



# **Business Paper**

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## **Extraordinary Council Meeting**

**Monday, 4 February 2019**

**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. APOLOGIES**

**3. DISCLOSURES OF INTEREST**

**4. MAYORAL MINUTES**

MM001-19 Mayoral Minute - 2019 Australia Day Honours

MM002-19 Mayoral Minute - 2019 Australia Day Volunteer, Sponsor and other Agencies  
Recognition

MM003-19 Mayoral Minute - 2019 Australia Day Staff Recognition

MM004-19 Mayoral Minute - Sydney Marine Park - Deeban Spit

**5. BUSINESS FOR PURPOSE FOR WHICH THE MEETING WAS CALLED**

The business to be transacted at the Meeting will be to consider the following report:

COR001-19 Consideration of Submission to IPART for Special Rate Variation

**6. CONSIDERATION OF BUSINESS IN CLOSED SESSION**

**7. BUSINESS FOR PURPOSE FOR WHICH THE MEETING WAS CALLED - CONFIDENTIAL**

The business to be transacted at the Meeting will be to consider the following confidential report:

COR001A-19 T794/18 Project Management Services for the Sutherland Entertainment  
Centre Upgrade

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**MM001-19      MAYORAL MINUTE - 2019 AUSTRALIA DAY HONOURS**

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MM001-19

**Attachments:** Nil

The Councillors of the Sutherland Shire

Dear Councillors

The Australia Day Honours recognises and celebrates those who make a difference, those who achieve their best and those who serve others.

On behalf of Sutherland Shire Council, I would like to extend congratulations to the following members of our community who were honoured in the 2019 Australia Day Honours:

- Emeritus Professor Michael Knight – awarded the Member of the Order of Australia for significant service to scientific education, particularly to hydrogeology and groundwater management.
- Dr Russell Lain – awarded the Medal of the Order of Australia for service to dentistry.
- Ms Judith Hewison – awarded the Medal of the Order of Australia for service to children.
- Mr David O'Brien – awarded the Medal of the Order of Australia for service to open water swimming.
- Mr Graeme Kelly – awarded the Medal of the Order of Australia for service to industrial relations.
- Mr Ronald Wiggins – awarded the Medal of the Order of Australia for service to lawn bowls.
- Mr Robert Lindsay – awarded the Medal of the Order of Australia for service to the community through social welfare organisations.
- Mrs Julene Mangelsdorf – awarded the Medal of the Order of Australia for service to hockey.
- Mrs Patricia Wade – awarded the Medal of the Order of Australia for service to hockey.
- Mrs Carol Harriss – awarded the Medal of the Order of Australia for service to hockey.
- Mrs Lynette Waugh – awarded the Medal of the Order of Australia for service to the community through charitable initiatives.
- The late Kenneth Herbert – awarded the Medal of the Order of Australia for service to sailing.
- Mr Dean Storey – awarded the Emergency Services Medal for service to NSW Marine Rescue in managing operational activities including emergency Search and Rescue response.

**MOTION**

THAT:

Congratulations be extended to the Sutherland Shire recipients who were honoured in the 2019 Australia Day Honours.



Councillor Carmelo Pesce  
Mayor

File Number: 2019/328472

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**MM002-19      MAYORAL MINUTE - 2019 AUSTRALIA DAY VOLUNTEER, SPONSOR  
AND OTHER AGENCIES RECOGNITION**

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MM002-19

**Attachments:** Nil

The Councillors of the Sutherland Shire

Dear Councillors

An integral part of our very successful Austral Day celebrations, held at Cronulla Park and Blaxland Oval, Illawong, is the unwavering support and assistance we receive from our event partners, event supporters, first responders and other agencies.

Together with our staff, they contribute in such a crucial way to the success of the day, lending support, ensuring the events held on the day are safe and enjoyable, that our visitors are cared for and that Council's charity of choice for 2019, Rural Aid Australia, continues to receive the support it needs to lend a helping hand to those in need in our farming communities.

I would like to thank the following:

First responders and other agencies including

- NSW Police Force, Sutherland Shire Local Area Command
- NSW Water Police
- NSW Ambulance Service
- NSW Rural Fire Service
- Fire and Rescue NSW
- Marine Rescue NSW
- State Emergency Service

Lead volunteer community organisations

- Rotary Club of Cronulla
- Rotary Club of Sutherland

Event partners

- Blooms The Chemist
- Community First Credit Union
- Cronulla RSL

## Event supporters

- ANSTO
- Club Central Hurstville Menai
- St George and Sutherland Shire Leader
- Westfield Miranda

I'd also want to make special mention of the assistance our staff, along with NSW Ambulance Service officers, rendered to a visitor in need of urgent medical attention while attending the Cronulla Park celebrations. This was a demonstration of collaboration across agencies, in helping community, which is the essence of Sutherland Shire and its spirit of helping and volunteering.

Please join me in thanking all who have supported us and made the events on Australia Day so successful.

**MOTION**

THAT:

1. The contributions and efforts of all volunteer groups, first responders and other agencies and event sponsors and event partners in enabling a highly successfully Australia Day 2019 be formally acknowledged.
2. Council writes to each organisation expressing its thanks.



Councillor Carmelo Pesce  
Mayor

File Number: 2019/330900

**Attachments:** Nil

The Councillors of the Sutherland Shire

Dear Councillors

I have great pleasure in inviting you to join me in thanking all of our many dedicated and hardworking staff who have made the 2019 Australia Day so memorable for the many members of our community, visitors and visiting dignitaries.

The staff's efforts made the Australia Day citizenship ceremony, held at Sutherland Entertainment Centre, so special for the one hundred and twenty five new Australians who have chosen Sutherland Shire to be their home. I was fortunate, as were many of you, to proudly be part of this special day with them, their families and friends.

The day continued with entertainment and celebrations both at Illawong and Cronulla, culminating in the much anticipated fireworks displays at both locations. Our event in Cronulla is one of the largest and longest running in the country and attracted over 30,000 people. Councillors, we and our community enjoyed the festivities and atmosphere, in comfort and safety, all made possible by the careful planning and professional execution by so many staff from across the Council.

I'd like to make special mention and thank Council's Events team led by Lyn Hoyle and supported by Patricia Anderson and Jeanette Brown, the Public Safety and Lifeguard team led by Brett Richardson with Sherrie Skaines, Bede Elphick and Lara Hughes, the Communications and Engagement team led by Rebecca Dalton and supported by Amie Lindsell, the Waste and Cleaning team led by Hans Kludass and supported by Daryl Wells and Paul Derbridge.

Naturally these staff were supported by many of their colleagues leading into this special day and during the day itself and to all of them, too many to mention, I'd like to extend my sincere thanks.

#### **MOTION**

THAT:

Appreciation be extended to all the staff across Council who worked collaboratively to ensure the success of Australia Day events held on 26 January 2019.



Councillor Carmelo Pesce  
Mayor

File Number: 2019/330903

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**MM004-19**      **MAYORAL MINUTE - SYDNEY MARINE PARK - DEEBAN SPIT**

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MM004-19

**Attachments:** Nil

The Councillors of the Sutherland Shire

Dear Councillors

Council recently endorsed a submission to the Hawkesbury Shelf Marine Park Proposal. Within this submission was a proposal to increase protection for Deeban Spit through prohibition boating and anchoring in this area.

The shallow waters of Deeban Spit contain important feeding areas for migratory birds, which are exposed at low tide, and important sea grass beds that provide nursery areas for many of the fish that inhabit Port Hacking. In recognition of the ecological sensitivity of the Deeban Spit, several restrictions on usage already apply in the area. These include restrictions on use of fishing nets, similar to the rest of Port Hacking, and restrictions on the taking of shellfish. It is appropriate that these restrictions continue and provide protection for this sensitive environment.

There is currently no restriction on recreational fishing in the area. The draft Marine Park Proposal does not propose a restriction, and nor did Council's previous submission.

Increased restrictions in the Deeban Spit area have potential to significantly impact on the community's use and enjoyment of the area. While anchoring and propeller scour have potential to impact on ecological values, the Spit is also an important recreation resource for the community. The protection of this area needs to be balanced against the long held recreational use by young people, families and visitors, and its importance to the local tourist economy and other local businesses.

Overall it is considered that the current recreational boating use of Deeban Spit by tourists and visitors should be allowed to continue, while existing restrictions such as collection of bi-valves, pipis, etc. and net fishing should be retained to protect and preserve the area.

**MOTION**

THAT:

Council write to the Department of Primary Industries – NSW Fisheries to inform them that Council no longer supports a restriction on boating and anchoring on Deeban Spit.



Councillor Carmelo Pesce

Mayor

File Number: 2016/244871, 2019/328472

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**COR001-19      CONSIDERATION OF SUBMISSION TO IPART FOR SPECIAL RATE VARIATION**

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**Attachments:** Appendix A (under separate cover), Appendix B (under separate cover), Appendix C (under separate cover) and Appendix D (under separate cover)

**EXECUTIVE SUMMARY**

- At the Extraordinary Council Meeting of 26<sup>th</sup> November 2018 it was resolved that Council advise IPART of a possible intention to request a Special Rate Variation, increasing the minimum rate to \$900.
- A draft submission has been prepared for consideration by Council prior to possible submission to IPART by 11<sup>th</sup> February 2019, including an updated Long Term Financial Plan (LTFP).
- Extensive consultation has been conducted with the Community, in relation to the potential request for a Special Rate Variation.

**REPORT RECOMMENDATION**

THAT:

1. Council submits a Special Rate Variation application to IPART to increase the minimum rates for both residential and business properties to \$900, varying income by an additional 6.06% above the rate pegging limit.
2. Council adopts the Long Term Financial Plan (LTFP) as attached.

## PURPOSE

The purpose of this report is to seek Council's approval to submit a Special Rate Variation application to IPART to increase the minimum rates for both residential and business properties to \$900, requiring the increasing of rates by 6.06% above the rate pegging limit of 2.7%.

## BACKGROUND

Council has been working on its long term financial sustainability and declining asset renewal funding for a number of years and more recently has taken the following steps:

- established a Finance Working Party (FWP) with the objective of overseeing the financial strength and sustainability and make recommendations to improve the position;
- the FWP met for the first time on 7<sup>th</sup> November 2018 where it was determined that staff prepare a report to Council outlining options in relation to the rating strategy for 2019/20;
- At the Extraordinary Council meeting of 26<sup>th</sup> November 2018 it was resolved to:
  - Advise IPART of a possible intention to request a Special Rate Variation as detailed in Option 2 of the staff report, being to increase the minimum rate to \$900.
  - Receives a report on the most appropriate method to address hardship cases, with specific consideration for War Widows, arising from a special rate variation.

## DISCUSSION

### a. IPART Submission (please see attached)

A draft submission has been completed should Council determine to proceed with the application. The submission addresses, as prescribed by IPART:

1. The need for the Special Rate Variation;
2. Community awareness and engagement;
3. Impact on ratepayers;
4. Public exhibition of relevant IP&R documentation; and
5. Productivity improvements and cost containment strategies.

The proposal to increase the minimum rate to \$900 would provide the following financial benefits:

- Additional \$7.286 million in additional rate income, along with ancillary gains in interest revenues resulting in additional funding of \$7.421 million for infrastructure renewals. These income sources are in perpetuity;
- Significantly improve Council's operating performance, achieving surpluses in most years of the Long Term Financial Plan; and
- Reduce the infrastructure backlog from a projected level of \$114 million in 2028/29 to \$88 million (a significant component of the balance relates to Stormwater Assets which are not scheduled for substantial investment over the next ten years).

It is proposed that the additional funds would be directed to renewal programs that have been omitted from both the current and future capital programs, including:

- Playground renewal program;
- Sports facilities improvements and surface renewals;
- Increasing the road pavement management program and rehabilitation program funding;
- Priority traffic management;
- Shire waterways improvements; and
- Public place presentation programs.

In preparing the IPART submission, Council undertook a variety of engagement and consultation methods to ensure the community was aware of the proposed increase in minimum rates and had the opportunity to submit feedback on the proposal. The consultation activities included, with results to date (*note: consultation closes the 4<sup>th</sup> February 2019*):

- An information flyer was delivered to 88,000 households and again provided to 63,000 properties with the third rate instalment notice;
- Weekly local media (newspaper) advertising was undertaken over five weeks. This newspaper has a circulation of nearly 294,000 and a readership of 181,000;
- Community information sessions, attended by staff and councillors across all wards, were undertaken on eleven occasions with 134 community participants;
- A dedicated webpage was established with detailed information, frequently asked questions and IP & R documents;
- An online survey was conducted with 335 responses;
- Social media with four Facebook posts, resulting in a reach of 11,996, 142 reactions and 36 comments;
- The acceptance of written submissions (26 received) and phone submissions (35 received).

As part of the resolution adopted at its meeting of 26<sup>th</sup> November 2018, Council also requested a report relating to assisting ratepayers who may be adversely affected by a special rate variation. In response to that request, Council is advised that it is restricted by legislation in its' options of financial assistance to ratepayers, with financial assistance only available to eligible pensioners.

In conjunction with the mandatory rebate of \$250 to pensioners, which is funded on a 55% State Government and 45% Council basis, Sutherland Shire Council is one of a limited number of councils that also offers a voluntary rebate. The supplementary amount offered is \$105 - one of the highest within this small cohort of councils. The total of the rebate available is therefore \$355.

Council will continue to offer eligible pensioners the opportunity to defer rates, regardless of property valuation, allowing them to accrue their rates and charges until such time as the property is transferred. Please note, it is Council policy not to pursue any recovery action against pensioners.

Council can, and does, enter into payment arrangements with all ratepayers, allowing for periodic payment of the rates, including the waiving of interest where these arrangements are satisfied. Council will continue to offer this form of assistance to minimise the impact of any rate increase, along with any ratepayer suffering financial hardship. Please note, Council does not undertake recovery action against ratepayers who have a payment arrangement in place.

**b. Long Term Financial Plan**

As part of the IPART process, and to prepare for presenting Council with the Integrated Planning and Reporting Documentation, the Long Term Financial Plan (LTFP) for the next ten years was also updated and exhibited.

The updating involved creating two models:

Model 1 - Business as Usual, applying only the 2.7% rate peg; and

Model 2 - Increasing minimum rates \$900 and incorporating the additional income outlined in the IPART submission.

Other than the change in rate income and ancillary interest revenue generated, all assumptions included in both models were the exactly the same. This included the introduction of an 'efficiency dividend' to recognise the requirement to find additional funding for Council's ongoing operations and infrastructure.

This efficiency dividend will be the result of a review of Council operations to see how services can be provided more efficiently through things such as improved processes or implementation of new technologies.

The efficiency dividend has been set at 1.25% of Council's operating costs, excluding depreciation and loss on sale of assets. It will commence in 2019/20 and be repeated every four years. The initial efficiency in 2019/20 will be \$2.6 million and have a cumulative impact of \$53.8 million over the period of the LTFP.

The revised LTFP has been updated to include all feedback received during the exhibition period and is now required to be adoption by Council.

**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 if remedial action is not taken and financial strategies implemented.

Council's adoption of the recommendation to submit a special rate variation to IPART, increasing rate revenue by \$7.286 million will increase its capacity to deliver renewal programs that will assist in addressing the current infrastructure issues.

### **COMMUNITY ENGAGEMENT**

Significant community engagement has been undertaken as outlined in this report and detailed in the attached draft IPART submission.

### **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**

If Council determines that it should increase rates above the 'rate pegging' limit, a full submission to IPART is due on the 11<sup>th</sup> February 2019 and it must also adopt the Long Term Financial Plan (LTFP).

### **CONCLUSION**

This report is seeking Council's approval to submit a Special Rate Variation application to IPART to increase the minimum rates for both residential and business properties to \$900, requiring the increasing of rates by 6.06% above the rate pegging limit of 2.7%.

### **RESPONSIBLE OFFICER**

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

File Number: 2018/323943

**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:

**COR001A-19      T794/18 PROJECT MANAGEMENT SERVICES FOR THE SUTHERLAND  
ENTERTAINMENT CENTRE UPGRADE****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.