



# Business Paper

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## Council Meeting

Monday, 19 November 2018

6:30pm

Council Chambers,  
Level 2, Administration Building,  
4-20 Eton Street, Sutherland

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SUTHERLANDSHIRE

**ORDER OF BUSINESS**

- 1. ACKNOWLEDGEMENT OF COUNTRY**
- 2. OPENING PRAYER / RELIGIOUS OBSERVANCE**
- 3. APOLOGIES**
- 4. DISCLOSURES OF INTEREST**
- 5. CONFIRMATION OF MINUTES OF THE PREVIOUS MEETINGS**
- 6. PRESENTATIONS**
- 7. MAYORAL MINUTES**  
MM022-18      Mayoral Minute - Armistice Day Centenary
- 8. REPORTS OF THE CORPORATE GOVERNANCE COMMITTEE HELD ON 5 NOVEMBER 2018**  
GOV042-18      Cash Payments and Investments Report - September 2018  
GOV043-18      Quarterly Budget Review Statement for Period Ending September 2018  
GOV044-18      2017/18 Annual Financial statements  
GOV045-18      Minutes of the Audit, Risk and Improvement Committee: Special Purpose Meeting held on 15 October 2018 and Ordinary Meeting held on 17 October 2018
- 9. REPORTS OF THE SHIRE SERVICES COMMITTEE HELD ON 5 NOVEMBER 2018**  
SER037-18      2018 Sutherland Shire Literary Competition Report  
SER038-18      Compulsory Acquisition of Open Space at 7-8/1R The Esplanade, Sylvania
- 10. REPORTS OF THE SHIRE INFRASTRUCTURE AND PUBLIC DOMAIN COMMITTEE HELD ON 5 NOVEMBER 2018**  
INF048-18      Cronulla Town Centre - Detailed Design Stage 2  
INF049-18      Sandy Point RFS Project Review and Closure Report

**11. REPORTS OF THE SHIRE STRATEGIC PLANNING COMMITTEE HELD ON 5 NOVEMBER 2018**

- PLN047-18 Marine Park Submission
- PLN048-18 Development Contribution Plans Amendment 2
- PLN049-18 Preliminary Heritage Assessment for House at 65 Hotham Road Gymea
- PLN050-18 Sydney Trains Draft Tree Management Plan
- PLN051-18 Draft Local Strategic Planning Statement - Productivity Priorities

**12. REPORTS FROM OFFICERS**

- COR041-18 Report and Minutes of the Meetings of the Sutherland Traffic and Traffic Safety Committee and Consultative Traffic Forum held on Friday, 2 November 2018
- COR042-18 Council Rating for 2019/20

**13. MOTIONS OF WHICH NOTICE HAS BEEN GIVEN****14. MOTION**

- MOT034-18 Proposed Mobile Phone Facility - Castelnau Street, Caringbah South
- MOT035-18 Sustainability and Energy Efficiency for Council Infrastructure Projects
- MOT036-18 Integrated Transport Strategy - Public Consultation
- MOT037-18 Submissions on Development Applications Referred to Planning Panels
- MOT038-18 Vale - Stanley James "Jim" McIntyre
- MOT039-18 Solar Panels on Council Owned Buildings

**15. PRESENTATION OF PETITIONS****16. QUESTIONS****17. NON AGENDA ITEMS****18. CONSIDERATION OF BUSINESS IN CLOSED SESSION****19. CONFIDENTIAL REPORTS OF THE SHIRE INFRASTRUCTURE AND PUBLIC DOMAIN COMMITTEE HELD ON 5 NOVEMBER 2018**

- INF011A-18 Container Deposit Scheme - VISY Deed of Agreement

**20. CONFIDENTIAL REPORTS FROM OFFICERS**

- COR005A-18 40 Rutherford Avenue, Burraneer - Drainage Works

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**MM022-18      MAYORAL MINUTE - ARMISTICE DAY CENTENARY**

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**Attachments:** Nil

The Councillors of the Sutherland Shire

Dear Councillors

This year marks the Centenary of the Armistice that ended the First World War and Council commemorated this significant event by planting a single Gallipoli Aleppo Pine in each of the five Sutherland Shire wards.

I table this Mayoral Minute to ask Councillors to support me in thanking the Council staff and members of our community who worked together on the commemorative tree planting events held in the Sutherland Shire on Friday, 9 November 2018 at 11am.

I firstly want to thank all the Council staff who worked hard to ensure the success of these significant memorial events. It was a truly collaborative effort across the organisation, with staff from Communications and Engagement, Events, Parks Assets, Park Operations, Tree Management Officers and Bushcare all playing a part and I congratulate them on their commitment and professionalism.

We were honoured to stand beside RSL members from Cronulla, Miranda, Woronora and Engadine sub branches as we planted the Aleppo Pines at Monro Park Cronulla, Seymour Shaw Park Miranda, Como Pleasure Grounds, Parc Menai and Cooper Street Reserve Engadine, and I thank them for their support. I would also like to thank the students and staff from St Aloysius Primary, Our Lady Star of the Sea, Como Public, St John Bosco Primary and Holy Family Primary schools for joining with us to mark this significant day.

The Aleppo Pines, purchased from the Australian War Memorial, hold a special significance for Australians as descendants of 'Lone Pine Ridge' pine cones. The ridges at Gallipoli, once covered with Aleppo pine trees, were cleared to provide cover for the Turkish trenches, leaving just one, solitary pine. The area became known as Lone Pine Ridge. In August 1915, following days of fierce battle and over 2000 ANZAC lives lost, an Australian soldier collected several pine cones in remembrance of his brother who had died in the fighting. He sent them to his mother, and she successfully raised two seedlings. One was planted in Inverell, where both her sons had enlisted. The other was presented to the Australian War Memorial to be planted in the grounds in honour of all the sons who fell at Lone Pine.

These very special trees now stand in each ward of the Sutherland Shire as living memorials to honour one hundred years since the end of First World War and the thousands of Australian lives lost fighting in service of our country.

I hope our community will gather under our Gallipoli Aleppo Pine trees for many years to come to honour the spirit of the ANZACs and their families who made extraordinary sacrifices for peace and our freedom.

#### MOTION

THAT:

Appreciation be extended to all the staff across Council who worked collaboratively to ensure the success of the tree planting events to commemorate the Centenary of Armistice.



Councillor Carmelo Pesce  
Mayor

File Number: 2018/318638

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## REPORTS OF THE CORPORATE GOVERNANCE COMMITTEE HELD ON 5 NOVEMBER 2018

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### GOV042-18 CASH PAYMENTS AND INVESTMENTS REPORT - SEPTEMBER 2018

#### EXECUTIVE SUMMARY

- This report provides details of Council's investment performance for the period ending 30 September 2018, along with presenting cash and investment balances and diversification.
- Council may invest funds that are not, at any particular time, required for any other purpose. Investment of these funds must be in accordance with relevant legislation and regulations and in accordance with Council's Policy for Investment of Cash Balances. Details of these investments must be reported to Council monthly.
- The return on Council's portfolio to 30 September 2018 was 2.77% compared to the benchmark of 2.06%.
- All investments have been made in accordance with legislative requirements and within relevant Council policy.

#### COMMITTEE RECOMMENDATION

That the information concerning Bank Balances and Investments held as at 30 September 2018, be received and noted.

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**GOV043-18      QUARTERLY BUDGET REVIEW STATEMENT FOR PERIOD ENDING  
SEPTEMBER 2018**

**EXECUTIVE SUMMARY**

- The Quarterly Budget Review for the period ended 30 September 2018 has been prepared in accordance with Section 203 (Budget Review Statements and Revision of Estimates) of the Local Government (General) Regulations 2005.
- An Income Statement variation of positive \$1.246M before capital items has been recorded resulting in the projected year end net operating result before capital items increasing from a surplus of \$0.126M to \$1.372M. When adding a positive variance for capital items, the net operating result from continuing operations improves from the original \$22.947M to \$24.808M.
- Councils budgeted Operating Performance Ratio following budget variance adjustments is 0.57% above the industry benchmark of  $\geq 0.00\%$ . Excluding Domestic Waste transactions, this ratio stands at -1.93%.
- A variation to the capital expenditure budget of \$5.971M has been recorded with major changes including \$7.418M of projects carried forward from 2017/2018 for completion in 2018/2019, along with \$2.831M in new projects and deferrals of \$3.992M. In addition \$0.286M in minor adjustments has been made.

**COMMITTEE RECOMMENDATION**

THAT:

1. The 1st Quarterly Budget Review Statement and recommendations contained within be adopted and income and expenditure adjustments be voted.
2. The net operating result in the Financial Statement to be followed by an amount summarising deferred projects; in the appendix.

**GOV044-18      2017/18 ANNUAL FINANCIAL STATEMENTS****EXECUTIVE SUMMARY**

- Two separate financial statements are produced each year to comply with the Local Government Act 1993, the Local Government (General) Regulations 2005, the Local Government Code of Accounting Practice and Asset Accounting Manual and the Australian Accounting Standards.
- At the 15 October 2018 Council Meeting it was resolved to fix the date at which the 2017/18 Financial Statements and Auditor's Report would be presented to the public, being 19 November 2018.
- Following formal presentation of the 2017/18 Financial Statements and Auditor's Report to the public at the 19 November 2018 Council Meeting, public submissions will be accepted for the next seven days in accordance with Section 420 of the Local Government Act.

**COMMITTEE RECOMMENDATION**

That the presentation of the 2017/18 General Purpose and Special Purpose Financial Statements and Auditor's Report be received and noted.

**GOV045-18      MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE: SPECIAL  
PURPOSE MEETING HELD ON 15 OCTOBER 2018 AND ORDINARY MEETING  
HELD ON 17 OCTOBER 2018**

**EXECUTIVE SUMMARY**

- The Sutherland Shire Council Audit, Risk & Improvement Committee met on 15 October 2018 and on 17 October 2018.
- The minutes of both meetings are provided for the information of Council.
- The meeting on 15 October 2018 was for the special purpose of considering the audited Annual Financial Statements for the year ended 30 June 2018 (ARIC053-18).
- The meeting on 17 October 2018 was the ordinary scheduled meeting at which the outcome of two internal audits were presented as well as a number of reports and presentations by various Business Unit Managers that addressed the requirements of the adopted Audit, Risk and Improvement Committee Charter.

**COMMITTEE RECOMMENDATION**

THAT:

1. The minutes of the Special Purpose Meeting of the Sutherland Shire Council Audit, Risk and Improvement Committee held on 15 October 2018 be received and noted.
2. The minutes of the Meeting of the Sutherland Shire Council Audit, Risk and Improvement Committee held on 17 October 2018 be received and noted.

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**REPORTS OF THE SHIRE SERVICES COMMITTEE HELD ON 5 NOVEMBER 2018**

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**SER037-18          2018 SUTHERLAND SHIRE LITERARY COMPETITION REPORT****EXECUTIVE SUMMARY**

- The inaugural Sutherland Shire Literary Competition has been a major success with five hundred and eighty one entries received from across Australia.
- It has been strongly supported by the local community with generous sponsorship, a significant number of entries from Shire residents and strong attendance at the presentation ceremony.
- Two hundred and fifty six (44%) of all entries received were from Sutherland Shire residents highlighting the amount of local interest and the depth of local literary talent.
- The 2018 competition was cost neutral to Council, having secured \$15,848 in revenue, \$9,545 from local sponsors and \$6,303 from competition entry fees, and incurred expenditure of \$15,918 which primarily was used for prize money, and also included promotion and advertising, presentation evening and associated catering and the printing of the competition magazine.
- The success of the competition raised the profile of Sutherland Shire as a cultural centre and will be incorporated in Council's draft Arts and Culture Strategy.

**COMMITTEE RECOMMENDATION**

THAT:

1. Council endorse the continuation of the Sutherland Shire literary competition on a cost neutral basis.
2. The next literary competition be held as part of the First Encounters 2020 event, and be reviewed thereafter to determine the most suitable frequency for the competition.
3. Literary patrons be secured as ambassadors of future literary competitions to enhance the profile and grow the success of future competitions.
4. All those involved in the Literary Competition, including the Manager Library Services and Council's Library staff, be thanked for their efforts.

**SER038-18      COMPULSORY ACQUISITION OF OPEN SPACE AT 7-8/1R THE ESPLANADE,  
SYLVANIA****EXECUTIVE SUMMARY**

- The foreshore land located at 7-8/1R The Esplanade, Sylvania is zoned for open space purposes and is privately owned.
- Council resolved to acquire the land in 2017 at terms and conditions to the satisfaction of the General Manager.
- Council and the land owner have been unable to reach agreement on purchase price.
- The land owner gave notice to Council under S23(1) of the Land Acquisition (Just Terms Compensation) Act 1991 that he was suffering hardship and required Council to purchase the property. Sufficient evidence to substantiate hardship was not provided to Council.
- The land owner sought a review by the Secretary of the Department of Finance, Services and Innovation on his claim of hardship.
- The Department determined the land owner is suffering hardship and notified Council it must acquire the property within 90 days.
- Council has 90 days to acquire the land, as agreement on price is unlikely to be reached in that time, compulsory acquisition is recommended.

**COMMITTEE RECOMMENDATION**

THAT:

1. Council make an application to the Minister for Local Government and the Governor for approval to acquire 7-8/1R The Esplanade, Sylvania described as Lot 7 Sec B DP 12157 and Lot 121 Sec B DP 12157 by compulsory process under section 186(2) (a) of the Local Government Act 1993 for the purpose of public open space in accordance with the requirements of the Land Acquisition (Just Terms Compensation) Act 1991.
2. The land is to be classified as community land.
3. In accordance with the Power of Attorney dated 24 October 2018, the Acting General Manager execute any necessary documentation to give effect to this resolution.
4. Pursuant to clause 400 of the Local Government Regulation 2005, the following documents be executed under Common Seal of the Council of the Sutherland Shire:

Type of Document: Contract, transfer and any other associated documentation to give effect to this resolution.

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**REPORTS OF THE SHIRE INFRASTRUCTURE AND PUBLIC DOMAIN COMMITTEE  
HELD ON 5 NOVEMBER 2018**

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**INF048-18          CRONULLA TOWN CENTRE - DETAILED DESIGN STAGE 2****EXECUTIVE SUMMARY**

- The Cronulla Town Centre Masterplan was adopted by Council on 19th February 2018 and aims at enhancing Cronulla's amenity and accessibility, through a coordinated and whole-of-place approach.
- The report is in response to Council resolution MOT017-18 of 16 April 2018 seeking advice on funding options to detail design stage 2 of the Cronulla Masterplan works.
- The estimated cost of detailed design for stage 2 is \$650,000 based on the estimated \$14.5M construction estimate.
- Initial funding of \$6M has been budgeted for the next two years in the Long Term Financial Plan based on the anticipated sale of land however this funding is not guaranteed nor sufficient to undertake the expected full scope of work.
- The Office of Local Government Capital Expenditure Review submission will need to be provided at the completion of the detailed design stage of the project.

**COMMITTEE RECOMMENDATION**

THAT:

1. Council authorise the commitment of funds to commence the Cronulla Town Centre - Stage 2 detailed design in accordance with Option 1.
2. Council forms a stakeholder working group to workshop the detailed design options for the Cronulla Town Centre – Stage 2.

**INF049-18            SANDY POINT RFS PROJECT REVIEW AND CLOSURE REPORT****EXECUTIVE SUMMARY**

- Sandy Point Rural Fire Service (RFS) facility was jointly funded by RFS and Council and was commenced by engaging an architect to develop the design suitable for Development Application in May 2016.
- Temporary facilities were established off site to enable ongoing operations of the brigade to be sustained while construction of the facility was undertaken.
- The works were subsequently tendered as a Design and Construct contract and were undertaken by Camporeale Holdings P/L between 14 June 2017 and 22 June 2018.
- Overall the project can be considered a success. The project meets the requirements of Council and the RFS, quality requirements and is within budget
- The project did suffer significant delays however during delivery due to inadequate resourcing of the works which lead to practical completion being achieved seven months late.
- The facility was handed over for occupancy to RFS on the 22 June 2018 and was officially opened on the 15 September 2018.

**COMMITTEE RECOMMENDATION**

That the Sandy Point RFS closure report be received and noted.
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## REPORTS OF THE SHIRE STRATEGIC PLANNING COMMITTEE HELD ON 5 NOVEMBER 2018

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### PLN047-18      MARINE PARK SUBMISSION

#### EXECUTIVE SUMMARY

- The report informs Council of a draft submission regarding the proposed Sydney Marine Park. The draft submission was not able to be referred to Council prior to submission due to the short time frame available. If Council wishes to amend the submission already made, a further submission can be lodged.
- Council's submission questioned the uncertainty regarding the future of current fishing restrictions, the complexity of enforcing the proposed marine park and the lack of Comprehensive, Adequate and Representative (CAR) principles used in determining the amount of area set aside as sanctuary zones.
- Staff requested Shore Bird Reserve be upgraded from the proposed special purpose zone to a sanctuary zone and the addition of Deeban spit to the proposed Cabbage Tree creek sanctuary zone. Staff suggested Deeban spit be a special purpose zone free from bait collection, boating and anchoring.
- During the preparation of the submission further changes to the proposal (removal of recreational fishing restrictions from sanctuary zones) occurred. It was decided that the changes be noted within the submission, however, not be the focus of the submission given that they had been withdrawn.

#### COMMITTEE RECOMMENDATION

That Council endorse the draft submission to the NSW Department of Primary Industries regarding the proposed Sydney Marine Park and notify the NSW Department of Primary Industries of Council's position.

**PLN048-18          DEVELOPMENT CONTRIBUTION PLANS AMENDMENT 2****EXECUTIVE SUMMARY**

- Amendments are required to the two development contribution plans to update references in the plans to reflect changes to the Environmental Planning and Assessment Act 1979; to expand the range of development exempted from contributions; to amend the contribution rate for boarding houses; and to update the schedules of works to reflect the current proposed infrastructure priorities as indicated in Council's adopted Long Term Financial Plan (LTFP).
- The two draft amended contribution plans, Section 7.11 Development Contribution Plan 2016 (previously S94) and Section 7.12 Development Contribution Plan 2016 (previously S94A), must be publicly exhibited for community input for four weeks as required by legislation. Any submissions received will be reported to Council.
- This report seeks Council's consideration and endorsement of the draft amended plans before they are placed on public exhibition.

**COMMITTEE RECOMMENDATION**

That the Draft Section 7.11 Development Contribution Plan 2016 (Amendment 2) and Draft Section 7.12 Development Contribution Plan 2016 (Amendment 2), be adopted for public exhibition.

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**PLN049-18      PRELIMINARY HERITAGE ASSESSMENT FOR HOUSE AT 65 HOTHAM ROAD  
GYMEA**

**EXECUTIVE SUMMARY**

- Council has authorisation to make an Interim Heritage Order (IHO) only after consideration of a preliminary heritage assessment by a heritage expert.
- This report provides a preliminary heritage assessment of the house at 65 Hotham Road, GyMEA (Appendix A), which concludes that the house is likely to be of local heritage significance.
- When in effect, an Interim Heritage Order will prevent demolition of the house, allowing Council six months to arrange for a detailed heritage assessment and, if appropriate, to begin an LEP amendment by adding the item to Schedule 5 Environmental Heritage in SSLEP2015. If Council resolves to amend the LEP, the IHO can be in place for up to 12 months.

**COMMITTEE RECOMMENDATION**

THAT:

1. Council apply an Interim Heritage Order covering the house at 65 Hotham Road GyMEA (Lot 24A DP 26995).
2. The General Manager be given delegation to procedurally make the Interim Heritage Order.
3. The owner be advised of the Interim Heritage Order.
4. A heritage consultant be engaged to carry out a detailed heritage assessment of 65 Hotham Road GyMEA.

**PLN050-18 SYDNEY TRAINS DRAFT TREE MANAGEMENT PLAN****EXECUTIVE SUMMARY**

- The report informs Council of a draft submission regarding Sydney Trains Draft Tree Management Plan. The draft submission was not able to be referred to Council prior to submission due to the short time frame available. If Council wishes to amend the submission already made, a further submission can be lodged.
- The draft plan raises significant concerns because it does not adequately balance risk minimisation with the maintenance of public amenity and the value of existing trees to local biodiversity.
- The approach is also not consistent with other initiatives at State Government level seeking to enhance canopy cover and biodiversity in metropolitan Sydney, such as the Green Grid and tree planting initiatives.

**COMMITTEE RECOMMENDATION**

THAT:

1. Council endorse the draft submission to Sydney Trains Draft Tree Management Plan and notify Sydney Trains of Council's position.
2. The Mayor writes to the four local State Members of Parliament seeking support for Council's submission.

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**PLN051-18      DRAFT LOCAL STRATEGIC PLANNING STATEMENT - PRODUCTIVITY  
PRIORITIES****EXECUTIVE SUMMARY**

- Council is required to prepare a draft Local Strategic Planning Statement (LSPS) that aligns with the directions of the South District Plan. The LSPS will set the future direction for planning in the Shire and is required to be placed on public exhibition in mid-2019.
- The South District Plan has four high level themes: Liveability, Productivity, Sustainability, Infrastructure and Collaboration. This report identifies strategic directions related to Productivity: 'Jobs and skills for the city' and 'A well-connected city'. This is the first of four reports that will be put to Council for consideration.
- For the Sutherland Shire LSPS it is recommended that the 'productivity' priorities include:
  - supporting the growth of the ANSTO innovation precinct;
  - supporting the growth of the Caringbah Medical Precinct;
  - exploring opportunities to grow jobs and economic activity in Sutherland and Miranda Strategic Centres;
  - retaining existing industrial land to accommodate a range of traditional and emerging industrial employment opportunities and urban services;
  - supporting the growth of the tourism industry in Sutherland Shire; and
  - growing local employment opportunities will help to achieve a 30 minute city.
- This report seeks Council's endorsement of these priorities, which will then be fleshed out for inclusion in the LSPS.

**COMMITTEE RECOMMENDATION**

That the Strategic Planning Unit incorporate the productivity strategic directions detailed in this report into Sutherland Shire's draft Local Strategic Planning Statement.

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**COR041-18      REPORT AND MINUTES OF THE MEETINGS OF THE SUTHERLAND  
TRAFFIC AND TRAFFIC SAFETY COMMITTEE AND CONSULTATIVE  
TRAFFIC FORUM HELD ON FRIDAY, 2 NOVEMBER 2018**

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COR041-18

**Attachments:**

**EXECUTIVE SUMMARY**

- Meetings of the Sutherland Traffic and Traffic Safety Committee and Consultative Traffic Forum were held on Friday, 2 November 2018.
- The Minutes of the meetings are below.

**REPORT RECOMMENDATION**

THAT:

1. The committee recommendations contained in the Minutes of the Sutherland Traffic and Traffic Safety Committee Meeting held on Friday, 2 November 2018 be adopted.
2. The recommendations contained in the Minutes of the Consultative Traffic Forum Meeting held on Friday, 2 November 2018 be adopted.

**Report and Minutes of the Meeting of the Sutherland Traffic and Traffic Safety Committee, held in the Administration Centre, Eton Street, Sutherland on Friday, 2 November 2018 commencing at 8.30am.**

**PRESENT:** Councillor Tom Croucher (Chairperson) together with Councillor Greg McLean (Deputy Chairperson), The Hon. Mark Speakman SC MP, Sergeant Scott Robinson and Senior Constable Rachel King (representing the NSW Police, Sutherland Shire Police Area Command), Michael Cutrupi (representing St George Cabs), Daryl Ninham (representing Roads & Maritime Services), Christian McLauglan (representing Eleni Petinos MP), Tony Blain (representing Lee Evans MP), Rabih Bekdache (representing Transit Systems)

**STAFF IN ATTENDANCE:** Team Leader Traffic & Transport Services (Greg Holding), Traffic Engineer Cycleways (Mark Chigwidden) and Governance Officer (Jill Bleszynski).

#### **APOLOGY**

Mike Schrafft (representing Mark Speakman MP) and Mark Carruthers (representing Roads & Maritime Services)

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#### **DISCLOSURES OF INTEREST**

There were no disclosures of interest declared.

#### **CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING**

**RECOMMENDATION:** (Councillor Tom Croucher / Tony Blain)

That the Minutes of the Meeting of the Sutherland Traffic and Traffic Safety Committee held on Friday 05 October 2018 be confirmed as a correct record.

**All Report Recommendations were voted unanimously by the Sutherland Traffic and Traffic Safety Committee.**

**STR132-18**                    **Hay Avenue and Mackay Street, Caringbah - Additional parking and pedestrian refuge**  
**File Number: 2018/319323**

RECOMMENDATION:

THAT:

1. The existing layout of the intersection of Hay Avenue and Mackay Street, Caringbah be modified, to provide:
  - five additional parking spaces of '1P 8.30AM-6PM MON-FRI 8.30AM-12.30PM SAT' on the southern side of Hay Avenue;
  - five additional parking spaces of '4P 8.30AM-6PM MON-FRI' on the northern side of Hay Avenue; and
  - a pedestrian refuge in Mackay Street;in accordance with Plan A attached to the report; and
2. The Public Safety & Lifeguards Unit be advised of Council's decision for enforcement purposes.

Mark Speakman left the meeting after discussion of this item at 10.10am

**STR133-18**                    **Loftus Street, Bundeena - Parking**  
**File Number: 2016/253982**

RECOMMENDATION:

THAT:

1. The existing 'NO PARKING' zone on the northern side of Loftus Street, between Brighton Street and Tom Jones Way, Bundeena, be reduced by 12 metres to the east, in accordance with Plan A attached to the report; and
2. The Public Safety & Lifeguards Unit be advised of Council's decision for enforcement purposes.

**STR134-18**                    **Port Hacking Road, Caringbah South - Bus Zones at Lynch Avenue and Epacris Avenue**  
**File Number: 2018/296727**

RECOMMENDATION:

THAT:

1. A 30 metre 'BUS ZONE' be installed at the existing Bus Stop on the western side of Port Hacking Road, south of Lynch Avenue, in accordance with Plan A attached to the report;
2. A 24 metre 'BUS ZONE' be installed at the existing Bus Stop on the eastern side of Port Hacking Road, north of Epacris Avenue, in accordance with Plan A attached to the report;
3. The Public Safety and Lifeguards unit be informed of Council's decision for enforcement purposes.

**STR135-18**                    **Flora Street, Kirrawee - Timed parking controls**  
**File Number: 2018/263071**

RECOMMENDATION:

THAT:

1. The 26 metres (five spaces) of '1P 8.30AM-6PM MON-FRI 8.30AM-12.30PM SAT' on the northern side of Flora Street, west of Oak Road, Kirrawee, be converted to 63 metres (eleven spaces) of '3P 8.30AM-6PM MON-FRI 8.30AM-12.30PM SAT', in accordance with Plan A attached to the report;
2. The existing '1P 8.30AM-6PM MON-FRI 8.30AM-12.30PM SAT' on the southern side of Flora Street, west of Oak Road, Kirrawee, be extended by 62 metres (nine spaces) to the west, in accordance with Plan A attached to the report;
3. 30 metres (four spaces) of '1P 8.30AM-6PM MON-FRI 8.30AM-12.30PM SAT' be installed on the southern side of Flora Street, east of Oak Road, Kirrawee, in accordance with Plan B attached to the report, rather than NO PARKING as endorsed by the Sutherland Traffic & Traffic Safety Committee at its meeting of 1 December 2017;
4. Traffic and parking in Kirrawee Town Centre be monitored, and a further report be prepared within three months of Coles and ALDI supermarkets opening at South Village; and
5. The Public Safety & Lifeguards Unit be advised of Council's decision for enforcement purposes.

**STR136-18                    Relocation of a Taxi Zone from Atkinson Road to Bay Road, Taren Point**  
**File Number: 2018/296727**

RECOMMENDATION:

THAT:

1. A 12 metre 'TAXI ZONE 6AM-6PM MON-FRI' be installed on the northern side of Bay Road, east of Production Road, Taren Point, in accordance with PLAN A attached to the report;
2. The existing 31 metre 'TAXI ZONE 6AM-6PM MON-FRI' on the eastern side of Atkinson Road, north of Parraweena Road, Taren Point, be removed, in accordance with PLAN B attached to the report; and
3. The Public Safety & Lifeguards Unit be advised of Council's decision for enforcement purposes.

**STR137-18                    Flora Street, Sutherland - Five-minute Parking for School Drop-off Zone**  
**File Number: TT/09/960901**

RECOMMENDATION:

THAT:

1. The 17.9 metre 'TAXI ZONE' on the southern side of Flora Street, east of Eton Street, Sutherland, be converted to 'P 5MIN 8:15AM-9AM SCHOOL DAYS, TAXI ZONE OTHER TIMES', in accordance with Plan A attached to the report;
2. The 21.1 metre '1P 8.30AM-6PM MON-FRI 8.30AM-12.30PM SAT' zone on the southern side of Flora Street, east of Eton Street, Sutherland, be converted to 'P 5MIN 8:15AM-9AM SCHOOL DAYS, 1P 9AM-6PM MON-FRI 8.30AM-12.30PM SAT', in accordance with Plan A attached to the report; and
3. The Public Safety & Lifeguard Unit be informed of Council's decision for enforcement purposes.

Mark Chigwidden left the meeting after discussion of this item at 10.35am

**STR138-18**                      **Minor Signposting and Linemarking - November 2018**  
**File Number: 2018/296727**

RECOMMENDATION:

THAT:

1. The signage and linemarking measures listed in Table 1 in the report be approved, in accordance with Plans E1-5 & C1-5 attached to the report; and
2. The Public Safety & Lifeguards Unit be advised of Council's decision for enforcement purposes.

General Business

- Greg Holding (Team Leader Traffic & Transport Services) advised that Councillor John Riad raised the matter of ongoing concerns regarding truck movements into Illawong Shopping Centre loading dock in Hobart Place, Illawong, as Business Without Notice as a matter of urgency at the Council meeting held on 15 October 2018 (BWN016-18). It was subsequently resolved:

*THAT:*

1. *Issues involving truck movements into Illawong shopping village be referred to the next available committee meeting of the Sutherland Traffic and Traffic Safety Committee as a matter of urgency.*
2. *The Sutherland Traffic and Traffic Safety Committee be invited to attend the site.*

Noting that measures to help rectify the matters previously raised have been implemented (STR114-18), the committee requested that Councillor Riad share the details of any requests and possible solutions, in order to establish the expectations in advance of the site meeting.

- Tony Blain (representing Lee Evans MP) requested an update on the ongoing issue of obtaining post-code data for vehicles using Sutherland Leisure Centre carpark and Rawson Avenue.

Greg Holding advised he will follow up on this matter and report to next meeting.

The Meeting closed at 10.50am.

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**Report and Minutes of the Meeting of the Consultative Traffic Forum, held in the Administration Centre, Eton Street, Sutherland on Friday, 2 November 2018 commencing at 10.50am.**

**PRESENT:** Councillor Tom Croucher (Chairperson) together with Councillor Greg McLean (Deputy Chairperson), The Hon. Mark Speakman SC MP, Sergeant Scott Robinson and Senior Constable Rachel King (representing the NSW Police, Sutherland Shire Police Area Command), Michael Cutrupi (representing St George Cabs), Daryl Ninham (representing Roads & Maritime Services), Christian McLaughlan (representing Eleni Petinos MP), Tony Blain (representing Lee Evans MP), Rabih Bekdache (representing Transit Systems),

**STAFF IN ATTENDANCE:** Team Leader Traffic & Transport Services (Greg Holding), Traffic Engineer Cycleways (Mark Chigwidden) and Governance Officer (Jill Bleszynski).

**APOLOGY**

Mike Schrafft (representing Mark Speakman MP) and Mark Carruthers (representing Roads & Maritime Services)

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**DISCLOSURES OF INTEREST**

There were no disclosures of interest declared.

**CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING**

RECOMMENDATION: (Councillor Tom Croucher / Christian McLaughlan)

That the Minutes of the Meeting of the Consultative Traffic Forum held on Friday 05 October 2018 be confirmed as a correct record.

**CTF020-18                    Engadine RSL - Temporary Road Closure for Remembrance Day 11  
November 2018  
File Number: 2018/319922**

RECOMMENDATION:

That the Consultative Traffic Forum endorses the proposed Conditions of Approval listed in the report, for Engadine RSL Sub-Branch to hold the World War 1 Armistice Centenary Commemoration Parade and Remembrance Day Ceremony on Sunday 11 November 2018.

**CTF021-18 Hay Avenue and Kingsway, Caringbah - Changed traffic conditions**  
**File Number: 2018/297922**

RECOMMENDATION:

THAT:

1. The information be received;
2. Council investigates adjusting the existing parking controls, to provide a 'LOADING ZONE' on the north-eastern side of Hay Lane, Caringbah; and
3. Roads & Maritime Services be requested to consider:
  - reinstating a turn-ban exemption for taxis to turn right from Hay Avenue onto Kingsway, Caringbah, as a preferred alternative to installing a second full-time 'TAXI ZONE' in the area;
  - converting the existing 'NO PARKING' on the south-western side of Kingsway, Caringbah to fifteen-minute parking;
  - converting the existing 'NO STOPPING' on the north-eastern side of Kingsway, between Denman Avenue and the marked foot crossing, to fifteen-minute parking during the day and Taxi Zone 10pm-4am, with a possible reduction in statutory 'NO STOPPING' from Denman Avenue, Caringbah; and
  - converting the existing 'NO STOPPING' on the north-eastern side of Kingsway, Caringbah, east of the marked foot crossing, to fifteen-minute parking;

**CTF022-18 McCubbens Lane, Sutherland - Shared Zone Application**  
**File Number: TT/09/960901**

Representatives from Transport for NSW and Roads and Maritime Services provided a presentation relating to this item on the SCATL (Sutherland to Cronulla Active Transport Link).

RECOMMENDATION:

That the information presented by Transport for NSW, regarding the Sutherland to Cronulla Active Transport Link (SCATL) project, be received and noted.

**CTF023-18**                    **Grant Funded Road Projects**  
**File Number: 2018/285005**

**COR041-18**

RECOMMENDATION

That the information be received.

General Business

- Daryl Ninham (representing Roads & Maritime Services) advised that RMS are offering Councils funding opportunities to accelerate the design and implementation of 40 km/h High Pedestrian Activity Areas.  
Greg Holding (Team Leader Traffic & Transport Services) advised that Council is currently in discussions with RMS regarding potential 40 km/h High Pedestrian Activity Area projects in Engadine, Kirrawee and Sutherland.

The Meeting closed at 11.00am.

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**COR042-18 COUNCIL RATING FOR 2019/20**

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**Attachments:** Nil

**EXECUTIVE SUMMARY**

- Council must adopt a rating model for 2019/20.
- The rating models that are proposed in this report are:
  - Increase Rates by the Rate Pegging Limit only;
  - Increase Minimum Rates and apply the Rate Pegging Limit to Other Properties
  - Increase Minimum Rates and increase all other Properties above the rate peg;
- As a comparison, the minimum rates for apartment units in Sutherland Shire are lower than other similar beach or bay side councils.
- Council must also adopt additional financial strategies to fully address its long term financial position, such as efficiency improvements, user fee and charge review and asset consolidation.
- Council must deal with specific challenges of increased population growth, labour costs, asset renewal and maintenance and external and non-core factors.
- Council currently offers pensioners a voluntary rate rebate, in addition to the mandatory rebate, and has the discretion to offer further rebates to affected pensioners to reduce the impact of any potential rate increase.
- A recent survey of the community found that 76% of respondents believed that the amount of rates paid to Council should be fair between houses and apartments.
- If Council determines to proceed with an application for a special rate variation for 2019/20, it must submit a notice of intention to the Independent Pricing and Regulatory Tribunal (IPART) by 30 November 2018.

**REPORT RECOMMENDATION**

That Council determine the most appropriate option to be adopted as a rating model in 2019/20.

**PURPOSE**

The purpose of this report is to seek Council's intention to adopt a rating model for 2019/20, and consider options to increase rates above the 'rate pegging' limit.

**BACKGROUND**

Over the past several years, there has been much debate in relation to the financial sustainability of local government. Many debate that the rate pegging system limits council's ability to maintain financial strength and sustainability. This is not the case; the rate peg sets an industry minimum for rating increases in the absence of independent review. The rate peg is determined by IPART (Independent Pricing and Regulatory Tribunal of NSW) using a Local Government Cost Index based upon a survey of councils every four years. It is not customised for individual councils. The rate peg does not take into account the range and level of services a community seeks from its local council and the different mix of input costs.

It is the role of an elected council to determine the required rating increases to ensure a financially sustainable position that supports service delivery for its local government area. Despite rate pegging remaining part of the regulatory environment in NSW, this does not prevent councils from actively ensuring adequate levels of revenue to meet their individual needs. To the contrary, through the introduction of the Integrated Planning and Reporting (IPR) Framework, councils are encouraged to take control of their long term resourcing needs.

The Special Rate Variation (SRV) application process for increasing rates above the rate peg has been introduced to assist councils in setting appropriate levels of income. This was first introduced in 2011/12 and provides a transparent and fair review of proposed increases to ensure proposed rate increases are adequately supported by long term planning. Over a hundred applications for increases have been made from across the State since this process was introduced. These have mostly been submitted in order to develop and maintain essential services.

In April 2018, Council adopted through the IPR framework, the Delivery Programme, Operational Plan and Resourcing Strategy, including the Long Term Financial Plan (LTFP) which incorporating a 'Business as Usual' financial model, being an increase by the 'rate pegging' limit only.

The adopted 2018/19 'Business as Usual' model achieved a balanced budget by reducing capital allocations to match the projected level of funds available. The model maintained existing service levels, accounted for the substantial increases in energy costs incurred by Council and allowed for the financial commitment to dredge Sylvania Waters. In essence, the balanced budget was achieved by deferring improvements and renewal to the community's assets and redirecting these funds to meeting increases in cost of existing services.

The outcome of the 2018/19 model included:

- Negative Operating Results from 2019/20 to 2027/28 of an average of \$7.07 million;
- Negative Operating Results (excluding Domestic Waste) across all years with an average of \$8.90 million from 2019/20 to 2027/28;
- A significant gap between required and actual expenditure on infrastructure renewal;
- An increasing asset backlog, reaching \$175.8 million by 30 June 2028, with an associated ratio of 6.12%; and
- Most key performance ratios, against which Councils are measured, failing to meet benchmarks.

In addition to these outcomes, Council's Audit, Risk and Improvement Committee (ARIC) has expressed concerns in relation to the long term financial sustainability:

*"The Committee expresses concern about Council's financial sustainability and recommends a further report is presented at the Council meeting in April to address the measures being taken in relation to financial sustainability issues"* (ARIC029-18 of 7 March 2018)

This was reiterated by the ARIC again at its meeting of 17 October 2018 (ARIC066-18).

Council, in 2017, did consider a staff recommendation to adopt an LTFP which included raising additional rate revenue through increasing minimum rates (rates applicable to multi-dwelling properties), before adopting the current 'Business as Usual' model.

## **DISCUSSION**

Rating revenue is the primary source of funding for the provision of Council services, facilities, programmes, activities and capital works, and as such Council must set a rating model for 2019/20.

### **Rating Model Options for 2019/20**

Council has a number of options available to it for rating in any given year. These include:

- Maintaining rates at the current level (not applying the rate peg and allowing cost of services to outstrip rates income);
- Applying only the rate peg as determined by IPART; and
- Applying for a Special Rate Variation (SRV) to increase rates above the rate peg.

Should Council not increase rates by at least the IPART rate peg, a portion of potential income will be permanently foregone and total rates income will not keep pace with the cost of provision of services, placing further stress on Council's financial sustainability.

When considering the a Special Rate Variation (SRV) to increase rates above the rate peg option there are a wide range of methods that have been used by the many Councils that have sought and

gained approval for this. Councils are guided by the specifics of their respective local areas and community feedback as to what would be the best, least disadvantageous options for their community as a whole.

With this in mind,

- acknowledging that Council does have a very low minimum rate level, at \$602.30 is much lower than a majority of other like Councils,
- that research indicates the community would be open to this minimum rate level being raised to achieve a more equal sharing of contribution toward services provided, and
- that operating results between 2019/20 to 2027/28 will be in deficit by an average of \$7.07million

The following three options are the most appropriate to be considered for 2019/20:

Option 1 - Increase Rates by the Rate Pegging Limit only

Option 2 - Increase Minimum Rates and apply the Rate Pegging Limit to Other Properties

Option 3 - Increase Minimum Rates and increase all other Properties by 1.55% (above the rate peg)

### **1. Increase Rates by the Rate Pegging Limit Only**

The rate peg determines the maximum percentage amount by which Council may increase its general income for the year. The rate peg is primarily based upon the Local Government Cost Index (LGCI). The LGCI measures price changes over the previous year for the goods and labour an average Council will use and at productivity changes over the same period.

IPART has determined the rate peg for 2019/20 at 2.7%. Council can elect to apply this increase with no requirement to make any submission for a variation and this would continue the current 'business as usual' model.

This rating strategy would see a continuation of the declining ratios, particularly in relation to infrastructure, as projected in the LTFP.

Although some additional income would be generated through the separate rating of units in developments across the Shire, this additional income would not meet current service levels.

### **2. Increase Minimum Rates and Apply the Rate Pegging Limit to Other Properties**

Council can apply to IPART for a Special Variation to the rate peg that would increase Council's general income above the rate peg. Such an application be determined based on the guidelines set by the NSW Office of Local Government. It includes aspects such as the level of community awareness and how efficiently the council has been managing its finances.

Council's current rating structure is based upon land value rating with a minimum rate applicable. The minimum rates are currently set at \$602.30.

There are 20,531 residential properties paying the \$602.30 minimum rate, the majority being units, and 1,494 business properties. On average, two persons reside in this property type.

The average detached house within the LGA pays \$1,480 in annual rates. On average, three persons live within this property type. This would suggest a more equitable minimum rate, based on number of residents per household (on average) would be 66.67% of the average detached house, which equates to approximately \$986.67.

The unimproved land value does not accurately represent the current market value of units, as can be seen in the example below by the comparisons between a unit and a house in the same suburb.

### **Some Examples**

#### **Example 1**

The recent sale price of a detached house in Woollooware was \$2.15 million and was subject to \$2,186.26 in ordinary rates.

A recent sale price of a unit in the same suburb was \$2.175 million and was subject to rate of \$602.30 – only contributing 27.55% of the rates of like similar priced house.

#### **Example 2**

A detached dwelling in Cronulla sold for \$1.7 million, having rates of \$2,032.84.

A unit in the same suburb that sold for \$1.67 million was only subject to the minimum rate of \$602.30 – only contributing 29.63% of the rates of like similar priced house.

In both cases, it would be reasonable to assume that residents were consuming a similar quantum of 'basket of services' provided by Council, with those owning units being subsidised by detached home owners. In these examples, unit owners paying less than a third of those in detached houses.

Should Council resolves to consider increasing the minimum rates, it is recommended, based upon both current market value and comparisons to other councils, that the new minimum should be \$900. This would generate an additional \$7.255 million per year in rates income.

As a further comparison, minimum rates for apartment units in Sutherland Shire are lower than other similar beach or bay side councils, as listed below:

<b>Councils</b>	<b>Minimum annual rate for apartment units</b>
<b>Sutherland</b>	<b>\$602.30</b>
Randwick	\$805.68
Manly	\$816.76
Pittwater	\$884.58
Kogarah	\$917.47
Warringah	\$970.93

If Council increases the minimum rates to \$900, the number of properties that would be subject to the new minimum would be 26,948 residential properties (up from 20,531) and 2,033 business properties (up from 1,494). The specific categories of the residential properties are:

Deemed investor properties <sup>1</sup>	30.07%
Department of Housing	0.60%
Pensioner owned properties	12.74%
Other properties	56.60%

Note <sup>1</sup> - *Deemed investor properties have been determined based on ratepayers with postal addresses outside the Shire and real estate agents in the Shire.*

The maximum increase above rate pegging that any one individual property owner would be subjected to is \$281.44 for 2019/20 for Option 3.

### **3. Increase Minimum Rates and Increase all Other Properties by 1.55% (above the rate peg)**

Building upon the approach outlined in option 2, Council could also increase all other rates. This is the recommended option for Council to improve its declining long term financial position relating to operational performance and infrastructure assets.

This option would be to apply for an SRV for all other properties of 1.55%, making the cumulative increase for those properties 4.25% for 2019/20, inclusive of the rate pegging increase. This would amount to an increase of \$63 per annum for the average ratepayer across the Shire per year (\$40 from the rate peg and \$23 from the SRV).

This option would increase rates by \$1.648 million, in addition to the revenue generated through increasing the minimums, making the total rates revenue increase a year to be \$8.903million. This equates to the average Operating Deficit (excluding Domestic Waste) across all years. The increase in revenue would be in perpetuity and would address the financial sustainability issues currently being faced.

## Pensioners

The number of properties owned by pensioners that would be on the minimum rate would increase from 2,275 to 3,432 if Option 3 were adopted.

Pensioners are currently entitled to two forms of rebate

- i. the mandatory rebate of \$250.00, which is subsidised by \$137.50 by the State Government, and
- ii. a voluntary rebate of \$105.00, fully funded by Council.

Council has the discretion to apply a third rebate as it determines, here described as the voluntary rebate, meaning that it can apply an additional rebate to affected pensioners. If it were to apply the voluntary rebate to mitigate the effect of the increase as per Option 3 being recommended in this report, it could either fully rebate the increase above the rate peg, estimated to cost Council \$900,000, or partially rebate the increase, the total cost being dependent upon the level of the rebate Council elected to provide.

If Council resolved to apply an additional rebate to buffer any hardship as a consequence of Option 3 may have on 'at-need' pensioners, it is proposed the eligibility methodology consider factors that include:

- Application be made by the affected property owner;
- the owner resides in the property;
- open to full pension recipients;
- open to owners who own only one property;
- open to owners whose property valuation (not land value) is below a specified threshold value (yet to be determined).

The assessment for this voluntary rebate would be made based on the individual circumstances.

This methodology would discount the voluntary rebate being accessed in circumstances of properties with substantial value. Council will continue to offer the deferral option to all pensioners regardless of property valuation, providing relief to those pensioners whose properties exceed the threshold property value and are not able to access the voluntary rebate proposed.

## Additional Financial Strategies

In conjunction with rate peg increases recommended, Council must also continue to pursue the following strategies, to ensure its long term financial sustainability. These include:

- Efficiency improvements;
- User fee and charge review; and
- Asset consolidation.

These strategies should be considered and incorporated in the LTFP along with the rating model adopted by Council.

## Long Term Financial Challenges

Council faces specific challenges in its long term financial planning and its long term financial sustainability and must take these into consideration when deciding the rating model to adopt. These challenges include:

1. Population Growth
2. Asset Renewal and Maintenance
3. Labour Costs
4. External and Non-Core Factors

### 1. Population Growth

Population growth is a key measurement tool for determining the level of funding required to be invested in our community, both now and for the future. Council must consider the impact of population growth to provide optimum service delivery and must also look outside the IPART rate peg system to do so.

In its 'Review of the Local Government Rating System', IPART stated "Under the current unimproved land value methodology, the current 'growth outside the peg' process results in an increase in general income from new development that is typically much lower than the increase in costs of servicing new residents and businesses".

Based upon population forecasts and the 2016 Census, the Sutherland Shire estimated population for 2018 is 228,246. Excluding its Children's Services Unit and Commercial Waste Unit (as discretionary business units), Council's expenditure per person was \$831.78 for the year ended 30 June 2018.

Council's demographic data projects an additional 836 dwellings per annum to 2036. Using the current minimum rate and today's dollars, the increase in rating income outside the peg would be \$503,523 each year. Based upon an assumption that each residence has two occupants and apply Council's expenditure per person, as above, the additional cost of service provision to Council for residents in these additional dwellings would be \$1.391 million.

### 2. Asset Renewal and Maintenance

Council is responsible for maintaining \$2 billion worth of infrastructure assets. The on-going renewal and maintenance of these assets is paramount for our community and Council's ability to deliver services.

Based upon current financial projections, Council has inadequate funds to responsibly maintain its infrastructure assets including roads, footpaths, parks and buildings. The following programmes were

excluded from the 2018/19 Capital Program in order to achieve a balanced budget, however their exclusion creates a deferred liability to Council:

- Sporting field surface renovations
- Public Place Presentation program
- Sporting field floodlighting renewals
- Cricket pitch and net renewals
- Netball court surface renewals
- Regional sport facilities signage
- Bushfire readiness and natural areas renewals
- Cronulla and Wanda dune renewals
- Open space furniture renewals
- Skate park renewals
- Community centres play space renewals

Maintenance is deemed to be all routine activities necessary for retaining an asset as near as practicable to its original condition, excluding rehabilitation or renewal. Where a council does not sufficiently fund maintenance, service levels are reduced and/or lifecycle costs of the asset can increase, with the reduced maintenance shortening the asset life through deterioration requiring early renewal. This has an impact on the long term financial position of Council.

Council's estimated asset maintenance ratio for 2018/19 is 94.99% and is expected to decline to 91.45% in 2027/28 assuming the current rating model and other income levels continue as they currently are.

More concerning is the level of funding available for asset renewal. Based upon current financial projections, the building and infrastructure renewals ratio moves from 70.30% in 2018/19 to 48.21% in 2027/28. This has the impact of increasing the infrastructure backlog from 2.33% in 2018/19 to 6.12% in 2027/28.

It should be noted that the various infrastructure managed by Council often have lifecycles extending 20 to 100 years. Infrastructure investment is often uneven and therefore renewal funding requirements should follow the same pattern, with internal reserves used to flatten the financial burden on any one generation.

Risks associated with insufficient renewal funding include increased reactive maintenance costs, public safety, reduced service levels, poor customer satisfaction/experience and intergenerational inequities. Currently 10% of sports assets are in poor and very poor condition. It is estimated 30% of sports assets, including playing surfaces, will fall into poor and very poor condition by 2027/28, whilst over 45% (65) of playgrounds will be in poor or very poor condition by that time, based on estimated useful life, and current level of renewal funding.

### 3. Labour Costs

Labour costs are another key driver in the service delivery of Council. A comparison with the rate peg set by IPART shows significant variation over the past five years. The increasing gap between labour costs and the rate peg accepted by Council means funding is required to be sourced elsewhere.

As a service based organisation, 46.42% of input costs are employee wages and on costs. This is Council's largest single expense of service delivery. In 2018/19 the projected cost is \$106 million to deliver the current level and range of services. Ongoing review of operations and restructuring has limited the level of increase in this cost, however, it remains a significant component of service delivery for Council.

Ordinary rating income, net of pensioner rebates, makes up 50% of Council's total revenue. This is Council's single largest revenue source. In 2018/19 the projected revenue is \$116 million.

The table below shows a comparison between award wage increases over the past five years and rate peg limits accepted by Council and its overall impact.

Year	Award Wages increase	Rate peg increases adopted	% Gap between rate peg and Award increase	Percentage of Rate peg to Award increase
2018/19	2.5%	2.3%	-0.20%	92%
2017/18	2.2%	1.5%	-0.70%	68%
2016/17	2.8%	1.8%	-1.00%	64%
2015/16	2.7%	2.4%	-0.30%	88%
2014/15	2.3%	2.3%	0.00%	100%
<b>Cumulative increase</b>	<b>13.13%</b>	<b>10.73%</b>		<b>81.72%</b>

### 4. External and Non-Core Factors

There are a range of factors beyond Council's control which impact upon its ability to deliver services and fund infrastructure.

Electricity and natural gas are large operational expenditure items for Council. Projections over the term of the LTFP show increases of \$38 million above expected CPI, with an average annual increase of 4.64%.

Despite taking a strategic approach to procurement, Council was impacted by volatility in the energy market in recent years. The 200% increase in 2016/17 in the natural gas price for Sutherland Leisure Centre and the forecast 56% increase in 2018/19 in all energy costs focussed Council's attention on the risk of price shocks.

This increase is an example of where the Local Government Cost Index used by IPART as the basis for setting the rate peg may vary for individual councils. In arriving at the rate peg for 2019/20, IPART factored in a 14.4% increase in energy costs, which contributed 0.4% to the determined rate peg of 2.7%. This means that about \$464,000 in income from the rate peg can be attributed to energy cost increase, however this compares to a forecast increase of \$2.9 million above CPI increases for Council, resulting in Council have to reduce its capital allocations by \$2.4 million to meet this obligation.

Another factor requiring funding by Council is the dredging works at Sylvania Waters which is not considered core business. An amount of \$3.1 million was originally included in the 2018/19 Budget but has now been partially deferred until 2019/20. To facilitate the ongoing requirement to periodically undertake these works, an amount of \$500,000 has been set aside each year. This allocation of funds reduces the amount available for other works and services.

### **RESOURCING STRATEGY IMPLICATIONS**

Council's Long Term Financial Plan provides balanced budgets across each year through the reduction of capital allocations to match the projected level of funds available. The outcome of this is a deteriorating financial position and asset condition.

This report provides rating options for 2019/20, which will address this situation. Council's adoption of the recommended option will be incorporated into the update of the LTFP.

### **COMMUNITY ENGAGEMENT**

Council undertook extensive community engagement in 2017 and the findings were presented to Council. The points relevant to rate increases, as previously identified in this report are:

- 76% of respondents believed that the amount paid to Council should be fair between houses and apartments
- When asked to consider the minimum rates applied by other councils and the average number people residing in different dwelling types, residents felt \$955 was a fair annual minimum rate for apartments.

Should Council adopt the recommendation to increase rates, further communication, education and engagement will be undertaken on the rate increase, including the proposed application of the additional income and the reasons behind Council's decision.

**STRATEGIC ALIGNMENT**

Community Strategic Plan Strategy	Delivery Program (2017-2021) Deliverables
1.4 Ensure community confidence in Sutherland Shire council.	1E Implement the Finance Strategy including the Long Term Financial Plan.

**POLICY AND LEGISLATIVE REQUIREMENTS**

Council must adopt a Delivery Programme, Operational Plan, Budget and Resourcing Strategy (incorporating a Long Term Financial Plan) each year. This includes a statement of Council's revenue policy and rates for the following year. Council's determination of the rating option for 2019/20 will form the basis for these documents.

If Council determines that it should increase rates above the 'rate pegging' limit, notification of the intention to lodge a Special Rate Variation to IPART by 30 November 2018.

A full submission to IPART is due on the 11 February 2019.

**CONCLUSION**

Council must adopt a rating model for 2019/20. This report outlines three options that could be applied. The adopted LTFP shows a set of deteriorating financial performance ratios, along with an increasing asset backlog from a lack of available renewal funding.

Should Council apply for a Special Rate Variation, increasing the minimum rates to \$900 and all other rates across both residential and business categories and sub-categories by 1.55% above the determined rate pegging limit (Option 3) Council's overall long term financial position will be most improved. Should Council apply the 'business as usual' model, (Option1), Council will continue to maintain its existing levels of service by managing its allocation to asset renewals and upgrades and provision of new assets. Should Council apply for a Special Rate Variation, increasing the minimum rates to \$900 (Option 2), Council will substantially improve Council's long term financial position.

**RESPONSIBLE OFFICER**

The officer responsible for the preparation of this Report is the Manager Finance, Greg Hayes, who can be contacted on 9710 0334.

File Number: 2018/323748

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**MOT034-18      PROPOSED MOBILE PHONE FACILITY - CASTELNAU STREET,  
CARINGBAH SOUTH**

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**MOT034-18**

Pursuant to Notice, Councillors Johns and Collier submitted the following Motion:

THAT:

1. Council makes an urgent submission to Cyient Australia Pty Ltd for Telstra in respect of the proposed mobile phone base station deployment code C564:2011 near to 59 Castelnau Street, Caringbah South asking that the provider gives very serious consideration to the genuine concerns raised in submissions made by nearby residents, including:
  - Electro-magnetic emissions in close proximity to residential living and sleeping areas in nearby homes;
  - The visual impact of the proposed pole-top antennae and ground level equipment shelter;
  - Adverse impact on residential property values; and
  - The decision to locate the facility in a wholly residential location.
2. And in view of these concerns, requests that the provider seeks out an alternative, less sensitive location for the proposed facility.
3. The submission also be sent to the relevant State and Federal members seeking their assistance.

File Number: 2018/320640

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**MOT035-18      SUSTAINABILITY AND ENERGY EFFICIENCY FOR COUNCIL  
INFRASTRUCTURE PROJECTS**

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**MOT035-18**

Pursuant to Notice, Councillor Steinwall submitted the following Motion:

THAT:

1. Council infrastructure projects, including the Sutherland Entertainment Centre, adopt best practice using sustainable materials and applying energy efficiency principles through the use of renewable sources, wherever possible.
2. This aspect be included in Council's regular update reports on the Sutherland Entertainment Centre.

File Number: 2015/221241

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**MOT036-18      INTEGRATED TRANSPORT STRATEGY - PUBLIC CONSULTATION**

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**MOT036-18**

Pursuant to Notice, Councillor Simpson submitted the following Motion:

THAT:

1. Council hold public information sessions and invite community feedback on the preliminary findings of the Integrated Transport Strategy on public transport and road infrastructure within the Shire.
2. The consultation be completed by December 2018.
3. Council write to all major political parties, informing them of the consultation findings so that they can inform transport and road infrastructure policy positions.

File Number: 2018/323480

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**MOT037-18 SUBMISSIONS ON DEVELOPMENT APPLICATIONS REFERRED TO PLANNING PANELS**

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MOT037-18

Pursuant to Notice, Councillor Simpson submitted the following Motion:

THAT:

1. Council receives a report on development applications that are to be referred for determination to the Sutherland Shire Local Planning Panel and the Sydney South Planning Panel.
2. The report includes the staff assessment and recommendation on each development application, to allow Council, if it chooses to, to make a submission to the relevant panel on any item.
3. Council submissions are on the basis of Council being the elected body acting as the voice of the community, independent of the assessment report and recommendations made to the panel by staff; and recognises that Council is not a determining authority.
4. Council submissions to the panel be accompanied by a request that the submission be made available to all members of the relevant panel.

File Number: 2016/261299, 2018/295236

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**MOT038-18      VALE - STANLEY JAMES "JIM" MCINTYRE**

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**MOT038-18**

Pursuant to Notice, Councillor Forshaw submitted the following Motion:

THAT Council:

1. Notes the sad passing of Stanley James "Jim" McIntyre, on 29 October 2018, at age 92, and extends its condolences to his wife Joy, his son Greg and his family and many friends.
2. Recognises Jim's many public and civic contributions including his service in the Australian Navy during World War II, 26 years as a Director of the Sutherland United Services Club including 23 years as its President, attendance to and officiating of the Anzac Day Dawn services in Sutherland for over 30 years, his tireless work in support of our returned servicemen and servicewomen and for our Shire community.

File Number: 2016/235106

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**MOT039-18      SOLAR PANELS ON COUNCIL OWNED BUILDINGS**

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**MOT039-18**

Pursuant to Notice, Councillor McLean submitted the following Motion:

THAT Council receive a report within the next four months that details the:

1. Potential to implement solar panels on Council owned building roof tops, aimed at reducing Council's overall network-supplied electricity demand and consumption, and
2. Financial and other benefits achieved by solar panel installations at domestic, commercial, other Councils and State/National , Governments including other countries users, of roof top solar electricity generation and supply, and
3. Opportunity for excess electricity generated to be sold / returned back into the network, and or including use by Council at other sites.

File Number: 2015/46635

**CONFIDENTIAL REPORTS OF THE SHIRE INFRASTRUCTURE AND PUBLIC DOMAIN  
COMMITTEE HELD ON 5 NOVEMBER 2018**

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In accordance with Section 10A(1) of Local Government Act 1993, the following matters will be considered in the Closed Session:

**INF011A-18      CONTAINER DEPOSIT SCHEME - VISY DEED OF AGREEMENT****Section 10A(2)(d)(i) Commercial Information of a Confidential Nature:**

This matter is being considered in Closed session as it relates to commercial information the disclosure of which would be likely to prejudice the commercial position of the person, company or tenderer who supplied it. On balance, the public interest in preserving the confidentiality of information provided by persons, companies or tenderers outweighs the public interest in maintaining openness and transparency in council decision-making because the disclosure of this information could reveal information that is commercial in confidence and the release of which could damage the commercial position of the person, company or tenderer who supplied it.

**CONFIDENTIAL REPORTS FROM OFFICERS**

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In accordance with Section 10A(1) of Local Government Act 1993, the following matters will be considered in the Closed Session:

**COR005A-18      40 RUTHERFORD AVENUE, BURRANEER - DRAINAGE WORKS****Section 10A(2)(g) Advice Concerning Litigation, or Advice that would Otherwise be Privileged from Production in Legal Proceedings on the Grounds of Legal Professional Privilege:**

This matter is being considered in Closed session as it relates to the receipt and consideration of legal advice concerning litigation; or which would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege. On balance, the public interest in preserving the confidentiality of information relating to legal privileged information outweighs the public interest in maintaining openness and transparency in council decision-making because the disclosure of this information may result in council waiving its right to claim legal professional privilege in any relevant legal action which may lead to loss or damage by council.