurement play a critical role in honouring this commitment and achieving our stated targets.

Regionally, Woollahra Council participated in the eight council SSROC Renewable Energy Master Plan (2013) project and continues to work with SSROC to implement the master plan. A key action is the joint procurement of renewable energy.

In 2017, SSROC commenced a project for joint procurement of renewable energy via a Power Purchase Agreement (PPA) as part of their Program for Energy and Environmental Risk Solutions (PEERS). A PPA is a contract between an electricity buyer and an electricity generator. PPAs are gaining momentum in Australia and driving new investment in renewable energy projects. Organisations are using PPAs as a strategy to reduce exposure to a volatile electricity market, lower costs and meet greenhouse gas emissions targets.

By taking part in a Renewable Energy PPA as detailed below, Council has a significant opportunity to support the development of new renewable energy generators, diversify our energy profile, increase our resilience to energy price volatility and achieve significant environmental gains.
Renewable Energy Power Purchase Agreement (PPA) Tender Process:

Market testing by SSROC in October 2017 demonstrated a strong financial case for a renewables PPA. Subsequently SSROC released a Request for Tender (RFT) in November 2017. SSROC could not accept any of the tenders as they didn’t receive a retail offer with the PPA submissions. Market sounding meetings were subsequently held with organisations from different sections of the renewable energy market to better inform the process.

During the market sounding process, SSROC has been able to encourage innovation by getting the market to reconsider their offerings to match the needs and requirements of local government. It was agreed to re-issue the RFT to a selective group of renewable energy providers. This latest RFT was issued on 21 March 2018 and closes 9 April 2018.

The objective of this PPA tender is to have a contract with a retailer to provide all of Council’s electricity needs with 30% being from renewable sources from 1 July 2019.

The term of the renewable electricity supply is expected to be 10 years. The non-renewable component has been requested to be a maximum of 3 years to enable successive market testing and repricing of the non-renewables component.

The tender encourages renewable energy projects that can scale up over time, thereby allowing councils to progressively increase their renewables component to meet targets.

There are now eighteen Councils participating in the SSROC PPA project. Each Council has been asked to nominate an initial percentage of their total energy load to be supplied by the 1st PPA, with the majority of Councils opting for 20% (with the option to scale up over time). Four councils have nominated to initially procure a higher percentage of renewable energy (between 25% and 50%) if the contract conditions are favourable to council. Woollahra Council is one of these councils.

This report recommends that Woollahra Council commence with 30% renewable energy through the SSROC Renewable Energy PPA considering the following points:

- The tender has been written to allow Councils to scale up their percentage of renewables progressively over time.
- It provides an opportunity to test the PPA approach.
- It provides for Woollahra Council to reduce its procurement percentage to 20% should contract conditions not be favourable to the Council seeking the higher percentage of 30%.

The PPA tender closes 9th April 2018. Evaluation by SSROC of Best and Final Price will occur up until 23 April. Prices are only held for 48 hours and will require the General Manager to process and execute a contract with the Recommended Tenderer in the week of the 23 April 2018.

It is important to note the very short timeframe the General Manager has to assess and execute the Renewable Energy PPA once it has been received in late April, as the best and final price will be held for 48 hours only.
Budget Implications:

Council’s electricity will be provided by Origin Energy for a one-year contract in FY 18/19. This will be at a forecasted cost of $980,000 - $1.1 million. Our expectation is that the pricing put forward in the Renewable Energy PPA (which will come into effect from July 2019) will be competitive to this, however this will not be known until the recommended tenderer contract is received and assessed.

Annexures

Nil
Item No: R5  Recommendation to Council

Subject: 15 MINUTE AND 30 MINUTE FREE PARKING AT PARKING METERS IN DOUBLE BAY

Author: Aurelio Lindaya, Manager Engineering Services
Approver: Tom O'Hanlon, Director - Technical Services
File No: 18/49513
Reason for Report: To report on a proposal to provide free short term ticket parking in Double Bay

Recommendation:

A. That Council introduce a one year trial of 15 minute free ticket parking in all metered parking spaces in Double Bay.

B. That the outcomes of the 15 minute free ticket parking trial, including feedback from the Double Bay community, be reported to Council in one year’s time.

Background:

On 12 February 2018, Council considered a Notice of Motion in relation to the provision of free short term ticket parking at the Double Bay Parking Meters and resolved:

A. THAT staff prepare a report on the potential of 15 or 30 minutes free parking within the Double Bay Town Centre and surrounding residential streets where applicable.

B. THAT in preparing the report, consideration of the following matters be included:
   i. Determine the loss to Council from a reduction in revenue associated with the introduction of 15 or 30 minute free parking and compare this with the potential economic enhancement to the Double Bay Town Centre that may occur from the change.
   ii. Undertake a survey of stakeholders in the Double Bay Town Centre, including business owners (and the Double Bay Chamber of Commerce) and residents, to gain feedback of the introduction of 15 or 30 minute free parking.

Discussion

Double Bay is one of Council’s most popular commercial centres. It is important that parking in Double Bay be carefully managed as the demand for parking generally exceeds the supply of on-street parking in this area.

The parking meters in Double Bay have been in place since July 2002. The primary reasons for the introduction of the parking meters in the Double Bay were to:

a) increase parking turnover and therefore the likelihood of a customer finding an available parking space,
b) provide for short-term parking on the street with the longer term parking being provided in the off-street car parking areas, and
c) provide improved enforcement and discourage illegal and long-term parking in the streets of Double Bay.
The overall parking management strategy for Double Bay is to provide short term parking on the street with longer term parking being provided at Council’s off-street car parks in Cross Street, Kiaora Place and the Cosmo Centre.

**Current Parking Arrangements in Double Bay.**

There are 475 on-street parking spaces in the Double Bay Centre comprising of 251 x 2P metered parking spaces, 22 x 1P metered parking spaces, 74 x 2P free parking spaces, 58 x 1P free parking spaces, 43 x 30 minute free parking spaces, 13 x 15 minute free parking spaces and 14 unrestricted free parking spaces. There are also a number free on-street Loading Zone spaces provided in Double Bay.

Council operates three off-street car parks in Double Bay. The Cross Street car park has 396 parking spaces, the Kiaora Place car park has 440 parking spaces and the Cosmo car park has 78 parking spaces. Each of these multi-level car parks provide the first hour free parking.

In addition to the above, there is also at least 460 free unmetered parking spaces available in close proximity within walking distance to the Double Bay Centre. It is therefore worth noting that of the nearly 1400 public parking spaces in the proximity to the Double Bay Centre, only 273 require payment within the first hour.

Council organised parking occupancy and utilisation surveys in the Double Bay Centre on 15 October 2015 and on 3 April and 4 April 2018. The parking survey area is identified in Figure 1 below:

![Figure 1: Parking Survey Area](image-url)
Council’s Parking Meter Parking Enterprise Management System (PEMS) was also analysed to confirm the on-street parking surveys.

Some key findings include:

- At 8am, approximately 62% of the parking spaces in Double Bay were occupied.
- At 12 noon, approximately 88% of the parking spaces in Double Bay were occupied.
- At 4pm, approximately 83% of the parking spaces in Double Bay were occupied.
- At 7.30pm, approximately 88% of the parking spaces in Double Bay were occupied.
- Approximately 8% of motorists parking in Double Bay have paid to park for 15 minute or less.
- Approximately 21% of motorists parking in Double Bay have paid to park for 30 minutes or less.

In Double Bay, like other areas across the municipality, Council generally aims to provide a parking occupancy rate of 85%, which means that there are always some parking spaces available in the area for residents, businesses and visitors. Council should discourage any parking measures which lead to significantly higher parking occupancy rates as it results in motorists having difficulty in finding an available parking space and adds to overall traffic congestion.

**Review of 15 Minute Free Parking in Paddington**

Since 2014, Council has implemented 15 minute free ticket parking across the parking meters in Paddington. One of the primary reasons why Council implemented the 15 minute free ticket parking space in Paddington was due to the City of Sydney’s proposal to implement 15 minute free ticket parking on their side of Oxford Street.

Since its implementation, the 15 minute free ticket parking at the Oxford Street parking meters appears to be well received by businesses, residents and visitors without any significant adverse impacts to overall parking availability in the area.

**Review of other councils providing short term free parking**

**City of Sydney**

Since late 2013, The City of Sydney has been trialling 15 minute free ticket parking in a number of their main streets outside the City Centre. These streets include:

- Harris Street, Pyrmont
- Glebe Point Road, Glebe
- King Street, Newtown
- Bourke Street, Surry Hills
- Campbell Street, Surry Hills
- Crown Street, Surry Hills
- Redfern Street, Redfern
- William Street, Darlinghurst
- Macleay Street, Potts Point
- Victoria Street, Darlinghurst
- Oxford Street, Darlinghurst.
The City supports the trial of 15 minute free ticket parking in some of their main streets to accommodate short trips and minor purchases for local residents and businesses.

**Brisbane City Council**

In December 2014, Brisbane City Council endorsed a recommendation to implement 15 minutes free parking at all non-CBD metered spaces to incentivise short stays, increase vehicle turnover and support local businesses. Free 15 minute parking is currently available at over 7,500 car spaces in:

- Auchenflower
- Bowen Hills
- Buranda
- Fortitude Valley
- Kangaroo Point
- Kelvin Grove
- Milton
- Newstead
- South Brisbane
- Spring Hill
- Teneriffe
- West End
- Woolloongabba

**Inner West Council (former Leichardt Council)**

The former Leichardt Council (now the Inner West Council) has trialled both 15 minute and 30 minute free ticket parking in a number of their main streets in Balmain, Rozelle and Leichardt. At Inner West, 30 minute free parking currently exists in the main streets of these commercial centres. It should be noted however that there are a limited number of off-street public car parking spaces in Balmain, Rozelle and Leichardt.

**Proposal**

Both proposals for 15 minute and 30 minute free ticket parking for Double Bay have been examined.
15 Minute Free Parking

Providing 15 minutes free ticket parking at all parking meters in Double Bay is similar with the current parking meter arrangements adopted by Council in Paddington, the City of Sydney and Brisbane City Council.

Providing 15 minute free ticket parking accommodates short trips and minor purchase and is fairly consistent with Council’s current parking management strategy for Double Bay, which is to provide short-term parking on the street and encourage motorists to use Council’s off-street car parks for longer term parking.

Advantages

- Consistent approach to parking meter management in Paddington and a number of areas in the City of Sydney.
- May attract additional customers who are currently unwilling to pay for parking.
- Attracting additional customers may increase local business and economy.
- Suits businesses that prefer short stay customers such as banks, dry cleaners, newsagents, takeaway coffee shops/ food outlets, etc.
- Fairly consistent with Council’s parking strategy of encouraging motorists to use Council’s off-street car parks (which also provides 1 hour free parking).

Disadvantages

- Some businesses may not consider 15 minutes to be enough time for their customers.
- May increase parking occupancy rates which reduces parking availability.
- May result in additional traffic congestion and pollution as vehicles have to cruise around Double Bay trying to find a free parking space.
- May increase private vehicle use in Double Bay and has the potential to discourage public and active transport modes.
- Experience from other Councils is that many 15 minute free tickets are misused. Some motorists who obtain a free parking ticket are parking longer than 15 minutes.
- Loss in Revenue.

30 Minute Free Parking

Providing 30 minute free ticket parking at all Parking Meters in Double Bay is similar to the scheme adopted currently by Inner West Council.

Advantages

- Potential to attract more customers who are currently unwilling to pay for 30 minute to park on the street.
- Attracting additional customers may increase local business and economy.

Disadvantages

- Will be inconsistent with the parking meter scheme in Paddington and a number of streets in the City of Sydney.
- Will increase parking occupancy rates which will reduce parking availability.
• May result in additional traffic congestion and pollution as vehicles have to cruise around Double Bay trying to find a free parking space.
• May increase private vehicle use in Double Bay and has the potential to discourage public and active transport modes.
• Potential misuse of 30 minute free parking tickets.
• Loss of Revenue.

Consultation:
Consultation has yet to be carried out on any of these proposals. Should Council support trialling free short term ticket parking in Double Bay, the local Double Bay community will be consulted and the outcomes of the community consultation and engagement process will be included as part of a future report to Council at the end of the trial period.

Traffic Works Required
Parking signs, parking meter instructions and decals will all need to be updated should Council support introducing 15 or 30 minute free ticket parking in Double Bay. In addition all parking meter software will need to be reprogrammed to allow for free ticket parking.

Identification of Income & Expenditure:
The current parking meter rates are $4.70 per hour in the central business area of Double Bay and $4.00 on the periphery.

Council generates approximately $1.5M per annum from the parking meters in Double Bay. It is anticipated that the introduction of the 15 minute free ticket parking in Double Bay will directly reduce revenue by approximately $24,000 per year. This reflects the current revenue from motorists paying to park for 15 minutes or less. It is anticipated that the introduction of 30 minute free parking will reduce revenue by approximately $183,000. This reflects the current revenue for motorists paying to parking for 40 minutes or less and assumes that motorists who currently park for 40 minutes will shorten their trip to make use of the 30 minute free ticket. Motorists who misuse their free short term parking ticket will also reduce revenue.

Conclusion:
This report responds to a Notice of Motion adopted by Council on 12 February 2018 relating to the provision of free short term ticket parking at the parking meters in Double Bay.

To align with Council’s current parking meter arrangements in Paddington and to ensure that parking meters are managed consistently it is recommended that Council undertake a one year trial of 15 minute free ticket parking in Double Bay.

During the trial period further parking occupancy and utilisation surveys will be carried out and the local Double Bay community will be consulted. This information will be included as part of a future report to Council at the end of the trial period.

Annexures
Nil
Item No: R6  Recommendation to Council

Subject: CULTURAL DAY 2018/19

Authors: Romi Scodellaro, Community Development Officer
Jacky Hony, Team Leader - Community Development Officer

Approvers: Lynn Garlick, Director - Community Services
Sharon Campisi, Manager - Community Development

File No: 18/43609

Reason for Report: To report on the recommendations of the Cultural Day Steering Committee

Recommendation:

A. That a celebration of Latin American Culture for Financial Year 2018/19 be held on Saturday 27 October from 1pm to 9pm in Lyne Park, Rose Bay.

B. That Council note the minutes of the Cultural Day Steering Committee meeting of Monday 12 March.

C. That Council note the Terms of Reference for the Cultural Day Steering Committee meeting.

Background:

The Cultural Day Steering Committee has advised on Cultural Day Celebrations for Council since the first Cultural Day event, Greek Day Out, held in 2014. As annual Cultural Day events have continued, and the events have grown in size and budget, Terms of Reference have been developed to provide a governance structure for the Committee (Annexure 1).

The Committee determined two aims for Cultural Day celebrations. These were endorsed by Council on 10 November 2014, and are:

- To encourage respect for cultural diversity within Woollahra; and
- To provide an opportunity for all Woollahra Council residents to connect and share a cultural celebration.

The Committee developed criteria for determining which culture to celebrate, approved under delegation by the Community and Environment Committee on 22 June 2015.

These criteria are:
- The culture is relevant to Woollahra;
- A body within the community will partner with Council;
- There is evidence the celebration would be popular with the Woollahra community;
- The celebration relates to Council’s Delivery Program and Operational Plan;
- Timing is appropriate and relevant;
- Location is appropriate; and
- Local participation is sought.
Proposal:

The Steering Committee met on 12 March 2018 to discuss the next cultural celebration. See Annexure 2 for the minutes of this meeting. The Committee agreed that a Latin American celebration meets each of the criteria as follows:

- The culture is relevant to Woollahra: according to the 2016 Census, 536 Woollahra residents were born in Latin American countries. A further 521 residents identified as having Latin American ancestry. It was noted that while these cultures are not highly prevalent in Woollahra in terms of ancestry or birthplace, the event would strongly meet the other criteria.

- A body within the community will partner with Council: Cristina Talacko, Vice President of the Australia-Brazil Chamber of Commerce, has joined the Steering Committee and will partner with Council to suggest authentic Latin American activities, entertainment, food and beverages for the event. Cristina has further contacts with many Latin American embassies who will be invited in an advisory capacity to subsequent meetings.

- There is evidence the celebration would be popular with the Woollahra community: the Steering Committee is of the belief that a Latin American celebration would be popular with the Woollahra community as these celebratory, vibrant cultures have well-known and popular traditions.

- The celebration relates to Council’s Delivery Program and Operational Plan: key strategies in the Delivery Program and Operational Plan 2017/18 are 1.4: Encourage respect and support for social and cultural diversity and inclusion, and 3.2: To support the celebration of local people, places and cultural heritage. Although DPOP is currently under review, it is likely that the Cultural Day celebrations will relate to the updated version.

- Timing is appropriate and relevant: the date of Saturday 27 October is the weekend prior to the Day of the Dead festival – a significant continent-wide celebration held 2 November each year. As daylight saving commences 7 October 2018, there will be more light available in the evenings at this time. A Saturday is considered appropriate for families to attend a festival and October is warm enough to hold an outdoor event. The date also does not clash with any other large events being held in Woollahra, noting that the Rose Bay Summer Carnival is Sunday 14 October and the Double Bay Street Festival is Sunday 4 November. The Woollahra Small Sculpture Prize is 19 October to 11 November so some sharing of banner space will be required.

- Location is appropriate: Lyne Park allows a range of different activities to be held in different areas within a larger space than previous Cultural Day celebrations. Holding the event in a park avoids the limit on capacity for attendees, allows for larger scale markets, allows a longer event due to being able to bump in and bump out before and after the event date, is less disruptive for residents, and may encourage attendees to stay longer if able to sit/bring their own picnic blanket. Lyne Park is accessible by public transport, has some parking available, and has public toilets including one that provides universal access.

- Local participation is sought: where possible, local performers and entertainers, food, beverage and art/craft retailers will be engaged to participate in the event.
Specific activities and entertainment at the event will be determined by the Steering Committee in consultation with key Latin American community members to ensure the content is relevant and culturally appropriate. Activities may include: Latin American food, beverage and authentic hand-made merchandise such as weaving and textiles markets adjacent to picnic areas; a DJ and dance floor; tango performances and classes; live music; and interactive activities such as soccer games and crafts.

**Identification of Income & Expenditure:**

In order to run a successful cultural day celebration, a $65,000 operational expenditure budget has been included in the 2018/19 draft budget, due for adoption by Council in June 2018. This is based on previous Cultural Day celebrations. Whilst previous events have had the expense of road closures, holding the celebration in a park allows for a great number of market stalls with the associated cost of higher market operator fees and an event of longer duration with the associated cost of additional entertainment and performances.

The budget breakdown is anticipated to be approximately:

- $30,000 for market operation (management, marquees, cold rooms, tables, chair and decorations)
- $10,000 for staging and sound technician support
- $5,000 for power and lighting
- $6,000 entertainment and performers
- $9,000 for advertising
- $3,000 security for the event
- $2,000 for portaloos

**Conclusion:**

For the 2018/19 year, it is recommended that a Latin American celebration be held in Lyne Park, Rose Bay on Saturday 27 October from 1pm to 9pm.

**Annexures**

1. Woollahra Cultural Day Steering Committee - Terms of Reference
2. Cultural Day Steering Committee Minutes 12 March
Woollahra Cultural Day Steering Committee
Terms of Reference
March 2018

Purpose
The Woollahra Cultural Day Steering Committee has been established to oversee the preparation and implementation of Council’s Cultural Day Celebration held each Financial Year.

The Committee has previously agreed on two aims for Cultural Day celebrations. These were endorsed by Council on 10 November 2014, and are:

- To encourage respect for cultural diversity within Woollahra; and
- To provide an opportunity for all Woollahra Council residents to connect and share a cultural celebration.

Role
The role of the Woollahra Cultural Day Steering Committee is to:

- Recommend to the Finance, Community and Services Committee the culture to celebrate each Financial Year and the date, time and location of the event for adoption by Council.

- Establish a partnership between Woollahra Council and relevant cultural bodies, for example the appropriate Consul-General in Sydney and a cultural organisation with significant contacts in the relevant community.

- Determine the format for the event.

- Provide suggestions of relevant contacts, activities and entertainment for the event.

- Approve branding and marketing collateral.

- Note the criteria developed by the Cultural Day Steering Committee for determining which culture to celebrate that was approved under delegation by the Community and Environment Committee on 22 June 2015. These are:

  - The culture is relevant to Woollahra
    The culture will be considered relevant if it has a strong historical tie to the area in which the celebrations will be taking place, and/or if it is in the top groups represented by birthplace, ancestry or language other than English spoken at home per the 2016 Census data.

  - A body within the community will partner with Council
    The development of a successful, relevant and culturally appropriate celebration will be dependent on strong relationships formed with relevant cultural groups during the planning stage and continuing until the celebration is held.

  - There is evidence the celebration would be popular with the Woollahra community
    The culture being celebrated needs to be vibrant, for example - be associated with food, music, traditions and dance.
The celebration relates to Council’s Delivery Program and Operational Plan Strategies 1.4: Encourage respect and support for social and cultural diversity and inclusion, and 3.2: To support the celebration of local people, places and cultural heritage.

Timing is appropriate and relevant
Cultural celebrations should be held at a time that coincides with a time of significance for that culture, preferably in warmer months if the event is to be held outdoors.

Location is appropriate
The site for cultural celebrations will move throughout Woollahra so as to revitalise the Municipality.

Local participation is sought
Advertisements will be used to invite local businesses, organisations and groups to contribute to and participate in the celebration.

Membership
The Woollahra Cultural Day Steering Committee members are appointed by the Mayor and consist of:
- Up to 3 Councillors, one of whom will Chair
- Up to 3 external appointed members

Other attendees
Community Services staff will attend meetings of the Woollahra Cultural Day Steering Committee, with other staff attending as appropriate.

The relevant Consul-General in Sydney and a cultural organisation with significant contacts in the relevant community may also be invited to join the Committee, as well as other persons as invited by the Chair.

Quorum
At least two Woollahra Cultural Day Steering Committee members, one of which being a Councillor, shall constitute a quorum for a meeting.

Meetings
The frequency of meetings will be at the discretion of the Chair. Meetings will generally be held at Council Chambers.
Agenda/Minutes
An agenda will be emailed to all members of the Committee one week prior to the Woollahra Cultural Day Steering Committee meetings. A Community Development staff member attending the meeting will be responsible for taking minutes and circulate minutes as soon as they are available. Minutes will be made available to all Councillors.

Committee Authority
The Woollahra Cultural Day Steering Committee is an advisory committee only and has no delegated authority. The Committee is empowered to make decisions in relation to market stall holders, performers and activities at the event and will report to the relevant Council committee as required.

Reporting
Council’s Community Services Department will compile the following reports for consideration by the Finance, Community and Services Committee:

- An initial report advising of the proposed theme, location and date for endorsement by Council.
- A post-event report including an evaluation against the aims for Cultural Day celebrations and a budget acquittal.

Budget
The budget will be determined dependant on the complexity of the determined site and the scale of the celebration. The budget is subject to the approval of Council as part of the annual budget process.

Conflict of Interests; Pecuniary and Non-Pecuniary
Conflicts of Interests will be dealt with in accordance with the Woollahra Municipal Council Code of Conduct.

Staff will be responsible for all operational matters and the implementation of the Committee’s decisions, including sourcing any principal contractors required to implement the event in accordance with Council’s Procurement Policy Procedure.

Next review date
These Terms of Reference will next be reviewed following the evaluation meeting of the 2018/2019 cultural day celebration.
Cultural Day Steering Committee Minutes
12 March 2018, Council Chambers
4.00pm to 5.00pm

Attendance
Councillor Toni Zeltzer, Chair
Councillor Anthony Marano
Councillor Luise Elsing
Cristina Talacko, Vice President of the Australia-Brazil Chamber of Commerce
Lynn Garlick, Director Community Services
Jacky Hony, Team Leader Community Development
Roni Scodellaro, Community Development Officer
Maria Lacey, Public Art Coordinator

Apologies
Professor Ross Steele

The Chair welcomed Cristina Talacko to the Committee and introduced Committee members.

1. Summary review of previous Cultural Day events

Staff circulated a Cultural Day Contextual Review Paper (Attachment 1) that briefly evaluates each of the 4 Cultural Day events against the agreed aims and criteria for Cultural Day events. In brief:

- Greek Day Out had too few stalls selling food and drink, but had great cultural content.
- Chinese New Year Festival had a popular, successful ‘A Taste of China’ launch event but the week of cultural activities was a lot of work for comparatively few attendees.
- French Soirée was popular but the limited space meant the event was at capacity and the location did not lend itself to educational / interactive cultural components.
- Festa Italiana was a popular event but the location did not lend itself to educational / interactive cultural components.

Noted that it would be ideal to find a balance, with educational components as part of Cultural Day events with high quality food and drink offerings.

Discussed that learnings from previous Cultural Day events should be fed to Placemaking so as to encourage other placemaking activities in partnership with, for example, the business community at each location.
2. 2018/19 Event

The Committee determined that the focus of the event would be Latin America. While previous discussions had centred on South America, this would exclude Central American countries, and it was determined that it would be preferable to include these.

It was noted that while these cultures are not highly relevant to Woollahra in terms of ancestry or birthplace, the event would strongly meet the other criteria.

Location

The Committee discussed the pros and cons of laneway events compared to park events. Laneways can be decorated beautifully and have a great ambiance, but they are limited in terms of space and noise levels for educational/interactive activities. Laneway events can be expensive due to set-up and pack-down needing to happen at and by particular times depending on road closures, as well as due to traffic management considerations, portaloos, etc.

Parks allow for a range of activities and can potentially accommodate longer events as there are no need for road closures, but the ambiance can be affected as it may be harder to ‘dress’ the event - the same number of people can feel and look very different in a smaller space compared to a larger one so a park event would need to be carefully planned. Heavy rain in the lead up to an event in a park would also mean that the grounds would be muddy. This would not be an issue for an event held on pavement.

As Council has not previously held an event in a park for Cultural Day, it was agreed to try this for the Latin American celebration. It may be possible to host soccer workshops or games in the space, and have activities for both children and adults.

The Committee discussed that while it can sometimes be difficult to draw people to a park rather than an established area that receives more foot traffic, the popularity of Greek Day Out, held at Council grounds, suggests that Council’s events are promoted well enough to still host a popular event.

Staff have previously reviewed parks available in Woollahra should the decision be made by the Committee to host Cultural Day in a park. Of those of sufficient size to accommodate Cultural Day (Rushcutters Bay, Lyne, Robertson and Steyne Parks), Lyne Park would best suit as it is:
- serviced by both ferry and bus;
- has a car park;
- is fully accessible;
- has public toilets (3 male, 3 female and 1 universal access);
- has natural shade; and
- is visible to passing traffic and pedestrians.

Date and Timing

The Committee considered a range of possible dates, with the key preference being Saturday 8 September as it falls the day after the Brazilian Day of Independence. If this is not possible, the Committee determined to consider the weekends before or after, or alternatively dates that fit into the general annual calendar of local events. Noted that Cristina will be away from 24 August to the end of September.
The Committee determined that a lunchtime event that heads into night would work well as it encompasses 2 meal times and would be likely to attract both parents with younger children and adults. Suggested 1pm to 8pm.

**Action:** Staff to check available dates at Lyne Park, as well as other key event dates in the community, and confirm a suitable date with the Committee by email before the next meeting.

**Title and Brand Concepts**

The Committee determined to call the event Viva America Latina.

**Action:** Marketing to be advised on the name and theme and begin working on concepts.

**Other Steering Committee Members**

The Committee determined to invite a range of consular contacts to the meeting in an advisory capacity.

**Action:** Cristina to provide staff with contact details for different Latin American representatives.

3. **Any other business**

Noted that a report will be prepared with the Committee’s recommendations and will be submitted to the Finance, Community and Services Committee inaugural meeting on 9 April.

4. **Next Meeting**

In approximately 4 weeks - date to be confirmed.
Attachment 1

Cultural Day Celebrations – Contextual Review Paper

Background

The Steering Committee has previously agreed on two aims for Cultural Day celebrations that were endorsed by C&E Committee on 24 October 2014. These are:

1. To encourage respect for cultural diversity within Woollahra; and
2. To provide an opportunity for all Woollahra Council residents to connect and share a cultural celebration.

Agreed criteria for selecting which culture to celebrate, approved by the Community and Environmental Committee on 22 June 2015, are:

- The culture is relevant to Woollahra; the culture will be considered relevant if it has a strong historical tie to the area in which the celebrations will be taking place, and/or if it is in the top groups represented by birthplace, ancestry or language other than English spoken at home per the 2016 Census data.
- A body within the community will partner with Council; the development of a successful, relevant and culturally appropriate celebration will be dependent on strong relationships formed with relevant cultural groups during the planning stage and continuing until the celebration is held.
- There is evidence the celebration would be popular with the Woollahra community; the culture being celebrated needs to be vibrant, for example - be associated with food, music, traditions and dance.
- The celebration relates to Council’s Delivery Program and Operational Plan: strategies 1.4: Encourage respect and support for social and cultural diversity and inclusion, and 3.2: To support the celebration of local people, places and cultural heritage.
- Timing is appropriate and relevant; cultural celebrations should be held at a time that coincides with a time of significance for that culture, preferably in warmer months if the event is to be held outdoors.
- Location is appropriate; the site for cultural celebrations will move throughout Woollahra so as to revitalise the Municipality.
- Local participation is sought: advertisements will be used to invite local businesses, organisations, performers and groups to contribute to and participate in the celebration.
Previous events

Greek Day Out

Location: Woollahra Council building and grounds, Double Bay.
Date: Sunday 24 August 2014, 12pm – 4pm.
Attendance: approx 4,000 people.
Budget: $15,000 was allocated, though the event cost approximately $20,000 – largely due to wet weather provisions (stage covers) as it rained heavily every day the week prior. This excludes staff salaries.

Greek Day Out met both of the agreed aims for cultural day celebrations in that there were a number of informative, education activities available on the day and attendees ranged from children to seniors.

Greek Day Out also met each of the criteria as follows:

- The culture is relevant to Woollahra: Greek is the second most common language spoken in Woollahra, after English, using the then current 2011 Census showing that 1.3% of the population (703 people) spoke Greek at home.

- A body within the community will partner with Council: the Consul General of Greece in Sydney and three prominent local Greek residents, including a former Woollahra Mayor, were members of the Steering Community. Over 80 Greek people volunteered their time on the day; the majority of these were sourced directly through the relationships with the Consul General.

- There is evidence the celebration would be popular with the Woollahra community: the Greek culture is strongly associated with dance, music, food and traditions.

- The celebration relates to Council’s Delivery Program and Operational Plan: strategies 1.4: Encourage respect and support for social and cultural diversity and inclusion, and 3.2: To support the celebration of local people, places and cultural heritage.

- Timing is appropriate and relevant: Greek Day Out did not clash with other significant Greek celebrations or larger events in the Woollahra area. Whilst it had rained heavily for the 5 or so days preceding the event, it was dry and sunny on the day.

- Location is appropriate: as the inaugural cultural day celebration, holding the event at Woollahra Council building and grounds seems an appropriate choice. Many attendees commented how good it was for Council to share the location with the public. As the Council building and grounds naturally lend themselves to having different areas, different spaces were able to be allocated to different components on the day eg children’s activities, noisier dancing and music, a quieter puppetry performance, an ancient coins exhibition, and an evening lecture on Greek economy. Difficulties were installing the infrastructure on uneven hilly terrain and that parking and public transport are limited at Council Chambers, as is accessibility. The venue was at capacity and, as food offerings were limited to 4 market stalls - people had to leave the site to obtain food.

- Local participation is sought: advertisements were used to invite local businesses, organisations, performers and groups to contribute to and participate in the celebration. Despite this, Council was contacted by a local Greek dance troupe after one from further afield had already been booked.
Summary: Greek Day Out was a well-received cultural day that met each of the aims of the event well. Future events need to have more food and drinks available, therefore Council Chambers and grounds are of insufficient size to stage future cultural day celebrations.

Chinese New Year Festival

Location: Knox Lane / Guilfoyle Park, Double Bay for A Taste of China
Guilfoyle Park and other Double Bay venues for activities throughout the week.

Date: Friday 5 February 2016, 5pm – 9pm.

Attendance: approx. 6,500 people at launch event, 200 throughout the week.

Budget: $20,000 was allocated, though the event cost approximately $55,000 - largely due to the decision to have a launch event of ‘A Taste of China’ in addition to the activities throughout the week. This necessitated sourcing 2 principal contractors to coordinate the food and drink markets and the power, lighting and sound technician, and the implementation of a road closure. These costs exclude staff salaries.

The Chinese New Year Festival met both of the agreed aims for cultural day celebrations in that there were a number of informative, education activities throughout the week and attendees ranged from children to seniors.

Chinese New Year Festival also met each of the criteria as follows:

- The culture is relevant to Woollahra: Cantonese and Mandarin are the third and sixth most common languages spoken at home in the Woollahra community, combined totaling 1.9% of the Woollahra population (1029 residents), using the then current 2011 Census.

- A body within the community will partner with Council: a prominent Chinese resident who is a member of Council’s Cultural Committee, on the Haymarket Chamber of Commerce and the advisory board for the City of Sydney’s Chinese New Year Celebrations joined the Steering Committee.

- There is evidence the celebration would be popular with the Woollahra community: the Chinese culture is strongly associated with music, food and traditions.

- The celebration relates to Council’s Delivery Program and Operational Plan: strategies 1.4: Encourage respect and support for social and cultural diversity and inclusion, and 3.2: To support the celebration of local people, places and cultural heritage.

- Timing is appropriate and relevant: Chinese New Year festival did not clash with other significant Chinese celebrations or larger events in the Woollahra area but the event linked well with the Lunar New Year in February 2016.

- Location is appropriate: hosting the launch event in a laneway enable the space to be ‘dressed’ so as to recreate the ambience of a Chinese markets. The laneway also had few businesses trading directing on to it, thereby creating minimal disruption. Having a park at the end and side-streets off to each side created space for ‘pop up’ performances.
Local participation is sought: advertisements were used to invite local businesses, organisations, performers and groups to contribute to and participate in the celebration. Staff also visited businesses throughout Double Bay on several occasions with little interest shown (2 businesses contributed $300 each, The Royal Oak participated at the launch, 1 business hosted an event during the week).

Summary: the Chinese New Year Festival was a well-received cultural celebration that met each of the aims and the criteria well. The launch event – A Taste of China – was more popular than the week of activities which proved to be logistically problematic. Business engagement was time consuming and not a success.

French Soirée

Location: Kiaora Lane, Double Bay.
Date: Saturday 19 November 2016, 5pm – 9pm.
Attendance: approx 4,500 attendees (venue was at capacity).
Budget: $55,000 allocated, approx. $50,000 spent. This excludes staff salaries.

French Soirée did not meet either of the agreed aims as, whilst there were culturally appropriate performances and entertainment, there were no opportunities for informative, educational interactive activities that would encourage respect for cultural diversity. Furthermore, the event did not provide an opportunity for all Woollahra Council residents to connect and share a cultural celebration as the event was adult focused.

French Soirée did, however, meet the criteria in the following ways:

- The culture is relevant to Woollahra: French is the third most common language spoken at home other than English, after Greek and Cantonese – cultures that had previously been celebrated.
- A body within the community will partner with Council: the Consul-General of France in Sydney and the Alliance Française de Sydney were both members of the Steering Committee. The event was also attended by the French Minister for Veterans Affairs and Memory who gave a welcome speech.
- There is evidence the celebration would be popular with the Woollahra community: the Steering Committee had confirmed their belief that French celebrations would be of interest to the Woollahra community as it is celebratory in nature and is associated with food, wine, culture, art and literature.
- The celebration relates to Council’s Delivery Program and Operational Plan: key strategies in the Delivery Program and Operational Plan 2015/16 are 1.4: Encourage respect and support for social and cultural diversity and inclusion, and 3.2: To support the celebration of local people, places and cultural heritage.
- Timing is appropriate and relevant: the event was held in November as outdoor events need to be held in warmer months. The event also did not clash with other local French celebrations, ceremonies or days of significance.
Location is appropriate: Kiaora Lane was considered to be appropriate as it is reminiscent of French laneways. This location also supported Council’s efforts to further activate Double Bay. Cafes and restaurants trading directly onto Kiaora Lane advised Council after the event that the day of the festival had been their largest day of trading.

Local participation is sought: where possible, local market stall holders and entertainers were engaged. Despite inviting businesses trading directly on to Kiaora Lane to participate in the event by having French-themed products, activities or entertainment, only Woolworths chose to do so.

**Summary:** French Soirée was a well-received cultural celebration. However, as the event was licensed and did not have an interactive or educational component, the event was not inclusive of the wider community. Furthermore, the venue was at capacity and there was limited space and seating areas for consuming food and viewing the entertainment resulting in most people not lingering.

**Festa Italiana**

**Location:** Glenmore Road, Paddington.

**Date:** Sunday 19 November, 4pm – 8.30pm.

**Attendance:** approximately 3,000 (due to heavy rain).

**Budget:** $55,000 allocated. Actual cost $80,000 due to complexity of site (road closures and traffic management plan, portaloos), new counter-terrorism requirements, and an increase in contractor costs for the market operator and electrician required on the day. This excludes staff salaries.

As with French Soirée, Festa Italiana did not meet either of the agreed aims as there were limited opportunities for informative, educational interactive activities encouraging respect for cultural diversity. Also as with French Soirée, the event was predominantly targeted at adults.

Festa Italiana, however, met the criteria in the following ways:

- The culture is relevant to Woollahra: Italian is the fourth language other than English spoken at home in the Municipality, after Greek, Cantonese and French – each of which had previously been celebrated.

- A body within the community will partner with Council: the Consul-General of Italy in Sydney and the President of Dante Alighieri Society Inc. kindly agreed to join the Steering Committee and were supportive of the celebration.

- There is evidence the celebration would be popular with the Woollahra community: the Steering Committee believed that an Italian celebration would be popular with the Woollahra community as it is a celebratory and vibrant culture with well-known and popular traditions.

- The celebration relates to Council’s Delivery Program and Operational Plan: strategies 1.4: Encourage respect and support for social and cultural diversity and inclusion, and 3.2: To support the celebration of local people, places and cultural heritage.

- Timing is appropriate and relevant: the Steering Committee recommended that the Italian celebration occur in November as a warm month more conducive to an outdoor
event. It did not clash with other large events in the Municipality and other Italian celebrations throughout Sydney, and was one week before school holidays commenced.

- Location is appropriate: whilst hosting cultural day celebrations in laneways allows for the space to be ‘dressed’ so as to create ambience, Glenmore Road was particularly problematic as it required a complex – and therefore expensive – road closure. A number of complaints from affected residents, largely due to anticipated parking difficulties and noise, were also received. Furthermore, as no public amenities are nearby, portaloos also had to be hired.

- Local participation is sought: advertisements were used to invite local businesses, organisations, performers and groups to contribute to and participate in the celebration. Staff also visited businesses trading along the event space to participate. Only The village Inn was in a position to participate, though other businesses extended their trading hours to take opportunity of the potential for increased trade.

**Summary:** Festa Italiana was well-received and had the potential to attract the highest patronage of any of the cultural day celebrations had it not rained heavily. However, the event was not inclusive of the wider community and the complexity of the site led to additional costs and some disruption for residents.
Item No: R7  Recommendation to Council

Subject: DRAFT 2018/19 BUDGET

Author: Don Johnston, Chief Financial Officer

Approvers: Stephen Dunshea, Director Corporate Services
            Gary James, General Manager

File No: 18/42227

Reason for Report: To present the draft 2018/19 Budget to the Committee.

Recommendation:

A. THAT Council receive and note the report on the draft 2018/19 Budget.

B. THAT Council note the $2.9 million surplus on operations from Kiaora Place forecast in the draft 2018/19 Budget has resulted in:

   i. a $1.65 million transfer to the Kiaora Place Reserve and;
   ii. a $1.25 million community dividend allocated to a number of projects.

C. THAT Council note that the draft 2018/19 Budget makes general provisions for business chambers funding and multi-use sports facilities, reports in relation to which will be presented to the May meeting of the Finance, Community & Services Committee together with a report in relation to the urban tree canopy.

D. THAT the draft 2018/19 Budget be incorporated into the draft Delivery Program 2018 to 2021 and 2018/19 Operational Plan for the purpose of public exhibition.

Background:

At its meeting on 11 December 2017 the Corporate & Works Committee considered the strategy to guide the preparation of the draft 2018/19 budget. The Committee’s recommendation was considered by Council on 18 December 2017 when it was resolved:

That Council:


B. Note the principal strategy for the preparation of the draft 2018/19 Budget, subject to the completion of management’s comprehensive budget review process, is to:
   1. Provide sufficient funding for all continuing services;
   2. Provide funding for recommended service expansions informed by the preparation of the new 2018 to 2021 Delivery Program;
   3. Continue Council’s commitment to asset renewal;
   4. Continue a program of capital improvements at similar budget levels and ratios;
   5. Continue to pay a community dividend from the Kiaora Place operating surplus to the value of $1m to fund a range of additional services and projects;
C. Endorse the following economic parameters around which the draft 2018/19 Budget will be prepared:

1. That having provided for the $1m community dividend from the Kiaora operating surplus referenced in B(5) above, Council adopt a balanced budget for 2018/19.

2. That the Draft 2018/19 Budget be prepared on the basis of no new borrowings for the provision of existing services and core infrastructure projects.

3. That any transfers to and from Reserves be clearly shown in the Draft 2018/19 Budget.

4. That fees and charges be increased by at least CPI (2%) where practical unless it would have an adverse impact on forecast revenue or users’ capacity to pay.

5. That the 2018/19 draft salaries and wages Budget be prepared on the basis of a 2.5% Award increase and 5% vacancy rate.

6. That the 2018/19 budget be prepared on the basis of a 9.5% contribution rate for the Superannuation Guarantee and provide for the additional compulsory contribution of $374,000.

7. That productivity and efficiency measures be reported on as part of the budget process.

E. Receive further progress reports in relation to the preparation of Council’s 2018/19 Operational Plan and Budget at future Corporate & Works Committee Meetings.

In response to Part D of the resolution, the Corporate & Works Committee has since received a report on the Draft Rating Structure. A report on Draft Fees & Charges for 2018/19 appears elsewhere on tonight’s agenda.

Executive Summary:

Analysis of the Draft Budget against the Budget Strategy and Economic Parameters:

The following table presents an analysis of the draft 2018/19 Budget, as presented in this report, against Council’s previously adopted Budget strategy and economic parameters for the 2018/19 Budget.

**Principal Strategy**

<table>
<thead>
<tr>
<th>Principal Strategy</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide sufficient funding for all continuing services</td>
<td>✓ All continuing services have been funded</td>
</tr>
<tr>
<td>Provide funding for recommended service expansions</td>
<td>✓ A number of recommended service expansions have been funded</td>
</tr>
<tr>
<td>Continue Council’s commitment to asset renewal</td>
<td>✓ Council’s commitment to infrastructure renewal has been continued with a capital works program of $6.3m</td>
</tr>
<tr>
<td>Continue a program of capital improvements at similar budget levels and ratios</td>
<td>✓ The draft capital budget continues programs at similar or enhanced budget levels and ratios</td>
</tr>
<tr>
<td>Continue to pay a community dividend from Kiaora Place operating surplus to the value of $1m</td>
<td>✓ A dividend of $1.25m is proposed</td>
</tr>
<tr>
<td>Maintain an adequate working funds balance</td>
<td>✓ The balance budget presented maintains an adequate working funds balance of $2.95m</td>
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### Economic Parameters

<table>
<thead>
<tr>
<th>Economic Parameters</th>
<th>Status</th>
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<tbody>
<tr>
<td>That Council adopt a balanced budget</td>
<td>✔️</td>
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<tr>
<td>The budget, as presented, is balanced</td>
<td></td>
</tr>
<tr>
<td>That the Budget be prepared on the basis of no new loan borrowings</td>
<td>✔️</td>
</tr>
<tr>
<td>The draft budget as presented includes no new borrowings</td>
<td></td>
</tr>
<tr>
<td>That any transfers to and from Reserves be clearly shown</td>
<td>✔️</td>
</tr>
<tr>
<td>Transfers to and from Reserves are detailed later in the report</td>
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<tr>
<td>That fees and charges be increased by at least CPI where practical unless it would have an adverse impact on forecast revenue or users’ capacity to pay</td>
<td>✔️</td>
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<tr>
<td>The draft 2018/19 fees and charges are on tonight’s agenda and have been increased in accordance with the parameter</td>
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<tr>
<td>That the Budget be prepared on the basis of a 2.5% Award increase and a 5% vacancy rate</td>
<td>✔️</td>
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<tr>
<td>The draft budget is based on a 2.5% Award increase and includes a 5% vacancy rate for salaries and wages</td>
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<tr>
<td>That the 2017/18 budget be prepared on the basis of a 9.5% contribution rate for the Superannuation Guarantee and an additional contribution of $374,000.</td>
<td>✔️</td>
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<tr>
<td>The draft budget includes the required superannuation contribution funding, noting the additional contribution has reduced to $348,000 for 2018/19</td>
<td></td>
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<tr>
<td>That efficiency measures be reported on.</td>
<td>✔️</td>
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<tr>
<td>Efficiency measures are reported on later in the report</td>
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### Summary of Draft Budget Outcomes:

While a detailed analysis follows, highlights to note from the draft 2018/19 budget are:

- Achievement of all elements of Council’s adopted budget strategy
- A budget surplus of $40k
- Maintenance of an adequate working funds balance forecast to be $2.95m at 30 June 2019 (Council benchmark $2.472m)
- A strong unrestricted current ratio at 2.97:1 (TCorp benchmark >1.5:1)
- $6.156m released from the operating budget to fund capital works
- All Fit for the Future performance benchmarks met
- A $2.9m surplus on operations from Kiaora Place - resulting in a $1.65m transfer to the Kiaora Place Reserve and providing a $1.25m community dividend allocated to a number of projects
- A capital budget maintaining an ongoing commitment to building and infrastructure asset renewal
- Restricted cash Reserves totalling an estimated $53.7m
- Provision of sufficient funding in the Operating Budget for all continuing services and recommended service expansions, namely:
  - $45k for marketing campaigns potentially focusing on community engagement, aged and volunteers, and families
  - $3.9k for a new electronic novel collection for young adults
$15k for audio visual equipment maintenance at Woollahra Library as it comes off warranty

$90k for a Community Facilities Study

$243k (net) for the operational costs of the new St Brigid’s Public Art Gallery, including $97k for the Coordinator and $22k for casual staff, after an estimated $15.5k in hire fees

$60k for a part time Policy & Research Officer

$100k for cyclical condition assessment of transport infrastructure assets (roads, footpaths and kerbs)

$50k for temporary staffing to assist with design of stormwater projects

$50k to update the Recreational Needs Analysis

$120.5k for an additional Senior Strategic Planner

$25k for Oxford Street Christmas decorations, funded from the Oxford Street Reserve

$10k for an additional street banner installation

$93k for a new Social Media Officer

$109.5k for a Community Engagement Officer

$75k for materials to support the Community Engagement Officer

$65.7k for a part time Graphic Designer

The net total of expansionary requests in the draft budget is $1.13m.

- An ongoing reduction in loan repayments of $960k, arising from the repayment of a $6.5m loan in June 2018, which assists with funding the expansionary requests above.
**High Level Summary of the Draft 2018/19 Budget:**

The Income Statement below provides a high level summary of the Operating Budget. The various Reserve and non-cash adjustments that are made to determine the amount of capital funding released from the Operating Budget are also included together with the net Capital Budget and budget result.

### Draft 2018/19 Budget

**Income Statement**

<table>
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<tr>
<th></th>
<th>2017/18 Original Budget</th>
<th>2017/18 Revised Budget</th>
<th>2018/19 Draft Budget</th>
<th>Variance to Original</th>
<th>Variance to Forecast</th>
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<td>1,935,870</td>
<td>2,072,400</td>
<td>1,902,600</td>
<td>(33,270)</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>3,399,916</td>
<td>2,673,266</td>
<td>3,412,961</td>
<td>13,045</td>
<td>0.4</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>3,701,821</td>
<td>5,164,748</td>
<td>3,697,489</td>
<td>(4,332)</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Total Income from continuing operations</strong></td>
<td>95,571,965</td>
<td>96,906,573</td>
<td>101,447,103</td>
<td>5,875,138</td>
<td>6.1</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Costs</td>
<td>39,510,903</td>
<td>39,312,344</td>
<td>41,021,272</td>
<td>1,510,368</td>
<td>3.8</td>
</tr>
<tr>
<td>Materials &amp; Contracts</td>
<td>18,272,276</td>
<td>20,367,919</td>
<td>18,992,080</td>
<td>719,804</td>
<td>3.9</td>
</tr>
<tr>
<td>Borrowing Costs</td>
<td>3,283,481</td>
<td>3,283,481</td>
<td>3,119,901</td>
<td>(163,580)</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>13,047,499</td>
<td>13,051,499</td>
<td>12,603,258</td>
<td>(444,241)</td>
<td>(3.4)</td>
</tr>
<tr>
<td>Other Costs</td>
<td>16,910,131</td>
<td>16,941,270</td>
<td>16,969,128</td>
<td>58,997</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total Expenses from continuing operations</strong></td>
<td>93,768,895</td>
<td>95,634,686</td>
<td>95,659,346</td>
<td>1,890,450</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Net Operating Result from continuing operations</strong></td>
<td>1,803,070</td>
<td>1,271,887</td>
<td>5,787,757</td>
<td>39,615</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Net Operating Result before capital movements</strong></td>
<td>845,854</td>
<td>(1,214,688)</td>
<td>5,043,975</td>
<td>40,182</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>LESS: Transfers to Reserves</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DWM Reserve</td>
<td>763,500</td>
<td>850,000</td>
<td>86,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DWM ELE</td>
<td>767,431</td>
<td>94,129</td>
<td>(673,302)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other ELE</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 94 Interest</td>
<td>30,000</td>
<td>14,000</td>
<td>(16,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 94A Interest</td>
<td>45,000</td>
<td>37,500</td>
<td>(7,500)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kiaora Place Reserve</td>
<td>1,755,966</td>
<td>1,642,284</td>
<td>(113,682)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Election</td>
<td>0</td>
<td>120,000</td>
<td>120,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enviro &amp; Infrastructure Levy</td>
<td>4,057,092</td>
<td>4,152,243</td>
<td>95,151</td>
<td>(95,151)</td>
<td></td>
</tr>
<tr>
<td>Stormwater Management Charge</td>
<td>485,620</td>
<td>488,875</td>
<td>3,255</td>
<td>(3,255)</td>
<td></td>
</tr>
<tr>
<td>Preschool Reserve</td>
<td>42,259</td>
<td>47,242</td>
<td>4,983</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>136,000</td>
<td>70,000</td>
<td>(66,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LESS: Reductions in Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal on Loans</td>
<td>3,350,925</td>
<td>2,546,999</td>
<td>(803,926)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELE on Termination</td>
<td>395,000</td>
<td>405,000</td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ADD / LESS: Non cash items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>13,047,499</td>
<td>12,603,258</td>
<td>(444,241)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in ELE</td>
<td>1,272,776</td>
<td>1,279,424</td>
<td>6,648</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease Incentive Amortisation</td>
<td>339,455</td>
<td>339,455</td>
<td>0</td>
<td>(3,850,500)</td>
<td></td>
</tr>
<tr>
<td>Kiaora Place Fair Value adjustment</td>
<td>0</td>
<td>(3,850,500)</td>
<td>0</td>
<td>(3,850,500)</td>
<td></td>
</tr>
<tr>
<td><strong>ADD: Reserve funding in Operationing Budget</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 94A Contributions</td>
<td>525,000</td>
<td>525,000</td>
<td>0</td>
<td>(3,850,500)</td>
<td></td>
</tr>
<tr>
<td>Election Reserve</td>
<td>362,500</td>
<td>362,500</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>712,713</td>
<td>683,846</td>
<td>(28,867)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CAPITAL FUNDING</strong></td>
<td>5,277,003</td>
<td>6,156,186</td>
<td>879,182</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Capital Budget</td>
<td>5,237,388</td>
<td>6,116,004</td>
<td>878,616</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUDGET RESULT Surplus/(Deficit)</td>
<td>39,615</td>
<td>40,182</td>
<td>566</td>
<td>(39,615)</td>
<td></td>
</tr>
</tbody>
</table>

A detailed analysis of operating revenues and operating expenses is provided later in the report while full cost centre details are provided in **ANNEXURE 1** which has been circulated separately.
The table below summarises the Capital Budget for the past four years, and proposed for 2018/19. The various funding sources, including the funding released from the Operating Budget are also shown. To assist with the comparison across the years, the Capital Budget for 2014/15 is shown both inclusive and exclusive of Kiaora Place construction and the Depot relocation.

<table>
<thead>
<tr>
<th>Capital Works Programs</th>
<th>2014/15 $'000</th>
<th>2015/16 $'000</th>
<th>2016/17 $'000</th>
<th>2017/18 $'000</th>
<th>2018/19 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure Renewal</td>
<td>5,100</td>
<td>5,100</td>
<td>5,580</td>
<td>6,583</td>
<td>7,110</td>
</tr>
<tr>
<td>Stormwater</td>
<td>480</td>
<td>480</td>
<td>484</td>
<td>480</td>
<td>780</td>
</tr>
<tr>
<td>Environmental Works</td>
<td>340</td>
<td>340</td>
<td>317</td>
<td>316</td>
<td>180</td>
</tr>
<tr>
<td>Parks &amp; Open Space</td>
<td>1,430</td>
<td>1,430</td>
<td>2,930</td>
<td>2,785</td>
<td>3,206</td>
</tr>
<tr>
<td>Streetscape Improvements</td>
<td>100</td>
<td>100</td>
<td>900</td>
<td>1,050</td>
<td>580</td>
</tr>
<tr>
<td>Traffic</td>
<td>740</td>
<td>740</td>
<td>536</td>
<td>670</td>
<td>1,272</td>
</tr>
<tr>
<td>Floodplain Management</td>
<td>70</td>
<td>70</td>
<td>30</td>
<td>130</td>
<td>50</td>
</tr>
<tr>
<td>Council Buildings</td>
<td>537</td>
<td>537</td>
<td>1,172</td>
<td>3,303</td>
<td>3,810</td>
</tr>
<tr>
<td>Kiaora Place</td>
<td>0</td>
<td>0</td>
<td>214</td>
<td>0</td>
<td>215</td>
</tr>
<tr>
<td>Depot Relocations (incl. SES)</td>
<td>0</td>
<td>11,600</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>8,797</td>
<td>62,346</td>
<td>11,960</td>
<td>15,531</td>
<td>16,988</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Capital</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant &amp; Fleet</td>
<td>2,166</td>
<td>2,166</td>
<td>2,388</td>
<td>2,185</td>
<td>3,211</td>
</tr>
<tr>
<td>IT</td>
<td>560</td>
<td>560</td>
<td>589</td>
<td>111</td>
<td>190</td>
</tr>
<tr>
<td>Library</td>
<td>451</td>
<td>451</td>
<td>464</td>
<td>469</td>
<td>490</td>
</tr>
<tr>
<td>Other</td>
<td>325</td>
<td>325</td>
<td>886</td>
<td>418</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>3,502</td>
<td>3,502</td>
<td>4,327</td>
<td>3,183</td>
<td>3,946</td>
</tr>
</tbody>
</table>

| Total Capital Budget   | 12,299        | 65,848        | 16,287        | 18,714        | 20,934        |

| LESS: Capital Funding  |               |               |               |               |               |
| Enviro & Infrastructure Levy | 3,729     | 3,829         | 3,642         | 3,715         | 3,787         |
| Stormwater Charge      | 480           | 480           | 484           | 495           | 480           |
| Section 94 & 94A       | 1,179         | 2,579         | 1,930         | 2,120         | 2,795         |
| Grants & Contributions | 562           | 762           | 1,850         | 1,440         | 1,402         |
| Loans: Streetscape Projects (LIRS) | 0               | 0             | 0             | 0             | 0             |
| Kiaora Lands Redevelopment | 0            | 32,124        | 0             | 0             | 0             |
| Reserves               | 1,763         | 21,488        | 2,412         | 5,180         | 6,158         |
| Plant, Vehicle & IT Sales | 882           | 882           | 914           | 998           | 1,075         |
| Released from Operating| 3,725         | 3,725         | 5,072         | 4,766         | 5,277         |
| Total Capital Funding  | 12,320        | 65,869        | 16,304        | 18,714        | 20,974        |

| EQUALS: Budget Result (Surplus) / Deficit | (21) | (17) | (0) | (40) |

1  Includes $1.4m for Cutler Footway
2  Includes $1.75m for progression of the Cross Street and Rose Bay Car Parks projects and $840k for St Brigid’s
3  Includes $2.3m for St Brigid’s
4  Includes $285k for new recycling bins, $560k (15/16) and $78k (16/17) for rent incentives for Kiaora Place

Full details of individual capital projects are provided in ANNEXURE 2 which has been circulated separately.
The above table also presents the draft budget result for 2018/19, a $40k surplus, as referred to in the summary of budget outcomes. This positive result is achieved after the release of $6.156m from the operating budget to fund capital works.

The final high level summary of the 2018/19 Budget is the Balance Sheet which appears below. It reveals maintenance of a strong Unrestricted Current Ratio of 2.97:1 and the $40k budget surplus.

**Draft 2018/19 Budget**

**Balance Sheet**

<table>
<thead>
<tr>
<th>Actual 16/17</th>
<th>Revote &amp; Rollovers into 17/18</th>
<th>17/18 Budget</th>
<th>Original Budget &amp; Revotes</th>
<th>September Review 17/18</th>
<th>December Review 17/18</th>
<th>Draft 2018/19 Budget</th>
<th>Draft 2018/19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Investments</td>
<td>72,004,616</td>
<td>62,788,816</td>
<td>-4,397,847</td>
<td>58,390,969</td>
<td>56,288,670</td>
<td>56,368,743</td>
<td>104,891</td>
</tr>
<tr>
<td>Receivables</td>
<td>7,152,847</td>
<td>7,152,847</td>
<td></td>
<td>7,152,847</td>
<td>7,152,847</td>
<td>7,152,847</td>
<td>7,152,847</td>
</tr>
<tr>
<td>Inventories</td>
<td>254,104</td>
<td>254,104</td>
<td></td>
<td>254,104</td>
<td>254,104</td>
<td>254,104</td>
<td>254,104</td>
</tr>
<tr>
<td>Other</td>
<td>505,929</td>
<td>505,929</td>
<td></td>
<td>505,929</td>
<td>505,929</td>
<td>505,929</td>
<td>505,929</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>79,917,496</td>
<td>70,701,696</td>
<td>-4,397,847</td>
<td>66,303,849</td>
<td>64,281,623</td>
<td>104,891</td>
<td>64,176,732</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>27,876,319</td>
<td>27,876,319</td>
<td></td>
<td>27,876,319</td>
<td>27,876,319</td>
<td>27,876,319</td>
<td>27,876,319</td>
</tr>
<tr>
<td>Interest Bearing Liabilities</td>
<td>3,350,925</td>
<td>3,350,925</td>
<td>-803,925</td>
<td>2,546,999</td>
<td>2,546,999</td>
<td>2,546,999</td>
<td>2,546,999</td>
</tr>
<tr>
<td>Provisions</td>
<td>11,600,566</td>
<td>11,600,566</td>
<td>866,417</td>
<td>12,466,983</td>
<td>12,466,983</td>
<td>12,466,983</td>
<td>858,345</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>42,827,810</td>
<td>42,827,810</td>
<td>62,491</td>
<td>42,890,301</td>
<td>42,890,301</td>
<td>42,890,301</td>
<td>971,309</td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS</strong></td>
<td>37,089,686</td>
<td>27,873,886</td>
<td>-4,460,338</td>
<td>23,413,548</td>
<td>21,309,249</td>
<td>21,391,322</td>
<td>-1,076,200</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>9,150</td>
<td>9,150</td>
<td></td>
<td>9,150</td>
<td>9,150</td>
<td>9,150</td>
<td>9,150</td>
</tr>
<tr>
<td>Inventories &amp; Other Assets</td>
<td>1,940,500</td>
<td>1,940,500</td>
<td></td>
<td>1,940,500</td>
<td>1,940,500</td>
<td>1,940,500</td>
<td>1,940,500</td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td>725,396,125</td>
<td>734,691,845</td>
<td>4,067,222</td>
<td>738,759,067</td>
<td>739,892,134</td>
<td>740,107,036</td>
<td>494,028</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>881,448,215</td>
<td>890,818,233</td>
<td>3,727,767</td>
<td>894,546,000</td>
<td>895,882,826</td>
<td>897,606,524</td>
<td>4,220,073</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>851,333,584</td>
<td>851,487,802</td>
<td>0</td>
<td>853,290,871</td>
<td>852,319,639</td>
<td>852,605,471</td>
<td>0</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Equity</td>
<td>521,575,823</td>
<td>536,272,080</td>
<td></td>
<td>536,272,080</td>
<td>536,272,080</td>
<td>536,272,080</td>
<td>536,272,080</td>
</tr>
<tr>
<td>Asset Revaluation Reserves</td>
<td>315,061,504</td>
<td>315,061,504</td>
<td></td>
<td>315,061,504</td>
<td>315,061,504</td>
<td>315,061,504</td>
<td>315,061,504</td>
</tr>
<tr>
<td>Operating Result</td>
<td>14,696,257</td>
<td>154,218</td>
<td>1,957,288</td>
<td>986,056</td>
<td>1,271,888</td>
<td>5,787,757</td>
<td>0</td>
</tr>
<tr>
<td>Closing Equity</td>
<td>851,333,584</td>
<td>851,487,802</td>
<td></td>
<td>853,290,871</td>
<td>852,319,639</td>
<td>852,605,471</td>
<td>0</td>
</tr>
</tbody>
</table>

**Working Funds**

| Realised Committed Funds for ELE | 2,896,070 | 2,896,070 | | 2,937,686 | 2,942,616 | 2,913,826 | 0 | 2,954,007 |

**Movement in Working Funds**

| 0 | 39,615 | 4,930 | -28,790 | 40,182 |

| Unrestricted Current Ratio | 3.87 | 3.51 | 3.25 | 3.16 | 3.14 | 2.97 |

| Current Assets - External Restrictions | 70,681 | 63,949 | 59,535 | 57,848 | 57,553 | 57,044 |

| Current Liabilities - Restricted Liabilities | 18,241 | 18,241 | 18,304 | 18,304 | 18,304 | 18,304 |

Full details of the movements in restricted cash (Reserves) are provided later in the report.
Kiaora Place Community Dividend:

There is no doubt that Kiaora Place is an outstanding success, both in terms of revitalising Double Bay and financially. Longer term modelling of the centre has also been updated based on now known rental income streams and lease terms, as well as future capital renewal provisions.

It is in this context that the draft 2018/19 budget continues and increases the ‘payment’ of a community dividend from Kiaora Place. This is a true demonstration of the centre’s success, being able to provide funding for a range of projects and initiatives while still ensuring the future capital renewal requirements for the centre are provided for.

The total surplus provided by Kiaora Place in the draft 2018/19 budget is some $2.9m. This is after having provided for the annual loan repayments (approximately $1.4m) associated with the Woollahra Library construction and fit-out. From the $2.9m surplus, a community dividend is proposed in the 2018/19 budget of $1.25m to fund the following projects – which in the absence of the community dividend there would have been limited other opportunity to fund:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free public Wi-Fi in commercial centres</td>
<td>$350,000</td>
</tr>
<tr>
<td>Military Road Walkway</td>
<td>$350,000</td>
</tr>
<tr>
<td>*Total project cost $600,000 with $250,000 grant funded</td>
<td></td>
</tr>
<tr>
<td>Bellevue Park landscaping</td>
<td>$250,000</td>
</tr>
<tr>
<td>Playground upgrades</td>
<td>$200,000</td>
</tr>
<tr>
<td>Business Centre planter boxes</td>
<td>$100,000</td>
</tr>
<tr>
<td></td>
<td><strong>$1,250,000</strong></td>
</tr>
</tbody>
</table>

Each of the above projects has merit and will benefit the broader community as well as the respective business centres.

The balance of the Kiaora Place surplus at $1.65m has been transferred to the Kiaora Place Reserve for future capital renewal.

The ongoing success of Kiaora Place provides significant ongoing opportunities to fund a range of projects and initiatives that Council would otherwise not be able to implement. Consequently the Woollahra community will continue to enjoy the benefits of Kiaora Place well into the future.
Detailed Analysis of the draft 2018/19 Operating Budget:

All references to variances in this section of the report are between the draft 2018/19 budget and the 2017/18 original budget.

**OPERATING REVENUES:**

The draft budget provides for the 2.3% rate peg increase granted by IPART and confirmed by the Corporate & Works Committee following consideration of the 2018/19 rating structure. As a result, Rates income has increased by $918k ($821k from general rates plus $97k from the Environmental & Infrastructure Renewal Levy) over 2017/18.

As reported to the Committee in relation to the draft 2018/19 fees and charges, the Domestic Waste Management (DWM) Charge is calculated based on “reasonable cost”. It is forecast to increase by just $5.40 (1%) for 2018/19, from $508.50 to $513.90 - noting that this increase is lower than the 2% forecast increase in CPI. Total income from DWM Charges is estimated to increase by $153k over 2017/18.

Stormwater Management and Section 611 Charges (charges raised against AGL on gas mains throughout the municipality) are forecast to increase by $3k and $2k respectively.

<table>
<thead>
<tr>
<th>Income</th>
<th>2017/18 Original Budget</th>
<th>2017/18 Revised Budget</th>
<th>2018/19 Draft Budget</th>
<th>Variance to Original</th>
<th>Variance to Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates &amp; Annual Charges</td>
<td>52,105,260</td>
<td>52,121,260</td>
<td>53,181,238</td>
<td>1,075,978</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,059,978</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Overall, income from fees and charges is forecast to increase by $582k or 5.4% over the 2017/18 original budget. There are a number of increases and decreases in to be noted.

**Increases**

- A $150k (120%) increase in income from sportsfield hire arising from a forecast $250k coming from the new synthetic field
- A $119k (86%) increase in Policy Change Requests (changes to Woollahra LEP 2014 and Woollahra DCP 2015, usually sought by land owners and developers to facilitate future development of land) based on forecast 2018/19 activity, noting the inclusion of an additional Senior Strategic Planner as an expansionary request to meet the forecast additional demand at a cost of $120.5k
- A $100k (15%) increase in work zone charges based on a continuation of the current increased level of development activity
- Also based on the current increased level of development activity, increases in income have been forecast from:
  - Crane permits $80k (26%)
  - DA Fees $70k (9%)
  - Advertising fees $30k (8%)
  - Section 96 application fees $25k (10%)
  - Compliance Levy $20k (5%)
PCA service fees $15k (75%)

- A $65k (11%) increase in Preschool fees arising from changes to the level of grant funding
- Other smaller increases in income from fees and charges are:
  - Parking meters $30k (1%)
  - Restoration charges $30k (6%)
  - Filming fees $13k (54%)

**Decreases**

- Income from Council’s trade waste services is forecast to decrease by $70k (4%) in an increasingly competitive market
- A $55k (41%) reduction in credit card fees arising from the November 2017 reduction of the fee from 1% to 0.55% necessitated by the Reserve Bank’s Card Payment Regulation
- S.10.7 certificates (formerly s.149) and s.603 certificate fees are forecast to reduce by $40k (10%) to $360k, a more realistic level based on current year income

The net increase resulting from these forecasts is $582k.

<table>
<thead>
<tr>
<th>Income</th>
<th>2017/18 Original Budget</th>
<th>2017/18 Revised Budget</th>
<th>2018/19 Draft Budget</th>
<th>Variance to Original</th>
<th>%</th>
<th>Variance to Forecast</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>1,935,870</td>
<td>2,072,400</td>
<td>1,902,600</td>
<td>(33,270)</td>
<td>(1.7)</td>
<td>(169,800)</td>
<td>(8.2)</td>
</tr>
</tbody>
</table>

Interest on investments for 2018/19 has been forecast based on achieving a slightly lower average return than 2017/18 with a similar sized portfolio. Overall, interest from investment is forecast to be $1.72m, a decrease of $27k (1.6%). A further $28k has been forecast for interest on Council’s $1m Emerald security, a $1k decrease over 2017/18, and $10k on funds held in Council’s bank account on a day-to-day basis for liquidity purposes, a $10k decrease over 2017/18.

Council also anticipates raising $145k in interest on overdue rates. This is a $5k increase over 2017/18 at the same 7.5% interest rate as determined by the Office of Local Government and advised on 21 March 2018.

<table>
<thead>
<tr>
<th>Income</th>
<th>2017/18 Original Budget</th>
<th>2017/18 Revised Budget</th>
<th>2018/19 Draft Budget</th>
<th>Variance to Original</th>
<th>%</th>
<th>Variance to Forecast</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants &amp; Contributions</td>
<td>3,399,916</td>
<td>2,673,266</td>
<td>3,412,961</td>
<td>13,045</td>
<td>0.4</td>
<td>739,695</td>
<td>27.7</td>
</tr>
</tbody>
</table>
Decreases

- $39k relates to the loss of Home and Community Care funding for one of Council’s Community Development Officers provided to support Council’s work with the aged and people with disabilities. Funding in this area has been re-directed to the National Disability Insurance Scheme.
- Payment under the Local Infrastructure Renewal Scheme (a 3% subsidy on loan borrowings for approved projects) decreases by $22k as interest repayments on Council’s approved borrowings decrease.
- The Preschool subsidy is forecast to fall by $21k. This funding varies from year-to-year based on the demographic of families and children attending.

The net increase resulting from these forecasts is $9k.

<table>
<thead>
<tr>
<th>Project</th>
<th>2017/18 Draft Budget ($)</th>
<th>2018/19 Draft Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads to Recovery Program</td>
<td>200,311</td>
<td>0</td>
</tr>
<tr>
<td>Regionals Roads repair and improvement programs</td>
<td>140,000</td>
<td>245,000</td>
</tr>
<tr>
<td>Local Area Traffic Management projects</td>
<td>16,000</td>
<td>0</td>
</tr>
<tr>
<td>New South Head Road Shared Path</td>
<td>450,000</td>
<td>0</td>
</tr>
<tr>
<td>Vaucluse Flood study</td>
<td>0</td>
<td>66,666</td>
</tr>
<tr>
<td>Cecil Street Overland Flow Path</td>
<td>300,000</td>
<td>0</td>
</tr>
<tr>
<td>Seawall projects</td>
<td>280,000</td>
<td>260,000</td>
</tr>
<tr>
<td>Open Space projects</td>
<td>15,510</td>
<td>280,000</td>
</tr>
<tr>
<td>Better Waste &amp; Recycling</td>
<td>0</td>
<td>95,823</td>
</tr>
<tr>
<td>Buildings projects</td>
<td>0</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>Total Capital Grants &amp; Contributions</strong></td>
<td><strong>1,401,821</strong></td>
<td><strong>1,197,489</strong></td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td><strong>3,701,821</strong></td>
<td><strong>3,697,489</strong></td>
</tr>
</tbody>
</table>

Capital grants and contributions vary from year to year depending on the projects being undertaken and grant availability. A comparison of the 2017/18 original budget and draft 2018/19 budget is provided in the table below.

<table>
<thead>
<tr>
<th>Project</th>
<th>2017/18 Original Budget</th>
<th>2017/18 Revised Budget</th>
<th>2018/19 Draft Budget</th>
<th>Variance to Original</th>
<th>Variance to Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road to Recovery Program</td>
<td>200,311</td>
<td>200,311</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Regionals Roads repair</td>
<td>140,000</td>
<td>140,000</td>
<td>245,000</td>
<td>105,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Local Area Traffic Management</td>
<td>16,000</td>
<td>16,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>New South Head Road Shared Path</td>
<td>450,000</td>
<td>450,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Vaucluse Flood study</td>
<td>0</td>
<td>0</td>
<td>66,666</td>
<td>66,666</td>
<td>66,666</td>
</tr>
<tr>
<td>Cecil Street Overland Flow Path</td>
<td>300,000</td>
<td>300,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Seawall projects</td>
<td>280,000</td>
<td>280,000</td>
<td>260,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Open Space projects</td>
<td>15,510</td>
<td>15,510</td>
<td>280,000</td>
<td>164,490</td>
<td>164,490</td>
</tr>
<tr>
<td>Better Waste &amp; Recycling</td>
<td>0</td>
<td>0</td>
<td>95,823</td>
<td>95,823</td>
<td>95,823</td>
</tr>
<tr>
<td>Buildings projects</td>
<td>0</td>
<td>0</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>Total Capital Grants &amp; Contributions</strong></td>
<td><strong>1,401,821</strong></td>
<td><strong>1,197,489</strong></td>
<td><strong>204,332</strong></td>
<td><strong>204,332</strong></td>
<td><strong>204,332</strong></td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td><strong>3,701,821</strong></td>
<td><strong>3,697,489</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project</th>
<th>2017/18 Original Budget</th>
<th>2017/18 Revised Budget</th>
<th>2018/19 Draft Budget</th>
<th>Variance to Original</th>
<th>Variance to Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Revenue</td>
<td>23,607,422</td>
<td>23,887,325</td>
<td>27,848,814</td>
<td>4,241,392</td>
<td>3,961,489</td>
</tr>
</tbody>
</table>

There is a diverse range of income streams that make up “Other Revenue”. Overall it has increased by $4.2m (18%) in the draft 2018/19 budget.
By far the largest contributor to this increase is the fair value adjustment to Kiaora Place. The inclusion of this item for the first time arises from Council’s obligation to prepare its budget on an accruals basis, that is, on the same basis as it prepares its annual financial statements. This makes a lot of sense given the actual results are compared to the original budget on the Income Statement and details of variations to the original budget are provided in a Note to the financial statements.

To date we have not had sufficient experience to make a reasonable forecast of what this adjustment might be. In discussion with our external valuer we have applied a conservative 2.5% increase on the $154m valuation of Council’s investment properties which are dominated by the $149m valuation of Kiaora Place. This results in a book entry adjustment of $3.85m which appears in ‘Other Revenue’ on the income statement and increases the value of investment properties on the balance sheet.

There are also a number of other increases and decreases to note.

**Increases**

- Commercial property leases, predominantly Kiaora Place, has been forecast based on current lease agreements resulting in an overall increase of $214k (2.4%).
- Sundry income has been forecast to increase by $96k (147%) due mainly to two new income streams being $15.5k from the hiring of St Brigid’s Public Art Gallery and $75k from potential boom gate and digital screen advertising at Kiaora Place.
- Car park income is forecast to increase by $69k (2%) in line with the CPI.

**Decreases**

- As a consequence of the proposed continuing rent abatement for Easts Rugby, income from sportsfield building leases is forecast to be $58k less than the 2017/18 original budget.

The net increase in other revenue resulting from these changes is $4,171k.

**OPERATING EXPENSES:**

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2017/18 Original Budget</th>
<th>2017/18 Revised Budget</th>
<th>2018/19 Draft Budget</th>
<th>Variance to Original</th>
<th>Variance to Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Costs</td>
<td>39,510,903</td>
<td>39,312,344</td>
<td>41,021,272</td>
<td>1,510,368</td>
<td>1,708,928</td>
</tr>
</tbody>
</table>

Staffing costs make up 43% of Council’s operating expenditure and have increased, in total, by $1,510k or 3.8% over the 2017/18 original budget.

$568k of this increase relates to additional staffing proposed in the expansionary requests outlined earlier in the report. Taking the additional staffing into account, the increase in staffing costs would otherwise have been $942k or 2.4% which is consistent with the 2.5% Award increase in salaries and wages to come into effect from 1 July 2018.
This is a diverse area of Council expenditure that has increased by some $720k (4%) in the draft 2018/19 budget.

$603k of this increase relates to additional expenditure proposed in the expansionary requests outlined earlier in the report. It should also be noted that one-off or cyclical expenditure, such as 2017/18 expansionary requests, having not been continued into the 2018/19 budget reducing expenditure by some $460k.

Taking these into account, the increase in materials & contracts would otherwise have been $577k or 3% of the original 2017/18 budget, generally in line with the CPI.

Borrowing costs (loan interest repayments) have decreased in line with the various loan repayment schedules, noting that a $6.5m loan will be fully repaid in June 2018. This has reduced total debt servicing (principal plus interest) by $960k to $5.67m from the 2017/18 amount of $6.63m.

Notable increases in depreciation are:

- $92k in Library office equipment following the reclassification of assets from buildings to office equipment, noting their original capitalisation was as part of the overall fitout of Woollahra Library
- $69k in IT office equipment arising from replacement of notebooks and printers
- $113k in Library furniture and fittings, again following the reclassification of assets from buildings
- $290k in buildings depreciation following their 30 June 2017 revaluation and improved componentisation

As a consequence of an overstated 2017/18 original budget, infrastructure depreciation will reduce by $990k in 2018/19 in line with 2016/17 actual depreciation expense.
This category of expenditure, like Materials & Contracts, includes a wide variety of expenditure items and has increased by just $59k (0.3%) in the draft 2018/19 budget.

The largest single change arises from the September 2017 election which has a 2017/18 budget provision of $363k which is not required in the 2018/19 Budget.

There are a number of increases and other decreases to report.

**Increases**

- $319k (6.4%) in tipping charges mainly due to a miscalculation under new contract arrangements in the original 2017/18 budget and noting that the increase is $145k (2.8%) over the revised 2017/18 budget which is generally consistent with CPI
- $150k (100%) being a new budget provision for Local Planning Panel members fees
- $79k (15%) in land tax associated with Kiaora Place tenancies
- $31k (17%) in water rates due mainly to a $27k increase for Kiaora Place as a result of under-budgeting in the 2017/18 original budget
- $29k (6%) in electricity charges
- $20k (2%) in contributions and donations in line with CPI

**Decreases**

- $81k in contributions to other organisations due mainly to the re-classification of $100k previously contributed to the Woollahra Public Art Trust but now forming part of Council’s operations
- $77k in Council’s statutory contribution to NSW Fire Brigades generally attributable to the revaluation of all land in NSW to a common base date of 1 July 2016 which resulted in a re-distribution of the total contribution across the Sydney Fire District
- A $52k net reduction in the cost of insurance (premiums and self-funded losses)

The net increase resulting from these changes is $55k.

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2017/18 Original Budget</th>
<th>2017/18 Revised Budget</th>
<th>2018/19 Draft Budget</th>
<th>Variance to Original %</th>
<th>Variance to Forecast %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Costs</td>
<td>16,910,131</td>
<td>16,941,270</td>
<td>16,969,128</td>
<td>58,997</td>
<td>27,858</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.3</td>
<td>0.2</td>
</tr>
</tbody>
</table>

The 2018/19 budget includes an increase in annual write off of infrastructure assets of $132k (6%) as a consequence of a review of the calculation methodology based on recent years’ experience and a $72k (12%) increase in loss on the sales of plant and vehicles resulting from a larger passenger vehicle replacement program in 2018/19.
Highlights in the draft 2018/19 Capital Budget:

As noted in the summary of the capital budget, Council’s commitment to infrastructure renewal is continuing in 2018/19 with plans to spend $6.3m, a $800k decrease over 2017/18, noting it included $1.4m for the renewal of Cutler Footway jointly with the City of Sydney. The traffic infrastructure program includes a range of projects including road narrowing and cycling treatments in Hopetoun Avenue and Edgecliff Road at a cost of $120k each. The stormwater program continues, funded mainly by the Stormwater Management Charge with a total program of works of $780k in 2018/19, including $300k for continuation of Cecil Street flood mitigation works. Projects for these works programs are taken from Council’s infrastructure renewal program which prioritises works throughout the municipality.

The streetscapes program includes a $70k provision for design and consultation associated with the Plumer Road business centre streetscape upgrade with a view to including provision for construction in the 2019/20 budget. It should also be noted that funds will remain from the $547k 2017/18 provision for implementation of the Queen Street Masterplan to continue works in 2018/19.

The open space program increases from $3.2m to $3.4m in 2018/19 through availability of additional Section 94A contributions and proposed utilisation of the Open Space & Community Facilities Reserve (established from the proceeds of sale of 9A Cooper Park Road). The projects proposed for 2018/19 include:

- $600k for Military Road Walkway
- $500k for a multi-use sports facility
- $500k to upgrade Woollahra Oval car park
- $250k for Bellevue Park landscaping, and
- $250k for a youth facility in Rushcutters Bay Park

The draft 2018/19 capital budget includes projects totalling $1.31m taken from Council’s ten year program of works for its building assets and includes:

- $435k for refurbishment works on the Drill Hall, partly funded by grants
- $260k for refurbishment of the Rangers offices in the Hugh Latimer Centre, and
- $215k for works at Kiaora Place including transition to ticketless parking

The projects proposed for community facilities in 2018/19 have been fully funded from the Open Space & Community Facilities Reserve and Section 94A contributions in addition to the grant funding applied for.

Routine replacement of plant and vehicles, library books and audio visual and IT continues in the 2018/19 operating capital budget provisions. The $360k provision for IT strategy implementation will focus on the replacement of Council’s current Payroll / Human Resources Management Information System for which support will cease from June 2019.

In addition to these routine replacements, $350k has been provided for the rollout of free Wi-Fi in business centres throughout the municipality.
Details of movements in Reserves:

The table below shows the movements in Reserves in the draft 2018/19 budget.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Closing Balance June 18 (Dec. Review) $'000</th>
<th>Draft 2018/19 Budget</th>
<th>Closing Balance June 19 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transfers to $'000</td>
<td>Transfers from $'000</td>
<td></td>
</tr>
<tr>
<td><strong>External Restrictions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 94 Contributions</td>
<td>1,426</td>
<td>14</td>
<td>1,440</td>
</tr>
<tr>
<td>Section 94A Contributions</td>
<td>838</td>
<td>2,538</td>
<td>2,550</td>
</tr>
<tr>
<td>Unexpended Grants</td>
<td>49</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>Environmental &amp; Infrastructure Levy</td>
<td>4</td>
<td>4,152</td>
<td>4</td>
</tr>
<tr>
<td>Stormwater Management Charge</td>
<td>-</td>
<td>489</td>
<td>488</td>
</tr>
<tr>
<td>Domestic Waste Management – General</td>
<td>2,170</td>
<td>850</td>
<td>620</td>
</tr>
<tr>
<td>Domestic Waste Management – ELE</td>
<td>1,105</td>
<td>94</td>
<td>1,199</td>
</tr>
<tr>
<td></td>
<td><strong>5,592</strong></td>
<td><strong>8,137</strong></td>
<td><strong>7,810</strong></td>
</tr>
<tr>
<td></td>
<td><strong>5,919</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>External Restrictions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Leave Entitlements</td>
<td>2,465</td>
<td></td>
<td>2,465</td>
</tr>
<tr>
<td>Plant Replacement</td>
<td>142</td>
<td></td>
<td>142</td>
</tr>
<tr>
<td>Insurance</td>
<td>635</td>
<td></td>
<td>635</td>
</tr>
<tr>
<td>IT – General</td>
<td>122</td>
<td>100</td>
<td>22</td>
</tr>
<tr>
<td>IT - Libraries</td>
<td>132</td>
<td>66</td>
<td>198</td>
</tr>
<tr>
<td>Election</td>
<td>-</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Deposits</td>
<td>16,225</td>
<td></td>
<td>16,225</td>
</tr>
<tr>
<td>Preschool - General</td>
<td>256</td>
<td>29</td>
<td>285</td>
</tr>
<tr>
<td>Preschool - ELE</td>
<td>91</td>
<td>18</td>
<td>109</td>
</tr>
<tr>
<td>Property</td>
<td>21,785</td>
<td></td>
<td>21,785</td>
</tr>
<tr>
<td>Open Space &amp; Community Facilities</td>
<td>2,000</td>
<td>1,632</td>
<td>368</td>
</tr>
<tr>
<td>Kiaora Place</td>
<td>3,560</td>
<td>1,642</td>
<td>4,708</td>
</tr>
<tr>
<td>Oxford Street</td>
<td>250</td>
<td>25</td>
<td>225</td>
</tr>
<tr>
<td>Property Development</td>
<td>119</td>
<td></td>
<td>119</td>
</tr>
<tr>
<td>Revotes / Rollovers</td>
<td>114</td>
<td></td>
<td>114</td>
</tr>
<tr>
<td>Public Art Gallery</td>
<td>199</td>
<td></td>
<td>199</td>
</tr>
<tr>
<td>Old Section 94</td>
<td>157</td>
<td>100</td>
<td>57</td>
</tr>
<tr>
<td>General Reserve</td>
<td>47</td>
<td>4</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td><strong>48,299</strong></td>
<td><strong>1,880</strong></td>
<td><strong>2,351</strong></td>
</tr>
<tr>
<td></td>
<td><strong>47,828</strong></td>
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<tr>
<td><strong>Total Restrictions</strong></td>
<td><strong>53,891</strong></td>
<td><strong>9,965</strong></td>
<td><strong>10,161</strong></td>
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<tr>
<td></td>
<td><strong>53,747</strong></td>
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</tr>
</tbody>
</table>

Transfers to Reserves

Section 94A contributions ($2,500k) are collected through the operating budget and transferred to reserve for expenditure on projects identified in the Contributions Plan. Similarly, Council’s Environmental & Infrastructure Renewal Levy ($4,152k) and Stormwater Management Charge ($489k) are collected through the annual Rates levy. These too are transferred to reserve for expenditure on projects identified through asset management planning processes.

Council is also required to transfer to reserve interest earned on unexpended Section 94 ($14k) and 94A contributions ($38k). These transfers are calculated as part of the budget preparation process based on forecast receipt and expenditure of contributions.

The transfer to the Domestic Waste Management Reserve, also collected through the Rates levy, is set at a level sufficient to cover future replacement of plant and equipment ($850k). The draft 2018/19 budget also includes the usual transfer to cover the forecast increase in employee leave entitlements ($94k) to the DWM Reserve for ELE.
Council has a legislative obligation to make the above transfers to reserve. In addition to these, Council chooses to make additional transfers to reserves.

The 2017/18 budget included the establishment of a Libraries IT Reserve to fund future technology renewal, with an initial transfer of $132k. The 2018/19 budget proposes a further $66k transfer being the annual transfer requirement identified in a consultant’s review of appropriate provision for such a reserve.

To spread the cost of general elections over the term of each Council, an annual transfer to the Election Reserve is made. The 2018/19 budget provides for a transfer of $120k to provide a reserve of $360k over the 3 year term of the current Council.

Similar to the Domestic Waste Management Charge, the cost of Council’s Preschool is fully recovered through fees and grants. Any surpluses ($29k) are transferred to Reserve. The forecast increase in employee leave entitlements ($18k) is also transferred to reserve.

The 2018/19 draft budget also provides for the transfer of $1,642k to the Kiaora Place Reserve out of the operating surplus of Kiaora Place. This is sufficient to meet future capital expenditure commitments identified in updated longer term modelling.

The final transfer to Reserve is $4k set aside from staff contributions toward mobile technology replacement.

**Transfers from Reserves**

Transfers from the Section 94A Contributions Reserve ($2,550k) are made each year to fund relevant capital and operating projects and to also partly fund debt servicing costs for projects in the Contributions Plan, including streetscapes projects and Woollahra Library. It is important to note that this level of transfer is dependent on receiving the contributions forecast in both the 2017/18 and 2018/19 budgets. If that level of contributions is not received a review of the projects being funded will be required.

The full amounts of Environmental & Infrastructure Renewal Levy ($4,152) and Stormwater Management Charges ($488k) are transferred from reserve each year to fund capital projects identified through Council’s asset management plan processes together with a range of environmental and sustainability initiatives in the operating budget.

Transfers from the Domestic Waste Management reserve are made on an as required basis depending on the asset renewals occurring in any given year. 2018/19 sees a transfer of $620k for the replacement of plant and vehicles.

A transfer from the IT-General Reserve ($100k) is proposed to the continuing implementation of the IT strategy.

Transfers totalling $1,632k from the Open Space & Community Facilities Reserve are proposed to fund, in the Open Space & Trees capital budget:

- the multi-use sports facility ($500k)
- Woollahra Oval car park upgrade ($500k)
- Rushcutters Bay Park youth facility ($250k)
- works in Yarranabbe Park ($100k), and
• landscaping works in the expanding Dillon Street Reserve ($75k)

And in the Property and Projects capital budget:

• Drill Hall refurbishment works ($110k)
• old Meals on Wheel space in Hugh Latimer refurbishment ($52k)
• refurbishment works at The Gunyah ($30k), and
• installation of air conditioning in the Cooper Park Community Hall ($15k)

Consistent with 2017/18, and because of its tight connection with the success of Kiaora Place, Woollahra Library’s payment toward the centre’s outgoings is funded from the Kiaora Place Reserve, being a transfer of $279k for 2018/19. Additionally, a small program of capital works at Kiaora Place totalling $215k has also been funded from the Kiaora Place Reserve.

Finally, the $100k provision for Strategic Planning consultants in the 2018/19 budget has been funded by a transfer from the Old Section 94 Funds reserve and the $25k expansionary request for Oxford Street Christmas decorations has been funded from the Oxford Street reserve.

Efficiency measures:

In addition to the application of sound business management practices, decades of rate pegging legislation in NSW has contributed to the need for all councils to embed efficiencies into their daily operations and into their budget setting processes. Woollahra Council is no exception and indeed has a long-established approach to generating efficiencies in the budget which is reflected through our long history of presenting balanced budgets for adoption.

The primary efficiency measure included in Council’s budget each year, and proposed to continue in 2018/19, is our practice of providing a vacancy factor that reflects the time that positions remain vacant while recruitment is undertaken. Remaining at 5% for 2018/19, the vacancy factor frees up in excess of $1.1m for services and projects that would otherwise be ‘tied-up’ in the budget for salaries & wages pending vacancies being filled. Since the 2006/07 Budget, and including 2018/19, this practice has funded in excess of $12.8m in expanded works and services to the community. In monitoring this aspect of the budget strategy throughout the year, we are mindful that the practice does not impact on maintaining service delivery standards.

Another example of inherent efficiencies in Council’s budget over the years is the absorption of significant increases in expenses which well-exceed the rate peg increase in rates income. By way of example, the total estimated increase in recurrent salaries & wages in the draft 2018/19 budget alone is $916k. Also, councils have been required to make additional superannuation contributions associated with employees in the now closed Local Government Superannuation Retirement Scheme (Defined Benefit Scheme) to recoup losses incurred during the Global Financial Crisis. For 2018/19 this additional payment totals $348k which has been absorbed in the draft budget as presented. These two items total $1.2m when, by contrast, the total increase in general rates income generated under the 2.3% rate peg is $821k.

Further in relation to the additional superannuation costs, having been made since 2009/10, the 2018/19 budget represents the tenth year Council has been required to make these additional contributions, which including 2018/19 estimates, total some $3.55m, all of which has been absorbed in the budget.
Rather than looking to apply a flat-rate dollar saving or arbitrary percentage efficiency dividend across the budget, which could adversely affect service delivery, Council’s approach has been to maintain a culture of continuous improvement to ensure efficiency gains and service improvements are part of the way we do business.

The Best Service Program, which is Council’s structured approach to promoting continuous improvement, over the past twelve months has seen a total of $16k worth of annual savings generated from staff submitted Opportunities for Improvement (OFI). To illustrate the scope of suggestions received, they include ideas that have improved our service delivery, saved us money and kept our staff safe. We re-designed our printing process for Council papers and saved around $4k each year. We used better technology to provide streamlined public access for DA’s and related documents and in the process saved up to $2k per year. Acting on staff input we made changes to our first aid facilities, ensuring the highest standards of safety for our staff and clients. Since 2010 there have been 515 of these OFIs submitted by staff. Over the last twelve months we have seen most departments represented with staff submitting suggestions.

Beyond the Best Service Program there is a further demonstrable ongoing commitment to identifying opportunities for cost savings and improving efficiency in day-to-day service delivery. Simple things - such as revisiting Council’s presence in the hard copy white pages in favour of an online presence has saved almost $10,000 per year. Setting double sided printing as the default print setting has an impact on paper consumption - saving some $17,000 per annum.

Investment in newer technology has also driven savings into the operating budget. Council’s investment in its electronic document and records management system has resulted in a reduction in off-site storage costs, resulting in an ongoing $18k saving from 2017/18. Further, the move to a unified communications (VOIP) platform for our telephony has saved an ongoing $40k in telephone charges from 2017/18.

Conclusion:

The draft 2018/19 Budget has been prepared in line with the budget strategy adopted in December 2017. The draft 2018/19 Budget, as presented, is a balanced budget that provides for the funding of continuing services and recommended service expansions and to meet its infrastructure renewal commitments identified in its asset management plans.

There are many positive aspects to note from the draft Budget as presented, being:

- The draft Budget achieves a small surplus of $40k.
- All Principal Budget Strategies have been achieved.
- All Fit for the Future performance benchmarks are met.
- The success of Kiaora Place, enabling:
  - A $1.25m community dividend to fund a number of projects and initiatives
  - A $1.65m transfer to the Kiaora Place Reserve to provide for future capital renewal
- The draft Budget also provides for a number of recommended service expansions including operational costs for the new St Brigid’s Public Art Gallery.

It should also be noted that the draft 2018/19 Budget responds to a number of adopted Notices of Motion by making provision for:

- Multi-use sports facilities;
• An expanded program of playground upgrades;
• A potential youth facility at Rushcutters Bay Park;
• Free Wi-Fi in commercial centres;
• Business chambers funding;
• Additional consulting and staffing resources to assist in delivering a range of Strategic Planning Notices of Motion.

Further reports will be presented to the next Finance, Community and Services Committee in relation to the funding of business chambers, multi-use sports facilities and our urban tree canopy. Any impacts on the draft 2018/19 Budget relating to these further reports can be considered either when the 2018 to 2021 Delivery Program and 2018/19 Operational Plan (DPOP), which includes the 2018/19 Budget, is presented to Committee or when the DPOP comes off public exhibition in June.

Detailed Operating and Capital Budgets have been included as Annexures 1 and 2 to this report, circulated separately.

The draft 2018/19 Budget is submitted for the Committee’s consideration.

A presentation on the draft Budget will be available for the Committee at the meeting on 9 April 2018.

Annexures

1. Detailed Draft 2018/19 Operating Budget (circulated under separate cover)
2. Draft 2018/19 Capital Budget (circulated under separate cover)
Political Donations: Matters to be considered by Councillors at Council and/or Committee Meetings

Matter before Council and/or Committee Meeting

Did the applicant, owner (if not the applicant) or someone close to the applicant make a donation in excess of $1,000 that directly benefited your election campaign? (Code of Conduct Cl 4.21).

Yes

Action
Declare a significant non-pecuniary conflict of interest, absent yourself from the meeting and take no further part in the debate or vote on the matter (Code of Conduct Cl 4.16(b)).

No

Did the applicant or someone close to the applicant make a donation less than $1,000 that directly benefited your election campaign? (Code of Conduct Cl 4.2).

Yes

Do you believe the political contribution creates a significant non-pecuniary conflict of interest for you? (Code of Conduct Cl 4.23).

Yes

Action
Declare a significant non-pecuniary conflict of interest, absent yourself from the meeting and take no further part in the debate or vote on the matter (Code of Conduct Cl 4.16(b)).

No

Action
Consider appropriate action required. This could include limiting involvement by:
1. participating in discussion but not in decision making (vote),
2. participating in decision making (vote) but not in the discussion
3. not participating in the discussion or decision making (vote)
4. removing the source of the conflict.

No

Is the matter before the meeting a Planning Matter?

Yes

Staff to record decision process (motions/amendments) and Division of votes for the determinative resolution or recommendation in the meeting minutes.

No

Staff to record decision process (motions/amendments) and Division of votes for the determinative resolution or recommendation in the meeting minutes.

Action
Participate in debate and vote on the matter.

or