



# CUMBERLAND COUNCIL

## Council Meeting

*Wednesday, 21 August 2019 at  
6:30pm*

Cumberland Council Chambers

Merrylands Service Centre, 16 Memorial Avenue, Merrylands



## Councillor Contact Details

### Granville Ward

Clr Steve Christou	0419 651 187	Steve.Christou@cumberland.nsw.gov.au
Clr Ola Hamed	0405 070 007	Ola.Hamed@cumberland.nsw.gov.au
Clr Joseph Rahme	0418 995 471	Joseph.Rahme@cumberland.nsw.gov.au

### Greystanes Ward

Clr Greg Cummings (Mayor)	0417 612 717	Greg.Cummings@cumberland.nsw.gov.au
Clr Eddy Sarkis	0418 306 918	Eddy.Sarkis@cumberland.nsw.gov.au

Vacant

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### Regents Park Ward

Clr Ned Attie	0419 583 254	Ned.Attie@cumberland.nsw.gov.au
Clr George Campbell	0409 233 315	George.Campbell@cumberland.nsw.gov.au
Clr Kun Huang	0418 911 774	Kun.Huang@cumberland.nsw.gov.au

### South Granville Ward

Clr Glenn Elmore (Deputy Mayor)	0418 459 527	Glenn.Elmore@cumberland.nsw.gov.au
Clr Paul Garrard	0414 504 504	Paul.Garrard@cumberland.nsw.gov.au
Clr Tom Zreika	0449 008 888	Tom.Zreika@cumberland.nsw.gov.au

### Wentworthville Ward

Clr Lisa Lake	0418 669 681	Lisa.Lake@cumberland.nsw.gov.au
Clr Suman Saha	0419 546 950	Suman.Saha@cumberland.nsw.gov.au
Clr Michael Zaiter	0418 432 797	Michael.Zaiter@cumberland.nsw.gov.au

For information on Council services and facilities please visit [www.cumberland.nsw.gov.au](http://www.cumberland.nsw.gov.au)

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## ORDER OF BUSINESS

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- 1 Opening Prayer / Acknowledgement of Country / National Anthem**
- 2 Notice of Live Streaming of Council meeting**
- 3 Apologies / Requests for Leave of Absence**
- 4 Declarations of Pecuniary & Non Pecuniary Conflicts of Interest**
- 5 Confirmation of Previous Minutes**  
C08/19-167 Minutes of the Ordinary Meeting of Council - 07 August 2019 .....5
- 6 Mayoral Minutes**  
Nil
- 7 Public Forum / Presentation of Petitions**
- 8 Items Resolved by Exception**
- 9 Reports to Council**
  - General Manager**  
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  - Director People & Performance**  
C08/19-169 Quarter 4 Performance Report on the Operational Plan 2018-1921
  - Director Finance & Governance**  
C08/19-170 Report on Outstanding Council Resolutions and Councillor Attendance .....75  
C08/19-171 IPART Review of the Local Government Rating System – Consultation 2019.....91  
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  - Director Community Development**  
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C08/19-176 Auburn Town Centre - Planning Controls Strategy .....593
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## **10 Reports of Council Committees**

Nil

## **11 Motions pursuant to Notice**

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## **12 Notices of Rescission**

Nil

## **13 Questions with Notice**

Nil

## **14 Closed Session Reports**

C08/19-182 Property Acquisition - 44 Killeen Street, Auburn

*Note: Included in Closed Council in accordance with Section 10A(2)(c) of the Local Government Act as the information involves information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.*

C08/19-183 Property Acquisition - 72 Edgar Street, Auburn

*Note: Included in Closed Council in accordance with Section 10A(2)(c) of the Local Government Act as the information involves information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.*

C08/19-184 Preventative Maintenance Works Tender (T-2018-052)

*Note: Included in Closed Council in accordance with Section 10A(2)(d)(ii) and (d)(iii) of the Local Government Act as the information involves information that would, if disclosed, confer a commercial advantage on a competitor of the council and information that would, if disclosed, reveal a trade secret.*

C08/19-185 Reactive & Minor Projects Works Tender (T-2018-051)

*Note: Included in Closed Council in accordance with Section 10A(2)(d)(ii) and (d)(iii) of the Local Government Act as the information involves information that would, if disclosed, confer a commercial advantage on a competitor of the council and information that would, if disclosed, reveal a trade secret.*

## **15 Other / General Matters**

## **16 Close**

Item No: C08/19-167

## **MINUTES OF THE ORDINARY MEETING OF COUNCIL - 07 AUGUST 2019**

Responsible Division:

Finance & Governance

Officer:

Director Finance & Governance


### **RECOMMENDATION**

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**That Council confirm the minutes of the Ordinary Meeting of Council held on 7 August 2019.**

### **ATTACHMENTS**

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1. Draft Minutes - 7 August 2019 [↓](#) 



DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-167

Attachment 1  
Draft Minutes - 7 August 2019



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**Minutes of the Council Meeting 7 August 2019****Meeting commenced at 6:30pm**

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**Present:**

Greg Cummings (Mayor)	Councillor
Glenn Elmore (Deputy Mayor)	Councillor
Ned Attie	Councillor
George Campbell	Councillor
Steve Christou	Councillor
Paul Garrard	Councillor
Ola Hamed	Councillor
Kun Huang	Councillor
Lisa Lake	Councillor
Joseph Rahme	Councillor (arrived 6:36pm)
Suman Saha	Councillor
Michael Zaiter	Councillor
Tom Zreika	Councillor
Hamish McNulty	General Manager
Melissa Attia	Director People & Performance
Daniel Cavallo	Director Environment & Planning
Brooke Endycott	Director Community Development
Peter Fitzgerald	Director Works & Infrastructure
Richard Sheridan	Director Finance & Governance

**Also Present:**

Charlie Ayoub	Executive Manager Corporate Services
Carol Karaki	Governance Coordinator
Laith Jammal	Governance Administration Officer

**Opening Prayer**

The opening prayer was read by Reverend Kili Mafau Fau from Lidcombe Samoan Uniting Church.

**Acknowledgement of Country**

The Mayor, Councillor Cummings opened the Meeting with the following Acknowledgement of Country:

*"I would like to acknowledge the traditional owners of this land – the Darug People, and pay my respects to their elders past, present and emerging."*



**National Anthem**

At this point in the meeting the Mayor, Councillor Cummings asked all of those in attendance to stand for the playing of the Australian National Anthem.

**Minute of Silence**

The Mayor, Councillor Cummings requested that the Chamber remain standing as he informed of the passing of the late Allen Brierley. The Mayor noted that Mr Brierley served as an alderman at the former Holroyd City Council from 1953 to 1956, and 1965 to 1987. Mr Brierley served the former Holroyd City Council for 25 years in total. He passed away on Friday the 2nd of August 2019, at the age of 101.

The Mayor then called for a minute of silence in memory of the Late Allen Brierley.

**Notice of Live Streaming of Council Meeting**

The Mayor, Councillor Cummings advised that the Council meeting was being streamed live on Council's website and members of the public must ensure their speech to the Council is respectful and use appropriate language.

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**Min.613 Apologies/Leave of Absence****Resolved (Garrard/Zaiter)**

That the apology tendered on behalf of Councillor Sarkis be accepted.

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**Declarations of Pecuniary & Non Pecuniary Conflicts of Interest**

There were no declarations of interest.

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**Confirmation of Minutes**

**Min.614 C08/19-154 Minutes of the Ordinary Meeting of Council - 17 July 2019**

**Resolved (Garrard/Christou)**

That Council confirm the minutes of the Ordinary Meeting of Council held on 17 July 2019.

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**Min.615 MM08/19-8 Mayoral Minute - Local Government Week Awards****Resolved (Cummings)**

That Council congratulate Monica Cologna and all staff that contributed to the projects submitted in the Local Government Week Awards 2019.

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**Min.616      Items by Exception****Resolved (Christou/Saha)**

At this time of the meeting, all items on the agenda not called for discussion were moved collectively, as shown:

That item numbers C08/19-156, C08/19-157, C08/19-158, C08/19-161, C08/19-165 and C08/19-166 be moved in bulk.

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**Min.617      C08/19-156 Local Government NSW Annual Conference 2019****Resolved (Christou/Saha)**

That Council:

1. Consider and nominate the appointment of up to 10 voting delegates to vote on motions at the Local Government NSW Annual Conference; and
2. Consider the submitting of any motions to be considered at the Local Government NSW Annual Conference.

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**Min.618      C08/19-157 Review of Ward Boundaries Prior to 2020 Local Government Election****Resolved (Christou/Saha)**

That Council receive the report.

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**Min.619      C08/19-158 Review of Community Development Policies****Resolved (Christou/Saha)**

That Council:

1. Place the revised *Draft Access and Equity Policy* as outlined in Attachment 1 of this report on public exhibition for a period of 28 days.
2. Place the revised *Draft Art and Cultural Collection Policy* as outlined in Attachment 2 of this report on public exhibition for a period of 28 days.
3. Place the revised *Draft Seniors' Units for Independent Living Policy* as outlined in Attachment 3 of this report on public exhibition for a period of 28 days.
4. Place the revised *Draft Volunteers Policy* as outlined in Attachment 4 of this report on public exhibition for a period of 28 days.

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5. Provide a further report back to Council following the conclusion of the exhibition period.
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**Min.620      C08/19-161 Design Excellence Panel Policy**

**Resolved (Christou/Saha)**

That Council:

1. Adopt the Design Excellence Panel Policy.
2. Receive and note the Design Excellence Panel Procedures to support the delivery of the Policy.

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**Min.621      C08/19-165 Gipps Road Sporting Complex Asbestos Remediation Project Contract Variation**

**Resolved (Christou/Saha)**

That Council delegate authority to the General Manager to approve the contract variation for tender T-2019-005.

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**Min.622      C08/19-166 Cumberland Heritage Committee - Minutes of Meetings held on 11 June and 2 July 2019, related Cumberland Local Heritage Rebate Program and Cumberland Local Heritage Awards Program for 2019.**

**Resolved (Christou/Saha)**

That Council:

1. Receive the minutes of the Extraordinary Cumberland Heritage Committee meeting held on 11 June 2019 and the ordinary Cumberland Heritage Committee meeting held on 2 July 2019;
2. Note the recommendation of the Cumberland Heritage Committee (11 June 2019 minutes), for nominations to be sought from the public for potential new heritage items and places for consideration during the second stage of the Cumberland Heritage Study;
3. Note that the Cumberland Heritage Committee was consulted regarding the proposed removal of the heritage item at 10 William Street, Granville as part of the Planning Proposal Request for 2-22 William Street, Granville, and no objections were made;
4. Recommend that Council consider the establishment of a consolidated 'Granville Heritage Precinct' as part of Stage 2 of the Cumberland Heritage Study; and for the outcomes to be presented to Council;

- 
5. Adopt the recommendations of the Cumberland Heritage Committee for the Cumberland Local Heritage Rebate Program 2019 as follows:
- (i) That the following Cumberland Local Heritage Rebate Program 2019 applications are recommended for approval and the funds (totalling \$31,285) be allocated from the Cumberland Local Heritage Rebate Program 2019 budget for the proposed works:
- 20 Fullagar Road, Wentworthville  
\$750 for the repair of the roof, subject to its replacement rather than the use of putty for repair.
  - 30 Monash Street, Wentworthville  
\$3,158 for the repair of damaged weather boards on the western and eastern walls, and painting works, subject to the submission of information detailing the use of an appropriate weatherboard profile for the cladding on a 'like for like' basis to match the original cladding.
  - 19 Austral Avenue, Westmead  
\$4,000 for repair to the external brickwork, including repairing and stabilising the footing, subject to the submission of an engineer's specification to ensure that the work proposed is adequate and appropriate.
  - 7 Villiers Street, Merrylands  
\$720 for the replacement of guttering 'like for like' to the full length of the left side of the property.
  - 17 Talbot Road, Guildford  
\$3,520 for painting works, subject to the submission of details of colours appropriate to the style and character of the 1920s 'interwar' house.
  - 7 Daniel Street, Granville  
\$4,000 for the replacement of roof tiling, subject to the works receiving development consent supported by appropriate heritage advice to mitigate choice of tiling.
  - 27 Grimwood Street, Granville  
\$4,000 for the replacement/repair of cladding subject to the submission of information detailing the use of an appropriate weatherboard profile for the cladding on a 'like for like' basis to match original cladding.
  - 6 Jamieson Street, Granville  
\$1,871.50 for the replacement of the front fence in a style compatible with the period of the dwelling.
  - 29 Jamieson Street, Granville  
\$495 for the reinstatement of the original wooden dentils to the front and side veranda fascia.

- 
- 57 John Street, Granville  
\$4,000 for repairs to replace the front wall of the veranda and windows, the restoration of the western parapet, and restoration and re-design of the veranda roof to incorporate the original bullnose style roof.
  - 8 Spring Garden Street, Granville  
\$1,872.50 for the replacement of the existing fence with a picket fence, subject to the submission of detail of the preferred fence proposed.
  - 32 Walter Street, Granville  
\$1,400 for the reinstatement of veranda screens on both left and right sides, and part restoration of the right section of the veranda ceiling.
  - 55 Kerrs Road, Lidcombe  
\$1,498 for replacement of the gutter 'like for like' and the replacement of bolts on the bull nose veranda.
- (ii) That the following Cumberland Local Heritage Rebate Program 2019 applications are recommended as unsuccessful, and notified accordingly:
- 15-17 Thomas May Place, Westmead
  - 12 Fullagar Road, Wentworthville
6. Note the Cumberland Local Heritage Awards Program winners and highly commended prize recipients.

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**Min.623      C08/19-155 Transfer of Laneway to Council Ownership at 3-5 Robilliard Street, Mays Hill**

**Resolved (Elmore/Christou)**

That Council:

1. Agree to acquire Lot 2 (Folio Identifier Part 110/13239 and 111/13239) part of laneway at 3-5 Robilliard Street, Mays Hill for the purposes required by the Holroyd DCP 2013 for a total cost of \$172,750.
2. Delegate authority to the General Manager to finalise negotiations and execute the contract.

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**C08/19-156 Local Government NSW Annual Conference 2019**

This item was dealt with earlier in the meeting.

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**C08/19-157 Review of Ward Boundaries Prior to 2020 Local Government Election**

This item was dealt with earlier in the meeting.

**C08/19-158 Review of Community Development Policies**

This item was dealt with earlier in the meeting.

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**Min.624 C08/19-159 Draft Children and Families Strategy 2019 - 2023****Resolved (Lake/Hamed)**

That Council place the *Draft Children and Families Strategy 2019 – 2023* on public exhibition for a period of 28 days, with a report to be provided back to Council following the conclusion of the exhibition period.

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**Min.625 C08/19-160 Response to Notice of Motion - Establishment of Cumberland Council as a Refugee Welcome Zone****Resolved (Hamed/Zreika)**

That Council:

1. Affirms its commitment to becoming a signatory to the Refugee Welcome Zone declaration, which states:

*“Cumberland Council declares the Cumberland Local Government Area a Refugee Welcome Zone. This Declaration is a commitment in spirit to:*

- *Welcoming refugees into our community,*
- *Upholding the human rights of refugees,*
- *Demonstrating compassion for refugees, and*
- *Enhancing cultural and religious diversity in our community.”*

2. Includes signage at Council community facilities acknowledging that Cumberland is a Refugee Welcome Zone.

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**C08/19-161 Design Excellence Panel Policy**

This item was dealt with earlier in the meeting.



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**Min.626 C08/19-162 Planning Agreement for 615 Great Western Highway,  
Greystanes****Resolved (Attie/Zaiter)**

That Council authorise the Mayor and General Manager to execute the planning agreement in its current form.

A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:

Councillor(s) For the Motion: Attie, Campbell, Christou, Cummings, Elmore, Garrard, Hamed, Huang, Lake, Rahme, Saha, Zaiter and Zreika.

Councillor(s) Against the Motion: Nil

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**Min.627 C08/19-163 Proposed Planning Controls for Parts 2, 4 and 5,  
Schedules 1 and 4, and dictionary of the new Cumberland Local  
Environmental Plan****Resolved (Attie/Zaiter)**

That Council:

1. Endorse the maximum number of days for development consent on the temporary use of land to be included in Part 2 of the new Cumberland Local Environmental Plan, as provided in Attachment 1;
2. Endorse the principal development standards to be included in Part 4 of the new Cumberland Local Environmental Plan, as provided in Attachment 2;
3. Endorse the miscellaneous provisions and controls to be included in Part 5 of the new Cumberland Local Environmental Plan, as provided in Attachment 3;
4. Endorse the carryover of existing additional permitted uses to be included in Schedule 1 of the new Cumberland Local Environmental Plan, as provided in Attachment 4;
5. Note the compulsory provisions in Parts 4 and 5, Schedule 4 and Dictionary to be included in the new Cumberland Local Environmental Plan; and
6. Note that the above items will be included in the planning proposal for the new Cumberland Local Environmental Plan.

A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:

Councillor(s) For the Motion: Attie, Campbell, Christou, Cummings, Elmore, Garrard, Hamed, Huang, Lake, Rahme, Saha, Zaiter and Zreika.

Councillor(s) Against the Motion: Nil

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**Min.628      C08/19-164 Proposed Planning Controls for the Land Use Table on Special Purpose, Recreation, Environment Protection and Waterway zones of the new Cumberland Local Environmental Plan.**

**Resolved (Attie/Elmore)**

That Council:

1. Endorse the Land Use Table for the special purpose, recreation, environment protection and waterway zones to be included in the new Cumberland Local Environmental Plan, as provided in Attachments 1-6, subject to the removal of places of public worship as a permitted land use from SP1 & SP2 zones.
2. Endorse the carry over of the existing application of these zonings as currently mapped for properties covered under the new Cumberland Local Environmental Plan; and
3. Note that the above items will be included in the planning proposal for the new Cumberland Local Environmental Plan.

A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:

Councillor(s) For the Motion:      Attie, Campbell, Christou, Cummings, Elmore, Garrard, Hamed, Huang, Lake, Rahme, Saha and Zaiter.

Councillor(s) Against the Motion:      Zreika

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The Mayor, Councillor Cummings closed the meeting at 6:58pm.

Chairperson \_\_\_\_\_ General Manager \_\_\_\_\_





Item No: C08/19-168

## LEGAL REPORT

Responsible Division: General Manager  
Officer: General Counsel  
File Number: T014916/2018  
Community Strategic Plan Goal: *Transparent and accountable leadership*

## SUMMARY

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This report provides Council with a summary of legal proceedings in which Council is involved.

## RECOMMENDATION

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**That Council receive this report.**

## REPORT

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This report provides Council with a summary of legal proceedings in which Council is involved.

It does not include the following types of legal proceedings:

1. Proceedings that are managed by Council's insurers;
2. Local Court Proceedings involving an appeal against a parking fine; and
3. Proceedings for the recovery of debts where those proceedings are being run by Council's external debt collection agency.

The report is current to 31 July 2019. It does not capture changes that have occurred between that date and the date the report is considered by Council.

Also attached are a reporting letter from Wilshire Webb solicitors concerning the recent judgment in *Cumberland Council ats ABC Planning* involving a significant redevelopment of land at 41 Auburn Road, Auburn and a copy of the approved floor plans and elevations for that development.

## COMMUNITY ENGAGEMENT

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There are no consultation processes for Council associated with this report.

**POLICY IMPLICATIONS**

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There are no policy implications for Council associated with this report.

**RISK IMPLICATIONS**

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There are no risk implications for Council associated with this report.

**FINANCIAL IMPLICATIONS**

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There are no financial implications for Council associated with this report.

**CONCLUSION**

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This is an information report with the Legal Register provided as a confidential attachment.

**ATTACHMENTS**

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1. Legal Report (confidential)
2. Advice from Whilshire Webb Staunton Beattie Lawyers dated 6 August 2019 (confidential)
3. 41 Auburn Road, Auburn - Plans and Elevations (confidential)

Item No: C08/19-169

## **QUARTER 4 PERFORMANCE REPORT ON THE OPERATIONAL PLAN 2018-19**

Responsible Division: People & Performance  
Officer: Director People & Performance  
File Number: S-57-52  
Community Strategic Plan Goal: *Transparent and accountable leadership*

### **SUMMARY**

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The purpose of this report is to update Council and the community on the progress in implementing the activities in the Operational Plan 2018-19.

In total, 88% of Key Projects planned for the 2018-19 year have been completed or are ongoing and on track. Of the remaining 12%, 8% are on hold or have been discontinued and 4% require attention to ensure they are completed or reach their target.

As this is the quarter four report, it focuses on the achievements during the quarter. A full and detailed analysis of the progress throughout the year will be presented in the Annual Report for 2018-19.

### **RECOMMENDATION**

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**That Council receive the Quarter Four Performance Report on the Operational Plan 2018-19**

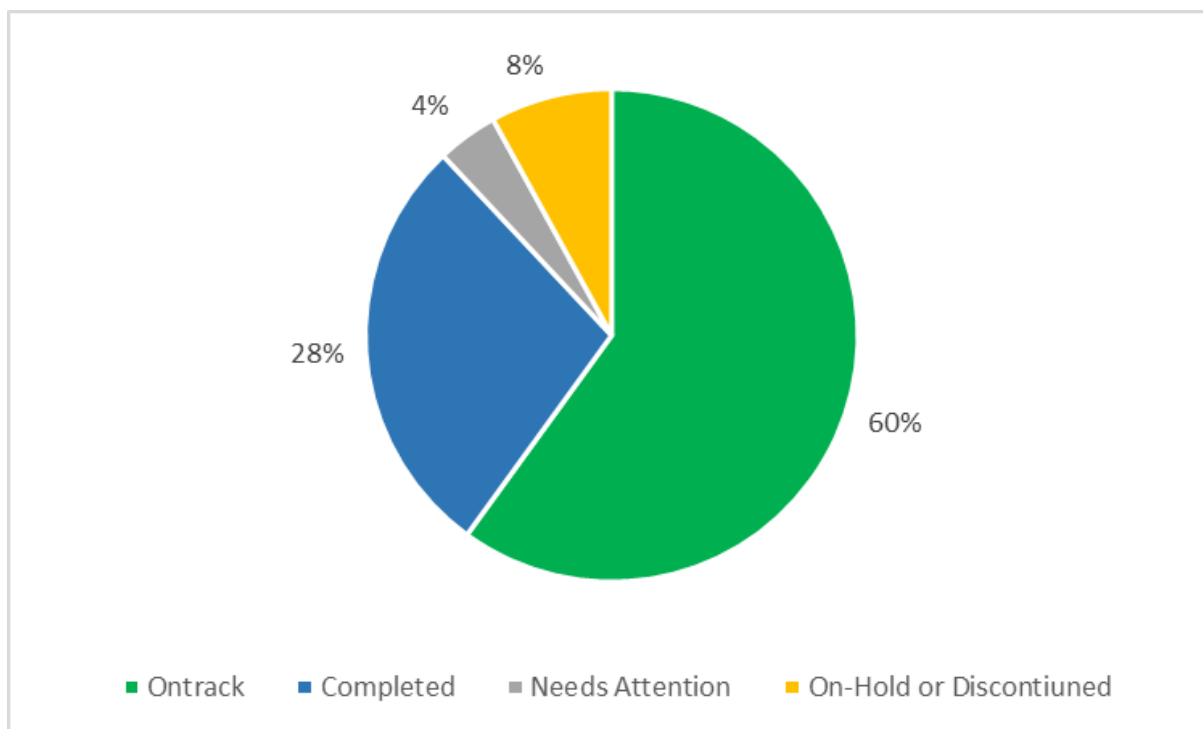
### **REPORT**

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The Operational Plan 2018-19 identified the key projects planned for delivery throughout the year, as well as the associated budget. These projects are in direct response to the strategic goals and community vision contained in the Community Strategic Plan 2017-27. The Q4 Performance Report at Attachment 1 shows progress in implementing the planned activities over the April to June period.

As shown in Figure 1, the majority of Key Projects are completed or are on track for completion during the Delivery Program 2017-21.

Figure 1 – Summary of Key Project Performance at Q4



During the quarter, nine additional projects were completed:

- The Cumberland Cultural Plan
- The Cumberland Reconciliation Action Plan
- The Business Engagement Program
- The Open Space Asset Management Plan
- The Cumberland Employment Lands and Innovation Strategy
- The Design Excellence Review Panel for High-rise Buildings
- The Auburn Library Expansion
- Improving Procurement Culture within the Organisation
- Plan of Management for Pemulwuy

The majority of other projects are running on track for delivery in the remaining years of the 2017-21 Delivery Program. Three projects however are delayed or not meeting their objectives. These are:

- Wyatt Park Plan of Management – delayed owing to changes in legislation and Ministerial directives
- New Customer Service Portal – delayed but will be delivered as part of phase 2 of the TechnologyOne implementation project which is expected to be in Q2, 2019-20
- Improvement in customer satisfaction of open space provision and presentation – project was completed however satisfaction declined so the objectives of the project, in this instance, have not been met.

Highlights from Council's service delivery through the quarter include:

- An estimated 15,000 people attended the Ramadan Festival held in Auburn Town Centre
- Council's Graffiti Removal Team cleared 1,110m<sup>2</sup> of graffiti from public property. This brought the yearly total to 5,289m<sup>2</sup> of graffiti removed
- Council's Parks and Recreation Team was the winner of the Local Government Excellence Awards for Book a Court
- The Draft Local Strategic Planning Statement was finalised for public exhibition
- The Cumberland Employment and Innovation Lands Strategy
- The Auburn Library Expansion
- Council's Customer Experience Strategy has commenced implementation

In noting that there are a number of significant capital works projects which, due to their scale will be completed over more than a single financial year, attached to this report are also three separate documents which provide an update on the following projects:

- The Granville Centre
- Merrylands CBD Drainage
- Swim Centres

## COMMUNITY ENGAGEMENT

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There are no consultation processes for Council associated with this report.

## POLICY IMPLICATIONS

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There are no policy implications for Council associated with this report.

## RISK IMPLICATIONS

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There are no risk implications for Council associated with this report.

## FINANCIAL IMPLICATIONS

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There are no financial implications for Council associated with this report.

## CONCLUSION



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The 2018-19 year was a very successful year for Cumberland Council's service delivery with the vast majority of planned projects completed or tracking towards completion. While the focus of this report is the April-June period, a full review of the year's performance will be presented in the Annual Report 2018-19.

## ATTACHMENTS

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1. Quarter 4 Performance Report on the Operational Plan 2018-19 [↓](#) 
2. Quarter 4 Budget Review for The Granville Centre [↓](#) 

3. Quarter 4 Budget Review for Merrylands CBD Drainage [↓](#) 
4. Quarter 4 Budget Review for Swim Centres [↓](#) 

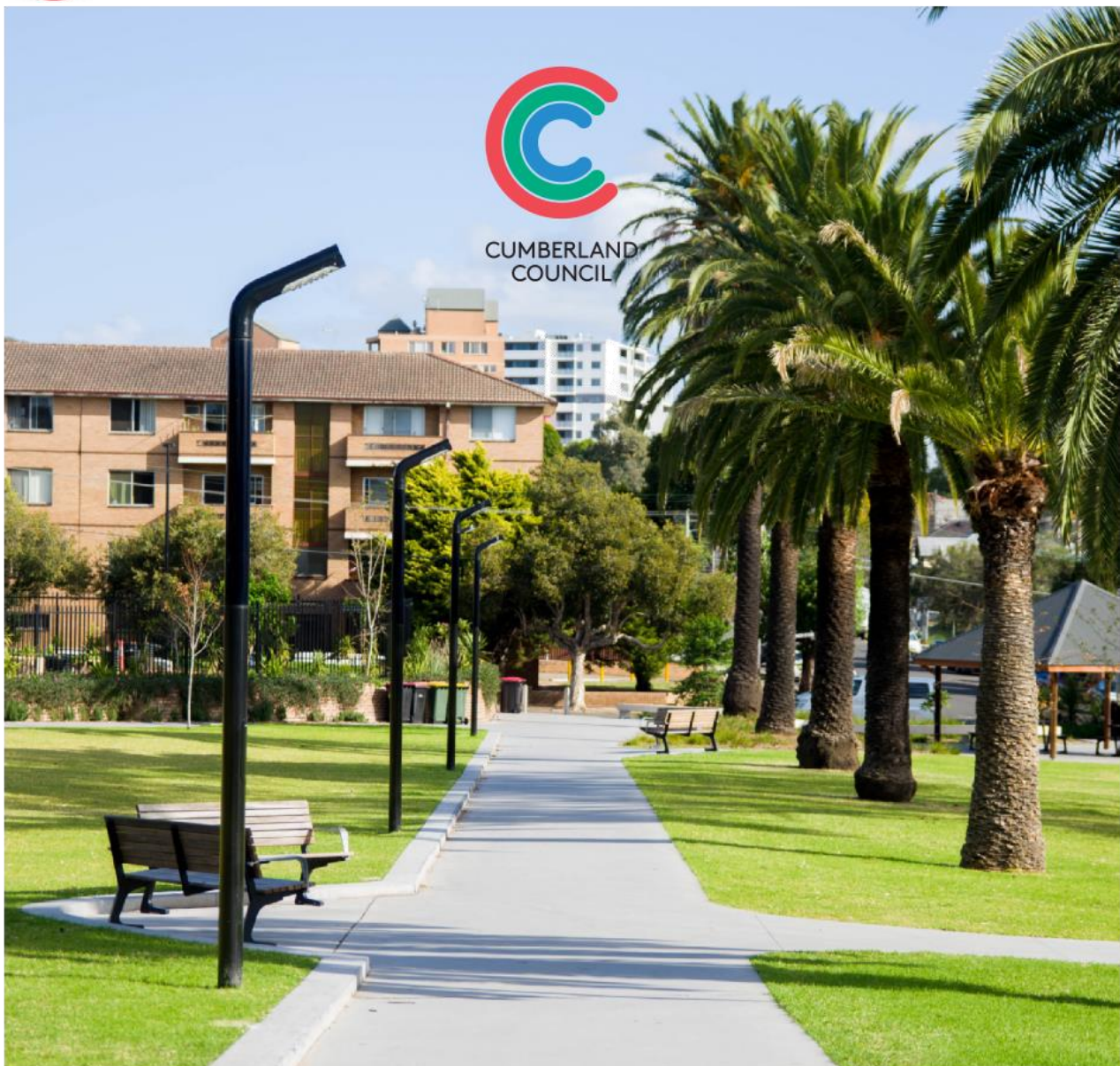
**DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-169**

**Attachment 1**

**Quarter 4 Performance Report on  
the Operational Plan 2018-19**







## Cumberland Council Quarter 4 Performance Report

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### April-June 2019

## Contents

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## THE INTEGRATED PLANNING AND REPORTING FRAMEWORK

Under the *NSW Local Government Act 1993*, councils are required to develop a hierarchy of plans known as the Integrated Planning and Reporting (IP&R) Framework. The IP&R Framework is designed to ensure that all NSW councils are using community engagement to undertake long term planning for their future.

The four year Delivery Program is informed by the overarching community vision in the 10 year Community Strategic Plan and resourced by the Resourcing Strategy. The one year Operational Plan details how Council plans to deliver the Community's vision for that financial year.

The IP&R framework is designed to give council and the community, a clear and transparent picture of:

1. Where we want to go (Community Strategic Plan)
2. How we plan to get there (Delivery Program, Operational Plan and Resourcing Strategy)
3. How we will measure our progress (Quarterly and Annual Reporting and the End of Term Report).

The Delivery Program and Operational Plan contain information about Council's Service Areas, Key Projects and the Service Performance Measures used to assess how Council is tracking towards achieving the community's vision for its future. Council reports on a quarterly basis to ensure thorough monitoring of the commitments it has made to the community.

This report provides a summary of Council's progress over the fourth Quarter, 1 April to 30 June 2019, in implementing the Operational Plan 2018 – 2019 which is year two of the Delivery Program 2017 – 2021.





## GUIDE TO READING THE QUARTERLY REPORT

There are two main sections in the Quarterly Report:

1. The Service Area Update section is where Council provides a snapshot of overall progress for each Service Area including achievements and highlights along with issues and setbacks that are affecting the delivery of ongoing business activity.

### SERVICE AREA STATUS UPDATE

Key Achievements and Highlights	Any good news stories, key events or milestones relating to the service that help display progress.
Issues and Setbacks	Any issues experienced such as a lack of resources, unforeseen circumstances or poor conditions that have slowed progress on service delivery.

Also included in this section are the progress of the Service Performance Measures

### PERFORMANCE MEASURES

Performance Measure	Result
Performance Measure Indicators such as the number of attendees or the provision of programs.	The data relevant to the performance measure indicator.

2. The Key Projects section provides a progress comment and status update for each of the major projects for the Operational Plan of that year. This update helps readers to understand how a project is tracking, if it is likely to be completed, as well as any milestones or key highlights.

### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status
1A.1.1	Name and description of the Key Project as it appears in the Operational Plan and the Delivery Program	Manager in charge of delivering the Key Project	Update on progress of Key Project including milestones, highlights, issues or changes that affect the delivery of the Key Project	Traffic Light status of the Key Project

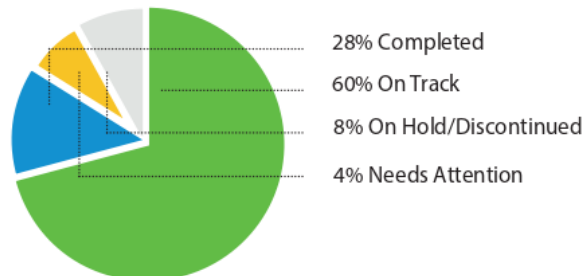
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## EXECUTIVE SUMMARY

At the end of quarter 4, 28% of key projects were already completed with 60% on track for delivery.

Of the remaining 12%, 8% were placed on hold or discontinued due to various reasons and there were 3 projects (4%) needing attention to ensure they achieved their objectives.



## HIGHLIGHTS THIS QUARTER

Some highlights for quarter 4 of the 2018-2019 Operational Plan included:

- An estimated 15,000 people attended Councils' first Ramadan Street Food Festival on Saturday, 18 May 2019, in the Auburn Town Centre.
- Council's Graffiti Removal Team removed 1,110m<sup>2</sup> of graffiti from public property. This brings the total amount of graffiti removed for 2018-19 to 5,289m<sup>2</sup>.
- Council's Parks and Recreation Team was the winner of the Local Government Excellence Award for the Book a Court Project.
- Cumberland's first Citizen Scientist Bird Spotters bird walk occurred with 23 residents participating in the guided tour.
- The Discover Cumberland Pilot Project was completed which increased the respondents' awareness of "How to Deal with Waste" from 29% to 86%.
- 44 Children and Family Services Council staff have completed training as a key step in the partnership with NSW Health's Child and Family Speech Pathology Team for the Growing Little Language Learners Program which aims to prevent language delay for children at risk.
- The Draft Local Strategic Planning Statement has been finalised for public exhibition.
- Cumberland Employment and Innovation Lands Strategy was adopted by Council.
- Council's Environmental Health and Health Protection staff participated in the Parramatta River Catchment Group 'Get the Site Right' campaign, focusing on erosion and sediment controls at development sites.
- The Auburn Library expansion project was completed and opened for use with 36 public access computers and a newly refurbished space for the community to conduct their business in the digital world.
- Wentworthville Swim Centre has commenced early demolition works.
- Council has commenced implementation of the Customer Experience Strategy.
- Council completed the development of the Draft Cumberland Community Facilities Strategy following extensive research and community engagement.

## 1. COMMUNITY PROGRAMS AND EVENTS

### SERVICE AREA STATUS UPDATE

#### Key Achievements and Highlights

Council delivered the following community events and festivals this quarter:

- Ramadan Street Food Festival: An estimated 15,000 people attended the event held in the Auburn Town Centre on Saturday 18 May 2019.
- PetFest: Approximately 4,000 people and their pets attended the event held in Holroyd Gardens on 2 June 2019.
- Cumberland Local Festival was held from 18 April to 26 May 2019 and engaged 6,000 attendees across 12 local events delivered across Cumberland's five wards.

Council received the following grants this quarter for community programs:

- \$25,500 from the Office of Environment and Heritage for the Warali Wali Stories of Prospect Creek project. The funds will enhance the Warali Wali trail through a series of four interpretive Aboriginal artworks along the Prospect Creek shared cycleway.
- \$1,000 from the Department of Prime Minister and Cabinet for the NAIDOC Week Aboriginal Cultural Tour Program.
- \$7,500 from the NSW Department of Family and Community Services for a new Refugee Youth Led project. The funds will meet identified priorities in the Youth Strategy and contribute to the development and implementation of refugee youth participation and inclusion initiatives.
- \$1,000 from the Multicultural NSW Celebrating Diversity Events Grant to showcase the diversity of local culture.

Programs provided by Council for the quarter included:

- Nine school holiday and youth week activities were provided for young people aged between 12 to 18 years old and attended by 420 young people.
- Grant Support Programs were provided as part of the Clubs for Cumberland Club Grants Scheme including information sessions, two 'Preparing a Successful Grant' workshops and one-on-one 'Advisory Desk' sessions. A total of 124 applications were received.
- Over 150 representatives from local community organisations attended a 'Get to Know Your Council Services' forum which provided an opportunity for local services and the many volunteer run organisations to meet with staff and Councillors and learn about the programs and services offered by Council.
- Over 150 residents attended the 2145 Access Services Hub held at Wentworthville Community Centre providing opportunities to engage with 25 agencies and local services.
- The Lifestyle and Leisure Links and Social Inclusion teams programs have maintained a steady activity of participation with NDIS funding income of \$336, 872 generated through the two programs for the 2018-19 financial year.
- Council passed the Quality Review to continue to provide programs under the NDIS.
- Council continues to implement the Disability Inclusion Action Plan with a number of strategies implemented this quarter, including Disability Awareness Training for Volunteers, Fusion Screen reader software installed on one Public PC in libraries, new resources and equipment purchased to increase access and inclusion at events.
- Council held four training sessions for volunteers on Civic Education Training, Dementia Awareness, Older Persons Mental Health First Aid Training, and Disability Awareness Training to 34 volunteers.

## 1. COMMUNITY PROGRAMS AND EVENTS (CONTINUED)

### SERVICE AREA STATUS UPDATE (CONTINUED)

Issues and Setbacks	<ul style="list-style-type: none"> <li>Council continues the structure review and implementation.</li> </ul>
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### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Percentage of young people participating in Council's youth programs who would recommend the program to another young person. (Average)(Target <75%)	99%	99%	97%	99%
Percentage of Council's youth programs that involve youth participation in their planning.	80%	80%	83%	81%
Number of school holiday programs delivered to young people.	Six in July school holidays.	15 in October school holidays.	16 in January 2019.	9 in April 2019.
Number of young people attending school holiday program events.	211 in July school holidays.	170 in October school holidays.	160 in January 2019.	420 in April 2019.
Number of major Council events delivered to residents.	Three	Two	Three	Three
Number of residents attending major Council events.	108,500	19,000	17,500	25,000
Increased engagement of small business in town centres participating in the Cumberland Business Engagement Program.	382 responses to first Cumberland Small Business Survey.	100 small businesses participated in workshops, Small Business Month Events, and one-on-one advisory sessions.	36 businesses participated in one workshop and two one-on-one advisory sessions.	129 businesses participated in four workshops and three one-on-one advisory sessions. 13 local businesses participated in a Meet The Buyer: Strategic Matching Event.
Number of volunteers engaged to support Council service delivery.	300	309	273	183
Number of hours provided through Cumberland Lifestyles and Leisure Links.	3,247	2,021	2,337	2,079
Amount of income generated through Cumberland Lifestyles and Leisure Links.	\$353,187	\$56,411	\$58,994	\$50,735
Number of Council's Lifelong Learning programs delivered.	18	11	11	9
Number of residents engaged in programs through Council's Lifelong Learning programs.	150	190	173	159
Percentage of community reporting an improvement with their health and wellbeing after accessing Council's Aged and Disability services.	Over 80% of 416 customers who participated in annual survey or annual goal plan reviews expressed improvements in their wellbeing.			
Number of customers accessing Council's Aged and Disability services.	1,059	1,059	1,085	1,072











## 1. COMMUNITY PROGRAMS AND EVENTS

### SERVICE PERFORMANCE MEASURES (CONTINUED)











Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Number of transport trips provided to seniors.	2,057 trips 5,961 passengers	2,061 trips 5,752 passengers	1,859 trips 5,826 passengers	1,837 trips 6,040 passengers
Number of hours of social inclusion individual and group support programs provided to seniors and people with a disability.	18,794	13,460	14,436	14,779
Number of meals provided by Cumberland's Nutrition Services to seniors and people with a disability.	10,007	8,748	9,494	10,746
Number of visitors to staffed community centres and facilities (Auburn, Berala, Peacock Gallery, Guildford).	Auburn 25,129 visitors Berala 26,835 visitors Granville 15,600 visitors 6,597 visitors to Peacock Gallery	Auburn 33,006 visitors Berala 28,543 visitors Granville 15,600 visitors 2,191 visitors to Peacock Gallery	Auburn 29,186 visitors Berala 25,984 visitors Guildford 6,698 visitors Granville 0 visitors (due to closure of centre for demolition) 2,191 visitors to Peacock Gallery	Auburn 31,282 visitors Berala 24,676 visitors Guildford 8,941 visitors Granville (closed for demolition/works) 3,168 visitors to Peacock Gallery

### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
1A.2.1	Develop Cumberland Cultural Plan	Director Community Development	The Draft Cumberland Cultural Plan was placed on public exhibition during the quarter with four public submissions received. The final Cumberland Cultural Plan was adopted at the Council Meeting held on Wednesday, 6 June 2019.				
1B.3.1	Develop and implement the Cumberland Reconciliation Action Plan, including the appointment of a dedicated Aboriginal Community Development Officer	Director Community Development	<p>The development of the Cumberland Reconciliation Action Plan (RAP) 2019-2021 RAP is complete. This quarter, 22 actions in the RAP have been implemented including Aboriginal and Torres Strait Islander cultural awareness training for local service providers/community organisations and development of Aboriginal Protocols and Guidelines in consultation with the ATSIC Committee.</p> <p>Council held a number of events to celebrate National Reconciliation Week from 27 May to 3 June 2019 including: Working with Aboriginal Communities Cultural Awareness Training for local community workers, story time in Council libraries, activities at the Auburn Botanic Gardens Open Day and an internal launch of Council's Reconciliation Action Plan.</p>				

## 1. COMMUNITY PROGRAMS AND EVENTS (CONTINUED)

### KEY PROJECTS (CONTINUED)

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
2B.2.1	Complete and implement review of Council's seniors units for independent living	Director Community Development	Project was discontinued in quarter 2.				
2A.2.1	Deliver the CCTV in Public Spaces Program expansion project	Director Community Development	Council awarded the final component of the tender for the CCTV and Lighting Upgrades project.				
4A.1.1	Prepare a business engagement program to support local business in town centres	Director Community Development	<p>Development of the Business Engagement Program is now complete with a number of programs and services delivered this quarter to support local businesses, including:</p> <ul style="list-style-type: none"> <li>Two one-on-one Business Advisory Sessions providing personalised advice and information to help with business planning, marketing, accessing finance and legal advice.</li> <li>Two Business Skills Workshops were delivered including a Google Business Solutions workshop and a Social Media Marketing workshop.</li> <li>13 local businesses participated in a 'Meet The Buyer: Strategic Matching Event' connecting them to First Tier Potential Buyers in the region.</li> <li>Two specialised Industry Workshops were delivered covering business planning for Family Day Care Service Providers and Food Safety.</li> <li>A cost saving workshop was delivered covering Energy Management Basics.</li> <li>The Service NSW Business Bus visited Auburn and Granville Town Centres.</li> </ul>				



## 2. ROADS, STORMWATER AND STREET CLEANING

### SERVICE AREA STATUS UPDATE















Key Achievements and Highlights	<ul style="list-style-type: none"> <li>Council's Graffiti Removal Team removed 1,110m<sup>2</sup> of graffiti from public property during the quarter 4 period. This brings the total amount of graffiti removed for the reporting year to 5,289 m<sup>2</sup>.</li> <li>508 potholes repaired.</li> </ul>
Issues and Setbacks	<ul style="list-style-type: none"> <li>Nil this quarter.</li> </ul>

### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Kilometres of local roads renewed.	1.38 km	4.6 km	3.55 km	0.84 km
Number of potholes repaired.	Approximately 112	390	301	508
Kilometres of footpaths renewed.	0.54 km	6.50 km	5.43 km	4.76km
Kilometres of new footpaths constructed.	3.96 km	0.46 km	1.02 km	2.55 km
Number of stormwater pits inspected.	803	431	363	317
Tonnes of litter collected from public places.	378 tonnes	343 tonnes	275 tonnes	358 tonnes
Square metres of graffiti removed.	905m <sup>2</sup>	1,347m <sup>2</sup>	1,921m <sup>2</sup>	1,110 m <sup>2</sup>
Number of instances of illegally dumped rubbish collected.	928*	1,144	1,724	1,295
Number of clean up services provided.	8,778	11,230	11,620	9,353

\*Number of instances of illegally dumped rubbish collected was incorrectly reported in Q1 as 9,705 but should have been 928.

### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
5B.2.2	Design and acquisition for Merrylands Ring Road	Director Works and Infrastructure	This project remains on hold while Council explores cost minimisation options for works including land acquisition.				
5C.1.1	Develop Pedestrian Access management Plan	Director Works and Infrastructure	The preparation of the consultants brief is in progress.				
3C.1.1	Develop Council's Public Place Cleansing Strategy	Director Works and Infrastructure	This project was completed in quarter 2.				
5C.1.2	Stormwater Drainage CCTV Audit	Director Works and Infrastructure	13.5% achieved so far, with the project currently tracking behind schedule due to site access and crew issues. These issues have been rectified by the contractor with output doubling in June 2019. The contractor has added more crew from July 2019 and has given a commitment to complete the entire length.				

### 3. PARKS AND RECREATION

#### SERVICE AREA STATUS UPDATE

Key Achievements and Highlights	<ul style="list-style-type: none"> <li>This quarter, Council completed 42 Parks and Recreation projects.</li> <li>Winner of the Local Government Excellence Awards for Book a Court.</li> <li>Highly commended for Local Government Excellence Awards, Women in Sport Roadshow.</li> <li>In comparison to the 2017-18 financial year and since the reallocation of the Bookings Team to Recreation, Council has increased its revenue by 89% . This excludes the tennis court revenue, which was an additional \$150,000.</li> <li>The Celebrating Cumberland Women in Sport and Women in Sport Leadership Masterclass were both held in May and June 2019.</li> <li>A Local Government Sport and Recreation Networking forum was held at the end of June 2019 and was attended by over 60 people from approximately 30 different councils across NSW.</li> <li>Healthy Kids Initiative programs and sessions continue to grow, with a number of in-school programs provided covering physical activity, healthy eating and healthy minds.</li> <li>Family Fun Day held with over 500 attendees across the day.</li> </ul>
Issues and Setbacks	<ul style="list-style-type: none"> <li>LSI review.</li> </ul>

#### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Percentage of Strategic Open Space Planning projects completed within the specified time and budget.	Two strategic plans have been identified to be completed this financial year, a Synthetic Sports Surfaces Plan and a Playspace Strategy.	On target to complete a Synthetic Sports Surfaces Plan and a Playspace Strategy within timeframe and in budget.	On target to complete a Synthetic Sports Surfaces Plan and a Playspace Strategy within timeframe and in budget.	Recreation and Open Space Strategy report updates are being progressed by consultants. Draft Synthetic Sports Surfaces Strategy is completed to go on public exhibition Request for Quotation prepared for the Playspace Strategy.
Percentage of contractor budget reduced for open space maintenance.	No % available this quarter.	\$27,000 in savings have been redirected to assist with verge mowing expenses.	\$20,000 in savings relating to Contractor budget for March 2019.	3.5% reduction in contractor budget has been achieved for quarter 4.
Golf course income for Woodville and Auburn.	Nil reported this quarter.	It is proposed to discontinue this Service Performance Measure.	It was resolved to discontinue this Service Performance Measure at Q2.	It was resolved to discontinue this Service Performance Measure at Q2.
Percentage increase in seasonal occupancy rates at sports grounds.	Summer seasonal bookings allocated with successful shared usage of some grounds. Seasonal sports field occupancy: 113/124 or 94%.	Seasonal sports field occupancy: 104/124 or 84%. 10% decrease from last quarter in occupancy due to summer seasonal sports.	Seasonal sports field occupancy 106/124 or 85%. 1% increase from quarter 2 (second half of the Summer season).	Seasonal sports field occupancy 115/124 or 92%. 7% increase from quarter 3 (first half of Soccer season).



### 3. PARKS AND RECREATION (CONTINUED)

#### SERVICE PERFORMANCE MEASURES (CONTINUED)

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Percentage of Capital works and Park Renewal projects completed within the specified time and budget.	The asset audit has been completed and a forward works program developed. Data collection of assets is underway to update the asset register to effect better forward programming.	On target with actual expenditure plus commitments is 50% of budget. 32 projects have been completed (a total of 60 completed since July 2018) and 91 are in progress. Total projects completed: 60/151 (40%)	On target with actual expenditure plus commitments is 65% of budget. 24 projects have been completed (a total of 84 completed since July 2018), 22 projects have been cancelled or deferred and 49 are in progress. Total projects completed, cancelled or deferred: 106/155 (68%).	42 projects have been completed in quarter 4 (a total of 126 completed since July 2018), 26 projects have been cancelled or deferred. Total projects completed, cancelled or deferred: 152/179 (85%).
Percentage of Plans of Management (PoM) reviewed by review date.	No Plans of Management have been identified for review this quarter.	The following plans are on target to be reviewed by the due date: <ul style="list-style-type: none"> <li>Draft Holroyd Sportsground PoM - will be placed on Public Exhibition.</li> <li>Prospect Hill PoM - Public exhibition has concluded. Report going to Council.</li> <li>Wyatt Park PoM - Report to Council regarding Action Sports Facility.</li> <li>Holroyd Gardens PoM - Will be placed on Public Exhibition.</li> </ul>	The following plans are on target for review by June 2019: <ul style="list-style-type: none"> <li>Prospect Hill PoM - Final PoM approved by Council at its meeting on 20 March 2019.</li> <li>Draft Holroyd Sportsground PoM - Proposed for Council's meeting on 1 May 2019, for approval to place on Public Exhibition.</li> <li>Holroyd Gardens Park PoM - Proposed for Council's meeting on 1 May for approval to place on Public Exhibition.</li> <li>Wyatt Park PoM - Planned report to Council regarding an Action Sports Facility. Delayed as no formal request has yet been received by the proponent.</li> </ul>	<ul style="list-style-type: none"> <li>Draft Holroyd Sports Ground PoM - proposed for Council's meeting on 8 August 2019 for adoption.</li> <li>Wyatt Park PoM - Planned report to Council regarding an Action Sports Facility. Formal request and concept has been received by the proponent and to be reviewed.</li> <li>Holroyd Gardens Park PoM - Currently on public exhibition until 31 July with a public hearing scheduled on 4 July and proposed agenda item for adoption at Council's meeting on 4 September 2019.</li> <li>Hyland Reserve Landscape - Masterplan on public exhibition.</li> </ul>
Number of Council Representatives at sports club and local park committee meetings.	All Parks committees inducted with six out of the nine committees holding their first meetings. Council Representatives attended three of these meetings.	Six club meetings - Council Representative at every meeting. Ten Parks Committees meetings - Council Representative at one.	Seven club meetings with local clubs: <ul style="list-style-type: none"> <li>Wenty Waratahs Netball</li> <li>Greystanes FC</li> <li>Berala Bears</li> <li>Auburn/Parra Basketball</li> <li>Holroyd Rangers</li> <li>Goannas AFL club</li> <li>Kids on Bikes</li> </ul> Seven Parks Committee meetings held - Council Representatives at three of the meetings.	Three club meetings with local clubs. Nine Parks Committee meetings held - council representative at three of these meetings.













































### 3. PARKS AND RECREATION (CONTINUED)

#### SERVICE PERFORMANCE MEASURES (CONTINUED)

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Number of organisational and network meetings attended.	Various meetings have been set up for consultation on the Biodiversity Strategy, including key groups such as the Canal Reserve Action Group, Conservation Volunteers Australia, and the Green Army.	<p>Attended 23 meetings with various groups including:</p> <ul style="list-style-type: none"> <li>Office of Sport</li> <li>Tennis Australia</li> <li>Netball NSW</li> <li>Cricket NSW</li> <li>Quidditch NSW</li> <li>Little Athletics NSW</li> <li>Global Active City</li> </ul>	<p>Attended 40 meetings with various groups.</p> <p>Council's Recreation Representatives attended numerous internal cross department meetings for:</p> <ul style="list-style-type: none"> <li>School Engagement Committee</li> <li>Community Networking Forum</li> <li>Community Development Meeting</li> <li>Grants Coordination</li> <li>Synthetic Strategy Meeting</li> <li>Community Facility Strategy meeting</li> </ul>	<p>Attended over 50 meetings with various groups.</p> <p>The team also attended numerous in-house cross department meetings.</p>
Number of Sports Forum and Recreation and Sport Advisory Panel (RSAP) meetings held.	<p>Two Sports Forum meetings were held.</p> <p>One Recreation and Sport Advisory Panel meeting was held.</p>	<p>One Sports Forum meeting was held.</p> <p>One RSAP meeting was held.</p>	<p>One Sports Forum meeting was held.</p> <p>One RSAP meeting was held.</p>	<p>One Sports Forum was held.</p> <p>One RSAP meeting was held.</p> <p>Year to date five sports forums, four RSAP meetings.</p>
Amount of grant funding received annually for parks and recreation projects.	<p>Grant applications pending to the amount of \$7million dollars.</p> <p>Successful grant applications for \$18,150 from Football NSW Lets light it up.</p>	<p>Total Awarded: \$2,779,075 (Oct 18-Jan 19) including:</p> <ul style="list-style-type: none"> <li>\$2.7million from the Office of Sport grant funds to contribute to the Granville Park Stadium upgrade.</li> <li>\$64,000 from Stronger Communities Fund for upgrade to canteen at Guilfoyle Park, upgrade of shelters at Civic Park, upgrade of Gazebos at Campbell Hill reserve and installation of new public BBQ at Wyatt Park.</li> <li>\$15,075 from Sport Australia – Sport Infrastructure fund for conversion/upgrade of Merrylands Oval Change rooms to female friendly changerooms.</li> </ul>	<p>Total Awarded: \$605,000 (Jan 19-Mar 19) including:</p> <ul style="list-style-type: none"> <li>Vet Affairs: Howitzer Gun \$10,000.</li> <li>NSW Government Planning and Environment: Central Gardens playground \$45,000.</li> <li>NSW Government Planning and Environment: Cooler Corridors - \$50,000.</li> <li>NSW Government Planning and Environment – Canopies for Community: \$100,000.</li> <li>NSW Government Planning and Environment – Metro Greenspace – Prospect Reservoir Water pipeline Corridor: \$200,000. NSW Government Planning and Environment – Metro Greenspace – Duck River Open Space Corridor: \$200,000.</li> </ul>	<p>Total Awarded: \$84,500 (April – June 2019) including:</p> <ul style="list-style-type: none"> <li>Cricket Australia- Girraween Pk Cricket Pitch \$30,000.</li> <li>Cricket Australia – Mona Park Female change rooms - \$14,500.</li> <li>Sport Australia Infrastructure – Lidcombe Oval change rooms - \$20,000.</li> <li>NSW Government – Office of Environment and Heritage - Prospect Hill Integrated Interpretation Plan - \$20,000.</li> </ul>

### 3. PARKS AND RECREATION (CONTINUED)

#### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
3A.2.1	Develop a Cumberland Open Space and Recreation Strategy	Director Works and Infrastructure	The amended Draft Open Space and Recreation Strategy is being updated and aligned with Council's strategic asset data with a second follow up consultation session with Council's Local Park Committees scheduled to occur.				
3A.2.2	Deliver Wyatt Park Plan of Management	Director Works and Infrastructure	This project remains delayed due to changes in and the implementation of the Crown Land Management Act 2016 in July 2018.				
3A.2.3	Complete Granville Park Pavilion and playing surface renewal works	Director Works and Infrastructure	The Pavilion has been demolished and the development of detailed designs is underway with the Development Application submitted.				
3A.2.4	Commence a Parks Plan of Management Review Program	Director Works and Infrastructure	The Draft Parks Plan of Management Review Program is nearing completion with Community Engagement scheduled to commence				
1.B.2.1	Improve customer satisfaction in open space provision and presentation	Director Works and Infrastructure	The Annual Park Scope Survey has been completed. The mean score data indicates a decline in satisfaction with maintenance from 8.4 in 2018 to 7.3 in 2019. The regional mean score is 7.8.				
1C.2.1	Develop a Cumberland Synthetic Surfaces Plan	Director Works and Infrastructure	The Draft Synthetic Surfaces Plan is on track to be developed with internal and external engagement completed.				
1B.1.4	Deliver a Play Space Infrastructure Plan	Director Works and Infrastructure	The Request for Quotation has been prepared to engage consultants to prepare the Play Space Infrastructure Plan. Work on this project is planned to commence after the Cumberland Open Space and Recreation Strategy is finalised.				
3A.1.1	Deliver a range of asset and capital projects for parks and sportsgrounds, inclusive of shade structures, seating, picnic settings, fencing, lighting, cricket wickets and hard courts	Director Works and Infrastructure	During this quarter, 42 projects have been completed which updates the total projects completed since the beginning of the financial year to 126. Projects completed have included playground renovations and park and sportsground remediation.				
3A.1.2	Prospect Hill Lookout and Access	Director Works and Infrastructure	The Stage 1 removal of hazardous material in accordance with the Remedial Action Plan is complete with the Stage 2 Hydro Carbon Contamination program scheduled for implementation. Extension submitted and received from Office of Local Government in relation to Heritage requirements.				
3A.2.7	Delivery of irrigation to Woodville Golf Course	Director Works and Infrastructure	Induction and preliminaries complete, construction underway.				
3A.2.8	Complete an Open Space Asset Management Plan	Director Works and Infrastructure	The Open Space Asset Management Plan has been completed. The report and model has been finalised and presented to internal stakeholders.				

## 4. ENVIRONMENTAL PROGRAMS











### SERVICE AREA STATUS UPDATE

Key Achievements and Highlights	<ul style="list-style-type: none"> <li>The Tree Giveaway Program continued with 700 plants given away this quarter, at the Auburn Botanic Gardens Open Day.</li> <li>60 new trees planted on verges this quarter.</li> <li>The first Cumberland 'Citizen Scientist Bird Spotters' bird walk occurred, with 23 residents participating in a guided tour with Birdlife Australia at Wategora Reserve, to track and record sightings to the Bird Atlas database.</li> <li>Five community environmental workshops were held this quarter, with 86 participants in attendance.</li> </ul>
Issues and Setbacks	<ul style="list-style-type: none"> <li>The Native Bee Hive Program is suspended during the winter months due to cold weather, as splitting hives in winter lowers their chance of survival. The splitting of hives and distribution to the community to reconvene in the warmer months of the year.</li> <li>Confirmation of the Draft Environmental Management Framework to inform next steps.</li> </ul>

### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Number of residents attending Council Community Environmental Workshops.	48	120	25	86
Number of Community Environmental Workshops held.	Five	Five	Two	Five
Number of new trees planted in public places.	250	100	35	60
Number of trees given to Cumberland residents at tree giveaway events.	1,000	100	600	700





### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
3A.1.1	Develop and implement Environmental Management Framework	Director Environment and Planning	The Draft Environmental Management Framework public exhibition period closed with comments being reviewed and a report to Council being prepared.				
3B.1.1	Provide support and partner with external agencies to enhance local waterways and riparian corridors	Director Environment and Planning	This quarter Conservation Volunteers Australia supported by Council obtained a grant to continue regeneration and community engagement works along Duck River Corridor in addition, the Bushcare volunteers continued to carry out regeneration works along the Duck River. The project has moved to a rolling program of works in Ongoing Business Activities for the 2019-2020 Operational Plan.				
3A.1.4	Develop and implement a Biodiversity Strategy and Action Plan	Director Environment and Planning	The Biodiversity Strategy and Action Plan public exhibition period closed with comments being reviewed and a report to Council being prepared.				



#### 4. ENVIRONMENTAL PROGRAMS (CONTINUED)

##### KEY PROJECTS (CONTINUED)

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
3B.2.1	Deliver initiatives to build awareness, skills and capacity through children and families to promote and enhance sustainable environments	Director Community Development	<p>This quarter, the Children and Families Team hosted three free community workshops during Nature Play Week titled: Nature Art, Nature Play and Nature Walk which were attended by 52 children and 41 adults and engaged the community in utilising our green spaces at Central Gardens, Holroyd Gardens and Auburn Botanic Gardens. The workshops promoted creativity, observation and care for the natural environment.</p> <p>The team facilitated three community events at the Bush School in Central Gardens attended by 110 adults and 103 children, promoting nature play and literacy.</p> <p>The project has moved to a rolling program of works in Ongoing Business Activities for the 2019-2020 Operational Plan.</p>				
3B.2.2	Develop an Asbestos Management Plan	Director Environment and Planning	Work is underway to develop a Draft Asbestos Management Plan for consideration by Council.				



## 5. HOUSEHOLD WASTE AND RECYCLING

### SERVICE AREA STATUS UPDATE



Key Achievements and Highlights	<ul style="list-style-type: none"> <li>Commencement of a Regional Illegal Dumping (RID) Officer to assist in the planning and implementation of Council's five year Illegal Dumping Plan.</li> <li>Work continues on targeting illegal dumping and promotion of Council's booked in clean-up service.</li> <li>Regional Mobile Community Recycling Contract was awarded to Resource Recovery Australia in conjunction with Parramatta and Blacktown City Councils.</li> <li>Council completed Year 1 review and reporting of action progression for the Cumberland Waste and Resource Recovery Strategy 2018–2023.</li> <li>Completion of the Discover Cumberland Pilot Project, resulting in 86% (from 29%) of respondents having an increased level of awareness of the "How to deal with Waste" topic after attending the program.</li> <li>557 community members participated in 17 local events and community workshops. The community members were provided with materials about household waste reduction and recovery, as well as some information about Council's waste services.</li> </ul>
Issues and Setbacks	<ul style="list-style-type: none"> <li>Nil this quarter.</li> </ul>

### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Percentage of waste diverted from landfill.	39%	37%	24%	22%
Percentage of illegal dumping incidents reported that are investigated and/or collected.	929 reports of illegal dumps requiring collection.	100%	100%	100%
Number of bookings for the Asbestos Collection Program.	Three collection days from 32 bookings.	21 bookings	22 bookings	23 bookings
Tonnes collected from bookings for the Asbestos Collection Program.	2.3 tonnes	1.62 tonnes	2.00 tonnes	2.24 tonnes
Number of Mobile Problem Waste Collection bookings.	1,022 mobile problem waste collection bookings. 490 e-waste and 532 problem waste.	Total of 1,139 mobile problem waste collection bookings. 498 e-waste and 641 problem waste.	Total of 1,039 mobile problem waste collection bookings. 498 e-waste and 641 problem waste.	Total of 1,104 mobile problem waste collection bookings. 551 e-waste and 663 problem waste.
Number of Waste Education workshops and events held.	Seven workshops Six events	Eight workshops 10 events	17 workshops One event	11 workshops 6 events
Number of people attending Waste Education workshops and events.	158 attended workshops 1,080 attended events*	168 attended workshops 953 attended events*	214 attended workshops 208 attended events	114 attended workshops 443 attended events

\* The methodology for calculating this performance measure has changed between Q1 and Q2 from one total figure, to two figures split into attendees per workshop and attendees per event. The Q1 result has been amended to reflect this.

### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
3C.1.2	Develop and implement Council's Waste Management and Resource Recovery Strategy	Director Works and Infrastructure	The project was completed in quarter 2.				

## 6. CHILDREN'S SERVICES

### SERVICE AREA STATUS UPDATE

Key Achievements and Highlights	<ul style="list-style-type: none"> <li>Paint Cumberland REaD strives to provide literacy and communication support and was invited to give a story telling performance at the Starlight Room at the Children's Hospital Westmead.</li> <li>The preschool aged children from Wenty Children's Centre visited Ringrose Public School where they participated in some activities. During the next two months the children will attend weekly classroom visits ranging from Kindergarten to Year 6 as part of the transition to school program.</li> <li>Children Services has been represented at the majority of Council run community events this quarter with activities, story times and one on one information sessions at events such as the Auburn Botanic Garden Open Day, Berala Community Centre Open Day, the Library Information Week Launch Party, the Civic Park Pendle Hill Fun 4 Kids, the Wenty Leagues Family Fun Day and the activation of Memorial Park in Merrylands.</li> <li>44 Council staff have completed training as a key step in the partnership with NSW Health's Child and Family Speech Pathology Team for the Growing Little Language Learners Program. The project aims to prevent language delay for children at risk, develop early language intervention for children with language delays and language enrichment for typically developing children. Educators and Centre Directors will now participate in a research study conducted by the University of Western Sydney on the feasibility and success of the program.</li> <li>Children's Services have recruited five educators working across both Long Day Care (LDC) and Out of School Hours (OOSH) services.</li> </ul>
Issues and Setbacks	<ul style="list-style-type: none"> <li>Transporting children to and from school by van using two educators for less than 3 children has become a cost to the service. Children's Services is reviewing the services where less than 3 children are being transported between OOSH and the school. A tender specification for a chartered bus service is currently being developed in order to secure a contracted service and reduce costs after a review of the cost, and improve safety of transporting children to and from school in Out Of School Hours Care.</li> <li>An application was submitted to the Federal Department of Education to establish a Community Child Care Fund (CCCCF) to support children of asylum seeker families. In June 2019, the outcome of the application was announced as unsuccessful. Feedback was that Cumberland was not in the list of the priority areas for the grant.</li> </ul>

### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Number of networking and information sessions and number of families attending.	337 families attended one or more of the 17 events delivered.	268 families attended one or more of the nine events.	29 families attended one or more of the four events held.	76 families attended one or more of the five events held.
Number of children transitioning to school.	243	249	147	242
Percentage of Children's Services operating at "meeting or exceeding" the National Quality Standards.	100%	100%	100%	100%







## 6. CHILDREN'S SERVICES (CONTINUED)

### SERVICE PERFORMANCE MEASURES (CONTINUED)













Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Number of Registered Educators.	42	40	38	40
Number of programs providing resources, support, education and care services for families with additional needs and number of families and children supported.	Five children and families received support. There are currently 38 children enrolled. 13 service visits provided, including two to Family Day Care.	20 children and families received support from the Inclusion Support Facilitator. There are currently 38 children enrolled. 12 service visits provided.	Three children and families received direct support from the Inclusion Support Facilitator. 13 service visits were provided. One new program to support children's language development is being implemented at all Council education and care centres.	28 educators attended the Cumberland Educators United Inclusion Forum which was open to all services in the Cumberland area and attendees workshopped topics including intergenerational programming, trauma informed care and communication development. Three service visits were provided and five families received direct support from the Inclusion Support Facilitator.
Utilisation of available childcare spots across all centres: Long Day Care utilisation. Before School Care utilisation 60 Before School Care utilisation 120 After School Care utilisation 60 After School Care utilisation 120 School Holiday Program utilisation 60 School Holiday Program utilisation 120 Family Day Care utilisation Equivalent Full Time Occasional Care Hours	Long Day Care 99.78% Before School Care (60) 45.88% Before School Care (120) 22.94% After School Care (60) 84.78% After School Care (120) 42.39% School Holiday Care (60) 94.63% School Holiday Care (120) 47.31% Family Day Care 116 Occasional Childcare 89.28%	Long Day Care 90% Before School Care (60) 51% Before School Care (120) 25% After School Care (60) 96% After School Care (120) 47% School Holiday Care (60) 73% School Holiday Care (120) 37% Family Day Care 142 Occasional Childcare 89%	Long Day Care 97% Before School Care (60) 50% Before School Care (120) 29% After School Care (60) 85% After School Care (120) 49% School Holiday Care (60) 69% School Holiday Care (120) 35% Family Day Care 119 Occasional Childcare 77%	Long Day Care 98% Before School Care (60) 51% After School Care (60) 85% School Holiday Care (60) 69% School Holiday Care (120) 35% Family Day Care 122 Occasional Childcare 81%

### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
1A.1.2	Develop and deliver a Professional Development Program that targets specific areas of education and care	Director Community Development	Children's Services provided staff with 150 professional development sessions. A total of 35 hours of training was delivered to 122 staff across the quarter.				

## 6. CHILDREN'S SERVICES (CONTINUED)

### KEY PROJECTS (CONTINUED)

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
1A.1.4	Develop a Children and Family Services Strategy	Director Community Development	<p>Work continued on developing the Children and Family Services Strategy, including:</p> <ul style="list-style-type: none"> <li>An Education and Care Peak Body and Service Provider workshop was delivered and was attended by 66 stakeholders from private and community education and care services, local and state government representatives as well as peak bodies and community service organisations.</li> <li>The State of Education and Care in Cumberland Report was finalised in June 2019 and Council drafted the Draft Children and Families Strategy 2019-2023.</li> <li>The Draft Strategy was presented to internal stakeholders and at a Councillor Briefing prior to being reported to Council for public exhibition.</li> </ul>				
4C.1.2	Provide inclusive programs and activities that support the educational engagement of children	Director Community Development	<p>Activities and programs delivered this quarter include the following:</p> <ul style="list-style-type: none"> <li>A forum for 40 professionals from 14 organisations delivering services to asylum seeking, refugee and newly arrived children and families in the Cumberland LGA. The Refugee Week Celebration and Collaborative Forum was designed to be an interactive networking opportunity to connect those supporting children and families of refugee and asylum seeking backgrounds.</li> <li>A playgroup in partnership with House of Welcome and CMRC with five sessions scheduled for the next five months.</li> <li>Two consultation sessions with a group of Afghan women in Guildford resulting in investigations occurring with TAFE for a training course tailored to their needs.</li> </ul>				
1A.1.5	Promote the importance of early education and provide a pathway into preschool programs	Director Community Development	<p>Council visited the Auburn Centre for Community Garden Playgroup, attended by 35 children and 30 adults. Attendees participated in a presentation on the importance of early language and literacy.</p> <p>Council programs and education and care services were promoted at 11 immunisation clinics during this quarter. Information packs were distributed to families attending the clinics.</p>				

## 7. URBAN PLANNING AND DEVELOPMENT









### SERVICE AREA STATUS UPDATE

Key Achievements and Highlights	<ul style="list-style-type: none"> <li>The Draft Local Strategic Planning Statement has been finalised for public exhibition.</li> <li>Wentworthville Town Centre Revitalisation Planning Proposal and associated Development Control Plan has commenced exhibition.</li> <li>Cumberland Employment and Innovation Lands Strategy adopted by Council.</li> <li>Work continuing on developing a new Local Environmental Plan (LEP) for the Cumberland area.</li> <li>The External Cladding Inspection Program is underway and Council is working in partnership with NSW Fire and Rescue.</li> </ul>
Issues and Setbacks	<ul style="list-style-type: none"> <li>Nil this quarter.</li> </ul>

### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Percentage of additional housing capacity within 800m of train stations.	As per baseline	As per baseline.	As per baseline.	As per baseline.
Average DA processing times.	126 days year to date	134 days year to date	133 days years to date	127 days year to date
Number of DAs lodged.	312	321	300	331
Number of DAs determined.	383	273	311	399
Total value of DAs lodged.	\$303,929,79	\$469,665,477	\$340,345,203	\$270,105,209
Percentage of applications processed within 90 days.	46%	44%	42%	45%
Number of reports to the Cumberland Local Planning Panel. (IHAP)	21	27	15	33

### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
5B.1.1	Finalise the Cumberland Development Contributions Plan for local infrastructure	Director Environment and Planning	Work is progressing on the Cumberland Development Contributions Plan for consideration by Council.				
4A1.2	Implement the Cumberland Employment and Innovation Lands Strategy	Director Environment and Planning	This project has been completed and the Cumberland Employment and Innovation Lands Strategy has been adopted by Council.				

## 7. URBAN PLANNING AND DEVELOPMENT

### KEY PROJECTS (CONTINUED)

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
5B.1.3	Develop Community Participation Plan for Planning	Director Environment and Planning	Project was completed in quarter 2.				
5A.1.1	Implement the town centre reviews into plans (Merrylands, Wentworthville, Auburn and Lidcombe)	Director Environment and Planning	The Wentworthville Centre Plans have been placed on public exhibition and Council has commenced the Revitalisation Planning proposal and associated Development Control Plan.				
5B.1.2	Develop new Cumberland LEP to implement studies and strategies (employment, residential, heritage and bushfire)	Director Environment and Planning	Draft Local Strategic Planning Statement finalised for exhibition. The Cumberland LEP work program is ongoing with the draft LEP Studies to be completed by mid-2019.				
5B.1.10	Develop Granville Town Centre Planning Strategy	Director Environment and Planning	Project was placed on hold in quarter 1.				
5B.1.4	Establish a Design Excellence Review Panel for High-rise Buildings	Director Environment and Planning	This project is complete with Council appointing the Design Excellence Review Panel members.				
5B.2.5	Shop awning safety program	Director Environment and Planning	Initial contact letter for businesses has been approved and signed off for release with the suburb areas for the Awning Program to be identified.				
5B.1.6	Implement external cladding inspection program	Director Environment and Planning	The External Cladding Inspection Program for buildings has been identified through the Government Cladding Database and this has been established.				
5B.1.7	High Rise Fire Safety Education Project	Director Environment and Planning	Educational material is under development and a final package to be decided upon. Dissemination methodologies are currently being determined in consultation with Council's Media Unit.				
5B.1.8	Prepare Wentworthville Public Domain Upgrade Plan	Director Environment and Planning	Project is underway with the draft to be reported to Council for public exhibition.				

## 8. REGULATORY PROGRAMS

### SERVICE AREA STATUS UPDATE

Key Achievements and Highlights	<ul style="list-style-type: none"> <li>One food safety seminar was conducted for local retail food businesses with Korean speaking backgrounds.</li> <li>Council's Environmental Health staff attended the Ramadan Street Food Festival in Auburn. Staff provided assistance to ensure the smooth running of the food stalls and trucks for the night. This was a well organised and received event, with large numbers of the Cumberland community in attendance.</li> <li>Environmental Health staff participated in a Campylobacter Survey coordinated by the NSW Food Authority and have been asked to present their findings at an upcoming State Liaison Group meeting.</li> <li>Council's Environmental Health and Environment Protection staff participated in the Parramatta River Catchment Group 'Get the Site Right' campaign, focusing on sediment and erosion controls at development sites.</li> <li>A trial of body worn video cameras was undertaken, which will result in the use of body worn video cameras by Council's Parking Patrol Team in the future.</li> </ul>
Issues and Setbacks	<ul style="list-style-type: none"> <li>A general heightened risk for Council's Regulatory Officers who are receiving threats and/or being subjected to verbal and physical assault. This has resulted in a number of high risk areas requiring duties to be conducted in pairs (as a minimum), to ensure officer safety. The additional resource requirement has subsequently impacted the number of inspections being conducted by the established teams.</li> </ul>

### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Percentage of complaints about unauthorised building works responded to.	100%	100%	100%	100%
Number of swimming pool inspections carried out.	0% swimming pool inspections were undertaken during the reporting period. Inspections are anticipated to commence during summer.	126	60 new inspections were carried out, resulting in a total of 186 inspections year to date.	87 new inspections were carried out, resulting in a total of 273 inspections year to date.
Percentage of food premises inspected under Council's Food Surveillance program.	22.7% of primary inspections completed year to date.	50.4% of primary inspections completed year to date.	80% of primary inspections completed year to date.	100% of primary inspections completed year to date. The program is now completed.
Percentage of skin penetration premises inspected under Council's Public Health Surveillance Program.	3% of primary inspections completed year to date. This program is primarily conducted during Q3-Q4.	30% of primary inspections completed year to date. This program is primarily conducted during Q3-Q4.	100% of primary inspections completed with the program now complete.	The program was completed in quarter 3.







## 8. REGULATORY PROGRAMS (CONTINUED)

### SERVICE PERFORMANCE MEASURES (CONTINUED)

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Percentage of cooling towers inspected under the Legionella surveillance program.	11% of primary inspections completed year to date. This program is primarily conducted between November and March.	11% of primary inspections completed year to date. Inspections under this program will recommence in February.	50% of primary inspections completed year to date.	92% of cooling towers inspected. The remaining 8% were unable to be physically inspected due to Work Health Safety (WHS) risks in accessing these towers and were subject to a desktop review in line with legislation requirements.
Number of registered dangerous and restricted dogs throughout the Cumberland area.	24 registered dangerous and restricted dogs are housed throughout the Cumberland area that are inspected three times per year.	24 registered dangerous and restricted dogs are housed throughout the Cumberland area that are inspected three times per year.	25 registered dangerous and restricted menacing dogs are housed throughout the Cumberland area that are inspected three times per year.	27 registered dangerous and restricted menacing dogs are housed throughout the Cumberland area that are inspected three times per year.
Percentage of complaints about abandoned vehicles responded to.	100%	100%	100%	100%
Percentage of complaints about limited load road enforcement responded to.	100%	100%	100%	100%
Percentage of complaints about illegal dumping responded to.	100%	100%	100%	100%
Percentage of complaints about parking compliance responded to.	100%	100%	100%	100%

### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
2C.1.1	Develop the Cumberland Environmental Health Strategy	Director of Works and Infrastructure	A draft Environmental Health Strategy has been developed and is currently undergoing internal review with a Councillor Briefing on the Draft Environmental Health Strategy scheduled.				

## 9. LIBRARIES






### SERVICE AREA STATUS UPDATE

Key Achievements and Highlights	<ul style="list-style-type: none"> <li>As part of a Council proposal to utilise the existing Granville Library as a Heritage Centre, engagement was undertaken with the community during April and May 2019. Local history groups, Councillors, staff and other stakeholders met to provide feedback on an overall vision of the Centre.</li> <li>Library and Information Week was celebrated between 20 and 26 May 2019 at all Council libraries. Special story times, railway station visits, morning teas and technology programs were held over the week with over 1,000 participants in the various activities.</li> <li>The Auburn Library expansion Computer Centre was launched on Thursday, 6 June 2019. The Centre now has 36 computers for public use, a newly refurbished and expanded space which can be used by the community to increase their digital literacy and conduct their business in the digital world.</li> <li>On Wednesday, 19 June 2019, the libraries received an audit and compliance visit by the State Library of NSW to undertake a comparative benchmarking review with similar services. Cumberland's results came out very favourably in terms of memberships, lending and programs.</li> </ul>
Issues and Setbacks	<ul style="list-style-type: none"> <li>Nil this quarter.</li> </ul>

### SERVICE PERFORMANCE MEASURES








Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Subscription database usage	4,683 searches/hits.	3,380 searches/hits.	8,562 searches/hits.	7570 searches/hits.
Public Library PC usage	35,992 users.	31,369 users.	35,692 users.	35,804 users.
WiFi own devices usage.	118,277 WiFi own devices usage.	99,254 WiFi own devices usage.	102,131 WiFi own devices usage.	109,920 WiFi own devices usage.
Number of new library memberships.	3,766	3,035	3,571	3,297
Number of visitors to libraries.	245,927	210,609	247,208	234,576
Number of library loans.	203,814	175,651	180,385	127,328
Number of library programs delivered.	1,169	755	807	1016
Number of attendees at library programs.	17,977	10,376	10,034	11,336

### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
1B.2.8	Library Modernisation Project including RFID and print-to-pay solutions	Director Community Development	This project was completed in quarter 1.				
1B.2.2	Auburn Library expansion	Director Community Development	This project is complete with the launch of the expansion held on 6 June 2019.				

## 9. LIBRARIES (CONTINUED)

### KEY PROJECTS (CONTINUED)

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
1B.2.3	Granville Multipurpose Facility - Branch Library Component	Director Community Development	Operational, signage, fittings, furniture, equipment (FF&E), and IT requirements for the library branch component have been reviewed and added to project plan.  Opening hours have been delivered for the Library and additional staffing have been incorporated into budget from quarter 4, 2019/20.				
1B.2.7	Develop and Implement a Library Strategic Plan	Director Community Development	The development of the Library Strategic Plan is complete with the Library Strategy adopted by Council. Implementation of the Plan will move to 'ongoing business activities' in the Operational Plan 2019-20.  Strategy actions in quarter 4 include: <ul style="list-style-type: none"> <li>• Programs – Library eNewsletter relaunched in April 2019.</li> <li>• Collections – Annual review of collection data completed in June 2019.</li> <li>• Buildings and facilities – completed expansion projects, extended Wentworthville opening hours, extended and completed audit of current floor space for Community Facilities Strategy.</li> <li>• Technology – Expanded customer service training programs of tech savvy Seniors.</li> </ul>				



## 10. POOLS





### SERVICE AREA STATUS UPDATE

Key Achievements and Highlights	<ul style="list-style-type: none"> <li>Learn-to-Swim Program attendees continue to increase at Auburn Ruth Everuss Aquatic Centre (REAC).</li> <li>Concept plans and construction specifications have been developed for Wentworthville and Guildford Swim Centres.</li> <li>Wentworthville Swim Centre has commenced early demolition works.</li> </ul>
Issues and Setbacks	<ul style="list-style-type: none"> <li>Nil this quarter.</li> </ul>

### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Number of attendees at Council's pools.	30,900	152,397	Council managed pools: 118,934 Auburn Ruth Everuss Aquatic Centre (REAC): 99,714	Council managed pools: 41,630 Auburn Ruth Everuss Aquatic Centre (REAC): 70,667
Subsidy per attendee at Council's pools.	\$19.36	\$6.11	Council managed pools: \$3.09	Council managed pools: \$2.58
Percentage water quality compliance with health regulations - monthly testing.	100%	100%	100%	100%
Number of attendees at Council's Learn-to-Swim program.	14,758	34,692	Council managed pools: 23,521 REAC: 24,344	Council managed pools: 10,606 REAC: 33,864
Number of workplace near misses and safety incidences reported at Council's Pools.	Three minor public incidents across the four Council managed Swim Centres, one of which was outside of the actual swim centre.	There were minor public incidents across the four Council managed Swim Centres.	There were minor public incidents across the four Council managed Swim Centres.	There were minor public incidents across the two Swim Centres, that were operational during this period.

### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
1B.2.9	Modernisation of swim centres	Director Works and Infrastructure	<p>Wentworthville Pool: Works have commenced with demolition and excavation scheduled to commence.</p> <p>Guildford Pool: Concepts drawings are being developed, with 60% of works completed.</p>				



## 11. GOVERNANCE AND ADMINISTRATION

### SERVICE AREA STATUS UPDATE

#### Key Achievements and Highlights

##### Customer Contact:

- Customer Experience Strategy adopted by Council and implementation has commenced.
- Quality Assurance Policy has been completed.

##### Governance and Risk:

- Council's Code of Meeting Practice public exhibition period has recently concluded. The Code will be reported to Council for adoption at the 3 July 2019 Council Meeting.
- An online platform has been launched to view Council's former business papers (Holroyd & Auburn).
- Council has commenced creating Councillor Professional Development Plans to meet the new requirements of the Local Government Act.
- Council has called for Secondary Employment Declarations for the 2019/20 financial year.
- Code of Conduct face to face training scheduled for all staff.

##### Procurement:

- The Procurement Team has developed and delivered a Cumberland Specific Probity training package, as part of the Procurement workshops in conjunction with the Internal Ombudsman Shared Service team. In addition to the in-house training conducted for managers and supervisors where 80 staff attended, ICAC probity training has been scheduled for August 2019 for supervisors.
- A centralised procurement service delivery model is in the process of being developed for implementation in the business unit, and will be communicated to the organisation once ready for implementation. The new model has been designed to implement stronger probity and governance outcomes for the organisation's procurement activities.
- Purchase to pay system training continues to be conducted with internal stakeholders on a regular basis.
- Contract law for Managers training was also run, to assist in driving better contract management practices throughout Council.
- Council is digitising its formal quotation and tender processes through the delivery of a new solution, which will innovate the user experience and provide a full audit trail of all activity within the solution.

##### The following documents were considered by Council during the reporting period:

- Draft Cumberland Cultural Plan 2019-2029
- Draft Operational Plan and Budget 2019-2020
- Draft Code of Meeting Practice
- Draft Environmental Management Framework 2019
- Draft Cumberland Biodiversity Strategy 2019
- Cumberland Employment and Innovation Lands Strategy
- Draft Sister City and Friendship City Policy
- Draft Holroyd Sportsground Plan of Management
- Draft Holroyd Gardens Park Plan of Management
- Draft Dividing Fences Hardship Policy
- Draft Cumberland 2030: Our Local Strategic Planning Statement

## 11. GOVERNANCE AND ADMINISTRATION (CONTINUED)




















Issues and Setbacks	<ul style="list-style-type: none"> <li>Lack of cooperation from contractors on chain of responsibility and with providing information for the Business Continuity Planning exercise.</li> <li>The governance team had a vacancy in the team which affected team resourcing levels.</li> <li>Council continues to progress with the review of the organisational structure below level 3 management.</li> </ul>
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### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Percentage of compliance with Office of Local Government statutory reporting.	100%	100%	100%	100%
Percentage of Access to Information Applications (GIPA Act) completed within timeframe.	Eight formal applications received, with 100% decided within the timeframe.	Four formal applications received, with 100% decided within the timeframe.	No formal applications have been received during the period.	Nine formal applications received, with 100% decided within the timeframe. Two are still pending.
Percentage of Internal Audit recommendations implemented within due date.	94% implemented, out of 31 due in Quarter 1, 29 were implemented.	75% implemented, out of 20 due in Quarter 2, 15 were implemented within the due date.	38% implemented out of eight due in Quarter 3, three were implemented within the due date.	Six of eleven actions completed within the quarter, totalling 64%
Percentage of Customer Calls answered in 60 seconds on average.	90%	84%	88%	89.7%
Percentage of Customer Service counter service enquires attended to within three minutes.	78.5%	77%	80%	83%
Customer contact average wait times.	21 seconds which has halved from 55 seconds in Quarter 4.	41 seconds.	37 seconds.	36 seconds
Percentage of Abandoned calls (Abandonment Rate).	1.32%	3%	2.9%	2.8%
Percentage of Tier one Complaints resolved within 15 days.	100%	94%	85%	91%
Percentage of business papers and meeting minutes published on time.	100%	100%	100%	100%
Percentage of compliance with IPR legislative requirements.	100%	100%	100%	100%
Percentage of Council meetings livestreamed and widely accessible to public.	100% of Council meetings were livestreamed and additionally Council continued live streaming of its Local Planning Panel meetings.	100% of Council meetings were livestreamed and additionally Council continued live streaming of its Local Planning Panel meetings.	100% of Council meetings were livestreamed and additionally Council continued live streaming of its Local Planning Panel meetings.	93.33% of Council meetings were livestreamed (factoring in one disruption). 15 meetings during quarter 4 (6 Council and 9 CLPP).

























## 11. GOVERNANCE AND ADMINISTRATION (CONTINUED)

### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
6B.1.1	Implement a new customer contact phone system to enable the provision of a high quality and innovative customer experience	Director People and Performance	Project completed in quarter 1.				
6A.1.2	Develop a robust governance framework underpinned by principles of transparency and accountability	Director Finance and Governance	The Fraud and Corruption Control Policy was adopted by Council with significant progress being made within the NSW Audit Office Fraud control improvement toolkit.  Council continues to implement regular training and awareness initiatives such as staff communicate updates to ensure staff are up-to-date with governance training.  Council has adopted the new Model Code of Conduct and Code of Meeting Practice.				
6A.1.3	Cultivate a procurement culture of good governance and high ethics to minimise the risk of fraud, corruption and tarnished reputation	Director Finance and Governance	This project has been completed with the Procurement Team developing and delivering a Cumberland Specific Probity training package. This successful training pilot was delivered to Level 4 Managers who then referred 80 staff to attend and be educated about Council's organisational and legislative requirements.				
6C.1.3	Implement dedicated rolling community engagement programs that create an ongoing conversation between Council and the community	Director of Community Development	During the quarter, 13 projects were live on the Have Your Say website, which attracted 1,613 visitors and 467 engaged participants. The top two performing community engagement projects during the quarter were the minimum lot size provisions for dual occupancies and the Swim Centre Modernisation Program at Freame Park.				
1A.1.7	Implement a Sponsorship Policy and Program to govern incoming and outgoing sponsorship	Director of Community Development	Outgoing Sponsorship: 50% of the \$50,000 2018/19 sponsorship budget has been allocated to date. Additional sponsorship requests have been received but did not meet the sponsorship criteria or were eligible for funding under the Community Grants Program. The remainder of the budget was left unspent for 2018/19.  Incoming Sponsorship: There has been a total of \$74,500 in monetary sponsorship received by Council in 2018/19 in support of Council's community events.				
6A.1.4	Develop a Fraud Control Plan	Director Finance and Governance	This project was completed in quarter 2.				

## 11. GOVERNANCE AND ADMINISTRATION (CONTINUED)
















### KEY PROJECTS (CONTINUED)

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
6C.1.4	Undertake and report an annual Community Satisfaction Survey to measure our progress towards the community vision in the Community Strategic Plan	Director People and Performance	This project was completed in quarter 1.				
6B.2.2	Rationalisation and Harmonisation of Council Fleet Policy	Director Works and Infrastructure	This project was completed in quarter 3.				
6A.2.2	Develop an ongoing Councillor Professional Development Program	Director Finance and Governance	Training needs assessment forms received and professional development plans are being developed for all Councillors.				
6B.1.4	Develop a Depot Strategy	Director Works and Infrastructure	This project was discontinued in quarter 1.				
6B.1.5	Provide new and improved customer online services through the delivery of an online Customer Portal platform, including a fully integrated Customer Request Management system	Director People and Performance	This project is currently delayed as a fully integrated Customer Request Management (CRM) System will be provided as part of Phase Two of the TechnologyOne implementation project which is expected to be delivered in Quarter 2, 2019-2020.				
6B.2.3	Investigate joint purchase opportunities with neighbouring councils	Director Finance and Governance	Joint procurement activities continue to be discussed at the Western Sydney Regional Organisational of Councils procurement network meetings.				
6B.2.4	Undertake an annual Customer Satisfaction Survey in conjunction with other feedback to measure Council's progress in delivering excellent customer experience outcomes	Director People and Performance	This project was completed in quarter 1.				
6C.1.6	Create a Buyer Behaviour and Training Program	Director Finance and Governance	This project was discontinued in quarter 2.				
6C.1.7	Develop and implement the Think Local, Buy Local Program	Director Finance and Governance	The Procurement Local Preference Policy is currently under development and will be presented to Council when complete.				



## 11. GOVERNANCE AND ADMINISTRATION (CONTINUED)

### KEY PROJECTS (CONTINUED)

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
6C.2.1	Develop a Social and Disability Procurement Policy	Director Finance and Governance	This project was discontinued in quarter 1.				
6B.2.6	Develop and commence a Quality Assurance Program for Council's Customer Service Team	Director People and Performance	The development of the Quality Assurance Policy has been completed with commencement awaiting the finalisation of the new structure of the team, resources and other programs such as TechOne.				
6B.2.5	Develop and commence implementation of a Customer Experience Strategy, setting Council's customer experience focus for five years	Director People and Performance	<p>The first year project deliverables are on track, with the following being completed:</p> <ul style="list-style-type: none"> <li>Centralised Contact Centre in Auburn.</li> <li>New telecommunication software for Contact Centre.</li> <li>Ticketing machines and centralised reporting for both service centres.</li> <li>Customer Service Hours of Operation harmonised across both sites and functions.</li> <li>Appointment of one after hours service provider and the harmonisation of after hours processes.</li> <li>The development of Policies and Procedures including the Customer Experience Strategy, Customer Service Charter, Internal Customer Service Charter, Customer Contact Cash Handling Procedure.</li> <li>Compliments and Complaints Handling Process.</li> <li>Knowledge Managements System.</li> <li>Design Request Management and Application Processing workflows in TechOne.</li> <li>Customer Contact and Foyer Refurbishment projects.</li> <li>Cash Courier Services consolidated across swim centres, customer service and libraries.</li> </ul>				
5B.1.11	Auburn Civic Centre Rectification	Director Works and Infrastructure	The project has exempt development approval and the construction works have commenced on the 17 June 2019. The first stage of the works is the library area and currently they are 40% complete. The works are expected to be completed by April 2020 and therefore this project has been carried forward into the 2019- 2020 Operational Plan.				
6C.2.2	Provide a Mayoral Community Fund	Director Community Development	This project was completed in quarter 2.				

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## 12. COMMUNITY FACILITIES AND PROPERTY

### SERVICE AREA STATUS UPDATE

Key Achievements and Highlights	<ul style="list-style-type: none"> <li>The area continues to work with key community groups to manage the leasing and licensing of community space, with a number of leases reviewed and executed during the period.</li> <li>A survey audit has been completed of all the Auburn and Merrylands Town Centre street dining locations. Council staff visited these businesses twice, and are currently organising a final visit prior to the commencement of outdoor dining enforcement activity.</li> <li>PwC has been engaged to provide Council with investment structure options for its real estate development portfolio and it is expected that the result from this work will feed into the Property Strategy.</li> <li>At the Council meeting of 19 June 2019, Council resolved that the existing Council Administration site in Merrylands and the commuter carpark site in Granville are the two potential locations identified for the development of a new Cumberland Council Administration Building.</li> <li>The final draft Conservation Management Plan (CMP) has been submitted to Office of Environmental Heritage for review and Heritage Council for endorsement. KPMG has recommenced work on the Business Plan which includes a masterplan for the Linnwood Estate and the updated CMP would guide potential uses and constraints on site.</li> <li>As part of the Parramatta Road Urban Amenity Improvement Program Council received funding grants for the acquisition of seven properties to facilitate an extension of Auburn Park. To date, Council has acquired by agreement 43, 51 and 53 Karrabah Road, Auburn and Council resolved at the meeting of 19 June 19 to compulsorily acquire the remaining four properties, being 45, 47, 49 and 55 Karrabah Road, Auburn. It is anticipated that current funding allocation of \$8,962,500 will not be sufficient to acquire all of the remaining four properties and as such a request for variation to the original funded amount has been submitted to the Funding Authority for consideration. An additional amount of \$720,000 has been requested.</li> <li>On 21 June 2019, Contracts for the sale of 615A Great Western Highway, Greystanes were exchanged for \$5.5 million plus GST less remediation costs (estimated at \$1.7 million). Council to perform site remediation works over the next 15 months with funds from the deposit to be released to fund the remediation works.</li> <li>Council has engaged a consultant to undertake a review for potential digital advertising signage opportunities on Council owned land. Following a Council briefing on 24 April 2019, three potential sites have been shortlisted and will be reported to Council for approval to go out to tender after the adoption of the Large Display Commercial Advertising Policy.</li> <li>Development of a Draft Cumberland Community Facilities Strategy has been completed following extensive community and internal engagement.</li> <li>A Community Engagement Program was completed seeking community feedback on the concept plans for the Auburn South Community and Recreation Centre.</li> <li>Tender awarded and a ground breaking ceremony held to mark the commencement of the Granville Centre construction.</li> </ul>
Issues and Setbacks	<ul style="list-style-type: none"> <li>Nil this quarter.</li> </ul>

### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Number of CRM's received and completed.	Data currently unavailable.	354 CRMS completed within 24 hours of lodgement.	699 CRMs completed within 24 hours of lodgment.	769 CRMs completed within 24 hours of lodgement.




























## 12. COMMUNITY FACILITIES AND PROPERTY (CONTINUED)

### SERVICE PERFORMANCE MEASURES

Service Performance Measure	Result Q1	Result Q2	Result Q3	Result Q4
Key facility utilisation rates.	Data currently unavailable.	Sports field Seasonal Usage Occupancy: 84% Parks Hall Average Occupancy: 31% Community Halls and Meeting Rooms Average Occupancy: 31%	Sports field Seasonal Usage Occupancy: 85% Parks Hall Average Occupancy: 39% Community Halls and Meeting Rooms Average Occupancy: 33%	Seasonal Sports Field occupancy: 92% Parks Halls Average Occupancy: 43% 7% increase from quarter 3 (first half of Soccer season)
Asset Management Plans reviewed.	Assetic engaged to assist in update of plans along with a full building compliance audit.	Assetic has delivered a draft Asset Management Plan for Council including mapping of all buildings and structures. Audit underway for building compliance as initial stage of AMP review to be followed by "fit for purpose" audit. Will be done in conjunction with Community Facilities Strategy.	Condition audit completed.  Preparation of new documents underway for delivery in June 2019.	The Asset Management Plan is in draft status. This Plan will need to align to the long term Financial Plan which is expected to be completed by September 2019.
Percentage of Council's one-stop shop community centres booked.	Data currently unavailable.	Average Occupancy: 44% Total number of user groups: 106	Average Occupancy: 56% Total number of user groups: 114	Average Occupancy: 48% Total number of user groups: 117
Amount of grant funding received for delivery of council projects and infrastructure for community benefit.	No infrastructure grant funding.	Total Awarded: \$2,779,075 (Oct18-Jan19) \$2.7million from the Office of Sport grant funds to contribute to the Granville Park Stadium upgrade. \$64,000 from Stronger Communities Fund for upgrade of canteen at Guilfoyle Park, shelters at Civic Park, gazebos at Campbell Hill reserve and new public BBQ at Wyatt Park. \$15,075 from Sport Australia – Sport Infrastructure fund for conversion/upgrade of Merrylands Oval Change rooms	Total Awarded: \$605,000 Vet Affairs – Howitzer Gun \$10,000, NSW Government Planning & Environment – Central Gardens playground \$45,000, Cooler Corridors \$50,000, Canopies for Community \$100,000, Metro greenspace – Prospect Reservoir Water pipeline Corridor \$200,000, Metro Greenspace – Duck River Open Space Corridor \$200,000, NSW Government, Public Library Infrastructure Grants program \$90,000 Branch Library Improvements: Improvement of spaces in Council's branch libraries located in Guildford, Greystanes, Regents Park, Wentworthville and Lidcombe, NSW Government, Office of Responsible Gambling, Club Grants Category 3 Infrastructure Grant - \$181,385 specialist fit out of the Granville Art Gallery (within the new Granville Centre).	No additional grants secured during the period.

## 12. COMMUNITY FACILITIES AND PROPERTY (CONTINUED)

### KEY PROJECTS

Project Code	Key Project	Responsible Officer	Project Status Update	Status Q1	Status Q2	Status Q3	Status Q4
6B.1.2	Develop Property Strategy	Director Finance and Governance	PwC has been engaged to provide Council with investment structure options for its real estate development portfolio which will be a key component of the Property Strategy when adopted.				
1B.2.5	Deliver the Granville Multipurpose Community Facility	Director Community Development	<p>The tender for the construction of the Granville Multipurpose Centre was awarded to Stephen Edwards Pty Ltd with a letter of appointment issued for construction.</p> <p>A Ground Breaking Ceremony took place on Tuesday, 11 June 2019 involving the Mayor, Councillors, State MPs, senior staff and project delivery partners.</p> <p>Resident notifications and broader communications to the community were issued in relation to the commencement of the construction phase.</p>				
1B.2.6	Relocate or expand the Men's Shed in the western areas of Cumberland	Director Works and Infrastructure	Project completed in quarter 3.				
5B.1.9	Merrylands CBD Revitalisation Project - Design	Director Works and Infrastructure	The business case for the future of the Merrylands City Centre has been completed and the project will move forward into the development phase project in the 2019-2020 Operational Plan.				
3A.2.5	Complete Plan of Management for Pemulwuy	Director Works and Infrastructure	The Prospect Hill Plan of Management was adopted at Council.				
6B.1.3	Establish the Guildford Community Centre's 'one-stop-shop' facility	Director Community Development	<p>Refresher paintwork has been completed at the Centre and a DA has been submitted to extend the operating hours of the Centre.</p> <p>Since the one stop shop management model's introduction to the Centre, there has been an increase of regular hirers and ongoing casual hire. Visitation is now being tracked daily via the use of automated door counters.</p>				
1B.1.2	Develop the Cumberland Community Facilities Strategy	Director Community Development	The Draft Cumberland Community Facilities Strategy 2019-2029 was completed following extensive community engagement, staff and Councillor input and will be reported to Council.				



Quarter 4 Performance Report: APRIL - JUNE 2019

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 Cumberland Council Sydney

**DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-169**

**Attachment 2  
Quarter 4 Budget Review for The  
Granville Centre**





## Project Summary Report – The Granville Centre

Construction Commencement Date: 19 July 2019

Estimated “Practical Completion” Date: Forecast September 2020

Total Project Budget (Includes Design, Authority Fee and Construction): \$22,000,000

Main Contractor: TBC

Project Status: 30 June 2019

### Project Background and Scope

The Site - “Granville Memorial Park” is bounded by Memorial Drive, Enid Avenue, Diamond Avenue and the Duck Creek storm-water canal, in Granville NSW.

The project involves the demolition of the former Granville Youth and Recreation Centre, including the multipurpose court, the Granville Baby Health Centre building, the St John’s Ambulance building and the playground and development of a new multipurpose community centre including new community facilities, a new library and Cumberland wide art gallery.

The area will include a new children’s playground and additional car parking and be integrated with the existing swimming pool, park, and War Memorial at Granville Memorial Park.

The project is being undertaken by Council as part of the Stronger Communities Fund Major Projects Program, pursuant to the requirements of the NSW Government’s Stronger Communities Fund.

The proposed breakdown of the new multipurpose facility (nominally 3,500sqm) includes:

- A Community Centre – 1500sqm
- Library –1000sqm
- Regional Gallery/Arts Spaces –1000sqm

### Project Status

Council resolved to accept a tender from Stephen Edwards Construction Pty Ltd for the construction of the Granville Multipurpose Centre at its meeting on 17 April, 2019. Stephen Edwards commenced works on-site (in July 2019) including demolition of the existing buildings. The estimated completion date for the project is September 2020.

### Budget Summary

The total project budget for this project is \$22m. (All figures below exclude GST).

To date total spend on this project over its life totals \$2,762,305.

A breakdown of the 2018/19 project expenditure is in the following table (note all figures exclude GST):

Project Description	Actual 2018/19	Approved Budget 2018/19	Unspent to carry forward
Granville Multipurpose Centre	1,679,211	5,200,000	3,520,789





**DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-169**

**Attachment 3**

**Quarter 4 Budget Review for  
Merrylands CBD Drainage**



## Project Summary Report – Merrylands CBD Major Drainage Upgrade

Construction Commencement Date: Forecast early 2020 (CBD Project)

Estimated “Practical Completion” Date: Forecast late 2021 (CBD Project)

Total Project Budget (Includes Design and Negotiations): \$31,900,000

Main Contractor: TBC

Project Status: 30 June, 2019

### Project Background and Scope

The original CBD project was contained to the upgrade of the stormwater drainage system associated with the Stocklands Proposed development (233, 249-259 Merrylands Road & 52-54 McFarlane Street) and generally bounded by Merrylands Road, Treves Street, McFarlane Street and Finns Lane. This part of the project included Design, negotiations with property owners and adjustment to building structures to enable the stormwater upgrades to be constructed. The Project Control Group expanded the scope to include other major development areas within Merrylands which are affected by drainage upgrades, namely Landmark Development (1-11 Neill Street) and Dyldam Rositano (224-240 Pitt Street, 4 & 4A Terminal Place) and HB Home Improvements (13 – 15 Neil Street). The purpose of the project is to consolidate the drainage infrastructure to enable the most cost efficient method of controlling floodwaters in the Merrylands CBD and to enable proposed development to be less encumbered by stormwater infrastructure. In order to achieve these outcomes agreements have or are currently being established with some of the property owners/developers in the form of Work in Kind Agreements (WIKAs) and/or Voluntary Planning Agreements (VPA).

### Project Status

The design of the stormwater culvert upgrades are complete. Design of the adjustments to building structures to enable the stormwater upgrades to be constructed are also complete pending approval of Construction Certificate. Negotiations for the Dyldam WIKAs are ongoing. The Landmark WIKAs have been finalized, work commenced on-site October 2018 and is approximately 80% complete.

Council is in the process of finalising the land dedication from HB Home Improvements to allow Council to carry out the required roads and drainage works. The Request for Tender for construction of new roads and drainage will be advertised in August, 2019 with works commencing in late 2019 and completed in 2020.

### Budget Summary

The total project budget for this project is \$31.9m. (All figures below exclude GST).

A breakdown of the project expenditure is in the following table (note all figures exclude GST):

<b>Project Description</b>	<b>Actual 2018/19</b>	<b>Approved budget 2018/19</b>	<b>Unspent to carry forward</b>
Merrylands CBD Drainage	3,761,320	5,300,000	1,538,680



DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-169

Attachment 4  
Quarter 4 Budget Review for  
Swim Centres





## Project Summary Report – Cumberland Swimming Centre Modernisation

### Construction Commencement Date Forecast:

- Wentworthville: April 2019
- Guildford: October 2019

### Estimated “Practical Completion” Date Forecast:

- Wentworthville: December 2020
- Guildford: December 2020

Total Project Budget (Includes Design, Authority Fee and Construction): \$17,900,000 - Guildford - \$8,950,000  
Wentworthville - \$8,950,000

Main Contractor: TBC

Project Status: 30 June 2019

### Project Background and Scope

The Cumberland Council Swimming Centre Modernisation has been under consideration for some time. The pools considered under this program are Guildford, Wentworthville, Granville & Merrylands. The modernisation and upgrades of the pools is strongly influenced by the Community Consultation. The upgrades of the pools are to address statutory requirements such as water quality and disability access. The modernisation of the pools will be addressed by the inclusion of facilities to better serve the current and future needs of the community.

The original approach was to focus on Guildford and Wentworthville Swimming Centres as priorities. The design components of Merrylands and Granville are currently on hold, however, in the case of Granville, future design components are being developed in conjunction with, the adjoining development of The Granville Centre.

### Project Status

#### **Wentworthville Memorial Swimming Centre**

The Early Works Contract commenced on 4 June, 2019 and is due for completion in early September, 2019. The Tender for the construction of pool upgrade is currently under consideration and a report will be prepared for the Council meeting in August, 2019.

#### **Guildford Swimming Centre**

Design consultants have produced 80% Design Documentation. The Review of Environmental Factors, including the results of the Community Consultation process, was lodged with Council on 20 June, 2019 in accordance with the requirements of the planning requirements (Infrastructure SEPP). A pre Development Application meeting with Council's development section has been undertaken. The Tender for the construction of pool upgrade was nearing completion for advertising in Q1 2019/2020.

### Budget Summary

The total project budget for this project is \$17.9M. (All figures below exclude GST).

To date total spend on this project over its life totals \$1,035,541.

A breakdown of the project expenditure is in the following table (note all figures exclude GST):

<b>Project Description</b>	<b>Actual 2018/19</b>	<b>Approved budget 2018/19</b>	<b>Unspent to carry forward</b>
Guildford Swim Centre Upgrade	398,606	1,000,000	601,394
Wentworthville Swim Centre Modernisation	157,526	1,500,000	1,342,475
<b>Total</b>	<b>556,131</b>	<b>2,500,000</b>	<b>1,943,869</b>

Item No: C08/19-170

## **REPORT ON OUTSTANDING COUNCIL RESOLUTIONS AND COUNCILLOR ATTENDANCE**

Responsible Division: Finance & Governance  
 Officer: Director Finance & Governance  
 File Number: SC492  
 Community Strategic Plan Goal: *Transparent and accountable leadership*

### **SUMMARY**

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This report presents to Council the current list of outstanding Council resolutions, and provides an update on Councillor attendance at Briefings and Council meetings for the current Council term.

### **RECOMMENDATION**

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**That Council receive the report.**

### **REPORT**

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This report provides Council an update on the current outstanding Council resolutions. A total of 30 resolutions are currently in progress.

The list of outstanding Council resolutions and a status update is provided as Attachment 1 to this report.

<b>Year</b>	<b>Resolutions Passed</b>	<b>Resolutions Enacted/Completed</b>	<b>Resolutions in Progress</b>
<b>2017</b>	150	149	1
<b>2018</b>	258	251	7
<b>2019</b>	149	127	22

Furthermore, this report also provides an update on Councillor attendance at both Briefings and Council Meetings for the current Council term. This information is based on Council meeting attendance information, and available Councillor briefing records. This update is provided as per attachment 2 to this report.

## COMMUNITY ENGAGEMENT

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There are no consultation processes for Council associated with this report.

## POLICY IMPLICATIONS

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There are no policy implications for Council associated with this report.

## RISK IMPLICATIONS

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This report provides Council with added transparency in relation to the progress of outstanding Council resolutions and the attendance of Councillors at Briefings and Council Meetings.

## FINANCIAL IMPLICATIONS

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There are no financial implications for Council associated with this report.



## CONCLUSION

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The update on outstanding Council resolutions is provided for the information of Council.

## ATTACHMENTS

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1. Outstanding Council Resolutions List [↓](#) 
2. Councillor Attendance Record 2018/19 [↓](#) 

**DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-170**

**Attachment 1  
Outstanding Council Resolutions  
List**





## OUTSTANDING COUNCIL RESOLUTIONS

Date of Meeting	Minute No / Subject	Council Decision	Responsible Directorate	Status	Estimated Completion Date
5/07/2017	<b>Min. 165 - Item 108/17 - Wentworthville Town Centre Planning Proposal - Reclassification of Public Land</b>	1. Defer the reclassification of The Kingsway Carpark site and the Lane Street Community Facilities site to 'operational' pending the preparation of a Property and Facilities Strategy for Wentworthville Town Centre. 2. Proceed with the Wentworthville Town Centre Planning Proposal as per Council's resolution of 3 August 2016, excluding any reclassification of land. 3. That the Property and Facilities Strategy be reported to Council for adoption prior to preparation of a Planning Proposal to reclassify the subject sites.	Finance and Governance	Property Strategy to be reported in late 2019. Council appointed a contractor to provide a property structure that will allow Council to undertake joint ventures as land owner. A Councillor Briefing has been scheduled for 24 July 2019. TfNSW is currently undertaking due diligence on the Kingsway Carpark site for a multi-deck carpark as an alternate location for a commuter carpark at the Pendle Hill station site. Balance of site to be addressed in Property Strategy in September 2019.	September 2019
17/10/2018	<b>Min. 310 - C10/18-204 - 4-12 Railway Street, Lidcombe - Planning Proposal - Endorsement to proceed to Gateway and Community Consultation</b>	That Council:1. Proceed to Gateway submission and formal community consultation with a planning proposal and associated public benefit offer as per Option A, being:a. the existing maximum FSR of 5:1 under Auburn LEP 2010 being retained for the B4 zoned part of the subject site, with a minimum of 0.4:1 non-residential FSR to be provided;b. a provision for a bonus FSR of 0.3:1 for a minimum of 0.6:1 non-residential FSR, subject to the dedication of the RE1 zoned land to Council at no cost, and with an offset of section 7.11 contributions in lieu of this land dedication;c. a maximum building height of 45m apply to the site generally, with:i) a taller element up to a maximum of 55m for a limited portion in the north eastern corner of the site to be shown on the LEP Height of Buildings Map; andii) a maximum building height of 48m for a limited portion of the south eastern corner of the site.2. Develop site specific DCP controls which include setback and sunlight access controls to ensure the taller element is offset by a corresponding area in the south western part of the site that has lower height, minimising overshadowing of Friends Park and properties to the south.3. Require the proponent to submit updated Planning Proposal documentation including a revised concept and shadow diagrams, suitable for public exhibition. 4. Require that further detailed modelling be undertaken to help determine site specific DCP controls for building massing.5. Request that the proponent provide a draft voluntary planning agreement consistent with the public benefit offer outlined in this report to be publicly exhibited with the planning proposal.The Motion moved by Councillor Attie seconded by Councillor Zaiter on being Put to the meeting was declared CARRIED.A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:Councillor(s) For the Motion: Attie, Cummings, Elmore, Grove, Rahme, Sarkis, Zaiter and ZreikaCouncillor(s) Against the Motion: Campbell, Christou, Garrard, Hamed, Huang, Lake and Saha.	Environment and Planning	Gateway determination issued. Finalising draft VPA, in line with Council Resolution. VPA to be exhibited with the Planning Proposal.	September 2019
7/11/2018	<b>Min. 337 - C11/18-218 - Cumberland Open Space and Recreation Strategy</b>	That: 1. As a general principle, Councillors note the chronic under supply of accessible public open space across the Cumberland LGA. 2. Accordingly, Councillors do not agree to the current Draft Open Space and Recreation Strategy being placed on public exhibition. 3. Council officers now prepare an amended Strategy that accurately reflects the amount of accessible public open space in each suburb and the population catchment for that open space which may cross local government areas, Council ward and suburb boundaries. 4. Council officers consult Council's Park Advisory Committees in the preparation	Works and Infrastructure	1. Accepted & completed 2. Noted & completed 3. Meeting held with consultants 12/11/2018 to commence preparation of revised document. 4. Workshop conducted with Council's Local Park Committees on 4/03/2019 5. Further Draft will be provided to Councillors for a workshop discussion.	- Briefing on 25 September 2019 - Report to Council on November 2019



## OUTSTANDING COUNCIL RESOLUTIONS

Date of Meeting	Minute No / Subject	Council Decision	Responsible Directorate	Status	Estimated Completion Date
		of this document. 5. This further Draft be provided to Councillors for a workshop discussion.			
21/11/2018	<b>Min. 357 - C11/18-225 - Federal Assistance Grants Cumberland</b>	That Council: 1. Note the information in relation to Federal Assistance Grants. 2. Agree to prepare a submission for the 2018/19 Federal Assistance Grants, as outlined in Attachment 6 to this report and delegate authority to the General Manager to finalise the submissions. 3. Receive a report on the status of all correspondence sent to Federal Members in relation to this matter. 4. Proceed to organise a delegation and invite the relevant Ministers in relation to this matter.	Finance and Governance	Letter prepared and sent to the Federal Minister.	September 2019
5/12/2018	<b>Min. 377 - C12/18-253 - Notice of Motion - Melita Stadium and Everley Park Upgrade Works</b>	That:1. Council receive a report on the feasibility of:a) OHS (and other) improvements to Melita Stadium ('Stadium');b) Renewing/rejuvenating the toilet block/change rooms behind the Stadium;c) Installation of new seats at the Stadium;d) Installation of a new state of the art score board at the Stadium; ande) At Everley Park, the installation of a suitable:i. Irrigation system;ii. Flood lighting;iii. Canteen; andiv. Clubhouse.2. If the above is deemed to be feasible, that funds be drawn off the Woodville Fund.3. Council investigate the opportunity to seek external grant funding and corporate sponsors.	Works and Infrastructure	Report to Council (Everley Park only) - 4 September 2019	November 2019
5/12/2018	<b>Min. 380 - Oriole Park Baseball Club Demolition</b>	That Council receive a report on the potential uses of the property and costs associated with the refurbishment of the property.	Works and Infrastructure	Report to Council - October 2019	October 2019
19/12/2018	<b>Min. 398 - C12/18-264 Wentworthville Town Centre Bypass</b>	That Council: 1. Proceed with the acquisition of the 6 lots required (48-50 Station Street and 53 Station Street, Wentworthville) to facilitate the full bypass option as outlined in this report; 2. Amend the Wentworthville Centre Planning Proposal to include the properties required to implement the full bypass option on the Land Reservation Acquisition Map and Zoning Map; 3. Amend the draft Wentworthville Centre DCP to reflect the full bypass option, prior to public exhibition; and 4. Progress the full bypass option in the draft Wentworthville Public Domain Plan.	Environment and Planning	Properties section notified of resolution 1. Planning Proposal and draft DCP placed on public exhibition. Further report to be prepared for consideration by Council.	October 2019
19/12/2018	<b>Min. 399 - C12/18-265 Wentworthville Centre Draft DCP Controls</b>	That Council: 1. Place the draft Development Controls (draft DCP Controls) for the Wentworthville Centre on public exhibition for a minimum 6 weeks, concurrently with the public exhibition of the Wentworthville Centre Planning Proposal. 2. That the exhibition period not commence prior to 14 January 2019 and that, in accordance with Council resolution of 3 August 2016, a public meeting be held on a Saturday afternoon in Wentworthville in February to allow the community to discuss with Council the planning proposal and draft Development Control Plan 3. Receive a further report, following the community consultation, which will outline and respond to any submissions received as well as the way forward for the Development Controls for the Wentworthville Centre.	Environment and Planning	Planning Proposal and draft DCP placed on public exhibition. Further report to be prepared for consideration by Council.	December 2019
6/02/2019	<b>Min. 414 - C02/19-9 Eric Crescent, Lidcombe Lot 3 and Lot 22</b>	That Council: 1. Authorise the General Manager to negotiate and execute documentation associated with the sale of Council land in Eric Crescent, Lidcombe known as Lot 22 DP 219238 in accordance with valuation advice and in conjunction with L J Usher Pty Limited, the owner of the adjoining Lot 3 DP 555190. 2. Share the proceeds of sale and all costs incurred with the owner of Lot 3 DP 555190 in accordance with each Lot's area.	Finance and Governance	Replacement certificate of title has been received and the contract of sale is now being prepared.	December 2019



## OUTSTANDING COUNCIL RESOLUTIONS

Date of Meeting	Minute No / Subject	Council Decision	Responsible Directorate	Status	Estimated Completion Date
20/02/2019	<b>Min. 424 - C02/19-15 Request for Revised Gateway Determination - Planning Proposal for 264 Woodville Road, Merrylands</b>	That Council: 1. Proceed with the following controls for the site, as outlined in the Gateway Determination (of 24 June 2016): B4 Mixed Use zone with a maximum building height of 31m and maximum FSR of 2:1 across the site; 2. Endorse an amended Planning Proposal as per recommendation 1 above, to forward to the Department of Planning and Environment, subject to the negotiation of a planning agreement to the satisfaction of Council prior to finalisation; 3. Amend the Development Control Plan (DCP) controls '4.1.12 Woodville Road Neighbourhood Centre Precinct' of the Parramatta DCP to reflect the amended proposal; and 4. Delegate to the General Manager authority to make minor non-policy corrections or formatting changes to the draft DCP controls prior to it coming into effect; and 5. Propose to rezone the subject land from B4 Mixed Use zone to B2 Local Centre zone and RE1 Public Recreation zone as part of the comprehensive Cumberland LEP, reflecting Council's strategic approach to the local centres hierarchy and objectives of the Central City District Plan.	Environment and Planning	Report in current Business Paper.	August 2019
20/02/2019	<b>Min. 430 - C02/19-17 Notice of Motion - Granville Heritage Precinct</b>	That Council: 1. Seek a report on the establishment of a 'Granville Heritage Precinct' within the environs of the existing Granville Neighbourhoods, so as to acknowledge the preservation and interpretation of the heritage of the heritage representing the 19 <sup>th</sup> and 20 <sup>th</sup> century. 2. Further, that when considering any future use of the Granville Library, consideration be given to the establishment of a 'Heritage Centre' as an Annexure to the existing library system, acknowledging the extensive catalogue of data presently in the possession of the Granville Historical Society and others enabling a future benefit to the cultural tourism and family history study as desired by Cumberland residents.	Community Development	In relation to the establishment of a Granville Heritage Precinct, this will be considered as part Stage 2 of Council's heritage study. This proposal has also been supported by the Heritage Committee for consideration in this study. In relation to the Cumberland Heritage Centre (part 2 of the resolution), community engagement and costings have been completed and are to be reported to Council on 4 September 2019.	September 2019
6/03/2019	<b>Min. 439 - C03/19-24 - Development of a Greystanes Skate Park</b>	That Council: 1. Defer the matter pending a further report to Council on the feasibility of establishing a Skate Park in Gipps Rd Park, and that the Skate Park be incorporated into Council's Open Space and Recreation Strategy. 2. Receive a briefing from the facilitator of the community forum which was held on 10 November 2018.	Works and Infrastructure	1. Work has commenced to assess alternate site. 2. Officers are in contact with consultant to propose a briefing with Councillors.	December 2019
20/03/2019	<b>Min. 459 - C03/19-39 - Notice of Motion - Staff Allocations and Resources - Street and Town Centre Cleaning</b>	That: 1. A report including but not limited to the following, be provided to Council regarding staff allocations and resources that are currently in use for street and town centre cleaning along with verge mowing and the general state of the LGA: a) The number of staff Council employs to undertake the general cleaning of the LGA including any contractors used; b) The number of teams and what area they look after including the number of streets they are responsible for; c) The number of street sweepers council owns and where and when they are deployed including how often they are used; d) Which town centres are cleaned and how often; e) The cost of implementing an LGA wide verge mowing service for the community or alternative solutions; f) The number of staff and/or teams required to increase the current level of services to an acceptable standard; g) Any equipment required to increase the current level of services to an acceptable standard; h) A draft service model to distribute cleaning staff and crews across the LGA according to need; i) The cost implications for increasing the required resources above to meet community expectations; and j) Investigate a strategy to better manage the issue of abandoned shopping trolleys. 2. The report include an LGA wide total amount for the above and also have the results divided in 3 parts with respect to items 1, 2 and 3.	Works and Infrastructure	Report to Council - 4 September 2019	September 2019



## OUTSTANDING COUNCIL RESOLUTIONS

Date of Meeting	Minute No / Subject	Council Decision	Responsible Directorate	Status	Estimated Completion Date
		<p>3. The division of the 3 parts will be the East of the LGA from Rookwood cemetery to Duck River, the Centre of the LGA being the former Woodville Ward and the West of the LGA from the Merrylands Railway Line to Prospect Reservoir.</p> <p>4. The report not include waste collection services that is the collection of domestic/commercial waste bins.</p> <p>5. If required, the report include staff recommendation for future expansion of the cleaning services to our town centres and wider LGA for budget purposes.</p>			
3/04/2019	<b>Min. 478 - C04/19-55 - Proposed Closure and Sale of Part of Finns Lane, Merrylands</b>	That Council delegate authority to the General Manager to consider any submissions made to Council with respect to the closing of a portion of Finns Lane, Merrylands, and to report to Council about this matter.	Finance and Governance	22 submissions were received following public exhibition. Objections received from Endeavour Energy and Crown Lands. Objections to be lifted before road can be closed. The Traffic Committee has also deferred the proposed road closure pending an updated Traffic Management Plan for RMS concurrence.	October 2019
17/04/2019	<b>Min. 482 -Matter of Urgency - Renaming of Margaret Street, Merrylands</b>	That Council take the necessary steps required to change the name of Margaret Street, Merrylands to state Margaret Street North and Margaret Street South.	Works and Infrastructure	This is in the current Business Paper.	August 2019
17/04/2019	<b>Min. 491 -C04/19-64 - Auburn and Lidcombe Town Centres Planning Controls Strategy</b>	<p>That Council:</p> <p>1. Note the submissions received on the planning controls strategy for Auburn and Lidcombe Town Centres.</p> <p>2. Council hold a workshop to consider the effect of any design excellence provision to be included in the Cumberland Local Environmental Plan on proposed planning controls for the Auburn and Lidcombe Town Centres.</p> <p>3. Council then resolve the effect of this provision as outlined in Recommendation 1.</p> <p>4. In accordance with Council resolution 21.12.16, the Draft Auburn and Lidcombe Town Centres Strategy and submissions received be reported to the Cumberland Local Planning Panel for consideration and recommendation to Council.</p> <p>5. A site visit of the Auburn Town Centre and a site visit of the Lidcombe Town Centre be held with reference to the draft strategy.</p> <p>6. The Auburn Town Centre Strategy and the Lidcombe Town Centre Strategy be reported to Council separately.</p>	Environment and Planning	Auburn Town Centre Report is in the current Business Paper. Lidcombe Town Centre Report will be reported to Council in September 2019.	September 2019
17/04/2019	<b>Min. 495 - C04/19-67 - Notice of Motion - Granville Boundary Adjustment</b>	<p>That Council:</p> <p>1. Note the significant level of high rise development occurring on the northern side of the railway line at Granville in the City of Parramatta arising from the Parramatta Road Urban Transformation Strategy.</p> <p>2. Note that the residents of these buildings will inevitably use the community facilities (pool, community centre, library and parks) provided by Cumberland Council in Granville and that Cumberland Council will receive no rates and no developer contributions from these developments.</p> <p>3. Note that during the Council amalgamation process both the former Auburn and Holroyd Councils made a submission to the Delegate reviewing the proposed amalgamation advocating that the boundary of Cumberland Council at Granville should be the M4.</p> <p>4. Note that the Parramatta Council submission to the Delegate reviewing the proposed amalgamation proposed that the boundary between Cumberland Council and the City of Parramatta at Granville should be Parramatta Road.</p> <p>5. Agree that the process required under Section 218E of the Local Government Act to amend the boundary between Cumberland Council and the City of</p>	Finance and Governance	<p>Council has written to the City Of Parramatta Council as per items 6 and 8.</p> <p>Part 9 - Council has commenced a community engagement program with affected residents, which will close on 30 August 2019. This includes a letter box drop containing information and a postal survey to all dwellings in the affected areas, correspondence to community organisations and key stakeholders in the affected areas and online 'have your say' sites with online submission portals for the duration of the consultation period.</p>	October 2019

## OUTSTANDING COUNCIL RESOLUTIONS

Date of Meeting	Minute No / Subject	Council Decision	Responsible Directorate	Status	Estimated Completion Date
		<p>Parramatta at Granville to the M4 be commenced.</p> <p>6. Write to the City of Parramatta outlining Cumberland Council's concerns about the boundary at Granville and seek the City of Parramatta's support for a submission under Section 218E of the Local Government Act to amend the boundary between Cumberland Council and the City of Parramatta at Granville to the M4.</p> <p>7. Seek information about any asbestos contamination in the area bounded by Kemp St, Parramatta Rd, James Ruse Drive, and the M4 and a report be returned to Council on the responsible parties for remediation and the costs to Council if the area is transferred to Cumberland Council. 8. Write to the City of Parramatta Council seeking support for a proposal to the Minister for Local Government to alter the boundary between Cumberland Council and the City of Parramatta Council as follows:</p> <p>a) That the area of the former Holroyd City Council which was bounded by the Great Western Highway, Burnett Street, the M4 Motorway, Pitt Street, Banks Street and Steele Street and which was included in the area of the new City of Parramatta Council when it was constituted on 12 May 2016 be transferred into the area of Cumberland Council.</p> <p>9. Undertake consultation with affected residents as part of this process.</p>		At the conclusion of the consultation period, a report will be brought to Council on this matter.	
01/05/2019	<b>Min. 515 - C05/19-79 Notice of Motion - Wyatt Park</b>	<p>That Council:</p> <ol style="list-style-type: none"> <li>1. Provide a report regarding the current status of the Wyatt Park Master Plan and reasons for the lack of progress.</li> <li>2. Provide a workshop to interested councillors and also receive feedback from them regarding the future look of Wyatt Park.</li> <li>3. Allow a period of community consultation for their views on the future look of Wyatt Park.</li> <li>4. Contact previous stakeholders who showed an interest in the Park previously, and provide them with updates of Council's intentions and any proposals they wish to put forward.</li> <li>5. Write to the Minister for Sport, Multiculturalism, Seniors and Veterans, The Hon John Sidoti, and the Minister for Planning and Public Spaces providing them with an update on Council's intentions for the Park and seeking State Government funding for support in its development.</li> </ol>	Works and Infrastructure	<p>- Briefing on 25 September 2019</p> <p>- Report to Council in October 2019</p>	October 2019
19/06/2019	<b>Min.557 C06/19-109 Parramatta Road Urban Amenity Improvement Program - Land Acquisition for Auburn Park Expansion</b>	<p>That Council:</p> <ol style="list-style-type: none"> <li>1. Endorse the acquisitions of 45, 47, 49 and 55 Karrabah Road, Auburn by compulsory process for the purposes of expanding Auburn Park.</li> <li>2. Approve and authorise the necessary application to be made to the Minister for Local Government and the Governor.</li> <li>3. Delegate authority to the General Manager to execute all documents associated with the acquisition of these properties.</li> <li>4. Give public notice of its intention to classify all seven properties (43, 45, 47, 49, 51,53 and 55 Karrabah Road, Auburn) as Community Land in accordance with the provisions of section 34 of the Local Government Act 1993 and make the classification if no adverse submissions are received.</li> </ol>	Finance and Governance	Following on from the resolution of Council on 19 June 19, an application has been submitted to the OLG on 25 June 19 for Ministerial consent and Governor's approval to the compulsory acquisitions. Once the OLG has approved Council's application (approval process may take 3 to 6 months), the first formal step in the compulsory acquisition process is to issue a Proposed Acquisition Notice (PAN) to the affected landowners and giving them 90 days to respond (Council can continue to negotiate with the landowners at this stage). After the expiration of the PAN period, Council gazette the Acquisition Notices and the land is vested in Council's ownership. The Valuer General to provide a determination on the compensation	December 2019



## OUTSTANDING COUNCIL RESOLUTIONS

Date of Meeting	Minute No / Subject	Council Decision	Responsible Directorate	Status	Estimated Completion Date
				payable to the landowners. The compulsory acquisition process could take between 9 to 12 months to complete.	
19/06/2019	<b>Min.559 C06/19-111 Draft Cumberland 2030: Our Local Strategic Planning Statement</b>	That Council place the Draft Cumberland 2030: Our Local Strategic Planning Statement on public exhibition, with a report to be provided back to Council following the conclusion of the exhibition period.	Environment and Planning	Public exhibition of Statement until 30 August 2019. Further report to be provided to Council	November 2019
19/06/2019	<b>Min.569 C06/19-119 Response to Notice of Motion - Cumberland Council Administration Building</b>	That Council: 1. Note the report of 18 July 2018, noting the existing Council Administration site in Merrylands and the commuter carpark site in Granville as the two potential locations identified for the development of a new Cumberland Council Administration Building. 2. That a workshop be held with Council as soon as practicable to further discuss this matter, with a report to be returned to Council.	Finance and Governance	Councillor Briefing held on Wednesday, 24 July 2019. Further consultation to occur before matter goes back to Council again.	September 2019
3/07/2019	<b>Min.581 C07/19-127 Draft Cumberland Community Facilities Strategy 2019 – 2029</b>	That Council place the Draft Cumberland Community Facilities Strategy 2019 - 2029 on public exhibition for a period of 28 days, with a report to be provided back to Council following the conclusion of the exhibition period.	Community Development	The Draft Cumberland Community Facilities Strategy 2019 - 2029 has been placed on public exhibition for a period of 28 days. A report is due to come to Council on 4 September 2019.	September 2019
3/07/2019	<b>Min.586 C07/19-123 Draft Large Display Advertising Policy</b>	That: 1. Council place the Draft Large Display Advertising Policy on public exhibition for a period of 28 days with the following amendments: a) After the words "conflicts of interest." in the Requirements Section, add: "Consideration must be given to compliance with any relevant legislation, Codes and Guidelines which govern advertising practice in NSW." b) Under "Related documents and Council Policy" add: "Guidelines and Codes of Practice governing advertising practices in NSW." 2. A report be provided back to Council following the conclusion of the exhibition period.	Finance and Governance	Draft Large Display Advertising Policy exhibition period ended on Tuesday, 6 August 2019. Submissions to be reviewed and a report to go back to Council.	October 2019
17/07/2019	<b>Min.599 C07/19-141 Review of Investment Policy</b>	That Council place the Draft Investment Policy on public exhibition for a period of 28 days, with a report to be provided back to Council following the conclusion of the exhibition period.	Finance and Governance	Draft Investment Policy exhibition period started Friday, 9 August 2019 and ends 6 September 2019. Once submissions are reviewed, a report will go back to Council.	September 2019
17/07/2019	<b>Min.606 C07/19-146 Auburn South Community and Recreation Centre - Community Engagement Outcomes</b>	That Council: 1. Receive and note the outcomes of the community engagement program undertaken to inform the development of the Auburn South Community and Recreation Centre detailed in Attachment 1. 2. Proceed to the detailed design phase for the new community facility in 2019/20. 3. Exhibit the detailed design for public comment.	Community Development	Detailed design to be undertaken throughout 2019/20 in accordance with the budget available.	June 2020

## OUTSTANDING COUNCIL RESOLUTIONS

Date of Meeting	Minute No / Subject	Council Decision	Responsible Directorate	Status	Estimated Completion Date
17/07/2019	<b>Min.608 C07/19-148 14 Civic Avenue, Pendle Hill - Request for Periodic Payment of Development Contributions</b>	That Council: 1. Note that point 2 of the resolution of Council of 19 May 2016 (Min 013/16) is inconsistent with the provisions of the Holroyd Council Contributions Plan 2013. 2. Endorse that the resolution of 19 May 2016 (Min 013/16) applies only to the Auburn Development Contributions Plan 2007. 3. Endorse that the provisions of the remaining contributions plans applying in the Cumberland local government area continue to apply. 4. Refer the request from the proponent back to Council staff for reconsideration of the matter.	Environment and Planning	Request under reconsideration by Council officers. Further report to be provided to Council	September 2019
7/08/2019	<b>Min.619 C08/19-158 Review of Community Development Policies</b>	That Council: 1. Place the revised Draft Access and Equity Policy as outlined in Attachment 1 of this report on public exhibition for a period of 28 days. 2. Place the revised Draft Art and Cultural Collection Policy as outlined in Attachment 2 of this report on public exhibition for a period of 28 days. 3. Place the revised Draft Seniors' Units for Independent Living Policy as outlined in Attachment 3 of this report on public exhibition for a period of 28 days. 4. Place the revised Draft Volunteers Policy as outlined in Attachment 4 of this report on public exhibition for a period of 28 days. 5. Provide a further report back to Council following the conclusion of the exhibition period.	Community Development	Policies have been placed on public exhibition for a period of 28 days with a report to be received by Council at the conclusion of the public exhibition period.	October 2019
7/08/2019	<b>Min.624 C08/19-159 Draft Children and Families Strategy 2019 - 2023</b>	That Council place the Draft Children and Families Strategy 2019 – 2023 on public exhibition for a period of 28 days, with a report to be provided back to Council following the conclusion of the exhibition period.	Community Development	The Draft Children and Families Strategy 2019 – 2023 has been placed on public exhibition for a period of 28 days with a report to be received by Council at the conclusion of the public exhibition period.	October 2019
7/08/2019	<b>Min.625 C08/19-160 Response to Notice of Motion - Establishment of Cumberland Council as a Refugee Welcome Zone</b>	That Council: 1. Affirms its commitment to becoming a signatory to the Refugee Welcome Zone declaration, which states: "Cumberland Council declares the Cumberland Local Government Area a Refugee Welcome Zone. This Declaration is a commitment in spirit to: · Welcoming refugees into our community, · Upholding the human rights of refugees, · Demonstrating compassion for refugees, and · Enhancing cultural and religious diversity in our community." 2. Includes signage at Council community facilities acknowledging that Cumberland is a Refugee Welcome Zone.	Community Development	Council to hold a public signing ceremony with the Refugee Council of Australia in September 2019. Council will progressively roll out signage as part of the signage upgrade program.	September 2019
7/08/2019	<b>Min.626 C08/19-162 Planning Agreement for 615 Great Western Highway, Greystanes</b>	That Council authorise the Mayor and General Manager to execute the planning agreement in its current form.	Environment and Planning	Execution of planning agreement to be finalised.	August 2019



**DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-170**

**Attachment 2  
Councillor Attendance Record  
2018/19**



Council Meeting	Attie	Campbell	Christou	Cummings	Elmore	Garrard	Grove	Hamed	Huang	Lake	Rahme	Saha	Sarkis	Zaiter	Zreika
27-Sep-17															
4-Oct-17															
18-Oct-17															
1-Nov-17															
22-Nov-17															
13-Dec-17															
20-Dec-17															
7-Feb-18															
21-Feb-18															
27-Feb-18															
7-Mar-18															
21-Mar-18															
4-Apr-18															
18-Apr-18															
2-May-18															
16-May-18															
6-Jun-18															
20-Jun-18															
4-Jul-18															
18-Jul-18															
1-Aug-18															
15-Aug-18															
5-Sep-18															
19-Sep-18															
26-Sep-18															
3-Oct-18															
17-Oct-18															
7-Nov-18															
21-Nov-18															
5-Dec-18															
19-Dec-18															
6-Feb-19															
20-Feb-19															
6-Mar-19															
20-Mar-19															
3-Apr-19															
17-Apr-19															
1-May-19															
15-May-19															
5-Jun-19															
19-Jun-19															
3-Jul-19															
17-Jul-19															
7-Aug-19															

	Attendance
	Non-attendance

Total		
Councillors	Attendance	Non-attendance
Attie	42	2
Campbell	44	0
Christou	44	0
Cummings	44	0
Elmore	43	1
Garrard	41	3
Grove	38	3
Hamed	40	4
Huang	43	1
Lake	44	0
Rahme	37	7
Saha	43	1
Sarkis	36	8
Zaiter	43	1
Zreika	39	5

44 Council Meetings in Total



Council Briefing	Attie	Campbell	Christou	Cummings	Elmore	Garrard	Grove	Hamed	Huang	Lake	Rahme	Saha	Sarkis	Zaiter	Zreika
11-Oct-17															
25-Oct-17															
8-Nov-17															
15-Nov-17															
29-Nov-17															
12-Dec-17															
19-Dec-17															
31-Jan-18															
13-Feb-18															
27-Feb-18															
14-Mar-18															
20-Mar-18															
28-Mar-18															
10-Apr-18															
11-Apr-18															
24-Apr-18															
9-May-18															
23-May-18															
13-Jun-18															
27-Jun-18															
11-Jul-18															
25-Jul-18															
8-Aug-18															
22-Aug-18															
12-Sep-18															
26-Sep-18															
10-Oct-18															
31-Oct-18															
14-Nov-18															
28-Nov-18															
12-Dec-18															
13-Feb-19															
27-Feb-19															
13-Mar-19															
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8-May-19															
22-May-19															
23-May-19															
12-Jun-19															
26-Jun-19															
10-Jul-19															
24-Jul-19															
25-Jul-19															

	Attendance
	Non-attendance

Total		
Councillors	Attendance	Non-attendance
Attie	42	3
Campbell	37	8
Christou	34	11
Cummings	44	1
Elmore	37	8
Garrard	23	22
Grove	28	14
Hamed	30	15
Huang	33	12
Lake	42	3
Rahme	26	19
Saha	31	14
Sarkis	20	25
Zaiter	32	13
Zreika	11	34

45 Council Briefings in Total
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Item No: C08/19-171

## IPART REVIEW OF THE LOCAL GOVERNMENT RATING SYSTEM – CONSULTATION 2019

Responsible Division: Finance & Governance  
Officer: Director Finance & Governance  
File Number: HC-19-01-2/04  
Community Strategic Plan Goal: *Transparent and accountable leadership*

### SUMMARY

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The Independent Pricing and Regulatory Tribunal (IPART) carried out a series of reviews of the local government system. IPART's final reports have now been released and the Minister of Local Government has invited Councils to make submissions on IPART's *Review of the Local Government Rating System* report by 13 September 2019.

### RECOMMENDATION

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#### That Council:

1. **Note the information contained in this report.**
2. **Delegate authority to the General Manager to finalise the submission, and forward it to the Minister for Local Government as outlined in Attachment 1.**

### REPORT

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Council received a letter from the Minister of Local Government (see Attachment 2), which invited feedback on a series of reviews, undertaken by IPART, of the local government system. The letter, received on 21 June 2019, states:

*"The reviews were commissioned to support the NSW Government's long term commitment to ensuring a fair and equitable rating system, cutting red tape and reducing costs and delays for business and the community. They address a number of complex issues, including the current structure of the local government rating system, arrangements around rating exemptions and pensioner concessions, and a broad range of matters relating to local government regulation and compliance."*

IPART's *Review of the Local Government Rating System* presents 42 recommendations, all of which have been reviewed by Council. Attachment 2 contains IPART's recommendations and Council's feedback. There are some major changes accompanied by some sensible amendments. The ten major points, which will form the main part of Council's submission, have been extracted and are shown in the below table.

The full report can be viewed in Attachment 3 of this Report.

Reference IPART (Page 16- 21)	Recommendation	Agree/Disagree	Comments
1	The <i>Local Government Act 1993</i> (NSW) should be amended to mandate Capital Improved Value (CIV) as the basis for setting ad valorem rates in the metropolitan council areas defined in Box 3.1.	Agree	Council agrees to the implementation CIV as it will improve equity, simplicity and sustainability of an efficient tax system. The detailed discussion in the report on pages 28 to 40 are supported as Cumberland area has 23,072 strata units, of which 35% of all residents are currently not paying an equitable amount.
3	The Local Government Act ("LGA") should facilitate gradual transition of rates. Set a Maximum Cap of 10%.	Agree	See below
4	Section 497 LGA should be amended to remove minimums for the structure of a rate and Section 548 LGA be removed.	Disagree	See below
6	The NSW Government fund the NSW Valuer General for the upfront cost of establishing the database to determine Capital Improved Values.	Agree	The transition to CIV will be an expensive exercise and Council will require an increase in rate cap or a grant to assist.

#### Commentary on Reference 3 and 4

In principle, Council supports "gradual equalisation" of rates as it provides flexibility and equity. Council's finance department does not have a great deal of information on how Capital Improved Value (CIV) would operate. It is anticipated that there would be additional valuation services required and ongoing staff resources to manage capital improved values. Additionally, CIV could be subject to more objections due to the differing views of ratepayers. There is an internal view that it would take three to five years for this to be implemented and harmonised due to inexperience with CIV.

In principle, Council supports the removal of minimums if the CIV is fully implemented and equalised. If the LGA was amended to remove the S497 minimum rates from the 23,072 strata rate payers, it then would reduce their rates, from \$597 or \$670 down to \$500, as Council could only use a base rating on unimproved land value. Therefore minimum rates need to remain until the end of equalisation for it to be effective.

In relation to timing, Council should be conscious that the decision to implement could occur within the next 12 months, however there would not be enough information about CIV to undertake an analysis on the potential impacts. Therefore, Council is requesting the following amendment to the IPART recommendations:

- Following the completion of gradual equalisation of rates for CIV, sections 497 and 548 will be removed from LGA.

Reference IPART (Page 16- 21)	Recommendation	Agree / Disagree	Comments
13	<p>At the end of the 4-year rate path freeze, new councils determine whether any pre-merger areas are separate towns or villages, or different residential areas.</p> <p>– In the event that a new council determines they are not separate towns or villages, or different residential areas, or it chooses to equalise rates, it should undertake a gradual equalisation of residential rates. The amount of rates a resident is liable to pay to the council should increase by no more than 10 percentage points above the rate peg (as adjusted for Special Variations) each year as a result of this equalisation. The Local Government Act 1993 (NSW) should be amended to facilitate this gradual equalisation.</p>	Agree	<p>We will be discussing this in more detail at a later date.</p> <p>This method of gradual equalisation will promote equity following the amalgamation.</p> <p>Cumberland was adversely effected in the boundary changes. The Business rates which had previously subsidised the former areas of Auburn and Parramatta were transferred out and then 40,300 residents were transferred in. This has created rate and service disparity between the former areas.</p> <p>Cumberland has a large amount of disadvantage when it comes to the ability to pay rates following the boundary changes and needs the gradual equalisation to address this issue.</p>
14	<p>“Sections 555 and 556 of the Local Government Act 1993 NSW should be amended to:</p> <p>– exempt land on the basis of use rather than ownership, and to directly link the exemption to the use of the land, and</p> <p>– ensure land used for residential and commercial purposes is rateable unless explicitly exempted.”</p>	Agree	<p>There is currently an inequity between state government run housing commission (rateable) and community housing run by not for profit sector (exempt).</p> <p>This is because the LGA currently allows an exemption based on the entity legal status (i.e. Charitable) and not the use of the land which is residential living.</p> <p>Cumberland has in total 1,650 exempt rates payers from all categories, which is 5.58% of all residential land value. We encourage any improvements to Section 555/556 LGA.</p> <p>To further encourage the affordable housing targets council needs an equitable system to encourage investment.</p>
24	<p>“The Local Government Act 1993 (NSW) should be amended to remove the current exemptions from water and sewerage special charges in section 555 and instead allow councils discretion to exempt these properties from water and sewerage special rates in a similar manner as occurs under section 558(1).”</p>	Agree	<p>This is an equity issue for Council as operators of commercial businesses on crown land will pay rates. Therefore the same rule should apply to water authorities.</p> <p>Also, this will encourage better use of available land and promote the surplus land can be used for open space or transferred to Council.</p>

Reference IPART (Page 16- 21)	Recommendation	Agree / Disagree	Comments
26-28 and 40	<p>26) For new and existing eligible pensioners, introduce a rate deferral scheme operated by the NSW Government, where: – Eligible pensioners would be allowed to defer payment of ordinary council rates up to \$1,000 per annum and indexed to CPI, or any other amount as determined by the NSW Government.</p> <p>27) Give existing eligible pensioners the option to access, either: – the current pensioner concession, or – the rate deferral scheme, as defined in Recommendation 26.</p> <p>28) Funding pensioner assistance: – The current pensioner concession funding arrangements would continue. – The rate deferral scheme (defined in Recommendation 26) would be funded by the NSW Government. The loan should be charged interest at the NSW Government's 10-year borrowing rate, and could become due when property ownership changes.</p>	Agree	<p>Council has 11,000 pensioners partially funded by the state government (not all are aged pensioners). We support the proposal for the NSW Government to fund pensioner rates deferrals based on a 10 year loan, interest applicable and become due and payable when property ownership changes. It should be noted that IPART recommends the loan is to be fully funded by the State Government.</p> <p>In addition, Council supports the removal of the rate deferral scheme in the LGA. This is included as part of Recommendation 40 in the IPART report.</p>
30	Section 529(2)(d) of the <i>Local Government Act 1993</i> (NSW) should be amended to allow business land to be subcategorised as 'industrial' and or 'commercial' in addition to centre of activity.	Agree	The Fire Service Levy for Insurance proposed this change and it is consistent with Council's desire to have Business and Industrial rates separated to improve the equity in rating.
35	Councils have the option to engage the State Debt Recovery Office to recover outstanding council rates and charges.	Disagree	<p>Cost of recovery would increase and target recoveries are substantially lower than council currently achieves.</p> <p>When you consider this along with Recommendation 36, it is foreseeable that forced sale of land would occur more often than it does.</p>

## COMMUNITY ENGAGEMENT

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There are no consultation processes for Council associated with this report.

## POLICY IMPLICATIONS

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There are no policy implications for Council associated with this report.

## RISK IMPLICATIONS

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There are no risk implications for Council associated with this report.

## FINANCIAL IMPLICATIONS

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There are no financial implications for Council associated with this report.




## CONCLUSION

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Council is supportive of IPART's *Review of the Local Government Rating System* and, from the information available and the future workshops, remains positive about the direction of the reforms.

## ATTACHMENTS

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1. Minister of Local Government Correspondence [↓](#) 
2. Draft Submission IPART [↓](#) 
3. Final Report - Review of the Local Government Rating System [↓](#) 





DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-171

Attachment 1  
Minister of Local Government  
Correspondence



**Richard Sheridan**

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**Subject:** FW: IPART Local Government Reports - Consultation 2019**From:** NSW Gov No Reply [<mailto:noreply@minister.nsw.gov.au>]**Sent:** 21 June 2019 11:57 AM**To:** Records Department <[council@cumberland.nsw.gov.au](mailto:council@cumberland.nsw.gov.au)>**Subject:** IPART Local Government Reports - Consultation 2019**The Honourable Shelley Hancock MP**  
Minister for Local Government

Dear Mr McNulty

I am writing to invite your feedback on a series of reviews of the local government system, which were undertaken by the Independent Pricing and Regulatory Tribunal (IPART).

The NSW Government has been considering these reports for some time and a number of the issues raised have now been addressed. However, the full suite of recommendations, if implemented, could substantially change our local government system and impact directly upon communities.

I believe it is important that councils, community members and organisations representing the interests of local government should have the opportunity to fully consider these issues before the Government proceeds with a final response to the reports.

I would value your feedback on these reports and their final recommendations. Your views, together with the feedback of other councils, communities and others, will be taken into account in finalising the Government's response to the reviews.

The reviews were commissioned to support the NSW Government's long term commitment to ensuring a fair and equitable rating system, cutting red tape and reducing costs and delays for business and the community. They address a number of complex issues, including the current structure of the local government rating system, arrangements around rating exemptions and pensioner concessions, and a broad range of matters relating to local government regulation and compliance.

In all, IPART's final reports total approximately 1,000 pages and contain 135 recommendations. The closing dates for submissions have been staggered to allow sufficient time to consider each report individually. They are as follows:

- Local Government Rating System – 13 September 2019;
- Reporting and Compliance Burdens on Local Government – 25 October 2019;
- Local Government Compliance and Enforcement – 15 November 2019.

To help guide consultation, the Office of Local Government has placed a copy of each IPART final report, together with a short Consultation Guide for each report on its website at <https://www.olg.nsw.gov.au/strengthening-local-government/ipart-local-government-reports-consultation-2019>. This page also features an online feedback form for each review report.

A number of recommendations in the IPART reports have already been implemented through other reform programs, or are currently the subject of separate consultation.

There are also a number of recommendations that the Government has ruled out, because they may have adverse impacts on vulnerable members of the community, affect regional jobs and economies, or substantially increase costs for taxpayers and the broader community. Further consultation is not being undertaken on these recommendations, as indicated in the online feedback form.

Questions on the consultation process or other submissions about IPART's recommendations for each report may be directed to the relevant report email address listed on the website or referred to OLG's Policy Team on 02 4428 4100.

I look forward to continuing to work closely with you to strengthen local government across NSW.

Yours sincerely



**Shelley Hancock MP**  
Minister for Local Government

DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-171

Attachment 2  
Draft Submission IPART





## IPART Review of the Local Government Rating System

Council is currently preparing a submission in relation to the 2019 review of Local Government for the Local Government Rating System. The purpose of the submission is to present information on the impact of IPART proposes changes to the Local Government Act ("LGA"). This allows the Minister to adequately consider all legitimate factors that affect Council's capacity to deliver services.

The following table outlines a summary of the recommendation that are relevant to Cumberland Council. The final submission is due on Friday, 13 September 2019 to the Minister for Local Government.

Reference	Recommendation	Recommendation Category	Supports	Response/Impact
1	The Local Government Act 1993 (NSW) should be amended to mandate Capital Improved Value (CIV) as the basis for setting ad valorem rates in the metropolitan council areas defined in Box 3.1.	Use the Capital Improved Value (CIV) valuation method to levy local council rates	Agree	Council agrees to the implementation CIV as it will improve equity, simplicity and sustainability of an efficient tax system. The detailed discussion in the report on pages 28 to 40 are supported as Cumberland area has 23,072 strata units, of which 35% of all residents are currently not paying an equitable amount.
3	The Local Government Act 1993 (NSW) should be amended to facilitate a gradual transition of rates to a Capital Improved Value method. – The amount of rates that any ratepayer is liable to pay to the council should increase by no more than 10 percentage points above the rate peg (as adjusted for Special Variations) each year as a result of a council adopting a Capital Improved Value method for setting rates. Councils could apply to IPART to exceed this 10% limit.	Use the Capital Improved Value (CIV) valuation method to levy local council rates	Agree	In principle, Council supports "gradual equalisation" of rates as it provides flexibility and equity. Council's finance department does not have a great deal of information on how Capital Improved Value (CIV) would operate. It is anticipated that there would be additional valuation services required and ongoing staff resources to manage capital improved values. Additionally, CIV could be subject to more objections due to the differing views of ratepayers. There is an internal view that it would take three to five years for this to be implemented and harmonised due to inexperience with CIV.
4	Section 497 of the Local Government Act 1993 (NSW) should be amended to remove minimum amounts from the structure of a rate, and section 548 of the Local Government Act 1993 (NSW) should be removed.	Use the Capital Improved Value (CIV) valuation method to levy local council rates	Disagree	In principle, Council supports the removal of minimums if the CIV is fully implemented and equalised. If the LGA was amended to remove the S497 minimum rates from the 23,072 strata rate payers, it then would reduce their rates, from \$595.20 or \$690 down to \$-500, as Council could only use a base rating on unimproved land value if CIV was not yet implemented. Therefore minimum rates need to remain until the end of equalisation for it to be effective.

Reference	Recommendation	Recommendation Category	Supports	Response/Impact
5	The Local Government Act 1993 (NSW) should be amended so that the growth in rates revenue outside the rate peg is calculated using the formula based on changes in CIV, defined in Box 4.1. – For non-metropolitan councils, this formula would be independent of the valuation method chosen as the basis for setting ad valorem rates.	Allow councils' general income to grow as the communities they serve grow	Agree	The supplementary rates will allow the rate cap to increase but the value of increase is reduce by the loss of rate income from former use of the land and the difference in rates income does not cater for increased population. As a result, and over time Council will need apply for a SRV as the only way to increase the rate cap.
6	The NSW Government fund the NSW Valuer General for the upfront cost of establishing the database to determine Capital Improved Values.	Allow councils' general income to grow as the communities they serve grow	Agree	The change for the better should not be hindered by the implementation costs and benefits a new and improved system offers. Council are not funded to implement the new changes.
9	Section 511 of the Local Government Act 1993 (NSW) should be amended to reflect that, where a council does not apply the full percentage increase of the rate peg (or any applicable Special Variation) in a year, within the following 10-year period, the council can set rates in a subsequent year to return it to the original rating trajectory for that subsequent year.	Allow councils' general income to grow as the communities they serve grow	Agree	This is a good way to maintain rates on a needs basis and to manage the fluctuation that occur from time to time.
12	The Local Government Act 1993 (NSW) should be amended so, where a council uses different residential rates within a contiguous urban locality, it should be required to: – ensure the highest rate structure is no more than 1.5 times the average rate structure across all residential subcategories (i.e., so the maximum difference between the highest and average ad valorem rates and base amounts is 50%), or obtain approval from IPART to exceed this maximum difference, and – publish the different rates (along with the reasons for the different rates) on its website and in the rates notice received by ratepayers.	Give councils greater flexibility when setting residential rates	Agree	This policy achieves the equity principle but the challenge in this is what the purpose of rates tax system is. The rates tax principles are not considered a user pay principle but a tax on the ownership of property and any system needs to consider the ability to pay.

Reference	Recommendation	Recommendation Category	Supports	Response/Impact
13	<p>"At the end of the 4-year rate path freeze, new councils determine whether any pre-merger areas are separate towns or villages, or different residential areas. – In the event that a new council determines they are separate towns or villages, or different residential areas, it should be able to continue the existing rates or set different rates for these pre-merger areas, subject to metropolitan councils seeking IPART approval if they exceed the 50% maximum differential.</p> <p>It could also choose to equalise rates across the pre-merger areas, using the gradual equalisation process outlined below.</p> <p>– In the event that a new council determines they are not separate towns or villages, or different residential areas, or it chooses to equalise rates, it should undertake a gradual equalisation of residential rates. The amount of rates a resident is liable to pay to the council should increase by no more than 10 percentage points above the rate peg (as adjusted for Special Variations) each year as a result of this equalisation.</p> <p>The Local Government Act 1993 (NSW) should be amended to facilitate this gradual equalisation."</p>	Give councils greater flexibility when setting residential rates	Agree	<p>This is in line with Council view a slow transition allows the lowest impact to the ratepayer. Council has difficulty in the areas where we need to increase in areas where there is a high level of disadvantage which is supported by ability to pay analysis recently conducted by Council.</p> <p>The harmonisation issues were created due to the Boundary changes where the business rates were transferred to City of Parramatta. The former policy of Auburn Council and Parramatta Council was for CBD/business rates to subsidise the highly disadvantaged areas where most of the services were delivered. As a consequence of these policy the rates paid per property for the areas transferred to Cumberland where allot lower than they were in the former Holroyd City Council.</p> <p>This rates disparity is very difficult to harmonise in the short term. A separate report to Council will the impacts to Residential ratepayers will be done in September.</p> <p>This policy does not differentiate between residential and business rate payers.</p>

Reference	Recommendation	Recommendation Category	Supports	Response/Impact
14	Sections 555 and 556 of the Local Government Act 1993 NSW should be amended to: – exempt land on the basis of use rather than ownership, and to directly link the exemption to the use of the land, and – ensure land used for residential and commercial purposes is rateable unless explicitly exempted.	Better target rate exemption eligibility	Agree	<p>There is currently an inequity between state government run housing commission (rateable) and community housing run by not for profit sector (exempt).</p> <p>This is because the LGA currently allows an exemption based on the entity legal status (i.e. Charitable) and not the use of the land which is residential living.</p> <p>Cumberland has in total 1,650 exempt rates payers from all categories, which is 5.58% of all residential land value. We encourage any improvements to Section 555/556 LGA.</p> <p>To further encourage the affordable housing targets council needs an equitable system to encourage investment.</p>
21	Where land is used for an exempt purpose only part of the time, a self-assessment process should be used to determine the proportion of rates payable for the non-exempt use.	Better target rate exemption eligibility	Agree	<p>Issues arises in Industrial areas where spare capacity on weekends and this encourage increase used of land as it will allow reduction in rates for mixed use of the land.</p>
24	The Local Government Act 1993 (NSW) should be amended to remove the current exemptions from water and sewerage special charges in section 555 and instead allow councils discretion to exempt these properties from water and sewerage special rates in a similar manner as occurs under section 558(1).	Better target rate exemption eligibility	Agree	<p>There is an equity issue for Council as operator of commercial business on crown land will pay rates. Therefore the same rule should apply to water authorities.</p> <p>Also, this will encourage better use of available land and promote the surplus land can be used for open space or transferred to Council.</p> <p>When there is no cost to ownership of the land this cannot occur at present.</p>
25	At the start of each rating period, councils calculate the estimated value of rating exemptions within the council area. This information should be published in the council's annual report or otherwise made available to the public.	Better target rate exemption eligibility	Agree	<p>Exempt land will increase the liability to all other rate payers and therefore it should be transparent for all residents. A good policy would be to segment the data to exempt categories for example Government Owned Enterprises, Charitable, Religious Institutions Schools and Other Authorities etc.</p>

Reference	Recommendation	Recommendation Category	Supports	Response/Impact
26	For new and existing eligible pensioners, introduce a rate deferral scheme operated by the NSW Government, where: – Eligible pensioners would be allowed to defer payment of ordinary council rates up to \$1,000 per annum and indexed to CPI, or any other amount as determined by the NSW Government.	Improve assistance for pensioners	Agree	Council has various types of pensioners totalling approx. 11,000, not all pensioners are Aged Pensioners. The NSW Government should fund the principle on a 10 year borrowing rate, interest applicable and become due and payable when property ownership changes.  The principle amount of the loan is refunded to Council by State Government as per 28.
27	Give existing eligible pensioners the option to access, either: – the current pensioner concession, or – the rate deferral scheme, as defined in Recommendation 26.	Improve assistance for pensioners	Agree	We assume the rate deferral scheme will forgo \$250 rebate. This then becomes a very expensive for Pensioners.
28	Funding pensioner assistance: – The current pensioner concession funding arrangements would continue. – The rate deferral scheme (defined in Recommendation 26) would be funded by the NSW Government. The loan should be charged interest at the NSW Government's 10-year borrowing rate, and could become due when property ownership changes.	Improve assistance for pensioners	Agree	This will mean Council can invest the money in services. Funding pensioners or pensions is not a Local Government responsibility.
30	Section 529(2)(d) of the Local Government Act 1993 (NSW) should be amended to allow business land to be subcategorised as 'industrial' and or 'commercial' in addition to centre of activity.	Provide more rating categories	Agree	Similar exercise was undertaken for Emergency Service Levy Insurance Scheme. Cumberland believe this is good practise to levy Commercial less than industrial due to ability to pay.
31	Sections 493, 519 and 529 of the Local Government Act 1993 (NSW) should be amended to add an optional vacant land subcategory for residential, business and mining land.	Provide more rating categories	Agree	Council should have the flexibility to levy the land. The implementation of CIV would assist in this case. Currently an exempt entity who develops land cannot receive the exemption during the construction phase as the land is not being used for exempt purposes.

Reference	Recommendation	Recommendation Category	Supports	Response/Impact
35	Councils have the option to engage the State Debt Recovery Office to recover outstanding council rates and charges.	Recovery of council rates	Disagree	Cost of recovery and target recoveries are lower than council receives
38	The Local Government Act 1993 (NSW) should be amended or the Office of Local Government should issue guidelines to clarify that councils can offer flexible payment options to ratepayers.	Recovery of council rates	Disagree	Already have quarterly instalments and all the
39	The Local Government Act 1993 (NSW) should be amended to allow councils to offer a discount to ratepayers who elect to receive rates notices in electronic formats, e.g., via email.	Recovery of council rates	Disagree	Absolutely agree, existing rate payers impact
40	The Local Government Act 1993 (NSW) should be amended to remove section 585 and section 595, so that ratepayers are not permitted to postpone rates as a result of land rezoning, and councils are not required to write-off postponed rates after five years.	Recovery of council rates	Agree	
41	The valuation base date for the Emergency Services Property Levy and council rates be aligned. – The NSW Government should levy the Emergency Services Property Levy on a Capital Improved Value basis when Capital Improved Value data becomes available state-wide.	Other recommendations	Agree	
42	After the NSW Valuer General has established the database to determine Capital Improved Values for rating purposes (see Recommendation 3), councils be given the choice to directly buy valuation services from private valuer that have been certified by the NSW Valuer General.	Other recommendations	Agree	

DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-171

Attachment 3

Final Report - Review of the Local  
Government Rating System





## **Review of the Local Government Rating System**

**Local Government — Final Report**  
December 2016

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## 1 Executive summary

The NSW Government has asked the Independent Pricing and Regulatory Tribunal (IPART) to review the local government rating system in NSW. The purpose of our review is to develop recommendations to improve the equity and efficiency of the rating system, in order to enhance councils' ability to implement sustainable fiscal policies over the long term.

This review considers the valuation method used to calculate rates, exemptions and rating categories, the way in which councils' total income increases as population increases, the distribution of rates across different ratepayers and the eligibility and design of exemptions and concessions. Our recommendations are not designed to increase the average rates paid by current ratepayers, but to allow councils to collect revenue more equitably and efficiently from ratepayers.

In conducting the review, we have consulted stakeholders, analysed the current rating system and assessed its performance against the key taxation principles of efficiency, equity, simplicity, sustainability and competitive neutrality. We have also compared the NSW rating system to best-practice policies in other jurisdictions.

We have developed our recommendations to promote a stronger and more sustainable rating system that would benefit ratepayers and councils. Box 1.1 outlines our key outcomes resulting from our recommendations.

---

### **Box 1.1     Our key outcomes:**

1. Use the Capital Improved Value (CIV) valuation method to levy local council rates.
  2. Allow councils' general income to grow as the communities they serve grow.
  3. Give councils greater flexibility when setting rates in residential areas.
  4. Modify rate exemptions so eligibility is based on land use rather than ownership.
  5. Improve assistance to pensioners.
  6. Give councils more options to set rates within rating categories.
-

## 1 Executive summary

**Use the CIV valuation method to levy local council rates**

We recommend mandating the CIV method as the basis for setting rates in metropolitan council areas, and giving non-metropolitan councils the option to use CIV as an alternative to Unimproved Value (UV).

CIV outperforms UV in metropolitan areas when assessed against key tax principles and international best practice. Rating properties using CIV allows:

- ▼ councils' rate income to grow sustainably as new capital is invested and costs increase, and
- ▼ councils to rate residences and businesses efficiently, equitably, simply and transparently.

Total rates income collected by councils from current ratepayers would remain unchanged with the switch from UV to CIV.

Non-metropolitan councils should be allowed to choose between the CIV and UV method for setting rates because the benefits of using CIV are less clear in regional areas.

**Allowing councils' general income to grow as the communities they serve grow**

We also recommend allowing councils' rates income to increase over time in line with the growth in CIV arising from new capital investment. This means rates per household, on average, would not rise in real terms,<sup>1</sup> whilst improving financial sustainability and encouraging urban renewal.

As the community grows, new ratepayers would fund the extra local services, such as parks, walkways, roads and libraries, provided by councils over the coming years to support a growing community. This would allow councils to fund and establish additional infrastructure and services for the use of both current and future ratepayers without the need for State Government assistance or Special Variations. Current ratepayers would be more motivated to support growth, urban renewal and implementing the Plan for Growing Sydney.

The CIE estimates this recommendation could provide a net gain of between \$443 million and \$2.1 billion to current and future ratepayers.<sup>2</sup>

Our recommendation would:

- ▼ improve the timely provision of local council services to support a growing community

---

<sup>1</sup> Other factors could lead to average rates per household increasing, for example, if a council applied for a special variation to fund improved services to the community.

<sup>2</sup> The CIE, *The costs and benefits of changing local council rate setting*, December 2016, Net Present Value analysis over 15 years using a 7% discount rate.

## 2 | IPART Review of the Local Government Rating System

- ▼ allow the NSW Government to significantly reduce the current budget funding that supports growth and urban development, and
- ▼ remove the cross subsidy, whereby current residents pay, via state taxes and rate rises under Special Variations, for the expansion in services supplied by councils to support growth. Removing this cross subsidy could provide a gain of \$1.8 billion to current ratepayers over the next 10 years.

Our recommendation distributes the rating burden more efficiently and equitably between current and future ratepayers because they face the same tax burden. It would also allow councils to maintain consistent service levels over time without resorting to Special Variations.

#### **Giving councils greater flexibility when setting rates in residential areas**

We recommend allowing councils increased flexibility to set different rating structures in residential areas. This would improve the equity and efficiency of the rating system by allowing councils with diverse communities to set rates that reflect differences in access to, demand for and cost of providing council services across their local area. This also allows new councils (at the end of the 4-year rate path freeze) to establish new rate structures for residential rates, and transition to them in a fair and timely manner.

We propose introducing protections to promote transparency and equity when a council sets different residential rates, and to protect ratepayers from excessive rate increases.

#### **Modifying rate exemptions so eligibility is based on land use rather than ownership**

Our recommendations on exemptions are driven by the general principle that eligibility should be based on land use rather than ownership. If land is used for commercial or residential purposes it should not be exempt from rates regardless of who owns it.

Our recommendations better target exemptions to ensure ratepayers do not subsidise the costs of providing council services to properties where this is not justified on efficiency and equity grounds, and properties with comparable uses of land attract the same rating treatment. Applying this general principle means we recommend retaining, amending or removing some exemptions.

#### **Improving assistance to pensioners**

We also considered how to improve assistance provided to pensioners. We recommend maintaining the current \$250 pensioner concession rebate for

## 1 Executive summary

existing pensioners and introducing a new \$1,000 per year rate deferral scheme that would be available to both existing and new pensioners.

Our recommendations enhance the NSW Government's commitment to providing concessions to pensioners, whilst improving the long-term financial sustainability of local councils and ensuring that other ratepayers would not be required to fund this cost in the long term.

**Giving councils more options to set rates within rating categories**

The current rating system includes four rating categories which reflect the primary use of the land - residential, business, farmland and mining. We recommend introducing a new rating category for environmental land, and new subcategories for residential, business, farmland and mining properties, to encourage urban renewal and growth and allow councils to use their rate structures to better take account of different costs that arise from different land uses.

## 2 Overview and our recommendations

This chapter provides the context for our review of the local government rating system in NSW. It sets out what we have been asked to do and how we approached the review. It also outlines the current rating system, introduces the key tax principles we have used to assess and recommend changes to this system, and lists our recommendations.

### 2.1 What we have been asked to do

The NSW Government asked IPART to review the current rating system and recommend reforms that aim to enhance councils' ability to implement sustainable and equitable fiscal policy.

Under our terms of reference, we are required to consider:

- ▼ the rating burden across and within communities, including consideration of multi-unit dwellings
- ▼ the appropriateness and impact of current rating categories and exemptions, and mandatory concessions
- ▼ the land valuation methodology used as the basis for determining rates in comparison to other jurisdictions
- ▼ the capacity of a newly merged council to establish a new equitable rating system and transition to it in a fair and timely manner, and
- ▼ the objectives and design of the rating system according to recognised principles of taxation.

Our terms of reference also specify that we must take account of the Independent Local Government Review Panel's Final Report (Panel Report)<sup>3</sup>, the NSW Government's response to this report, and the 2013 NSW Treasury Corporation (TCorp) report '*Financial Sustainability of the NSW Local Government Sector*'.<sup>4</sup> We are required to recognise the importance of the Integrated Planning and

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<sup>3</sup> Independent Local Government Review Panel, *Revitalising Local Government*, October 2013, at <http://www.localgovernmentreview.nsw.gov.au/>, accessed 11 August 2016.

<sup>4</sup> NSW Treasury Corporation, *Financial Sustainability of the NSW Local Government Sector, Findings Recommendations and Analysis*, April 2013.



## 2 Overview and our recommendations

Reporting framework that allows NSW councils to draw various plans together and understand how they interact.<sup>5</sup>

In addition, our terms of reference require us to take account of the NSW Government's policy of encouraging urban renewal, as well as its commitment to protect residents against excessive rate increases and to provide rate concessions to pensioners.

A copy of our terms of reference is provided in Appendix A. The reports noted above are summarised in Appendix H.

**2.1.1 Our process for conducting this review**

We have undertaken public consultation, research and analysis. We released an Issues Paper in April 2016, and received 159 written submissions in response to this paper. We also interviewed some councils about aspects of their submissions, and conducted a public hearing in April 2016. In addition, we consulted relevant NSW Government agencies and organisations, and engaged experts in the field to provide input on our approach.

As an interim task, we delivered an Interim Report to the Government in June 2016, which was publicly released on our website on 1 August 2016.<sup>6</sup> We recommended a legislative and regulatory approach to achieve the Government's policy that there will 'be no change to the existing rate paths for newly merged councils for four years'<sup>7</sup>, in accordance with our terms of reference. We maintain our recommendations set out in the Interim Report, along with our recommendations in this Report (see Box 2.1).

Following the release of our Draft Report in August 2016, we held public hearings in Sydney and Dubbo, and conducted further consultation with stakeholders. We also engaged The CIE to conduct a cost-benefit analysis of our recommendations to use CIV to rate properties and determine growth in council rates. We received 175 submissions in response to our draft recommendations.

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<sup>5</sup> Office of Local Government, *Integrated planning and reporting*, at <https://www.olg.nsw.gov.au/councils/integrated-planning-and-reporting>, accessed on 12 August 2016.

<sup>6</sup> IPART, *Freezing existing rate paths for newly merged councils*, June 2016.

<sup>7</sup> NSW Government, *Media Release – Stronger Councils for Sydney and Regional NSW*, at <http://www.nsw.gov.au/media-releases-premier/stronger-councils-sydney-and-regional-nsw>, 18 December 2015, accessed 12 August 2016.



### Box 2.1 4-year rate path freeze for new councils

In our Interim Report we recommend an approach for:

- ▼ determining the general income for a pre-merger council area within a new council, and
- ▼ setting rates for that pre-merger council area (given this general income).

Our recommended approach balances providing a sufficient degree of rate certainty to ratepayers (as required by the rate path freeze policy), with providing appropriate flexibility to councils to address unexpected or external factors. It does this by:

- ▼ allowing a council's income to grow by up to the rate peg or an existing Special Variation
- ▼ preventing new councils from equalising rates across pre-merger council areas using mechanisms that lead to rate increases<sup>a</sup>
- ▼ permitting a new council to apply for Special Variations in limited circumstances:
  - where there is a critical short-term financial need
  - to fund new infrastructure
  - to renew an expiring Special Variation that funds a continuing service
  - for unrecovered, 'above the cap' development contributions, and
  - for Crown Land added to the rate base, and
- ▼ allowing councils to maintain a pre-existing rate plan for rebalancing rates between categories during the rate path freeze period.

In our Final Report, we also recommend that new councils be able to apply for a streamlined Special Variation to increase their general income as a result of changes to rate exemptions (see Section 6.7.2).

<sup>a</sup> A new council might be able to equalise rates across pre-merger council areas by setting rates below the rate peg. A pre-merger council's rate path is a ceiling. A new council would be free to set rates at lower levels within any pre-merger council area, which might have the effect of equalising rates.

### 2.1.2 Structure of this report

The rest of this report explains the context and approach for our review, discusses our analysis and findings in detail, and sets out our recommendations. The report is structured as follows:

- ▼ **Chapters 3 to 6** focus on our key recommendations and the analysis that supports them, including:
  - using CIV as the basis for calculating the variable amount in rates in metropolitan areas
  - giving regional councils the option to use CIV or UV when setting rates
  - allowing councils' general income to grow as the communities they serve grow, measured by the increase in CIV from new developments

2 Overview and our recommendations

- giving councils greater flexibility to set different residential rates within their local area, and
- modifying rate exemptions so eligibility is based on land use rather than ownership.
- ▼ **Chapters 7 to 10** discuss our additional recommendations and analysis on:
  - introducing a new rate deferral scheme for pensioners
  - introducing a new rating categories and new subcategories
  - transitioning to using the CIV method as the basis for calculating the Emergency Services Property Levy, and
  - allowing councils to either purchase valuation services directly from the market or from the Valuer General.

## 2.2 The current rating system in NSW

Councils provide a range of infrastructure and services to ratepayers in their local government area. To fund their costs, councils:

- ▼ levy rates on property owners in their area
- ▼ charge fees for the use of specific services (user charges)
- ▼ receive grants from the State and Federal governments
- ▼ generate other revenue, for example, from fines, developer charges and interest, and
- ▼ raise funds through borrowings.

This review only considers rates included in a council's general income.<sup>8</sup>

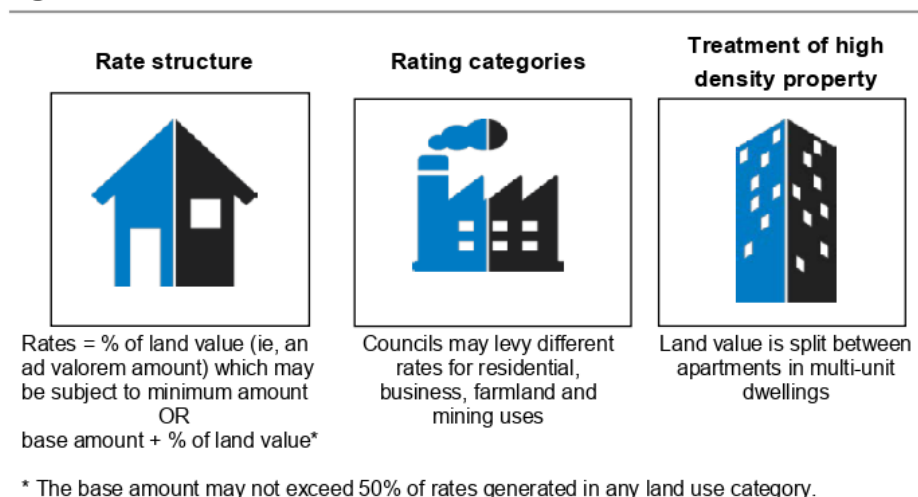
The system that determines how these rates are currently calculated in NSW is set out in the *Local Government Act 1993* (LG Act).<sup>9</sup>

The following sections outline key features of this system and Figure 2.1 provides an overview of how council rates are set in NSW.

<sup>8</sup> This is income derived from ordinary rates, special rates and specified annual charges (section 505 of the *Local Government Act 1993* (NSW)). Special rates and charges for water and sewerage are not included in a council's general income.

<sup>9</sup> For more detailed information on the current rating system, see the LG Act (Chapter 15, Sections 491-607), and the NSW Department of Local Government, *Council Rating and Revenue Raising Manual*, 2007.

**Figure 2.1 How council rates are set in NSW**



Data source: Local Government Act 1993 (NSW).

### 2.2.1 Rate structure

Under the LG Act, a rate may consist of:

- ▼ an ad valorem amount (which may be subject to a minimum amount), or
- ▼ a base amount to which an ad valorem amount is added.

In NSW, an **ad valorem amount** is set as a proportion of the unimproved land value (UV) of the rateable property – that is, the value of the property without any buildings, houses or other capital investments.

A **minimum amount**, where applied, is a fixed charge which applies instead of the ad valorem amount, when it is greater than the ad valorem amount.

A **base amount**, where applied, is a fixed charge that is levied equally against all rateable properties within a given rate category, or subcategory of land use, in addition to the ad valorem amount.

There is no restriction on the proportion of revenue a council can generate from the ad valorem amount included in rates. However:

- ▼ revenue generated from the base amount cannot exceed 50% of the total revenue from any particular rating category, and
- ▼ the minimum amount cannot exceed a statutory limit (set at \$506 in 2016-17<sup>10</sup>), unless approved by IPART.<sup>11</sup>

<sup>10</sup> This ceiling only applies to ordinary rates. A different ceiling applies to special rates: \$2 (section 548(3)(b) of the LG Act).

<sup>11</sup> Councils that wish to set a minimum amount above the statutory limit are required to submit a minimum rate application to IPART for review and assessment. IPART has been delegated the authority to approve minimum amount variations by the Minister for Local Government.

## 2 Overview and our recommendations

In 2013-14, the ad valorem amount accounted for 75% of all NSW council rate revenue. It is the primary method for raising rating income. Base and minimum amounts accounted for an average of 15% and 10% of council rate revenue respectively across NSW.<sup>12</sup>

### Treatment of high-density property

Where the rateable property consists of multiple units, such as a block of apartments, a single land value is determined for the site as a whole, and the assessed UV for an individual apartment is worked out by dividing the total land value according to each apartment's unit entitlement.

#### 2.2.2 Rating categories

Councils may vary the way they calculate rates for different categories of property. For example, they can use a different percentage of the unimproved land value to calculate the ad valorem amounts, apply different minimum amounts, or add different base amounts. There are four main rating categories:

- ▼ residential
- ▼ business
- ▼ farmland, and
- ▼ mining.

Councils may also determine subcategories within each of these four categories, and vary the way they calculate rates for each subcategory. However, the degree of flexibility varies across categories. In particular, the LG Act requires that residential rates for all properties within a **centre of population** are calculated the same way.

Finally, there are also a range of land uses which are currently exempt from paying rates (or exempt from paying a portion of rates). These include national parks, charities and education institutions.

#### 2.2.3 Rate peg

The LG Act sets out a process that regulates the amount by which councils can increase their general income. The main component of general income is rates revenue from ordinary and special rates (see section 2.2.6 below).

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<sup>12</sup> These are averages and not all councils apply these rates.

Each year, IPART determines the maximum percentage by which a council may increase its general income in the coming year, known as the **rate peg**. We calculate this percentage based on the estimated annual change in NSW councils' costs, adjusted for any improvement in productivity. The total amount of general income collected from rates revenue is typically called the **rating burden**.

Councils then set their rates for each rating category so that their annual general income does not increase in percentage terms by more than the rate peg for that year. This gives them some flexibility to vary the increase in rates across categories (eg, to increase residential rates by a higher percentage than farmland rates), as long as the total increase in revenue does not exceed the rate peg.

#### 2.2.4 Special Variation process

Councils can apply to IPART for a **Special Variation** to allow them to increase general income above the rate peg for a range of reasons, including to provide additional services, to replace ageing assets, or improve financial sustainability.

The **Integrated Planning and Reporting (IP&R)** framework is an important part of the Special Variation process. As part of the IP&R framework, when applying for a Special Variation, councils are required to engage the community on how the funding required will deliver services and infrastructure that meet the community's expectations about service levels.

#### 2.2.5 Growth outside the rate peg

Aside from Special Variations, councils can increase their general income 'outside the rate peg' through the **supplementary valuation process**. This involves a new value being assigned to a property due to changes being made to the property. For example:

- ▼ land rezoning (eg, the zoning of a property changing from farmland to residential or detached housing to multi-unit apartments), and/or
- ▼ changes in the number of rateable properties on the property (eg, through an increase in apartments or subdivision).

The growth in general income that results from supplementary valuations is determined by applying a council's current rating structure (ie, ad valorem and fixed charges across categories) to:

- ▼ the new value of the rezoned land (and to a different ratings category, if applicable), and/or
- ▼ the newly rateable properties.



## 2 Overview and our recommendations

**2.2.6 Different types of rates**

There are two different types of rates included in a council's general income:

- ▼ **Ordinary rates** – councils are required to make and levy an ordinary rate for each year on all rateable land in their area.
- ▼ **Special rates** – councils have the discretion to levy a special rate for:
  - works or services provided or proposed to be provided, or
  - any other special purpose.

Special rates can be levied on subgroups of ratepayers. For example, a special levy could be applied to all properties in a specific area or development, even if it is within a centre of population.

**2.2.7 Land valuation process**

Councils do not undertake the land valuations used to calculate the rates applicable to each property themselves. Instead, they are required to use the unimproved land valuations provided by the NSW Valuer General.

The Valuer General values all land in NSW, and provides services to a range of users including to the NSW Government for the purpose of levying land tax. In comparison, councils in Victoria and Tasmania have the option of using other valuers to estimate property values for the purpose of levying rates.

**2.2.8 Funding of infrastructure and services**

Typically, income from rates is used to fund (or partly fund) infrastructure and services that have the characteristics of 'public goods' or 'mixed goods'. Services with the characteristics of 'private goods' are generally funded through user charges (see Box 2.2 for more information.)<sup>13</sup>

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<sup>13</sup> The LG Act recognises this principle in allowing direct charges for services such as water and sewerage (section 501), mandating direct charges for waste (section 496), and not including these user charges in the council's general income for rates purposes (section 505).



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**Box 2.2 What are public, private and mixed goods?**

The infrastructure and services provided by councils fall into three categories:

- ▼ **Public goods:** where one person's consumption does not prevent others from consuming it and it is difficult or not practical to charge consumers to use it. Examples include local roads, footpaths and parks.
  - ▼ **Private goods:** where consumption by one person prevents another from consuming the same unit of that good. Examples include water, sewerage and garbage collection.
  - ▼ **Mixed goods:** that have a mixture of private and public good characteristics, such as libraries and community centres.
- 

**Development contributions plans and IPART's role**

Councils can levy development contributions from property developers if new development is expected to increase the demand for council services.

The contributions and the local infrastructure to be funded must be set out in a councils 'section 94 contributions plan'.<sup>14</sup> The contribution a developer pays is currently capped by NSW legislation as follows:

- ▼ \$30,000 per dwelling or residential lot in greenfield areas, and
- ▼ \$20,000 per dwelling or residential lot in all other areas.<sup>15</sup>

IPART reviews contributions plans for the NSW Government if:

- ▼ the development contributions are above the relevant cap, and
- ▼ the council is seeking gap funding from a Special Variation or through the Local Infrastructure Growth Scheme (LIGS).

**The Local Infrastructure Growth Scheme**

The Local Infrastructure Growth Scheme (LIGS), provided by the NSW Government, funds the gap between the maximum contribution that councils can charge developers and what it actually costs councils to deliver essential infrastructure.

LIGS aims to increase housing supply as the developer does not need to pay the full cost of infrastructure, with NSW Government funding used to deliver roads, parks and other local infrastructure in housing growth areas.

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<sup>14</sup> See Section 94, *Environmental Planning and Assessment Act (NSW) 1979*.

<sup>15</sup> Department of Planning circular PS 11-12, *Section 94E Direction – Development contributions*, 15 March 2011.

## 2 Overview and our recommendations

In 2016-17, the NSW Budget provides \$60 million in LIGS funding to support infrastructure for new homes in The Hills and Blacktown local government areas.<sup>16</sup>

Chapter 4 discusses our recommendations that could promote growth and urban renewal, and how they could boost housing supply and reduce the need for State Government and developer contributions.

### 2.3 Key tax principles

The key tax principles that we have used to assess the current rating system are:

- ▼ efficiency
- ▼ equity
- ▼ simplicity
- ▼ sustainability, and
- ▼ competitive neutrality.

Stakeholders generally agreed with us using these principles for our review. The sections below outline each of these principles.

#### 2.3.1 Efficiency

Efficiency comprises two main sub-principles: the benefits principle, and the principle that taxes should minimise changes in behaviour.

##### Benefits principle

The income raised from rates is generally used to fund (or partly fund) infrastructure and services that have the characteristics of 'public goods' (see Box 2.2). The benefits principle is that each person's share of funding for public goods should be proportional to the benefits they receive from these goods.<sup>17</sup>

However, the benefits principle is difficult to apply because people generally understate their willingness to pay for the benefits that they receive from public goods.<sup>18,19</sup> In practice, proxies that are correlated with people's willingness to pay for public goods, such as the value of the property they own, are used to estimate benefits received.

<sup>16</sup> NSW Budget 2016-17, *Better planning for more homes, jobs*, Media Release, 21 June 2016, NSW Government, NSW Budget 2016-17, Budget Paper no 3 Budget Estimates, p 8-4.

<sup>17</sup> This is otherwise known as the **Lindahl tax** solution to funding public goods. The efficient level of provision of the public good is determined where the sum of individual benefits from providing an extra unit of the good equals the cost of supplying that extra unit.

<sup>18</sup> A person's willingness to pay for goods should generally be equal to the benefits they receive from those goods.

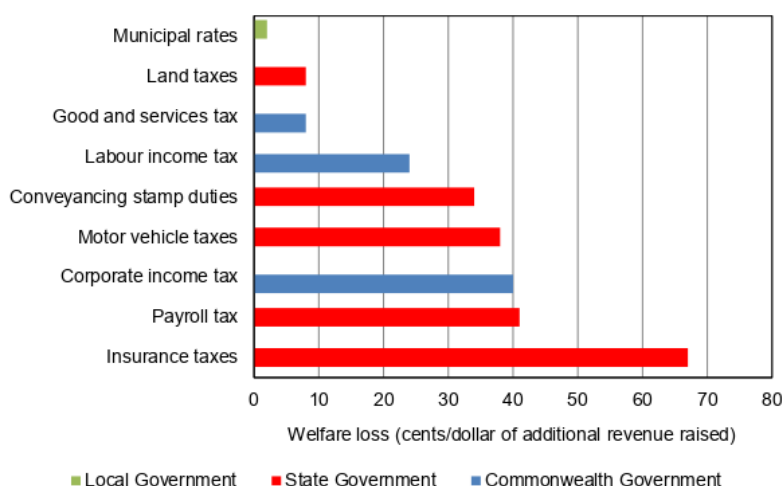
<sup>19</sup> This is due to the **free-rider** problem. People have an incentive to under-state their willingness to pay for public goods, if their stated willingness to pay is then used as the basis on which taxes are levied on them.

### Taxes should minimise changes in behaviour

Taxes that minimise changes to production and consumption decisions are more efficient. The more that taxes that are designed to raise general revenue change behaviour, the greater the welfare loss.<sup>20</sup>

The Henry Tax Review found that local rates were the most efficient of all current taxes used by any level of government, because changes in behaviour from rate taxes are small. It estimated that for every dollar raised through rates, there were welfare losses of just 2 cents (Figure 2.2). In comparison, the welfare losses associated with other State and Commonwealth taxes ranged from 8 to 70 cents per dollar raised. Major State taxes such as payroll tax and stamp duty had an excess burden of 30 to 40 cents per dollar.

**Figure 2.2 Marginal welfare loss from a small increase in selected Australian taxes**



**Data source:** Henry K, *Australia's future tax system – Final Report*, May 2010 (Henry Tax Review), p 13, updated using KPMG Econtech, *CGE analysis of the current Australian Tax System*, Final Report, 26 March 2010.

### 2.3.2 Equity

Equity also has three sub-principles: the benefits principle (discussed above), the ability to pay principle and the intergenerational equity principle.

<sup>20</sup> The welfare loss of taxation is known as the excess burden of taxation, and is the distortionary cost that taxes cause by reducing the amount of productive activity that would otherwise occur in a free market.

## 2 Overview and our recommendations

**Ability to pay**

People should contribute to funding public goods according to their ability to pay. **Ability to pay** has two components:

- ▼ The **horizontal equity principle** requires people of equal capacity to pay the same amount of tax.
- ▼ The **vertical equity principle** requires people who are better off to pay more tax than those who are worse off, so the burden of tax is proportional to the taxpayer's means.

Property-based taxes such as rates are generally regarded as equitable, because property value correlates with wealth and ability to pay.

**Intergenerational equity**

Taxes should also be equitable over time. This means the current generation of ratepayers should not pay the total costs of services that also benefit future generations (and vice versa). It is therefore important that rates income grows over time to meet the costs of servicing new dwellings and a larger population.

**2.3.3 Simplicity**

Taxes should be easily understood, difficult to avoid and have low costs of compliance and enforcement. If a tax is easy to understand and is fair, compliance is generally high.

Property-based taxes such as rates are generally hard to avoid, as the government holds comprehensive land ownership records.

**2.3.4 Sustainability**

To be sustainable, the income generated by a tax should be reasonably reliable, be able to withstand volatile economic conditions, and grow over time to support the future needs of government.<sup>21</sup>

**2.3.5 Competitive neutrality**

Competitive neutrality requires businesses competing with each other to be treated in a similar way. This principle is used to promote fair and efficient competition between public and private businesses.

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<sup>21</sup> Our consideration of sustainability encompasses the requirement of the terms of reference to consider the current financial sustainability of local government in NSW, including the findings and deliberations of NSW Treasury Corporation report *Financial Sustainability of the NSW Local Government Sector*, 2013.

## 2.4 List of our recommendations

### Use the CIV valuation method to levy local council rates

- 1 The *Local Government Act 1993* (NSW) should be amended to mandate Capital Improved Value (CIV) as the basis for setting ad valorem rates in the metropolitan council areas defined in Box 3.1. 25
- 2 The *Local Government Act 1993* (NSW) should be amended to allow non-metropolitan councils to choose between the Capital Improved Value and Unimproved Value (UV) methods as the basis for setting ad valorem rates at the rating category level. 25
- 3 The *Local Government Act 1993* (NSW) should be amended to facilitate a gradual transition of rates to a Capital Improved Value method. 41
  - The amount of rates that any ratepayer is liable to pay to the council should increase by no more than 10 percentage points above the rate peg (as adjusted for Special Variations) each year as a result of a council adopting a Capital Improved Value method for setting rates. Councils could apply to IPART to exceed this 10% limit.
- 4 Section 497 of the *Local Government Act 1993* (NSW) should be amended to remove minimum amounts from the structure of a rate, and section 548 of the *Local Government Act 1993* (NSW) should be removed. 43

### Allow councils' general income to grow as the communities they serve grow

- 5 The *Local Government Act 1993* (NSW) should be amended so that the growth in rates revenue outside the rate peg is calculated using the formula based on changes in CIV, defined in Box 4.1. 50
  - For non-metropolitan councils, this formula would be independent of the valuation method chosen as the basis for setting ad valorem rates.
- 6 The NSW Government fund the NSW Valuer General for the upfront cost of establishing the database to determine Capital Improved Values. 62
- 7 The NSW Government fund the cost for a non-metropolitan council to set up a Capital Improved Value database for the purposes of implementing our recommended formula for calculating growth in rates revenue outside the rate peg, where the Unimproved Value method for setting rates is maintained. 62



2 Overview and our recommendations

- 8 The *Local Government Act 1993* (NSW) should be amended to allow councils to levy a new type of special rate for new infrastructure jointly funded with other levels of Government. This special rate should be permitted for services or infrastructure that benefit the community, and funds raised under this special rate should not: 65
  - form part of a council's general income permitted under the rate peg, nor
  - require councils to receive regulatory approval from IPART.
- 9 Section 511 of the *Local Government Act 1993* (NSW) should be amended to reflect that, where a council does not apply the full percentage increase of the rate peg (or any applicable Special Variation) in a year, within the following 10-year period, the council can set rates in a subsequent year to return it to the original rating trajectory for that subsequent year. 66

Give councils greater flexibility when setting residential rates

- 10 The *Local Government Act 1993* (NSW) should be amended to remove the requirement to equalise residential rates by 'centre of population'. Instead, the *Local Government Act 1993* (NSW) should allow councils to determine a residential subcategory, and set a residential rate, by: 73
  - separate town or village, or
  - residential area.
- 11 The *Local Government Act 1993* (NSW) should outline that: 73
  - A 'residential area' is an area within a contiguous urban locality that has, on average, different access to, demand for, or costs of providing council services or infrastructure (relative to other areas in that locality). 73
  - Councils could use geographic markers to define the boundaries for a residential area, including postcode boundaries, suburb boundaries, geographic features (eg, waterways, bushland) and/or the location of major infrastructure (eg, arterial roads, railway lines).
- 12 The *Local Government Act 1993* (NSW) should be amended so, where a council uses different residential rates within a contiguous urban locality, it should be required to: 86
  - ensure the highest rate structure is no more than 1.5 times the average rate structure across all residential subcategories (ie, so the maximum difference between the highest and average ad valorem rates and base amounts is 50%), or obtain approval from IPART to exceed this maximum difference, and
  - publish the different rates (along with the reasons for the different rates) on its website and in the rates notice received by ratepayers.



- 13 At the end of the 4-year rate path freeze, new councils determine whether any pre-merger areas are separate towns or villages, or different residential areas. 90
- In the event that a new council determines they are separate towns or villages, or different residential areas, it should be able to continue the existing rates or set different rates for these pre-merger areas, subject to metropolitan councils seeking IPART approval if they exceed the 50% maximum differential. It could also choose to equalise rates across the pre-merger areas, using the gradual equalisation process outlined below.
  - In the event that a new council determines they are not separate towns or villages, or different residential areas, or it chooses to equalise rates, it should undertake a gradual equalisation of residential rates. The amount of rates a resident is liable to pay to the council should increase by no more than 10 percentage points above the rate peg (as adjusted for Special Variations) each year as a result of this equalisation. The *Local Government Act 1993* (NSW) should be amended to facilitate this gradual equalisation.

#### Better target rate exemption eligibility

- 14 Sections 555 and 556 of the *Local Government Act 1993* NSW should be amended to: 98
- exempt land on the basis of use rather than ownership, and to directly link the exemption to the use of the land, and
  - ensure land used for residential and commercial purposes is rateable unless explicitly exempted.
- 15 Land that is used for residential care as defined in Section 41-3(1) of the *Aged Care Act 1997* (Cth) be proportionally rateable according to the share of places whose maximum Refundable Accommodation Deposit is above the level set by the Minister for Health and Aged Care (currently \$550,000). 107
- 16 Section 556(1)(i) of the *Local Government Act 1993* (NSW) should be amended to include land owned by a private hospital and used for that purpose. 109

2 Overview and our recommendations

- 17 The following exemptions be removed: 112
  - land that is vested in, owned by, or within a special or controlled area for, the Hunter Water Corporation, Water NSW or the Sydney Water Corporation (*Local Government Act 1993* (NSW) section 555(1)(c) and section 555(1)(d))
  - land that is below the high water mark and is used for the cultivation of oysters (*Local Government Act 1993* (NSW) section 555(1)(h))
  - land that is held under a lease from the Crown for private purposes and is the subject of a mineral claim (*Local Government Act 1993* (NSW) section 556(1)(g)), and
  - land that is managed by the Teacher Housing Authority and on which a house is erected (*Local Government Act 1993* (NSW) section 556(1)(p)).
- 18 Section 555(1)(b1) of the *Local Government Act 1993* (NSW) should be amended to remove the current rating exemption for land that is the subject of a conservation agreement and instead require it to be rated using the Environmental Land category. 112
- 19 The following exemptions not be funded by local councils and hence should be removed from the *Local Government Act and Regulation*: 116
  - land that is vested in the Sydney Cricket and Sports Ground Trust (*Local Government Act 1993* (NSW) section 556(1)(m))
  - land that is leased by the Royal Agricultural Society in the Homebush Bay area (*Local Government (General) Regulation 2005* reg 123(a))
  - land that is occupied by the Museum of Contemporary Art Limited (*Local Government (General) Regulation 2005* reg 123(b)), and
  - land comprising the site known as Museum of Sydney (*Local Government (General) Regulation 2005* reg 123(c)).

The NSW Government should consider whether to fund these local rates through State taxes.
- 20 Where a portion of land is used for an exempt purpose and the remainder for a non-exempt activity, only the former portion should be exempt, and the remainder should be rateable. 117
- 21 Where land is used for an exempt purpose only part of the time, a self-assessment process should be used to determine the proportion of rates payable for the non-exempt use. 117
- 22 A council's maximum general income not be modified as a result of any changes to exemptions from implementing our recommendations. 121

- 23 A council may apply to IPART for a Special Variation to take account of the changes in exemptions using a streamlined process in the year that our recommended exemption changes come into force. The council would need to demonstrate: 121
- It satisfies the first criteria for Special Variation applications in the OLG guidelines relating to the need for and purpose of a different revenue path for the council's General Fund, and
  - that any subcategory rating structure applied to previously exempt properties is no greater than the average rate structure across the relevant rating category.
- 24 The *Local Government Act 1993* (NSW) should be amended to remove the current exemptions from water and sewerage special charges in section 555 and instead allow councils discretion to exempt these properties from water and sewerage special rates in a similar manner as occurs under section 558(1). 124
- 25 At the start of each rating period, councils calculate the estimated value of rating exemptions within the council area. This information should be published in the council's annual report or otherwise made available to the public. 124

#### Improve assistance for pensioners

- 26 For new and existing eligible pensioners, introduce a rate deferral scheme operated by the NSW Government, where: 128
- Eligible pensioners would be allowed to defer payment of ordinary council rates up to \$1,000 per annum and indexed to CPI, or any other amount as determined by the NSW Government.
- 27 Give existing eligible pensioners the option to access, either: 128
- the current pensioner concession, or
  - the rate deferral scheme, as defined in Recommendation 26.
- 28 Funding pensioner assistance: 128
- The current pensioner concession funding arrangements would continue.
  - The rate deferral scheme (defined in Recommendation 26) would be funded by the NSW Government. The loan should be charged interest at the NSW Government's 10-year borrowing rate, and could become due when property ownership changes.

2 Overview and our recommendations

Provide more rating categories

- 29 Section 493 of the *Local Government Act 1993* (NSW) should be amended to add a new environmental land category and a definition of 'environmental land' should be included in the *Local Government Act 1993* (NSW). 136
  - Land subject to a state conservation agreement is categorised as 'environmental land' for the purposes of setting rates.
- 30 Section 529(2)(d) of the *Local Government Act 1993* (NSW) should be amended to allow business land to be subcategorised as 'industrial' and or 'commercial' in addition to centre of activity. 138
- 31 Sections 493, 519 and 529 of the *Local Government Act 1993* (NSW) should be amended to add an optional vacant land subcategory for residential, business and mining land. 139
- 32 Section 529 (2)(a) of the *Local Government Act 1993* (NSW) should be replaced to allow farmland subcategories to be determined based on geographic location. 142
- 33 Section 518 of the *Local Government Act 1993* (NSW) should be amended to reflect that a council may determine by resolution which rating category will act as the residual category. 143
  - The residual category that is determined should not be subject to change for a 4-year period.
  - If a council does not determine a residual category, the business category should act as the default residual rating category.
- 34 Any difference in the rate charged by a council to a mining category compared to its average business rate should primarily reflect differences in the council's costs of providing services to the mining properties. 145

Recovery of council rates

- 35 Councils have the option to engage the State Debt Recovery Office to recover outstanding council rates and charges. 149
- 36 The existing legal and administrative process to recover outstanding rates be streamlined by reducing the period of time before a property can be sold to recover rates from five years to three years. 150
- 37 All councils adopt an internal review policy, to assist those who are late in paying rates, before commencing legal proceedings to recover unpaid rates. 151

- 38 The *Local Government Act 1993* (NSW) should be amended or the Office of Local Government should issue guidelines to clarify that councils can offer flexible payment options to ratepayers. 152
- 39 The *Local Government Act 1993* (NSW) should be amended to allow councils to offer a discount to ratepayers who elect to receive rates notices in electronic formats, eg, via email. 153
- 40 The *Local Government Act 1993* (NSW) should be amended to remove section 585 and section 595, so that ratepayers are not permitted to postpone rates as a result of land rezoning, and councils are not required to write-off postponed rates after five years. 155

#### Other recommendations

- 41 The valuation base date for the Emergency Services Property Levy and council rates be aligned. 158
  - The NSW Government should levy the Emergency Services Property Levy on a Capital Improved Value basis when Capital Improved Value data becomes available state-wide. 158
- 42 After the NSW Valuer General has established the database to determine Capital Improved Values for rating purposes (see Recommendation 3), councils be given the choice to directly buy valuation services from private valuers that have been certified by the NSW Valuer General. 161



### 3 Use of the CIV valuation method to levy council rates

Currently, the LG Act requires NSW councils to use the unimproved value (UV) method as the basis for setting the variable charge included in a property's rates (the ad valorem amount). It also allows councils to include a base amount, or make the ad valorem amount subject to a minimum amount.

We considered whether changing these provisions would enhance councils' ability to implement sustainable and equitable fiscal policies. The sections below summarise our findings and recommendations, then present our analysis in more detail.

#### 3.1 Summary of findings and recommendations on valuation methods

We recommend **mandating Capital Improved Value (CIV) as the basis for setting rates in metropolitan council areas, and providing non-metropolitan councils the choice of CIV and UV at the rating category level.**

Importantly, the total amount of rates collected by a council would not initially change as a result of switching to the CIV valuation method. Rates per household would, on average, remain the same.

We found that, in metropolitan areas:

- ▼ **CIV performs better against tax principles.** CIV better reflects the benefits the ratepayer receives from council services, the costs of supplying council services, is more equitable and better understood by ratepayers.
- ▼ **CIV addresses limitations of the current system,** that UV cannot equitably and efficiently increase revenue from residential and business ratepayers as areas become more built up over time. UV does not capture ratepayers' willingness to pay for council services in these areas.

**CIV is also consistent with best practice in other jurisdictions.** Internationally and in Australia there is a trend away from UV towards using a CIV approach.

In non-metropolitan areas, we found that the benefits of CIV are relatively lower, particularly in rural and remote areas with a low level of capital development. Providing non-metropolitan councils a choice between CIV and UV would allow these councils to choose the valuation method that best suits the needs of their local communities.



We also recommend minimum amounts be removed from the LG Act. Base amounts are a more equitable and efficient way to recover fixed costs from rates than minimum amounts. Currently, the requirement to use UV forces many metropolitan councils to rely on minimum amounts to recover sufficient revenue from ratepayers, particularly those in apartments. As councils would now use, or have the option to use, CIV, this would no longer be necessary.

Our recommendations are consistent with stakeholder feedback. A strong majority of metropolitan councils expressed a preference for adopting a CIV method, while most regional councils support being able to choose either CIV or UV. The majority of stakeholders identified that base amounts are superior to minimum amounts.

### 3.2 Valuations methods used as the basis for setting rates

#### Recommendation

- 1 The *Local Government Act 1993* (NSW) should be amended to mandate Capital Improved Value (CIV) as the basis for setting ad valorem rates in the metropolitan council areas defined in Box 3.1.
- 2 The *Local Government Act 1993* (NSW) should be amended to allow non-metropolitan councils to choose between the Capital Improved Value and Unimproved Value (UV) methods as the basis for setting ad valorem rates at the rating category level.

To reach our recommendations, we:

- ▼ Analysed how each valuation method performed against the key taxation principles.
- ▼ Analysed the current UV method and issues with its use as outlined by stakeholders, including the difficulty in raising rates efficiently and equitably in metropolitan council areas.
- ▼ Considered the use of CIV and UV in other jurisdictions.
- ▼ Considered stakeholder views.

Our analysis for mandating CIV to be used to rate properties is outlined below. Our proposed protection to prevent excessive rate rises during implementation is discussed in Section 3.7. We recommend providing choice at the rating category level for non-metropolitan councils, so they can take account of local conditions.

Box 3.1 outlines which councils would be considered metropolitan councils, and Box 3.2 provides background on the CIV and UV valuation methods.

3 Use of the CIV valuation method to levy council rates

### Box 3.1 Which councils would be considered metropolitan?

Councils classed as metropolitan would be based on OLG council groupings, which classify local councils into 11 different categories:

- ▼ 5 categories are for Sydney metropolitan and metropolitan fringe councils
- ▼ 4 categories are for rural councils, and
- ▼ 2 categories are for 'large regional' and 'small-medium regional' cities.<sup>a</sup>

We recommend that all Sydney councils and large regional city councils should be classed as metropolitan, with CIV mandated in these areas. All other council areas would be considered non-metropolitan and be able to choose between CIV and UV at the rating category level. Table 3.1 contains the 42 councils that would currently be classed as metropolitan.

**Table 3.1 Metropolitan Council Areas**

Sydney metro		Sydney metro fringe	Large regional
Bayside	Lane Cove	Blue Mountains	Coffs Harbour
Blacktown	Mosman	Camden	Lake Macquarie
Burwood	North Sydney	Campbelltown	Maitland
Canada Bay	Northern Beaches	Central Coast	Newcastle
Canterbury-Bankstown	Parramatta	Hawkesbury	Port Macquarie-Hastings
City of Sydney	Randwick	Liverpool	Shoalhaven
Cumberland	Ryde	Penrith	Tweed
Fairfield	Strathfield	The Hills	Wollongong
Georges River	Sutherland	Wollondilly	
Hornsby	Waverley		
Hunters Hill	Willoughby		
Inner West	Woollahra		
Ku-ring-gai			

**Source:** Office of Local Government.

<sup>a</sup> Large regional councils have a population above 70,000.

**Note:** For consistency we have used the terms metropolitan and non-metropolitan to distinguish these councils throughout this report.

### Box 3.2 Valuation methods and their use in setting rates

As discussed in Chapter 2, a property's rates include an ad valorem amount, which reflects the underlying value of the property. This amount is calculated by multiplying an ad valorem rate (a fixed percentage) by the assessed value of the property.

In NSW, councils are currently required to use the Unimproved Value (UV) method to assess this value. However, in a number of other jurisdictions, councils have a choice of methods including Capital Improved Value (CIV).

The key difference between the UV and CIV methods is that:

- ▼ UV only considers the underlying land value of a property, whereas
- ▼ CIV considers the underlying land value plus capital improvements.<sup>a</sup>

This difference means the two methods produce very different assessed values for properties with significant capital improvements, such as a block of apartments or other high density buildings.

For example, to value an apartment under the UV method, the aggregate land value for the entire apartment block is first derived. Then, the value for each individual apartment is calculated by dividing the total land value according to each apartment's unit entitlement. This often results in values much lower than the combined market value of all the apartments, because the underlying land value is only a small component of the total value of the unit block.

<sup>a</sup> UV is the value of land subject to its highest and best use as permitted under current zoning. The CIV accounts for a property's permitted highest and best use, but also includes the net economic value of capital improvements (which will usually, but not necessarily, be greater than zero). A property's CIV includes the value of permanent capital structures, but does not include the value of production processes, moveable capital or economic goodwill.

### 3.3 Performance of CIV method against tax principles

We analysed the performance of CIV against our tax principles, and found in metropolitan areas, CIV significantly outperforms UV on all tax principles:

- ▼ **efficiency**, including the benefits received principle and minimising changes in behaviour
- ▼ **equity**, including the ability to pay and benefits received principles
- ▼ **sustainability**, and
- ▼ **simplicity**.

In non-metropolitan areas we found the efficiency benefits of CIV are reduced because the level of development, and hence capital, is lower. In particular, in rural and remote areas, there might be little difference between the capital improved value and the unimproved value of land. For example, if a council considers using a CIV method could discourage investment in farmland properties but not residential properties, it could use CIV to rate residential property and UV to rate farmland.

## 3 Use of the CIV valuation method to levy council rates

**3.3.1 CIV is efficient**

CIV efficiently captures the cost of supplying council services as these costs increase with growth in capital and people within a council area. CIV is generally a better indicator than land value (UV) of the benefits that ratepayers receive from council services.

**CIV captures cost of supplying council services**

The cost of providing council services is directly related to growth in capital, people and businesses within a council area. Under a UV method, rates do not change if additional capital is invested into a property. Any increases in the cost of providing council services, and the demand for these services, are not factored into the decision to develop land under UV.

In effect, the cost of servicing new development is funded by existing ratepayers. This is inefficient because rates only capture a portion of the total demand for the council services, which can lead to an under provision of council services.

CIV would capture the increased demand and use of council services from new developments. This would potentially lower upfront developer charges, State Government contributions and rates paid by existing residents (see Chapter 4).

**CIV reflects benefits ratepayers receive from council services**

We found property value (CIV) is a better indicator than land value (UV) of the benefits that ratepayers receive from council services. CIV is more efficient compared to UV because it better reflects the demand for most of the services provided by local councils.

Box 3.3 outlines our approach, while Appendix B explains the analysis in detail.

### Box 3.3 Approach for this analysis

To analyse whether a ratepayer's property value (CIV) or land value (UV) better reflects their demand for council services, we took the following steps:

1. Identify the council services that rates fund.
2. Identify the classes of property and different types of ratepayers within a council area.
3. Compare the relationship between the demand for council services to the two valuation methods for each class of property and type of ratepayer.

Table 3.2 provides an indicative breakdown of the services funded by rates, based on 'Net Cost of Services' data from councils' financial reports.

**Table 3.2 Services funded by local council rates**

Council service	Typical share of a rates bill (%)
Streets and footpaths	27.5
Facilities (parks, libraries, pools, etc)	29.3
Other services (community and environment)	10.7
Governance and administration	32.5

**Source:** IPART analysis; OLG (using council financial statements).

Take the example of a house and a block of four matching apartments located next door on otherwise identical parcels of land such that their unimproved land value is equal:

- ▼ Under UV, the rates for the house and apartment block would be the same, so the rates for each apartment would be one-quarter of those for the house (on average).<sup>22</sup> However, the four households in the apartments are likely to create higher total demand for council services than the single household in the house.
- ▼ Under CIV, the rates for the house and each apartment would be based on market value, which is likely to provide a better proxy for the demand for council services of each household.

<sup>22</sup> Assuming that no base or minimum amounts apply.



### 3 Use of the CIV valuation method to levy council rates

CIV better captures the demand for council services when comparing two houses, or for two apartments. A ratepayer in a more expensive house would typically have a higher willingness to pay for the public goods funded by rates (eg, they will be willing to pay more for footpaths and street lighting).<sup>23</sup>

For two businesses, CIV is also more correlated with their demand for council services. A multi-floor shopping centre generates higher demand on council services relative to a single storey set of shops. This demand is better reflected by an approach based on market value (CIV) rather than an approach based on land value (UV).<sup>24</sup>

#### 3.3.2 CIV is equitable

CIV is equitable because it better reflects the benefits that a ratepayer receives from council services (see Section 3.3.1), and a ratepayer's ability to pay for council services. CIV meets the ability to pay principle better than UV, as it is more highly correlated with the ratepayer's income and wealth.<sup>25</sup>

The CIV of a ratepayer's property includes capital improvements as well as land value, and therefore represents a larger component of household wealth. This is important when comparing houses to apartments, as the land itself might be a very small fraction of the overall property value, particularly for high density apartments.

Evidence from the 2007 New Zealand rates inquiry suggests CIV is more highly correlated with annual household income than UV.<sup>26</sup> Overall, as noted by Abelson (2006), property values or income are both better indicators of ability to pay than are land values.<sup>27</sup>

<sup>23</sup> Academic literature is consistent with this position, estimating that a 10% increase in income typically leads to an increase in demand for local public goods of between 2%-10% (depending on the good). Borchering and Deacon (1972) estimate the income elasticity of demand for local public goods, finding positive and (generally) significant elasticities between 0.2 and 1.0 (Borchering T and T Deacon, *The demand for the services of non-federal governments*, The American economic review, 1972, pp 891-901). Within apartments, a 10-storey apartment block with, say, 100 residents will have a greater demand for council services than a 5-storey apartment block with 50 residents occupying the same land size.

<sup>24</sup> For farmland properties, the UV and CIV methods should produce a relatively similar outcome, to the extent that the value of buildings and other capital structures relative to land value is fairly low and stable across properties.

<sup>25</sup> In practice, the two are related. A person's asset-based wealth is related to their expected lifetime income. A person's wealth also reflects their total capacity to pay at any point in time.

<sup>26</sup> New Zealand Local Government Rates Inquiry Panel, *Funding Local Government*, August 2007, pp 125-126.

<sup>27</sup> Abelson P, *Local Government Taxes and Charges*, 2006, p 5.



### 3.3.3 CIV is sustainable

CIV would provide a sustainable rating base. As highlighted in Section 3.3.1, a UV method does not capture the increased cost of servicing new development. This limitation of UV compounds over time and weakens councils' financial sustainability. In contrast, the growth in CIV due to new development approximates the increase in demand for council services. Over time, as the proportion of high density dwellings increases, the ratio of capital to land increases, and CIV becomes much more broadly based relative to UV.

The market value of a property will vary less over a property price cycle than its land value because the value of capital improvements is fairly constant. Sharp changes in property prices will be reflected to a greater extent in the UV of a property than its CIV. As a result, a CIV-based tax will better withstand economic fluctuations – and the rate in the dollar for CIV will be less volatile than the UV tax rate.

### 3.3.4 CIV is simple

CIV is simple to calculate and easily understood by ratepayers. It is simple to verify a property's CIV. Almost all real estate transactions involve properties that have capital improvements. Over time, the process used to assess UV in NSW has become less transparent, as determining land values has required subtracting the estimated value of improvements in the absence of vacant land sales.<sup>28</sup>

In addition, ratepayers find CIV easier to understand, as most ratepayers have a much better understanding of the market value of their property than its unimproved land value.

## 3.4 CIV is consistent with international best practice

CIV is more consistent with international best practice than UV. We found that 85% of countries use CIV (or a similar method based on market value). Out of 125 countries, only five mandate UV. As outlined in Appendix D, there has also been a trend moving away from UV to CIV.

In jurisdictions where councils can choose between CIV and UV – such as Victoria, South Australia, Tasmania and New Zealand – councils overwhelmingly opt for CIV over UV. CIV, or similar approaches based on market value, is used for setting rates in metropolitan council areas in all other Australian states besides Queensland.

<sup>28</sup> In most cases, UV is calculated as the residual of the market value less the value of improvements, which means that judgment is required in the analysis and accounting for the added value of improvements. For further details, see Mangioni V, *Transparency in the valuation of land for land tax purposes in New South Wales*, eJournal of Tax Research, 9:2, December 2011, p 145.

3 Use of the CIV valuation method to levy council rates

### 3.5 Limitations of the UV valuation method

Stakeholders raised a number of issues with the current method:

- ▼ the use of UV prevents councils from raising rates equitably and efficiently in urban areas with a high share of apartments, and
- ▼ the distribution of business rates based on UV does not necessarily reflect the underlying demand or use of council services.

#### 3.5.1 Residential rate setting under UV biases councils to use fixed charges

Many councils rely on base and minimum amounts (fixed charges) to attempt to reflect the use of council services because the UV of individual apartments is often very low. Although fixed charges can be a simple and efficient way to recover the fixed costs of servicing dwellings such as providing billing services they are not, on their own, an efficient means to fund local public goods.

Box 3.4 outlines how apartments are rated under UV.

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#### **Box 3.4 Residential rate setting for residential apartments based on UV**

If an individual apartment is under a strata title,<sup>a</sup> the land value of the individual apartment is calculated by dividing the aggregate land value for the entire apartment block by that apartment's unit entitlement. Because the underlying land value is only a small component of the total value of the unit block, this typically results in modest land values for an individual apartment.

- ▼ If a council adopts a rate structure with a base and ad valorem amount, then the ad valorem amount is influenced by unit entitlement. However, because the land values are still low, the difference in ad valorem amounts is typically very small. In this case, a 3-bedroom apartment, on average, pays slightly more than a 1-bedroom apartment.
- ▼ If a council adopts a rate structure with a minimum amount, in almost all cases the apartment is subject to the minimum amount. That is, a 3-bedroom apartment pays exactly the same as a 1-bedroom apartment.
- ▼ Around 75% of Sydney councils adopt a rate structure with a minimum amount.

If individual units within an apartment block are under a single title – for example, if it is owned by a single investor – the entire block is considered a single property for the purposes of rating. In this case, when the rate structure is applied to the block, only one minimum or base amount can apply to all units within the block. In effect, the land value is still divided among individual units, but a council cannot use fixed charges to reflect the use or demand for services from the residents in each apartment.

<sup>a</sup> Or a company or stratum title.

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## 3 Use of the CIV valuation method to levy council rates |

Figure 3.1 illustrates the impact of relying on fixed charges for a Sydney council where around 60% of properties were apartments. It compares what the distribution of rates would look like for this council if it collected the same rates revenue using:

- ▼ a rate comprising an ad valorem rate based on UV (light blue line)
- ▼ the council's actual 2013-14 rating structure comprising a minimum amount and an ad valorem rate based on UV (dark blue line), and
- ▼ a rate comprising an ad valorem rate based on CIV (red line).

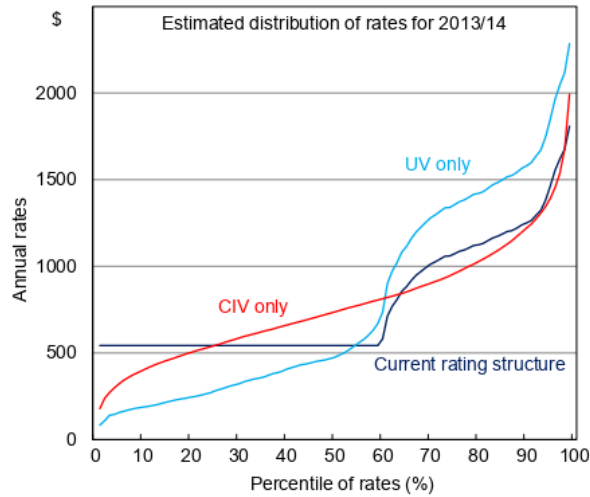
This comparison suggests the council is using fixed charges as an imperfect tool to implement what would occur under the CIV method. It also shows there is no equity or efficiency for the bottom 60% of ratepayers on the current UV rating structure, as they all pay the same rates irrespective of the differences in the benefits they receive from, or their ability to pay for, council services.

This council reflects what many Sydney councils could look like in the future, with over 65% of dwelling approvals for high density apartments. Currently, 40% of dwellings in Sydney are apartments – the highest of any Australian capital – with this share increasing over time (see Appendix C).

Across Sydney councils in particular, as density increases in a council area, councils are tending to increase the share of rates they collect from minimum rates, to raise a more equitable share of revenue from apartments. In Section 3.8 we discuss our recommendation to remove minimum amounts, explain the difference between base and minimum amounts and assess how they perform against tax principles.

3 Use of the CIV valuation method to levy council rates

**Figure 3.1 Residential rates for a Sydney Council with a high concentration of apartments**

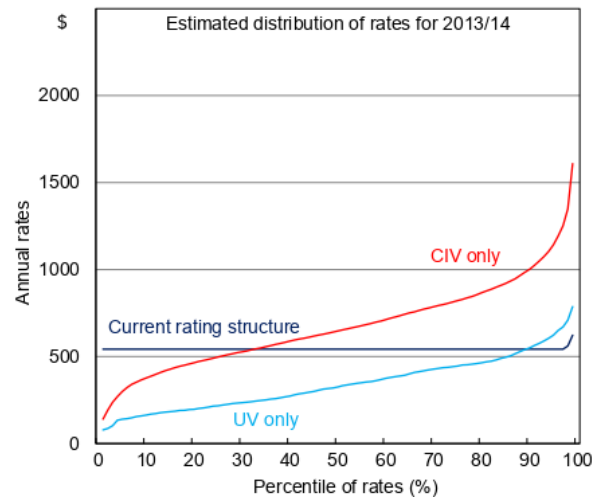


**Data source:** IPART analysis; Land and Property Information (LPI); Office of Local Government (OLG).

In areas where the share of apartments is high, the majority of apartments are paying the same minimum rate irrespective of the property values. This means that minimum rates do not correlate with the per capita drivers of councils' costs, benefits received, or willingness and ability to pay for public goods.

Figure 3.2 shows the difference in annual rates for strata properties when setting rates using UV and CIV. These figures highlight that in areas where there is a high or growing share of apartments, our recommendation to introduce CIV would increase the efficiency and equity of rates.

**Figure 3.2 Comparison of residential rates for strata apartments in a typical Sydney Council using UV and CIV**



**Data source:** IPART analysis; LPI; OLG.

#### Non-strata apartments

In some cases, councils are unable to use minimum or base amounts to collect rates from apartments. When an apartment block is not strata titled, only one minimum or base amount can apply to all units within the block (see Box 3.4). This has created outcomes where the annual rates for individual units within an apartment block are as low as \$31 per year (Table 3.3).

3 Use of the CIV valuation method to levy council rates

**Table 3.3 Estimated rates paid in 2016/17**

	Number of apartments	UV	CIV	Annual rates per apartment		
		Actual	Estimate	Current rates (UV)	CIV rates with 50% base	CIV rates and no base amount
Property A, Waterloo	249	\$43.0 million	\$225 million	\$209	\$188	\$373
Property B, Zetland	436	\$21.8 million	\$370 million	\$61	\$177	\$352
Property C, Rhodes	529	\$15.5 million	\$252 million	\$31	\$129	\$257

**Notes:** Rates under CIV are an estimate and hold total residential rates revenue constant.

**Sources:** IPART analysis.

### 3.5.2 Business rate setting under UV biases councils to define narrow subcategories

A number of metropolitan councils are attempting to replicate the demand and use of council services from individual businesses through targeted differential rating. They do this by defining small areas or single shopping centres as a separate subcategory or business 'centre of activity'.

A CIV method would reduce the need for large rating differentials and narrow subcategories to equitably and efficiently rate businesses with different capital density. Box 3.5 contains an illustrative example of a Sydney metropolitan council which appears to be replicating a CIV rating system by using narrow business subcategories, and using high ad valorem rates to reflect capital density. It would be far simpler and more transparent if metropolitan councils used CIV to rate businesses. The wide variation in ad valorem rates, such as the 10 and 11 multiples in Table 3.4, would no longer be required.



**Box 3.5 A number of Sydney councils are attempting to replicate CIV using narrow business subcategories**

This box contains an example where Willoughby Council has created two separate business subcategories for two shopping centres. These subcategories attempt to reflect the differences in demand for council services that result from differences in capital density.

Table 3.4 considers Willoughby Council's 2016-17 rating structure for residential ratepayers and the two shopping centres subcategorised as separate centres of activity. It calculates:

- ▼ the actual rate in the dollar charged under the UV method, as a ratio of the residential rate, and
- ▼ the estimated rate in the dollar that would have been charged under a CIV method to replicate the current rates collected from each of the three categories, as a ratio of the residential rate.

**Table 3.4 Willoughby Council's 2016-17 rating structure**

Category	Actual UV Rate As a ratio of Residential rate	Revenue-neutral CIV Rate As ratio of Residential rate
Residential	1.0	1.0
Chatswood Chase	11.1	1.7
Chatswood Westfield	10.5	1.9

**Sources:** Scentre 2015 Annual Report; Vicinity 2016 Annual Report; Willoughby Council; IPART analysis.

Table 3.4 shows that, under the current UV method, Willoughby Council has levied a much higher rate in the dollar on two major shopping centres compared to residential properties in the council area. The council is essentially replicating a CIV rating system by using narrow business subcategories, and using high ad valorem rates to reflect capital density.

**Our approach encourages business investment**

Some businesses expressed a concern that the share of rates paid by businesses would rise if CIV is implemented.<sup>29</sup>

Our analysis suggests the use of CIV should not lead to an increase in the total share of rates paid by businesses. Firstly, councils are currently free to choose the share of rates collected from businesses.<sup>30</sup> Secondly, our examination of the data shows councils are already approximating CIV rating for business using narrow subcategories and higher ad valorem rates as density increases, as shown in Table 3.4. Therefore, directly rating using CIV should not change the overall

<sup>29</sup> Shopping Centre Council of Australia, submission to IPART Draft Report, October 2016, p 6.

<sup>30</sup> Our consultation with stakeholders suggests that most councils favour apportioning rates between residents and businesses using fixed shares.

3 Use of the CIV valuation method to levy council rates

share of rates paid by business. CIV would make the burden of rates paid by different types of ratepayers much more transparent in metropolitan areas.

In contrast, as discussed in Chapter 4, councils would now have better incentives to encourage business investment which could place downwards pressure on the share of rates paid by business.

### 3.5.3 The UV base becomes less accurate as the mix of densities changes

Stakeholders have identified cases where changes in land values for different types of businesses have led to large changes in the rate burden that are unrelated to changes in the demand or use of council services.

As development increases, vacant land sales are rarer, and fewer are available to estimate UV. This means improved property sales are increasingly used to determine land values, by subtracting the estimate of the value of capital from the sale price to determine land value. As density increases:

- ▼ **it becomes more difficult to estimate land value by subtracting the value of capital from market value.** This is because small differences in the estimated value of capital have a greater impact on land values. For example, if the ratio of capital to land for a property is 10 to 1, a 5% change in the estimated value of capital causes a 50% change in the property's estimated land value.
- ▼ **small changes in market value have a greater impact on land values.** If the ratio of capital to land for a property is 10 to 1, a 5% change in market value would result in a 50% change in the property's estimated land value.<sup>31</sup>

The market value of a property is more stable over a property price cycle than its land value, especially in highly built up areas. Therefore CIV would provide benefits in providing more accurate valuations and reducing the volatility amongst different ratepayers – who have properties with a mix of densities – with their respective share of the overall tax burden.

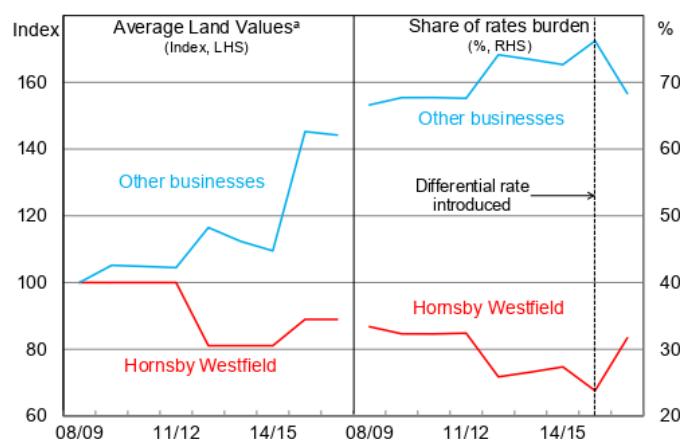
Box 3.6 contains an example where a council has responded to a shift in the ratings burden within its business community by creating a narrow business subcategory. It highlights that CIV would better reflect the actual demand for council services over time, reducing the need for creating narrow rating subcategories.

<sup>31</sup> This is because a change in property price does not impact the value of capital.

**Box 3.6 UV leads to changes in rates that do not reflect changes in the use of council services**

Figure 3.3 plots the land values used to levy rates by Hornsby Council within its Business CBD subcategory over the period 2008-09 to 2016-17. It shows that the land value for the Westfield shopping centre fell by around 10% over this period, while the average land value for other businesses rose by over 40%.

**Figure 3.3 Hornsby Council – Rates in Business CBD subcategory**



<sup>a</sup> Nominal index, land values for 2008/09 rating year = 100.

**Data sources:** Hornsby Council; LPI; IPART analysis.

Over 2008-09 to 2015-16, the rates for other businesses typically increased by around 40-50% more than for the shopping centre. The share of rates paid by the shopping centre fell by around 10 percentage points over this period, while the share for other businesses rose by the same amount.

In 2016-17 Hornsby Council subcategorised the shopping centre as a separate subcategory, and it levied a rate that was 47% higher for the shopping centre than the rate for other business CBD properties. The subcategorisation was done to match the share of rates paid by the shopping centre in 2011-12. The rates for other business CBD properties reduced by an average of \$560 per ratepayer between 2015-16 and 2016-17.

**Sources:** Hornsby Shire Council; Shopping Centre Council of Australia, submission to IPART Draft Report, October 2016, p 5.

### 3.6 Stakeholders comments

Our recommendations are generally supported by stakeholders. A strong majority of metropolitan councils expressed a preference for adopting a CIV

### 3 Use of the CIV valuation method to levy council rates

method, while most non-metropolitan councils support being able to choose either CIV or UV. Only 20% of stakeholders support retaining the UV method with little or no change.

In the Draft Report, our draft recommendation was that all councils should be allowed to choose between CIV and UV at the rating category level. In response to stakeholder feedback and after further analysis we have decided to refine our recommendation. We now recommend mandating CIV as the valuation method in metropolitan areas, and to retain choice for non-metropolitan councils.

#### 3.6.1 Mandating CIV in metropolitan areas would promote consistency

Most metropolitan councils expressed a preference for the CIV method. Stakeholders consistently identified CIV better meets tax principles than UV in urban areas, and would resolve major issues in the rating of apartments<sup>32</sup> as well as commercial and retail land use.<sup>33</sup> Newcastle City Council noted:

...the use of CIV is recognised both nationally and internationally as a fair, transparent and sustainable approach to rating. The UV methodology is considered to be out dated and only continues to be used in a small number of jurisdictions.<sup>34</sup>

A number of metropolitan councils believed CIV should be mandated or made a default option for councils.<sup>35</sup> Lake Macquarie City Council noted the “application of a common system reduces confusion for ratepayers, particularly those with landholdings in more than one LGA”,<sup>36</sup> with LGNSW noting that it “favoured CIV as the method of valuation for rating purposes in urban areas”.<sup>37</sup>

#### 3.6.2 Choice is valuable in non-metropolitan areas

Most non-metropolitan councils supported the choice over valuation methods and were divided on their preference for CIV or UV. A number of stakeholders identified that a choice would be beneficial in choosing “the most appropriate rating method that best suits their local government area”.<sup>38</sup>

#### 3.6.3 Other stakeholder concerns

Around 20% of stakeholders favoured retaining the UV method with little or no change. In general, these stakeholders were concerned:

<sup>32</sup> For example, Canterbury-Bankstown Council, p 1, Camden City Council, p 1, The Hills Shire Council, p 5, Submissions to IPART Draft Report, October 2016.

<sup>33</sup> V. Mangioni, Submission to IPART Draft Report, October 2016, p 2.

<sup>34</sup> Newcastle City Council, Submission to IPART Draft Report, October 2016, p 2.

<sup>35</sup> For example, Randwick City Council, Submission to IPART Draft Report, p 1.

<sup>36</sup> Lake Macquarie City Council, Submission to IPART Draft Report, October 2016, p 1.

<sup>37</sup> LGNSW, Submission to IPART Draft Report, October 2016, p 6.

<sup>38</sup> Queanbeyan-Palerang Regional Council, Submission to IPART Draft Report, October 2016, p 2.

### 3 Use of the CIV valuation method to levy council rates

- ▼ CIV could deter ratepayers from productive investments, particularly large shopping centres<sup>39</sup>
- ▼ providing CIV data would be costly,<sup>40</sup> and
- ▼ a separate residential subcategory for strata apartments could adequately resolve current issues with rating apartments.

While some stakeholders identified that CIV might deter investment decisions, the Productivity Commission has previously concluded that neither UV nor CIV “significantly distort economic activity and resource allocation”.<sup>41</sup>

Our analysis has shown that unlike UV, the CIV method is more efficient in metropolitan areas because it captures the cost of supplying council services as these increase with capital investment. As discussed in Chapter 4, our recommendations would encourage more capital investment than the current UV system.

We do not recommend an apartment subcategory. It would increase the complexity of the rating system and would create an arbitrary rating burden between apartments and houses. This would be contrary to the horizontal and vertical equity principles and is unlikely to reflect the benefits received from council services. It also does not address the future financial unsustainability of councils as communities grow and more capital is invested. Appendix E discusses alternative valuation methods to CIV, including a rating subcategory for apartments.

The following section discusses the protection that we recommend as a transitional measure to prevent excessive rate increases for NSW ratepayers when CIV is implemented.

### 3.7 Protections should be introduced for councils implementing CIV

#### Recommendation

- 3 The *Local Government Act 1993 (NSW)* should be amended to facilitate a gradual transition of rates to a Capital Improved Value method.
  - The amount of rates that any ratepayer is liable to pay to the council should increase by no more than 10 percentage points above the rate peg (as adjusted for Special Variations) each year as a result of a council adopting a Capital Improved Value method for setting rates. Councils could apply to IPART to exceed this 10% limit.

<sup>39</sup> Shopping Centre Council of Australia, p 4, Property Council of Australia, p 6, Submissions to IPART Draft Report, October 2016.

<sup>40</sup> Penrith City Council, p 1; Property Council of Australia, pp 6-7, Submissions to IPART Draft Report, October 2016.

<sup>41</sup> Productivity Commission, *Assessing Local Government Revenue Raising Capacity*, 2008, p 177.



## 3 Use of the CIV valuation method to levy council rates

While our recommendation would ensure that overall rates collected by a council is initially unchanged, a number of stakeholders noted that moving to CIV would lead to a redistribution in the rates paid by individual properties.<sup>42</sup> Our analysis suggests that if every NSW Council adopted CIV, around 5% of residential ratepayers could face a total increase in rates of \$500 per year or more, with the overwhelming majority of these properties high-value apartments in metropolitan councils that are paying minimum amounts.

We consider that a protection would be required to minimise the impact of transitioning to CIV. We recommend, if a council adopts a CIV method for any part of its rate base, rates for these ratepayers can increase by no more than 10 percentage points above the rate peg (adjusted for Special Variations) each year that result from a council adopting CIV.

This recommendation would ensure all NSW ratepayers would not experience excessive rate increases. Equally, gradual equalisation would not lead to a reduction in the new council's general income from rates. The 10% limit on rate increases for some ratepayers would be offset by a smaller decrease in rates for other ratepayers. Our analysis suggests that, under our recommendation, 95% of ratepayers would be fully transitioned to CIV within six years.

Rates for an individual property would be allowed to increase as a result of a supplementary valuation or through a general revaluation. A supplementary valuation reflects new development to a property that should be captured by a change in rates. In other words, as new properties are built, they would be rated on a CIV basis. A general revaluation, which currently occurs once every three years in most council areas, does result in a redistribution of the total amount of rates among individual properties.<sup>43</sup> However, it is important this redistribution is reflected in council rates, as it "ensures changes in the local property market are reflected in the councils' rates model, helping to ensure fairness and equity for ratepayers".<sup>44</sup>

**3.7.1 Apply to IPART to exceed limit**

We also recommend that councils should be able to apply to IPART to exceed this 10% limit. For example, after four years of equalisation, there might be only one or two ratepayers in a category that have not fully transitioned to CIV. In this case, the council could apply to IPART to fully equalise across the category. Also, if an apartment development had not been strata titled, there may be a case for exceeding this limit.

<sup>42</sup> For example, Berrigan Shire Council, Submission to IPART Draft Report, October 2016, p 1.

<sup>43</sup> In years where a general revaluation occurs, the 10% protection we have recommended would apply net of the impact of the revaluation on a ratepayer's bill. This is done simply by applying the 10% protection to rates using the old property values before calculating the impact of the new property values on individual rates.

<sup>44</sup> NSW VG 'Council rates' at [http://www.valuergeneral.nsw.gov.au/council\\_rates](http://www.valuergeneral.nsw.gov.au/council_rates)



### 3.8 Removing minimums from the rate structure

#### Recommendation

- 4 Section 497 of the *Local Government Act 1993* (NSW) should be amended to remove minimum amounts from the structure of a rate, and section 548 of the *Local Government Act 1993* (NSW) should be removed.

Base amounts are a superior method to recover the fixed costs of providing council services, as they better correlate with ratepayers' benefits received and ability to pay.<sup>45</sup>

If our recommendation to mandate CIV in metropolitan areas is adopted, councils would be able to equitably and efficiently raise rates from apartments without the need for minimum amounts. Removing minimum amounts from the LG Act would not have a major impact on most non-metropolitan councils, as the majority of these councils already use a base amount.

Therefore, we consider minimum amounts should be phased out from 2020-21. This would allow councils sufficient time to move to new rate structures. It would also align with the end of the rate path freeze period for newly merged councils, when these councils would shift to new rate structures.

Our findings and analysis are discussed in more detail below. To reach our recommendation that minimum amounts should be removed from the rate structure, and the current provisions in relation to base amounts be retained, we:

- ▼ analysed how minimum amounts and base amounts performed against the key taxation principles
- ▼ analysed NSW councils' current use of these amounts, and
- ▼ considered stakeholders' views and current practice in other jurisdictions.

Box 3.7 outlines the current provisions for base and minimum amounts.

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<sup>45</sup> A rate structure with a base amount is better correlated with ability to pay because differences in property value are better reflected in the rates paid with a base amount than with a minimum amount.

## 3 Use of the CIV valuation method to levy council rates

**Box 3.7 Current LG Act provisions on base and minimum amounts**

As Chapter 2 discussed, under the current rate structure, rates may comprise:

- ▼ a variable ad valorem amount, which may be subject to a fixed minimum amount, or
- ▼ a fixed base amount to which an ad valorem amount is added.

The revenue collected from the base amount cannot exceed 50% of the total revenue from any particular rating category. In contrast, the constraint on minimum amounts is not as restrictive. While there is a statutory limit for minimum amounts (\$506 in 2016-17), councils that wish to set minimum amounts above this limit can submit a minimum rate application to IPART for review and assessment.

**3.8.1 Performance of minimum and base amounts against tax principles**

Our finding is that base amounts are more efficient and equitable than minimum amounts in recovering the fixed costs of servicing dwellings, such as providing billing services. This is consistent with previous research on current NSW rating practices.<sup>46</sup> This is because:

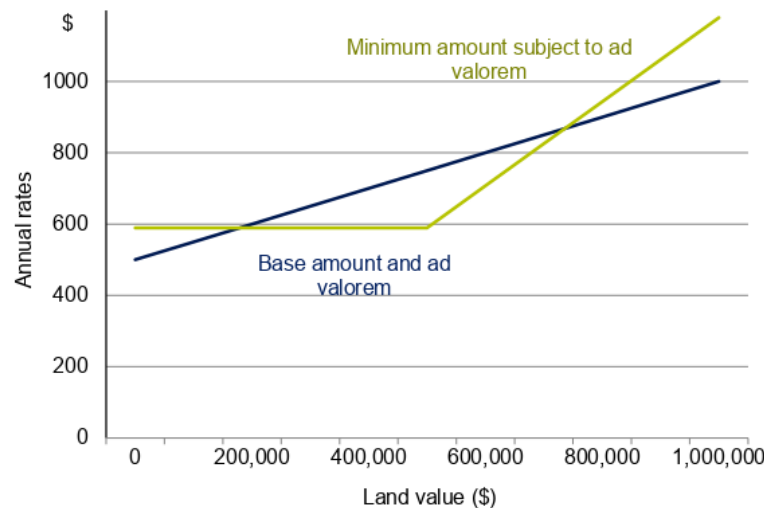
- ▼ Under a minimum amount, all ratepayers below a set threshold of land value pay the same amount. A one-bedroom apartment will pay the same minimum amount as a three-bedroom apartment.
- ▼ Under a base amount (with an ad valorem amount), all ratepayers face the same fixed charge to which an ad valorem amount is added. A one-bedroom apartment would pay lower rates than a three-bedroom apartment.

This means that a base amount plus an ad valorem amount will more closely reflect the benefits received from council services, and differences in ratepayers' ability to pay.

This difference is highlighted in Figure 3.4. It shows that a base amount plus an ad valorem amount rate structure (the blue line) is both more equitable and more efficient than an ad valorem amount which is subject to a minimum amount.

<sup>46</sup> Comrie J, *NSW Government Rating and Charging Systems and Practices*, April 2013, p 9.

**Figure 3.4 Comparison of base and minimum amounts**



However, base amounts should not be set above the level required to recover fixed costs, because they do not reflect ratepayers' benefits received or ability to pay as closely as an ad valorem amount (whether based on CIV or UV).

For example, a dwelling with one occupant pays the same base amount as a dwelling with four occupants, although it is likely that the latter will derive a larger benefit from the public goods that councils provide. Further, base amounts also tend to place a greater burden on less well-off ratepayers, because owners of low value dwellings effectively pay a higher rate of tax than owners of expensive dwellings.

On this basis we do not recommend any change to the current 50% restriction on revenue collected from base amounts. This will ensure, consistent with tax principles, that property value remains the predominant driver of a ratepayer's council rates.

### 3.8.2 NSW councils' current use of base and minimum amounts

Currently, most regional councils (62%) use a base amount in residential property rates, but most Sydney metropolitan councils (74%) use a minimum amount (Table 3.5).

3 Use of the CIV valuation method to levy council rates

**Table 3.5 Use of base and minimum amounts by Sydney metropolitan and regional councils in 2013-14**

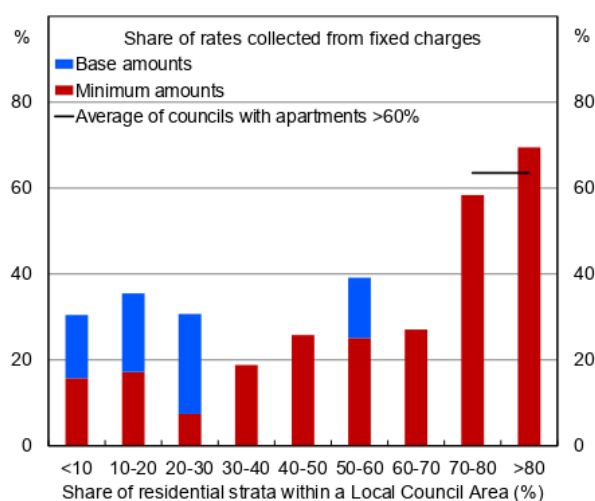
Type of rates	Sydney metropolitan councils		Regional councils		All councils
	Number of councils	As a % of total metropolitan	Number of councils	As a % of total regional	
Residential rates					
Base	10	26%	74	62%	84
Minimum	28	74%	45	38%	73
Business rates					
Base	5	14%	63	56%	68
Minimum	30	86%	50	44%	80

**Note:** Includes total number of councils that applied base and/or minimum amounts for residential and business properties in 2013-14.

**Source:** IPART analysis based on revenue data collected by OLG from each council.

Figure 3.5 shows that in Sydney council areas, as density increases councils are tending to increase the share of rates they collect from minimum rates, to raise a more equitable share of revenue from apartments. In areas where more than 70% of residential properties are apartments, councils recover over 60% of rates revenue from minimum amounts. In areas where more than 80% of residential properties are apartments, councils collect 70% of rates from minimum amounts. Overall, in Sydney areas where the council levies a minimum rate, around 40% of residential ratepayers were on this minimum rate in 2013-14.

**Figure 3.5 Residential rates across Sydney metropolitan councils**



**Data source:** IPART analysis; LPI; OLG.

### 3.8.3 Stakeholder views on minimum and base amounts and current practice in other jurisdictions

The majority of stakeholders identified that base amounts are superior to minimum amounts, and agreed that minimum amounts should be removed from the LG Act, particularly in light of our recommendation to integrate CIV into the rating system. For example, Campbelltown City Council noted:

The use of minimums should be removed from the LG Act. Minimum amounts are regressive, often poorly structured, difficult to apply across the current rating categories and are often misunderstood by the community.<sup>47</sup>

Stakeholders also supported retaining base amounts for a range of reasons, including smoothing the impact of land valuation on rates.<sup>48</sup>

Some stakeholders did not agree with our recommendation, generally on the basis that:

- ▼ retaining minimum amounts would give councils greater flexibility with their rating structures, and
- ▼ replacing a minimum amount with a base amount could lead to significant rate increases for some ratepayers.<sup>49</sup>

We have considered these viewpoints but still recommend minimum amounts should be removed because they are less equitable and efficient than base charges in recovering council costs. In addition, our protection to limit any changes in an individual's rates bill to 10 percentage points above the rate peg (as adjusted for Special Variations),<sup>50</sup> that result from our recommendation to introduce CIV, would smooth the impact of removing minimum amounts from the LG Act.

The use of base and minimum amounts in other states varies. Our recommendation to abolish minimum amounts is consistent with rating practices in Victoria (Table 3.6). The 50% revenue restriction on base amounts is consistent with other Australian states, with no other state allowing councils to recover more than 50% of revenue from fixed charges.

<sup>47</sup> Campbelltown City Council, Submission to IPART Draft Report, October 2016, p 2.

<sup>48</sup> For example, City of Ryde Council, p 4, Cootamundra Shire Council p 3, Shoalhaven City Council, p 3, Gunnedah Shire Council, p 2, Coffs Harbour City Council, p 2, Western Plains Regional Council, p 3, submissions to IPART Issues Paper, May 2016.

<sup>49</sup> For example, City of Wagga Wagga, Submission to IPART Draft Report, October 2016, pp 1-2.

<sup>50</sup> This 10% does not include any changes to rates that would result from the 3 year land revaluation process or any increases in CIV from new capital investment.

3 Use of the CIV valuation method to levy council rates

**Table 3.6 Base and minimum amounts in other Australian states**

	Base amounts		Minimum amounts	
	Permitted	Limit	Permitted	Limit
Victoria	✓	20% of revenue	✗	N/A
Queensland	✗	N/A	✓	No restriction
South Australia	✓	50% of revenue	✓	35% of properties
Western Australia	✗	N/A	✓	50% of properties <sup>a</sup>
Tasmania	✓	50% of revenue	✓	35% of properties
<b>NSW (recommended)</b>	✓	<b>50% of revenue</b>	✗	<b>N/A</b>

<sup>a</sup> In Western Australia, no more than 50% of properties can be on a minimum rate if the minimum rate is \$200 or higher.

**Source:** *Local Government Act 1989* (Vic), *Local Government Regulations 2012* (Qld), *Local Government Act 1999* (SA), *Local Government Act 1995* (WA), *Local Government Act 1993* (Tas) and *Local Government Act 1993* (NSW).



## 4 Allow councils' general income to grow as the communities they serve grow

As the local community grows, councils are required to provide services to new residents and businesses. A sustainable and efficient rating system allows councils to recoup the cost increases resulting from growth.

We considered whether the current method for determining the growth in rates could be reformed to enhance councils' financial sustainability and encourage growth and urban renewal. The sections below summarise our findings and recommendations, then present our findings and analysis in more detail.

### 4.1 Summary of findings and recommendations on growth

**We recommend that councils' rates income should increase over time in line with the growth in Capital Improved Value (CIV) arising from new development.**

**Current and future ratepayers would share the burden of taxation over the long-term equitably and efficiently.** Under our recommendation, current and future ratepayers would face the same tax burden, with future ratepayers providing additional rates revenue to meet the costs of servicing growth. Our recommendation would remove the current cross subsidy, where current ratepayers pay, via state taxes and rate rises under Special Variations, for the expansion in services supplied by councils to support growth. The CIE estimates net gains over 15 years of between \$443 million and \$2.1 billion to current and future ratepayers from implementing our recommendations.

**This would encourage current ratepayers to support growth, urban renewal and implementing the Plan for Growing Sydney.**

**Our recommendation would deliver sustainable revenue increases for councils that match the costs of servicing new development. This could reduce the need for councils to levy up front developer charges** and decrease the upfront cost of housing and business investment. It would reduce the regulatory burden of SV applications by enabling councils to provide improved and more consistent levels of service over time without the need for SVs for this purpose.

4 Allow councils' general income to grow as the communities they serve grow

We recommend that **the NSW Government should fund the implementation of CIV as it could deliver budget savings of up to \$1.1 billion over 10 years if it implemented our recommendations.**<sup>51</sup>

We also recommend introducing a **new type of special rate** to allow local councils to better partner with state and federal governments in the **delivery of joint infrastructure projects**. We recommend **increasing the scope for councils to adapt rating policies to short-term changes in their community**, while ensuring that councils' long-term financial sustainability is not impacted.

## 4.2 Allowing general income to increase in line with the growth in CIV from new developments

### Recommendation

- 5 The *Local Government Act 1993* (NSW) should be amended so that the growth in rates revenue outside the rate peg is calculated using the formula based on changes in CIV, defined in Box 4.1.
  - For non-metropolitan councils, this formula would be independent of the valuation method chosen as the basis for setting ad valorem rates.

The growth in rates revenue outside the rate peg should be calculated by multiplying a council's general income by the proportional increase in Capital Improved Value from supplementary valuations defined in Box 4.1.

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### Box 4.1 Our recommended formula for calculating revenue growth

$$Income_{year\ 2} = Income_{year\ 1} \times (1 + peg) \times (1 + percentage\ increase\ in\ CIV\ due\ to\ supplementary\ valuations)$$


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The following sections outline the current practice for determining growth in rates and explain our formula. We discuss the key benefits of our recommendation compared to the current system, analyse our recommendation against key tax principles and summarise stakeholder feedback.

<sup>51</sup> These are direct budget savings. The CIE figures are net present value figures which discount future revenues and costs by 7% per year.

4 Allow councils' general income to grow as the communities they serve grow

#### 4.2.1 Current practice for determining growth in rates

The current process for determining how the council rate base increases as the community grows is known as 'growth outside the rate peg'. When a change occurs to a parcel of land, determining the growth in a council's rate base involves two steps.

1. An updated land value is determined for each rateable property on the land under a 'supplementary valuation'.
2. The council's current rating structure (ad valorem and fixed charges across categories) is applied to the updated land value and rating category, to each rateable property.

See Box 4.2 for more details on this process.

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#### Box 4.2 The supplementary valuation process and CIV

When changes to a property are recorded, a Supplementary Notice of Valuation is issued to determine a new land value, outside of the usual three to four year valuation cycle.

Supplementary valuations can occur due to:

- ▼ newly created parcels of land in subdivisions
- ▼ the transfer of part of land which is included in an existing valuation (eg, through strata division of an existing block)
- ▼ the amalgamation of parcels of land into a single valuation
- ▼ changes to zoning, or
- ▼ an error being detected in the valuation process.

In addition, under a CIV method, supplementary valuations would also occur if significant capital improvements are made to property. These could include improvements that occur at the conclusion of a Development Application or Complying Development process, but could exclude minor improvements that occur under the Exempt Development process.

**Source:** NSW Valuer General, *Supplementary Notice of Valuation*, at [http://www.valuergeneral.nsw.gov.au/land\\_values/notice\\_of\\_valuation/supplementary\\_notice\\_of\\_valuation](http://www.valuergeneral.nsw.gov.au/land_values/notice_of_valuation/supplementary_notice_of_valuation), accessed 8 August 2016.

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Under the current UV methodology, the current 'growth outside the rate peg' process results in an increase in general income from new development that is typically much lower than the increase in demand for council services, and the associated increase in costs of servicing these new residents and businesses. This is because the land value (UV) will not increase as higher density apartments and businesses are built, unless there is land rezoning which increases land value.<sup>52</sup>

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<sup>52</sup> Furthermore, even if rezoning occurs, the increase in rates from the higher land value will be much lower than the growth in residents and businesses. Put simply, this is because as housing density increases, the land value becomes a smaller share of property value, and less representative of the costs of providing council services to ratepayers.

4 Allow councils' general income to grow as the communities they serve grow

Councils will only receive additional income by levying fixed charges (base or minimum amounts) across a larger number of properties.

#### 4.2.2 Using a CIV formula to calculate 'growth in rates outside the peg'

Growth outside the rate peg should be scaled by the percentage change in CIV due to supplementary valuations according to the formula in Box 4.1. Our formula ensures that rates revenue increases in proportion to the increased cost of providing council services over time.<sup>53</sup> The formula is designed to ensure:

- ▼ total rates income for councils increases in line with the growth in costs caused by increased demand for councils services
- ▼ general changes in property prices (captured through asset revaluations) do not increase a council's rates income, and
- ▼ the growth in a council's rates income from new developments is not determined or influenced by the rate structure that a council adopts (the proportion of fixed to ad valorem charges).

As it is more consistent and sustainable, we recommend this growth factor be applied for all councils in NSW, independent of the valuation method chosen by a council. The information on CIV would need to be collected in all council areas that apply our growth outside the peg formula,<sup>54</sup> even for those where UV is used as the basis for setting rates.

Box 4.3 outlines the current 'growth outside the rate peg' process as new development occurs, and compares it against the increase in rates that would have occurred using our recommended formula (discussed further in section 4.3.2), using an actual strata subdivision in Port Stephens Council.

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<sup>53</sup> Our formula would only permit non-negative changes in growth outside the peg from supplementary valuations.

<sup>54</sup> Councils that do not elect to adopt our formula would receive no growth in rates outside the rate peg.

4 Allow councils' general income to grow as the communities they serve grow

### Box 4.3 Growth in rates income due to new development

Figure 4.1 examines the change in rates income from a strata subdivision from one residence to seven strata units that occurred in Port Stephens Council. The analysis uses land value and property sales information provided in Port Stephens' submission to our Issues Paper.<sup>a</sup>

It considers rates income prior to subdivision, and the growth in rates income following the subdivision, calculating the revenue growth using three different rating structures:

- ▼ an ad valorem rate only using UV as the valuation method
- ▼ Port Stephens Council's current rating policy which uses a UV ad valorem rate with a base amount collecting 35% of residential rates revenue, and
- ▼ an ad valorem rate only using CIV as the valuation method; the basis of our recommended formula.<sup>b</sup>

**Figure 4.1 Council rates income under strata subdivision**

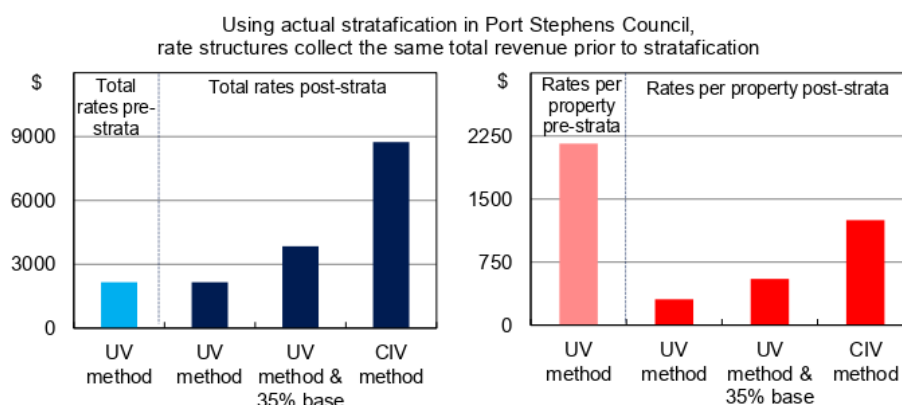


Figure 4.1 highlights the impact of the valuation method on rates income for strata subdivision. In this subdivision example, using the council's actual rates structure, the current method only delivers a modest uplift in total income even though the council is now servicing seven times as many households. The rates for the new households are around one-quarter of the rates prior to subdivision.

By contrast, if the increase in CIV were used to determine the growth in rates from new development, Port Stephens Council's total rates would increase by around \$6000 per annum, roughly matching the increase in costs of servicing six new households. At the same time, rates per property would be around \$1250 per year.

<sup>a</sup> For further details, see Port Stephens Council, submission to IPART Issues Paper, May 2016, pp 2-6.

<sup>b</sup> The ad valorem and base amounts are set so that the council collects the same total income from residential property prior to the strata subdivision. The rate structures under UV use the current formula for calculating growth in rates outside the rate peg.



4 Allow councils' general income to grow as the communities they serve grow

### 4.3 Welfare analysis

Our recommended approach would promote councils' financial sustainability over the long-term. It would result in more efficient and equitable rating structures that do not require current ratepayers to fund the costs of servicing a growing community. It would also encourage councils and the community to promote urban renewal, reduce the cost of residential and business investment and the reliance on State Government contributions to stimulate investment.

Appendix F explains the benefits to the community of allowing rates revenue to increase as growth occurs alongside the increase in Capital Improved Value. In summary:

- ▼ Existing ratepayers would benefit from additional services provided by councils as the community grows without their rates increasing in real terms.
- ▼ The NSW Government funding that is provided to councils to cover the costs of servicing new residents and businesses could be reduced.
- ▼ Future ratepayers would also benefit from the increase in investment, development and urban renewal – which could lower the prices for new people entering communities.
- ▼ Under the current approach, growth would make current ratepayers worse off to the extent they pay higher rates and State taxes to fund services provided to new communities. This is also summarised in Box 4.4.

#### 4.3.1 The CIE findings

IPART commissioned economic consultants The CIE to independently provide a cost-benefit analysis of our recommendations to rate properties using CIV and to calculate growth in the rate base using our proposed change in CIV formula.

The CIE has concluded there are substantial net welfare gains to current and future ratepayers from our proposals, arising from the improved provision of council services, more efficient funding of council services, and increased growth.

The CIE estimate net gains over 15 years of between \$443 million and \$2.1 billion to society from implementing our recommendations, with a central estimate of \$1.1 billion.<sup>55</sup> See Appendix F for further discussion.

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<sup>55</sup> The CIE figures are net present value figures which discount future revenues and costs by 7% per annum. For more information, see, The CIE, *The costs and benefits of changing local council rate setting*, December 2016, p 37.



4 Allow councils' general income to grow as the communities they serve grow

**Box 4.4 Existing ratepayers would not cross-subsidise future ratepayers if CIV is used to determine growth in rates**

**CIV used to determine growth in the rate base**

Over the next 10 years, the number of households in NSW is expected to grow by 14%. This will increase the demand for council services shown by the shift of the demand curve from  $D_0$  to  $D_{CIV}$  in Figure 4.2.

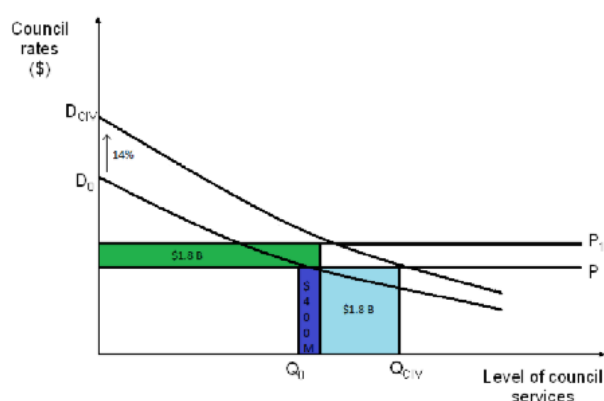
Using the change in CIV to determine the growth in the council rate base, the supply of council services increases from  $Q_0$  to  $Q_{CIV}$ . New ratepayers fund this increase in council services, contributing \$2.2 billion of revenue over 10 years (this is the sum of the two blue shaded areas from  $Q_0$  to  $Q_{CIV}$  in Figure 4.2).

**UV used to determine growth in the rate base**

Under a UV base, new ratepayers would only pay \$400 million of extra revenue over 10 years (the dark blue area). The UV base does not reflect new ratepayers demand for council services, or the \$2.2 billion cost of meeting this demand by increasing supply to  $Q_{CIV}$ .

To get an efficient level of supply of council services, existing ratepayers (or developers through developer contributions) would be required to make up the \$1.8 billion<sup>a</sup> shortfall by paying extra state taxes and higher rates (because councils apply for SVs to fund growth). This is shown in Figure 4.2 by the price for supplying council services to current ratepayers rising from  $P$  to  $P_1$ . They pay the green rectangle in extra revenue, a \$1.8 billion cross-subsidy provided to future ratepayers.

**Figure 4.2 Current ratepayers would not cross-subsidise future ratepayers**



<sup>a</sup> Developer contributions could fund part of this shortfall.

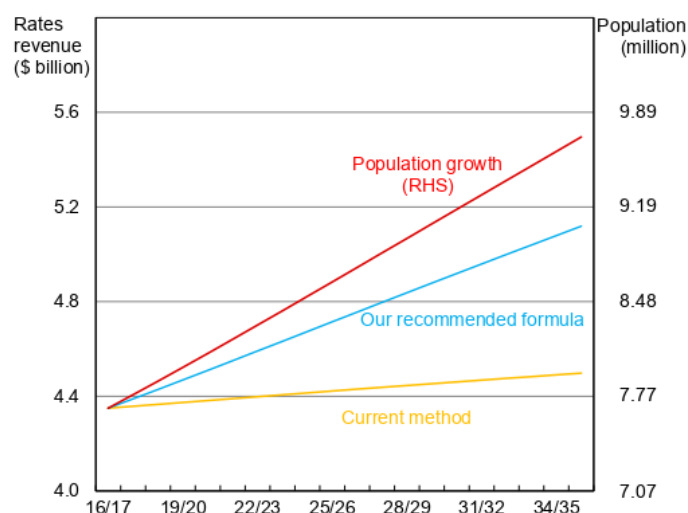
4 Allow councils' general income to grow as the communities they serve grow

#### 4.3.2 Revenue benefits to councils from using CIV

Over 10 years, we estimate that our approach would deliver the local government sector an additional \$1.8 billion revenue (in real terms), funded by future ratepayers, and about \$330 million per annum by Year 10.<sup>56</sup> Councils would receive a sustainable revenue stream to support growth and urban renewal, while ensuring rates per household do not rise in real terms.

Figure 4.3 shows that under the current system, councils' growth in total rates income from new ratepayers is typically around 0.2% per year or \$400 million in total over 10 years. This compares to population growth which has averaged about 1.3% over the past 5-10 years. In contrast, our recommended formula is estimated to deliver real growth in income of about 0.9% per year as a result of new residences and businesses or around \$2.2 billion in total over 10 years.

**Figure 4.3 Projected growth in rates revenue and population<sup>a</sup>**



<sup>a</sup> Rates revenue is in nominal 2016-17 dollars.

**Note:** Costs per person to deliver council services typically decrease as population density increases, eg, the road costs per capita would be expected to decrease as population increases. Our formula correctly captures the lower cost per person in providing council services as population density increases over time.

**Data sources:** ABS, Population Projections, Australia, 2012 (base) to 2101, November 2013, Cat. No. 3222.0, ABS, Residential Property Price Indexes: Eight Capital Cities, June 2016, Cat. No. 6416.0; ABS, Building Activity, Australia, March 2016, Cat. No. 8752.0; Department of Planning and Environment, 2016 NSW population and household projections, available at <http://www.planning.nsw.gov.au/Research-and-Demography/Demography/Population-projections>; Office of Local Government; IPART Analysis.

<sup>56</sup> \$1.8 billion is our estimate of the net revenue increase in rates from our recommended formula (the light blue line) less the revenue increase from the current formula (the orange line) over the next 10 years.

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Over the next 20 years, an additional 1 million dwellings are forecast to be built in NSW – a 30% increase. This growth is expected to occur in both metropolitan Sydney and regional areas, with regional councils expected to grow by nearly 20% over this period.

#### 4.4 Performance of our CIV approach against tax principles

Our recommended method for growing councils' general income better meets the tax principles of efficiency, equity, simplicity and sustainability.

##### 4.4.1 Efficiency

Our approach would encourage councils to better balance rates across rating categories, and reduce reliance on State Government contributions.

##### Better balancing business and residential rates

Our recommendation would encourage councils to levy rates that minimise changes in behaviour and promote investment in their local community.

The growth in a council's rates income from new development would not be dependent on the rates structure, or valuation method, that it adopts. An increase in either residential or business investment would give councils the same growth in rates revenue above the rate peg.

Councils would be encouraged to lower rates for ratepayers whose investment decisions are more sensitive to rates. Charging a lower rate for ratepayers in these rating categories would grow the council's rate base more quickly. This creates incentives for councils to better balance the rates burden between business and residential ratepayers.

##### Rates are more efficient than upfront charges to recoup long-run costs under CIV

Recouping the cost of servicing new ratepayers wholly through developer contributions increases the cost of housing and business investment. Our formula would gradually recover additional costs of servicing growth in the community from future ratepayers as development takes place.

Although these developer contributions are capped, the NSW Government provides additional funding when the costs of providing essential infrastructure for new communities exceeds the cap. This can be inefficient because it requires the government to use less efficient state based taxes to fund new developments upfront. Funding these contributions through rates over time would result in much smaller welfare losses (Chapter 2 and Appendix F).

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#### Reduced use of fixed charges

Land value will generally not increase when development takes place. Councils will only receive additional income by levying fixed charges (base or minimum amounts) as the number of properties grows.

This encourages councils to choose high minimum or base charges to obtain revenue growth from new ratepayers. However, using fixed charges in this way is neither equitable nor efficient, because rates do not reflect a ratepayers willingness or ability to pay for council services (see Chapter 3). Fixed charges should be used as a mechanism to recover the fixed costs of servicing dwellings.

#### 4.4.2 Equity

Our recommended formula would be more equitable because the costs of providing services to future generations would be recovered from future ratepayers over the entire life of these assets. The current system results in current ratepayers cross-subsidising the costs of providing services to future ratepayers.

#### 4.4.3 Simplicity

Our formula would better meet the simplicity principle by reducing the cost of the rate peg system, reducing the need for councils to apply for SVs to generate additional income, while maintaining the NSW Government's commitment to protect NSW residents against excessive rate increases.

We estimate that our recommendation could result in reduced regulatory costs of \$2.5 million per year as a result of reduced SV applications. Councils would not need to apply for SVs because they are pursuing growth and urban renewal. A council could still apply for SVs if there is a change in demand for its services.

Our recommendation would ensure a smoother rates trajectory for individual ratepayers. Ratepayers would potentially avoid sharper increases in rates under an SV, to catch-up a prior period of real rate decreases. This is consistent with the Government's policy of avoiding excessive rate increases.

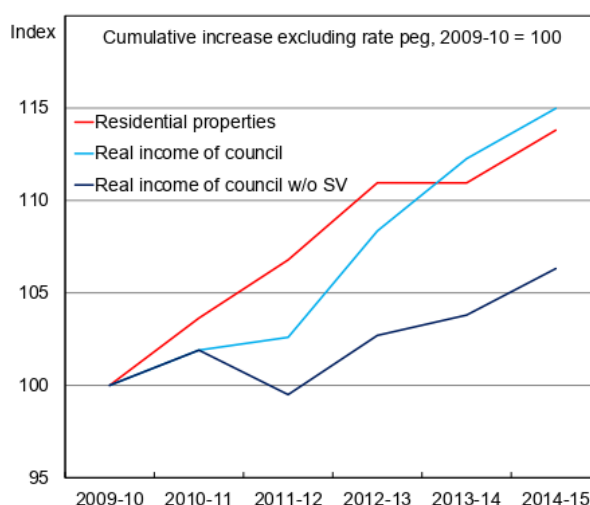
Box 4.5 compares the growth in residential properties to a Sydney council's real growth in council income with, and without, an SV that the council received under the current system. It highlights that the council would have experienced a real reduction in income per ratepayer without the SV.

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#### Box 4.5 The current system results in increased pressure to apply for SVs

This box analyses the growth in residential ratepayers against real growth in income for a metropolitan council over the period 2009-10 to 2014-15. Figure 4.4 below shows that the number of residential ratepayers has increased by 15% over this period, while total rates revenue would have only increased by 6% in real terms without an SV.<sup>a</sup>

**Figure 4.4 A metropolitan council's growth in residential properties and rates income**



<sup>a</sup> Real growth in income is calculated by subtracting the rate peg from council income.

Data source: OLG, IPART.

#### 4.4.4 Sustainability

Our approach would enhance councils' financial sustainability by allowing rates income to grow in line with growth in the community, providing councils with a larger rate base over time to support the increased demand for council services from new residents and businesses.

Under the current system, councils receive insufficient increases in revenue from new development. Unless change is implemented, over the next 20 years a number of councils would be expected to service populations that are 75% larger, or more, with an inadequate uplift in rates revenue to compensate.



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#### 4.5 Stakeholder comments

The majority of stakeholders support our recommendation, identifying that the UV method does not deliver sufficient growth in rates over time. For example, Byron Shire Council noted that our method:

...better reflects the real cost of providing additional services to the community as a result of growth. [It] also assists councils to be potentially more financially sustainable and may reduce the need to apply for future special rate variations.<sup>57</sup>

City of Sydney Council highlighted some of the key issues with the current rating system for metropolitan councils:

The needs of medium and high density communities cannot be sustainably funded under the existing rating legislation...A rezoning of industrial to residential land, only marginally lifts total rate revenue while significantly increasing the infrastructure and service delivery needs of the community and demands of council.<sup>58</sup>

In addition, Port Stephens Council highlighted the importance of our recommendation for both metropolitan and regional councils.

This issue potentially affects every council in the State and is not restricted to large metropolitan councils...What is considered a minor or modest financial benefit to a larger council may be significant to a smaller council, and council size should not be a determinant of whether the financial advantages of CIV are excluded from an LGA.<sup>59</sup>

Some stakeholders also noted, that as councils would be able to receive higher rates income from new developments, there should be reduced need for councils to levy up-front developer contributions. For example, Urban Taskforce noted:

This [reform] will also provide local councils with a steady income stream to fund local infrastructure, which will hopefully encourage councils to accommodate additional development and density in their LGA where appropriate.

Given this adjustment in local government's approach to infrastructure funding, other local infrastructure charges, such as Section 94 charges, should be revised to take into consideration the re-allocation of infrastructure costs from upfront (Section 94 paid by developers) to a more staggered, equitable approach where individual land owners contribute through council rates over time.<sup>60</sup>

##### 4.5.1 Comparison of CIV formula to population growth

The Property Council of Australia recommended that growth outside the peg should be based on population growth.<sup>61</sup> In other words, a council's rates revenue would grow outside the rate peg according to the annual increase in population.

<sup>57</sup> Byron Shire Council, Submission to IPART Draft Report, October 2016, p 2.

<sup>58</sup> City of Sydney Council, Submission to IPART Draft Report, October 2016, p 1.

<sup>59</sup> Port Stephens Council, submission to IPART Issues Paper, May 2016, p 2.

<sup>60</sup> Email to IPART from A. Manson, Urban Taskforce Australia, 24 October 2016.

<sup>61</sup> Property Council of Australia, Submission to IPART Draft Report, October 2016, p 9.



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We have considered this proposal. We have concluded that our recommended formula would be superior for the following reasons:

1. Scaling changes in a council's general income by changes in population would provide an incentive for councils to discourage business investment, by encouraging councils to decrease residential rates and increase business rates. This is because any reduction in business investment that results from charging higher business rates would have no impact on council revenues. By contrast, lowering residential rates would encourage new residential development, maximising population growth and the growth in council revenues. A number of property developers, in consultation, agreed that a growth in population formula would create a perverse incentive that would undermine business investment.<sup>62</sup>
2. Council costs per person typically decrease as population density increases – because of lower costs per person in providing some council services such as the local road network. Our formula correctly captures these economies of scale.
3. Using a population formula (with a UV rating base) results in current ratepayers providing a cross-subsidy to future ratepayers, which is inefficient and inequitable. This cross-subsidy occurs because the population formula allocates the cost increases from growth to both current and future ratepayers. As the UV base grows more slowly than population, current ratepayers end up funding this gap by paying higher rates. In contrast, our formula results in a more efficient and equitable allocation of rates, with future ratepayers paying the rates required to fund the cost increases caused by growth.
4. The change in capital value better reflects the change in demand for council services. For example, a wealthy person building and moving into a \$20 million harbourside mansion should have a greater willingness to pay for council services such as coastal walks and parks, compared to a family of four moving into a \$300,000 two bedroom apartment that was previously occupied by one person. Under a population formula, the total rate base would grow more in the latter instance with the family moving into the two bedroom apartment.
5. A population formula does not correctly account for changes in the composition of growth between rating categories. For example, if a large mine was constructed, a local council would receive no additional revenue to service the increased demand on local roads.

<sup>62</sup> Meeting with representatives from the Shopping Centre Council of Australia; Urbis; AMP Capital; Mirvac; Scentre Group and Stockland, 3 November 2016.

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#### 4.6 The NSW Government should fund the introduction of CIV

##### Recommendation

- 6 The NSW Government fund the NSW Valuer General for the upfront cost of establishing the database to determine Capital Improved Values.
- 7 The NSW Government fund the cost for a non-metropolitan council to set up a Capital Improved Value database for the purposes of implementing our recommended formula for calculating growth in rates revenue outside the rate peg, where the Unimproved Value method for setting rates is maintained.

We recommend that the NSW Government should fund the upfront cost of introducing CIV as the financial benefits it would receive would significantly outweigh the initial cost. Over a 10-year period, the net cost saving to the NSW Government's budget could be up to \$1.1 billion.

##### 4.6.1 Establishing a CIV database

###### Upfront costs

The main cost driver of integrating CIV into the local government rating system would be the set-up cost of a database to collect and manage capital improved values. Based on consultation with the NSW Valuer General (VG), we understand the VG estimates the total costs at around \$100 million or more, although analysis by The CIE suggests that the costs could be significantly lower.<sup>63</sup>

###### State budget savings

We have identified a number of programs that provide funds to councils to cover their costs of servicing increased developments in their areas. These costs could be replaced with the increased revenue councils receive from rates due to basing growth outside the rate peg on CIV rather than UV (see Section 4.2).

In the 2016-17 NSW Budget, these programs include:

- ▼ \$60 million in Local Infrastructure Growth Scheme (LIGS) funding, which provides funding to councils to deliver local infrastructure at the same time as new homes are built.
- ▼ \$40 million in Infrastructure for Priority Precincts, which funds local infrastructure upgrades in metropolitan areas which are increasing in density.

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<sup>63</sup> The CIE estimated that the cost of establishing CIV could be around \$10 million. For more details, see The CIE, *The costs and benefits of changing local council rate setting*, December 2016, p22.

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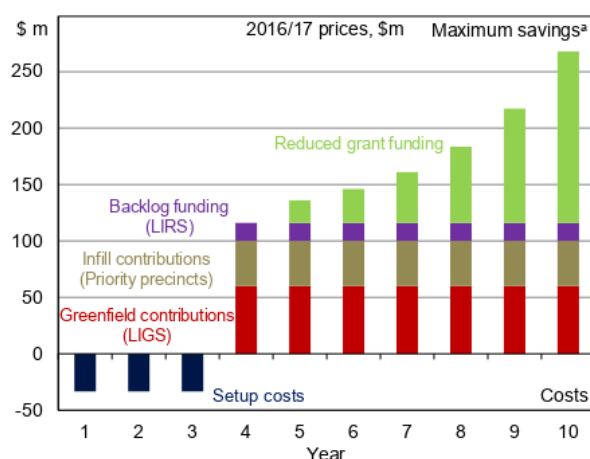
The NSW Government has also allocated a total of \$120 million to 2025 in Local Infrastructure Renewal Scheme (LIRS) funding, to address councils' infrastructure backlogs.

Office of Local Government (OLG) data indicates NSW Government grant funding to councils was over \$800 million in 2014-15, and over 30% flowed to metropolitan growth councils. In part, this reflects that population growth is a factor that influences grant funding.<sup>64</sup>

This funding could be reduced if our recommendation is adopted because it would provide councils with a sustainable revenue stream to fund long run infrastructure needs.

Figure 4.5 shows the impact of introducing CIV on the NSW budget, showing that the potential revenue savings for the NSW Budget would strongly outweigh the costs. Appendix G contains a more detailed discussion of the benefits and costs of implementing CIV.

**Figure 4.5 Potential impact of our recommendation on the NSW Budget**



<sup>a</sup> These are our estimates of the maximum savings the State Government could deliver.

**Sources:** NSW Budget Paper 2016-2017, available at: <http://www.budget.nsw.gov.au/>, accessed 30 November 2016; NSW Valuer General; IPART analysis.

#### 4.6.2 Upfront costs for non-metropolitan councils

Some stakeholders were concerned if a council retained a UV method for setting rates it would also be required to update CIV information to calculate the growth in their general income.<sup>65</sup> These councils would be required to reflect changes from supplementary valuations to both the unimproved and improved values.

<sup>64</sup> The CIE, *Developer contributions in NSW*, June 2016.

<sup>65</sup> For example, Tweed Shire Council, submission to IPART Draft Report, October 2016, p 2.

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Our analysis suggests that additional costs should not be significant.

- ▼ The change in CIV formula would be determined automatically for all councils as development takes place. UV data would only be used to distribute changes in general income across the community.
- ▼ The cost for a council to receive both CIV and UV information should be little more than receiving either CIV or UV data individually. This is because the same information is used to update CIV and UV data in practice, as the value of improvements is required to derive the unimproved value of land and its capital improved value.

Non-metropolitan councils might incur some setup costs in implementing our recommended growth formula if they maintain a UV method for rating. We recommend the NSW Government should fund this initial cost because the change in CIV formula would make non-metropolitan councils more financially sustainable.

Our recommendation ensures regional councils could choose the valuation method best tailored to their local communities, whilst not being financially penalised with lower growth in the rate base through time if they chose a UV method.

#### 4.6.3 Funding ongoing costs of CIV

Implementing CIV would provide a sustainable revenue stream from future ratepayers which would reflect the costs of servicing growing communities. Under our proposal the ongoing direct costs of the CIV system would be funded by local councils and other users of the data through the valuation services they purchase.

We estimate if CIV were introduced, and current arrangements for valuation services remained unchanged, the costs of maintaining a CIV system alongside UV could be around \$5 million per year (a 10% increase on the current costs of the valuation system), based on information provided to IPART by the NSW Valuer General.<sup>66</sup> Our recommendation to allow councils the option to buy valuation services from private contractors should place downwards pressure on these costs over time (see Chapter 10).

<sup>66</sup> We used the NSW Valuer General's cost estimates provided to IPART by the Valuer General as part of our 2014 review of the NSW Valuer General's prices, and then estimated how these costs would be impacted using the VG's estimates of the increase in annual valuations, supplementary valuations and objections from maintaining a CIV system alongside a UV system, contained in his Submission to our Draft Report. For further information, see: IPART, *Review of prices for land valuation services provided by the Valuer-General to councils - Final Report*, 2014; and NSW Valuer General, Submission to IPART Draft Report, pp 14-15, 28.



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#### 4.7 Levying a special rate for joint delivery of new infrastructure projects

##### Recommendation

- 8 The *Local Government Act 1993* (NSW) should be amended to allow councils to levy a new type of special rate for new infrastructure jointly funded with other levels of Government. This special rate should be permitted for services or infrastructure that benefit the community, and funds raised under this special rate should not:
- form part of a council's general income permitted under the rate peg, nor
  - require councils to receive regulatory approval from IPART.

As councils become larger and achieve long-term financial sustainability, they will be better positioned to co-fund joint infrastructure projects with the State and Federal Government. Our recommendation would give councils the option to partner with other levels of government to deliver a broader range of infrastructure projects that benefit the local community, with minimal regulatory burden.<sup>67</sup>

Section 495 of the LG Act allows councils to levy special rates on any subset of rateable land within its area to meet the costs of delivering additional services, facilities or activities to ratepayers. However, the application of the current special rate provisions to joint infrastructure projects might be limited in practice to the goods, services and facilities currently outlined in Chapters 5 and 6 of the LG Act.<sup>68</sup> In other words, they cannot be used to co-fund infrastructure or services that fall within another sphere of government's service functions, even if they benefit the local community.<sup>69</sup>

If infrastructure built by the State and/or Federal Government directly benefits the local community then a special rate should be permitted to collect revenue for this explicit purpose, regardless of which level of government constructs the infrastructure. This is particularly relevant as councils develop greater strategic capacity and ability to effectively partner with other levels of government.

The rates used to fund joint infrastructure should be outside a council's general income. This is because the infrastructure being provided is outside the core services for which councils collect rates. This would encourage urban renewal,

<sup>67</sup> During the rate path freeze period, this special rate would only be available to newly merged councils if they reach an agreement with the NSW Government.

<sup>68</sup> While section 24 of the LG Act outlines that "a council may provide goods, services and facilities, and carry out activities, appropriate to the current and future needs within its local community and of the wider public", the LG Act is also fairly prescriptive in the list of council's service functions permitted under the Act (or other Acts such as the *Roads Act 1993*).

<sup>69</sup> For example, City of Sydney Council has levied a special rate to construct infrastructure and services that surround a light rail line, eg, footpaths, as these are within a local council's service functions. However, the special rate was not used to co-fund the rail line itself, as providing rail is a state, or federal, function.

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and better partnering by councils with the State and Federal Government without regulatory burdens. This would also reduce the need for councils to apply to IPART for Special Variations to fund joint infrastructure projects.

As highlighted by City of Sydney Council,<sup>70</sup> councils would engage ratepayers within the community through Integrated Planning & Reporting documents on:

- ▼ the benefits to the community of the project
- ▼ the total cost of the project
- ▼ the federal and/or state and local contributions to the project, and
- ▼ the total amount rates to be levied, and the distribution of these rates.

#### 4.7.1 Stakeholder comments

The majority of stakeholders supported our recommendation, given that partnering with other spheres of government would be optional for councils. For example, Newcastle City Council noted that our recommendation:

...will encourage urban growth and remove both the significant impediments currently in place of requiring [SV] approval and excluding the funds raised from Council's general income.<sup>71</sup>

Some stakeholders were concerned that it could lead to potential cost shifting from State and Federal Governments to local councils,<sup>72</sup> and the "potential for...political pressure to be exerted on councils by the NSW Government"<sup>73</sup>. Our recommendation addresses these concerns:

- ▼ it would be at council's discretion whether to partner with State or Federal government, and
- ▼ the decision to jointly fund projects should reflect local community preferences that result from engagement with all levels of government.

## 4.8 Increased ability for councils to set rates below the rate peg

### Recommendation

- 9 Section 511 of the *Local Government Act 1993* (NSW) should be amended to reflect that, where a council does not apply the full percentage increase of the rate peg (or any applicable Special Variation) in a year, within the following 10-year period, the council can set rates in a subsequent year to return it to the original rating trajectory for that subsequent year.

<sup>70</sup> City of Sydney Council, Submission to IPART Draft Report, October 2016, p 4.

<sup>71</sup> City of Newcastle Council, Submission to IPART Draft Report, October 2016, p 4.

<sup>72</sup> For example, Campbelltown City Council, Submission to IPART Draft Report, October 2016, p 3.

<sup>73</sup> LGNSW, Submission to IPART Draft Report, October 2016, p 4.



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The NSW local government reforms aim to build “a stronger system of local government in NSW, with councils that are sustainable, well-managed and ready to play an active role in helping communities grow.”<sup>74</sup>

Councils need the ability to adapt pricing policies to short-term changes in their community's ability to pay, while ensuring long-term financial sustainability. This is consistent with the Integrated Planning and Reporting (IP&R) framework which requires NSW councils to prepare a 10-year Long Term Financial Plan that estimates the rates revenue a council expects to generate over this period.

Currently, councils have limited flexibility to set rates below the rate peg. Under the current provisions of the LG Act, a council that sets general income below the rate peg has only two years to return to the same rates trajectory. Our recommendation increases the ability for councils to protect ratepayers if the community experiences a short-term downturn, eg, as a result of drought or a downturn in commodity prices, while providing more time for councils to return to their sustainable long-term rates trajectory.

#### 4.8.1 Allowing councils the flexibility to set rates that are responsive to local conditions

The Long Term Financial Planning process under IP&R requires councils to estimate expected rates revenue for the next ten years along with other revenue and expenditure variables. These budgets are designed to be used in strategic expenditure and revenue decision making.

IP&R budgets allow a council to plan for long-term infrastructure spending, and determine the long-term rates trajectory required to fund this spending.

However, if a council decides to levy lower rates than the maximum permissible income in a year, for example, due to a downturn in commodity prices, section 511 of the LG Act only allows the council to recover the lost income within the next two years. Over a longer period, it does not allow a council to recover lost rates income or to return to the same rates trajectory that it planned to follow.

The illustrative example in Box 4.6 highlights the limitations of the current legislation and the benefits of our proposed reform.

<sup>74</sup> NSW Government, *Strengthening Local Government*, at <http://www.fitforthefuture.nsw.gov.au/strengthening-local-government>, accessed 8 August 2016.

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#### Box 4.6 The current limitations with setting rates below the rate peg

This box highlights the limitations of section 511 of the LG Act in allowing councils to set rates below the rate peg.

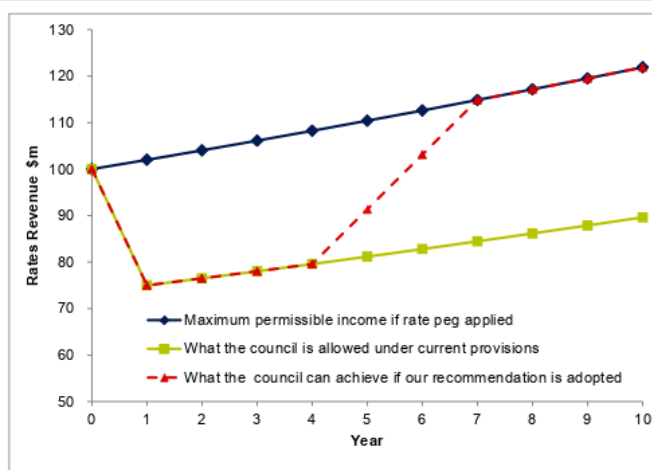
- ▼ In its Long Term Financial Planning Process a council ('Council A') has budgeted for revenues over the next 10 years (Year 1 to Year 10) based on the current year revenue of \$100 million and assumed rate peg of 2%. This revenue also meets Council A's long-term expenditures and ensures financial sustainability.
- ▼ However, in Year 1, Council A decides to collect only \$75 million rates revenue due to a drought in its LGA.
- ▼ In the subsequent 3 years (Year 2 to Year 4), the council applies the rate peg to the previous year's rates income in each year as drought conditions continue.
- ▼ In Year 5, there are no longer drought conditions in the community, and Council A decides to return to its long-term rating trajectory over the following three years.

Figure 4.6 plots the rating trajectory that the council could follow under the following three scenarios:

- ▼ The revenue that Council A would be allowed to receive if it temporarily set rates below the maximum in Year 2 to Year 4 if our recommendation to allow councils a longer period to return rates to its long-term rating trajectory is permitted (red line).
- ▼ The revenue that Council A would be able to recover if it temporarily set rates below the maximum in Years 2 to 4 under the current provisions of the LG Act (green line).
- ▼ Council A's rates trajectory if it had applied the full rate peg percentage in all years (blue line).

Importantly, under the current LG Act, if Council A set rates below the maximum in Year 2 to Year 4, it would not be able to return to its sustainable long-term ratings trajectory without applying for an SV.

**Figure 4.6 Proposed approach to return to rates trajectory**



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Under our recommended approach, Council A would be allowed to resume its sustainable long-term rates trajectory in Year 7. Council A would also be allowed to gradually transition back to this path over a few years if it deemed this was more appropriate. Our recommendation would help councils balance short-term fluctuations in their community's ability to pay while ensuring they are able to meet long term plans.

**Our recommendation benefits councils with significant farmland and mining properties**

Our proposed reform, while beneficial to all councils, would particularly benefit councils with a substantial level of farmland and mining properties. The communities in their areas are most exposed to drought and changes in commodity prices, and these councils may wish to temporarily deviate from their rating structure to levy lower rates due to local economic factors.

Our recommendation would give councils the option, but not the obligation, to set general income below the rate peg during periods of droughts or periods of lower commodity prices without having to permanently reduce the level of rates or services to the community. This would allow councils to play a more active role in working with their community, and better set rates and services based on local economic conditions.

**4.8.2 Stakeholder comments**

Stakeholders were nearly unanimous in their support of our recommendation, and believed that it would encourage better long term financial planning<sup>75</sup> and allow councils to be more responsive to changes in the community.<sup>76</sup> For example, Berrigan Shire Council noted that our recommendation would allow "council to discuss sensibly with its community the option of a pause in rate increases in times of economic difficulty, with the ability to recover that pause in future".<sup>77</sup>

**4.9 The Special Variation process**

The terms of reference for this review require IPART to take account of the NSW Government's commitment to protect NSW residents against excessive rate increases.

<sup>75</sup> Muswellbrook Shire Council, submission to IPART Draft Report, October 2016, p 3.

<sup>76</sup> For example, Northern Beaches Council, p 2, NSW Farmers Association, p 7, submissions to IPART Draft Report, October 2016.

<sup>77</sup> Berrigan Shire Council, submission to IPART Draft Report, October 2016, p 3.

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As outlined in Chapter 2, councils that wish to increase their general income above the rate peg can apply to IPART for a Special Variation. Table 4.1 shows that since 2011-12 there have been 133 applications for an SV or a minimum rate increase, with around 60% of councils applying for at least one SV or minimum rate increase over this period. Over 90% of SV or minimum rate applications have been fully or partially approved in this period.

**Table 4.1 SV and minimum rate applications**

	Applications		Determinations		
		Full approval	Part approval	Declined	No determination
2011-12	23	9	10	4	0
2012-13	16	10	6	0	0
2013-14	24	21	3	0	0
2014-15	34	30	3	1	0
2015-16	23	22	1	0	0
2016-17	13	9	1	0	3 <sup>a</sup>
<b>Total</b>	<b>133</b>	<b>101</b>	<b>24</b>	<b>5</b>	<b>3</b>

<sup>a</sup> No determination was made by IPART because the 3 councils were dissolved under an amalgamation.

Source: IPART.

However, the SV process incurs a significant regulatory burden on councils and the NSW Government, which might have deterred some councils from applying for SVs. For example, Wentworth Shire Council noted that the cost of applying for an SV is almost equal to the additional revenue received in the first year of the SV.<sup>78</sup> In its response to the panel, the NSW Government noted that it "supports removing unwarranted complexity, costs and constraints from the rate-peg system".<sup>79</sup>

Our core recommendation, that growth outside the rate peg should be scaled by the change in CIV, should significantly reduce the number of SV applications and reduce the cost of the rate-peg system. This is because rates per dwelling are held broadly constant over time, rather than the current system where rates per dwelling can significantly decline with growth from new developments.

This recommendation would also ensure a smoother rates trajectory for individual ratepayers. Ratepayers would potentially avoid sharper increases in rates under an SV, to catch-up a prior period of real rate decreases. This is consistent with the Government's policy of avoiding excessive rate increases.

<sup>78</sup> Wentworth Shire Council, submission to IPART Issues Paper, May 2016, p 1.

<sup>79</sup> Office of Local Government, *NSW Government Response: Independent Local Government Review Panel recommendations and Local Government Acts Taskforce recommendations*, September 2014, p 5.

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Under the proposed approach, a council that determines its base level of rates income using the SV process would no longer need to apply simply to compensate for growth. Councils would generally only need to apply for an SV to fund increases in the level of service to the local community.

In our Issues Paper, we highlighted three options suggested by the Panel Report to further reduce the costs and the constraints of the current SV process:

- ▼ streamlining the application and approval process for SVs
- ▼ introducing earned autonomy, where certain councils demonstrating consistent high performance could earn complete exemption from rate pegging, and
- ▼ replacing rate pegging with rate benchmarking.<sup>80</sup>

We have considered these points. We have concluded that our core recommendation, to calculate growth outside the peg using the change in CIV, would reduce a large part of the regulatory burden from rate pegging, and is consistent with the NSW Government's policy of ensuring residents are protected from excessive rate rises. It would do this by significantly reducing the future need for, and size of, SV applications.

#### 4.9.1 Stakeholder feedback

The majority of stakeholders disagreed with current rate pegging arrangements, instead viewing the introduction of IP&R, which requires councils to engage with the community to establish an appropriate resourcing strategy, as providing a sufficient framework to determine the level of rates.<sup>81</sup>

Stakeholders also noted broad support for streamlined rate pegging and earned autonomy.

<sup>80</sup> Independent Local Government Review Panel, *Revitalising Local Government*, October 2013, pp 42-45.

<sup>81</sup> See, for example, LG NSW, p 3, Canterbury-Bankstown p 2, Clarence Valley Council, p 9, Submissions to IPART Draft Report, October 2016.



## 5 Give councils greater flexibility when setting residential rates

Many stakeholders consider the LG Act prevents metropolitan councils from setting different residential rates within their local areas. They have requested it be modified to give metropolitan councils greater flexibility when setting these rates. Rural and regional councils can already set different residential rates, as can councils in other jurisdictions.

We considered whether the current restriction on councils setting different residential rates remains appropriate, or whether it should be changed. The sections below summarise our findings and recommendations, and then discuss our findings and analysis in more detail.

### 5.1 Summary of findings and recommendations on setting residential rates

**Councils should have more flexibility to set different residential rates within their local areas.** This would allow them to set rates that take account of differences in access to, demand for and cost of providing council services across their residential ratepayer base. It would also assist them to be more responsive to local needs, reduce any cross-subsidies between areas and provide incentives for urban renewal. It would not lead to a change in the overall amount of rates collected, but rather would allow councils to set a more equitable and efficient distribution of the rating burden within their local area.

**New protections to promote equity and transparency in setting different residential rates should be introduced.** These include rules around the maximum difference between the highest and average rates within an area, as well as a requirement for councils to provide ratepayers with information on different residential rates.

In addition, **new councils should (at the end of the 4-year rate path freeze) have the flexibility to establish new structures for residential rates, and transition to them appropriately.** Depending on its specific circumstances, a new council should be able to choose to equalise rates across its pre-merger areas, keep the existing rate structures in each pre-merger area, or move to a new rate structure. If it chooses to equalise its residential rates, this should be a gradual process, with rate changes limited to a maximum increase of 10 percentage points above the



rate peg (as adjusted for permitted Special Variations) in any year as a result of this equalisation.

## 5.2 Councils should have more flexibility to set different residential rates

### Recommendations

- 10 The *Local Government Act 1993* (NSW) should be amended to remove the requirement to equalise residential rates by 'centre of population'. Instead, the *Local Government Act 1993* (NSW) should allow councils to determine a residential subcategory, and set a residential rate, by:
  - separate town or village, or
  - residential area.
- 11 The *Local Government Act 1993* (NSW) should outline that:
  - A 'residential area' is an area within a contiguous urban locality that has, on average, different access to, demand for, or costs of providing council services or infrastructure (relative to other areas in that locality).
  - Councils could use geographic markers to define the boundaries for a residential area, including postcode boundaries, suburb boundaries, geographic features (eg, waterways, bushland) and/or the location of major infrastructure (eg, arterial roads, railway lines).

Currently, the LG Act requires councils to equalise residential rates by setting the same ad valorem rate within a single 'centre of population'. This means that it can only set different rates where it can identify different centres of population within its area.

To assess whether this remains appropriate or should be changed, we examined the current requirement in the context of different NSW councils (including new councils formed by the recent mergers). We also considered stakeholders' comments and the practice in other jurisdictions.

Our finding is that change is needed for the following reasons:

- ▼ to remove confusion about what the current requirement means
- ▼ to allow councils to tailor rates to local preferences for services, minimise any cross-subsidies, and provide incentives for urban renewal
- ▼ to allow councils to select the most efficient option to fund their services and infrastructure, and
- ▼ to allow councils to choose how to balance key tax principles when setting residential rates.

The analysis that supports this finding is outlined in Sections 5.3 to 5.6. Box 5.1 provides further explanation of the recommendations above.

5 Give councils greater flexibility when setting residential rates

### Box 5.1 Further explanation of recommendations 10 and 11

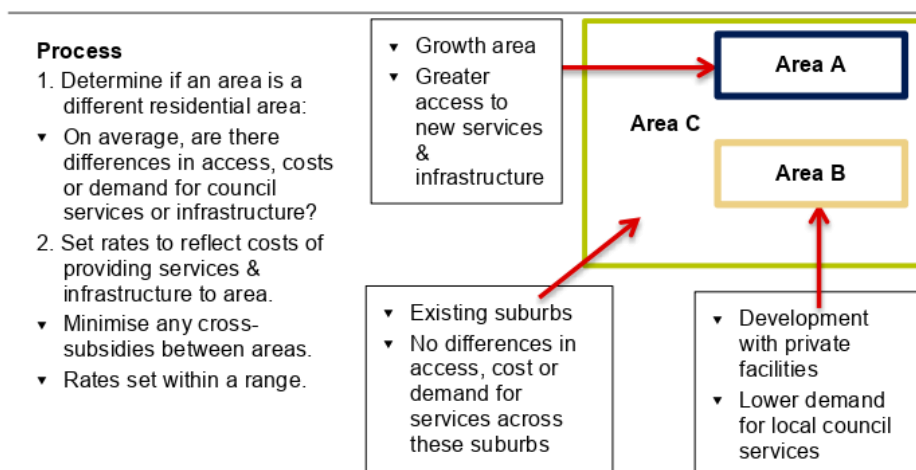
We recommend that the 'centre of population' requirement be removed from the LG Act, and replaced with provisions that enable a council to determine a residential subcategory by separate town or village or residential area.

The '**separate town or village**' subcategory reflects the current OLG guidelines. It should be retained since rural and regional councils use it to set different rates for towns or villages where there is a geographic separation between them.

The '**residential area**' subcategory provides greater flexibility to metropolitan councils.

- ▼ If a council determines an area has, on average, differences in access, costs or demand for council services or infrastructure (relative to the other areas adjoining it), it could choose to set a different rate for it.
- ▼ The council could use geographic markers (eg, suburbs, roads, railways, waterways) to determine the boundaries for this residential area.
- ▼ The council could determine an area's access, demand or costs by estimating an average per dollar of property value. For example, the council estimates the cost of providing council services is:
  - \$1,400 per dwelling in Area A and \$1,000 per dwelling in Area B, and these areas have similar average property values. Area B has a lower service cost per dollar of property value than Area A, and so these areas could constitute different residential areas, or
  - \$1,000 per dwelling in both Areas A and B, but average property values in Area A are twice those of Area B. Area B has a higher service cost per dollar of property value than Area A, and so these areas could constitute different residential areas.

The figure below outlines how councils could use the residential area subcategory.



### 5.2.1 Stakeholder comments

#### General support for setting different residential rates

Stakeholders supported our recommendations to give councils more flexibility to set different residential rates.<sup>82</sup> Most agreed with councils being able to set different rates for areas that have different access to, demand for, or costs of providing council services or infrastructure.<sup>83</sup>

Stakeholders considered the recommendations would provide them with the ability to more closely align rates paid with services received<sup>84</sup> and minimise any cross-subsidies.<sup>85</sup> Some noted that this would allow a more efficient and equitable setting of rates.<sup>86</sup> Stakeholders also thought the recommendations would allow councils to use different rates to provide different service levels, in line with local preferences<sup>87</sup> and residents' willingness to pay.<sup>88</sup>

Only a few stakeholders disagreed with the recommendations. Some objected to differential rating on fairness grounds. They thought it would lead to councils charging residents different rates, even though they receive the same service level.<sup>89</sup> Others thought it would lead to councils unfairly targeting areas with higher rates, such as poorer areas which may be higher users of council

<sup>82</sup> Albury City Council, Bega Valley Shire Council, Blacktown City Council, Blayney Shire Council, p 3, Burwood Council, p 4, Byron Shire Council, p 3, Camden Council, p 3, City of Canterbury Bankstown, p 3, Central Coast Council, p 3, Cootamundra Gundagai Regional Council, p 2, Cowra Shire Council, p 3, Cumberland Council, p 4, Dubbo Regional Council, Glen Innes Severn Council, p 3, Goulburn Mulwaree Council, Greater Hume Shire Council, pp 2-3, Ku-ring-gai Council, p 3, Lachlan Shire Council, p 2, Lake Macquarie City Council, p 3, LGNSW, p 4, Narrabri Shire Council, Newcastle City Council, p 5, Northern Beaches Council, p 2, Northern Rivers Regional Organisation of Councils, p 3, NSW Farmers' Association, p 8, NSW Revenue Professionals, p 3, Penrith City Council, p 2, Port Stephens Council, p 2, Queanbeyan-Palerang Regional Council, Randwick City Council, p 3, Riverina Eastern Regional Organisation of Councils, p 3, Shellharbour City Council, p 2, Shoalhaven City Council, p 3, Tamworth Regional Council, p 2, Hills Shire Council, p 55, Tweed Shire Council, p 3, Waverly Council, p 3, Wentworth Shire Council, p 2, Willoughby City Council, p 11, Wollondilly Shire Council, p 2, Wollongong City Council, p 5, submissions to IPART Draft Report, October 2016, City of Parramatta Council, Sydney Public Hearing, 19 September 2016, Transcript, p 32, Sutherland Shire Council, Sydney Public Hearing, 19 September 2016, Transcript, p 34.

<sup>83</sup> For example, see Randwick City Council, p 4, Shellharbour City Council, p 2, Newcastle City Council, p 5, submissions to IPART Draft Report, October 2016.

<sup>84</sup> Central Coast Council, p 3, Newcastle City Council, p 5, Randwick City Council, p 4, Waverly Council, p 3, submissions to IPART Draft Report, October 2016.

<sup>85</sup> Riverina Eastern Regional Organisation of Councils, submission to IPART Draft Report, October 2016, p 3.

<sup>86</sup> LGNSW, submission to IPART Draft Report, October 2016, p 4.

<sup>87</sup> Riverina Eastern Regional Organisation of Councils, p 3, submission to IPART Draft Report, October 2016, p 3.

<sup>88</sup> Tweed Shire Council, p 3, The Hills Shire Council, p 56, submissions to IPART Draft Report, October 2016.

<sup>89</sup> Mosman Council, submission to IPART Draft Report, October 2016, p 2.

5 Give councils greater flexibility when setting residential rates

resources.<sup>90</sup> In response, we note our recommendations allow councils to choose how to balance key tax principles – which take into account a ratepayer’s ability to pay, as well as the degree of benefit they receive from council services – when setting residential rates (see Section 5.6).

**Taking property values into account when determining residential areas**

Several stakeholders requested that councils be allowed to set different rates to take land values into account. That is, an area could be a different residential area – and be charged a different residential rate – where its land values are much higher than other areas, compared to the council services it receives.<sup>91</sup>

We have updated Box 5.1 from the Draft Report to clarify that councils may take property values into account when determining differences in an area’s average access, demand or costs. This provides additional flexibility to councils and resolves the issues raised by these stakeholders.

**Using the term ‘residential area’ instead of ‘community of interest’**

Several stakeholders were concerned that the term we proposed in the Draft Report (‘community of interest’) to define an area with different access, demand or costs may be confusing, since it is already used in legislation to define council and electoral boundaries.<sup>92,93</sup> Therefore, we recommend the term ‘residential area’ be used instead.

**Determining the boundaries for a residential area using geographic markers**

Some stakeholders requested greater certainty around how councils could set the location of boundaries for a residential area. For example, Port Stephens Council suggested that councils be able to define the boundaries using geographic references, locality boundaries or zoning boundaries.<sup>94</sup> We agree with this suggestion and recommend that councils can use geographic markers (eg, suburbs, roads, railways) to determine the boundaries for their residential areas.

<sup>90</sup> NCOSS, submission to IPART Draft Report, October 2016. In addition, the NSW Aboriginal Land Council was concerned that councils in rural or remote areas could use the ‘separate town or village’ criteria to set different rates, which may lead to negative impacts on discrete Aboriginal communities. In response, we note that our recommendations give greater rating flexibility to metropolitan councils. Under the current LG Act and OLG Guidelines, regional and remote councils already have the ability to set different residential rates for their separate towns and villages.

<sup>91</sup> Woollahra Municipal Council, p 5, Randwick City Council, p 4, Ku-ring-gai Council, p 3, submissions to IPART Draft Report, October 2016.

<sup>92</sup> Central Coast Council, p 3, Woollahra Municipal Council, p 8, submissions to IPART Draft Report, October 2016.

<sup>93</sup> For example, section 66 of the *Commonwealth Electoral Act (1918)*; section 263 of the *Local Government Act (1993)* NSW.

<sup>94</sup> Port Stephens Council, submission to IPART Draft Report, October 2016, p 2.



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residential rates

In determining different residential areas, councils would only need demonstrate a difference, on average, in access, demand or costs between the areas. They would not need to show that dwellings on one side of the boundary have different characteristics to those on the other side of the boundary.

### 5.3 The current 'centre of population' requirement is unclear

The meaning of the current requirement for setting different residential rates by 'centre of population' is not clear. In submissions to our Issues Paper and Draft Report, several councils indicated they were confused about its application in urban areas.<sup>95</sup>

Stakeholders generally thought that it prevents Sydney metropolitan councils from setting different residential rates within their local areas. This understanding appears to be consistent with the OLG guidelines. However, a judicial interpretation of the requirement suggests the opposite.

#### 5.3.1 OLG guidelines interpretation of 'centre of population'

The OLG guidelines indicate that if an area is within a contiguous urban development, it would only constitute a discrete centre of population in very limited circumstances. Namely, the area must be independently serviced by infrastructure and have a separate community of interest.

The guidelines note that setting different residential rates may have limited application within the suburbs of the main urban centres. Further, councils should not use the 'centre of population' requirement to:

- ▼ set different residential rates within homogenous suburbs, or
- ▼ enable rating variations by street or any special feature (eg, proximity to water).

In contrast, the guidelines provide more scope for rural and regional councils to set different residential rates. They indicate that a council might identify discrete centres of population by separate towns or villages.<sup>96</sup>

<sup>95</sup> For example, see Warringah Council, pp 10-11, Port Stephens Council, p 13, submissions to IPART Issues Paper, May 2016; Newcastle City Council, submission to IPART Draft Report, October 2016, p 5.

<sup>96</sup> Department of Local Government, *Council Rating and Revenue Raising Manual 2007*, p 23.

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### 5.3.2 Judicial interpretation of 'centre of population'

The Land and Environment Court held that a council could determine residential subcategories by 'centres of population' in a metropolitan area, and set different rates for the different residential subcategories. In determining a 'centre of population' it could take into account factors such as whether the area had a community of interest, geographic cohesion and a similar contribution to rates revenue relative to services received.<sup>97</sup> See Box 5.2 for further details.

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#### Box 5.2 Judicial interpretation of the 'centre of population' requirement

The former South Sydney Council determined that the suburbs in its northern area made a disproportionate contribution to rates revenue in comparison with their utilisation of infrastructure. This area comprised 24% of the council's area, 24% of its road length and 12% of its parks, yet contributed 36% of its rate revenue.

The council addressed this disparity by establishing residential subcategories, and setting a different ad valorem rate and minimum amount for each subcategory:

- ▼ Southern Area (eg, Alexandria, Newtown, St Peters): 0.201% AV, \$338 minimum
- ▼ Western Area (eg, Camperdown, Chippendale, Ultimo): 0.165% AV, \$327 minimum, and
- ▼ Northern Area (eg, Darlinghurst, Potts Point, Elizabeth Bay): 0.165% AV, \$327 minimum.

It took the following factors into account when making these residential subcategories:

- ▼ the inequity arising from the disparity between contribution to revenue and services received, and
- ▼ whether the land within the proposed subcategories exhibited unique characteristics: community of interest, geographical cohesion, historical, traditional values and requirements.

The Land and Environment Court held that these were legitimate factors for the council to consider when exercising its power to determine 'centres of population' and make residential subcategories.

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### 5.4 Councils should be able to tailor rates to local preferences

Within a council's area, there will be varying degrees of access to and demand for council services, as well as costs of providing those services. Most stakeholders supported giving councils greater flexibility to respond to these differences by setting different residential rates.

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<sup>97</sup> *The Council of the City of Sydney v South Sydney City Council* [2002] NSWLEC 129.



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residential rates

Allowing different residential rates would promote a more efficient rating structure, by minimising any cross-subsidies between these areas. It could also provide incentives for greater private provision of services and urban renewal. It would not lead to a change in the overall amount of rates collected, but rather would allow councils to set a more equitable and efficient distribution of the rating burden within their local area.

#### 5.4.1 Councils are growing

Larger council areas and growing populations mean more diverse communities, with variations in access, demand and costs across these communities. Some suburbs may have a higher or lower demand for council services compared to other suburbs within the council area. Alternatively, councils may incur relatively higher or lower costs providing services to some of their suburbs (see Box 5.3).

Allowing councils to set different residential rates would improve their ability to respond to local circumstances (ie, these differences in access, demand or costs) as they provide their services and infrastructure. Stakeholders agreed that councils should be able to implement different rates that reflect their local circumstances, factor in the needs of specific areas and take into account their diverse communities.<sup>98</sup>

Several new councils, as well as ones subject to merger proposals, considered they could use different rates to transition to [new rating systems across their larger council areas following the 4-year rate path freeze](#).<sup>99</sup>

- ▼ The City of Parramatta Council noted it has substantial diversity across its enlarged area in terms of services that are accessed and the services that are required going forward. Differential rating may be a useful tool to address these differences.<sup>100</sup>
- ▼ Were it to merge, Newcastle Council thought our recommendations would support a more equitable and efficient transition to its new rating system. Our recommendations would allow greater flexibility to establish rates which are more reflective of the relevant communities' willingness and ability to pay, and which more closely correlate with the level of services provided to the respective communities.<sup>101</sup>

<sup>98</sup> For example, The City of Canterbury Bankstown, p 3, LGNSW, p 7, Waverly Council, p 3, The Hills Shire Council, p 56, submissions to IPART Draft Report, October 2016.

<sup>99</sup> For example, Snowy Valleys Council, submission to IPART Draft Report, October 2016.

<sup>100</sup> City of Parramatta Council, Sydney Public Hearing, 19 September 2016, Transcript, p 32.

<sup>101</sup> Newcastle City Council, submission to IPART Draft Report, p 5.

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- ▼ Queanbeyan-Palerang Regional Council indicated post-merger it comprises a highly urbanised compact community, surrounded by several rural villages. Each rural village has different levels of services and service expectation when compared to the urban community. Our recommendations provide it with the ability to rate according to the level of demand for council services within these diverse communities.<sup>102</sup>

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#### **Box 5.3      Costs may vary because of local conditions**

Compared to the other suburbs in a council area, an area may have higher or lower costs. For example, it may be:

- ▼ a former industrial site, so providing parks may require higher remediation costs
  - ▼ prone to flooding, so building roads there may be more costly (eg, greater drainage requirements), or
  - ▼ in a bushfire zone, so buildings there may have to meet higher standards.
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#### **5.4.2      Councils may have a mix of established and growth suburbs**

Ratepayers in councils that have a mix of established and growth suburbs may have different levels of access to or demand for council services. For example, The Hills Shire Council indicated that growth suburbs often have a younger demographic and fewer facilities. These factors may lead to councils providing them with different services or infrastructure when compared to established suburbs.<sup>103</sup>

Setting the same residential rate across established and growth suburbs may be inequitable. It could result in ratepayers from the established suburbs paying for services or infrastructure provided to the growth suburbs which they are unlikely to access.<sup>104</sup>

Shellharbour Council noted that our recommendations would provide councils with the flexibility to levy different rates for suburbs that have greater access to services and infrastructure. This is particularly relevant in councils which have new development as well as older established areas.<sup>105</sup>

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<sup>102</sup> Queanbeyan-Palerang Regional Council, submission to IPART Draft Report, October 2016.

<sup>103</sup> Hills Shire Council, submission to IPART Draft Report, October 2016, p 56.

<sup>104</sup> We note that some of the funding for infrastructure in growth suburbs may come from development contributions under section 94 of the *Environmental Planning and Assessment Act 1979* (NSW).

<sup>105</sup> Shellharbour City Council, submission to IPART Draft Report, October 2016, p 2.

#### 5.4.3 Councils may want to encourage private service provision, urban renewal and new development

There are often differences in demand for local services between strata developments. Some strata developments provide significant private open space and facilities for their residents, which are maintained by the strata. In contrast, others do not offer these services, creating additional demand for councils to provide them.

Stakeholders indicated that other types of developments, such as university colleges and retirement villages, may also provide extensive private facilities for residents that reduce the demand for council services. See Box 5.4.

Councils should have the flexibility to provide incentives for these types of developments to offer private services, by setting a lower residential rate. This may also encourage more urban renewal or new development within council areas.

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#### Box 5.4 Examples of developments that provide council like services

##### University colleges

Sancta Sophia College, which is located within the University of Sydney campus, indicated the university provides infrastructure and services that would usually be provided by the council. For example, it provides:

- ▼ recreational open spaces
- ▼ libraries, which are publicly available and used by the local community
- ▼ community facilities (eg, childcare centres)
- ▼ sporting facilities (eg, aquatic centre, playing fields, stadiums), and
- ▼ halls, theatres and other spaces available for entertainment and cultural events.

##### Retirement villages

Anglicare noted that it provides a range of services for residents in its retirement villages, reducing the demand for council services. These include providing:

- ▼ libraries, information services and sporting/fitness facilities
- ▼ roads, pavements and parks, and
- ▼ waste collection and recycling services.

Source: Sancta Sophia College, p6, Anglicare, pp 7, 13, submissions to IPART Draft Report, October 2016.

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#### **5.4.4 Land values do not always address differences in access to services and infrastructure**

In some situations, councils may find that land values take account of differences in access to their services. Ratepayers with better access to council services may have a higher land value and therefore pay higher rates (assuming a uniform ad valorem rate). In this case, differential rating would be unnecessary.

However, factors other than access to council services are often the drivers of land values, particularly in metropolitan Sydney. These factors include proximity to public transport, beaches or waterways. So there may not always be a strong connection between the benefits received from local services (ie, access) and ad valorem rates paid. In these instances, setting different residential rates may be a useful option for councils.

#### **5.4.5 Councils can identify the beneficiaries who are likely to access their public goods**

As Chapter 2 discussed, rates are used to fund a council's provision of public goods (eg, parks, roads), which are non-excludable (ie, difficult or impractical to charge users for). However, this does not necessarily preclude a council from setting different residential rates to reflect differences in access to these public goods. For example, it could identify a subset of ratepayers who are the likely beneficiaries of the public good, and so recover higher rates from them to account for this higher level of access.

Allowing councils to set different residential rates is consistent with practices in other jurisdictions. For example, Queensland councils can determine different residential rates based on land use, access to or consumption of council services.<sup>106</sup> Box 5.5 outlines the practice in Victoria.

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<sup>106</sup> Queensland Department of Infrastructure, Local Government and Planning, *Rates and Charges*, at <http://www.dilgp.qld.gov.au/local-government/finance/rates-and-charges.html>, accessed 15 July 2016.

#### Box 5.5 Different residential rates in Victoria

- ▼ A council may apply a different rate to residential land, as well as other types of land (eg, business). If it does so, the council must specify its objectives of the differential rate, and publish these on its website.
- ▼ The highest rate that the council sets across all types of land (including residential) must be no more than four times the lowest rate.
- ▼ Ministerial Guidelines were introduced in 2013 to reduce complexity and inconsistent application of different rates across councils. For example, councils must provide evidence of assessing the different rates against taxation principles. The Minister has the power to prohibit rates that are inconsistent with the guidelines.
- ▼ The Victorian Government is looking to increase transparency in the levying of different rates. It will require councils to clearly specify how the use of different rates contributes to the equitable and efficient conduct of council functions.
- ▼ While Victorian councils have the flexibility to set different residential rates, they have generally not been used by metropolitan councils.

**Source:** Victorian Government, *Ministerial Guidelines for Differential Rating*, April 2013; Victorian Department of Environment, Land, Water and Planning, *Act for the future, Directions for a new Local Government Act 2016*.

### 5.5 Councils should be able to select the most efficient option to fund their services and infrastructure

Currently, there are several options available to councils to fund their services and infrastructure. For example, councils can use:

- ▼ user charges, to fund services that have the characteristics of private goods (eg, water, sewerage, garbage collection)
- ▼ developer contributions or special rates, to fund public or mixed goods that benefit a particular group of ratepayers (eg, footpaths, roads, drains)
- ▼ debt, to fund either types of goods, and
- ▼ base amounts, to ensure a fixed amount is recovered from each ratepayer.

Councils are likely to experience increasing variations in access, demand and costs across their communities. Therefore, the existing funding options may not provide councils with sufficient flexibility when determining how best to fund their services and infrastructure.

We note the LG Act already includes a provision to allow councils this flexibility to set different residential rates. Further, there may be instances when differential rating may be a more efficient funding option than the alternatives (see Box 5.6).



5 Give councils greater flexibility when setting residential rates

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**Box 5.6 Councils can select the most efficient funding option**

In the examples below, councils may consider it is more efficient to set different residential rates rather than use special rates or base amounts to address differences in access, demand or costs between areas.

**Different residential rates vs special rates**

- ▼ Where ratepayers in an area are receiving services that are not benefiting the wider council area, councils can currently use special rates to levy those ratepayers.
- ▼ Special rates may not be a feasible option where an area is imposing a lower cost, rather than higher cost, on council. This may occur where the area has a lower demand for services relative to the council area norm (eg, strata developments, university colleges or retirement villages that provide private services – see Section 5.4.3). In this instance, a different residential rate may be a more efficient funding option.

**Different residential rates vs base amounts**

- ▼ Setting a base amount that all ratepayers must pay (irrespective of land values) allows councils to 'flatten out' the rating structure, which would otherwise be determined by ad valorem rates. It can help to reflect the benefits ratepayers receive from their local services. (See Chapter 3 for our findings on base amounts.) Differential rating may be another way of recognising these benefits, without the distortionary effects of base amounts.
- 

## 5.6 Councils should be able to choose how to balance key tax principles when setting residential rates

Setting residential rates (uniform or different) may involve a trade-off between key taxation principles – particularly vertical equity and efficiency.<sup>107</sup> Councils are best placed to decide how to balance these principles where they are in conflict. So they should be able to choose which to prioritise when setting their residential rates.<sup>108</sup> In addition, allowing councils to set different residential rates is consistent with most of these taxation principles.

### 5.6.1 Efficiency vs equity

Giving councils greater flexibility to set different residential rates would allow them to more closely align rates to the local services received by ratepayers. This would reduce any cross-subsidies between areas and thus improve the efficiency of rates. It would also promote the benefits principle, which is one of the dimensions of the equity principle.

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<sup>107</sup> Section 2.3 discusses the key tax principles.

<sup>108</sup> See Newcastle City Council, p 5, Randwick City Council, p 3, submissions to IPART Draft Report, October 2016.



5 Give councils greater flexibility when setting  
residential rates

To promote another dimension of the equity principle, vertical equity, councils would need to set rates so that ratepayers who are better off pay more than those who are worse off. That is, they would need to make the burden of taxation proportional to the ratepayer's ability to pay.

There is sometimes a conflict between the principles of vertical equity and efficiency. Under the current LG Act, many councils are unable to tailor their residential rates to local preferences. Rather, they must set the same ad valorem rate for residents. Residential ratepayers with higher land values pay higher rates than those with lower land values. This is irrespective of their access to or demand for council services, or the costs of providing them with those services.

In effect, this obliges Sydney metropolitan councils to prioritise the principle of vertical equity over other tax principles when setting residential rates within their areas. A better outcome may be to let councils determine the appropriate balance between equity and efficiency concerns within their diverse communities – through permitting different residential rates – and be accountable to their ratepayers at the ballot box.

Even if a council uses different residential rates, vertical equity issues are still addressed. For example, using a single ad valorem rate within an area ensures that residents with a greater ability to pay do pay higher rates than other residents in that area.

### 5.6.2 Sustainability

Differential rating would be a more sustainable approach to rating, compared with having a uniform rate across a council area, especially in larger and more economically varied council areas. Councils can more readily adapt their different rates to changing circumstances (eg, enlarged council areas, different types of strata developments or areas with a mix of established and growth suburbs).

### 5.6.3 Simplicity

Having different residential rates would be more complex than having a single residential rate across a council's area. However, imposing transparency requirements on councils (such as those in our recommendation 12, discussed below) would improve ratepayers' understanding of different residential rates. This may mitigate any increase in rate complexity that accompanies a move to different residential rates from a single rate.

Differential rating would also simplify issues for new councils by giving them much better flexibility to efficiently and fairly deal with the existing rate structures they have inherited from the pre-merger councils.

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For example, provided their pre-merger areas have differences in their access, demand or costs – and so comprise different residential areas (see Box 5.1) – new metropolitan councils could choose to maintain the existing rate structures. This means that all residents may benefit from merger efficiencies.<sup>109</sup>

In contrast, the current LG Act requires many new councils to set a uniform residential rate across their areas, which may create ‘winners and losers’. That is, some ratepayers will experience a decrease in their rates, whilst others will be exposed to rate increases (see Section 5.8.2).

## 5.7 Protections should be introduced to promote equity and transparency in setting different rates

### Recommendation

12 The *Local Government Act 1993* (NSW) should be amended so, where a council uses different residential rates within a contiguous urban locality, it should be required to:

- ensure the highest rate structure is no more than 1.5 times the average rate structure across all residential subcategories (ie, so the maximum difference between the highest and average ad valorem rates and base amounts is 50%), or obtain approval from IPART to exceed this maximum difference, and
- publish the different rates (along with the reasons for the different rates) on its website and in the rates notice received by ratepayers.

If councils are allowed to set different residential rates, there is a risk that some ratepayers may be subject to excessive rates. To mitigate this risk, new protections should be introduced to promote equity and transparency.

We recommend that the highest rate structure is no more than 1.5 times the **average rate structure**, rather than the lowest rate structure (as we proposed in the Draft Report).

Our revised recommendation ensures that no group within the council area would be targeted with excessive rates, as well as giving councils more flexibility to charge lower rates where access, demand or costs are much lower for a residential area. For example, councils would have greater scope to charge lower rates for developments that provide extensive private services (eg, strata developments, university colleges, retirement villages – see section 5.4.3), instead

<sup>109</sup> As part of the *Fit for the Future* process, we assessed most pre-merger Sydney metropolitan councils as financially fit. This implies that these councils are expected over the long term to recover costs within their pre-merger areas. Allowing differential rating means a new council could choose to maintain its pre-merger rate structures (subject to the requirements outlined in Section 5.3) and apportion merger cost savings to all pre-merger areas in a way that ensures all areas benefit from the merger savings.

of having a floor on these rates tied to the highest rate across other residents in the community.

#### **5.7.1 The highest rate should be no more than 1.5 times the average rate across all residential subcategories**

We consider the maximum differential (ie, the difference between the highest and average residential rates) should be limited to 1.5 times within a contiguous urban locality, without the need for regulatory oversight. That is, there can be a maximum of 50% difference between both the highest and average:

- ▼ ad valorem rates, and
- ▼ base amounts.<sup>110</sup>

If a council wished to set a different rate that falls outside this range, it could apply to IPART for approval. Box 5.7 contains an illustrative example of how this could be implemented a council.

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#### **Box 5.7 Applying different rates in a council**

As an example, a council has an average rate structure comprising an ad valorem rate of 0.08% and base amount of \$100. It identifies that:

- ▼ Area A has a higher demand for council services. The council could set a higher rate for Area A compared to the average rate, increasing the ad valorem rate to 0.12% and base amount to \$150. If the council wanted to set an even higher rate structure in Area A, it would require IPART approval to exceed the maximum 1.5 times limit.
  - ▼ Area B has a lower demand for council services. The council could set a lower rate structure for Area B compared to the average rate. There would be no restriction on how far the council could go below the average rate.
- 

The range only applies to the areas that are part of a contiguous urban locality. This is because differences in access, costs or demand for local services in urban areas are unlikely to vary to the same degree as in rural and regional areas.

We analysed the existing residential rates that new councils have inherited from their pre-merger areas. For most new councils in metropolitan areas, the range between their existing rates was less than 1.5 times.

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<sup>110</sup> In Chapter 3, we recommend that minimum amounts be removed from the LG Act. If they are retained, the maximum differential should also apply to minimum amounts.

5 Give councils greater flexibility when setting residential rates

### 5.7.2 Councils should publish information on their different residential rates

If a council uses different residential rates within a contiguous urban locality, it should be required to make these rates publicly available on its website. Further, it should publish on its website the reasons for the different rates, based on the access, demand and cost criteria outlined in Box 5.1. The council should also include this information on the different rates (and the reasons for them) in the rates notice received by ratepayers.

These transparency protections would be in addition to the existing Integrated Planning and Reporting framework (IP&R). Under this framework, a council is required to include its proposed rates structure in its draft Operational Plan, which is publicly exhibited for at least 28 days before being finalised. This allows ratepayers to provide comments to the council on the proposed rates.<sup>111</sup> The final Operational Plan (including the different rates) is then made publicly available.

### 5.7.3 Stakeholder comments

Many stakeholders agreed with all of our recommended protections.<sup>112</sup>

- ▼ Some councils thought they would protect the community<sup>113</sup> and reduce the risk of different rates being used inappropriately.<sup>114</sup>
- ▼ Several stakeholders considered the 1.5 maximum difference appeared reasonable<sup>115</sup>, and prevented councils imposing excessive rates on ratepayers.<sup>116</sup> However, some thought that the restriction should be reviewed in three to four years to ensure it is achieving its intended outcomes.<sup>117</sup>
- ▼ Other stakeholders considered our recommendations provided an appropriate level of transparency.<sup>118</sup> They agreed that councils should have to justify the different rates to their communities.<sup>119</sup>

<sup>111</sup> NSW Division of Local Government, Department of Premier and Cabinet, *Integrated Planning and Reporting Guidelines for local government in NSW*, March 2013, pp 120, 122.

<sup>112</sup> Berrigan Shire Council, p 4, Blayney Shire Council, p 3, City of Canterbury Bankstown, p 3, Central Coast Council, p 3, Glen Innes Severn Council, p 3, Goulburn Mulwaree Council, Greater Hume Shire Council, p 3, Lake Macquarie City Council, p 3, submissions to IPART Draft Report, Northern Beaches Council, p 3, NSW Farmers' Association, p 8, Queanbeyan-Palerang Regional Council, Riverina Eastern Regional Organisation of Councils, p 4, Shoalhaven City Council, p 3, The Hills Shire Council, p 56, Tweed Shire Council, p 3, Waverly Council, p 3, Woollahra Municipal Council p 8, submissions to IPART Draft Report, October 2016.

<sup>113</sup> The Hills Shire Council, submission to IPART Draft Report, October 2016, p 56.

<sup>114</sup> Central Coast Council, submission to IPART Draft Report, October 2016, p 3.

<sup>115</sup> City of Canterbury Bankstown, p 3, Greater Hume Shire Council, p 3, submissions to IPART Draft Report, October 2016.

<sup>116</sup> Woollahra Municipal Council, submission to IPART Draft Report, October 2016, p 8.

<sup>117</sup> Riverina Eastern Regional Organisation of Councils, p 4, Greater Hume Shire Council, p 3, Wagga Wagga City Council, submissions to IPART Draft Report, October 2016.

<sup>118</sup> Newcastle City Council, submission to IPART Draft Report, October 2016, p 6.



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residential rates

In addition, there were stakeholders that only agreed with part of our recommended protections.

- ▼ Some supported the 1.5 maximum difference, but not the additional transparency. Reasons included that there was insufficient space on the rates notice to outline the justification for setting different rates,<sup>120</sup> the IP&R framework should remain the forum for communicating rates policy with the community,<sup>121</sup> and it provided sufficient transparency if different rates were published on council websites (rather than also in rates notices).<sup>122</sup>
- ▼ Others adopted the opposite position, supporting the transparency protections but not the 1.5 maximum difference. Several councils were concerned that this difference could be unduly restrictive.<sup>123</sup> Other councils requested the maximum difference be increased to 2 times.<sup>124</sup> For example, Newcastle City Council indicated that, if it merges there would be:

...significant variations in the access to and demand for council services, given the geographical variations between inner city, suburban, semi-rural and rural areas. An expanded differential to a factor of 2 [would] enable residential rates to be set in line with the level of benefit to ratepayers and cost of providing services to these areas.<sup>125</sup>

Finally, several stakeholders disagreed with our recommended protections.<sup>126</sup> They thought councils should be able to determine their rating structure without being restricted by the 1.5 times maximum difference, which some thought was arbitrary.<sup>127</sup> Instead, they considered that the IP&R framework provided sufficient rigour around setting rates.<sup>128</sup>

Despite some stakeholders expressing reservations about the protections, we have retained them since we consider they are an important mechanism to protect ratepayers and enhance confidence in the rating system. By requiring councils to outline different rates in rates notices and on their websites, this

<sup>119</sup> Blayney Shire Council, p 3, Wagga Wagga City Council, NSW Farmers' Association, p 8, submissions to IPART Draft Report, October 2016.

<sup>120</sup> Albury City Council, submission to IPART Draft Report, October 2016.

<sup>121</sup> Campbelltown City Council, p 3, Wentworth Shire Council, p 2, submissions to IPART Draft Report, October 2016.

<sup>122</sup> Dubbo Regional Council, submission to IPART Draft Report, October 2016.

<sup>123</sup> Waverly Council, p 3, Randwick City Council, p 4, Shellharbour City Council, p 2, submissions to IPART Draft Report, October 2016.

<sup>124</sup> Blacktown City Council, Newcastle City Council, p 6, submissions to IPART Draft Report, October 2016. Port Stephens also requested a change to the maximum difference: see Port Stephens Council, submission to IPART Draft Report, October 2016, p 3.

<sup>125</sup> Newcastle City Council, submission to IPART Draft Report, October 2016, p 6.

<sup>126</sup> For example, Cowra Shire Council, submission to IPART Draft Report, p 3, Ku-ring-gai Council, p 3, Tamworth Regional Council, p 3, submissions to IPART Draft Report, October 2016.

<sup>127</sup> Burwood Council, p 4, City of Sydney, p 5, LGNSW, p 8, submissions to IPART Draft Report, October 2016.

<sup>128</sup> Camden Council, p 4, Wollongong City Council, p 5, Dubbo Regional Council, Lachlan Shire Council, p 3, Tamworth Regional Council, p 3, NSW Revenue Professionals, p 4, submissions to IPART Draft Report, October 2016.

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information is more readily available to ratepayers than if it were only contained in the IP&R documentation.

In addition, we have amended the 1.5 times maximum difference so that it applies between the highest and average rate structures (rather than the highest and lowest rate structures). This provides councils with greater flexibility to charge lower rates for residential areas that impose low costs on councils (eg, because the areas provide extensive private facilities that reduce demand for council services).

## 5.8 New councils should have flexibility to continue existing rate structures or establish new ones

### Recommendation

13 At the end of the 4-year rate path freeze, new councils determine whether any pre-merger areas are separate towns or villages, or different residential areas.

- In the event that a new council determines they are separate towns or villages, or different residential areas, it should be able to continue the existing rates or set different rates for these pre-merger areas, subject to metropolitan councils seeking IPART approval if they exceed the 50% maximum differential. It could also choose to equalise rates across the pre-merger areas, using the gradual equalisation process outlined below.
- In the event that a new council determines they are not separate towns or villages, or different residential areas, or it chooses to equalise rates, it should undertake a gradual equalisation of residential rates. The amount of rates a resident is liable to pay to the council should increase by no more than 10 percentage points above the rate peg (as adjusted for Special Variations) each year as a result of this equalisation. The *Local Government Act 1993* (NSW) should be amended to facilitate this gradual equalisation.

After the 4-year rate path freeze expires, new councils formed by the recent mergers should be allowed to establish new structures for residential rates, and transition to them appropriately. If a new council can identify separate towns or villages, or different residential areas (see Box 5.1), it should be able to choose to:

- ▼ equalise rates across its pre-merger areas
- ▼ keep the existing rate structures in each pre-merger area, or
- ▼ move to a different rate structure.



### 5.8.1 Proposed process for new councils

We propose that towards the end of the rate path freeze, a new council would assess whether its pre-merger areas are separate towns or villages, or different residential areas (ie, they have differences in access, demand or costs).

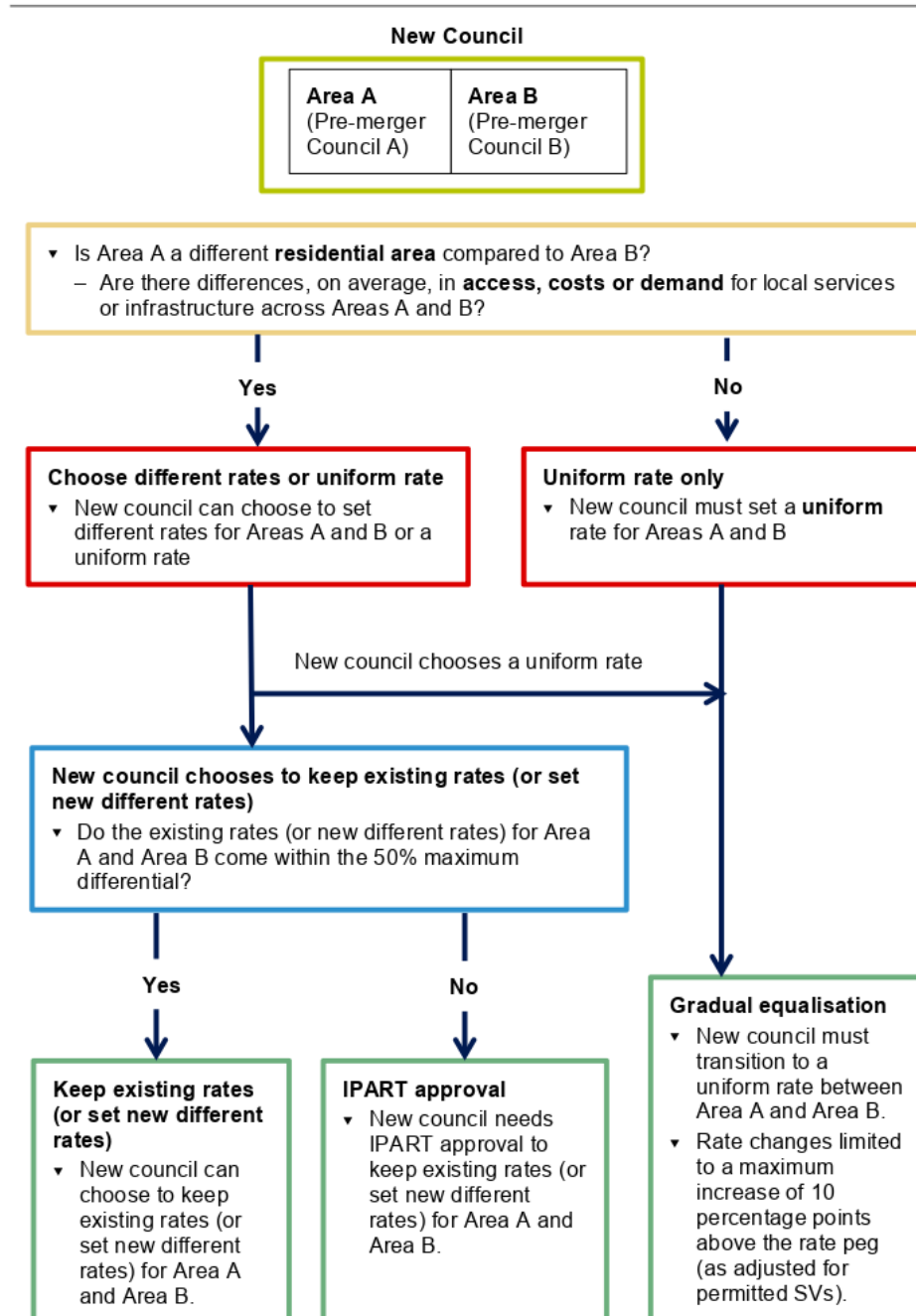
For example, if a new metropolitan council determines that:

- ▼ Its pre-merger areas are **different residential areas**:
  - The new council could set different residential rates for them using the existing rates or new different rates, provided these rates are within the ranges set out in Section 5.7. If the differential is greater than this maximum, the new council would need to seek IPART approval to maintain the existing rates or set the new different rates.
  - The new council could choose to equalise rates across the pre-merger areas, using the gradual equalisation process outlined below.
- ▼ Its pre-merger areas are **not different residential areas**, the new council would need to undertake a gradual equalisation of rates (eg, transition over time, rates increase by no more than 10 percentage points above the rate peg – as adjusted for Special Variations – each year as a result of this equalisation) (see Section 5.8.2).

This proposed process is outlined in Figure 5.1 and Box 5.8.

5 Give councils greater flexibility when setting residential rates

**Figure 5.1 Process for new metropolitan councils to set residential rates after the 4-year rate path freeze**



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**Box 5.8 Examples of how a new council may choose to set residential rates after the 4-year rate path freeze**

Assume that a new council has been created from the merger of councils A and B (Areas A and B) in a contiguous urban locality. In Examples 1 and 2, the pre-merger councils set rates at \$1,400 per dwelling in Area A and \$1,000 per dwelling in Area B, reflecting demand preferences and supply costs in these areas.

- ▼ Example 1 compares the current requirement to equalise rates with our recommendations that provide new councils with greater rate flexibility.
- ▼ Example 2 illustrates how a new council may take property values into account when setting different rates for its areas, based on differences in average demand.

**Example 1 – rate equalisation vs rate flexibility**

Under the current LG Act, the new council would be required to equalise ad valorem rates across Areas A and B. If both areas have similar average property values, it must set rates at \$1,200 in both areas. This leads to outcomes that may be unfair and inefficient. Either:

- ▼ Area B has to cross subsidise the residents in Area A by \$200 per ratepayer, or
- ▼ the new council starts decreasing service levels in Area A and increasing them in Area B, which may be contrary to the preferences of the respective local communities.

Under our recommendations, Areas A and B could constitute different residential areas, given that they have different average demand per dwelling (and similar average property values). The new council could choose to:

- ▼ keep the existing structure
- ▼ equalise rates (using the gradual process outlined in Section 5.8.2), or
- ▼ move to another rate structure, moving rates higher or lower in the two areas based on local demand preferences, costs of supply and access to council services

The new council may conclude that maintaining the existing residential rates in Area A and B is more efficient, sustainable and equitable than moving to a uniform residential rate (ie, equalising rates).

**Example 2 – Setting different rates for residential areas**

- ▼ Assume that the Areas A and B have very different average property values (\$1 million and \$500,000 per dwelling respectively). As a result, average demand for council services per dollar of property value is 0.14 cents in Area A (ie, \$1,400 divided by \$1 million) and 0.2 cents in Area B (ie \$1,000 divided by \$500,000).
  - ▼ Per dollar of property value, Area A has a 30% lower demand for council services relative to Area B, on average. Under our recommendations, Area A and B constitute different residential areas and the new council could choose to set a 30% lower ad valorem rate in Area A compared to Area B. This would better match the demand for and cost of providing council services in each area.
-

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### 5.8.2 Gradual equalisation of rates for new councils

Under the current LG Act, at the end of the rate path freeze, new councils would be required to equalise their residential rates immediately. This could expose some ratepayers to large increases or decreases in their rates.

If new councils are required to set a uniform residential rate (or choose to set such a rate – see Section 5.8.1), they should gradually equalise rates across their pre-merger areas. The amount of rates a resident is liable to pay to the council should increase by no more than 10 percentage points above the rate peg (as adjusted for Special Variations) each year as a result of this equalisation (ie, the 10% limit).

#### Ceiling on rate increases

This requirement would protect ratepayers by acting as a ‘ceiling’ on rate increases due to equalisation. Our analysis indicates it would also mean that most new councils could equalise their rating structures within five years after the rate path freeze expires in June 2020.

Councils would have the discretion to set a resident’s rate changes below this ceiling during the equalisation process. While this may extend the timeframe for equalising rates, it would let councils take into account their ratepayers’ ability to pay and ensure they are not exposed to excessive rate increases. In particular, it allows councils to factor in the amount of the rate peg or any Special Variations when determining whether to go below the ceiling for equalising rates.

Gradual equalisation would not lead to a reduction in the new council’s general income from rates. The 10% limit on rate increases for some ratepayers would be offset by a correspondingly smaller decrease in rates for other ratepayers.

#### Impact of land revaluations

The 10% limit only applies to rate increases arising from equalisation, not as a result of land revaluations. Ratepayers would still be subject to rate changes from land revaluations, which in some instances could lead to them experiencing an increase in their rates above the limit.<sup>129</sup>

<sup>129</sup> In years where a general land revaluation occurs, the 10 percentage point limit we have recommended would apply net of the impact of the revaluation on a ratepayer’s rates notice. This is done simply by applying the 10 percentage point limit to rates using the old property values before calculating the impact of the new property values on individual rates.

### 5.8.3 Stakeholder comments

Stakeholders generally supported our recommendation for new councils to have the flexibility to continue existing rate structures or establish new ones.<sup>130</sup> The main point of difference between stakeholders was around the equalisation process.

Around one-third of stakeholders that commented on this issue agreed with our recommendation to have a gradual process for new councils that choose to equalise rates post-freeze.<sup>131</sup> They considered the 10% limit would protect ratepayers from large rate increases as a result of the merger process.<sup>132</sup> Others commented that the ceiling provided councils with the flexibility to gradually equalise rates.<sup>133</sup>

Newcastle City Council noted that applying the 10% limit during the rates equalisation process was:

...a reasonable approach which will provide councils with the flexibility to gradually equalise rates over a number of years. The current legislation does not provide this flexibility and requires new councils to equalise their rates immediately - this has the potential to cause undue financial hardship for some residents in merged council areas, at the end of the 4-year rate path freeze.<sup>134</sup>

The remaining stakeholders typically supported gradual equalisation of rates, but had concerns with the 10% limit. They thought that it should:

- ▼ not apply at the individual ratepayer level,<sup>135</sup> but rather at the rating category level<sup>136</sup>
- ▼ be replaced with a higher limit of 20 percentage points, given the relatively low value of council rates compared to other household bills,<sup>137</sup> or
- ▼ be removed altogether,<sup>138</sup> so that councils could determine their own transitional policies in consultation with the community<sup>139</sup> or as part of the IP&R process.<sup>140</sup>

<sup>130</sup> For example, see Newcastle City Council, p 6, Shellharbour City Council, p 3, submissions to IPART Draft Report, October 2016.

<sup>131</sup> Blayney Shire Council, p 3, Clarence Valley Council, Cootamundra Gundagai Regional Council, p 3, Cumberland Council, p 5, Greater Hume Shire Council, p 3, Lachlan Shire Council, p 3, Newcastle City Council, p 6, Randwick City Council, p 5, Riverina Eastern Regional Organisation of Councils, p 4, Shellharbour City Council, p 3, Shoalhaven City Council, p 4, Waverly Council, p 3, Willoughby City Council, p 11, submissions to IPART Draft Report, October 2016.

<sup>132</sup> Newcastle City Council, p 6, Willoughby City Council, p 11, submissions to IPART Draft Report, October 2016.

<sup>133</sup> Shellharbour City Council, submission to IPART Draft Report, October 2016, p 3.

<sup>134</sup> Newcastle City Council, submission to IPART Draft Report, October 2016, p 6.

<sup>135</sup> Central Coast Council, submission to IPART Draft Report, October 2016, p 4.

<sup>136</sup> Port Stephens Council, submission to IPART Draft Report, October 2016, p 4.

<sup>137</sup> Woollahra Municipal Council, submission to IPART Draft Report, October 2016, p 9.

<sup>138</sup> Burwood Council, submission to IPART Draft Report, October 2016, p 4.

<sup>139</sup> Campbelltown City Council, submission to IPART Draft Report, October 2016, p 4.

<sup>140</sup> City of Canterbury Bankstown, p 4, NSW Revenue Professionals, p 4, Tamworth Regional Council, p 3, submissions to IPART Draft Report, October 2016.



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Only a few stakeholders disagreed with gradual equalisation. These stakeholders thought it was too restrictive,<sup>141</sup> supplanted council's decision making processes around rates<sup>142</sup> and unnecessarily prolonged the process for merging rate structures, thereby causing confusion amongst ratepayers.<sup>143</sup> Berrigan Shire Council considered that councils should be able to immediately equalise rates, should they determine it is in the best interest of its community.<sup>144</sup>

In response, we consider the limit on rate increases to be an important protection for ratepayers during the equalisation process. Our recommendations give additional flexibility to councils when setting their residential rates. However, this flexibility needs to be balanced against the risk of ratepayers experiencing excessive rate increases as a result. Our recommended protection mitigates against the risk of such rate increases.

Several stakeholders queried how the 10% limit would take land revaluations into account.<sup>145</sup> We have clarified that our recommended 10% limit excludes the effects of land revaluations, allowing rates for individual properties to increase by more than 10% as a result of such revaluations.

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<sup>141</sup> Goulburn Mulwaree Council, Dubbo Regional Council, submissions to IPART Draft Report, October 2016.

<sup>142</sup> LGNSW, submission to IPART Draft Report, October 2016, p 8.

<sup>143</sup> Berrigan Shire Council, p 5, Queanbeyan-Palerang Regional Council, submissions to IPART Draft Report, October 2016.

<sup>144</sup> Berrigan Shire Council, submission to IPART Draft Report, October 2016, p 5.

<sup>145</sup> Central Coast Council, p 4, Northern Beaches Council, p 4, Woollahra Municipal Council, p 9, submission to IPART Draft Report, October 2016.



## 6 Better target rate exemption eligibility

The LG Act provides for a range of rate exemptions to be made, largely based on who owns the land – for example, land owned by the Crown and religious bodies is exempt. We assessed the current exemptions to identify opportunities to improve their efficiency, equity and competitive neutrality. The sections below summarise our recommendations, and then discuss each recommendation and analysis in more detail.

### 6.1 Summary of recommendations on rate exemptions

Rate exemptions should be better targeted to ensure all other ratepayers do not subsidise the costs of providing council services to properties where this is not justified on efficiency and equity grounds, and properties with comparable uses of land should attract the same rating treatment. In particular:

- ▼ **General exemptions should be based on land use not land ownership**, and land used for commercial or residential purposes should not be exempt, regardless of who owns it. This would help to ensure that land used mainly to deliver private benefits pays its fair share of rates.
- ▼ **Some explicit exemptions should be retained or amended, as they are consistent with the general exemptions.** For example, these include those for land used by a religious body for that purpose, land vested in the NSW Aboriginal Land Council, and land owned by a hospital and used for that purpose.
- ▼ **Some explicit exemptions should be removed on the basis that the land is used for a commercial or residential purpose.** For example, these include those for land owned or vested in a water authority, land below the high water mark used for the cultivation of oysters, and land used for commercial logging.
- ▼ **Exemptions for land used for both exempt and non-exempt purposes should cover the portion used for exempt purposes only.**

In addition, councils' maximum general income should not be adjusted as a result of any one-off changes in exemption statuses resulting from implementing the above recommendations. However, councils should have access to a streamlined SV process if they wish to increase general income to take account of the one-off changes to exemptions. We have also made recommendations to increase the consistency and transparency of exemptions.

## 6 Better target rate exemption eligibility

**6.1.1 Changes since the Draft Report**

We have made four changes to our draft recommendations in response to stakeholder feedback:

- ▼ exempting the majority of aged care facilities, except where they are charging commercial rates (see Section 6.2.4)
- ▼ retaining the current exemption from rates for freight rail corridors (see Section 6.3.2)
- ▼ removing the exemption for land subject to a conservation agreement and instead recommending it be rated using the environmental land category (see Section 6.4.3), and
- ▼ recommending a streamlined SV process for councils to use in the year that our exemption recommendations are implemented (see Section 6.7.2).

**6.2 General exemptions should be based on land use not land ownership****Recommendation**

14 Sections 555 and 556 of the *Local Government Act 1993* NSW should be amended to:

- exempt land on the basis of use rather than ownership, and to directly link the exemption to the use of the land, and
- ensure land used for residential and commercial purposes is rateable unless explicitly exempted.

Rate exemptions mean current ratepayers subsidise the cost of providing council services to those eligible for exemptions. To justify this, exemptions should be granted on efficiency and equity grounds. For example, they could be targeted at land used to generate substantial local public benefits and not for land used to generate private benefits (see Box 6.1 for more information).

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**Box 6.1 On what grounds should rate exemptions be granted?**

Where an activity provides substantial public benefits to the local community, it may be equitable and efficient to exempt it from paying rates. For example, schools and hospitals generate public benefits. Requiring them to pay rates may result in them reducing their services below a socially optimal level.

It may also be equitable to provide exemptions where the organisation has limited ability to pay. For example, granting exemptions to religious or charitable institutions – which may have limited ability to pay rates – could allow them to spend more on public goods such as helping the disadvantaged, which results in better outcomes for society.

However, where the benefits provided by an activity are spread across multiple council areas a rates exemption may be inappropriate, because local ratepayers are subsidising ratepayers in other council areas. Rather, financial support for these activities could be better provided at the State level, as this source of funding more accurately reflects the benefits received by the wider community.

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Currently, the LG Act exempts several types of land from paying rates.<sup>146</sup> These exemptions are largely based on who owns the land, rather than how it is used. This has resulted in inefficient and inequitable outcomes, including:

- ▼ **Exemptions being granted for land used to generate private benefits** – for example, commercial logging in state forests and commercial oyster farming on land below the high water market (ie, Crown land).
- ▼ **Properties with comparable land uses being rated differently** – such as a retirement village that is owned by a Public Benevolent Institution (PBI) compared to one that is privately owned.<sup>147,148</sup>
- ▼ **Cost advantages for exempt organisations that directly compete with the private sector** – for example, government enterprises or charitable institutions that provide goods and services at commercial rates.

To improve efficiency, equity and competitive neutrality, we consider exemptions across all rating categories should be determined by land use, irrespective of ownership. In addition, all land used for commercial activities or residential purposes should be rateable, unless it is explicitly exempted. Box 6.2 illustrates how these principles should apply to land rented to organisations such as charitable and religious institutions.

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<sup>146</sup> Section 555 of the LG Act exempts certain land from all rates (see **Table I.1** in Appendix I). In addition, section 556 exempts certain land from all rates other than water supply special rates and sewerage special rates (see **Table I.2** in Appendix I).

<sup>147</sup> A Public Benevolent Institution is a type of charitable institution whose main purpose is to relieve poverty or distress. For more details, see [http://www.acnc.gov.au/ACNC/FTS/Fact\\_PBI.aspx](http://www.acnc.gov.au/ACNC/FTS/Fact_PBI.aspx).

<sup>148</sup> Cootamundra Shire Council, submission to IPART Issues Paper, May 2016, p 7.

## 6 Better target rate exemption eligibility

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**Box 6.2 Exemptions and land rented for an exempt activity**

Several stakeholders queried how land that is owned privately, but rented to a charity (or otherwise exempt organisation), would be rated as a result of moving from ownership to use as the basis for granting exemptions (eg, a charity renting office space). We recommend this land should continue to be rateable.

We recommend this because the owner of the land, who is the relevant person for the purposes of levying rates, is using the land for a commercial activity by renting the land.

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**6.2.1 Land used for commercial activities should be rateable**

There are several reasons why land used for commercial activities (defined in Box 6.3) should be rateable:

- ▼ **Commercial activities generate private benefits and revenue.** Therefore these ratepayers have the ability to pay, and should pay, rates.
- ▼ **Commercial activities impose costs on council.** Therefore, it is equitable and efficient that those responsible for the costs make a contribution to them by paying rates. This would also provide them with an incentive to minimise these costs.
- ▼ **Granting exemptions for land used for commercial activities gives those conducting the activities a competitive advantage.** This is contrary to the principle of competitive neutrality and may lead to less efficient suppliers entering industries based on a tax advantage, or disadvantage efficient competitors.

In addition, making all land used for commercial activities rateable would be consistent with recent amendments to the LG Act that limit the scope of several exemptions to focus on land use, and exclude commercial use.<sup>149</sup>

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<sup>149</sup> In 2010, the LG Act was amended to limit exemptions granted to religious and charitable organisations. The exemptions available to these organisations would only apply to the parts of their land used for religious or charitable purposes, and not those parts used for commercial purposes.

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**Box 6.3      How we define commercial activity**

An activity is considered to be a commercial activity if it:

- ▼ involves the selling of goods and/or services
- ▼ is provided at more than a nominal consideration<sup>a</sup>
- ▼ is undertaken on an ongoing basis, and
- ▼ is not the provision of a public service.

<sup>a</sup> The Australian Taxation Office (ATO) defines nominal consideration in the context of commercial activities of charities to be below 50% of market value (75% for supply of accommodation). ATO, *GST and non-commercial rules – benchmark market values*, at <https://www.ato.gov.au/printfriendly.aspx?url=/Business/Bus/GST-and-non-commercial-rules--benchmark-market-values/>, 15 June 2015, accessed 16 August 2016.

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**6.2.1 Land used for residential purposes should be rateable**

Similarly, land used for residential purposes (defined in Box 6.4) should be rateable because this purpose generates a private benefit to the resident, rather than a public benefit to the wider community.<sup>150</sup> Also, residential users impose costs on councils, so its owners should help to fund those costs.

In addition, removing the current exemptions for residential purposes based on land ownership would address a particular concern for councils that have a high proportion of social housing in their local areas.

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<sup>150</sup> We note that social housing has both private and public benefits. This is discussed in more detail in section 6.2.4



6 Better target rate exemption eligibility

#### Box 6.4 How we define residential activity

We consider residential purposes to be situations where a property is:

- ▼ predominantly used as a place to live, and
- ▼ occupied by the same resident continuously for periods of three months or greater.<sup>a</sup>

This would include residences such as community housing developments, retirement villages and student accommodation provided on University campuses.

If a property's residential activities are incidental to its main purpose of occupancy, the property would not be viewed as residential. These types of properties could include:

- ▼ extended drug treatment programs
- ▼ school student boarding facilities
- ▼ crisis accommodation, or
- ▼ women's refuges.

Serviced apartments, which are currently defined in the Local Government Regulations 2005 as residential, should instead be rated as residential only for the proportion of property which meets the definition of residential activity outlined above; in particular, the proportion of apartments that are occupied by the same resident continually for the period of three months or greater. Otherwise they should be rated in the same manner as hotels and motels. It would be up to the owner of the serviced apartments to demonstrate the proportion of the property being used for a residential purpose.

<sup>a</sup> This definition is in place to ensure that genuine public good such as temporary shelters are not considered residential activities for rating purposes.

#### 6.2.2 Stakeholder comments on basing exemptions on land use

Stakeholder opinion on the move to exemptions based on land use rather than ownership was mixed.

Councils were overwhelmingly in favour of our recommendation to move the basis of granting exemptions to land use from ownership, with nearly 50 councils expressing their support. Councils argued this recommendation would broaden the rate base and remove inequitable exemptions from the system.

For example, Lake Macquarie Council noted that it supports:

...application of rates to the widest possible rate base, as all landowners consume council services in one form or another.<sup>151</sup>

Similarly, Sutherland Shire Council stated that it supports:

...the notion of exemption based on land use as opposed to ownership. There are current inequities that exist between the offering of services between PBIs and

<sup>151</sup> Lake Macquarie Council, submission to IPART Draft Report, October 2016, p 4.



commercial operations. There is a subsidisation by the residents for non-rateable properties...<sup>152</sup>

Conversely, submissions that were critical of this recommendation were predominately from stakeholders that may lose their exemption as a result of the change. In general, these submissions argued the change was inequitable and would adversely affect the operation of their organisation. These views are discussed in greater detail in section 6.2.4 below.

### Serviced apartments

A number of stakeholders noted that the current treatment of serviced apartments is inconsistent with the principle of rating on use not ownership. For example Byron Shire Council argued that serviced apartments are no different from motels (which are rated as businesses).<sup>153</sup> LGNSW suggested that councils be able to create a separate rating category for these properties on the basis of their non-continuous occupancy.<sup>154</sup> The NSW Revenue Professionals argued that serviced apartments run in direct competition to hotels and that they should be rated as per their dominant use.<sup>155</sup>

### 6.2.3 General impact of basing exemptions on land use rather than ownership

If our recommendations to base exemptions on land use, not ownership, and make land used for commercial activities or residential purposes rateable were adopted, some land uses would remain exempt, while others would become rateable. Table 6.1 provides examples of the likely impact of our broad recommendations on current exemptions.

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<sup>152</sup> Sutherland Shire Council, IPART Public Hearing – Sydney, 19 September 2016, p 67.

<sup>153</sup> Byron Shire Council submission to IPART Draft Report, October 2016, p 2.

<sup>154</sup> LGNSW submission to IPART Draft Report, October 2016, p 8.

<sup>155</sup> NSW Revenue Professionals submission to IPART Draft Report, October 2016, p 3.

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**Table 6.1 Impact on current exemptions**

Remains exempt	Becomes rateable
Land used by universities for educational purposes	Commercial logging in state forests
Hospitals both public and private	Retirement villages
Land used by government and non-government schools for educational purposes	Child care centres charging market rates
Passenger Rail lines	University student or other residential accommodation
Land occupied and used in connection with religious purposes	Land used by a water corporation
Charities and PBIs where the activity is not residential or commercial in nature	Aged care facilities charging above the maximum RAD
Crown Land not used for commercial purposes or privately leased	Social housing owned by PBIs
Aged care facilities charging below the maximum RAD <sup>a</sup>	

<sup>a</sup> Refundable Accommodation Deposit – see section 6.2.5 for more details.

#### 6.2.4 Specific impact of making residential land use rateable

##### Social housing

We recommend that land used for social housing be rateable. As a result, social housing owned by PBIs would no longer be exempt from rates.

Social housing is rental housing that assists people who are unable to access suitable accommodation in the private rental market.<sup>156</sup> The public housing stock is owned by the Land and Housing Corporation which pays rates on land used for this purpose.

From an equity and commercial neutrality perspective the use of the land for social housing generates both private and broader community benefits. This raises the question of whether wider public policy objectives pursued by the State should be funded by the local community or rather by the State.

In recent years, the NSW Government has transferred ownership of some of its social housing to PBIs. Since land owned by PBIs is currently exempt from paying rates (irrespective of whether it is used for residential purposes), any social housing transferred to them becomes non-rateable. This has the effect of transferring part of the subsidy of social housing from the State to council ratepayers.

<sup>156</sup> NSW Government, Family and Community Services, *Social Housing*, at <http://www.housing.nsw.gov.au/social-housing>, accessed 3 August 2016.

Our recommendation to make all residential use of land rateable means that council ratepayers will no longer be subsidising social housing. With the removal of this subsidy the State Government need to address how this subsidy would be funded in the future.

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**Box 6.5 Substantial exemptions can arise from PBIs providing social housing**

PBIs are increasingly providing social housing. In areas where social housing is growing, it leads to councils trying to deliver more services with a smaller rate base. This is unsustainable. For example:

- ▼ Sutherland Shire Council has 594 social housing properties in its local area. It indicated that transferring these properties to PBIs would result in an exemption worth \$2 million each year. This equates to an extra \$25 in rates a year for each remaining rateable household.
- ▼ Campbelltown Council has 5,500 social housing properties in its local area and another 350 properties held by community housing providers. It indicated that they currently generate \$6.5 million in rates each year. If these properties are transferred to a PBI and become exempt from rates, the council would have to raise this money from other ratepayers. This equates to \$109 a year for each remaining rateable household.

**Source:** See submissions from Sutherland Shire Council to IPART p 5; Campbelltown Council submission to IPART p 6.

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### Teacher housing

We recommend amending the LG Act to remove the current exemption from rates for all residential properties occupied by teachers, employees or caretakers of schools, including those located on school grounds. Our recommendation would harmonise the treatment of all teacher housing in NSW regardless of whether or not they are on school grounds.

The NSW Teacher Housing Authority (THA) provides housing for NSW public school teachers in remote and rural areas to encourage teachers to take positions in regional schools. Under the *Teacher Housing Authority Act 1975* the THA is required to pay council rates on any land vested with it, even though the LG Act provides for an exemption.<sup>157</sup> Similarly, the Catholic Education Commission NSW (CEC), which provides its teachers in rural areas with heavily subsidised rental accommodation, also pays rates on its properties provided these properties are not located on school grounds.

The CEC argued the current exemption for residential accommodation based on school grounds should be retained. It noted that any financial relief that could be

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<sup>157</sup> *Teacher Housing Authority Act 1975* section 37.

## 6 Better target rate exemption eligibility

provided by councils would ensure more funding for improving learning outcomes.<sup>158</sup>

We note that the area of land that would become rateable as a result of this recommendation is small compared to the rest of the school grounds which would remain exempt.

**University student accommodation**

Under our recommendation that residential use should be rateable, university student accommodation on campus would no longer be exempt from rates. This is because the primary function of these properties is residential, and the residents impose costs on council (as do off-campus residents).

A number of universities and university colleges disagreed with this recommendation. The NSW Vice Chancellor's Committee argued university student accommodation is intrinsic to the university learning experience and so should not be considered a separate service.<sup>159</sup> University Colleges Australia's submission highlighted the pastoral care aspect of their accommodation, including study facilities, leadership training, academic support and community building.<sup>160</sup>

Other stakeholders focused on the range of services that universities or colleges provide that reduces demand for council services. For example, Sancta Sophia College noted that the University of Sydney provides and maintains many council-like services including:

- ▼ footpaths
- ▼ parks
- ▼ open spaces
- ▼ libraries, and
- ▼ college ovals.<sup>161</sup>

While living on campus may be beneficial, these benefits are primarily private, accruing to the student. The majority of university students live off campus, many using private rental markets that directly compete with university provided housing. Therefore, to promote competitive neutrality, student accommodation should be rateable because it is residential use regardless of whether it is on or off campus.

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<sup>158</sup> Catholic Education Commission of NSW, supplementary submission to IPART Draft Report October 2016, pp 1-3.

<sup>159</sup> NSW Vice Chancellors Committee submission to IPART Draft Report, October 2016, p 2.

<sup>160</sup> University Colleges Australia, submission to IPART Draft Report, October 2016, p 2.

<sup>161</sup> Sancta Sophia College, submission to IPART Draft Report, October 2016, p 5.

Some university colleges may impose lower costs on councils because the university provides council like services. However, this is an argument for colleges to be treated as a separate residential area and subject to a lower rate (see Chapter 5). It does not support a complete exemption from rates.

The scale and cost of student housing can be substantial. For example the University of Sydney's submission notes its plan to build 4,000 new student accommodation places on campus by 2020.<sup>162</sup> A complete exemption from rates may provide universities with an inefficient incentive to expand its campus and student accommodation, at the expense of other, off-campus options.

#### Retirement villages and aged care facilities

15 Land that is used for residential care as defined in Section 41-3(1) of the *Aged Care Act 1997* (Cth) be proportionally rateable according to the share of places whose maximum Refundable Accommodation Deposit is above the level set by the Minister for Health and Aged Care (currently \$550,000).

We recommend that land used for retirement villages should be rateable, but that most aged care facilities should be exempt from rates. Based on stakeholder feedback we consider these two areas should be treated separately. The distinction between the two is outlined in Box 6.6 below.

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#### Box 6.6 Aged care facilities and retirement villages

There are a number of differences between aged care facilities and retirement villages. In particular, for aged care facilities:

- ▼ entry is controlled by the Federal Government, which conducts assessments to determine if an individual's needs are high enough to require placement in a facility
- ▼ prices are largely regulated, with the daily charge set at a maximum of 85% of the pension
- ▼ the Federal Government provides over 70% of the funding for the services, and
- ▼ the service provided is similar to end of life care, with around 60% of residents dying within 6 months of admission.

While many aged care facilities are co-located with a retirement village, the two types of properties are distinct and can be treated separately for rating purposes.

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We recommend all retirement villages, whether they are run on a for profit or not for profit basis, be rated because they are primarily a residential use of the land.

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<sup>162</sup> The University of Sydney submission to IPART Draft Report, October 2016, p 11.



## 6 Better target rate exemption eligibility

We recommend that aged care facilities be exempt from rates other than those places that are offered on a commercial basis.<sup>163</sup> This is because the services are hospital like in nature, a direct substitute for hospital services and provide public benefits.

Under our recommendation aged care facilities would be completely exempt from rates, unless they charge more than the maximum allowable Refundable Accommodation Deposit (RAD) (which is currently \$550,000 and set by the Minister for Health and Aged Care) on any places. Rates would be paid on the residences where the RAD is above the maximum because the activity is commercial.

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**Box 6.7 Refundable Accommodation Deposits**

- ▼ The RAD is a lump sum payment paid by the individual to the aged care facility on entry. It is in addition to the daily charge that is set by the Federal Government.
- ▼ In practice, the RAD is an interest free loan which is used by the facility to generate revenues to fund accommodation costs. It is refunded once an individual leaves the facility.
- ▼ The Minister for Health and Aged Care sets the maximum allowable RAD that aged care facilities can charge (currently \$550,000).
- ▼ Facilities wanting to set a RAD above the maximum allowable amount must first apply to the Aged Care Pricing Commissioner for approval.
- ▼ Approximately 13,000 (7%) of all aged care places across Australia have a RAD above \$550,000 with 0.7% of all places requiring a RAD of over \$1,000,000.

<sup>a</sup> Aged Care Pricing Commissioner, *Annual Report 1 July 2015 – 30 June 2016*, p 6, available online [http://www.acpc.gov.au/internet/acpc/publishing.nsf/Content/920BBDD1216D16CACA257C21002455D9/\\$File/A\\_CPC%20Annual%20Report%202015-16.pdf](http://www.acpc.gov.au/internet/acpc/publishing.nsf/Content/920BBDD1216D16CACA257C21002455D9/$File/A_CPC%20Annual%20Report%202015-16.pdf), accessed 10 November 2016

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Stakeholder submissions from the aged care industry disagreed with the recommendation in our Draft Report that aged care facilities become rateable. They argued these facilities are more like hospitals than housing and that residents in these properties are not there by choice. They further argued that not-for-profit providers are serving an unmet need for aged care places in rural and regional areas and that by providing this service they keep hospital beds free – a substantial public benefit and saving to the NSW Government.

We have amended our draft recommendation in light of this feedback from stakeholders. Our recommendation strikes a balance between recognising the public benefits generated by aged care facilities in the community while ensuring that those places offered on a commercial basis pay rates.

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<sup>163</sup> An aged care facility will offer a number of places or beds.



### 6.3 Some explicit exemptions should be retained or amended

#### Recommendations

- 16 Section 556(1)(i) of the *Local Government Act 1993* (NSW) should be amended to include land owned by a private hospital and used for that purpose.

We recommend amending the current exemptions for hospitals to include land owned by a private hospital and used for that purpose. In addition, some of the explicit exemptions currently included in the LG Act (listed in Box 6.8) require the exempted land be used for a specific purpose, which is not commercial or residential in nature.<sup>164</sup> This means these types of property are unlikely to be affected by our broad recommendations to base exemptions on land use discussed in Section 6.2 above.<sup>165</sup> Therefore, we recommend they remain in the LG Act in their current form.

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#### Box 6.8 Retained Local Government Act exemptions

The following exemptions should be retained in the *Local Government Act 1993* (NSW):

- ▼ section 555(1)(e) Land that belongs to a religious body occupied for that purpose
  - ▼ section 555(1)(g) Land vested in the NSW Aboriginal Land Council
  - ▼ section 555(1)(g1) Land over which rail infrastructure facilities are installed.
  - ▼ section 556(1)(o) Land that is vested in the mines rescue company, and
  - ▼ section 556(1)(q) Land that is leased to the Crown for the purpose of cattle dipping
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#### 6.3.1 Retaining exemptions for several activities with public and private funding

The LG Act currently includes several exemptions that are partly funded by the NSW Government and partly funded by user fees. These include exemptions for non-governmental schools and passenger rail.

We recommend retaining these exemptions, as each of these activities are part funded by government and provide a public service – education and public transport, and so do not meet our definition of ‘commercial activity’ (see Box 6.3 above). In addition, retaining the exemptions for these activities is preferable on tax efficiency grounds, as levying rates is likely to result in a transfer of costs from local government to the less efficient State Government tax base.

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<sup>164</sup> Part 2 Clause 4(2)(a) of the *Aboriginal Land Rights Regulation 2014* contains the stipulation that in order for the land to be exempt from rates under the LG Act that the land cannot be used for commercial or residential purposes.

<sup>165</sup> One exception is the exemption for the residence of a minister of religion. However as a significant part of a minister’s role is being available to the congregation at all times, it is reasonable to conclude that the residence is being used as part of a religious purpose.

## 6 Better target rate exemption eligibility

For example, levying rates on non-government schools may result in higher fees and students switching back to government schools, or the NSW Government providing more funding to non-government schools to compensate for the rate payments. Both outcomes would result in the NSW Government having to raise additional funds through taxation – with a greater welfare loss than is currently the case.

The impact of our recommendations on specific areas of high stakeholder interest, or where we have made changes since the Draft Report are discussed in greater detail in the following sections.

**6.3.2 Freight Rail**

The exemption from rates for rail infrastructure should be retained. This recommendation is a change from the Draft Report, where we recommended land used exclusively for freight rail infrastructure becomes rateable. We recommended this because the land is being used for a commercial purpose.

Submissions from freight and logistics firms disagreed with our draft recommendation on the basis of competitive neutrality, arguing that it was inconsistent to rate the commercial use of rail but not of roads.<sup>166</sup>

We see merit in the competitive neutrality argument raised by stakeholders, and have accordingly amended our recommendation. We also note that this exemption is consistent with the treatment of rail corridor land in other states.

While our original recommendation was consistent with some aspects of our economic principles of taxation, retaining this exemption is consistent with others. These include:

- ▼ **Efficiency:** freight rail lines reduce costs for councils. They reduce the load on the local council road network, decreasing road maintenance costs. Rating this land would increase prices, meaning a switch from rail to road and a corresponding increase in wear and tear costs of council maintained roads.
- ▼ **Competitive neutrality:** roads and private tollways are also exempt from rates.
- ▼ **Simplicity:** it would be very difficult to calculate the value of freight rail lines given the next best use of the land.

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<sup>166</sup> See submissions from Freight on rail Group, Aurizon, Australian Logistics Council and Pacific National to IPART Draft Report October 2016

### 6.3.3 Private hospitals

The LG Act explicitly excludes land owned by public hospitals from rates, but does not exclude private hospitals. We recommend amending this exemption to include land owned by private hospitals and used for this purpose. In general, private hospitals:

- ▼ are serving the same population
- ▼ are often co-located with public hospitals, and
- ▼ provide significant public benefits by reducing the load on public hospitals.

As private hospitals' activities are comparable to public hospitals, they should be treated the same way for rating purposes.<sup>167</sup>

#### Stakeholder comments

In general, stakeholders disagreed with this recommendation. They considered that private hospitals are commercial businesses and so should be required to pay rates.<sup>168</sup> Newcastle City Council also noted that private hospitals are significant beneficiaries of council funded infrastructure and so should be required to contribute in line with the benefits they receive.<sup>169</sup>

Other councils such as Shellharbour City Council and The Hills Shire Council supported the recommendation. They thought private hospitals provide the same service to the community as public hospitals so they should be treated the same.<sup>170</sup>

Overall the public benefits provided by private hospitals similar to those in the public system mean they should be treated similarly. This means they should be exempt from rates.

<sup>167</sup> This recommendation may also reduce State Government healthcare costs, as it will reduce costs for private hospitals which may result in patients substituting from public to private hospitals.

<sup>168</sup> See submissions from Wagga Wagga, Ku-ring-gai, Cowra and Randwick Councils, October 2016

<sup>169</sup> Newcastle City Council submission to IPART Draft Report, October 2016, p7.

<sup>170</sup> See submissions from Shellharbour and The Hills Shire councils, October 2016

## 6 Better target rate exemption eligibility

**6.4 Some explicit exemptions in the Local Government Act should be removed****Recommendation****17 The following exemptions be removed:**

- land that is vested in, owned by, or within a special or controlled area for, the Hunter Water Corporation, Water NSW or the Sydney Water Corporation (*Local Government Act 1993* (NSW) section 555(1)(c) and section 555(1)(d))
- land that is below the high water mark and is used for the cultivation of oysters (*Local Government Act 1993* (NSW) section 555(1)(h))
- land that is held under a lease from the Crown for private purposes and is the subject of a mineral claim (*Local Government Act 1993* (NSW) section 556(1)(g)), and
- land that is managed by the Teacher Housing Authority and on which a house is erected (*Local Government Act 1993* (NSW) section 556(1)(p)).

**18 Section 555(1)(b1) of the *Local Government Act 1993* (NSW) should be amended to remove the current rating exemption for land that is the subject of a conservation agreement and instead require it to be rated using the Environmental Land category.**

We recommend removing these exemptions since in each case the land is being used for commercial or residential purposes, and so should be rateable. The Teacher Housing Authority is discussed in section 6.2.4 above. Other areas on which we received significant stakeholder feedback are discussed in the sections below.

**6.4.1 Sydney Water, Hunter Water & WaterNSW land**

Sydney Water, Hunter Water and WaterNSW are all State Owned Corporations responsible for the management and supply of water across the state. While owned by the State, these corporations operate commercial businesses and are price regulated to earn a commercial rate of return.

The water utilities disagreed with this recommendation, arguing it would lead to higher water prices for customers.<sup>171</sup>

These corporations deliver state wide benefits. However, the cost of exempting each of them from rates is borne by a relatively small portion of ratepayers who live in council areas where these corporations have facilities. This is inequitable as it means these ratepayers are subsidising the water users across the rest of the state. Removing the exemption ensures the users and beneficiaries of the service pay for its full costs, promoting efficiency.

<sup>171</sup> See submissions to IPART Draft Report from Hunter Water, Sydney Water and WaterNSW.

The corporations also argued that their ability to recover unanticipated additional costs is limited within a determination period.<sup>172</sup> This concern could be addressed in future price determinations.

#### 6.4.2 Oyster farming

Our recommendation would result in land under the high water mark being used for oyster cultivation becoming rateable. This means the Department of Primary Industries, as the department responsible for administering this land, would be required to pay council rates on each of the 2234 oyster leases across the state.<sup>173</sup>

Historically oyster leases in NSW paid council rates. Until the rewriting of the LG Act in 1993, farmland was defined as specifically including “oyster or fish farming within the meaning of the Fisheries and Oyster Farms Act 1935”.<sup>174</sup> In addition, oyster farming is rateable in other states (see Box 7.2).

Removing this exemption would have a number of positive effects. Firstly, it would broaden the tax base and remove the current inconsistency with how different parcels of primary production land are treated. Secondly, councils would have better incentives to monitor and improve water quality and environmental controls in order to assist the oyster industry, as a growing oyster industry would result in a growing rate base.

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#### Box 6.9 Oyster farm rating practices in other states

In other states, the ability of councils to rate land under the high water mark varies.

- ▼ In Queensland and Tasmania, councils are able to levy rates on oyster farms as council boundaries cover the relevant section of water and land under the high water mark which is considered rateable land.
  - ▼ In South Australia and Victoria oyster farms do not pay council rates as council boundaries do not extend over water.
  - ▼ The High Court recently ruled in the case of *Coverdale v West Coast Council* [2016] HCA 15 that the seabed and waters of Macquarie Harbour are Crown Lands. As a result of this ruling the Valuer General of Tasmania is required to value these underwater plots. This allows these councils to levy rates on these plots of land.
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<sup>172</sup> See submissions to IPART Draft Report from Hunter Water, Sydney Water and WaterNSW.

<sup>173</sup> Department of Primary Industries submission to IPART Draft Report, October 2016, p 5.

<sup>174</sup> See Local Government (Rates and Charges) Amendment Bill 1988 available online at [http://www.austlii.edu.au/au/legis/nsw/bill\\_en/lgacab1988400.pdf](http://www.austlii.edu.au/au/legis/nsw/bill_en/lgacab1988400.pdf), p 3.



6 Better target rate exemption eligibility

Oyster farmers argue they impose lower costs on councils and this might justify councils charging a lower rate on oyster leases. Councils would be free to do this under our recommendation in Chapter 8 to allow farmland subcategories based on geographical location.

### Stakeholder comments

Submissions from the oyster farming industry were against making oyster leases rateable. They put forward a number of arguments, including:

- ▼ Lease holders do not have exclusive possession of the lease.
- ▼ The industry is exposed to pollution from other sources (particularly from councils).
- ▼ The industry pays a number of other fees to state agencies for food safety, water quality testing and other measures.
- ▼ It is difficult to value specific leases given the wide variance in productivity between different oyster farms.
- ▼ The industry already pays council rates on their land bases and that the aquaculture leases receive no council services.<sup>175</sup>

Responses from councils with significant oyster industries were mixed.

Bega Valley Shire Council disagreed with our recommendation. It argued that levying rates would significantly impact the industry in their local area and the industry already pays a number of fees to other government departments.<sup>176</sup>

Port Stephens Council and Clarence Valley Council agreed with the recommendation noting there should be no difference between Crown Land leased for oyster growing (which is exempt) and Crown Land leased for any other agricultural pursuit (which pays rates).<sup>177</sup>

While industry submissions raised valid points, we recommend that oyster leases should be rateable because of the:

- ▼ historical and interstate precedent
- ▼ harmonisation in treatment of primary production land
- ▼ creation of better incentives for councils, and
- ▼ the ability to apply a differential rate to oyster leases if justified.

<sup>175</sup> See submissions to IPART Draft Report from DPI, NSW Farmers – Oyster Committee, Shoalhaven Crookhaven Quality Assurance Program, E.Munn.

<sup>176</sup> Bega Valley Shire Council submission to IPART Draft Report, October 2016.

<sup>177</sup> Port Stephens Council submission to IPART Draft Report October 2016 & Clarence Valley Council submission to IPART Draft Report October 2016.



### 6.4.3 Conservation agreements

The LG Act exempts land that is subject to a conservation agreement from all rates.<sup>178</sup> We recommend amending this exemption to instead require councils to categorise this land under our new 'Environmental Land' rating category discussed in Chapter 8. We recommend making conservation agreement land rateable at an Environmental Land rate for two reasons:

- ▼ the owner of the land still has exclusive possession and derives private benefits from it, while the broader community receives a more limited benefit than they would if the land was public, and
- ▼ the owner uses council services and imposes costs on councils.

By categorising land subject to a conservation agreement as Environmental Land, councils would be able to set a different ad valorem rate rather than having to use the residential or farmland rate. Further, the land subject to a conservation agreement generally reduces in value as the future use of the land is constrained.

Taken together, these two outcomes mean the land owner could pay lower rates for limiting the future use of their land, whilst still contributing a fair share to council's cost of providing public goods and services.

### Stakeholder comments

The NSW Farmers' Association advocated removing the exemption for conservation agreements. It argued it is inequitable that this land is exempt from rates while farmland that is similarly limited in use as a result of the *Native Vegetation Act 2003* remains rateable. It further noted that many areas subject to a conservation agreement are held by absentee landholders and are not well managed in terms of feral species, fencing or fire hazard reduction work.<sup>179</sup>

Councils were also critical of conservation agreements in their current state. Mid-Western Regional Council noted in its submission that:

...single-entity property owners who enter into such agreements still enjoy the entitlements and lifestyle which ownership affords at the expense of other local ratepayers who subsidise those who pay little or no share of the community's rate burden.<sup>180</sup>

They also noted many mining companies are placing mandatory buffer areas (a requirement of environmental offset programs) under conservation agreements, resulting in a reduction in rates with no corresponding increase in preserved land.<sup>181</sup>

<sup>178</sup> *Local Government Act 1993*, section 555(1)(b1).

<sup>179</sup> NSW Farmers' Association submission to IPART Draft Report, October 2016, p 13.

<sup>180</sup> Mid-Western Regional Council, submission to IPART Draft Report, October 2016, p 2.

<sup>181</sup> *Ibid.*

## 6.5 Specific exemptions in the Local Government Regulations should be removed

### Recommendation

19 The following exemptions not be funded by local councils and hence should be removed from the Local Government Act and Regulation:

- land that is vested in the Sydney Cricket and Sports Ground Trust (*Local Government Act 1993* (NSW) section 556(1)(m))
- land that is leased by the Royal Agricultural Society in the Homebush Bay area (*Local Government (General) Regulation 2005* reg 123(a))
- land that is occupied by the Museum of Contemporary Art Limited (*Local Government (General) Regulation 2005* reg 123(b)), and
- land comprising the site known as Museum of Sydney (*Local Government (General) Regulation 2005* reg 123(c)).

The NSW Government should consider whether to fund these local rates through State taxes.

We recommend removing these mandatory exemptions from the LG Act and Regulation as these institutions are primarily commercial and the public benefits from their activities flow through to the wider community. Therefore, it may be more appropriate for the NSW Government to fund these exemptions through State taxes if it considers user charges should not be used by these institutions to fund local rates.

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### Box 6.10 Royal Agricultural Society Land

The land held by the Royal Agricultural Society (RAS) at Homebush is currently exempt from rates. Recommendations 14 and 19 would remove this exemption because the use of the land (for example for hosting the Royal Easter Show, football games and food & wine festivals) is predominately commercial in nature and the benefits flow primarily to individuals outside the council area.

We note other commercial and residential businesses within Sydney Olympic Park, including ANZ stadium, pay rates, so our recommendation creates consistency with the treatment of all land with Sydney Olympic Park. It would be up to the NSW Government, as the owner of the land, to determine how best to fund the cost of these rates and to address any commitments given to RAS.

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## 6.6 Exemptions for mixed-use properties should apply to the proportion used for exempt purpose only

### Recommendations

- 20 Where a portion of land is used for an exempt purpose and the remainder for a non-exempt activity, only the former portion should be exempt, and the remainder should be rateable.
- 21 Where land is used for an exempt purpose only part of the time, a self-assessment process should be used to determine the proportion of rates payable for the non-exempt use.

Some land may be used for a mix of exempt and non-exempt purposes. For example, a church may use one of the buildings on its land for religious purposes and rent another for a commercial activity. Or a not-for-profit organisation may use a building for its own purpose half of the week, and rent it for a commercial activity during the other half.

In this situation, an exemption should only be granted in respect of the portion of space or time devoted to the exempt activities, and the non-exempt portion should be rateable. This is consistent with the current provisions of the LG Act, which require councils to rate the portion of the land that is not used for an exempt purpose.<sup>182</sup> It is also consistent with our recommendation 14, that exemptions should be granted on the basis of land use rather than ownership.

In general:

- ▼ Where the land can be divided on a **spatial basis** (ie, divided into parts that are used separately for exempt and non-exempt purposes), rates should be levied on the proportion of **land area** used for non-exempt purposes.
- ▼ Where the land can be divided on a **temporal basis** (ie, used for exempt and non-exempt purposes, but at different times) rates should be levied on the proportion of **time** the land is used for non-exempt purposes.

We have developed a process councils could use when rating this kind of mixed-use land, which is outlined below and summarised in Figure 6.1. Box 6.11 provides some examples of how it would work in practice.

<sup>182</sup> For example, s555(5) of the LG Act: "A parcel of rateable land belonging to a religious body that is partly occupied and used in a manner described in subsection (1)(e), and partly in a manner that would result in part of the parcel not being exempt from rates under this section, is to be valued in accordance with section 28A of the *Valuation of Land Act 1916* to enable those rates to be levied on the part that is not exempt"

## 6 Better target rate exemption eligibility

**6.6.1 Process for rating mixed-use land**

When councils receive an application for a partial rating exemption by a land owner on the grounds the land is partly used for an exempt purpose, the council should require the owner to provide supporting evidence of exempt use. However, to minimise the regulatory burden, we consider there should be a presumption that specific categories of exemptions are unlikely to be involved, to any great extent, in non-exempt activities.<sup>183</sup> For example:

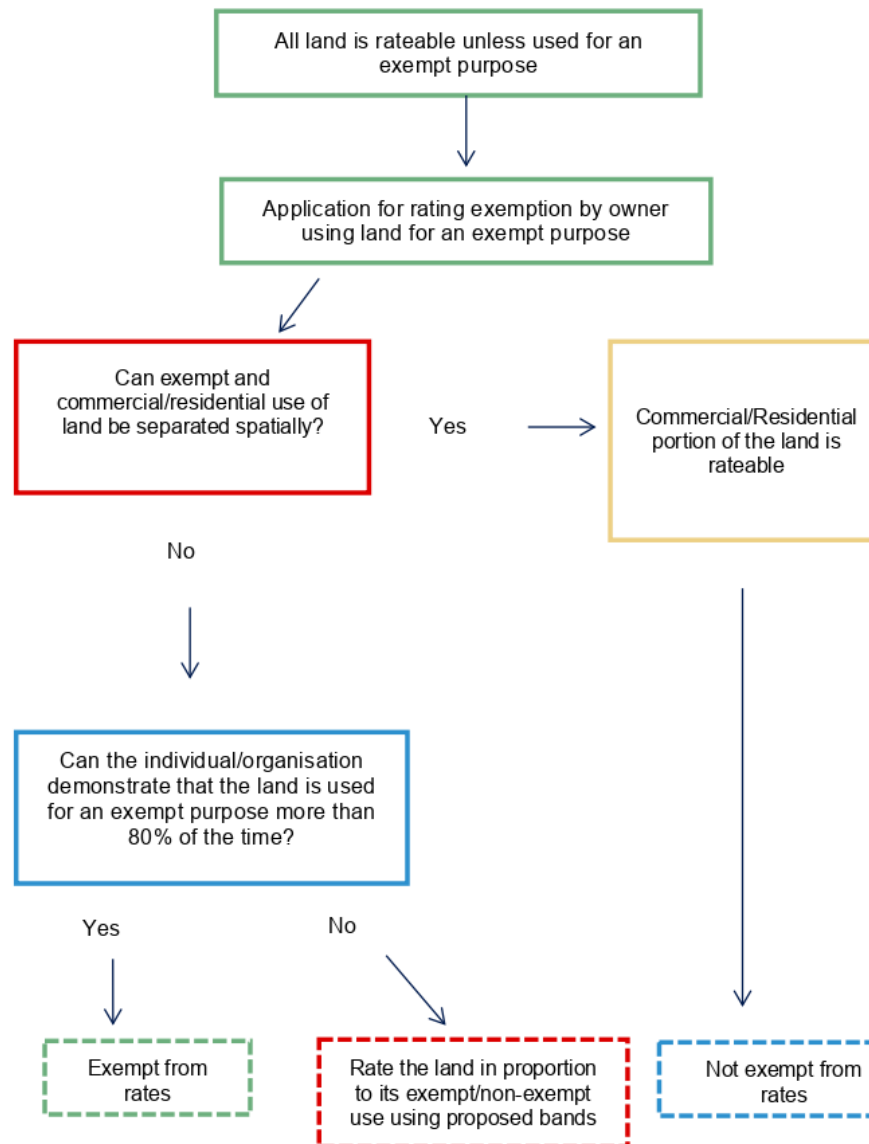
- ▼ schools
- ▼ Aboriginal Land Councils
- ▼ hospitals, and
- ▼ non-commercial use of national parks and state forests.

For other categories, the council should first determine whether the land use can be separated into exempt and non-exempt purposes on a spatial or a temporal basis. Where it can be separated on a spatial basis, it is relatively straightforward: as indicated above, rates would be levied on the proportion of land area used for non-exempt purposes.

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<sup>183</sup> This is only a presumption. The council can, if it determines that the land is being used for non-exempt purposes, treat the property like any other seeking an exemption from rates.

**Figure 6.1 Proposed process for rating mixed-use land**



6 Better target rate exemption eligibility

### Box 6.11 Examples of rating mixed-use land

#### Charity with a conference centre

*Exempt and non-exempt uses separated on a temporal basis*

A charity has a building which it uses to run its administrative functions that support its charitable activities. The charity rents out rooms in the building on a commercial basis (eg, to training groups) 3 days a week. The charity would pay rates in proportion to the amount of time the building is used for commercial activity.

#### Church with a child care centre

*Exempt and non-exempt uses separated on a spatial basis*

A local church sits on a 1000m<sup>2</sup> block of land. The church runs a child care centre on a commercial basis which accounts for 25% of the land size (or 250m<sup>2</sup>).

The council could determine the portion of the land that is rateable based on the area of land being used. The council levies rates on the 250m<sup>2</sup> used by the child care centre and due to the religious exemption category, exempts the church from rates.

Where the exempt use can be separated on a temporal basis, we propose councils use a series of bands to determine its rating liability (see Table 6.2). In a council rating year, where land is used for non-exempt purposes:

- ▼ 80% or more of the time, the land would be fully rateable
- ▼ between 50% to 80% of the time, the land would be rated at 65% of its full rating
- ▼ 20% to 50% of the time, land would be rated at 35% of full rating, and
- ▼ under 20% of the time, land would be fully exempt from rates.

**Table 6.2 Proposed bands of council rates for mixed-use exempt land**

% of non-exempt use	80-100%	50-80%	20-50%	0-20%
% of land that should be rateable	100%	65%	35%	0%
Indicative use	Exempt activity is incidental to the main commercial use of the land (even if this commercial activity supports other exempt activities) - ie, a store selling full priced goods to raise funds for a charitable cause	Substantial commercial use/activity may form the majority of the use of the land (eg, community space rented out during the week for private use/regularly scheduled workshops	Moderate commercial use/activity may be ancillary to the primary use of the land	Light commercial use that is incidental to the core purpose and/or once off activities (eg, annual fundraising dinner)



### **6.6.2 Self-assessment where exempt and non-exempt uses are separated on a temporal basis**

To minimise compliance costs, land owners could use a self-assessment test to determine which of the above bands their land falls into. This self-assessment has three steps.

1. The property owner seeking an exemption self-assesses their property use, determines the proportion of time land is used for exempt purposes and provides this information to the council.
2. The council uses this information to levy rates on the property in line with the bands set out in Table 6.2.
3. The council conducts random audits of land use to determine the accuracy of property owners' self-assessments.

Using a self-assessment test has several advantages over a council-led process. First, it lowers the day-to-day administrative burden on councils of determining exemptions compared to a threshold test. Councils would generally accept the self-assessments and only conduct investigations on a risk basis or through a randomised audit process.

Second, it involves relatively low reporting and compliance costs for exempt organisations as they should have ready access to information on how much their land is used for commercial or residential activities.

Third, it allows councils to capture a greater proportion of commercial activity as rateable, which improves the horizontal equity of the rate base.

### **6.7 Councils' general income should not be modified as a result of changes to exemptions**

#### **Recommendation**

- 22 A council's maximum general income not be modified as a result of any changes to exemptions from implementing our recommendations.
- 23 A council may apply to IPART for a Special Variation to take account of the changes in exemptions using a streamlined process in the year that our recommended exemption changes come into force. The council would need to demonstrate:
  - It satisfies the first criteria for Special Variation applications in the OLG guidelines relating to the need for and purpose of a different revenue path for the council's General Fund, and
  - that any subcategory rating structure applied to previously exempt properties is no greater than the average rate structure across the relevant rating category.

## 6 Better target rate exemption eligibility

Under the LG Act, a council's maximum general income is modified to take into account changes in exempt properties. When a non-rateable property becomes rateable – for example if a charity was to close down and a new owner takes over the land – the council's general income is adjusted to reflect the additional revenue from the new rateable property.<sup>184</sup>

Ordinarily, in any given year, the number of properties that would either become exempt or rateable is a very small percentage of the total rate base. Therefore, such adjustments have only a small impact on the council's general income and a marginal impact on other ratepayers.

However, our recommendation 14 is likely to result in a significant change in the number of exempt properties in each local government area. This in turn is likely to have significant implications for each council's general income.

We consider councils should not receive an automatic one-off permanent increase or decrease in their income as a result of our recommendations as the intent of our exemption recommendations is to set the correct taxation base rather than increase council revenue. Therefore, our Draft Report recommended that income be unchanged as a result of removing exemptions. In response to stakeholder feedback we have amended this recommendation to allow all councils (newly merged and other councils) to apply to IPART for a SV to take account of the changes in exemptions using a streamlined process.

### Stakeholder comments

Stakeholders submissions varied in their support for our draft recommendations. Councils generally disagreed with limiting income and were in favour of being able to increase general income to take into account the newly rateable properties. For example, Port Stephens Council argued that there is

...reduced appetite for responding to the anticipated complaints from many newly rateable properties if there is no proposed additional rate income as a result of the changes.<sup>185</sup>

Other organisations agreed with our draft recommendation and argued that it was not appropriate for council income to grow in response to the removal of exemptions. For example, Aged & Communities Services NSW & ACT argued that it is not councils that have been disadvantaged by current exemptions but rather other property owners. They further argued that obtaining a revenue increase through cancelling exemptions is not transparent.<sup>186</sup>

<sup>184</sup> Where the reverse occurs and a property becomes exempt, the opposite should happen and a council's general income should decrease. However, OLG advises that in practice this does not occur as, historically, it is not common for a property to become exempt.

<sup>185</sup> Port Stephens Council, submission to IPART Draft Report, October 2016, p 10.

<sup>186</sup> Aged & Community Services NSW & ACT submission to IPART Draft Report, October 2016, p 8.

### 6.7.2 Streamlined SV process for exempt land

While the aim of our recommendations is not to increase council revenue, councils that choose to apply for an SV as a result of our recommended changes to exemptions and can demonstrate a financial need, should apply for an SV in the same year that they implement any changes to exemptions to avoid fluctuations in individual rates.

To facilitate this, we recommend that councils be able to apply to IPART for an SV using a streamlined process that would apply in the rating year when the exemptions changes are implemented. This process would require councils to demonstrate:

- ▼ that they satisfy the first criteria for Special Variations in OLG's guidelines that relates to the need for and purpose of a different revenue path for the council's General Fund,<sup>187</sup> and
- ▼ the proposed rates on newly rateable properties are no greater than the average rate structure for the relevant rating category that these properties belong to.

A council using this streamlined process would not be required to satisfy the other five criteria that a standard SV application would be assessed against.

Previously exempt properties may fall into narrow or unique business subcategories (such as Sydney Water land or commercially logged land in state forests). This may allow councils to charge high rates without affecting existing ratepayers. Therefore, we have recommended this second element of the SV criteria in order to protect previously exempt properties from being charged excessive rates.

If the Government implements this recommendation before the end of the rate path freeze period discussed in our Interim Report, then new councils should also be given access to this streamlined SV.<sup>188</sup> This is consistent with the Government's policy of protecting existing ratepayers over the rate path freeze period as the new SV covers only previously exempt properties.<sup>189</sup>

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<sup>187</sup> OLG, *Guidelines for the preparation of an application for a special variation to General Income for 2015/2016*, pp 12-13.

<sup>188</sup> This SV should be applied at the pre-merger council level.

<sup>189</sup> IPART, *Local Government Rating Review Interim Report*, June 2016 p2, Box 1.1.

## 6.8 Other changes should be made to improve consistency and transparency of exemptions

### Recommendations

- 24 The *Local Government Act 1993* (NSW) should be amended to remove the current exemptions from water and sewerage special charges in section 555 and instead allow councils discretion to exempt these properties from water and sewerage special rates in a similar manner as occurs under section 558(1).
- 25 At the start of each rating period, councils calculate the estimated value of rating exemptions within the council area. This information should be published in the council's annual report or otherwise made available to the public.

We have also identified some changes that would improve the consistency and transparency of the exemptions arrangements.

### 6.8.1 Move exemptions from water and sewerage special charges

In regional and rural areas, councils are responsible for the provision of water and sewerage services and charge water supply and sewerage special rates for this purpose. Although they are included in the rates notice, these special rates are a fee for service rather than an ordinary council rate.

Sections 555 and 556 of the LG Act both outline a range of exemptions from council rates. The principal difference between the two sections is that land in section 555 is exempt from all rates, while land in section 556 is exempt from normal rates but not special water and sewerage charges.

Our terms of reference require us to consider the appropriateness of rating exemptions under the LG Act. Given that water and sewerage special rates are a fee for service that has substantial private benefits, it may not be appropriate for certain uses of land to be exempt from paying these fees.

Our recommendation to amend section 555 of the LG Act would remove the mandatory exemption from water and sewerage rates for these types of property. Rather, this recommendation would give individual councils the discretion to exempt particular types of properties from water and sewerage special rates if they consider it appropriate to do so, as occurs currently under section 558(1) of the LG Act.<sup>190</sup>

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<sup>190</sup> We note that the water and sewerage exemptions outlined in the *Local Government Act* are not consistent with those in the *Water Management Act 2000* or the *Sydney Water Act 1994*. However, these other Acts fall outside of our terms of reference.

### Stakeholder comments

Stakeholders were broadly supportive of our recommendation 25 to remove the current exemptions for water rates in section 555 of the LG Act. The Water Directorate argued the cost of these exemptions is primarily borne by other customers and that the changes will increase the discretion for councils.<sup>191</sup>

Similarly the Department of Primary Industries supported this recommendation. It noted that, for water utilities operating under the *Water Management Act 2000*, there is a comprehensive list of properties that may be exempted from water and sewerage special rates. A comparable list may be of use to councils operating local water utilities.

The NSW Aboriginal Land Council was opposed to this recommendation, stating that removing the blanket exemption would shift the burden to negotiate rate exemptions onto resource and capacity-poor Local Aboriginal Land Councils.<sup>192</sup>

Overall, given water and sewerage charges are a fee for services and these exemptions impose a direct cost on the community, we recommend that the decision whether to exempt specific properties from water and sewerage special rates be given to councils.

### 6.8.2 Enable greater transparency on the level of exemptions

Currently, most councils do not have a strong indication of the 'cost' of each exemption. This is because a council's general income is generally not affected by exemptions, but rather any rate exemptions result in ratepayers in the local government area paying higher rates (ie, an increase in their ad valorem rates).

This outcome is contrary to the tax principle of transparency. It is difficult to assess the impact of exemptions on ratepayers without sufficient information. Under our recommendation, councils would be required to estimate the size of any exemptions in their local area and provide this information to ratepayers. Box 6.12 outlines our suggested method that councils could use in calculating these 'costs'.

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<sup>191</sup> Water Directorate submission to IPART Draft Report, October 2016, p 6.

<sup>192</sup> NSW Aboriginal Land Council submission to IPART Draft Report, October 2016, p 6.



## 6 Better target rate exemption eligibility

**Box 6.12 Approach to estimating the impact of exemptions**

In order to efficiently estimate the 'cost' of exemptions within a council area, we recommend councils apply the following process:

1. apply the relevant rate to the known land values for each exempt property
2. add in any base amount applicable, and
3. sum totals and divide over total rate paying properties to calculate average cost.

This method offers a simple and efficient way of calculating an indicative figure for the size and cost of exemptions within the local area.

This recommendation differs from the Draft Report in that councils are only required to estimate the size of any exemptions rather than exactly calculating this figure by running the rate calculation process twice as was recommended in the Draft Report.<sup>193</sup> This change takes into account stakeholder feedback on the administrative effort required to implement the original recommendation.

Councils would also be required to publish this information in their annual reports or otherwise make it available to the public. This would improve public awareness about exemptions, and facilitate assessments about their appropriateness.

**Stakeholder comments**

Stakeholders were split in their support for the original recommendation in the Draft Report. One group of councils including Berrigan Shire, Greater Hume Shire and Cootamundra Gundagai Regional Councils argued that this recommendation would be too onerous, entailing a significant amount of work for little reward.<sup>194</sup> We have addressed these issues by recommending a simplified process of estimation from what was recommended in the Draft Report.

Supporters of this recommendation in turn argued that it would increase the transparency and public awareness of exempted properties.<sup>195</sup> In its submission, Campbelltown City Council said this recommendation is achievable and applies a common sense approach to informing the community on the amount that exemptions are subsidised by the rest of the community.<sup>196</sup>

<sup>193</sup> Once with all land being rated and once with exempt land being removed.

<sup>194</sup> See submissions from Berrigan Shire, Greater Hume & Cootamundra Gundagai Regional Councils, Submissions to IPART Draft Report October 2016

<sup>195</sup> See submissions from Blue Mountains City Council & Randwick City Council, Submissions to IPART Draft Report October 2016.

<sup>196</sup> Campbelltown City Council, Submission to IPART Draft Report, October 2016, p 7.



## 7 Assistance for pensioners

Pensioner concessions are currently provided to eligible pensioners<sup>197</sup> by means of a 50% discount on their combined ordinary council rates and waste service charges, up to a maximum of \$250 per annum.<sup>198</sup> We considered how to improve the equity and efficiency of the current pensioner concession and the long-term financial sustainability of local councils.

In this chapter we discuss the current pensioner concession, and explain how a rate deferral scheme can provide greater assistance to pensioners whilst removing the cost burden of the concession from ratepayers and local councils. In our analysis we address stakeholder comments received throughout this review.

### 7.1 Summary of findings and recommendations on a rate deferral scheme

We recommend grandfathering the current pensioner concession rebate for existing pensioners. We also recommend introducing a \$1,000 rate deferral scheme. The rate deferral scheme would be available to new pensioners and existing pensioners wishing to transfer to the scheme. This means that existing pensioners can choose to either continue receiving the \$250 rebate or transfer to the \$1,000 per year deferral scheme, which provides them with higher cash-flow relief. They will be better off with improved choices.

This recommendation is a change to our draft recommendation to introduce a \$250 rate deferral scheme for all pensioners and has been developed in response to stakeholder feedback. Our new recommendation enhances the NSW Government's commitment to providing concessions to pensioners, while supporting the long-term financial sustainability of local councils.

The rate deferral scheme would allow the NSW Government to target cash payments to pensioners equitably and efficiently. The rate deferral scheme, would:

- ▼ provide much greater assistance in paying rate bills for pensioners with limited income

<sup>197</sup> <http://www.olg.nsw.gov.au/sites/default/files/Pensioner-concession-factsheet-2011.pdf>, accessed 11 November 2016.

<sup>198</sup> *Local Government Act 1993*, Section 575 (3)(a).

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- ▼ not narrow the rate base, and
- ▼ not affect councils with a high proportion of pensioners, or burden ratepayers living in these council areas.

Under our recommendation, the deferral scheme would be funded by the NSW Government. If a pensioner decides to defer ordinary council rates up to \$1,000 per year, the NSW Government would pay the bill immediately to the council. The NSW Government would be the lender to the pensioner, and there would be no short-term loss of cash or funding issues for councils.

By increasing the pensioner concession to \$1,000 per year, the rate deferral scheme can provide a higher level of relief to existing pensioners who would have the option to transfer to the rate deferral scheme.

**Recommendation**

26 For new and existing eligible pensioners, introduce a rate deferral scheme operated by the NSW Government, where:

- Eligible pensioners would be allowed to defer payment of ordinary council rates up to \$1,000 per annum and indexed to CPI, or any other amount as determined by the NSW Government.

27 Give existing eligible pensioners the option to access, either:

- the current pensioner concession, or
- the rate deferral scheme, as defined in Recommendation 26.

28 Funding pensioner assistance:

- The current pensioner concession funding arrangements would continue.
- The rate deferral scheme (defined in Recommendation 26) would be funded by the NSW Government. The loan should be charged interest at the NSW Government's 10-year borrowing rate, and could become due when property ownership changes.

## 7.2 Options for pensioner concessions

In making our recommendation, we considered a range of options for pensioner concessions and how the current system and these options performed against the objectives of the concession payment and the key taxation principles. We examined how a deferral scheme meets these objectives, who should pay for the scheme, and pensioner schemes in other jurisdictions.

We consider that our revised recommendation addresses stakeholder comments submitted in response to our draft recommendation to replace the current pensioner concession with a rate deferral scheme.

Box 7.1 and section 7.3 provide some background on the current pensioner concession.

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**Box 7.1     The current pensioner concession**

Under the current scheme, eligible pensioners are required to apply to their local council to receive a 50% discount on their combined ordinary council rates and waste service charges, up to a maximum of \$250 per annum.

The cost of providing this discount is shared between the NSW Government (55% or about \$78.5 million per annum) and local councils (45% or \$64.2 million).<sup>a</sup>

Calculations based on OLG data suggest the contribution to the scheme from councils is up to 3% of rates income in some council areas.

<sup>a</sup> NSW Budget estimates 2015-16, *Budget Paper No. 3*, p 8-34, at [http://www.treasury.nsw.gov.au/\\_data/assets/pdf\\_file/0019/128125/Budget\\_Paper\\_3\\_-\\_Budget\\_Estimates.pdf](http://www.treasury.nsw.gov.au/_data/assets/pdf_file/0019/128125/Budget_Paper_3_-_Budget_Estimates.pdf), accessed 16 August 2016.

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**7.2.1   Changes since the draft report**

In our Draft Report we identified three options which would provide financial assistance to pensioners, these were:

- ▼ Retaining the current concession scheme, which is consistent with the NSW Government's commitment to providing rate concessions to pensioners.
- ▼ A pensioner concession fully funded by NSW Government, also consistent with a number of other Australian states.
- ▼ A rate deferral scheme fully funded by the State that would allow pensioners to defer a larger portion of their rates bills until their property is sold.

In response to stakeholder comment, we considered a new option that could provide a balance between the existing pensioner concession and a rate deferral scheme. Our recommendation enhances the Government's policy to maintain the existing pensioner concession, and provides more targeted and equitable assistance.

Our objective is to maximise the cash-flow relief to pensioners so they can comfortably meet their bills, whilst minimising the costs of this enhanced assistance to other rate payers, councils, and the NSW Government.

**7.2.2   Stakeholder comments**

During stakeholder consultation we found that in general stakeholders considered that:

- ▼ assistance to pensioners should be increased

## 7 Assistance for pensioners

- ▼ the assistance should be fully funded by the NSW Government
- ▼ a \$250 deferral scheme was not as attractive as a \$250 concession scheme, and
- ▼ assistance should be better targeted, with costs to others minimised.

We have considered this feedback, and addressed it by:

- ▼ maintaining the current scheme for existing pensioners, with a choice to transfer to the new scheme
- ▼ increasing assistance to new pensioners to \$1,000 per year, indexed by CPI, and
- ▼ clarifying how the new scheme is fully funded by the NSW Government.

We recommend giving existing pensioners a choice to access either, the current pensioner concession so they are at least no worse off, or alternatively access the new \$1,000 rate deferral scheme. This gives them improved choices to access higher cash-flow relief, making them better off.

The details of how and when the liability would need to be paid should be considered further by the NSW Government. For example, the deferred rates could become due when the property changes ownership, unless a surviving spouse remains living in the residence, and the spouse would also be eligible for the deferral scheme if they owned the property. In this instance the deferred rates could become due when the surviving spouse no longer lives in the residence.

A number of stakeholders asked that we consider pensioner concessions relating to water and sewerage rates. However as these are beyond the terms of reference for this review our recommendations on improved assistance for pensioners are limited to ordinary rates.

### 7.3 Current pensioner concession system

The pensioner concession provides financial assistance to help pay council rates to pensioners who may have limited income and own their own home.

However, it also provides a subsidy to households that on average have higher net wealth. This subsidy is funded by all other households, which is contrary to the tax principle of vertical equity. Figure 7.1 shows that, on average, older households tend to be wealthier than younger households.

**Figure 7.1 Net wealth over a taxpayer's lifecycle**



**Data source:** Australian Bureau of Statistics (ABS), *Household wealth and wealth distribution, Australia*, 2011-12, Cat. No. 6554.0, Table 24.

The current concession provides no assistance to pensioners who rent property, who on average have significantly lower wealth and income than pensioners who own property.<sup>199</sup> They also incur council rates as indirect costs through their rent.

As noted by the Independent Local Government Review Panel, the current concession also provides an incentive for “relatively affluent retirees” to receive financial advice on structuring their affairs to obtain the pensioner concession.

The impact of the pensioner concession is most prominent in regional areas with a high - and rising - proportion of pensioners. Since local councils are capped on the revenue they can receive (general income), the current pensioner scheme requires other ratepayers in the council area to pay higher rates. These areas are generally lower socioeconomic areas with lower ability to pay. This means the current pensioner concession scheme is becoming unsustainable as it is imposing additional costs on those least able to bear such costs.

<sup>199</sup> For example, ABS data for 2013-14 suggest that people over 65 who own their own property have 37% higher incomes than people over 65 who rent, on average (ABS, *Household Income and Wealth, Australia*, 2013-14, Cat. No. 6523.0, Table 10).



#### 7.4 Benefits of a rate deferral scheme

A rate deferral scheme is a better way to provide an enhanced concession to pensioners in paying their bills. Our proposed increase in pensioner assistance gives pensioners an additional \$750 per year to spend on other necessities.

It is a better scheme because the beneficiaries help to fund the cost over the long term and costs to other rate payers and councils are reduced. This option is currently offered in South Australia, Western Australia and the ACT.

The scheme can substantially reduce pensioners' rate bills because it increases the amount of cash paid to pensioners at a much lower cost than the current system.

Those that argued against the deferral scheme had mixed concerns, including:

- ▼ Pensioners may be reluctant to take on the deferral scheme and leave a debt against their estate.<sup>200</sup>
- ▼ Administration and costs of the scheme could be passed back to local government when it became unmanageable by the NSW Government.<sup>201</sup>

However, in support of a deferral scheme we note:

- ▼ The scheme will only have recourse to the pensioner's house, which would be only a small proportion of the property's value, and future beneficiaries will not be liable if there is any shortfall.
- ▼ Administration costs will be lower than the current scheme as it is fully funded and administered by the State.

##### 7.4.1 Who should fund the deferral scheme?

The pensioner concession is a NSW Government policy. On this basis we maintain our position that the NSW Government should be responsible for fully funding the scheme, rather than requiring councils to share this burden.<sup>202</sup>

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<sup>200</sup> Byron Shire Council, submission to Draft Report, October 2016, p 4.

<sup>201</sup> Carrathool Shire Council, submission to Draft Report, October 2016, p 1.

<sup>202</sup> Councils would still be free to offer their own rate concessions to pensioners in addition to these provisions.



Although most stakeholders did not support our draft recommendation to replace the existing system with a rate deferral, all agreed that either system should be entirely funded by the State as it is a State assistance measure. Sharing this burden with councils decreases their revenue, erodes their capacity to deliver services, and reduces their incentives to promote take-up of the rebate.<sup>203</sup> It also raises the tax burden on other ratepayers, which is inequitable.

A State funded scheme would be consistent with the funding of pensioner concessions in other states. It is also consistent with our principle that local council rates should be used to fund local public goods rather than State Government social policy. Councils would also have better incentives to promote take-up of the scheme.

Our recommendations also provide the NSW Government with the option to increase the amount of deferment at much lower cost. Under our proposal the interest rate on the scheme would be set at the NSW Government's borrowing rate, which is lower than retail lending rates. The NSW Government's 10-year bond rate averaged less than 3% over the 2015-16 financial year.

Box 7.2 shows that in all other states the pensioner concession is fully funded by the state or territory government.

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<sup>203</sup> See submissions from Kempsey Shire Council, Camden Council, Waverley Council, Nambucca Shire Council, Glen Innes Severn Council, Cootamundra Shire Council, Greater Taree City Council, submissions to IPART Issues Paper, May 2016.; and Armidale Regional Ratepayers, Bega Valley Shire Council, City of Parramatta Council, submissions to IPART draft report, October 2016.

### Box 7.2 Pensioner concession funding in other states

While most other Australian states offer a rate concession for pensioners, the most recent reform to pensioner concessions occurred in South Australia where the Government removed the pensioner concession from rates in 2015. The pensioner concession was replaced with a Postponement of Rates Scheme and a 'cost of living' concession for all pensioners and some low income earners.

	Type of Relief	Value of relief	Funding source
NSW	Concession only	50% discount, up to \$250 pa	55% state 45% council
VIC	Concession only	50% discount, up to \$218.30 pa	100% state
QLD	Concession only	20% discount, up to \$200 pa	100% state
NT	Concession only	62.5% discount, up to \$200 pa	100% NT govt.
TAS	Concession only	30% discount, up to \$425 pa	100% state
WA	Concession or rate deferral	50% discount, up to \$750 pa	100% state
SA	Rate deferral only	All rates in excess of \$500 pa	100% state
ACT	Concession and rate deferral	50% discount, up to \$700 pa, deferral on rates in excess of \$700	100% ACT govt.

**Source:** *Local Government Act 1993* (NSW); OLG, Pensioner Concession Factsheet, 2011; Victorian Department of Human Services, Municipal rates Concession fact sheet; *Local Government Act 1989* (VIC); *Local Government Act 2009* (Qld); *Local Government Regulation 2012* (Qld); *Local Government Act 1999* (SA); *Local Government (General) Regulation 2013* (SA); *Local Government Act 1995* (WA); Western Australia Government, ConcessionsWA; *Local Government Act 1993* (Tas); *Local Government Act 2008* (NT); NTPCCS, Policy Manual, January 2016; ACT Revenue Office, Rates assistance.

The Postponement of Rates Scheme in South Australia allows pensioners living in their primary place of residence to defer all rates in excess of \$500. There are limited restrictions on the minimum property value or percentage of equity held in the property required to defer rates. The interest rate on deferred rates is based on council's borrowing costs (5% in 2016-17). Deferred rates only become due when the property is sold. In particular, a pensioner that moves out of their home is not eligible to defer future rates, but does not need to pay any currently deferred rates until the property is sold.

Rate deferral schemes also operate in Western Australia and the ACT. These schemes are broadly similar, except that there are more restrictions on the minimum value of the property or the minimum equity held in the property. In Western Australia, deferred rates do not incur interest charges.

## 8 Provide more rating categories

The current rating system includes four rating categories which reflect the primary use of the land. These are residential, business, farmland and mining. Councils may elect to apply different rate structures to each category.

We considered the appropriateness of the existing rating categories. In this chapter we discuss our recommendations to create a new rating category for environmental land, as well as changes to the existing subcategories.

### 8.1 Summary of findings and recommendations on rating categories

We recommend **creating a new category for environmental land**.<sup>204</sup> This allows councils to use their rate structures to take account of differences in costs that arise from different land uses.

We also recommend several changes to existing rating subcategories.

- ▼ **Subcategorising business land as industrial or commercial.** This assists councils to set rates based on the costs that businesses impose on them.
- ▼ **Vacant land should be an optional subcategory for residential, business and mining land.** This gives councils the option to apply a different rate to vacant land. For example, to encourage urban renewal to meet the community's housing needs.
- ▼ **Subcategorising farmland based on geographic location.** Councils can use location based rating to set rates that reflect access to their services.

In addition, we recommend:

- ▼ **Councils should determine which rating category should act as the 'residual' category.** They are best placed to decide which existing category is the most appropriate residual. The chosen category should not be changed for a 4-year period, in order to provide certainty to ratepayers.
- ▼ **Providing guidance for councils in determining rates for mining land.** Mining rates should primarily reflect the cost of councils providing services to the mining properties.

<sup>204</sup> Land that cannot be developed due to geographic or regulatory restrictions.

## 8 Provide more rating categories

**8.1.1 Changes since the draft report**

Our draft recommendations received strong support from stakeholders. We have maintained our draft recommendations, with two minor changes in response to stakeholder feedback:

- ▼ Vacant land should be an optional subcategory for residential, business and mining land, rather than a new rating category.
- ▼ The residual rating category is set for a period of four years to align with council elections, not five years.

**8.2 Introducing a new Environmental Land category****Recommendation**

29 Section 493 of the *Local Government Act 1993* (NSW) should be amended to add a new environmental land category and a definition of 'environmental land' should be included in the *Local Government Act 1993* (NSW).

- Land subject to a state conservation agreement is categorised as 'environmental land' for the purposes of setting rates.

Our draft recommendation received strong support from stakeholders.<sup>205</sup> We have maintained our recommendation, providing further clarification that land subject to a state conservation agreement **must** be categorised as environmental land for ratings purposes.

**8.2.1 The need for an environmental land category**

In many council areas, there is land that cannot be developed due to geographic or regulatory restrictions. At present, land that is undevelopable is categorised under one of the four existing categories for rating purposes.

Environmental land will typically impose lower costs on a council than inhabited land of similar value. These differences may not be fully reflected by differences in land value. Hence, councils should have the flexibility to be able to levy lower rates on environmental land to reflect these lower costs.

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<sup>205</sup> See submissions from Blacktown City Council to IPART Draft Report, October 2016 and Shellharbour City Council to IPART Draft Report, October 2016.

### Defining environmental land

Land that has limited economic value and cannot be developed with site improvements due to geographic or regulatory restrictions could be classed as environmental land. In general:

- ▼ Geographic factors could include “water areas, mud flats, swamps, marshlands, steep slopes and other terrain on which residential or commercial development is virtually impossible because of physical limitations”.<sup>206</sup>
- ▼ Regulatory restrictions could include laws or agreements preventing development of property in order to conserve nature. For example, private land under conservation agreements with the NSW Office of Environment and Heritage would fall under this category. See Box 8.1 for more information.

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#### Box 8.1 Land subject to State conservation agreements

In section 6.3.3, we recommended that land subject to a conservation agreement should be liable for rates, ie, is no longer exempt under the Act.

We propose that land subject to conservation agreements **must** be categorised and rated under the **environmental land** category.

This allows councils to charge a significantly lower rate for conservation land to reflect the lower costs imposed on councils by conservation land, and the benefits to the local community from conservation agreements.

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### 8.2.2 Stakeholder comments

In submissions to our Issues Paper, several stakeholders supported a separate environmental land category.<sup>207</sup> These stakeholders suggested councils should be given the flexibility to categorise undevelopable land, environmentally protected land and land with low development potential.

Stakeholders argued the current categorisation of these properties is not appropriate. For example, land could be zoned residential, however, the land may not be developed as a residential property due to geographic limitations discussed above. Therefore, a separate rating category for these types of property would be beneficial.

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<sup>206</sup> U.S. Census Bureau, *Geographical Areas Reference Manual*, ‘undevelopable territory’, p G-52, at <http://www2.census.gov/geo/pdfs/reference/GARM/glosGARM.pdf>, accessed 11 August 2016.

<sup>207</sup> See submissions from Lake Macquarie City Council, p 4, Wingecarribee Shire Council, p 2 Wollongong City Council, p 4, Central Coast Council, p 4, and Armidale-Dumaresq Ratepayers Association, p 1, to IPART Issues Paper, May 2016.



## 8 Provide more rating categories

The NSW Minerals Council also noted environmental buffer land held by mining firms is charged the mining rate although in many cases the land cannot be developed. The introduction of an environmental land category could also address this concern.

In response to the Draft Report, there was strong support for the introduction of an 'environmental land' category. However, some suggested that it should be a voluntary subcategory, rather than a new category.<sup>208</sup> On balance, we are maintaining our recommendation to ensure that differences in costs arising from providing council services to environmental land are taken into account when setting rates.

### 8.3 Subcategorising Business Land as Industrial or Commercial

#### Recommendation

30 Section 529(2)(d) of the *Local Government Act 1993* (NSW) should be amended to allow business land to be subcategorised as 'industrial' and or 'commercial' in addition to centre of activity.

Our draft recommendation received strong support from stakeholders. We have maintained our draft recommendation.

#### 8.3.1 The need for new criteria for business subcategories

At present, councils are able to subcategorise business land according to a centre of activity.<sup>209</sup> This results in councils having to charge a single rate based on the centre of activity, even when business activities within these centres are highly diverse and impose different costs on councils.

When councils have diverse businesses within one location, the centre of activity criteria may not be sufficient for a council to differentiate the rates chargeable for different land uses by businesses.

We propose that councils should be allowed to subcategorise business land as commercial or industrial in addition to the centre of activity subcategory. This subcategorisation of businesses into commercial and industrial uses is consistent with the proposed treatment under the new Emergency Services Property Levy (ESPL).

<sup>208</sup> See submissions from Campbelltown City Council, to IPART Draft Report, October 2016; Byron Shire Council, to IPART Draft Report, October 2016 and Newcastle City Council, to IPART Draft Report, September 2016.

<sup>209</sup> Section 529 of LG Act notes that "... a centre of activity might comprise a business centre, and industrial estate or some other concentration of like activities".



### Defining industrial properties

Industrial properties could be defined based on Local Environment Plan (LEP) zonings, as is the case under the ESPL. According to the *Standard Instrument – Principal Local Environment Plan*, industrial activity is defined as follows:

Industrial activity means the manufacturing, production, assembling, altering, formulating, repairing, renovating, ornamenting, finishing, cleaning, washing, dismantling, transforming, processing, recycling, adapting or servicing of, or the research and development of, any goods, substances, food, products or articles for commercial purposes, and includes any storage or transportation associated with any such activity.

All other business properties that do not fall under the industrial definition could be defined as commercial property. These properties would include office space and retail premises.

### 8.3.2 Stakeholder comments

A few stakeholders stated the need for further subcategories of business land.<sup>210</sup> Some councils suggested that business land should be subcategorised based on LEP zoning for such land.<sup>211</sup> However, we consider allowing commercial and industrial subcategorisation provides sufficient flexibility whilst ensuring policy consistency and simplicity.

In response to the Draft Report, we received strong support from stakeholders with some stakeholders noting that it aligns with the proposed categories for the Emergency Services Property Levy.<sup>212</sup>

## 8.4 Introducing a new Vacant Land subcategory

### Recommendation

- 31 Sections 493, 519 and 529 of the *Local Government Act 1993* (NSW) should be amended to add an optional vacant land subcategory for residential, business and mining land.

<sup>210</sup> See submissions from Narrandera Shire Council, p 2, Port Stephens Council, p 7, The Hills Shire Council, p 2, Liverpool City Council, p 2, Campbelltown City Council, p 2, Tweed Shire Council, p 2, to IPART Issues Paper, May 2016.

<sup>211</sup> See submissions from Lake Macquarie City Council, p 4, and Gunnedah Shire Council, p 3, submissions to IPART Issues Paper, May 2016.

<sup>212</sup> See submissions from Central Coast Council, submission to IPART Draft Report, October 2016; Dubbo Regional Council, submission to IPART Draft Report, October 2016; Lane Cove Council, submission to IPART Draft Report, October 2016.

## 8 Provide more rating categories

Our draft recommendation received strong support from stakeholders.<sup>213</sup> In response to feedback, we have amended our recommendation to include vacant land as an optional subcategory for residential, business and mining land, rather than a new category.

**8.4.1 The need for a vacant land subcategory**

A separate vacant land subcategory would provide additional flexibility for all councils to tailor their rates to the needs of the local community.

Section 519 of the LG Act provides that vacant land should be categorised under the existing four rating categories. For example, an empty block of land in a residential estate would be charged the same residential rate as the houses in the estate.

For many urban councils, where land is scarce, allowing the council to set a higher rate on vacant land may encourage the development and urban renewal that is required to meet the current and future needs of the community. If our recommendation to allow councils to use a CIV valuation method is adopted, the need for a separate vacant land category would be of greater importance. Vacant land would typically attract lower rates under CIV as these properties would have lower assessed values compared to land with capital improvements. This could provide an incentive for owners of vacant land to not develop land.

Allowing a council to charge a higher rate for vacant land could provide incentives to develop this land – addressing a main drawback of CIV – whilst ensuring ratepayers still receive the efficiency and other equity benefits of CIV.

By contrast, allowing regional councils the option to levy a lower rate on vacant land to recognise the lower demand and cost of providing council services to these properties might also be appropriate.

**New optional subcategory for vacant land**

The current provisions in the LG Act require vacant land to be categorised as residential, business, farmland or mining by considering the underlying zoning of the land or the predominant categorisation of adjacent land. These concepts could be used to subcategorise vacant land into residential, business and mining land.

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<sup>213</sup> See submissions from Cootamundra Gundagai Regional Council, submission to IPART Draft Report, September 2016; Northern Rivers Regional Organisation of Councils, submission to IPART Draft Report, October 2016 and Wollongong City Council, submission to IPART Draft Report, October 2016.

By allowing an optional subcategory for vacant land, councils have the flexibility to apply different rates for vacant land in the residential, business and mining land categories.

In Chapter 5, we recommend protections to ensure that the highest rate structure is no more than 1.5 times the average rate structure across residential subcategories within a contiguous urban locality. This protection would not apply to the vacant land subcategory for residential rates. This ensures that all vacant land across the main ratings categories would not be subject to the protection. This allows councils better freedom to pursue urban development policies with vacant land.

#### Use of 'Vacant Land' category in selected jurisdictions

A number of other Australian states provide flexibility for councils to charge different rates for vacant land.

- ▼ In Victoria, the *Ministerial Guidelines for Differential Rating 2013* states vacant land is an appropriate category for different rates. In practice, a number of councils – both urban and regional – set a higher ad valorem rate for vacant land to encourage the development of land for residential or commercial purposes.
- ▼ The Queensland LG Act does not specify rating categories. Instead, councils are allowed to determine rating categories, and many councils have adopted a vacant land category.<sup>214</sup>
- ▼ The WA local government legislation allows vacant land to be charged different rates, with a number of councils charging higher rates on vacant urban land.

#### 8.4.2 Stakeholder comments

Several stakeholders stated the need for a 'vacant land' category.

- ▼ Some councils, especially Sydney metropolitan councils,<sup>215</sup> were of the view that a separate 'vacant land' category would provide councils with the option to charge a higher rate in order to prevent 'land banking' and encourage urban renewal.
- ▼ Regional councils also supported a 'vacant land' category, as it would allow the application of a lower rate to reflect the lower impost on council services.<sup>216</sup>

<sup>214</sup> For example Cloncurry Shire Council levies 85% of the residential rate on vacant land <10,000 m<sup>2</sup>, based on UV valuation method.

<sup>215</sup> See submissions from The Hills Shire Council, p 2, Sutherland Shire Council, p 3, to IPART Issues Paper, May 2016.

<sup>216</sup> See submissions from Shoalhaven City Council, p 4, Mid-Western Regional Council, p 1, Byron Shire Council, p 2, WSROC, p 2, to IPART Issues Paper, May 2016.

8 Provide more rating categories

In response to the Draft Report, most stakeholders supported the recommendation commenting that the vacant land category should be an optional subcategory of the main ratings categories.<sup>217</sup> We agree with this feedback.

## 8.5 Subcategorising Farmland based on geographic location

### Recommendation

**32 Section 529 (2)(a) of the *Local Government Act 1993* (NSW) should be replaced to allow farmland subcategories to be determined based on geographic location.**

Our draft recommendation received strong support from stakeholders. We have maintained our draft recommendation.

### 8.5.1 The need for new criteria for farmland subcategories

Section 529(2)(a) of the LG Act allows subcategorisation of farmland based on the 'intensity of land use', 'the irrigability of the land' and 'economic factors affecting the land'. Stakeholders expressed concern that these criteria are highly subjective and may prove difficult for councils to assess.

In our analysis of each council's rate structure with farmland properties, we noted that the majority of councils do not subcategorise based on the existing subcategorisation criteria. They apply one rate across the entire farmland area even where there are substantial differences in the intensity of farming across properties. This may be due to the subjectivity of the existing subcategorisation criteria, which makes it difficult to apply in practice.

### 8.5.2 Stakeholder comments

Stakeholders identified shortcomings in the current subcategorisation criteria.<sup>218</sup> In particular, DPI stated:

...there may be difficulties in the sub categorisation of farmland based on intensity of use, irrigated land, or economic factors affecting the land. These factors can vary from property to property and from season to season. It may be labour intensive and costly for councils to assess these variations and ensure the process was equitable.

<sup>217</sup> See submissions from Glen Innes Severn Council, to IPART Draft Report, October 2016; Narrabri Shire Council, to IPART Draft Report, October 2016; Greater Hume Shire Council, to IPART Draft Report, October 2016.

<sup>218</sup> See submissions from NSW Department of Primary Industries, p 4, Cootamundra Shire Council, p 5 and Riverina Eastern Regional Organisation of Councils, p 3, to IPART Issues Paper, May 2016.

Several councils believe that subcategorising land based on a geographic area such as a defined locality would achieve a more equitable outcome. These stakeholders argue that a defined geographic location would more directly reflect the productivity of farmland and hence the wealth that the land is able to generate.

These councils further highlighted that residential and business properties are currently subcategorised based on location, and this principle should be extended to the farmland category as well because location based rating can better reflect access to council services.

Councils were confident that they are well placed to identify the different land areas. Councils suggested that they could use the following criteria to create geographic boundaries:

- ▼ geographical markers such as a river bank, or an escarpment, or
- ▼ major infrastructure – eg, state/federal highway.

In response to the Draft Report, most stakeholders supported our draft recommendation.<sup>219</sup> Some stakeholders noted this recommendation would assist merged councils in setting new rate structures by geographic area for the farmland category within the new council area.<sup>220</sup>

## 8.6 Councils determining the residual rating category

### Recommendation

- 33 Section 518 of the *Local Government Act 1993* (NSW) should be amended to reflect that a council may determine by resolution which rating category will act as the residual category.
- The residual category that is determined should not be subject to change for a 4-year period.
  - If a council does not determine a residual category, the business category should act as the default residual rating category.

Our draft recommendation received strong support from stakeholders.<sup>221</sup> Based on stakeholder feedback we have amended the period for fixing the residual category from five years to four years to align with the council election cycle.

<sup>219</sup> See submissions from Dubbo Regional Council, submission to IPART Draft Report, October 2016 and The Hills Shire Council, submission to IPART Draft Report, October 2016.

<sup>220</sup> See submissions from NSW Revenue Professionals, submission to IPART Draft Report, October 2016; NSW Farmers', submission to IPART Draft Report, October 2016 and Riverina Eastern Regional Organisation of Councils, submission to IPART Draft Report, October 2016.

<sup>221</sup> See submissions from Penrith City Council, submission to IPART Draft Report, October 2016 and Bega Valley Shire Council, submission to IPART Draft Report, October 2016.



## 8 Provide more rating categories

**8.6.1 The need to allow choice in determining the residual rating category**

Section 518 of the LG Act specifies that:

Land is to be categorised as business if it cannot be categorised as farmland, residential or mining.

This means properties that do not meet the criteria for categorisation as residential, farmland and mining must be categorised as business properties. For example, a residential car park on a separate title or a jetty would be categorised as 'Business'. The business rate may not reflect the type of use and nature of the properties, and could be contrary to the principles of efficiency and equity.

Councils should be allowed to decide which existing rating category best fits as the residual category.

Before determining the residual rating category, a council should try to categorise all unclassified property into the existing rating categories based on the property's land use (even if these properties do not strictly meet all categorisation criteria). For all remaining property, councils should be allowed to determine one residual rating category after considering the nature of such property.<sup>222</sup>

The residual category that is chosen should not be subject to change for a 4-year period, in order to maintain simplicity, and provide certainty to ratepayers. This process should allow for a better application of tax principles for these properties.

If a council does not wish to determine the residual category for its LGA, the business category would remain as the default residual category, in line with current practice.

**8.6.2 Stakeholder comments**

Several stakeholders raised concerns about categorising properties that are not commercial in nature as 'business' properties.<sup>223</sup> These councils point out that the requirement to categorise a property as business if that property does not meet the categorisation criteria of residential, farmland or mining is not always appropriate.

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<sup>222</sup> If a council chooses a different residual category to business, it would need to define what properties fall under the business category in its local area.

<sup>223</sup> See submissions from Shellharbour City Council, p 2, Lachlan Shire Council, p 2, Wollongong City Council, p 4, submissions to IPART Issues Paper, May 2016.



Our draft recommendation received strong support from stakeholders, but many suggested that the period for fixing the residual category should be four years to align with council elections.<sup>224</sup> We agree with this feedback.

## 8.7 Mining rates to reflect cost of council services

### Recommendation

- 34 Any difference in the rate charged by a council to a mining category compared to its average business rate should primarily reflect differences in the council's costs of providing services to the mining properties.

Our draft recommendation received a mixed response from stakeholders. The miners supported the recommendation, whilst some regional councils did not. We have maintained our draft recommendation.

### 8.7.1 Why is this recommendation needed?

Our analysis has shown that the rates applied to mining land vary widely. Figure 8.1 presents the ratio of mining ad valorem rates to business ad valorem rates in 2013-14 for all councils with mining properties. These differentials are unlikely to reflect differences in costs of providing council services to these properties.

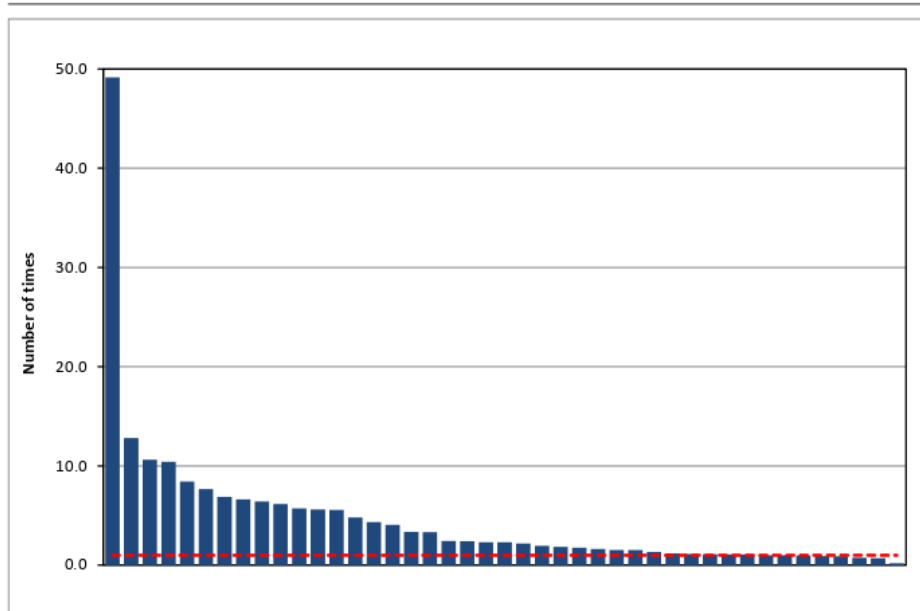
Mining rates should be set relative to other business categories primarily to reflect differences in the cost of providing council services to these properties. By contrast, the data suggests some councils may be using the mining category as a profits tax to fund local services. Our reform would make the mining rate more cost reflective and promote other tax principles, ensuring the rate is not just based on capacity to pay.

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<sup>224</sup> See submissions from Camden Council, submission to IPART Draft Report, October 2016; Ku-Ring-Gai Council, submission to IPART Draft Report, October 2016 and NSW Revenue Professionals, submission to IPART Draft Report, October 2016.

8 Provide more rating categories

**Figure 8.1 The ratio of Mining ad valorem rates to Business ad valorem rates**



**Note:** The red dotted line indicates a business to mining ad valorem rate of 1:1. Of the 43 councils with mining properties, 35 councils had a ratio above one.

**Data source:** IPART analysis based on OLG data on council revenues.

We propose that mining rates should not be above the business rate for a council unless the council can demonstrate additional costs in providing services to the mining properties, and the higher rate primarily reflects these additional costs.

### 8.7.2 Stakeholder comments

In its submission and subsequent consultations, the NSW Minerals Council stated that mines are generally self-sufficient, and that councils are charging excessive rates on mining properties often based on the maximum tax the council thinks it can extract from the mines.

The Minerals Council suggested that a similar model to Victoria should be adopted to limit the variation in rates. The Victorian LG Act provides that the highest rate cannot be more than four times the lowest rate in an LGA.

In response to the Draft Report, there was mixed support from stakeholders.<sup>225</sup> Stakeholders opposing the recommendation consider that councils should have the discretion to determine rating structures through their IP&R process.<sup>226</sup> Also, it was argued that mines impose greater cost on the community than small business justifying the higher rates.<sup>227</sup>

However, we note under our recommendation, councils can charge higher rates if there is a higher cost of servicing mining properties, including long term rehabilitation and other costs imposed on the local community. Councils also have the ability to apply for Special Variations to recover costs imposed by mines operating in their local government area. We consider our recommendation is sufficiently flexible to address the main concerns expressed by a small number of regional councils.

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<sup>225</sup> Stakeholders who support the recommendation include: Cootamundra Gundagai Council, Greater Hume Shire Council and Port Stephens Council.

<sup>226</sup> Berrigan Shire Council, submission to IPART Draft Report, September 2016.

<sup>227</sup> See submissions from, Blayney Shire Council, to IPART Draft Report, October 2016; Dubbo Regional Council, to IPART Draft Report, October 2016 and NSW Revenue Professionals, to IPART Draft Report, October 2016.

## 9 Recovery of council rates

Overdue rates create a large impost on councils, the court system and ultimately the community. However, councils currently have limited options to recover outstanding rates.

We have considered changes to reduce councils' administrative costs through improving council access to different debt recovery options and by improving the rate levying process itself. The sections below summarise our recommendations then discuss our analysis in more detail.

### 9.1 Summary of our recommendations

This chapter makes the following recommendations:

- ▼ councils should have the option to engage the State Debt Recovery Office (SDRO) to recover outstanding council rates
- ▼ the existing legal and administrative process to recover outstanding rates should be streamlined
- ▼ councils should be able to offer discounts for ratepayers electing to receive their rate notices electronically, and
- ▼ ratepayers should not be able to postpone the payments of rates where land is rezoned.

Our draft recommendations received strong support from stakeholders. We have maintained those draft recommendations.

### 9.2 Recovery of outstanding rates

In 2013-14, overdue rates and charges were \$285 million, which was equivalent to about 7% of NSW councils' total annual rates income. Overdue rates were up to 19% of annual rates income in some local government areas.<sup>228</sup>

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<sup>228</sup> Office of Local Government, *Profile & Performance of NSW Local Government Sector*, June 2015, pg14. <https://www.olg.nsw.gov.au/sites/default/files/Whole%20of%20State%20Report%20-%20June%202015.pdf>

At the same time, councils' court orders for overdue rates impose a major burden on the Local Court system. The Department of Justice found that just over one-third of all civil claims in the Local Court system involve councils pursuing overdue rates.<sup>229</sup> In addition, it appears some councils might pursue relatively lower value claims through the court system. Statistics we received from the Department of Justice suggested over 80% of court claims were for amounts of \$2,000 or less.<sup>230</sup>

These statistics indicate the need to reform the debt recovery process at the council level to reduce the unnecessary burden on both the court system and local government.

Through our stakeholder consultation process, we have identified a number of measures which should reduce the burden on the community from recovering outstanding rates. Our proposed recommendations in this area aim to improve the overall simplicity, efficiency and equity of this process.

### 9.2.1 Councils should be able to use the State Debt Recovery Office

#### Recommendation

**35 Councils have the option to engage the State Debt Recovery Office to recover outstanding council rates and charges.**

Our draft recommendation received strong support from stakeholders.<sup>231</sup> There were some concerns around how this recommendation would work in practice<sup>232</sup>; however we consider these can be addressed in implementation. Some stakeholders opposed the recommendation, believing it was mandatory and hence overly prescriptive.<sup>233</sup> Our recommendation is to allow councils the flexibility to use the SDRO, ie, a council may elect to 'use' or 'not use' the services of the SDRO, depending on its individual circumstances. We have maintained our recommendation.

The SDRO administers the NSW fine enforcement system and is responsible for the receipt and collection of outstanding NSW Government fines and penalties.

The SDRO also collects unpaid fines and fees issued by commercial entities or local government under contract. For example, the SDRO currently handles the collection of parking fines for the majority of NSW councils through an agreement with each council.

<sup>229</sup> Letter from NSW Department of Justice to IPART, 5 April 2016.

<sup>230</sup> Letter from NSW Department of Justice to IPART, 5 April 2016.

<sup>231</sup> See for example, Glen Innes Severn Council, submission to IPART Draft Report, October 2016; Bega Valley Shire Council, submission to IPART Draft Report, October 2016.

<sup>232</sup> See submissions from Camden Council to IPART Draft Report, October 2016; Local Government NSW to IPART Draft Report, October 2016; Shoalhaven City Council to IPART Draft Report, October 2016.

<sup>233</sup> See submissions from NSW Revenue Professionals Association, to IPART Draft Report, October 2016; Queanbeyan-Palerang Regional Council, to IPART Draft Report, October 2016.

9 Recovery of council rates

The Office of State Revenue<sup>234</sup> suggests that allowing councils to engage the SDRO could significantly reduce the level of overdue rates and reduce the burden on the Local Court system. The SDRO:

- ▼ has a number of means to match outstanding dues to an individual, with access to a wide range of Government data sources including updated contact addresses, phone numbers and banking details
- ▼ has options to force payment through the use of garnishee requests against financial institutions
- ▼ has the ability to negotiate flexible payment plans for people under financial hardship, operating an internal review process through its 'hardship review board'
- ▼ can consolidate all outstanding government fines and dues, so an individual can manage all outstanding debts in a single package, and
- ▼ has data links to both LPI (Land & Property Information, NSW) and local government in place, reducing any costs of transferring the debt recovery process to SDRO.

In its submission, the SDRO noted it has a 75% debt recovery rate, and is currently responsible for the collection of over \$27 billion in taxes and 3.5 million fines, worth \$700 million, each year.

If councils were able to engage the services of the SDRO, the cost of collection would be passed onto the individual ratepayer when debts are recovered (as is currently the case with parking fines).

While engaging the SDRO's services may be an effective way to recover outstanding rates and charges, councils should also have other non-judicial avenues to recover rates before engaging the services of the SDRO (see Section 9.2.3).

### 9.2.2 Streamlining process for sale of land to recover dues

#### Recommendation

- 36 The existing legal and administrative process to recover outstanding rates be streamlined by reducing the period of time before a property can be sold to recover rates from five years to three years.

Our draft recommendation received strong support from stakeholders.<sup>235</sup> We have maintained our recommendation.

<sup>234</sup> Letter from Office of State Revenue to IPART, 22 July 2016.

<sup>235</sup> See for example, Randwick City Council, submission to IPART Draft Report, October 2016; Griffith City Council, submission to IPART Draft Report, October 2016; Tweed Shire Council, submission to IPART Draft Report, October 2016.



The existing local government legislation allows a council to sell any non-vacant land on which any rate or charge remains unpaid for more than five years from the date on which it became payable.<sup>236</sup>

In other states, three years is the most common time period after which a property can be sold to recover outstanding rates.

We recommend reducing the time before a property can be sold to recover rates to three years. This will improve the simplicity of the rating system, bring NSW in line with other states, and is likely to reduce the costs and delays in recovering outstanding rates.

### 9.2.3 Councils should have an Internal Review policy for overdue rates

#### Recommendation

**37 All councils adopt an internal review policy, to assist those who are late in paying rates, before commencing legal proceedings to recover unpaid rates.**

Our draft recommendation received strong support from stakeholders. We have maintained our recommendation.

Councils have a number of means to assist ratepayers facing financial hardship. See Box 9.1 for a discussion of the common determinants of financial hardship.

According to the NSW Department of Justice, just over half of councils have a hardship policy that is publicly available online. These policies typically include information about alternative payment arrangements for ratepayers suffering financial difficulties. However, analysis suggests the efficacy of these policies is uncertain, because councils that have a hardship policy that is publicly available online tend to have more court filings for overdue rates. Of the top 50 councils filing unpaid rate claims in Local Courts, about 70% have a hardship policy on their website.<sup>237</sup>

For this reason, we recommend that councils should have an internal review policy for the payment of overdue rates. The policy would clearly specify, prior to commencing legal action, the other methods a council will pursue to recover outstanding rates.

In response to the draft report, some stakeholders suggested that OLG should issue guidelines requiring Hardship Policies to include an internal review process, rather than having a separate internal review policy.<sup>238</sup> We consider this can be addressed at implementation.

<sup>236</sup> The provision of sale for vacant land is 1 year, if the total amount of unpaid rates or charges exceeds the value of the property.

<sup>237</sup> Email to IPART from Senior Policy Officer, NSW Department of Justice, 15 July 2016.

<sup>238</sup> See submissions from Northern Beaches Council to IPART Draft Report, October 2016 and Tamworth Regional Council to IPART Draft Report, October 2016.

9 Recovery of council rates

### Box 9.1 Reasons for financial hardship

The Law and Justice Foundation of NSW, in its review of the Legal Aid NSW Mortgage Hardship Service, identified the following reasons for financial hardship for home owners, resulting in their inability to pay dues including council rates, loan repayments, strata levies etc.

- ▼ 40.6% faced unemployment or reduced employment.
- ▼ 28.6% experienced business failure or reduced income from self-employment.
- ▼ 28.6% suffered from illness or injury.
- ▼ 17.7% were dealing with family breakdown.

**Source:** Law and Justice Foundation of New South Wales, *Managing mortgage stress – Evaluation of the Legal Aid NSW and Consumer Credit Legal Centre Mortgage Hardship Service*, June 2011, p 25.

### 9.2.4 Guidelines for a flexible payment mechanism

#### Recommendation

38 *The Local Government Act 1993* (NSW) should be amended or the Office of Local Government should issue guidelines to clarify that councils can offer flexible payment options to ratepayers.

Our draft recommendation received strong support from stakeholders.<sup>239</sup> We have maintained our recommendation.

Flexible payment options include allowing ratepayers the flexibility to pay rates:

- ▼ on a number of frequencies (eg, weekly, fortnightly, monthly, quarterly or yearly basis), and
- ▼ through a variety of payment options, including direct debit or through Centrelink.

Councils should be able to offer flexible payment options as they allow ratepayers more flexibility to pay rates, which could assist councils' financial management.

However, through stakeholder submissions and consultation, we have identified that there is uncertainty about whether councils can offer flexible payment options. This is because:

- ▼ Section 564 of the LG Act allows councils to "accept payment of rates and charges due and payable by a person in accordance with an agreement made with the person", but

<sup>239</sup> See submissions from Newcastle City Council to IPART Draft Report, September 2016; Shoalhaven City Council to IPART Draft Report, October 2016 and Burwood Council, to IPART Draft Report, October 2016.

- ▼ Section 562 states annual rates may be paid annually or quarterly.<sup>240</sup>

In stakeholder submissions, a number of councils noted they already offer flexible payment plans (including weekly, fortnightly and monthly) along with direct debit and Centrelink payment options under Section 564 of the LG Act.<sup>241</sup> Some stakeholders noted guidelines would provide additional clarity to councils.<sup>242</sup>

Given the lack of clarity in the legislation, we recommend either the LG Act be amended or OLG issue guidelines to clarify that councils can offer flexible payment options to ratepayers.

### 9.3 Improvements in the rate levying process

#### Recommendation

- 39 The *Local Government Act 1993* (NSW) should be amended to allow councils to offer a discount to ratepayers who elect to receive rates notices in electronic formats, eg, via email.

Our draft recommendation received mixed support from stakeholders. Some stakeholders requested amendments to the draft recommendation. We have maintained our position, because our recommendation would place downward pressure on councils' costs, which should be reflected in lower rates.

#### 9.3.1 Current practice

Section 710 of the LG Act requires councils to issue paper based notices to a ratepayer, unless the ratepayer has, in writing, allowed these notices to be sent through other means such as e-mail.

Distributing bill notices and other correspondence only through paper based notices and letters may not be cost effective. In addition, paper based notices may not reach the ratepayer when they change their address (eg, moves interstate or overseas, and councils do not have access to their updated contact details).

<sup>240</sup> Note that section 562 of the LG Act does not explicitly prohibit other payment frequencies.

<sup>241</sup> See submissions from The Hills Shire Council to IPART Issues Paper, May 2016; Goulburn Mulwaree Council to IPART Draft Report, October 2016 and Wagga Wagga City Council to IPART Draft Report, October 2016.

<sup>242</sup> See submissions from City of Sydney to IPART Draft Report, October 2016 and Newcastle City Council to IPART Draft Report, September 2016.

## 9 Recovery of council rates

**9.3.2 Serving notices electronically**

Providing councils with the option to offer a discount for ratepayers who receive electronic bill notices could result in more efficient delivery of notices and considerable cost savings.

Discussions with councils suggest the average cost of serving a paper bill notice to ratepayers is about \$1 per bill. This cost primarily reflects printing and postage. Most councils mail rate notices quarterly and at least one other council correspondence each year. With over 3 million rateable properties in NSW, **the potential cost saving of going fully paperless could be up to \$15 million per year.**

Our recommendation to provide councils with the choice to offer a discount to ratepayers who opt to receive electronic notices would encourage this shift.

Most councils<sup>243</sup> were supportive of the option to take-up electronic rate notices. Electronic notices were seen as more cost-effective and could result in a higher recovery rate than paper based notices. This is because a ratepayer may not receive a paper rates notice if they change address.

In response to the Draft Report, a number of stakeholders have suggested that councils should be allowed to charge a fee for paper bills, rather than a discount for electronic bills.<sup>244</sup> Other concerns raised include:

- ▼ any discount offered was unlikely to encourage change in delivery methods
- ▼ a discount may disadvantage ratepayers who do not have access to the internet, and
- ▼ it would be costly to implement.<sup>245</sup>

Charging a fee for paper delivery would result in an effective rate increase for most ratepayers for the current level of services they receive. Therefore, we consider allowing councils to provide a discount to ratepayers to reflect the cost savings from electronic delivery is more appropriate.

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<sup>243</sup> See submissions from Southern Sydney Regional Organisation of Councils, Shoalhaven City Council, Campbelltown City Council, Kempsey Shire Council, Manly Council, submissions to IPART Issues Paper, May 2016.

<sup>244</sup> See submissions from Canterbury-Bankstown Council to IPART Draft Report, October 2016; Berrigan Shire Council to IPART Draft Report, September 2016 and Southern Sydney Regional Organisation of Councils to IPART Draft Report, October 2016.

<sup>245</sup> See submissions from Blue Mountains City Council to IPART Draft Report, October 2016; Blayney Shire Council to IPART Draft Report, October 2016 and Ku-ring-gai Council to IPART Draft Report, October 2016.

## 9.4 Abolishing the postponement of rates due to rezoning

### Recommendation

40 The *Local Government Act 1993* (NSW) should be amended to remove section 585 and section 595, so that ratepayers are not permitted to postpone rates as a result of land rezoning, and councils are not required to write-off postponed rates after five years.

Our draft recommendation received strong support from stakeholders.<sup>246</sup> We have maintained our recommendation.

Section 585 of LG Act allows a property owner to apply for postponement of rates if:

- ▼ the property is rezoned
- ▼ the rates payable increase after rezoning, and
- ▼ the ratepayer does not intend to redevelop the land according to the new land uses permitted.

The OLG suggests that the process of administering rate postponements is complex, often costing councils more than the postponed rates.

In addition, Section 595 of the LG Act requires councils to write-off postponed rates and accrued interest after five years.

The current arrangements of the LG Act which allow a ratepayer to postpone rates, and require councils to write-off postponed rates after five years, are inconsistent with the tax principles of simplicity, efficiency and equity:

- ▼ In many cases land rezoning substantially increases the value of a property. This land rezoning generally occurs through no effort of the ratepayer, but increases the ratepayer's wealth, regardless of whether the ratepayer intends to sell or develop the property.
- ▼ The increase in rates is a small fraction of the ratepayer's increased wealth from land rezoning.
- ▼ Allowing rates to be postponed and written off if land is not developed provides a disincentive to develop land and does not promote growth and urban renewal.

This recommendation would simplify the rating system by reducing councils' administrative burden, provide a better incentive to develop land and ensure a more equitable distribution of the rating burden.

<sup>246</sup> See submissions from Newcastle City Council to IPART Draft Report, September 2016; Shoalhaven City Council to IPART Draft Report, October 2016 and Burwood Council to IPART Draft Report, October 2016.



## 9 Recovery of council rates

Most councils supported removing Section 585 of the LG Act because the section is difficult for ratepayers and councils to understand, and imposes an administrative burden on councils.<sup>247</sup>

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<sup>247</sup> Camden Council, New South Wales Revenue Professionals, Greater Taree City Council, Eurobodalla Shire Council, submissions to IPART Issues Paper, May 2016, Newcastle City Council, submission to IPART Draft Report, 16 September 2016, Randwick City Council, submission to IPART Draft Report, 13 October 2016.



## 10 | Other recommendations

Our review aims to enhance the ability of councils to implement sustainable and equitable fiscal policy and, to this end, we have made recommendations relating to the method for setting rates, exemptions and concessions. Through the course of the review we identified other issues where improvements would enhance the efficiency of the rating system. The sections below discuss our findings and analysis relating to these additional issues.

### 10.1 Summary of other findings

We considered a range of other issues that would enhance the efficiency of the rating system, benefit councils and other sectors of the economy. We found that:

- ▼ **The valuation base date used as the basis for collecting revenue for the Emergency Services Property Levy (ESPL) and collecting council rates should be aligned**, to promote simplicity and consistency.
- ▼ **CIV should be used as the basis for levying the ESPL**, when CIV data is available state-wide. CIV is more equitable and efficient (than UV) for levying the ESPL, as the cost of fire and emergency services relates more closely to protecting the capital on a property, rather than the property itself.
- ▼ **Giving councils the choice to purchase valuation services directly from the market** could allow them to obtain the quality of service they require in a more cost effective way. It could also improve the accuracy of valuations.

We do not make any recommendations about the exemptions that councils receive from certain state taxes as we consider that major reforms to the tax exemptions that local government receive from the NSW Government should be negotiated and changed as part of a broader reciprocal agreement between the two levels of government.

## 10 Other recommendations

**10.2 The Emergency Services Property Levy****Recommendation**

- 41 The valuation base date for the Emergency Services Property Levy and council rates be aligned.
- The NSW Government should levy the Emergency Services Property Levy on a Capital Improved Value basis when Capital Improved Value data becomes available state-wide.

We considered the ESPL in light of submissions we received to our Issues Paper and Draft Report. We considered stakeholders' concerns about:

- ▼ how the ESPL would be levied if reforms to the valuation method are introduced, and
- ▼ consistency in application across the State if choice over the valuation method for rates is introduced.

Box 10.1 provides a summary of the Government's announcement on the ESPL.

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**Box 10.1 Emergency Services Property Levy**

In December 2015, the NSW Government announced it would introduce an ESPL to fund fire and emergency services. The ESPL will be paid alongside council rates from 1 July 2017, and replaces the Emergency Services Levy on insurance policies.

The new levy would be based on unimproved land values and collected by local government on behalf of the NSW Government.

**Source:** <https://www.emergency.nsw.gov.au/media-releases/2015/nsw-moves-to-a-fairer-system-for-funding-fire-and-emergency-services.html>

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UV is the only data currently available to set council rates. As the ESPL is to be collected by councils through rates for the NSW Government, it has to be levied on a UV basis. If our recommendations in Chapters 3 and 4 are adopted, CIV data would be collected state wide. This would allow the ESPL to be levied on either a UV or CIV basis. This raises the question as to whether UV or CIV is the better base for levying the ESPL.

Our findings and analysis, and our reasons for recommending that CIV should be used as the method to levy the ESPL, are outlined below.

### 10.2.1 How should the Emergency Services Property Levy be levied?

In submissions, councils raised a number of concerns relating to the method for levying the ESPL, including:

- ▼ The potential inconsistency in the valuation date for levying the ESPL and council rates. That is, the valuation base date for the ESPL might not be the same as the valuation date for council rates.
- ▼ Consistency with valuation base used for the ESPL and rating system. Councils wanted to only have to maintain one database for both.
- ▼ The valuation method used for the ESPL. For example, “the ESPL cannot be equitably levied against land values, and complements the use of CIV.”<sup>248</sup>

#### Valuation base date

The ESPL base date should be aligned for all councils across the state. Additionally the valuation base date for the ESPL and council rates should be consistent. Otherwise, a ratepayer will face two different sets of land values for two property-based levies. This is contrary to the tax principle of simplicity. In practice, this means every council will need to adopt the same valuation base date for rating.

#### Valuation method for the ESPL

The cost of fire and emergency services relates more closely to protecting the capital on a property, rather than the property itself. For example, a highly developed block of land with apartments may receive significant benefits from fire protection services whereas a neighbouring block of the same size with a small house receives comparatively little benefit. In this example, under UV, they would pay the same ESPL levy amount which is less equitable and efficient compared to CIV.

A CIV base for the levy is more consistent with efficiency and equity principles than UV, as the benefits received from emergency services increase with market value as new capital is invested. As discussed in Chapters 3 and 4, we recommend CIV information be collected in all council areas. We also recommend mandating CIV as the valuation base in metropolitan NSW. Hence, when CIV information is available state wide, the ESPL should be levied on a CIV, rather than a UV, basis.

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<sup>248</sup> Sutherland Shire Council, submission to IPART Issues Paper, May 2016, p 2.

## 10 Other recommendations

## Other jurisdictions

The ESPL is levied on a CIV basis in other states where CIV information is available, such as Victoria and South Australia. This includes councils where UV is adopted for setting rates. In practice, using a CIV base for the ESPL would not create any additional impost for rural councils that choose a UV base to set rates. This is because CIV data would be available state-wide and, under the current proposal, councils would be allowed to recover any additional costs of collecting the ESPL, as determined by the NSW Treasury.

## Stakeholder comments

Most stakeholders supported our recommendation that the valuation base date for the ESPL and council rates be aligned to minimise confusion. The majority of stakeholders also agreed with our recommendation that the ESPL be levied on a CIV basis. Stakeholders expressed the view that CIV better reflects the use of services being funded by the ESPL. The Hills Shire Council stated:

Aligning the valuation base for the ESPL to the CIV makes the ESPL more easily understood by rate payers, simpler because only one base is used and the cost of fire and emergency services relates more closely to the protection of capital on the property rather than the property itself. It also brings NSW into line with existing ESPL schemes in other states.<sup>249</sup>

A number of stakeholders expressed concern that those councils using UV to levy rates would need to maintain two separate databases which may be costly and confusing. Our recommendation to mandate the use of CIV for rating properties in metropolitan NSW means that only one database would need to be maintained in these areas. We recommend in Chapter 4 that where non-metropolitan councils choose to use UV as the basis for levying rates the NSW Government should fund the additional costs to these councils of also maintaining CIV valuation data.

Other stakeholders objected to the ESPL and the way it is proposed to be implemented. The Shopping Centre Council of Australia suggests in its submission that considerable capital investment that shopping centre owners invest in fire suppression equipment should be considered in the context of the ESPL<sup>250</sup>. This issue arises no matter what valuation base is used to levy the ESPL.

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<sup>249</sup> The Hills Shire Council submission to the Draft Report, page 63.

<sup>250</sup> Shopping Centre Council of Australia submission to the Draft Report, page 9.

### 10.3 Valuation services

#### Recommendation

- 42 After the NSW Valuer General has established the database to determine Capital Improved Values for rating purposes (see Recommendation 3), councils be given the choice to directly buy valuation services from private valuers that have been certified by the NSW Valuer General.

Councils are currently required to use valuations supplied by the Valuer General (VG) for rating property. We reviewed the current methods for providing valuation services. We found the process could be more efficient, and provide a higher quality product with increased accuracy of valuations, if councils were able to choose between using the VG or purchasing valuation services directly from private valuers.

Private valuers would need to meet standards set by the VG, to ensure consistent valuation standards are met for all users of valuation data. The VG would also need to ensure valuation data quality and be able to recoup these costs.

#### 10.3.1 Allowing councils choice over valuation services

We recommend councils be given choice over how they obtain valuation services, once the VG has established the database to determine Capital Improved Values.

To ensure integrity of the data and achieve efficiency in the valuation process we recommend the VG retain responsibility for:

- ▼ setting valuation standards
- ▼ certifying valuers that can be engaged by councils to provide valuations
- ▼ maintaining a database of valuations, and
- ▼ requiring that valuations cannot be used for rates, levies or taxes until approved by the VG as generally true and correct.

We recognise that the process of setting up arrangements to facilitate competition will incur costs for the VG, and we propose that set up costs should be funded by the NSW Government. These set up costs could be more than offset by more accurate valuations under a competitive process, resulting in an improved collection of state taxes (see section 10.3.2 below).

To ensure a smooth transition while choice over valuation services is introduced, we also recommend:

- ▼ the VG continues to provide a valuation service to councils that do not choose to use private valuers, and

## 10 Other recommendations

- ▼ a process for efficiently sharing valuation costs between the councils that use private valuers and other users of this valuation data.

**Councils using the VG service could continue to pay a regulated price**

If councils continue to use the VG, we recommend that the current valuation process remain relatively unchanged. This process is outlined in Box 10.2 and Figure 10.1. Using this process would allow the VG to continue to recover the efficient costs of providing services to councils.

While many councils would be able to readily source private valuation services, it may be more challenging for some councils, particularly those in rural or regional areas. Therefore, the VG could still be viewed as a monopoly provider of valuation services to these councils. If this occurs, IPART should continue to determine the maximum price the VG can charge councils that do not engage private valuers.



### Box 10.2 Current valuation process

The VG is responsible for providing a list of valuations to councils for rating purposes at least once every four years.<sup>a</sup> Councils typically receive valuations from the VG once every three years. The VG is also currently required to provide valuation information to the Office of State Revenue (OSR) and other minor users of the data.

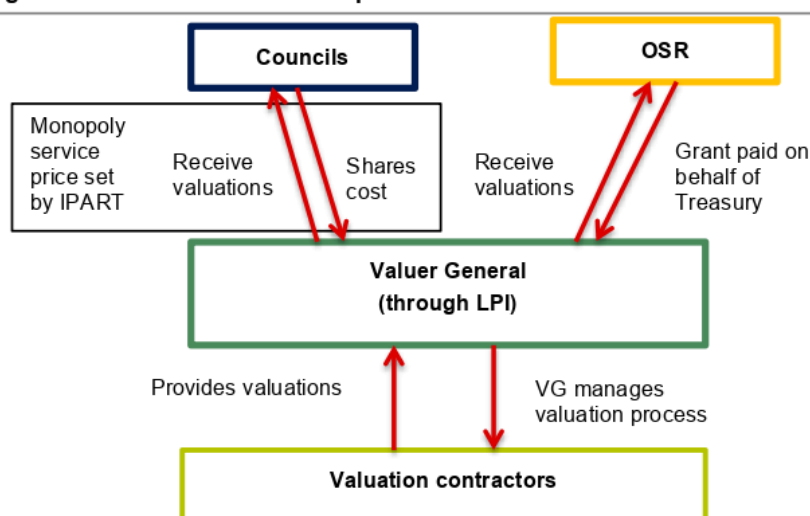
To provide these services, the VG:

- ▼ sets the standards for valuations, and
- ▼ delegates operational responsibilities through a service level agreement with Land and Property Information (LPI).

In turn, LPI manages the valuation system, in particular, managing valuation contracts by engaging external contractors to conduct valuations through a competitive tender process, and maintaining a database of valuations.<sup>b</sup>

Finally, IPART determines the maximum prices for valuation services provided to councils for rating purposes. In IPART's 2014 Determination, decided to allocate 34% of the VG's total costs to councils. The funding from OSR for valuation services is provided via a grant from Treasury, however the price is not determined by IPART. The current process is outlined in Figure 10.1.

**Figure 10.1 Current valuation process**



<sup>a</sup> Under Part 5 of the *Valuation of Land Act 1916*.

<sup>b</sup> For more details, see IPART, *Review of prices for land valuation services provided by the Valuer-General to councils - Final Report*, 2014, pp 9-10.

10 Other recommendations

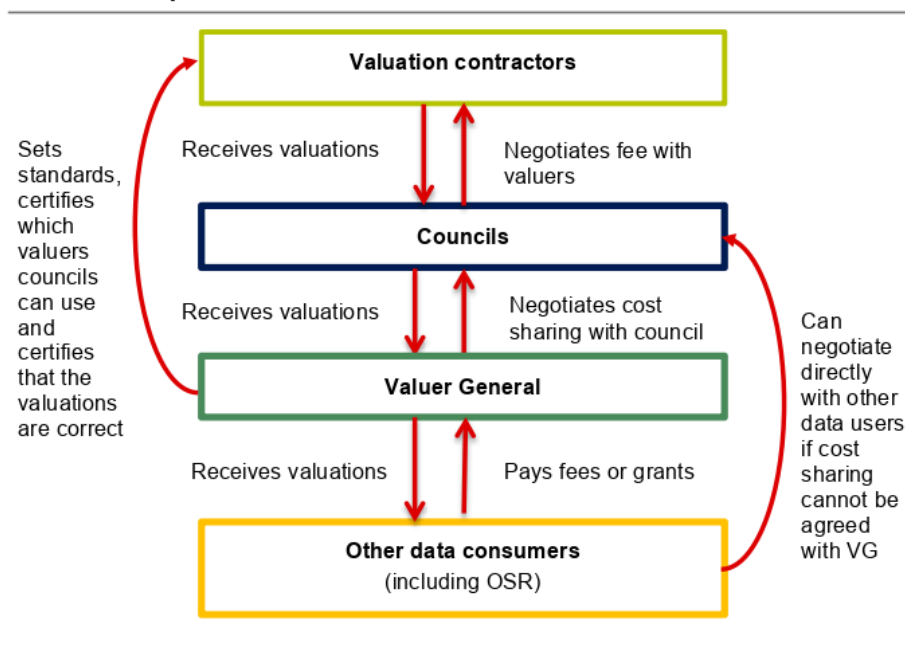
**Councils using a private service could choose to share valuation costs**

If councils engage private valuers, they could choose to use the following process to share their valuation costs (see Figure 10.2). Under this process, councils would:

1. buy valuation information from valuers directly
2. pay for these services, and
3. provide the information to the VG for a fee that is directly negotiated between the parties. Maximum prices determined by IPART could form the starting point for this negotiation.<sup>251</sup>

Under this process, the VG would be responsible for setting standards and ensuring the accuracy of the information before councils would be able to use the data for setting rates.

**Figure 10.2 Recommended arrangements for councils directly engaging private contractors**



**10.3.2 Improving accuracy in valuations**

Allowing councils to purchase valuation services directly from the private sector could encourage improved accuracy with these valuations.

<sup>251</sup> To ensure efficiency in the valuation process, if a cost sharing arrangement cannot be reached directly with the VG, councils could have the option to directly negotiate agreements with the OSR and other users of the data.

The total rates a council can collect do not increase if valuations increase. Instead, property values determine how rates are apportioned across the community. Because more accurate valuations promote equity, efficiency and fewer objections, councils would be encouraged to ensure an accurate distribution of property values across the community.

Box 3.6 contains an example where the land value for a large shopping centre has been valued differently to adjoining property, on a per square metre basis.

Without a competitive valuation process, there is no mechanism for councils to test the accuracy of these relative valuations. Therefore, introducing competition could act as a further test on the accuracy of these valuations. This could have further implications for state taxes.

### Box 10.3 The accuracy of valuations has been reduced

Table 10.1 is an illustrative example that compares the land values for the Bondi Junction Westfield to adjacent properties with equivalent land zoning. It shows that the land value for the Westfield is much lower on a per square metre basis (\$4,172) than 10 adjoining properties (\$13,181).

**Table 10.1 Bondi Junction CBD Land Values as at 1 July 2015**

Property no.	Land zoning	Address	UV (\$ million)	Land area (m <sup>2</sup> )	Value per m <sup>2</sup> (\$)
<b>Westfield Bondi Junction</b>					
3615390	B3	474-548 Oxford St	74.300	16820	4,417
3241411	B3	217-229 Oxford St	52.275	13520	3,866
<b>Average</b>	<b>B3</b>				<b>4,172</b>
<b>Other adjoining properties</b>					
3226684	B3	207-209 Oxford St	10.000	464	21,533
2070447	B3	211 Oxford St	3.800	177	21,469
2053376	B3	6-8 Bronte Rd	5.880	297	19,785
2070448	B3	213 Oxford St	10.600	765	13,849
2053377	B3	4A Bronte Rd	9.120	790	11,538
2053370	B3	20 Bronte Rd	2.200	195	11,299
2070450	B3	231 Oxford St	4.350	506	8,599
3002557	B3	22-26 Bronte Rd	4.950	578	8,558
2070451	B3	235 Oxford St	4.350	519	8,390
2070452	B3	237-239 Oxford St	7.690	1132	6,794
<b>Average</b>	<b>B3</b>		<b>6.294</b>	<b>542</b>	<b>13,181</b>

Source: LPI.

10 Other recommendations

### 10.3.3 Stakeholder comments

More than half of the stakeholders that made submissions to our Draft Report supported our recommendation to give councils the choice to buy valuation services directly from certified private valuers provided the VG retains control over the agreed standards of valuation. The City of Sydney Council stated, "Flexibility and choice in this area will allow Councils to ensure they receive effective and efficient services and value for money"<sup>252</sup>.

In support of its view that competition could lower the cost of valuations, Albury City council stated "the net cost per assessment for the City of Wodonga to undertake its municipal valuation is less than half the amount that Albury City is charged by the Valuer-General, even though the City of Wodonga utilises CIV as its valuation method"<sup>253</sup>.

Approximately one third of stakeholders opposed this recommendation for a number of reasons including:

- ▼ allowing choice could lead to inconsistency in valuations
- ▼ private valuers may have an incentive to inflate valuations to obtain a competitive edge, and
- ▼ removing the economies of scale the VG can achieve will lead to increased costs to councils that continue to use the VG.

In its submissions, the VG noted a move to allow councils to use private valuation firms:

- ▼ Would require the VG to establish agreements with councils.
- ▼ Raises the risk of inconsistency in valuation outcomes if there is inconsistency in valuation contracts.<sup>254</sup>
- ▼ Would mean the VG service may no longer be considered a monopoly service, indicating that the current pricing mechanisms may need to be reconsidered. This will potentially lead to some councils paying more for valuations than is currently required.<sup>255</sup>
- ▼ May cause a 'conflict of interest' for councils when levying rates.

<sup>252</sup> City of Sydney Council submission to Draft Report, page 12.

<sup>253</sup> Albury City Council submission to Draft Report, page 13.

<sup>254</sup> Office of the Valuer General, submission to IPART Issues Paper, May 2016, pp 8-9.

<sup>255</sup> Office of the Valuer General, submission to IPART Draft Report, p25.

We consider that our recommended requirement for the VG to set valuation standards, certify valuers and approve valuations will ensure consistency in valuations is maintained. As discussed in Chapter 3, we recommend the establishment costs incurred by the VG in setting up a competitive framework should be funded by the NSW Government rather than by councils. Competition could then result in downward pressure on prices for valuations in many areas and more accurate valuations.

Under current rate pegging arrangements councils do not have a conflict of interest in using private valuers. If valuations increase, the total rates collected do not increase for councils under rate capping. Therefore councils have a strong interest in ensuring valuations are as accurate as possible to promote equity and minimise objections.

#### 10.4 Councils' exemptions from certain state taxes

In our Issues Paper we asked whether the exemptions from certain state taxes (such as payroll tax) that councils receive should be considered as part of a review of the exemptions and concessions for certain categories of ratepayers.

When analysed against the tax principles of competitive neutrality and sustainability, it may be appropriate for councils' exemptions from payroll tax to be removed.

However, in this review we do not recommend councils pay payroll tax. This is because major reforms to the tax exemptions that local government receive from the State Government should be negotiated and changed as part of a broader reciprocal agreement between the two levels of government. This agreement would promote more efficient tax bases for both levels of government and make them both better off.

Our position is consistent with stakeholder feedback. The majority of stakeholders were not supportive of councils paying payroll tax, and were also of the view that council exemptions from state taxes should be considered in the context of a broader taxation review.<sup>256</sup>

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<sup>256</sup> For example, Upper Lachlan Shire Council, p 2, Queanbeyan City Council, p 12, submissions to IPART Issues Paper, May 2016.







## Appendices



A | Terms of Reference

A Terms of Reference



Dr Peter Boxall AO  
Chairman  
Independent Pricing and Regulatory Tribunal  
PO Box K35  
HAYMARKET POST SHOP NSW 1240



Reference: A1111504

18 DEC 2015

Dear Dr Boxall

Pursuant to section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992*, I am writing to request the Tribunal undertake a review of the Local Government rating system in accordance with the attached Terms of Reference.

The implementation of an efficient and equitable rating system is a key component of the Government's *Fit for the Future* reforms, and will ensure all councils are able to implement sustainable fiscal policies and reforms over the longer-term.

Critically, the Tribunal's review should seek to recommend a legislative or regulatory approach to support the Government's policy of freezing existing rate paths for a period of four years for councils that merge as part of the *Fit for the Future* process.

An interim report outlining options and recommendations to achieve this commitment should be provided to the Minister for Local Government within six months. A final report addressing all aspects of the terms of reference should be provided to the Minister within 12 months.

Should you have any questions or wish to discuss this matter further, please contact Mr John Clark, Executive Director, Local Government Reform on 9228 3570 or [john.clark@dpc.nsw.gov.au](mailto:john.clark@dpc.nsw.gov.au)

Yours sincerely



MIKE BAIRD MP  
Premier

Encl: Terms of Reference, Local Government Rating System in NSW

GPO Box 5341, Sydney NSW 2001 ■ P. (02) 8574 5000 ■ F. (02) 9339 5500 ■ [www.premier.nsw.gov.au](http://www.premier.nsw.gov.au)

## Terms of Reference

### The Local Government Rating System in NSW

I, Mike Baird, Premier of New South Wales, approve the provision of services by the Independent Pricing and Regulatory Tribunal (IPART) under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992 (IPART Act)* to the Minister for Local Government for the review of the local government rating system in accordance with these 'terms of reference'.

#### General

IPART is to undertake a review to identify and make recommendations for potential reforms to the rating system for local government in NSW. These recommendations will aim to:

- Enhance the ability of councils to implement sustainable and equitable fiscal policy and
- Provide the legislative and regulatory approach to achieve the Government's policy of freezing existing rate paths for four years for newly merged councils.

In investigating and making recommendations for this review, IPART is to consider:

- a) the performance of the current rating system and potential improvements, including consideration of:
  - the rating burden across and within communities, including consideration of apartments and other multi-unit dwellings;
  - the appropriateness and impact of current rating categories and exemptions, mandatory concessions and rebates;
  - the land valuation methodology used as the basis for determining rates in comparison to other jurisdictions;
  - the impact of the current rating system on residents and businesses of a merged council and the capacity of the council to establish a new equitable system of rating and transition to it in a fair and timely manner.
  - the objectives and design of the rating system according to recognised principles of taxation.
- b) current examples of municipal best practice rating policies and schemes;
- c) the impact of the current and alternative frameworks for the rating system on communities and businesses and their capacity to pay; and
- d) any other matter IPART considers relevant.

In undertaking its review under these Terms of Reference, IPART is to take account of:

A Terms of Reference

- the importance of Integrated Planning and Reporting in determining the revenue required to deliver services and infrastructure;
- the current financial sustainability of local government in NSW, including the findings and deliberations of the NSW Treasury Corporation report Financial Sustainability of the NSW Local Government Sector, 2013;
- the findings and deliberations of the Independent Local Government Review Panel and subsequent Government response;
- the NSW Government's policy of encouraging urban renewal; and
- the NSW Government's commitment to protect NSW residents against excessive rate increases and to providing rate concessions to pensioners.

Public consultation

IPART should consult with relevant stakeholders and NSW Government agencies by releasing an Issues Paper and Draft Report for their review on the IPART website. IPART should also consult with the Fit for the Future Ministerial Advisory Group.

IPART may also hold public hearings for the purposes of this review.

Timeframe

An interim report with recommendations on the legislative and regulatory approach to achieve the Government's policy of freezing existing rate paths for four years for newly merged councils should be submitted to the Minister for Local Government within 6 months of signing of the Terms of Reference.

A final review report should be formally submitted to the Minister for Local Government within 12 months of signing of the Terms of Reference.

Governance

IPART should provide progress briefings at regular intervals or as requested to the Chief Executive, Office of Local Government.

The Minister for Local Government will decide on the timing of release of the final report.

Supporting information and recommendations

IPART is to collect relevant material and data to establish the impacts to councils, communities and NSW of the current rating system, and to provide reasons for any recommendations for reform.



## B The demand for council services

This appendix presents our analysis on whether a Capital Improved Value (CIV) or Unimproved Value (UV) rating structure better reflects ratepayers' demand for council services.

The academic literature provides support for a CIV method, as it suggests a higher property value will usually reflect a greater demand for council services. Previous research has shown CIV has a very high correlation with income (and a higher correlation with income than UV),<sup>257</sup> and that increases in income typically lead to an increase in the demand for local public goods.<sup>258</sup>

In Chapter 3 we analysed the relationship between the demand for the services that rates fund and the rates that would be paid under a CIV or UV method. To do this, we identified the services that rates fund, the different rating categories and the types of ratepayers within a category.

If the difference between property values within a rating category, on balance, better reflects the differences in demand for a specific council service, we judged that the CIV method would be a better valuation method. If the difference between land values better reflects the difference in demand, the UV method was considered a better method.

We have assessed whether there is a strong, moderate or weak preference for one method over the other. This is shown in Table B.1 below. For some council services, it is relatively clear cut which method is superior for a given category of ratepayers, but in other cases it is less clear.

In general, we assessed that a CIV method better reflects ratepayers' demand for:

- ▼ The facilities that councils provide and maintain (eg, parks and fields, pools and libraries).
  - The total demand and usage of these facilities from all residents in an apartment block will be greater than the demand from a single household, on average.

<sup>257</sup> New Zealand Local Government Rates Inquiry Panel, *Funding Local Government*, August 2007, pp 125-126.

<sup>258</sup> Borchering T and T Deacon, *The demand for the services of non-federal governments*, *The American economic review*, 1972, pp 891-901.

## B The demand for council services

- CIV will better reflect this demand because, using UV, as density increases on a block of land, the land value is divided among an increasing number of ratepayers who each make a lower overall contribution to council rates.
- ▼ Roads and footpaths.
  - The total demand for, and congestion on, local roads created by a block of apartments will be greater than a house, on average.
  - A wealthier household or unit should have a greater willingness to pay for roads and footpaths.<sup>259</sup>
  - That said, while a block of apartments should, in total, have a greater demand for footpaths and street-lighting than a house, these costs tend to grow at a slower rate per capita as density increases.
- ▼ Other services, such as social protection and environmental services which promote welfare in the community.
  - CIV, which is a better measure of ability to pay, is therefore a better measure to fund these services.

Rates also fund the 'governance and administration' functions of the council. This expenditure may relate in part to the oversight of other council services (ie, roads, parks, etc). In other cases, other governance expenses may be fixed expenditures that benefit all ratepayers. Base amounts could play a role in recovering some of these costs.

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<sup>259</sup> This is because wealthier households tend to spend more on vehicles, and to the extent that vehicle expenditure should proxy the underlying demand for additional road expenditure.

**Table B.1 The relationship between demand for council services and valuation method**

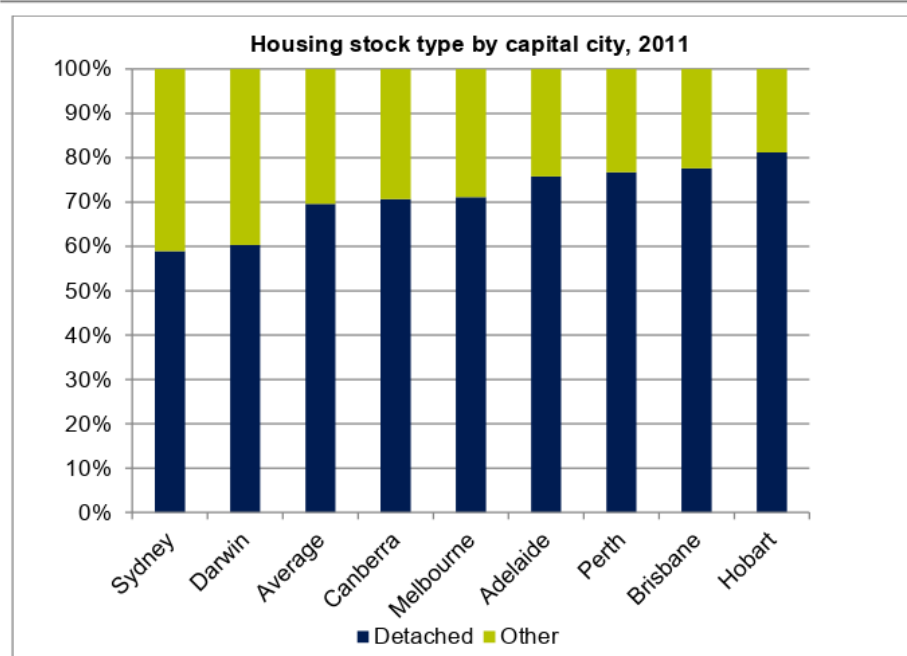
Council service	Share of rates bill (%)	Category of ratepayer					
		Residential ratepayers				Business ratepayers	
		Comparing an apartment to a house		Comparing two houses or two apartments		Comparing a number of small shops to a shopping centre	
		Better valuation method	Strength?	Better valuation method	Strength?	Better valuation method	Strength?
<b>Streets and footpaths</b>	<b>27.5</b>	<b>CIV</b>	<b>Weak</b>	<b>CIV</b>	<b>Weak</b>	<b>Neither</b>	<b>N/A</b>
Roads and bridges	18.5	CIV	Weak	CIV	Strong	CIV	Moderate
Footpaths and streetlights	5.7	CIV	Moderate	CIV	Weak	CIV	Weak
Street sweeping	3.3	CIV	Moderate	UV	Weak	UV	Weak
<b>Facilities</b>	<b>29.3</b>	<b>CIV</b>	<b>Weak</b>	<b>CIV</b>	<b>Strong</b>		
Parks and fields	15.5	CIV	Weak	CIV	Strong		
Libraries	7.5	CIV	Weak	CIV	Strong		
Pools	3.0	CIV	Weak	CIV	Weak		
Other	3.2	CIV	Moderate	CIV	Strong		
<b>Other services</b>	<b>10.7</b>	<b>CIV</b>	<b>Strong</b>	<b>CIV</b>	<b>Strong</b>		
Community	7.3	CIV	Strong	CIV	Strong		
Environment	3.5	CIV	Strong	CIV	Strong		
<b>Governance and admin</b>	<b>32.5</b>						

Source: IPART analysis, OLG (using council financial statements).

## C Housing composition in Sydney

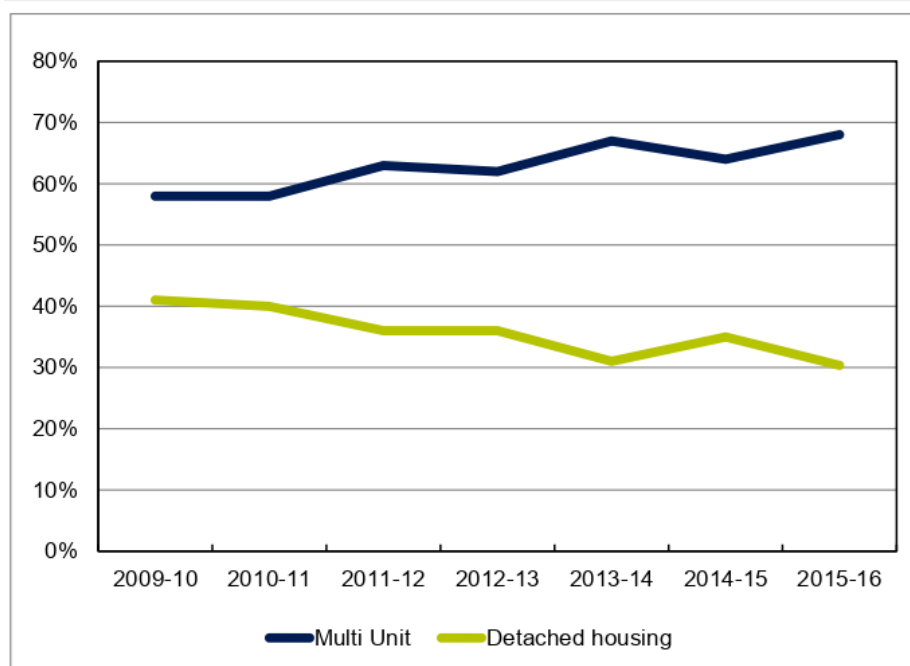
Figure C.1 shows Sydney has the highest proportion of multi-unit dwellings of Australia's capital cities at 40%, compared with 20% to 30% in other capital cities, and 30% Australia wide.

**Figure C.1 Dwelling type percentages by capital city**



**Data source:** ABS, 2011 Census of Population and Housing.

**Figure C.2 Dwelling approvals by type in Sydney**



**Data source:** Department of Planning & Environment, Annual Report 2014-15; ABS, Building Approvals, Australia, June 2016, Cat. No. 8731.0.

The proportion of apartments in Sydney is rising over time. Figure C.2 shows:

- ▼ In 2009-10, detached housing was 41% of total Sydney approvals and multi-unit dwellings comprised 58%.
- ▼ By 2015-16, detached housing was just 30% of approvals with multi-unit dwellings comprising 68%.<sup>260</sup>

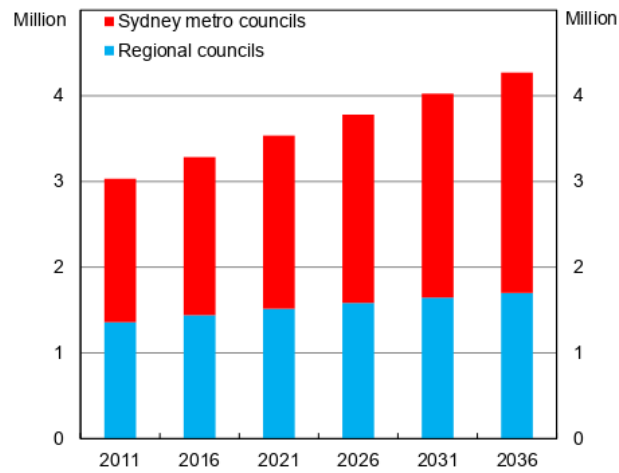
Consequently, the appropriate treatment of multi-unit dwellings in council rate bases will be an increasingly important issue for NSW, and Sydney in particular, because the proportion of apartments is rising over time.

Over the next 20 years, an additional 1 million dwellings are forecast to be built in NSW – a 30% increase (Figure C.3). Councils will need to meet this additional demand for services and whilst ensuring they remain financially sustainable.

<sup>260</sup> Department of Planning & Environment Annual Report 2014-15, p 30. Multi-unit dwellings include apartments, villas, townhouses, terraces and semi-detached homes.

C Housing composition in Sydney

**Figure C.3 NSW housing growth forecasts**



**Data source:** Department of Planning and Environment, 2016 NSW population and household projections.



## D Valuation method chosen in other jurisdictions

A comparison of the valuation methods used in other Australian states and internationally reveals two key patterns:

- ▼ Councils overwhelmingly favour a valuation method based on market value in Australian states where choice is provided.
- ▼ There has been an international trend towards rating on a CIV basis.

In general, two types of property valuation methodologies are used in other jurisdictions:

1. UV type approaches based on the value of land.
2. Market value type approaches, which are based on CIV or Annual Rental Value (ARV).

The ARV approach, which values property based on its rental value, is conceptually similar to a CIV approach.<sup>261</sup>

A summary of valuation methods in Australian states is contained in Table D.2.

In Victoria, South Australia and Tasmania, councils can choose between UV, CIV and ARV. As shown in Figure D.1, **councils in these states overwhelmingly favour a valuation method based on market value.**

- ▼ In Victoria, of 79 councils, 73 currently use CIV and 6 use ARV.
- ▼ In South Australia, 60 out of 68 councils use CIV.
- ▼ In Tasmania, 24 out of 29 councils use ARV, and the remaining 5 use CIV.

<sup>261</sup> We have not recommended ARV as an additional rating option for NSW as:

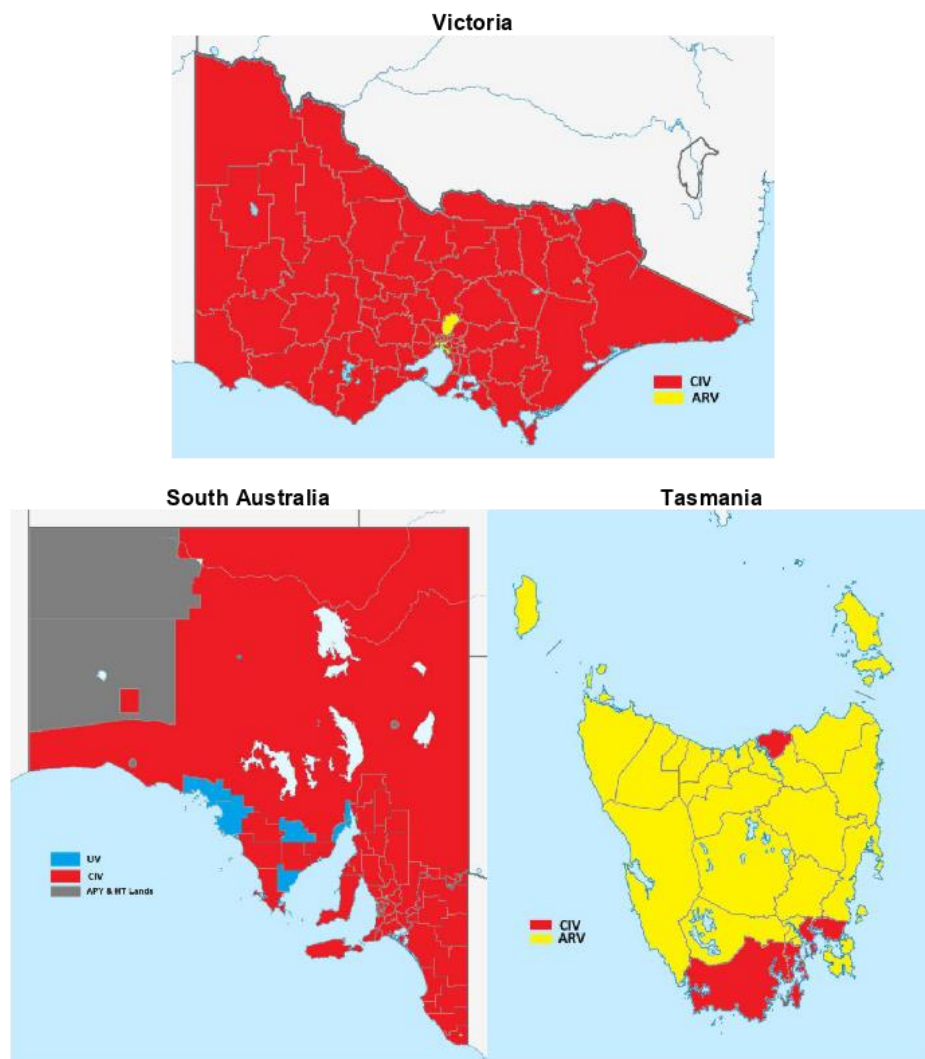
- CIV is sufficient to overcome potential weaknesses with a UV approach
- stakeholders did not want ARV as an additional option to CIV, and
- research has found that a CIV approach is generally superior to ARV-based approaches.

The *Tasmania Valuation and Local Government Rating Review Final Report* (April 2013) found that there was not a strong case to continue to use ARV. In particular, it assessed that an ARV approach was not as simple to understand, more costly to implement and more volatile than a CIV method (p 91).

D Valuation method chosen in other jurisdictions

In Queensland and Western Australia, councils are not provided choice over the valuation method. However, other tools have been chosen to address the rating of apartments. In Western Australia, councils must use the ARV method in urban areas, and the UV method in rural areas. In Queensland, UV is mandated for all councils, but councils have the flexibility to create different subcategories for apartments and houses to reflect the use of council services, which would otherwise be accounted for by using a CIV rating structure.

**Figure D.1 Valuation methods adopted in states where choice is offered**



**Data sources:** IPART analysis; Victorian Department of Transport, Planning and Local Infrastructure, *Valuation best practice*, 2016.

D Valuation method chosen in other jurisdictions

Internationally, a market value type approach is the most common form of valuation method used to levy property taxes (Table D.1). Among countries with taxes based on the value of the property, around 85% of countries use market value, while 15% choose UV. An analysis of 125 countries suggests that only 5 – Saudi Arabia, Taiwan, Papua New Guinea, Jamaica and Fiji – use UV as the sole basis of valuing land for tax purposes.

**Table D.1 International property-based taxes and valuation method<sup>a</sup>**

Region	Number of countries	Method			
		UV	CIV	ARV	Other <sup>b</sup>
North America	3	0	3	0	0
Western Europe	17	0	12	7	0
Oceania	7	6	2	4	0
Asia	24	2	8	11	11
Eastern Europe	20	1	6	0	15
South America	16	2	15	1	0
Caribbean	13	4	6	8	5
Africa	25	1	11	7	21
<b>Total</b>	<b>125</b>	<b>16</b>	<b>63</b>	<b>38</b>	<b>52</b>

<sup>a</sup> The sum of each column is greater than the total number of countries as some jurisdictions allow choice, or use multiple methods to tax property.

<sup>b</sup> Other methods include property taxes that are not based on the value of the property.

Sources: IPART analysis;

<http://www.ipti.org/wp-content/uploads/2015/04/IPTI-Xtracts-Belgium-May-2015.pdf>

<http://www.ipti.org/wp-content/uploads/2015/09/IPTI-Xtracts-Finland-March-2016.pdf>

<http://www.skra.is/english/property-valuation/>

<https://www.nordisketax.net/main.asp?url=files/nor/eng/032.asp>

McCluskey, W. and M. Bell. *Rental Value versus Capital Value: Alternative Bases for the Property Tax*.

International Center for Public Policy, Andrew Young School of Policy Studies, Georgia State University, 2008 p 8.

Academic literature has concluded there has been an international trend “to move away from land value based systems to the more popular capital improved value”.<sup>262</sup>

- ▼ In South Africa, in the 1990s, the use of CIV and UV was “rather evenly spread amongst municipalities”.<sup>263</sup> However, a CIV method was mandated as the sole basis for property taxes in 2004.<sup>264</sup>

<sup>262</sup> McCluskey, W, L Cheng, and P Davis, *Land Value Taxation: An International Overview*, American Journal of Economics and Sociology 56.2007, 2007, pp 207-214.

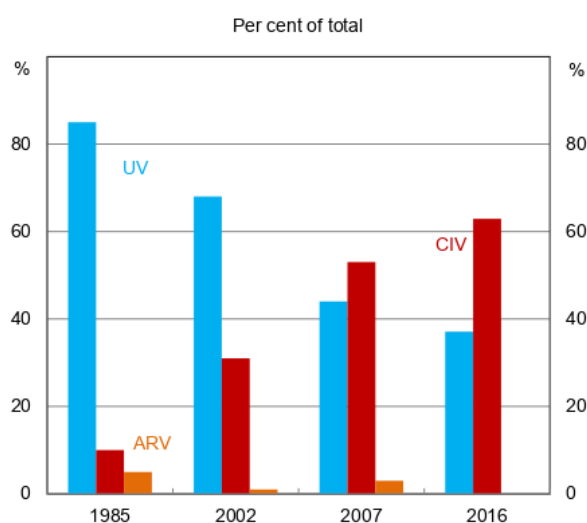
<sup>263</sup> Ibid.

<sup>264</sup> Local Government Municipal Property Rates Act 2004, Section 46, at [http://www.saflii.org/za/legis/consol\\_act/lgmpra2004454/](http://www.saflii.org/za/legis/consol_act/lgmpra2004454/), accessed 16 August 2016.

D Valuation method chosen in other jurisdictions

- ▼ In New Zealand, where councils are permitted to choose between UV, CIV and ARV, there has been a strong trend towards CIV. As shown in Figure D.2, in 1985, around 85% of councils adopted a UV method for rates. However, by 2007, the majority of councils had moved to a CIV method for rates, with over 60% of councils currently using CIV for levying rates.
- ▼ Most recently, in 2013 Ireland adopted a property tax based on CIV.<sup>265</sup>

**Figure D.2 Valuation method chosen by councils in New Zealand**



**Data sources:** McCluskey, W, A Grimes and J Timmins, *Property Taxation in New Zealand*, Motu Economic & Public Policy Research Trust, New Zealand, 2002, p 3; New Zealand Local Government Rates Inquiry Panel, *Funding Local Government*, August 2007, p 46; Department of Internal Affairs New Zealand.

<sup>265</sup> Irish Tax and Customs, Local Property Tax (<http://www.revenue.ie/en/tax/lpt/>, accessed 16 August 2016).

**Table D.2 Council rating methodology across Australia**

	NSW	VIC	QLD	SA	WA	TAS	NT
<b>Valuation method</b>	UV	Councils may choose from: • UV • CIV • ARV 73 out of 79 Councils use CIV, the rest use ARV	UV	Councils may choose from: • UV • CIV • ARV  60 out of 68 councils use CIV	• Rural land – UV • Non-rural land – ARV • UV mandatory for mining and petroleum interests	Councils may choose from: • UV • CIV • ARV 24 out of 29 Councils use ARV, the remaining 5 use CIV	Councils may choose from: • UV • CIV • ARV All councils use UV
<b>Base amount</b>	Option for base amounts by land use category, up to 50% of general revenue for that category	Option for 'municipal charge' up to 20% of sum total of general revenue and revenue from municipal charges	No option for base amount	Option for base amount, up to 50% of general rates	No option for base amount	Option for base amount of up to 50% of general rates	Multiple base amounts for different purposes according to land use/location categories
<b>Minimum amount or rate</b>	Option for minimum amount up to a legislated ceiling for ordinary and special rates	No option for minimum amount	Option for differential minimum amount by land use categories	Option for minimum amount application for up to 35% of properties. It cannot be used in addition to a base amount	Option for differential minimum amounts for up to 50% of premises, unless capped at \$200	Option for minimum amount, but it cannot be used on top of a base amount	Option for different minimum amounts according to land use/location categories
<b>Rate categories</b>	Option for differential rates across four land use categories and multiple subcategories	Option for differential rates across multiple land use categories	Option for differential rates across multiple land use categories	Option for differential rates across nine land use categories, with option for specified land location categories	Option for differential rates across multiple land use categories	Option for differential rates across eight land use categories; no restriction on land location categories	Option for differential minimum amounts in addition to fixed charge

**Notes:** UV denotes Unimproved Value, CIV denotes Capital Improved Value, ARV denotes Annual Rental Value.

**Sources:** IPART analysis, *Local Government Act 1993* (NSW), *Local Government Regulation 2005* (NSW), *Local Government Act 1989* (Vic), *Local Government Act 2009* (Qld), *Local Government Regulation 2012* (Qld), *Land Valuation Act 2010* (Qld), *Local Government Act 1999* (SA), *Local Government (General) Regulation 2013* (SA), *Local Government Act 1995* (WA), *Local Government (Financial Management) Regulation 1996* (WA), *Local Government Act 1993* (Tas), *Local Government Act 2008* (NT).

## E Alternative valuation methods to CIV

This appendix outlines the arguments for and against alternatives to our core recommendation to mandate CIV for metropolitan councils and provide choice between CIV and UV for non-metropolitan councils.

Alternatives include giving metropolitan councils the choice of CIV or UV, creating a residential subcategory for strata titled properties, or making no change.

### Giving metropolitan councils choice

The main benefit of giving choice to both metropolitan and regional councils is that may create more consistency – or at least comparability – in rating between metropolitan and regional council areas.

However, it may create inconsistency and confusion in metropolitan areas if neighbouring councils adopt different valuation methods. As discussed in Chapters 3 and 4 the welfare gains from adopting a CIV approach are large in built up areas with significant capital investment. Hence, we have mandated CIV in metropolitan NSW.

### Residential subcategory for strata

To resolve the rating of apartments issue, the Panel also suggested the residential land use category could be split into subcategories for detached housing (non-strata titled property) and another for multi-unit dwellings (strata titled property). Apartments could be rated on a CIV basis, as recommended by the Panel, or UV, as recommended by the NSW Valuer General.<sup>266</sup>

The main advantage of a residential subcategory for strata apartments is that it is a lower-effort solution to better balance the **average** rates paid by apartments and houses.

However, the disadvantages with this approach would outweigh the benefits regardless of whether apartments are rated on a UV or CIV basis.

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<sup>266</sup> Office of the Valuer General, submission to IPART Issues Paper, May 2016, pp 9-10.



If apartments are rated on a CIV method, and houses on a UV method:

- ▼ It is difficult to determine the relative rates between houses and apartments because they face different tax bases. What should be the ad valorem rates for a house with a UV of \$500,000 and an apartment with a CIV of \$500,000? In practice, there is unlikely to be a clear answer, and councils might choose arbitrary ratios between houses and apartments, which could increase inefficiency and reduce horizontal equity and transparency.
- ▼ Collecting CIV only for apartments would not necessarily be more cost effective. If CIV is collected for apartments only, data would need to be collected for around 1 million properties, with potentially little benefit outside of council rating. On the other hand, if CIV is collected for all properties, the benefits accrue more widely, and once apportioned would offset the costs to councils (see Appendix G).

Rating both houses and apartments on a UV basis and creating a separate subcategory for apartments will create a disparity in rates between low rise and high rise apartments within a council area. That is, a 2-bedroom apartment within a 5-storey apartment block will, on average, pay more rates than an otherwise identical 2-bedroom apartment within a 10-storey apartment block occupying the same land value.<sup>267</sup>

To resolve this disparity, in practice, a number of subcategories would need to be created according to the number of units, or number of floors, in a strata title. However, this is contrary to the tax principle of simplicity and is likely lead to inefficient outcomes. In Queensland, where councils are permitted to define residential subcategories for apartments, in 2015-16:

- ▼ one council adopted 253 rating categories, including 64 separate subcategories for strata apartments with 2-65 units, while
- ▼ a number of councils adopted over 100 rating subcategories.

Regardless of whether strata units are rated on a UV or CIV basis, a strata subcategory creates an arbitrary rating burden between apartments and houses, which is contrary to the horizontal and vertical equity principles, and rating on this basis is also unlikely to reflect the benefits received from council services.

Creating a separate strata sub category does not resolve any of the issues discussed in Chapter 4 on growth outside the peg. As discussed in Chapter 4 and in Appendix F, there are large welfare gains to NSW from growing rates over time based on the change in CIV, and allocating the rating burden between current and new ratepayers based on CIV.

<sup>267</sup> For further details, see V. Mangioni, submission to IPART Issues Paper, May 2016, p 4.

## | E Alternative valuation methods to CIV

**No change**

A small percentage of stakeholders recommended the current UV method should be retained, with little or no change.

However, we do not recommend this approach, as the current issues in the rating system warrant change for a significant, and increasing, number of council areas.

**Other methods**

Almost all stakeholders recommended a valuation method based on CIV, UV, or a mixture of the two. Only a small number of stakeholders recommended alternative methods for charging rates. This is consistent with the findings of the Henry Tax Review and the Productivity Commission Review which both find that taxes based on property value are a sound tax base for local government.<sup>268</sup>

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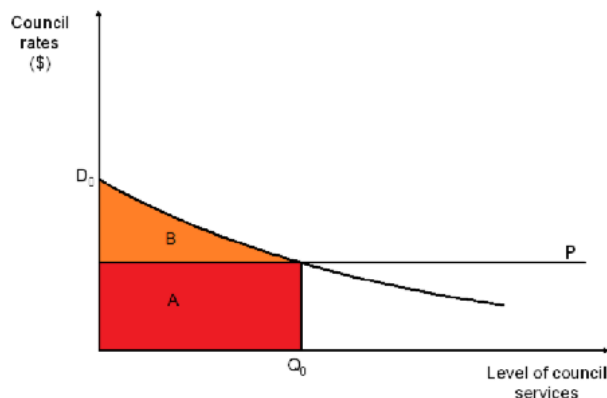
<sup>268</sup> Henry Tax Review, p 692.

## F Welfare benefits from basing revenue growth on CIV

This appendix provides context for The CIE results on the welfare gains to the community of allowing rates revenue to increase in proportion to the increase in Capital Improved Value from new investment.

As outlined in Section 2.3.1, the total demand for council services (eg, roads, parks, libraries, etc) is the sum of each individual's demand for these services.<sup>269</sup> This is shown by the line  $D_0$  in Figure F.1. The price of supplying council services is represented by the horizontal line  $P$ . The services provided by council is  $Q_0$ , and total rates income from ratepayers is area A. The total benefits that ratepayers receive from council services is the sum of areas A and B, at a cost of A, so net benefit is area B.

**Figure F.1 Current demand for council services**



<sup>269</sup> This assumes that council services are public goods. With public goods, each individual's demand curve is vertically summed together to get society's demand or "willingness to pay" for the public good.

F Welfare benefits from basing revenue growth on CIV

Growing rates in proportion to the increase in CIV

Communities grow over time which results in an increase in the demand for council services.

Figure F.2 shows the increase in demand ( $D_{CIV}$ ) for council services based on the increase in the CIV of properties over time. We have estimated over the next 10 years the community will grow by 14%. Using our change in CIV formula, the rate base would grow by 9% with this growth. This is shown by the increase in council services from  $Q_0$  to  $Q_{CIV}$ , with future ratepayers paying Area C and D or \$2.2 billion extra in rates over the 10 years.

Our proposed approach is equitable and efficient because future ratepayers pay for the increase in council costs caused by their demand for council services. Figure F.3 highlights that current ratepayers would be better off with growth under our recommended formula. This is because the level of council services increases, and the price paid by these ratepayers is the same.

By contrast, using a UV base, with 14% total growth in the community, the total rate base would only increase by 2%, or \$400 million over the 10 years (Area C in the Figure F.2). This means either:

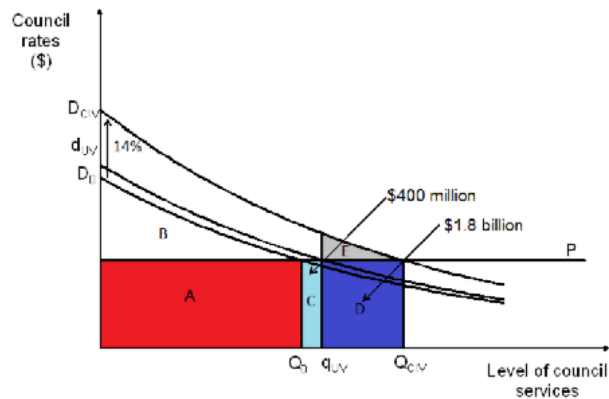
- ▼ there is a underprovision of public goods ( $Q_{UV}$  is provided, whereas  $Q_{CIV}$  is a more efficient level), causing a welfare loss of Area E. The CIE estimate that the net welfare gain for society (from providing  $Q_{CIV}$  of public goods) is between \$63 million and \$822 million,<sup>270</sup> or
- ▼ to fund the cost of meeting the increased demand for council services from future ratepayers (area A), current ratepayers would have to pay higher rates and taxes (a \$1.8 billion cross subsidy, shown by Area F in Figure F.3). The CIE estimated the use of state taxes to reach the efficient level of supply of public goods would cause a welfare loss of between \$333 million and \$1.3 billion.<sup>271</sup>

In practice, the result is likely to be somewhere between the two above outcomes; hence the use of both methods by CIE to estimate potential welfare gains to society from using our CIV formula.

<sup>270</sup> The CIE, *The costs and benefits of changing local council rate setting*, December 2016, p 31.

<sup>271</sup> The CIE, *The costs and benefits of changing local council rate setting*, December 2016, p 30.

**Figure F.2 Initial welfare gains under CIV**



**Figure F.3 Current ratepayers cross subsidise future ratepayers under UV**

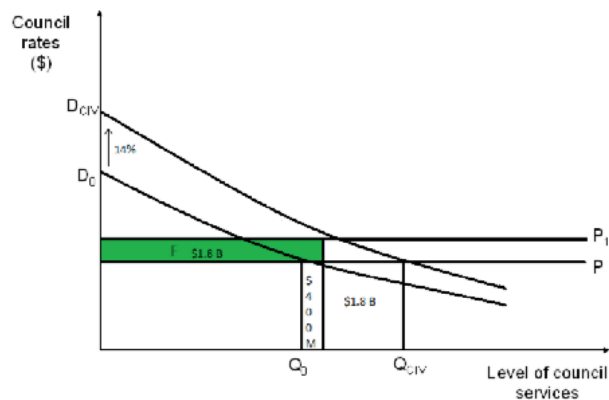


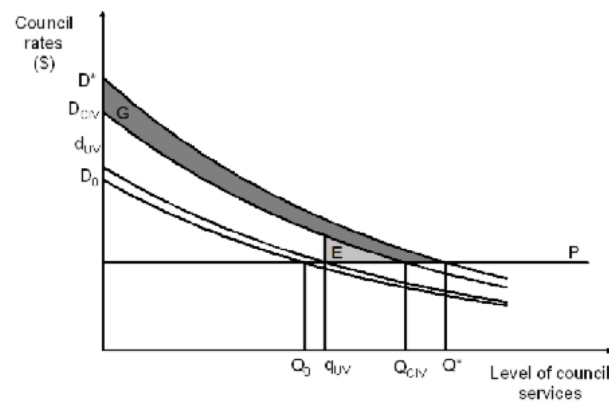
Figure F.3 importantly also shows the current rating system motivates councils and the community to restrict growth and urban development – because they will be better off with less growth. Future ratepayers do not pay their share of costs, so current ratepayers are required to cross subsidise growth (area F in Figure F.3). Restricting growth can have large welfare losses, which CIE have also modelled.

F Welfare benefits from basing revenue growth on CIV

CIE have previously concluded council restrictions on development cost NSW between \$1 and \$2 billion per year. They suggest our new CIV formula would motivate councils and the community to not be as restrictive, as they would now be better off with growth.

CIE estimate if current growth restrictions are reduced by between 5% and 10%, the NSW economy will gain between \$450 million and \$1.7 billion over 15 years. This is shown by the gain of Area G in Figure F.4, from local communities growing at an improved rate,  $D^*$ , under our proposed reforms.

**Figure F.4 Total welfare gain using CIV**





## G Benefits and cost of collecting CIV information

### Cost of collecting CIV is likely to be small if phased over several years

A key theme from submissions was that stakeholders were concerned about the cost of implementing CIV to rate property. However, our analysis suggests that any costs are small and can be contained by:

- ▼ Phasing the introduction of CIV over a number of years as individual 'benchmark' properties are valued. This will greatly reduce costs because for most properties the current valuation process already involves collecting information on the added value of improvements.
- ▼ Allowing the process for creating a database to store CIV data to be conducted through a competitive tender process.
- ▼ Once established, the cost of maintaining CIV alongside UV should not be significant. In addition, our recommendation to improve competition in providing valuation services puts downward pressure on these costs.

### The benefits of CIV are significant

The benefits to NSW of collecting CIV are significant and accrue to numerous sectors of the economy. In discussions, the NSW Valuer General agreed that the benefits to NSW of collecting CIV information could be significant.<sup>272</sup>

CIV data could be used to generate additional revenue, as is the case in other states (see Box G.1). Once the benefits of CIV are apportioned fairly and efficiently, the total cost to councils for valuation services could fall. This could be achieved by ensuring any costs of collecting CIV data are fairly apportioned amongst the beneficiaries.

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<sup>272</sup> Meeting with NSW Valuer General, 2 August 2016.

## G Benefits and cost of collecting CIV information

**Box G.1 Benefits of CIV**

The collection of CIV data requires information on property attributes (eg, land size, number of bedrooms, etc). This information will provide significant benefits to the community, Government and financial sectors.

**Additional use of property attribute information by the public and private sector could greatly offset the cost of providing valuation services to existing consumers of the data.**

**Public sector benefits**

A major public sector benefit of CIV data is it can be used to better tailor future developments to the needs of local communities. Information on property attributes can be used to more accurately forecast dwelling requirements.

In consultation, the Department of Planning and Environment (DPE) noted that it forecasts future dwelling requirements at the local community level by comparing estimates of future housing demand to estimates of current housing supply.<sup>a</sup>

*Better planning if CIV data is available*

DPE's current estimates of housing supply – which use a number of public and private sector data sources – are incomplete in two dimensions. First, a significant proportion of the capital stock is often excluded in the data, including secondary dwellings (ie, granny flats) and a range of residences that are not houses or apartments (eg, seniors aged care). Second, the information has limitations in determining the mix of properties in a community – ie, the size and characteristics of apartments and houses – and hence whether these properties are on average under- or over-utilised by residents in the community.

The information on property attributes would increase the accuracy of these forecasts. In particular, it could be used to determine whether current – and future – development is appropriate to the demographic structure within a community.

This information would be important to efficiently and effectively implement the Plan for Growing Sydney and urban renewal.

Discussions with DPE also noted that the spillover benefits could extend to a range of other NSW Government departments.

*Better tax data*

The Office of State Revenue may also derive additional benefit from the information on CIV. This information could provide a meaningful cross-check for “off-market” property sales in the assessment of stamp duties. Consultation with experts in valuation and taxation noted that CIV would also be useful for the Australian Tax Office in auditing the amount of money spent on property in the assessment of capital gains tax.<sup>b</sup>

### Private sector benefits

Additional information on property attributes in NSW has a range of potential uses across the private sector, including for use in valuation models in the Banking, Insurance and Self-Managed Super Fund sectors. The real estate sector would also benefit from the availability of this information (eg, in its submission APM PriceFinder noted that it would be valuable if this information is available to data brokers).

In Victoria, information on property – excluding actual valuations – is available for purchase by the private sector through the Victorian Government's Property Sales and Valuations (PSV) database.

### Additional benefits to councils and government

A further benefit of CIV information to councils is that it should be used to calculate growth in rates outside the peg from new development and rezoning in a manner that better approximates the drivers of councils' costs over time (see Chapter 4 for further details). This reform is likely to significantly reduce the number of SV applications councils need to make and the regulatory costs of rate pegging.

As discussed in Chapter 10, CIV is also a more efficient and equitable base to levy the ESPL, compared to UV.

**a** Meeting with DPE, 10 June 2016.

**b** Meeting with Dr Vincent Mangioni, 12 July 2016.

### Collecting information on CIV

The data collection process for CIV should begin as soon as possible, so that new councils are able to use the new system at the conclusion of the rate path freeze. Council areas that are not subject to a merger would be free to choose a CIV approach once the data has been collected.

In its submission, the Valuer General noted that collecting capital improved values requires "investment to source, collate and maintain built attribute data for all properties in the state".<sup>273</sup> This involves two main tasks:

1. developing a database to store and maintain attribute data, and
2. populating the database with the relevant information.

On the first task, research has identified that there are a number of firms – both operating in Australia and internationally – who have wide-ranging experience in building valuation databases for both government and banking sectors.

<sup>273</sup> Office of the Valuer General, submission to IPART Issues Paper, May 2016, p 7.

## G Benefits and cost of collecting CIV information

Additionally, any new system could include inbuilt auditing tools that would reduce the costs of ensuring valuation data quality, and inbuilt integration with other data sources. This suggests that the development of new systems should be conducted through a competitive tender process.

To ensure the costs of populating a CIV database are minimised, the collection of CIV information could be phased in over a period of time, such as three years.

The Valuer General's submission outlined a number of approaches to collect the data, including:

- ▼ adapting current processes, which include analysing property sales, data verification and supplementary valuations
- ▼ self-assessment or self-reporting, where the owner submits information on their property
- ▼ purchasing data from the private sector, and
- ▼ other techniques, including the use of aerial photography and physical inspection of properties.<sup>274</sup>

The Valuer General noted some potential limitations with using the gradual phase-in approach, mainly around the time taken to build up sufficient CIV data. Our finding is that the combination of current processes identified could be used to implement CIV data over a reasonable time period in a cost effective manner. The Valuer General could also consider integrating the other approaches identified if these are able to reduce the cost of implementing CIV and/or decrease the time to establish a database.

**CIV data is already collected as part of the current valuation process**

Land value (UV) is determined by analysing recent property sales. This process involves collecting the information and attributes required to calculate both market value (CIV) and land value (UV) (see Box G.2).

Each year at least 150,000 property sales occur. Capital improved values could be calculated easily for these properties at little cost, creating a much richer data set over time.

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<sup>274</sup> NSW Valuer General, Submission to IPART Draft Report, p 13.

### Box G.2 CIV information is already collected

Each year, properties are chosen as 'benchmark' properties. Movements in the land value for these properties are then applied to other properties. The valuation process for determining the land value of benchmark properties involves:

1. obtaining the market value of the properties in the local area based on recent sales
2. estimating the added value of improvements to these properties, and
3. calculating the unimproved value by subtracting (2) from (1) for these properties, and then applying these values to revalue the benchmark property.

Essentially, CIV is already collected with steps 1 and 2, and UV is derived by step 3. Hence CIV could simply be collected in NSW over a period with little increase in total costs for the system overall.

**Source:** For more details on the process, see Mangioni, V., *Land Tax in Australia*, 2006, pp 22-24.

In addition, a verification process for property values was introduced following a review by the NSW Ombudsman in 2005. The NSW Valuer General identified that through this process, the values for the majority of the state are verified over a 6-year period, and suggested that improvement data could be collected when verifying a property's value.<sup>275</sup>

The Valuer General also identified that approximately 50,000 supplementary valuations are currently completed each year across NSW.<sup>276</sup> These supplementary valuations require a physical inspection of the property. Information to determine CIV could be collected as part of this process.

In addition, the Valuer General noted that around 60,000 DA approvals are lodged each year.<sup>277</sup> Information on these properties could be collected from documents lodged as part of successful DA applications to form the CIV database.

Together, this suggests that CIV data could be collected for over 500,000 properties each year by adapting current processes.

### Other sources for collecting CIV

One option to collect CIV is a self-assessment process where the property owner is responsible for submitting information on their property. This could be used in conjunction with our suggested approach in the initial phase for gathering CIV data. A self-assessment process has been successfully adopted in Ireland when it introduced a property tax based on CIV in 2013.<sup>278</sup>

<sup>275</sup> NSW Valuer General, Submission to IPART Draft Report, October 2016, p 14.

<sup>276</sup> Ibid.

<sup>277</sup> Ibid.

<sup>278</sup> <http://www.revenue.ie/en/tax/lpt/valuation.html>, accessed 8 December 2016.



G Benefits and cost of collecting CIV information

**Stakeholders also identified a number of existing sources to collect CIV**

In submissions, a number of stakeholders identified that much of the property attribute information exists to calculate CIV (eg, in council DA applications, water sewage diagrams, and property sales databases).<sup>279</sup>

The Valuer General noted this information is not held in a standardised form and may involve substantial manual effort in the valuation process.<sup>280</sup> Our suggested approach, to gradually phase in the collection of CIV using the existing valuation processes would ensure the costs of CIV are contained and standards of valuation are met.

**The cost of updating CIV alongside UV is not significant**

Our analysis suggests that the cost of maintaining CIV and UV data is not significant in total.

- ▼ The same information is used to calculate capital improved and unimproved land values for the vast majority of properties.
- ▼ The costs of valuation services in states that maintain multiple valuation methods does not appear to be systematically higher (see Box G.3). In addition, our recommendation to introduce increased competition for valuation services could reduce costs of providing valuation services over time.

The Valuer General noted there could be an increase in the number of objections if CIV is introduced, as the “rate of objection is substantially higher in New Zealand than in NSW, with around half made on the basis that the valuation is too low.”<sup>281</sup> However, a process could be adopted where the Valuer General has the discretion to automatically accept non-material objections, where the dispute is about the valuation being too low. This could ensure that these objections do not increase the cost of the valuation system, whilst allowing other ratepayers to benefit.

<sup>279</sup> For example, Thomson Reuters, p 2, Hometrack Australia, p 2, Sutherland Shire Council, p 2, submissions to IPART Issues Paper, May 2016. The Lake Macquarie Ratepayers Action Group noted that historical sales prices could be used to help calculate CIV (Lake Macquarie Ratepayers Action Group submission to Draft Report, 9 October 2016, pp 3-4).

<sup>280</sup> NSW Valuer General, submission to IPART Draft Report, 14 October 2016, p 7.

<sup>281</sup> NSW Valuer General, submission to IPART Draft Report, 14 October 2016, p 15.



### Box G.3 The cost of providing valuation services in other States

Table G.1 compares the cost of valuation services in NSW and Victoria, comparing the costs in Albury City Council and the City of Wodonga Council. The City of Wodonga has directly contracted a private sector valuer (LG Valuation Services) to provide valuation data to the council, while Albury City Council uses the service provided by the NSW Valuer General.

Table G.1 shows the costs of valuation in the Victorian council are over 40% lower per assessment, despite the council receiving three valuation methods from the valuation contractor. This suggests that there could be substantial benefits in allowing councils to directly purchase valuations from the market.

**Table G.1 Cost of valuations in NSW and Victoria**

	Council area	
	Albury City Council	City of Wodonga Council
State	NSW	Victoria
Valuation methods provided	UV only	UV, CIV and ARV
Number of assessments	23,086	19,150
Revaluation cycle frequency	3-years	2-years
Total estimated cost of valuations over cycle	\$1,222,368	\$257,599
<b>Net cost to council over cycle</b>	<b>\$415,605</b>	<b>\$128,800</b>
Cost per assessment over valuation cycle	\$18.00	\$6.73
<b>Cost per assessment per year</b>	<b>\$6.00</b>	<b>\$3.36</b>

**Sources:** Albury City Council; City of Wodonga Council; Department of Environmental, Land, Water & Planning (Victoria), *Who's who in Valuation Best Practice Guide 2016*.

## H Reports considered by IPART

### H.1 Independent Local Government Review Panel Final Report (Panel Report)

The NSW Government in April 2012 appointed the Independent Local Government Review Panel to review the NSW Local Government sector, including a review of the local government rating system. The Panel Report contained a number of key recommendations, which are summarised in Box H.1 below.

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#### Box H.1 Independent Local Government Review Panel – key reform recommendations relating to the rating system

- ▼ Set local rates for apartments and other multi-unit dwellings more equitably and efficiently, in order to raise more revenue. Councils could be given the option of using Capital Improved Value (CIV) or the market value of the property to levy residential rates (p 40).
- ▼ Reduce or remove excessive rating exemptions and concessions that are contrary to sound fiscal policy and jeopardise councils' long-term sustainability (p 39).
- ▼ Some concessions for disadvantaged ratepayers are justified, but social welfare should not be a local government responsibility. Arrangements for pensioner concessions should be reviewed (p 40).
- ▼ Streamline the Special Variation process, or provide earned autonomy from rate-pegging for some councils, or replace rate-pegging with a new system of 'rate benchmarking' (p 42).
- ▼ Reduce the number of councils, particularly in Sydney, to create higher capacity councils that can better partner with the State Government in developing Sydney (p 72).
- ▼ The government consider giving larger councils in inner Sydney expanded responsibilities. These councils could use increased rates revenue to contribute more to sub-regional infrastructure and transport projects, freeing up state resources to be spent elsewhere (p 102).
- ▼ Commission IPART to undertake a review of the rating system (p 55).

**Source:** Independent Local Government Review Panel, *Revitalising Local Government*, October 2013.

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### H.1.1 NSW Government response to the Panel

The Government response to the Panel Report's recommendations on the rating system is set out below.

**Table H.1 Government response to selected Panel recommendations**

<b>Recommendation on a review by IPART</b>	Commission IPART to undertake a further review of the rating system focused on: <ul style="list-style-type: none"> <li>Options to reduce or remove excessive exemptions and concessions that are contrary to sound fiscal policy and jeopardise councils' long term sustainability.</li> <li>More equitable rating of apartments and other multi-unit dwellings, including giving councils the option of rating residential properties on Capital Improved Values, with a view to raising additional revenues where affordable.</li> </ul>
<b>Position</b>	Supported
<b>Government Response</b>	The Government notes the issues raised by the Panel in relation to the equity of the current rating system. It remains committed however to protecting ratepayers from unfair rate rises and to providing rate concessions for pensioners. The Government will commission IPART to conduct a rating review to reflect these issues.
<b>Recommendations on current rating system</b>	Either replace rate-pegging with a new system of 'rate benchmarking' or streamline current arrangements to remove unwarranted complexity, costs, and constraints to sound financial management.
<b>Position</b>	Supported
<b>Government Response</b>	The Government is committed to a rating system that protects local ratepayers from unfair rate rises. It recognises however the improvements in council strategic planning under IP&R and therefore supports removing unwarranted complexity, costs and constraints from the rate-peg system, where there is evidence that the council has taken steps to reduce unnecessary costs before seeking to impose an increased burden on ratepayers. The OLG will work with IPART to amend the guidelines to develop a streamlined process for <i>Fit for the Future</i> councils wanting to increase rates above the rate peg, and to offset revenue loss through Financial Assistance Grants redistribution.

**Source:** Office of Local Government, *NSW Government Response: Independent Local Government Review Panel recommendations and Local Government Acts Taskforce recommendations*, September 2014, pp 4-5.

The Government also responded to the Panel's analysis on council mergers by commissioning IPART to conduct an analysis of councils' Fit for the Future (FFTF) proposals. The IPART *Assessment of Council Fit for the Future Proposals* released in October 2015 found 57 councils were fit and 87 councils were not fit. This analysis was used by the Government in its consideration of the council mergers that commenced on 12 May 2016.

## H.2 TCorp Report on Financial Sustainability

Following an assessment of 152 NSW councils, the 2013 TCorp report into financial sustainability of NSW councils<sup>282</sup> made a number of key findings, including:

- ▼ Operating deficits are unsustainable – only one third of councils in 2012 reported an operating surplus. Over the period 2009 to 2012, the cumulative operating deficit of NSW councils totalled \$1.0 billion.
- ▼ The total infrastructure backlog of NSW councils had reached \$7.2 billion by 2012.
- ▼ Financial sustainability is deteriorating with nearly 50% of councils' financial outlook likely to be rated 'weak' or lower by 2016-17.
- ▼ A large asset maintenance gap exists within the sector with a \$389 million deficit in 2012 alone.
- ▼ Councils need to start consulting their communities about ways to either increase revenue, lower existing service levels and or standards, and pursue efficiency savings.

### Fit for the Future council submissions showed improved financial sustainability

IPART assessed FFTF proposals from 144 NSW councils against a number of criteria, including financial criteria, and published its final report, *Assessment of Council Fit for the Future Proposals* in October 2015.

In its FFTF assessments in 2015, IPART only found 27 of 144 councils, or 19%, did not meet the financial criteria because of continuing operating deficits over the next five to 10 years.

In addition, the infrastructure backlog had substantially reduced since the TCorp report. The TCORP backlog of \$7.2 billion in 2012 corresponded to an average backlog ratio of about 13%. By contrast, in their 2015 FFTF proposals councils reported an average backlog ratio of 6.5% in 2014, with councils forecasting this ratio to fall to about 2.5% by 2020.

A major driver for this reduction in the backlog was a re-estimation of depreciation schedules. Councils in FFTF typically used depreciation lives of between 55 to 100 years.

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<sup>282</sup> NSW Treasury Corporation, *Financial Sustainability of the NSW Local Government Sector, Findings Recommendations and Analysis*, April 2013.

### H.3 Integrated Planning and Reporting

The Integrated Planning and Reporting (IP&R) framework<sup>283</sup> requires NSW councils to prepare:

- ▼ a 10-year Community Strategic Plan, which identifies long term priorities
- ▼ a Resourcing Strategy (comprising a Long Term Financial Plan of at least 10 years, an Asset Management Plan and a Workforce Plan)
- ▼ a 4-year Delivery Program, which identifies service and works at a program level that are to be funded, and
- ▼ a 1-year Operational Plan (containing an annual budget).

IP&R enables councils to better achieve community priorities from effective planning, to meet the community's expectations about service levels and funding priorities. IP&R should underpin decisions on the revenue required by each council.

The Special Variation guidelines and IPART's assessment process are based on an expectation councils will have engaged the community in a discussion on the funding required through the IP&R process.

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<sup>283</sup> For further information, please see Office of Local Government, *Integrated Planning and Reporting*, at: <https://www.olg.nsw.gov.au/councils/integrated-planning-and-reporting>, accessed 16 August 2016.

## I Current rate exemptions in the Local Government Act

**Table I.1 What land is currently exempt from all rates?**

Land type	Details
Land owned by the Crown	No rates are payable unless the land is held under a lease for private purposes.
National parks and conservation areas	All land within a national park, historic site, nature reserve, state game reserve, karst conservation reserve, land subject to a conservation agreement and land associated with the Nature Conservation Trust of NSW whether or not the land is affected by a lease, licence, occupancy or use.
Water corporation land	Land within a special or controlled area for Sydney Water or Hunter Water, land vested in or owned by Water NSW for installed water supply works, land within a special area for a water supply authority.
Land belonging to a religious body	Land that belongs to a religious body which is used in connection with a church or other building used for public worship, a residence of a minister of religion, a building used for religious teaching or training.
Land belonging to schools	Land which belongs to and is used in connection with a school inclusive of playgrounds, and buildings occupied as a residence by school teachers, caretakers or employees.
Land vested in an Aboriginal Council	Land vested in an Aboriginal Land Council that is not being used for a residential or commercial purpose, and land that is of spiritual or cultural significance that has been declared so by resolution with the approval of the Minister for Aboriginal Affairs.
Rail infrastructure land owned by a public transport authority	Land vested in or owned by a public transport agency and in, on or over which rail infrastructure facilities are installed.
Land used for oyster cultivation	Land that is below the high water mark used for any aquaculture relating to oyster cultivation.

**Source:** *Local Government Act 1993* (NSW), section 555.



**Table I.2 What land is exempt from all rates, other than water supply special rates and sewerage special rates?**

Land type	Details
Public places	Includes public reserves, cemeteries and free public libraries where they are vested in the Crown.
Mineral claims	Land that is the subject of a granted mineral claim, held under private lease from the Crown.
Land belonging to public benevolent institutions and public charities	Where the land belongs to and is used for the purposes of the public benevolent institution or charity.
Public hospitals and other health purposes	Land that belongs to a public hospital and land vested in the Minister for Health, the NSW Health Foundation and the local health district.
Land vested in universities	Land vested in a university or a university college used solely for its purposes.
Special listed groups	Land vested in the Crown/trust and used for Sydney Cricket Ground, Zoological Parks Board, Royal Agricultural Society, Museum of Sydney and Museum of Contemporary Art.
Cattle dipping	Land leased to the Crown for cattle dipping.
Land vested in a mines rescue company	Land vested in a mines rescue company and used for the purposed of a mine rescue station.

**Source:** *Local Government Act 1993* (NSW), section 556.



Item No: C08/19-172

## **INVESTMENT REPORT - JULY 2019**

Responsible Division: Finance & Governance  
 Officer: Director Finance & Governance  
 File Number: A-05-01/05  
 Community Strategic Plan Goal: *Transparent and accountable leadership*

### **SUMMARY**

This report provides an update on the performance of Council's investment portfolio to 31 July 2019, in addition to an investment portfolio and strategy review for the 2018/19 financial year.

### **RECOMMENDATION**

**That Council receive the July 2019 Investment Report.**

### **REPORT**

Included in this report are the following items that highlight Council's investment portfolio performance for the month, year-to-date to 31 July 2019 and an investment portfolio and strategy review for the 2018/19 financial year.

#### ***Council Investments as at 31 July 2019***

Council's investment portfolio has a current market value of \$151,443,406. This represents a premium of \$1,696,981 above the face value of the portfolio being \$149,746,425 and generates a 2.52% average purchase yield. The following table reflects Council's holding in various investment categories.

Categories	Face Value (\$)	Current Value (\$)	Current Yield (%)
Bonds	4,750,000	5,099,253	3.0474
Cash	4,639,287	4,639,287	0.9515
Floating Rate Note	38,150,000	38,481,827	2.4467
Floating Rate Term Deposit	3,000,000	3,019,164	2.7431
Managed Funds	13,207,138	13,207,138	2.5569
Term Deposit	86,000,000	86,996,737	2.5962
	<b>149,746,425</b>	<b>151,443,406</b>	<b>2.5199</b>

## ***Investment Portfolio Performance***

The investment returns for the month year-to-date of 31 July 2019 outperformed the current month benchmark and exceeded the Year to date benchmark.

### Performance – Current Month 31 July 2019

For the month of July, Council's portfolio generated interest earnings of \$323,339. This is \$68,328 lower than the budget of \$391,667 and outperformed the AusBond Bank Bill Index by 2.24%, as detailed below:-

The investment return is below budget as we had not factored in two RBA rate cuts in preparing the budget. The portfolio performance was 3.66% as Council earned a capital gain on fixed rate bonds and floating rate note instruments of \$137,779 and we do not report these until the end of the financial year.

FYTD Results	Income	Budget	Variance	Portfolio Performance	AusBond BB Index	Outperformance
Total Portfolio	323,339	391,667	- 68,328	3.66%	1.42%	2.24%

### Performance – Year-to-date 31 July 2019

For the year-to-date, Council's portfolio generated interest earnings of \$323,339. This is \$68,328 lower than the budget of \$391,667 and outperformed the AusBond Bank Bill Index by 2.24%, as per below:-

Monthly Results	Income	Budget	Variance	Portfolio Performance	AusBond BB Index	Outperformance
Total Portfolio	323,339	391,667	- 68,328	3.66%	1.42%	2.24%

## **COMMUNITY ENGAGEMENT**

There are no consultation processes for Council associated with this report.

## **POLICY IMPLICATIONS**

There are no policy implications for Council associated with this report.

## **RISK IMPLICATIONS**

To manage risk, key criteria are incorporated into Cumberland Council's investment making decisions, as detailed below:-

### ***Preservation of Capital***

The requirement for preventing losses in an investment portfolio's total value (considering the time value of money).

**Diversification**

Setting limits to the amounts invested with a particular financial institution or government authority to reduce credit risk.

**Credit risk**

The risk that an investment of Council fails to pay the interest and/or repay the principal of an investment.

**Maturity risk**

The longer the term of the investment, the greater the exposure to potential changes in interest rates, market volatility and credit quality of an issuer.

**FINANCIAL IMPLICATIONS**

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There are no financial implications for Council associated with this report.

**CONCLUSION**

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Council hereby certifies that the investments listed above have been made in accordance with Section 625 of the *Local Government Act 1993*, Clause 212 of the *Local Government (General) Regulation 2005* and Council's *Investment Policy*.

**ATTACHMENTS**

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1. Investment Summary Report July 2019 [↓](#) 
2. Investment Strategy and Portfolio Review 2018/19 [↓](#) 





**DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-172**

**Attachment 1  
Investment Summary Report July  
2019**



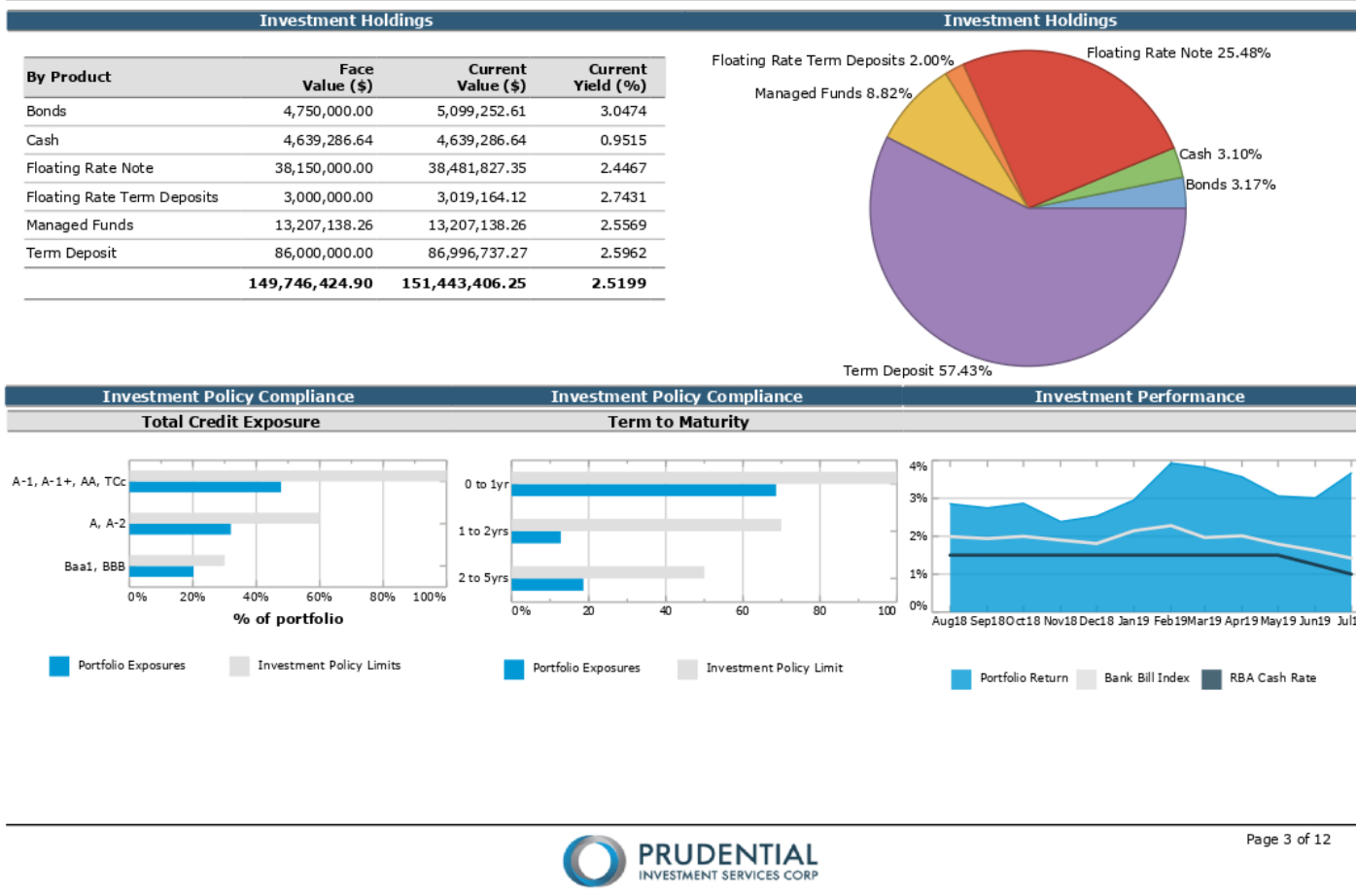


**Investment Summary Report**  
**July 2019**

**Cumberland Council**  
Investment Summary Report - July 2019**Contents**

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Investment Cashflows	Page 5
Investment Policy Compliance Report	Page 6
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Investment Holdings Report	Page 9

**Cumberland Council**  
Executive Summary - July 2019

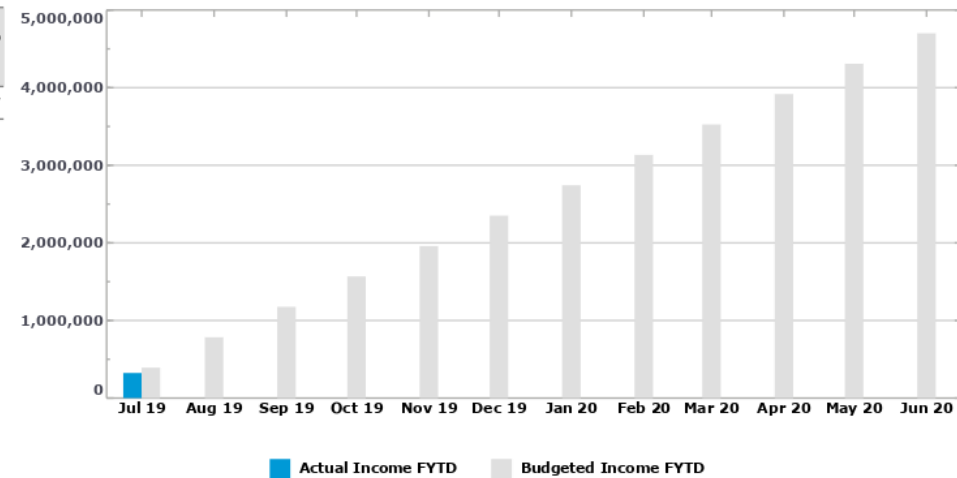


**Cumberland Council**  
Actual Interest Report - July 2019



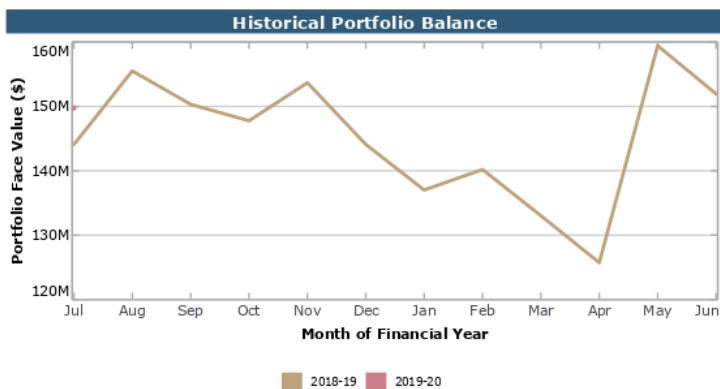
**Budgeted vs Actual Returns**

	Monthly Income	YTD Actual	YTD Budgeted
July 2019	323,339	323,339	391,667





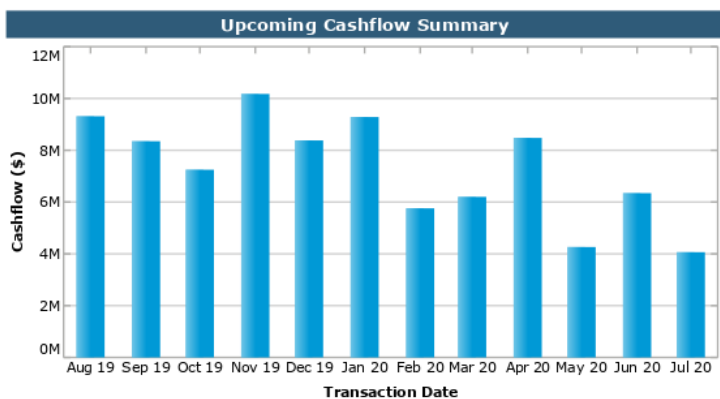
**Cumberland Council**  
Investment Cashflows - July 2019



**Historical Portfolio Balance**

	2019-20	2018-19
July	149,746,425	144,080,941
August		155,505,088
September		150,313,187
October		147,766,470
November		153,672,885
December		144,091,226
January		137,015,520
February		140,191,555
March		133,016,214
April		125,735,228
May		159,429,160
June		151,946,000

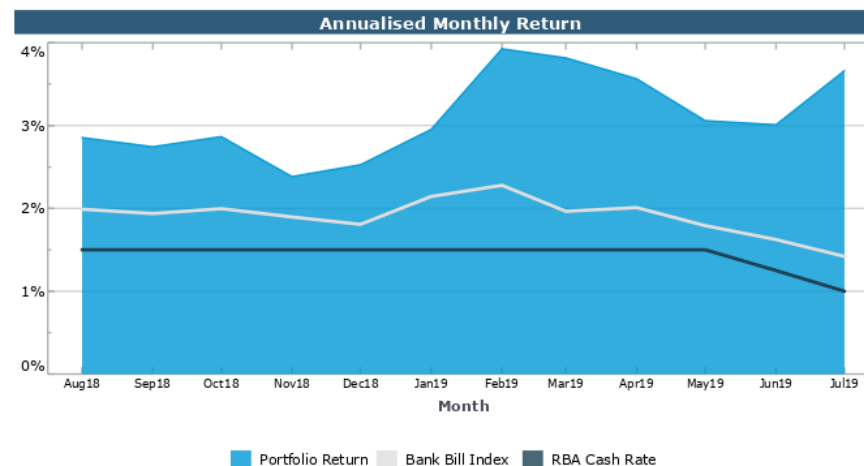
Average 12 month Portfolio Balance 145,702,413



**Upcoming Cashflow Summary**

	Amount
August 19	9,312,366
September 19	8,348,664
October 19	7,247,402
November 19	10,174,305
December 19	8,378,887
January 20	9,282,408
February 20	5,757,356
March 20	6,200,013
April 20	8,475,236
May 20	4,262,528
June 20	6,343,359
July 20	4,063,222

**Cumberland Council**  
Investment Performance Report - July 2019



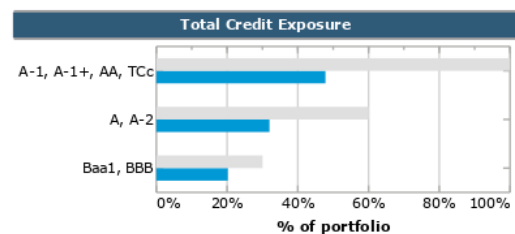
Historical Portfolio Return vs Bloomberg Bank Bill Index					
	1 Month	3 Months	6 Months	FYTD	12 months
Portfolio Return (1)	3.66%	3.25%	3.50%	3.66%	3.11%
Index Return (2)	1.42%	1.61%	1.84%	1.42%	1.90%
Outperformance (4)	2.24%	1.64%	1.66%	2.24%	1.21%

(1) Portfolio Return is the annualised rate of return for the portfolio for the specified period  
(2) The Index Return is the Bloomberg AusBond Bank Bill Index  
(4) Outperformance is the excess of the Portfolio Return over the Index Return

Historical Portfolio Return vs RBA Cash Rate					
	1 Month	3 Months	6 Months	FYTD	12 months
Portfolio Return (1)	3.66%	3.25%	3.50%	3.66%	3.11%
Index Return (3)	1.00%	1.25%	1.37%	1.00%	1.44%
Outperformance (4)	2.66%	2.00%	2.13%	2.66%	1.67%

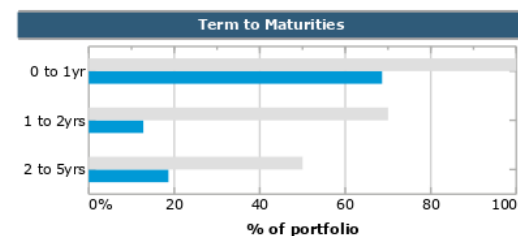
(1) Portfolio Return is the annualised rate of return for the portfolio for the specified period  
(3) The Index Return is the RBA Cash Rate  
(4) Outperformance is the excess of the Portfolio Return over the Index Return

**Cumberland Council**  
Investment Policy Compliance Report - July 2019



■ Portfolio Exposure ■ Investment Policy Limit

Credit Rating		Exposures		Policy Max	
		(\$)	(%)		
Long Term	AA	11,750,000			
Short Term	A-1	10,000,000			
Short Term	A-1+	36,639,287			
Short Term	TCC	13,207,138			
		<b>71,596,425</b>	<b>48%</b>	<b>100%</b>	✓
Long Term	A	5,000,000			
Short Term	A-2	42,900,000			
		<b>47,900,000</b>	<b>32%</b>	<b>60%</b>	✓
Long Term	Baa1	2,100,000			
Long Term	BBB	28,150,000			
		<b>30,250,000</b>	<b>20%</b>	<b>30%</b>	✓
		<b>149,746,425</b>	<b>100%</b>		



■ Portfolio Exposure ■ Investment Policy Limit

Policy Minimum		Exposures		Min
		(\$)	(%)	(%)
Less than 3 months		41,846,425	28%	10% ✓
Between 3 months and 1 year		60,900,000	41%	20% ✓
Policy Maximum		Exposures		Max
		(\$)	(%)	(%)
Between 1 and 2 years		19,100,000	13%	70% ✓
Between 2 and 5 years		27,900,000	19%	50% ✓
		<b>149,746,425</b>		

✓ = compliant  
X = non compliant

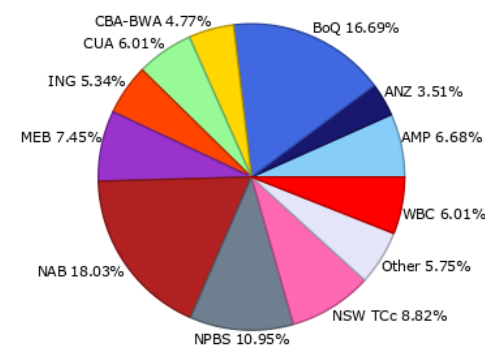
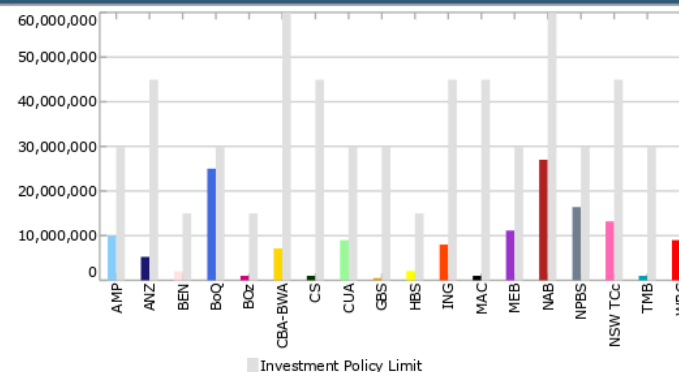
**Cumberland Council**  
Individual Institutional Exposures Report - July 2019



Individual Institutional Exposures

Parent Group	Credit Rating	Portfolio Exposure (\$)	% of portfolio
AMP Bank	A-2, A-	10,000,000	7%
ANZ Group	A-1+, AA-	5,250,000	4%
Bank Australia	A-2, BBB	1,000,000	1%
Bank of Queensland	A-2, BBB+	25,000,000	17%
Bendigo and Adelaide Bank	A-2, BBB+	2,000,000	1%
Commonwealth Bank of Australia	A-1+, AA-	7,139,287	5%
Credit Suisse AG (Syd Branch)	A-1, A	1,000,000	1%
Credit Union Australia	A-2, BBB	9,000,000	6%
Greater Bank	A-2, BBB	500,000	0%
Heritage Bank	P-2, Baa1	2,100,000	1%
ING Bank (Australia)	A-1, A	8,000,000	5%
Macquarie Bank	A-1, A	1,000,000	1%
Members Equity Bank	A-2, BBB	11,150,000	7%
National Australia Bank	A-1+, AA-	27,000,000	18%
Newcastle Permanent Building Society	A-2, BBB	16,400,000	11%
NSW T-Corp (Cash)	TCc, TCc	13,207,138	9%
Teachers Mutual Bank	A-2, BBB	1,000,000	1%
Westpac Group	A-1+, AA-	9,000,000	6%
		<b>149,746,425</b>	

Individual Institutional Exposure Charts



**Cumberland Council**  
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**Cash Accounts**

Face Value (\$)	Current Yield	Institution	Credit Rating	Current Value (\$)	Deal No.	Reference
143,663.88	1.0000%	Commonwealth Bank of Australia	A-1+	143,663.88	533672	3010516
4,495,622.76	0.9500%	Commonwealth Bank of Australia	A-1+	4,495,622.76	250385	3010516
<b>4,639,286.64</b>	<b>0.9515%</b>			<b>4,639,286.64</b>		

**Managed Funds**

Face Value (\$)	Current Yield	Institution	Credit Rating	Fund Name	Current Value (\$)	Deal No.	Reference
10,123,888.39	2.2175%	NSW T-Corp (Cash)	TCc	Cash Fund	10,123,888.39	204877	3120516
3,083,249.87	3.6715%	NSW T-Corp (Cash)	TCc	Short Term Income Fund	3,083,249.87	204878	3120516
<b>13,207,138.26</b>	<b>2.5569%</b>				<b>13,207,138.26</b>		

**Term Deposits**

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
8-Aug-19	2,000,000.00	3.2000%	Westpac Group	A-1+	2,000,000.00	8-Aug-16	2,062,772.60	534111	62,772.60	Annually	3080816
23-Aug-19	2,000,000.00	3.0000%	Newcastle Permanent Building Society	A-2	2,000,000.00	24-Aug-16	2,011,342.47	534283	11,342.47	Quarterly	2240816
26-Aug-19	2,000,000.00	3.2000%	Westpac Group	A-1+	2,000,000.00	23-Aug-16	2,060,142.47	534156	60,142.47	Annually	3230816
2-Sep-19	3,000,000.00	2.8000%	Bank of Queensland	A-2	3,000,000.00	1-Sep-17	3,076,405.48	535682	76,405.48	Annually	3010917
5-Sep-19	3,000,000.00	2.8500%	Bank of Queensland	A-2	3,000,000.00	7-Sep-17	3,076,832.88	535760	76,832.88	Annually	3070917
17-Sep-19	2,000,000.00	3.2000%	Westpac Group	A-1+	2,000,000.00	14-Sep-16	2,056,284.93	534436	56,284.93	Annually	2140916
8-Oct-19	3,000,000.00	2.9000%	ING Bank (Australia)	A-1	3,000,000.00	14-Nov-17	3,061,972.60	535957	61,972.60	Annually	3141117
21-Oct-19	3,000,000.00	2.9500%	ING Bank (Australia)	A-1	3,000,000.00	26-Oct-17	3,067,647.95	535892	67,647.95	Annually	3261017
11-Nov-19	3,000,000.00	2.2000%	ME Bank	A-2	3,000,000.00	11-Jun-19	3,009,221.92	538027	9,221.92	At Maturity	3110619
18-Nov-19	2,000,000.00	2.7500%	National Australia Bank	A-1+	2,000,000.00	16-Nov-18	2,038,876.71	537330	38,876.71	At Maturity	3161118
20-Nov-19	3,000,000.00	2.5500%	AMP Bank	A-2	3,000,000.00	24-May-19	3,014,461.64	537976	14,461.64	At Maturity	3240519
9-Dec-19	3,000,000.00	2.7800%	National Australia Bank	A-1+	3,000,000.00	4-Dec-18	3,054,838.36	537383	54,838.36	Annually	3041218
9-Dec-19	2,000,000.00	2.8500%	ING Bank (Australia)	A-1	2,000,000.00	8-Dec-17	2,036,542.47	536073	36,542.47	Annually	3081217



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**Term Deposits**

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
16-Dec-19	3,000,000.00	2.1500%	ME Bank	A-2	3,000,000.00	11-Jun-19	3,009,012.33	538028	9,012.33	At Maturity	3110619
13-Jan-20	4,000,000.00	2.2400%	National Australia Bank	A-1+	4,000,000.00	29-May-19	4,015,710.68	537985	15,710.68	At Maturity	3290519
20-Jan-20	3,000,000.00	2.8300%	Credit Union Australia	A-2	3,000,000.00	11-Feb-19	3,039,775.07	537534	39,775.07	At Maturity	3110219
20-Jan-20	2,000,000.00	2.5000%	AMP Bank	A-2	2,000,000.00	24-May-19	2,009,452.05	537977	9,452.05	At Maturity	3240519
3-Feb-20	4,000,000.00	2.2500%	National Australia Bank	A-1+	4,000,000.00	29-May-19	4,015,780.82	537986	15,780.82	At Maturity	3290519
21-Feb-20	1,000,000.00	3.2000%	Bank of Queensland	A-2	1,000,000.00	22-Feb-17	1,014,115.07	534971	14,115.07	Annually	2220217
4-May-20	3,000,000.00	1.9500%	National Australia Bank	A-1+	3,000,000.00	3-Jul-19	3,004,647.95	538171	4,647.95	At Maturity	3030719
18-May-20	1,000,000.00	3.0000%	Bank of Queensland	A-2	1,000,000.00	19-May-17	1,006,000.00	535254	6,000.00	Annually	3190517
15-Jun-20	3,000,000.00	2.0500%	National Australia Bank	A-1+	3,000,000.00	11-Jun-19	3,008,593.15	538029	8,593.15	Annually	3110619
22-Jun-20	3,000,000.00	1.9500%	National Australia Bank	A-1+	3,000,000.00	24-Jun-19	3,006,090.41	538069	6,090.41	At Maturity	3240619
5-Jul-20	3,000,000.00	1.9500%	National Australia Bank	A-1+	3,000,000.00	27-Jun-19	3,005,609.59	538085	5,609.59	Annually	3270619
24-Aug-20	2,000,000.00	3.0000%	Bank of Queensland	BBB+	2,000,000.00	24-Aug-18	2,056,219.18	537008	56,219.18	Annually	3240818
8-Dec-20	3,000,000.00	3.0000%	Bank of Queensland	BBB+	3,000,000.00	5-Dec-17	3,058,931.51	536048	58,931.51	Annually	3051217
22-Feb-21	3,000,000.00	2.9500%	Newcastle Permanent Building Society	BBB	3,000,000.00	22-Feb-19	3,038,794.52	537561	38,794.52	Annually	3220219
8-Mar-21	3,000,000.00	2.8500%	Newcastle Permanent Building Society	BBB	3,000,000.00	6-Mar-19	3,034,668.49	537619	34,668.49	Annually	3060319
8-Jun-21	2,000,000.00	3.1400%	Westpac Group	AA-	2,000,000.00	8-Jun-18	2,008,774.79	536727	8,774.79	Quarterly	3080618
28-Jun-21	2,000,000.00	2.0500%	Bank of Queensland	BBB+	2,000,000.00	27-Jun-19	2,003,931.51	538086	3,931.51	Annually	3270619
23-May-22	2,000,000.00	2.4000%	Bank of Queensland	BBB+	2,000,000.00	24-May-19	2,009,073.97	537973	9,073.97	Annually	3240519
30-May-22	2,000,000.00	2.4000%	Bank of Queensland	BBB+	2,000,000.00	30-May-19	2,008,284.93	537991	8,284.93	Annually	3300519
14-Jun-22	2,000,000.00	2.2500%	Bank of Queensland	BBB+	2,000,000.00	11-Jun-19	2,006,287.67	538030	6,287.67	Annually	3110619
22-May-23	2,000,000.00	2.5500%	Bank of Queensland	BBB+	2,000,000.00	24-May-19	2,009,641.10	537974	9,641.10	Annually	3240519
<b>86,000,000.00</b>		<b>2.5962%</b>			<b>86,000,000.00</b>		<b>86,996,737.27</b>		<b>996,737.27</b>		



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**Floating Rate Term Deposits**

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Interest Date	Reference
6-Aug-19	3,000,000.00	2.7431%	Newcastle Permanent Building Society BBSW+1.10%	A-2	3,000,000.00	8-Aug-17	3,019,164.12	535594	19,164.12	6-Aug-19	3080817
	<b>3,000,000.00</b>	<b>2.7431%</b>			<b>3,000,000.00</b>		<b>3,019,164.12</b>		<b>19,164.12</b>		

**Floating Rate Notes**

Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Coupon Date	Reference
28-Oct-19	1,000,000.00	2.4282%	TMB Snr FRN (Oct19) BBSW+1.40%	A-2	1,000,000.00	28-Oct-16	1,002,340.08	534460	199.58	28-Oct-19	3281016
6-Nov-19	1,000,000.00	2.6191%	BoQ Snr FRN (Nov19) BBSW+1.07%	A-2	1,000,000.00	6-Nov-14	1,007,982.85	496124	6,242.79	6-Aug-19	3061114
6-Nov-19	1,000,000.00	2.6191%	BoQ Snr FRN (Nov19) BBSW+1.07%	A-2	1,000,000.00	6-Nov-14	1,007,982.85	533673	6,242.79	6-Aug-19	2061114
24-Feb-20	500,000.00	2.8900%	GBS Snr FRN (Feb20) BBSW+1.45%	A-2	502,730.00	15-Sep-17	502,871.67	535783	2,731.64	26-Aug-19	3150917
3-Mar-20	1,000,000.00	2.5000%	MAC Snr FRN (Mar20) BBSW+1.10%	A-1	1,000,000.00	3-Mar-15	1,008,701.10	502272	4,041.10	3-Sep-19	3030315
20-Mar-20	3,000,000.00	2.5450%	CUA Snr FRN (Mar20) BBSW+1.30%	A-2	3,002,640.00	19-Sep-17	3,026,845.48	535800	8,785.48	20-Sep-19	3190917
20-Mar-20	500,000.00	2.5450%	CUA Snr FRN (Mar20) BBSW+1.30%	A-2	500,925.00	28-Sep-17	504,474.25	535801	1,464.25	20-Sep-19	3280917
20-Mar-20	1,500,000.00	2.5450%	CUA Snr FRN (Mar20) BBSW+1.30%	A-2	1,500,000.00	20-Mar-17	1,513,422.74	535160	4,392.74	20-Sep-19	2200317
6-Apr-20	2,000,000.00	2.3809%	ME Bank Snr FRN (Apr20) BBSW+1.25%	A-2	2,006,700.00	15-May-17	2,011,951.05	535233	3,131.05	7-Oct-19	3150517
6-Apr-20	500,000.00	2.3809%	ME Bank Snr FRN (Apr20) BBSW+1.25%	A-2	502,965.00	1-Sep-17	502,987.76	535763	782.76	8-Oct-19	3010917
7-Apr-20	1,000,000.00	2.4809%	NPBS Snr FRN (Apr20) BBSW+1.35%	A-2	1,000,000.00	7-Apr-15	1,007,411.28	533676	1,631.28	8-Oct-19	2070415
7-Apr-20	900,000.00	2.4809%	NPBS Snr FRN (Apr20) BBSW+1.35%	A-2	907,083.00	24-Aug-17	906,670.15	535630	1,468.15	8-Oct-19	3240817
7-Apr-20	3,000,000.00	2.4809%	NPBS Snr FRN (Apr20) BBSW+1.35%	A-2	3,033,480.00	30-Nov-17	3,022,233.83	535999	4,893.83	8-Oct-19	3301117
29-Apr-20	1,000,000.00	2.1782%	CS Snr FRN (Apr20) BBSW+1.15%	A-1	1,000,000.00	29-Apr-15	1,005,689.03	533688	179.03	29-Oct-19	2290415
28-Jul-20	1,000,000.00	1.9282%	WBC Snr FRN (Jul20) BBSW+0.90%	A-1+	1,000,000.00	28-Jul-15	1,006,788.48	507261	158.48	28-Oct-19	3280715
18-Aug-20	1,000,000.00	2.6500%	BEN Snr FRN (Aug20) BBSW+1.10%	BBB+	1,000,000.00	18-Aug-15	1,012,290.00	533677	5,300.00	19-Aug-19	2180815
29-Mar-21	2,100,000.00	2.4346%	HBS Snr FRN (Mar21) BBSW+1.23%	Baa1	2,100,000.00	29-Mar-18	2,121,877.48	536457	4,762.48	30-Sep-19	3290318
16-Apr-21	1,000,000.00	2.3946%	ME Bank Snr FRN (Apr21) BBSW+1.27%	BBB	1,000,000.00	17-Apr-18	1,008,329.69	536509	1,049.69	16-Oct-19	3170418
30-Aug-21	1,000,000.00	2.7200%	BOZ 'SRI' Snr FRN (Aug21) BBSW+1.30%	BBB	1,000,000.00	30-Aug-18	1,011,104.79	536987	4,694.79	30-Aug-19	3300818

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**Floating Rate Notes**

Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Coupon Date	Reference
6-Sep-21	1,000,000.00	2.6261%	CUA Snr FRN (Sep21) BBSW+1.25%	BBB	1,000,000.00	6-Sep-18	1,014,089.08	537050	4,029.08	6-Sep-19	3060918
10-Sep-21	2,000,000.00	2.4463%	AMP Snr FRN (Sep21) BBSW+1.08%	A-	2,000,000.00	10-Sep-18	2,005,936.24	537065	6,836.24	10-Sep-19	3100918
10-Sep-21	3,000,000.00	2.4463%	AMP Snr FRN (Sep21) BBSW+1.08%	A-	3,021,240.00	31-May-19	3,008,904.35	537992	10,254.35	11-Sep-19	3310519
18-Jul-22	1,650,000.00	2.1014%	ME Bank Snr FRN (Jul22) BBSW+0.98%	BBB	1,650,000.00	18-Jul-19	1,656,956.43	538175	1,329.93	18-Oct-19	3180719
25-Jan-23	1,000,000.00	2.1000%	BEN Snr FRN (Jan23) BBSW+1.05%	BBB+	1,000,000.00	25-Jan-18	1,009,612.74	536142	402.74	25-Oct-19	3250118
6-Feb-23	500,000.00	2.9491%	NPBS Snr FRN (Feb23) BBSW+1.40%	BBB	501,370.00	21-Mar-18	509,469.68	536444	3,514.68	6-Aug-19	3210318
9-May-23	3,000,000.00	2.5500%	ANZ Snr FRN (May23) BBSW+0.90%	AA-	3,000,000.00	9-May-18	3,051,925.48	536582	17,605.48	9-Aug-19	3090518
19-Jun-24	2,000,000.00	2.1810%	NAB Snr FRN (Jun24) BBSW+0.92%	AA-	2,000,000.00	19-Jun-19	2,032,978.79	538035	5,138.79	19-Sep-19	3190619
					<b>38,229,133.00</b>		<b>38,481,827.35</b>		<b>111,263.20</b>		

**Fixed Rate Bonds**

Maturity Date	Face Value (\$)	Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Purchase Yield	Reference
8-Feb-24	2,250,000.00	3.1000%	ANZ Snr Bond (Feb24) 3.10%	AA-	2,248,717.50	8-Feb-19	2,437,718.74	537488	33,526.24	3.1125%	3080219
11-Jan-24	2,500,000.00	3.0000%	CBA Snr Bond (Jan24) 3.00%	AA-	2,478,775.00	11-Jan-19	2,661,533.87	537455	4,233.87	3.1850%	3110119
					<b>4,727,492.50</b>		<b>5,099,252.61</b>		<b>37,760.11</b>	<b>3.1507%</b>	

**DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-172**

**Attachment 2  
Investment Strategy and Portfolio  
Review 2018/19**





**Investment Strategy  
and  
Portfolio Review  
2018/19 Financial Year**



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## **Executive Summary**

### **Investment Climate:**

- The 2018/19 Financial Year began with optimism that the growth experienced in the previous financial year would continue, albeit with some slight easing. The actual downturn that came was stronger than most experts had predicted as several factors across major economies converged.
- The International Monetary Fund (IMF) recently downgraded its global growth forecast for 2019/2020 to 3.2%, the slowest growth rate since the GFC, citing the global economy is “sluggish and precarious” and “remains at a delicate juncture”.
- Domestically, the RBA lowered the cash rate by 50 basis points over June and early July, to 1.00%, aiming to reduce spare capacity in the economy and lower the unemployment rate. The futures market is pricing in another 25bp rate cut by December.

### **Investment Portfolio:**

- Council has been proactive in the management of its long term portfolio, taking advantage of good investment opportunities in the primary and secondary markets while locking in capital gains on existing holdings which would otherwise revert to par as they approach maturity.
- For the 2018/19 Financial Year, Council’s portfolio has outperformed the bank bill index benchmark by 107 basis points: 3.04%pa vs 1.97%pa. As at 30 June 2019, Council’s total weighted average interest rate on its portfolio was 2.58%.

### **Investment Strategy:**

- Based on the current interest rate outlook, attractive 6 month term deposits rates remain good value, mainly if the funds are utilised upon maturity.
- Competitively priced fixed rate bonds or TDs up to 3 years are good alternatives to floating rate investments in the current environment. Floating rate investments may be a better option for 4 & 5 year maturities depending upon the bond’s interest rate.
- A draft Investment Policy is currently in the final stages of consideration which would allow for exposure to growth assets via NSW TCorpIM. If approved, this will help Council better align some of its long term liabilities with appropriate long term assets.



## The Investment Climate

### International Economic Overview

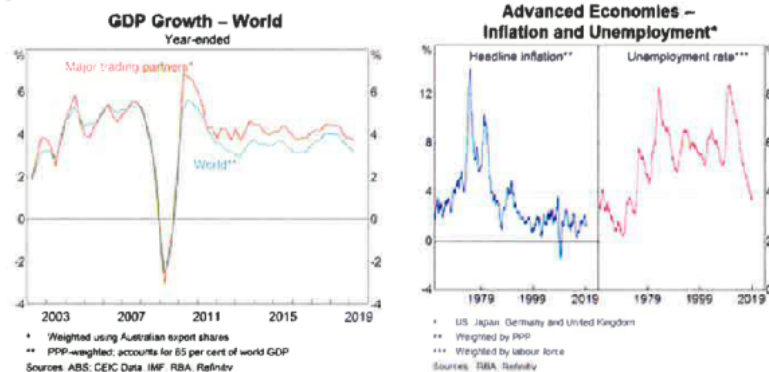
- Global economic downturn has been stronger than experts had predicted;
- Low wage growth persists across major economies despite tight labour markets;
- The ongoing US/China trade war remains the wildcard issue for prospects of future economic growth.

The 2018/19 Financial Year began with optimism that the growth experienced in the previous financial year would continue, albeit with some slight easing. The actual downturn that came was stronger than most experts had predicted as several factors across major economies converged:

- China's economic growth declined off the back of regulatory tightening to rein in the nation's shadow banking industry and an increase in trade tensions with the United States;
- The euro area economy lost more momentum than expected as consumer and business confidence weakened and external demand, especially from Asia, softened; and
- Global trade tensions, not limited to the US and China, increasingly took a toll on business confidence leading to worsening financial market sentiment, manufacturing sector weakness and a slowdown in business investment.

The International Monetary Fund (IMF) recently downgraded its global growth forecast for 2019/2020 to 3.2%, the slowest growth rate since the GFC, citing the global economy is "sluggish and precarious" and "remains at a delicate juncture".

Meanwhile, unemployment rates in many of the major economies are the lowest they have been in many decades and inflation rates, aided by low wages growth, are mostly below 2%:



Looking forward, the big uncertainty remains trade policy. A failure to resolve the disputes represents a major downside risk to the global economy of which some remains priced in. However, a resolution of the current disputes would help boost trade flows and reduce some of the uncertainties facing businesses leading to a likely pick-up in investment and business confidence.



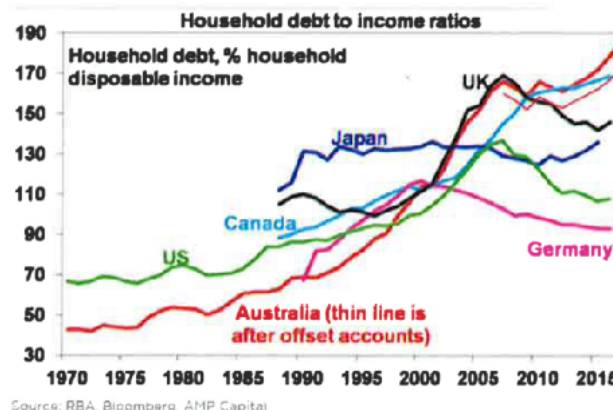
## Australian Economic Conditions

- Cash Rate down to historic low of 1.00% as inflation remains subdued;
- Low wage growth and disposable income is impacting consumer confidence and retail sales, while household debt continues to rise;
- Inflation expected to be at the bottom of the 2-3% target range for years.

Domestically, near the end of 2018 the market was pricing a steady official cash rate of 1.50% through 2019. Within just seven months the RBA has cut the cash rate by 50bp, to an historic low of 1.00%, and the market is expecting another 25bp cut before the end of 2019.

The RBA has noted that slumping house prices have impacted homeowners' feeling of wealth. This, along with weak growth in household income, has contributed to a slowdown in household consumption growth. Over the past three years, household disposable income has increased at an average rate of just 2¾%. This compares with an average of 6% over the preceding decade. The lower rate of income growth has forced people to cut back on spending, resulting in weakening retail sales figures.

Another issue of concern to the RBA has been the steady increase in Australians' household debt to income ratio which has surged to 190%, well past several large economies. Efforts will need to be made to reduce household debt before pressure mounts again to raise interest rates:



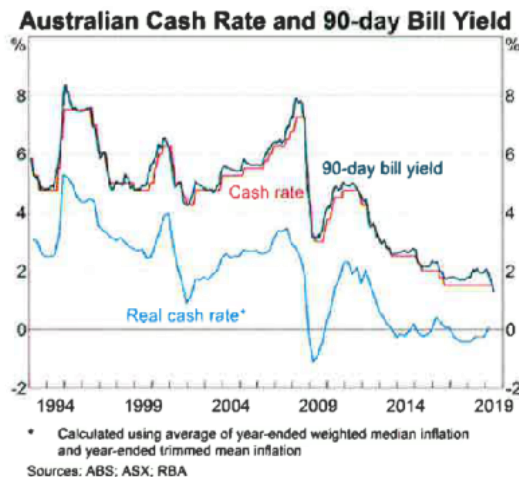
The RBA expects stronger growth in disposable income will eventually flow through into household spending and improved retail sales, but it will take some time. There are some bright spots in the economy, including increased infrastructure investment; a growth in demand for a range of services; and a recent lift in the terms of trade boosting national income.

The RBA is now forecasting the Australian economy to grow by 2¾% over both 2019 and 2020 and an unemployment rate of approximately 5%. Inflation is expected to remain around the bottom of the central bank's 2-3% target range over the next few years before gradually increasing.



## Interest Rate Environment

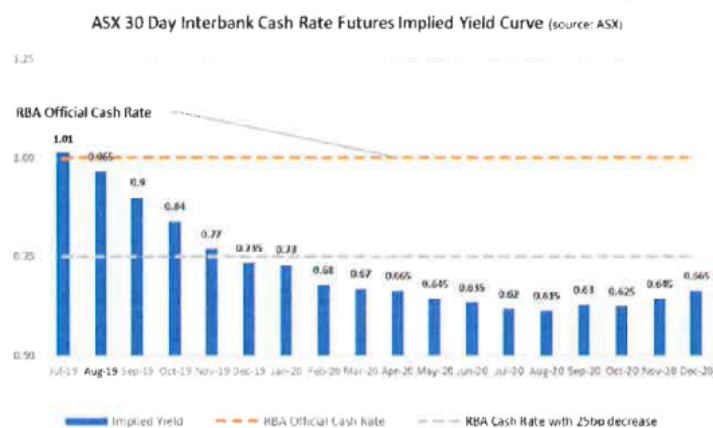
The RBA lowered the cash rate by 50 basis points over June and early July aiming to reduce spare capacity in the economy and lower the unemployment rate. The central bank expects the lower interest rate to provide more Australians with jobs and jumpstart the economy with the aim of increasing inflation to the 2-3% target range.



In the minutes of its latest meeting, the RBA left open the possibility for further cuts to the official cash rate depending upon the impact of the lower rates on employment and inflation.

Along with monetary action, the RBA has been vocal in urging the federal government to expand fiscal stimulus by reducing regulations and increase infrastructure spending, both of which are in the works with the newly re-elected Coalition Government.

At this stage, the futures market is pricing in another 25bp rate cut by December, which would take the official cash rate to 0.75%:





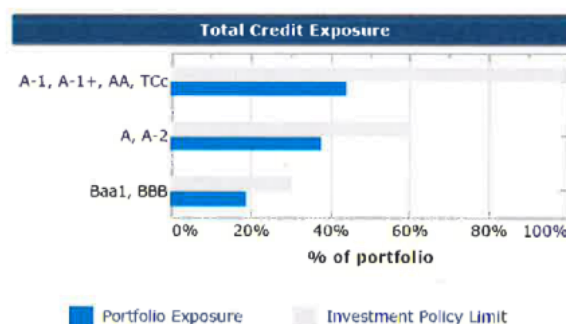


### Good Governance: Investment Portfolio vs Policy Limits

The following tables summarise Council's Investment Portfolio, as at 30 June, in terms of its Investment Policy Framework:

- A. Overall Portfolio Credit Limits;
- B. Individual Institution Limits; and
- C. Term to Maturity Limits.

#### A. Overall Portfolio Credit Limits:



Credit Rating		Exposures	Policy Max	
		(\$)	(%)	
Long Term	AA	15,750,000		
Short Term	A-1	10,000,000		
Short Term	A-1+	27,516,020		
Short Term	TCC	13,179,980		
		66,446,000	44%	100% ✓
Long Term	A	5,000,000		
Short Term	A-2	51,900,000		
		56,900,000	37%	60% ✓
Long Term	Baa1	2,100,000		
Long Term	BBB	26,500,000		
		28,600,000	19%	30% ✓
		151,946,000	100%	

Council's portfolio remains well diversified, and within policy limits, across investment grade rated banks. While not rated by a credit ratings agency, the NSW T-Corp Cash & Short Term Income Funds utilised by Council are managed as equivalents to "AAA" & "AA" rated funds.

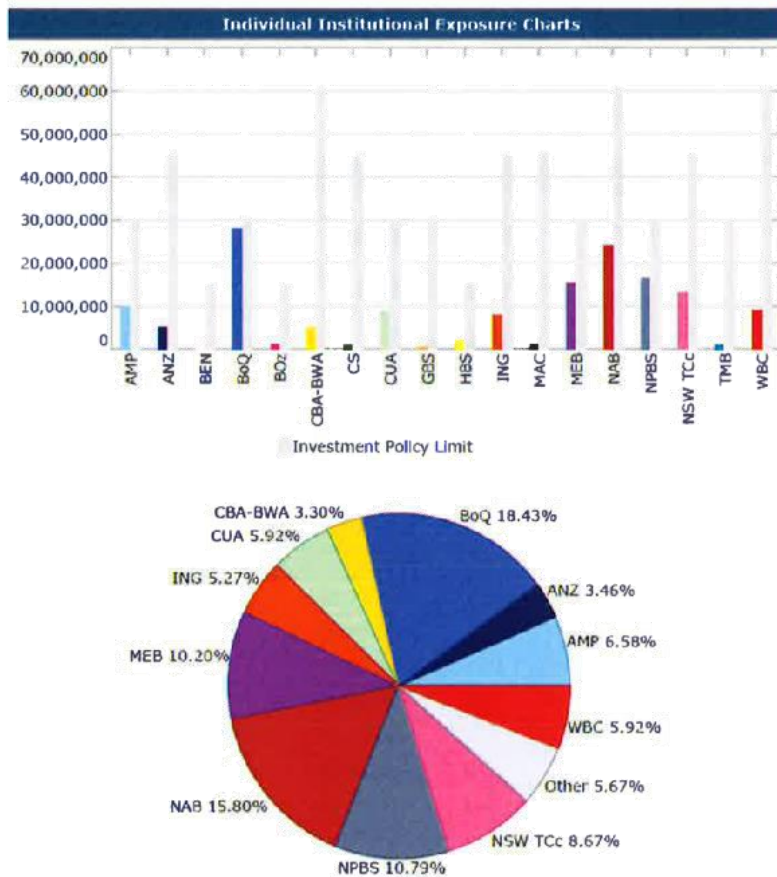
A list of Australian ADIs with their current credit ratings are included in Appendix C of this review.



**B. Individual Institution Limits:**

Council's investments are predominately in deposits/securities with highly rated Australian Authorised Deposit taking Institutions (ADIs) regulated by the Australian Prudential Regulation Authority (APRA).

Council's exposures versus policy limits as at 30 June:



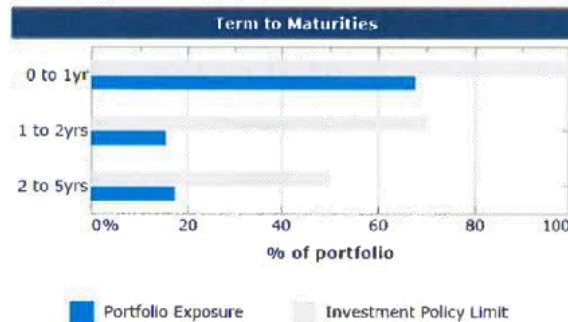
All of Council's portfolio exposures comply with legislation and are within Council's investment policy limits.





### C. Term to Maturity Limits:

Council's investment portfolio maturity profile as at 30 June:



Policy Minimum	Exposures		Min	
	(\$)	(%)	(%)	
Less than 3 months	41,696,000	27%	10%	✓
Between 3 months and 1 year	60,900,000	40%	20%	✓
Policy Maximum	Exposures		Max	
	(\$)	(%)	(%)	
Between 1 and 2 years	23,100,000	15%	70%	✓
Between 2 and 5 years	26,250,000	17%	50%	✓
<b>151,946,000</b>				

✓ = compliant

✗ = non compliant

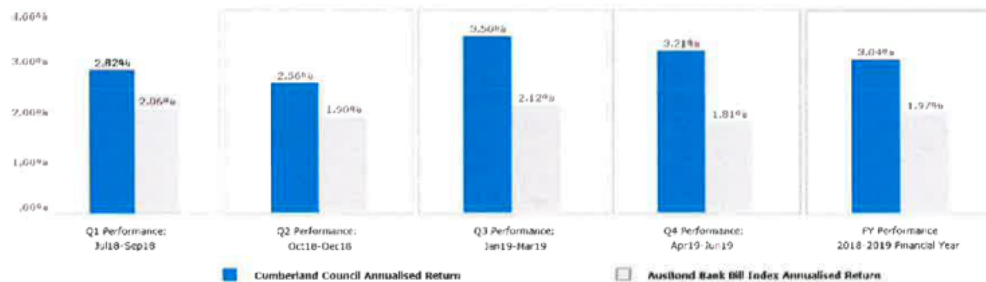
Council recently drew down a \$30m long term loan from NSW TCorp. This has allowed Council to consider long term investment options for a portion of its portfolio as it matches the timing of capital expenditure with appropriate investment alternatives.

As the FY ended some of the loan proceeds that are earmarked for long dated investments, including growth assets via NSW TCorpIM pending approval by Council, are being held in cash equivalents.



## Portfolio Performance, Interest Details & Capital Movements

The charts below show Council's 2018/19 quarterly and financial year investment portfolio returns against benchmark:



For the 2018/19 Financial Year, Council's portfolio has outperformed the bank bill index benchmark by 107 basis points: 3.04%pa vs 1.97%pa on a marked-to-market basis. (Marked-to-market returns include any changes on underlying security valuations based upon current market interest rates).

As at 30 June 2019, Council's total weighted average interest rate on its portfolio was 2.58%. (This excludes the impact of underlying capital values and is a point-in-time value).

## Interest Accrued

Summary of Interest Accrued Calculations up to 30-Jun-19													
Instrument	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Grand Total
Cash	3,112.90	5,842.44	5,803.82	3,894.40	7,190.61	5,355.35	4,348.41	4,850.28	5,118.55	4,182.97	5,210.71	3,397.74	58,308.18
Fixed Rate Bond							4,350.83	9,847.37	12,395.73	11,995.85	12,395.72	11,995.85	62,981.36
Floating Rate Note	89,651.57	89,584.34	94,388.68	97,838.18	94,236.12	97,796.98	86,093.39	81,933.89	88,367.41	82,270.78	81,316.66	82,495.63	1,075,974.53
Floating Rate Term Deposits	7,847.57	7,812.75	7,550.88	7,592.57	7,510.80	7,748.55	7,748.56	7,105.69	7,812.38	7,657.16	7,197.71	6,763.80	90,662.52
Managed Fund	16,516.54	12,913.15	12,241.73	13,884.00	6,227.82	9,361.18	10,821.58	21,380.84	17,516.71	13,044.23	18,779.71	40,479.33	193,172.82
Term Deposit	228,314.36	238,854.87	237,810.40	223,316.45	221,079.43	236,800.87	225,362.17	185,101.90	210,623.25	187,800.05	185,038.94	191,882.23	2,582,044.03
<b>Grand Total</b>	<b>345,443.04</b>	<b>355,007.55</b>	<b>357,795.51</b>	<b>356,739.60</b>	<b>328,244.78</b>	<b>357,122.93</b>	<b>348,724.94</b>	<b>310,229.97</b>	<b>341,934.63</b>	<b>308,951.05</b>	<b>309,938.55</b>	<b>337,014.49</b>	<b>4,963,143.44</b>

Council has accrued just over \$4.0m in interest for the 2018/19 Financial Year.

## Interest Received

Summary of Interest Received Calculations up to 30-Jun-19													
Instrument	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Grand Total
Cash	3,112.90	5,842.44	5,803.82	3,894.40	7,190.61	5,355.35	4,348.41	4,850.28	5,118.55	4,182.97	5,210.71	3,397.74	58,308.18
Floating Rate Note	101,719.45	87,792.05	94,413.42	102,153.81	75,846.65	113,454.85	105,771.76	71,803.69	97,950.11	102,164.22	99,888.15	114,858.28	1,086,786.48
Floating Rate Term Deposits		23,289.80			23,156.02			22,995.72			22,716.21		92,157.81
Term Deposit	152,931.50	250,592.66	487,460.56	172,795.85	214,304.10	436,426.33	195,330.41	242,706.57	97,472.32	123,674.80	284,254.80	194,795.89	2,933,151.53
<b>Grand Total</b>	<b>257,763.85</b>	<b>447,517.01</b>	<b>567,682.80</b>	<b>278,844.10</b>	<b>320,487.42</b>	<b>555,236.23</b>	<b>305,450.58</b>	<b>342,416.26</b>	<b>199,550.88</b>	<b>229,021.99</b>	<b>352,469.87</b>	<b>312,851.91</b>	<b>4,170,404.00</b>

Council has received over \$4.1m in interest/coupons in the 2018/19 Financial Year.



## Capital Movements

Summary of Capital Movements Calculations up to 30-Jun-19													
Instrument	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Grand Total
Fixed Rate Bond							7,125.00	56,580.00	79,202.50	32,842.50	47,992.50	36,505.00	261,647.50
Floating Rate Note	2,885.80	12,205.40	-1,381.88	8,282.02	-35,816.14	-26,891.80	11,605.48	45,832.54	25,391.49	39,070.07	-15,881.42	15,500.70	82,180.78
Grand Total	2,885.86	12,205.46	-1,381.88	8,282.02	-35,816.14	-26,891.80	18,730.48	102,412.54	105,593.99	71,712.57	31,711.08	54,365.70	343,828.28

The capital value of Council's fixed rate bonds, which were purchased in early 2019, have increased by approximately \$260,000 (or approximately 5%) as their 3.00%+pa fixed coupons are now more valuable in a lower interest rate environment.

The capital value of Council's floating rate notes (FRNs) initially fell in the first half of the financial year as margins for FRNs widened due to market volatility. For example, 5 year FRNs from the major banks were issued at BBSW+1.13% in January 2019 compared to BBSW+0.90%. However, these losses were reversed in the second half of the financial year as margins narrowed back to BBSW+0.90%.

Council has FRNs that are trading above par value which could be sold to lock in capital gains, gains which would otherwise be lost if the FRN is held to maturity. Prudential will make recommendations when suitable reinvestment options are available.

## Purchase/Maturities/Sales

Summary of Purchases/Maturities/Sales Calculations up to 30-Jun-19													
Instrument	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Grand Total
Fixed Rate Bond							2,478,775.00	2,248,717.50					4,727,492.50
Floating Rate Note		1,000,000.00	3,000,000.00				-2,003,890.00	-2,503,516.10			3,001,666.65	1,000,000.00	3,494,260.65
Managed Fund	-250,000.00	1,250,000.00		-4,000,000.00	3,000,000.00	-3,150,000.00	4,000,000.00		-1,500,000.00	-500,000.00	21,500,000.00	-13,500,000.00	6,850,000.00
Term Deposit	-2,000,000.00	7,000,000.00	-6,000,000.00	-3,000,000.00	0.00	1,000,000.00	-9,000,000.00	-2,000,000.00	0.00	-9,000,000.00	9,000,000.00	7,000,000.00	-7,000,000.00
Grand Total	-2,250,000.00	9,250,000.00	-3,000,000.00	-7,000,000.00	3,000,000.00	-2,150,000.00	-4,525,115.00	-2,254,798.60	-1,500,000.00	-9,500,000.00	33,501,666.65	-5,500,000.00	6,871,753.15

During the financial year, Council:

- Drew down a \$30m loan from NSW TCorp in May, directing the funds to appropriate investment alternatives to align maturities with expenditure requirements
- Increased its fixed rate bond holdings by \$4.7m
- Increased its floating rate note holdings by \$3.5m, with coupons ranging from BBSW+0.92% to BBSW+1.30%.
- Increased its holdings in NSW T-Corp Funds by \$6.85m
- Decreased its term deposit exposures by \$7m with new term deposits earning a weighted average rate of 2.70%pa.

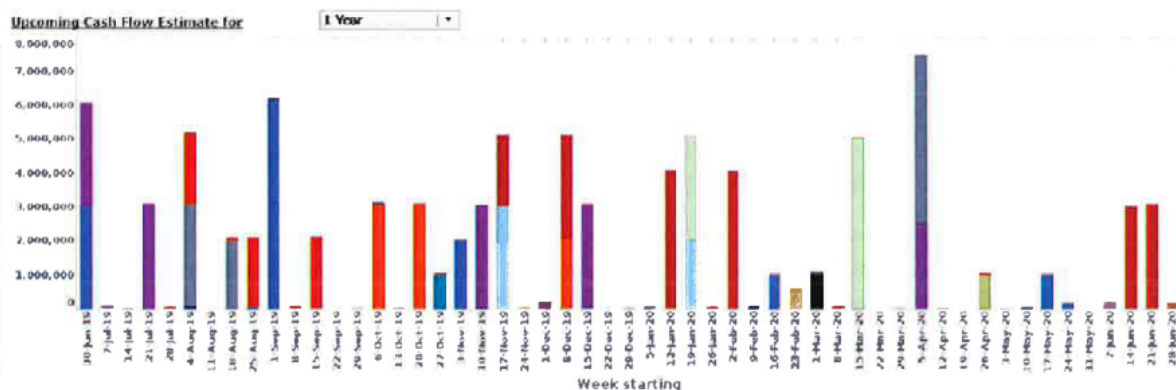


## Investment Strategy Recommendations

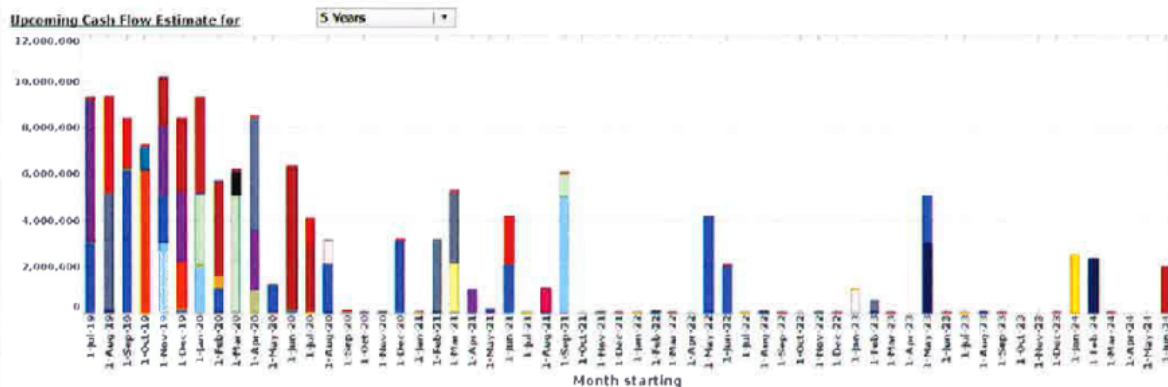
### Upcoming cash flow (existing investments):

Council continues to take advantage of market opportunities as they arise compiling a sound and diversified portfolio with a good spread of near term maturities to cater for upcoming cash requirements.

#### Short-term: weekly maturity schedule for FY 2019/20:



#### Long-term: monthly maturity schedule for 5 years:

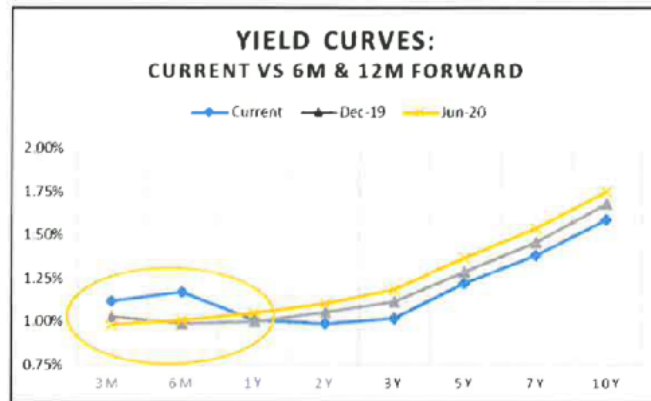


Council has been proactive in the management of its long term portfolio, taking advantage of good investment opportunities in the primary and secondary markets while locking in capital gains on existing holdings which would otherwise revert to par as they approach maturity.



**Looking Forward – Value in the Market**

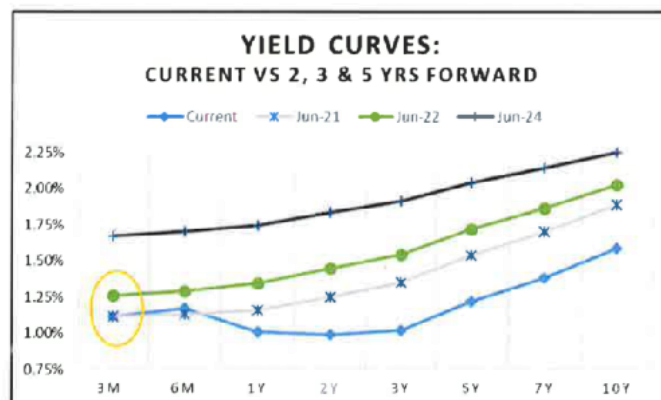
**Short-term Outlook (up to 12 months):** the market is pricing in a drop in short term rates over the coming year. Particularly in the 6 month area:



This indicates that competitively priced 6 month term deposits rates are good value now, particularly if the funds will be utilised upon maturity. If the proceeds are to be reinvested for a further 6 months upon maturity the prevailing rates may be quite lower (difference between the blue and grey lines at the 6M area above).

The chart also shows there should be little “interest rate risk” in making fixed rate deposits in the 12 month area as rates are expected to be little different when the deposits mature.

**Long-term Outlook (12 months and greater):** The 3-month rate is expected to be essentially unchanged between now and 2 years and only 14 basis higher than its current level in 3 years (difference between the blue line and the 2 others in the orange circle below):



This implies that interest rates on floating rate securities that use the 3mo BBSW as its base, will have little change over the next 3 years. Therefore, competitively priced fixed rate bonds or TDs up to 3 years may be better alternatives than floating rate investments. Beyond 3 years interest rates are expected to rise sharply, implying a





floating rate note or floating rate TD may be a better option for 4 & 5 year maturities depending upon the bond's interest rate. Forward looking comparisons between fixed and floating rate options are always undertaken when assessing a long dated floating rate note or term deposit.

In relation to bank issued bonds, further post-GFC banking regulation has been recently announced by the banking regulator, APRA. Going forward, Australia's major banks will be required to increase issuance of Tier 2 "loss absorbing" bonds to help protect the stability of the banks in the event of another financial crises. NSW councils may not invest in Tier 2 bonds which may be converted to equity or expunged entirely in times of fiscal stress.

The increased issuance of Tier 2 capital by the banks will consequently reduce the amount of senior ranked bonds banks will require, thereby tightening the availability, and interest rates, of bonds which Council may invest; new 5 year issuance from the major banks is likely to be in the BBSW+0.65% area, down from NAB's BBSW+0.92% issue in June 2019.

The positive to this is that the senior ranked bonds Council may invest in will be more secure given the increased subordination in the banks' capital structures and therefore helping avoid a credit rating downgrade of the major banks.



**Summary:**

- Council's investment portfolio is prudently managed and consists of assets appropriate for a local government entity.
- Interest rates have dropped sharply over the past 6 months as the RBA has cut the official cash rate by 50bps, to an historic low of 1.00%, and another 25bp cut by December is priced into the market.
- Based on the current interest rate outlook, attractive 6 month term deposits rates remain good value, mainly if the funds are utilised upon maturity.
- Competitively priced fixed rate bonds or TDs up to 3 years are good alternatives to floating rate investments in the current environment. Floating rate investments may be a better option for 4 & 5 year maturities depending upon the bond's interest rate.
- Going forward, Australia's major banks will be required to increase issuance of Tier 2 "loss absorbing" bonds to help protect the stability of the banks in the event of another financial crises. The increased issuance of Tier 2 capital will tighten the availability, the interest rates, and the security of the senior ranked bonds which Council may invest.
- A draft Investment Policy is currently in the final stages of consideration which would allow for exposure to growth assets via NSW TCorpIM. If approved, this will help Council better align some of its long term liabilities with appropriate long term assets.
- Investment opportunities across all time periods will continue to be considered closely to help ensure the portfolio remains well positioned to take advantage of the changing market conditions.



## Appendix A – Asset Allocation and Investment Security Review

The following is a synopsis of Council's investment holdings as of 30 June 2019 with comments on the underlying structures:

By Product	Face Value (\$)
Bonds	4,750,000.00
Cash	2,516,020.19
Floating Rate Note	36,500,000.00
Floating Rate Term Deposits	3,000,000.00
Managed Funds	13,179,980.01
Term Deposit	92,000,000.00
	<b>151,946,000.20</b>

### Term Deposits and At Call Accounts

- Term Deposits with Australian licenced ADIs
- \$92,000,000 investments in fixed rate term deposits
- Maturity: Jul 2019 to May 2023
- \$3,000,000 investments in floating rate term deposits
- Maturity: Aug 2019
- Risk of Capital Loss: Low

Term Deposits are held to maturity investments which generally offer a fixed rate for terms under 12 months while terms over 12 months can be offered in both fixed and floating rate options. Rates offered by banks are often more dependent on the bank's funding requirements than the bank's credit ratings, as evidenced by the four major banks frequently paying higher rates than lower rated or unrated banks.

Council's term deposit exposures as at 30 June 2019 included:

Bank	Credit Rating	Geographic Operation	Bank Total Assets (\$m)	Capital Adequacy Ratio	Current Exposure (\$)
ANZ Bank	A-2, A-	Australia wide and internationally	19,073	10.2%	5,000,000
Bank of Queensland	A-2, BBB+	Australia wide	50,522	9.3%	26,000,000
Credit Union Australia	A-2, BBB	Australia wide	N/A	14.0%	3,000,000
ING Bank (Australia)	A-1, A	Australia wide	55,504	13.3%	8,000,000
Members Equity Bank	A-2, BBB	Australia wide	25,656	8.3%	12,000,000
National Australia Bank	A-1+, AA-	Australia wide and internationally	732,837	10.0%	22,000,000
Newcastle Permanent Building Society	A-2, BBB	Predominately NSW	N/A	19.6%	11,000,000
Westpac Group	A-1+, AA-	Australia wide and internationally	857,348	10.7%	8,000,000
					<b>95,000,000</b>



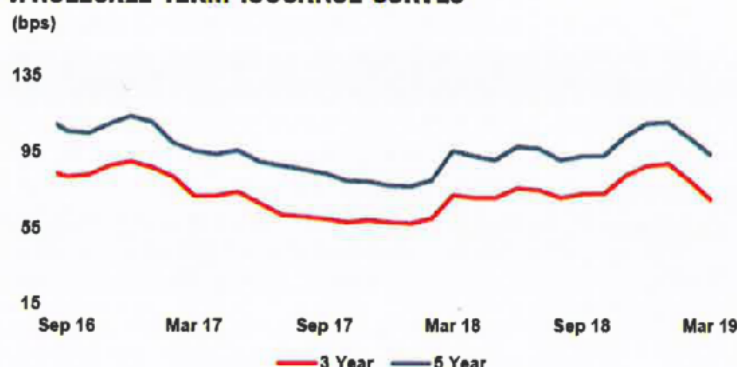
### Bank Issued Fixed and Floating Rate Notes

- 2 fixed rate note from 2 ADIs
- \$4,750,000 investment in fixed rate notes
- Maturity: Jan 2024 to Feb 2024
- 26 floating rate notes from 15 ADIs
- \$36,500,000 investment in floating rate notes
- Maturity Date: Oct 2019 to Jun 2024
- Risk of Capital Loss: Low

These investments are senior ranked debt obligations of Australian ADIs. They are intended to be held to maturity but can be sold in the market if liquidity is required or if a favourable switch opportunity arises; the price obtained would be dependent upon market conditions and demand at the time. They are also subject to the market's scrutiny of the underlying risk of the issuer's ability to repay its obligations. Therefore, unlike term deposits, these securities provide a more transparent risk assessment of the ADI with lower rated banks paying higher margins than higher rated banks.

Spreads widened in the latter half of 2018 resulting in 5 year FRNs from the major banks issued at BBSW+1.13% in early 2019 compared to BBSW+0.90% in June 2018, however by June 2019 this had narrowed back to BBSW+0.92%.

### WHOLESALE TERM ISSUANCE CURVES<sup>1</sup>



Source: NAB

Post 30 June, APRA announced that Australia's major banks will be required to increase issuance of Tier 2 "loss absorbing" bonds to help protect the stability of the banks in the event of another financial crises. NSW councils may not invest in Tier 2 bonds which may be converted to equity or expunged entirely in times of fiscal stress.

The increased issuance of Tier 2 capital by the banks will consequently reduce the amount of senior ranked bonds banks will require, thereby tightening the availability, and interest rates, of bonds which Council may invest; new 5 year issuance from the major banks is likely to be in the BBSW+0.65% area, down from NAB's BBSW+0.92% issue in June 2019.

The positive to this is that the senior ranked bonds Council may invest in will be more secure given the increased subordination in the banks' capital structures and therefore helping avoid a credit rating downgrade of the major banks.

Council's fixed/floating rate note exposures as at 30 June 2019 included:



Bank	Credit Rating	Geographic Operation	Bank Total Assets (\$m)	Capital Adequacy Ratio	Current Exposure (\$m)
AMP Bank	A-2, A-	Australia wide and internationally	19,073	10.2%	5,000,000
ANZ Group	A-1+, AA-	Australia wide and internationally	592,562	11.5%	5,250,000
Bank Australia	A-2, BBB	Predominately VIC	6,346	16.4%	1,000,000
Bank of Queensland	A-2, BBB+	Australia wide	50,522	9.3%	2,000,000
Bendigo and Adelaide Bank	A-2, BBB+	Australia wide	69,434	8.7%	2,000,000
Commonwealth Bank of Australia	A-1+, AA-	Australia wide and internationally	768,184	10.3%	2,500,000
Credit Suisse AG (Syd Branch)	A-1, A	Internationally	7,623		1,000,000
Credit Union Australia	A-2, BBB	Australia wide	N/A	14.0%	6,000,000
Greater Bank	A-2, BBB	Predominately NSW	7,167	17.5%	500,000
Heritage Bank	P-2, Baa1	Predominately QLD	5,129	13.1%	2,100,000
Macquarie Bank	A, A-1	Australia wide and internationally	92,411	11.4%	1,000,000
Members Equity Bank	A-2, BBB	Australia wide	25,656	9.3%	3,500,000
National Australia Bank	A-1+, AA-	Australia wide and internationally	733,837	10.0%	2,000,000
Newcastle Permanent Building Society	A-2, BBB	Predominately NSW	N/A	19.6%	5,400,000
Teachers Mutual Bank	A-2, BBB	Predominately NSW, QLD, WA	7,977	14.0%	1,000,000
Westpac Group	A-1+, AA-	Australia wide and internationally	857,348	10.7%	1,000,000
					<b>41,250,000</b>

These securities continue to deliver a high, consistent income stream in line with Council's original investment objectives.

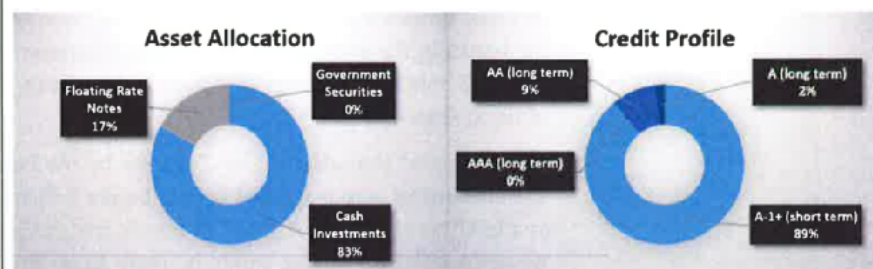
### Managed Funds

#### NSW TCorp Cash Fund

- \$10,106,158 investment
- Unrated

The NSW TCorp Cash Facility aims to earn an after-fee return similar to that of the Bloomberg Bank Bill Index (its benchmark). It is primarily a cash management tool allowing for same day access to funds whilst paying a slightly higher return than could be expected from a bank cash management account. This fund is designed as a high volume transactional account for investors that deposit and redeem large tranches of funds at least weekly.

The charts below show the current asset allocation and credit profile of the underlying holdings in the NSW TCorpIM Cash Fund. Approximately 80% of the fund matures within 12 months.



Performance to June 2019				
	12 month	12 month benchmark	3 years	3 years benchmark
NSW TCorp Cash Fund	2.34%	1.97%	2.23%pa	1.86%pa



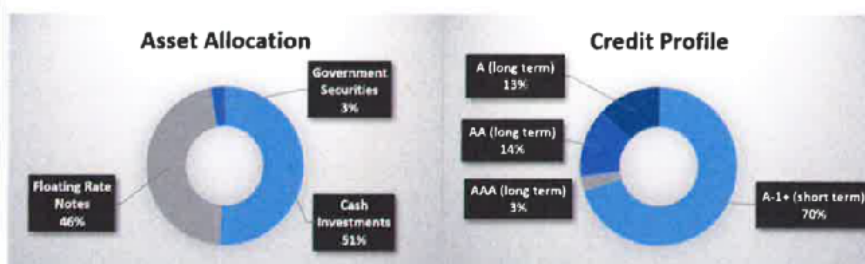


**NSW TCorp Short Term Income**

- \$3,073,822 investment
- Unrated

The NSW TCorpIM Short Term Income Fund aims to earn an after-fee return above that of the Bloomberg Bank Bill Index (its benchmark). It holds longer dated securities than the Cash Fund, consequently it has potential for more volatile month-to-month returns than its sister fund. The intended investment time horizon for the Short Term Income Fund is 1½ to 3 years, making it an alternative to medium length term deposits.

The charts below show the current asset allocation and credit profile of the underlying holdings in the NSW TCorpIM Short Term Income Fund. 55% of the fund matures within 12 months, 30% between 1 to 3 years, and the balance within 3 to 5 years.



Performance to June 2019				
	12 month	12 month benchmark	3 year	3 year benchmark
NSW TCorp Cash Fund	2.81 %	1.97 %	2.51 %pa	1.86 %pa

All of the holdings in the investment portfolio are considered to be very sound with little risk of capital loss:

**Other Key Risks:** The following risks may also apply to Council's investments:

- **Liquidity risk:** The risk that Council may be unable to sell any or part of an investment on to the secondary market at a level suitable to them – or at all. Tradeable securities may be liquid in normal market conditions; however rates/margins may change substantially in periods of market stress.
- **Interest Rate Risk:** The risk to the value of an investment caused by changes in market interest rates. Floating Rate Securities have limited interest rate risk; Fixed Rate Securities are exposed to mark-to-market changes caused by movements in swap markets.
- **Market Risk:** The risk to the value of an investment caused by changes in related markets. Tradeable securities are exposed to market perceptions of issuer credit and credit markets generally.
- **Issuer/Credit risk:** The risk of default of the Issuer/Counterparty. Note that any issuer default may result in partial or total investor capital loss.



## Appendix B – NSW Local Government Eligible Investments

### **Definitions of Eligible ADI Investments:**

**At call deposits:** Cash invested on an overnight basis with an Australian Authorised Deposit-taking Institution (ADI). Funds can be recalled or re-invested prior to the bank's Real Time Gross Settlement cut-off each day.

#### *Benefits*

- At call accounts provides a quick and easy investment solution for current balances that are not being used otherwise.

#### *Major Risks / Disadvantages*

- Potentially a lower return investment product.
- Credit risk is a function of the creditworthiness of the issuer.

**Covered Bonds:** interest bearing senior ranking debt obligations of an Authorised Deposit-taking Institution (ADI) which have specific bank assets, ie loans, backing the bond. Covered bonds are market traded securities. They can be either fixed rate or floating rate interest bearing and typically are issued with 5+ year maturities. In the case of a bank failure, holders of covered bonds rank ahead of depositors and unsecured senior bond holders having first recourse to the underlying pool of assets backing the bond. If the pool's assets are not sufficient to meet the covered bond's obligations, holders then have recourse to the bank's total assets equal to other senior unsecured bondholders.

#### *Benefits*

- Highest ranking securities within a bank's capital structure.
- Securities are liquid allowing them to be sold on the secondary market.
- Fixed rate: Future coupons are known which helps with cash flow forecasting.
- Floating rate: Coupons move with the market, allowing for investor participation when interest rates increase.

#### *Major Risks / Disadvantages*

- Credit risk is a function of the creditworthiness of the issuer/underlying assets.
- Fixed rate: interest rate risk applies in that a pre-determined coupon rate is locked in.
- Floating rate: coupons move with the market, allowing for reduced earning capacity when interest rates decrease.

*Current Covered Bond offerings are not representing good value for Council's portfolio, however these are being reviewed on an ongoing basis and should any issuance present an attractive proposition for Council's portfolio Prudential shall bring it to Council's attention.*





**Term deposits:** interest bearing deposit held at an ADI for a specific contracted period. Term deposits are not tradeable in the market. They typically have a fixed rate for their life, but floating rate term deposits are also available. Prior to the introduction of Covered Bonds into the Australian market, in early 2012, term deposits ranked at the top of an ADI's capital structure.

*Benefits*

- Term deposits are considered to be a relatively low-risk investment.
- As these funds are not callable prior to maturity, banks generally offer a return premium.
- This type of investment allows investors to match cash flow requirements.
- The return is known.

*Major Risks/ Disadvantages*

- Liquidity risk applies in that deposits are not redeemable before maturity. Deposits may not be breakable at all or may only be broken after a prohibitive break fee is paid.
- Interest Rate risk applies in that the rate of return is fixed.
- Credit risk is a function of the creditworthiness of the ADI.
- Counterparty/credit risk increases if invested with unrated/low rated financial institutions.

*As noted, various Term Deposits are providing good value and where appropriate these are being actively recommended to Council and included in the portfolio. As with all investments there is a risk/reward trade-off - even with term deposits from Australian ADI's - and these are being actively monitored.*

**Bank Bills and Negotiable Certificates of Deposits (NCDs):** are similar types of interest bearing securities issued/accepted by ADIs, typically short dated. Unlike term deposits, these are tradeable in the market prior to maturity.

*Benefits*

- Counterparty party risk is partially mitigated by the accepting/issuing bank, which is typically a bank with very high credit rating.
- The return on the bank Bill and NCD is known if held until maturity.
- Bank bills and NCDs are liquid and can be traded on the secondary market.

*Major Risks / Disadvantages*

- Being a lower risk investment option, Bank Bills/NCDs provide a lower return.
- Interest Rate risk is present in that the rate is locked in for a fixed term.
- Credit risk is a function of the creditworthiness of the accepting/issuing bank.



*These securities provide exceptional liquidity and in the current climate are very useful where this is a key requirement for cash flow management. However, most current offerings are not providing as attractive a return as available from Term Deposits. As with other eligible investments, these are being regularly monitored, particularly as the margins on Term Deposits narrow.*

**Senior Debt Bonds:** interest bearing securities which are senior debt obligations of the issuing ADI. Senior bonds are tradeable in the market. They can be either fixed rate or floating rate interest bearing and are typically issued with 3+ year maturities. Interest is paid at scheduled intervals based on the face value of the bond with repayment of capital paid upon maturity. In the case of a bank failure, senior bond holders rank above subordinated debt holders and shareholders but below covered bond holders and depositors.

*Benefits*

- High ranking securities within a bank's capital structure.
- Securities are liquid allowing them to be sold on the secondary market.
- Fixed rate: Future coupons are known which helps with cash flow forecasting.
- Floating rate: Coupons move with the market, allowing for investor participation when interest rates increase.

*Major Risks / Disadvantages*

- Credit risk is a function of the creditworthiness of the issuer/underlying assets.
- Interest rate risk applies in that a pre-determined coupon rate is locked in.
- Fixed rate: interest rate risk applies in that a pre-determined coupon rate is locked in.
- Floating rate: coupons move with the market, allowing for reduced earning capacity when interest rates decrease.

*Senior ranked bank issued bonds often provide good value for Council's long term portfolio. Issues are reviewed and recommended on a case-by-case basis taking Council's policy, strategy and cash flow into consideration. These securities will continue to be brought to Council's attention when appropriate issues come to market.*

**Other NSW Local Government Eligible Investments (Non-ADI):**

**Commonwealth/State/Territory Government securities e.g. bonds:-**

These are interest paying securities which are issued by one of the above Australian government bodies and are guaranteed by that issuer. As such, these securities carry the same credit rating as the issuing government body.

*Benefits*

- Among the most secure investments available to Australian investors.
- Future coupons are known which helps with cash flow forecasting.

*Major Risks / Disadvantages*

- Typically much lower yielding than other investment options due to low investment risk of issuer.
- Interest rate risk applies in that a pre-determined coupon rate is locked in.



*Current Commonwealth and State and Territory Bond offerings are not representing good value for Council's portfolio. However these are being reviewed on an ongoing basis and should any issuance present an attractive proposition for Council's portfolio Prudential shall bring it to Council's attention.*

**Deposits with NSW Treasury &/or Investments in NSW Treasury Corporation's Investment Management Funds:-**

The NSW Treasury Corporation Investment Management Funds (TCorpIM Funds) comprises a number of pooled managed funds options each set up as a unit trust. The current cash and fixed income options available through TCorpIM are the Cash Fund and the Short Term Income Fund.

The Cash Fund provides the more transactional type option and is designed for investments ranging from overnight to 1.5 years, whilst the Short Term Income Fund is designed for investments ranging from 1.5 years out to 3 years. Both investments will pay back the balance of the investment generally within 24 to 72 hours.

In addition, the NSW TCorpIM Medium Term Growth and Long Term Growth Funds provide Councils with access to growth assets which are not available via direct investment. Full details of the asset classes and their risks is available via the NSW TCorp website at <https://www.tcorp.nsw.gov.au/html/tcorpim.cfm>

*Benefits*

- Investments are pooled and as such a much more diversified pool of underlying investment is possible over investing in securities directly – particularly for small investment amounts.
- A broader investment pool usually allows for a smoothing of any volatility in the underlying investments.

*Major Risks/Disadvantages*

- As a unit trust, investment in the TCorpIM Funds are not deposits or liabilities of NSW TCorp.
- The TCorp IM Funds are subject to market and liquidity risk associated with their underlying securities.
- Usually an additional layer of fees is incurred via a managed fund to pay for fund manager costs.

*Council currently has holdings in both the Cash and Short Term Income Funds and is in the process of updating its Investment Policy to allow for the use of the NSW TCorpIM Medium Term Growth and Long Term Growth Funds.*





## Appendix C – Australian ADI Credit Ratings

S&P Ratings (unless noted otherwise)		As at 10 July 2019 (Changes within past 6 months in yellow)			
Issuer Name	Rating Type	Long Term Ratings		Short Term Ratings	
Long term 'AA' rating category		Rating	Date	Rating	Date
ANZ Bank New Zealand Ltd	Issuer	AA-	01-Dec-2011	A-1+	11-Sep-1990
	Outlook	Stable	09-Jul-2019		
Commonwealth Bank of Australia	Issuer	AA-	01-Dec-2011	A-1+	14-Jun-1996
	Outlook	Stable	09-Jul-2019		
National Australia Bank Limited	Issuer	AA-	01-Dec-2011	A-1+	15-Nov-1994
	Outlook	Stable	09-Jul-2019		
Westpac Banking Corporation	Issuer	AA-	01-Dec-2011	A-1+	12-Sep-1998
	Outlook	Stable	09-Jul-2019		
Bank of Melbourne		Refer to Westpac Banking Corp		Refer to Westpac Banking Corp	
Bankwest		Refer to Commonwealth Bank of Aust		Refer to Commonwealth Bank of Aust	
St George Bank		Refer to Westpac Banking Corp		Refer to Westpac Banking Corp	
Rabobank Australia Ltd	Issuer	Aa2 (Moody's)	28-May-2015	P-1 (Moody's)	28-May-2015
	Outlook	Stable	28-May-2015		
Long term 'A' rating category					
Cuscal Limited	Issuer	A+	22-Dec-2010	A-1	22-Dec-2010
	Outlook	Stable	05-Nov-2018		
HSBC Bank Australia Limited	Issuer	A+	30-Jul-2013	A-1	30-Jul-2013
	Outlook	Stable	30-Jul-2013		
Suncorp-Metway Limited	Issuer	A+	04-Oct-2010	A-1	11-Dec-2003
	Outlook	Stable	04-Oct-2010		
ABN AMRO Bank N.V.	Issuer	A	16-Nov-2012	A-1	05-Feb-2010
	Outlook	Positive	16-Sep-2017		
AMP Bank Ltd	Issuer	A-	01-Mar-2016	A-2	01-Mar-2016
	Outlook	Watch Negative	01-Mar-2016		
Bank of China Ltd	Issuer	A	30-Nov-2011	A-1	30-Nov-2011
	Outlook	Stable	30-Nov-2011		
Citigroup Pty Ltd	Issuer	A	17-Dec-2016	A-1	17-Dec-2016
	Outlook	Stable	17-Dec-2016		
Macquarie Bank Ltd	Issuer	A	15-Nov-1994	A-1	17-Jan-1994
	Outlook	Positive	09-Jul-2019		
ING Bank (Australia) Ltd	Issuer	A	27-Jul-2017	A-1	27-Jul-2017
	Outlook	Stable	27-Jul-2017		
Long term 'BBB+' rating category					
Bank of Queensland Limited	Issuer	BBB+	22-May-2017	A-2	04-Sep-2013
	Outlook	Stable	22-May-2017		
Bendigo & Adelaide Bank Limited	Issuer	BBB+	22-May-2017	A-2	29-May-2002
	Outlook	Stable	22-May-2017		
Heritage Bank Ltd	Issuer	Baa1 (Moody's)	20-Jun-2017	P-2 (Moody's)	10-Jun-15
	Outlook	Stable	20-Jun-2017		
Mystate Financial Ltd	Issuer	Baa1 (Moody's)	17-Oct-2017	P-2 (Moody's)	17-Oct-17
	Outlook	Stable	17-Oct-2017		
QT Mutual Bank Limited	Issuer	BBB+	16-Jul-2012	A-2	16-Jul-2012
	Outlook	Stable	24-Nov-2016		
Rural Bank Ltd		Refer to Bendigo & Adelaide Bank		Refer to Bendigo & Adelaide Bank	
Australian Central Credit Union Ltd (Peoples Choice Credit Union)	Issuer	BBB	22-May-2017	A-2	15-Jun-2012
	Outlook	Stable	22-May-2017		
Auswide Bank Ltd	Issuer	Baa2 (Moody's)	16-Sep-2017	P-2 (Moody's)	18-Sep-2017
	Outlook	Stable	16-Sep-2017		
Bank Australia	Issuer	BBB	22-May-2017	A-2	21-Jan-2008
	Outlook	Stable	22-May-2017		
Credit Union Australia Ltd	Issuer	BBB	22-May-2017	A-2	15-Oct-2010
	Outlook	Stable	22-May-2017		
Defence Bank Ltd	Issuer	BBB	22-May-2017	A-2	22-Apr-2013
	Outlook	Stable	22-May-2017		
Greater Bank Ltd	Issuer	BBB	22-May-2017	A-2	12-Oct-2006
	Outlook	Stable	22-May-2017		
IMB Ltd	Issuer	Baa1 (Moody's)	22-Dec-2017	P-2 (Moody's)	22-Dec-2017
	Outlook	Stable	22-Dec-2017		
Members Equity Bank Pty Ltd	Issuer	BBB	22-May-2017	A-2	25-Aug-2006
	Outlook	Stable	22-May-2017		
Newcastle Permanent Building Society Ltd	Issuer	BBB	22-May-2017	A-2	12-Oct-2004
	Outlook	Stable	22-May-2017		
Police & Nurses Ltd	Issuer	BBB	01-Sep-2014	A-2	02-Feb-2012
	Outlook	Stable	22-May-2017		
Police Bank Ltd	Issuer	BBB	22-May-2017	A-2	02-Feb-2012
	Outlook	Stable	22-May-2017		
Teachers Mutual Bank Ltd	Issuer	BBB	22-May-2017	A-2	04-Aug-2010
	Outlook	Stable	22-May-2017		
Qudos Bank (Qantas Staff Credit Union Ltd)	Issuer	BBB-	22-May-2017	A-3	22-May-2017
	Outlook	Stable	21-Aug-2016		
QBank (QPCU Ltd)	Issuer	BBB-	22-May-2017	A-3	22-May-2017
	Outlook	Stable	22-May-2017		



## **Appendix D – Standard & Poor’s Credit Ratings Descriptions**

### **Credit Ratings**

Standard & Poor’s (SP) is a professional organisation that provides analytical services. An S&P rating is an opinion of the general creditworthiness of an obligor with respect to particular debt security or other financial obligation – based on relevant risk factors.

Credit ratings are based, in varying degrees, on the following considerations:

- Likelihood of payment.
- Nature and provisions for the obligation.
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganisation or other laws affecting creditors’ rights.

The issue rating definitions are expressed in terms of default risk.

### **Short Term Obligation Ratings are:**

#### **A-1**

This is the highest short-term category used by S&P. The obligor’s capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor’s capacity to meet its financial commitment on these obligations is extremely strong.

#### **A-2**

A short-term obligation rated A-2 is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor’s capacity to meet its financial commitment on the obligation is satisfactory.

#### **A-3**

A short-term obligation rated A-3 exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

**Long-Term Ratings are:****AAA**

An obligation/obligor rated AAA has the highest rating assigned by S&P. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

**AA**

An obligation/obligor rated AA differs from the highest rated obligations only in a small degree. The obligor's capacity to meet its financial commitment on the obligations is very strong.

**A**

An obligation/obligor rated A is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations/obligor in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

**BBB**

An obligation/obligor rated BBB exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to the obligor to meet its financial commitment on the obligation.

**Plus (+) or Minus (-)**

The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

**CreditWatch**

Highlights an emerging situation, which may materially affect the profile of a rated corporation and can be designed as positive, developing or negative. Following a full review the rating may either be affirmed or changed in the direction indication.

**Rating Outlook**

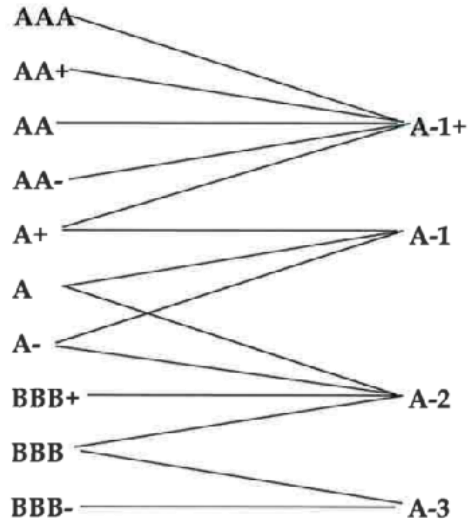
Assesses the potential direction of an issuer's long-term debt rating over the intermediate-to-long term. Consideration is given to possible changes in the economic and /or fundamental business conditions. An outlook is not necessarily precursor of a ratings change or future CreditWatch action. A "Rating Outlook - Positive" indicates that rating may be raised. "Negative" means a rating may be lowered. "Stable" indicates that ratings are not likely to change. "Developing" means ratings may be raised or lowered.





### S&P Ratings Correlations

The standard correlation of short-term ratings with long-term ratings is shown below.



**Disclaimer:** The statements and opinions contained in this report are based on currently prevailing conditions in financial markets and are so contained in good faith and in the belief that such statements and opinions are not false or misleading. In preparing this report, Prudential Investment Services Corp has relied upon information which it believes to be reliable and accurate. Prudential Investment Services Corp believes that this report and the opinions expressed in this report are accurate, but no warranty of accuracy or reliability is given. Prudential Investment Services Corp does not warrant that its investigation has revealed all of the matters which a more extensive examination might disclose. This report may not be reproduced, transmitted, or made available either in part or in whole to any third party without the prior written consent of Prudential Investment Services Corp. AFS Licence No. 468145.



Item No: C08/19-173

## RESPONSE TO NOTICE OF MOTION - RAMADAN STREET FOOD FESTIVAL 2019

Responsible Division: Community Development  
Officer: Director Community Development  
File Number: C-37-1/09  
Community Strategic Plan Goal: *A great place to live*

### SUMMARY

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This report provides a response to the Notice of Motion - Ramadan Street Food Festival 2019 resolved at the Ordinary Meeting of Council held on 5 June 2019 (Min.546, Item C06/19-104).

### RECOMMENDATION

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#### That Council:

1. **Include the Ramadan Street Food Festival in the 2019/20 Major Events Program, based on the success of the inaugural event in 2019.**
2. **Reallocate an additional \$20,000 from within the approved 2019/2020 events budget to fund an expanded event footprint for the Ramadan Street Food Festival in 2020.**
3. **Approve the associated road closures for the event, subject to the concurrence of the Traffic Committee.**

### REPORT

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#### ***Background***

At the Ordinary Meeting of Council held on 5 June 2019, Council considered the Notice of Motion – Ramadan Street Food Festival 2019 (Min.546, Item C06/19-104) and resolved that Council:

- “1. *Acknowledge the hard work and effort of staff from across Council in the organising of the Ramadan Food Festival 2019 and the limited time it was organised with enormous community success.*
2. *Provide a report with the number of attendees and feedback received from the community regarding the event.*
3. *Make the Ramadan Festival a permanent fixture as part of Cumberland Council’s events strategy.*

4. *Allocate funding to the festival from the events budget for 2020 and endeavour to obtain anchor sponsors.*
5. *Provide costings for the potential to expand the size of the festival from the current location used, along Auburn Road, through to the intersection of Kerr Parade.*
6. *Work with food vendors to provide a plan for affordable prices to the food that will be served and more variety.”*

This report presents a summary of the inaugural event which was held in the Auburn Town Centre on Saturday 18 May 2019, including information on the number of attendees and community feedback received. It also provides estimated costings to expand the event footprint for the Ramadan Street Food Festival in 2020.

### **Event Summary**

The Ramadan Street Food Festival was held in the Auburn Town Centre on Saturday 18 May 2019 from 6pm to midnight. The event was delivered within a 10 week lead time and its development involved close collaboration across Council including staff from Communications and Events, Place and Engagement, and Environmental Health. An event site crew made up of a range of outdoor and indoor staff from across the organisation delivered the event.

The Festival focused on food as its primary activity. A total of 24 food trucks and stalls operated within the event site on Auburn Road (between Beatrice and Mary Street, Auburn). An additional 10 local restaurants and cafes traded within the event precinct for the duration of the event.

Cuisines available for sale included Turkish, Lebanese, African, Bangladeshi, Malaysian, Uyghur/Chinese, Afghani, Pakistani and other food providers.

In addition to food, the Festival also incorporated cultural, educational and community engagement elements that were created in consultation with local community leaders and groups, and the Australian National Imams Council. Key elements included:

- A designated community space staffed by Council employees and community volunteers. The community space served as a hub for locals to share key messages with visitors about the significance of Ramadan and how it is celebrated in Cumberland.
- An outdoor community banquet area, which was set up to encourage neighbours and strangers to come together and share a meal.
- A free outdoor cinema featuring the locally produced film ‘Before 1770’ created by Sheikh Wesam Charkawi, which explores the connection between Aboriginal and Muslim histories in Australia.
- A percussive procession along Auburn Road by the Nasheed Performance Group from Rahma Mosque, Guildford.

Council engaged NSW Police, security and traffic management contractors to ensure the safe delivery of the Festival. No major incidents were reported during the event.

Online and print media coverage from seven major news outlets assisted to promote and inform a wider Sydney audience about the event. In addition, the total reach of Council's Facebook account for the event was 71,550 users. A further 17 non-Council Facebook posts, including media accounts, were also recorded and resulted in high levels of online engagement about the event and large crowds attending on the evening.

### ***Event Evaluation***

Approximately 15,000 people attended the Ramadan Street Food Festival in 2019, exceeding Council's target of 6,000 attendees for a first time event.

Evaluation of key data and findings arising from an event sample survey conducted by Council staff and volunteers on the night with 60 visitors indicated:

- 'Word of mouth' (20%) and Facebook (17%) were the most popular methods of hearing about the Festival.
- The majority of the attendees surveyed (85%) resided within the Cumberland Local Government Area. The top five suburbs of residence included Auburn, Guildford, Berala, Lidcombe and Merrylands.
- All surveyed attendees reported satisfaction with the event – 45% were 'very satisfied', 35% were 'more than satisfied', 19% were 'satisfied', and 2% were 'somewhat satisfied'. Nil attendees reported that they were 'not satisfied'.
- The overwhelming majority of attendees (90%) reported that they would be interested in attending the event in 2020.

A post Festival business survey was also undertaken by Council on Friday 24 May 2019 with businesses located on Auburn Road between Beatrice Street and Queen Street, Auburn. A total of 61 businesses participated in the survey.

Of the 61 businesses that completed the surveyed, 100% were supportive of the return of the Ramadan Street Food Festival in 2020. Many businesses commented on the positive impact the Festival had on activating the Auburn Town Centre and generating new economic opportunities.

Findings of the business survey further highlighted:

- 61% of the businesses surveyed remained open during the Ramadan Street Food Festival in 2019.
- 74% of those that remained open reported that their business directly generated additional income as a result of the Festival.
- Improvements suggested for 2020 included improved crowd control, additional lighting, additional food stalls, more activities and increased event delivery time (e.g. every weekend during Ramadan).

In addition to the above, Auburn Central reported a 25% increase in foot traffic during the Festival.

Council also received numerous compliments from participating food stall holders. Attendance was high throughout the duration of the event, with many community members arriving prior to the event commencement at 6pm seeking to break their fast. A number of food vendors also sold out prior to midnight as explained in the following testimonial from a participating food stall holder:

*“The night was a successful standout event in our calendar, up there with the very best of the other events we also take part in. I think that your planning of the logistics, advertisement and publicity of the event all lead to the successful implementation and execution of the event on the day.*

*The entertainment you put on was superb. The night was a pleasure to take part in, with such a fabulous turnout. The roving performers were thrilling and fun. On the night, the family of participating stallholders were even happily talking about how incredible the night was and how we all sold out of our food even before the night finished!”*

Additional food stall holders and an earlier commencement time (at dusk) were suggested by many stakeholders to improve the event experience in 2020.

### ***Proposed Ramadan Street Food Festival 2020***

Ramadan 2020 in Australia will begin on Friday 24 April 2020 and ends on the evening of Saturday 23 May 2019 (dates may vary).

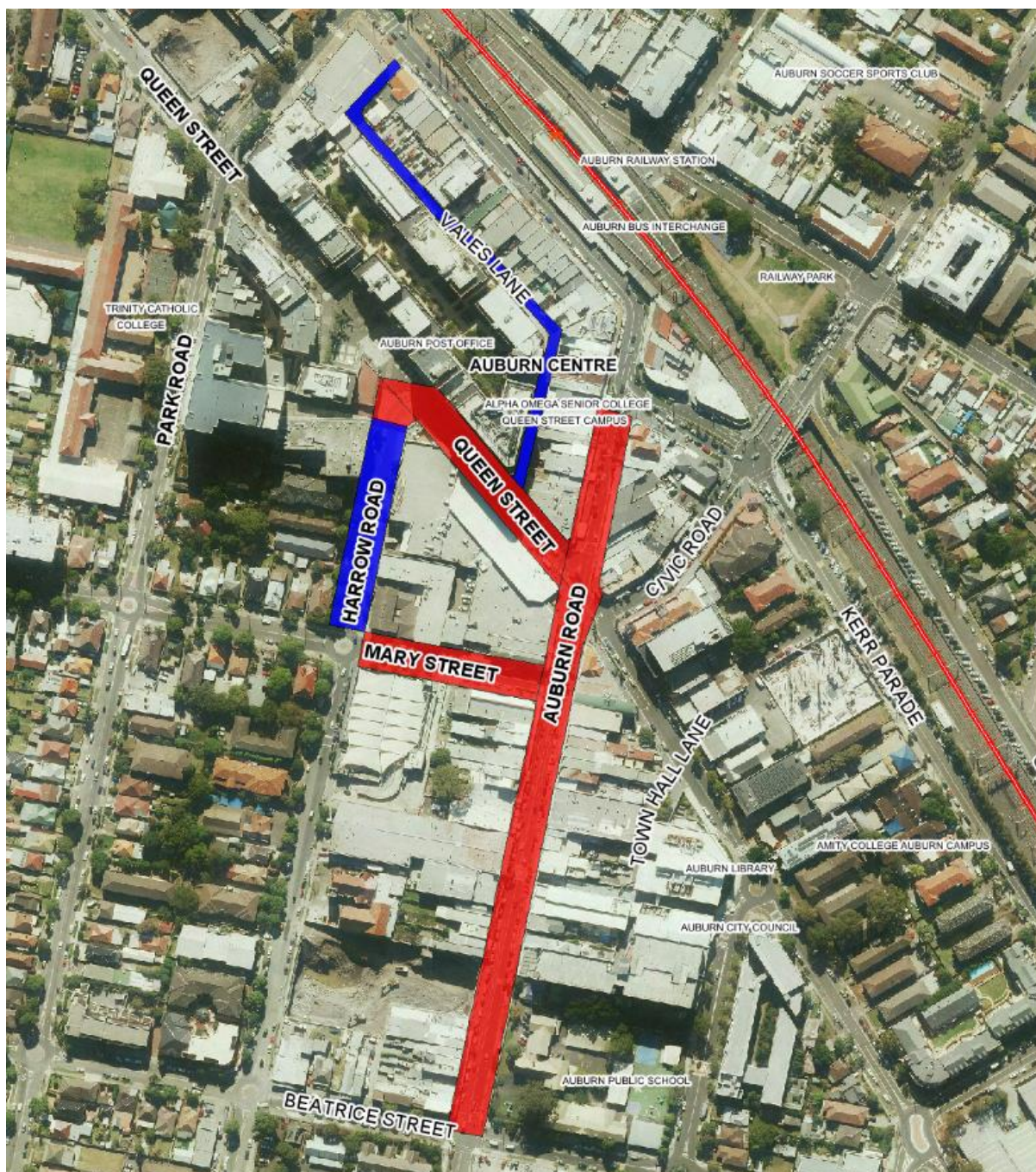
Further community consultation is required to determine the specific date and timing of the event during Ramadan 2020 to ensure the date selected maximises attendance by the community and does not conflict with other local or nearby competing events planned for the period.

Given the scale and success of the event in 2019, this report recommends that the Festival footprint be expanded in 2020 to accommodate additional food stall holders, event activities and larger crowds.

The following map illustrates the proposed expanded event foot print (shown in red) and additional managed road closures (in blue).



## Proposed Festival Footprint



As the map indicates, the proposed event area requires additional road closures on Harrow Road, Queen Street, Auburn Road to Kerr Parade and Vales Lane.

This new proposed event footprint enables the Festival to accommodate approximately 40 food stalls, additional dining areas and cultural activities. It also encourages greater participation by local businesses situated in Auburn Central and along Queen Street and the northern end of Auburn Road, which are part of the extended event area.

## COMMUNITY ENGAGEMENT

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An important contributing factor to the success of the Festival in 2019 was the delivery of an extensive community engagement process in the lead up to the event. This resulted in a high level of involvement by community leaders and groups in the planning phase, and ensured the event was locally relevant, family friendly, culturally sensitive and inclusive of all members of the community.

Should the expanded event be supported by Council, community engagement activities for the Ramadan Food Festival in 2020 will include:

- Ongoing consultation with community organisations and religious leaders to inform the planning of the event and ensure a high level of community involvement in its delivery.
- Ongoing consultation with local businesses to minimise the impact of road closures and to help facilitate successful outcomes for businesses trading during the event.
- Ongoing consultation with members of Council's Events and Culturally and Linguistically Diverse (CALD) Advisory Committees.
- A longer expression of interest period for food stall applications and ongoing liaison with food vendors to plan for a greater diversity of food and more affordable prices.
- Improved marketing and promotion with a longer lead in time to grow event attendance.
- Continued liaison and planning in collaboration with NSW Police, security and traffic management contractors to ensure public safety operations are well planned and executed.

## POLICY IMPLICATIONS

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The Ramadan Street Food Festival aligns with the five key outcome areas outlined in the *Cumberland Events Strategy*, which provides a strategic framework to ensure Council's Events Program activates local places, enhances the unique identity of Cumberland, engages and connects residents, builds a positive profile of Cumberland, promotes partnership and achieves a range of related measures.

## RISK IMPLICATIONS

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In 2019, the planning and delivery of the event involved preparation of a comprehensive Risk Management Plan, including an Event Emergency Management Plan to ensure the safety of all attendees.

The following measures were also undertaken:

- Preparation of a dedicated Traffic Management Plan.
- Engagement of NSW Police and specialist security and traffic control contractors (operating inside the event area and on perimeter areas).
- Engagement of a dedicated onsite waste team (contractors) to manage waste and oil/water removal.



- A specific lost child procedure in conjunction with NSW Police and security.

Continued implementation of the operational event management processes outlined above will limit Council's risk exposure with respect to the ongoing delivery of the Festival in 2020. As with any major outdoor event, potential wet or cold weather may impact the overall success of the Festival in the subsequent year.

## FINANCIAL IMPLICATIONS

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A preliminary budget of \$60,000 has been included in the approved Operational Plan Budget 2019/20 to deliver the Ramadan Street Food Festival in 2020.

Given the scale and success of the event in 2019, it is recommended that consideration be given to increasing the budget allocation to \$80,000 to support the expansion of the Festival in 2020. This would enable the Festival footprint to expand within the Auburn Town Centre as outlined in this report.

A summary of the estimated costs to expand the Festival is included in the table below:

Item	Estimated Cost
Event operations (infrastructure, lighting and power)	\$45,000
Traffic management, security and User Pays Police	\$27,000
Promotion and marketing	\$8,000
<b>TOTAL</b>	<b>\$80,000 (inc. GST)</b>

Event cost estimates are based on the delivery of a one night event for a maximum 7 hour duration. Due to budget constraints, delivery of the event over a greater number of hours or for multiple nights is not deemed feasible.

The additional funding required can be reallocated from within the approved 2019/2020 events budget. Funding of \$20,000 is available in the 'new or expanded events' budget, which was set aside in the development of the Operational Plan Budget 2019/20. It should be noted that this reallocation will exhaust all remaining contingency funding in the events budget for 2019/20.

The recommended budget of \$80,000 is consistent with the budget allocated for other cultural events to be delivered by Council in 2019/20, including the Lunar New Year Festival and the Diwali Street Festival.

As per the Notice of Motion, Council will also continue to explore income generation opportunities to offset increased Festival expenses. In 2019, Council secured sponsorship funding of \$5000 in support of the event within a limited timeframe. Additional in kind sponsorship was also received from United Resource Management (URM), which covered the provision of waste management services. Given the event was a proven success in 2019, obtaining increased sponsorship for an expanded event in 2020 is probable.

Moreover, following the approved reduction in stallholder fees as an 'introductory' fee in 2019, it is also proposed that Council return to the standard fees and charges schedule for food trucks and stalls in 2020 to generate additional revenue.

## CONCLUSION

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This report provides a response to the Notice of Motion - Ramadan Street Food Festival 2019 resolved at the Ordinary Meeting of Council held on 5 June 2019 (Min.546, Item C06/19-104).

It presents an overview of the Ramadan Street Food Festival 2019, which attracted an estimated 15,000 attendees to the Auburn Town Centre, alongside key feedback received by the community.

The report also provides estimated costings to potentially expand the event area in 2020. Building on the success of the event in its inaugural year, the report further recommends that Council reallocate an additional \$20,000 from within the approved 2019/2020 events budget to support an expanded event footprint in 2020. This recommendation responds to the community feedback outlined in this report and is based on Council staff event planning expertise.

Council will continue to explore additional revenue via sponsorship and stall holder fees to further support the growth of the event in 2020.

## ATTACHMENTS

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Nil

Item No: C08/19-174

## **ROAD NAMING PROPOSAL FOR MARGARET STREET, MAYS HILL**

Responsible Division: Environment & Planning  
Officer: Director Environment & Planning  
File Number: S-30-01/06  
Community Strategic Plan Goal: *A resilient built environment*

### **SUMMARY**

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This report provides further information on a Matter of Urgency motion at the Council meeting on 17 April 2019, renaming of Margaret Street, Mays Hill, to Margaret Street North and Margaret Street South.

Council has sought advice from the Geographical Names Board on the proposal. The Board does not support the proposal to rename Margaret Street, Mays Hill, to Margaret Street North and Margaret Street South, as the *NSW Addressing User Manual* does not permit the uses of directional suffixes such as North and South.

As an alternative that responds to the intent of the Matter of Urgency motion, Council may consider the application of unique road names for the two segments of Margaret Street located south of the M4 Motorway. If supported, additional work will be undertaken and a further report provided to Council.

### **RECOMMENDATION**

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**That Council:**

- 1. No longer seek to rename Margaret Street, Mays Hill, to Margaret Street North and Margaret Street South.**
- 2. Consider the application of unique road names for the two segments of Margaret Street located south of the M4 Motorway.**

### **REPORT**

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On 17 April 2019, Council supported a Matter of Urgency motion to rename Margaret Street, Mays Hill, to Margaret Street North and Margaret Street South. This was moved as the response times for emergency vehicles is being adversely affected, as Margaret Street comprises of three segments that are located both north and south of the M4 Motorway. There have been instances where emergency service vehicles have been directed to the wrong section of Margaret Street.



Figure 1 Margaret Street, May Hills

Council sought advice from the Geographical Names Board regarding the proposal to rename Margaret Street to Margaret Street South and Margaret Street North. The Board has advised that they do not support adding directional indicators, such as North and South. Section 6.7.8 of the *NSW Addressing User Manual* states that a directional or similar device shall not be used as a suffix to uniquely define road extremities. Margaret Street South and Margaret Street North are an example of this.

As an alternative, the Board has suggested that the two segments of Margaret Street that are located south of the M4 Motorway be renamed with unique names. Should Council support this approach, additional work will be undertaken and further report provided to Council.

## COMMUNITY ENGAGEMENT

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There are no consultation processes for Council associated with this report.

## POLICY IMPLICATIONS

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There are no policy implications for Council associated with this report.

## RISK IMPLICATIONS

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There are no risk implications for Council associated with this report.

## FINANCIAL IMPLICATIONS

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There are no financial implications for Council associated with this report.





## CONCLUSION

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Council has sought advice from the Geographical Names Board to rename Margaret Street, Mays Hill, to Margaret Street North and Margaret Street South. This is not supported by the Board as the *NSW Addressing User Manual* does not permit the use of directional suffixes. As an alternative, Council can consider the application of unique road names for the two segments of Margaret Street located south of the M4 Motorway.

## ATTACHMENTS

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1. Notice of Motion – 17 April 2019 [!\[\]\(30a147af384f9f71632c2ff17bc706c8\_img.jpg\)](#) 
2. Letter from GNB – 5 June 2019 [!\[\]\(8c93063dab026f10e159986b27c41c64\_img.jpg\)](#) 



DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-174

Attachment 1

Notice of Motion – 17 April 2019



**Matter of Urgency - Renaming of Margaret Street, Merrylands****TO:** Peter J. Fitzgerald - Director Works & Infrastructure**COPY TO:****DATE:** 23 April 2019**MEETING:** Council Meeting of 17/04/2019**DUE DATE:** 1/05/2019

Action is required for this item as per the Council Resolution outlined below.

**Resolved (Sarkis/Zaiter)**

That Council take the necessary steps required to change the name of Margaret Street, Merrylands to state Margaret Street North and Margaret Street South.

**NOTES:**


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**DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-174**

**Attachment 2**

**Letter from GNB – 5 June 2019**





PO Box 143 Bathurst NSW 2795  
346 Panorama Avenue, Bathurst NSW 2795  
Tel 1800 025 700 | 02 6332 8214 | [www.gnb.nsw.gov.au](http://www.gnb.nsw.gov.au)

Yee Lian  
Strategic Planner  
Cumberland Council  
PO Box 42 Merrylands  
NSW 2160

Ref:

Dear Yee,

Regarding your email correspondence received 27 May 2019, requesting advice on the renaming of unconnected segments of Margaret Street in Merrylands and Mays Hill.

We would recommend that two segments of Margaret Street be renamed with unique names. We would not support adding a directional indicator.

It is best to rename the two segments that have the least amount of addresses. From our research it appears that the two segments on the south west side of the M4 in Merrylands have the least amount of addresses that would need to be changed.

If you need us to check possible road names for this renaming please send them in and we can check if they will meet road naming principles.

Yours sincerely,

**Rhet Humphrys**

**Statutory Officer**

5 June 2019



Item No: C08/19-175

## **FINALISATION OF THE VOLUNTARY PLANNING AGREEMENT AND DEVELOPMENT CONTROL PLAN FOR 264 WOODVILLE ROAD, MERRYLANDS EAST (FORMER JOHN COOTES SITE)**

Responsible Division: Environment & Planning  
Officer: Director Environment & Planning  
File Number: SC185  
Community Strategic Plan Goal: *A resilient built environment*

### **SUMMARY**

---

The planning proposal for 264 Woodville Road, Merrylands (the former John Cootes Furniture Warehouse site) was endorsed by Council at its ordinary meeting of 20 February 2019. The resolution also required the preparation of an acceptable Voluntary Planning Agreement (VPA) and site-specific Development Control Plan (DCP) to finalise the planning proposal.

As required by Council's resolution, a draft VPA and a revised draft site-specific DCP have been prepared and publicly exhibited for a period of 28 days. This report outlines the feedback received during exhibition.

It is recommended that the draft VPA be executed and the revised draft DCP be adopted. Support of these recommendations by Council will enable the planning proposal to be finalised and gazetted by the Department of Planning, Industry and Environment.

### **RECOMMENDATION**

---

#### **That Council:**

- 1. Note the matters raised in submissions received during the exhibition of the draft Voluntary Planning Agreement and revised draft Development Control Plan;**
- 2. Endorse and delegate authority to the Mayor and General Manager to execute the Voluntary Planning Agreement on behalf of Council for 246-264 Woodville Road, 2-4, 6, 8-8A, 10-12 and 14-16 Lansdowne Street, and Highland Street, Merrylands East, as provided in Attachment 1;**
- 3. Adopt the revised site specific Development Control Plan as an amendment to the Parramatta Development Control Plan 2011, as provided in Attachment 3, with the Development Control Plan coming into effect on the date of notification (gazettal) of the Local Environmental Plan amendment;**

4. **Delegate to the General Manager the authority to make minor, non-policy corrections or formatting changes to the draft Development Control Plan controls, if required, prior to it coming into effect; and**
5. **Note that the finalisation of the planning proposal and gazettal of the Local Environmental Plan amendment will be undertaken by the Department of Planning, Industry and Environment once the Voluntary Planning Agreement has been executed and registered on title.**

## REPORT

---

### ***Background***

On 20 February 2019, Council considered a report on the planning proposal for 244 and 246-264 Woodville Road, 2-4, 6, 8-8A, 10-12 and 14-16 Lansdowne Street, and 19 Highland Street, Merrylands and also known as the Merrylands East Neighbourhood Centre (the Site). At the meeting, Council resolved to:

1. *Proceed with the following controls for the Site, as outlined in the Gateway Determination (of 24 June 2016): B4 Mixed Use zone with a maximum building height of 31m and maximum FSR of 2:1 across the site;*
2. *Endorse an amended Planning Proposal as per recommendation 1 above, to forward to the Department of Planning, [Industry] and Environment, subject to the negotiation of a planning agreement to the satisfaction of Council prior to finalisation;*
3. *Amend the Development Control Plan (DCP) controls '4.1.12 Woodville Road Neighbourhood Centre Precinct' of the Parramatta DCP to reflect the amended proposal;*
4. *Delegate to the General Manager authority to make minor non-policy corrections or formatting changes to the draft DCP controls prior to it coming into effect; and*
5. *Propose to rezone the subject land from B4 Mixed Use zone to B2 Local Centre zone and RE1 Public Recreation zone as part of the comprehensive Cumberland LEP, reflecting Council's strategic approach to the local centres hierarchy and objectives of the Central City District Plan.*

An update on the planning proposal in regard to the draft Development Control Plan and draft Voluntary Planning Agreement was provided to Council on 17 April 2019.

### ***Development Control Plan***

The site-specific Development Control Plan (DCP) was updated to reflect the resolution by Council in February 2019 on the planning proposal. This included information on the revised road layout, relocation of the public park, commercial activities, podium configuration and building separation.

The revised draft DCP was placed on exhibition from 26 June 2019 to 24 July 2019. A total of four (4) submissions were received in relation to the draft DCP, including three



(3) individual submissions and one (1) submission from the proponent. A summary of the key issues raised in these submissions is contained in Attachment 4.

Key issues raised in the three (3) individual submissions include traffic matters; design of new streets within the planning proposal site; and increase in noise and disturbance, overcrowding and congestion. These issues have been addressed substantially in the planning proposal and will be further considered during the development application stage. Therefore, no changes are proposed to the exhibited DCP.

The proponent raised a number of specific matters on the DCP in their submission, as outlined in Attachment 4. This has resulted in some changes to the draft DCP, as shown in Attachment 3. These changes are of a minor nature and do not require re-exhibition of the DCP.

It is recommended that Council adopt the revised site specific DCP for the site as an amendment to the Parramatta Development Control Plan 2011.

### ***Voluntary Planning Agreement***

Following Council's resolution on the planning proposal in February 2019, a Voluntary Planning Agreement (VPA) was negotiated between Council and the applicant, consistent with the *Cumberland Planning Agreements Policy*.

Council obtained an independent valuation of the potential increase in residual land value arising from the planning proposal. In accordance with Council policy, the total value of development contributions to be made under a planning agreement will be equivalent to 50% of the increase in residual land value arising from the development proposal. This has been achieved with the Voluntary Planning Agreement for the planning proposal (Attachment 8).

The offer included in the VPA includes the following:

- Dedication of a minimum 2,000m<sup>2</sup> of embellished and landscaped public park to Council at no cost;
- Dedication of affordable housing units on the site to Council at no cost, at a rate of one affordable housing unit per 33 dwellings. This equates to eight affordable housing units, comprising 4 x 2 bedroom units and 4 x 1 bedroom units, with no more than two affordable housing units provided on any one level of the building; and
- Identification of monetary contributions and offsets to the current Development Contribution Plan applicable to the site.

Notification of the draft VPA was undertaken from 26 June to 24 July 2019. No submissions were made on the draft VPA. Following notification, minor changes were made to Clauses 31, 32, 33 and 38 as part of the legal drafting process and further negotiation with the proponent. These changes do not represent a material change and do not require re-notification of the draft VPA, consistent with Part 6.2 of Council's Planning Agreement Guidelines (Attachment 5).

It is recommended that Council endorse and, through the Mayor and General Manager, execute the VPA, as provided in Attachment 1. A letter from the applicant indicating their intent to enter into and execute the VPA is provided in Attachment 2.

### ***Planning Proposal***

The planning proposal for the site was endorsed by Council in February 2019. The planning proposal is provided in Attachment 7 for reference purposes. Endorsement of the VPA by Council is required for the planning proposal to be finalised by the Department of Planning, Industry and Environment.

### **Next Steps**

Subject to Council endorsement, the following activities will be undertaken to complete the planning proposal process:

- The Voluntary Planning Agreement will be executed by Council and the applicant, and then registered on title;
- The planning proposal will be finalised and gazetted by the Department of Planning, Industry and Environment; and
- The Development Control Plan will come into effect on the date of notification (gazetted) of the Local Environmental Plan amendment for the planning proposal.

### **COMMUNITY ENGAGEMENT**

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The draft revised DCP and draft VPA were publicly exhibited in accordance with relevant statutory requirements and Council policy for a period of 28 days, from 26 June to 24 July 2019.

The following consultation methods were used to notify the community of the exhibition and to encourage them to have their say:

- Public notice in Parramatta Advertiser (26 June 2019);
- Public notice and documents available on Council's website throughout the exhibition period;
- Letters sent directly to all landowners within 400m of the subject site; and
- Hard copy display of the planning proposal and supporting material at Auburn and Merrylands Services Centres, and all Council libraries.

### **POLICY IMPLICATIONS**

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The proposal involves amendments to the *Parramatta Local Environmental Plan 2011* and *Parramatta Development Control Plan 2011*. With endorsement of the draft revised DCP by Council, finalisation will be undertaken including newspaper notifications and the DCP will come into effect on the date the LEP amendment is made. The proposed is consistent with Council's Planning Agreements Policy.

## RISK IMPLICATIONS

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There are minimal risk implications for Council associated with this report. The VPA stipulates that it must be executed by both parties and registered on title prior to the LEP amendment being finalised. The DCP will come into effect once the LEP has been made (gazetted). All statutory and Council policy requirements have been met.

## FINANCIAL IMPLICATIONS

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There are no financial implications for Council associated with this report.

## CONCLUSION








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As required by Council's resolution for the planning proposal in February 2019, a draft VPA and a revised draft site specific DCP have been prepared and publicly exhibited for a period of 28 days. This report outlines the feedback received during exhibition.

It is recommended that the draft VPA be executed and the revised draft DCP be adopted. Support of these recommendations by Council will enable the planning proposal to be finalised and gazetted by the Department of Planning, Industry and Environment

## ATTACHMENTS

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1. Draft Voluntary Planning Agreement with post-exhibition changes (August 2019) [↓](#) 
2. Letter from proponent - intent to enter into VPA [↓](#) 
3. Draft Development Control Plan with post-exhibition changes (August 2019) [↓](#) 
4. Submissions analysis - community submissions and proponent submissions on draft DCP [↓](#) 
5. Considerations under Part 6.2 of Cumberland Planning Agreement Guidelines - John Cootes VPA [↓](#) 
6. Council Report and Minutes (20 February 2019) [↓](#) 
7. Planning Proposal (March 2019) [↓](#) 
8. Assessment of Public Benefit Value and Valuation Advice (confidential)



DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-175

Attachment 1

Draft Voluntary Planning  
Agreement with post-exhibition  
changes (August 2019)





## **Deed**

### **Woodville Road, Merrylands East (John Cootes Site) Planning Agreement**

Under s7.4 of the *Environmental Planning and Assessment Act 1979*

**Cumberland Council**

**Green Dior Holdings Pty Ltd**

Date:

© Lindsay Taylor Lawyers

**Woodville Road, Merrylands East (John Cootes Site) Planning Agreement**  
**Cumberland Council**  
**Green Dior Holdings Pty Ltd**

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**Woodville Road, Merrylands East (John Cootes Site)**  
**Planning Agreement**

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**Woodville Road, Merrylands East (John Cootes Site)  
Planning Agreement**

**Summary Sheet**

**Council:**

**Name:** Cumberland Council  
**Address:** Po Box 42 MERRYLANDS NSW 2160  
**Telephone:** (02) 8757 9000  
**Email:** council@cumberland.nsw.gov.au  
**Representative:** The General Manager (Mr Hamish McNulty)

**Developer:**

**Name:** Green Dior Holdings Pty Ltd  
**Address:** PO Box 7226, Baulkham Hills NSW 2153  
**Telephone:** 98994000  
**Email:** tony.merhi@merccapital.com.au  
**Representative:** Mr Tony Merhi

**Land:**

See definition of *Land* in clause 1.1 and Schedule 1.

**Development:**

See definition of *Development* in clause 1.1.

**Development Contributions:**

See clause 9 and Schedule 3.

**Application of s7.11, s7.12 and s7.24 of the Act:**

See clause 8.

**Woodville Road, Merrylands East (John Cootes Site) Planning Agreement**  
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**Security:**

See Part 6.

**Registration:**

See clause 34.

**Restriction on dealings:**

See clause 35.

**Dispute Resolution:**

See Part 5.



**Woodville Road, Merrylands East (John Cootes Site) Planning Agreement**  
**Cumberland Council**  
**Green Dior Holdings Pty Ltd**

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**Woodville Road, Merrylands East (John Cootes Site)  
Planning Agreement**

Under s7.4 of the *Environmental Planning and Assessment Act 1979*

**Parties**

**Cumberland Council** ABN 22 798 563 329 of Po Box 42 MERRYLANDS NSW  
2160 (**Council**)

and

**Green Dior Holdings Pty Ltd** ACN 627 356 003 of PO Box 7226, Baulkham  
Hills NSW 2153 (**Developer**)

**Background**

- A The Developer owns the Developer Land.
- B As at the date of this Deed, other landowners own the Additional Land.
- C The Developer Land and the Additional Land are the subject of the Planning Proposal.
- D This Deed applies to the Developer Land and, on and from the date the Additional Land is owned by the Developer, the Additional Land.
- E The Developer intends to develop the Developer Land and the Additional Land if it owns it, if the LEP Amendment takes effect.
- F The Developer has offered to make Development Contributions in accordance with this Deed in connection with the Planning Proposal to provide the shared value uplift of the Developer Land and the Additional Land as a result of the making of the LEP Amendment.

**Operative provisions**

**Part 1 - Preliminary**

**1 Interpretation**

- 1.1 In this Deed the following definitions apply:

**Act** means the *Environmental Planning and Assessment Act 1979* (NSW).

**Additional Land** means the land specified in the table in Part 2 of Schedule 1, and any land created by a consolidation or subdivision of that land.

**Woodville Road, Merrylands East (John Cootes Site) Planning Agreement**  
**Cumberland Council**  
**Green Dior Holdings Pty Ltd**

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**Affordable Housing** has the same meaning as in the Act.

**Affordable Housing Unit** or **AHU** means a Dwelling that is Affordable Housing in a location and to a specification approved by the Council.

**Affordable Housing Unit Requirements** means the specifications in Schedule 6.

**Approval** includes approval, consent, licence, permission or the like.

**Authority** means the Commonwealth or New South Wales government, a Minister of the Crown, a government department, a public authority established by or under any Act, a council or county council constituted under the *Local Government Act 1993*, or a person or body exercising functions under any Act including a commission, panel, court, tribunal and the like.

**Bank Guarantee** means an irrevocable and unconditional undertaking without any expiry or end date in favour of the Council to pay an amount or amounts of money to the Council on demand issued by:

- (a) one of the following trading banks:
  - (i) Australia and New Zealand Banking Group Limited,
  - (ii) Commonwealth Bank of Australia,
  - (iii) Macquarie Bank Limited,
  - (iv) National Australia Bank Limited,
  - (iv) St George Bank Limited,
  - (v) Westpac Banking Corporation, or
- (b) any other financial institution approved by the Council in its absolute discretion.

**Claim** includes a claim, demand, remedy, suit, injury, damage, loss, Cost, liability, action, proceeding or right of action.

**Construction Certificate** has the same meaning as in the Act.

**Cost** means a cost, charge, expense, outgoing, payment, fee and other expenditure of any nature.

**CPI** means the *Consumer Price Index (All Groups – Sydney)* published by the Australian Bureau of Statistics.

**Date of Practical Completion** in relation to a Work means the date when Practical Completion for that Work is achieved under clause 21.3.

**Deed** means this Deed and includes any schedules, annexures and appendices to this Deed.

**Defect** means anything that adversely affects, or is likely to adversely affect, the appearance, integrity, functionality, compliance, safety, use or enjoyment of a Work or any part of a Work.

**Defects Liability Period** means, in relation to a Work identified in Column 1 of the table in Schedule 3, the period specified in Column 5 of the table in Schedule 3 corresponding to that Work commencing on the Date of Practical Completion.

**Developer Land** means the land specified in the table in Part 1 of Schedule 1, and any land created by a consolidation or subdivision of that land.

**Woodville Road, Merrylands East (John Cootes Site) Planning Agreement**  
**Cumberland Council**  
**Green Dior Holdings Pty Ltd**

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**Development** means any development, within the meaning of the Act, in accordance with a Development Consent (as modified or substituted from time to time under the Act) granted as a consequence of the making of the LEP Amendment, on:

- (a) the Developer Land, and
- (b) the Additional Land on and from the date this Deed applies to the Additional Land.

**Development Application** has the same meaning as in the Act.

**Development Consent** has the same meaning as in the Act.

**Development Contribution** means a monetary contribution, the dedication of land free of cost, the carrying out of work, or the provision of any other material public benefit, or any combination of them, to be used for, or applied towards a public purpose, but does not include any Security or other benefit provided by a Party to the Council to secure the enforcement of that Party's obligations under this Deed for the purposes of s7.4(3)(g) of the Act.

**Development Contributions Item** means an item described in Column 1 of the table in Schedule 3.

**Dispute** means a dispute or difference between the Parties under or in relation to this Deed.

**Dwelling** has the same meaning as in the LEP.

**Embellishment Work** means Development Contributions Items 5 and 6.

**Embellishment Work Contribution Value** means the amount of \$1,000,000.00 indexed in accordance with the CPI from the date of this Deed to the Date of Practical Completion of the Embellishment Work.

**Equipment** means any equipment, apparatus, vehicle or other equipment or thing to be used by or on behalf of the Developer in connection with the performance of its obligations under this Deed.

**Final Inspection** means the final inspection of a Work carried out by the Responsible Council Officer authorised to carry out such an inspection.

**Final Lot** means a lot created in the Development for separate residential occupation and disposition or a lot of a kind or created for a purpose that is otherwise agreed by the Parties, not being a lot created by a subdivision of the Land:

- (a) that is to be dedicated or otherwise transferred to the Council, or
- (b) on which is situated a dwelling-house that was in existence on the date of this Deed.

**Green Setbacks Land** means Development Contribution Item 3.

**GST** has the same meaning as in the GST Law.

**GST Law** has the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and any other Act or regulation relating to the imposition or administration of the GST.

**General Inspection** in relation to a Work means an inspection of the Work that is not a Final Inspection, carried out by the Responsible Council Officer authorised to carry out such an inspection.

**Woodville Road, Merrylands East (John Cootes Site) Planning Agreement**  
**Cumberland Council**  
**Green Dior Holdings Pty Ltd**

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**Handed-Over** in relation to a Work means when the land on which the Work is located is dedicated to the Council.

**Just Terms Act** means the *Land Acquisition (Just Terms Compensation) Act 1991*.

**Land** means:

- (a) the Developer Land, and
- (b) the Additional Land, but only on and from the date the Developer becomes registered proprietor of the Additional Land.

**LEP** means the *Parramatta Local Environmental Plan 2011*.

**LEP Amendment** means an amendment to the LEP as a result of the Planning Proposal.

**Location Plan** means the plan in Schedule 2.

**Maintain**, in relation to a Work, means keep in a good state of repair and working order, and includes replacing any vegetation, rubbish removal and repair of any damage (included but not limited to vandalism or as a result of anti-social behaviour) to the Work.

**Maintenance and Establishment Period** in relation to an Embellishment Work means the period commencing immediately after the Date of Practical Completion for the Embellishment Work and ending on date the Embellishment Work is Handed-Over.

**Management Statement** means a building management statement within the meaning of Division 3B of Part 23 of the *Conveyancing Act 1919* or a strata management statement within the meaning of the *Strata Schemes Development Act 2015* or any other instrument which, without limitation, provides for the allocation of costs of shared expenses relating to the building containing an AHU.

**New Streets** means Development Contribution Item 2.

**Occupation Certificate** has the same meaning as in the Act.

**Party** means a party to this Deed.

**Planning Proposal** means the document proposing amendments to the LEP submitted by the then owner of the Land to the Council in May 2015 and the subject of the gateway determination dated 24 June 2016 (as altered from time to time) under s3.34 of the Act and as varied pursuant to s3.35 of the Act, proposing

- (a) rezoning of the Land to B4 Mixed Use,
- (b) amendments to the maximum building height of the Land to 31m,
- (c) amendments to the maximum floor space ratio of the Land to 2:1.

**Practically Complete** means when a Work is complete except for Defects and omissions that are of a minor nature that do not prevent the work from being reasonably capable of being used for its intended purpose.

**Practical Completion** occurs when the Responsible Council Officer gives the Developer the notice under clause 21.3.

**Public Park** means Development Contribution Item 1.

**Woodville Road, Merrylands East (John Cootes Site) Planning Agreement**  
**Cumberland Council**  
**Green Dior Holdings Pty Ltd**

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**Quantity Surveyor** means an independent quantity surveyor selected by the Council who is suitably qualified and experienced to provide the reports and opinions required to be provided by the surveyor under this Deed.

**Rectification Notice** means a notice in writing:

- (a) identifying the nature and extent of a Defect,
- (b) specifying the works or actions that are required to Rectify the Defect,
- (c) specifying the date by which or the period within which the Defect is to be rectified.

**Rectify** means rectify, remedy or correct.

**Regulation** means the *Environmental Planning and Assessment Regulation 2000*.

**Responsible Council Officer** in relation to a matter under this Deed referred to in Column 1 of the table in Schedule 4, means the person or persons in the role(s) identified in Column 2 of the table in Schedule 4.

**Security** means a Bank Guarantee.

**Site Audit Statement** has the same meaning as in the *Contaminated Land Management Act 1997*.

**Stage** means a stage of the Development approved by a Development Consent or otherwise approved in writing by the Council for the purposes of this Deed.

**Work** means the physical result of any building, asset, engineering, embellishment, rectification, maintenance or construction work in, on, over or under land.

**Works-as-Executed Plans** or **WAE** means plans certified by an appropriately qualified person showing details of Work as actually constructed and identifies any departures, additions and deletions from the design and specifications approved under this Deed.

- 1.2 In the interpretation of this Deed, the following provisions apply unless the context otherwise requires:
- 1.2.1 Headings are inserted for convenience only and do not affect the interpretation of this Deed.
  - 1.2.2 A reference in this Deed to a business day means a day other than a Saturday or Sunday on which banks are open for business generally in Sydney.
  - 1.2.3 If the day on which any act, matter or thing is to be done under this Deed is not a business day, the act, matter or thing must be done on the next business day.
  - 1.2.4 A reference in this Deed to dollars or \$ means Australian dollars and all amounts payable under this Deed are payable in Australian dollars.
  - 1.2.5 A reference in this Deed to a \$ value relating to a Development Contribution is a reference to the value exclusive of GST.
  - 1.2.6 A reference in this Deed to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision.



**Woodville Road, Merrylands East (John Cootes Site) Planning Agreement**  
**Cumberland Council**  
**Green Dior Holdings Pty Ltd**

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- 1.2.7 A reference in this Deed to any agreement, deed or document is to that agreement, deed or document as amended, novated, supplemented or replaced.
- 1.2.8 A reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this Deed.
- 1.2.9 An expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency.
- 1.2.10 Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.
- 1.2.11 A word which denotes the singular denotes the plural, a word which denotes the plural denotes the singular, and a reference to any gender denotes the other genders.
- 1.2.12 References to the word 'include' or 'including' are to be construed without limitation.
- 1.2.13 A reference to this Deed includes the agreement recorded in this Deed.
- 1.2.14 A reference to a Party to this Deed includes a reference to the employees, agents and contractors of the Party, the Party's successors and assigns.
- 1.2.15 A reference to 'dedicate' or 'dedication' in relation to land is a reference to dedicate or dedication free of cost.
- 1.2.16 Any schedules, appendices and attachments form part of this Deed.
- 1.2.17 Notes appearing in this Deed are operative provisions of this Deed.

## **2 Status of this Deed**

- 2.1 This Deed is a planning agreement within the meaning of s7.4(1) of the Act.

## **3 Commencement**

- 3.1 This Deed commences and has force and effect on and from the date when the Parties have:
  - 3.1.1 both executed the same copy of this Deed, or
  - 3.1.2 each executed separate counterparts of this Deed and exchanged the counterparts.
- 3.2 The Parties are to insert the date when this Deed commences on the front page and on the execution page.

## **4 Application of this Deed**

- 4.1 This Deed applies to the Developer Land, the LEP Amendment and to the Development.



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- 4.2 This Deed applies to the Additional Land on and from the date the Developer becomes registered proprietor of the Additional Land.

## **5 Warranties**

- 5.1 The Parties warrant to each other that they:
- 5.1.1 have full capacity to enter into this Deed, and
  - 5.1.2 are able to fully comply with their obligations under this Deed.

## **6 Further agreements**

- 6.1 The Parties may, at any time and from time to time, enter into agreements relating to the subject-matter of this Deed that are not inconsistent with this Deed for the purpose of implementing this Deed.

## **7 Surrender of right of appeal, etc.**

- 7.1 The Developer is not to commence or maintain, or to cause or procure the commencement or maintenance, of any proceedings in any court or tribunal or similar body appealing against, or questioning the validity of this Deed, or an Approval relating to the Development in so far as the subject-matter of the proceedings relates to this Deed.

## **8 Application of s7.11, s7.12 and s7.24 of the Act to the Development**

- 8.1 This Deed does not exclude the application of s7.11 and s7.12 of the Act to the Development.
- 8.2 The benefits under this Deed are not to be taken into consideration when determining a development contribution under s7.11 of the Act in relation to the Development.
- 8.3 This Deed does not exclude the application of s7.24 to the Development.

## **9 Provision of Development Contributions**

- 9.1 The Developer is to make Development Contributions to the Council in accordance with Schedule 3 and the provisions of this Deed relating to the making of Development Contributions and otherwise to the satisfaction of the Council.
- 9.2 Any value specified in this Deed in relation to a Development Contribution does not serve to define the extent of the Developer's obligation to make the Development Contribution.
- 9.3 The Council is to apply each Development Contribution made by the Developer under this Deed towards the public purpose for which it is made and otherwise in accordance with this Deed.

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- 9.4 Despite clause 9.3, the Council may apply a Development Contribution made under this Deed towards a public purpose other than the public purpose specified in this Deed if the Council reasonably considers that the public interest would be better served by applying the Development Contribution towards that other purpose rather than the purpose so specified.

## **Part 2 – Affordable Housing**

### **10 Selection process for Affordable Housing Units**

- 10.1 The Developer is to dedicate a minimum of 1 in 33 Dwellings (or part thereof) in the Development as AHUs.
- 10.2 The obligation in clause 10.1 applies up to and including 260 Dwellings in the Development whether or not the total number of Dwellings in the Development exceeds 260.
- 10.3 The Dwellings to be dedicated to the Council as AHUs under this Deed are to:
- 10.3.1 comprise the following mixture of 1 and 2 bedroom Dwellings:
    - (a) 50% of 1 bedroom Dwellings, and
    - (b) 50% of 2 bedroom Dwellings, and
  - 10.3.2 be located such that there is at least 1 Dwelling to be dedicated as an AHU in each level of a building, or as otherwise agreed in writing by the Responsible Council Officer,
  - 10.3.3 be located such that there are AHUs in each building proposed to be constructed in the Development, or as otherwise agreed in writing by the Responsible Council Officer,
  - 10.3.4 be located such that no more than 2 Dwellings to be dedicated as AHUs have their living rooms and private open spaces receive less than 2 hours of direct sunlight between 9am and 3pm on 21 June in any year,
  - 10.3.5 satisfy the Affordable Housing Unit Requirements and any other approved design for fit out of AHUs under clause 15.
- 10.4 At the time the Developer makes a Development Application for the carrying out of the Development, the Developer is to nominate Dwellings in the proposed Development from which the Council is to select as AHUs to be provided to the Council under this Deed.
- 10.5 For the purposes of clause 10.4, the Developer:
- 10.5.1 is to use its best endeavours to nominate Dwellings whose living rooms and private open space receive a minimum of 2 hours of direct sunlight between 9am and 3pm on 21 June,
  - 10.5.2 is to nominate 30% more Dwellings than is required to be dedicated,
  - 10.5.3 is to nominate Dwellings that satisfy the requirements in clause 10.3.
- 10.6 The Council is to select the AHU's to be dedicated under this Deed from the Dwellings nominated by the Developer under clause 10.4.

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## **11 Implied Terms and Warranties for AHUs**

- 11.1 The implied terms and warranties in Schedules 2 and 3 of the *Conveyancing (Sale of Land) Regulation 2017* apply to this Deed as relevant in respect of any transfer of land to the Council as if this Deed is a contract for the sale of land and the Developer agrees to be bound by them.
- 11.2 Without limiting clause 11.1 or any other provision of this Deed, the Developer is to do all such things as necessary to ensure that the Council has the benefit of and may enforce any builders and construction warranties applicable to an AHU.

## **12 Management Statement**

- 12.1 The Developer is not to register, or to cause or procure the registration of, any Management Statement in respect of any building containing an AHU unless:
  - 12.1.1 the Developer has first provided the Council with the draft Management Statement for the Council's approval, and
  - 12.1.2 the Management Statement that is lodged for registration is the statement as approved by the Council in writing (which approval shall not be unreasonably withheld or delayed).
- 12.2 For the purposes of clause 12.1, the Council may withhold its approval to a Management Statement if the statement does not comply with Part 2 of the Affordable Housing Unit Requirements.

## **Part 3 – Dedication of Land**

### **13 Dedication of land**

- 13.1 A Development Contribution comprising the dedication of land is made for the purposes of this Deed when:
  - 13.1.1 a deposited plan is registered in the register of plans held with the Registrar-General that dedicates land as a public road (including a temporary public road) under the *Roads Act 1993* or creates a public reserve or drainage reserve under the *Local Government Act 1993*, or
  - 13.1.2 the Responsible Council Officer is given:
    - (a) an instrument in registrable form under the *Real Property Act 1900* duly executed by the Developer as transferor that is effective to transfer the title to the land to the Council when executed by the Council as transferee and registered,
    - (b) the written consent to the registration of the transfer of any person whose consent is required to that registration, and
    - (c) a written undertaking from any person holding the certificate of title to the production of the certificate of title for the purposes of registration of the transfer.

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- 13.2 The Developer is to do all things reasonably necessary to enable registration of the instrument of transfer to occur.
- 13.3 The Developer is to ensure that land dedicated to the Council under this Deed is free of all encumbrances and affectations (whether registered or unregistered and including without limitation any charge or liability for rates, taxes and charges) except as otherwise agreed in writing by the Council.
- 13.4 If, having used all reasonable endeavours, the Developer cannot ensure that land to be dedicated to the Council under this Deed is free from all encumbrances and affectations, the Developer may request that Council, by its Responsible Council Officer, agree to accept the land subject to those encumbrances and affectations, but the Council (or its Responsible Council Officer) may withhold its agreement in its absolute discretion.
- 13.5 Despite any other provision of this Deed, if the Developer is required to dedicate land to the Council on which the Developer is also required to carry out a Work under this Deed, the Developer is to comply with clause 13.1.2 not later than 7 days after the Work is completed for the purposes of this Deed.

## **Part 4 – Carrying out of Work**

### **14 Carrying out of Work generally**

- 14.1 Without limiting any other provision of this Deed, any Work that is required to be carried out by the Developer under this Deed is to be carried out in accordance with any design or specification specified or approved by the Responsible Council Officer, any relevant Approval and any other applicable law.
- 14.2 The Developer, at its own cost, is to comply with any reasonable direction given to it by the Responsible Council Officer to prepare or modify a design or specification relating to a Work that the Developer is required to carry out under this Deed.

### **15 Design of Work**

- 15.1 The location, design, specifications, materials and finishes for Work to be carried out under this Deed is to be determined and approved in accordance with this clause.
- 15.2 Before commencing the design of the Work, the Developer is to request the Responsible Council Officer to provide the Developer with the Council's requirements for the location, design, specifications, materials and finishes for the Work.
- 15.3 The Responsible Council Officer may request the Developer to provide a written proposal concerning the location, design, specifications, materials and finishes for the Work, including preliminary concept designs, to assist Council in determining and notifying the Developer of its requirements.
- 15.4 Once the Developer receives notification from the Responsible Council Officer of the Council's requirements for the Work, the Developer is to submit details

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of the location, design, specifications, materials and finishes for the Work to the Responsible Council Officer for Approval.

- 15.5 The details submitted by the Developer in relation to Development Contribution Item 5 are to include a certification by a Quantity Surveyor that the estimated construction cost of the embellishment and landscaping of the public park is not less than the Embellishment Work Contribution Value.
- 15.6 The Responsible Council Officer may reasonably require the Developer to make any change to the location, design, specifications, materials and finishes for a Work that it reasonably considers necessary or desirable as a precondition to approving the design of the Work.
- 15.7 The Developer is to make any change to the location, design, specifications, materials, and finishes of the Work as is reasonably required by the Responsible Council Officer.
- 15.8 The Developer is not to make any application for any Approval for the Work and is not to commence construction of the Work unless the Responsible Council Officer has first notified the Developer of its Approval of the location, design, specifications, materials and finishes of the Work.

## **16 Variation to Work**

- 16.1 The design or specification of any Work that is required to be carried out by the Developer under this Deed may be varied by agreement in writing between the Parties, acting reasonably, without the necessity for an amendment to this Deed.
- 16.2 Without limiting clause 16.1, the Developer may make a written request to the Responsible Council Officer to approve a variation to the design or specification of a Work in order to enable it to comply with the requirements of any Authority imposed in connection with any Approval relating to the carrying out of the Work.
- 16.3 The Responsible Council Officer is not to unreasonably delay or withhold its approval to a request made by the Developer under clause 16.2.
- 16.4 The Responsible Council Officer, acting reasonably, may from time to time give a written direction to the Developer requiring it to vary the design or specification of a Work before the Work is carried out in a specified manner and submit the variation to the Responsible Council Officer for approval.
- 16.5 The Developer is to comply promptly with a direction referred to in clause 16.4 at its own cost.

## **17 Access to land by Developer**

- 17.1 The Council is to permit the Developer, upon receiving reasonable prior notice sent to the Responsible Council Officer from the Developer, to enter any other Council owned or controlled land approved in writing by the Responsible Council Officer in order to enable the Developer to properly perform its obligations under this Deed.
- 17.2 Nothing in this Deed creates or gives the Developer any estate or interest in any part of the land referred to in clause 17.1.



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## **18 Access to land by Council**

- 18.1 The Council, by its Responsible Council Officer, may enter any land on which Work is being carried out by the Developer under this Deed in order to carry out a General Inspection, or examine or test the Work, or to remedy any breach by the Developer of its obligations under this Deed relating to the Work at any time.
- 18.2 The Responsible Council Officer is to give the Developer prior reasonable notice before it enters land under clause 18.1.

## **19 Protection of people, property & utilities**

- 19.1 The Developer is to ensure to the fullest extent reasonably practicable in relation to the performance of its obligations under this Deed that:
- 19.1.1 all necessary measures are taken to protect people and property,
- 19.1.2 unnecessary interference with the passage of people and vehicles is avoided, and
- 19.1.3 nuisances and unreasonable noise and disturbances are prevented.
- 19.2 Without limiting clause 19.2, the Developer is not to obstruct, interfere with, impair or damage any public road, public footpath, public cycleway or other public thoroughfare, or any pipe, conduit, drain, watercourse or other public utility or service on any land except as authorised in writing by the Council or any relevant Authority.

## **20 Repair of damage**

- 20.1 The Developer is to Maintain any Work required to be carried out by the Developer under this Deed until the Work is Handed-Over for the purposes of this Deed or such later time as agreed between the Parties.
- 20.2 Without limiting any other provision of this Deed, at any time before a Work is Handed-Over for the purposes of this Deed, the Responsible Council Officer may give the Developer a written direction to rectify or repair any specified part of the Work to the reasonable satisfaction of the Council.
- 20.3 The Developer is to promptly comply with a direction referred to in clause 20.2 and carry out its obligation under clause 20.1 at its own cost and to the satisfaction of the Responsible Council Officer.

## **21 Practical Completion of Work**

- 21.1 The Developer is to give the Responsible Council Officer written notice of the date on which, in its opinion the Work is Practically Complete under this Deed.
- 21.2 The Responsible Council Officer is to carry out a General Inspection of the Work the subject of the notice referred to in clause 21.1 within 14 days of the date specified in the notice.
- 21.3 Work required to be carried out by the Developer under this Deed achieves Practical Completion for the purposes of this Deed when the Responsible



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Council Officer, acting reasonably, gives a written notice to the Developer to that effect.

- 21.4 Before the Responsible Council Officer gives the Developer a notice referred to in clause 21.3, it may give the Developer a written direction to complete, rectify or repair any specified part of the Work to the reasonable satisfaction of the Responsible Council Officer.
- 21.5 The Developer, at its own cost, is to promptly comply with a direction referred to in clause 21.4.

## **22 Completion and Hand-Over of AHU**

- 22.1 The Responsible Council Officer is to give the Developer written notice of the date on which a Final Inspection of an AHU will be carried out.
- 22.2 The construction and fit-out of an AHU is complete for the purposes of this Deed when the Responsible Council Officer, after carrying out a Final Inspection of the AHU, acting reasonably, gives a written notice to the Developer to that effect.
- 22.3 The Council assumes responsibility for an AHU on and from the date the AHU is Handed-Over.

## **23 Maintenance and Establishment Period for Embellishment Work**

- 23.1 During the Maintenance and Establishment Period, the Developer is to Maintain the Embellishment Work including any landscaping comprising the Embellishment Work.

## **24 Completion and Hand-Over of Embellishment Work**

- 24.1 The Developer is to give the Responsible Council Officer written notice of its intention to make an application for an Occupation Certificate for a Dwelling which, when added to all other Occupation Certificates that have been issued, authorises the occupation or use of 100% of Dwellings in the Development.
- 24.2 The Responsible Council Officer is to carry out a General Inspection of the Embellishment Work within 14 days of the date of the notice referred to in clause 24.1.
- 24.3 The Responsible Council Officer may give the Developer a written direction to complete, rectify or repair any specified part of the Embellishment Work to the reasonable satisfaction of the Responsible Council Officer.
- 24.4 The Developer, at its own cost, is to promptly comply with a direction referred to in clause 24.3.
- 24.5 Embellishment Work required to be carried out by the Developer under this Deed is complete for the purposes of this Deed when the Responsible Council Officer, after carrying out a Final Inspection of the Work and having received a Site Audit Statement for the land on which the Embellishment Work is located, acting reasonably, gives a written notice to the Developer to that effect.

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- 24.6 The Council assumes responsibility for the Embellishment Work on and from the date the Embellishment Work is Handed-Over.

## **25 Rectification of defects**

- 25.1 The Responsible Council Officer may give the Developer a Rectification Notice during the Defects Liability Period.
- 25.2 The Developer, at its own cost, is to comply with a Rectification Notice according to its terms and to the reasonable satisfaction of the Responsible Council Officer.
- 25.3 The Council is to do such things as are reasonably necessary to enable the Developer to comply with a Rectification Notice that has been given to it under clause 25.1

## **26 Works-As-Executed-Plan**

- 26.1 No later than 60 days after Work is completed for the purposes of this Deed, the Developer is to submit to the Responsible Council Officer a full Works-As-Executed-plan in respect of the Work.
- 26.2 The Developer, being the copyright owner in the plan referred to in clause 26.1, gives the Council a non-exclusive licence to use the copyright in the plans for the purposes of this Deed.

## **27 Removal of Equipment**

- 27.1 When Work on any Council owned or controlled land is completed for the purposes of this Deed, the Developer, without delay, is to:
- 27.1.1 remove any Equipment from Land and make good any damage or disturbance to the land as a result of that removal, and
- 27.1.2 leave the land in a neat and tidy state, clean and free of rubbish.

## **Part 5 – Dispute Resolution**

### **28 Dispute resolution – expert determination**

- 28.1 This clause applies to a Dispute between any of the Parties to this Deed concerning a matter arising in connection with this Deed that can be determined by an appropriately qualified expert if:
- 28.1.1 the Parties to the Dispute agree that it can be so determined, or
- 28.1.2 the Chief Executive Officer of the professional body that represents persons who appear to have the relevant expertise to determine the Dispute gives a written opinion that the Dispute can be determined by a member of that body.

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- 28.2 A Dispute to which this clause applies is taken to arise if one Party gives another Party a notice in writing specifying particulars of the Dispute.
- 28.3 If a notice is given under clause 28.2, the Parties are to meet within 14 days of the notice in an attempt to resolve the Dispute.
- 28.4 If the Dispute is not resolved within a further 28 days, the Dispute is to be referred to the President of the NSW Law Society to appoint an expert for expert determination.
- 28.5 The expert determination is binding on the Parties except in the case of fraud or misfeasance by the expert.
- 28.6 Each Party is to bear its own costs arising from or in connection with the appointment of the expert and the expert determination.
- 28.7 The Parties are to share equally the costs of the President, the expert, and the expert determination.

## **29 Dispute Resolution - mediation**

- 29.1 This clause applies to any Dispute arising in connection with this Deed other than a Dispute to which clause 28 applies.
- 29.2 Such a Dispute is taken to arise if one Party gives another Party a notice in writing specifying particulars of the Dispute.
- 29.3 If a notice is given under clause 29.2, the Parties are to meet within 14 days of the notice in an attempt to resolve the Dispute.
- 29.4 If the Dispute is not resolved within a further 28 days, the Parties are to mediate the Dispute in accordance with the Mediation Rules of the Law Society of New South Wales published from time to time and are to request the President of the Law Society to select a mediator.
- 29.5 If the Dispute is not resolved by mediation within a further 28 days, or such longer period as may be necessary to allow any mediation process which has been commenced to be completed, then the Parties may exercise their legal rights in relation to the Dispute, including by the commencement of legal proceedings in a court of competent jurisdiction in New South Wales.
- 29.6 Each Party is to bear its own costs arising from or in connection with the appointment of a mediator and the mediation.
- 29.7 The Parties are to share equally the costs of the President, the mediator, and the mediation.

## **Part 6 - Enforcement**

### **30 Security for performance of obligations**

- 30.1 The Developer is to provide Security to the Council, by its Responsible Council Officer, in the amount of \$1,000,000.00 in relation to the performance of its obligations under this Deed.

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- 30.2 The Developer is to provide the Security to the Council before any Construction Certificate is issued for the Development.
- 30.3 The Council, by its Responsible Council Officer, in its absolute discretion and despite clause 17, may refuse to allow the Developer to enter, occupy or use any land owned or controlled by the Council or refuse to provide the Developer with any plant, equipment, facilities or assistance relating to the carrying out the Development if the Developer has not provided the Security to the Council in accordance with this Deed.
- 30.4 The Council, by its Responsible Council Officer, may call-up and apply the Security in accordance with clause 32 to remedy any breach of this Deed notwithstanding any other remedy it may have under this Deed, under any Act or otherwise at law or in equity.
- 30.5 The Council, by its Responsible Council Officer, is to release and return 50% of the Security within 14 days of Practical Completion of the Embellishment Work.
- 30.6 The Council, by its Responsible Council Officer, is to release and return the remainder of the Security or any unused part of it to the Developer within 14 days of the completion of all the Developer's obligations under this Deed.
- 30.7 The Developer may at any time provide the Council, by its Responsible Council Officer, with a replacement Security.
- 30.8 On receipt of a replacement Security, the Council by its Responsible Council Officer, is to release and return the Security that has been replaced to the Developer.
- 30.9 If the Council by its Responsible Council Officer, calls-up the Security or any portion of it, it may, by written notice to the Developer, require the Developer to provide a further or replacement Security to ensure that the amount of Security held by the Council equals the amount it is entitled to hold under this Deed.
- 30.10 The Developer is to ensure that the Security provided to the Council is at all times maintained to the full current indexed value.

### **31 Acquisition of land required to be dedicated**

- 31.1 If the Developer does not dedicate land required to be dedicated under this Deed at the time at which it is required to be dedicated, the Developer consents to the Council compulsorily acquiring the land for compensation in the amount of \$1 without having to follow the pre-acquisition procedure under the Just Terms Act.
- 31.2 Clause 31.1 constitutes an agreement for the purposes of s30 of the Just Terms Act.
- 31.3 If, as a result of the acquisition referred to in clause 31.1, the Council is required to pay compensation to any person other than the Developer, the Developer is to reimburse the Council that amount, upon a written request being made by the Council, by its Responsible Council Officer, or the Council can call on any Security provided under clause 30.
- 31.4 The Developer indemnifies and keeps indemnified the Council against all Claims made against the Council as a result of any acquisition by the Council of the whole or any part of the land concerned except if, and to the extent that, the Claim arises because of the Council's negligence or default.

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- 31.5 The Developer is to promptly do all things necessary, and consents to the Council, by its Responsible Council Officer, doing all things necessary, to give effect to this clause 31, including without limitation:
- 31.5.1 signing any documents or forms,
  - 31.5.2 giving land owner's consent for lodgement of any Development Application,
  - 31.5.3 producing certificates of title to the Registrar-General under the *Real Property Act 1900*, and
  - 31.5.4 paying the Council's costs arising under this clause 31.

## **32 Breach of obligations**

- 32.1 If the Council, by its Responsible Council Officer, reasonably considers that the Developer is in breach of any obligation under this Deed, it may give a written notice to the Developer:
- 32.1.1 specifying the nature and extent of the breach,
  - 32.1.2 requiring the Developer to:
    - (a) rectify the breach if it reasonably considers it is capable of rectification, or
    - (b) pay compensation to the reasonable satisfaction of the Council in lieu of rectifying the breach if it reasonably considers the breach is not capable of rectification,
  - 32.1.3 specifying the period within which the breach is to be rectified or compensation paid, being a period that is reasonable in the circumstances.
- 32.2 If the Developer fails to fully comply with a notice referred to in clause 32.1, the Council, by its Responsible Council Officer, may, without further notice to the Developer, call-up the Security provided by the Developer under this Deed and apply it to remedy the Developer's breach.
- 32.3 If the Developer fails to comply with a notice given under clause 32.1 relating to the carrying out of Work under this Deed, the Council may step-in and remedy the breach and may enter, occupy and use any land owned or controlled by the Developer and any Equipment on such land for that purpose.
- 32.4 Any costs incurred by the Council in remedying a breach in accordance with clause 32.2 or clause 32.3 may be recovered by the Council by either or a combination of the following means:
- 32.4.1 by calling-up and applying the Security provided by the Developer under this Deed, or
  - 32.4.2 as a debt due in a court of competent jurisdiction.
- 32.5 For the purpose of clause 32.4, the Council's costs of remedying a breach the subject of a notice given under clause 32.1 include, but are not limited to:
- 32.5.1 the costs of the Council's employees, agents and contractors reasonably incurred for that purpose,
  - 32.5.2 all fees and charges necessarily or reasonably incurred by the Council in remedying the breach, and



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32.5.3 all legal costs and expenses reasonably incurred by the Council, by reason of the breach.

32.6 Nothing in this clause 32 prevents the Council from exercising any rights it may have at law or in equity in relation to a breach of this Deed by the Developer, including but not limited to seeking relief in an appropriate court.

### **33 Enforcement in a court of competent jurisdiction**

33.1 Without limiting any other provision of this Deed, the Parties may enforce this Deed in any court of competent jurisdiction.

33.2 For the avoidance of doubt, nothing in this Deed prevents:

33.2.1 a Party from bringing proceedings in the Land and Environment Court to enforce any aspect of this Deed or any matter to which this Deed relates, or

33.2.2 the Council from exercising any function under the Act or any other Act or law relating to the enforcement of any aspect of this Deed or any matter to which this Deed relates.

## **Part 7 – Registration & Restriction on Dealings**

### **34 Registration of this Deed**

34.1 The Parties agree to register this Deed for the purposes of s7.6(1) of the Act.

34.2 Upon the commencement of this Deed, the Developer is to deliver to the Responsible Council Officer in registrable form:

34.2.1 an instrument requesting registration of this Deed on the title to the Land duly executed by the Developer, and

34.2.2 the written irrevocable consent of each person referred to in s7.6(1) of the Act to that registration.

34.3 Upon the Developer becoming the owner of the Additional Land or any part of it, the Developer is to register this Deed on the title to that land and clause 34.2 applies to that part of the Additional Land with any necessary amendments.

34.4 The Developer is to do such other things as are reasonably necessary to enable registration of this Deed to occur.

34.5 The Parties are to do such things as are reasonably necessary to remove any notation relating to this Deed from the title to the Land:

34.5.1 in so far as the part of the Land concerned is a lot created by the registration of a strata plan or a strata plan of subdivision under the *Strata Schemes Development Act 2015*, that is not an AHU selected by the Council, common property or a lot to be dedicated to the Council under this Deed,

34.5.2 in relation to any other part of the Land, once the Developer has completed its obligations under this Deed to the reasonable



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satisfaction of the Council or this Deed is terminated or otherwise comes to an end for any other reason.

- 34.6 For the avoidance of doubt, nothing in this clause requires the Council to release this Deed from the title to:
- 34.6.1 any common property on the Land prior to the completion of the Developer's obligations under this Deed,
- 34.6.2 any land required to be dedicated to the Council under this Deed prior to the dedication or transfer of the Land to the Council in accordance with this Deed.

### **35 Restriction on dealings**

- 35.1 Prior to the registration of this Deed in accordance with clause 34, the Developer is not to sell or transfer the Land, or assign the Developer's rights or obligations under this Deed, or novate this Deed without obtaining the Council's consent (such consent not to be unreasonably withheld).
- 35.2 On and from the date of the registration of this Deed in accordance with clause 34 until the Developer has fully completed its obligations under this Deed, the Developer must not sell, transfer, assign or novate its right, title or interest in the Land or its rights or obligations under this Deed without first obtaining Council's consent (such consent not to be unreasonably withheld) unless the Developer procures, at no cost to Council, that the transferee, assignee or novatee executes and delivers to Council a deed in favour of Council and on terms satisfactory to the Council whereby:
- 35.2.1 the transferee, assignee or novatee becomes contractually bound with Council to perform all of the Developer's obligations under this Deed (including obligations which may have arisen before the transfer, assignment or novation takes effect) and have the benefit of all the Developer's rights under this document; and
- 35.2.2 the Developer is released from its obligations under this Deed arising after the relevant assignment.
- 35.3 The Developer acknowledges and agrees that it remains liable to fully perform its obligations under this Deed unless and until it has complied with its obligations under clause 35.2.
- 35.4 The Developer is not to lodge a caveat or other instrument which prevents the Council's registration of this Deed on title.

## **Part 8 – Indemnities & Insurance**

### **36 Risk**

- 36.1 The Developer performs this Deed at its own risk and its own cost.

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### **37 Release**

- 37.1 The Developer releases the Council from any Claim it may have against the Council arising in connection with the performance of the Developer's obligations under this Deed except if, and to the extent that, the Claim arises because of the Council's negligence or default.

### **38 Indemnity**

- 38.1 The Developer indemnifies the Council from and against all Claims that may be sustained, suffered, recovered or made against the Council arising in connection with the performance of the Developer's obligations under this Deed except if, and to the extent that, the Claim arises because of the Council's negligence or default.

### **39 Insurance**

- 39.1 The Developer is to take out and keep current to the satisfaction of the Council the following insurances in relation to Work required to be carried out by the Developer under this Deed up until the Work is taken to have been completed in accordance with this Deed:
- 39.1.1 contract works insurance, noting the Council as an interested party, for the full replacement value of the Works (including the cost of demolition and removal of debris, consultants' fees and authorities' fees), to cover the Developer's liability in respect of damage to or destruction of the Works,
  - 39.1.2 public liability insurance for at least \$20,000,000.00 for a single occurrence, which covers the Council, the Developer and any subcontractor of the Developer, for liability to any third party,
  - 39.1.3 workers compensation insurance as required by law, and
  - 39.1.4 any other insurance required by law.
- 39.2 If the Developer fails to comply with clause 39.1, the Council may effect and keep in force such insurances and pay such premiums as may be necessary for that purpose and the amount so paid shall be a debt due from the Developer to the Council and may be recovered by the Council as it deems appropriate including:
- 39.2.1 by calling upon the Security provided by the Developer to the Council under this Deed, or
  - 39.2.2 recovery as a debt due in a court of competent jurisdiction.
- 39.3 The Developer is not to commence to carry out any Work unless it has first provided to the Responsible Council Officer satisfactory written evidence of all of the insurances specified in clause 39.1.

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## **Part 9 – Other Provisions**

### **40 Annual report by Developer**

- 40.1 The Developer is to provide to the Responsible Council Officer by not later than each anniversary of the date on which this Deed is entered into a report detailing the performance of its obligations under this Deed.
- 40.2 The report referred is to be in such a form and to address such matters as required by the Responsible Council Officer from time to time.

### **41 Review of Deed**

- 41.1 The Parties agree to review this Deed if either party is of the opinion that any change of circumstance has occurred, or is imminent, that materially affects the operation of this Deed.
- 41.2 For the purposes of clause 41.1, the relevant changes include (but are not limited to) any change to a law that restricts or prohibits or enables the Council or any other planning authority to restrict or prohibit any aspect of the Development.
- 41.3 For the purposes of addressing any matter arising from a review of this Deed referred to in clause 41.1, the Parties are to use all reasonable endeavours to agree on and implement appropriate amendments to this Deed.
- 41.4 If this Deed becomes illegal, unenforceable or invalid as a result of any change to a law, the Parties agree to do all things necessary to ensure that an enforceable agreement of the same or similar effect to this Deed is entered into.
- 41.5 A failure by a Party to agree to take action requested by the other Party as a consequence of a review referred to in clause 41.1 (but not 41.4) is not a Dispute for the purposes of this Deed and is not a breach of this Deed.

### **42 Notices**

- 42.1 Any notice, consent, information, application or request that is to or may be given or made to a Party under this Deed is only given or made if it is in writing and sent in one of the following ways:
  - 42.1.1 delivered or posted to that Party at its address set out in the Summary Sheet, or
  - 42.1.2 emailed to that Party at its email address set out in the Summary Sheet.
- 42.2 If a Party gives the other Party 3 business days' notice of a change of its address or email, any notice, consent, information, application or request is only given or made by that other Party if it is delivered, posted or emailed to the latest address.
- 42.3 Any notice, consent, information, application or request is to be treated as given or made if it is:
  - 42.3.1 delivered, when it is left at the relevant address,

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42.3.2 sent by post, 2 business days after it is posted, or

42.3.3 sent by email and the sender does not receive a delivery failure message from the sender's internet service provider within a period of 24 hours of the email being sent.

42.4 If any notice, consent, information, application or request is delivered, or an error free transmission report in relation to it is received, on a day that is not a business day, or if on a business day, after 5pm on that day in the place of the Party to whom it is sent, it is to be treated as having been given or made at the beginning of the next business day.

### **43 Approvals and Consent**

43.1 Except as otherwise set out in this Deed, and subject to any statutory obligations, a Party may give or withhold an approval or consent to be given under this Deed in that Party's absolute discretion and subject to any conditions determined by the Party.

43.2 A Party is not obliged to give its reasons for giving or withholding consent or for giving consent subject to conditions.

### **44 Costs**

44.1 The Developer is to pay to the Council the Council's costs of preparing, negotiating, executing and stamping this Deed, and any document related to this Deed within 7 days of a written demand by the Responsible Council Officer for such payment.

44.2 The Developer is also to pay to the Council the Council's reasonable costs of enforcing this Deed within 7 days of a written demand by the Responsible Council Officer for such payment.

### **45 Entire Deed**

45.1 This Deed contains everything to which the Parties have agreed in relation to the matters it deals with.

45.2 No Party can rely on an earlier document, or anything said or done by another Party, or by a director, officer, agent or employee of that Party, before this Deed was executed, except as permitted by law.

### **46 Further Acts**

46.1 Each Party must promptly execute all documents and do all things that another Party from time to time reasonably requests to effect, perfect or complete this Deed and all transactions incidental to it.

### **47 Governing Law and Jurisdiction**

47.1 This Deed is governed by the law of New South Wales.

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- 47.2 The Parties submit to the non-exclusive jurisdiction of its courts and courts of appeal from them.
- 47.3 The Parties are not to object to the exercise of jurisdiction by those courts on any basis.

## **48 Joint and Individual Liability and Benefits**

- 48.1 Except as otherwise set out in this Deed:
- 48.1.1 any agreement, covenant, representation or warranty under this Deed by 2 or more persons binds them jointly and each of them individually, and
- 48.1.2 any benefit in favour of 2 or more persons is for the benefit of them jointly and each of them individually.

## **49 No Fetter**

- 49.1 Nothing in this Deed shall be construed as requiring Council to do anything that would cause it to be in breach of any of its obligations at law, and without limitation, nothing shall be construed as limiting or fettering in any way the exercise of any statutory discretion or duty.

## **50 Illegality**

- 50.1 If this Deed or any part of it becomes illegal, unenforceable or invalid as a result of any change to a law, the Parties are to co-operate and do all things necessary to ensure that an enforceable agreement of the same or similar effect to this Deed is entered into.

## **51 Severability**

- 51.1 If a clause or part of a clause of this Deed can be read in a way that makes it illegal, unenforceable or invalid, but can also be read in a way that makes it legal, enforceable and valid, it must be read in the latter way.
- 51.2 If any clause or part of a clause is illegal, unenforceable or invalid, that clause or part is to be treated as removed from this Deed, but the rest of this Deed is not affected.

## **52 Amendment**

- 52.1 No amendment of this Deed will be of any force or effect unless it is in writing and signed by the Parties to this Deed in accordance with clause 25C of the Regulation.

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## 53 Waiver

- 53.1 The fact that a Party fails to do, or delays in doing, something the Party is entitled to do under this Deed, does not amount to a waiver of any obligation of, or breach of obligation by, another Party.
- 53.2 A waiver by a Party is only effective if it:
  - 53.2.1 is in writing,
  - 53.2.2 is addressed to the Party whose obligation or breach of obligation is the subject of the waiver,
  - 53.2.3 specifies the obligation or breach of obligation the subject of the waiver and the conditions, if any, of the waiver,
  - 53.2.4 is signed and dated by the Party giving the waiver.
- 53.3 Without limitation, a waiver may be expressed to be conditional on the happening of an event, including the doing of a thing by the Party to whom the waiver is given.
- 53.4 A waiver by a Party is only effective in relation to the particular obligation or breach in respect of which it is given, and is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.
- 53.5 For the purposes of this Deed, an obligation or breach of obligation the subject of a waiver is taken not to have been imposed on, or required to be complied with by, the Party to whom the waiver is given.

## 54 GST

- 54.1 In this clause:
  - Adjustment Note, Consideration, GST, GST Group, Margin Scheme, Money, Supply and Tax Invoice** have the meaning given by the GST Law.
  - GST Amount** means in relation to a Taxable Supply the amount of GST payable in respect of the Taxable Supply.
  - GST Law** has the meaning given by the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
  - Input Tax Credit** has the meaning given by the GST Law and a reference to an Input Tax Credit entitlement of a party includes an Input Tax Credit for an acquisition made by that party but to which another member of the same GST Group is entitled under the GST Law.
  - Taxable Supply** has the meaning given by the GST Law excluding (except where expressly agreed otherwise) a supply in respect of which the supplier chooses to apply the Margin Scheme in working out the amount of GST on that supply.
- 54.2 Subject to clause 54.4, if GST is payable on a Taxable Supply made under, by reference to or in connection with this Deed, the Party providing the Consideration for that Taxable Supply must also pay the GST Amount as additional Consideration.
- 54.3 Clause 54.2 does not apply to the extent that the Consideration for the Taxable Supply is expressly stated in this Deed to be GST inclusive.



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- 54.4 No additional amount shall be payable by the Council under clause 54.2 unless, and only to the extent that, the Council (acting reasonably and in accordance with the GST Law) determines that it is entitled to an Input Tax Credit for its acquisition of the Taxable Supply giving rise to the liability to pay GST.
- 54.5 If there are Supplies for Consideration which is not Consideration expressed as an amount of Money under this Deed by one Party to the other Party that are not subject to Division 82 of the *A New Tax System (Goods and Services Tax) Act 1999*, the Parties agree:
- 54.5.1 to negotiate in good faith to agree the GST inclusive market value of those Supplies prior to issuing Tax Invoices in respect of those Supplies;
- 54.5.2 that any amounts payable by the Parties in accordance with clause 54.2 (as limited by clause 54.4) to each other in respect of those Supplies will be set off against each other to the extent that they are equivalent in amount.
- 54.6 No payment of any amount pursuant to this clause 54, and no payment of the GST Amount where the Consideration for the Taxable Supply is expressly agreed to be GST inclusive, is required until the supplier has provided a Tax Invoice or Adjustment Note as the case may be to the recipient.
- 54.7 Any reference in the calculation of Consideration or of any indemnity, reimbursement or similar amount to a cost, expense or other liability incurred by a party, must exclude the amount of any Input Tax Credit entitlement of that party in relation to the relevant cost, expense or other liability.
- 54.8 This clause continues to apply after expiration or termination of this Deed.

## **55 Explanatory Note**

- 55.1 The Appendix contains the Explanatory Note relating to this Deed required by clause 25E of the Regulation.
- 55.2 Pursuant to clause 25E(7) of the Regulation, the Parties agree that the Explanatory Note is not to be used to assist in construing this Planning Deed.

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**Schedule 1**

(Clause 1.1)

**Land**

**Part 1 – Developer Land**

Land Title	Street address	Owner
2/204284	248 Woodville Road	Green Dior Holdings Pty Ltd
4-7/128586 & 1/433824	256 Woodville Road	Green Dior Holdings Pty Ltd
2581/803841 & 1/382912	258-264 Woodville Road	Green Dior Holdings Pty Ltd
F/382911	19 Highland Street	Green Dior Holdings Pty Ltd
F/364338 & 2/385967	8 Lansdowne Street	Green Dior Holdings Pty Ltd
A/344408	14 Lansdowne Street	Green Dior Holdings Pty Ltd
81/128805	16 Lansdowne Street	Green Dior Holdings Pty Ltd
1/385967	8A Lansdowne Street	Green Dior Holdings Pty Ltd
B/379850 & C/379850	246 Woodville Road	Green Dior Holdings Pty Ltd
1/204284 & A/418199	2 Lansdowne Street	Green Dior Holdings Pty Ltd
A/409259	4 Lansdowne Street	Green Dior Holdings Pty Ltd

**Part 2 – Additional Land**

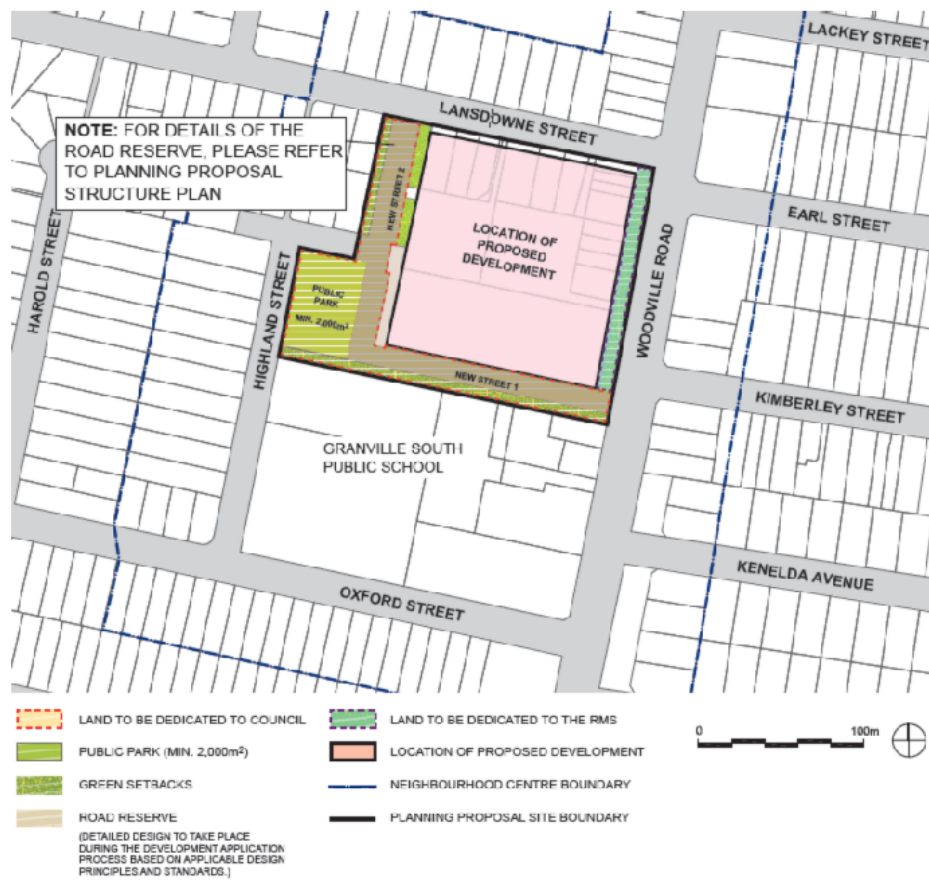
Land Title	Street address	Owner
B/409259	6 Lansdowne Street	Mathew Mark Jason Alwan
D/364338	10 Lansdowne Street	David John Viles and Susan Gail Viles
C/364338	12 Lansdowne Street	Osman Kabbara and Adam Nicholas Ring
A/379850	244 Woodville Road	Barbara Beverly Drayton

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**Schedule 2**

(Clause 1.1)

**Location Plan**



**Figure 8: Map identifying land to be dedicated and location of works to be carried out**

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### **Schedule 3**

(Clause 9)

## **Development Contributions**

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**Cumberland Council**

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Column 1	Column 2	Column 3	Column 4	Column 5
Item/ Contribution	Public Purpose	Manner & Extent	Timing	Defects Liability Period

**A. Dedication of Land**

1. Public park generally in accordance with the location identified as 'Public Park' on the Location Plan, having an area of not less than 2,000sqm	Open space	Land to be dedicated to the Council free of cost to the Council	To be dedicated: (a) not before the date of the Council's notice under 24.5 in relation to the Embellishment Work on the Public Park, and (b) not later than 14 business days after the date of that Council's notice under clause 24.5.	N/A
2. New streets generally in accordance with the location identified as 'Road Reserve' on the Location Plan which includes land for road carriageways, parking bays, footpaths and road verges as shown in Schedule 5, the exact dimensions and area of the land to be in accordance with any Development Consent for the construction of the new streets.	Public roads	Land to be dedicated to the Council free of cost to the Council	To be dedicated: (a) not before the date of the Council's notice under 24.5 in relation to the Embellishment Work on the Green Setbacks Land, and (b) not later than 14 business days after the date of that Council's notice under clause 24.5.	N/A

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3. Green setbacks generally in accordance with the area identified as 'Green Setbacks' on the Location Plan and Schedule 5, the exact dimensions and area of the land to be in accordance with any Development Consent for the construction of the green setbacks.	Public domain amenity	Land to be dedicated to the Council free of cost to the Council	To be dedicated:  (a) not before the date of the Council's notice under 24.5 in relation to the Embellishment Work on the Green Setbacks Land, and  (b) not later than 14 business days after the date of that Council's notice under clause 24.5.	N/A
4. Affordable Housing Units in accordance with clause 10 and as selected by the Council under clause 10	Affordable housing	Affordable Housing Units to be dedicated to the Council free of cost to the Council	An AHU to be dedicated:  (a) not before the date of the Council's notice under 22.2 in relation to the AHU, and  (b) not later than 7 days after the issuing of an Occupation Certificate for the AHU.	N/A

**B. Carrying out of Work**



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5. Embellishment and landscaping of Public Park.	Open space	Developer to carry out and complete embellishment of the Public Park in accordance with the design approved under clause 15, any other relevant provision of this Deed and otherwise to the satisfaction of the Council.	<p>If the Development is to be carried out in Stages, Work to be Practically Complete and to achieve a Date of Practical Completion in accordance with clause 21 that is:</p> <p>(a) no earlier than the issuing of the Occupation Certificate which authorises the occupation or use of the 130th Dwelling in the Development, and</p> <p>(b) no later than the issuing of the Occupation Certificate which authorises the occupation or use of the 208<sup>th</sup> Dwelling in the Development.</p> <p>If the Development is not to be carried out in Stages, Work to be Practically Complete and to achieve a Date of Practical Completion in accordance with clause 21 that is before the issuing of any Occupation Certificate for the Development.</p>	12 months or such longer period as agreed in writing between the Parties.
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6. Embellishment of Green Setbacks Land	Public domain amenity	Developer to carry out and complete embellishment in accordance with the design approved under clause 15, any other relevant provision of this Deed and otherwise to the satisfaction of the Council.	<p>If the Development is to be carried out in Stages, Work to be Practically Complete and to achieve a Date of Practical Completion in accordance with clause 21 that is:</p> <p>(a) no earlier than the issuing of the Occupation Certificate which authorises the occupation or use of the 130th Dwelling in the Development, and</p> <p>(b) no later than the issuing of the Occupation Certificate which authorises the occupation or use of the 208<sup>th</sup> Dwelling in the Development.</p> <p>If the Development is not to be carried out in Stages, Work to be Practically Complete to achieve a Date of Practical Completion in accordance with clause 21 that is before the issuing of any Occupation Certificate for the Development.</p>	12 months or such longer period as agreed in writing between the Parties
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7. Construction and fit out of AHUs selected by the Council under clause 10	Affordable housing	Developer to carry out and complete the construction and fit out of all AHUs in accordance with clause 10, the Affordable Housing Unit Requirements, the design approved under clause 15, any other relevant provision of this Deed and otherwise to the satisfaction of the Council.	Each AHU is to be completed in accordance with clause 22 before the issue of an Occupation Certificate for the AHU.	12 months or such longer period as agreed in writing between the Parties
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**Schedule 4**

(Clause 1.1)

**Responsible Council Officer**

<b>Column 1</b>	<b>Column 2</b>
<b>Matter</b>	<b>Responsible Council Officer</b>
Any matter in this Deed relating to the Public Park and embellishment of the Public Park	Council Recreation / Open Space manager (or similar) Council Manager Strategic / City Planning Manager (or similar)
Any matter in this Deed relating to the New Streets	Council Asset manager (or Similar) Council Road and Traffic manager (or Similar) Council Subdivision & drainage engineer (or similar) Council Urban Planner (or similar)
Any matter in this Deed relating to the Green Setbacks Land and embellishment of the Green Setbacks Land	Council urban planner (or similar) Council Recreation / Open Space manager
Any matter in this Deed relating to Affordable Housing	Council Manager Strategic / City planning (or similar) Council manager community development (or similar) Council Manager property (or similar)
Any matter in this Deed relating to Security, or not otherwise specified in this table.	Council Manager Strategic / City Planning Council Contributions Coordinator (or similar)

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**Schedule 5**

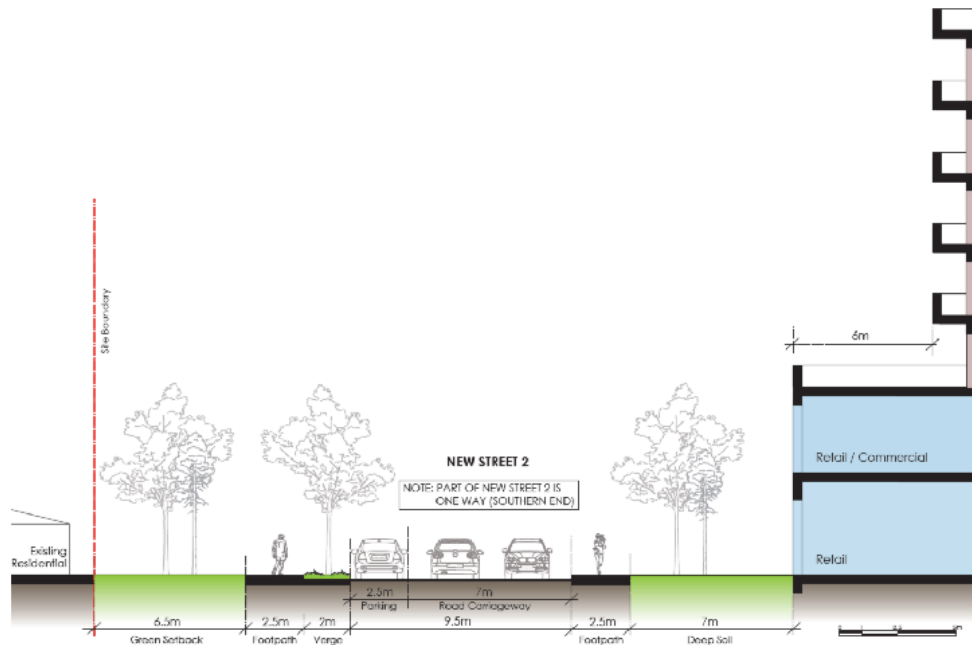
(Clause 1.1 and Development Contribution Item 3)

**New Streets**

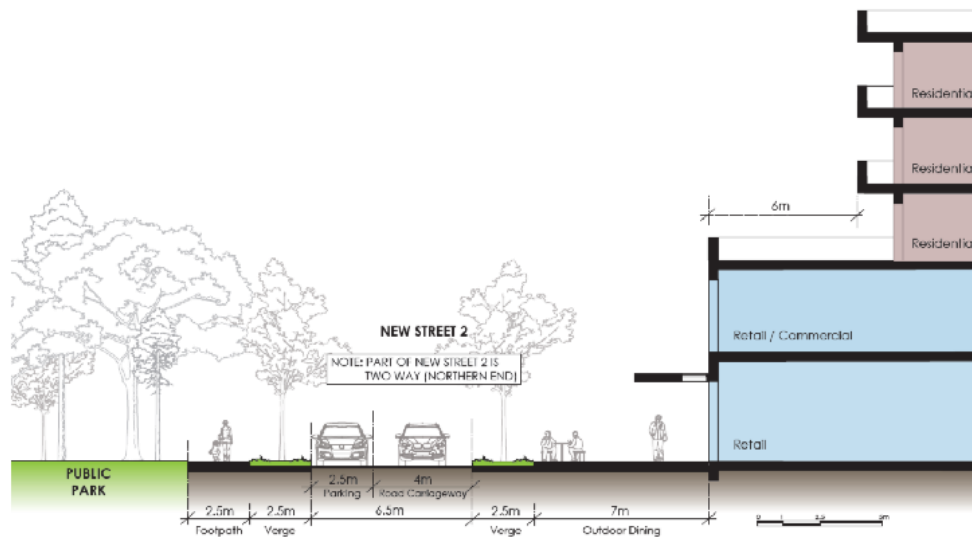


**Figure:** Sections

**Woodville Road, Merrylands East (John Cootes Site) Planning Agreement  
Cumberland Council  
Green Dior Holdings Pty Ltd**



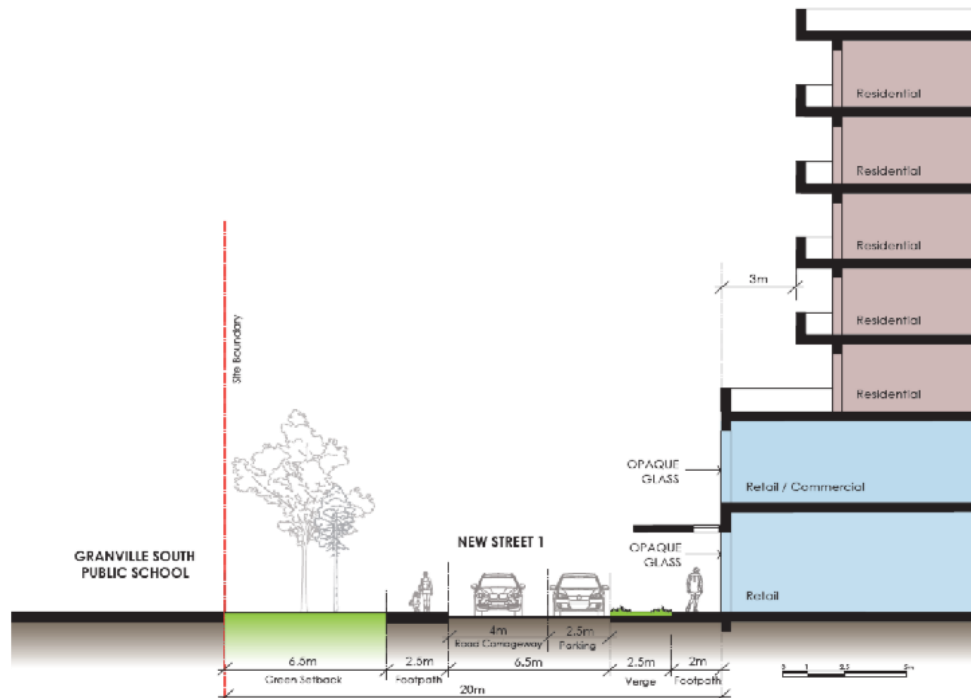
**Figure: New Street 2 Setbacks – Northern End (Section A-A)**



**Figure: New Street 2 Setbacks – Southern End (Section B-B)**

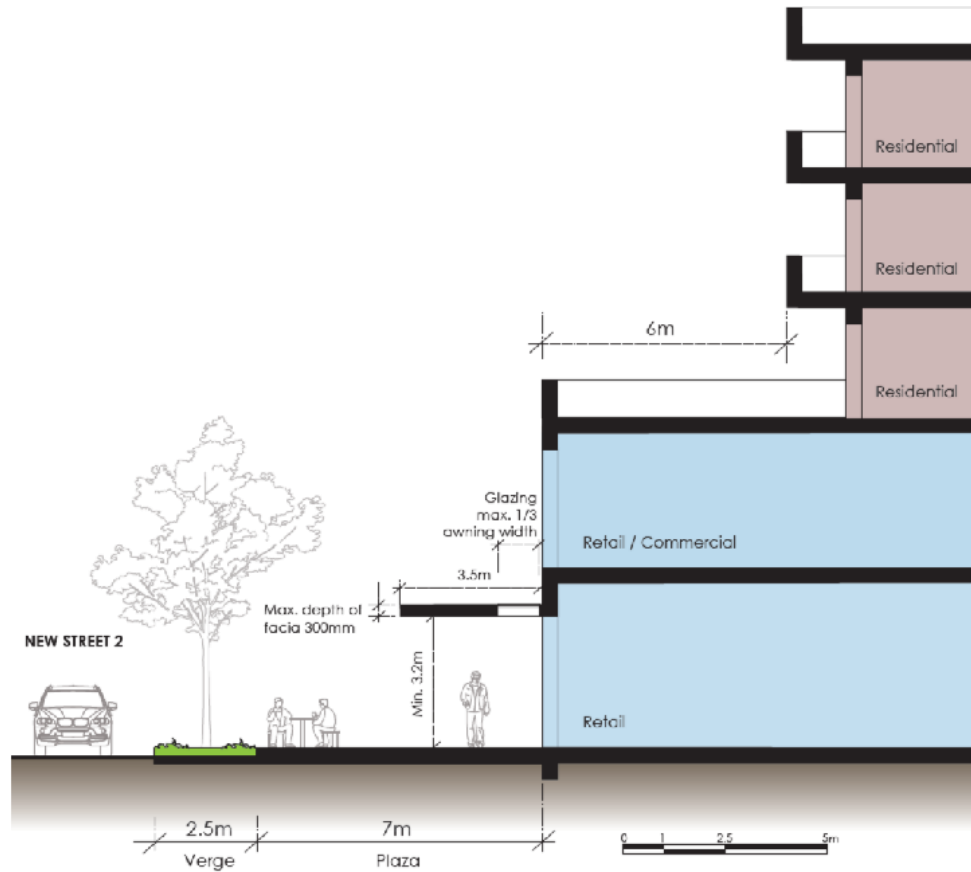


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**Figure:** New Street 1 Setbacks (Section C-C)

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**Figure: New Street 2 Southern End Detail**

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## **Schedule 6**

(Clause 1.1)

### **Affordable Housing Unit Requirements**

#### **Part 1 – General Requirements**

- a. Subject to Part 2 of this Schedule, all AHUs are to have the same car parking, access to apartments, access to car parking, common areas and layout as other similar Dwellings which are not AHUs within the building in which they are located.
- b. One bedroom AHUs are each to have a minimum of 70m<sup>2</sup> habitable floor space.
- c. Two bedroom AHUs are each to have a minimum of 85m<sup>2</sup> habitable floor space.

#### **Part 2 – Minimum fit-out requirements**

- a. Fully tiled bathroom including standard glass shower and exhaust fan heating and lighting in accordance with the relevant Australian Standards
- b. Timber flooring throughout living and bedrooms spaces
- c. Fully designed and tiled floor kitchen with splashback and appliances – cooktop, stove, dishwasher, exhaust fans (excluding refrigerator)
- d. All tap ware, basins, cupboards and mirrors
- e. Reverse cycle Air conditioning
- f. Bedroom fans and built ins
- g. Intercom, keys and security
- h. Minimum 2 x Communication and television points (lounge room and 1 bedroom) including paid tv access.
- i. Primed and Painted (Dulux white ) floors, ceilings, doors, skirting boards and cornices
- j. Doors on bedrooms and bathrooms
- k. Provision of wet areas for laundry, including sink and
- l. Hot water system (min 280 L capacity)
- m. Units to access to common and private open spaces including any facilities such as gyms or concierge facilities
- n. Each unit to be provided a minimum of 1 car space

#### **Part 2 – Strata and building levies**

- a. Any Management Statement relating to a building containing an AHU is to provide that any levies that are payable by the owner of the AHU in respect of an AHU is to be deferred for a period of 15 years from the date of registration of the Management Statement.

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**Execution**

**Executed as a Deed**

**Dated:**

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**Executed on behalf of the Council**

\_\_\_\_\_  
**General Manager**

\_\_\_\_\_  
**Witness**

\_\_\_\_\_  
**Mayor**

\_\_\_\_\_  
**Witness**

---

**Executed on behalf of the Developer** in accordance with s127(1) of the  
Corporations Act (Cth) 2001

\_\_\_\_\_  
**Name/Position**

\_\_\_\_\_  
**Name/Position**

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**Green Dior Holdings Pty Ltd**

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## **Appendix**

(Clause 55)

*Environmental Planning and Assessment Regulation 2000*

(Clause 25E)

## **Explanatory Note**

### **Draft Planning Agreement**

Under s7.4 of the *Environmental Planning and Assessment Act 1979*

### **Parties**

**Cumberland Council** ABN 22 798 563 329 of Po Box 42 MERRYLANDS NSW 2160  
(Council)

**Green Dior Holdings Pty Ltd** ACN 627 356 003 of PO Box 7226, Baulkham Hills NSW  
2153 (Developer)

### **Description of the Land to which the Draft Planning Agreement Applies**

This draft Planning Agreement applies to the Developer Land specified in Part 1 of Schedule 1 and the Additional Land specified in Part 2 of Schedule 1 when the Developer becomes owner of the Additional Land.

### **Description of Planning Proposal and Proposed Development**

This draft Planning Agreement applies to the planning proposal submitted by the then owner of the land to the Council in May 2015 and the subject of the gateway determination dated 24 June 2016 (as altered from time to time) under s3.34 of the Act and as varied pursuant to s3.35 of the Act, proposing

- (a) rezoning of the Land to B4 Mixed Use,
- (b) amendments to the maximum building height of the Land to 31m,

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- (c) amendments to the maximum floor space ratio of the Land to 2:1.

This draft Planning Agreement applies to the development, within the meaning of the Act, on the Land in accordance with a Development Consent (as modified or substituted from time to time under the Act) granted as a consequence of the making of the LEP Amendment.

## **Summary of Objectives, Nature and Effect of the Draft Planning Agreement**

### **Objectives of Draft Planning Agreement**

The objectives of the Draft Planning Agreement are to provide Affordable Housing and embellished open space to meet the requirements of the Development.

Specifically, the Developer will make the following contributions:

- (a) dedication of Affordable Housing Units,
- (b) embellishment and dedication of not less than 2,000sqm of open space for a public park,
- (c) dedication of land for public roads and green setbacks.

### **Nature of Draft Planning Agreement**

The Draft Planning Agreement is a planning agreement under s7.4 of the EPA Act. It is a voluntary agreement, under which the Developer makes Development Contributions (as defined in clause 1.1 of the Draft Planning Agreement) for various public purposes (as defined in s 7.4(2) of the EPA Act).

### **Effect of the Draft Planning Agreement**

The Draft Planning Agreement:

- relates to the taking effect of the Planning Proposal and the carrying out by the Developer of the Development,
- does not exclude the application of s 7.11 and s7.12 of the EPA Act to the Development,
- does not exclude the application of s 7.24 of the EPA Act to the Development,
- requires Affordable Housing to be provided,
- requires dedication of land and carrying out of works for a public park,
- requires dedication of land for public roads and green setbacks,
- enables the Council to lodge a caveat over the Land,
- allows for compulsory acquisition arrangements for the land dedication,
- is to be registered on the titles to the Land,
- imposes restrictions on the Developer transferring the Land or part of the Land or any affordable housing units or assigning an interest under the Agreement,



**Woodville Road, Merrylands East (John Cootes Site) Planning Agreement**  
**Cumberland Council**  
**Green Dior Holdings Pty Ltd**

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- provides a dispute resolution method where a dispute arises under the agreement, being mediation and expert determination,
- provides that the agreement is governed by the law of New South Wales,
- provides that the A New Tax System (Goods and Services Tax) Act 1999 (Cth) applies to the agreement.

## **Assessment of the Merits of the Draft Planning Agreement**

### **The Planning Purposes Served by the Draft Planning Agreement**

The Draft Planning Agreement:

- promotes and co-ordinates the orderly and economic use and development of the land to which the Planning Agreement applies,
- captures the shared uplift value of land through the delivery of public services and public amenities,
- provides land for public purposes in connection with the Development, specifically open space, green setbacks, roads and Affordable Housing,
- provides and co-ordinates community services and facilities in connection with the Development.

The Draft Planning Agreement provides a reasonable means of achieving these planning purposes by requiring the Developer to make monetary, works-in-kind and land dedication contributions to Council, to facilitate the development of the Land in connection with the provision of necessary infrastructure, community facilities and affordable housing.

### **How the Draft Planning Agreement Promotes the Public Interest**

The Draft Planning Agreement promotes the public interest by:

- promoting the objects of the EPA Act set out in sections 1.3(a), (c) and (j); and
- delivering affordable housing, road infrastructure, open space and funding for public services and public amenities which benefit the local and wider community.

### **For Planning Authorities:**

#### ***Development Corporations - How the Draft Planning Agreement Promotes its Statutory Responsibilities***

N/A

#### ***Other Public Authorities – How the Draft Planning Agreement Promotes the Objects (if any) of the Act under which it is Constituted***

N/A

**Woodville Road, Merrylands East (John Cootes Site) Planning Agreement**  
**Cumberland Council**  
**Green Dior Holdings Pty Ltd**

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***Councils – How the Draft Planning Agreement Promotes the Principles for local government (formerly the Council's charter) in the Local Government Act 1993***

The Draft Planning Agreement promotes the principles for local government of the Council's charter by:

- the management of lands and other assets so that current and future local community needs can be met in an affordable way,
- working with others to secure appropriate services for local community needs,
- promoting Council's long-term strategic planning on behalf of the local community.

***All Planning Authorities – Whether the Draft Planning Agreement Conforms with the Authority's Capital Works Program***

The Draft Planning Agreement conforms with the Council's capital works program in that it is not inconsistent with works required to support growth in the Council's local government area.

***All Planning Authorities – Whether the Draft Planning Agreement specifies that certain requirements must be complied with before a construction certificate, occupation certificate or subdivision certificate is issued***

This Draft Planning Agreement contains requirements that must be complied with before Construction Certificates and Occupation Certificates are issued.

DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-175

Attachment 2

Letter from proponent - intent to  
enter into VPA





7 August 2019

Mr Hamish McNulty  
General Manager  
Cumberland Council  
PO Box 42  
Merrylands NSW 2160

Dear Mr McNulty

**RE: PLANNING AGREEMENT FOR WOODVILLE ROAD MERRYLANDS EAST  
NEIGHBOURHOOD CENTRE**

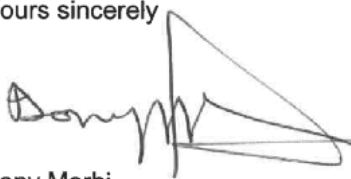
I am writing to confirm that Green Dior Holdings Pty Ltd is the owner and developer of the subject developer land and intends to enter into and execute the attached Planning Agreement with Cumberland Council within five working days of a Council meeting resolution to approve and execute the Planning Agreement.

The Planning Agreement is for the construction and dedication of the following items as described in the agreement as part of the development of the land under the rezoning approved by Council on 20 February 2019:

- public park embellished and landscaped;
- affordable housing units; and
- new streets with green setbacks.

If you have any queries or would like to discuss this matter, please do not hesitate to contact me on 0419 464 422. Thank you.

Yours sincerely

 A handwritten signature in black ink, appearing to read 'Tony Merhi', with a large, stylized flourish extending to the right.

Tony Merhi

Managing Director

tel +61 2 9899 4000 | [www.merccapital.com.au](http://www.merccapital.com.au)

A40C / 24-32 Lexington Drive, Bella Vista NSW 2153 | PO Box 7226 Baulkham Hills NSW  
2153 Australia





DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-175

Attachment 3

Draft Development Control Plan  
with post-exhibition changes  
(August 2019)





## **Parramatta Development Control Plan 2011**

### **DRAFT**

#### **4.1.12 Merrylands East Neighbourhood Centre Precinct** (Including Former John Cootes Warehouse Site)

**August 2019**

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<b>4.1.2</b>	<b>Collet Park Precinct (North Parramatta)</b>	<b>4.1-10</b>
<b>4.1.3</b>	<b>Dundas Precinct</b>	<b>4.1-12</b>
<b>4.1.4</b>	<b>(East) Rydalmere Precinct</b>	<b>4.1-15</b>
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<b>4.1.12</b>	<b>Merrylands East Neighbourhood Centre</b>	

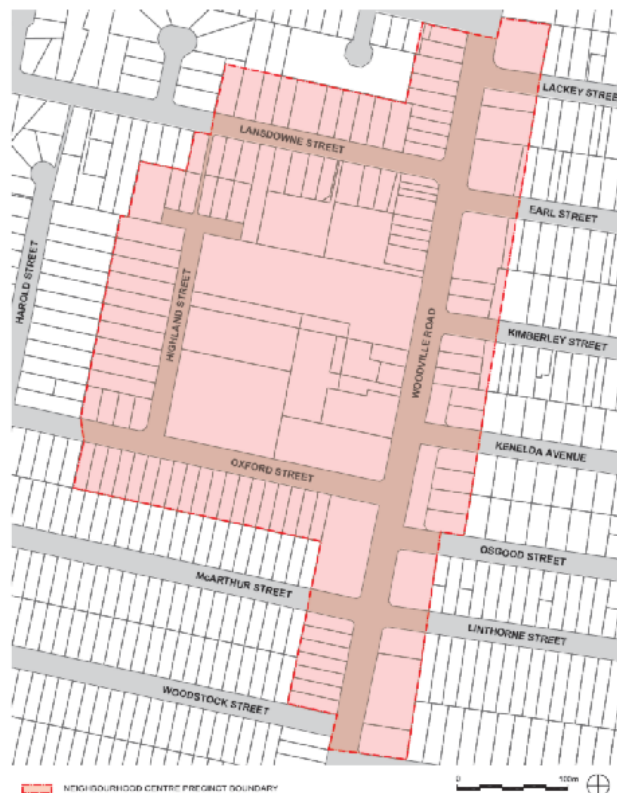
#### 4.1.12 Merrylands East Neighbourhood Centre Precinct

##### Desired Future Character

In recognition of existing development patterns and the opportunity to provide local services and facilities within walking distances of established neighbourhoods with access to Woodville Road, this part of the DCP provides guidelines and development controls for the development of a future neighbourhood centre precinct (Figure 4.1.12.1).

This section is to be read in conjunction with other relevant parts of the *Paramatta DCP 2011*, the *Paramatta LEP 2011*, *State Environmental Planning Policy (SEPP) No 65—Design Quality of Residential Apartment Development*, and the *Apartment Design Guide: Tools for improving the design of residential apartment development*.

Where there is an inconsistency between this document and provisions contained elsewhere in the *Paramatta DCP 2011*, the site specific controls contained in this section shall apply to the extent of the inconsistency. Where there is an inconsistency with SEPP 65, the SEPP prevails.



**Figure 4.1.12.1**  
Merrylands East Neighbourhood Centre Precinct Map

The neighbourhood centre precinct is to be developed taking into account the scale of adjoining residential development and the capacity of local road networks. Woodville Road and its capacity to accommodate future public transport options is a key development parameter for the neighbourhood precinct. The precinct is to be developed as a walkable neighbourhood centre around a new neighbourhood park and having good urban design that encourages the development of quality open spaces and buildings with a high level of amenity and design quality. This section of the DCP defines the neighbourhood centre precinct, its urban structure and key relationships.

## Objectives

In addition to general objectives listed in Section 4.1 Town and Neighbourhood Centres of this DCP, specific objectives of this precinct are identified below:



**Figure 4.1.12.2**  
Precinct Principles

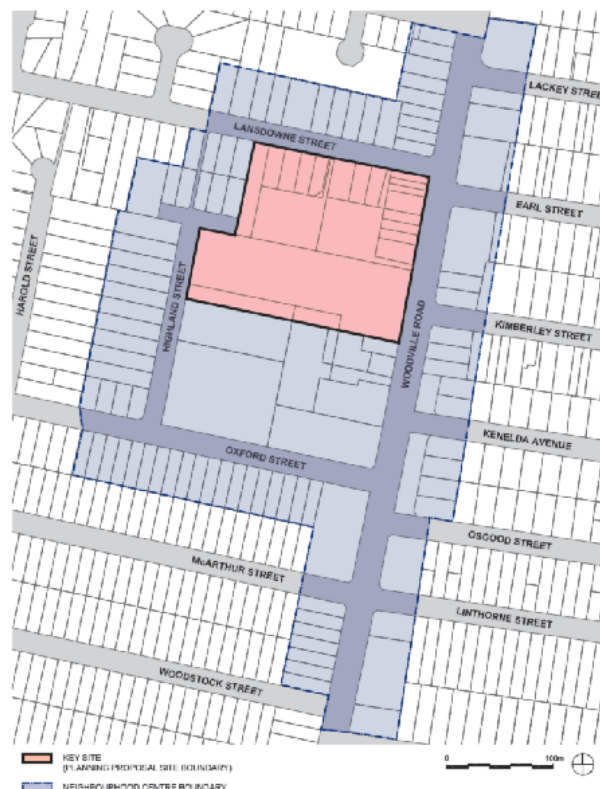


- O.1 Ensure that future development does not prejudice the efficient delivery of future public transport solutions along Woodville Road.
- O.2 Ensure development is setback to allow future road and carriageway widening.
- O.3 Ensure transition in scale between the main road frontage of key development sites within the precinct, and surrounding lower scale residential development and the school.
- O.4 Ensure that the development provides for the greening of Woodville Road.
- O.5 Development within the neighbourhood precinct is to be generally in accordance with Figure 4.1.12.2 Precinct Principles.

## **Key Site**

### **Description and Location**

For the purposes of this DCP, the Woodville Road Planning Proposal key site (which includes the former John Cootes Warehouse Site) is defined as 244 and 264 Woodville Road, Merrylands and 2, 4, 6, 8-8a, 10, 12 and 14-16 Lansdowne Street and 19 Highland Street, Merrylands as shown in Figure 4.1.12.3 Merrylands East Key Site (Woodville Road Planning Proposal).



**Figure 4.1.12.3**  
Merrylands East Key Site (Woodville Road Planning Proposal)

### **Desired Character**

The development of the land is to facilitate the establishment of a mixed-use centre with retail and commercial uses anchored by a full line supermarket, and residential development that complements the surrounding residential areas at a density appropriate for the site, its location and

development context. Development of the land is to contribute to the character and sustainability of the Merrylands East Neighbourhood Centre Precinct.

Development of the land is to provide a mixture of retail, commercial and residential floor space, and public open space for a neighbourhood centre. Development is to have a layout which provides quality open spaces, reduced car dependency and a walkable neighbourhood environment. The development of the site is to provide a variety of building heights to allow a transition to adjoining residential development and to minimise overlooking and overshadowing of the Granville South Public School.

### **Development Application Requirements**

Refer to Cumberland Council's website ([www.cumberland.nsw.gov.au](http://www.cumberland.nsw.gov.au)) and Development Assessment Unit for development application requirements.

#### **Controls**

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- C.1 In addition to these standard requirements, all development applications are to provide:
- A detailed traffic study

### **Structure, Form and Density**

#### **Objectives**

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- O.1 To define the desired structure, general form and density of development on the land.
- O.2 To ensure the density of development on the land is suitable to its location, context and development capacity.
- O.3 To facilitate the integration of the development of this key site with adjoining development and the neighbourhood centre precinct.

#### **Design Principles**

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- P.1 The development of the land is to establish a mixed-use centre, which will include a neighbourhood park and enhanced connectivity (pedestrian and visual) within and with adjoining development.
- P.2 The development of the land is to allow for appropriate transition to the surrounding residential land uses and the Granville South Public School, and to provide a reasonable separation between future development and the Granville South Public School.
- P.3 The development of the land is to allow for a diversity of dwelling types and apartment sizes.

#### **Controls**

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- C.1 Development is to be in accordance with Figure 4.1.12.4 Site Structure and Land Use Plan.



**Figure 4.1.12.4**  
Site Structure and Land Use Plan

- C.2 New Street 1 and New Street 2 (Refer Fig 4.1.12.4) must be constructed and delivered by the proponent as part of the development of the key site, in accordance with Council's engineering requirements, and at no cost to Council.
- C.3 New Street 1 and New Street 2 are to provide separation between future development and Granville South Public School to the south and neighbouring residential to the west.
- C.4 The ground floor and first floor of the proposed development on the key site **must are to be** non-residential.

## Lot Consolidation and Minimum Street Frontage

### Objectives

- O.1 To avoid isolating an adjoining site or sites, and facilitate the efficient delivery of infrastructure.
- O.2 To assist in the delivery of well-designed built forms and streetscapes.

### Design Principles

- P.1 Development must be delivered in suitably sized and configured development parcels that facilitate the delivery of infrastructure.
- P.2 Buildings must have appropriate horizontal to vertical proportions that relate to the size of street frontages and be designed to minimise the impact of carpark entrances.

### Controls

- C.1 Lots shall have a minimum street frontage as shown in Table 4.1.12.a.

**Table 4.1.12.a: Minimum Street Frontage**

STREET	MINIMUM STREET FRONTAGE	INTENTION
<b>Woodville Road</b>	30m	To encourage the consolidation of land and development of suitable building forms.
<b>Lansdowne Street</b>	20m	
<b>Highland Street</b>	20m	

- C.2 Development must be designed and planned in relation to the development parcels as shown in Figure 4.1.12.5 Preferred Lot Consolidation unless it can be demonstrated that lot amalgamation cannot be achieved.



**Figure 4.1.12.5**  
Preferred Lot Consolidation

Council will require appropriate documentary evidence to demonstrate that a genuine and reasonable attempt has been made to purchase an isolated site based on a fair market value. At least one recent independent valuation is to be submitted as part of that evidence and is to account for reasonable expenses likely to be incurred by the owner of the isolated site in the sale of the property.

- C.4 Where a development proposal results in an isolated site, applicants will be required to demonstrate that the development of the separate sites can be feasibly achieved, which will require:
- provision of a feasible building envelope for the isolated site, indicating height, setbacks and site coverage (building and basement);
  - identification and assessment of the likely impacts the two developments will have on each other including solar access and visual and acoustic privacy; and
  - identification, assessment and mitigation of the impacts of the separate development of the isolated site or sites on the streetscape. This will require an applicant/s to document how the development of both sites respond to the character of the streetscape and achieve a suitable built form and satisfactory level of amenity including solar access and visual and acoustic privacy.

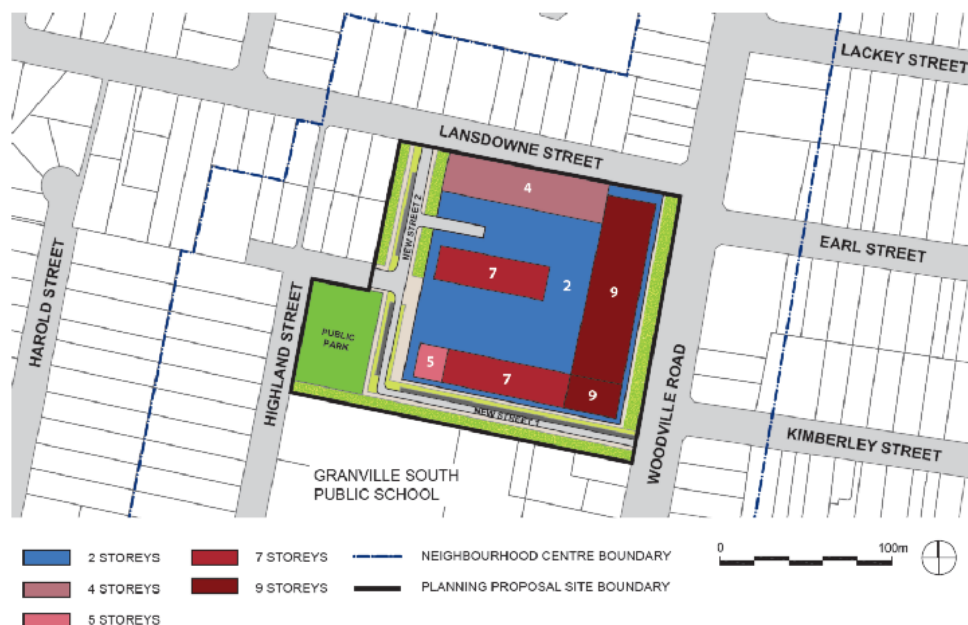
## Building Heights

### Design Principles

- P.1 Distribute building heights within the key site to reinforce the site structure and achieve a height transition to adjoining development.
- P.2 Reduce the bulk of development by providing variations in individual building heights, massing and scale and visual permeability within the site through the distribution of different building heights.

### Controls

- C.1 Development shall not impact on solar access or create overshadowing of the playground or sporting fields of the Granville South Public School.
- C.2 The height of buildings is to be **generally** in accordance with Figure 4.1.12.6 Building Heights and all requirements of the ADG, particularly building separation.



**Figure 4.1.12.6**  
Building Heights (to be read in conjunction with Figure 4.1.12.7 Setbacks)

## Setbacks

### Objectives

- O.1 To ensure that development does not limit the provision of public transport options or improvements on Woodville Road.
- O.2 To ensure that development relates to the street hierarchy, and contributes to a suitable scale and street character.
- O.3 To establish the new roads identified in the Site Structure Plan and Land Use Plan (Figure 4.1.12.4).
- O.4 To maintain the amenity of Granville South Public School by minimising overshadowing and overlooking of the school grounds.



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**Design Principles**

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- P.1 Sufficient land is to be provided for an additional road lane on the western side of Woodville Road to facilitate public transport improvements, traffic management and to allow provision of substantial landscaping along Woodville Road (refer to Figure 4.1.12.10).
- P.2 The tower or upper storey elements of multi storey mixed used buildings are to be set back to reduce the mass and bulk of buildings.
- P.3 Provide landscaping along boundaries, with deep soil planting with mature plants particularly along the southern boundary between the development and the adjoining School, to obscure sight lines for optimum visual privacy.

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**Controls**

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- C.1 Minimum setbacks are to be in accordance with Figure 4.1.12.7 Setbacks (Please refer to Figures 4.1.12.8 to 4.1.12.15 for details).
- C.2 Unless otherwise identified, street setbacks are to be in alignment with the predominant existing street setbacks for each street within the neighbourhood precinct.
- C.3 If the key site is not developed as a single, consolidated lot, the development must be setback a minimum of 6m from the property boundary of any undeveloped lot with frontage to Lansdowne Street and New Street 2 as per Figure 4.1.12.15.
- C.4 A deep soil setback of 10m must be provided on the eastern boundary of the site along Woodville Road as per Figure 4.1.12.4 Site Structure and Land Use Plan and Figure 4.1.12.10 Woodville Road Setbacks (Section B-B).
- C.5 A deep soil setback of 6.5m **must is to** be provided on the southern boundary of the site along New Street 1 as per Figure 4.1.12.4 Site Structure and Land Use Plan and Figure 4.1.12.11 New Street 1 Setbacks (Section C-C).
- C.6 A deep soil setback of 6.5m on the western side and a deep soil setback of 7m on the eastern side of the northern end of New Street 2 (north of the street connecting to Highland Street) **must is to** be provided as per Figure 4.1.12.4 Site Structure and Land Use Plan and Figure 4.1.12.13 New Street 2 Setbacks – Northern End (Section E-E).

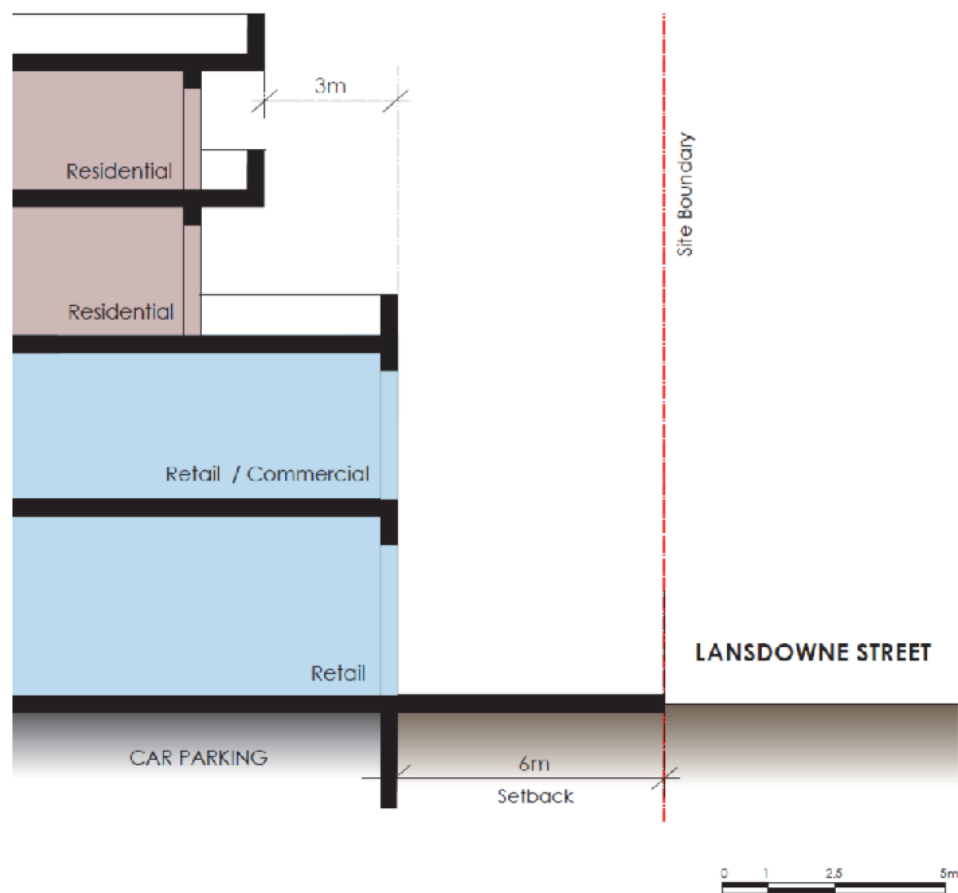




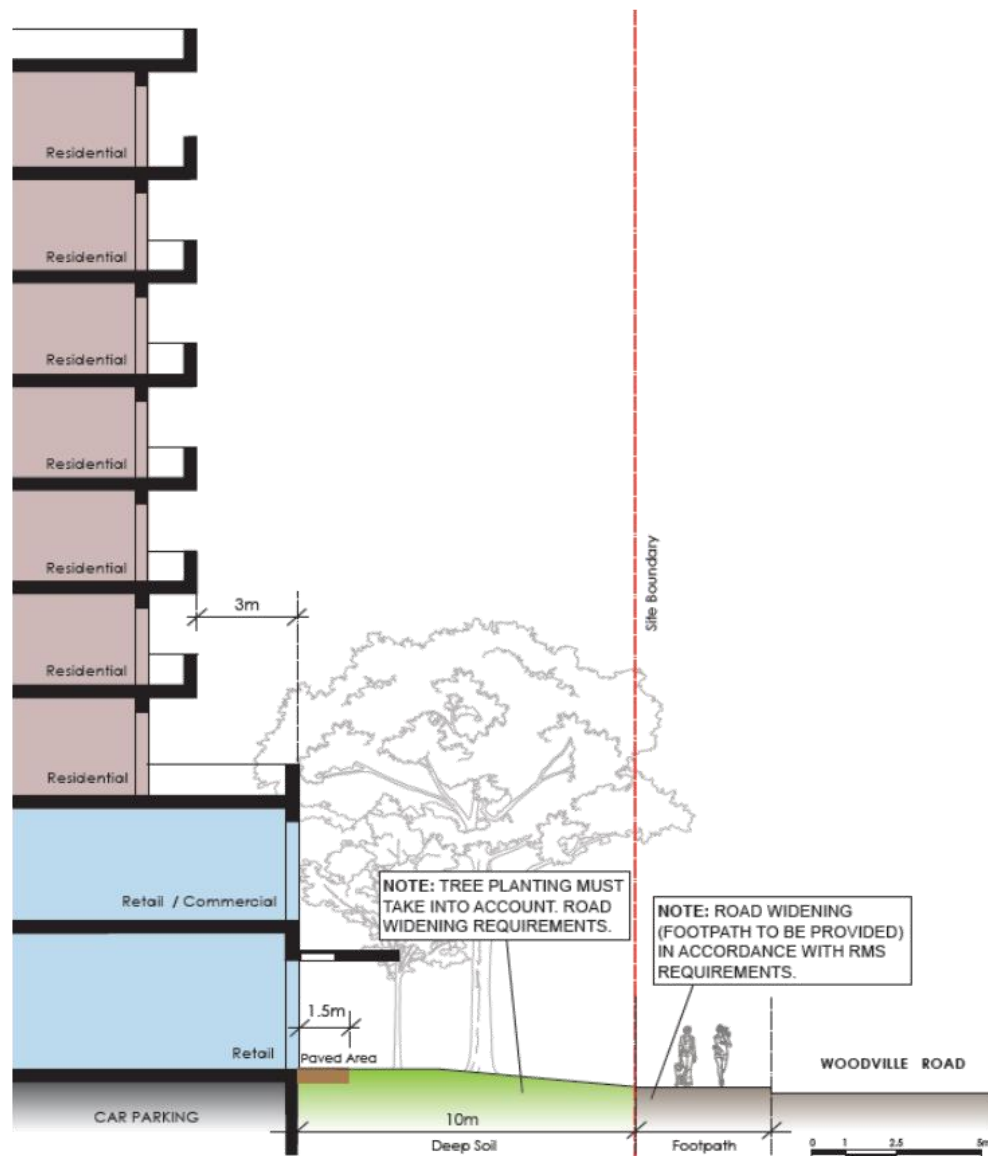
**Figure 4.1.12.7**  
Setbacks



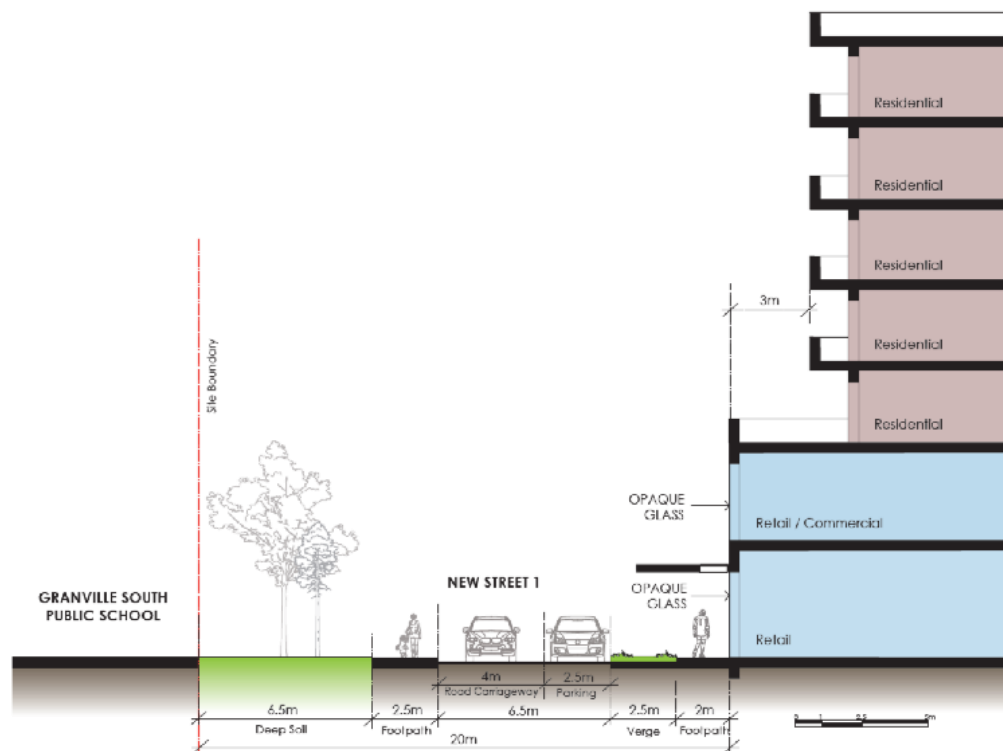
**Figure 4.1.12.8**  
Sections



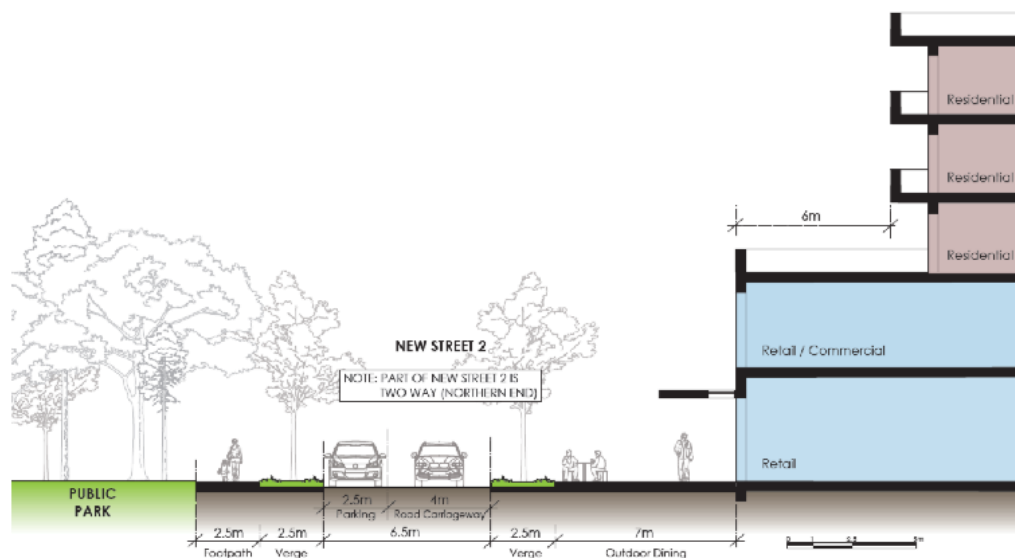
**Figure 4.1.12.9**  
Lansdowne Street Setback - Section A-A



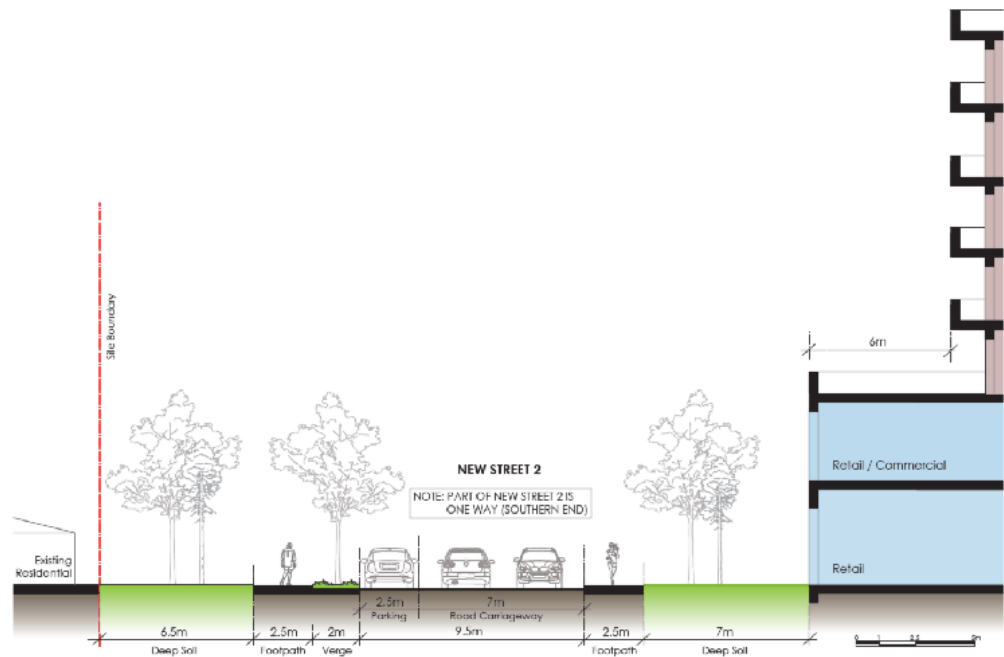
**Figure 4.1.12.10**  
Woodville Road Setbacks (Section B-B)



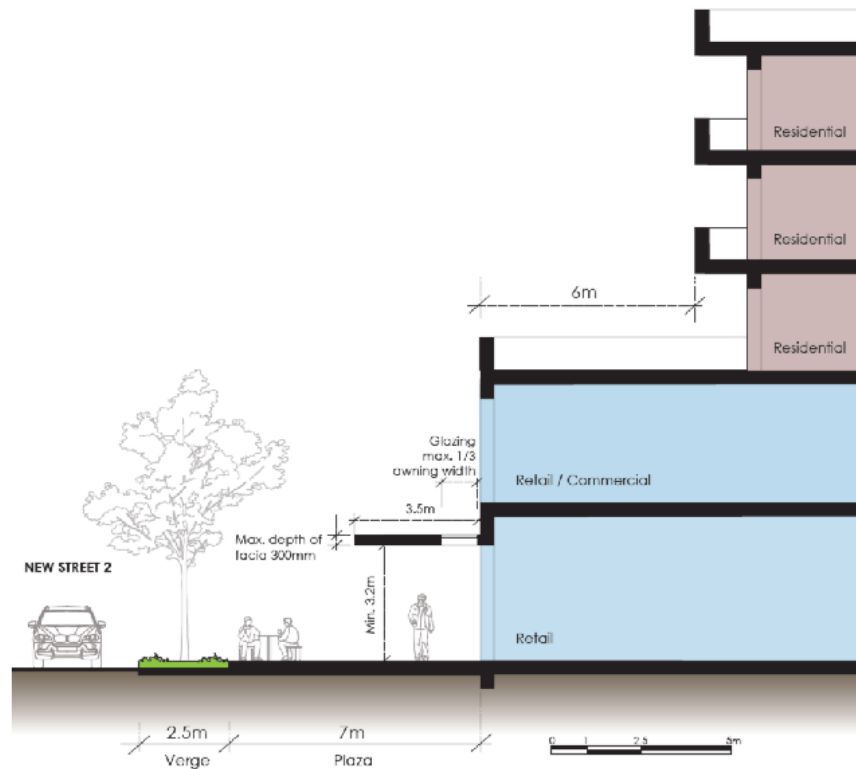
**Figure 4.1.12.11**  
New Street 1 Setbacks (Section C-C)



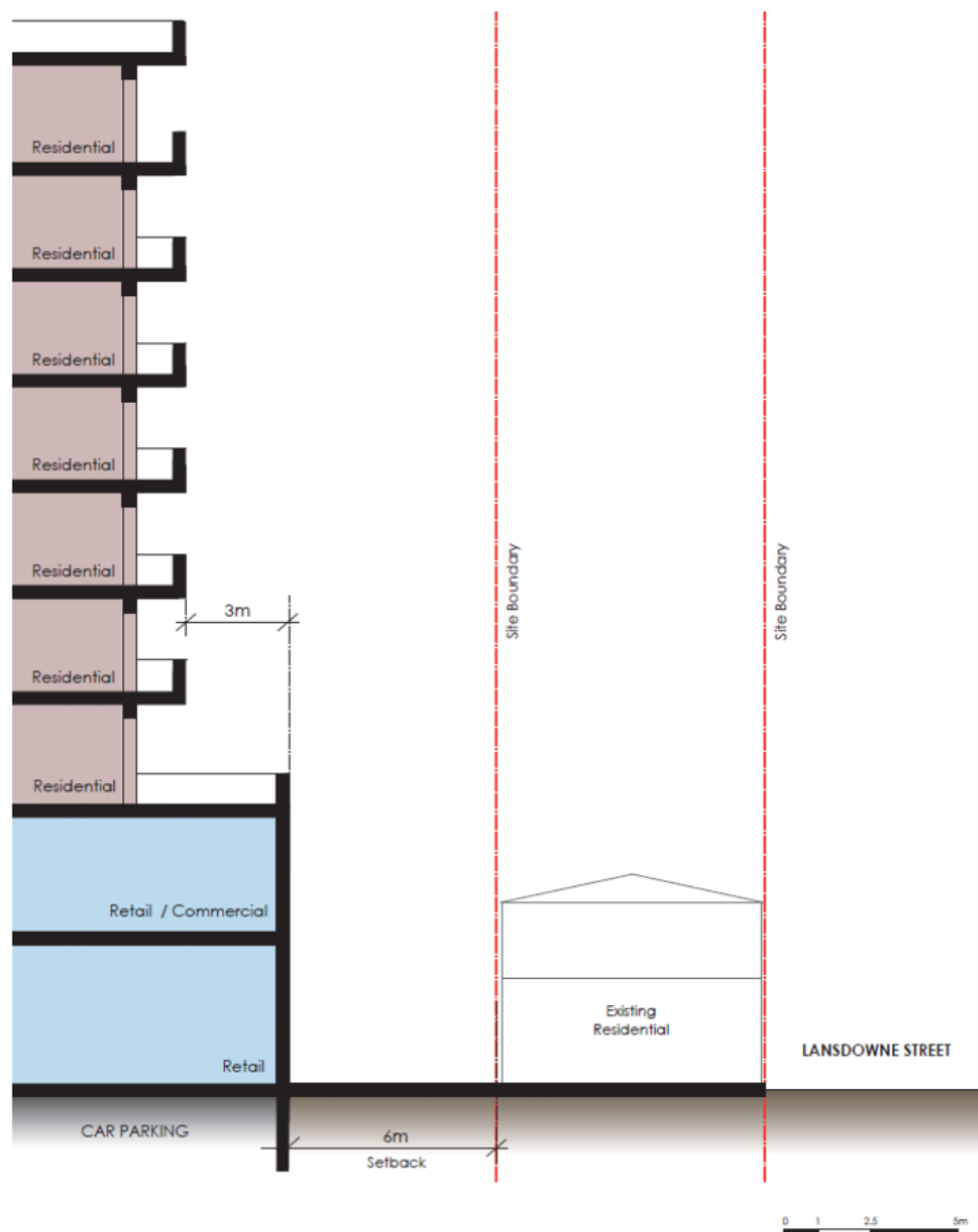
**Figure 4.1.12.12**  
New Street 2 Setbacks – Southern End (Section D-D)



**Figure 4.1.12.13**  
New Street 2 Setbacks – Northern End (Section E-E)



**Figure 4.1.12.14**  
New Street 2 Southern End Detail



**Figure 4.1.12.15**

Setback if key site not developed as a single, consolidated lot

## New Roads

### Controls

- C.1 A 4m wide one-way road carriageway must be provided on New Street 1 with a 2.5m wide pedestrian footpath on the southern side. On the northern side, a 2.5m wide parking bay, a 2.5m wide verge, and a 2m wide pedestrian footpath should be provided as per Figure 4.1.12.11 New Street 1 Setbacks (Section C-C).



- C.2 A 4m wide one-way road carriageway must be provided on the southern end of New Street 2 (south of the street connecting to Highland Street) with a 2.5m wide pedestrian footpath, a 2.5m verge, and a 2.5m wide parking bay on the western side. On the eastern side, a 2.5m wide verge and a 7m wide outdoor dining area should be provided as per Figure 4.1.12.12 New Street 2 Setbacks – Southern End (Section D-D).
- C.3 A 7m wide two-way road carriageway must be provided on the northern end of New Street 2 (north of the street connecting to Highland Street) with a 2.5m wide pedestrian footpath, a 2m verge and a 2.5m wide parking bay on the western side. On the eastern side, a 2.5m pedestrian footpath should be provided as per Figure 4.1.12.13 New Street 2 Setbacks – Northern End (Section E-E).

## **Landscape and Open Space**

### **Objectives**

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- O.1 To ensure that a high quality public neighbourhood park is provided.
- O.2 To ensure that the public domain is integrated with existing and potential future public domain and open spaces within the neighbourhood centre precinct.
- O.3 To ensure the neighbourhood park has a sense of place and to establish it as the focal point of the neighbourhood precinct.
- O.4 To achieve a variety of spaces that are inclusive of particular needs and desires of key community groups such as children, young people, older people, people on low incomes and people with a disability.
- O.5 To integrate the management of stormwater into the design of public open spaces.
- O.6 To integrate public art to create a more visually interesting and culturally diverse public domain.

### **Design Principles**

---

- P.1 Public open space to be designed to include clear, accessible, safe and convenient linkages to the surrounding streets and community, inside and outside the neighbourhood precinct.
- P.2 Landscaping and choice of materials is to respond to the character of each space and is to unite and relate to other spaces throughout the neighbourhood precinct.
- P.3 The design of open space is to be of the highest quality with suitable landscaping, well integrated public art and appropriately varied soft and hard surface design.
- P.4 Vehicular movements through the neighbourhood park are to be generally restricted except for emergency vehicles, servicing and special events.
- P.5 Useable and sustainable green space at ground level, podium level, and roof top gardens are to be provided and integrated with building design.
- P.6 Vertical gardens are encouraged, where possible.

### **Controls**

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- C.1 A public domain concept plan for the development of the site or any part thereof is to be provided with the first Development Application for the land. The plan must:
- provide for deep soil planting zones (Refer Figure 4.1.12.4);
  - show how a high amenity public domain will be achieved on the site and on Woodville Road;
  - provide an indicative landscape design, including details and indicative costs for street furniture, street trees, landscaping works, materials and utilities;

- indicate how street trees and other planting arrangements are to be provided on all new streets to Council's specifications.
- C.2 Development proposing outdoor dining must comply with Council's Outdoor Dining Policy and Guidelines.
- C.3 A fully embellished neighbourhood park not less than 2,000 square metres is to be provided, to a design approved by Council and located as shown in Figure 4.1.12.4 Site Structure and Land Use Plan. A concept plan is to be provided with the lodgement of the first DA for the Site.
- C.4 A minimum of 85% of the neighbourhood park is to be deep soil zone, and the total area of the neighbourhood park is to be excluded from all deep soil calculations associated with private development.
- C.5 The neighbourhood park is to:
- provide the primary green public open space to act as the heart of the neighbourhood precinct;
  - provide for primarily soft landscaping and deep soil planting including mature plants;
  - avoid basement parking beneath the neighbourhood park;
  - provide both passive and active recreation spaces;
  - be landscaped to include native trees;
  - provide a safe play area for children which is to be visually and physically connected to the main park area;
  - include play elements integrated into the landscape design and enable informal play;
  - be dedicated to Council and Council engineers are to be consulted prior to the design of all internal roads within the precinct.
- C.6 Medium sized tree planting (a minimum 6-8 metres mature height at 7 – 10 m centre-to-centre) with an understorey of shrubs (1.5m – 3m) and ground cover must be provided along the boundary on the southern side (adjacent the school). The medium sized tree planting within a deep soil zone is to be incorporated at the southern end of the park.
- C.7 All elements are to be vandal and graffiti resistant.
- C.8 Design of the public domain is to be integrated with stormwater management.
- C.9 All internal roads not in Council's ownership must be maintained at all times. Note: Council will not accept dedication of roads with basement parking underneath.
- C.10 Wintergardens are to be provided fronting Woodville Road. The area of the wintergardens is to be excluded from the GFA for FSR calculations.

## **Building Elements, Architectural Diversity and Articulation**

### **Objectives**

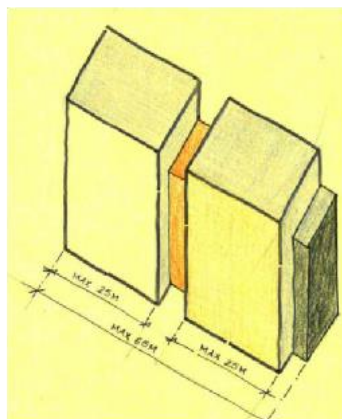
- O.1 To ensure the building design contributes to street, public domain and residential amenity.
- O.2 To reduce visual bulk and scale, add visual interest and avoid "boxlike" designs.
- O.3 To achieve architectural diversity and add visual interest.
- O.4 To ensure that development enhances and contributes to the streetscape and desired future character of the neighbourhood.

## Design Principles

- P.1 Buildings are to be designed to deliver high quality architecture through the use of faced articulation, materials selection and use of vertical gardens where appropriate.
- P.2 Building design is to include horizontal and vertical architectural elements to articulate the facades and minimize building bulk and mass, which frame public spaces and contribute to or define the public domain.

## Controls

- C.1 To minimise perceived building bulk and monotony, the building façade should have unique architectural expressions while still maintaining cohesion.
- C.2 The maximum linear length of any residential building component is to be 65m.
- C.3 Buildings in excess of 45m long must be designed as at least two distinct 'building components' which are to:
- not exceed 25m in length with a preferred length of 20m (Refer Figure 4.1.12.16)
  - have a building separation of minimum 6m for the full height of the building
  - have their own distinctive architectural character
- C.4 Full height gaps are to be provided between buildings consistent with the building separation provisions of the Apartment Design Guide (ADG) for solar access and visual connections. Where possible, building breaks are to be aligned with streets and lanes in the surrounding area or proposed streets and lanes.



**Figure 4.1.12.16**  
Building Articulation / Maximum Building Length

- C.5 The southern façade of the proposed development adjoining the school must be designed to maintain the visual privacy of the school.

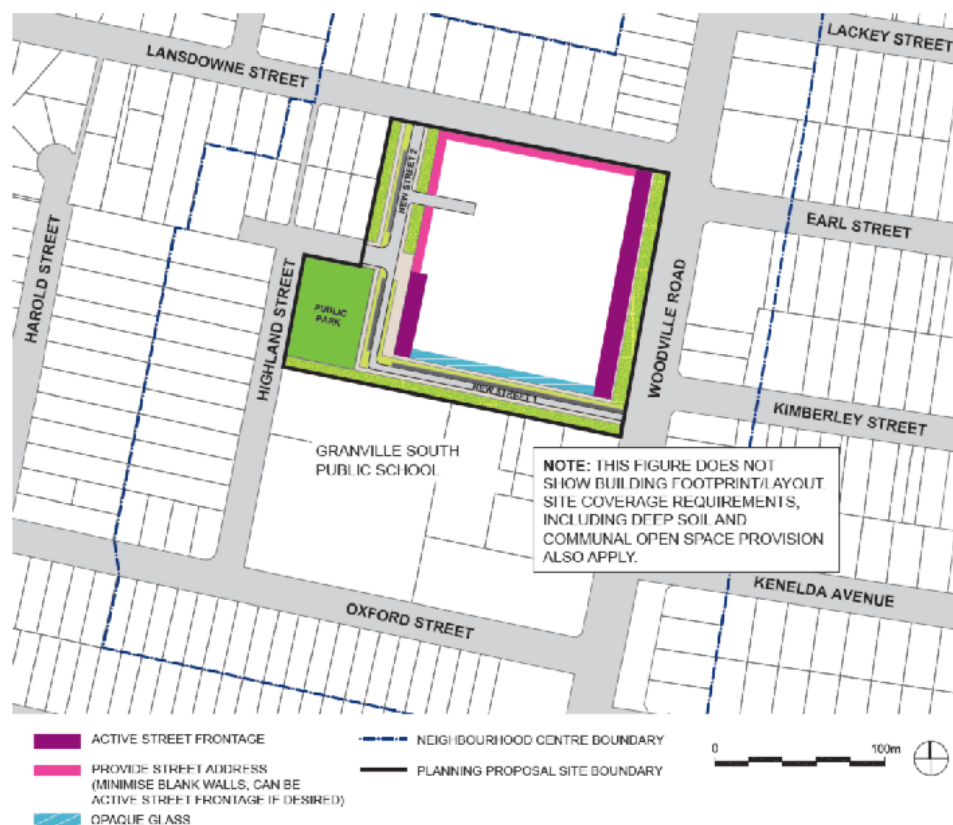
## Active Street Frontage

### Objectives

- O.1 To enhance pedestrian safety, security and amenity around and within the commercial premises.
- O.2 To improve the amenity of the public domain by encouraging pedestrian activity.
- O.3 To support the economic viability of the street.

### Controls

- C.1 To provide active street frontage at ground floor level as per Figure 4.1.12.17.
- C.2 Except for the southern façade, clear glazing is to be provided, and reflective, tinted or obscured window coverings should be avoided.
- C.3 A minimum of 80% of the building facades with active street frontage and street address at ground level are to be transparent.
- C.4 Opaque glass should be provided along the southern building façade, **to prevent overlooking of the school.**



**Figure 4.1.12.17**  
Street Activation

### Awnings and Canopies

#### Objectives

- O.1 To increase pedestrian amenity by the provision of weather protection.
- O.2 To visually unify the mixed-use development.

#### Controls

- C.1 Awnings are to be provided to the full extent along Woodville Road, the southern boundary and the outdoor dining area.

C.2 All awnings should be a minimum width of 3.5m (Refer Figure 4.1.12.14).

C.3 Incorporate glazing/transparent material in the awning to allow solar access.

### Street Wall Height

#### Objectives

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- O.1 To provide street edge that reinforces the proposed uses and is consistent with the existing character of the area.
- O.2 To ensure the building height at street level is of human scale.
- O.3 To establish a clear presence of the retail and commercial uses, and increase visibility of these uses at ground floor level.

#### Controls

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- C.1 Street wall height for the mixed-use development should be two storeys (~~minimum 8.2m and maximum 10m~~) with an upper level setback.

### Upper Level Setback

#### Objectives

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- O.1 To minimise adverse wind impact on the pedestrian environment.
- O.2 To maximise the solar access onto the public domain.
- O.3 To ensure that the podium and buildings above create a human scale and pedestrian friendly environment.

#### Controls

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- C.1 The buildings above the podium are to be setback in accordance with Figures 4.1.12.10 to 4.1.12.14.

### Traffic Management and Parking

#### Objectives

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- O.1 To manage traffic impacts and ensure that development does not unreasonably impact on the traffic conditions on Woodville Road and local roads.
- O.2 To ensure suitable parking and traffic management arrangements are identified prior to development of the land, and are used to inform the preparation of Development Applications.
- O.3 To ensure vehicle entries and loading bay entries do not compromise pedestrian safety.
- O.4 To increase the use of active transport and reduce vehicle use.

#### Controls

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- C.1 A detailed traffic study will be submitted with any Development Application for the site or part thereof. It will:
  - a) identify and address traffic generation issues associated with the overall development of the site.



- b) include modelling of the Lansdowne Street/Woodville Road and Oxford Street/Woodville Road intersections as a network and not as individual intersections.
  - c) include modelling of the priority control for the intersection of Lansdowne Street and the internal street, and determine whether a roundabout is required at that intersection.
- C.2 The traffic study is to comply with the Roads and Maritime Services *Traffic Modelling Guidelines* (2013).
- C.3 Ensure any site vehicle access points are located to avoid conflict with pedestrians and vehicles accessing the school.
- C.4 The loading bay entry should be located on Lansdowne Street and separated from vehicular entry into the mixed-use development.
- C.5 No driveway vehicle access from Woodville Road is permitted.
- C.6 Left-out exit from New Street 1 only permitted onto Woodville Road.
- C.7 A travel plan will be submitted with any Development Application for the site or part thereof to reduce car trips and encourage the use of sustainable transport

## Contamination

### Objectives

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- O.1 To ensure that the changes of land use will not increase the risk to public health or the environment.
- O.2 To ensure that any remediation to the land will not increase the risk to the users of the adjoining school and surrounding residential development.
- O.3 To link decisions about the development of land within the information available about contamination.

### Design Principles

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- P.1 A remedial action plan for the development of the site or any part thereof is to be provided with the first Development Application for the land. The plan must be prepared in accordance with the NSW Environment Protection Authority Guidelines *Contaminated Sites: Guidelines for Consultants Reporting on Contaminated Sites* (1997a) and the *National Environment Protection (Assessment of Site Contamination) Measure* (2013 Amendment).

### Controls

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- C.1 All contamination arrangements are to be in accordance with Section 2.12.4 of this DCP.

## Air Quality

### Objectives

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- O.1 To ensure that development fronting Woodville Road provides an acceptable level of air quality for the users and occupants.
- O.2 To encourage the inclusion of wintergardens along development fronting Woodville Road.
- O.3 To ensure that demolition and construction in the neighbourhood centre does not adversely impact the air quality for users of the adjoining school and surrounding residential development.



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**Design Principles**

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- P.1 Reduce the formation of urban canyons to avoid motor vehicle air transmissions and other pollutants from becoming trapped and ensure dispersion. Appropriate setbacks on the upper stories of multi-level buildings can help to avoid urban canyons.
- P.2 Consider building siting and orientation to incorporate an appropriate separation between sensitive land uses and the road. The location of living areas, outdoor space and bedrooms, and other sensitive uses (such as childcare centres) must be as far as practicable from the major source of air pollution.
- P.3 Ventilation design and open-able windows should be considered in the design of development located adjacent to roadway emission sources. When the use of mechanical ventilation is proposed, the air intakes must be sited as far as practicable from the major source of air pollution.
- P.4 Use vegetative screens, barriers or earth mounds where appropriate to assist in maintaining local ambient air amenity. Landscaping has the added benefit of improving aesthetics and minimising visual intrusion from an adjacent roadway.

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**Controls**

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- C.1 Air quality must be considered early in the design process for development fronting Woodville Road.
- C.2 Air quality design considerations must be based on the above design principles and as per the *NSW Department of Planning Development Near Rail Corridors and Busy Roads – Interim Guideline* (2008).

**Noise and Vibration**

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**Objectives**

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- O.1 To ensure appropriate measures are taken to ensure noise and vibration is managed for development facing Woodville Road.
- O.2 To ensure noise emissions from the development including but not limited to proposed mechanical plant, air conditioners, automatic roller doors, ventilation plant for the underground car park) are minimised.
- O.3 To ensure noise emissions during the demolition, remediation of land and construction of the development is managed to minimise impact on the adjoining school and nearby residential development.

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**Design Principles**

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- P.1 To ensure the following LAeq levels are not exceeded for residential development:
- In any bedroom in the building: 35dB(A) at any time 10pm – 7am
  - Anywhere else in the building (other than a garage, kitchen, bathroom or hallways): 40dB(A) at any time.

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**Controls**

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- C.1 An acoustic report is to be prepared by an appropriately qualified acoustic consultant having the technical eligibility criteria required for membership of the Association of Australian Acoustical Consultants (AAAC) and/or grade membership of the Australian Acoustical Society (AAS). The report is to consider noise intrusion from the road and measures to ensure compliance with the SEPP (Infrastructure) 2007.

- C.2 The report must also consider noise emissions from the development including but not limited to proposed mechanical plant (air conditioners, automatic roller doors, ventilation plant for the underground car park), and access and egress to loading and car parking areas.
- C.3 Consideration is required for the demolition/remediation/construction noise and vibration intrusion of the proposed development on the neighbourhood school and properties.
- C.4 The acoustic report must be prepared in accordance with *the Noise Policy of Industry* (2017), NSW Government Department of Planning *Development Near Rail Corridors and Busy Roads – Interim Guidelines* (2008), and the *NSW Environment Protection Authority Interim Construction Noise Guideline* (2009).
- C.5 Construction management plans are to be prepared prior to the commencement of any construction on site.

DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-175

Attachment 4

Submissions analysis -  
community submissions and  
proponent submissions on draft  
DCP



### SUBMISSIONS ANALYSIS – COMMUNITY SUBMISSIONS ON THE DRAFT DCP

During the exhibition period, a total of three (3) submissions were received from members of the community on the draft DCP. Below is a summary of the key issues raised in the submissions and Council's response.

SN	Key Issues	Council Response
<b>1</b>	<b>Traffic Matters</b>	
a.	Existing traffic congestion in neighbouring streets, and the need for local network enhancements such as street widening and construction of roundabouts.	As part of any future development application, the proponent will be required to submit a detailed traffic assessment on the impact of the proposed development on local and regional road networks. This will assist in identifying local network enhancement requirements.
b.	No onsite parking for the proposed development.	Onsite parking will be required for the development as per parking provisions in the <i>Parramatta Development Control Plan 2011</i> . This will be determined at the Development Application (DA) stage.
c.	Current location of site access via Lansdowne Street is problematic.	The current location of site access via Lansdowne Street has been determined in consultation with Roads and Maritime Services and Transport for NSW. Their feedback will be sought again during the DA process.
<b>2</b>	<b>Design of streets within the planning proposal site</b>	
a.	The streets proposed look like laneways.	The width of both New Streets 1 and 2 have been dictated by the flow of traffic within the Site. Specific road design requirements are included in the DCP to ensure adequate carriageway and verge dimensions.  Further consideration of the design of these two new streets will take place at the DA stage, during which Council's engineers will provide input and required specifications to ensure smooth traffic flow.
<b>3</b>	<b>Increase in noise and disturbance, overcrowding and congestion</b>	
	Noise and disturbance from traffic congestion and overcrowding on neighbouring streets.	In order to minimise impact on neighbouring properties, the draft DCP stipulates the building height transitions between the Site and the adjoining low scale residential development on Lansdowne Street and Highland Street.  As noted above, further in-depth consideration will take place at the DA stage on traffic matters.

## SUBMISSIONS ANALYSIS – PROPONENT SUBMISSION ON THE DRAFT DCP

During the exhibition period, one (1) submission was received from the proponent on the draft DCP. Below is a summary of the key issues raised in the submission and Council's response.

SN	Key Issues	Council Response
<b>1</b>	<b>Structure, Form and Density</b>	
a.	First floor to not be designated for non-residential uses as market conditions may change and make non-residential uses only on the first floor unviable.	To allow further detailed economic assessment at the development application (DA) stage to inform decision making, Council proposes the following change:  <i>C.4 The ground floor and first floor of the proposed development on the site <b>must are to</b> be non-residential.</i>
<b>2</b>	<b>Building Heights</b>	
a.	The siting of residential building envelopes in Figure 4.1.12.6 to be less prescriptive to provide flexibility during design development.	Whilst Council does not consider the heights provided in Figure 4.1.12.6 to be overly prescriptive, Council proposes the following amendment to provide increased flexibility:  <i>C.2 The height of buildings is to be <b>generally</b> in accordance with Figure 4.1.12.6 Building Heights and all requirements of the ADG, particularly building separation.</i>
<b>3</b>	<b>Setbacks</b>	
a.	The deep soil setbacks along the southern boundary of the site, and on the western and eastern sides of the northern end of New Street 2 to be reduced to provide flexibility in design development at the DA stage.	The setbacks provided in control 5 below ensures overlooking of internal and external spaces within the Granville South Public School is minimised, with the setback allowing for a sufficient landscaped buffer with mature trees and an understorey of shrubs.  Similarly, the setbacks in control 6 helps minimise the perceived scale and bulk of the proposed development, especially to the western edge of New Street 2.  Council has therefore proposed the following changes to controls 5 and 6.  <i>C5 A deep soil setback of 6.5m <b>must is to</b> be provided on the southern boundary of the site along New Street 1 as per Figure 4.1.12.4 Site Structure and Land Use Plan and Figure 4.1.12.11 New Street 1 Setbacks (Section C-C).</i>  <i>C6 A deep soil setback of 6.5m on the western side and a deep soil setback of 7m on the eastern side of the northern end of New Street 2 (north of the street connecting to</i>



		Highland Street) <i>must is to</i> be provided as per Figure 4.1.12.4 Site Structure and Land Use Plan and Figure 4.1.12.13 New Street 2 Setbacks – Northern End (Section E-E).
<b>4</b>	<b>Building Elements, Architectural Diversity and Articulation</b>	
a.	The maximum linear length of any building of 65m, as specified in the DPC, should distinguish between commercial and residential uses.	Council proposes the following:  <i>C2 The maximum linear length of any <b>residential</b> building <b>component</b> is to be 65m.</i>
<b>5</b>	<b>Active Street Frontage</b>	
a.	The requirement for opaque glass on the southern building façade should be deleted to ensure a viable commercial frontage.	The draft DCP does not identify the southern building façade to be active frontage. Thus, the DCP recommendation for provision of opaque glass is unlikely to have any impact on the viability of future commercial development.  The privacy of Granville South Public School is of paramount importance to Council and the community. Council, therefore, proposes the following:  <i>C4 Opaque glass should be provided along the southern building façade, <b>to prevent overlooking of the school.</b></i>
b.	A new control was requested to acknowledge that the preferred location of the supermarket is along the Woodville Road frontage.	The location of the proposed supermarket at the corner of Woodville Road and Lansdowne Street is noted in Figure 4.1.12.4 Site Structure and Land Use Plan. An additional control stating that the frontage along Woodville Road at ground level is the preferred location for a supermarket, is therefore, not considered necessary.
<b>6</b>	<b>Street Wall Height</b>	
a.	Dimensions provided for the street wall height in the DCP is overly prescriptive.	To ensure flexibility, Council proposes the following amendment: <i>C.1 Street wall height for the mixed-use development should be two storeys (<del>minimum 8.2m and maximum 10m</del>) with an upper level setback.</i>
<b>6</b>	<b>Traffic Management and Parking</b>	
	Flexibility required for placement of vehicular access to basement parking on site as one access point may be insufficient.	Following extensive consultation with RMS and the proponent, the vehicle access points indicated in the DCP are Council's preferred locations and are flexible enough to accommodate different options at the DA stage. Any DA lodgement requires a detailed traffic study and the recommendation of the traffic study will be taken into consideration.



DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-175

Attachment 5

Considerations under Part 6.2 of  
Cumberland Planning Agreement  
Guidelines - John Cootes VPA



**ATTACHMENT 5 – Voluntary Planning Agreement – John Cootes Site, Merrylands East –  
Consideration under Council’s Planning Agreement Guidelines****Part 6.2 of Council’s Planning Agreements Guidelines provides as follows:**

*“Council will publicly re-notify and make available for public inspection a proposed planning agreement if, in Council’s opinion, a material change is made to the terms of the planning agreement after it has been previously publicly notified and inspected. Such a change may arise as a consequence of public submissions made in respect of the previous public notification and inspection of the planning agreement or the development proposal, or their formal consideration by Council, or for any other reason.*

*This would be the case where proposed changes would materially affect:*

- *How any of the matters specified in section 93F(3) of the Act are dealt with by the planning agreement;*
- *Other key terms and conditions of the planning agreement;*
- *The planning authority’s interests or the public interest under the planning agreement; or*
- *Whether a non-involved member of the community would have made a submission objecting to the change if it had been exhibited”.*

In this case, it is noted that:

- a. the changes are considered to be non-material;
- b. execution of the planning agreement would serve the public interest by delivering considerable public benefits, including affordable housing units dedicate to Council, consistent with Council’s *Planning Agreements Policy* and guidelines;
- c. there were no public submissions received in response to the public exhibition of the agreement; and
- d. it is highly unlikely that any member of the community would have objected to the amended agreement, given the amendments do not result in any change to the public benefits set out in that agreement.





**DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-175**

**Attachment 6  
Council Report and Minutes (20  
February 2019)**



Item No: C02/19-15

**REQUEST FOR REVISED GATEWAY DETERMINATION - PLANNING PROPOSAL  
FOR 264 WOODVILLE ROAD, MERRYLANDS**

Responsible Division: Environment & Planning  
Officer: Director Environment & Planning  
File Number: SC185  
Community Strategic Plan Goal: *A resilient built environment*

**SUMMARY**

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At the Council meeting of 18 July 2018, Council resolved to amend the Planning Proposal for the site at 264 Woodville Road, Merrylands (former John Cootes Warehouse site) from a B4 mixed use zone, with a FSR of 2:1 across the entire site, to a split B2 Local Centre and R4 High Density Residential zone with an FSR of 2.4:1 at the front (B2) and an FSR of 1.5:1 (R4) at the rear of the site.

Since this resolution, the site has been sold and the new owner has requested that Council now support the original Gateway Determination for a proposed B4 Mixed Use zone, FSR of 2:1 and Height of Building control of 31 metres across the site.

This report discusses the merit of this request and recommends an alternative approach for Council's consideration: B2 Local Centre zone with a Maximum Height of Building 31 metres and an FSR of 2:1 across the site; and, RE1 Public Recreation zone for the park. This report also makes recommendations about amendments to the site specific controls in the Development Control Plan.

**RECOMMENDATION**

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**That Council:**

- 1. Request a new Gateway Determination for the site with the following controls: B2 Local Centre zone with a maximum building height of 31m and maximum FSR of 2:1 across the site; and RE1 Public Recreation zone for the park;**
- 2. Endorse an amended Planning Proposal as per recommendation 1 above, to forward to the Department of Planning and Environment for finalisation, subject to the negotiation of a planning agreement to the satisfaction of Council;**

3. **Amend the Development Control Plan (DCP) controls '4.1.12 Woodville Road Neighbourhood Centre Precinct' of the Parramatta DCP to reflect the amended proposal; and**
4. **Delegate to the General Manager authority to make minor non-policy corrections or formatting changes to the draft DCP controls prior to it coming into effect.**

## **REPORT**

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### ***Background***

The planning proposal request for the site at 264 Woodville Road, Merrylands was transferred from the former Parramatta City Council to Cumberland Council after amalgamation with a Gateway Determination from the Department of Planning and Environment with the following key controls: B4 mixed use zone, maximum building height of 31m and an FSR of 2:1 across the site.

At the Council meeting of 18 July 2018, Council resolved to amend the Planning Proposal for 264 Woodville Road, Merrylands (former John Cootes Warehouse site) to a split B2 Local Centre and R4 High Density Residential zone with an FSR of 2.4:1 at the front and an FSR of 1.5:1 at the rear of the site. The change to a split zone and reduced FSR at the rear of the site addressed the concerns of surrounding residents that were raised during the public exhibition period, whilst still achieving an FSR of 2:1 generally across the site.

Following the recent sale of the site, the new owner has requested that Council now support the Gateway Determination that proposed the B4 Mixed Use zone, FSR of 2:1 and Height of Building control of 31 metres, across the site. This request reflects the new owner's (proponent) new concept plan for the site.

### ***New Proposal***

The proponent's new proposal seeks to create a neighbourhood centre in a single floor plate two storey podium development with approximately 25,000m<sup>2</sup> of retail floorspace and 25,000m<sup>2</sup> of residential floor space in 5 towers ranging from 6-8 storeys above the podium. This would create a development with a maximum building height of 10 storeys, and approximately 500 apartments. The proponent's concept anticipates a range of retail, business, community and recreation uses at the ground and first level, including potential for a full line supermarket.

The proponent's concept also proposes to relocate the 2000m<sup>2</sup> public park to the rear of the site (Highland Street frontage) and it also proposes a revised street layout.

The public benefit offer is addressed in a subsequent section of this report.

The new indicative concept plan for the proposal is shown in Figure 1a.



Figure 1a: New Indicative Concept Plan

## ***Proposed Planning Controls***

### Zoning

The Proponent is seeking to revert to the original Gateway Determination that applied a B4 Mixed use zone across the entire site. This is not supported because the B4 Mixed Use zone is currently used for Cumberland's major centre (Merrylands) and larger town centres (Granville, Auburn and Lidcombe) and it is expected that this approach would continue under the new Cumberland LEP. The objectives of the B4 zone are not considered suitable for a lower order neighbourhood centre location.

As previously recommended to Council, the B2 Local Centre zone is considered to be the most appropriate zone for the site (Figure 1b). The B2 Local Centre zone permits various uses with consent, including commercial premises (retail, business and office premises), community facilities, child care centres, and medical centres with shop top housing (apartments) above.

The B2 Local Centre zone is both consistent with Council's strategic approach to the hierarchy of centres within Cumberland, as well as facilitating the proponent's expressed intention for the site, and would ensure that their vision for their new neighbourhood centre can be realised.



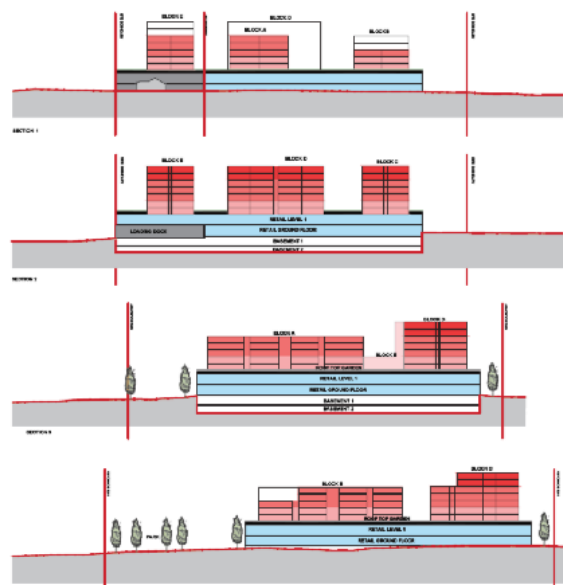
Figure 1b: Recommended zoning plan

A RE1 Public Recreation zone is also proposed for the park area, which also provides a suitable setback between the site and adjoining properties.

### Building Height

The proponent is seeking to revert to the original Gateway Determination's proposed maximum building height of 31m (equivalent to approximately 9 storeys) across the entire site.

Similar to the previous planning proposal concept, the revised proposal seeks to create a transition in building heights with some graduation of building heights across the site with 4, 5, 7 and 9 storeys tower being proposed (Figure 2). Lower building heights are proposed for the western and southern edges.



**Figure 2: Proposed Building Heights**

The report considered by Council in July 2018 recommended a mix of the B2 Local Centre zone and the R4 High Density zone as well as commensurate maximum height and FSR controls to effectively achieve transition in building height and scale stepping down from the Woodville Road frontage. This approach was recommended on the basis that including these controls in the LEP would provide greater certainty, particularly for the interface with the surrounding lower density (2 storey) development and school adjoining the site. This approach responded directly to one of the requirements of the Gateway Determination.

Council could consider a blanket height control as sought by the proponent, which would mean reliance on Development Control Plan (DCP) controls to achieve transition in height and less certainty in terms of outcomes. This approach would require amendments to the DCP controls for the site to ensure an appropriate level of detail was included, as well as amending the controls to reflect the proponents indicative concept plan.



### Floor Space Ratio

The proponent is seeking to revert to the original Gateway Determination's proposed maximum FSR of 2:1 across the entire site.

With this approach, the DCP controls previously considered by Council will need to be amended ensure future development achieves an appropriate transition in terms of scale and density to the surrounding low density development and school.

The recommended approach of an FSR of 2:4:1 for the half of the site fronting Woodville Road and an FSR of 1:5:1 for the remainder of the site responded to the Gateway Determination by achieving an overall FSR of approximately 2:1 for the site, whilst specifically requiring a transition in the density of development away from the Woodville Road frontage. Council could consider the proponent's request for a blanket FSR of 2:1 for the site; however this provides less certainty in terms of outcome and relies on the DCP controls to achieve an appropriate transition.

### ***New Street Layout***

The new proposal contains a revised street layout that differs to the current DCP controls. The revised street layout does not facilitate the extension of Highland Street through to Lansdowne Street. (Figure 3)



Figure 3: DCP Street Layout



Revised New Street layout

The revised street layout seeks to facilitate the proposed single floor plate podium development and create separation to the neighbouring residential development. There is some merit to the revised street layout as it would provide greater separation between the school and the proposed neighbourhood centre development than what was previously proposed under the current DCP controls.

However, the DCP controls will need to be amended to reflect the revised street layout sought by the proponent, should Council wish to proceed with this proposal.

### ***Relocated Public Park***

The revised proposal relocates the 2,000m<sup>2</sup> public park to the rear of the site (Figure 4). This differs from the current DCP which locates the public park towards the centre of the site.



Figure 4: DCP location of Park



Revised Location of Park

As with the revised street layout, the relocation of the public park is also required to facilitate the proposed development's indicative single floor plate layout.

Whilst the location of the park in a more central location with the site (as required by the current DCP controls) was considered to be desirable design outcome, there is also merit in the proposed relocation of the park. Relocating the park to the rear of the site would provide separation between neighbouring residential to the west and the proposed neighbourhood centre development.

The DCP would need to be amended to reflect the relocation of the public park to the rear of the site.

### ***Economic Impact Assessment***

The proponent was required to undertake an economic impact assessment to determine whether the increase in the size of the proposed retail component would impact on the nearby centres of Guildford and Merrylands.

Hill PDA undertook this assessment on behalf of the proponent and determined that existing centres in the locality enjoy growth in retail trade due to growth in population and expenditure in the wider trade area. All centres should experience and increase in trading levels from 2018 to 2023 with or without the proposed centre on Woodville Road. On this basis, the trading impacts of the proposed larger retail component are considered acceptable.

The proportion of growth in expenditure captured by the new centre is well within acceptable limits enabling other centres to share some of that growth. The proposed neighbourhood centre would therefore not threaten the role, function or commercial viability of any existing centre.

### ***Social Impact Assessment***

A social impact assessment has been submitted in response to Council's resolution of July 2018.

Hill PDA undertook this assessment on behalf of the proponent and concluded that the potential benefits arising from the development include:

- Job creation, with more than 300 jobs proposed during construction, and more than 800 jobs proposed when operational;
- Increased housing diversity, including additional housing supply suited to smaller households; and
- Enhancement of the built environment including:
  - a more walkable neighbourhood with access to local services and opportunities for community interaction;
  - added retail amenity, producing a benefit to workers and residents in the area; and
  - an enhancement to the capacity of local facilities and services with a child care centre, medical centre.

This assessment is considered to adequately address Council's resolution of July 2018.

### **Public Benefit Offer**

A revised public benefit offer (which would form the basis of a Voluntary Planning Agreement (VPA)) has been received from the Proponent, as follows:

- public park landscaped with a minimum area of 2,000m<sup>2</sup>;
- widening and landscaping of Woodville Road frontage;
- traffic signals on corner of Woodville Road and Lansdowne Street;
- a new road connection between Highland Street and Lansdowne Street;
- affordable key worker housing comprising 12 dwellings exclude from floor space ratio standard;
- monetary contribution of \$50,000 towards community facilities; and
- monetary contribution of 1.5% of the value of the value of VPA contributions towards Council's administration costs.

The Proponent seeks an offset against all the development contributions that would otherwise be payable from the subsequent DAs for this site.

The Proponent's offer to provide 12 dwellings as affordable 'key worker' rental housing for 10 years is not consistent with Council's *Planning Agreements Policy*. Council's policy requires affordable housing dwellings to be dedicated to Council. Whilst there is merit in the proponent's offer of key worker housing, these dwellings would not be dedicated to Council (as per the policy requirement) and would not guarantee supply of affordable/key worker housing beyond 10 years. In addition, the proponent would receive income whilst renting these dwellings, and would also derive income from the sale of these dwellings at the end of the 10 year period.

The proponent is also seeking that these dwellings be excluded from the FSR calculation, thereby receiving an FSR bonus for supplying these dwellings. Council's



*Planning Agreement Policy* seeks outright dedication of the affordable housing dwellings, and Council officers would need to progress negotiations in accordance with this policy, unless otherwise directed by Council.

The formal negotiation phase of the planning agreement would commence if a decision is made by Council to proceed with the Planning Proposal. During this negotiation, Council officers would seek more specific details of the benefits proposed and their timing in relation to the project. Clarification would also be sought on offerings that are a direct requirement of the development of the site or wider public benefit that would be reasonable to offset against monetary contribution payable.

A further report to Council on the outcomes of these negotiations would be provided.

### **COMMUNITY ENGAGEMENT**

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Post Gateway Exhibition was undertaken on the previous Planning Proposal and DCP controls from 17 January 2018 to 28 February 2018.

It is not known whether the Department of Planning and Environment (DP&E) will require re-exhibition of the Planning Proposal. As the B2 Local Centre Zone does not introduce any additional land uses that may impact on neighbouring properties, and as the Height of Building Control and FSR control have previously been on public exhibition, it is possible that re-exhibition may not be required.

An amended DCP would need to be exhibited for a period of 28 days. A notice would also be placed in local newspapers to advise of the date of exhibition. If further community engagement on the planning proposal is required, this would be undertaken in conjunction with the amended DCP.

A separate exhibition process will be undertaken for the VPA once a draft agreement has been negotiated.

### **POLICY IMPLICATIONS**

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Part 4.1.12 Woodville Road Neighbourhood Centre Precinct of the Parramatta DCP would need to be amended to reflect the revised indicative concept if Council proceeds with this proposal.

Should Council resolve to proceed, a draft planning agreement would be negotiated, considered by Council, and then publicly notified in accordance with the *Environmental Planning & Assessment Act 1979*. The Planning Proposal would then be forwarded to the DP&E to make the LEP amendment and publish it on the NSW Legislation website.

### **RISK IMPLICATIONS**

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There are minimal risk implications for Council associated with this report. It is noted that regardless of whether DP&E requires re-exhibition of the planning proposal, the biggest influence on the timing and progress of this proposal would be the negotiation of the Voluntary Planning Agreement (VPA) that delivers acceptable public benefits for Council.

## FINANCIAL IMPLICATIONS

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Financial implications have been discussed in the section on Voluntary Planning Agreement. There are no other financial implications associated with this report.

## CONCLUSION





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The proponent's request to revert to the B4 zone in the Gateway Determination is not supported, as the objectives of this zone and the use of this zone for a lower order neighbourhood centre are not considered appropriate. Application of the B2 local centre zone is recommended, as this reflects the role of this potential centre and facilitates the proponent's proposed concept. A RE1 Public Recreation zone is also recommended for the park site and this would provide an appropriate setback between the proposal and existing properties.

The DCP will need to be amended to facilitate the amended proposal. As the proponent is seeking a blanket building height and FSR control across the site, amending the DCP controls would provide Council and neighbouring residents and the community with greater detail and certainty on how transition and separation between neighbouring land uses would be maintained and that future development of the site would be consistent with the indicative concept that has been submitted to Council.

## ATTACHMENTS

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1. Gateway Determination – 24 June 2016 [↓](#) 
2. Planning Statement – Knight Frank Town Planning [↓](#) 
3. Architectural Concept Drawings [↓](#) 
4. Draft Letter of Offer [↓](#) 





# DOCUMENTS ASSOCIATED WITH REPORT C02/19-15

## Attachment 1 Gateway Determination – 24 June 2016



Planning &  
Environment

Mr Malcolm Ryan  
Interim General Manager  
Cumberland Council  
PO Box 42  
Merrylands NSW 2160

Our ref: 16/01723

Dear Mr Ryan

**Planning Proposal for 246-264 Woodville Road, 2-4, 8-8A and 14-16 Lansdowne Street, and 19 Highland Street, Merrylands (PP\_2016\_PARRA\_001\_00)**

I am writing regarding the request made by the former Parramatta City Council for a Gateway determination under section 56 of the *Environmental Planning and Assessment Act 1979* ("EP&A Act") in respect of the planning proposal to amend Parramatta Local Environmental Plan 2011 to rezone land at Woodville Road, Lansdowne Street and Highland Street, Merrylands.

The proposal seeks to rezone the subject land to B4 Mixed Use; increase the maximum height of buildings to 31m; increase the maximum floor space ratio to 2.25:1; and, exclude the wintergarden floor area from the FSR calculation for proposed units fronting Woodville Road.

Following the *Local Government (City of Parramatta and Cumberland Council) Proclamation 2016* on 12 May 2016, the subject land has been incorporated into the newly formed Cumberland Council Local Government Area. As the Gateway determination was made after the proclamation date, Cumberland Council is now responsible for taking this planning proposal forward in accordance with the attached determination.

As delegate of the Greater Sydney Commission, I have determined that the planning proposal should proceed subject to the conditions in the Gateway determination. I have also considered the nature of the planning proposal and have decided not to issue an authorisation for Council to exercise delegation to make the plan given the significance of the proposal.

I have agreed that any inconsistency with Section 117 Direction 3.4 Integrating Land Use and Transport, 4.1 Acid Sulphate Soils and 6.3 Site Specific Provisions are of minor significance. No further approval is required in relation to these Directions.

I appreciate the former Parramatta City Council's intent to revitalise the Woodville Road Corridor. Following an assessment of the matter, however, I have not agreed with the density for the site proposed by the former Parramatta City Council. The proposed maximum floor space ratio (FSR) of 2.25:1 is not supported owing to inconsistency with *A Plan for Growing Sydney* and limited access to high frequency public transport. Consequently, the proposed FSR controls have been reduced to a

Department of Planning & Environment  
23-33 Bridge Street, Sydney NSW | GPO Box 39 Sydney NSW 2000 | T 02 9228 6333 | [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au)

scale that is no greater than controls within the Merrylands and Guildford village centres.

I have also taken this opportunity to include other properties within the site area. The inclusion of these sites will allow for the orderly development of the precinct.

The amending Local Environmental Plan (LEP) is to be finalised within 12 months of the week following the date of the Gateway determination. Council should aim to commence the exhibition of the planning proposal as soon as possible. Council's request to draft and finalise the LEP should be made 8 weeks prior to the projected publication date.

The State Government is committed to reducing the time taken to complete LEPs by tailoring the steps in the process to the complexity of the proposal, and by providing clear and publicly available justification for each plan at an early stage. In order to meet these commitments, the Commission may take action under s54(2)(d) of the EP&A Act if the time frames outlined in this determination are not met.

I recognise that Cumberland Council did not request a Gateway determination for this planning proposal. In these circumstances, Council's assistance in progressing this proposal is appreciated and, should the need arise, the Department remains available to support Council in this endeavour.

Should you have any queries in regard in this matter, please contact Mrs Catherine Van Laeren, Director of the Sydney Region West Office of the Department, on (02) 9860 1520.

Yours sincerely

 8 August 2016  
**Stephen Murray**  
Executive Director, Regions  
Planning Services

Encl: Gateway Determination





## Planning & Environment

### Gateway Determination

*Planning Proposal (Department Ref: PP\_2016\_PARRA\_001\_00) to amend Parramatta Local Environmental Plan 2011 to rezone land at 246-264 Woodville Road, 2-4, 8-8A and 14-16 Lansdowne Street and 19 Highland Street, Merrylands to B4 Mixed Use, increase the maximum height of buildings to 31m, increase the maximum floor space ratio to 2.25:1 and enable wintergardens within residential development fronting Woodville Road that exclude the wintergarden floor area from the FSR calculation.*

I, the Deputy Secretary, as delegate of the Greater Sydney Commission, have determined under section 56(2) of the *Environmental Planning and Assessment Act* that an amendment to the *Parramatta Local Environmental Plan 2011* to rezone land at Woodville Road, Merrylands to B4 Mixed Use, increase the maximum height of buildings to 31m, increase the maximum floor space ratio to 2.25:1 and enable wintergardens within residential development fronting Woodville Road that exclude the wintergarden floor area from the FSR calculation proceed subject to the following conditions:

1. Prior to exhibition, Council is to amend the planning proposal to:
  - (a) include a full list of Lot and DP numbers;
  - (b) correct the table numbering on page 8 from Table 3 to Table 1;
  - (c) correct the Explanation of Provisions and Table 3 at page 16 to indicate that a site specific provision for the FSR calculation applies to wintergardens;
  - (d) remove comments on page 16 regarding s117 Direction 7.1 Implementation of a Plan for Growing Sydney;
  - (e) the Explanation of Provisions, proposed maps and any other relevant references within the document describing the proposal are to be amended to indicate a proposed maximum FSR of 2.0:1;
  - (f) include land at 244 Woodville Road and land at 6, 10 and 12 Lansdowne Street, Merrylands in the land to which the plan applies. These sites are to be zoned to B4 Mixed Use, with a maximum height of buildings of 31m and a maximum FSR of 2.0:1; and
  - (g) outline the proposed method to achieve an appropriate transition in height from the subject site to the land located to the west currently zoned R2 Low Density Residential fronting Lansdowne Street and Highland Street.
2. Community consultation is required under sections 56(2)(c) and 57 of the *Environmental Planning and Assessment Act 1979* (the Act) as follows:
  - (a) the planning proposal must be publicly available for a minimum of 28 days; and
  - (b) the relevant planning authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals identified in

PP\_2016\_PARRA\_001\_00 (16/E1/23)

section 5.5.2 of 'A Guide to Preparing LEPs' (Department of Planning and Infrastructure 2012).

3. Consultation is required with the following public authorities under section 56(2)(d) of the Act:
- o Department of Education and Communities;
  - o Transport for NSW — Roads and Maritime Services;
  - o Transport for NSW — State Transit Authority of NSW, and
  - o City of Parramatta Council.

Each public authority is to be provided with a copy of the planning proposal and any relevant supporting material, and given at least 21 days to comment on the proposal.

4. A public hearing is not required to be held into the matter by any person or body under section 56(2)(e) of the Act. This does not discharge Council from any obligation it may otherwise have to conduct a public hearing (for instance in response to a submission or if reclassifying land).
5. The timeframe for completing the LEP is to be 12 months from the week following the date of the Gateway Determination.

Dated *24th* day of *June* 2016.



Marcus Ray  
Deputy Secretary  
Planning Services

Delegate of the Greater Sydney Commission

PP\_2016\_FARRA\_001\_00 (16/01/2016)



# DOCUMENTS ASSOCIATED WITH REPORT C02/19-15

## Attachment 2 Planning Statement – Knight Frank Town Planning



20 December 2018

Cumberland Council  
16 Memorial Ave  
Merrylands NSW 2160

**Planning Statement – Woodville Road, Merrylands East Neighbourhood Centre**

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**1. Introduction & Background**

Knight Frank Town Planning has been engaged by Merc Capital to prepare this Planning Statement to support a revised concept plan for our client's property known as the Merrylands East Neighbourhood Centre. The Centre is bounded by Woodville Road, Lansdowne Street and Highland Street at Merrylands (the subject site).

A Planning Proposal (PP) for the subject site was subject to a Department of Planning and Environment (DPE) Gateway Determination for which we provide the following background of progress to date:

- Gateway Determination was issued on 24 June 2016 for the PP to proceed with a proposed B4 Zone, 2:1 FSR and 31m height limit across the site, subject to conditions.
- The PP was exhibited from 15 January 2018 to 1 March 2018 with a proposed B4 Zone, 2:1 FSR and 31m height limit across the site in accordance with the Gateway Determination (including with conditions satisfied), and in accordance with Cumberland IHAP and Council meeting resolutions in September and December 2017.
- Council resolved on 18 July 2018 after the public exhibition to conditionally approve an amended PP for a split zoning which:
  - B2 Zone with 2.4:1 FSR and 31m building height limit over part of the site
  - R4 Zone with 1.5:1 FSR and 24m height limit over part of the site

This split zoning is inconsistent with the Gateway Determination limits design flexibility, impacting the amount of retail and commercial employment generating uses that can be provided on site.

The purpose of this Planning Statement outlines the planning, design merits and community benefits of a revised B4 Mixed Use zoning scheme prepared by Marchese Partners. This scheme is consistent with the design principles of the scheme endorsed by the DPE.

This Planning Statement should be read in conjunction with the following supporting documentation:

- Concept plans - Marchese Partners
- Economic and Social Assessment – Hill PDA
- Draft Statement of Offer for a VPA – Merc Capital

## 2. Key elements of the proposal

The revised proposal includes the following key elements:

- Mixed use scheme including retail, business, community and recreation uses at the ground and first level, and residential above
- Reduced residential units (200 less apartments), while providing an increase in employment opportunity (approximately 500 more jobs)
- New public local park
- Greening of Woodville Road and new streets
- Mix of residential units with communal rooftop gardens
- New street connections and internal linkages
- Affordable Key Worker Rental Housing (10-years)

The following planning controls are proposed across the site:

- B4 Mixed Use Zoning
- Maximum FSR - 2:1
- Maximum height of building - 31 metres (9 Storeys)

These controls are consistent with the original scheme submitted to Council in 2015.

## 3. Planning and Public Benefits

The revised design proposal includes the following planning and public benefits:

- **Public domain improvements**, including a public park, new streets, through-site linkages, 10m setback land dedication for greening of Woodville Road, increased public open space, improved street appearance and revitalisation of the precinct;
- **New land uses** to fill the 'gap' in the locality, providing additional retail, community and recreational uses;
- **Traffic and Transport improvements**, with signalisation of Woodville Road intersection with Lansdowne Street, new through-street connections to relieve existing pressure on Highland Road congestion; future bus interchange space within 10m Woodville Road setback land dedication area;
- **Ground level activation** through provision of new streets with ground floor active retail uses, public park and spaces, increased casual surveillance and public safety;
- **Improved pedestrian amenity** through increased interaction of the site with the street level, and improved walkability;
- **Increased separation distances** between the proposal and existing school and residences provided for by new streets and new public park;
- **Increased provision of low cost housing forms** including Affordable Key Worker rental housing;
- **New employment opportunities**, during both construction and operation. Noting that the revised scheme provides the opportunity for approximately 500 more jobs than the previous scheme;

- **Community infrastructure**, including a large childcare centre (up to 100 children), key worker housing, gymnasium, medical centre and public park;
- **Increased open space** and amenity through providing a new public park and embellishments and residential rooftop communal open space gardens;
- **Increased services** for the local community, including retail, medical, food and beverage, and childcare uses; and
- **Economic benefits** for the locality, as described in the accompanying Economic Assessment prepared by Hill PDA.

#### **4. Relationship to the Surrounding Area**

The revised proposal provides an appropriate density and built form for this key site, respecting the character of the surrounding area as follows:

- A variety of building heights provide a transition to the adjoining residential areas.
- Increased separation distances from adjoining school and residences with new streets and a public park to provide an improved relationship to existing educational and residential developments with reduced potential for overlooking and overshadowing, as detailed in the Shadow Analysis Marchese Partners – See Figure 1.
- Improved accessibility through new roads and street connections.
- With the shifting of the public park to the west of the site, this provides an improved scheme:
  - Potential for a direct connection from the school grounds to the park, resulting in improved safety and amenity for the school; and
  - Increased separation distances from the park to and buildings, providing greater solar access in the new park location compared to the former central park location.

Accordingly, the revised concept design provides an improved outcome for the precinct.



*Figure 1: Shadow Analysis Marchese Partners*

## 5. Design Merits

### 5.1. Consistency with the DCP Principles

As detailed below and in the accompanying plans prepared by Marchese Partners, the proposed revised scheme aligns with the Draft DCP Principles for the Woodville Road Neighbourhood Centre Precinct (2017).

#### DCP - Desired Future Character

The precinct has the following Desired Character, as stated in the DCP:

*The development of the land is to facilitate the establishment of a "main street" for the development site, full line supermarkets and residential development that complements the surrounding residential areas at a density appropriate for the site, its location and development context. Development of the land is to contribute to the character and sustainability of the Woodville Road Neighbourhood Centre Precinct.*

The proposal is entirely consistent with this Desired Character as follows:

- Active ground floor retail uses will provide an attractive main street, and will include a supermarket and other retail and business uses.
- The scale of the development is appropriate for this large corner site, providing a transition to the adjoining residential area through a variety of building heights.
- A large public park and improved public domain will contribute to the character and amenity of a people orientated precinct, and provide greater separation between the proposed mixed use development and surrounding residences and school.

#### DCP - Site Structure and Land use

The revised scheme is generally consistent with the Site Structure and Land Use Plan, but provides for an improved layout and scheme, better integrated with the surrounding precinct - See Figure 2 and the key features below:

- A supermarket has been provided as shown with access from Lansdowne Road
- An 'eat street' has been provided at two sides of the new street, but shifted to the west of the site where the cafes and restaurant will overlook the new public park and green streets, providing an improved customer experience
- An internal retail mall will provide further food offerings and retail services
- Vehicles will exit only onto Woodville Road, with the main driveway access provided on Lansdowne Road
- Improved access and circulation will be provided through more direct street connections and traffic signals, providing new connections via Lansdowne Street, Highland Street and Woodville Road.



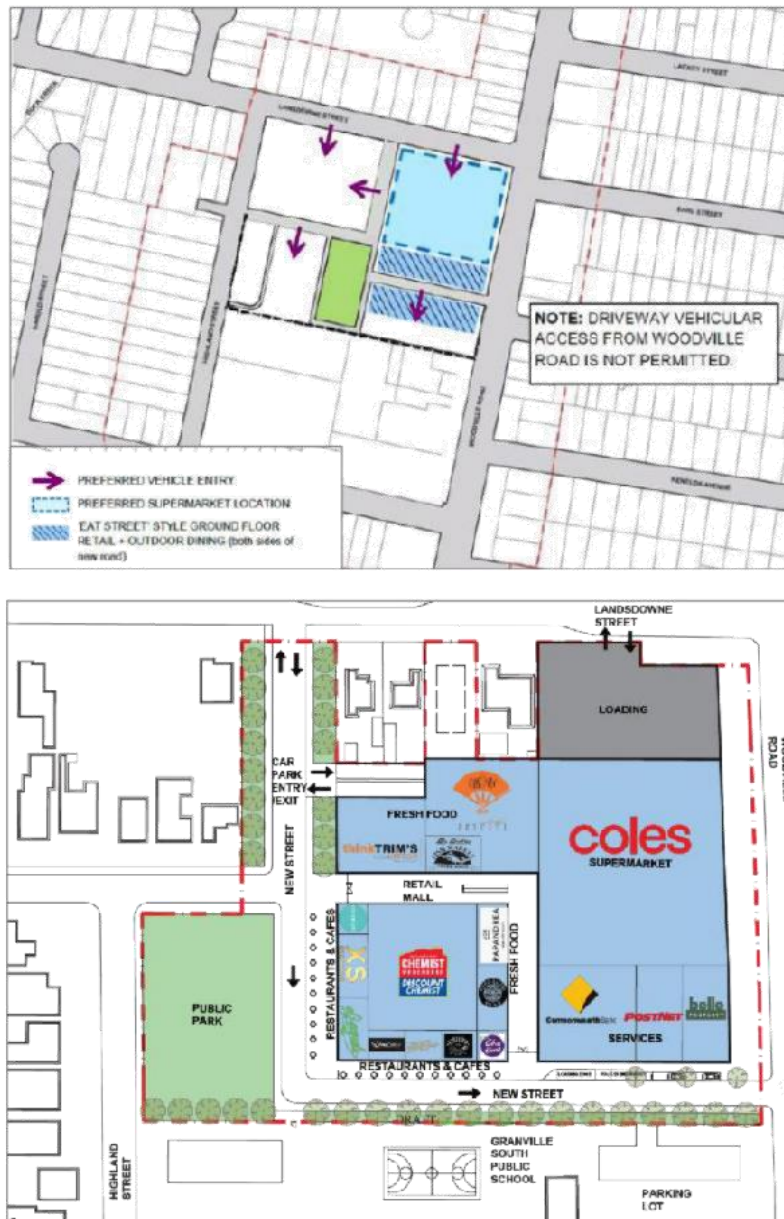
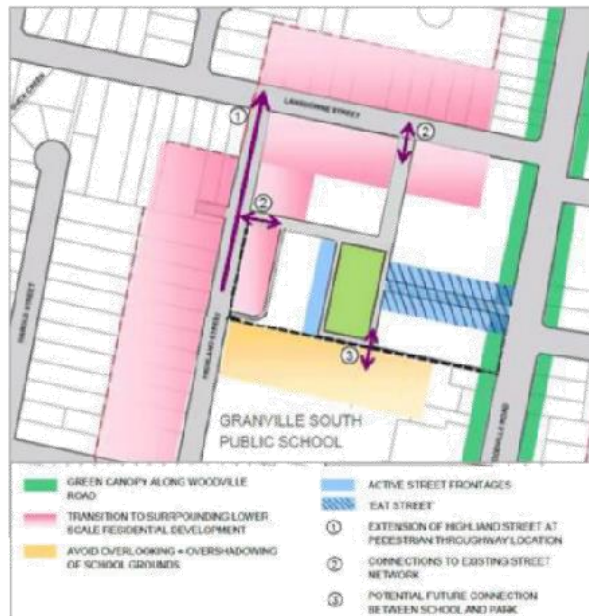


Figure 2. Site Structure and Land Use Plan – Draft Woodville Road Neighbourhood Centre DCP 2017, and Ground Floor Plan – Marchese Partners

### DCP - Precinct Principles

As illustrated on the adjoining plans prepared by Marchese Partners (see extract below), the scheme is generally consistent with the DCP precinct principles, as follows:



#### Comments. Re. Revised Scheme

- Active street frontages over and above that suggested by the DCP provide a pedestrian friendly precinct
- New food and drink premises will provide a range of options, and provide two 'eat streets' largely overlooking the new public park providing an attractive place to dine
- Woodville Road and the new internal streets will be greened through new trees and street planting
- Potential future connection from school to the public park. By shifting the public park to the west of the site this provides greater safety for school children by separating the open space from the new roads and retail precinct
- New street connections will provide access to Lansdowne Street, Highland Street and Woodville Road.
- A variety of building heights (ranging from 4,5,7 and 9 storeys) and appropriate setbacks provide transition to the surrounding residential development
- Increased setbacks and the provision of two levels of commercial uses ensure the adjoining school grounds will not be overlooked

Figure 3: Precinct Principles - Draft Woodville Road Neighbourhood Centre DCP 2017, and Ground Floor Plan - Marchese Partners

## 5.2. Consistency with ADG Design Quality Principles

The concept has been designed to reflect the requirements of SEPP 65 Design Quality of Residential Apartment Development and the Apartment Design Guide, subject to future detailed design plans and a compliance assessment to be submitted to Council at the future Development Application (DA) stage.

The following table outlines how the revised scheme generally responds to the ADG Design Quality Principles:

Design Quality of Residential Apartment Development	
Schedule 1 Design Quality Principles	How the Revised Scheme responds?
<p><b>Principle 1 – Context and Neighbourhood Character</b></p> <p><i>Good design responds and contributes to its context. Context is the key natural and built features of an area, their relationship and the character they create when combined. It also includes social, economic, health and environmental conditions.</i></p> <p><i>Responding to context involves identifying the desirable elements of an area's existing or future character. Well designed buildings respond to and enhance the qualities and identity of the area including the adjacent sites, streetscape and neighbourhood. Consideration of local context is important for all sites, including sites in established areas, those undergoing change or identified for change.</i></p>	<ul style="list-style-type: none"> <li>The revised scheme aligns with the DCP's future character of the precinct as detailed above.</li> <li>Better integration of the site with the surrounding precinct is provided by active ground floor retail uses throughout the site. In comparison, a split zoning would dedicate a large portion of the site to R4 High Density Residential with non active uses at lower level.</li> <li>A new public park will enhance the area, and adjoining school grounds. Through the relocation of the public park to the west of the site, the amenity of the adjoining residential area will be protected and improved.</li> </ul>
<p><b>Principle 2 – Built Form and Scale</b></p> <p><i>Good design achieves a scale, bulk and height appropriate to the existing or desired future character of the street and surrounding buildings.</i></p> <p><i>Good design also achieves an appropriate built form for a site and the building's purpose in terms of building alignments, proportions, building type, articulation and the manipulation of building elements.</i></p> <p><i>Appropriate built form defines the public domain, contributes to the character of streetscapes and parks, including their views and vistas, and provides internal amenity and outlook.</i></p>	<ul style="list-style-type: none"> <li>The revised proposal will provide a variety of building heights, and provides an appropriate transition to the adjoining residential areas.</li> <li>Greater separation between new buildings, the school grounds and nearby residential properties has been provided to ensure minimal overshadowing.</li> <li>Improved street connections provide a walkable neighbourhood.</li> </ul>
<p><b>Principle 3 – Density</b></p> <p><i>Good design achieves a high level of amenity for residents and each apartment, resulting in a density appropriate to the site and its context.</i></p> <p><i>Appropriate densities are consistent with the area's existing or projected population. Appropriate densities can be sustained by existing or proposed infrastructure, public transport, access to jobs, community facilities and the environment.</i></p>	<ul style="list-style-type: none"> <li>The proposal is an appropriate density for this corner location, providing an increase in employment use through a variety of retail, business and community uses, while also supporting population growth through increased housing supply.</li> </ul>
<p><b>Principle 5 – Landscape</b></p> <p><i>Good design recognises that together landscape and buildings operate as an integrated and sustainable system, resulting in attractive developments with good amenity. A positive image and contextual fit of well designed developments is achieved by contributing to the landscape character of the streetscape and neighbourhood.</i></p> <p><i>Good landscape design enhances the development's environmental performance by retaining positive natural features which contribute to the local context, co-ordinating</i></p>	<ul style="list-style-type: none"> <li>A new public park, communal rooftop gardens, and green streets provide increased amenity while improving the appearance of the area and increasing social interaction.</li> <li>The solar amenity of the adjoining school grounds will be protected from overshadowing, as illustrated in accompanying overshadowing analysis prepared by Marchese Partners.</li> </ul>



Design Quality of Residential Apartment Development	
Schedule 1 Design Quality Principles	How the Revised Scheme responds?
<p><i>water and soil management, solar access, micro-climate, tree canopy, habitat values, and preserving green networks.</i></p> <p><i>Good landscape design optimises usability, privacy and opportunities for social interaction, equitable access, respect for neighbours' amenity, provides for practical establishment and long term management</i></p>	
<p><b>Principle 6 – Amenity</b></p> <p><i>Good design positively influences internal and external amenity for residents and neighbours. Achieving good amenity contributes to positive living environments and resident well being.</i></p> <p><i>Good amenity combines appropriate room dimensions and shapes, access to sunlight, natural ventilation, outlook, visual and acoustic privacy, storage, indoor and outdoor space, efficient layouts and service areas, and ease of access for all age groups and degrees of mobility.</i></p>	<ul style="list-style-type: none"> <li>• The revised scheme provides increased and generous setbacks, ensuring protection of amenity of the adjoining school and residential areas.</li> <li>• A new park and common open spaces provide enhanced residential amenity and access to sunlight.</li> <li>• Internal residential apartment amenity subject to detailed design in future DA and to comply with the Apartment Design Guide</li> </ul>
<p><b>Principle 7 – Safety</b></p> <p><i>Good design optimises safety and security, within the development and the public domain. It provides for quality public and private spaces that are clearly defined and fit for the intended purpose. Opportunities to maximise passive surveillance of public and communal areas promote safety.</i></p> <p><i>A positive relationship between public and private spaces is achieved through clearly defined secure access points and well lit and visible areas that are easily maintained and appropriate to the location and purpose.</i></p>	<ul style="list-style-type: none"> <li>• The revised scheme provides improved safety through improved and traffic circulation that does not divide the new park from the school grounds.</li> <li>• Passive surveillance of the communal rooftop gardens will be provided through overlooking from the units above.</li> <li>• The 'eat street' and other business and residential units will provide passive surveillance of the public park to increase public safety and security</li> </ul>
<p><b>Principle 8 – Housing Diversity and Social Interaction</b></p> <p><i>Good design achieves a mix of apartment sizes, providing housing choice for different demographics, living needs and household budgets.</i></p> <p><i>Well designed apartment developments respond to social context by providing housing and facilities to suit the existing and future social mix.</i></p> <p><i>Good design involves practical and flexible features, including different types of communal spaces for a broad range of people, providing opportunities for social interaction amongst residents</i></p>	<ul style="list-style-type: none"> <li>• A diversity of housing will be provided including key worker housing and a mix of apartment types, providing housing choice for a range of household types.</li> <li>• Large rooftop gardens, overlooked by residential units above, provide opportunities for safe social interaction amongst residents.</li> <li>• The mixed use scheme provides a mix of commercial, recreational and community uses within the podium levels and includes a portion of Key Worker Rental Housing, providing the opportunity for social interaction.</li> </ul>
<p><b>Principle 9 – Aesthetics</b></p> <p><i>Good design achieves a built form that has good proportions and a balanced composition of elements, reflecting the internal layout and structure. Good design uses a variety of materials, colours and textures.</i></p> <p><i>The visual appearance of well designed apartment development responds to the existing or future local context, particularly desirable elements and repetitions of the streetscape.</i></p>	<ul style="list-style-type: none"> <li>• The proposal provides an exemplar approach to a contemporary well-designed mixed use development, capable of achieving design excellence.</li> <li>• The revised scheme provides a balance of residential, recreational and commercial uses, ensuring a true mixed use proposal.</li> <li>• Detailed design plans will be provided at DA stage.</li> </ul>

Marchese Partners have confirmed that the scheme is capable of achieving consistency with the ADG, including the following key numerical requirements:

**Clause 6A of SEPP 65 and Parts 3 & 4 of ADG**

- (a) visual privacy, 2F – Building Separation
- (b) solar and daylight access, ADG 4A-1 Solar and Daylight Access
- (c) common circulation and spaces, 3D – Communal and Public Open Space
- (d) apartment size and layout, in accordance with clause 30(b) of SEPP 65 and 4D of ADG
- (e) ceiling heights, in accordance with clause 30(c) of SEPP 65 and Part 4C of ADG
- (f) private open space and balconies, ADG Objective 4E-1
- (g) natural ventilation, ADG 4B – Natural Ventilation
- (h) storage, 4G-1 of ADG

**Clause 30(a) of SEPP 65 and Part 3J of ADG**

Car parking in accordance with minimum specified in Part 3J of the Apartment Design Guide

**Clause 28 SEPP 65**

Design Quality Principles, as addressed above  
Building Separation, ADG Part 2F

**2E – Building Depth**

Maximum apartment depths of 12-18m from glass line to glass line

**2F – Building Separation**

Minimum separation distances for buildings are:

Up to four storeys (approximately 12m):

- 12m between habitable rooms/balconies
- 9m between habitable and non-habitable rooms
- 6m between non-habitable rooms

Five to eight storeys (approximately 25m):

- 18m between habitable rooms/balconies
- 12m between habitable and non-habitable rooms
- 9m between non-habitable rooms

Nine storeys and above (over 25m):

- 24m between habitable rooms/balconies
- 18m between habitable and non-habitable rooms
- 12m between non-habitable rooms

**3D – Communal and Public Open Space**

An adequate area of communal open space is provided to enhance residential amenity and to provide opportunities for landscaping

1. Communal open space has a minimum area equal to 25% of the site (see figure 3D.3)
2. Developments achieve a minimum of 50% direct sunlight to the principal usable part of the communal open space for a minimum of 2 hours between 9 am and 3 pm on 21 June (mid winter)

**ADG 4A-1 Solar and Daylight Access**

1. Living rooms and private open spaces of at least 70% of apartments in a building receive a minimum of 2 hours direct sunlight between 9 am and 3 pm at mid-winter in the Sydney Metropolitan Area and in the Newcastle and Wollongong local government areas
2. In all other areas, living rooms and private open spaces of at least 70% of apartments in a building receive a minimum of 3 hours direct sunlight between 9 am and 3 pm at mid-winter
3. A maximum of 15% of apartments in a building receive no direct sunlight between 9 am and 3 pm at mid-winter

#### ADG 4B - Natural Ventilation

All habitable rooms are naturally ventilated

- At least 60% of apartments are naturally cross ventilated in the first nine storeys of the building. Apartments at ten storeys or greater are deemed to be cross ventilated only if any enclosure of the balconies at these levels allows adequate natural ventilation and cannot be fully enclosed

#### ADG 4C - Ceiling Heights

- Measured from finished floor level to finished ceiling level, minimum ceiling heights are:

Minimum ceiling height for apartment and mixed use buildings	
Habitable rooms	2.7m
Non-habitable	2.4m
For 2 storey apartments	2.7m for main living area floor 2.4m for second floor, where its area does not exceed 50% of the apartment area
Attic spaces	1.8m at edge of room with a 30 degree minimum ceiling slope
If located in mixed used areas	3.3m for ground and first floor to promote future flexibility of use

These minimums do not preclude higher ceilings if desired

#### 4D – Apartment size and layout

- Apartment are required to have the following minimum internal areas:

Apartment type	Minimum internal area
Studio	35m <sup>2</sup>
1 bedroom	50m <sup>2</sup>
2 bedroom	70m <sup>2</sup>
3 bedroom	90m <sup>2</sup>

The minimum internal areas include only one bathroom. Additional bathrooms increase the minimum internal area by 5m<sup>2</sup> each

A fourth bedroom and further additional bedrooms increase the minimum internal area by 12m<sup>2</sup> each

- Every habitable room must have a window in an external wall with a total minimum glass area of not less than 10% of the floor area of the room. Daylight and air may not be borrowed from other rooms

#### ADG Objective 4E.1 – Private Open Space

- All apartments are required to have primary balconies as follows:

Dwelling type	Minimum area	Minimum depth
Studio apartments	4m <sup>2</sup>	-
1 bedroom apartments	8m <sup>2</sup>	2m
2 bedroom apartments	10m <sup>2</sup>	2m
3+ bedroom apartments	12m <sup>2</sup>	2.4m

The minimum balcony depth to be counted as contributing to the balcony area is 1m



# DOCUMENTS ASSOCIATED WITH REPORT C02/19-15

## Attachment 3 Architectural Concept Drawings





## 246-260 Woodville Road, Merrylands

December 2018





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PERSPECTIVE VIEW





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GROUND FLOOR - 1/1000@A3



marchesepartners

LEVEL 1 - 1/1000@A3





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PERSPECTIVE VIEW FROM THE PARK



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PERSPECTIVE VIEW FROM NEW  
STREET TO THE WEST





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PERSPECTIVE VIEW FROM NEW  
STREET TO THE SOUTH

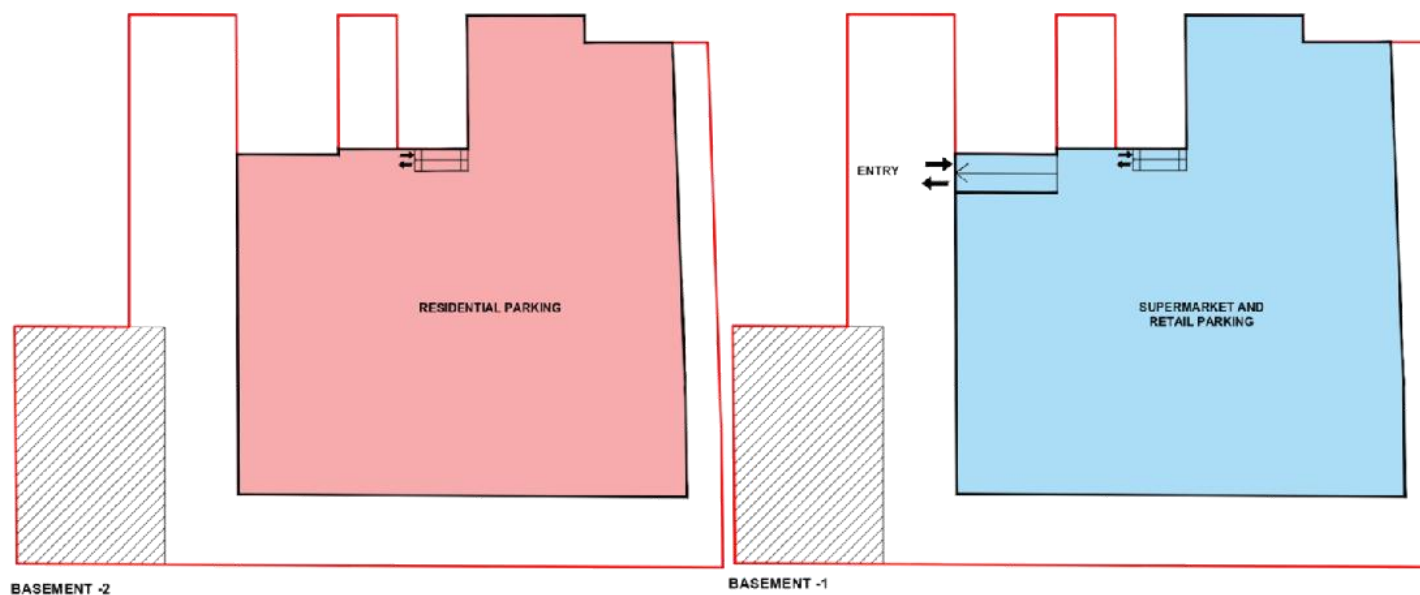








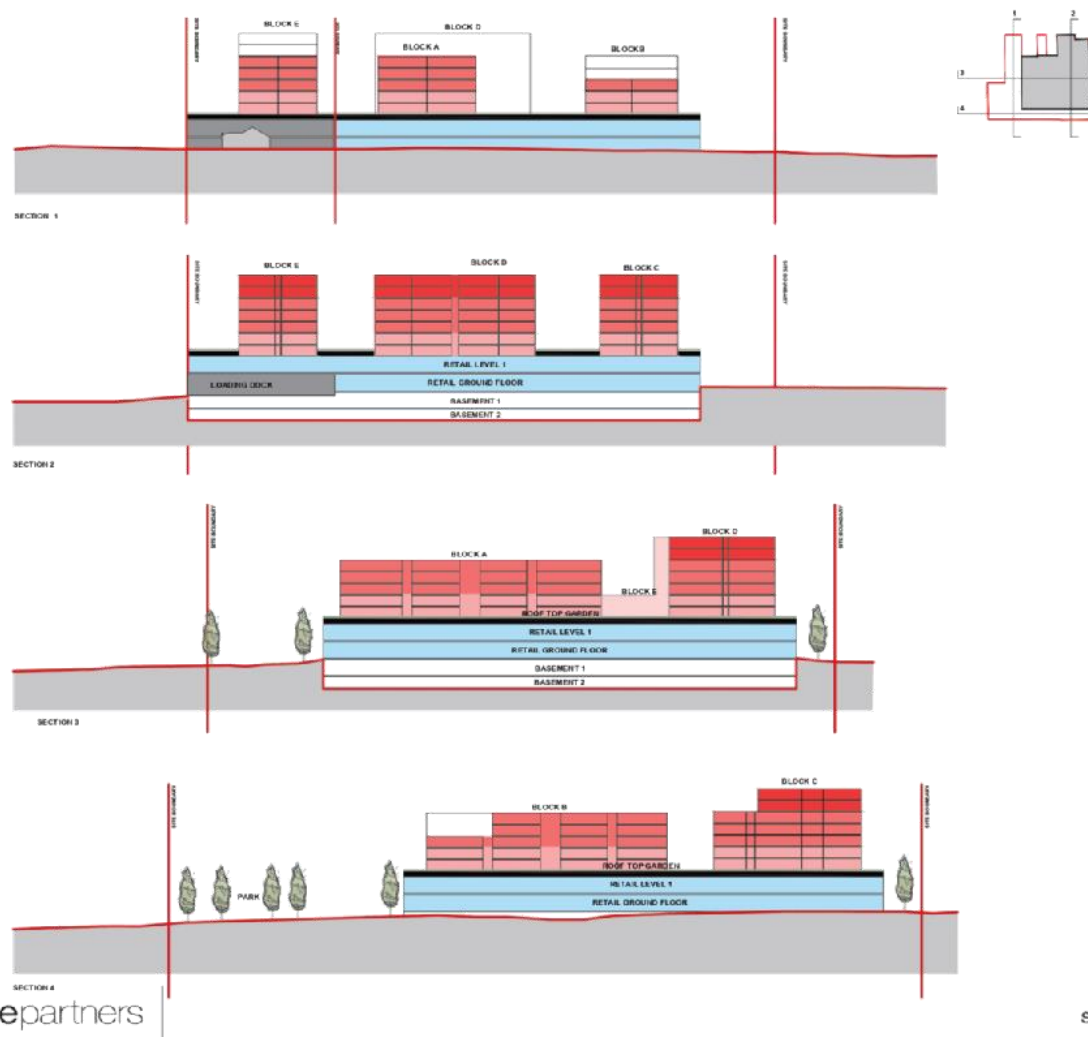




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BASEMENT DIAGRAM- 1/1000@A3





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PERSPECTIVE VIEW



CUMBERLAND  
COUNCIL



CUMBERLAND  
COUNCIL

**Council Meeting  
21 August 2019**

**Council Meeting  
20 February 2019**



marchesepartners



SHADOW ANALYSIS





# DEVELOPMENT DATA\_GFA & FSR

BLOCK A		BLOCK B		BLOCK C		BLOCK D		BLOCK E	
LEVEL	GFA RESIDENTIAL (m <sup>2</sup> )	LEVEL	GFA RESIDENTIAL (m <sup>2</sup> )	LEVEL	GFA RESIDENTIAL (m <sup>2</sup> )	LEVEL	GFA RESIDENTIAL (m <sup>2</sup> )	LEVEL	GFA RESIDENTIAL (m <sup>2</sup> )
GF	245.20	GF	115.90	GF	158.94	GF	0.00	GF	94.00
1	0.00	1	10.00	1	0.00	1	66.00	1	10.00
2	1,276.70	2	1,042.80	2	585.52	2	816.41	2	737.29
3	1,276.70	3	1,042.80	3	585.52	3	816.41	3	737.29
4	1,276.70	4	1,042.80	4	585.52	4	816.41	4	491.17
5	1,276.70	5	779.22	5	585.52	5	816.41	5	491.17
6	1,276.70	6	779.22	6	585.52	6	816.41	6	491.17
				7	452.79	7	816.41	7	491.17
				8	452.79	8	816.41	8	491.17
TOTAL	6,528.70	TOTAL	4,812.74	TOTAL	3,992.12	TOTAL	5,780.87	TOTAL	4,034.43

GFA COMMERCIAL, COMMUNITY AND RECREATIONAL (m <sup>2</sup> )	
GROUND FLOOR	11,333.62
FIRST FLOOR	13863.91

	GFA RESIDENTIAL	GFA COMMERCIAL, COMMUNITY AND RECREATIONAL (m <sup>2</sup> )	TOTAL
TOTAL	25,248.86	25,197.53	50,446.39
SITE AREA	26,179.19	FSR	1.93





## DEVELOPMENT DATA\_UNIT MIX

BUILDING A					BUILDING B					BUILDING C					BUILDING D					BUILDING E				
LEVEL	1B	2B	3B	SUB TOTAL	LEVEL	1B	2B	3B	SUB TOTAL	LEVEL	1B	2B	3B	SUB TOTAL	LEVEL	1B	2B	3B	SUB TOTAL	LEVEL	1B	2B	3B	SUB TOTAL
2	1	10	2	13	2	2	7	2	11	2	2	5	0	7	2	0	6	2	8	2	1	7	0	8
3	1	10	2	13	3	2	7	2	11	3	2	5	0	7	3	0	6	2	8	3	1	7	0	8
4	1	10	2	13	4	2	7	2	11	4	2	5	0	7	4	0	6	2	8	4	0	5	0	5
5	1	10	2	13	5	1	6	1	8	5	2	5	0	7	5	0	6	2	8	5	0	5	0	5
6	1	10	2	13	6	1	6	1	8	6	2	5	0	7	6	0	6	2	8	6	0	5	0	5
										7	1	4	0	5	7	0	6	2	8	7	0	5	0	5
										8	1	4	0	5	8	0	6	2	8	8	0	5	0	5
<b>TOTAL</b>	<b>5</b>	<b>50</b>	<b>10</b>	<b>65</b>	<b>TOTAL</b>	<b>8</b>	<b>33</b>	<b>8</b>	<b>49</b>	<b>TOTAL</b>	<b>12</b>	<b>33</b>	<b>0</b>	<b>45</b>	<b>TOTAL</b>	<b>0</b>	<b>42</b>	<b>14</b>	<b>56</b>	<b>TOTAL</b>	<b>2</b>	<b>39</b>	<b>0</b>	<b>41</b>
RATIO	8%	77%	15%		RATIO	16%	67%	16%		RATIO	27%	73%	0%		RATIO	0%	75%	25%		RATIO	5%	95%	0%	

TOTAL UNIT MIX				
BUILDING	1B	2B	3B	SUB TOTAL
A	5	50	10	65
B	8	33	8	49
C	12	33	0	45
D	0	42	14	56
E	2	39	0	41
<b>TOTAL</b>	<b>27</b>	<b>197</b>	<b>32</b>	<b>256</b>
RATIO	11%	77%	13%	



# DOCUMENTS ASSOCIATED WITH REPORT C02/19-15

## Attachment 4 Draft Letter of Offer





21 December 2018

Mr Hamish McNulty  
General Manager  
Cumberland Council

Dear Mr McNulty

**RE: PLANNING PROPOSAL FOR WOODVILLE ROAD MERRYLANDS EAST  
NEIGHBOURHOOD CENTRE – PROPOSED VPA TERMS**

I refer to the Council resolution on 18 July 2018 and recent correspondence from Council concerning a Planning Agreement for contribution and delivery of public / community benefits associated with the Planning Proposal for the Woodville Road Merrylands East Neighbourhood Centre. Our proposed VPA terms are as follows:

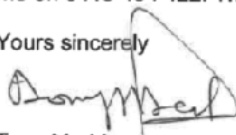
- public park landscaped with a minimum area of 2,000sq.m;
- widening and landscaping of Woodville Road frontage;
- traffic signals on corner of Woodville Rd and Lansdowne Street;
- new road connection between Highland Street and Lansdowne Street;
- affordable 'key worker' rental housing comprising twelve dwellings excluded from floor space ratio standard;
- monetary contribution towards community facilities;
- monetary contribution of 1.5% of the value of VPA contributions towards Council administration costs.

This VPA offer is made on the basis that further development contributions at DA stage would not be applicable to future Development Applications made under this Planning Proposal.

We would be pleased to discuss these proposed VPA terms further with Council.

If you have any queries or would like to discuss this matter, please do not hesitate to contact me on 0419 464 422. Thank you.

Yours sincerely



Tony Merhi

Managing Director

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A40C / 24-32 Lexington Drive, Bella Vista NSW 2153 | PO Box 7226 Baulkham Hills NSW 2153  
Australia





**PROPOSED VPA TERMS**

Item	Offer	Timing	Value	Comment
Local Open Space	Dedication of minimum 2,000sq.m of embellished / landscaped public park.	Dedication prior to occupation certificate for more than 6,000sq.m of retail space and/or more than 200 dwellings	Works: \$1,000,000 Land: \$2,754,000 Total: \$3,754,000	Value of dedication far exceeds typical development contribution rate for open space. Urban design of park has merit in terms of position, size, dimensions, solar access, landscape spend.
Public domain improvements	Dedication of 1,352sq.m of embellished land for widening of Woodville Road.	To be completed prior to occupation certificate for more than 6,000sq.m of retail space and/or more than 200 dwellings	Works: \$ 473,200 Land: \$1,861,704 Total: \$2,334,904	Provides for public transport (bus and taxi) stops and improved traffic flow along Woodville Road. Urban design merits are embodied in design concept plans.
Roads and traffic upgrades	Construction of traffic signals on corner of Woodville Rd and Lansdowne St.  New road connection between Highland St and Lansdowne St	To be completed prior to occupation certificate for more than 6,000sq.m of retail space and/or more than 200 dwellings.	Works: \$1,500,000  Works: \$ 888,600 Land: \$6,000,000 Total: \$7,449,743	Improves local traffic flows with signalised intersection and new road connections through site between Highland Street, Lansdowne Street and Woodville Road.
Affordable housing	12 dwellings as affordable 'key worker' rental housing for 10 years which are excluded from the floor space ratio standard applying to development.	To be completed prior to occupation certificate for more than 200 dwellings.	Value to be confirmed	12 dwellings rented to 'key workers' on low-moderate household incomes (defined as 50% to 120% of median household income in Sydney) at a rent of no more than 30% of the household income for ten years. As a late-item addition to this Planning Proposal suggested by Council, affordable rental dwellings are provided on the basis that their additional floorspace will be excluded from the maximum floor space ratio and building height standards in the proposal.

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Item	Offer	Timing	Value	Comment
Community facilities	Monetary contribution of \$50,000.	Contribution prior to occupation certificate for more than 6,000sq.m of retail space or 250 dwellings	Value: \$50,000	Council advises that it is not proposing a community facility on site and is seeking a monetary contribution. Monetary contribution excludes child care below.
Child Care	DA will include child care centre with minimum capacity of 100 child care places which may be commercially operated (ie. not dedicated to Council).	Included in Development Application.	Qualitative value of community use.	Child care facility on site for up to 100 children provides community serving use with qualitative value. As a commercial operation, it has no readily identifiable quantitative public value.
Administration costs	1.5% of total contributions as per Council resolution.	Contribution prior to occupation certificate for more than 6,000sq.m of retail space and/or more than 250 dwellings	Value to be confirmed	

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A40C / 24-32 Lexington Drive, Bella Vista NSW 2153 | PO Box 7226 Baulkham Hills NSW 2153 Australia




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## Minutes of the Council Meeting 20 February 2019

### Meeting commenced at 6:31pm

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#### Present:

Greg Cummings (Mayor)	Councillor
Glenn Elmore (Deputy Mayor)	Councillor
Ned Attie	Councillor
George Campbell	Councillor
Steve Christou	Councillor
Paul Garrard	Councillor
Ross Grove	Councillor
Ola Hamed	Councillor
Kun Huang	Councillor
Lisa Lake	Councillor
Joseph Rahme	Councillor
Suman Saha	Councillor
Eddy Sarkis	Councillor (arrived 6:39pm)
Michael Zaiter	Councillor
Tom Zreika	Councillor
Hamish McNulty	General Manager
Melissa Attia	Director People & Performance
Brooke Endycott	Director Community Development
Peter Fitzgerald	Director Works & Infrastructure
Richard Sheridan	Director Finance & Governance
Daniel Cavallo	Director Environment & Planning

#### Also Present:

Charlie Ayoub	Group Manager Corporate & Customer
Monica Cologna	Manager Strategic Planning
Carol Karaki	Governance Coordinator
Olivia Shields	Governance Administration Officer

#### Opening Prayer

The opening prayer was read by Pdt Jatinkumar Bhatt from Sri Mandir Hindu Temple.

#### Acknowledgement of Country

The Mayor, Councillor Cummings, opened the Meeting with the following Acknowledgement of Country:

*"I would like to acknowledge the traditional owners of this land – the Darug People, and pay my respects to their elders both past and present."*

### **National Anthem**

At this point in the meeting the Mayor, Councillor Cummings, asked all of those in attendance to stand for the playing of the Australian National Anthem.

### **Notice of Live Streaming of Council Meeting**

The General Manager, Hamish McNulty advised that the Council meeting was being streamed live on Council's website and members of the public must ensure their speech to the Council is respectful and use appropriate language.

### **Min.419 Apologies/Leave of Absence**

#### **Resolved (Garrard/Huang)**

Note: Councillor Garrard noted that Councillor Sarkis is an apology at this stage of the meeting. Councillor Sarkis later entered the Meeting at 6:39pm.

That the apology tendered on behalf of Councillor Sarkis be accepted.

---

### **Confirmation of Minutes**

**Min.420 C02/19-10 Minutes of the Ordinary Meeting of Council - 6 February 2019**

#### **Resolved (Attie/Campbell)**

That Council confirm the minutes of the Ordinary Meeting of Council held on 6 February 2019.

---

### **Declarations of Pecuniary & Non Pecuniary Conflicts of Interest**

Councillor Huang declared a non-pecuniary, less than significant interest in relation to Item C02/19-14 as he had met with a representative from Payce regarding the Planning Proposal.

Councillor Zaiter declared a non-pecuniary, significant interest in relation to Item C02/19-15 as a client of his firm has an interest in the landholding. As such, Councillor Zaiter exited the Chamber during the consideration of this item.

Councillor Grove left the Meeting at 6:35pm during the consideration of this item.

---

### **Min. 421 MM02/19-1 Mayoral Minute – Housing**

I strongly believe that there is need for a reduction in the strain being placed on Western Sydney by ongoing population growth and failed government housing policies. I am seeking an urgent change in policy so that future housing and population growth is concentrated in those areas of Sydney that are already serviced by well-established infrastructure, rather than in those areas, such as Western Sydney, where vital

infrastructure such as adequate public transport is lacking and will not be available in the near future.

In the past decade western Sydney's population has grown by 25%. By comparison, eastern and central Sydney, where infrastructure is concentrated, has grown by less than 15%.

I believe that future housing policy should be based on the following principles:

1. Major housing projects must be paired with major infrastructure projects and timelines.
2. The Greater Sydney Commission's housing targets must be revised to ensure Sydney's growth is more evenly spread and matched with existing infrastructure.
3. Apartments and townhouses, must be directed to those places where there is employment and good infrastructure.
4. The NSW Government must invest in making housing more affordable through zoning and inclusive development schemes.
5. The NSW Government must implement a 'liveability compact' with the people of Sydney, ensuring future growth plans embed measurable liveability targets.
6. Developers must pay their fair share of infrastructure costs; including community facilities, which provide the home for services which ensure new communities' well-being.
7. Rail and other public transport infrastructure must be built and operated so that the density of rail lines, stations and bus services and service frequency is the same in Western Sydney as it is in the rest of Sydney.

#### **Resolved (Cummings)**

That Council write to the Premier, Leader of the Opposition, State Members, Minister for Planning and Shadow Minister for Planning recommending a change to housing policy to include the principles outlined in this Mayoral Minute.

Councillor Grove returned to the Meeting at 6:37pm during the consideration of this item.

Councillor Rahme left the Meeting at 6:43pm during the consideration of this item.

---

#### **Min.422      Suspension of Standing Orders**

#### **Resolved (Sarkis/Attie)**

That in accordance with Clause 1.6 (2) of the Code of Meeting Practice, Council suspend standing orders to allow Items C02/19-14 and C02/19-15 to be addressed in the meeting following Public Forum.



**Public Forum:**

**Speakers on Items on the Council Meeting Agenda**

<b>Speaker</b>	<b>Item #</b>	<b>Suburb</b>
Mr Tony Oldfield	C02/19-14 Planning Proposal Request – 300 Manchester Road, Auburn	Auburn
Mr Peter Dixon	C02/19-14 Planning Proposal Request – 300 Manchester Road, Auburn	Granville
Mr Dominic Sullivan	C02/19-14 Planning Proposal Request – 300 Manchester Road, Auburn	Sydney
Ms Kerryn Stanton	C02/19-14 Planning Proposal Request – 300 Manchester Road, Auburn	Auburn
Ms Deborah Neyle	C02/19-14 Planning Proposal Request – 300 Manchester Road, Auburn	Auburn
Mr Andrew Wilson	C02/19-15 Request for Revised Gateway Determination – Planning Proposal for 264 Woodville Road, Merrylands	Baulkham Hills

**Note:** Mr Tony Merhi, Mark Grayson and Steve Zappia were also registered to address Council, in association with Mr Wilsons address. Mr Wilson introduced them to the chamber, and noted that they were registered to address Council for the purposes of responding to questions only in relation to the Planning Proposal.

Councillor Rahme returned to the Meeting at 6:46pm during the consideration of this item.

Councillor Rahme left the Meeting at 7:24pm during the consideration of this item.

**Min.423 C02/19-14 Planning Proposal Request - 300 Manchester Road, Auburn**

**Motion (Campbell/Hamed)**

That Council does not proceed to refer this planning proposal to gateway determination.

**Amendment (Grove/Elmore)**

That Council defer the consideration of the proposal, in order to determine whether the matter should proceed to gateway determination, subject to obtaining feedback and submissions from government agencies.

The Amendment moved by Councillor Grove seconded by Councillor Elmore on being Put was declared CARRIED.

A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:

Councillor(s) For the Amendment:	Attie, Christou, Cummings, Elmore, Grove, Rahme, Sarkis, Zaiter and Zreika.
----------------------------------	---





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Councillor(s) Against the Amendment: Campbell, Garrard, Hamed, Huang,  
Lake and Saha.

The Amendment moved by Councillor Grove seconded by Councillor Elmore then became the motion.

The motion moved by Councillor Grove seconded by Councillor Elmore on being Put was declared CARRIED to become the resolution of Council (as shown in the amendment).

A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:

Councillor(s) For the Motion: Attie, Christou, Cummings, Elmore,  
Grove, Rahme, Sarkis, Zaiter and  
Zreika.

Councillor(s) Against the Motion: Campbell, Garrard, Hamed, Huang,  
Lake and Saha.

Councillor Christou left the Meeting at 7:26pm and returned to the Meeting at 7:28pm during the consideration of this item.

Councillor Rahme returned to the Meeting at 7:29pm during the consideration of this item.

Councillor Sarkis left the Meeting at 7:47pm and returned to the Meeting at 7:49pm during the consideration of this item.

---

## **ADJOURNMENT**

**8:34pm** The Mayor, Councillor Cummings adjourned the Meeting for a short recess.

**8:45pm** The Mayor, Councillor Cummings resumed the Meeting.

---

### **Min.424 C02/19-15 Request for Revised Gateway Determination - Planning Proposal for 264 Woodville Road, Merrylands**

**Note:** Councillor Zaiter exited the Chamber during the consideration of this item as he had declared a non-pecuniary significant interest in this item.

#### **Motion (Sarkis/Garrard)**

That Council:



1. Proceed with the following controls for the site, as outlined in the Gateway Determination (of 24 June 2016): B4 Mixed Use zone with a maximum building height of 31m and maximum FSR of 2:1 across the site;
2. Endorse an amended Planning Proposal as per recommendation 1 above, to forward to the Department of Planning and Environment, subject to the negotiation of a planning agreement to the satisfaction of Council prior to finalisation;
3. Amend the Development Control Plan (DCP) controls '4.1.12 Woodville Road Neighbourhood Centre Precinct' of the Parramatta DCP to reflect the amended proposal; and
4. Delegate to the General Manager authority to make minor non-policy corrections or formatting changes to the draft DCP controls prior to it coming into effect; and
5. Propose to rezone the subject land from B4 Mixed Use zone to B2 Local Centre zone and RE1 Public Recreation zone as part of the comprehensive Cumberland LEP, reflecting Council's strategic approach to the local centres hierarchy and objectives of the *Central City District Plan*.

**Amendment (Saha/Christou)**

That Council defer the consideration of this matter pending further information in relation to the alternate resolution proposed.

The Amendment moved by Councillor Saha seconded by Councillor Christou on being Put was declared LOST.

A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:

Councillor(s) For the Amendment:	Campbell, Christou, Elmore, Hamed, Huang, Lake and Saha.
----------------------------------	--

Councillor(s) Against the Amendment:	Attie, Cummings, Garrard, Grove, Rahme, Sarkis and Zreika.
--------------------------------------	--

The Motion moved by Councillor Sarkis seconded by Councillor Garrard on being Put was declared CARRIED on the casting vote of the Mayor to become the resolution of Council.

A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:

Councillor(s) For the Motion:	Attie, Cummings, Garrard, Grove, Rahme, Sarkis and Zreika.
-------------------------------	--

Councillor(s) Against the Motion:	Campbell, Christou, Elmore, Hamed, Huang, Lake and Saha.
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Councillor Rahme returned to the Meeting at 8:51pm during the consideration of this item.

Councillor Grove left the Meeting at 9:25pm and returned to the Meeting at 9:29pm during the consideration of this item.

---

**Min.425      Items by Exception**

**Resolved (Sarkis/Attie)**

At this time of the meeting, all items on the agenda not called for discussion were moved collectively, as shown:

That item numbers C02/19-12 and C02/19-16 be moved in bulk.

Councillor Zaiter returned to the Meeting for the consideration of this item.

Councillor Rahme left the Meeting at 9:37pm during the consideration of this item.

---

**Min.426      C02/19-12 Investment Report - January 2019**

**Resolved (Sarkis/Attie)**

That Council receive the January 2019 Investment Report.

---

**Min.427      C02/19-16 Tender Evaluation Report - Auburn Civic Centre Mechanical (Air Conditioning) Upgrade**

**Resolved (Sarkis/Attie)**

That Council:

1. Reject all tenders and invite fresh tenders for Tender T-2018-022 for the mechanical (air conditioning) upgrade at the Auburn Civic Centre in accordance with Clause 178(3)(b) of the *Local Government (General) Regulation 2005*.
2. Notify all tenderers of Council's resolution in (1) above.

---

**Min.428      C02/19-11 Quarter 2 Performance Report on the 2018/19 Operational Plan and Budget Review Statement**

**Note:** The Director Finance and Governance noted that an amendment had been made to the Attachment (Project Summary Report – Cumberland Swim Centre Modernisation) of the Council report. The amended version of the document is attached as Annexure A of the minutes.

---

**Resolved (Attie/Sarkis)**

That Council:

1. Receive the Quarter Two Performance Report on the Operational Plan 2018/19; and
2. Approve the revised estimates of income and expenditure for 2018/19 contained in the Quarterly Budget Review Statement.

Councillors Attie and Zaiter left the Meeting at 9:38pm and returned to the Meeting at 9:39pm during the consideration of this item.

Councillor Christou left the Meeting at 9:38pm and returned to the Meeting at 9:40pm during the consideration of this item.

---

**C02/19-12 Investment Report - January 2019**

This item was dealt with earlier in the meeting.

---

**Min.429 C02/19-13 Response to Notice of Motion - Childcare****Resolved (Campbell/Christou)**

That Council:

1. Receive and note the information contained in this report.
2. Expresses concern at proposed State government restrictions on Councils' discretion to refuse approval for Child Care Centres on a range of grounds including size, design, location, distribution and community needs which impact on the quality of premises and the amenity of residents.
3. Is particularly concerned that it will no longer be able to apply health and safety requirements such as the suitability of locations in the event of emergency evacuation or daily traffic flows.
4. Welcomes and endorses the staff submission to the Department of Planning and Environment advocating a range of improvements.

Councillor Huang left the Meeting at 9:44pm during the consideration of this item.

---

**C02/19-14 Planning Proposal Request - 300 Manchester Road, Auburn**

This item was dealt with earlier in the meeting.

---

**C02/19-15 Request for Revised Gateway Determination - Planning Proposal for 264 Woodville Road, Merrylands**

This item was dealt with earlier in the meeting.

---

**C02/19-16 Tender Evaluation Report - Auburn Civic Centre  
Mechanical (Air Conditioning) Upgrade**

This item was dealt with earlier in the meeting.

---

**Min.430 C02/19-17 Notice of Motion - Granville Heritage Precinct****Motion (Garrard/Hamed)**

That Council:

1. Seek a report on the establishment of a 'Granville Heritage Precinct' within the environs of the existing Granville Neighbourhoods, so as to acknowledge the preservation and interpretation of the heritage of the heritage representing the 19<sup>th</sup> and 20<sup>th</sup> century.
2. Further, that when considering any future use of the Granville Library, consideration be given to the establishment of a 'Heritage Centre' as an Annexure to the existing library system, acknowledging the extensive catalogue of data presently in the possession of the Granville Historical Society and others enabling a future benefit to the cultural tourism and family history study as desired by Cumberland residents.

**Amendment (Rahme/Zreika)**

That Council add the following point to the original motion (becoming point 3):

Consider the options for a multi-level carpark at the site or any other suitable sites within the Granville area, the costs associated and potential funding sources.

The Amendment moved by Councillor Rahme seconded by Councillor Zreika on being Put was declared LOST.

A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:

Councillor(s) For the Amendment:	Attie, Grove, Rahme, Sarkis and Zreika.
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Councillor(s) Against the Amendment:	Campbell, Christou, Cummings, Elmore, Garrard, Hamed, Huang, Lake and Saha.
--------------------------------------	---

The Motion moved by Councillor Garrard seconded by Councillor Hamed on being Put was declared CARRIED unanimously.

Councillor Huang returned to the Meeting at 9:46pm during the consideration of this item.

Councillor Rahme returned to the Meeting at 9:52pm during the consideration of this item.

---

The Mayor, Councillor Cummings closed the meeting at 10:20pm.

Chairperson \_\_\_\_\_ General Manager \_\_\_\_\_



## ANNEXURE A

### Project Summary Report – Cumberland Swim Centre Modernisation

#### Construction Commencement Date Forecast:

- Wentworthville: September 2019
- Guildford: February 2020

#### Estimated "Practical Completion" Date Forecast:

- Wentworthville: December 2020
- Guildford: May 2021

Total Project Budget (Includes Design, Authority Fee and Construction): \$17,900,000- Guildford - \$8,950,000  
Wentworthville - \$8,950,000

Main Contractor: TBC

Project Status: 24 January 2019

#### Project Background and Scope

The Cumberland Council Swim Centre Modernisation has been under consideration for some time. The pools considered under this program are Guildford, Wentworthville, Granville & Merrylands. The modernisation and upgrades of the pools is strongly influenced by the Community Consultation. The upgrades of the pools are to address statutory requirements such as water quality and disability access. The modernisation of the pools will be addressed by the inclusion of facilities to better serve the current and future needs of the community.

The current approach is to focus on Guildford and Wentworthville Swim Centres as priorities. The design components of Merrylands and Granville are currently on hold, however, in the case of Granville, future design components are being developed in conjunction with, the adjoining development of the Granville Multipurpose Centre.

#### Project Status

Design consultants have been engaged and 80% Design Documentation is being produced for Guildford and Wentworthville. Additional consultation has been undertaken with the broader community. A pre Development Application meeting with Council's development section was conducted for Wentworthville and Guildford. Documentation for Wentworthville is being prepared in accordance with the requirements of the planning requirements (Infrastructure SEPP) for submission in late February, 2019. Documentation for Guildford is ongoing, awaiting confirmation from Council as to the approval process. Following the approval of Construction Certificates, tenders for the works will be requested.

#### Budget Summary

The total project budget for this project is \$17.9M. (All figures below exclude GST).

To date total spend on this project totals \$516,565. The commitments of \$424,394 include works by consultants.

A breakdown of the project expenditure is in the following table (note all figures exclude GST):

Project Description	Actual 31 December 2018	Commitments	Approved budget	Proposed Q2 budget	Variance
Guildford Swim Centre Upgrade	403,953	284,431	8,950,000	1,000,000	8,261,616
Wentworthville Swim Centre Modernisation	112,612	139,963	8,950,000	1,500,000	8,697,425
Total	516,565	424,394	17,900,000	2,500,000	16,959,041



**DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-175**

**Attachment 7  
Planning Proposal (March 2019)**





# PLANNING PROPOSAL

## Woodville Road, Merrylands

(244 and 246-264 Woodville Road, 2-4, 6, 8-8A, 10-12 and 14-16 Lansdowne Street, and 19 Highland Street, Merrylands)

**March 2019**

**Document History**

Proponent versions:

No.	Author	Version
1.	Knight Frank Town Planning	May 2015
2.	Knight Frank Town Planning	October 2015
3.	Knight Frank Town Planning	August 2016

Parramatta City Council versions:

No.	Author	Version
1.	Parramatta City Council	7 December 2015 - Council Meeting recommending Gateway Determination

Cumberland Council versions:

No.	Author	Version
1.	Cumberland Council	16 August 2017 – amended post-Gateway Determination
2.	Cumberland Council	3 July 2018 – amended post-exhibition to reflect evolution of Planning Proposal
3.	Cumberland Council	13 March 2019 – amended post 20 February 2019 Council resolution to revert to the planning controls outlined in the Gateway Determination of 24 June 2016

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## INTRODUCTION

This Planning Proposal explains the intended effect of, and justification for, the proposed amendment to the *Parramatta Local Environmental Plan 2011 (Parramatta LEP 2011)*. It has been prepared in accordance with Section 55 of the *Environmental Planning and Assessment Act 1979* and the Department of Planning and Environment guides, *Local Environmental Plans - a guide to preparing local environment plans* (December 2018) and *Planning Proposals - a guide to preparing planning proposals* (December 2018).

## Background

On 26 May 2015, Parramatta City Council received a planning proposal request and supporting documents from Knight Frank Town Planning on behalf of landowners, affecting land at 246-264 Woodville Road, 2-4, 8-8A and 14-16 Lansdowne Street, and 19 Highland Street, Merrylands.

244 Woodville Road and 6, 10 and 12 Lansdowne Street, Merrylands were added to the Planning Proposal site as per the Gateway Determination (issued in 2016).

The total site area of the Planning Proposal is approximately 2.84 ha in size. A list of relevant lot and deposited plan numbers (the Site) are included in Table 1 below:

**Table 1 – Lot and Deposited Plan Numbers**

Property Address	Lot and Deposited Plan
248 Woodville Road	Lot 2 DP 204284
256 Woodville Road	Lots 4-7 DP 128586 & Lot 1 DP 433824
258-264 Woodville Road	Lot 2581 DP 803841 & Lot 1 DP 382912
19 Highland Street	Lot F DP 382911
6 Lansdowne Street	Lot B DP 409259
8 Lansdowne Street	Lot F DP364338 & Lot 2 DP 385967
10 Lansdowne Street	Lot D DP 364338
12 Lansdowne Street	Lot C DP 364338
14 Lansdowne Street	Lot A DP 344408
16 Lansdowne Street	Lot 81 DP 128805
8A Lansdowne Street	Lot 1 DP 385967
244 Woodville Road	Lot A DP 379850
246 Woodville Road	Lot B & C DP 379850
2 Lansdowne Street	Lot 1 DP 204284 & Lot A DP 418199
4 Lansdowne Street	Lot A DP 409259

The existing Site comprises a freestanding warehouse building, which previously contained a furniture retailer (John Cootes) and several single residential dwellings. The Site, as it fronts Woodville Road, is part of a low scale informal strip centre development.





Figure 1 – Location of the Planning Proposal Site

## Current Controls and Context

Under the *Parramatta LEP 2011*, the Site:

- is zoned part *B6 Enterprise Corridor* and part *R2 Low Density Residential* (refer to **Figure 6** in Part 4 - Mapping);
- has a maximum building height of part 12m (4 storeys) and part 9m (3 storeys) (refer to **Figure 7** in Part 4 - Mapping); and
- has a maximum floor space ratio (FSR) of part 1.5:1 and part 0.5:1 (refer to **Figure 8** in Part 4 - Mapping).

The land surrounding the Site is subject to the *Parramatta LEP 2011* and, as illustrated in Figures 6-8, includes:

- detached dwellings on Lansdowne Street and Highland Street zoned *R2 Low Density Residential* with a maximum FSR of 0.5:1 and a building height of 9m;
- detached dwellings and two 4 storey mixed use buildings directly opposite the land at 237 and 249 – 253 Woodville Road, zoned *R2 Low Density Residential* and with a maximum FSR of 0.5:1 and building height of 9m;
- a service station and fast food retailing to the south with a common boundary to the Site, zoned *B6 Enterprise Corridor* with a maximum FSR of 1.5:1 and building height of 12m; and
- Granville South Public School to the south with a common boundary to the Site, which is classified as a General Heritage Item (Item 1243) and is zoned part *B6 Enterprise Corridor* with a maximum FSR of 1.5:1 and height of 12m, and part zoned *R2 Low Density Residential* with a maximum FSR of 0.5:1 and building height of 9m.

## PART 1 - OBJECTIVES OR INTENDED OUTCOMES

The Planning Proposal seeks to amend the *Parramatta LEP 2011* to facilitate the future re-development of the Site for mixed use purposes comprising retail, residential, community, and recreation uses. Specific objectives and outcomes of the Planning Proposal are:

- to facilitate the development of the Site as a new mixed-use neighbourhood centre and in doing so, become a catalyst for further urban renewal along the Woodville Road corridor.
- improved accessibility via the proposed new streets to be located within the Site connecting to Woodville Road, Highland Street and Lansdowne Street.
- ensure the future built form and scale of development respects the surrounding built context and users (both existing and future).

## PART 2 - EXPLANATION OF PROVISIONS

This Planning Proposal seeks to amend the *Parramatta LEP 2011* in relation to the zone, height and floor space ratio (FSR) controls.

In order to achieve the desired objectives, the following amendments to the *Parramatta LEP 2011* are proposed:

1. Amend the zoning in the **Land Zoning Map** (Sheet LZN\_006 and Sheet LZN\_011) from part *B6 Enterprise Corridor* and part *R2 Low Density Residential* to *B4 Mixed Use*, as shown in **Figure 11** (in Part 4) of this Planning Proposal.
2. Amend the maximum building height in the **Height of Buildings Map** (Sheet HOB\_006 and Sheet HOB\_011) from part 9 metres and 12 metres to a maximum of 31 metres across the Site, as shown **Figure 12** (in Part 4) of this Planning Proposal.
3. Amend the maximum FSR in the **Floor Space Ratio Map** (Sheet FSR\_006 and Sheet FSR\_011) from part 0.5:1 and part 1.5:1 to 2:1 across the Site, as shown in **Figure 13** (in Part 4) of this Planning Proposal.
4. Introduce a site-specific provision to exclude gross floor area (GFA) for wintergardens from the calculation of FSRs for apartments fronting Woodville Road. This is proposed through the addition of a new clause 6.13 to the *Parramatta LEP 2011*.

The above proposed amendments would need to be legally drafted and included within the *Parramatta LEP 2011*.

### Gateway Determination

The NSW Department of Planning and Environment (DPE) issued a Gateway Determination on 24 June 2016 to progress the Planning Proposal, with certain amendments, and exhibit it (See Attachment 1 for the Gateway Determination).

The Gateway Determination required properties in other ownerships and which would otherwise be isolated as a result of the Planning Proposal to be included in the Planning Proposal, being 244 Woodville Road and 6, 10 and 12 Lansdowne Street, Merrylands. The Planning Proposal has been altered to incorporate these properties, and now affects land at 244 and 246-264 Woodville Road, 2-4, 6, 8-8a, 10-12 and 14-16 Lansdowne Street, and 19 Highland Street, Merrylands. The Site (revised) is shown in Figure 1 (previous pages).

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The Gateway Determination specifically required the Planning Proposal to address height transitions between the Site and the lower scale surrounding areas. This was addressed via a site-specific draft *Woodville Road Neighbourhood Centre Precinct Development Control Plan* (draft DCP), which was prepared for inclusion under Part 4 of the *Parramatta Development Control Plan 2011 (Parramatta DCP 2011)* to provide detailed development principles and controls for achieving height transitions. This draft DCP is currently being amended.

The Planning Proposal, originally prepared by Knight Frank Town Planning on behalf of Wiltex Pty Ltd (the Proponent), was amended by Cumberland Council to reflect the requirements of the Gateway Determination and to rectify minor drafting issues.

The Planning Proposal was exhibited from 15 January 2018 to 1 March 2018, in accordance with the Gateway Determination.

The Planning Proposal was further amended after the post-Gateway exhibition, in response to issues raised and further analysis.

An extension to the Gateway Determination timeframe was provided extending the date for completion to 1 July 2018.

The assessment of the planning proposal request, including consideration of submissions, along with the Planning Proposal and associated draft DCP for the Site was reported to Council on 18 July 2018. At that meeting, Council resolved to amend the Planning Proposal to:

- B2 Local Centre zone with a maximum height of 31m and maximum FSR of 2.4:1 at the front of the Site; and
- R4 High Density Residential zone with a reduced maximum height 24m and reduced maximum FSR of 1.5:1 at the rear of the Site.

A further extension was sought in late June 2018 to enable the finalisation of the Planning Proposal and an extension was provided to 1 October 2018.

The Site was sold in mid-2018 and the Proponent submitted a revised planning statement (Attachment 2), revised architectural concept drawings (Attachment 3), a social impact assessment (Attachment 4), and a revised economic impact assessment (Attachment 5) to Council on 24 December 2018 requesting Council to support the original Gateway Determination for a proposed B4 Mixed Use Zone, FSR of 2:1, and height of building control of 31 metres across the Site.

Council at its 20 February 2019 meeting resolved to proceed with controls for the Site, as outlined in the Gateway Determination; and to forward the Planning Proposal to the DPE, subject to the negotiation of a planning agreement to the satisfaction of Council prior to finalisation. Council also resolved to amend the draft DCP controls '4.1.12 Woodville Road Neighbourhood Centre Precinct' of the *Parramatta DCP 2011* to reflect the amended Planning Proposal. These amendments are currently being made.

This Planning Proposal has therefore been amended to reflect the 20 February 2019 Council resolution.



An extension has been sought on 4 March 2019 requesting an alteration of the Gateway Determination with a revised timeframe of 30 September 2019 to finalise the Planning Proposal.

## 2.1 Other relevant matters

### 2.1.1 Development Control Plan

A draft DCP has been prepared and is currently being amended to provide detailed development controls required to manage the development of the land. The draft DCP includes objectives and provisions to:

- achieve building height transitions between the Site and adjoining low scale residential development on Lansdowne Street and Highland Street;
- guide the future character of the neighbourhood precinct and the relationship to Woodville Road and the adjoining School;
- encourage a vibrant retail centre;
- ensure high quality public open space; and
- provide safe and efficient pedestrian and vehicular access to, from and through the Site.

### 2.1.2 Voluntary Planning Agreement

The Proponent has provided a preliminary letter of offer to enter into a voluntary planning agreement (VPA) (Attachment 6). The terms of agreement have not yet been agreed upon. Once the terms of agreement have been finalised, a draft VPA will be exhibited.

## PART 3 - JUSTIFICATION

This part describes the reasons for the proposed outcomes and development standards in the Planning Proposal.

### 3.1 Section A - Need for the Planning Proposal

This section establishes the need for the Planning Proposal in achieving the key outcomes and objectives.

#### 3.1.1 Is the Planning Proposal a result of any study or report?

The *Woodville Road Urban Design Study* (Woodville Road Study) was prepared by Parramatta City Council in November 2014. The *Draft Woodville Road Strategy* was prepared, based on this study, by Parramatta City Council in late 2015. The Site has been the subject of detailed testing in both these documents to determine the most appropriate land use and built outcomes. Both documents identified the Site as being appropriate and ideally located for a mixed use neighbourhood centre.

The *Draft Woodville Road Strategy* was exhibited by Parramatta City Council from 24 February 2016 to 25 March 2016. It was not adopted, however, due to Council amalgamations in May 2016. The Planning Proposal was lodged after the completion of the *Woodville Road Study* in May 2015.

#### 3.1.2 Is the Planning Proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Consideration has been given to achieving the intended outcomes of the Planning Proposal by awaiting the next Council or local government area wide review of the *Parramatta LEP 2011*

or the preparation of the Cumberland LEP. However, given that this planning proposal request was lodged in 2015, and the comprehensive Cumberland LEP will not be completed until at least mid-2020, a Planning Proposal accompanied by a site-specific DCP is considered the most effective means of achieving the intended outcomes.

Another alternative considered was to seek a variation to the current FSR and building height development standards under clause 4.6 of the *Parramatta LEP 2011*. However, the level of FSR and height variation being sought is considered too significant for approval via the development application process under clause 4.6.

The Planning Proposal is, therefore, considered the best means of achieving the intended objectives for the Site as the current zoning or principal development standards neither permit the type, nor extent of development envisaged for the Site under this Planning Proposal.

### **3.2 Section B - Relationship to strategic planning framework**

This section assesses the relevance of the Planning Proposal to the directions outlined in key strategic planning policy documents.

#### **3.2.1 Is the Planning Proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy?**

##### ***Greater Sydney Region Plan: A Metropolis of Three Cities***

The recently released *Greater Sydney Region Plan: A Metropolis of Three Cities* provides direction for Sydney's liveability, productivity, and sustainability, and for the location of housing, employment, infrastructure and open space. The plan identifies a housing target across Sydney of 725 000 new homes by 2036 and sets out a new plan for the city's future over the next two decades.

The plan aims to align infrastructure and growth to restructure economic activity and access across the three cities that will make up Greater Sydney. Cumberland is within the Central River City, which will have Parramatta as a Central Business District.

The Planning Proposal will enable a mixed use neighbourhood centre, comprising approximately 250 dwellings, approximately 25,000 m<sup>2</sup> of retail, commercial and recreational uses, and a Public Park. Accordingly, the Planning Proposal is consistent with a number of key objectives and actions contained in the strategy, being:

- Objective 10 – Greater housing supply
- Objective 12 – Create great places that bring people together
- Objective 22 – Investment and business activity in centres
- Objective 30 – Urban tree canopy cover is increased
- Objective 31 – Public open space is accessible, protected and enhanced

##### ***Our Greater Sydney 2056: Central City District Plan***

The *Our Greater Sydney 2056: Central City District Plan* promotes the provision of housing and employment in areas with easy access to transport and other services. The Planning Proposal is considered to specifically address four key priorities for the Central City District, as discussed in Table 2:

**Table 2 – Consistency with the Central City District Plan**

Planning Priorities	Consistency
Providing housing supply, choice and affordability, with access to jobs, services and public transport (Planning Priority C5)	The Planning Proposal is expected to provide a diversity of housing choice with mainly 1, 2 and 3 bedroom units. The Planning Proposal would potentially yield approximately 250 dwellings, significantly increasing the diversity of housing choice in the immediate area, all within close proximity to bus services and the new neighbourhood centre.
Creating and renewing great places and local centres, and respecting the District's heritage (Planning Priority C6)	<p>The <i>Woodville Road Urban Design Study</i> reviewed the existing land use pattern and built form of the corridor, identified strategic opportunities and constraints, and recommended future development options and built forms. The study identifies the subject land as being a key site for a mixed use centre due to its location and ability to fill the 'gap' between the catchments of the Merrylands and Guildford centres. The <i>Draft Woodville Road Strategy</i> anticipates that development of the Site would act as a catalyst for the renewal of the Woodville Road corridor.</p> <p>The proposed redevelopment would renew a currently underutilised site into a mixed use neighbourhood centre focused around a new Public Park and new streets, and would diversify housing choice. This would yield significant amenity improvements for the immediate population and the Woodville Road corridor more generally.</p> <p>A large format supermarket is anticipated, which would act as the primary anchor for the provision of new retail facilities.</p>
Increasing urban tree canopy cover and delivering Green Grid connections (Planning Priority C16)	A deep soil setback of 10m along Woodville Road and the proposed planting of trees within the setback would increase urban tree canopy cover and improve amenity.
Delivering high quality open space (Planning Priority C17)	New road works with landscaped streets, as part of the proposed development, would result in good pedestrian connectivity and access to the proposed Public Park of at least 2000 m <sup>2</sup> . This would ensure new residents in the development have good access to public open space and would improve access to public open space for existing residents in the area.

### ***Draft Centres Policy***

The *NSW Government's Draft Centres Policy - Planning for Retail and Commercial Development* was released as a consultation draft in April 2009 to provide a planning framework for the development of new and existing retail and commercial centres in NSW. Whilst the draft policy has not been formally adopted by Government, it does provide a useful indicator or measure of desirable planning outcomes against which to assess aspects of the Planning Proposal. The Planning Proposal is considered to specifically address a number of the principles embodied in the policy, as outlined in Table 3:

**Table 3 – Consistency with the Draft Centres Policy**

Principles	Consistency
Principle 1 – Retail and commercial activity should be located in centres to ensure the most efficient use of transport and other	The Planning Proposal meets the principle of reducing car journeys through the co-location of residential, retail and commercial development, with other social and community facilities in one location.



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infrastructure, proximity to labour markets, and to improve the amenity and liveability of those centres.	The Planning Proposal provides a focal point for the community through the provision of public open space and retail services.
Principle 2 – The planning system should be flexible enough to enable centres to grow, and new centres to form.	<p>The policy notes that where it is not possible to accommodate growth in existing centres, or where there is significant market demand, new centres will need to be identified and land zoned to permit retail and commercial development and that some lower-order centres might expand and take on greater importance at the expense of others, or new centres may form and compete with more established centres.</p> <p>The subject land is a key site for a small mixed use centre due to its location and ability to fill the 'gap' between the catchments of the Merrylands and Guildford centres. The site has potential to act as a catalyst for the renewal of the Woodville Road corridor.</p>
Principle 6 – Retail and commercial development should be well designed to ensure it contributes to the amenity, accessibility, urban context and sustainability of centres.	The <i>Draft Woodville Road Strategy</i> attempts to stimulate economic renewal and investment in the area while delivering an appropriate transition to the adjoining residential areas. It determines the most appropriate land use pattern for this corridor and aims to create a neighbourhood centre at the Site, which will act as a catalyst for the renewal of the Woodville Road corridor.

### **3.2.2 Is the Planning Proposal consistent with the local council's Community Strategic Plan or other local strategic plan?**

#### ***Cumberland Community Strategic Plan 2017 - 2027***

The *Cumberland Community Strategic Plan 2017- 2027* was adopted by Cumberland Council in June 2017 and is a 10 year plan for the future growth and development of Cumberland. Based on extensive community engagement, this plan identifies six strategic goals for Cumberland, being:

- Strategic Goal 1 – A great place to live
- Strategic Goal 2 – A safe accessible community
- Strategic Goal 3 – A clean and green community
- Strategic Goal 4 – A strong local economy
- Strategic Goal 5 – A resilient built environment
- Strategic Goal 6 – Transparent and accountable leadership

This Planning Proposal is broadly consistent with goals 1, 2, 3, 4 and 5 in that it will:

- provide residential development within a planned neighbourhood centre.
- provide for a greater diversity and mix of housing types than is currently permitted under the R2 and B6 zoning.
- provide for improved amenity and accessibility via provision of a new Public Park, landscaped streetscapes, and improved pedestrian connections.
- ensure the development of the Site provides some benefits for the community and is part of a wider strategic vision for Woodville Road.

### ***Draft Woodville Road Strategy 2015***

The *Woodville Road Study 2014* and the *Draft Woodville Road Strategy 2015* represent Parramatta City Council's investigations and consideration of potential future redevelopment along Woodville Road.

The *Woodville Road Study 2014* reviewed the existing land use pattern and built form of the corridor, identified strategic opportunities and constraints and recommended future development options and built forms. It identifies the subject land as being a key site for a mixed use centre due to its location and ability to fill the 'gap' between the catchments of the Merrylands and Guildford centres.



**Figure 2 – Location of Site within the Draft Woodville Road Strategy 2015**

The objective of the *Draft Woodville Road Strategy 2015* was to provide new development opportunities that balance the need to provide new housing and to revitalise Woodville Road. The *Draft Woodville Road Strategy 2015* recommends changes to the land zoning, height and FSR controls for the majority of properties fronting Woodville Road, two development nodes at the intersection of Merrylands Road/Woodville Road and Guildford Road/Woodville Road, and the Site as a potential neighbourhood centre (Figure 2). Five strategic objectives were identified by the *Draft Woodville Road Strategy 2015*, being:

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- Strategic Objective 1 – Creating a new neighbourhood centre
- Strategic Objective 2 – Enhancing connections to established centres
- Strategic Objective 3 – Design quality
- Strategic Objective 4 – Provide new housing
- Strategic Objective 5 – Managing Woodville Road as a key transport route

The need for a new neighbourhood centre corresponded with the Site being a significant landholding (2.6 ha) under single ownership. This provided Parramatta City Council an opportunity to masterplan a significant portion of the corridor to create a new centre without the need for amalgamation, which is the site for this Planning Proposal. The *Draft Woodville Road Strategy 2015* proposed the Site to be zoned *B4 Mixed Use* with an FSR of 2.25:1 and a height of 3 – 9 storeys.

The *Draft Woodville Road Strategy 2015* was reported to Parramatta City Council at its meeting of 23 November 2015. Both the Council report and the draft Strategy itself acknowledge this Planning Proposal. The report detailed the status of this Planning Proposal and indicated that the Planning Proposal would involve a more detailed site specific assessment of the capability of this Site.

As the *Draft Woodville Road Strategy* was not adopted by Parramatta City Council (due to Council amalgamations in May 2016), the planning controls applicable to Woodville Road are those that are currently contained in the *Parramatta LEP 2011*.

### 3.2.3 Is the Planning Proposal consistent with the applicable State Environmental Planning Policies?

An assessment of the Planning Proposal against relevant State Environmental Planning Policies (SEPPs) to the Site and proposed development is provided in Table 4 below.

**Table 4 – Consistency with State Environmental Planning Policies**

State Environmental Planning Policy (SEPP)/Deemed SEPPs	Consistent		N/A	Comment
	Yes	No		
SEPP No.55 - Remediation of Land	✓			The Site is currently zoned for urban purposes, being <i>B6 Enterprise Corridor</i> and <i>R2 Low Density Residential</i> . A limited environmental and hazardous materials assessment was undertaken in June 2014 for the majority of the Site. As the report did not indicate whether the land is suitable, or will be suitable, after remediation for residential use, an Environmental Site Investigation was undertaken to further assess the environmental risk and potential liabilities posed by the Site in March 2016. A review of both documents indicates that the land could be made suitable for residential uses after remediation. Controls have been placed in the draft DCP to require a remedial action plan to be submitted to Council for assessment and comment prior to the determination of the development application (DA).

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SEPP No.64 Advertising and Signage			✓	To be considered at DA stage, if required.
SEPP No.65 Design Quality of Residential Flat Development	✓			Compliance requirements considered at a higher level during the assessment of the Planning Proposal. Detailed compliance with the SEPP to be demonstrated at the time of making a DA for the Site's redevelopment.
SEPP (Affordable Rental Housing) 2009			✓	To be considered at DA stage, if required.
SEPP (Housing for Seniors or People with a Disability) 2004			✓	To be considered at DA stage, if required.
SEPP (BASIX) 2004			✓	Detailed compliance with BASIX requirements of the SEPP to be demonstrated at DA stage.
SEPP (Exempt and Complying Development Codes) 2008			✓	The SEPP may apply to future development of the Site.
SEPP (Infrastructure) 2007	✓			It is noted that any proposal/DA for the Site will require referral to the Roads & Maritime Services (RMS) in accordance with clause 104 (Traffic Generating Development) of the SEPP given its proximity to a classified road, being Woodville Road.
SEPP (State and Regional Development) 2011	✓			The future re-development of the Site may be deemed 'regional development' as the capital investment value is likely to be over \$30 million. To be determined at DA stage.
SEPP (Vegetation in Non-Rural Areas) 2017			✓	The number of trees on the Site is not substantial. Any proposed removal will be assessed at DA stage.
Sydney Harbour Catchment Regional Environmental Plan 2005			✓	The water quality of the catchment would be ensured through storm water controls in the <i>Parramatta DCP 2011</i> .

### 3.2.4 Is the Planning Proposal consistent with applicable Ministerial Directions (s.9.1 directions)?

The Planning Proposal is generally consistent with the relevant Section 9.1 Ministerial Directions in that it achieves and/or gives effect to the principles, aims, objectives or policies set out in the directions. Table 5 addresses the relevant directions.

**Table 5 – Consistency with s.9.1 Ministerial Directions**

Ministerial Directions – Summary	Consistency
<b>1. Employment and Resources</b>	
1.1 Business and Industrial Zones	This direction applies to the Planning Proposal as it will affect land within an existing business zone. The Planning Proposal is considered to be consistent with this direction as the proposed zone and FSR controls would enable a higher



	<p>potential employment generating floor space than under current planning controls.</p> <p>As per the Hill PDA <i>Woodville Road, Merrylands Economic Assessment</i> (Dec 2018) submitted by the Proponent, the proposed development is expected to:</p> <ul style="list-style-type: none"> <li>• result in employment growth through a net increase of 804 jobs on site (consistent with objective 1a); and</li> <li>• result in a potential gain in floor space for employment uses (consistent with objective 1b).</li> </ul> <p>Although the development would result in a net loss in land zoned B6 for bulky goods employment, it would lead to an increase in employment generating uses through the retail and commercial component incorporated into the mixed use development to be zoned <i>B4 Mixed Use</i>. As per the economic assessment, the proposed development is also expected to generate +323 construction job years directly.</p> <p>The proposed rezoning would result in a potential gain in floor space for employment uses. With the Site currently vacant, the development proposes to include more than 8900 m<sup>2</sup> retail space anchored by a 4000 m<sup>2</sup> large format supermarket.</p>
<b>2. Environment and Heritage</b>	
2.1 Environmental Protection Zones	<p>The Site and surrounds are not zoned for environmental protection purposes nor are they identified as such in the <i>Parramatta LEP 2011</i>. The area is not currently identified on Council's LEP maps relating to Riparian Lands &amp; Waterways, Landslide Risk and Biodiversity. Accordingly, the environmental attributes of the Site are not considered significant enough so as to warrant the inclusion of site-specific provisions that facilitate the protection of any sensitive areas.</p>
2.3 Heritage Conservation	<p>The Site is not heritage listed. The future re-development of the Site at the suggested densities is not considered to have any adverse impacts upon the heritage listed buildings located within the Granville South Public School site. These buildings are along the Woodville Road frontage and are separated visually from the Site by a 7/11 service station, convenience store and a number of retail food outlets.</p>
<b>3. Housing, Infrastructure and Urban Development</b>	
3.1 Residential Zones	<p>This Direction applies to the Planning Proposal as it affects land within a zone where significant residential development is proposed.</p> <p>Part of the Site is already zoned for residential purposes. However, the Planning Proposal would achieve and promote many of the requirements contained in this direction (4a-d, 5a-5b), as follows:</p> <ul style="list-style-type: none"> <li>• The Planning Proposal would broaden the current choice of building types in the local area/market. It would provide in the order of 250 residential dwellings comprising 1, 2 and 3 bedroom units.</li> <li>• The Planning Proposal is expected to make efficient use of existing infrastructure and services, particularly in terms of sewer and water with any necessary Site amplifications to be investigated at DA stage.</li> <li>• In terms of access, the Site is within walking distance of local bus (&lt;100m) and cycle distance to rail services (1.7 km to Merrylands Train Station and 1.8 km to Guildford Train Station) and can be accessed via the adjacent major arterial road corridor.</li> <li>• The Site and surrounding residential areas including Woodville Road, Lansdowne Street and Highland Street are already serviced with sewer, water, power supply and telecommunications. This matter would be considered in greater technical detail at DA stage.</li> </ul>

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	<ul style="list-style-type: none"> <li>The Planning Proposal seeks to increase the permissible density over the subject land (not decrease it) and is therefore consistent with Direction 3.1.</li> </ul>
1.4 Integrating Land Use and Transport	<p>This direction applies to planning proposals that will create, alter or remove a zone or a provision relating to urban land, including land zoned for residential, business, industrial, village or tourist purposes.</p> <p>A Planning Proposal must locate zones for urban purposes and include provisions that give effect to and are consistent with the aims, objectives and principles of:</p> <ul style="list-style-type: none"> <li><i>Improving Transport Choice – Guidelines for Planning and Development</i> (DUAP 2001), and</li> <li><i>The Right Place for Business and Services – Planning Policy</i> (DUAP 2001).</li> </ul> <p>The Site has limited public transport connectivity and is considered to be somewhat inconsistent with this direction. It is located outside the reasonable walking catchment (800m) to the nearest train stations at Merrylands (1.7 km walking distance) and Guildford (1.8 km walking distance). However, the Site is within 100 metres of a bus stop, with one bus service running along Woodville Road between Parramatta and Bankstown 7 days per week, generally at 30 minute intervals.</p> <p>The <i>Draft Woodville Road Strategy</i> recognises the potential for the area to provide an increase in housing choice in an infill area in close proximity to a number of local centres. The aim of the strategy is to create a neighbourhood centre at the Site, which is expected to act as a potential catalyst for the renewal of the Woodville Road corridor.</p> <p>Due to the availability of current transport options, the strategic importance of the Site to the renewal of the Woodville Road corridor and the Site being ideally located to take advantage of any future transport enhancements, it is considered that any inconsistency with this Direction is of minor significance. The Gateway Determination also concurred that this inconsistency is of a minor significance.</p>
<b>4. Hazard and Risk</b>	
4.1 Acid Sulphate Soils	<p>This Planning Proposal is considered to be inconsistent with this direction as an acid sulfate soils study, required when an intensification of land uses is proposed, has not been prepared. This inconsistency is considered to be of minor significance given that:</p> <ul style="list-style-type: none"> <li>The Site is subject to a Class 5 Acid Sulfate Soils classification; and</li> <li>The matter will be further considered at DA stage under clause 6.1 of the <i>Parramatta LEP 2011</i>.</li> </ul>
4.3 Flood Prone Land	The Site is not known to be flood affected.
4.4 Planning for Bushfire Protection	The Site does not adjoin bushland, nor is it known to be adversely affected by bushfire hazards.
<b>6. Local Plan Making</b>	
6.1 Approval and Referral Requirements	The Planning Proposal does not propose any such provisions listed in Direction 6.1.
6.2 Reserving Land for Public Purposes	No new reservations are proposed, nor are they proposed to be reduced by the Planning Proposal. However, the proposed intersection design at Lansdowne Street and the widening of Woodville Road to accommodate an additional lane



	<p>would require a widening of the road reservation. This would become the subject of future discussion and assessment by both Council and the RMS.</p> <p>The Park is proposed to be dedicated to Council as part of a VPA and will not be identified on the Land Reservation Acquisition Map.</p>
6.3 Site Specific Provisions	<p>The Planning Proposal proposes the introduction of a site-specific clause to exclude wintergardens in apartments fronting Woodville Road from being included in the calculation of Gross Floor Area. Overuse of this provision would be addressed by ensuring that the area of the wintergarden to be excluded from the calculation of FSR is equal to the minimum balcony area required under the <i>Parramatta 2011</i> controls.</p> <p>As the inclusion of a wintergarden component in the Planning Proposal is considered to be advantageous to address air quality issues along Woodville Road, it is considered that the use of a site-specific clause can be justified in this instance as of minor significance.</p>

### **3.3 Section C - Environmental, social and economic impact**

This section considers the potential environmental, social and economic impacts which may result from the Planning Proposal.

#### **3.3.1 Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the Proposal?**

The Site is not known to include any such species, populations or ecological communities or their habitats. The land is already zoned for urban purposes and is located within a well-established urbanised area of the Woodville Road corridor. The Site is largely devoid of vegetation (tree cover). These matters can, if required, be addressed further at the DA stage.

#### **3.3.2 Are there any other likely environmental effects as a result of the Planning Proposal and how are they proposed to be managed?**

The Planning Proposal has considered various likely environmental effects such as heritage, contamination, construction and noise impacts, flooding, and water and energy use.

##### ***Heritage***

The Site is not heritage listed but is located next to the Granville South Public School, which is a heritage item. The future re-development of the Site at the suggested densities is not considered to have any adverse impacts upon the listed buildings located within the Granville South Public School site. These buildings occur along the Woodville Road frontage and are separated visually from the Site by a 7/11 service station, convenience store and a number of retail food outlets.

##### ***Contamination***

There are reasonable grounds to believe that the Site may be contaminated, due to its industrial history and condition as described in the environmental and hazardous materials study provided by the Proponent. A further Environmental Site Investigation was undertaken by the Proponent to characterise potential contamination and assess environmental risk. A review of both documents indicates that the land could be made suitable for residential uses after remediation. The draft DCP includes controls to require a remedial action plan to be submitted to Council for assessment prior to the determination of any future DAs.

***Construction and Noise Impacts***

Concerns have been raised by the NSW Department of Education and the Granville South Public School P&C in regards to potential construction impacts and disruption due to noise, dust and traffic during the construction of the proposed development. Controls on contamination, air quality, and noise and vibration have been included in the draft DCP. It is also anticipated that Construction Management Plans would be developed in consultation with the School as part of the DA process to ensure demolition and construction activities have minimal impact on students, parents and staff.

Development facing Woodville Road is likely to be affected by noise and air pollution due to the high volume of traffic along the Woodville Road corridor. Controls have been included in the draft DCP for development facing Woodville Road to ensure adequate air quality and noise abatement measures. A 10m setback along Woodville Road with the planting of trees and shrubs within this setback and an upper-level setback of 6m is also expected to improve the amenity of the Woodville Road corridor for both residents and the wider community.

***Flooding, Water and Energy Use***

The Site is not flood affected. Water and energy use would be considered under BASIX and at the DA stage.

**3.3.3 How has the Planning Proposal adequately addressed any social and economic effects?*****Social Impacts***

The Planning Proposal is expected to have a positive social effect, particularly in its efficient utilisation of existing infrastructure and services. It will take advantage of its strategic position within the wider Woodville Road renewal corridor and in the planned creation of a neighbourhood centre function within the Site, comprising a range of convenience retailing and community infrastructure.

The proposed rezoning would result in the following community benefits:

- Creation of local employment opportunities, with a projected 323 jobs created during construction, and a further 804 when operational.
- Provision of a 2000m<sup>2</sup> Central Park along Highland Street surrounded by active uses and connected to the new development by streets internal to the Site.
- Potential provision of a mix of dwelling types to cater for different age and income groups in Cumberland, including housing suited to smaller households.
- Provision of over 8000m<sup>2</sup> of retail outlets anchored by a large format supermarket, widening the retail offer for residents and the neighbouring community.
- Reduced car trips by providing increased population density within walking proximity to a bus stop, school and planned neighbourhood retail centre.
- A 10m deep soil setback along Woodville Road with the planting of trees and shrubs within this setback to green the corridor.
- A neighbourhood centre with a complementary mix of uses located close to amenities and services will create opportunities for both formal and informal social/community interaction, thereby strengthening overall community resilience and cohesion.

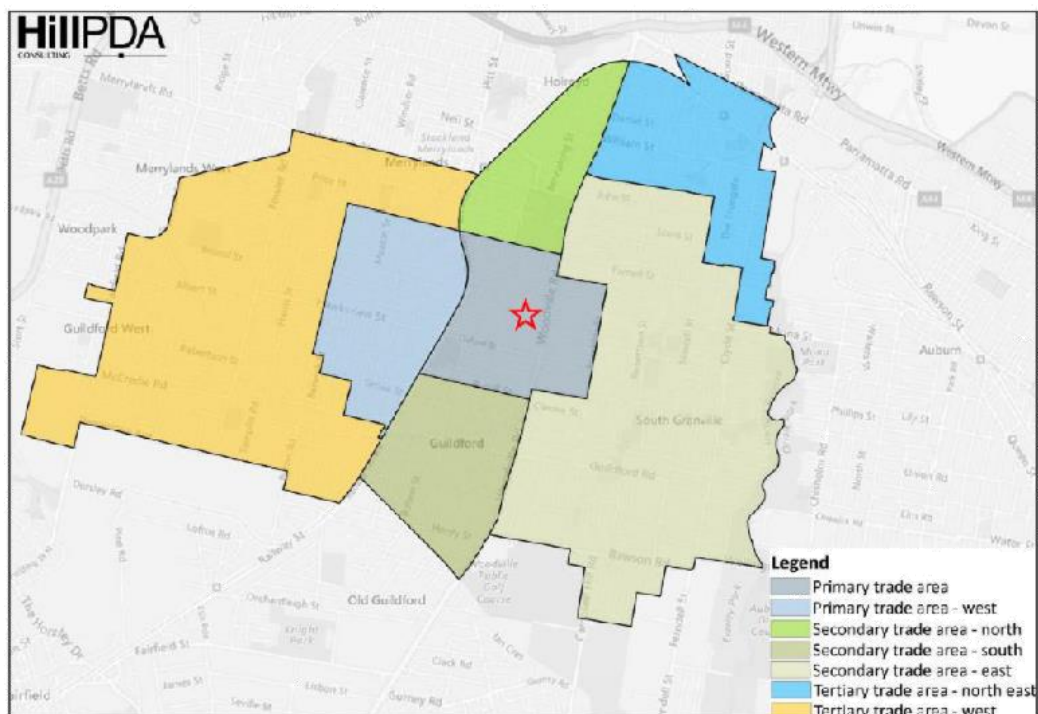
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There is the potential for the Planning Proposal to have an adverse impact on the surrounding uses. The Planning Proposal will address this by:

- managing the interface of the development on the Site with surrounding residential uses and the Granville South Public School through a site-specific DCP.
- managing construction and noise impacts through the development of Construction Management Plans as part of the DA process.

### ***Economic***

The Planning Proposal will help meet housing in the area and provide employment. Given the Site's proximity to the Granville South Public School and access to public transport, a mixed use development is considered appropriate for the proposed location. The mixed use development is also expected to create additional demand for retail and business services, helping to support the viability of the neighbourhood centre.



**Figure 3 – Site's main trade areas (Source: Hill PDA)**

Hill PDA's *Merrylands Woodville Road Economic Impact Assessment* (December 2018) submitted by the Proponent found there are considerable economic benefits of amending the zoning on the Site. The likely primary trade area (PTA East) of the railway line is a walkable catchment of 500m to 800m. The PTA East comprises the geographic area generally bounded by Claremont Street and Granville Park to the north, Woodville Road and Excelsior Street to the east and Bursill Street to the south and the railway line to the west. Retail facilities at the Site would capture a majority proportion of everyday food and grocery shopping, as well as top-up shopping, from residents in this area. This is an area of 4,029 people that is expected to increase to 5,979 people by 2031 (Figure 3).



The Planning Proposal also offers the most proximate alternative for food and grocery shopping for Merrylands residents west (PTA West) of the railway line using private motor vehicle. PTA West extends 900m west of the Railway line to Chetwynd Road, north to St Anne Street and south to Guildford Road West. It also includes parts of Merrylands and Guildford. This is an area of 5,853 people that is expected to increase to 6,671 people by 2031 (Figure 3).

The Planning Proposal is also likely to have secondary trade areas (STA) and tertiary trade areas (TTA). An STA is likely to capture a minor proportion of food and grocery related expenditure.

The total trade area (PTA, STA and TTA combined) is an area of 66,845 people expected to increase to 87,886 by 2031, a growth in population of approximately 21,000 persons or 31% between 2017 and 2031. This is a wide area with only one full line supermarket being the Woolworths store in Granville.

Hill PDA estimates demand for more than 12,000 m<sup>2</sup> of retail space in the PTA East by 2021. This is expected to increase to 16,400 m<sup>2</sup> by 2031. More than 80% of this demand is in food services including supermarket space. With an estimated 2,200 m<sup>2</sup> existing supply, being the ALDI food store and several fast food outlets, there is ample demand for additional retail space. Growth in expenditure in the wider main trade area (MTA) will generate demand for an additional 52,000 m<sup>2</sup> of retail floor space from 2017 to 2031.

Existing centres in the locality will enjoy growth in retail trade due to growth in population and expenditure in the wider trade area. All centres will experience an increase in trading levels from 2018 to 2023 with or without the proposed centre on Woodville Road. On this basis, the trading impacts of the proposed centre would be acceptable. The proportion of growth in expenditure captured by the new centre is well within acceptable limits enabling other centres to share some of that growth. The proposed neighbourhood centre would therefore not threaten the role, function or commercial viability of any existing centre.

The Planning Proposal would lead to a net increase in jobs (+769 jobs), workers remuneration (+\$24.9m), and gross value-added or (contribution to GDP) (\$35.6m). Construction would generate additional economic activity (+\$486m), 323 job years directly in construction and a further 958 job years through production and consumption induced multiplier impacts.

Following full development in 2023, the PTA will house almost 11,000 people, which in itself will warrant a full-line supermarket based shopping centre (generally considered to be around 9,000 to 10,000 residents). From 2018 to 2026, the MTA will house an additional 11,700 people meaning that the proposed centre is responding to growth as well as responding to a current undersupply of supermarket space.

The provision of a centre at the Site would widen the retail offer for residents in the trade area and serve the growing community in the Merrylands Guildford area. The neighbourhood centre would also provide a shopping destination and would contribute towards ensuring Merrylands is a desirable and sustainable place in which to live, work and shop.

### 3.3.4 How has the Planning Proposal adequately addressed any other planning matters?

#### *Land Use Planning*

Situated 6km from Parramatta CBD and 1.7 km from Merrylands, the Site is well positioned for increased density in order to locate housing with access to employment opportunities (Figure 4).



**Figure 4 – Proposed Neighbourhood Structure in the *Draft Woodville Road Strategy 2015***

For comparative purposes, the local centre of Merrylands West allows FSRs of 2.2:1, 2.4:1 and 2.8:1 and a maximum building height of up to 23 m (7 storeys) whereas the local centre of Guildford allows for an FSR of 2:1 and a maximum building height of up to 17 m (5 storeys). These are both higher order centres, however, compared to a neighbourhood centre desired for the Site. The density proposed within the Planning Proposal is greater than that of a typical Neighbourhood Centre and more in line with a Local Centre such as Merrylands West or one located on a heavy rail line such as Guildford.

Merrylands West and Guildford local centres, however, are comprised of small lots under fragmented ownership that would require significant site amalgamation to support any significant uplift in density. As the Site is large, with the majority under single ownership (2.6 ha out of 2.84 ha), it offers an opportunity to provide higher density with a greater design outcome.

Applying a FSR of 2:1 and a maximum height of up to 31m (9 storeys) to the Site is, therefore, considered to be appropriate despite it being a neighbourhood centre and not a local centre.

### **FSR Assessment**

Parramatta City Council received a planning proposal request for the land initially at a FSR of 3.6:1 in 2015; however, a number of FSR scenarios have been considered. Table 6 below illustrates the FSR options considered for the Site under the *Woodville Road Urban Design Study*, the revised FSR scenarios prior to the reporting of the Planning Proposal to Parramatta City Council for gateway assessment, and the maximum FSR specified for the Site in the Gateway Determination.

**Table 6 – FSR Scenarios for the Site to Gateway**

Scenarios	FSR	Height of Buildings
<i>Woodville Road Urban Design Study</i>		
Low	1.42:1	4 – 5 storeys (12 – 18.4m)
Medium	1.53:1	3 – 9 storeys (12 – 30.4 m)
High	1.86:1	3 – 12 storeys (12 – 39.4 m)
<i>Proponent's Preliminary Proposal</i>		
Concept Masterplan (March 2015)	3.6:1	Predominantly 12, 14 and 18 storeys
<i>Proponent's Formal Planning Proposal</i>		
Revision A (26 May 2015)	3.2:1	
Revision B (12 October 2015)	2.25:1	
<i>Parramatta City Council</i>		
Council Assessment	2:1	
Council Resolution	2.25:1	
<i>Gateway Determination</i>		
Maximum	2:1	9 storey maximum

Following Gateway Determination, modelling and site testing was undertaken by Cumberland Council and the revised concept master plans submitted by the Proponent were considered in the process of developing the DCP to determine the suitability of an FSR of 2:1.

On the basis of this modelling and further consideration of the Planning Proposal after the Post-Gateway exhibition, the FSR for the Site identified in the Gateway Determination was recommended to be revised as follows (Table 7), primarily to achieve a more appropriate transition of development type and scale to the surrounding lower density development.

**Table 7 – Proposed Amendment to the Planning Proposal**

<b>Gateway Determination (24 June 2016)</b>	<b>Proposal Resolved by Council at 18 July 2018 meeting</b>
FSR 2:1	Part 2.4:1 (eastern part of Site) Part 1.5:1 (western part of Site)
It is also recommended that the zone and maximum building height be amended as follows:	
Zone: <i>B4 Mixed Use</i>	Part B2 Local Centre (eastern part of Site) Part R4 High Density Residential (western part of Site)
Maximum height: 31m	Part 31m (eastern part of Site) Part 24m (western part of Site)

The Site was subsequently sold around mid-2018, however, and the Proponent submitted an amended concept scheme on 24 December 2018 proposing a reduction in the residential component and a proposed increase in the commercial/retail component. To enable the amended



concept scheme, the Proponent requested the planning controls to revert to that provided for in the 24 June 2016 Gateway Determination.

Council staff considered the merit of this request and recommended to Council at its 20 February 2019 meeting (See Attachment 7) an alternative approach for Council's consideration: *B2 Local Centre* with a maximum building height of 31 metres and an FSR of 2:1 across the Site, and *RE1 Public Recreation* for the Public Park. The report to Council also made recommendations about corresponding amendments to the site-specific controls in the draft DCP.

Council at that meeting resolved to proceed with the following controls for the site, as outlined in the Gateway Determination of 24 June 2016: *B4 Mixed Use* zone with a maximum building height of 31m and maximum FSR of 2:1 across the Site; and to forward the Planning Proposal to the DPE, subject to the negotiation of a planning agreement to the satisfaction of Council prior to finalisation. Council also resolved to amend the DCP controls '4.1.12 Woodville Road Neighbourhood Centre Precinct' of the *Parramatta DCP 2011* to reflect the amended proposal (See Attachment 8). These amendments are currently being made.

### **Urban Design**

Some of the urban design issues identified during Parramatta City Council's assessment of the Planning Proposal included the following:

- buildings shown in the Planning Proposal not compliant with the ADG in relation to separation between buildings;
- the need for site-specific controls in the *Parramatta LEP 2011* to be introduced to exclude wintergardens on Woodville Road from the calculation of FSRs; and
- overlooking of school children accessing the play areas during recess and lunch, as well as before and after school.

These issues will be addressed through proposed controls in the draft DCP that is consistent with the ADG and SEPP 65, and a site-specific control is proposed to be introduced in the *Parramatta LEP 2011* in regards to wintergardens.

The draft DCP was developed for the 'Woodville Road Neighbourhood Centre', which consists of the site area defined as the 'key site' in the draft DCP and residential lots surrounding the Site. It provides detailed controls on the location and configuration of the built form and setbacks, transition to adjacent lower density residential properties, and access into the Site.

The draft DCP is based on an analysis of the Site constraints, suitable development forms for a neighbourhood centre and the testing of the Proponent's preferred development concept and urban design study, a revised version of which was submitted to Council in August 2016.

Further amendments are being made to the DCP post Council's resolution to proceed with the controls for the Site as outlined in the Gateway Determination.

Urban design considerations that will be addressed through the draft DCP are outlined as follows in Table 8:

**Table 8 – Urban design considerations**

Urban design consideration	How it will be addressed in the DCP
The context of the overall Site as part of an emerging strip centre and as part of a wider neighbourhood centre.	<ul style="list-style-type: none"> <li>• Deep soil setback of 10m along Woodville Road to allow future road and carriageway widening.</li> <li>• Internal roads to connect the Site internally and with the surrounding road network.</li> <li>• Entry into the Site via Woodville Road only permissible via a proposed signalised intersection at Lansdowne Street.</li> </ul>
Vibrant, pedestrian friendly, self-sufficient neighbourhood centre	<ul style="list-style-type: none"> <li>• Establishment of a Public Park, retail and commercial centre, and residential development.</li> <li>• Over 8000 m<sup>2</sup> of retail floor space, which is anticipated to be anchored by a large format supermarket.</li> <li>• Active street frontage along the new street, and next to the Public Park.</li> <li>• Quality public spaces and amenities.</li> <li>• Adequate footpath widths along the active street frontage and adequate street setback along other streets.</li> <li>• Requirement for a public domain concept plan for all applications involving new roads and the Public Park to be submitted during the DA stage.</li> </ul>
Human-scale design  Transition in scale between key development site and lower scale residential development	<ul style="list-style-type: none"> <li>• Varying heights through the Site with tallest buildings (9 storeys) along Woodville Road, 7 storey buildings in the middle of the Site, and 4 storey buildings along Lansdowne Street.</li> <li>• Street wall height of two storeys along internal streets and a street wall height of two storeys along Woodville Road.</li> <li>• Upper level setbacks of 6m for development within the Site and an upper level setback of 6m for development facing Woodville Road.</li> </ul>
Quality open space	<ul style="list-style-type: none"> <li>• Park to be a minimum of 2000 m<sup>2</sup> and fully embellished.</li> <li>• 85% to be deep soil planting zones.</li> <li>• More than 50% of the Park to receive direct sunlight between 12pm and 2pm during the winter solstice.</li> </ul>
Visual interest in the built form	<ul style="list-style-type: none"> <li>• Various controls on how to achieve architectural diversity, building elements, maximum linear length of the building.</li> </ul>
Traffic and parking	<ul style="list-style-type: none"> <li>• Preferred vehicle entries denoted in the draft DCP.</li> <li>• Requirement for a detailed traffic study to be submitted with any DA for the Site.</li> </ul>

### ***Traffic Engineering and Site Access***

The planning proposal request submitted by the Proponent to Parramatta City Council proposed a signalised intersection at Kimberley Street and Woodville Road. Concerns were by Parramatta City Council and the RMS about access to the Site from Woodville Road and the proposed intersection as this would have required significant reworking of traffic arrangements and would have adversely affected the smooth flow of southbound traffic along Woodville Road.



**Figure 5 – Proposed signalised intersection at Lansdowne Street.**

The location of the signalised intersection was subsequently moved to Lansdowne Street and Woodville Road (Figure 5), and this change was reflected in the updated Transport Impact Assessment submitted by the Proponent. The new internal streets within the Site leads to a left-out only onto Woodville Road. A right-turn bay would be provided for south-bound vehicles along Woodville Road wishing to turn into Lansdowne Street.

The RMS has provided road design comments and has also noted that agreement should be reached on the staging (i.e., trigger points linked to the development yield) of the identified road works, and agreed road works with associated staging plan to be incorporated into a planning agreement between the Proponent and Council. This will be addressed as part of the VPA.

In terms of accessing the Site, the *John Cootes Site 246-264 Woodville Road, Merrylands Transport Impact Assessment (Transport Impact Assessment)* prepared by GTA (for the Proponent) on 9 October 2015 was for an indicative development yield comprising approximately 590 residential apartments set above 8,400 m<sup>2</sup> GFA of lower level non-residential land uses. The current concept scheme submitted by the Proponent estimates approximately 256 residential apartments set above two storeys of 25,000 m<sup>2</sup> GFA of commercial, community and recreational land uses. The commercial land uses, and in particular the retail land uses, is expected to generate significantly more traffic movements than the residential component, and therefore a requirement has been included in the draft DCP for a traffic study to be submitted that identifies and addresses traffic generation issues associated with the overall development of the Site.

Council's engineers have also raised concerns in regards to the methodology used in the transport impact assessment submitted by the Proponent in which modelling of Lansdowne Street/Woodville Road and Oxford Street/Woodville Road have been undertaken in isolation and not as a network. The traffic generation rate of 4.6 vph/100sqm for the residential component of the proposal is also lower than the RMS guidelines of 5.6 vph/100sqm, and the report does not explain how this generation rate was derived. These have been added as a



requirement in the draft DCP, for any future traffic studies that are a requirement for DAs lodged for the Site or part therefore, to identify and address traffic generation issues associated with the overall development of the Site.

*The Transport Impact Assessment* prepared by GTA also only addressed issues of traffic generation, but did not consider issues of detailed design around the functioning of loading bays and how commercial deliveries would be undertaken. The Proponent's latest concept scheme submitted on 24 December 2018 indicates the loading bay entry to be located along Lansdowne Street with the car park entry to be located along the new, internal street within the Site. This is considered to be appropriate as it minimises conflict between commercial and private vehicles.

### **3.4 Section D - State and Commonwealth Interests**

#### **3.4.1 Is there adequate public infrastructure for the Planning Proposal?**

The Planning Proposal will deliver community and road infrastructure needed to service the Site. Some infrastructure such as the Public Park will benefit the users of the development and also serve the wider community.

It is noted the Site and surrounding residential areas are currently serviced with sewer, water, power supply and telecommunications. Any Site redevelopment would seek to access these existing utilities. This matter, including any required amplifications, will be a matter for consideration and technical investigation at the DA stage.

Public transport access is limited and additional public transport servicing the Site would be of great benefit.

#### **3.4.2 What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?**

State public authorities were consulted during the post-gateway public exhibition period from 15 January 2018 to 1 March 2018 in accordance with the Gateway Determination. These authorities included the NSW Department of Education, Transport for NSW (TfNSW), the RMS, and Transdev NSW.

The public exhibition of the draft DCP was done together with the Planning Proposal.

Three (3) submissions were received from public authorities, being TfNSW, the RMS and the NSW Department of Education. None of these authorities raised an objection to the Planning Proposal or draft DCP provisions, but did include a range of matters to be considered as part of the Planning Proposal assessment and any future development application.

Woodville Road is a classified road under the care, control and management of the RMS. The RMS expressed concern regarding the location of the signalised intersection at Kimberley Street/Woodville Road as initially proposed by the Proponent. After closely liaising with the RMS, the Proponent proposed road widening along the eastern edge of the Site along Woodville Road, a signalised intersection at Lansdowne Street/Woodville Road, and prohibition of exit movements from Earl Street (Attachment 6). This proposal is supported by the RMS 'in principle' subject to an agreement reached on the staging (i.e., trigger points linked to the development yield) of the identified road works, and the agreed road works and staging plan

to be incorporated into a planning agreement between the applicant and Council. The RMS also noted that any proposed staging plan should be supported by appropriate traffic analysis.

TfNSW emphasised the need for network improvements on Woodville Road and reiterated the need for road upgrades to be agreed with the RMS and to be incorporated into a VPA as part of the Planning Proposal.

The NSW Department of Education raised concerns about the impact of multi-storey development adjacent to the School boundaries and the potential for overshadowing and overlooking of internal and external spaces within the School. A deep soil setback along the southern boundary of the Site, as to be stipulated in the draft DCP, is expected to provide a sufficient landscaped buffer with large, mature trees and an understorey of shrubs. Furthermore, design guidelines for development along the southern boundary of the Site to avoid such impacts have been incorporated into the draft DCP.

Concerns were also raised about noise, dust and traffic during construction, and the safety of vehicles and pedestrians accessing the School during peak hours. These issues have been addressed via additional controls in the draft DCP.

Concerns were also raised about the impact on demand for teaching spaces and associated government school infrastructure. Cumberland Council will work together with the NSW Department of Education to address these concerns.

## PART 4 - MAPPING

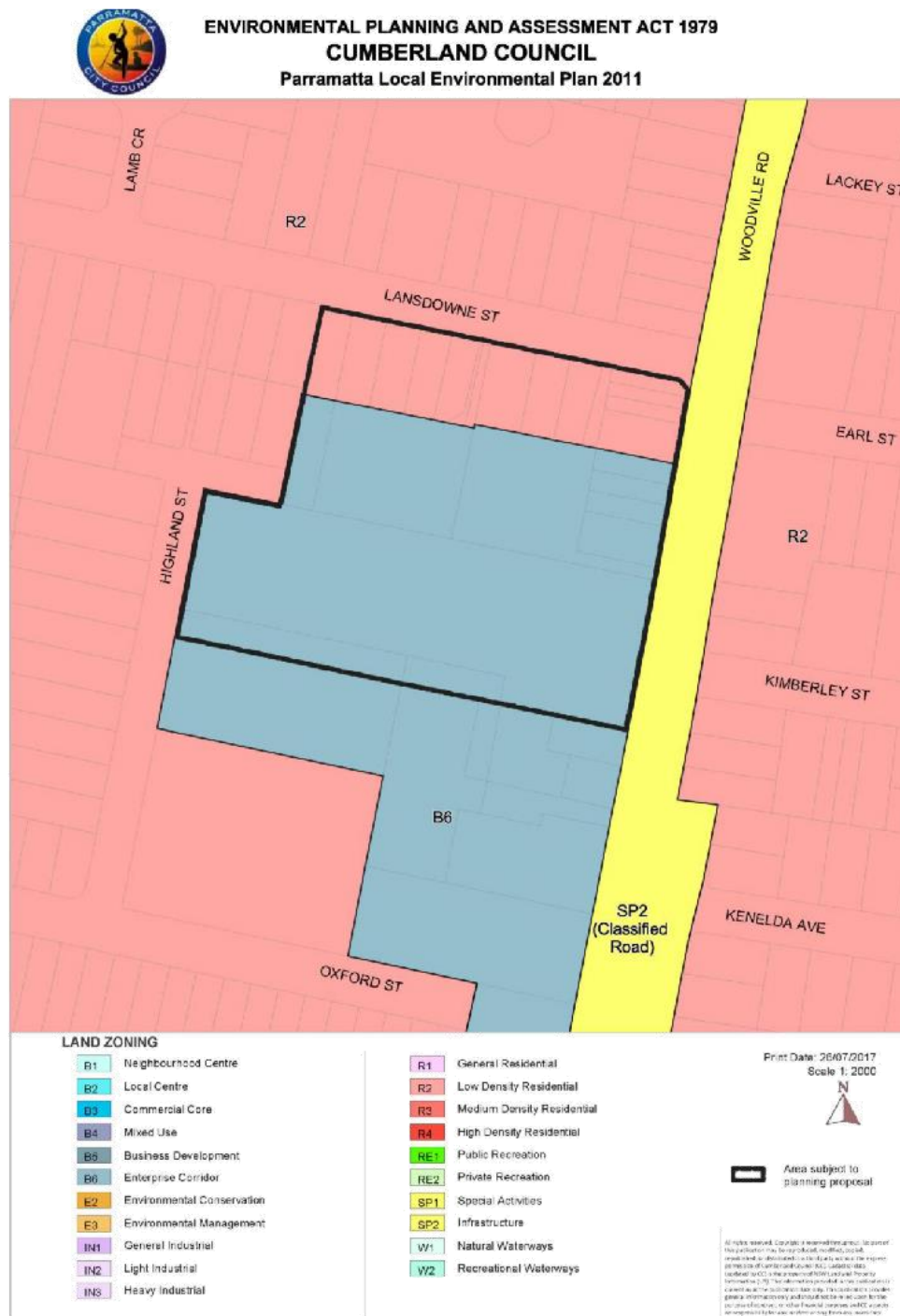
This section contains the mapping for this Planning Proposal in accordance with the DP&E's guidelines on LEPs and Planning Proposals.

### 4.1 Existing controls

This section contains map extracts from the *Parramatta LEP 2011*, which illustrate the current controls applying to the Site:

- Figure 6 illustrates the existing part *B6 Enterprise Corridor* and part *R2 Low Density Residential* zone applying to the Site.
- Figure 7 illustrates the existing part 9m (3 storey) and part 12m (4 storey) height limits applying to the Site.
- Figure 8 illustrates the existing part 0.5:1 and part 1.5:1 FSR controls applying to the Site.
- Figure 9 illustrates the heritage sites located adjacent to and nearby the Site.
- Figure 10 illustrates the flooding extent in the vicinity of the Site.

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**Figure 6 - Existing zoning, Parramatta LEP 2011 Land Zoning Map.**

Figure 6 above illustrates the existing part *B6 Enterprise Corridor* and part *R2 Low Density Residential* zone applying to the Site.



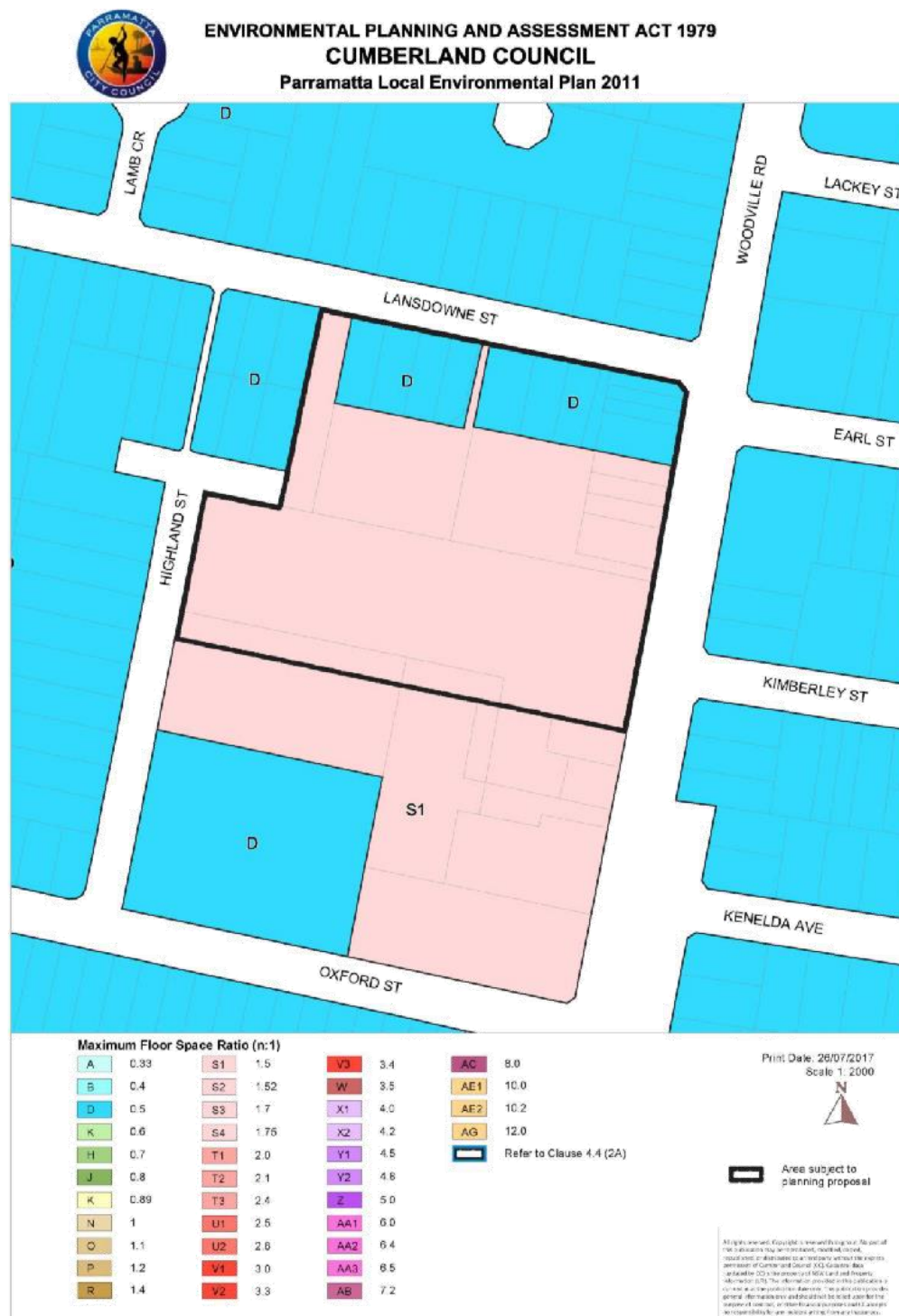
Planning Proposal – 244, 246-264 Woodville Rd, 2-4, 6, 8-8a, 10-12, 14-16 Lansdowne St, & 19 Highland St, Merrylands



**Figure 7 - Existing building heights, Parramatta LEP 2011 Height of Buildings Map**

Figure 7 above illustrates the existing part 9m (3 storey) and part 12m (4 storey) height limits applying to the Site.

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**Figure 8 - Existing FSR, Parramatta LEP 2011 Floor Space Ratio Map**

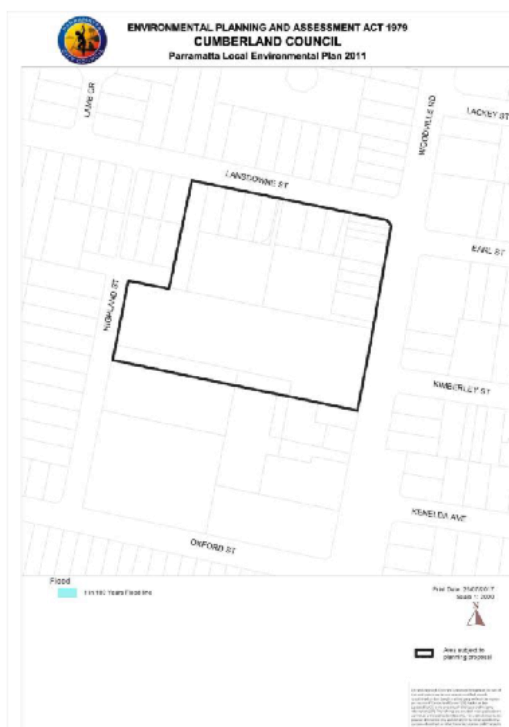
Figure 8 above illustrates the existing part 0.5:1 and part 1.5:1 FSR controls applying to the Site.

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**Figure 9 - Existing heritage items, Parramatta LEP 2011 Heritage Map**

Figure 9 above illustrates the heritage sites located adjacent to and nearby the Site.



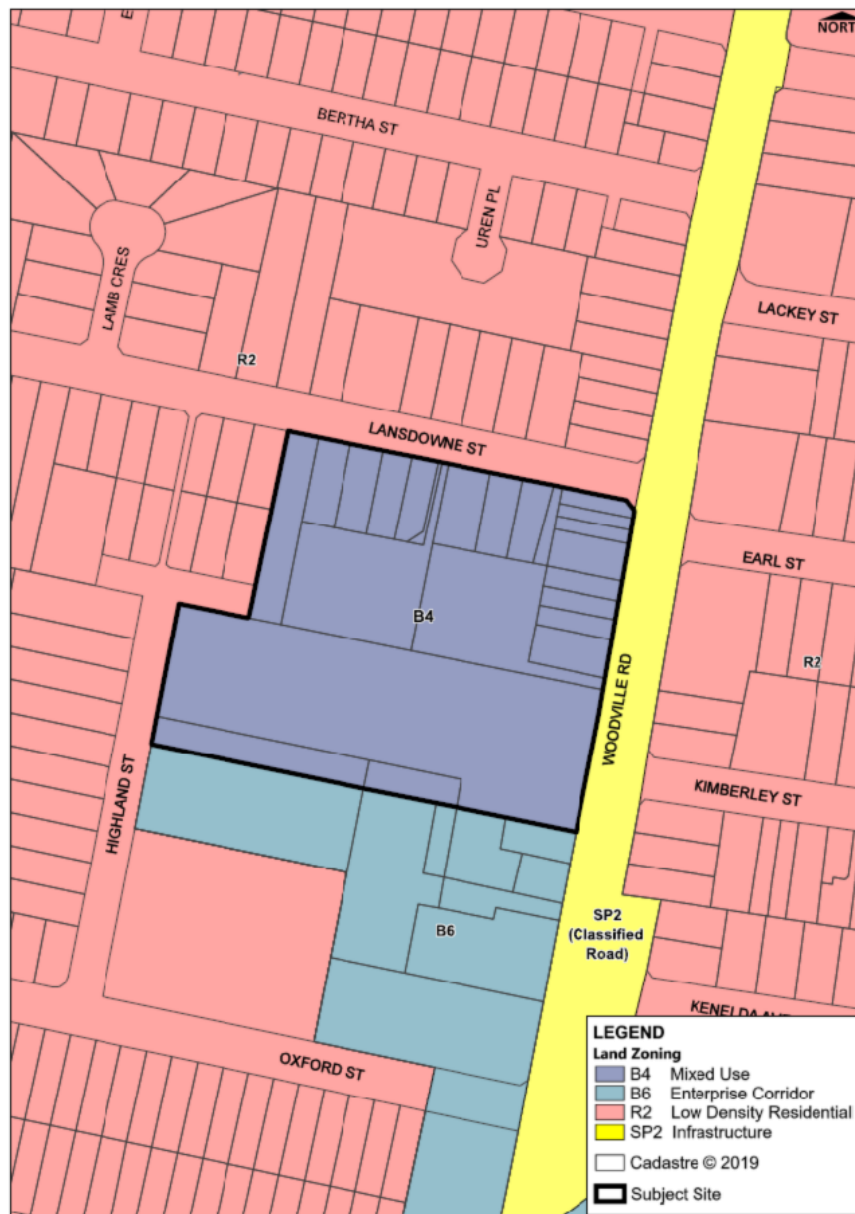
**Figure 10 - Existing flooding extent, Parramatta LEP 2011 Flooding Map**

Figure 10 above illustrates the flooding extent in the vicinity of the Site.

## 4.2 Proposed controls

The figures in this section (Figures 11, 12 and 13) illustrate the proposed zoning, building height and floor space ratio controls sought by this Planning Proposal.

- Figure 11 illustrates the proposed zoning for the Site.
- Figure 12 illustrates the proposed maximum building height.
- Figure 13 illustrates the proposed FSR for the Site.

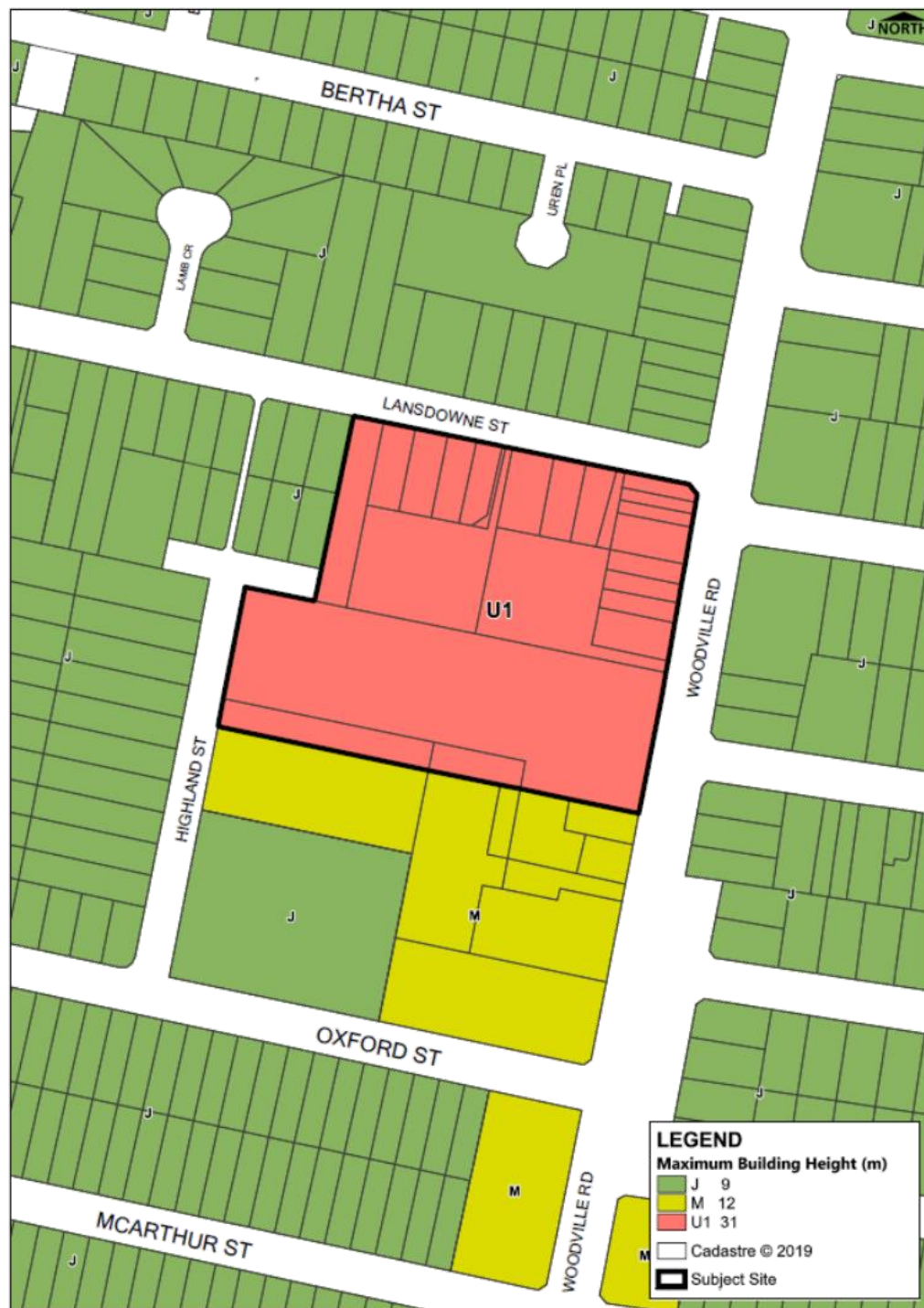


**Figure 11 - Proposed amendment to the Parramatta LEP 2011 Land Zoning Map**

Figure 11 above illustrates the proposed *B4 Mixed Use* zone.



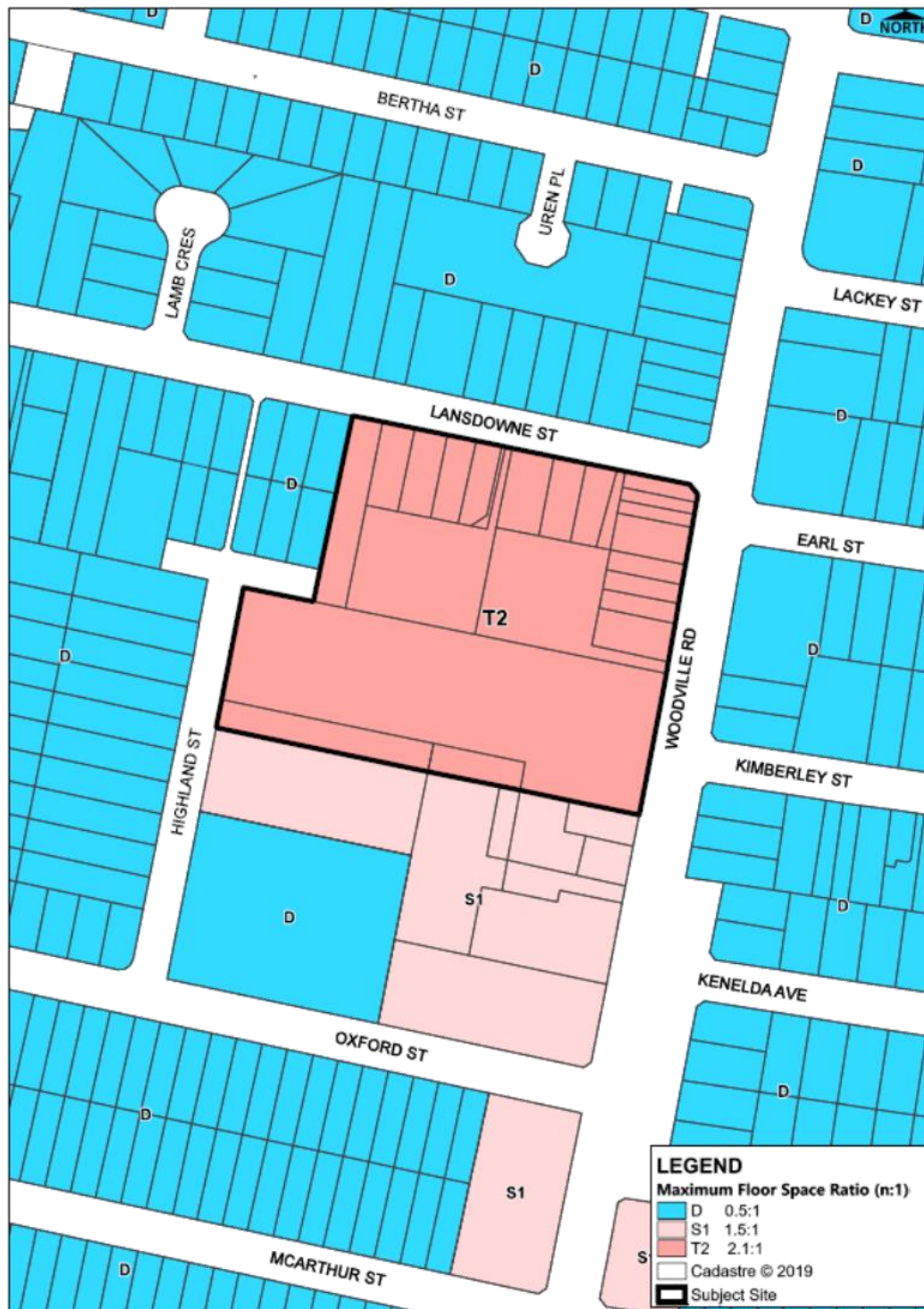
Planning Proposal – 244, 246-264 Woodville Rd, 2-4, 6, 8-8a, 10-12, 14-16 Lansdowne St, & 19 Highland St, Merrylands



**Figure 12 - Proposed amendment to the Parramatta LEP 2011 Height of Building Map**

Figure 12 above illustrates the proposed maximum building height of a maximum of 31m (approximately 9 storeys) across the Site.

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**Figure 13 - Proposed amendment to the Parramatta LEP 2011 Floor Space Ratio Map**

Figure 13 above illustrates the proposed FSR of 2:1 for the Site.



## PART 5 - COMMUNITY CONSULTATION

Ten (10) submissions were received by Cumberland Council from the community. Two of these were duplicates, and thus, eight (8) submissions were considered. One (1) submission was received from the Granville South Public School P&C and another one (1) submission was received from the Proponent who responded to matters relating to the draft DCP.

Granville South Public School P&C raised concerns regarding the height of the building proposed adjacent to the School grounds and the building setback from the School boundary. During the process of determining the distribution of heights within the Site, overshadowing of the School play area and classrooms was taken into consideration. A deep soil setback along the southern boundary of the Site seeks to minimise overshadowing of the School play areas.

Overlooking into the School property will be minimised through controls that have been added into the draft DCP relating to the orientation and design of buildings adjoining the School boundary. The proposed deep soil setback will also allow medium sized trees (with a minimum 6-8 metres mature height) with an understorey of shrubs (1.5m – 3m) and ground cover to be grown.

Concerns were also raised about noise pollution during the demolition and construction of the Site, and the resulting disruption to classes. Additionally, the Granville South Public P&C raised concerns about air quality and asbestos. Controls have been added to the draft DCP on air quality, contamination, and noise and vibration. Construction management plans would also be developed after the DA stage in collaboration with the School. It is also anticipated that the School will be contacted to seek input during the DA stage.

To address safety concerns for students whilst crossing Woodville Road, the Granville South Public P&C suggested that Council look into alternative options for crossing such as an overpass across Woodville Road. Whilst Council acknowledges the safety concerns of students crossing Woodville Road, an overpass is not specifically required as a result of the Planning Proposal and would need to be requested from the RMS.

A summary of issues raised in the six (6) submissions from the community that can reasonably be considered under the Planning Proposal and that have been addressed through this Planning Proposal are listed briefly below:

- Strategic planning content and zoning matters
- Infrastructure provisions
- Economic considerations
- Traffic and transport
- Urban design
- Proximity of proposed development to primary school
- Draft Woodville Road Planning Strategy
- Housing affordability

Issues raised by the Proponent on the draft DCP have been considered throughout this Planning Proposal.

## **PART 6 - PROJECT TIMELINE**

An alteration to the Gateway has been approved by the DPE with a revised date for completion of 1 October 2019.

Date of Gateway	24 June 2016
Date of Public Exhibition	15 January 2018 – 1 March 2018
Request for Amended Gateway	11 March 2019
Timeframe for Completion of Planning Agreement	March – April 2019
Public Exhibition of VPA	May – June 2019
Consideration of submissions and additional consultation with Government Agencies	May – June 2019
Timeframe for consideration of the Planning Proposal post exhibition (Report to Council)	July – August 2019
Submission to Department for Finalisation	September 2019
Plan amendment made	October 2019

Item No: C08/19-176

## AUBURN TOWN CENTRE - PLANNING CONTROLS STRATEGY

Responsible Division: Environment & Planning  
Officer: Director Environment & Planning  
File Number: S-5740-02  
Community Strategic Plan Goal: *A resilient built environment*

### SUMMARY

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This report outlines the recommended planning controls strategy for the Auburn Town Centre. This approach supports better built form design outcomes that will contribute to the quality of amenity and public domain in the area.

The proposed planning controls include:

- changes to maximum heights in some precincts within the town centre, to allow for improved building design while maintaining the existing floor space ratios at these precincts
- change in zoning, height and floor space ratio in part of one precinct, to better support the activation of Auburn Town Centre at this location

The recommended planning controls for the Auburn Town Centre are supported by the Cumberland Local Planning Panel.

Subject to endorsement, the recommended planning controls will be included in the planning proposal for the new Cumberland Local Environmental Plan (LEP).

### RECOMMENDATION

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**That Council:**

1. **Endorse the proposed planning controls for the Auburn Town Centre as outlined in Attachment 1, which are supported by the Cumberland Local Planning Panel; and**
2. **Note that the above item will be included in the planning proposal for the new Cumberland Local Environmental Plan.**

## REPORT

### ***Background***

Council has undertaken work on a planning controls strategy for the Auburn Town Centre. The primary focus of this work is to better align the planning controls related to zoning, height and floor space ratios, which enables a broader range of building design options to be realised. This approach provides better opportunities for innovation in the built form of these town centres, and contributes to the quality of amenity and public domain within the Cumberland area.

A chronology of the work undertaken on the planning controls strategy for Auburn Town Centre is provided in Table 1. Further background information from previous Council and Independent Hearing and Assessment Panel reports are provided in Attachments 3 and 4.

Former Auburn City Council	
2014 - 2015	Resolutions to increase heights in Auburn Town Centre.
2015 - 2016	Preliminary Consultant work
Cumberland Council	
May 2016	Council amalgamation – review of planning controls placed on hold
September-October 2016	Internal work to finalise draft Strategy
November 2016	Report to IHAP recommending exhibition of draft Strategy
December 2016	Report to Council. Resolution to exhibit (Administrator)
7 Feb – 8 March 2017	Exhibition of draft Strategy
2017 – 2019	Analysis of issues raised in submissions and review of draft Strategy
April 2019	Report to Council on proposed planning controls
June 2019	Report to CLPP recommending proposed controls in Strategy
August 2019	Report to Council on proposed planning controls

**Table 1: Chronology of planning controls strategy for Auburn Town Centre**

### ***Council Meeting 17 April 2019***

The planning controls strategy for the Auburn Town Centre was presented to Council on 17 April 2019. At the meeting, Council resolved a number of further items to be progressed prior to reporting again to Council. The items and status are provided in Table 2.

<b>Resolution</b>	<b>Status</b>
Council hold a workshop to consider the effect of any design excellence provision to be included in the Cumberland Local Environmental Plan on proposed planning controls for the Auburn and Lidcombe Town Centres	Opportunities for design excellence provisions for Auburn and Lidcombe town centres discussed at Councillor briefing on 10 July 2019
In accordance with Council resolution 21.12.16, the Draft Auburn and Lidcombe Town Centres Strategy and submissions received by reported to the Cumberland Local Planning Panel for consideration and recommendation to Council	Strategy considered by Cumberland Local Planning Panel on 20 June 2019 and advice provided for consideration to Council  Panel advice as a clarification on opportunities for design excellence bonuses received on 12 August 2019
A site visit of the Auburn Town Centre and a site visit of the Lidcombe Town Centre be held with reference to the draft strategy	Site visit of town centres held on 29 June 2019
The Auburn Town Centre Strategy and the Lidcombe Town Centre Strategy be reported to Council separately	Separate reports to be provided to Council. This report covers the recommended planning controls strategy for the Auburn Town Centre

**Table 2: Status of Items following Council Resolution in April 2019**

### ***Planning Controls Strategy for Auburn Town Centre***

This work considered the planning controls for a number of precincts in the Auburn Town Centre, as outlined in Figure 1. A range of public submissions were received and considered for the various precincts in the town centre. Council has also reviewed development applications and building construction activity in the town centre since the public consultation period to ensure that the recommended planning controls respond to the current built form in the town centre.



- changes to maximum heights in Precincts 1, 2, 3, 9, 11, 12, 13, 14, 16a and 18, to allow for improved building design while maintaining the existing floor space ratios at these precincts; and
- change in zoning, height and floor space ratio in part of Precinct 17, to better support the activation of Auburn Town Centre at this location.

No further changes to planning controls in the Auburn Town Centre are proposed in this report.

***Cumberland Local Planning Panel***

The Cumberland Local Planning Panel met on 20 June 2019 to consider this matter, consistent with Council's resolution of April 2019. Council officers subsequently sought advice from the Panel as a clarification on opportunities for design excellence bonuses on 12 August 2019. The report to the Panel and their advice is provided as Attachment 3.



The advice of the Panel was carefully considered in preparing the proposed planning controls for the Auburn Town Centre. The recommended planning controls outlined in the report are supported by the Panel. Opportunities for design excellence bonuses in the town centre will be considered as a separate stage of work following the completion of the new Cumberland Local Environmental Plan.

The Panel also provided a range of future suggestions regarding potential planning controls in the area. This will also be considered as part of the separate stage of work following the completion of the new Cumberland LEP.

### ***Next Steps***

Subject to endorsement, the proposed planning controls will be included in the planning proposal that is being prepared for the new Cumberland LEP. The planning proposal will be provided for consideration by Council prior to seeking a Gateway Determination by the Department of Planning, Industry and Environment. This is required to be undertaken by the end of September 2019.

## **COMMUNITY ENGAGEMENT**

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The draft Strategy was exhibited from 7 February 2017 to 8 March 2017. Two public information evening sessions were held during the exhibition: one at the Lidcombe Community Centre (20 February 2017); and one at Council's Auburn Administration Centre (23 February 2017).

A total of 52 submissions were received, including:

- 16 submissions and 1 petition (29 signatures) generally objecting to the draft Strategy;
- 13 submissions (including 10 form letters) in support of the draft Strategy; and
- the remainder raising various issues and comments.

Key items raised included feedback on the proposed planning controls, infrastructure availability and built form interfaces with existing land uses. Further information is included in Attachment 4.

Subject to Council endorsement, further consultation on the recommended planning controls for the Auburn Town Centre will be undertaken in early 2020 as part of the new Cumberland LEP.

## **POLICY IMPLICATIONS**

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Policy implications are outlined in the main body of this report.

## **RISK IMPLICATIONS**

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There are minimal risk implications for Council associated with this report. The primary focus of this work is to better align planning controls for Auburn Town Centre that can enhance design and built form outcomes. The introduction of the Cumberland Design

Excellence Panel at the development application stage will further mitigate risks in achieving these outcomes.

## FINANCIAL IMPLICATIONS

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There are minimal financial implications for Council associated with this report. The primary focus of this work is to better align planning controls for Auburn Town Centre that can enhance design and built form outcomes.





## CONCLUSION

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This report outlines the recommended planning controls strategy for the Auburn Town Centre to support better built form design outcomes that will contribute to the quality of amenity and public domain in the area. These recommendations are supported by the Cumberland Local Planning Panel. Subject to endorsement, the recommended planning controls will be included in the planning proposal for the new Cumberland LEP.

## ATTACHMENTS










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1. Recommended Planning Controls for Auburn Town Centre [↓](#) 
2. Chronology of proposed planning controls for the Auburn Town Centre Planning Controls Strategy [↓](#) 
3. CLPP Report (20 June 2019) and Panel Advice (20 June 2019 and 12 August 2019) [↓](#) 
4. Council Report and Minutes on Auburn and Lidcombe Town Centres Planning Controls Strategy (17 April 2019) [↓](#) 

**DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-176**

**Attachment 1  
Recommended Planning Controls  
for Auburn Town Centre**



Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Recommended controls (August 2019)
<b>Precinct 1</b> Auburn Road, Mary Street, Harrow Road, Queen Street 	Zoning: B4 Mixed Use FSR: 5:1 Height: 49m	Zoning: B4 Mixed Use FSR: 5:1 Height: 60m
<b>Precinct 2</b> Park Road, north of Mary St, Harrow Road 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 60m; NE corner 49m
<b>Precinct 3</b> South of Mary St, Harrow Road, Sudan Street, Kerr Parade 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m
<b>Precinct 9</b> Harrow Road, north of Beatrice Street, Susan Street 	Zoning: B4 Mixed Use FSR: 5:1 Height: NW corner 36m, remainder 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: NW corner 55m, remainder 45m
<b>Precinct 11</b> Kerr Parade, Marion Street, Queen Street 	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m	Zoning: B4 Mixed Use FSR: 3:1 Height: 32m
<b>Precinct 12</b> Station Road, Kerr Parade, Auburn Road 	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 18m	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 27m
<b>Precinct 13</b> northern side of Rawson Street and west of Station Road 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m
<b>Precinct 14</b> Mid-block between Macquarie and Northumberland Roads 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m
<b>Precinct 16</b> <b>16a (north)</b> north of Rawson Street 	<b>16a (north)</b> Zoning: B4 Mixed Use	<b>16a (north)</b> Zoning: B4 Mixed Use
	FSR: 3.6:1	FSR: 3.6:1
	Height: 32m	Height: 38m

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Recommended controls (August 2019)	
<b>Precinct 17</b> Station Road/Hall Street/Holliday Lane 	<b>Zoning:</b> R4 High Density Residential <b>FSR:</b> 1.7:1/2:1 corners <b>Height:</b> 18m/20 corners	<b>Holliday Lane-            Station Street</b> <b>Zoning:</b> B4 <b>FSR:</b> 3.6:1 <b>Height:</b> 25m	<b>Holliday Lane-            Dartbrook Rd</b> <b>Zoning:</b> R4 <b>FSR:</b> 2:1 <b>Height:</b> 20m
<b>Precinct 18</b> Macquarie Road, Hall Street, Station Road 	<b>Zoning:</b> B4 Mixed Use <b>FSR:</b> 3.6:1 <b>Height:</b> 32m	<b>Zoning:</b> B4 Mixed Use <b>FSR:</b> 3.6:1 <b>Height:</b> 38m	

- There is no Precinct 19 or 20 in Auburn town centre
- No changes are proposed for the remaining precincts
- Recommended controls are all supported by Cumberland Local Planning Panel

#### Auburn Town Centre – Precinct boundaries














DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-176





Attachment 2


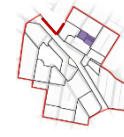
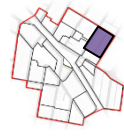
Chronology of proposed planning  
controls for the Auburn Town  
Centre Planning Controls  
Strategy






Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (Feb-March 2017)	Recommended controls (April 2019)	CLPP Advice (June 2019)	Recommended Controls (August 2019)
<b>Precinct 1</b> Auburn Rd, Mary St, Harrow Rd, Queen St 	Zoning: B4 Mixed Use FSR: 5:1 Height: 49m	Zoning: B4 Mixed Use FSR: 5:1 Height: 60m	Zoning: B4 Mixed Use FSR: 5:1 Height: 70m	1. <i>Support Council Officers' recommendation regarding FSR but not height.</i>  2. <i>With regard to height the Panel recommends the exhibited height of 60m maximum for the reason of general consistency with other land identified in the immediate locality with an FSR of 5:1.</i>  3. <i>The Panel also does not support the Land Owner request for FSR of 9:1 and height of 90m for reasons outlined in the CIHAP meeting minutes dated 24 August 2016.</i>	Zoning: B4 Mixed Use FSR: 5:1 Height: 60m
<b>Precinct 2</b> Park Rd, north of Mary St, Harrow Rd 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 60m; NE corner 49m	Zoning: B4 Mixed Use FSR: 5:1 Height: 60m; NE corner 49m	<i>Supports Council Officers' recommendation</i>	Zoning: B4 Mixed Use FSR: 5:1 Height: 60m; NE corner 49m
<b>Precinct 3</b> South of Mary St, Harrow Rd, Susan St, Kerr Parade 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m	<i>Supports Council Officers' recommendation</i>	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (Feb-March 2017)	Recommended controls (April 2019)	CLPP Advice (June 2019)	Recommended Controls (August 2019)
<b>Precinct 4</b> Auburn Central 	Zoning: B4 Mixed Use FSR: 3.75:1 Height: 49m	Zoning: B4 Mixed Use FSR: 3.75:1 Height: 49m	Zoning: B4 Mixed Use FSR: 3.75:1 Height: 49m	Supports Council Officers' recommendation	Zoning: B4 Mixed Use FSR: 3.75:1 Height: 49m
<b>Precinct 5</b> South Parade, Vales Lane, Auburn Rd, Civic Rd, Kerr Parade 	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 18m	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 18m	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 18m	Supports Council Officers' recommendation	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 18m
<b>Precinct 6</b> South Parade, Alice St, Queen St and Park Rd 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 3:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Supports Council Officers' recommendation	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m
<b>Precinct 7</b> Queen St, Alice St, Mary St, Park Rd 	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m	Supports Council Officers' recommendation	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m
<b>Precinct 8</b> lots zoned B4 fronting southern side of Mary St 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 3:1 Height: 32m	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Supports Council Officers' recommendation	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m
<b>Precinct 9</b> Harrow Rd, north of Beatrice St, Susan St 	Zoning: B4 Mixed Use FSR: 5:1 Height: NW corner 36m, remainder 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 45m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m (NW corner) 45m (remainder)	Supports Council Officers' recommendation	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m (NW corner) 45m (remainder)

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (Feb-March 2017)	Recommended controls (April 2019)	CLPP Advice (June 2019)	Recommended Controls (August 2019)
<b>Precinct 10</b> Queen St, Susan Street, Beatrice Street, Marion Street 	Zoning: B4 Mixed Use  FSR: 3:1  Height: 27m	Zoning: B4 Mixed Use  FSR: 3:1  Height: 27m	Zoning: B4 Mixed Use  FSR: 3:1  Height: 27m	Supports Council Officers' recommendation	Zoning: B4 Mixed Use  FSR: 3:1  Height: 27m
<b>Precinct 11</b> Kerr Parade, Marion Street, Queen Street 	Zoning: B4 Mixed Use  FSR: 3:1  Height: 27m	Zoning: B4 Mixed Use  FSR: 3:1  Height: 32m	Zoning: B4 Mixed Use  FSR: 3:1  Height: 32m	Supports Council Officers' recommendation	Zoning: B4 Mixed Use  FSR: 3:1  Height: 32m
<b>Precinct 12</b> Station Road, Kerr Parade, Auburn Road 	Zoning: B4 Mixed Use  FSR: 2.4:1  Height: 18m	Zoning: B4 Mixed Use  FSR: 2.4:1  Height: 18m	Zoning: B4 Mixed Use  FSR: 2.4:1  Height: 27m	Supports Council Officers' recommendation	Zoning: B4 Mixed Use  FSR: 3:1  Height: 27m
<b>Precinct 13</b> northern side of Rawson Street and west of Station Road 	Zoning: B4 Mixed Use  FSR: 5:1  Height: 38m	Zoning: B4 Mixed Use  FSR: 5:1  Height: 55m	Zoning: B4 Mixed Use  FSR: 5:1  Height: 65m	1. Supports Council Officers recommendation regarding FSR but not height  2. With regard to height, the Panel recommends the exhibited height of 55m maximum for the reason of general consistency with land to the west in Precinct 14.	Zoning: B4 Mixed Use  FSR: 5:1  Height: 55m

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (Feb-March 2017)		Recommended controls (April 2019)		CLPP Advice (June 2019)	Recommended Controls (August 2019)	
<b>Precinct 14</b> Mid-block between Macquarie and Northumberland Rds 	<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 5:1  <b>Height:</b> 38m	<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 5:1  <b>Height:</b> 55m		<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 5:1  <b>Height:</b> 55m		<i>Supports Council Officers’ recommendation</i>	<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 5:1  <b>Height:</b> 55m	
<b>Precinct 15</b> mid-block between Station St and Northumberland Rd 	<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 5:1  <b>Height:</b> 38m	<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 5:1 and recommend defer consideration <b>Height:</b> 38m and recommend defer consideration		<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 5:1  <b>Height:</b> 38m			<i>Supports Council Officers’ recommendation</i>	<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 5:1  <b>Height:</b> 38m
<b>Precinct 16</b> 16a north of Rawson Street 16b south of Rawson St 	<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 3.6:1  <b>Height:</b> 32m	<b>16a (north)</b>	<b>16b (south)</b>	<b>16a (north)</b>	<b>16b (south)</b>	<i>Supports Council Officers’ recommendation</i>		<b>16a (north)</b>
		<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 3.6:1  <b>Height:</b> 38m		<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 3.6:1  <b>Height:</b> 38m			<b>FSR:</b> defer consideration <b>Height:</b> defer consideration	<b>Zoning:</b> B4 Mixed Use  <b>FSR:</b> 3.6:1  <b>Height:</b> 38m
<b>Precinct 17</b> Station Road/Hall Street/Holliday Lane 	<b>Zoning:</b> R4 High Density Residential  <b>FSR:</b> 1.7:1/2:1 corners  <b>Height:</b> 18m/20 corners	<b>Zoning:</b> R4 High Density Residential  <b>FSR:</b> 2.1:1  <b>Height:</b> 20m		<b>Holliday Lane- Station St</b>	<b>Holliday Lane- Dartbrook Rd</b>	<i>Supports Council Officers’ recommendation</i>	<b>Holliday Lane- Station St</b>	<b>Holliday Lane- Dartbrook Rd</b>
				<b>Zoning:</b> B4  <b>FSR:</b> 3.6:1  <b>Height:</b> 25m	<b>Zoning:</b> R4  <b>FSR:</b> 2:1  <b>Height:</b> 20m		<b>Zoning:</b> B4  <b>FSR:</b> 3.6:1  <b>Height:</b> 25m	<b>Zoning:</b> R4  <b>FSR:</b> 2:1  <b>Height:</b> 20m



Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (Feb-March 2017)	Recommended controls (April 2019)	CLPP Advice (June 2019)	Recommended Controls (August 2019)
<b>Precinct 18</b> Macquarie Road, Hall Street, Station Road 	Zoning: B4 Mixed Use  FSR: 3.6:1  Height: 32m	Zoning: B4 Mixed Use  FSR: 3.6:1  Height: 38m	Zoning: B4 Mixed Use  FSR: 3.6:1  Height: 38m	Supports Council Officers' recommendation	Zoning: B4 Mixed Use  FSR: 3.6:1  Height: 38m
<b>There is no Precinct 19 or 20</b>					
<b>Precinct 21</b> South of Rawson Street, east of Dartbrook Road 	Zoning: R2 Low Density Residential  FSR: no FSR  Height: 9m	Zoning: B4 mixed use  FSR: 2.1:1  Height: 20m	Zoning: defer consideration  FSR: defer consideration  Height: defer consideration	Supports Council Officers' recommendation	Zoning: defer consideration  FSR: defer consideration  Height: defer consideration
<b>Precinct 22</b> Rawson Street, Percy Street, Gellibolu Parade 	Zoning: R2 Low Density Residential  FSR: no FSR control  Height: 9m	Zoning: R3 Medium Density Residential  FSR: 0.75:1  Height: 9m	Zoning: defer consideration  FSR: defer consideration  Height: defer consideration	Supports Council Officers' recommendation	Zoning: defer consideration  FSR: defer consideration  Height: defer consideration



DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-176

Attachment 3

CLPP Report (20 June 2019) and  
Panel Advice (20 June 2019 and  
12 August 2019)



Item No: ELPP044/19

## **AUBURN AND LIDCOMBE TOWN CENTRES PLANNING CONTROLS STRATEGY**

Responsible Division: Environment & Planning  
Officer: Manager Strategic Planning  
File Number: S-5740-02  
Community Strategic Plan Goal: *A resilient built environment*

### **SUMMARY**

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This report provides relevant information on the Council report and minutes for the Auburn and Lidcombe Town Centres Planning Controls Strategy for consideration and advice by the Cumberland Local Planning Panel.

### **RECOMMENDATION**

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**That the Cumberland Local Planning Panel consider and provide advice on the report and minutes of 17 April 2019 for the Auburn and Lidcombe Town Centres planning controls strategy.**

### **REPORT**

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The Auburn and Lidcombe Town Centres Planning Controls Strategy was reported to Council at the meeting on 17 April 2019 (Attachments 1 to 5). One of the items under the resolution from the meeting was for Council to refer the Strategy to the Cumberland Local Planning Panel (CLPP) for advice (Attachment 6).

This Strategy was referred to the CLPP on 8 May 2019. At this meeting, the Panel requested that a separate Panel meeting be scheduled for consideration of this Strategy due to its complexity (Attachment 7).

This report provides the relevant information on the Council report and minutes for the Auburn and Lidcombe Town Centres Planning Controls Strategy for consideration and advice by the Cumberland Local Planning Panel.

### **COMMUNITY ENGAGEMENT**

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Community engagement is outlined in the attached Council report.

### **POLICY IMPLICATIONS**

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Policy implications are outlined in the attached Council report.

**RISK IMPLICATIONS**

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There are minimal risk implications for Council associated with this report.

**FINANCIAL IMPLICATIONS**

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There are minimal financial implications for Council associated with this report.

**CONCLUSION**

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This report provides the relevant information on the Council report and minutes for the Auburn and Lidcombe Town Centres Planning Controls Strategy for consideration and advice by the Cumberland Local Planning Panel.

**ATTACHMENTS**

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1. Council Report - 17 April 2019
2. Planning Controls Strategy for Auburn and Lidcombe Town Centres
3. Submissions received during public exhibition
4. Council Report and Minutes - 21 December 2016
5. Cumberland IHAP Reports - 17 November 2016
6. Council Minutes - 17 April 2019
7. Cumberland Local Planning Panel Minutes - 8 May 2019



**Extraordinary Cumberland Local Planning Panel Meeting  
20 June 2019**

Minutes of the Extraordinary Cumberland Local Planning Panel Meeting held at Merrylands Administration Building, 16 Memorial Avenue, Merrylands on Thursday 20 June 2019.

**PRESENT:**

Stuart McDonald, Michael Ryan, Chris Young and Paul Moulds AM.

**IN ATTENDANCE:**

Monica Cologna, Glenn Weekley, Esra Calim and Olivia Shields.

**NOTICE OF LIVE STREAMING OF CUMBERLAND LOCAL PLANNING PANEL MEETING**

The Chairperson advised that the Cumberland Local Planning meeting was being streamed live on Council's website and members of the public must ensure their speech to the Panel is respectful and use appropriate language.

The meeting here opened at 12:31p.m.

**DECLARATIONS OF INTEREST:**

Mr Stuart McDonald declared an interest in relation to Item 044/19 - Auburn and Lidcombe Town Centres Planning Controls Strategy, as he is acting for Council in regards to a development site in Northumberland Road, Auburn, within Precinct 18 of the study area, which is subject to an appeal to the Land and Environment Court. In consultation with Council's solicitors, Mr Stuart McDonald has determined to have no involvement in the Panel's consideration of Precinct 18 and Mr Chris Young will Chair this part of the meeting.

Mr Paul Moulds AM declared an interest in relation to Item 044/19 - Auburn and Lidcombe Town Centres Planning Controls Strategy as he manages a building and programs on a site that lies in one of the Precincts in Auburn considered in this application, the Salvation Army located at 199-170 South Parade, Auburn. Mr Paul Moulds AM will not participate in the Panels consideration of this particular precinct being Precinct 6.

**ADDRESS BY INVITED SPEAKERS:**

The following persons had made application to address the Cumberland Local Planning Panel meeting:

<u>Speakers</u>	<u>Item No. Subject</u>
Rev Graham Guy	Auburn and Lidcombe Town Centres Planning Controls Strategy

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Kerryn Stanton	Auburn and Lidcombe Town Centres Planning Controls Strategy
Tony Oldfield	Auburn and Lidcombe Town Centres Planning Controls Strategy
Matthew Daniel	Auburn and Lidcombe Town Centres Planning Controls Strategy
Peter Smith	Auburn and Lidcombe Town Centres Planning Controls Strategy
James Matthews	Auburn and Lidcombe Town Centres Planning Controls Strategy
Stephen Earp	Planning Proposal for an Additional Permitted use of Educational Establishment at 2 Percy Street, Auburn.

The Chairperson enquired to those present in the Gallery as to whether there were any further persons who would like to address the Panel and no further persons presented themselves.

The open session of the meeting here closed at 1:26p.m.


The closed session of the meeting here opened at 1:27p.m.

ITEM LPP044/19 - AUBURN AND LIDCOMBE TOWN CENTRES PLANNING  
CONTROLS STRATEGY









**RECOMMENDATION**

1. The Panel has made the following recommendations in the tables below having considered the public submissions presented at the Local Planning Panel meeting in addition to the written submissions received, particularly in regards to the reduction in floor space ratios.
2. The Panel acknowledges and supports the position of the Department of Planning and Environment and the advice of the Council Officers that the reduction of existing floor space ratios within the Auburn and Lidcombe town centres is not a practicable strategic solution.
3. The Panel recommends to the Council that in developing detailed planning controls for both of the town centres that it introduce the following:
  - a. That a minimum FSR of 0.5:1 be non-residential uses in the following precincts in the core of both town centres:
    - i. Precincts 1, 2, 3, 4, 5, 12, 13, 14 and 16 in Auburn town centre
    - ii. Precincts 1, 2, 3, 8, 9, 10, 14, and 15 in Lidcombe town centre
  - b. Minimum lot sizes as a prerequisite to achieve maximum FSR and building height.
  - c. Comprehensive built form development controls including but not limited to appropriate street wall heights, setbacks of towers above street wall podiums, active street frontages and façade design.
4. The Panel recommends the joint exhibition of any future Planning Proposal and associated DCP if practicable.








**Auburn Town Centre**

Precinct (refer to precinct maps for precinct boundary details)	Planning officer Recommended controls	CLPP Recommendation June 2019
<b>Precinct 1</b> Auburn Road, Mary Street, Harrow Road, Queen Street 	<b>Zoning:</b> B4 Mixed Use <b>FSR:</b> 5:1 <b>Height:</b> 70m	<ol style="list-style-type: none"> <li>1. Support Council Officers recommendation regarding FSR but not height.</li> <li>2. With regard to height the Panel recommends the exhibited height of 60m maximum for the reason of general consistency with</li> </ol>

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		<p>other land identified in the immediate locality with an FSR of 5:1.</p> <p>3. The Panel also does not support the Land Owner request for FSR of 9:1 and height of 90m for reasons outlined in the CIHAP meeting minutes dated 24 August 2016.</p>
<b>Precinct 2</b> Park Road, north of Mary St, Harrow Road 	Zoning: B4 Mixed Use FSR: 5:1 Height: 60m; NE corner 49m	Supports Council Officers recommendation
<b>Precinct 3</b> South of Mary St, Harrow Road, Sudan Street, Kerr Parade 	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m	Supports Council Officers recommendation
<b>Precinct 4</b> Auburn Central 	Zoning: B4 Mixed Use FSR: 3.75:1 Height: 49m	Supports Council Officers recommendation
<b>Precinct 5</b> South Parade Vales Lane Auburn Road Civic Road Kerr Parade 	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 18m	Supports Council Officers recommendation
<b>Precinct 6</b> South Parade, Alice Street, Queen Street and Park Road 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Supports Council Officers recommendation
<b>Precinct 7</b> Queen Street, Alice Street, Mary Street, Park Road 	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m	Supports Council Officers recommendation
<b>Precinct 8</b> lots zoned B4 fronting southern side of Mary St 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Supports Council Officers recommendation
<b>Precinct 9</b> Harrow Road, north of Beatrice Street, Susan Street 	Zoning: B4 Mixed Use FSR: 5:1 Height: NW corner 55m, remainder 45m	Supports Council Officers recommendation

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Precinct (refer to precinct maps for precinct boundary details)	Planning officer Recommended controls	CLPP Recommendation June 2019
<b>Precinct 10</b> Queen St, Susan Street, Beatrice Street, Marion Street 	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m	Supports Council Officers recommendation
<b>Precinct 11</b> Kerr Parade, Marion Street, Queen Street 	Zoning: B4 Mixed Use FSR: 3:1 Height: 32m	Supports Council Officers recommendation
<b>Precinct 12</b> Station Road, Kerr Parade, Auburn Road 	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 27m	Supports Council Officers recommendation
<b>Precinct 13</b> northern side of Rawson Street and west of Station Road 	Zoning: B4 Mixed Use FSR: 5:1 Height: 65m	1. Supports Council Officers recommendation regarding FSR but not height  2. With regard to height the Panel recommends the exhibited height of 55m maximum for the reason of general consistency with land to the west in Precinct 14.
<b>Precinct 14</b> Mid-block between Macquarie and Northumberland Roads 	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m	Support Council Officers recommendation.
<b>Precinct 15</b> mid-block between Station and Northumberland Road 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Support Council Officers recommendation.
<b>Precinct 16</b> 16a north of Rawson Street 16b south of Rawson St 	16a (north) Zoning: B4 Mixed Use FSR: 3.6:1  Height: 38m	16b (south) Zoning: B4 Mixed Use FSR: defer consideratio n  Height: defer consideratio n



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<b>Precinct 17</b> Station Road/Hall Street/Holliday Lane 	Holliday Lane- Station Street <b>Zoning: B4</b> <b>FSR: 3.6:1</b> <b>Height: 25m</b>	Holliday Lane- Dartbrook Rd <b>Zoning: R4</b> <b>FSR: 2:1</b> <b>Height: 20m</b>	Support Council Officers recommendation.
<b>Precinct 18</b> Macquarie Road, Hall Street, Station Road 	<b>Zoning: B4 Mixed Use</b> <b>FSR: 3.6:1</b> <b>Height: 38m</b>		Support Council Officers recommendation.
<b>Precinct 21</b> South of Rawson Street, east of Dartbrook Road 	<b>Zoning: defer</b> consideration <b>FSR: defer consideration</b> <b>Height: defer</b> consideration		Support Council Officers recommendation.

**Lidcombe Town Centre**

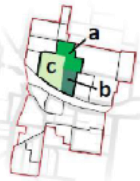




<b>Precinct</b> (refer to precinct maps for precinct boundary details)	<b>Planning officer Recommended controls</b>	<b>CLPP Recommendation June 2019</b>
<b>Precinct 1</b> Bridge Street, Tooheys Lane, Joseph Street 	<b>Zoning: B4 Mixed Use</b> <b>FSR: 5:1</b> <b>Height: 70m</b>	1. Support Council Officers recommendation regarding FSR but not height.  2. With regard to height the Panel recommends the exhibited height of 60m maximum which will be consistent with the previous CIHAP recommendation.
<b>Precinct 2</b> East of Joseph Street, fronting Railway Street 	<b>Zoning: B4 Mixed Use</b> <b>FSR: 5:1</b> <b>Height: 65m</b>	1. Support Council Officers recommendation regarding FSR but not height.  2. With regard to height the Panel recommends the exhibited height of 55m maximum which will be consistent with the previous





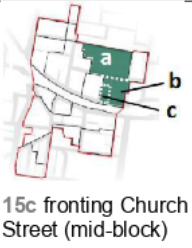



Extraordinary Cumberland Local Planning Panel Meeting  
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				CIHAP recommendation.		
<b>Precinct 3</b> 3a: fronting Railway Street between station and Mark Street 3b: Mark, Railway, Raphael, Davey-Marsden Streets 3c: east of Joseph Street and around Taylor Street  3d: Bridge, Joseph and Vaughan Streets)	<b>Zoning:</b> B4 Mixed Use <b>FSR:</b> 5:1 <table><tr><td><b>3a</b> Height: 60m</td><td><b>3b</b> Height: 50m</td><td><b>3c</b> Height: 38m</td><td><b>3d</b> Height: 65m</td></tr></table>	<b>3a</b> Height: 60m	<b>3b</b> Height: 50m	<b>3c</b> Height: 38m	<b>3d</b> Height: 65m	<ol style="list-style-type: none"><li>1. Support Council Officers recommendation regarding height in precinct 3c.</li><li>2. Recommends maximum height of 55m for precincts 3a and 3d and 45m for precinct 3b all as exhibited and as previously recommended by CIHAP.</li></ol>
<b>3a</b> Height: 60m	<b>3b</b> Height: 50m	<b>3c</b> Height: 38m	<b>3d</b> Height: 65m			
<b>Precinct 4</b> Marsden-Davey, Mark, Janes and Raphael Streets 	<b>Zoning:</b> B4 Mixed Use <b>FSR:</b> 5:1 <b>Height:</b> 38m	Support Council Officers recommendation.				
<b>Precinct 5</b> Between Taylor Street and Remembrance Park 	<b>Zoning:</b> B4 Mixed Use <b>FSR:</b> 5:1 <b>Height:</b> 32m	Support Council Officers recommendation.				
<b>Precinct 6</b> B4 zoned land south west of Kerrs Road and Joseph Street 	<b>Zoning:</b> B4 Mixed Use <b>FSR:</b> 5:1 <b>Height:</b> 38m	Support Council Officers recommendation.				
<b>Precinct 7</b> Kerrs Road, Olympic Drive, Raymond Street East, Joseph Street 	<b>Zoning:</b> R4 High Density Residential <b>FSR:</b> 2:1 <b>Height:</b> 25m	<ol style="list-style-type: none"><li>1. Supports Council Officers recommendation regarding FSR and R4 zoning.</li><li>2. Recommends height maximum 20m for the reason of consistency with R4 zone land adjoining to the east and to achieve a more appropriate interface with existing R2 low density residential zoned land adjoining to the south.</li></ol>				

Extraordinary Cumberland Local Planning Panel Meeting  
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Precinct (refer to precinct maps for precinct boundary details)	Recommended controls			CLPP Recommendation June 2019
<b>Precinct 8</b> 8a north east of Mary and Board Streets, south of Dodson Avenue 8b Church, John and Mary Streets 8c east of John Street (Dooleys) 	<b>Zoning: B4 Mixed Use</b> <b>FSR: 5:1</b>			1. Support. Council Officers recommendation regarding 8a and 8b but not 8c.  2. With regard to height in 8c the Panel recommends the exhibited height of 60m maximum for the reason of general consistency with land to the east of John Street and fronting Church Street.
	<b>8a</b> Height: 38m	<b>8b</b> Height: 55m	<b>8c</b> Height: 70m	
<b>Precinct 9</b> Western half of Dooleys site 	<b>Zoning: B4 Mixed Use</b> <b>FSR: 5:1</b> <b>Height: 70m</b>			1. Support Council Officers recommendation regarding FSR but not height.  2. With regard to height the Panel recommends the exhibited height of 60m maximum as this is the existing control.
<b>Precinct 10</b> Ann Street, Olympic Drive, Board Street 	<b>Zoning: B4 Mixed Use</b> <b>FSR: 3.5:1</b> <b>Height: 38m</b>			Supports Council Officers recommendation
<b>Precinct 11</b> Ann Street, Olympic Drive, Child Street 	<b>Zoning: R4 High Density Residential</b> <b>FSR: 3:1</b> <b>Height: 32m</b>			Supports Council Officers recommendation
<b>Precinct 12</b> Childs, John, and Ann Streets (east of John Street) 	<b>Zoning: B4 Mixed Use</b> <b>FSR: 5:1</b> <b>Height: 38m</b>			Supports Council Officers recommendation

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Precinct (refer to precinct maps for precinct boundary details)	Recommended controls			CLPP Recommendation June 2019
<b>Precinct 13</b> North of Childs Street, east of John Street 	<b>Zoning:</b> R4 High Density Residential <b>FSR:</b> 2:1 <b>Height:</b> 20m			Support Council Officers recommendation.
<b>Precinct 14</b> Mid-block between Church and Mary Streets 	<b>Zoning:</b> B4 Mixed Use <b>FSR:</b> 5:1 <b>Height:</b> 38m			Support Council Officers recommendation.
<b>Precinct 15</b> 15a Doodson Ave, Frederick and Mary Streets 15b mid-block south of Mary Street, between Mary-Church Streets 15c fronting Church Street (mid-block) 	<b>15a</b> <b>Zoning:</b> R4 High Density <b>FSR:</b> 2.2:1 <b>Height:</b> 29m	<b>15b</b> <b>Zoning:</b> B4 Mixed Use <b>FSR:</b> 2.2:1 <b>Height:</b> 29m	<b>15c</b> <b>Zoning:</b> B4 Mixed Use <b>FSR:</b> 2.5:1 <b>Height:</b> 36m	Support Council Officers recommendation.
<b>Precinct 15 east</b> 31 and 33 Mary Street (now included as part of Precinct 15) 	<b>Zoning:</b> R4 High Density <b>FSR:</b> 2:1 <b>Height:</b> 20m			Support Council Officers recommendation.
<b>Precinct 16</b> Mary, Swete, Mills (E), and Frederick Streets (now extends to southern side of Mills Street) 	<b>Zoning:</b> R4 High Density <b>FSR:</b> 2:1 <b>Height:</b> 20m			Support Council Officers recommendation.
<b>Precinct 17</b> Vaughan Street, Olympic Drive, Kerrs Road 	<b>Zoning:</b> R4 High Density Residential <b>FSR:</b> 2:1 <b>Height:</b> 20m			Support Council Officers recommendation.

**For:** Stuart McDonald (Chairperson) (with the exception of Precinct 18 Auburn), Michael Ryan, Chris Young and Paul Moulds AM (with the exemption of Precinct 6 Auburn).

**Extraordinary Cumberland Local Planning Panel Meeting  
20 June 2019**

In relation to Precinct 6 Auburn Paul Moulds AM took no part in the discussion and consideration. In relation to Precinct 18 Auburn, Stuart McDonald took no part in the discussion and consideration. Chris Young Chaired the Panel's consideration of Precinct 18.

**Against:** Nil.

ITEM LPP045/19 - PLANNING PROPOSAL FOR AN ADDITIONAL PERMITTED USE  
OF EDUCATIONAL ESTABLISHMENT AT 2 PERCY STREET, AUBURN

**RECOMMENDATION:**

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**1. The Panel advises the Council as follows:**

- a. That Council's attention be drawn to the proposed use being inconsistent with the objectives of the current IN2 Light Industrial zone.
- b. The proposed student population together with teachers and support staff appears to be an excessive scale of development given the size and constraints of the site and the locality.
- c. An educational establishment may be an acceptable land use on the site and recognises the demand for such a facility within the community subject to the above.

**2. The Panel recommends that the Council consider the above advice, and in particular items 1a and 1b when determining the form of the Planning Proposal in achieving the objective of the proposed educational establishment on the site.**

**For:** Stuart McDonald (Chairperson), Michael Ryan, Chris Young and Paul Moulds AM

**Against:** Nil.

The closed session of the meeting here closed at 4:40p.m.

The open session of the meeting here opened at 4:41p.m. The Chairperson delivered the Cumberland Local Planning Panel's resolutions to the Public Gallery.

The meeting terminated at 4:45p.m.

Signed:



Stuart McDonald  
Chairperson

12 August 2019

Apology: Paul Moulds

Attendance: Monica Cologna, Karl Okorn, Esra Calim, Stuart McDonald, Chris Young, Mike Ryan.

Outcome:

The panel is open to further consideration of the principal put forward from Council officers regarding additional height in certain locations.

At this time however, the panel is concerned about unintended consequences of using Clause 4.6 relating to FSR and height for sites seeking to utilise the Design Excellence provisions. These include:

- The potential use of Clause 4.6 to justify additional FSR associated with any increase in height arising from the achievement of design excellence.
- The potential use of Clause 4.6 to achieve additional height over and above that available from the achievement of Design Excellence.
- The use of Clause 4.6 for additional height in lieu of Design Excellence provisions.

The panel therefore reaffirms its recommendation of 20 June 2019 meeting, however, is open to reconsideration of its recommendations subject to the following:

- Adequate statutory safe guards including but not limited to the potential restriction of the use of Clause 4.6.
- In the event the Council request the panel to give further consideration, the panel would request a further meeting/briefing regarding those additional provisions as well as consider each individual precinct in more detail to understand the capacity for additional height.

Stuart McDonald  
Chairse@ald  
12/8/19Chris Young  
Panel member

12.8.19

Michael Ryan  
Panel member

12.8.19





DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-176

Attachment 4

Council Report and Minutes on  
Auburn and Lidcombe Town  
Centres Planning Controls  
Strategy (17 April 2019)



Item No: C04/19-64

## **AUBURN AND LIDCOMBE TOWN CENTRES PLANNING CONTROLS STRATEGY**

Responsible Division: Environment & Planning  
Officer: Director Environment & Planning  
File Number: S-5740-02  
Community Strategic Plan Goal: *A resilient built environment*

### **SUMMARY**

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This report provides an update on the planning controls strategy for the Auburn and Lidcombe Town Centres. It outlines the outcomes of the public exhibition process, including submissions received and key issues, and the recommended approach for planning controls in the Auburn and Lidcombe Town Centres.

Council has undertaken work on a planning controls strategy for the Auburn and Lidcombe Town Centres. The primary focus of this work is to better align the planning controls related to zoning, height and floor space ratios, which enable a broader range of building design options to be realised. This approach provides better opportunities for innovation in the built form of these town centres, and contributes to the quality of amenity and public domain within the Cumberland area.

The draft strategy for the Auburn and Lidcombe Town Centres was placed on public exhibition from 7 February 2017 to 8 March 2017. A total of 52 submissions were received. Key items raised included feedback on the proposed planning controls, infrastructure availability and built form interfaces with existing land uses.

Following a review of submissions and further assessment by Council, the recommended planning controls strategy for the Auburn Town Centre includes:

- retention of existing floor space ratios in precincts where a reduction was proposed, as development has proceeded under the current controls
- changes to maximum heights for some precincts to allow for improved building design while maintaining the existing floor space ratios at these precincts
- minor changes to zonings and/or floor space ratios for Precinct 17 to better support the activation of Auburn Town Centre at this location

Following a review of submissions and further assessment by Council, the recommended planning controls strategy for the Lidcombe Town Centre includes:

- retention of existing floor space ratios in precincts where a reduction was identified for consideration, as development has proceeded in these precincts with the current controls

- changes to zonings and/or floor space ratios for Precincts 7, 10, 15 (part) and 16 to better support the activation of Lidcombe Town Centre at these locations, as well as to provide a better design and built form response. This approach minimises pressure on existing services and infrastructure by only providing a minor increase in potential development yield
- changes to maximum heights for some precincts to allow for improved building design while maintaining the existing floor space ratios at these precincts

The report also outlines the implementation of the planning controls strategy through the new Cumberland Local Environmental Plan (LEP) if endorsed by Council. This process will require the preparation of a planning proposal, review and advice from the Cumberland Local Planning Panel, Gateway determination by the NSW Government, public consultation and finalisation of the planning proposals for the new LEP. This work is a high priority of Council and is scheduled for completion in mid-2020.

## RECOMMENDATION

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### That Council:

1. Note the submissions received on the planning controls strategy for Auburn and Lidcombe Town Centres.
2. Note that planning controls for the Auburn Town Centre remain unchanged for Precincts 4, 5, 7 and 10.
3. Adopt the planning controls strategy for Auburn Town Centre in Precincts 2, 3, 6, 8, 11, 14, 15, 16a and 18, with these controls reflecting current arrangements or exhibited controls.
4. Adopt the planning controls strategy for Auburn Town Centre in Precincts 1, 9, 12, 13 and 17, with revisions made to these controls in response to submissions or further assessment by Council.
5. Adopt the planning controls strategy for Lidcombe Town Centre in Precincts 4, 5, 6, 10, 11, 12, 13, 15 east, 16a and 17, with these controls reflecting current arrangements or exhibited controls.
6. Adopt the planning controls strategy for Lidcombe Town Centre in Precincts 1, 2, 3, 7, 8, 9, 14 and 15, with revisions made to these controls in response to submissions or further assessment by Council.
7. Implement the adopted planning controls strategy for Auburn and Lidcombe Town Centres as part of the new Cumberland Local Environmental Plan.
8. Note that the adopted planning controls strategy for Auburn and Lidcombe Town Centres will be subject to further public consultation and further review by the Cumberland Local Planning Panel as part of the new Cumberland Local Environmental Plan.
9. Note that further assessment on the planning controls strategy for Auburn Town Centre will be undertaken in Precincts 16b, 21 and 22.

## REPORT

### Background

Council has undertaken work on a planning controls strategy for the Auburn and Lidcombe Town Centres. The primary focus of this work is to better align the planning controls related to zoning, height and floor space ratios, which enables a broader range of building design options to be realised. This approach provides better opportunities for innovation in the built form of these town centres, and contributes to the quality of amenity and public domain within the Cumberland area.

A chronology of the work undertaken on the planning controls strategy for Auburn and Lidcombe Town Centres is provided in Table 1. Further background information from previous Council and Independent Hearing and Assessment Panel reports are provided in Attachments 3 and 4.

Former Auburn City Council	
2014 - 2015	Resolutions to increase heights in Auburn and Lidcombe Town Centres.
2015 - 2016	Preliminary Consultant work
Cumberland Council	
May 2016	Council amalgamation – review of planning controls placed on hold
September-October 2016	Internal work to finalise draft Strategy
November 2016	Report to IHAP - recommending exhibition
December 2016	Report to Council. Resolution to exhibit (Administrator)
7 Feb – 8 March 2017	Exhibition of draft Strategy
2017 – 2019	Analysis of issues raised in submissions and review of draft Strategy
April 2019	Report to Council on Planning Controls Strategy

Table 1: Chronology of planning controls strategy for Auburn and Lidcombe Town Centres

### Auburn Town Centre

This work considered the planning controls for a number of precincts in the Auburn Town Centre, as outlined in Figure 1. A range of public submissions were received and considered for the various precincts in the town centre. Council has also reviewed development applications and building construction activity in the town centre since the public consultation period to ensure that the recommended planning controls respond to the current built form in the town centre.



Figure 1: Auburn Town Centre Precincts

The key elements of the recommended planning controls strategy for the Auburn Town Centre include:

- retention of existing floor space ratios in precincts where a reduction was proposed, as development has proceeded in these precincts under the current controls
- changes to maximum heights for some precincts to allow for improved building design while maintaining the existing floor space ratios at these precincts
- minor changes to zonings and/or floor space ratios for Precinct 17 to better support the activation of Auburn Town Centre at this location
- further assessment of planning controls in selected precincts in response to submissions and planning proposals received following public exhibition

Information by precinct is provided in Table 2 and Attachment 1 of the report.








AUBURN TOWN CENTRE

no change    different to existing    different to existing and exhibited controls

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (2017)	Recommended controls
Precinct 1 Auburn Road, Mary Street, Harrow Road, Queen Street	Zoning: B4 Mixed Use FSR: 5:1 Height: 49m	Zoning: B4 Mixed Use FSR: 5:1 Height: 60m	Zoning: B4 Mixed Use FSR: 5:1 Height: 70m
Precinct 2 Park Road, north of Mary St, Harrow Road	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 60m; NE corner 49m	Zoning: B4 Mixed Use FSR: 5:1 Height: 60m; NE corner 49m
Precinct 3 South of Mary St, Harrow Road, Susan Street, Kerr Parade	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m
Precinct 4 Auburn Central	Zoning: B4 Mixed Use FSR: 3.75:1 Height: 49m	Zoning: B4 Mixed Use FSR: 3.75:1 Height: 49m	Zoning: B4 Mixed Use FSR: 3.75:1 Height: 49m
Precinct 5 South Parade, Vales Lane, Auburn Road, Civic Road, Kerr Parade	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 18m	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 18m	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 18m
Precinct 6 South Parade, Alice Street, Queen Street and Park Road	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 3:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m
Precinct 7 Queen Street, Alice Street, Mary Street, Park Road	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (2017)	Recommended controls
Precinct 8 lots zoned B4 fronting southern side of Mary St	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 3:1 Height: 32m	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m
Precinct 9 Harrow Road, north of Beatrice Street, Susan Street	Zoning: B4 Mixed Use FSR: 5:1 Height: NW corner 36m, remainder 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 45m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m (NW corner) remainder 45m
Precinct 10 Queen St, Susan Street, Beatrice Street, Marion Street	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m
Precinct 11 Kerr Parade, Marion Street, Queen Street	Zoning: B4 Mixed Use FSR: 3:1 Height: 27m	Zoning: B4 Mixed Use FSR: 3:1 Height: 32m	Zoning: B4 Mixed Use FSR: 3:1 Height: 32m
Precinct 12 Station Road, Kerr Parade, Auburn Road	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 18m	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 18m	Zoning: B4 Mixed Use FSR: 2.4:1 Height: 27m
Precinct 13 northern side of Rawson Street and west of Station Road	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m	Zoning: B4 Mixed Use FSR: 5:1 Height: 65m

Table 2: Planning Control Strategy by Precinct for Auburn Town Centre

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (2017)	Recommended controls
Precinct 14 Mid-block between Macquarie and Northumberland Roads 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m	Zoning: B4 Mixed Use FSR: 5:1 Height: 55m
Precinct 15 mid block between Station and Northumberland Road 	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m	Zoning: B4 Mixed Use FSR: 5:1 and recommendation to defer consideration Height: 38m and recommendation to defer consideration	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m
Precinct 16 16a north of Rawson Street 16b south of Rawson St 	Zoning: B4 Mixed Use FSR: 3.6:1 Height: 32m	16a (north) 16b (south) Zoning: B4 Mixed Use FSR: 3.6:1 3.6:1 Height: 38m Height: 38m	16a (north) 16b (south) Zoning: B4 Mixed Use FSR: 3.6:1 FSR: defer consideration Height: 38m Height: defer consideration
Precinct 17 Station Road/Hall Street/Holiday Lane 	Zoning: R4 High Density Residential FSR: 1.7:1/2:1 corners Height: 18m/20m corners	Zoning: R4 High Density Residential FSR: 2.1:1 Height: 20m	Holiday Lane- Station Street Zoning: B4 FSR: 3.6:1 Height: 25m Holiday Lane- Dartbrook Rd Zoning: R4 FSR: 2.1:1 Height: 20m
Precinct 18 Macquarie Road, Hall Street, Station Road 	Zoning: B4 Mixed Use FSR: 3.6:1 Height: 32m	Zoning: B4 Mixed Use FSR: 3.6:1 Height: 38m	Zoning: B4 Mixed Use FSR: 3.6:1 Height: 38m
There is no Precinct 19 or 20			

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (2017)	Recommended controls
Precinct 21 South of Rawson Street, east of Dartbrook Road 	Zoning: R2 Low Density Residential FSR: no FSR Height: 9m	Zoning: B4 Mixed Use FSR: 2.1:1 Height: 20m	Zoning: defer consideration FSR: defer consideration Height: defer consideration
Precinct 22 Rawson Street, Percy Street, Gellibolu Parade 	Zoning: R2 Low Density Residential FSR: no FSR control Height: 9m	Zoning: R3 Medium Density Residential FSR: 0.75:1 Height: 9m	Zoning: defer consideration FSR: defer consideration Height: defer consideration

Table 2: Planning Control Strategy by Precinct for Auburn Town Centre (cont.)

### Lidcombe Town Centre

This work considered the planning controls for a number of precincts in the Lidcombe Town Centre, as outlined in Figure 2. A range of public submissions were received and considered for the various precincts in the town centre. Council has also reviewed development applications and building construction activity in the town centre since the public consultation period to ensure that the recommended planning controls respond to the current built form in the town centre.



Figure 2: Lidcombe Town Centre Precincts

The key elements of the recommended planning controls strategy for the Lidcombe Town Centre include:






- retention of existing floor space ratios in precincts where a reduction was identified for consideration, as development has proceeded in these precincts with the current controls
- changes to zonings and/or floor space ratios for Precincts 7, 10, 15 (part) and 16 to better support the activation of Lidcombe Town Centre at these locations, as well as to provide a better design and built form response. This approach minimises pressure on existing services and infrastructure by only providing a minor increase in potential development yield
- changes to maximum heights for some precincts to allow for improved building design while maintaining the existing floor space ratios at these precincts






Information by precinct is provided in Table 3 and Attachment 1 of the report.






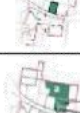
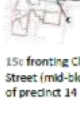
**LIDCOMBE TOWN CENTRE**

no change
  different to existing
  different to existing and exhibited controls

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (2017)				Recommended controls			
Precinct 1 Bridge Street, Tooheys Lane, Joseph Street 	Zoning: B4 Mixed Use FSR: 5:1  Height: 36m	Zoning: B4 Mixed Use FSR: 5:1  Height: 60m				Zoning: B4 Mixed Use FSR: 5:1  Height: 70m			
Precinct 2 East of Joseph Street, fronting Railway Street 	Zoning: B4 Mixed Use FSR: 5:1  Height: 32m	Zoning: B4 Mixed Use FSR: 5:1  Height: 55m				Zoning: B4 Mixed Use FSR: 5:1  Height: 65m			
Precinct 3 3a: fronting Railway Street between station and Mark Street 3b: Mark, Railway, Raphael, Davy, Marsden Streets 3c: east of Joseph Street and around Taylor Street 3d: Bridge, Joseph and Vaughan Streets 	Zoning: B4 Mixed Use FSR: 5:1  Height: 32m	Zoning: B4 Mixed Use FSR: 5:1 3a, 3b, 3c (eastern part), 3d 3c (western part) 5:1 and Council to investigate reduction in FSR 3a Height: 55m 3b Height: 45m 3c Height: 38m and further investigation 3d Height: 55m				Zoning: B4 Mixed Use FSR: 5:1 3a Height: 60m 3b Height: 50m 3c Height: 38m 3d Height: 65m			
Precinct 4 Marsden-Davey, Mark, James and Raphael Streets 	Zoning: B4 Mixed Use FSR: 5:1 Height: 32m	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m				Zoning: B4 Mixed Use FSR: 5:1 Height: 38m			
Precinct 5 Between Taylor Street and Remembrance Park 	Zoning: B4 Mixed Use FSR: 5:1  Height: 32m	Zoning: part RE1 FSR: no FSR (RE1 part) Height: no height (RE1 part)	part B4 Mixed Use 5:1 remainder 38m remainder			Zoning: B4 Mixed Use FSR: 5:1  Height: 32m			

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (2017)			Recommended controls		
Precinct 6 B4 zoned land south west of Kerr's Road and Joseph Street 	<i>Zoning:</i> B4 Mixed Use <i>FSR:</i> 5:1  <i>Height:</i> 32m	<i>Zoning:</i> B4 Mixed Use <i>FSR:</i> 5:1  <i>Height:</i> 38m			<i>Zoning:</i> B4 Mixed Use <i>FSR:</i> 5:1  <i>Height:</i> 38m		
Precinct 7 Kerr's Road, Olympic Drive, Raymond Street East, Joseph Street 	<i>Zoning:</i> R2 Low Density Residential <i>FSR:</i> no FSR <i>Height:</i> 9m	<i>Zoning:</i> R4 High Density Residential  <i>FSR:</i> 2:1 <i>Height:</i> 20m			<i>Zoning:</i> R4 High Density Residential  <i>FSR:</i> 2:1 <i>Height:</i> 25m		
Precinct 8 8a north east of Mary and Board Streets, south of Dodson Avenue 8b Church, John and Mary Streets  8c east of John Street (Dooleys)	<i>Zoning:</i> B4 Mixed Use <i>FSR:</i> 5:1  <i>Height:</i> 36m	<i>Zoning:</i> B4 Mixed Use <i>FSR:</i> 5:1  8a <i>Height:</i> 50m 8b <i>Height:</i> 55m 8c <i>Height:</i> 60m			<i>Zoning:</i> B4 Mixed Use <i>FSR:</i> 5:1  8a <i>Height:</i> 38m 8b <i>Height:</i> 55m 8c <i>Height:</i> 70m		
Precinct 9 Western half of Dooleys site 	<i>Zoning:</i> B4 Mixed Use <i>FSR:</i> 5:1 <i>Height:</i> 60m	<i>Zoning:</i> B4 Mixed Use <i>FSR:</i> 5:1 <i>Height:</i> 60m			<i>Zoning:</i> B4 Mixed Use <i>FSR:</i> 5:1 <i>Height:</i> 70m		
Precinct 10 Ann Street, Olympic Drive, Board Street 	<i>Zoning:</i> R4 High Density <i>FSR:</i> 1.7:1/2:1 corners  <i>Height:</i> 18m/20m corners	<i>Zoning:</i> B4 Mixed Use <i>FSR:</i> 3.5:1  <i>Height:</i> 38m			<i>Zoning:</i> B4 Mixed Use <i>FSR:</i> 3.5:1  <i>Height:</i> 38m		

**Table 3: Planning Control Strategy by Precinct for Lidcombe Town Centre**

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (2017)				Recommended controls			
Precinct 11 Ann Street, Olympic Drive, Child Street	 Zoning: R4 High Density Residential FSR: 1.7:1/2:1 corners Height: 18m/20m corners	Zoning: R4 High Density Residential FSR: 3:1 Height: 32m				Zoning: R4 High Density Residential FSR: 3:1 Height: 32m			
Precinct 12 Childs, John, and Ann Streets (east of John Street)	 Zoning: B4 Mixed Use FSR: 5:1 Height: 36m	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m				Zoning: B4 Mixed Use FSR: 5:1 Height: 38m			
Precinct 13 North of Childs Street, east of John Street	 Zoning: R4 High Density Residential FSR: 1.7:1/2:1 corners Height: 18m/20m corners	Zoning: R4 High Density Residential FSR: 2:1 Height: 20m				Zoning: R4 High Density Residential FSR: 2:1 Height: 20m			
Precinct 14 Mid-block between Church and Mary Streets	 Zoning: B4 Mixed Use FSR: 5:1 Height: 32m	Zoning: B4 Mixed Use FSR: 5:1 Height: 38m				Zoning: B4 Mixed Use FSR: 5:1 Height: 38m			
Precinct 15 15a Doodson Ave, Frederick and Mary Streets 15b1 mid block, south of Mary Street 15b2 mid-block, fronting Church St, east of precinct 15c	 15a, 15b, 15c, 15d Zoning: R4 High Density FSR: 1.7:1/2:1 corners Height: 18m/20m corners	15a Zoning: R4 High Density FSR: 3:1 Height: 32m	15b1 Zoning: B4 Mixed Use FSR: 3.5:1 Height: 38m	15b2 Zoning: B4 Mixed Use FSR: 3.5:1 Height: 38m	15c Zoning: B4 Mixed Use FSR: 3.5:1 Height: 38m	15a Zoning: R4 High Density FSR: 2.2:1 Height: 29m	15b1 Zoning: R4 High Density FSR: 2.2:1 Height: 29m	15b2 Zoning: R4 High Density FSR: 2.2:1 Height: 29m	15c Zoning: B4 Mixed Use FSR: 2.5:1 Height: 36m

Precinct (refer to precinct maps for precinct boundary details)	Existing Controls ALEP 2010	Exhibited Controls (2017)		Recommended controls	
Precinct 15 east 31 and 33 Mary Street (now included as part of Precinct 15)	 Zoning: R4 High Density FSR: 1.7:1 Height: 18m	Zoning: R4 High Density FSR: 1.7:1 Height: 20m		Zoning: R4 High Density FSR: 2:1 Height: 20m	
Precinct 16 16a Mary, Swete, Mills (L), and Frederick Streets 16b (extension of Precinct 16 to southern side of Mills Street)	 Zoning: R3 Medium Density FSR: 0.75:1 Height: 9m	16a Zoning: R4 High Density FSR: 2:1 Height: 20m	16b (Lot between Mills St and Precinct 16) Zoning: R3 Medium Density FSR: 0.75:1 Height: 9m	16a Zoning: R4 High Density FSR: 2:1 Height: 20m	16b (Lot between Mills St and Precinct 16) Zoning: R4 High Density FSR: 2:1 Height: 20m
Precinct 17 Vaughan Street, Olympic Drive, Kerr Road	 Zoning: R4 High Density Residential FSR: 1.7:1/2:1 corner Height: 18m/20m corners	Zoning: R4 High Density Residential FSR: 2:1 Height: 20m		Zoning: R4 High Density Residential FSR: 2:1 Height: 20m	

Table 3: Planning Control Strategy by Precinct for Lidcombe Town Centre (cont.)

### Next Steps

Subject to endorsement by Council, the implementation of the adopted planning controls strategy will be undertaken through the new Cumberland Local Environmental Plan (LEP). This process will require the preparation of a planning proposal, review and advice from the Cumberland Local Planning Panel, Gateway determination by the NSW Government, public consultation and finalisation of the planning proposal for the new LEP. This work is a high priority of Council and is scheduled for completion in mid-2020.

## COMMUNITY ENGAGEMENT

The draft Strategy was exhibited from 7 February 2017 to 8 March 2017. Two public information evening sessions were held during the exhibition: one at the Lidcombe Community Centre (20 February 2017); and one at Council's Auburn Administration Centre (23 February 2017).

A total of 52 submissions were received, including:

- 16 submissions and 1 petition (29 signatures) generally objecting to the draft Strategy;
- 13 submissions (including 10 form letters) in support of the draft Strategy; and
- the remainder raising various issues and comments.

Key items raised in the submission (as shown in Figure 3) included feedback on the proposed planning controls, infrastructure availability and built form interfaces with existing land uses. A summary and response to the submissions received is provided in Attachment 2.

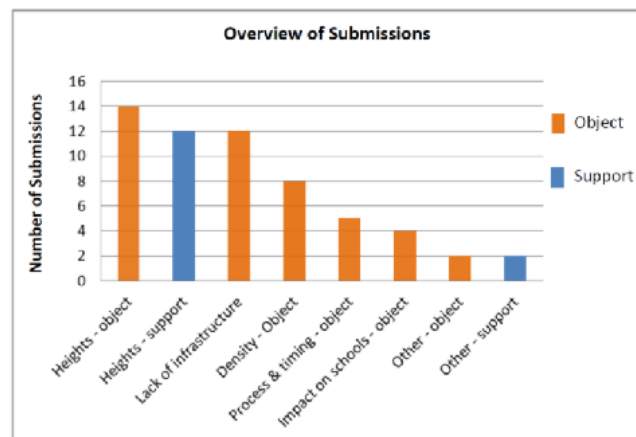


Figure 3: Overview of submissions received

## POLICY IMPLICATIONS

Policy implications are outlined in the main body of this report.

## RISK IMPLICATIONS

There are minimal risk implications for Council associated with this report. The primary focus of this work is to better align planning controls for Auburn and Lidcombe Town Centres that can enhance design and built form outcomes. The introduction of the Cumberland Design Excellence Panel at the development application stage will further mitigate risks in achieving these outcomes.



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## FINANCIAL IMPLICATIONS

There are minimal financial implications for Council associated with this report. The primary focus of this work is to better align planning controls for Auburn and Lidcombe Town Centres that can enhance design and built form outcomes.

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## CONCLUSION

This report provides an update on the planning controls strategy for the Auburn and Lidcombe Town Centres. It outlines the outcomes of the public exhibition process, including submissions received and key issues, and the recommended approach for planning controls in the Auburn and Lidcombe Town Centres.

The Draft Strategy for the Auburn and Lidcombe Town Centres was placed on public exhibition from 7 February 2017 to 8 March 2017. A total of 52 submissions were received. Key items raised included feedback on the proposed planning controls, infrastructure availability and built form interfaces with existing land uses.

Following a review of submissions and further assessment by Council, the recommended planning controls strategy for the Auburn Town Centre includes:

- retention of existing floor space ratios in precincts where a reduction was proposed, as development has proceeded under the current controls
- changes to maximum heights for some precincts to allow for improved building design while maintaining the existing floor space ratios at these precincts
- minor changes to zonings and/or floor space ratios for Precinct 17 to better support the activation of Auburn Town Centre at this location
- further assessment of planning controls in selected precincts in response to submissions and planning proposals received following public exhibition

Following a review of submissions and further assessment by Council, the recommended planning controls strategy for the Lidcombe Town Centre includes:

- retention of existing floor space ratios in precincts where a reduction was identified for consideration, as development has proceeded in these precincts with the current controls
- changes to zonings and/or floor space ratios for Precincts 7, 10, 15 (part) and 16 to better support the activation of Lidcombe Town Centre at these locations, as well as to provide a better design and built form response. This approach minimises pressure on existing services and infrastructure by only providing a minor increase in potential development yield
- changes to maximum heights for some precincts to allow for improved building design while maintaining the existing floor space ratios at these precincts





The report also outlines the implementation of the planning controls strategy through the new Cumberland Local Environmental Plan (LEP) if endorsed by Council. This

process will require the preparation of a planning proposal, Gateway determination by the NSW Government, public consultation and finalisation of the planning proposals for the new LEP. This work is a high priority of Council and is scheduled for completion in mid-2020.

The primary focus of this work is to better align the planning controls related to zoning, height and floor space ratios, which enables a broader range of building design options to be realised. The adoption of the planning controls strategy for the Auburn and Lidcombe Town Centres provides better opportunities for innovation in the built form of these town centres, and contribute to the quality of amenity and public domain within the Cumberland area.

## ATTACHMENTS

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1. Planning Controls Strategy for Auburn and Lidcombe Town Centres [↓](#) 
2. Submissions received during public exhibition [↓](#) 
3. Council Report and Minutes - 21 December 2016 [↓](#) 
4. Cumberland IHAP Reports - 17 November 2016 [↓](#) 

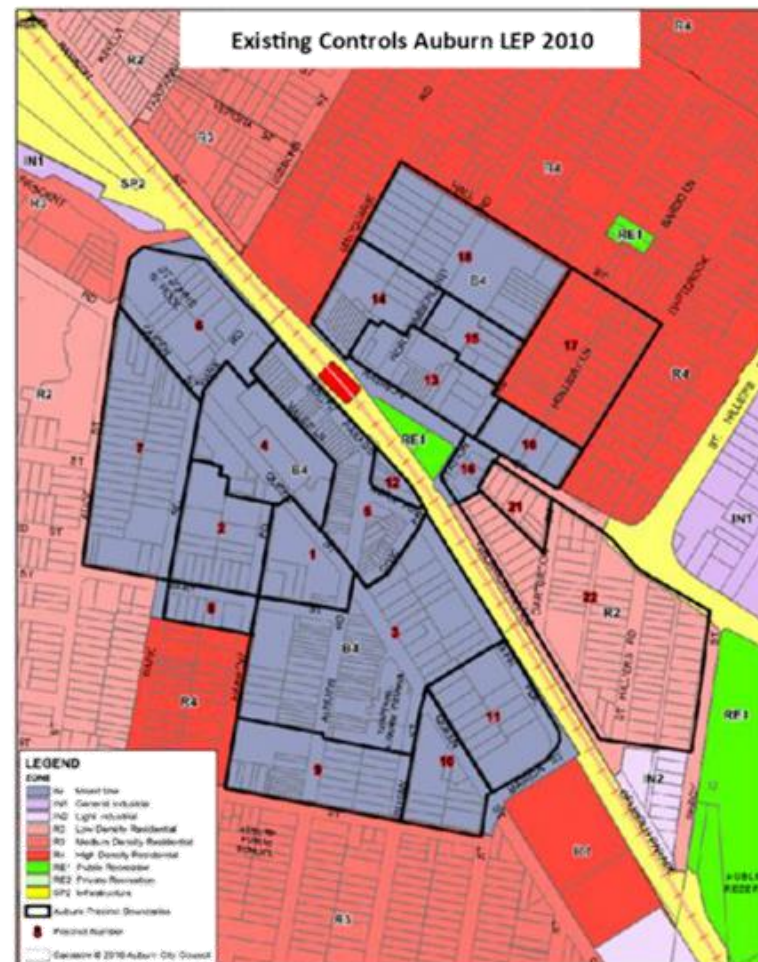
# DOCUMENTS ASSOCIATED WITH REPORT C04/19-64

## Attachment 1 Planning Controls Strategy for Auburn and Lidcombe Town Centres



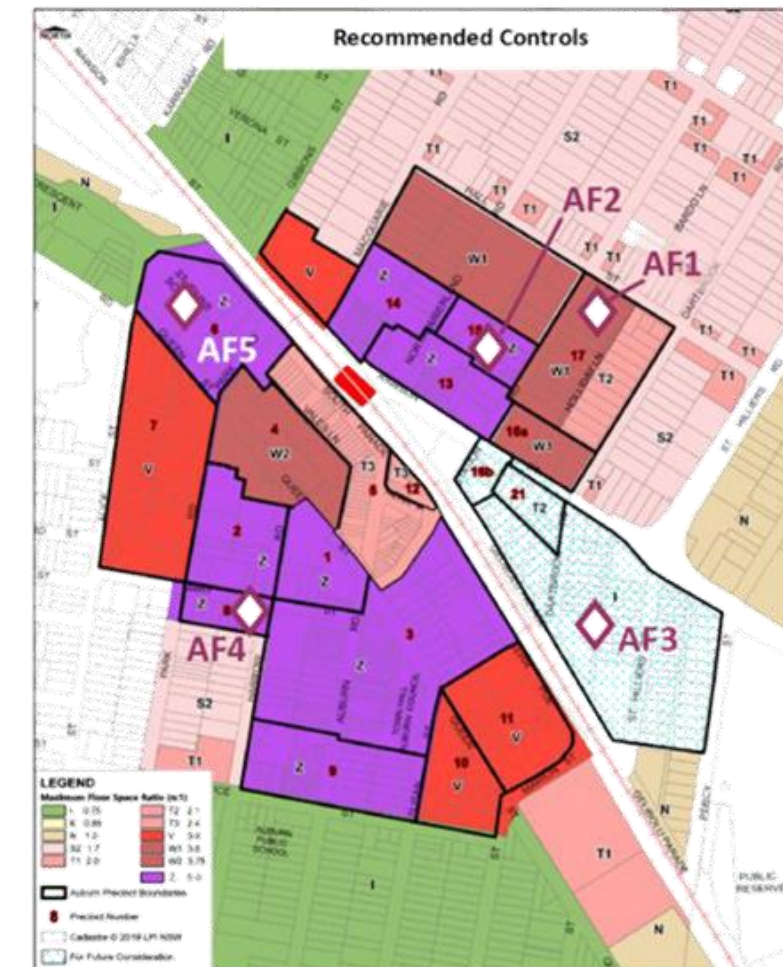
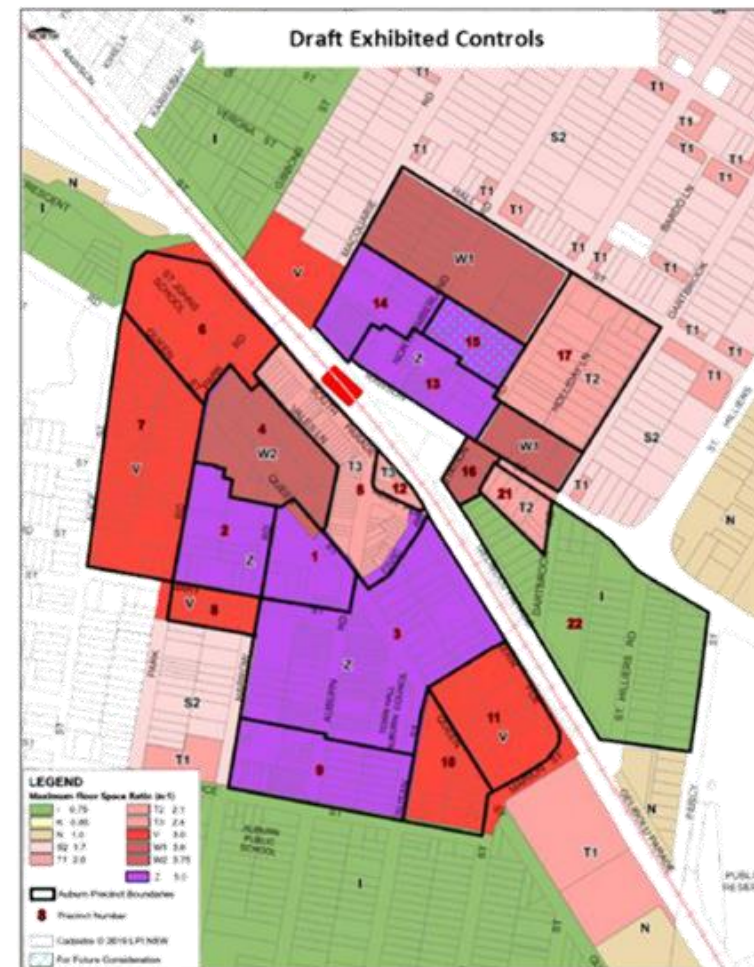
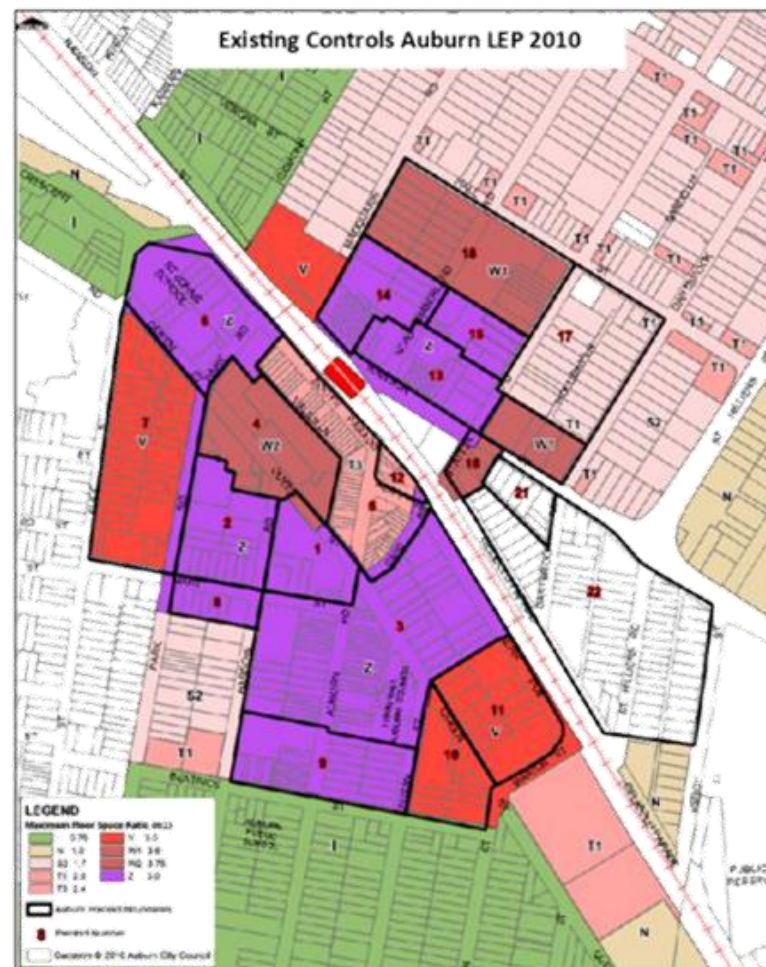


## AUBURN TOWN CENTRE - ZONING



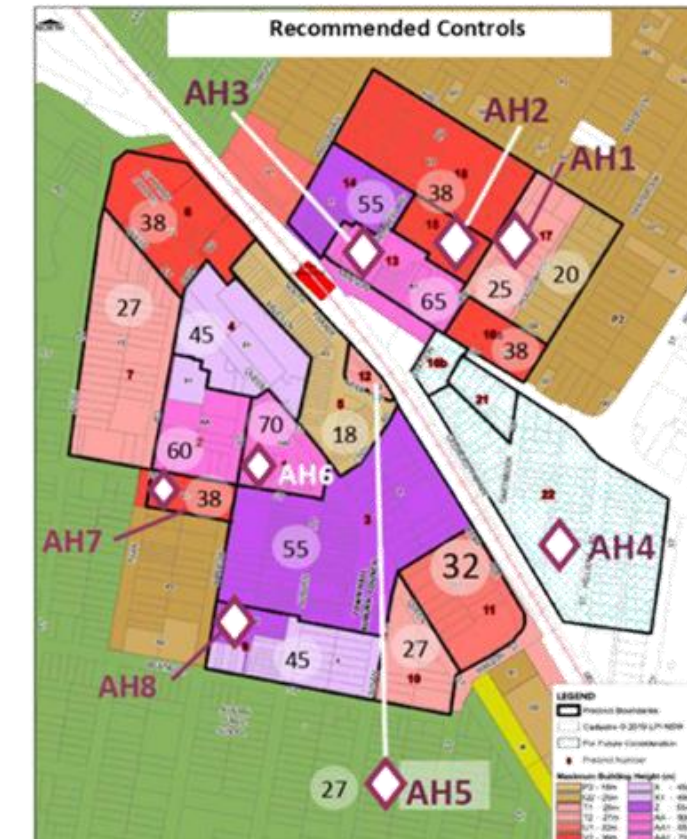


## AUBURN TOWN CENTRE - FSR





## AUBURN TOWN CENTRE - BUILDING HEIGHT



Height in metres	Approximate number of storeys	Height in metres	Approximate number of storeys
9	2-3	45	13-14
20	5-6	50	15-16
25	6-7	55	16-17
29	8-9	60	18-19
36	10-11	65	20
38	11-12	70	21



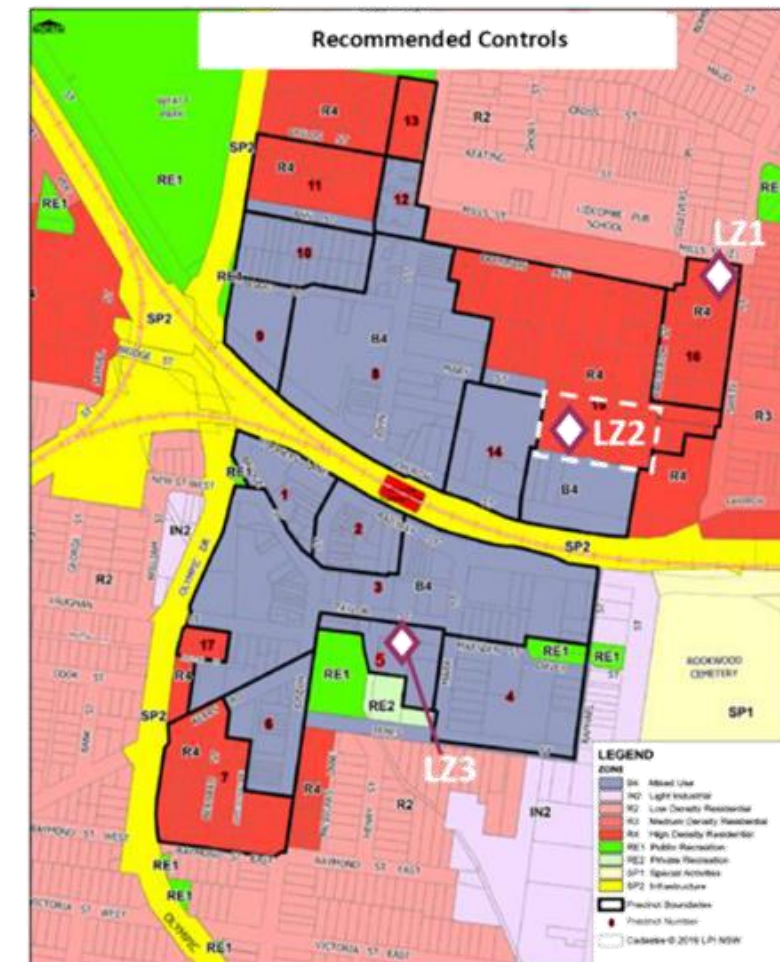
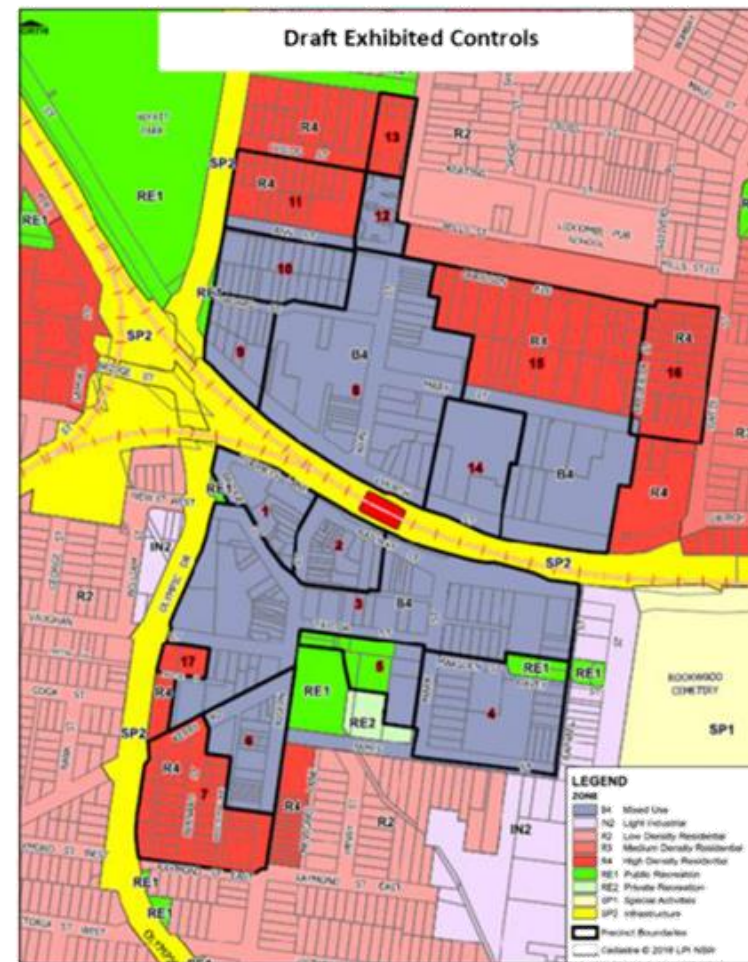
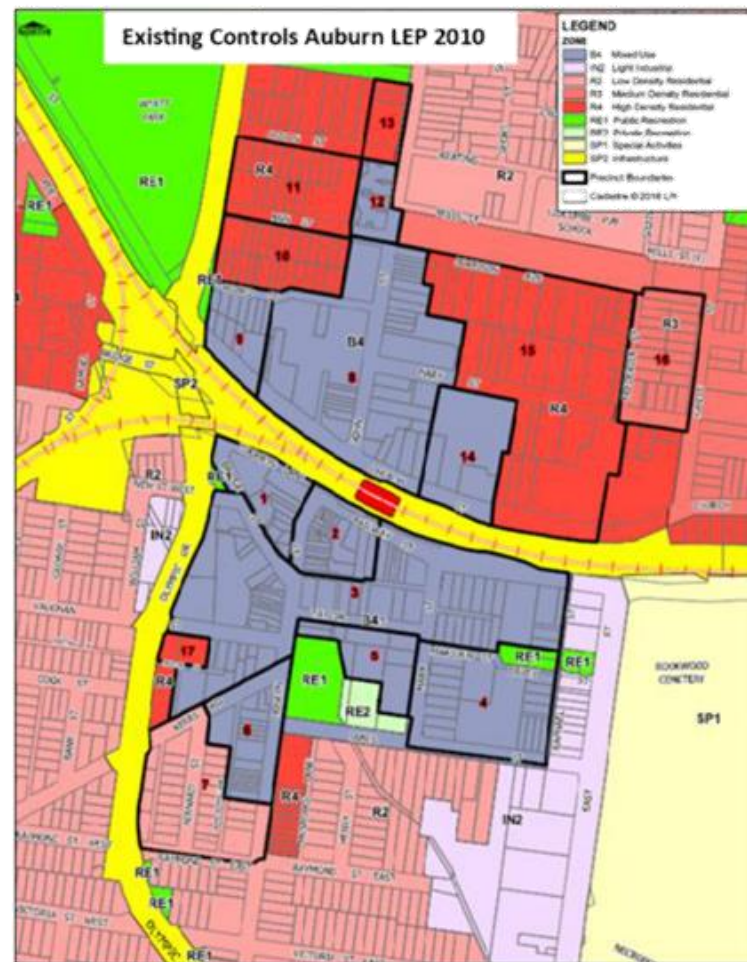
## AUBURN TOWN CENTRE - INDICATIVE VIEW



 Areas that require further review



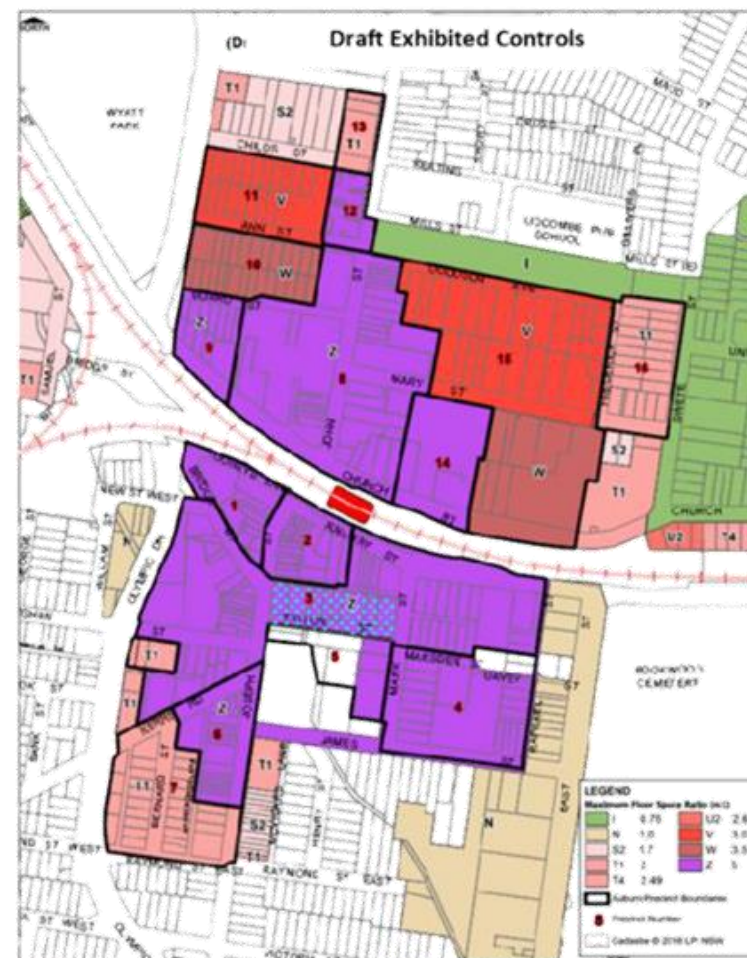
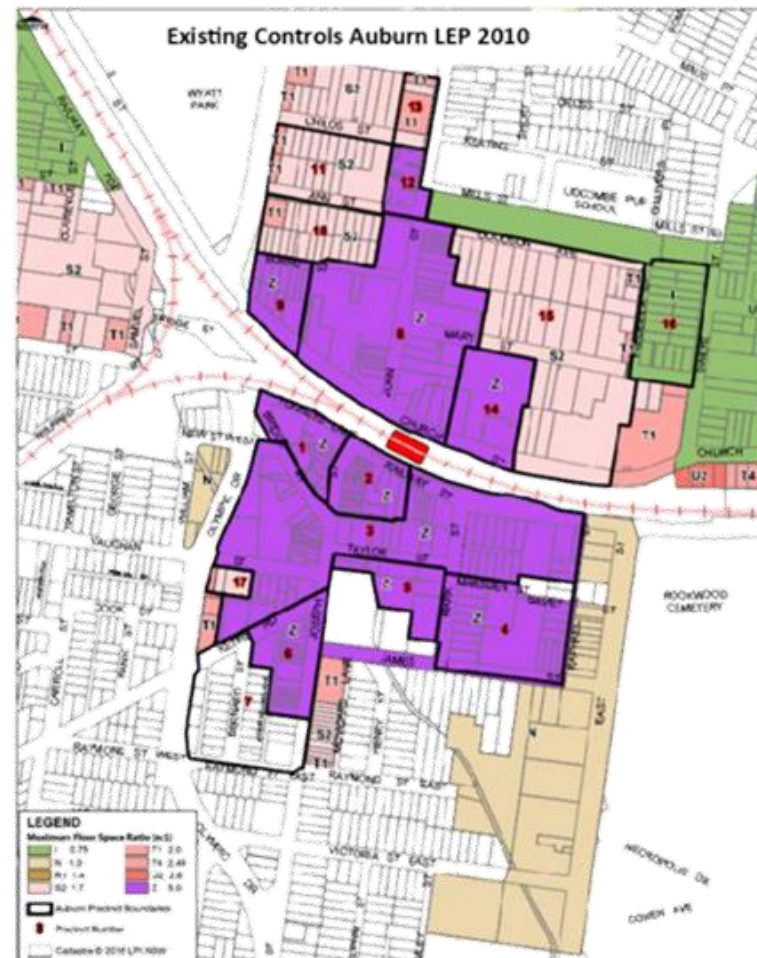
## LIDCOMBE TOWN CENTRE - ZONING



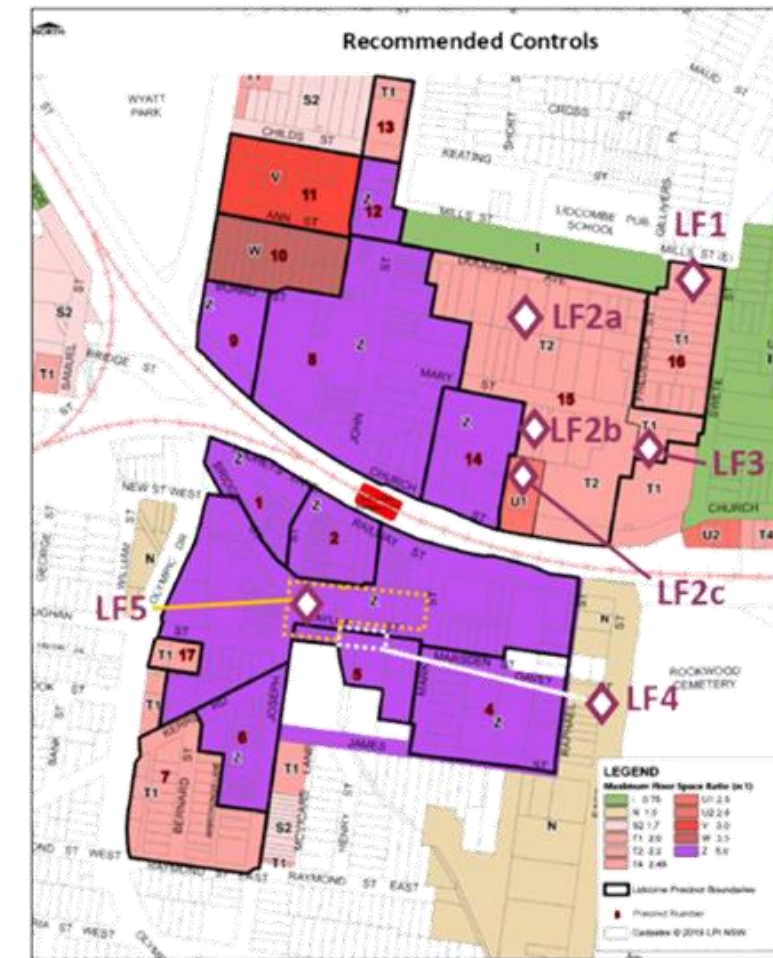
◇ recommended change to zoning post-exhibition



## LIDCOMBE TOWN CENTRE - FSR



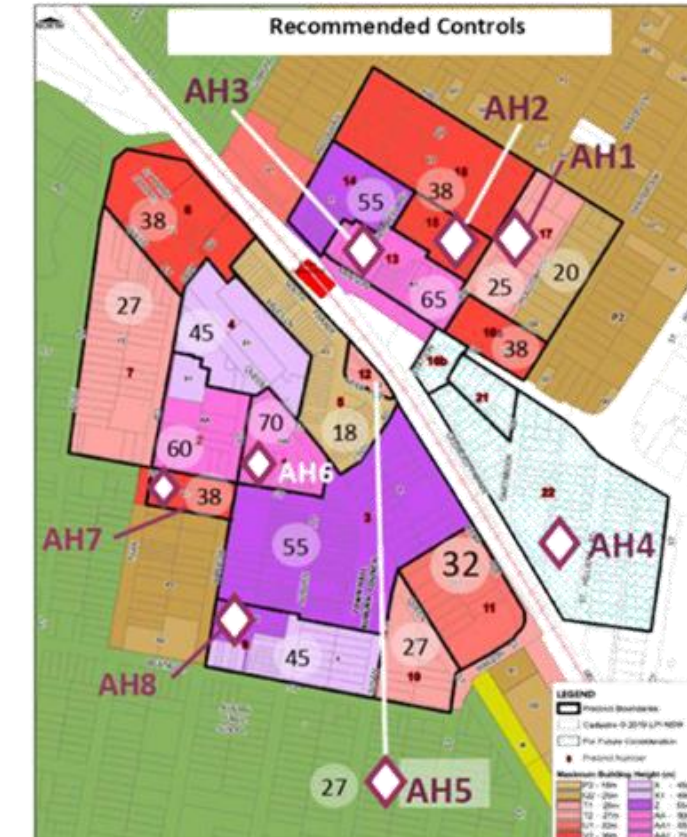
Control to investigate a reduction in FSR for the part of precinct 1



◇ recommended change to FSR post-exhibition



## AUBURN TOWN CENTRE - BUILDING HEIGHT



◇ recommended change to Height post-exhibition

Height in metres	Approximate number of storeys	Height in metres	Approximate number of storeys
9	2-3	45	13-14
20	5-6	50	15-16
25	6-7	55	16-17
29	8-9	60	18-19
36	10-11	65	20
38	11-12	70	21



## AUBURN TOWN CENTRE - INDICATIVE VIEW



 Areas that require further review



ATTACHMENT Summary of recommended changes (which vary from those exhibited)

AUBURN TOWN CENTRE

Map ref	Location	Recommendation	Rationale
<b>1. Auburn Town Centre - Zoning</b>			
AZ1	Precinct 17 Station Road/Hall Street/Holiday Lane	<i>Recommendation: B4 Mixed Use (west of Holiday Lane only)</i> - currently R4 High Density Residential - exhibited as R4 High Density Residential	Both sides of Station Road will be able to have mixed use development, reflecting this street's central location within Auburn Town Centre and its role as one of the key northern entry points to the centre.
AZ2	Precinct 21 and Precinct 22 Rawson Street, Percy Street, Gellibolu Parade	<i>Recommendation: for further consideration</i> - currently R2 Low Density Residential - exhibited as R3 Medium Density Residential	The capacity of this precinct is potentially constrained by traffic access and the objective of maintaining significant view lines to the Gallipoli mosque. A view line analysis of this precinct has been completed and a draft traffic study is currently being reviewed by the RMS, both of which will be reported to Council shortly for consideration.
<b>2. Auburn Town Centre - FSR</b>			
AF1	Precinct 17 Station Road/Hall Street/Holiday Lane	<i>Recommendation: 3.6:1 (west of Holiday Lane only)</i> - currently 1.7:1, 2:1 on corner lots - exhibited as 2.1:1	An FSR of 3.6:1 continues the FSR on the western side of Station Road to the eastern side of the road, whilst still maintaining a transition to the lower FSR of 2.1:1 on the eastern side of Holiday Lane. As Station Road is one of the main entry points to the town centre from the north, and this block is close to the town centre core, a slightly higher density fronting both sides of Station Road is considered appropriate.
AF2	Precinct 15 Mid-block between Northumberland and Station Roads	<i>Recommendation: 5:1 (retain existing FSR)</i> - currently 5:1 - exhibited as 5:1 with a recommendation to defer consideration	This precinct is predominantly Council owned land. At the time of public exhibition, the former Auburn City Council had not made a decision on the future of this land. No direction from Council has since arisen, thus retaining the existing FSR of 5:1 is recommended.
AF3	Precinct 16b, 21 and 22 16b south east of Station Road - Rawson Street 21 Rawson Street, Dartbrook Road, laneways 22 Rawson and Percy Streets, Gellibolu Parade	<i>Recommendation: for further consideration</i> - currently 3.6:1 (16b), no FSR (Precincts 21 and 22 - R2 zone) - exhibited as 3.6:1 (16b), 2.1:1 (Precinct 21), and 0.75:1 (Precinct 22).  [0.75:1 is the standard FSR control for the R3 zone under Auburn I FP 2010]	As per zone comment for these precincts.

1

ATTACHMENT Summary of recommended changes (which vary from those exhibited)

Map ref	Location	Recommendation	Rationale
<b>Auburn Town Centre – FSR (continued)</b>			
AF4	Precinct 8 lots zoned B4 fronting southern side of Mary St	<i>Recommendation: 5:1 (retain existing FSR)</i> - currently 5:1 - exhibited as 3:1	This precinct was exhibited with a proposed FSR of 3:1 with the view to creating a better transition in scale to the land zoned R4 High Density Residential immediately to the south. Retention of the existing 5:1 FSR control is recommended as reductions in FSR are usually only considered in extenuating circumstances, and in this case, smaller lots sizes will contribute to a transition in scale, together with detailed assessment at the development application stage.
AF5	Precinct 6 South Parade, Alice Street, Queen Street and Park Road	<i>Recommendation: 5:1 (retain existing FSR)</i> - currently 5:1 - exhibited as 3:1	This precinct was exhibited with a proposed FSR of 3:1 with the view to creating a better transition in scale to the R3 zoned land to the west and the lower scale development to the east along South Parade. Retention of the existing 5:1 FSR control is recommended as reductions in FSR are usually only considered in extenuating circumstances, and the existing school at the north western end of this precinct provides a transition in scale to the lower density development further west. A transition in scale to South Parade on the eastern side is not considered critical due to the predominance of business uses which are considered less sensitive to variations in scale on adjoining land. In addition, development within this precinct has since proceeded under the current planning controls.
<b>3. Auburn Town Centre - Height</b>			
AH1	Precinct 17 Station Road/Hall Street/Holiday Lane	<i>Recommendation: 25m</i> currently 18m/20m corners - exhibited as 20m	A minor increase in maximum building height is recommended commensurate with the recommended minor increase in FSR.
AH2	Precinct 15 Mid-block between Northumberland and Station Roads	<i>Recommendation: 38m (retain existing height)</i> - currently 38m - exhibited as 38m with a recommendation to defer consideration	As above. No direction from Council has arisen in the intervening period which would require a review of the existing maximum building height control, thus retaining the existing height of 38m is recommended.

2

ATTACHMENT Summary of recommended changes (which vary from those exhibited)

Map ref	Location	Recommendation	Rationale
<b>Auburn Town Centre – Height (continued)</b>			
AH3	Precinct 13 northern side of Rawson Street and west of Station Road	<i>Recommendation: 65m</i> - currently 38m - exhibited as 55m	In response to submissions received, a number of sites in the core of both centres were reviewed and a modest increase in height over what was exhibited is recommended for these sites. This additional height will assist in achieving better design outcomes with the existing 5:1 FSR, which is considered relatively high for town centres of this scale.
AH4	Precinct 16b, 21 and 22 16b south east of Station Road - Rawson Street 21 Rawson Street, Dartbrook Road, laneways 22 Rawson and Percy Streets, Gellibolu Parade	<i>Recommendation: for further consideration</i> currently 32m (Precinct 16b), 9m (Precincts 21, 22) - exhibited as 38m (Precinct 16b), 20m (Precinct 21), 9m Precinct 22)	As per zoning comment for these precincts.
AI15	Precinct 12 Station Road, Kerr Parade, Auburn Road	<i>Recommendation: 27m</i> - currently 18m - exhibited as 18m	This site is constrained in terms of access and topography. No change to FSR is recommended, however additional height in this location will assist in achieving better design outcomes, given these constraints.
AH6	Precinct 1 Auburn Road, Mary Street, Park Road, Queen Street	<i>Recommendation: 70m</i> currently 49m - exhibited as 60m	In response to submissions received, a number of sites in the core of both centres were reviewed and a modest increase in height over what was exhibited is recommended for these sites. This additional height will assist in achieving better design outcomes with the existing 5:1 FSR, which is considered high for town centres of this scale.  This site is the key site in Auburn Town Centre on the southern side of the station. Modelling indicates that a maximum building height of 70 metres together with the existing FSR of 5:1 will result in a design outcome that meets the SEPP 65 Apartment Design Guide requirements, delivers public open space of a useable size as identified in Council's DCP, and will minimise adverse impacts on the public domain of Auburn Road or Queen Street.

3

ATTACHMENT Summary of recommended changes (which vary from those exhibited)

Map ref	Location	Recommendation	Rationale
<b>Auburn Town Centre – Height (continued)</b>			
AH7	Precinct 8 lots fronting southern side of Mary Street	<i>Recommendation: 38m (retain existing height)</i> - currently 38m - exhibited as 32m	It is recommended that the existing FSR be retained, and as such, it is recommended that the existing height of 38 metres also be retained.
AH8	Precinct 9 small part: 93 - 105 Auburn Rd/118 Harrow Rd	<i>Recommendation: 55m</i> - currently 36m - exhibited as 45m	The Land and Environment Court recently approved a development application at 93 - 105 Auburn Rd/118 Harrow Rd Auburn with a height of 56.7m. A height of 55m is recommended for this site, to reflect this determination.

4

ATTACHMENT Summary of recommended changes (which vary from those exhibited)

**LIDCOMBE TOWN CENTRE**

Map ref	Location	Recommendation	Rationale
<b>4. Lidcombe Town Centre – Zoning</b>			
LZ1	Precinct 16 small extension to include the lot immediately south of Mills Street (known as 16b)	<i>Recommendation: R4 High Density Residential</i> - currently R3 Medium Density Residential - exhibited as R3 Medium Density Residential	In response to a submission received, it is recommended that the adjacent R4 zone be extended to the southern side of Mills Street, to include the last remaining allotment.
LZ2	Precinct 15 Part 15b1 only south of and fronting Mary Street	<i>Recommendation: R4 High Density Residential</i> - currently R4 High Density Residential exhibited as B4 Mixed Use	This land was exhibited as B4 Mixed Use due to its proximity to Lidcombe Station, however in response to submissions received, including concerns raised by the nearby school, it is recommended that the current R4 zone be retained.
LZ3	Precinct 5 5c (eastern part) between Taylor Street and Remembrance Park	<i>Recommendation: B4 Mixed Use (retain existing)</i> - currently B4 Mixed Use - 5c eastern part exhibited RE1 Public Recreation, (remainder of 5c was exhibited as B4)	This site is adjacent to Remembrance Park. It was exhibited as RE1 Public Recreation, however in response to a submission from the landowner it is recommended that the current zoning be retained. If Council is able to negotiate the expansion of Remembrance Park in the future, then the zoning can be adjusted at that time.
<b>5. Lidcombe Town Centre – FSR</b>			
LF1	Precinct 16 16b small extension to include the lot immediately south of Mills Street	<i>Recommendation: 2:1 (adjacent FSR)</i> - currently 0.75:1 - exhibited as 0.75:1	In response to a submission received, and the above recommendation to extend the adjacent R4 zone to the southern side of Mills Street, it is also recommended that adjacent FSR of 2:1 be extended to include this last remaining allotment.
LF2a LF2b LF2c	Precinct 15 part 15a north of Mary Street and part 15b1, 15b2, and 15c south of Mary Street	<i>Recommendation: 2.2:1 (for part 15a, part 15b1 and 15b2); 2.5:1 (part 15c)</i> - currently all 1.7:1 - exhibited as 3:1 (part 15a) and 3.5:1 (part 15b1, 15b2, and 15c)	In response to submissions received, including from the adjacent school, a lower FSR of 2.2:1 is recommended for most of Precinct 15, with 2.5:1 recommended for part 15c. This recommended FSR, whilst lower than the FSR exhibited, is higher than the current FSR of 1.7:1, recognising this precinct's proximity to Lidcombe Station and central location within Lidcombe Town Centre.
LF3	Precinct 15 east 31 and 33 Mary Street	<i>Recommendation: 2:1 (adjacent FSR)</i> - currently 1.7:1 - exhibited as 1.7:1	As exhibited, these two lots are a small isolated parcel with an FSR lower than surrounding land in all directions. In response to a submission, it is recommended that the adjacent FSR of 2:1 be extended to these two lots.

5



ATTACHMENT Summary of recommended changes (which vary from those exhibited)

Map ref	Location	Recommendation	Rationale
<b>Lidcombe Town Centre – FSR (continued)</b>			
LF4	Precinct 5 5c (eastern part only) - land fronting Taylor Street	<i>Recommendation: 5:1 (retain existing FSR)</i> - currently 5:1 - exhibited as "Council to consider a reduction in FSR for this part of precinct 3".	As noted above, if in the future Council negotiates an expansion of Remembrance Park, then the LEP controls can be adjusted at that time. Retention of the existing controls is recommended.
IF5	Precinct 5 (part) and Precinct 3 (3c eastern part) around Taylor Street	<i>Recommendation: 5:1 (retain existing FSR)</i> - currently 5:1 - exhibited as 5:1 with a notation "Council to investigate a reduction in FSR for this part of Precinct 3"	Options for a reduction in FSR in this area were investigated, and whilst the precinct has some constraints in terms of access, heritage and location to the north of Remembrance Park, it is recommended that the existing FSR of 5:1 be retained. Design outcomes will be assessed at the development application stage, and managed through the application of appropriate DCP controls.
<b>6. Lidcombe Town Centre – Height</b>			
LH1	Precinct 16 16b extension of Precinct 16 - Mills and Swete Street, allotment immediately south of Mills Street	<i>Recommendation: 20m</i> currently 9m exhibited 9m	Recommended extension of Precinct 16 to include last remaining lot south of Mills Street. In response to a submission received, and the above recommendation to extend the adjacent R4 zone and adjacent FSR of 2:1 to the southern side of Mills Street, it is also recommended that adjacent maximum building height control of 20 metres also be extended to include this last remaining allotment.
LH2a LH2b LH2c	Precinct 15 15a: Doudson Avenue, and Frederick and Mary Streets; 15b1: mid-block, south of Mary Street, between Mary and Church Streets; and 15b2: mid-block, fronting Church Street 15c: mid-block, fronting Church Street, east of precinct 14	<i>Recommendation: 29m (part 15a, 15b1 and 15b2); 36m (part 15c)</i> - currently 18m - exhibited as 32m (part 15a) and 38m (part 15b1, 15b2, and 15c)	In response to submissions received, including from the adjacent school, a lower height of 29m than the exhibited heights of 32 and 38 metres is recommended, proportionate to the recommended FSR of 2.2:1. 29 metres is higher than the existing 18 metre maximum building height limit, recognising this precinct's proximity to Lidcombe Station and central location within Lidcombe Town Centre, whilst responding to concerns raised during exhibition.

6



ATTACHMENT Summary of recommended changes (which vary from those exhibited)

Map ref	Location	Recommendation	Rationale
<b>Lidcombe Town Centre – Height</b>			
LH3	Precinct 14 small mid-block precinct between Church Street and Mary Street	<i>Recommendation: 38m</i> - currently 32m - exhibited as 55m	In response to submissions received, including from the nearby school, a lower height of 38m is recommended. Whilst lower than the 50 metre height exhibited, the recommended 38 metre maximum building height is a small increase on the current 36 metre height control.
LH4	Precinct 8 part 8a between Mary Street and Doodson Avenue, east of John Street  [Note: part 8c west of Joseph Street/ south of Board Street addressed below]	<i>Recommendation: 38m (part 8a)</i> - currently 36m - exhibited as 50m  (no change to height for part 8b)	A lower maximum building height (38 metres) than the exhibited 50 metres is recommended in response to concerns raised by the nearby primary schools relating to overshadowing of school grounds. The recommended 38 metres is a small increase on the existing 36 metre maximum building height control.
LH5	Precinct 8 (part 8c) and Precinct 9 (Dooleys site)	<i>Recommendation: 70m</i> - currently 60m (Precinct 9) and 36m (Precinct 8, part 8c) - exhibited as 60m.	This is the key site on the northern side of the rail line, and a small increase in height (to a maximum of 70 metres) is recommended (from the 60 metres exhibited). This height together with the large footprint of this site should result in very strong design outcomes with the existing 5:1 FSR.
LH6	Precinct 1 Bridge Road, Tooheys Lane, Joseph Street	<i>Recommendation: 70m</i> - currently 36m - exhibited as 60m	This is the key precinct on the southern side of the rail line. A small increase in height is recommended following review of the exhibited planning controls, to correspond to the 5:1 FSR in this core of centre location.
LH7	Precinct 2 land fronting Railway Street between Joseph Street and the station	<i>Recommendation: 65m</i> - currently 32m - exhibited as 55m	Small proportionate increase in height is recommended. This will maintain the transition in height from the centre core to the periphery, and is considered appropriate given this part of the precinct's location directly opposite Lidcombe station.

ATTACHMENT Summary of recommended changes (which vary from those exhibited)

Map ref	Location	Recommendation	Rationale
<b>Lidcombe Town Centre – Height</b>			
LH8a LH8b LH8c LH8d	<b>Precinct 3</b> 3a: fronting Railway Street between the station and Mark Street; 3b: Railway, Raphael, Davey-Marsden and Mark Streets; 3c: east of Joseph Street and around Taylor Street; and 3d: Bridge, Joseph and Vaughan Streets	<i>Recommendation:</i> <i>part 3a: 60m</i> <i>part 3b: 50m</i> <i>part 3c: 38m</i> <i>part 3d: 65m</i> - currently 32m (part 3a, 3b and 3c) and 36m (part 3d) - exhibited as 55m (part 3a and 3d); 45m (part 3b); and “38m + to be determined” (part 3c).	A small, proportional increase in height is recommended for parts a, b and d of this precinct to facilitate a transition in heights down from the core to the centre to the periphery. Part c is a more constrained area of this precinct, being immediately north of Remembrance Park and including a heritage item (former Lidcombe Post Office), and a small height increase is recommended to again facilitate improved design outcomes with the recommended existing 5:1 FSR control.
LH9	<b>Precinct 5</b> Between Taylor Street and Remembrance Park	<i>Recommendation: 32m (retain existing height)</i> - currently 32m - exhibited as “no height; to be determined”	The exhibition of this area with no height control was directly related to the exhibited RE1 Public Recreation control. In response to submission and discussions with the landowner, it is recommended that the existing height control for this area be retained. Retaining the existing controls would not prevent a revision of these controls in the future should Council be able to negotiate an expansion of the park.
LH10	<b>Precinct 7</b> Kerr's Road, Joseph Street, Raymond Street East	<i>Recommendation: 25m</i> - currently 9m - exhibited as 20m	Minor increase in height (maximum height of 25 metres) is recommended over what was exhibited (20 metres) to encourage better design outcomes.

# DOCUMENTS ASSOCIATED WITH REPORT C04/19-64

## Attachment 2 Submissions received during public exhibition





### SUMMARY OF GENERAL SUBMISSIONS

Overall view/ Number of submissions	Submission issue	Response
Object to Process  (raised in 4 submissions)	<p>Object that:</p> <ul style="list-style-type: none"> <li>consultation was not reasonable - only the residents of affected sites were notified, rather than the wider communities, such as Boralua and Regents Park</li> <li>the documents are complex and quite technical making it hard to understand</li> <li>the local paper does not go out to all residents</li> <li>notification was 'hidden' in the Council advertisement</li> <li>more effort should be made to engage residents for whom English is not their first language</li> <li>an extension of time should be granted and discussions held with the wider community.</li> </ul> <p>Consultation is not adequate:</p> <ul style="list-style-type: none"> <li>define what each zone means</li> <li>identify heights by storeys, not just in metres</li> <li>slimmer buildings with space and low rise around them can be appealing, but floor space ratios are resulting in 'fat' buildings occupying the entire street frontage.</li> <li>disappointed that Lidcombe materials were not on display at the Auburn workshop</li> <li>developer driven DAs negate and fragment planning process</li> <li>the town centre boundaries should be discussed with the community and agreed boundaries adhered to</li> <li>most residents have limited time for this project - it is requested that our thoughts are filed as they come to mind, and collated from comments on previous DAs, rather than</li> </ul>	<p><b>Noted and addressed below. Minor changes recommended</b></p> <p>The draft Strategy was exhibited from Tuesday 7 February 2017 to Wednesday 8 March 2017. Notification of exhibitions in local newspapers is consistently in the Council notices section, alongside details of development applications and other Council projects on public exhibition.</p> <p>Exhibition material was available on Council's website, at Council offices and local libraries. Individual notification letters were sent to an area well beyond the two town centres (as far as Cardigan St in Auburn and Nottinghill Rd in Lidcombe).</p> <p>The letters included basic information on the proposal in 5 languages other than English (widely spoken in this part of Cumberland). Two evening information workshops were held, (one per centre), where staff were available to answer questions and explain the proposed changes.</p> <p>The zones are defined in the Auburn Local Environmental Plan (LEP), however a brief explanation can be included in the Council report and final documents to provide more context. A table can be added to provide a guide to the relationship between building height and number of storeys, noting that it will not be definitive, as it varies according to the mix of uses.</p> <p>The Strategy seeks to improve the relationship between height and FSR in Auburn and Lidcombe town centres, with the primary objective of improving building designs, including slimmer buildings which have a better relationship to the street.</p> <p>The Lidcombe materials were available at the Auburn workshop and vice versa.</p> <p>There are a number of steps and future opportunities for</p>



ATTACHMENT

Overall view/ Number of submissions	Submission issue	Response
Object to Process  (continued)	<p>providing a timeframe in which to respond to a specific strategic project.</p> <ul style="list-style-type: none"> <li>Council and the community should identify pinnacle sites, then Council should buy the land, prepare an ideal DA then sell it to a developer who agrees to the DA limits.</li> </ul>	<p>consultation and public comment. If Council resolves to proceed with the Strategy, formal public consultation will be required (post-Gateway) as part of the process to amend the Local Environment Plan (LEP).</p> <p>The boundaries of the study area primarily follow the existing town centre boundaries which largely align with the boundaries of the B4 Mixed Use zones in both centres</p> <p>The purchase of land by Council is a policy decision to be made at the appropriate time</p>
	Council is requested to ask the local paper why residents across the Lidcombe/Auburn area are not receiving the Auburn Review	Whilst not directly related to this study, the Auburn Review was contacted and advised that their distribution area covers all of Auburn and Lidcombe to the southern end of Botanica
Object to timing and decision making  (raised in 3 Submissions)	<p>Object to timing of the draft Strategy:</p> <ul style="list-style-type: none"> <li>it should only be introduced after a Council is elected. An appointed administrator should not make significant decisions of this type</li> <li>significant doubts about any long term planning associated with the former Auburn City Council - the inquiry should run its course before decisions are made.</li> <li>it is noted that the JBA study was commissioned and completed during the time of the compromised Auburn City Council.</li> </ul>	<p><b>Noted and addressed below. No change recommended.</b></p> <p>Whilst the draft Strategy was exhibited while Cumberland Council was under Administration, any decisions about the study recommendations will be made by the elected Councillors. The Public Inquiry has now been completed.</p> <p>The JBA Study was a preliminary background study. Whilst aspects of this study have been used to inform the draft Strategy, a significant amount of additional work has also been undertaken in the preparation of the Strategy.</p> <p>The draft Strategy was also considered by the Cumberland Independent Learning and Assessment Panel (ILAP) in November 2016 which recommended further changes. The draft Strategy was then reported to Council for consideration prior to public exhibition</p>



ATTACHMENT

Overall view/ Number of submissions	Submission issue	Response
Support for heights  (10 form letters and 2 submissions)	<p><i>Form letters:</i> Support the draft Strategy:</p> <ul style="list-style-type: none"> <li>• recognises need for growth in centres</li> <li>• maximises FSR without compromising efficient design principles or modifying additional land use zones</li> <li>• eliminates need for 'spot rezoning' in the centres</li> <li>• Will help the town centres meet design and population growth needs.</li> </ul> <p><i>Submissions:</i> Support the draft Strategy, as our work on various projects in these centres over the last 5 years has led our architects to recognise the need for increased permitted heights to better achieve key urban design and SEPP 65 objectives.</p> <p>To grow, Auburn needs to change the building height restrictions. We need more bridges across rail lines and better road structures to support the increased population.</p>	<b>Support noted.</b>
Object to heights  (raised in 6 submissions)	<p>Object to proposed heights.</p> <ul style="list-style-type: none"> <li>• Lidcombe is already unattractive, and higher, more crowded buildings will have a detrimental effect.</li> <li>• Lidcombe and Auburn are aesthetically worse than 10 years ago with the new buildings. Draft Strategy does nothing to add a Coles (long promised by Council) or other facilities. No additional height should be given.</li> <li>• no reason why high rise zones should be close to the station. Spreading them over the suburb makes more sense to avoid causing trouble to locals living near the station</li> <li>• unhealthier for occupants - the higher you work or live in a building, the less likely you are to go to the street for a walk and the unhealthier you are. These developments will simply warehouse workers near a station to shuttle them on an overcrowded service to the city.</li> <li>• draft Strategy will encourage development and may</li> </ul>	<p><b>Noted and addressed below. Some decreases in building heights are recommended.</b></p> <p>Development for high rise residential must comply with SEPP 65 and the Apartment Design Guide (ADG). In Auburn and Lidcombe town centres, however, the mismatch between existing FSRs and heights results in blocky, shorter buildings. Increasing heights will allow for better building design.</p> <p>Whilst the draft Strategy cannot specifically facilitate a supermarket, there are a number of sites which are sufficient in size to accommodate a supermarket</p> <p>Location of taller buildings close to stations maximises the proportion of the population able to walk to public transport and other services, reducing reliance on the car and providing health benefits.</p>

ATTACHMENT

Overall view/ Number of submissions	Submission issue	Response
Object to heights (continued)	<p>increase density – no evidence of ‘density well done’</p> <ul style="list-style-type: none"> <li>shopping streetscape in both centres should be maintained at 2 storeys</li> <li>many residents prefer a maximum of 5 storeys in Auburn</li> <li>high rise (3+ storeys) should be limited to 500m walk from station</li> <li>Auburn should have an umbrella skyline from the roof of Auburn Primary School, the Baptist Church tower and roof of Auburn Central</li> <li>B4 and R4 zones should have subzones with different heights: 6 storeys, 12 storeys (general town centre limit)</li> <li>developers should be required to buy the airspace over adjoining properties to prevent rows of 12 storey buildings.</li> </ul>	<p>Some decreases in building heights are recommended in response to issues raised in submissions; however, not to the extent sought in this submission. The existing heights permitted under the current planning controls for both centres allow more than five storeys. Given the relatively high FSRs in both centres, reducing the height would adversely impact on building design outcomes.</p> <p>The heights recommended seek to create a transition in building height, stepping down from the core of each centre to lower scale building heights towards the edge of the centres.</p>
Object to heights <u>and</u> density  (Petition with 39 signatures) <i>Note: Some petition signatories also sent individual submissions</i>	<p>Object to increasing heights in Lidcombe Town Centre, due to:</p> <ul style="list-style-type: none"> <li>insufficient school capacity</li> <li>inadequate parking</li> <li>lack of Infrastructure to support so many more residents</li> </ul> <p>To address density and bulky buildings the FSR should be reduced.</p> <p>No further large scale developments should be approved in Lidcombe until the above issues are addressed.</p>	<p><b>Noted and addressed below. No change recommended.</b></p> <p>Council continues to advocate for and work collaboratively with the NSW government in terms of public school infrastructure and capacity.</p> <p>Reducing FSRs requires extenuating circumstances. The Strategy seeks to improve the relationship between height and FSR controls to achieve better building designs in these centres</p> <p>Each new development must incorporate an appropriate amount of parking. Council's planning controls set out the required rates for each type of development.</p>
Support for Strategy  (raised in 1 submission) (continued)	<p>On behalf of 2 owners (precinct 15), this submission endorses the methodology and recommendation of the draft strategy, and that it is worthy of informing a Draft LEP for Lidcombe centre.</p> <p>A DCP should be prepared providing design criteria to reflect the objectives of the Lidcombe town centre and to ensure high quality urban renewal of the town centre.</p>	<p><b>Support noted.</b></p>

ATTACHMENT

Overall view/ Number of submissions	Submission issue	Response
Object to Strategy  (raised in 1 submission)	<p>The proposal is purely to provide affordable housing, but there is already a considerable amount of affordable housing already in Auburn and Lidcombe.</p> <p>It is also a "cash grab" for rates, given the loss of income through amalgamations, without regard to the amenity of residents.</p>	<p><b>Noted and addressed below. No change recommended.</b></p> <p>The draft Strategy does not specifically facilitate the provision of affordable housing. Council has, however, since adopted an <i>Interim Affordable Housing Policy</i> and a <i>Planning Agreements Policy and Guideline</i> which seek to facilitate affordable housing across Cumberland.</p> <p>The Strategy provides for a minor increase in dwelling numbers, and as such, there will be only be a limited increase in rates income, mostly as a result of the increased commercial components to support the economic growth of the town centres.</p>
Object to dwelling mix  (raised in 1 submission)	<p>New apartment developments consist mainly of 2 bedroom flats, despite the fact that this area has one of the highest birth rates in the country. This means the handful of 3 bedroom units are ridiculously expensive to rent.</p> <p>Before encouraging new development, I want to see evidence that Council can reverse this situation so most new units are 3 bedrooms.</p>	<p><b>Noted.</b></p> <p>Council's current planning controls encourage a mix of unit sizes. The mix of unit sizes is influenced by market demand and development feasibility.</p>
Concerns about lack of business diversity and convenience  (raised in 1 submission)	<p>Increasing density is sold as a way to enliven a suburb and increase services. But this has not been the case in Lidcombe 30 years ago, with a much smaller population, we had 3 medium sized supermarkets, butchers, a fruit shop, various doctors and small businesses. All but one butcher have gone. Basic groceries are not available in walking distance, so residents drive to Auburn, Chullora or Bankstown to shop.</p> <p>Change can be a good thing, but we need positives. One would be more diversity in the types of shops, reflecting the multicultural population.</p>	<p><b>Noted.</b></p> <p>Whilst Council would like to see a mixed of shops and other day to day services in each town centre, Council cannot control the type of shops. There are a number of sites within Lidcombe town centre which are the subject of current or likely future planning proposals which will hopefully result in an increased mix of shops and other services in the near future.</p> <p>Council's planning controls supports a range of land uses in the town centre, however, the mix of shops is influenced by external factors.</p>

ATTACHMENT

Overall view/ Number of submissions	Submission issue	Response
Object to and concern about impact on schools  (raised in 4 submissions)	<p>Concerned about the cumulative increases in traffic generation should additional development occur within the vicinity of local Catholic Schools (St John's Primary, Trinity College and St Joachim's Primary) and the impact on pedestrian and student safety.</p> <p>Concerned about the bulky appearance of buildings, and the potential for overlooking and overshadowing of school sites.</p>	<p><b>Noted. A reduction in height and FSR controls for land near the primary schools in Lidcombe is recommended.</b></p> <p>The Strategy proposes minimal change to densities within the town centres. In response to comments received during exhibition, a reduction in heights and some FSRs near the two primary schools in Lidcombe is proposed. The land surrounding St John's Primary and Trinity College in Auburn is largely developed already, and no changes to the existing controls are proposed.</p> <p>The potential for overlooking and overshadowing of adjoining land (including schools), as well as pedestrian safety will continue to be assessed at the development application stage.</p>
Object to lack of open space  (raised in 4 submissions)	<p>No mention of need for additional open space for the increased population which is critical for physical and mental health:</p> <ul style="list-style-type: none"> <li>local recreational areas are inadequate. Phillips Park, Lidcombe, is not in the immediate area of the proposed high and medium density areas</li> <li>with many more families living in apartments there is a need for areas where children can play and people can sit in groups.</li> </ul>	<p>On the southern side of the railway in Lidcombe is Remembrance Park. The potential to open up Remembrance Park to the north will be subject to further discussion with landholders. On the northern side of the railway in Lidcombe, there will be more reliance on future development activity to provide open space.</p> <p>An additional area of public open space in Auburn town centre is identified in Council's planning controls (corner of Queen Street and Auburn Road). This will add to the existing play spaces and seating recently installed by Council as part of the Auburn town centre public domain upgrade.</p>
Object to impact on space and light  (raised in 1 submission)	<p>Object to the draft Strategy:</p> <ul style="list-style-type: none"> <li>it 'rips off' new buyers by reducing space</li> <li>it reduces the green space and light</li> <li>Lidcombe already has massive development – eg Dooley's</li> </ul>	<p><b>Noted. No change recommended.</b></p> <p>There is no proposal to reduce any public green space. All developments in the R4 High Density Residential zones are required to have a minimum amount of deep soil area for green space. Apartment buildings are also required to have common and private open spaces, and minimum standards of solar access are required.</p>



ATTACHMENT

Overall view/ Number of submissions	Submission issue	Response
Object to lack of infrastructure  (raised in 13 submissions)	<p>Object to draft Strategy as it will result in overdevelopment and exacerbate the existing infrastructure problems.</p> <ul style="list-style-type: none"> <li>increasing population by raising heights will increase traffic pressure in centres, exacerbated by the WestConnex toll</li> <li>intersections of Harrow Rd/Beatrice St and Harrow Rd/Helena St should be upgraded.</li> <li>it is difficult get around Lidcombe on foot, especially for mobility impaired - 401 bus services at night or Sundays to connect to the train service would assist</li> <li>trains are already at capacity and there is a lack of parking</li> <li>existing school capacity in both centres (primary, high school) is insufficient: a co-ed public high school is needed</li> <li>Auburn Hospital is already at capacity</li> <li>Police resources are already too stretched.</li> <li>childcare, library services, neighbourhood centre and community services will need a considerable injection of Council resources</li> <li>increased mixed use and dwellings will result in increased waste. Council waste services are poor now, and would require substantial resources to address the problem</li> <li>drainage and electricity infrastructure in Lidcombe will not cope.</li> </ul> <p>The following would improve outcomes:</p> <ul style="list-style-type: none"> <li>increased car spaces provided in new developments</li> <li>bring back the direct Lidcombe to Liverpool via Regents Park train route and increase bus routes to the station</li> <li>improve structural quality of new buildings</li> <li>add screening/opaque glass to balconies for privacy and to avoid looking at other people's washing</li> <li>require greater setbacks to provide garden/green space</li> <li>require developers to contribute to funding of pocket parks</li> <li>Wyatt Park is great for sport, but public transport access is poor and does not encourage walking through at night.</li> </ul>	<p><b>Noted. No change to Strategy recommended.</b> The Strategy would result in a minor increase in dwelling numbers and population only.</p> <p>Council continues to plan and work with other stakeholders to align infrastructure capacity with growth.</p>

ATTACHMENT


Overall view/ Number of submissions	Submission issue	Response
Other comments  (raised in 1 submission)	<ul style="list-style-type: none"> <li>Parramatta Rd should be B4 Mixed Use, but not high rise residential. It should have a streetscape of 2 storeys with setback of lawns and gardens.</li> <li>Hall St to Parramatta Rd should be R3 Medium Density Residential.</li> <li>west of Gibbons St should be R2 Low Density Residential</li> <li>please confirm that 1a, 1b Queen St will remain industrial, as shown on the map.</li> </ul>	<p><b>Noted. Outside scope of Strategy</b> Council has resolved to implement the NSW Government's Parramatta Road Corridor Urban Transformation Strategy which covers most of these areas. 1A/1B Queen Street was previously rezoned to R4 (separate planning proposal). This typographical error has been corrected in the final documents.</p>
Other comments  (raised in 1 submission)	Please rezone land along roads such as Park Rd and Vaughn St to townhouses or terraces with rear access onto the back streets to eliminate driveways and facilitate turning lanes	<p><b>Noted and addressed below. No change recommended.</b> The portion of Park Rd within the centre is already zoned B4 Mixed Use</p>



ATTACHMENT

**PRECINCT SPECIFIC SUBMISSIONS - AUBURN TOWN CENTRE**  
(Excluding precincts 16b, 21 and 22)


Note: Each row relates to a matter raised in a single submission

Current controls	Exhibited draft controls	Submission issue	Response
<b>Precinct 1</b> B4 Mixed Use FSR – 5:1 Height – 49m	<b>Precinct 1</b> B4 Mixed Use FSR – 5:1 Height – 60m	 <p><b>Precinct 1 Auburn (Queen St, Auburn Rd Mary St and Harrow Rd)</b></p> <p>Landowner submission seeks recognition of the opportunity provided by this amalgamated site, approximately 190m from the station.</p> <p>The IHAP recommended a height of 60m for this Precinct (lower than the 76m previously considered in JBA background study), and a minimum non-residential FSR of 0.5:1. This equates to a loss of approximately 3 storeys plus overrun.</p> <p>A previous planning proposal for 5,800m<sup>2</sup> portion of this precinct sought 96m, an FSR of 9:1, and proposed a courtyard, public library shell and 4,400m<sup>2</sup> retail. Not supported by Council or IHAP, however, both Council and IHAP recognised the opportunity presented by the site.</p> <p>Submission included modelling of different scenarios for Precinct 1.</p> <ul style="list-style-type: none"> <li>46m (approx 13 storeys) 5:1, dedication of 2,000m<sup>2</sup> public open space and laneway</li> <li>76m (approx. 23 storeys) 7.1:1 FSR, 2,000m<sup>2</sup> of public open space and laneway</li> <li>one 107m tower, remaining towers maximum 76m, with 8.5:1 FSR, 2,000m<sup>2</sup> public open space and laneway.</li> </ul>	<p><b>Noted and addressed below. An increase in height is recommended.</b></p> <p>Precinct 1 is a key site at the core of Auburn Town Centre, and its location and configuration provide significant opportunity for redevelopment which includes provide open space and improved connectivity, as identified in the DCP.</p> <p>The preliminary study by JBA was used as background information in the preparation of the draft Strategy, however a number of other considerations, including the IHAP's recommendations have informed the Strategy.</p> <p>Further analysis has been undertaken in response to this submission and a height of 70m is now recommended for this precinct, to enable better design outcomes and provision of public open space and through site links as per the existing DCP controls.</p>




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ATTACHMENT



Current controls	Exhibited draft controls	Submission issue	Response
<b>Precinct 1 (continued)</b> B4 Mixed Use FSR – 5:1 Height – 49m	<b>Precinct 1 (continued)</b> B4 Mixed Use FSR – 5:1 Height – 60m	Submission on behalf of the owners of Auburn Central generally supportive of the draft Strategy. Expressed concerns that: <ul style="list-style-type: none"> <li>any new planning proposals, particularly for Auburn Shopping Village, need to address traffic flows, access requirements and local road capacity.</li> <li>any increase in development within the town centre should address appropriate funding mechanisms to ensure that infrastructure is delivered</li> </ul>	<b>Noted and addressed below. An increase in height is recommended</b> (see previous). Each planning proposal is assessed in terms of its strategic merit. This strategic merit assessment includes consideration of traffic measures. Further detailed assessment is also undertaken at the development application stage.  Council is preparing a new contributions plan to appropriate fund local infrastructure associated with growth.
		Submission supports high rise for this site/precinct. It should link to Auburn Central, through the underground car park and via an overhead walkway from the post office to upper level of Auburn Shopping village.  However, increased height here should be compensated by a permanent 12 storey limit generally in the centre.	<b>Noted and addressed below. An increase in height is recommended</b> (see previous). Detailed design of any development itself will be assessed at DA stage. The primary focus of the Strategy was to improve the relationship between building heights and FSR. Limiting the heights in the rest of the town centre would adversely impact on design outcomes, given the scale of the existing FSRs. Varying building heights are recommended across both centres.
<b>Precinct 2</b> B4 Mixed Use FSR 5:1 Height 38m	<b>Precinct 2</b> B4 Mixed Use FSR 5:1 Height Part 60m, part 49m	 <b>Precinct 2, Auburn (1 -13 Harrow Rd, 9 -23 Mary St, 6 – 24 Park Rd)</b>	
		Submission objecting to proposed increase in height for Precinct 2, as it would have the potential to overlook Trinity College (Park Rd, Precinct 7). Redevelopment of sites to 60m would create an adverse impact on the visual amenity of the school	<b>Noted and addressed below. No change recommended.</b> The remaining area within Precinct 2 that is not already redeveloped is west/south-west of Trinity College and, as a result, would have little overshadowing impact on the school. Any development application would need to consider the visual amenity and overshadowing of the surrounding development, particularly schools. Increased building heights in this location will allow some flexibility in design, and will assist with distribution of the FSR across the site, helping to address impacts on adjoining development.

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Current controls	Exhibited draft controls	Submission issue	Response
<b>Precinct 4</b> B4 Mixed Use FSR – 3.75:1 Height – 19m	<b>Precinct 4</b> No change	 <b>Precinct 4, Auburn (Auburn Central)</b>	
		The proposed FSR map references the precinct as W2 – but there is no W2 in the accompanying legend.	<b>Noted and amended.</b> There is no change proposed to the FSR. This has been added for greater clarity.
<b>Precinct 5</b> B4 Mixed Use FSR – 2.4:1 Height – 18m	<b>Precinct 5</b> No change	 <b>Precinct 5, Auburn (South Parade and land bound by Auburn Rd, Kerr Parade and Civic Rd)</b>	
		It is recommended that this precinct allow 5 storeys generally, with 12-20 storeys at key points.  Council should buy the site, prepare a DA, on sell to a developer, with a condition that the DA remain in place for 50 years.	<b>Noted and addressed below. No change recommended.</b> This precinct is characterised by narrow shopfronts which provide a distinctive character along South Parade. The street block is not very deep (approximately 28-29m), with most sites in single ownership, making redevelopment difficult to achieve.  Council acquisition of this land is neither feasible nor practical. Under the <i>Environmental Planning and Assessment Act</i> , Council cannot extend a development consent beyond 5 years.
<b>Precinct 6</b> B4 Mixed Use FSR – 5:1 Height – 38m	<b>Precinct 6</b> B4 Mixed Use FSR – 3:1 Height – 38m	 <b>Precinct 6, Auburn (Land bound by Queen St Alice St South Parade and Vales Lane)</b>	
		Submission raises no objection to the proposed decrease in FSR, for Precinct 6, as it would allow a staggered building form from the town centre to the periphery and allow future development to be considerate of its surroundings.	<b>Addressed below. Retention of existing FSR recommended.</b> Since exhibition in 2017, the majority of this precinct (excluding the primary school) has been either developed or granted development consent under the current LEP controls. As such, retention of the existing 5:1 FSR is recommended.
		Park Rd should be the limit of any high rise. It is disappointing that it has already been breached.	As per comment above.


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Current controls	Exhibited draft controls	Submission issue	Response
<b>Precinct 7</b> B4 Mixed Use FSR – 3:1 Height – 27m	<b>Precinct 7</b> No change	 <p><b>Precinct 7, Auburn (Mary St, Park Rd, Queen St and Alice St)</b></p>	
		<p>Park Rd should be the limit of any high rise. It is disappointing that it has already been breached.</p> <p>Precinct 7 should be R2 Low Density Residential, or certainly no more than R3 Medium Density.</p>	<p><b>Noted and addressed below. No change recommended.</b></p> <p>As acknowledged, this precinct is already zoned B4 Mixed Use with a height of 27m. No change is proposed due to the location of the school, as well as the role of the precinct as a transition to the low density area to the west.</p>
<b>Precinct 9</b> B4 Mixed Use FSR – 5:1 Height – 38m and part 36m	<b>Precinct 9</b> B4 Mixed Use FSR – 5:1 Height – 45m	 <p><b>Precinct 9, Auburn (18 Harrow Rd, 1-9 Beatrice St, 93-125 Auburn Rd, 72 Auburn Rd)</b></p>	
		<p>The submission seeks an increase in permitted height to at least 55m for this site as the proposed 45m will not allow the 5:1 FSR to be achieved. A 55m height limit would still allow a transition down to Beatrice St, and the shadows will fall substantially within the same shadow areas as 45m towers at Beatrice St.</p>	<p><b>Noted and addressed below. An increase in height is recommended for part of this precinct.</b></p> <p>Precinct 9 is at the end of Auburn town centre and transitions to residential areas to the west (18 to 20m height; 1.7:1 to 2:1 FSR) and to the south (9m height and 0.75:1 FSR), with the closest area occupied by a primary school. The draft Strategy was exhibited with a maximum 45m height to enable better building design with reduced shadow and visual impacts.</p> <p>The Land and Environment Court has since approved a building height for part of this precinct (NW corner) of 56.7m (modification to DA-368/2013). The Strategy recommendation for part of this precinct has been amended to 55m to reflect this determination.</p>



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Current controls	Exhibited draft controls	Submission issue	Response
<b>Precinct 9 (continued)</b> B4 Mixed Use FSR – 5:1 Height – 38m and part 36m	<b>Precinct 9 (continued)</b> B4 Mixed Use FSR – 5:1 Height – 45m	Submission objects to the proposed height for this precinct. The Venture site approval, with a 5 storey street wall is a poor streetscape outcome, and contrary to the desired IGP objectives. This was strongly opposed by residents, and school P&C. Key issues included overlooking of the school playground, and the need for more than one car per household. This approval should not be used as a precedent, and other parts of Auburn town centre should be reduced to 5 storeys to compensate.	<b>Noted and addressed below. An increase in height is recommended for part of this precinct</b> Reducing the rest of the centre to five storeys would impact on design outcomes. This will be particularly important for many of the other precincts in Auburn which are closer the station and form the core of the centre
<b>Precinct 10</b> B4 Mixed Use FSR – 3:1 Height – 27m  <b>Precinct 11</b> B4 Mixed Use FSR – 3:1 Height – 27m  <b>Precinct 16</b> B4 Mixed Use FSR – 3.6:1 Height – 32m	<b>Precinct 10</b> No change  <b>Precinct 11</b> B4 Mixed Use FSR – 3:1 Height – 32m  <b>Precinct 16</b> B4 Mixed Use FSR – 3.6:1 Height – 38m	 <b>Precinct 10, Auburn (Land bound by Queen St, Beatrice St and Susan St)</b> <b>Precinct 11, Auburn (9 Marion St, 3-19 Queen St, 8-24 Kerr Parade, Auburn)</b> <b>Precinct 16, Auburn (1-5 Station Rd 35 – 45 Rawson St, 4A – 6 Dartbrook Rd)</b>  Submission would like these precincts to be R3. The B4 zone in Auburn town centre should be more contained; it should not extend beyond Beatrice St, nor extend up Queen St beyond the Susan St roundabout; it should also be contained by Rawson St from Station Rd to Macquarie Rd and only the Rawson St side of Hall St  This area should have been rezoned to B4 years ago, however submission is against any rezoning in this area due to interface and overshadowing issues with adjoining land.	<b>Noted and addressed below. No change to exhibited zoning controls recommended</b> Precincts 10 and 11 are currently zoned B4 Mixed Use and there is no strategic merit to rezone to R3 Medium Density. The B4 Mixed Use zone is not proposed to extend beyond Beatrice St at this time  Precinct 16 is currently zoned B4 Mixed Use. Given its proximity to the station. This zone is considered suitable

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Current controls	Exhibited draft controls	Submission issue	Response
<b>Precinct 12</b> B4 Mixed Use FSR 2.4:1 Height 18m	<b>Precinct 12</b> B4 Mixed Use FSR 2.4:1 Height 18m	 <p><b>Precinct 12, Auburn (Land bound by Auburn Road, Kerr Parade and the railway line)</b></p>	
		<p>Submission seeks an increase in height and FSR for this precinct. It is less than 50m to the station entry, and is centrally located within the town centre. Increased residential density in this location would be consistent with government policy. The precinct has two road frontages, allowing vehicular access to be provided (as currently) via Kerr Parade. The precinct could be amalgamated, having an overall area of 1,650m<sup>2</sup>. The precinct is unconstrained by flooding or heritage, and can readily accommodate a mixed use development with a height to 38m and a maximum FSR of 5.1.</p>	<p><b>Noted and addressed below. An increase in height is recommended.</b></p> <p>This precinct has a number of constraints including topography, relatively small total site size with an irregular shape, proximity of the railway line, and congestion on and around the road frontages. It is noted that parts of the existing building are located on the road reserve, and this would not continue if site was redeveloped. No change in FSR is recommended; however, an increase in height from 18 metres to 27 metres is recommended.</p> <p>Additional analysis was undertaken post-exhibition in response to submissions received, and an increase in building height for this precinct is recommended (27m).</p>
<b>Precinct 17</b> R4 High Density Residential FSR – 1.7:1, 2:1 corners Height – 18m, 20m corners	<b>Precinct 17</b> R4 High Density Residential FSR – 2:1 Height – 20m	 <p><b>Precinct 17, Auburn (Rawson and Hall Streets, Dartbrook and Station Roads)</b></p>	
		<p>Submission seeks B4 zoning, 3.6:1 FSR and 45m height for whole of precinct 17:</p> <ul style="list-style-type: none"> <li>• in line with neighbouring precincts</li> <li>• precinct has a mixed use feel with non-</li> </ul>	<p><b>Noted and addressed below. Change to zoning, FSR and height recommended for western half of this precinct.</b></p> <p>In response to submissions received, further review of this precinct was undertaken. The Station Road frontage is directly opposite an existing B4 zone. Providing the potential to activate</p>

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Current controls	Exhibited draft controls	Submission issue	Response
		<p>residential uses such as the Masonic Centre</p> <ul style="list-style-type: none"> <li>• B4 would help achieve the goal of making the centre active and vibrant</li> <li>• recognises transitional nature of the area with buildings over 30m under construction in the precinct</li> <li>• tall slim towers improve resident amenity, so height and building envelopes should exceed FSR to provide flexibility and good urban design outcomes</li> <li>• the proposed 20m height is not a transition.</li> </ul> <p>Submission indicates that residents do not want to live in a crowded area as proposed by the draft Strategy. Recently objected via a petition to the construction of a 15 storey building in Dartbrook Rd, which was approved, has been in the construction phase for 2 years, and blocks airflow and sunlight.</p>	<p>the street on both sides of the road is likely to also support the existing B4 zone on the western side of Station Rd.</p> <p>It is therefore recommended that the western part of Precinct 17 in Auburn (from Holiday Lane to Station Road) be:</p> <ul style="list-style-type: none"> <li>• zoned B4 Mixed Use</li> <li>• FSR of 3.6: 1</li> <li>• height of 25m</li> </ul> <p>These recommended changes provide a transition to the R4 zoned land to the east of Holiday Lane.</p> <p>In terms of crowding, the Strategy seeks to improve design and public domain outcomes to improve liveability and amenity, rather than increasing density. The height and FSR changes proposed are minor, and maintain a transition in scale to the north and east of the town centre boundary.</p> <p>The change to B4 recommended above is likely to have a minor impact on Dartbrook Rd in terms of built form.</p> <p>Matters such as the impact of development on adjoining properties (including sunlight access and airflow impacts) are assessed at the development application stage.</p>

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## PRECINCT SPECIFIC SUBMISSIONS - LIDCOMBE TOWN CENTRE

Note: Each row relates to a matter raised in a single submission.



Current controls	Exhibited Draft Strategy controls	Submission comments	Comment
<b>Precinct 3</b> (part 3d) B4 Mixed Use FSR – 5:1 Height – 36m	<b>Precinct 3</b> (part 3d) B4 Mixed Use FSR – 5:1 Height – 55m	 <p><b>Part of Precinct 3, Lidcombe (Olympic Dr, Vaughan St and Bridge St - 'Westella site')</b></p> <p>Landowner submission states that the size of the total site (7,134m<sup>2</sup>), its single ownership and its prominent location make this site ideal for future intensification, beyond what is suggested in the draft Strategy.</p> <ul style="list-style-type: none"> <li>• commends Council on the initiative to increase permitted heights to work more efficiently with FSRs</li> <li>• seeks an increase in height to 60m (as a baseline) which would lead to a superior urban design outcome while improving the human scale street experience.</li> <li>• seeks a Design Excellence Competition bonus of 15% of FSR and height for the site and the town centre immediately.</li> <li>• included an urban design report showed a proposed concept of 6 towers of varying heights to 65m with an FSR up to 6:1 are possible on the site under a different amalgamation pattern. This also includes a supermarket.</li> <li>• seeks to work with Council on the DCP.</li> </ul>	<p><b>Noted and addressed below. An increase in height is recommended.</b></p> <p>This is an important site within the Lidcombe Town Centre, and one of few sites where a supermarket could be accommodated.</p> <p>It is noted that the Strategy does not seek a single blanket height across the centre, however, it does provide a single height for this precinct. This is a maximum height, not a required height.</p> <p>The recommended increased maximum height is intended to provide opportunities for a variety of heights and built form by working together with the existing FSR of 5:1. Multiple design outcomes are possible under this scenario.</p> <p>Whilst the options presented in the submission are not considered suitable, a modest increase in height to 65 metres is recommended for this part of Precinct 3 to enable high quality design outcomes, including public domain improvements at ground level. No change to the FSR is recommended.</p>
		<p>There is <i>no basis</i> for the description of the role of Lidcombe centre as having potential for commercial expansion and intensification, nor for it to form part of a 'broader ecosystem of innovation and enterprise across</p>	<p><b>Noted and addressed below. An increase in height is recommended.</b></p> <p>There are very few changes proposed to expand the B4 Mixed Use zone in Lidcombe. The actual mix of</p>

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Current controls	Exhibited Draft Strategy controls	Submission comments	Comment
<b>Precinct 3</b> (continued)	<b>Precinct 3</b> (continued)	Cumberland'. This is only an urban design strategy.	businesses within the town centre will not be prescribed by Strategy.
<b>Precinct 3</b> (part) B4 Mixed Use FSR – 5:1 Height – 32m	<b>Precinct 3</b> (part) B4 Mixed Use FSR 5:1* *Council to investigate reduction in FSR Height – 38m	 <p><b>Part of Precinct 3, Lidcombe (Land fronting the north side of Taylor St)</b></p> <p>Submission supports the intent to maintain a gradual decline in building height and FSR away from the station to establish a stepped skyline and retain solar access to Remembrance Park, however lowering the FSR is not the best means to do this:</p> <ul style="list-style-type: none"> <li>reducing the FSR would not be consistent with the objectives of Cl. 4.4 in the Auburn LEP 2010 – as the current 5:1 FSR enables appropriate density that reflects the locality</li> <li>a development's inability to achieve the maximum FSR at a particular point in time and place does not mean it will never be achieved in the future</li> <li>reduced FSR will reduce development potential – reducing the number of affordable housing units</li> <li>submission included indicative plans for ground floor, and typical floor levels and schematic elevation for a proposed 9 storeys (24m) with an FSR of 4.5. Also proposed to <i>“enhance and conserve this local heritage building by dismantling the whole structure and rebuilding with the same or same type of materials, moving the building forward 2m to the boundary, with the new building starting from the 3 internal columns, and from the roof ridge back”</i>.</li> </ul>	<p><b>Noted and addressed below. Retention of existing FSR and exhibited height recommended.</b></p> <p>Council has sought specialist advice on the significance of the former Lidcombe Post Office (built 1920 and designed during the tenure of NSW Government Architect George McRea, who also designed the Queen Victoria Building).</p> <p>Development application to which submission refers has since been withdrawn.</p> <p>It is recommended that the existing FSR of 5:1 be retained along with the exhibited height of 38m.</p> <p>Any future development application for this site will undergo detailed assessment with specific focus on potential impacts on the heritage item and overshadowing of Remembrance Park. Dismantling and reconstructing the heritage item (former Lidcombe Post Office) is unlikely to be supported.</p>


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Current controls	Exhibited Draft Strategy controls	Submission comments	Comment
<b>Precinct 5</b> B4 Mixed Use FSR - 5:1 Height - 32m	<b>Precinct 5</b> Part RF1 Public Recreation No Height/FSR  Part B4 Mixed Use FSR - 5:1 Height - 38m	 <p><b>Precinct 5, Lidcombe (2-6 Taylor St, 29 – 33 Joseph)</b></p>	
			<p>Landowner submission objecting to proposed RE1 zone for 2 Taylor St. Acquisition of this site has potential to impact the viability of the church and its ability to remain on site. Rezoning the site without Council having identified a budget, timeframe and acquisition plan, would result in uncertainty, and would be burdensome for the Church to hold land where it cannot increase its operations.</p> <p>Church supports retention of the B4 zone with appropriate height and FSR. The potential overshadowing of the park can be mitigated through other planning and design measures.</p> <p>The landowner (Church) seeks to work with Council to find an alternate solution to allow the church to continue its activities, and enable Council to improve the street address of Remembrance Park, eg through reconfiguration of the overall site and/or boundary adjustments or land swap.</p>
<b>Precinct 6</b> B4 Mixed Use FSR - 5:1 Height - 32m	<b>Precinct 6</b> B4 Mixed Use FSR - 5:1 Height - 38m	 <p><b>Precinct 6, Lidcombe (2-10 Kerrs Rd, 46 - 74 Joseph St Lidcombe)</b></p>	<p><b>Noted. Retention of existing zoning, height and FSR controls is recommended.</b> Following receipt of this submission, Council and the landowner have met to discuss potential options including land swap and reconfiguration of sites. As discussions have yet to reach a conclusion, it is recommended that the existing zoning, height and FSR be retained. This approach does not preclude future negotiations as outlined above, and the planning controls can be amended to reflect an agreed outcome for this area in the future.</p>
			<p><b>Noted and addressed below. No change recommended.</b> The submission does not provide strategic merit for the requested increase in FSR. Precinct 6 is at the</p>

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Current controls	Exhibited Draft Strategy controls	Submission comments	Comment
			southern edge of the B4 zone, and forms part of the transition from the core of the centre to surrounding residential areas. No change to FSR is recommended.  Specific proposals will be considered on merit as part of the development application process.
<b>Precinct 7</b> R2 Low Density Residential No FSR Height – 9m	<b>Precinct 7</b> R4 High Density Residential FSR 2:1 Height – 20m	 <p><b>Precinct 7, Lidcombe (Olympic Dr, Kerrs Rd, B4 lands and Raymond St East)</b></p> <p>Submission supports the proposed R4 zoning, but seeks an increase in the permitted height:</p> <ul style="list-style-type: none"> <li>land immediately to the north would have a maximum height of 38m, in contrast to our site which would have only 20m, resulting in a neighbouring development that would be much higher</li> <li>failure to adopt a consistent height across the R4 zone will prevent amalgamation with a view to large single development</li> <li>the border between the R4 zones is arbitrary – in the middle of the block - the natural boundary of the zone should be Raymond Street and Armstrong Lane</li> <li>extension of the permitted height to Raymond Street would not result in overshadowing as the land on Bernard St and the eastern side of Joseph St would form a transition zone.</li> <li>Joseph St is the main promenade in Lidcombe with a width to support large tall buildings.</li> </ul>	<p><b>Noted and addressed below. An increase in height is recommended.</b></p> <p>The Strategy seeks a transition in height and scale from the core of both centres to the centre edge and beyond, and in some locations this transition is more gradual than others. Increasing their height in this precinct to 38m as sought by the submission would not support a smooth transition to the land to the south of Precinct 7, currently zoned R2, with a 9m height limit.</p> <p>Further analysis following exhibition found that a building height of 25m in this location, while retaining an FSR of 2:1, would still allow for a mix of built form design that takes into account the development in Precinct 6 in the north, as well as the need to transition to the low density residential area to the south. The revised Strategy recommends this is approved.</p>



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Current controls	Exhibited Draft Strategy controls	Submission comments	Comment
		<p>For many years the residents of Precinct 7 have endured the loss of a supermarket within walking distance, with many elderly residents left stranded by development. The closest shopping centre is more than 2 kilometres away without adequate public transport. Residents in this area have felt ignored in the past about development issues that affect us.</p> <p>We recommend that the proposed R4 zone from Kerrs Rd to Raymond St be amended to B4, with a maximum height of 32 metres along Bernard St in keeping with an aesthetic look for the precinct, and with consideration for an adequate supermarket/ shopping centre to support current and future residents.</p> <p>R4 is recommended further south.</p>	<p><b>Noted and addressed below. An increase in height is recommended.</b></p> <p>The need for a supermarket in Lidcombe is recognised and encouraged through the controls proposed in the Strategy.</p> <p>Extending the B4 zone is not supported for this precinct, as it would extend the centre too far from the core.</p> <p>The land further south (south of Raymond St), was not part of the study area for the draft Strategy, and is well outside the town centre. Consideration of this area is beyond the scope of this Strategy. However, as outlined above, an increase in height (to 25m) is recommended for Precinct 7.</p>
<b>East of Precinct 7</b> R4 High Density Residential FSR 1.7 – 2.1 Height 18-20m	<b>East of Precinct 7</b> No change	 <p><b>East of Precinct 7 (between Joseph St, McVicars Lane and Raymond St East)</b></p> <p>Raymond St East is a peaceful cul de sac, which would be ruined by the development proposed under the draft Strategy for the area between James St, Joseph St, McVicars Lane and Raymond St East. High density development will affect the ambience and safety of this street, will result in overcrowding and massive buildings towering over homes. It will mean that the on street parking will be taken by the new apartments. Objects to the draft Strategy.</p> <p>I urge reconsideration of the high density status proposed for the Joseph St side that connects to Raymond St East and McVicars Lane.</p>	<p><b>Noted and addressed below. No change recommended.</b></p> <p>The area of concern identified is outside the study area and separated by Joseph St. The R4 High Density Zone is the existing zone in this location. There are no changes proposed to the zone, the height or the FSR.</p> <p>The changes proposed by the Strategy in this area are limited to the western side of Joseph St adjoining Raymond St East (this was not raised in this submission as an issue).</p>

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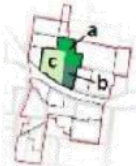


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Current controls	Exhibited Draft Strategy controls	Submission comments	Comment
<p><b>Precinct 8</b> B4 Mixed Use FSR - 5:1 Height - 32m (part) and 36m</p> <p><b>Precinct 9</b> B4 Mixed Use FSR - 5:1 Height - 60m</p>	<p><b>Precinct 8</b> B4 Mixed Use FSR - 5:1 Height - 60m (part c);</p> <p><b>Precinct 9</b> B4 Mixed Use FSR - 5:1 Height - 60m <i>(parts a and b are addressed below)</i></p>	 <p><b>Precinct 8</b> Irregular precinct between Church St and Doodson Ave centred on John St, Lidcombe, and</p> <p>Landowner submission supports the proposed controls for the Dooleys site within Precincts 8 (western part) and 9, as they will go some way to ensuring better urban design and architectural outcomes for the town centre. This large landholding provides a long term opportunity under these controls to strengthen the vitality the centre consistent with Council's planning objectives.</p> <p>Landowner looks forward to the opportunity to comment on controls under the future planning proposal.</p>	 <p><b>Precinct 9</b> 1-5A Church St, 13 - 25 Board St Lidcombe</p> <p><b>Noted and addressed below. An increase in height for part of Precinct 8 and Precinct 9 are recommended.</b></p> <p>In response to submissions received an increase in the exhibited height from 60m to 70m is recommended for Precinct 9 and the western half of Precinct 8 (west of John Street). This creates an opportunity to improve public domain and interface with John Street, as well as north-south through site links.</p> <p>The location of this precinct on the northern side of the station means that shadows cast by any redevelopment will fall primarily on the train line and Olympic Drive, rather than existing residential development.</p> <p><b>Noted. As per comments above.</b></p> <p>Object to proposed development for Lidcombe Dooley's site. The proposal is financed by and will enhance its gaming facilities. It is primed to overshadow and drive out other businesses, whereas we need business competition.</p> <p>Although I live in Lidcombe I bypass its shopping and transport due to overcrowding on the infrastructure - the streets, and station exits.</p>


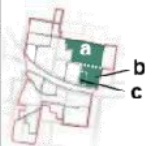
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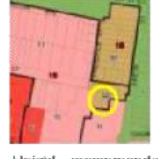
Current controls	Exhibited Draft Strategy controls	Submission comments	Comment
<b>Precinct 8 (between John St and precinct 14)</b> B4 Mixed Use FSR - 5:1 Height - 32m and 36m	<b>Precinct 8 – (parts a and b: between John St and precinct 14)</b> B4 Mixed Use FSR - 5:1 Height – 50m north of Mary St; 55m south of Mary Street	 <p><b>Precinct 8 (part), Auburn (between John St and Precinct 14)</b></p>	
		<p>Sydney Catholic Schools' submission objects to proposed changes, to parts of Precinct 8 that adjoin St Joeachim's Primary School (east of John Street), including:</p> <ul style="list-style-type: none"> <li>• could leave the school with a 'boxed in' feel</li> <li>• could overlook and overshadow play spaces</li> <li>• would result in increased traffic, with particular concern for pedestrian safety</li> <li>• does not support environmental comfort, good amenity, or responsiveness to context.</li> </ul> <p>See also submission issues under Precinct 15.</p>	<p><b>Noted and addressed below. An increase in height is recommended.</b></p> <p>In response to submissions received, a decrease in the exhibited heights (50 metres down to 38 metres) is proposed for this part of Precinct 8. The existing FSR of 5:1 remains unchanged.</p> <p>Any proposal will undergo further detailed assessment at the development application stage, and would consider impacts on adjoining properties.</p>
		<p>Objects to the proposed 55m heights on Church and Mary Streets for apartments that will be very close together forming walls that will block the view and ventilation of the residents.</p>	<p><b>Noted and addressed below. No change recommended.</b></p> <p>The recommended increased height controls, with existing FSR will improve opportunities for more slender tower forms and increased building separation, resulting in improved opportunities for view corridors and ventilation.</p> <p>Aspects like ventilation, solar access, privacy and views would be further assessed at the development application stage.</p>

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Current controls	Exhibited Draft Strategy controls	Submission comments	Comment
<b>Precinct 14</b> B4 Mixed Use FSR – 5:1 Height – 32m	<b>Precinct 14</b> B4 Mixed Use FSR – 5:1 Height – 55m	 <b>Precinct 14, Lidcombe (39 and 43 Church St and 7 Mary St, Lidcombe)</b>	 <b>Precinct 15, Lidcombe (land b between Doodson and Church Streets, east of Frederick Street)</b>
<b>Precinct 15</b> R4 High Density Residential FSR – 1:7:1 2:1 at corners Height – 18m 20m at corners	<b>Precinct 16</b> <i>part a. North of Mary St</i> R4 High Density Residential FSR – 3:1 Height – 32m  <i>part b and c. South of Mary St</i> B4 Mixed Use FSR – 3:5:1 Height – 38m	Landowner submission objects to the changes in controls for the land close to St Joachim's Primary School, particularly increased heights, which: <ul style="list-style-type: none"><li>could leave the school with a 'boxed in' feel, rear of the school could look isolated</li><li>could overlook and overshadow play spaces, with negative impacts on wellbeing of students and inconsistent with Greater Sydney Commission's goals</li><li>would result in increased traffic, with particular concern for pedestrian safety</li><li>does not support good amenity, responsiveness to context, or street level views that enhance a sense of place</li></ul>	<b>Noted. Changes recommended in response.</b> Precinct 14 is predominantly occupied by St Joachim's Primary School, and has an existing FSR of 5:1. The precinct includes a recently constructed 10 storey (32m) apartment building (43 Church St) to a height of 32.4m which uses the maximum FSR of 5:1  Further analysis was undertaken as part of the review of submissions process. In response to issues raised in submissions, and to facilitate a better transition in scale with the primary school, a reduction in the exhibited draft heights and FSRs for Precincts 14 and 15 is recommended as follows.  <i>Precinct 14</i> <ul style="list-style-type: none"><li>FSR retain existing 5:1</li><li>Height 38m</li></ul> <i>Precinct 15</i> <ul style="list-style-type: none"><li>FSR 2:2:1 (part a and b) and 2:6:1 (part c)</li><li>Height 29m (part a and b) and 36m (part c)</li></ul>
		Object to the proposed 55m heights on Church and Mary Streets for apartments that will be very close together, forming walls that will block the view and ventilation of the residents	<b>Noted. Changes recommended in response. See comment above.</b>

ATTACHMENT

Current controls	Exhibited Draft Strategy controls	Submission comments	Comment
<b>East of Precinct 15</b> R4 High Density Residential FSR – 1.7:1 Height 18m	<b>East of Precinct 15</b> Not in study area – directly east of Precinct 15 No change	 <p><b>East of Precinct 15</b></p> <p>Submission on behalf of 31 Mary St Lidcombe, adjoining Precinct 15, to which has similar characteristics. Suggests Swete St as logical eastern boundary of the centre, and seeks a height of height of 25m for 31 Mary Street.</p> <p>Surrounding development at 81 Church St, on the corner of Swete St, while not part of the study area, has established a strong built form typical of a 'gateway site' with an FSR of 2:1 and a height of 25m. This has set a precedent and 31 Mary St and the adjoining properties, 33 Mary St and 11 Swete St, should, to be consistent, also benefit from an FSR of 2:1 and a height of 25m. These recommended increases would encourage amalgamation and quality urban design.</p> <p>It is recommended that the land between Swete St and Precinct 15, south of Mary St be included in the draft Strategy to inform an upward review of controls.</p>	<p><b>Noted and addressed below. Minor change recommended.</b></p> <p>31 and 33 Mary St currently have an FSR of 1.7:1 and maximum height of 18m, while the adjoining properties to the north and east have a recommended FSR of 2:1 and a maximum height of 20m. Land to the south (outside the town centre boundary) has these controls.</p> <p>The Strategy, as exhibited, would result in a lower permitted FSR and height on two isolated sites surrounded by land with a greater FSR and height (located further from the station), without any planning rationale.</p> <div style="display: flex; justify-content: space-around;"> <div>  <p>FSR - exhibited</p> </div> <div>  <p>FSR - recommended</p> </div> </div> <div style="display: flex; justify-content: space-around;"> <div>  <p>Height - exhibited</p> </div> <div>  <p>Height - recommended</p> </div> </div>

9

ATTACHMENT

Current controls	Exhibited Draft Strategy controls	Submission comments	Comment
			<p>The following minor changes to the controls for 31 and 33 Mary St, Lidcombe, are recommended:</p> <ul style="list-style-type: none"> <li>increase the maximum FSR to 2:1</li> <li>increase the maximum height of buildings to 20m consistent with proposed controls for Precinct 16.</li> </ul>
<p><b>North of Precinct 16</b> R3 Medium Density Residential FSR 0.75:1 Height 9m</p>	<p><b>North of Precinct 16</b> Not in study area directly north of Precinct 16 No change</p>	<p><b>North of Precinct 16</b></p>  <p>Landowner submission on behalf of 31-33 Swete St Lidcombe. This 2,049m<sup>2</sup> site is on the corner of Swete St and Mills St, contains the former RMS Motor Registry, adjoins Lidcombe Public School (heritage listed) to the west and the residential block (Precinct 16) to the south. This site is part of this residential block, but was excluded from Precinct 16, presumably due to previous Motor Registry use.</p> <p>Submission seeks the same zone as Precinct 16 - R4 High Density Residential. It also seeks a base FSR of 2:1 plus an incentive FSR for social or community use, and a maximum height of 25m as:</p> <ul style="list-style-type: none"> <li>Site forms a natural end to the residential block that includes Precinct 16, and would form an appropriate transition to/from the town centre</li> <li>The site is 630m walking distance to the station</li> <li>Given the location adjoining the school, the site provides an opportunity to provide a social or community use, however this would require a larger ground floor elevation and therefore a greater maximum height of buildings than the 20m proposed</li> </ul>	<p><b>Noted and extension of proposed zoning, height and FSR from Precinct 16 recommended.</b></p> <p>In response to submissions, the proposed controls for 31-33 Swete Street were reviewed. It is recommended that the proposed zoning (R4), height (20m) and FSR (2:1) of Precinct 16 be extended to include this last lot within the street block.</p> <p>The request for FSR and height greater than those proposed for Precinct 16 is not recommended as:</p> <ul style="list-style-type: none"> <li>height and FSR greater than that proposed for Precinct 16 lacks strategic merit as it is further away from the station and core of the centre than Precinct 16. It would also compromise the capacity to provide a transition to the low density residential area to the north.</li> <li>there is significant capacity within the B4 zone in Lidcombe to accommodate additional dwellings, without the need to substantially increase development potential beyond the edge of the town centre.</li> <li>the proposed location of a through site link to</li> </ul>

10

ATTACHMENT

Current controls	Exhibited Draft Strategy controls	Submission comments	Comment
		<p>for Precinct 16.</p> <ul style="list-style-type: none"> <li>submission included a massing study which showed a podium of 4 storeys with a maximum 6 storeys with a northern frontage to maximise sun access, as well as potential for a through site link between Mills St and 29 Swete St (also shown as a through site link).</li> </ul>	<p>Doodson Ave/the school in the submission is shown wholly on the adjacent site (29 Swete St). This is a separate lot under different ownership, unrelated to the site subject site. Any through site link would need to be shared between these two properties.</p>



# DOCUMENTS ASSOCIATED WITH REPORT C04/19-64

## Attachment 3 Council Report and Minutes - 21 December 2016



## Cumberland Council

### Auburn and Lidcombe Town Centres Strategy

Responsible Division:	Environment and Infrastructure
Officer:	Group Manager Planning
File Number:	S-5740-01
Delivery Program Code:	2a 2 1 Prepare land use and local centre studies 1a.1.1 Enhance community participation, collaboration and engagement 5 1 1 Oversee the land use planning, design and compliance framework for managing and facilitating appropriate development 5 2 1 Identify strategies that support the development of local centres and business areas across the city

#### Summary

JBA Consultants completed a study of the heights and zoning in Auburn and Lidcombe Town Centres in February/March 2016 for the former Auburn City Council, consistent with Council's resolution of 20 May 2015 [Item 086/15]. As a result the *Draft Auburn and Lidcombe Town Centres Strategy (Attachments 4 to 9)* was prepared and considered by the Cumberland Independent Hearing and Assessment Panel (CIHAP) at its meeting of 17 November 2016 [Item C030/16]. The draft Strategy has been amended in line with the CIHAP recommendations.

This report seeks a recommendation to publicly exhibit the draft Strategy.

#### Report

##### *Background*

A review of the permitted heights for Auburn and Lidcombe town centres was first initiated by Council resolution on 16 April 2014 in response to a DA proposal for land in Auburn Town Centre, which highlighted that the heights and FSRs in the Town Centres were poorly aligned. This was followed by Councillor workshops and further resolutions of the former Auburn City Council to progress the study. JBA consultants completed a review of the heights in Auburn and Lidcombe Town Centres in February/March 2016. They were also asked to consider some specific precincts for changes to zoning and floor space ratios (FSRs). The JBA review is included at Attachment 9.

Council planners have reviewed the recommendations of the consultant review as well as a range of other strategies and studies completed or in preparation for a review of the Auburn LEP 2010. A number of changes to the outcomes proposed by JBA are considered appropriate, and a slightly broader approach to the centres is warranted. Accordingly a *Draft Auburn and Lidcombe Town Centres Strategy* has been prepared. Attachment 2 provides an outline of the history of the strategy to date.

*Cumberland IHAP Resolution*

The draft strategy was reported to the Cumberland IHAP (CIHAP) at its meeting of 17 November 2016 [item C030/16] (see **Attachment 1**). CIHAP resolved the following:

1. *That Council publicly exhibit the Draft Auburn and Lidcombe Town Centres Strategy as per the recommendations in Attachment 1 and the Auburn and Lidcombe Town Centres: Investigation into height of building controls and zoning (JBA study), and bring a report back to the CIHAP and to Council following the consideration of submissions.*
2. *That a minimum Floor Space Ratio (FSR) of 0.5:1 be non-residential uses in the following precincts in the core of both town centres:*
  - a. *Precincts 1, 2, 3, 4, 5, 12, 13, 14 and 16 in Auburn Town Centre; and*
  - b. *Precincts 1, 2, 3, 8, 9, 10, 14 and 15 in Lidcombe Town Centre.*
3. *That consultants be engaged to prepare a detailed view line analysis and study of the Gelibolu Precinct (Precinct 22) and a general view analysis of the surrounding residential areas in both Town Centres, and that a report be brought back to CIHAP and subsequently to Council for consideration.*
4. *That Council staff investigate the potential for provisions for design excellence as part of the preparation of a Comprehensive Local Environmental Plan (LEP) for Cumberland.*
5. *That some preliminary investigation of potential opportunities to foster an innovation ecosystem in Lidcombe be undertaken as part of the Cumberland Employment Lands Strategy.*
6. *That a consultant be engaged to prepare a Traffic and Pedestrian circulation study for Lidcombe Town Centre in line with priorities identified in Council's Delivery Program and Operational Plan, and that a report be brought back to CIHAP and to Council for consideration in the future.*
7. *That Council investigate the reduction of the FSR for the part of the Lidcombe Town Centre Precinct 3 north of the park.*
8. *That Council investigate the introduction of minimum lots sizes in the Auburn LEP 2010 for the B4 Zone linked to the appropriate FSR and height.*
9. *That Council investigate the height and FSR objectives for the B4 Zone in the Auburn LEP 2010.*
10. *That Council consider the heritage listing of the Gallipoli Mosque and shop facades of both Town Centres as an early stage of the Cumberland Heritage Study*
11. *That the Auburn DCP 2010 controls be updated to support the proposed amendments to the development controls in Auburn and Lidcombe Town Centres '*

See Attachment 3 for the detailed recommendations in item 1 above.

The draft Strategy has been amended in line with the CIHAP recommendations.

#### 1. DRAFT AUBURN AND LIDCOMBE TOWN CENTRES STRATEGY

As previously outlined, the draft Strategy (**Attachment 4**) builds on the work of the JBA study, other technical studies and District planning processes. It proposes a number of principles for the growth of each centre and recommends changes to the existing planning controls to support these principles for both Auburn and Lidcombe Town centres. **Attachment 8** provides an outline of the existing controls, those recommended by the consultants, and the recommendations in this draft Strategy.

The principles build on the strengths of each centre, and seek to enable an improved and more diverse built form, with a greater emphasis on how people interact with each other and with the built environment.

In addition, a small increase in the area of the B4 zoned area in Lidcombe Town Centre (the business area) is proposed, and it is anticipated that the proposed changes will support the first steps in the establishment of an innovation ecosystem<sup>1</sup>. Such systems, as foreshadowed in the *GPOP Greater Parramatta and the Olympic Peninsula 2016*, support the creation of new jobs in the economy, by providing start up businesses with links to research facilities, mentoring, networking opportunities and more.

The greatest height proposed in both town centres, on the recommendation of the CIHAP, is 60m. The proposed increases in heights improve the relationship between building heights and FSRs. They will foster a diversity of built form, provide for a more varied and visible skyline and importantly, will provide opportunities for open space and improved connectivity at the street level. Podium and tower forms are sought to achieve these outcomes.

The difference between the height recommendations proposed to CIHAP, and those recommended by CIHAP for Auburn Town Centre are shown at Figures 1 and 2. Figures 3 and 4 illustrate the same for Lidcombe Town Centre. **Attachments 6 and 7** illustrate the proposed changes in zoning, FSR and heights from the existing planning controls under Auburn LEP 2010 as recommended by CIHAP.

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<sup>1</sup> Innovation Ecosystem City Exchange Report 2016 *Growing the Australian Economy*

**AUBURN TOWN CENTRE**  
Proposed maximum height of building (in metres)

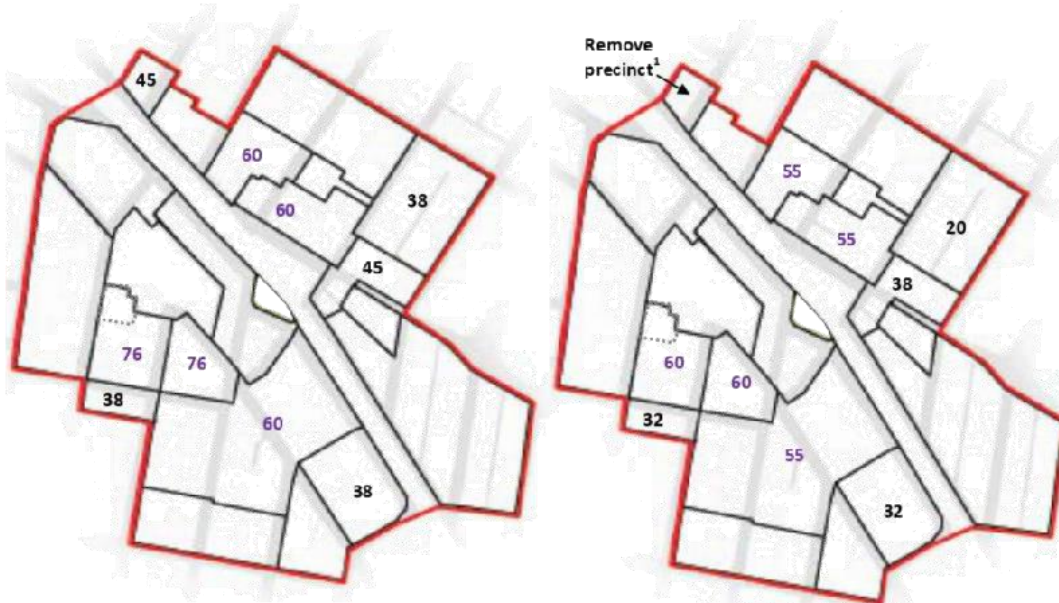


Figure 1. Recommendations to CIHAP

Figure 2. Recommendations made by the CIHAP

1. This precinct (20) is proposed for high density residential in the *Parramatta Rd Urban Transformation Strategy*. In line with the recommendation of the CIHAP, this precinct has been removed from the Strategy, and will be considered as part of a future planning proposal for the *Parramatta Rd Urban Transformation Strategy*.



LIDCOMBE TOWN CENTRE  
Proposed maximum height of building (in metres)

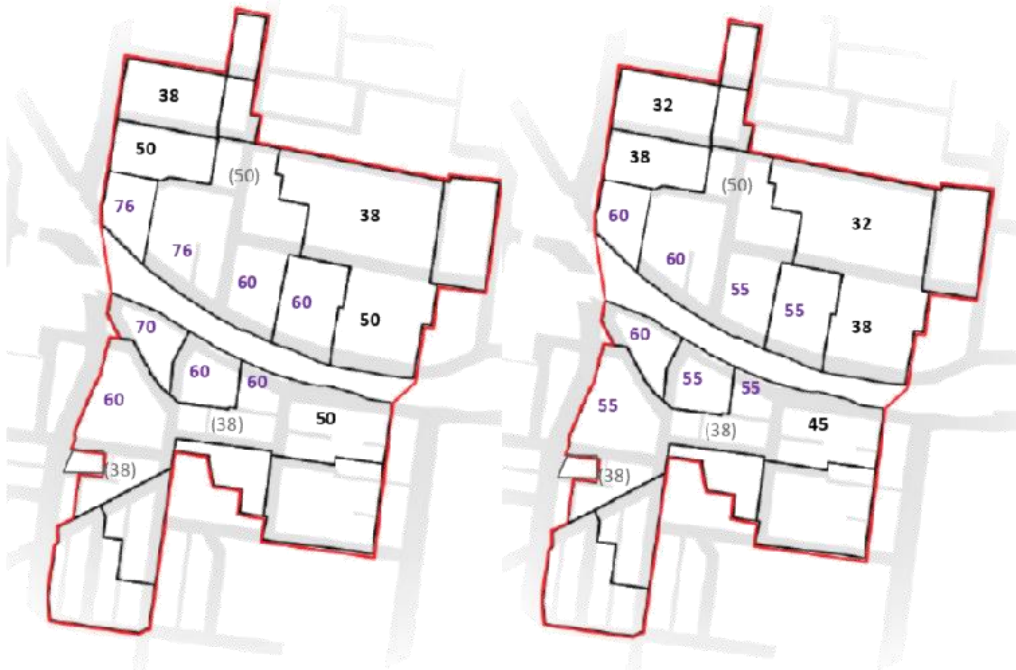


Figure 3. Recommendations to CIHAP

Figure 4. Recommendations made by CIHAP

## Consultation

The exhibition of the draft Strategy is proposed commence in mid January for a minimum of 28 days. The exhibition would include a notice in the local paper and a letter to directly affected and surrounding property owners, as well as availability of the draft Strategy on Council's website, both Administration Centres, and in key libraries.

### Financial Implications

The exhibition of the *Draft Auburn and Lidcombe Town Centres Strategy* is covered within the normal budget of Planning.

The recommendations include the completion of additional supporting work. Some of this work would depend on the outcomes of the exhibition and the likely timeframe for the making of a planning proposal should the recommendations be adopted by Council following the exhibition.

Additional work recommended by the draft Strategy can be considered for inclusion in the budget for forthcoming financial year/s for Council. These are outlined below:

Short term:

- i. *The Gelibolu Precinct study; general viewline analysis of the two town centres (as proposed) from the surrounding residential areas, investigation of reduced FSR for part of Precinct 3 in Lidcombe*

These can be covered under the Planning Unit budget.

- ii. *Consideration of the potential heritage listing of the Gallipoli Mosque and shop facades of both Town Centres*

This will be undertaken as part of the Cumberland Heritage Study to be commenced early in 2017. The funding for this LGA-wide study has been approved by Council.

- iii. *Preliminary investigation of potential opportunities to foster an innovation ecosystem in Lidcombe*

This would be initially undertaken as part of the Cumberland Employment Lands Strategy which will be undertaken in 2017 and covered under the Planning Unit Budget. If the preliminary investigations are positive, further work will be required in the medium to longer term

Medium term: (note: the financial implications of these items below will be presented to Council as separate Council reports in the future, subject to being endorsed and prioritised in Council's future delivery Program)

- iv. *Investigation of active frontages and design excellence measures, and height and FSR objectives for the B4 Zone*

This work will be included in the work for the preparation of a new comprehensive LEP.

- v. *Acquisition of land for open space in Precinct 5 in Lidcombe*

Council already owns 2,369m<sup>2</sup> adjoining the park. However the recommended zoning of RE1 Public Recreation would result in the need to acquire a further 2,400m<sup>2</sup> over time.

- vi. *Lidcombe Town Centre Traffic and Pedestrian Circulation Strategy*

This is a major study, which will take time to complete, and is anticipated to include a number of options for Council's consideration. Council's Chief Financial Officer has identified that there have been funds collected under the relevant section of the Development Contributions Plan to cover the cost of the preparation of this study, however, the timeframe and priority in Council's future Delivery Program is yet to be determined.

- vii. *The preparation of the site specific DCP for both centres and a public domain plan for Lidcombe*

These could only occur once the Lidcombe circulation strategy is adopted.

- viii. *Updating the Contributions Plan*

This will support changes to circulation infrastructure and public domain upgrades in Lidcombe.

- ix. *Future use of Precinct 15 in Auburn*

The financial implications for Precinct 15 in Auburn (north side) and immediately surrounding sites will depend on the future decision as to best use for this land. If the site itself is retained for community uses, funding will need to be found to support this.

- x. *A pilot façade upgrade program for Precinct 5 in Auburn Town Centre*

Subject to inclusion and priorities yet to be determined in Council's future Delivery Program.

#### **Policy Implications**

It is intended that the draft Strategy would ultimately inform a planning proposal to amend the Auburn LEP 2010, and amendments to Auburn DCP 2010. Some of the additional work is only likely to effect the future comprehensive LEP for Cumberland.

#### **Communication / Publications**

Public notification will require letters to nearby landholders and an ad in the local papers, with hard copies available at Council's administration buildings and libraries.

#### **Report Recommendation**

- i) That Council publicly exhibit the Draft Auburn and Lidcombe Town Centres Strategy as attached and bring a report back to the CIHAP and to Council on submissions received.
- ii) That a minimum Floor Space Ratio (FSR) of 0.5:1 be non-residential uses in the following precincts in the core of both town centres:
  - a. Precincts 1, 2, 3, 4, 5, 12, 13, 14 and 16 in Auburn Town Centre; and
  - b. Precincts 1, 2, 3, 8, 9, 10, 14 and 15 in Lidcombe Town Centre.
- iii) That consultants be engaged to prepare a detailed view line analysis and study of the Gelibolu Precinct (Precinct 22) and a general view analysis of the surrounding residential areas in both Town Centres, and that a report be brought back to CIHAP and subsequently to Council for consideration.

- iv) That Council staff investigate the potential for provisions for design excellence as part of the preparation of a Comprehensive Local Environmental Plan (LEP) for Cumberland.
- v) That some preliminary investigation of potential opportunities to foster an innovation ecosystem in Lidcombe be undertaken as part of the Cumberland Employment Lands Strategy.
- vi) That a consultant be engaged to prepare a Traffic and Pedestrian Circulation Study for Lidcombe Town Centre in line with priorities identified in Council's Delivery Program and Operational Plan, and that a report be brought back to CIHAP and to Council for consideration in the future.
- vii) That Council investigate the reduction of the FSR for the part of the Lidcombe Town Centre Precinct 3 north of the park.
- viii) That Council investigate the introduction of minimum lots sizes in the Auburn LEP 2010 for the B4 Zone linked to the appropriate FSR and height.
- ix) That Council investigate the height and FSR objectives for the B4 Zone in the Auburn LEP 2010.
- x) That Council consider the heritage listing of the Gallipoli Mosque and shop facades of both Town Centres as an early stage of the Cumberland Heritage Study.
- xi) That the Auburn DCP 2010 controls be updated to support the proposed amendments to the development controls in Auburn and Lidcombe Town Centres.'

Council Resolution

Min. 198 ITEM 133/16 – AUBURN AND LIDCOMBE TOWN CENTRE STRATEGY

Note: Mr. Frank Sartor and Mr. Ross Grove each in turn, addressed the meeting on this item.

Moved and declared carried by the Administrator that:

- i) Council publicly exhibit the Draft Auburn and Lidcombe Town Centres Strategy as attached and bring a report back to the CIHAP and to Council on submissions received.
- ii) A minimum Floor Space Ratio (FSR) of 0.5:1 be non-residential uses in the following precincts in the core of both town centres:
  - a. Precincts 1, 2, 3, 4, 5, 12, 13, 14 and 16 in Auburn Town Centre; and
  - b. Precincts 1, 2, 3, 8, 9, 10, 14 and 15 in Lidcombe Town Centre.
- iii) Consultants be engaged to prepare a detailed view line analysis and study of the Gelibolu Precinct (Precinct 22) and a general view analysis of the surrounding

residential areas in both Town Centres, and that a report be brought back to CIHAP and subsequently to Council for consideration.

- iv) Council staff investigate the potential for provisions for design excellence as part of the preparation of a Comprehensive Local Environmental Plan (LEP) for Cumberland.
- v) Some preliminary investigation of potential opportunities to foster an innovation ecosystem in Lidcombe be undertaken as part of the Cumberland Employment Lands Strategy.
- vi) A consultant be engaged to prepare a Traffic and Pedestrian Circulation Study for Lidcombe Town Centre in line with priorities identified in Council's Delivery Program and Operational Plan, and that a report be brought back to CIHAP and to Council for consideration in the future.
- vii) Council investigate the reduction of the FSR for the part of the Lidcombe Town Centre Precinct 3 north of the park.
- viii) Council investigate the introduction of minimum lots sizes in the Auburn LEP 2010 for the B4 Zone linked to the appropriate FSR and height.
- ix) Council investigate the height and FSR objectives for the B4 Zone in the Auburn LEP 2010.
- x) Council consider the heritage listing of the Gallipoli Mosque and shop facades of both Town Centres as an early stage of the Cumberland Heritage Study.
- xi) The Auburn DCP 2010 controls be updated to support the proposed amendments to the development controls in Auburn and Lidcombe Town Centres.
- xii) The Interim General Manager arrange at least one workshop in each town centre to facilitate face to face consultation during the exhibition period.

#### Attachments

- 1. Report to the Cumberland Independent Assessment Panel, 17 November 2016 - T111855/2016
- 2. Background to the Strategy - T096946/2016
- 3. Minutes of the Cumberland Independent Assessment Panel, 17 November 2016 - T109185/2016 and T109131/2016
- 4. *Draft Auburn and Lidcombe Town Centres Strategy* - T109873/2016
- 5. Appendix A - Auburn and Lidcombe Town Centre Precincts - T110405/2016 and T110406/2016
- 6. Appendix B - Comparison of existing and proposed IFP maps - Auburn Town Centre - T117280/2016



7. Appendix C – Comparison of existing and proposed LEP maps – Lidcombe Town Centre – T117301/2016
8. Appendix D – Summary Table – Draft Auburn and Lidcombe Town Centres Strategy – T110715/2016
9. Appendix E – JBA (March 2015) *Auburn and Lidcombe Town Centres: Investigation into height of building controls and zoning* - T021864/2016



# DOCUMENTS ASSOCIATED WITH REPORT C04/19-64

## Attachment 4 Cumberland IHAP Reports - 17 November 2016



C030/16

Cumberland Council

## Auburn and Lidcombe Town Centres Strategy

Responsible Division:	Environment & Infrastructure
Officer:	Manager Strategy
File Number:	Q-2014-036
Delivery Program Code:	2a.1.3 Provide advice on development, construction and planning issues

### SUMMARY

JBA Consultants completed a study of the heights and zoning in Auburn and Lidcombe Town Centres in February/March 2016 for the former Auburn City Council, consistent with Council's resolution of 20 May 2015 [Item 086/15]. At its meeting of 24th August 2016 [Item C017/16], the Cumberland IHAP resolved that this study be reported to it.

Council planners have reviewed the recommendations of the study as well as a range of other strategies and studies completed or in preparation since that time. A number of changes to the outcomes proposed by JBA are considered appropriate, and a slightly broader approach to the centres is warranted. Accordingly a *Draft Auburn and Lidcombe Town Centres Strategy* have been prepared. This report seeks a recommendation to publicly exhibit the draft Strategy.

### 1. BACKGROUND

#### a. History

A review of the permitted heights for Auburn and Lidcombe town centres was first initiated by Council resolution on 16 April 2014. At this meeting, Council considered DA368/2013 (for the former Venture site) and an associated voluntary planning agreement (VPA). At Item 073/14 Council resolved (in part) the following:

3. *That due to the events that led to the resulting VPA, being the different forms and design qualities a development can take but remaining within the gazetted floor space ratio, Council resolve:*
  - a. *That a planning proposal be prepared to allow for different design concepts within the Auburn Town Centre in the form of increases in height controls and remaining within the gazetted floor space ratios.*
  - b. *The increase in height controls yet complying with the current floor space ratio is to provide building envelopes that will achieve better urban design outcomes, promote design excellence and facilitate the achievement of the objectives of SEPP 65 and the associated Residential Flat Design Code.*

A number of other resolutions of Council or the Cumberland Independent Hearing and Assessment Panel also relate to the review.

Appendix 1 provides an outline of the initiation of the *Investigation of heights and zoning in Auburn and Lidcombe Town Centres*, and its progress to date.

This report addresses the relevant parts of Council resolutions from 16 April 2014 and 20 May 2015 and of the Cumberland IHAP of 14 September 2016.

Cumberland Independent Hearing and Assessment Panel Meeting – 17 November 2016 5

## C030/16

## Cumberland Council

In August 2015, JBA Consultants were engaged to prepare a review of town centre heights and some zoning and FSRs in Auburn and Lidcombe Town Centres anticipated to support a comprehensive review of the *Auburn Local Environmental Plan (LEP) 2010*.

With the postponement of any work on a review of Auburn LEP 2010, primarily due to Council amalgamations, it was recognised there was a need to progress the draft study to public exhibition due to its implication for a number of planning proposals. In addition, Council planners have continued to work on the technical studies in the context of the preparation of the draft district plan with the Greater Sydney Commission. Therefore to take into account both the consultant study, and this continuing work, a *Draft Auburn and Lidcombe Town Centres Strategy* has been prepared.

### b. JBA Study

The *Investigation into height of building controls and zoning - Auburn and Lidcombe* (JBA 2015) is included at Attachment 2 and provides the basis for the *Draft Auburn and Lidcombe Town Centres Strategy* (included as Attachment 3). In preparing their study, JBA reviewed the planning controls for 22 precincts in and immediately surrounding Auburn Town Centre and 16 precincts in and around Lidcombe Town Centre. The precincts are shown at Attachment 4.

The main focus of the changes is an increase in both the range and the extent of the maximum height of buildings. For a few precincts only, the consultants were also requested to consider whether a zoning or FSR change would be appropriate.

The study modelled options that comply with the requirements of SEPP 65 *Design Quality of Residential Apartment Development* for a number of specified precincts to guide its recommendations. Examples are provided at Figures 1 and 2. A summary of JBA's recommendations for each precinct and the responding recommendations in the Draft Strategy are outlined in Attachment 5.

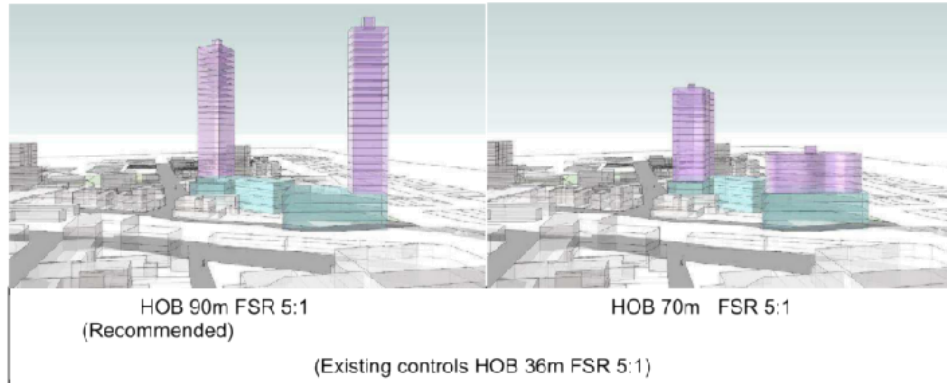
**Figure 1** Precinct 2 Auburn



**C030/16**

**Cumberland Council**

**Figure 2. Precinct 1 Lidcombe**



## **2. DRAFT AUBURN AND LIDCOMBE TOWN CENTRES STRATEGY**

As previously outlined, the draft Strategy (Attachment 3) builds on the work of the JBA study, other technical studies and District planning processes. It proposes a number of principles for the growth of each centre and recommends changes to the existing planning controls to support these principles for both Auburn and Lidcombe Town centres. Attachment 4 provides an outline of the existing controls, those recommended by JBA, and the recommendations in this draft Strategy.

The principles build on the strengths of each centre, and enable an improved and more diverse built form, with a greater emphasis on how people interact with each other and with the built environment. In addition, a small increase in the area of the B4 zoned area in Lidcombe Town Centre (the business area) is proposed, and it is anticipated that the proposed changes will support the first steps in the establishment of an innovation ecosystem<sup>1</sup>, such as those mentioned in the Greater Sydney Commission's *GPOP Greater Parramatta and the Olympic Peninsula (2016)* vision. Such systems support the creation of new jobs in the economy, by providing start-up businesses with links to research facilities, mentoring, networking opportunities and more.

The greatest height proposed in both centres is 76m. The proposed increases in heights have been tested and will be more aligned with the FSRs. They will foster a diversity of built form, provide for a more varied and visible skyline and importantly, will provide opportunities for open space and improved connectivity at the street level. Podium and tower forms are sought to achieve these outcomes.

## C030/16

## Cumberland Council

### <sup>1</sup>Innovation ecosystem

A system of elements built around a locational strength that together to create jobs in a new economy. These elements may include:

- Low cost spaces for emergent businesses
- Office space for established companies
- Co-working spaces and networking infrastructure
- Incubators and accelerators
- Specialist labs and maker spaces
- Multi-modal transport and high speed broadband
- A mix of housing (including low cost housing and live-work spaces)
- Parks, retail spaces
- Public private partnerships, mentoring

City Exchange Report 2016 *Growing the Australian Economy*

The modelling done by JBA demonstrates how increasing heights can achieve public domain improvements. This will be critical in both centres to improve the walkability of the centres, and provide the opportunities for interaction. Nevertheless, this may be harder to achieve in some of the areas where the proposed height increases are more limited where the precinct provides a transition between the business centre and adjoining residential areas.

#### **a. Auburn Town Centre - building heights**

A number of changes to maximum building heights are proposed in the *Draft Auburn and Lidcombe Town Centres Strategy* (Attachment 3) for Auburn Town Centre. On the southern side of the railway, a maximum height of building of 76m is proposed for Precincts 1 and 2 (adjoining Queen St and Harrow Rd), both proposed as key sites. Heights then step down from this core to 60m for the civic precinct and main shopping strip to the south dropping to 45m at the southern part of the shopping strip. The existing height of 18m close to the station is retained to protect the fine grain shop-front facades.

On the northern side, the maximum height proposed is 60m adjoining the rail station (precincts 13 and 14), stepping down away from the station to 38m at the northern fringe. Heights between 27m and 38m are proposed at the peripheries of the centre.

Figure 3 identifies the precincts where a change to the current building heights is proposed. Table 1 below provides a general summary of these height changes.

The maps at Attachment 6 illustrate the current planning controls for each precinct and the controls as recommended in the Draft Strategy.



# C030/16

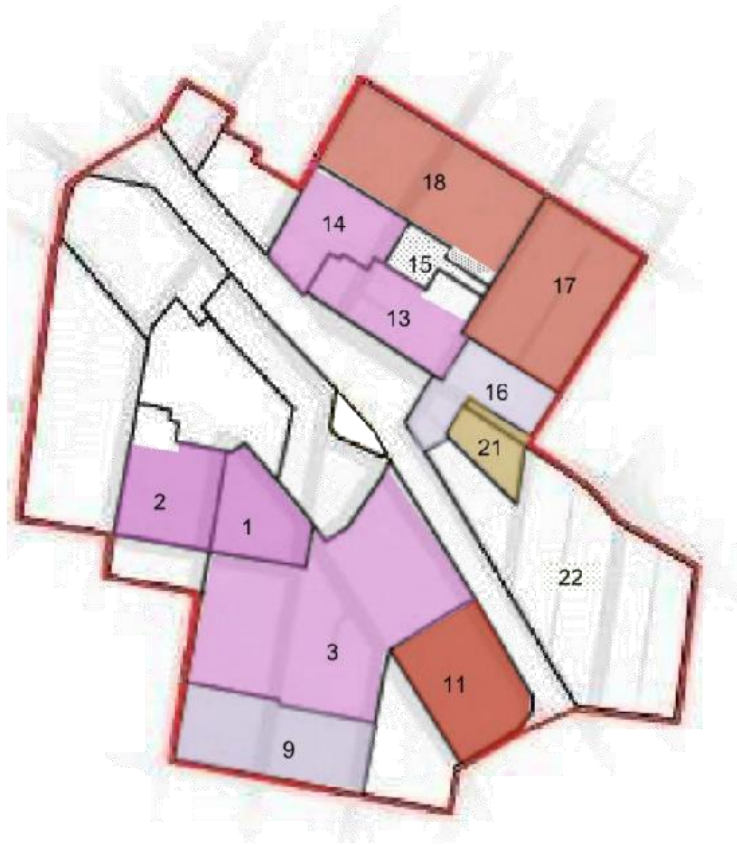
# Cumberland Council

Table 1. Permitted heights proposed to be changed under the Draft Strategy - Auburn

Precinct	Existing height	Proposed height	Rationale
1	49m	76m	Core of centre – potential catalyst for renewal
2	38m	76m	Similar to 1 - potential catalyst for renewal
3	38m	60m	Frames core – encourages design diversity
9	38m	45m	Consistent with approval for 'Venture' site
11	27m	38m	Opportunities for transitional development
13	38m	60m	Provides opportunities for improved public domain
14	38m	60m	Provides opportunities for improved public domain
16	32m	45m	Potential gateway to Auburn from the east
17	18-20m	38m	To support extension of laneways
18	32m	38m	Opportunities for improved design for transitional development
21	9m	20m	Potential gateway to Auburn from the east – increase linked to change to B4 zone, but also considers transition to south
15	38m	38m	Defer consideration, pending decision on use of Council land
22	9m	9m	Defer consideration, pending outcome of further study.

**C030/16**

**Cumberland Council**



**Figure 3.** Where changes in building height are proposed – Auburn

 Sites where deferral is recommended.

#### **b. Auburn Town Centre – zoning and FSR**

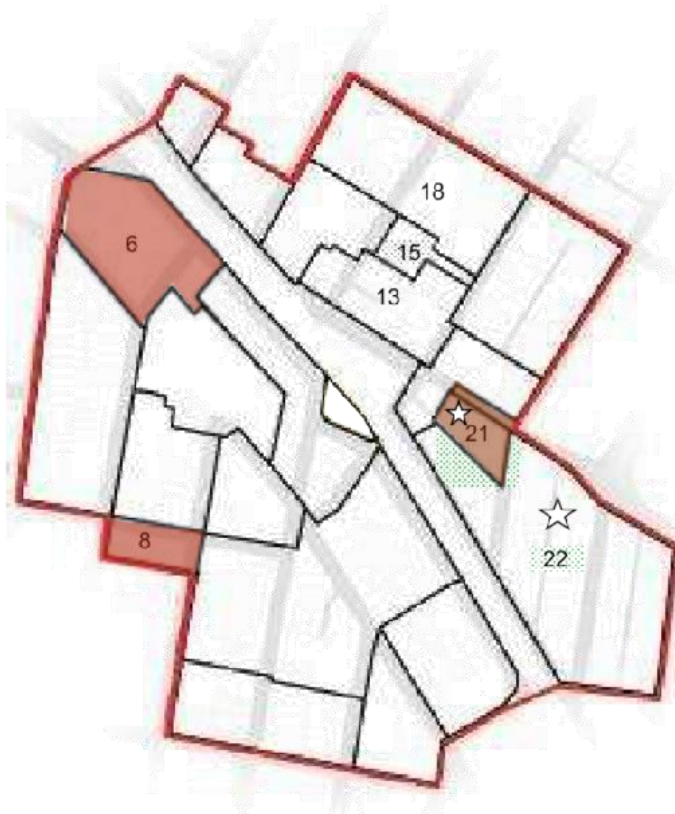
While the main focus of the study was addressing the discrepancy between heights and existing FSRs, a few changes to zoning and FSR are also proposed in the draft Strategy (Attachment 3). Following is an outline of the precincts where changes are recommended to FSR or for 2 (starred) precincts, to zoning, or where further consideration is required.

Figure 4 identifies the precincts where a change to the current building heights is proposed. Table 2 provides a general summary of these changes.

See Attachment 5 for a more detailed analysis of both the consultant's and the recommendations of the Draft Town Centres Strategy for each precinct in Auburn.

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**Figure 4.** Where changes in zoning or FSR are proposed – Auburn  
 ☆ Sites where zoning changes are also proposed

# C030/16

# Cumberland Council

Table 2 . Zoning and/or FSR proposed to change under the Draft Town Centres Strategy - Auburn

Precinct	Existing zoning and FSR	Proposed zoning and FSR	Rationale
6	B4 Mixed Use 5:1	B4 Mixed Use 3:1	Constraints of the precinct warrant reduction in FSR: <ul style="list-style-type: none"> <li>Gateway site partially opposite low density residential. 60% of site is church/school owned – there is already substantial opportunity for redevelopment.</li> <li>Only 2 quite small lots remain undeveloped - it would not be possible to an FSR close to the permissible FSR and meet the requirements of SEPP 65.</li> </ul>
8	B4 Mixed Use 5:1	B4 Mixed Use 3:1	Constraints of this precinct warrant reduction in FSR: Overshadowing to the south will be an issue as the precinct is only 1 block deep and to the north of the side boundaries of R4 high Density Residential lands. Further, 1/8 <sup>th</sup> of this already small precinct is heritage listed.
21	R2 Low Density Residential No FSR	B4 Mixed Use 3.6:1 ★	Ground floor retail/commercial uses should be encouraged, given its potential as a gateway to Auburn and proximity to the station and other B4 zoned lands.
15	B4 Mixed Use 5:1	B4 Mixed Use 5:1	Current uses of Council land no longer required. Defer consideration, pending decision on best use.
22	R2 Low Density Residential No FSR	R3 medium Density Residential 0.75:1 ★	Proximity to station warrants consideration of increased density. This limited change is proposed as an interim measure, pending the outcome of studies into traffic access and view lines to the Gallipoli Mosque.

## c. Implications for the Auburn Shopping Village Planning Proposal Application

The application for a planning proposal for 41 Auburn Rd Auburn (Auburn Shopping Village) PP-4/2015 was considered at the September IHAP meeting as discussed in the Background to this report. It was refused at the Council meeting of 5 October 2016, as per the following resolution:

- The application for a planning proposal to amend the permissible height of building control from 49m to 96m, and to amend the permissible floor space ratio control from 5:1 to 9:1, for the subject land at 41 Auburn Road, Auburn, not be supported;
- This application not proceed to the Department of Planning and Environment;
- The draft investigation into height and zoning for Auburn and Lidcombe town centres be reported to the Cumberland Council Independent Hearing and Assessment Panel (CIHAP) for review and recommendation, prior to being reported to Council.

Endorsement of the Draft Auburn and Lidcombe Town Centres Strategy for public exhibition will ensure that this strategic work can be used to guide the assessment of planning proposals within the town centres, including the Auburn Village Proposal, should it be amended and re-lodged, or considered by a Sydney Planning Panel in response to an appeal by the applicant.



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*Brief consideration of the Auburn Shopping Village (ASV) proposal within the context of the heights and zoning investigation and draft Strategy*



**Figure 5. Precinct 1  
JBA study**

- A. The ASV site is part of a key town centre precinct bound by Harrow Road to the west, Mary Street to the south, Auburn Road to the east and Queen St to the north. The recent planning proposal application excludes 5 separately owned sites within the precinct. The five sites are located on the Mary St, Harrow Rd and Auburn Road frontages. However, consideration of this key precinct as a whole would release its potential for redevelopment into focal, well designed buildings in a central part of the Town Centre.
- B. The precinct is identified as Precinct 1 in Auburn in the JBA study as shown in Figure 5.
- C. The ASV concept includes a proposed thirty storey mixed use development comprising two (2) residential towers with a conceptual estimated total of 518 units built above a commercial podium. Ground level retail and a public courtyard (600m<sup>2</sup>) with site through-links to Queen Street and a 2,000m<sup>2</sup> cold shell space for a library within the commercial podium were also proposed.

For this precinct (Precinct 1), both the JBA study and the draft Town Centres Strategy concur that:

- the precinct provides an opportunity for landmark architecture podium/ tower forms, with high quality public domain, through-site links, a mix of uses, active street edges and 2-3 storey street wall heights.
- the precinct is a key site at the core of the Auburn Town Centre.
- a mix of height and diversity of form will reinforce its role as a key precinct within Auburn Centre.
- an increase in the maximum height to 76m with the existing zoning and FSR could deliver these outcomes.

A comparison of the controls proposed for the ASV site is outlined in Table 3 (over page).

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**Table 3.** Comparison of controls proposed under *Draft Town Centres Strategy* and JBA study

Zoning			Height of Building			Floor Space Ratio (FSR)		
Existing	Applicant Proposal	JBA and Draft Strategy proposal	Existing	Applicant Proposal	JBA and Draft Strategy proposal	Existing	Applicant Proposal	JBA and Draft Strategy proposal
B4 Mixed Use	B4 Mixed Use	B4 Mixed Use	49m	96m	76m	5:1	9:1	5:1

*Note: The columns in red were not supported at the Cumberland IHAP meeting of August 2016.*

The ASV planning proposal sought to justify the proposed 96m HOB and 9:1 FSR on the basis that it would provide a substantial public benefit, considered in a report by Hill PDA. The proposed benefits related to the provision of a cold shell for a library within the retail component of the proposed development as well as a courtyard with frontage to Queen Street. A further assessment of this is provided below.

## Public Benefits – Proposed Cold Shell Library Space

In terms of the library cold shell, the Hill PDA report estimated the public benefit to be worth \$9.9 million. However, Council's Community Development Unit advised that:

- The splitting of services across two locations (less than two hundred metres apart) and construction of a public library within the retail development was inconsistent with the Council's *Community Facilities Strategy 2014 – 2024*.

The Facilities Strategy proposes to expand the current library within the existing civic precinct which would support both operational efficiencies and best practice criteria for libraries. These include ground floor access, high levels of personal and property safety, full accessibility including from local schools, potential outdoor space, convenient and safe parking and future expansion potential. The eventual relocation of the former Auburn Council's administration offices is likely to facilitate this expansion. This would enable the library to meet the identified best practice benchmark of a minimum gross floor area requirement of 3,535m<sup>2</sup> for a District Library, taking into consideration the anticipated population growth (calculated at the Public Library benchmark of 39m<sup>2</sup> per 1000 people).

The benefits of an expanded library in the current location and in Council ownership, versus the costs of a Council fit out, and the disadvantages of a leased facility, were not considered by the Hill PDA report.

Advice received from NSW Police (Flemington Area Command) stressed that a library facility at the Auburn Shopping Village location would place young people and school aged persons in a vulnerable position given the location of the public square and current safety and crime issues in that vicinity. NSW Police also supported an expanded library as an integral component of the Civic Precinct and ensure safety for all users.



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### Public benefits – Proposed Courtyard and Site Through-linkages

In relation to the courtyard and site through-linkages, the Hill PDA report estimates the public benefit to be \$4.33 million. In this regard, it is considered appropriate for buildings within Precinct 1 (which includes the ASV site) to be of a form that would facilitate the development of a public courtyard and pedestrian linkages consistent with the public domain plan for the Town Centre. Such public domain benefits would provide positive social benefits and improve the public amenity of Town Centre.

It is agreed that the current height of building controls for Precinct 1 could be varied to encourage a taller building form than is permissible under the existing height control of 49m and FSR of 5:1. In this way, delivery of public domain improvements including the courtyard and site through-linkages can be facilitated and the role of this focal precinct as the core of the town centre, reinforced.

However, the existing FSR of 5:1 together with an increased height of 76m as proposed in the *Draft Auburn and Lidcombe Town Centres Strategy* provides significant scope to deliver substantial public domain improvements while achieving a feasible and well-designed development. This is supported by the modelling undertaken by JBA for the adjoining precinct (Precinct 2) identified as a similar site. The modelling found that substantial increases in open space/linkages could be provided with an FSR of 5:1 and a height of 76m.

Indeed, in its modelling, JBA found that public domain improvements could also be achieved with lower heights, as ascertained for other precincts, however, this greater height of 76m was recommended to reinforce the role of both Precincts 1 and 2 as the core of Auburn Town Centre.

### **d. Lidcombe Town Centre - Heights**

A number of changes to maximum building heights are proposed for Lidcombe Town Centre. On the northern side of the railway, a maximum height of 76m, the greatest height in Lidcombe overall, is proposed for Precincts 9 and part of 8 (the Dooley's site) at the western edge of the town centre. This location is at a prominent point at the entry to Lidcombe from the north, and is in single ownership. The recommended heights then step down along the Church St and the rail line to 70m to the east and then to 60m and 50m adjoining the existing residential apartment block on the corner of Church and Swete Streets. To the north, away from the station, the heights are recommended to step down through 50m to 38m, and down to 20m for the northern and eastern extremities where R4 is recommended. Note that 38m is recommended for the transition areas of the B4 zone on both sides of the railway.

On the southern side the height progression along the rail line generally reflects that to the north, stepping down from 70m for Precinct 1, the triangular precinct to the west containing Council's car park and library, to 50m for the northern part of the Marsden St precinct between Mark and Raphael Streets. To the south along Olympic Drive the heights also step down away from the rail line, forming an L shape around Remembrance Park. The southern-most recommended B4 precincts are proposed at 38m, dropping to 20m for a new high density residential area south of Kerrs Rd.

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Height changes are proposed for all precincts, though for some precincts the change is minimal. Table 4 below provides a general summary of the height changes. Figure 6 maps the proposed height controls.

The maps at Attachment 7 illustrate the current planning controls for each precinct and the controls as recommended in the Draft Strategy, while Attachment 5 provides a more detailed analysis by precinct.

**Table 4.** Permitted heights proposed to be changed under the Draft Strategy –Lidcombe

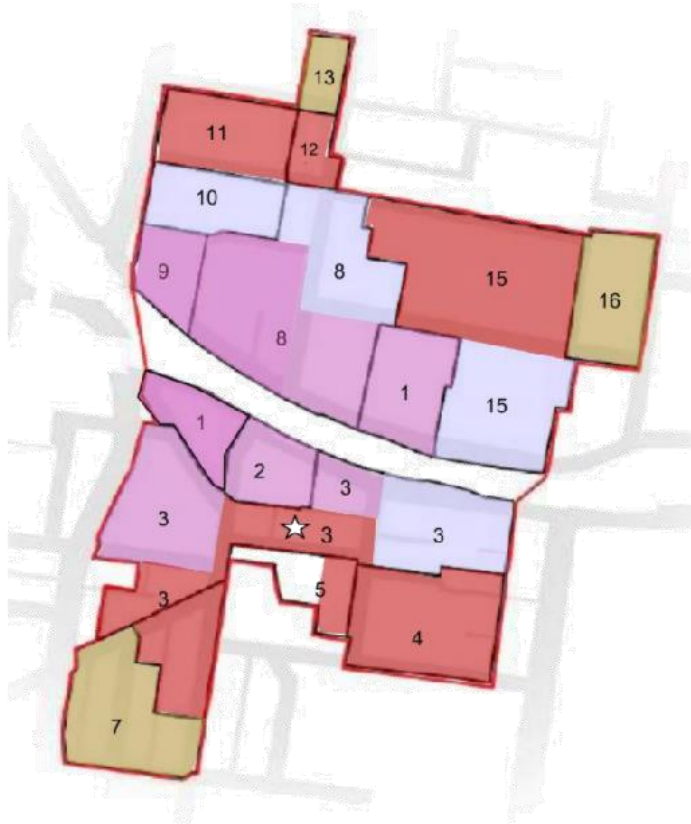
Precinct	Existing height	Proposed height	Rationale
1	36m	70m	Provides opportunities for improved built form and pedestrian links/open space, and potentially, changes in traffic patterns. Contains Council owned land.
2	32m	60m	Potential catalyst for renewal. Steps down from the west.
3	32m and 36m	60m, 50m and 38 - 45m ☆	60m fronting Railway St and for 'Westella' site warranted due to proximity to station and/or lot ownership patterns. The 50m would provide a step down to the east, further from the station.  The 38m-45m component limits the height to protect solar access to Memorial Park. The 45m would be permitted only where solar access is not reduced. Alternatively, a reduced FSR could be considered for this section of the precinct to protect solar access to the park.
4	32m	38m	Provides opportunities for improved design in a transition area.
5	32m	Part 38m, part no height	The 38m component - provides opportunities for improved design in a transition area. The no -height component - associated with the proposed rezoning to RE1 Public Open Space.
6	32m	38m	Provides opportunities for improved design in a transition area.
7	9m	20m	Associated with the proposed change in zoning to R4 High Density Residential.
8	32m and 36m	76m, 70m and 50m	Provides opportunities for new links and open space, and reinforces centre hierarchy. Steps down away from precinct 9.
9	60m	76m	Key corner location - opportunities for new pedestrian links. Potential catalyst for renewal.
10	18-20m	50m	Associated with proposed rezoning to B4 to expand the commercial area. Provides step down to the north away from the rail line.
11	18-20m	38m	Increased height warranted due to proximity to centre. 38m provides opportunities for good design in a transition area.
12	36m	38m	Building under construction - no practical effect, but consistent with other transition precincts.
13	18-20m	20m	Single height and FSR is more practical for this precinct
14	32m	60m	Similar to precinct 2. Would allow school to develop a vertical campus.
15	18-20m	38m and 50m	38m provides increased opportunities for good design in a transition area. 50m area is associated with proposed change in zoning to B4, and proximity to station
16	9m	20m	Change associated with proposed change in zoning to high density residential.

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**Figure 6.** Proposed changes in building height - Lidcombe

**e. Lidcombe Town Centre - Zoning and FSR**

As with Auburn Town Centre, a few changes to zoning and FSR are also proposed for Lidcombe Town Centre. Table 5 below outlines the key changes recommended to zoning or FSR or where further consideration is required. Figure 7 maps the precincts where changes are proposed. See Attachment 5 for a detailed analysis of both the consultant's and staff recommendations for each precinct in Lidcombe.

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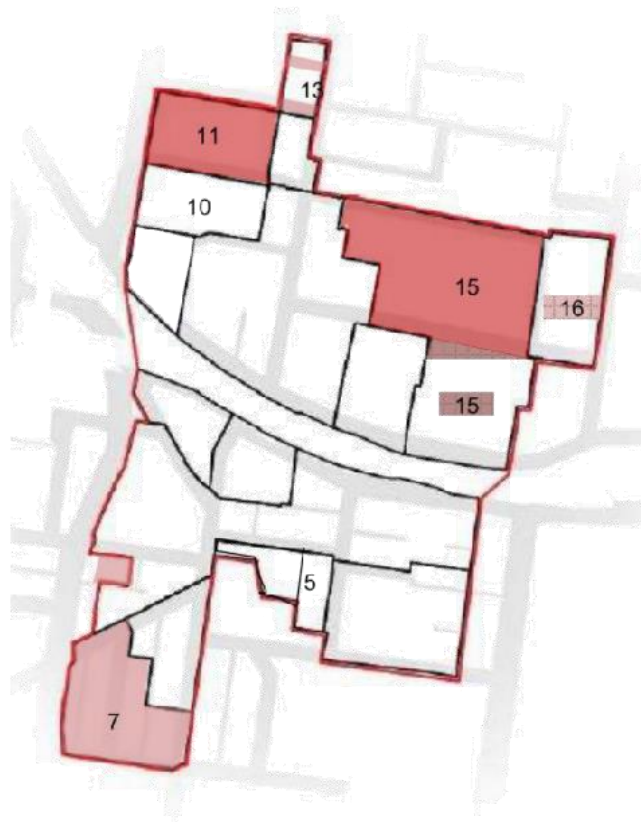
**Table 5.** Proposed changes to zoning and FSR in Lidcombe


Precinct	Existing zoning and FSR	Proposed zoning and FSR	Rationale
5	B4 Mixed Use 5:1	Part B4 Mixed Use 5:1 and Part RE1 Public Recreation No FSR	The draft <i>Open Space and Recreations Strategy</i> for the former Auburn LGA recommends rezoning the land fronting Taylor St for the extension of Remembrance Park - already part owned by Council. However, the proposed zoning would result in the need to acquire a further 2,400m <sup>2</sup> over time.
7	R2 Low Density Residential No FSR	R4 High Density Residential FSR - 2	Within 600m walk from the rail station Minimises land use conflict with B4 to the north-east. Consistent with the R4 zoning to the east.
10	R4 High Density Residential FSR - 1:7 2:1 at corners	B4 Mixed Use FSR - 3.5	Consistent with Council's resolution of 20 May 2015. Could assist in servicing strong local retail demand.  Note this site is now subject to assessment for a State Significant Development proposal.
11 4	R4 High Density Residential FSR 1.7 with 2 at corners	R4 High Density Residential FSR - 3	Warranted as precinct is close to centre Provides opportunities for through links and open space.
13	R4 High Density Residential FSR 1.7 with 2 at corners	R4 High Density Residential FSR - 2	Single FSR more practical for this precinct.
15	R4 High Density Residential FSR 1.7 with 2 at corners	<b>South of Mary St</b> B4 Mixed Use FSR - 3.5 <b>North of Mary St</b> R4 High Density Residential FSR - 3	Zoning increases retail capacity and jobs close to the station. Increased FSR warranted as precinct is close to core of centre Transitions to residential to the north. Supports public domain improvements.
16	R3 Medium Density Residential FSR - 0.75	R4 High Density Residential FSR - 2	Within 600m walk from the rail station. Supports opportunities for an east-west link through the precinct.
Land north of Freitas Lane	R4 High Density Residential FSR 1.7 and 2	R4 High Density Residential FSR- 2	Not in study area, however, effectively surrounded by Precinct 3. Consistent FSR across this tiny precinct more practical.



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 Sites where zoning is proposed to be changed

**Figure 7.** Precincts where changes are proposed to zoning and/or FSR – Lidcombe

#### f. Supporting Work

The recommended changes in zoning, height and FSR are anticipated to encourage better design quality while improving the feasibility of redevelopment under the LEP. In a number of cases the proposed increases in height are substantial. It is clear that the increases in heights will significantly improve the opportunities for landowners to achieve the associated FSRs.

If quality design and good public domain outcomes are to be achieved, the following additional work is recommended by the Draft Strategy:

- i. Site specific Development Control Plan (DCP) amendments, to include:
  - The formalisation of the overarching vision for each centre
  - The urban design principles for each precinct
  - Public domain outcomes sought for each precinct
  - Desired amalgamation patterns

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- Controls for active street frontages in the business areas, and
  - The identification of key sites for landmark architecture to reinforce the hierarchy and role of the centres.
- ii. Investigation of mechanisms to achieve design excellence, such as a design excellence provision in the LEP. The CIHAP may wish to consider reviewing heights in the core of both town centres to allow for the possible introduction of design excellence provisions in the future, as part of the preparation of a comprehensive LEP for Cumberland.
  - iii. Investigation of measures to ensure active frontages within the B4 zone, e.g.:
    - A minimum non-residential FSR within the overall permitted floor space in the B4 zone, particularly within the core of these centres. This report recommends a minimum FSR of 0.5:1 be non-residential uses within certain precincts of the core of both centres as an initial step.
    - An active frontages clause in the LEP
    - Other strategies.
  - iv. Inclusion of minimum lot size requirements in the LEP for redevelopment in the centres.

The studies that are still in preparation, such as the *Draft Open Space and Recreation Strategy*, and the draft Bike Plan will help to inform the final adopted direction for key parts of these centres.

In addition, the following recommended work is specific to each centre:

### Auburn

- i. A view line analysis of the Gallipoli Mosque and its incorporation within a master-planning process that includes consideration of access, traffic and flooding for Precinct 22.
- ii. A pilot Façade Upgrade Program to support landowners in Precinct 5 to de-clutter and appropriately restore/renovate/paint the traditional shop facades

### Lidcombe

Unlike Auburn Town Centre, no improvements have been made to the traffic, bicycle and pedestrian circulation patterns in Lidcombe Town Centre. The increased heights will enable new developments to provide public domain benefits, including opportunities that would allow for improved circulation around the centre.

Updating the Contributions Plan will support changes to circulation infrastructure and public domain upgrades in Lidcombe, supported by other value capture mechanisms, such as voluntary planning agreements. A major review of the Contributions plans for Cumberland is currently underway and is being progressed as a key priority for Council.

It is recommended that:

- i. A Traffic (vehicle and pedestrian) circulation study be prepared for Lidcombe Town Centre to enable the efficient functioning of the centre and to guide the site specific DCP controls for Lidcombe.



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- ii. A public domain plan be prepared following the completion Traffic circulation strategy.
- iii. A supportive planning framework be investigated for the surrounding lands, and that Council start to actively build relationships with key industries and landowners, mentoring organisations and educational facilities, to enable the establishment of an innovation ecosystem.

### 3. FINANCIAL IMPLICATIONS

The exhibition of the *Draft Auburn and Lidcombe Town Centres Strategy* is covered within the normal budget of Planning.

The recommendations include the completion of additional supporting work. Some of this work would depend on the outcomes of the exhibition and the likely timeframe for the making of a planning proposal should the recommendations be adopted by Council following the exhibition.

Additional work recommended by the draft Strategy can be considered for inclusion in the budget for forthcoming financial year/s for Council, with the exception of the Gelibolu Precinct study, which is considered to be a high priority.

- i. *The Gelibolu Precinct study (high priority), and the investigation of active frontages and design excellence.*

These can be covered under the Environment and Infrastructure budget.

- ii. *Lidcombe Town Centre Traffic and Pedestrian Circulation Strategy*

This is a major study, which will take time to complete, and is anticipated to include a number of options for Council's consideration. Council's Chief Financial Officer has identified that there have been funds collected under the relevant section of the Development Contributions Plan to cover the cost of the preparation of this study.

- iii. *Preliminary investigation work in relation to the potential interest from research institutions, landholders and developers and mentoring associations to support the establishment of an innovation ecosystem in Lidcombe.*

This work may be collaboratively undertaken by a number of teams across Council, and would be informed by the draft Cumberland Employment lands Strategy which will be undertaken in 2017.

### Report Recommendation:

**That the Cumberland Independent Hearing and Assessment Panel (CIHAP) recommend:**

1. **That Council publicly exhibit the Draft Auburn and Lidcombe Town Centres Strategy and the Auburn and Lidcombe Town Centres: Investigation into height of building controls and zoning (JBA study) and bring a report back to the Cumberland Independent Hearing and Assessment (IHAP) and to Council following the consideration of submissions.**

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2. That a minimum FSR of 0.5:1 be non-residential uses in the following precincts in the core of both town centres:
  - a. Precincts 1 and 2 in Auburn Town Centre; and
  - b. Precincts 1, 2, 9, and the parts of Precinct 8 with a recommended height designation of AA2 (that is, south of Board Street on the western side of John Street, and south of Mary Street on the eastern side of John Street).
3. That consultants be engaged to prepare a view line analysis and study of the Gelibolu Precinct (Precinct 22) and that a report be brought back to Cumberland IHAP and to Council for consideration.
4. That Council staff investigate the potential for provisions for design excellence as part of the preparation of a Comprehensive LEP for Cumberland.
5. That some preliminary investigation of potential opportunities to foster an innovation ecosystem in Lidcombe be undertaken as part of the Cumberland Employment Lands Strategy.
6. That a consultant be engaged to prepare a Traffic and Pedestrian circulation study for Lidcombe Town Centre in line with priorities identified in Council's Delivery Program and Operational Plan, and that a report be brought back to Cumberland IHAP and to Council for consideration in the future.

### ATTACHMENTS (to be circulated to CIHAP members under separate cover):

1. Background to the *Draft Auburn and Lidcombe Town Centres Strategy* T096946/2016
2. JBA (March 2015) *Auburn and Lidcombe Town Centres: Investigation into height of building controls and zoning* - T021864/2016
3. *Draft Auburn and Lidcombe Town Centre Strategy* T086788/2016
4. Appendix B Precinct maps -T008794/2016
5. Appendix D Summary of outcomes of the study and staff recommendations - T002553/2016
6. Appendix C Maps of Auburn Town Centre – current and recommended controls - T010223/2016
7. Appendix E Maps of Lidcombe Town Centre – current and recommended controls - T017973/2016

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## Minutes of the Council Meeting 17 April 2019

Meeting commenced at 6:36pm

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### Present:

Greg Cummings (Mayor)	Councillor
Glenn Elmore (Deputy Mayor)	Councillor
Ned Attie	Councillor (arrived 6:44pm)
George Campbell	Councillor
Steve Christou	Councillor
Paul Garrard	Councillor
Ross Grove	Councillor
Ola Hamed	Councillor
Kun Huang	Councillor
Lisa Lake	Councillor
Joseph Rahme	Councillor
Suman Saha	Councillor
Eddy Sarkis	Councillor
Michael Zaiter	Councillor
Tom Zreika	Councillor
Hamish McNulty	General Manager
Melissa Attia	Director People & Performance
Daniel Cavallo	Director Environment & Planning
Brooke Endycott	Director Community Development
Peter Fitzgerald	Director Works & Infrastructure
Richard Sheridan	Director Finance & Governance

### Also Present:

Charlie Ayoub	Group Manager Corporate & Customer
Monica Cologna	Manager Strategic Planning
Carol Karaki	Governance Coordinator
Laith Jammal	Governance Administration Officer

### Opening Prayer

The opening prayer was read by Pdt Jatinkumar Bhatt from Sri Mandir Hindu Temple.

### Acknowledgement of Country

The Mayor, Councillor Cummings opened the Meeting with the following Acknowledgement of Country:

*"I would like to acknowledge the traditional owners of this land – the Darug People, and pay my respects to their elders both past and present."*

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**C04/19-62 Tender Evaluation Report - Granville Multipurpose Centre**

This item was dealt with earlier in the meeting.

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**Min.490 C04/19-63 Request for Partnership - Community Iftar Dinner 2019****Resolved (Zreika/Attie)**

That Council support the delivery of a Community Iftar Dinner on Tuesday, 21 May 2019 in partnership with the Auburn Gallipoli Mosque.

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**Min.491 C04/19-64 Auburn and Lidcombe Town Centres Planning Controls Strategy**

**Note:** Councillor Zreika exited the Chamber at 7:34pm during the consideration of this item as he had declared a pecuniary interest in this item.

**Motion (Attie/Sarkis)**

That Council:

1. Note the submissions received on the planning controls strategy for Auburn and Lidcombe Town Centres.
2. Note that planning controls for the Auburn Town Centre remain unchanged for Precincts 4, 5, 7 and 10.
3. Adopt the planning controls strategy for Auburn Town Centre in Precincts 2, 3, 6, 8, 11, 14, 15, 16a and 18, with these controls reflecting current arrangements or exhibited controls.
4. Adopt the planning controls strategy for Auburn Town Centre in Precincts 1, 9, 12, 13 and 17, with revisions made to these controls in response to submissions or further assessment by Council.
5. Adopt the planning controls strategy for Lidcombe Town Centre in Precincts 4, 5, 6, 10, 11, 12, 13, 15 east and west along Mary St to be zoned B4 until the intersection of Frederick St, 16a and 17, with these controls reflecting current arrangements or exhibited controls.
6. Adopt the planning controls strategy for Lidcombe Town Centre in Precincts 1, 2, 3, 7, 8, 9, and 14, with revisions made to these controls in response to submissions or further assessment by Council.
7. Implement the adopted planning controls strategy for Auburn and Lidcombe Town Centres as part of the new Cumberland Local Environmental Plan.
8. Note that the adopted planning controls strategy for Auburn and Lidcombe Town Centres will be subject to further public consultation and further review by the Cumberland Local Planning Panel as part of the new Cumberland Local Environmental Plan.

- 
9. Note that further assessment on the planning controls strategy for Auburn Town Centre will be undertaken in Precincts 16b, 21 and 22.

**Amendment (Lake/Elmore)**

That recommendations 2-9 be omitted from the Motion and the following be inserted:

2. Council hold a workshop to consider the effect of any design excellence provision to be included in the Cumberland Local Environmental Plan on proposed planning controls for the Auburn and Lidcombe Town Centres.
3. Council then resolve the effect of this provision as outlined in Recommendation 1.
4. In accordance with Council resolution 21.12.16, the Draft Auburn and Lidcombe Town Centres Strategy and submissions received be reported to the Cumberland Local Planning Panel for consideration and recommendation to Council.
5. A site visit of the Auburn Town Centre and a site visit of the Lidcombe Town Centre be held with reference to the draft strategy.
6. The Auburn Town Centre Strategy and the Lidcombe Town Centre Strategy be reported to Council separately.

The Amendment moved by Councillor Lake seconded by Councillor Elmore on being Put was declared CARRIED.

A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:

Councillor(s) For the Amendment:	Campbell, Christou, Elmore, Garrard, Hamed, Huang, Lake and Saha.
----------------------------------	---

Councillor(s) Against the Amendment:	Attie, Cummings, Grove, Rahme, Sarkis and Zaiter.
--------------------------------------	---

The Amendment moved by Councillor Lake seconded by Councillor Elmore then became the motion as follows:

**Motion (Lake/Elmore)**

That Council:

1. Note the submissions received on the planning controls strategy for Auburn and Lidcombe Town Centres.
2. Council hold a workshop to consider the effect of any design excellence provision to be included in the Cumberland Local Environmental Plan on proposed planning controls for the Auburn and Lidcombe Town Centres.
3. Council then resolve the effect of this provision as outlined in Recommendation 1.
4. In accordance with Council resolution 21.12.16, the Draft Auburn and Lidcombe Town Centres Strategy and submissions received be reported to the Cumberland Local Planning Panel for consideration and recommendation to Council.
5. A site visit of the Auburn Town Centre and a site visit of the Lidcombe Town Centre be held with reference to the draft strategy.



- 
6. The Auburn Town Centre Strategy and the Lidcombe Town Centre Strategy be reported to Council separately.

The motion moved by Councillor Lake seconded by Councillor Elmore on being Put was declared CARRIED to become the resolution of Council.

A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:

Councillor(s) For the Motion: Campbell, Christou, Elmore, Garrard, Grove, Hamed, Huang, Lake and Saha.

Councillor(s) Against the Motion: Attie, Cummings, Rahme, Sarkis and Zaiter.

Councillor Zaiter left the Meeting at 7:34pm and returned to the Meeting at 7:37pm during the consideration of this item.

Councillor Christou left the Meeting at 7:42pm and returned to the Meeting at 7:44pm during the consideration of this item.

Councillor Sarkis left the Meeting at 7:57pm and returned to the Meeting at 7:59pm during the consideration of this item.

Councillor Rahme left the Meeting at 7:59pm and returned to the Meeting at 8:07pm during the consideration of this item.

Councillor Grove left the Meeting at 8:04pm and returned to the Meeting at 8:09pm during the consideration of this item.

Councillor Zaiter left the Meeting at 8:06pm and returned to the Meeting at 8:07pm during the consideration of this item.

Councillor Rahme left the Meeting at 8:11pm and returned to the Meeting at 8:16pm during the consideration of this item.

Councillor Hamed left the Meeting at 8:12pm and returned to the Meeting at 8:16pm during the consideration of this item.

---

**Min.492      C04/19-65 264 Woodville Road, Merrylands (Former John Cootes Site): Update on Draft Development Control Plan and Voluntary Planning Agreement Offer**

**Note:** Councillor Zaiter exited the Chamber at 8:42pm during the consideration of this item as he had declared a significant, non-pecuniary interest in this item.

**Resolved (Attie/Garrard)**



---

9. Undertake consultation with affected residents as part of this process.

A division was called, the result of the division required in accordance with Council's Code of Meeting Practice is as follows:

Councillor(s) For the Motion: Attie, Campbell, Christou, Cummings, Elmore, Hamed, Huang, Lake, Saha, Zaiter and Zreika.

Councillor(s) Against the Motion: Garrard, Rahme and Sarkis.

---

**Min.496 Leave of Absence – Councillor Sarkis**

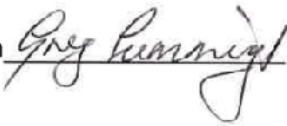
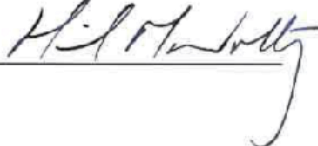
**Note:** Councillor Sarkis requested Leave of Absence for the Council Meeting to be held on 1 May 2019.

**Resolved (Garrard/Zreika)**

That Councillor Sarkis be granted Leave of Absence for the Council Meeting to be held on 1 May 2019.

---

The Mayor, Councillor Cummings closed the meeting at 9:09pm.

Chairperson  General Manager 



Item No: C08/19-177

## DRAFT HOLROYD SPORTS GROUND PLAN OF MANAGEMENT

Responsible Division: Works & Infrastructure  
Officer: Director Works & Infrastructure  
File Number: HC-17-09-10  
Community Strategic Plan Goal: *A great place to live*

### SUMMARY

---

Council has recently completed the public exhibition process for the Holroyd Sports Ground Draft Plan of Management which has been undertaken in accordance with the requirements of the *Local Government Act* (1993).

This report details the results of submissions received during the public exhibition period and recommends the adoption of the Holroyd Sports Ground Plan of Management.

### RECOMMENDATION

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**That Council adopt the Holroyd Sports Ground Plan of Management incorporating the Holroyd Sports Ground Landscape Masterplan, as included in Attachment 1 and 2 of this report.**

### REPORT

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At the Ordinary Meeting of Council held on 15 May 2019, Council resolved to place the *Draft Holroyd Sports Ground Plan of Management* on public exhibition for community feedback in accordance with *Section 38* of the *NSW Local Government Act* (1993) (Min.524).

Council received two (2) submissions during the 42 day public exhibition period. Council has formally responded to all respondents who made a submission and notified them of the consideration of this item at this Council meeting.

A summary of all submissions received and Council's response is outlined in Attachment 4 of this report.

In accordance with Attachment 4, Council has now addressed all public feedback and recommends the *Holroyd Sports Ground Plan of Management* (POM) as included in Attachment 1 of this report be adopted by Council.

## Land Categorisation

In accordance with Section 36 of the *Local Government Act* (1993) and the outcome of the preparation process and public hearing, the community land within the open space study area has been identified and re-categorised from the previous Plan of Management as Sportsground, General Community Use and Natural Area – Watercourse.

## COMMUNITY ENGAGEMENT

---

In accordance with the requirements of the *Local Government Act* (1993), the public exhibition of Draft Plans of Management and the undertaking of a public hearing are required to confirm the category of community land, prior to its adoption by Council.

Council publicly exhibited the *Draft Holroyd Sports Ground Plan of Management*, for a period of 42 days from Thursday 16 May, 2019 to Wednesday 26 June, 2019 inclusive.

The exhibition period comprised of:

- 28 day public exhibition period
- 14 day period for community response and submissions following the conclusion of the public exhibition period

Details of the public exhibition and public hearing were notified to the local community and stakeholders through;

- Council's 'Have Your Say' online web page which provided further information and downloadable copies of the draft plan.
- Invitations emailed to primary stakeholders
- Notification signage at the Holroyd Sports Ground
- Notifications distributed to residential and commercial properties within a 200 metre radius of the Holroyd Sports Ground area
- Notification via Council's social media outlets including Facebook

All notifications invited community feedback via post, email or online.

Council had 124 visits to the 'Have Your Say' community engagement website during the public exhibition period, with 33 people downloading a copy of the *Draft Holroyd Sports Ground Plan of Management*.

Additionally, Council appointed a consultant to preside over the public hearing, which was held from 6:00pm to 7:30pm at the Holroyd Centre, on Tuesday 18 June, 2019. There were no attendees at the public hearing, and details are provided in Attachment 3 of this report.

## Proposed Amendments

Submissions were received from two (2) respondents. Council has formally responded to all respondents who made a submission and notified them of the consideration of this item at this Council meeting.

The submissions propose that the *Draft Holroyd Sports Ground Plan of Management* is updated to reflect updated roles and responsibilities of the Holroyd Sports Ground Local Park Committee, per the Cumberland Council Parks and Facilities Committee Constitution, 2017.

Additionally, the submissions received also propose better pedestrian access, landscaping and opportunities for native vegetation habitats to be rejuvenated and retained.

The proposed submissions have been incorporated in Attachment 1 of this report. There are no other significant issues that warrant modification or the re-exhibition of the *Draft Holroyd Sports Ground Plan of Management*.

## POLICY IMPLICATIONS

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There are no policy implications for Council associated with this report.

## RISK IMPLICATIONS

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Adoption of this report will ensure Council is compliant with the *Local Government Act* (1993).

## FINANCIAL IMPLICATIONS

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Funding for improvement works in the Draft Holroyd Sports Ground Plan of Management Action table will be considered in the development of Council's future capital works program(s).

## CONCLUSION

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The Holroyd Sports Ground Plan of Management has been prepared to guide the ongoing management and development of the Holroyd Sports Ground open space area.

Council has publicly exhibited the *Draft Holroyd Sports Ground Plan of Management*, and formally responded to all who made a submission. The *Draft Holroyd Sports Ground Plan of Management* incorporating the *Draft Holroyd Sports Ground Landscape Masterplan* is now recommended for adoption by Council.

## ATTACHMENTS

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1. Draft Holroyd Sports Ground Plan of Management [↓](#) 
2. Draft Holroyd Sports Ground Masterplan [↓](#) 
3. Holroyd Sports Ground Plan of Management Public Hearing Report [↓](#) 
4. Summary of Submissions [↓](#) 





DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-177

Attachment 1  
Draft Holroyd Sports Ground Plan  
of Management





**CUMBERLAND  
COUNCIL**

## **Holroyd Sports Ground Plan of Management**

**Final – July 2019**

# HOLROYD SPORTS GROUND PLAN OF MANAGEMENT

FINAL

17 JULY 2019



PARKLAND  
PLANNERS

phillipsmart

CUMBERLAND COUNCIL

---

# HOLROYD SPORTS GROUND PLAN OF MANAGEMENT

---

FINAL

17 JULY 2019

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# ACKNOWLEDGEMENTS

## Cumberland Council

Adrian Burns	Group Manager Parks and Recreation
Christine Deaner	Manager Open Space Planning and Design
Daniel Anderson	Manager, Environment and Resource Recovery
Jane Elias	Local Studies Librarian
Adam Ford	Landscape Architect
Emma Higgins	Sports Club Liaison Officer
Susan Miles	Senior Landscape Architect
Mark Taylor	Public Open Space Planner
Linda Wright	Recreation Planner

## Holroyd Sports Ground Local Committee

Dave Cummings  
Aino Matwisyk  
Glen Richardson  
Rob Sherwood

## User groups

Holroyd Little Athletics Centre  
  
Merrylands Wolves Rugby Union Club

# 1 INTRODUCTION

## 1.1 What is a Plan of Management?

A Plan of Management provides the framework for managing public land. It sets out how public land is intended to be used, managed, maintained and enhanced in the future.

A Plan of Management is required to be prepared for public land which is classified as community land under the *Local Government Act 1993*.

A Plan of Management for an area of community land is usually accompanied by a landscape plan which shows proposed spatial changes.

## 1.2 Background

The first Plan of Management for Holroyd Sports Ground was prepared by EDAW in 1997. A subsequent Plan of Management for Holroyd Sports Ground was prepared by Manidis Roberts Consultants in 2004.

Since that time the sportsground amenities building has been rebuilt, and facilities for sporting activities have been improved.

Approximately 1,500m<sup>2</sup> of land owned by the Department of Transport (former Roads and Maritime Services) and the Department of Planning and Industry (former Department of Planning and Environment) at Holroyd Sports Ground was used as an ancillary facility site during the M4 Widening project, part of constructing the WestConnex road transport project.

Cumberland Council has resolved to spend the \$96,000 revenue obtained from rental of part of Holroyd Sports Ground for an advertising sign on upgrading Holroyd Sports Ground. The purpose of preparing this Plan of Management is to identify and implement priorities for works to be funded by this revenue.



### 1.3 Land to which this Plan of Management applies

This Plan of Management applies to Holroyd Sports Ground and part of A'Becketts Creek in Holroyd as shown in Figure 1. The study area is bordered by the M4 Motorway along the northern edge, and a primarily industrial area and A'Becketts Creek to the south.

Key features of Holroyd Sports Ground are:

- ☐ athletics track and field facilities (long and triple jump pits, shot put and discus facilities)
- ☐ lit sports fields
- ☐ amenities building
- ☐ car park
- ☐ shared pathway on the northern and western sides
- ☐ advertising sign
- ☐ A'Becketts Creek.

Figure 1 Holroyd Sports Ground



## 1.4 Objectives of this Plan of Management

Cumberland Council's objectives and desired outcomes are to prepare a Plan of Management for Holroyd Sports Ground which:

- ☐ meets the requirements of the *Local Government Act 1993* for management of community land, and other relevant legislation.
- ☐ includes clear and achievable management strategies which reflects Council's corporate and planning goals and policies.
- ☐ reflects the values and desired outcomes of engagement with the community, local residents, and other stakeholders.
- ☐ identifies and considers cultural heritage, environmental, open space and recreational values, and the balancing of such values.
- ☐ sets out how Holroyd Sports Ground will be used, improved, maintained and managed into the future.
- ☐ determines priorities for future assets, embellishment works, and maintenance requirements.



- includes a Landscape Masterplan which shows spatial actions.



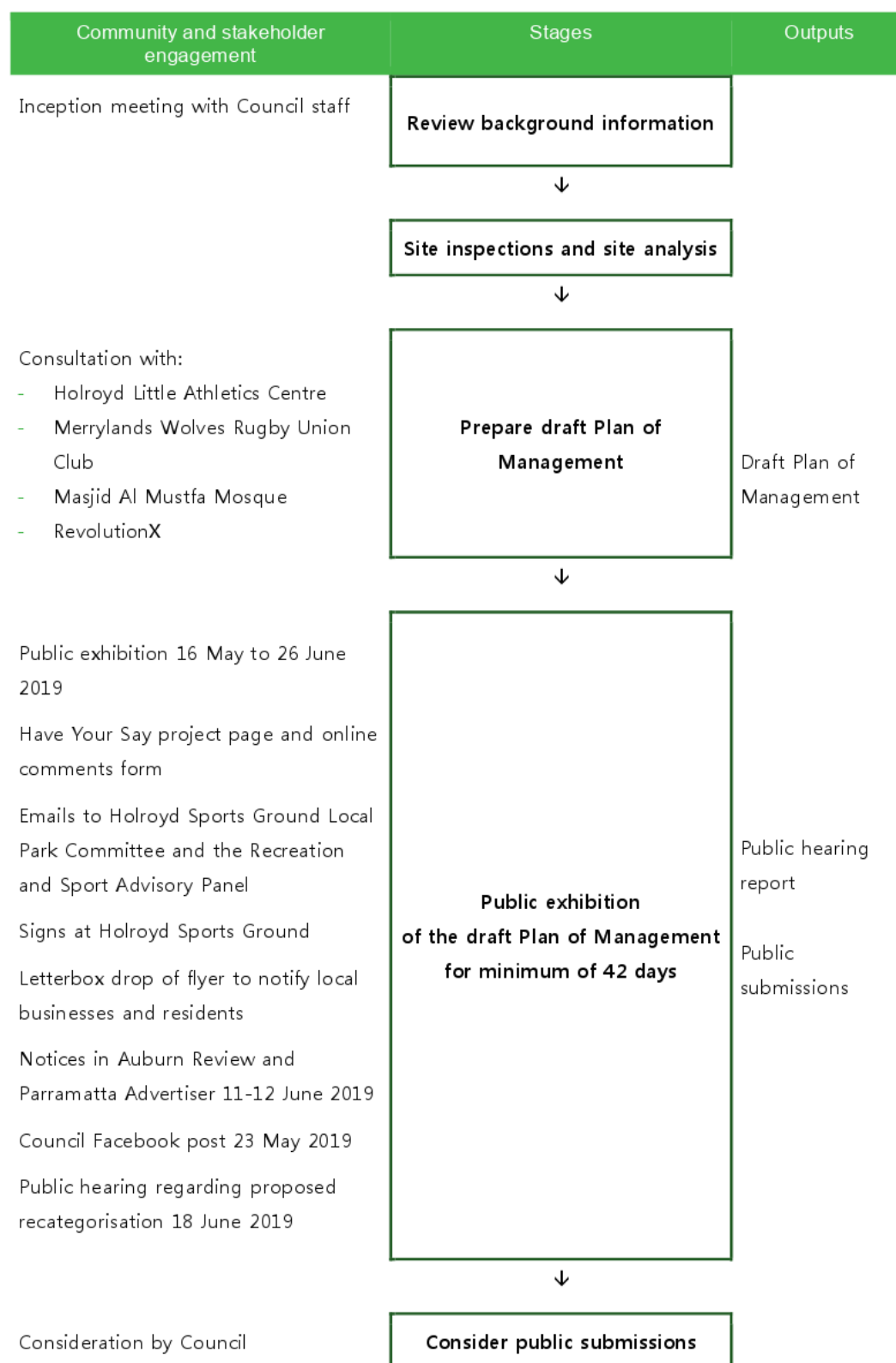
## 1.5 Process of preparing this Plan of Management

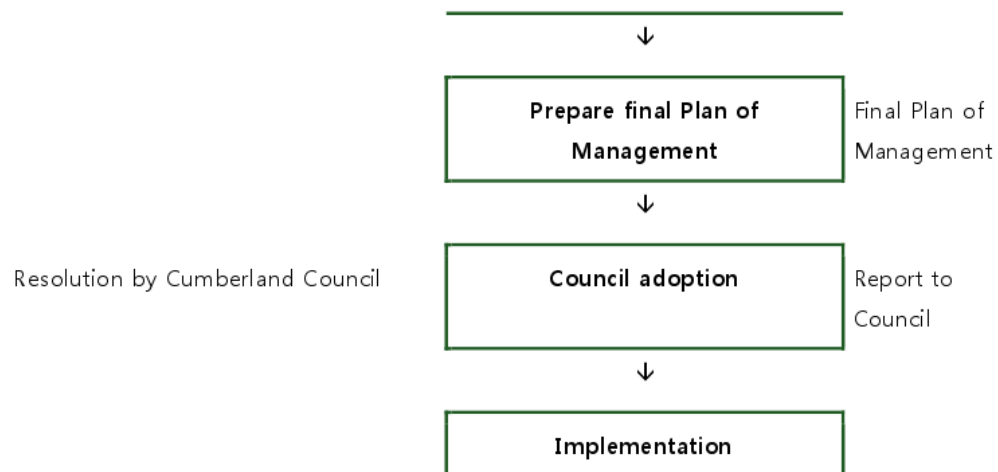
The process of preparing this Plan of Management, consultations with stakeholders and the community, and documents produced at each stage, are shown in Figure 2.

Engagement with the community is an important part of the preparation of this Plan of Management. It gives everyone in the community the chance to have an input into the planning process so Council has a better understanding of the range of values, issues and concerns, and desired improvements to consider when preparing the Plan of Management.

The Draft Plan of Management for Holroyd Sports Ground was placed on public exhibition for public comment for the statutory 42 days from 16 May to 26 June 2019. Council received submissions from two people and from the Holroyd Sportsground Local Park Committee regarding the Draft Plan of Management during the public exhibition. These submissions were considered, and appropriate changes were then made to finalise the Plan of Management and Landscape Masterplan.

Figure 2 Process of preparing this Plan of Management





## 1.6 Contents of this Plan of Management

This Plan of Management is divided into the following sections, as outlined in Table 1.

**Table 1 Structure of this Plan of Management**

Section	What does it include?
1 <b>Introduction</b>	Background to the Plan of Management
2 <b>Description of Holroyd Sports Ground</b>	History, ownership and management, physical description, facilities, uses, maintenance, funding
3 <b>Basis for Management</b>	State planning legislation, regional and local planning context; values of the community and users, vision, roles, management objectives, permitted future uses and developments, scale and intensity of use, use agreements
4 <b>Action Plan</b>	Concept plan, strategies and actions to resolve issues consistent with values, performance measures to implement actions.
5 <b>Implementation and Review</b>	Management, funding, reporting, review

Requirements of the *Local Government Act 1993* for the contents of a Plan of Management, and where they can be found in this Plan, are listed in Table 2.

**Table 2 Contents of a Plan of Management for community land**

Requirement of the Local Government Act	How this plan satisfies the Act
A description of the condition of the land, and of any buildings or other improvements on the land as at the date of adoption of the Plan of Management	Section 2
A description of the use of the land and any such buildings or improvements as at the date of adoption of the Plan of Management.	Section 2
Categorisation of community land	Section 3
Core objectives for management of the land.	Section 3
The purposes for which the land, and any such buildings or improvements, will be permitted to be used.	Section 4

Requirement of the Local Government Act	How this plan satisfies the Act
The purposes for which any further development of the land will be permitted, whether under lease or licence or otherwise.	Section 4
A description of the scale and intensity of any permitted use or development.	Section 4
Authorisation of leases, licences or other estates over community land.	Section 4
Objectives and performance targets.	Section 5
Means by which the plan's objectives and performance targets will be achieved.	Section 5
Means for assessing achievement of objectives and performance targets.	Section 5

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## 2 DESCRIPTION OF HOLROYD SPORTS GROUND

### 2.1 Locational context

The location of Holroyd Sports Ground in relation to adjoining and nearby landuses, and its built and natural elements, are shown in Figure 3.

**Figure 3 Locational context of Holroyd Sports Ground**



Holroyd Sports Ground is bounded by the M4 Motorway to the north, A'Becketts Creek to the south, and Peel Street and Robert Street to the west. Commercial and industrial properties adjoin the sportsground and creek on the south-western, southern and eastern boundaries.

## 2.2 History

### 2.2.1 Indigenous history

At the time of European settlement, the Cumberland local government area was home to several clans of the Darug people. The Bidjigal clan occupied the areas now known as Merrylands, Guildford, Villawood and Bankstown.

### 2.2.2 Historical events

The history of Holroyd Sports Ground and its use is described in Appendix A.

Key events in the history of Holroyd Sports Ground are:

**Table 3 Key events in the history of Holroyd Sports Ground**

Year	Event
1930s-1940s	A'Becketts Creek was an unofficial dumping ground for heavy waste, including car bodies and kitchen items, and night soil.
1956	A proposal was raised for a nightsoil dump at Peel Street to be discharged into the Water Boards' sewer at A'Becketts Creek.
c.1960	Correspondence began about transferring land to Holroyd Council by the Cumberland County Council. Holroyd Council began infilling adjacent to A'Becketts Creek in preparation for the area to become a sports reserve. The Council waste was sprayed and covered with soil, but unauthorised dumping continued at this time, causing odour, fly and mosquito nuisance for nearby residents.
1963	A local rugby league team expressed interest in establishing a licensed clubhouse on the site once full developed. This proposal did not proceed.
1964	Holroyd Sports Ground was created from several parcels of land that were resumed for open space and a County Road under the auspices of the Cumberland County Planning Scheme. The land was transferred to Holroyd Council under Deed of Trust by the Cumberland County Council via the State Planning Authority of NSW. The land was referred to as A'Becketts Creek Reserve.
1965	A'Becketts Creek was still being used as a tip by Council. Scavengers continually lit fires in the dumped rubbish to access scrap metal underneath. Holroyd Council Alderman Harry Maley, impatient with slow progress of the reserve's conversion to a public recreation area, called on Council to invite the Local Government Minister to inspect the site to stimulate action on the project.

Year	Event
1968	Holroyd Council was calling on the Metropolitan Water, Sewerage and Drainage Board to prioritise its drainage works to address flooding and siltation problems at A'Becketts Creek. The Water Board relocated and straightened the creek bed which now forms the southern edge of the sports ground. The use of A'Becketts Creek Reserve as a tip ceased.
1970	Holroyd Council formed the Holroyd Sports Ground Committee comprising representatives from interested sporting bodies and local residents. Committee President Alderman Frank Smith was instrumental in progressing the project. Council employed a contractor to make the sportsground.
1971	Setbacks to the project included grass failing to grow on the new athletics field and hockey field due to a lack of natural water, a ponding issue in the centre of the new field from a minor defect in the watering system, and electricity and sewerage connections to the new amenities block were pending, and cracks appeared in the newly constructed building. A dispute ensued but the issues were resolved. Holroyd Little Athletics Club formed in late 1971.
1972	Embellishments to the sports ground (topsoil, signage, clearing of rubble and building materials, installation of lighting and rubbish bins, and tree planting) were completed. The Holroyd Athletic Field was opened by Holroyd Council as a Centenary project on 9 July. The opening was celebrated with a hockey match.
1977	The Water Board installed box culverts at Pitt Street to help mitigate local flooding.

### 2.2.3 Heritage

Holroyd Sports Ground is not a cultural heritage item and is not located within a heritage conservation area.

## 2.3 Land ownership, management and tenure

Figure 4 shows the land parcels included in this Plan of Management. Property details for these land parcels are listed in Table 3.

### 2.3.1 Land ownership

Figure 4 Land ownership at Holroyd Sports Ground



Table 4 Land ownership at Holroyd Sports Ground

Lot/DP	Owner	Area (m <sup>2</sup> )	Tenure
Lot 7 DP 3642	Cumberland Council	696.54m <sup>2</sup>	
Lot 8 DP 3642	Cumberland Council	696.54m <sup>2</sup>	
Lot 9 DP 3642	Cumberland Council	618.25m <sup>2</sup>	
Part Lot 75 DP 12514	Cumberland Council	1,169.79m <sup>2</sup>	
Part Lot 76 DP 12514	Cumberland Council	1,055.98m <sup>2</sup>	
Part Lot 77 DP 12514	Cumberland Council	954.81m <sup>2</sup>	
Part Lot 1 DP 176538	Cumberland Council	1,277.29m <sup>2</sup>	
Lot 2 DP 540809	Cumberland Council	4,082.57m <sup>2</sup>	



Lot/DP	Owner	Area (m <sup>2</sup> )	Tenure
Lot 10 DP 566269	Cumberland Council	181.14m <sup>2</sup>	
Lot 11 DP 612799	Cumberland Council	196.48m <sup>2</sup>	
Lot 32 DP 620034	Cumberland Council	766.89m <sup>2</sup>	
Lot 11 DP 773184	Department of Transport (former Roads and Maritime Services)	11,102.16m <sup>2</sup>	
Lot 12 DP 773184	Cumberland Council	17,013.13m <sup>2</sup>	Licence to 180 Degrees Outdoor Pty Ltd for advertising sign
Lot 14 DP 773184	Department of Transport (former Roads and Maritime Services)	548.10m <sup>2</sup>	
Lot 15 DP 773184	Department of Transport (former Roads and Maritime Services)	400.99m <sup>2</sup>	
Lot 11 DP 808585	Cumberland Council	2,930.73m <sup>2</sup>	Concrete canal
Lot 12 DP 808585	Minister for Planning and Industry (former Environment and Planning)	13,965.94m <sup>2</sup>	
Lot 2 DP 876390	Cumberland Council	360.70m <sup>2</sup>	
Lot 3 DP 876390	Cumberland Council	341.77m <sup>2</sup>	
Lot 1 DP 1062068	Cumberland Council	260.92m <sup>2</sup>	
Lot 1 DP 1140214	Cumberland Council	1,680.76m <sup>2</sup>	
Part Lot 21 DP 1151375	Fullers Mobile Cranes Pty Ltd	2472.00m <sup>2</sup>	easement to Cumberland Council

The concrete canal of A'Becketts Creek is owned by Cumberland Council, however the ownership of the natural creek section is not identified.

### 2.3.2 Management

Holroyd Sports Ground is managed by Cumberland Council and the Holroyd Sports Ground Local Committee. The overall and day-to-day management of the Sportsground is the responsibility of Cumberland Council. The Committee works in conjunction with Cumberland Council and major user groups in an advisory role to ensure the effective use of the sportsground resources. These groups and their respective responsibilities are summarised below.

#### Cumberland Council

Council is responsible for:

- ❑ development and management of Holroyd Sports Ground.
- ❑ on-going preventative and remedial maintenance of Holroyd Sports Ground assets.
- ❑ allocation of resources (financial, human and physical) for effective development and maintenance of the sportsground
- ❑ maintenance of sporting recreation facilities, and landscape works.
- ❑ liaison with authorities that have responsibilities relevant to development and management of infrastructure and services associated with sportsgrounds, such as Department of Transport and Sydney Water.

Council is also responsible for review of this Plan of Management when necessary to enable changing circumstances and community needs to be considered and incorporated.

#### Holroyd Sports Ground Local Committee

The Holroyd Sports Ground Local Committee aims to represent the views of groups which use Holroyd Sports Ground. The structure and responsibilities of Council Committees are detailed in the *Cumberland Local Parks and Facilities Committee Constitution* (the Constitution).

The Holroyd Sports Ground Local Committee includes representatives from the following organisations:

- ❑ Holroyd Little Athletics Club
- ❑ Merrylands Wolves Rugby Union Club Inc.



Under the Constitution, the Committee's functions are to:

- ☐ assist Council to maximise and optimise the use of grounds
- ☐ work with Council to provide a framework to assist managing casual hire and school use
- ☐ work in consultation with Council in the production of management plans including input into statutory Plans of Management, Landscape Masterplans and plans for facility development
- ☐ identify opportunities for improvements to local parks and facilities, and advise accordingly
- ☐ in consultation with Council, may facilitate 'in-kind' works to improve parks and facilities, with final approval from Council
- ☐ in consultation with Council, undertake minor maintenance and facility enhancement
- ☐ report damage of facilities to Council promptly for insurance purposes
- ☐ in consultation with Council, undertake both passive and active surveillance of the use and security of parks and facilities.

### 2.3.3 Use agreements

Use agreements in place at Holroyd Sports Ground are:

**Table 5 Use agreements at Holroyd Sports Ground**

Agreement	Organisation	Activity	Land area	Time of use
Seasonal agreement	Holroyd Little Athletics Club	Athletics	Athletics track and field facilities	Friday nights and weekday evenings in summer
Seasonal agreement	Merrylands Wolves Rugby Union Club	Rugby union	Field 1	Weekday evenings and weekend days in winter
Licence	180 Degrees Outdoor Pty Ltd	Pole sign	Part Lot 12 DP 773184	24 hours

Agreement	Organisation	Activity	Land area	Time of use
Informal agreement	RevolutionX	Personal Training/Group Fitness	Varied	Sparingly, annually
Informal agreement	Masjid Al Mustfa Mosque	Car parking	Carpark	Friday mornings

### 2.3.4 Key stakeholders

Several organisations have a responsibility and/or an interest in Holroyd Sports Ground as set out below.

**Table 6 Key stakeholders in Holroyd Sports Ground**

Stakeholder	Responsibility / interest in Holroyd Sports Ground
Cumberland Council	Land owner Management Bookings Maintenance Funding
Department of Transport	Land owner
Minister for Planning and Industry	Land owner
Holroyd Little Athletics Club	Key sporting users
Merrylands Wolves Rugby Union Club	Seasonal use agreement
Masjid Al Mustafa	Use of carpark on Friday mornings (7am-12pm)
Local businesses, workers, residents	Neighbours Users

## 2.4 Physical description

### 2.4.1 Climate

The long-term temperature and rainfall averages for Parramatta North, the closest meteorological station to Holroyd Sports Ground, shows:

- a mean annual maximum temperature of 23.3°C, peaking at 28.5°C in January.

- mean annual minimum temperature of 12.2°C, with mean lowest temperatures below 10°C from May to September.
- mean annual rainfall of 972 mm with highest rainfall occurring between January and March.

### 2.4.2 Geology, topography and soils

Holroyd Sports Ground is fairly flat, and drains gently to A'Becketts Creek. The bank between the sports ground and the creek is steep and eroded in places.

Holroyd Sports Ground is situated on a former waste disposal site which has been filled, but not capped or remediated. Council considers all risks associated with its former use as a waste disposal site are considered within a Risk Management Assessment for any works undertaken at Holroyd Sports Ground.

An investigation of several lots within the study area on the southern side of A'Becketts Creek located materials containing asbestos (CH2M HILL, 2008) which have been remediated.

The Holroyd Local Environmental Plan 2013 identifies that Holroyd Sports Ground has moderate salinity potential and Class 4 and 5 acid sulfate soils.



*Slope between the sportsground and creek*

*Erosion between sportsground and creek bank*

### 2.4.3 Hydrology and drainage

A'Becketts Creek is located at the bottom of a floodway, flowing north-east from the site, eventually draining into Duck Creek, Duck River and ultimately the Parramatta River.

The creek has natural and semi-natural banks lined by rocks and gabion baskets in the section from Walpole Street north to the point at which a section of the creek adjacent to the Sportsground is concrete-lined and choked with weeds, designed with the capacity to carry flood flows. The channel is rarely filled to capacity and generally carries low flows only.



*A'Becketts Creek at Walpole Street*



*Natural creekline of A'Becketts Creek*



*Natural creekline of A'Becketts Creek*

The creek is subject to flooding, during which rubbish is deposited at the causeway across the creek. Access is required to the creek area to allow clearing of rubbish and debris.



*Flood warning sign at causeway*



*Rubbish at causeway after rain*





*Channelised creek is subject to flooding*

Weeds in the channelised section of the creek near the water inlet impede water flow, but play a role in nutrient absorption and sediment control.



*Channelised section of A'Becketts Creek*



*Stormwater inlet*

Asbestos from the former James Hardie site has resulted in contamination of the creek in the natural area, and transfer of asbestos into the weed choked the channelised section of the creek.

Information on quality of the creek water is not available.

Council has a pumping permit for creek water.

Rain water is collected and stored in water tanks for irrigation of the sports ground.

Drainage of the sports fields is good according to users, but drainage of water is slow after rain in some areas of the sportsground. Recent levelling works by Westconnex could result in water retention and flooding and drainage issues in the centre of the eastern sports field.



#### 2.4.4 Flora and fauna

##### Vegetation

##### Sportsground

The majority of Holroyd Sports Ground is grass which is mown for sporting use.

There is no significant vegetation within Holroyd Sports Ground. Vegetation present consists of planted native and exotic trees and shrubs in landscaped areas.



*Northern carpark*



*Stand of vegetation near eastern boundary*





*Vegetation on the western boundary*

*Vegetation on the western boundary*



*Vegetation on the western boundary*

The embankment between the sportsground and A'Becketts Creek supports dense vegetation in sections, primarily consisting of weed species.





Vegetation adjacent to the natural creek line is shown below.



Aquatic weeds characterise the vegetation in the channelised section of the creek.

There is no significant wildlife habitat within the Sports Ground, however existing creek vegetation provides limited habitat to birds and invertebrates.





## Fauna

It is highly likely that introduced animals typical of urban environments inhabit Holroyd Sports Ground.

No known endangered fauna species are associated with the site. However Holroyd Gardens Park and the A'Becketts Creek corridor are identified as part of a key Parramatta population area in the Green and Golden Bell Frog (*Litoria aurea*) Parramatta Key Population Management Plan prepared by the NSW Department of Environment and Climate Change in 2008. This species is listed as 'endangered' under Schedule 1 of the NSW *Threatened Species Conservation Act 1995* and 'vulnerable' under Schedule 1 Part 2 of the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*. The main objectives of the plan are to maintain current populations, enhance existing populations and to increase connectivity between sub-populations in accordance with the Green and Golden Bell Frog Recovery Plan 2005. Further information is available under <https://www.environment.nsw.gov.au/resources/nature/recoveryplanGreenGoldBellFrogDraft.pdf>

### 2.4.5 Access and circulation

Figure 5 shows the access points and circulation routes within Holroyd Sports Ground.

## Vehicle access

The M4 Motorway to the north and railway lines to the south restrict traffic flows to the sports ground from the northern and south-eastern residential areas.



**Figure 5 Access and circulation**



The sportsground has good vehicular access, with many people using the adjacent M4 Motorway and its Burnett Street exit to access the sports ground by vehicle, contributing to a district catchment of users.

The main road access to the sports ground is via Pitt and Walpole Streets. Vehicle entry to Holroyd Sports Ground is achieved via an entrance gate at the junction of Robert and Peel Streets at the south-west edge of the site.

Traffic flow volumes along Robert and Peel Streets are generally low and are primarily associated with the surrounding commercial and industrial areas.

The 34 space car park for Holroyd Sports Ground is generally adequate for the current needs of users, except for athletics competitions special events such as zone carnivals. The south-west corner is used for overflow parking for little athletics competition on Friday nights.

Council intends to investigate the use of the carpark at Holroyd Sports Ground for overflow parking for major events at Holroyd Gardens.



*Western carpark*

Authorised vehicle access is available between the creek and the southern carpark.



Emergency vehicle access to the main sports field is available in the south-west corner.

Gates prevent vehicle access when locked to the car park, to the athletics field, and to the creek.

A bollard prevents unauthorised vehicle access to the southern car park.

On site car parking is supplemented by on-street parking in the surrounding area due to limited surrounding residences and the need of local businesses for parking during the week which does not conflict with peak use times of the sportsground on Friday nights and weekends.



## Pedestrian and cycle access

Holroyd Sports Ground is a 1.3 kilometre walk from Harris Park railway station, and 1.4 kilometres from Merrylands railway station.

A shared path adjacent to the M4 Motorway and an underpass beneath the Motorway from Railway Street to the junction of Fox and Robert Streets facilitates pedestrian and cyclist access to the sportsground.



*Underpass under M4 Motorway*



*Shared path*



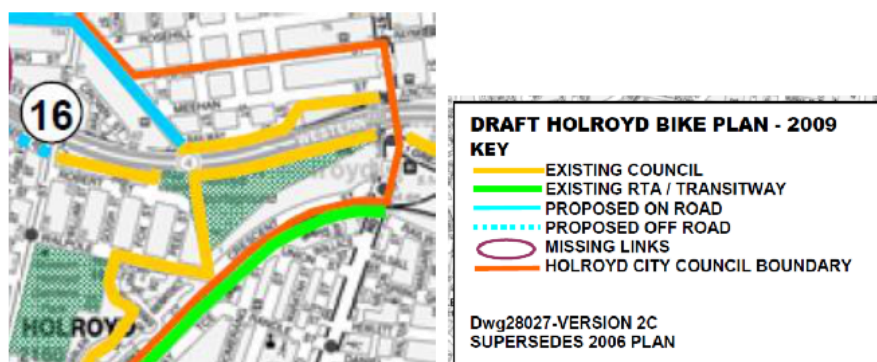
The pathway between the main field and Walpole Street is shown below.





The Draft Holroyd Bike Plan 2009 shows existing and proposed on- and off-road cycle links in the vicinity of Holroyd Sports Ground.

Figure 6 Existing and proposed cycle links



Wheelchair access to the sportsground is limited to the bitumen sealed driveway leading from the western entrance gate to the amenities block. A ramp facilitates access to the amenities building.

Motorway works restrict pedestrian access east of the main field.

## Public transport

The closest public transport access to Holroyd Sports Ground is provided by buses along Pitt Street. The closest bus stop is at the corner of Pitt and Robert Streets, a 10 minute walk from Holroyd Sports Ground.

Harris Park and Merrylands railway stations are approximately 17 minutes' walk from Holroyd Sports Ground respectively.

## 2.4.6 Visual

The sports ground is clearly visible to motorists on the M4 Motorway.

Landscaped areas and vegetation associated with A'Becketts Creek provide some separation and contrast with the surrounding industrial land uses.

The sportsground is partially protected from noise impacts of the M4 Motorway due to the lower elevation of the site.

Sight lines are clearly visible from all areas of the sportsground due to its level nature.





## 2.4.7 Condition of the land and built structures







The condition of Holroyd Sports Ground and its structures at the date of adoption of this Plan of Management is set out below.

### Built structures








Table 7 Condition of the land and built structures






Description	Condition	Images
<b>Amenities building</b>		
Constructed in 2013.	SPM Assets (2018) rate the building 3.6/5.	 
Brick clad amenities block 375m <sup>2</sup> in area, consisting of:	Over 95% of the components are in very good to good condition.	
- one hall 101m <sup>2</sup>	The poor to very poor components are primarily related to the building lighting.	 
- four toilet areas 49m <sup>2</sup>		
- two kitchens 46m <sup>2</sup>		 
- three store-rooms 82m <sup>2</sup>		
- two change rooms (home and visitors) 56m <sup>2</sup>		
- umpire's room	The amenities are largely in very good condition.	
Toilets open dawn to dusk	Surrounding areas are well maintained and tidy.	
Colourbond roof	Facilities are accessible by people with disabilities.	

Description	Condition	Images
<p><b>Two playing fields</b></p> <p>Former landfill.</p> <p>Field 1 – grass athletics track, line marked for athletics in summer. Rugby union field in winter.</p> <p>Field 2 – rugby union field. Track and field events in summer.</p>	Divots in grass, settling	
<p><b>Scoreboard</b></p> <p>Wooden scoreboard for manual scoring</p>	Adequate	
<p><b>Long jump / triple jump pits</b></p> <p>Four sandpits for jumping events with synthetic runups and marker boards</p>	Very good	
<p><b>Throwing cages and shot put circles</b></p> <p>Concrete throwing circles,</p>	Very good to poor condition	



Description	Condition	Images
metal rings and metal fences		  
<b>Finish line stand</b> Metal stand for timekeeping officials	Good	
<b>Fencing</b> Perimeter of athletics track/field to prevent balls exiting the playing field and vehicles entering the playing field	New – very good condition	 



Description	Condition	Images
		
<b>Floodlighting</b> Pole-mounted 2000W metal halide lighting of the central sports area to enable night use	All lights operational	
<b>Car parking</b> Main carpark: asphalt surface with two spaces for people with disabilities and 32 parking spaces. Secondary carpark: unmarked asphalt surface	Very good        Poor	 
<b>Water tanks</b> Two water tanks in the carpark. One water tank on field 2.	Very good	 
<b>Bin building</b> Secure building to store bins	Very good	

Description	Condition	Images
<p><b>Shared paths</b></p> <p>Concrete paths marked for walking and cycling</p>	Very good to good	
<p><b>Advertising sign</b></p> <p>Two-sided advertising sign mounted on pole</p> <p>The current advertising signage is proposed to be changed to a digital sign</p>	Very good	 
<p><b>Scrum machine</b></p> <p>Metal machine for rugby scrum training</p>	Good	
<p><b>A'Becketts Creek canal</b></p> <p>Brick wall covered with graffiti on southern side, brick wall with new metal</p>	Poor	



Description	Condition	Images
fencing on northern side		
<b>Drainage structures</b>		
Concrete inlets	Adequate	
Gabion baskets	Good	
Culvert pipes	Poor	
<b>Boundary fences</b>		
Fences adjoining surrounding land uses	New-very good condition to	
Colourbond and wood	poor condition	

## Turf

A turf assessment report carried out by Nuturf concluded " A mostly healthy surface was observed, the field had good levels with only minor undulations present. Soil Samples show a good looking soil with turf roots at a good depth of 12cms." The turf condition received a total score of 71%.



October 2018



October 2018



*June 2018*

*October 2018*

## 2.5 Uses and activities

### 2.5.1 Organised active recreation

Holroyd Sports Ground is one of Cumberland Council's more significant sportsgrounds, providing active recreational facilities to regional users. Open for use both during the day and at night, Holroyd Sports Ground is used by organised sporting groups. Major uses of Holroyd Sports Ground as at the date of adoption of this Plan of Management are for athletics and rugby union.

Council's Sportsground Allocation Procedure guides seasonal use of Council's sportsgrounds, using a definition of winter and summer seasons.

Holroyd Little Athletics Club uses Holroyd Sports Ground from early September to the end of March for training on Monday, Tuesday, Wednesday and Thursday evenings; weekly competition on Friday evenings; and occasional zone and other carnivals on weekends. 230 registered competitors aged from under 7 to under 17 years competed in club activities in both the 2017-18 and 2018-19 summer seasons.

Use of Holroyd Sports Ground in the winter season is by schools for school athletics carnivals, and for rugby union. 20 school athletics carnivals were held between May and September 2018.



*School athletics carnival, June 2018*

Merrylands Wolves Rugby Union Club with 45-50 registered players in 2018 use the Sportsground for training on Wednesday and Thursday evenings, and for competition on Saturday afternoons/evenings.

RevolutionX Performance Centre in Crescent Street, Holroyd uses the sportsground for bootcamp outdoor group fitness training.

A referees group uses the hall.

The far eastern section of the Sportsground is not used for organised sport due to poor pedestrian and vehicle access and visibility.

### 2.5.2 Informal recreational activities

Holroyd Sports Ground is used by individuals or informal groups for play and relaxation.

Cyclists use the cycle path to the north and west of the site.



A parents' walking group supported by the Heart Foundation meets at Holroyd Sports Ground on Saturday mornings.

The shared path is used for informal walking and cycling.

Picnic benches facilitate passive recreational activities at the sports ground.

### 2.5.3 Other uses

Masjid Al Mustafa (Merrylands Mosque) uses the carpark for overflow parking on Friday mornings.

## 2.6 Maintenance

The main maintenance responsibilities of Cumberland Council, contractors and user groups associated with the Sports Ground are:

### 2.6.1 Cumberland Council and contractors

- ☐ Undertaking regular maintenance works by park maintenance crews at Holroyd Sports Ground
- ☐ Tractor mowing the playing surface once per week in summer, and once per fortnight or longer depending on growth during winter. Maintenance crews are on a fortnightly run for the summer seasons, which drops off during the winter period when more effort is put in to gardens/mulching etc.
- ☐ Irrigation 2 days during winter and 3 to 4 days during summer (weather dependent). Irrigation repairs are carried out as needed.



- ☐ Cleaning the public toilets
- ☐ Collecting garbage
- ☐ Servicing the water tanks
- ☐ Servicing air conditioning
- ☐ Testing fire equipment every 6 months
- ☐ Applying a pre-emergent pest application during spring renovations. Any further post applications are applied as needed.
- ☐ Initial line marking for athletics and rugby union
- ☐ Removing graffiti as required.
- ☐ General maintenance and repairs to buildings, plumbing, locks, lights, fences etc. is carried out as required.

### 2.6.2 User groups

- ☐ Minor maintenance, including subsequent line-marking
- ☐ Informing Council of any maintenance and repair requirements
- ☐ Holding regular meetings.

## 2.7 Income

The major source of revenue for Holroyd Sports Ground is from rental of the advertising sign, which is spent on upgrading the sportsground. Other sources of funding are rate revenue, and field hire fees. Developer contributions also provide a source of potential funds for improvements to sportsgrounds in Cumberland LGA.

Income from field bookings for the 2018 calendar year was \$2,552. The Masjid Al Mustfa Mosque pays \$175 for week for parking on Friday mornings.

Fees charged are listed in the document '*Detailed Schedule of Fees and Charges*' in Cumberland Council's annual Operational Plan.



## 3 BASIS FOR MANAGEMENT

### 3.1 Introduction

This section describes the wider legislative and policy framework which applies to Holroyd Sports Ground.

Full versions of the legislation referred to below are on-line at [www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au) and [www.austlii.edu.au](http://www.austlii.edu.au).

Cumberland Council website: [www.cumberland.nsw.gov.au](http://www.cumberland.nsw.gov.au).

### 3.2 Planning context

#### 3.2.1 Introduction

Table 8 outlines the state, regional and local planning context which influences the use, development and management of Holroyd Sports Ground.

**Table 8 Planning context of Holroyd Sports Ground**

	Land use planning	Open space/ recreation planning	Environmental planning	Community planning	Access planning
			Common- wealth	Environmental Protection and Biodiversity Conservation Act 1999	Disability Discrimination Act 1992
NSW	Environmental Planning and Assessment Act 1979 SEPP 19: Bushland in Urban Areas Local Government Act 1993	Greener Places (Draft) 2017 Companion Animals Act 1998 and Regulation 2008	Biodiversity Conservation Act 2016 Contaminated Land Management Act 1997 Noxious Weeds Act 1993		Anti- Discrimination Act 1977

	Land use planning	Open space/ recreation planning	Environmental planning	Community planning	Access planning
	Dividing Fences Act 1991 Roads Act 1993 SEPP (Infrastructure) 2007		Pesticides Act 1999 Pesticides Regulation 2009		

Sydney     Directions for a  
Greater Sydney  
2017-2056

Regional	Revised Draft Central City District Plan Parramatta Road Corridor Urban Transformation: Planning and Design Guidelines 2016				
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Cumber- land LGA	Holroyd Local Environmental Plan 2013 Holroyd Development Control Plan – Part P 2013	Cumberland Open Space and Recreation Strategy 2018 (in prep.) Draft Holroyd Bike Plan 2009	Cumberland Community Strategic Plan 2017-2027; and Delivery Program, Operational Plan Holroyd Cultural Plan 2015 Cumberland Culture and Activation Plan (in prep.)	Cumberland Disability Inclusion Action Plan 2017-2021
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	Land use planning	Open space/ recreation planning	Environmental planning	Community planning	Access planning
				Cumberland Public Art Guidelines	
<p><b>Holroyd Sports Ground Plan of Management</b></p>					

The legislation most affecting use and management of Holroyd Sports Ground is the *Local Government Act 1993*, and the *Environmental Planning and Assessment Act 1979*.

### 3.2.2 Local Government Act 1993

#### Classification

Most of Holroyd Sports Ground is owned or under the care, control and management by Cumberland Council. Land owned by Council is classified as community land under the *Local Government Act 1993*. Council owned land which is classified as 'community' land must be managed and kept for the purposes of the community. Community land must be managed according to the provisions of the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*.

Community land:

- ☐ must have a Plan of Management prepared for it, which sets out guidelines for use and management of the land. Until a Plan of Management is adopted, the nature and use of the land must not change.
- ☐ must be kept for the use of the general community, and must not be sold.
- ☐ cannot be leased or licensed for a period of more than 21 years, or for 30 years with consent from the Minister.

#### Categorisation

Community land must be categorised in accordance with the *Local Government Act 1993* as either Park, Sportsground, Area of Cultural Significance, Natural Area, or General Community Use. A category assigned to community land, using the guidelines

for categorisation in the *Local Government (General) Regulation 2005*, reflects Council's intentions for future management and use of the land.

Holroyd Sports Ground is categorised as Sportsground (sporting fields), Natural Area – Watercourse (A'Becketts Creek), and General Community Use (advertising sign) consistent with the guidelines for categorisation in Table 9 and shown in Figure 7.

**Figure 7 Categorisation of Holroyd Sports Ground**



**Table 9 Guidelines for categories of community land - Holroyd Sports Ground**

Category	Guidelines
Sportsground	If the land is used or proposed to be used primarily for active recreation involving organised sports or the playing of outdoor games.
General Community Use	Land that may be made available for use for any purpose for which community land may be used, whether by the public at large or by specific sections of the public.
Natural Area	If the land, whether or not in an undisturbed state, possesses a significant geological feature, geomorphological feature, landform, representative system or other natural feature or attribute that would be sufficient to further categorise the land as bushland, wetland, escarpment, watercourse or foreshore under section 36(5) of the Act.

Category	Guidelines
Under Section 36(5) of the Act, Natural Areas are required to be further categorised as bushland, wetland, escarpment, watercourse or foreshore based on the dominant character of the natural area.	
Natural Area –	Land that is categorised as a natural area should be further categorised as
Watercourse	watercourse if the land includes: <ul style="list-style-type: none"> <li>(a) any stream of water, whether perennial or intermittent, flowing in a natural channel, or in a natural channel that has been artificially improved, or in an artificial channel that has changed the course of the stream of water, and any other stream of water into or from which the stream of water flows, and</li> <li>(b) associated riparian land or vegetation, including land that is protected land for the purposes of the <i>Rivers and Foreshores Improvement Act 1948</i> or State protected land identified in an order under section 7 of the <i>Native Vegetation Conservation Act 1997</i>.</li> </ul>

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4.2.2 Local Government (General Regulation) 2005

## Use agreements

Under the *Local Government Act 1993* a lease, licence, other estate or easement (use agreement) may be granted over all or part of community land.

Leases and licences are a way of formalising the use of community land. Leases and licences may be held by groups such as sporting clubs and schools, or by private/commercial organisations or people providing facilities and/or services for public use.

A lease will be typically required where exclusive use or control of all or part of Holroyd Sports Ground is desirable for effective management. A lease may also be required due to the scale of investment in facilities, the necessity for security measures, or where the relationship between a major user and facilities on community land justifies such security of tenure.

Licences allow multiple and non-exclusive use of an area. A licence may be required where intermittent or short-term use or control of all or part of the Holroyd Sports Ground is proposed. A number of licences for different users can apply to the same area at the same time, provided there is no conflict of interest.

The term "estate" is wide and includes many rights over land that can be granted. An estate is defined as an "interest, charge, right, title, claim, demand, lien and encumbrance, whether at law or in equity."



There are restrictions on the ability of Council to grant leases, licences and other estates over community land. Council may only grant a lease, licence or other estate if:

- ❑ the Plan of Management expressly authorises the lease.
- ❑ the purpose of the lease is consistent with the core objectives for the category of land.
- ❑ the lease is for a permitted purpose listed in the *Local Government Act 1993*.

In accordance with Section 46A of the *Local Government Act 1993* a Plan of Management for community land is to specify and authorise any purpose for which a lease, licence or other estate may be granted over community land during the life of a Plan of Management. Under Section 46 of the Act, Council may lease or licence community land for purposes consistent with the categorisation and zoning of the land.

The maximum period for leases and licences on community land allowable under the *Local Government Act 1993* is 30 years (with the consent of the Minister for a period over 21 years) for purposes consistent with the categorisation and core objectives of the particular area of community land.

Community land may only be leased or licensed for period of more than 5 years if public notice is given according to the requirements of Sections 47 and 47A of the *Local Government Act 1993*.

Refer to Section 3.5 for authorised leases, licences and other estates.

### 3.2.3 Environmental Planning and Assessment Act 1979

The *Environmental Planning and Assessment Act 1979* (EPA Act) establishes the statutory planning framework for environmental and land use planning in NSW through:

- ❑ State Environmental Planning Policies (SEPPs).
- ❑ Local Environmental Plans (LEPs). The Holroyd Local Environmental Plan 2013 applies to Holroyd Sports Ground.

The EPA Act requires that “environmental impacts” be considered in land use planning and decision making.

Parts 4 and 5 of the EPA Act also set out processes for approving development applications for structures and works on public and private land in the Cumberland local government area.

Clause 10 of State Environmental Planning Policy (SEPP) No. 64 – Advertising and Signage provides that, despite other environmental planning instruments, the display of an advertisement is prohibited on land which is zoned as open space. As the land on which the pole sign is situated is located within the RE1 Public Recreation zone, the SEPP prohibits advertisements on that land. However, Clause 16 of SEPP 64 permits the display of an advertisement on land in a transport corridor which is otherwise prohibited by another environmental planning instrument. The existing advertising structure benefits from existing use rights from development consent in the mid 1990s and continuing use since that time.

### 3.2.4 Cumberland Council plans

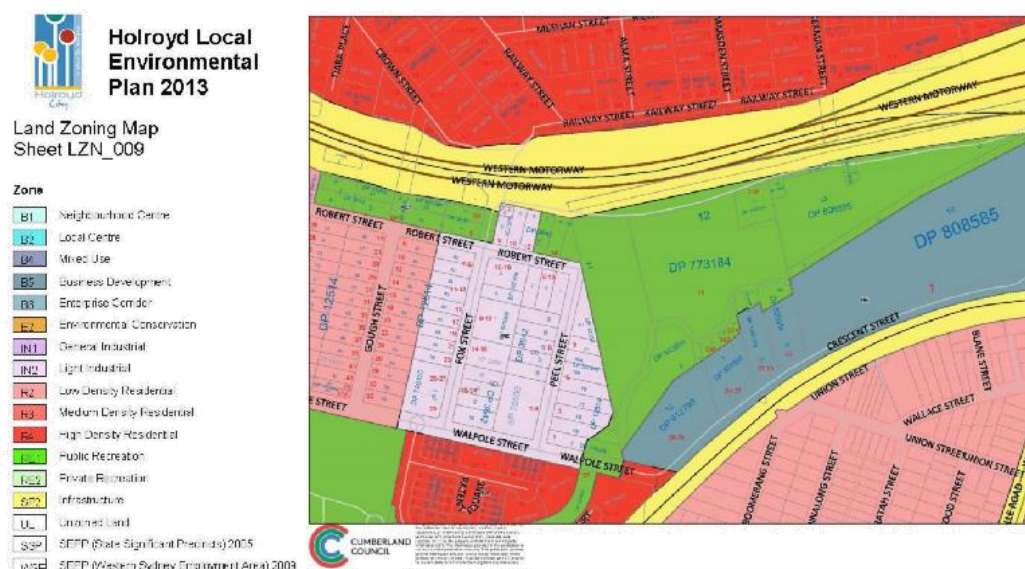
#### Holroyd Local Environmental Plan 2013

##### Current zoning

Land covered by this Plan of Management for Holroyd Sports Ground is zoned RE1 Public Recreation and IN2 Light Industrial in the Holroyd Local Environmental Plan 2013 as shown in Figure 8.

A'Becketts Creek is identified as Riparian Land in the LEP.

**Figure 8 Zoning of Holroyd Sports Ground**



### Proposed zoning

The Parramatta Road Urban Transformation Planning and Design Guidelines (UrbanGrowth NSW, 2016) shows the proposed rezoning of land in the vicinity of Holroyd Sports Ground that is intended to be included in Holroyd Sports Ground. The relevant land parcels are:

- No 2 Fox Street , Lot 101 DP 1132488
- No 8 Robert Street, Lot 100 DP 1132488
- No 10 Robert Street, Lot 5, Sec 5, DP 3642
- No 12 Robert Street, Lot 5, Sec 6 DP 3642
- No 20 Crescent Street, Lot 31, DP 620034

The proposed zoning changes are shown in Figure 9.

**Figure 9 Recommended land uses in Parramatta Road Corridor**



Source: Parramatta Road Corridor Planning and Design Guidelines (UrbanGrowth NSW, 2016)

## Sportsgrounds Plan of Management

The generic Plan of Management for Sportsgrounds in the former Holroyd City set out general objectives for sportsgrounds.

### 3.3 Direction for Holroyd Sports Ground

#### 3.3.1 Values and roles of Holroyd Sports Ground

Cumberland Council takes a values-based approach to the planning, use and management of Holroyd Sports Ground. Values may be described as what is important or special about a place.

The Cumberland and wider community value various aspects of Holroyd Sports Ground for different reasons. Using values as the basis of this Plan of Management ensures that this plan will be valid longer than one based on simply addressing issues. Issue-driven Plans of Management can quickly become out of date. Values change at a much slower pace than issues do. Values may remain constant for generations, therefore once values are documented, issues can easily be dealt with as they arise consistent with the values. New issues that arise over time very often cannot be dealt with easily unless a new Plan of Management is prepared.

By understanding the reasons why the community values Holroyd Sports Ground, the roles that the community expects the site to play in the future may be determined. This Plan of Management is based on protecting, conserving and enhancing the values of Holroyd Sports Ground. Desired outcomes, management strategies and actions which are consistent with these values have been developed. This Plan of Management aims to protect and enhance the values of Holroyd Sports Ground.

**Table 10 Values and roles of Holroyd Sports Ground**

Values	Explanation	Significance	Roles
Sport	Setting and facilities for field sports	District	Venue for organised local/ district/ regional field sport competitions and training
Open space	5.8 hectares of active open space in a built-up area Visual relief for motorists on M4 Motorway	District	Visual relief to surrounding development Overflow car parking Emergency assembly point

Recreation	Informal recreation and fitness opportunities	District	Venue for informal casual sporting and informal recreation activities
Environmental	Natural watercourse and riparian zone of A'Becketts Creek	Local	Drainage Flood detention Wildlife habitat and corridor

### 3.3.2 Management objectives

The objectives for Holroyd Sports Ground relate to Council's management goals in the Cumberland Community Strategic Plan, zoning under the Holroyd Local Environmental Plan 2013, and the core objectives for community land specified within the *Local Government Act 1993*.

### Cumberland Council vision, goals and outcomes

Council's vision for the future of Cumberland in its Community Strategic Plan 2017-27 is:

*Welcome, Belong, Succeed*

To achieve the vision, Council has set out strategic goals and outcomes relevant to Holroyd Sports Ground as follows:

**Table 11 Strategic goals and outcomes for Cumberland**

Strategic goal	Outcomes	Activities
1 A great place to live	We have positive connections within our local community through our local programs and services that reflect our unique identity	<ul style="list-style-type: none"> <li>- Events and activities reflect our diverse mix of cultural backgrounds</li> <li>- Services and events bring us together as one community</li> </ul>
	We have high quality community facilities and spaces that fit our purposes	<ul style="list-style-type: none"> <li>- Utilisation of Council facilities is maximised</li> <li>- Council encourages the provision of facilities in line with community expectations, population growth and intended uses</li> </ul>
	We live healthy and active lifestyles	<ul style="list-style-type: none"> <li>- Facilities and services promote healthy lifestyles</li> <li>- Sports and recreational activities are supported</li> </ul>



Strategic goal	Outcomes	Activities
2 A safe accessible community	We feel safe in all areas of Cumberland at all times	<ul style="list-style-type: none"> <li>- Safety is maintained in public areas through infrastructure and programs</li> <li>- Continued strengthening of partnerships with Council, local Police, RMS and community safety groups to address specific areas of safety</li> </ul>
	We have equal access to local services and facilities	<ul style="list-style-type: none"> <li>- Access issues are addressed and facilities and services enhanced to improve it</li> </ul>
3 A clean and green community	We have great natural and green spaces that suit a variety of uses	<ul style="list-style-type: none"> <li>- Green space is protected through policy there are strategies in place to ensure it is utilised in a sustainable way</li> <li>- Green and open spaces suit a variety of uses and help to mitigate heat island effects</li> </ul>
	We value the environment and have measures in place to protect it	<ul style="list-style-type: none"> <li>- Reduce pollutants in our waterways and natural areas</li> <li>- Council embraces and champions sustainable practices for itself and in the community</li> </ul>
	Our public places are clean and attractive	<ul style="list-style-type: none"> <li>- Infrastructure in public places is well maintained to ensure community pride in them</li> <li>- Waste collection practices reflect a commitment to having clean public spaces</li> </ul>

## Objectives for management of Holroyd Sports Ground

Holroyd Sports Ground will be managed according to the core objectives for community land set out below.

### Core objectives for community land

The core objectives for community land categorised as **Sportsground** are to:

- ☐ encourage, promote and facilitate recreational pursuits in the community involving organised and informal sporting activities and games.
- ☐ ensure that such activities are managed having regard to any adverse impact on nearby residences.

The core objectives for community land categorised as **Natural Area** are to:

- ☐ conserve biodiversity and maintain ecosystem function in respect of the land, or the feature or habitat in respect of which the land is categorised as a natural area.
- ☐ maintain the land, or that feature or habitat, in its natural state and setting.
- ☐ provide for the restoration and regeneration of the land.
- ☐ provide for community use of and access to the land in such a manner as will minimise and mitigate any disturbance caused by human intrusion.
- ☐ to assist in and facilitate the implementation of any provisions restricting the use and management of the land that are set out in a recovery plan or threat abatement plan prepared under the *Threatened Species Conservation Act 1995* or the *Fisheries Management Act 1994*.

Further, core objectives for land categorised as Natural Area and sub-categorised as **Watercourse** are to:

- ☐ manage watercourses so as to protect the biodiversity and ecological values of the instream environment, particularly in relation to water quality and water flows
- ☐ manage watercourses so as to protect the riparian environment, particularly in relation to riparian vegetation and habitats and bank stability
- ☐ restore degraded watercourses
- ☐ promote community education, and community access to and use of the watercourse, without compromising the other core objectives of the category.

The core objectives for community land categorised as **General Community Use** are to:

- ☐ promote, encourage and provide for the use of the land, and to provide facilities on the land, to meet the current and future needs of the local community and of the wider public in relation to:
  - public recreation and the physical, cultural, social and intellectual welfare or development of individual members of the public.
  - purposes for which a lease, licence or other estate may be granted in respect of the land (other than the provision of public utilities and works associated with or ancillary to public utilities).

### Zoning objectives

The Council-owned lots in the study area are zoned RE1 Public Recreation and IN2 Light Industrial. The objectives of each zone are as follows.

Objectives of RE1 Public Recreation zone are to:

- ☐ enable land to be used for public open space or recreational purposes.
- ☐ provide for a range of recreational settings and activities and compatible land uses.
- ☐ protect and enhance the natural environment for recreational purposes.

Objectives of the IN2 Light Industrial zone are to:

- ☐ provide a wide range of light industrial, warehouse and related land uses
- ☐ encourage employment opportunities and to support the viability of centres.
- ☐ minimise any adverse effect of industry on other land uses.
- ☐ enable other land uses that provide facilities or services to meet the day to day needs of workers in the area
- ☐ support and protect industrial land for industrial use.

### **Generic Plan of Management for Sportsgrounds**

Holroyd Sports Ground will be managed consistent with the Management Policy and Future Directions/Strategy set out in the Holroyd Plan of Management for Sportsgrounds (Holroyd Council, 2000).

**Table 12 Management strategies for sportsgrounds**

Issue	Strategy
Grounds – number and configuration	Provide a network of sportsgrounds with a wide range of sporting opportunities. Improve the function of existing grounds.
Maintenance	Maintain sportsgrounds and facilities to a high standard within budgetary constraints.
Risk management	Provide a safe environment at sports grounds.
Funding	Initiate a system of cost recovery in order to improve the quality of sportsgrounds.
Facilities – community and ancillary	Improve existing facilities at sportsgrounds. Identify and prioritise current and projected needs. Protect sportsgrounds from overdevelopment and incompatible community use. Gauge community opinion regarding community/exclusive use of buildings.

Issue	Strategy
Allocation of grounds	Better manage and control use of sportsgrounds.
Signage	Have clear, consistent signage at sports grounds. Inform the public of the location of sports grounds and permitted uses.
Linkages, open space corridors, linear recreation areas	Improve linkages to sports grounds and increase recreational opportunities.
Access and parking	Improve access and parking arrangements at sports grounds. Restrict vehicular access. Reduce impact of parking on neighbours.
Dog/animal exercise areas	Address issues concerning unleashed dogs adjacent to a sensitive riparian area and playing fields.
Recreational usage	Increase community awareness of recreation and sporting opportunities in Cumberland.
Environment/landscape	Enhance the amenity and function of sports groups with landscape improvements. Minimise the impact of sports grounds on the environment.
Neighbourhood amenity	Minimise negative impacts to neighbouring residents.
Leases and licences	Establish a consistent leasing policy for sports grounds and other reserves.

### 3.3.3 Vision for Holroyd Sports Ground

Consistent with Council's objectives and the values and desired roles of Holroyd Sports Ground, the vision for it is:

***Holroyd Sports Ground will be a high quality district sportsground for summer  
and winter field sports and complementary active  
and informal recreation activities,  
adjoined by the rehabilitated A'Becketts Creek.***

The vision for Holroyd Sports Ground is reflected in the Action Plan in Section 4.

Specific objectives for the management of Holroyd Sports Ground include:

- ☐ provision of community services, particularly sports facilities, which are accessible to all sections of the community and are appropriate to community needs.
- ☐ operation of the sports ground in a manner that has a minimum impact on adjoining land users.
- ☐ provision of a safe and healthy environment that meets reasonable community expectations.
- ☐ ongoing maintenance and replacement of existing Council assets as required and as funding becomes available.
- ☐ maintenance of a visually attractive and pollution free environment.
- ☐ management, development and conservation of natural resources.

### 3.4 Permitted uses and developments

#### 3.4.1 Introduction

It is not possible to forecast every activity or structure that may occur at Holroyd Sports Ground in the future. New activities, developments and structures may be proposed in response to a proposal for use of the land, or because funding or another opportunity becomes available, or to address a need or management issue that may not be evident when preparing this Plan of Management.

Section 36 of the *Local Government Act 1993* states that a Plan of Management must expressly authorise any proposed or potential developments on community land. Such authorisation in a Plan of Management gives 'in principle' support for certain activities to proceed to the development assessment stage. However, this Plan does not in itself imply or grant consent for these activities. Any specific works will require further investigation, and development approval if required.

Activities on community land can be controlled through signage under Section 632 of the *Local Government Act 1993*.

#### 3.4.2 Future use and development of the land

##### Legislative requirements

Permissible uses and developments at Holroyd Sports Ground must be in accordance with relevant legislation, particularly:



- ❑ zoning under the Holroyd Local Environmental Plan 2013.
- ❑ guidelines for and core objectives of the relevant categories of community land under the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*.
- ❑ uses for which leases, licences and other estates may be granted on community land under the *Local Government Act 1993*.
- ❑ Commonwealth legislation.

## Zoning

All proposed uses, development and building works in this Plan of Management need to be permissible under the applicable zoning in the Holroyd Local Environmental Plan 2013, and assessed if required through a Development and Building Application process consistent with the *Environment Planning and Assessment Act 1979*.

Works permitted under the RE1 Public Recreation and IN2 Light Industrial zones are listed in Table 13.

**Table 13 Permissible uses and developments of Public Recreation and Light Industrial zones**

Item	RE1 Public Recreation	IN2 Light Industrial
2	Permissible without development consent	Environmental protection works Nil
3	Permissible with development consent	Centre-based child care facilities Community facilities Environmental facilities Information and educational facilities Kiosks Recreation areas Recreation facilities (indoor) Recreation facilities (major) Recreation facilities (outdoor) Respite day care centres Roads Signage Water recreation structures
		Depots Food and drink premises Garden centres Hardware and building supplies Industrial training facilities Kiosks Landscaping material supplies Light industries Neighbourhood shops Places of public worship Plant nurseries Roads Timber yards Warehouse or distribution centres

Item	RE1 Public Recreation	IN2 Light Industrial
		Any other development not specified in item 2 or 4, which may include Recreation areas, Recreation facilities (indoor), Recreation facilities (outdoor)
4 Prohibited	Any other development	Including Recreation facilities (major)

### Categorisation of community land

According to the *Local Government Act 1993*, uses and structures on land classified as community land must be consistent with the guidelines for each relevant category and the core objectives of the relevant category. The guidelines and core objectives for the Sportsground, General Community Use and Natural Area-Watercourse categories which apply to Holroyd Sports Ground were outlined above.

All activities which are consistent with the guidelines for categorisation as Sportsground, Natural Area-Watercourse and General Community Use which meet the core objectives of those categorisations, are expressly authorised by this Plan.

### Commonwealth legislation

Under the *Telecommunications Act 1997 (C'th)*, 'low impact' installations are permissible without Council approval.

### 3.4.3 Preferred future uses

Holroyd Sports Ground is generally intended to be used for athletics, rugby union and other field sports, informal recreation, social/community activities, and other compatible activities. Developments and structures are limited to those which support the desired activities, consistent with the Landscape Masterplan (Figure 10).

Any use or development that would further encroach on the open space of the site should be minimised, unless it can be shown that the proposed use or development is a more efficient use of the space, has a community benefit, and is consistent with the objectives of this Plan of Management.

Permitted uses and developments must support and enhance the other values of the site ie. open space, sport, recreation, and the natural environment.

### **Authorised uses and developments**

This Plan of Management authorises the following uses and developments at Holroyd Sports Ground, including but not limited to those listed in Table 14.

### **3.4.5 Impacts on local residents and businesses**

Uses and activities permitted at Holroyd Sports Ground must consider the impacts on local residents, businesses, workers and adjoining land uses in terms of noise, lighting, traffic and parking.

**Table 14 Authorised uses and developments at Holroyd Sports Ground**

Uses / activities	Developments / structures
Advertising	Advertising structures, including digital
Art, including painting, sculpture	Art work – temporary and permanent
Barbecues	Bicycle related storage facilities including bicycle racks
Bush fire hazard reduction	Bins and other waste receptacles
Bush regeneration and rehabilitation	Bridges (walking, cycling, access for people with disabilities)
Ceremonies	Children's play equipment
Children's play	Community facilities
Cultural events	Community gardens
Cycling	Drainage works: only where complementary to the natural drainage patterns on the land, and where essential to protect tracks, roads, services, or other facilities on the land.
Delivering a public address or speech	Educational facilities
Dog exercise (on-leash at all times with waste picked up and disposed of)	Environmental facilities
Earthworks	Fencing
Easements to private property: temporary or permanent access across the site where appropriate	Food preparation and related facilities
	Flagpoles or smart poles

and in compliance with the requirements of the <i>Local Government Act 1993</i> and other relevant legislation and policy.	Information boards and other facilities
Education (environmental and the like)	Irrigation and drainage structures and systems
Environmental protection works	Landscaping, including landscape structures or features
Environmental management and monitoring	Lighting for sport
Filming, subject to Council approval	Lighting: where essential for public safety and the protection of assets while not affecting nocturnal animal habitat. Consider solar lighting options to improve sustainability and reduce energy costs.
Filling, levelling or draining of land	Picnic tables and barbecues
Flora, fauna and archaeological surveys	Recreation areas
Interpretation	Recreation facilities (outdoor)
Maintenance and emergency vehicle access	Refreshment kiosks (but not restaurants)
Nature study including birdwatching	Roads
Overflow car parking for special events on Lot 1 DP 176538, and Lots 75, 76, 77 DP 12514	Seating
Pest control (invertebrate and vertebrate)	Shelters and shade structures
Photography	Signage – directional, interpretive, regulatory
Picnics	Toilets or rest rooms
Running / jogging	Vehicle access and parking (emergency and authorised vehicles only)
Walking	Viewing area / platform
	Walking tracks and paths, boardwalks, ramps, stairways, gates
	Water storage tanks
	Work sheds or storage required in connection with maintenance of the land

### 3.4.6 Other considerations

Criteria for assessing proposals for new activities and/or developments at Holroyd Sports Ground should also address:

- ☐ the objectives of this Plan of Management (Section 1)

- ❑ Council plans and policies (Section 3)
- ❑ the future roles of the site (Section 3)
- ❑ objectives for the site (Section 3).

### 3.4.7 Buildings and structures

#### Express authorisation

This Plan of Management expressly authorises development of new buildings and structures, and redevelopment/refurbishment buildings and structures, which support the desired uses of Holroyd Sports Ground for sport.

Such buildings and structures will be consistent with:

- ❑ those listed in Table 14
- ❑ the Landscape Masterplan (Figure 10)
- ❑ physical constraints of flood risk, and acid sulfate soils.

#### Design considerations

##### Access

Access to new facilities on the site and any refurbishment of those structures will be provided according to Australian Standard 1428 (Parts 1 – 4) Design for Access and Mobility.

Access and seating for people with disabilities should comply with the Disability Discrimination Act and the Building Code of Australia.

Access pathways will be constructed at grade as close to 1:20 as possible. Pedestrian paths will be a minimum 1.8 metres wide to allow two motorised wheelchairs to pass safely.

##### Building envelopes

Building envelopes should align with the Holroyd Development Control Plan 2013.

##### Landscaping

Landscaping will be consistent with the Holroyd Development Control Plan 2013.



### Structures

Building envelopes should be consistent with the Holroyd Development Control Plan 2013.

Design, materials used and construction of proposed structures would be consistent with the Holroyd Development Control Plan.

### Sustainable development

All facilities and infrastructure (new and renewed), and maintenance of the site will integrate sustainability in terms of energy use, life cycle costs, source material impacts, and Water Sensitive Urban Design (WSUD).

All new buildings and/or refurbishments of the site will be low-scale and of architecture and built form appropriate to the western Sydney climate.

### Development approval

Proposed development and building works at Holroyd Sports Ground which are consistent with this Plan of Management (excluding activities permitted without development consent) would be subject to development and building applications in accordance with the *Environmental Planning and Assessment Act 1979* and the Holroyd Local Environmental Plan 2013. This Plan of Management would form an important part of the required development and building applications and approvals for the proposed activities and works.

Approvals for development works at Holroyd Sports Ground will be granted where endorsed by Council and the wider community, and when necessary approvals from other organisations have been obtained.

### 3.4.8 Restricted and prohibited activities

Activities that are prohibited or restricted at Holroyd Sports Ground include, but are not limited to, the following activities identified on on-site signage:

- ☐ breaking or leaving any bottle, glass, syringe or other objects likely to endanger the safety of any person
- ☐ camping or staying overnight
- ☐ consumption of alcoholic liquor
- ☐ depositing rubbish

- ☐ discharging of rifles or firearms
- ☐ flying of model aeroplanes
- ☐ any game or activity likely to damage property, injure, endanger or cause nuisance to any other person
- ☐ helicopter landings, except in emergencies
- ☐ interfering with or damaging any Council building, equipment, furniture, landscaping, tree, plant or flora
- ☐ leaving of dogs faeces (removal and proper disposal is required)
- ☐ lighting of fires, except in Council constructed fireplaces or portable barbecues
- ☐ practising of golf or archery
- ☐ taking of horses, greyhounds and unleashed dogs
- ☐ taking of motor vehicles or motorbikes, except in constructed carparks and driveways.

### 3.4.9 Scale and intensity of use and development

In accordance with the *Local Government Act 1993* a Plan of Management must detail the scale and intensity of proposed uses and developments.

The scale and intensity of future uses and development at Holroyd Sports Ground is dependent on:

- ☐ the nature of the approved future uses and developments.
- ☐ the Landscape Masterplan for Holroyd Sports Ground (Figure 10).
- ☐ the carrying capacity of Holroyd Sports Ground for sporting activities
- ☐ approved development applications.

The scale and intensity of future uses and developments at Holroyd Sports Ground is constrained by:

- ☐ its location in a riparian corridor buffer.
- ☐ flooding and acid sulfate soils.
- ☐ impact on adjoining residents and land uses.

The benchmarks for the scale and intensity of future uses and developments permissible at Holroyd Sports Ground will be physical disturbance and damage to the site.

Any proposal to use buildings, structures and spaces at Holroyd Sports Ground will be considered on merit and balanced against physical constraints and the amenity of adjoining residents, workers and land uses.

Any further intensification or variation to development to that shown on the Landscape Master Plan in Figure 10 would be subject to a development application.

Any works undertaken at Holroyd Sports Ground shall be undertaken to minimise disturbance to the site. Such measures include:

- ☐ using materials which are visually sympathetic to the natural environment.
- ☐ incorporating pollution control measures into drainage systems to minimise debris, nutrients and other chemicals entering waterways.
- ☐ using and retaining on-site resources wherever possible.
- ☐ leaving acid sulfate soils undisturbed wherever possible.
- ☐ disposing of waste material off site and in a manner not affecting the natural vegetation or that encourages the spread of weeds.
- ☐ restoring areas following works to the maximum extent.
- ☐ encouraging service and utility suppliers to comply with the guidelines of this Plan, and to undertake community engagement where essential services are required.

The physical impacts of activities and uses should be regularly monitored. Review of permissible activities and developments will occur if site monitoring shows any deterioration from the present condition of Holroyd Sports Ground resulting from those activities or developments.

## Activities

Activities at Holroyd Sports Ground which may attract high numbers of people include field and other sport training and competition, school sport competitions, commercial activities such as personal fitness training, and one-off community events and performances. Applications for such activities will be assessed on a case-by-case basis. The scale and intensity of such activities will be managed by Council's booking process and by conditions of use.

## Traffic and parking

The impact of traffic and parking associated with organised sport or community events on local residents and businesses will be managed by preparing a Traffic and Parking Plan on a case-by-case basis.

## Planting

Species selected for planting at Holroyd Sports Ground will be native and endemic to the area where possible, and be appropriate for a highly modified and used active recreation area located within a riparian buffer zone.

Cumberland LGA Gateway planting of Hoop Pine (*Araucaria cunninghamii*) will be consistent with the existing established theme.

Planting will be undertaken on a site-specific basis as required.

### 3.4.10 Assessment and approval of permissible uses and developments

Cumberland Council must expressly authorise proposed developments on community land under the *Local Government Act 1993*. This authorisation in a Plan of Management gives 'in principle' support for certain activities and developments to proceed to development assessment under the *Environmental Planning and Assessment Act 1979*. However, this Plan does not in itself imply or grant consent for these activities or developments. Any proposed uses and developments which are consistent with this Plan are still subject to development consent processes which would be advertised widely for information and to invite comment. This Plan of Management would be an important supporting document for the required applications for the proposed works.

### 3.4.11 Approvals for activities on the land

Section 68, Part D, of the *Local Government Act 1993* requires approvals issued by Council for the following activities on community land:

- ☐ engage in a trade or business
- ☐ direct or procure a theatrical, musical or other entertainment for the public
- ☐ construct a temporary enclosure for the purpose of entertainment
- ☐ for fee or reward, play a musical instrument or sing

- ☐ set up, operate or use a loudspeaker or sound amplifying device
- ☐ deliver a public address or hold a religious service or public meeting.

Approval is also required from Cumberland Council for the following activities at Holroyd Sports Ground:

- ☐ advertising
- ☐ collecting money
- ☐ distributing handbills
- ☐ entertainment
- ☐ erecting temporary structures or awnings
- ☐ landing aircraft
- ☐ organised sport
- ☐ playing, training or practising of sport or other games
- ☐ public meetings
- ☐ trading
- ☐ using a facility for which approval is required
- ☐ using sound amplifying and lighting devices.

### 3.5 Leases, licences and other estates

#### 3.5.1 Authorisation of current use agreements

Several use agreements (leases, licences or other estates) currently apply to Holroyd Sports Ground as listed in Table 4. These agreements are approved to the end of their current term without exercising of any options.

#### 3.5.2 Authorisation of future leases, licences and other estates

Granting of leases, licences, other estates and easements for the use or occupation of Holroyd Sports Ground are permissible for uses consistent with:

- ☐ the uses listed in Sections 46 and 47 of the *Local Government Act 1993*.
- ☐ the guidelines and core objectives for the Sportsground, General Community Use and Natural Area-Watercourse categories of community land.



- zoning under the Holroyd Local Environmental Plan, and development consent if required.
- this Plan of Management.

Specific leases, licences and other estates are authorised at Holroyd Sports Ground as set out in Table 15.

**Table 15 Authorised leases, licences and other estates at Holroyd Sports Ground**

Proposed use	Land to which authorisation applies	Express authorisation of lease, licence or other estate for:
Sporting activities	Land categorised as Sportsground and General Community Use	Field sporting activities
Community activities	Land categorised as Sportsground and General Community Use	Community gatherings
Commercial uses	Land categorised as Sportsground and General Community Use	Small-scale commercial uses which support the use of Holroyd Sports Ground for sport, informal recreation, and social/community activities, such as personal fitness training, and mobile food/beverage vans.
Advertising	Land categorised as Sportsground and General Community Use	<p>Internal advertising, where it is supportive of the desired uses of the land and not visible from the exterior.</p> <p>Placing advertising material on the ground and buildings providing it is consistent with State Environmental Planning Policy No. 64 – Advertising and Signage (SEPP 64).</p> <p>New signage would be subject to assessment under the provisions of SEPP 64, Holroyd Local Environment Plan 2013, and Holroyd Development Control Plan 2013.</p> <p>Proposed digital advertising</p>

## Other estates

This Plan of Management authorises Council to grant “an estate” over community land for the provision of public utilities and works associated with or ancillary to public utilities in accordance with the *Local Government Act 1993*.

## Easements

This Plan of Management expressly authorises the granting of easements over land at Holroyd Sports Ground to provide pipes, conduits or other connections under the ground surface. This is limited to easements which connect premises adjoining community land to an existing water, sewer, drainage or electricity facility of Council or another public utility provider that is situated on the land. Such easements must minimise impacts on the condition and use of Holroyd Sports Ground.

Granting of easements above or on the surface of community land is not within the authority of this Plan of Management. These easements include, but are not limited to, piping to a natural watercourse, piping from a facility on community land to a facility on private land, and private vehicular or pedestrian access.

## Short-term casual use and occupation

Licenses for short-term casual use or occupation of Holroyd Sports Ground may be granted in accordance with Clause 116 of the *Local Government (General) Regulation 2005*.

Authorisation is granted for short-term casual use or occupation Holroyd Sports Ground for the following uses and occupations, provided the use or occupation does not involve the erection of any permanent building or structure.

**Table 16 Authorised uses for short term casual use or occupation of Holroyd Sports Ground**

Proposed use	Land to which authorisation applies	Express authorisation of short term casual use or occupation for:
Sporting events	Land categorised as Sportsground, General Community Use	Seasonal sporting competitions and training. School sports carnivals
Social/ community events	Land categorised as Sportsground,	One-off or occasional community events such as markets, school fetes, Bike Week activities.

Proposed use	Land to which authorisation applies	Express authorisation of short term casual use or occupation for:
	General Community Use	One-off or occasional cultural, musical or entertainment events.
Other short-term uses of community land	Land categorised as Sportsground, General Community Use	<p>Short term/temporary uses set out in the <i>Local Government Act 1993</i> and the <i>Local Government (General) Regulation 2005</i> including:</p> <ul style="list-style-type: none"> <li>- playing of a musical instrument or singing for fee or reward</li> <li>- engaging in a trade or business</li> <li>- playing of a lawful game or sport</li> <li>- delivery of a public address</li> <li>- commercial photographic sessions</li> <li>- picnics and private celebrations such as weddings and family gatherings</li> <li>- filming sessions</li> <li>- markets and / or temporary stalls including food stalls.</li> <li>- corporate functions</li> <li>- other special events/ promotions provided they are on a scale appropriate to the use of a local sports court area and to the benefit and enjoyment of the local community.</li> <li>- emergency purposes, including training, when the need arises.</li> </ul>

All short-term casual uses and occupation would be subject to Council's standard conditions for hire, approval processes, and booking fees. A temporary licence would be issued by Council as part of the approval process prior to the site being used for these activities. Organisers of the activity are subject to conditions of hire.

Filming applications are assessed on a case by case basis.

Fees for short term, casual bookings will be in accordance with the fees and charges as published annually by Cumberland Council.

### Sub-leases

Where a lease arrangement has been entered into with Council for community land, sub-leasing of the land must be in accordance with the requirements of Section 47C of

the *Local Government Act 1993* ie. the purpose for which the land was to be used under the lease.

Under Clause 119 of the *Local Government (General) Regulation 2005*, community land leased by a sporting club may be sub-leased for refreshment kiosks, dances and private parties.

Leases and licences can be entered into by Council for public or private purposes, providing they are consistent with the major objectives of this Plan of Management.

### 3.5.3 Future leases and licences

The *Local Government Act 1993* requires that any lease, licence or other estate over community land is authorised by a Plan of Management. Leases, licences and other estates formalise the use of community land. Activities must be compatible with the zoning and categorisation of the land; and provide benefits, services, or facilities for users of the land. Terms and conditions of a lease, licence or other estate should reflect the interest of the Council, protect the public, and ensure proper management and maintenance.

Any future leases, licences or other estates of Holroyd Sports Ground are authorised by this Plan of Management, provided the proposed use is consistent with the permissible uses and structures listed in Section 4.6.

Leasing and licensing will be in accordance with Council's objectives and principles as outlined in its Community Strategic Plan. Depending on the nature of the proposed lease or licence, Council would develop specific objectives and requirements tailored to the proposed use.

Occupation of community land by leases, licences and other estates that apply to Holroyd Sports Ground are set out in Sections 46 and 47 of the *Local Government Act 1993*. In respect of community land in general and the categories assigned to Holroyd Sports Ground in particular, a lease, licence or other estate may only be granted over Holroyd Sports Ground for:

- ❑ a purpose expressly authorised in this Plan of Management.
- ❑ purposes which are consistent with the guidelines and core objectives for the Sportsground, General Community Use and Natural Area-Watercourse categories of the community land.

- ❑ activities appropriate to the current and future needs of the community in relation to a number of wide public purposes, including public recreation and physical and cultural development.
- ❑ for short-term casual purposes, including the playing of a musical instrument or singing for a fee or reward, engaging in a trade or business, delivering a public address, commercial photographic sessions, picnics and private celebrations such as weddings and family gatherings, and filming for cinema or television. However, the use or occupation of community land for these short-term casual purposes is permitted only if the activity does not involve erecting a permanent building or structure.
- ❑ for the purpose of providing underground pipes, conduits or other connections to connect premises adjoining the community land to a Council facility or other public utility provider located on the land.

#### 3.5.4 Lease and licence periods

The maximum period for leases and licences on community land allowable under the Local Government Act is 21 years, or 30 years if consent from the Minister is required (including any period for which the lease or licence could be renewed by the exercise of an option) for purposes consistent with the categorisation and core objectives of the particular area of community land. Community land may only be leased or licensed if public notice is given according to the requirements of the Local Government Act.

Under Section 47, Council may grant a lease, licence or other estate exceeding five years if it gives public notice of the proposal to the owner, the public and all stakeholders, and invites and considers public submissions. If an objection to the proposal is made, Council may not grant a lease, licence or other estate without consent of the Minister for Local Government.

For proposed leases, licences and other estates of five years or less, Council must publicly advertise the proposal in the same way as for leases, licences and other estates over 5 years. Final approval of the lease rests with Council, but the Minister for Local Government has the discretion to call in a proposed lease and determine the matter in place of Council. However, some short-term and other types of leases, licences and other estates, such as providing underground pipes and connections, are exempt from the need to advertise.



### 3.5.5 Commercial uses

Cumberland Council has no current plans for development of commercial facilities at Holroyd Sports Ground, nor is considering any applications by private or community organisations to develop commercial facilities at Holroyd Sports Ground.

Commercial activities at Holroyd Sports Ground may operate with Council approval if they:

- ☐ complement the cultural values of Holroyd Sports Ground.
- ☐ do not impact on other values.
- ☐ support the use of Holroyd Sports Ground for low-key activities, such as personal fitness training, guided walks, and mobile food/beverage vans at sporting and special events.
- ☐ support or complement other permissible activities and developments.
- ☐ do not unduly impact on other users or on local residents and businesses.
- ☐ pose no threat to public safety.

Proposals for commercial activities should be considered on their specific merits. Conditions should apply in each case to ensure the above requirements are met.

### 3.5.6 Short-term casual hire

All short-term casual hire of Holroyd Sports Ground will be in accordance with Section 24 and 25 of the *Local Government (General) Regulation 2005*. To be considered as casual hire, activities must not:

- ☐ involve the erection of any building or structure of a permanent nature.
- ☐ continue for more than three consecutive days.
- ☐ continue to recur for a period of more than 12 months in the case of uses occurring more than once. Each occurrence must be no more than 3 consecutive days, not including Saturday and Sunday.

Fees for short term, casual bookings will be in accordance with the fees and charges as published in Cumberland Council's current fees and charges schedule.

### 3.5.7 Emergency purposes

Holroyd Sports Ground is an emergency assembly point.

Community land may be used for emergency purposes, including training, if the need arises.



### 3.5.8 Leases and licences by tender

Section 46A of the Act requires that Plans of Management must specify purposes for which a lease, licence or other estate may be granted only by tender. A lease or licence for a term exceeding five years may be granted only by tender, unless it is granted to a non-profit organisation. However, Council may apply a tender process in respect to granting any particular lease, licence or estate.

Leases, licences and other estates for the purposes of commercial activities, advertising, and/or for a period of five years or more will be granted only after a tender process in accordance with the *Local Government Act 1993*.

### 3.5.9 Private purposes

Section 46 of the *Local Government Act 1993* generally prevents Councils from granting leases, licences or other estates over community land for private purposes. However, the Act does enable short-term casual licences to be issued by Councils for purposes prescribed by the Regulation. The purpose of the lease, licence or other estate must still be consistent with the core objectives for the relevant category of community land.

### 3.5.10 Exclusive occupation

Exclusive use of any area of community land is not desirable, as Holroyd Sports Ground should be available for use by anyone in the community. An exception is a use where the exclusion of the public is desirable for security and public safety.

The exclusive occupation or use of Holroyd Sports Ground is only permitted for the purposes of:

- ❑ a lease to which Sections 47 and 47A of the Act applies.

- ☐ a sub-lease or other title derived from the holder of such a lease, licence or other estate.

### 3.6 Acquisition and dedication of land

This Plan of Management applies to Holroyd Sports Ground within the boundary as shown in Figure 1. Additions to the boundaries of Holroyd Sports Ground may be possible through dedication of land or acquisition of suitable adjoining properties.

Dedication of adjoining land to add to Holroyd Sports Ground may be accepted if the land:

- ☐ supports the values and objectives outlined in this Plan.
- ☐ is at least in good condition.
- ☐ is accessible.

Ongoing maintenance requirements of land dedications must also be considered.

## 4 ACTION PLAN

### 4.1 Landscape Master Plan

The Landscape Master Plan for Holroyd Sports Ground is shown in Figure 10. It shows the location of the spatial works and actions in the following Action Plan which are proposed to be implemented to achieve the objectives for Holroyd Sports Ground.

Key proposed actions and changes to Holroyd Sports Ground include:

#### 4.1.1 Short term / high priority actions

- ☐ level the playing surface
- ☐ revegetate the natural creek section
- ☐ additional seating on the eastern side of the clubhouse
- ☐ new seating at the eastern end of the main field
- ☐ new internal shared paths
- ☐ new fitness equipment stations
- ☐ undertake revegetation of the riparian vegetation
- ☐ rejuvenate the concrete canal
- ☐ prepare a Development Application and enter into a new licence agreement for a new digital advertising sign.

#### 4.1.2 Long term / low priority actions

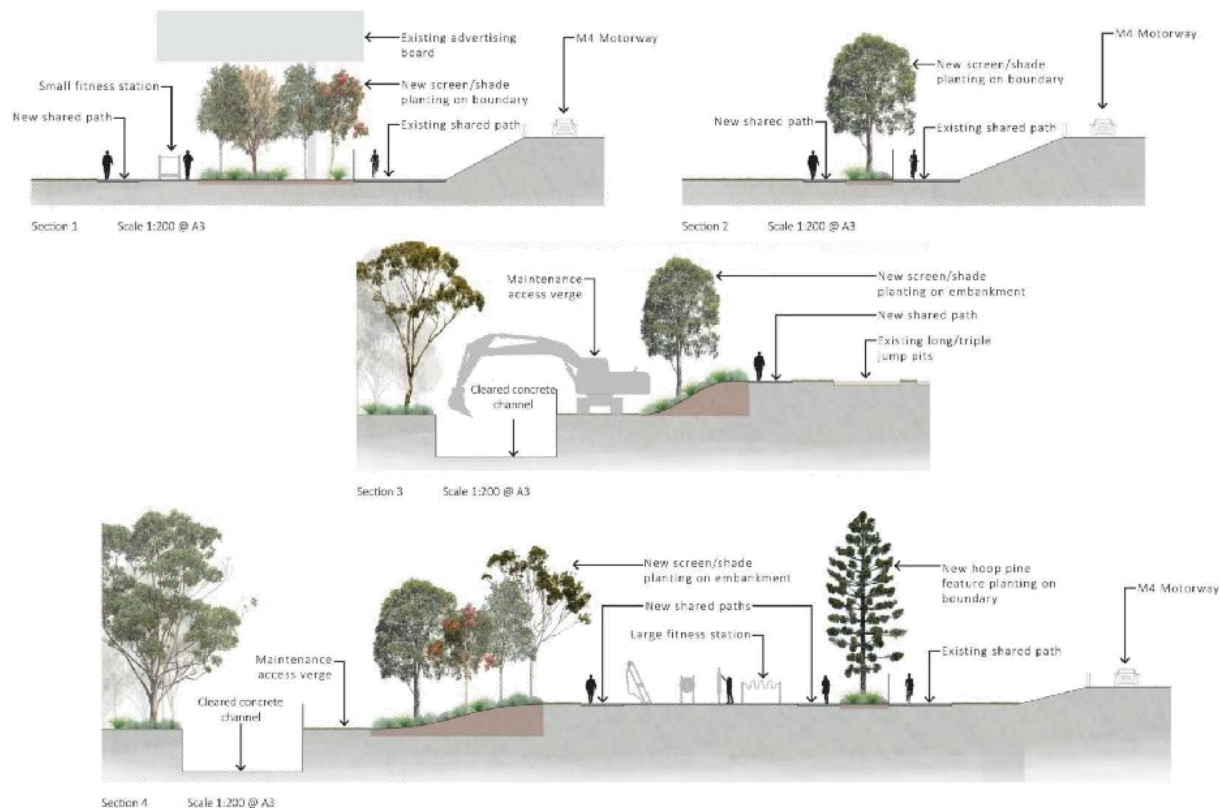
- ☐ extension to the clubhouse
- ☐ extension of the carpark west to provide additional parking spaces
- ☐ new scoreboard
- ☐ seating and shade at the eastern end of the sportsground.





**Figure 10 Holroyd Sports Ground Landscape Masterplan**





**Examples of Potential Fitness Station Sizes**

**Small Fitness Station**

- 40m<sup>2</sup> approx.
- 3 fitness equipment pieces
- 1-2 benches and/or
- drinking fountain/water bottle refill tap

**Large Fitness Station**

- 80m<sup>2</sup> approx.
- 6 fitness equipment pieces
- drinking fountain/water bottle refill tap
- adjacent seating & shade structures

**Examples of Potential Fitness Station Elements**

**Back**

- trains the back, shoulder and arm muscles for improved circulation

**Chest**

- trains the chest, shoulder and arm muscles

**Shoulder Wheel**

- Improves shoulder mobility

**Wave Bar**

- provides exercise for the wrist, elbow and shoulder joints and develops hand-eye coordination and concentration

**Step & Calf**

- improves balance and mobility in the legs

**Step & Calf**

- improves balance and mobility in the legs

**Finger Stairs**

- improves finger dexterity, hand-eye coordination and concentration

**Bench Workout With Pedals**

- improves lower muscle strength and coordination skills


**Balance Beam**

- Improves all-round balance and mobility



Summer Layout (Track & Field)

- ① 400m grass Running Track
- ② 110m grass Running Track
- ③ Discus
- ④ Shotput
- ⑤ Long/Triple Jump
- ⑥ Javelin
- ⑦ High Jump

Scale 1:3000 @ A3 



Winter Layout (Rugby Union)

- ① Full size Rugby Field (110 x 70m)
- ② U8 & U9 Rugby Field (70 x 35m)
- ③ U6 & U7 Rugby Field (50 x 25m)

Scale 1:3000 @ A3 



## 4.2 Action Plan

### 4.2.1 Introduction

The *Local Government Act 1993* requires plans of management to:

- ☐ contain performance targets.
- ☐ specify the means of achieving objectives and performance targets.
- ☐ specify how achievement of the objectives and performance targets is to be assessed.

This section outlines the actions required to implement the management direction, resolve management issues implement the Landscape Masterplan for Holroyd Sports Ground, consistent with the community's values for Holroyd Sports Ground. The actions are displayed below in table form, and have been structured using the values of Holroyd Sports Ground that the actions would enhance and protect. Table headings are explained as follows:

**Table 17 Structure of action plan tables**

Heading	Explanation
Issue	An issue or need to be addressed.
Background	Explanation of the issue
Objectives / performance targets	Targets/strategies to achieve vision and objectives for Holroyd Sports Ground, consistent with defined roles. They reflect the value of Holroyd Sports Ground, and provides direction for the action.
No.	Actions numbered according to value, and management actions: S Sport and Open Space R Recreation E Environment M Management
Actions	Specific task or action required to address issues/needs, consistent with achieving the objectives/performance targets
Priority	Assigned according to the specific action's relative importance or urgency: Immediate Action to be completed as a matter of urgency High Short-term action to be completed Medium Mid-term action to be completed Low Long-term action to be completed



Heading	Explanation
	<p>Ongoing      A continuing responsibility</p> <p>Annually      Action to be undertaken on a yearly basis</p>
Responsibility	<p>Section within Council, or another organisation responsible for implementing the action.</p> <p>The Council Section or external organisation listed first in the Action Plans has the primary responsibility for implementing the action.</p> <p>Responsibilities within Council for implementing actions are:</p> <p>CD      Community Development</p> <p>EP      Environment and Planning</p> <p>FG      Finance and Governance</p> <p>PP      People and Performance</p> <p>WI      Works and Infrastructure</p>
Manner of assessing performance	How Council intends to measure and assess its performance in implementing and achieving the action over time.

*Note:* Cumberland Council undertakes detailed prioritisation of proposed improvements to all parks and sportsgrounds when allocating funds on an annual basis.

Any developments included in this Action Table require authorisation within this Plan of Management. Section 3 includes authorisation for future developments for Holroyd Sports Ground.

## 4.2.2 Sport and open space actions

**Table 18 Sport and open space actions**

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Responsibility	Manner of assessing achievement
Ground works	Holroyd Little Athletics Centre reports that the athletics track and field events area is uneven with divots and undulations, resulting in injury to competitors.	Ensure quality and safe level grass surface for athletics.	S.1	Level/laser grade the athletics track and field area.	High Ongoing	WI	Level sports surface
Throwing event facilities	Throwing cages and circles range from very good to poor condition.	Ensure that throwing facilities are safe for throwing activities.	S.2	Upgrade or replace throwing cages and circles in poor condition.	High	WI	Throwing facilities are in good to very good condition.
Sports field drainage	The athletics field event area has poor drainage after rain.	Improve drainage of sports surfaces	S.3	Install sub-surface drainage and maintain overland flow gradients.	Medium	WI	Reduction in ponding of water after rain
Use by elite athletes	Athletes with personal coaches for elite training have been observed to occasionally use Holroyd Sports Ground. Such use has been identified by sportsground users as a potential source	Maintain the quality of the sportsground surface and its use by regular users, ensuring following of Council	S.4	Monitor and control use of Holroyd Sports Ground by elite athletes and their coaches.	Ongoing	WI	No reports of field damage caused by elite athletes

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
	of conflict due to damage to the ground surface, lowering its quality and useability by regular users.	booking processes to allow improved usage management.					
Amenities	The amenities block was rebuilt in 2013 after being subjected to vandalism (arson).	Continue to provide facilities and amenities that reflect community needs through continual assessment, as funding becomes available.	S.5	Reconfigure/extend/upgrade the amenities building – storage, canteen, referees room, amenities	Medium	WI	Upgrade of amenities building complete
			S.6	Provide change facilities for women and girls	Medium	WI	Change facilities for women and girls provided
Club room	User Groups use the club room for document storage which limits the use of the space for club activities	Maximise use of shared space in the amenities building	S.7	Upgrade the club room.	Medium	WI	Upgrade of club room included in building upgrade
			S.8	Resolve the storage needs of user groups either on site or off site.	Medium	WI	Storage needs resolved to satisfaction of Council and user groups

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Responsibility	Manner of assessing achievement
Public address system	The public address system is used by little athletics and schools. The current system is inadequate. Rugby reports the PA doesn't switch on properly, and an easier to use speaker system is needed.	Improve functionality of the venue	S.9	Test the PA system. Replace if necessary.	High	WI	Testing shows the public address system is functional
Seating	Seating was identified as a need in the 1997 Plan of Management. Covered seating has since been provided as part of the amenities building, however the need for further seating has been indicated.  Little athletics would like seating for spectators placed along the northern edge of the sportsground.	Provide additional spectator seating to accommodate spectator needs	S.10	Install seating on the northern boundary of the sportsground east of the clubhouse and east of the main field	High	WI	Additional seating provided
			S.11	Install seating at the eastern end of the sports ground.	Low	WI	Seating provided
Floodlighting	Sports field lighting is provided on 20 metre poles with 2000W metal halide lights, with four poles each on Fields 1 and 2.  The sports field lighting level is 100 lux.	Provide floodlighting for competition athletics and rugby training	S.12	Conduct field lighting audits and maintain to suitable levels.	Ongoing	WI	Satisfaction of sports users with lighting
			S.13	Replace existing 2000W metal halide fittings	High	WI	Light fittings replaced.

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Responsibility	Manner of assessing achievement
				with 960W LED floodlights.			
			S.14	Install additional lights to better light fields, especially on Field 2.	High	WI	Additional lights installed.
Drinking water	Rugby union has requested an outdoor tap so visiting teams can fill water containers. A suggested location is near the ramp at the entrance to the building.	Provide drinking water for users of the sports ground	S.15	install multi-function drinking fountain/ water refill station (vandal keyed hose tap, bubbler and refill tap) in consultation with user groups and Holroyd Sports Ground Local Park Committee	High	WI	Installation of multi-function drinking fountain/ water refill station
Scoreboard	A manual scoreboard is located on the southern side of the main field. Rugby union has requested an electronic scoreboard that can be operated from the northern side of the field	Provide suitable scoring facilities	S.16	Liaise with the rugby club to obtain and install an electronic scoreboard	Low	Council Rugby club	Electronic scoreboard installed
Vehicle parking	Council maintains the public carpark located at Holroyd Sports Ground.	Ensure adequate parking is available at	S.17	Investigate use of the Holroyd Sports Ground	High	WI	Reduction in parking/traffic



Issue	Background	Objectives / performance targets	No.	Actions	Priority	Responsibility	Manner of assessing achievement
	Maintenance includes inspections and repairs to road pavement, line marking, signs and landscaping.	Holroyd Sports Ground.		car park for overflow parking during major events at Holroyd Gardens.			conflicts near Holroyd Gardens during major events.
	Provision of car parking spaces at Holroyd Sports Ground is currently adequate at most times, as there is little traffic on local streets due to the industrial nature of local landuses.	Provide additional parking spaces where required and as funding becomes available.	S.18	Extend the northern carpark to the west.	Low	WI	Increase in parking spaces in western carpark
	Additional spaces are available on Peel Street and other local streets. Car spaces have also been formalised to ensure user safety.	Ensure safe access to carparks through planning and design.	S.19	Ensure user safety by ensuring that carparks are regularly maintained	Ongoing	WI	Inspections of carparks
	Holroyd Little Athletics has requested extending the car park to allow more off street parking and to make it easier for parents to attend competition on Friday nights and to hold larger scale carnivals.		S.20	Monitor the impacts of carparking in local streets.	Ongoing	WI	No complaints about parking in adjoining streets
Accessibility	Universal access is available to the amenities building via paths and a ramp.	Ensure Holroyd Sports Grounds is accessible and equipped with	S.21	Ensure that extension of the amenities block and any further facilities	High	WI	Compliance with Australian Standard AS4128.

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons- ibility	Manner of assessing achievement
	Two vehicle parking spaces for people with disabilities are available in the western carpark.	adequate facilities for people with a disability.		at Holroyd Sports Ground comply with AS4128.			
			S.22	Provide any additional allocated car spaces for people with disabilities in the extended car park consistent with Australian Standards.	High	WI	Number of parking spaces for people with disabilities complies with AS
Boundary fencing	Boundary fences are in very good to poor condition.	Ensure that boundary fences are safe and in good condition.	S.23	Replace the wooden fence on the south-western boundary.	Low	WI	Fence replaced
			S.24	Liaise with the adjoining property owner to replace the Colourbond fence on the western side of the carpark.	Low	WI	Fence replaced

#### 4.2.4 Recreation actions

**Table 19 Recreation actions**

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
Pedestrian and cycle paths	As part of Council's cycleway network, a shared pedestrian/cycleway link has been constructed along the northern side of Holroyd Sports Ground. It provides a useful connection with surrounding residential and recreational areas. Additional opportunities for new and upgraded pedestrian footpaths have been identified, particularly in the eastern area of the sportsground and in the creek area.	Continue to maintain the cycleway adjoining Holroyd Sports Ground for the enjoyment of pedestrians and cyclists.  Provide a high level of pedestrian access to and within Holroyd Sports Ground.	R.1	Maintain existing shared paths.	Ongoing	WI	Inspection of shared paths
			R.2	Provide additional shared paths as shown on the Landscape Masterplan.	High	WI	Increase in shared pathways
Fitness facilities	Fitness facilities have been identified as a need in the Holroyd area and throughout Cumberland local government area. Seniors have also requested fitness facilities.	Provide additional active recreation opportunities	R.3	Install exercise equipment stations along the shared path as shown on the Landscape Masterplan	High	WI	Exercise equipment installed

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
Dog exercise	<p>Holroyd Sports Ground is primarily used for active recreation. However, the use of sportsgrounds for the exercise of dogs and other domestic animals is also a popular activity at this facility as it is with other sportsgrounds throughout Cumberland LGA.</p> <p>Conflicts among sportsground users can arise from animal waste left on site, which can raise health and safety issues. Conflicts can also arise from limited control of animals by owners and commercial use of sportsgrounds by commercial dog-walkers without Council consent or payment for use.</p> <p>The <i>Companion Animals Act 1998</i> requires that any dog outside the owners' property must be under the effective control of a competent</p>	Minimise conflicts between users of Holroyd Sports Ground due to domestic animal presence.	R.4	Provide dog waste bins where on-leash dog exercise is most common, and away from active sports facilities	High	WI	Use of dog waste bins No dog waste on sports fields
			R.5	Replace regulatory signage regarding restrictions on dog exercise on the sports fields if required.	High	FG	Compliance with Council's requirements
			R.6	Enforce no dogs off leash at the sportsground, including penalties when owners do not control their dogs, especially near the sports facilities.	Ongoing	FG	No reports of conflicts between dogs and other sports ground users
			R.7	Monitor professional dog walkers' use of the sportsground and payment for such use.	Ongoing	FG	Compliance with Council's requirements

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
	person by means of an adequate chain, cord or leash, unless in a specified off-leash area. Holroyd Sports Ground is not an off-leash area.						
Picnic and barbecue facilities	Provision of barbecues and picnic tables were proposed in the 1997 Plan of Management. Barbecue and picnic facilities are yet to be provided.	Provide complementary informal recreation opportunities at sporting facilities	R.8	Install picnic and barbecue facilities subject to user and community engagement	Low	WI	Picnic and barbecue facilities installed if desired
Children's play space	Provision of new play equipment was proposed in the 1997 Plan of Management. It was deemed appropriate to remove children's play equipment from the active recreation areas to ensure the safety of all users.	Provide complementary informal recreation opportunities at sporting facilities	R.9	Construct children's play space with user group/ committee support.	Low	WI, CD	Play space constructed if demonstrated support
Shaded seating	Except for the shaded seating area at the amenities building, there are no opportunities to sit in the shade at Holroyd Sports Ground.	Provide shaded seating for sports ground users	R.10	Install shade amenity and seating to the eastern corner of the sports ground	High	WI	Increase in shaded area



## 4.2.5 Environmental actions

Table 20 Environmental actions

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
Channel management	Cumberland Council is committed to managing all rivers, canals and drainage lines within its boundaries. A'Becketts Creek, adjacent to Holroyd Sports Ground, is part of the Duck River catchment. The concrete channel is owned by Cumberland Council.	Maintain the creek flow path in working order for the clear passage of flows during high rainfall events	E.1	Remove silt and debris in the channelised section of the creek.	High Ongoing	EP	Silt and debris removed
			E.2	Review the adequacy of the structure and maintain silt trap operations at the high flow side of the weir.	High Ongoing	EP	Monitor siltation at the high flow side of the weir
	Weeds have colonised the concrete channel, disrupting the flow of water but filtering sediment and nutrients.	Rejuvenate the concrete channel.	E.3	Retain aquatic plants in the channelised section of the creek, or replace them if appropriate.	Medium	EP	Aquatic plants in the concrete channel filter water and absorb nutrients
			E.4	Remove graffiti from the canal walls.	Ongoing	EP	Reduction in graffiti on the canal walls
			E.5	Screen plant the channel wall and retaining wall with appropriate species.	Medium	EP	Improvement in the visual quality of the concrete channel wall

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Responsibility	Manner of assessing achievement
Riparian vegetation	Weeds such as Willow are the prevalent vegetation on the banks of the natural creek channel of A'Becketts Creek.	Facilitate authorised vehicle access to the creek to remove weeds	E.6	Improve authorised vehicle access to the creek.	High	WI	Access to the creek by authorised vehicles improved
		Reinstate a wildlife corridor along the creek.	E.7	Revegetate the creek banks using endemic plant species	High	EP, WI	Increase in endemic plant cover on creek banks
		Protect the creek from impacts of the surrounding land uses.	E.8	Reinstate endemic vegetation through the riparian corridor	High	EP, WI	Increase in endemic plant cover through the riparian corridor
Bank erosion	<p>Rehabilitation of the creek embankment along the southern edge of Holroyd Sports Ground has been ongoing since the adoption of the 1997 Plan of Management for Holroyd Sports Ground (EDAW, 1997).</p> <p>Erosion of the upper creek bank in the eastern section of the natural creek bank has occurred.</p>	Rehabilitate the creek banks to minimise erosion	E.9	Address erosion of the natural creek bank	Low	EP, WI	Observations and measurements of erosion of the creek banks

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Responsibility	Manner of assessing achievement
Gross pollutants	The gross pollutant trap (GPT) at A'Becketts Creek is not working effectively. Gross pollutants are trapped at the causeway along the natural section of the creek.  Materials such as shopping trolleys are dumped in the creek.	Minimise entry of litter into A'Becketts Creek	E.10	Repair or replace the gross pollutant trap.	Medium	WI	Gross pollutant trap is functional
			E.11	Remove large objects and rubbish from the creek	Ongoing	EP, WI	Reduction in gross pollutants in A'Becketts Creek
Creek water quality	The visual quality of water in A'Becketts Creek is poor.	Improve the quality of water in A'Becketts Creek	E.12	Regularly test and monitor water quality in the creek	Ongoing	EP	Water testing results
Waste disposal at sports ground	Only two fixed waste bins on the patio area of the amenities building are provided. Additional bins in the bin cage are available to hirers.	Improve the provision of waste bins provided at Holroyd Sports Ground.	E.13	Increase the number of fixed general waste bins in high-traffic areas, particularly near the sporting fields and carpark.	High	WI	Increase in number of general waste bins

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
Planting	<p>Planting since the adoption of the 1997 Plan of Management has been ongoing, with views to the south and west being considerably improved. Additional shade trees have been planted in the informal recreation areas and adjacent to the amenities block.</p> <p>Future planting should focus on areas to the southeast along the creek, north along the motorway, and at the eastern end of the sportsground.</p>	<p>Improve visual amenity for visitors to Holroyd Sports Ground and for users of the cycleway.</p> <p>Reduce the visual prominence of the adjacent M4 Motorway, surrounding industrial land uses and undesirable views.</p>	E.14	Plant vegetation as shown on the Landscape Masterplan using predominantly native species, supplemented with exotic species that are known to perform well in western Sydney and are able to provide shade for spectators during sporting events.	High	EP, WI	<p>Increase in canopy cover</p> <p>Planting to be consistent with Holroyd DCP Part A, 4.2-C14 and 5.0-C3 with nominated indigenous plant species.</p>
		Minimise noise from the motorway and surrounding land uses.	E.15	Plant Hoop Pine ( <i>Araucaria cunninghamii</i> ) as a gateway planting to Cumberland LGA.	Medium	EP, WI	<p>Hoop Pine planted</p> <p>Gateway planting established</p>
		Plant additional vegetation for landscaping and shade for spectators and informal users, but which allows visibility of the	E.16	Continue to provide additional planting along the sports ground boundaries.	Ongoing	EP, WI	Increase in canopy cover
			E.17	Ensure that shade trees are adequately	Ongoing	EP, WI	Increase in canopy cover

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons- ibility	Manner of assessing achievement
		advertising sign from the M4 Motorway		maintained and replaced where necessary.			
		Minimise seeds of exotic and weed species entering A'Becketts Creek.					

#### 4.2.6 Management actions

**Table 21 Management actions**

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons- ibility	Manner of assessing achievement
Maintenance	Maintenance is a major part of Council's ongoing works, and many of the management strategies in this plan include maintenance requirements. Maintenance costs can be considerable.	Ensure safety of users and functionality of existing facilities and amenities	M.1	Undertake routine and ongoing preventative and remedial maintenance and repairs of assets associated with Holroyd Sports Ground.	Ongoing	WI	Levels of service achieved



Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
		Balance maintenance needs with maintenance costs.					
Permissible developments	Holroyd Local Environment Plan 2013 lists the developments and activities in areas zoned RE1 Public Recreation that are not permissible (i.e. are prohibited), require development consent or are permissible with development consent.	Ensure that Holroyd Sports Ground is managed in a manner that is consistent with active recreational use by the community, by approving only those developments and activities that reflect this.	M.2	Ensure that developments and activities in Holroyd Sports Ground comply with Holroyd Local Environment Plan 2013 and Development Control Plans.	Ongoing	EP, WI	Use and development complies with environmental planning legislation
Advertising and promotion	Sportsground users, including sporting teams and local businesses, may seek to display advertising in sportsgrounds. Whilst this can be useful publicity for these groups, signs can affect the visual amenity of the sportsground, potentially compromising community values.	Prevent impacts on visual amenity and community values arising from proposed advertising and signage	M.3	Prepare a Development Application and enter into a new licence agreement (5 years) to the existing licensee for the current M4 advertising sign to be changed to a digital sign, subject to the conditions of the lease.	High	EP, WI	DA assessed Digital advertising sign installed subject to approval

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
	<p>Cumberland Council's Advertising and Signage Controls (Part F of the Holroyd Development Control Plan 2013) aims to protect these values.</p> <p>All advertising applications are assessed by Council to ensure that content of advertisements will not compromise community values.</p> <p>There is currently an 18 metre high commercial sign erected on the northern side of the sportsground, for which a lease has been entered into.</p> <p>All advertising is to be consistent with SEPP 64 – <i>Advertising and signage</i>.</p>		M.4	Consider applications for leases to advertise using existing structures at Holroyd Sports Ground.	Ongoing	EP, WI	<p>Community feedback</p> <p>Consistent with values of the sportsground</p> <p>Consistent with SEPP 64 – Advertising and Signage and Part F of Holroyd Development Control Plan 2013.</p>
			M.5	Approve temporary signs for user groups e.g. upcoming events, registration days	Ongoing	EP, WI	Approval of appropriate temporary signs
			M.6	Remove advertising signs when no longer relevant.	Ongoing	WI	<p>Community satisfaction</p> <p>Compliance with SEPP 64</p>
Use agreements	Council may approve leases and licences on community land which are in accordance with the	Ensure the legal compliance of leases and	M.7	In considering lease and licence applications, only approve those that do	Ongoing	EP, WI	All leases and licences must comply with the

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
	requirements of the <i>Local Government Act 1993</i> . Leases and licences must be expressly authorised in plans of management, but existing leases and licences in breach of this Act may continue until the end of their term.	licences with the <i>Local Government Act 1993</i> . Ensure that leases and licences are undertaken in the best interests of the community.		not compromise the active sporting or recreational use of Holroyd Sports Ground.			requirements of the <i>Local Government Act 1993</i> .
	Usage of the advertising sign is subject to a lease.	Ensure all leases and licences are consistent with core objectives for the relevant category of community land.	M.8	Liaise with Masjīd Al Mustfa Mosque to resolve their parking needs through a temporary agreement in the short term and land use planning in the longer term	High	EP	Mosque parking resolved to the satisfaction of Council and the mosque
	Masjīd Al Mustfa Mosque has an informal agreement with Cumberland Council to use part of the Holroyd Sports Ground for car parking. The mosque would like to formalise a use agreement with Council.						
Mobile telephone towers	Telephone companies occasionally request to installation of mobile phone towers on public land such as parks. Under the Telecommunications Act 1997 (C'th),	Ensure the values of the community are not compromised by the installation of mobile	M.9	Assess any applications for mobile phone towers in terms of legislation and Council codes.	Ongoing	EP, WI	Any mobile phone towers meet all legislative requirements

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
	only 'low impact' installations are permissible without council approval.	phone facilities at Holroyd Sports Ground.					
	Council's Telecommunications Code (Interim) states that these facilities should not be located "where...it will be at a focal point that will visually dominate a streetscape, parkland or an otherwise visually sensitive landscape feature as viewed within or from any residential building".	Ensure the interests of the community are considered when assessing applications for mobile phone towers to be located on or near Holroyd Sports Ground.					
	A mobile telephone tower is located at the rear of 8 Robert Street.						
Public art	Public art can enhance the identity and visual amenity of public land, and even increase visitation and community interest.	Encourage applications to council for the installation of art in public places.	M.10	Grant applications for public art when local community values, the active recreational functioning and visual amenity of Holroyd Sports Ground will not be compromised.	Low	CD	Public art installed if desired and appropriate
		Ensure that community values are maintained when assessing applications to exhibit					

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
		art in public places at Holroyd Sports Ground, and focus on active recreational function.					
User safety	<p>Safety in sportsgrounds and in all public places is a priority for Cumberland Council. Council's ongoing maintenance program ensures that this priority is implemented at Holroyd Sports Ground as an important community facility.</p> <p>In terms of public liability, Cumberland Council is compliant with the <i>Local Government Act 1993</i>, which states "council must make arrangements for its adequate insurance against public liability and professional liability."</p>	Ensure that adequate shade is provided at Holroyd Sports Ground for user protection through planting and maintenance of existing trees.	M.11	Provide additional covered seating and shade trees where necessary, along the southern perimeter, for visitor protection and comfort.	High	WI	Additional covered seating and shade trees provided.
		Ensure the safety of all sportsground users through maintenance.	M.12	Maintain the fence along the concrete channel to Sydney Water standard	Medium	WI	Fence meets Sydney Water standard
		Ensure that safety issues raised by users of Holroyd Sports Ground are addressed as a priority.	M.13	Respond promptly to reports of safety issues through inspection and investigation, and where necessary, the provision	Ongoing	WI	No reports of safety breaches or accidents

Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
Safety and security of assets	Cumberland Council aims to ensure that public amenities in all sportsgrounds are sufficiently secure to minimise loss of property through theft and vandalism.	Ensure sportsground maintenance includes activities required to fulfil requirements of council's liability insurance.		of upgraded or improved facilities.			
			M.14	Rectify, repair or replace equipment or areas that represent a safety hazard will be on a priority basis.	Ongoing	WI	No reports of safety breaches or accidents
		Increase surveillance systems at Holroyd Sports Ground, focusing on security of assets.	M.15	Upgrade surveillance systems to include a back-to-base alarm system and a back-to-base fire alarm system.	High	WI	Functional alarm systems
		Maintain lighting level to the minimum Australian Standard.	M.16	Continue to secure all flammable materials, such as 240 litre bins, at the appropriate location away from the amenities block.	Ongoing	WI	Rubbish bins are stored securely
		Minimise fire risks and flammable materials located at the sportsground.	M.17	Undertake regular maintenance of fences,	Ongoing	WI	Maintenance according to service level agreements



Issue	Background	Objectives / performance targets	No.	Actions	Priority	Respons-ibility	Manner of assessing achievement
				locks, lighting and surveillance systems.			
			M.18	Respond promptly to reports of failed equipment and replace as funds become available.	Ongoing	WI	All equipment is functional
Fencing	The chain-wire mesh fencing at the site has been replaced along the Motorway boundary and the creek.	Increase the security of Holroyd Sports Ground and associated facilities and amenities by upgrading fences within and bordering the grounds to minimise loss of property through theft and vandalism, and the entrance of unauthorised vehicles.	M.19	Upgrade fencing and gates at the Peel Street entrance to the carpark.	Low	WI	Fencing and gates in very good condition
	The previous Park Committee requested black finish channel fencing.		M.20	Upgrade fences between the main field and adjacent cycleway.	Low	WI	Fencing in very good condition
	Additional fencing may also provide increased security and user safety for the sportsground and associated facilities.		M.21	Regularly inspect and maintain all fences within and bordering the sportsgrounds.	Ongoing	WI	Fences in very good condition
			M.22	Continue to upgrade fences where necessary, particularly along the creek boundary.	Ongoing	WI	Fences in very good condition



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## 5 IMPLEMENTATION

### 5.1 Governance

Holroyd Sports Ground will continue to be managed by Cumberland Council in terms of facility management, use, improvements and maintenance, and supported by the Holroyd Sports Ground Local Committee. Their respective responsibilities are set out in Section 2.3.2.

Council will have oversight of any use agreements for activities on the site.

Day-to-day management of any leased and licensed areas will be the responsibility of any lease or licence holder according to the terms of the lease or licence agreement.

Allocation of staff for maintenance and capital works will be monitored on an ongoing basis to ensure that standards are maintained. If new facilities or extensive works are required then the need for additional staff will be assessed.

Development of new facilities will be carried out only by contractors engaged by Council. Council may also engage contractors to assist with the maintenance of Holroyd Sports Ground.

### 5.2 Implementation

Once Cumberland Council adopts this Plan of Management it is Council's responsibility to implement this Plan of Management.

Council must only allow uses or developments that are in accordance with the Plan of Management.

Implementation of actions in this Plan of Management in Section 4.2 according to their assigned priorities will be monitored through the preparation of annual performance reports, budgets, and capital works programs.

It should be recognised however that commencement and completion of the recommended actions in this Plan of Management depends on available Council

resources, funding, and Council's priorities in its annual works program. The priority of each action should be reassessed annually to determine if the stated priority is still relevant.

Implementation of this Plan of Management will be monitored at least annually with the preparation of capital works programs and budgets. Performance standards and works programs for administration, maintenance and upgrading works are revised each year to meet allocated budgets and works priorities determined in Council's Resourcing Plan.

Funding for management of Holroyd Sports Ground will be sought from a range of government, Council, corporate and community sources on an ongoing basis.

## 5.3 Funding

### 5.3.1 Introduction

Funding is integral to implementing this Plan of Management. There are several approaches that Cumberland Council can take in funding the implementation of this Plan of Management.

### 5.3.2 Council funding

#### General

The implementation of this Plan of Management is achieved through its linkage with Council's Community Strategic Plan, operational budgets, and capital works programs.

Funding arrangements for Holroyd Sports Ground will address recurrent costs of management and maintenance, together with capital costs for new facilities or upgrading works. Council currently funds management and maintenance costs through its annual budget allocation, and uses capital funds and developer contribution funding for capital and non-recurrent works.

Staging of works will be necessary so Council can fulfil its overall funding obligations across the Cumberland local government area within the resources available to Council. Actions listed in the Action Plans have been prioritised, which will assist in preparing forward open space work programs and annual budgets. This Plan will therefore provide direction for future works at Holroyd Sports Ground.

## Developer contributions

Council currently enters into planning agreements, or levies contributions or works in kind from developers towards the cost of upgrading facilities, including open space, to meet the needs of new development.

## Fees and charges

Council's charges for hiring sportsgrounds and other uses of Council assets are set out in the annual Pricing Policy, Fees and Charges.

## Partnerships

There is an opportunity to develop further partnerships with user groups, residents, local community groups and interested people in relation to improvements and ongoing management, such as through a Rivercare program and by sponsorship from local businesses.

### 5.3.3 Grants

Commonwealth and State government grants are available to assist with capital works and improvement project costs at Holroyd Sports Ground. Council considers submitting applications for grants as funding opportunities from various agencies arise.

## 5.4 Reporting

Council will report on the progress of implementing this Plan of Management in the following ways:

- ☐ within Council's Integrated Planning and Reporting framework.
- ☐ including achieved and proposed actions in its quarterly and annual reports.
- ☐ Income and expenditure listed in annual financial audit.
- ☐ when preparing capital works and maintenance budgets.
- ☐ providing information flyers and newsletters to adjoining residents and other stakeholders.



## 5.5 Review of this Plan of Management

Review of this Plan of Management will be undertaken in line with the establishment of facilities, taking into account community expectations and the strategic planning objectives of Cumberland Council.

In accordance with the Local Government Act, updates to the Plan of Management will include consultation with the community, with their comments incorporated into the review process.

The Action Plan tables should be reviewed and revised within the framework of Council's budget, Capital Works Program, annual report, changing priorities, and availability of funding.

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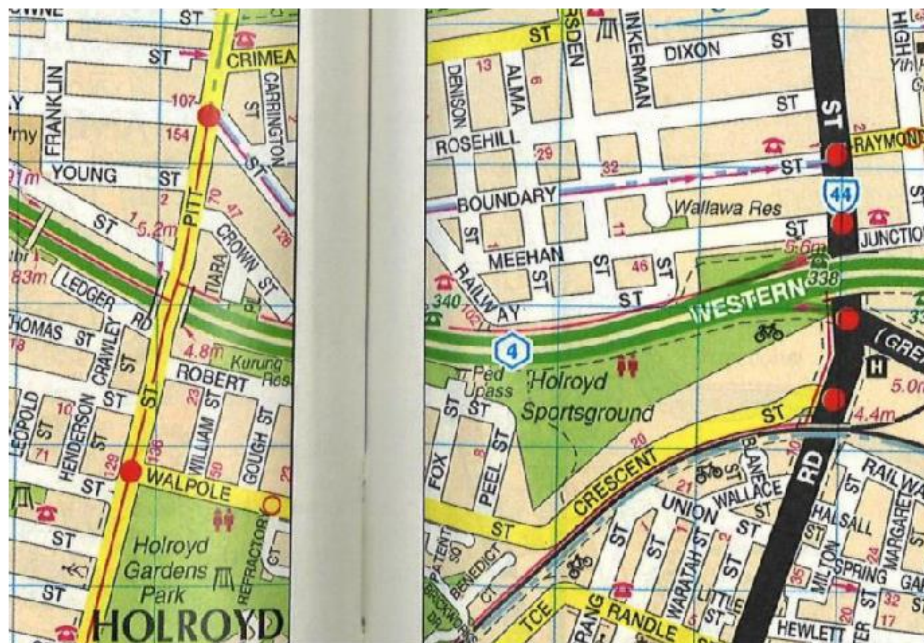
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# A HISTORY OF HOLROYD SPORTS GROUND



## Holroyd Sports Ground

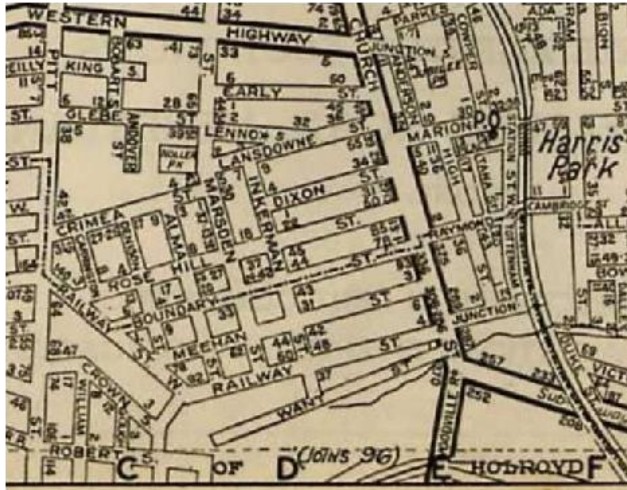
Peel St, Holroyd



Source: Gregory's Street Directory, 73<sup>rd</sup> Edition, 2009, Maps 307-308

The Holroyd Sports Ground at Peel St, Holroyd was a Holroyd Council Centenary project which opened in 1972. Initially called the Holroyd Athletic Field it covers more than five hectares and was situated on reclaimed land on the north side of A'Becketts Creek, near Crescent and Robert Streets in what was then Granville but has since become the suburb of Holroyd. Railway St originally bordered the northern edge of the Sports Ground and Want St (see map below) formerly ran off Church St almost parallel with Railway St but no longer exists as the M4 Motorway now cuts through this land.

*A Becketts Creek area showing Want St on the north side of the Creek, running off Church and Inkerman Streets near Railway St where the M4 Motorway and Holroyd Sports Ground are now located:*



*Source: Premier Street Directory, n.d. (circa 1930s), Map 95*

The Holroyd Sports Ground's major users are the Holroyd Little Athletics Club which was formed in late 1971 and the Merrylands Rugby Union Club but it is also used by other sporting groups and local schools for their annual sports carnivals and weekly sports programmes. Its facilities include lighting for night games and training, a spectator grandstand, change rooms and public toilets.

The Sports Ground was created from several parcels of land that were resumed for Open Space and a County road under the auspices of the Cumberland County Planning Scheme. These included two lots in Gough St and three lots in Robert St plus Lot H of R.J. Want's Estate.



Source: *Wants Estate, 1909; State Library of NSW Subdivision Maps, Reel 107, Map23*

The land was transferred to Holroyd Council under Deed of Trust by the Cumberland County Council (via the State Planning Authority of NSW) in 1964 after four years of correspondence on the subject. The area was generally referred to as the A'Becketts Creek Reserve from then until the Holroyd Sports Ground was developed on the site. This took several years to achieve due to a combination of budget constraints, complex title searches and a land swap with AGL, the need for preliminary drainage works and re-orienting of the Creek as well as the polluted state of the land when Council inherited it. (HCC Business Papers, 22 December 1970, Town Clerk's Report, p3 (p1893))

A'Becketts Creek was tidal and flowed into Duck Ck, Duck River and then on to the Parramatta River. The land where the Sports Ground was developed was subject to flooding and siltation problems in the existing storm water channels. The Metropolitan Water, Sewerage and Drainage Board (now Sydney Water) had planned new drainage works for the creek which it was forced to delay due to competing demands for new water and sewerage connections as Sydney rapidly expanded during the Post-war years. By 1968 Holroyd Council was calling on the Water Board to prioritise its works at A'Becketts Creek (and also Finlaysons Creek, South Wentworthville). The Water Board relocated and straightened the Creek bed so that it now runs along the southern edge of the Sports Ground and as the final stage several years later installed enormous box culverts at Pitt St, in 1977, to help mitigate local flooding. (The Broadcaster, 22/11/1977, p1).

This section of A'Becketts Creek had a long history as an unofficial dumping ground for heavy waste including car bodies and kitchen items. Newspaper articles dating back to the 1930s and 1940s indicate that it was a serious problem with correspondence between the Metropolitan Water Sewerage & Drainage Board and both Granville and Holroyd Councils to clean up the rubbish, as much of it was being washed downstream into the Granville Stormwater Channel. Illegal dumping was still occurring as late as 1963.

Holroyd Council was also using A'Becketts Creek for the dumping of nightsoil in the 1940s, (The Biz, 29/11/1945, p3) while in 1956 a proposal was raised for a nightsoil dump at Peel St to be discharged into the Water Board's sewer at A'Becketts Ck. (Broadcaster, 01/02/1956, p3)



From 1960 Holroyd Council began dumping fill at A'Becketts Creek in preparation for the area to be redeveloped into a sports reserve. The Council waste was sprayed and covered with soil. However, illegal dumping of unsanitary items, such as animal carcasses, continued causing odour, fly and mosquito problems for nearby residents in Railway St prompting complaints in 1963. The Council's Town Clerk stated in a newspaper article that the reclamation and redevelopment works were expected to continue until 1965 but the site's usage as a tip was expected to cease before then. (The Broadcaster, 02/07/1963, p3) A month later the Council opened another tip in Treves St for residents to use but access was on weekends only as A'Becketts Creek tip was open until midday on weekdays. (The Broadcaster, 27/08/1963, p3). By June 1965 A'Becketts Creek was still being used as a tip by Council and a new problem had emerged with scavengers continually lighting fires in the dumped rubbish to access scrap metal underneath which created constant smoky air for residents in the surrounding streets. (The Broadcaster, 01/06/1965, p6).

The same year Holroyd Council Alderman Harry Maley grew impatient with the slow progress of A'Becketts Creek Reserve's conversion into a public recreation area and called on Council to invite the Local Government Minister to inspect the site in order to stimulate some action on the project (and other reserves in the Municipality). A local rugby league team had expressed interest for two years in establishing a licensed clubhouse on the site once it was fully developed. However, this proposal did not proceed. (The Biz, 25/08/1963, p3)

The opening of the Gipps Rd tip at Greystanes in 1968 ended the A'Becketts Ck Reserve's days as a tip site and enabled the Council to move on with remediation of the site.

In 1970 the Council formed the Holroyd Sports Ground Committee which was comprised of representatives from interested sporting bodies and local residents with the aim of having a section of the park ready for use in 1971. Alderman Frank Smith served as Committee President and was instrumental in getting the project off the ground. (HCC Minutes, Mayoral Report, 08 December, 1970, p1842 (p1 of Mayoral Report) and The Broadcaster, 24 October 1972, p8)

A contractor was employed by Council to make the sports ground but by October 1971 the project had hit a snag with grass failing to grow on the new athletic oval and hockey field due to a lack of natural water. There was also an apparent ponding issue in the centre of the new field due to a minor defect in the watering system but this was quickly remedied. More seriously electricity and sewerage connections for the new amenities block were still pending and cracks and other defects had appeared in the newly constructed building. (HCC Minutes, 02 November 1971, pp1734-1735 (page 2 of Committee of the Whole)

A dispute then ensued but the issues were resolved and by February 1972 top soil was being laid on No. 2 ground. The following month Alderman Smith was calling for signage to be erected on the new toilets, a sink with drainage to be installed in the canteen and for Department of Main Roads rubble and building materials on its Railway St property abutting onto the Sports Ground be cleared. In April he asked for public lighting to be installed and in May for rubbish bins to be installed, removal of car bodies in neighbouring streets and planting of trees at the sports ground.

The Holroyd Sports Ground finally opened with a hockey match to celebrate on 9 July 1972.

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DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-177

Attachment 2  
Draft Holroyd Sports Ground  
Masterplan





## Holroyd Sports Ground - Final Masterplan

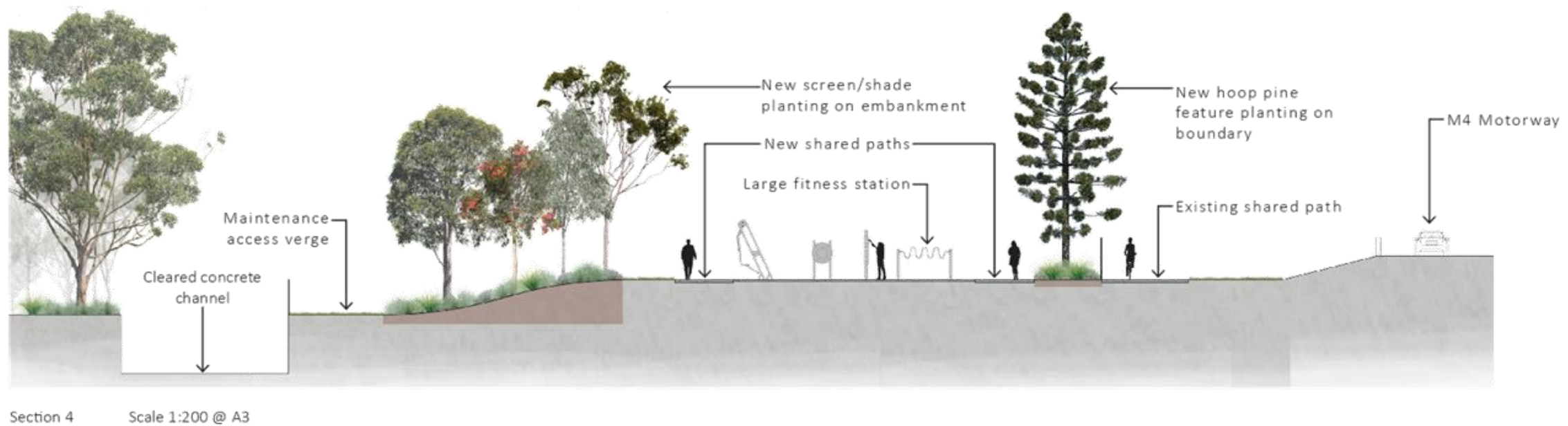
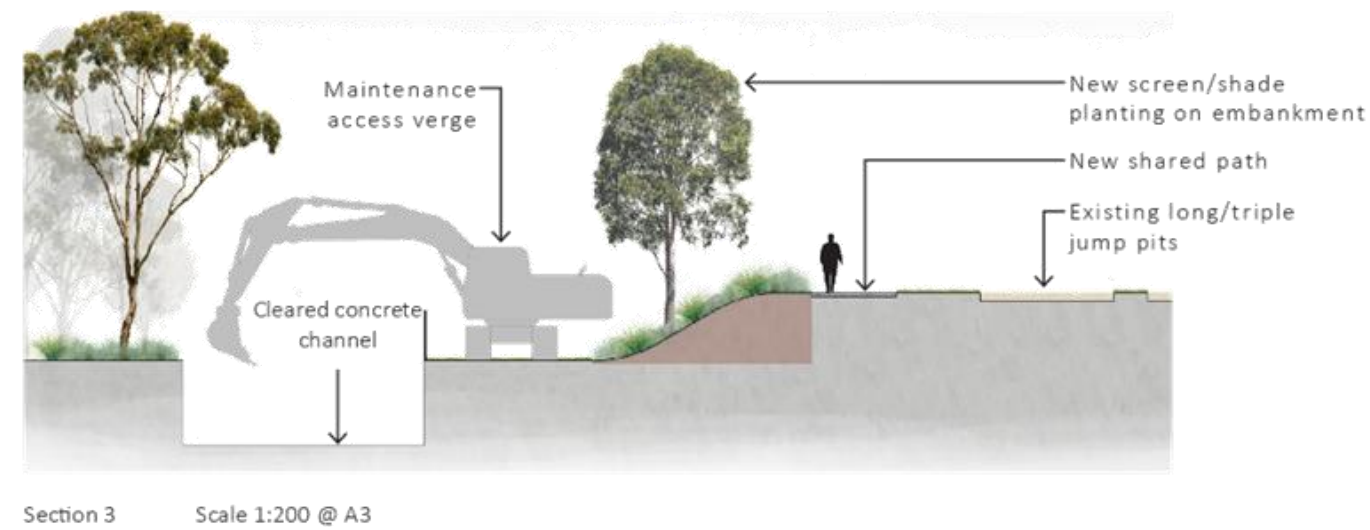
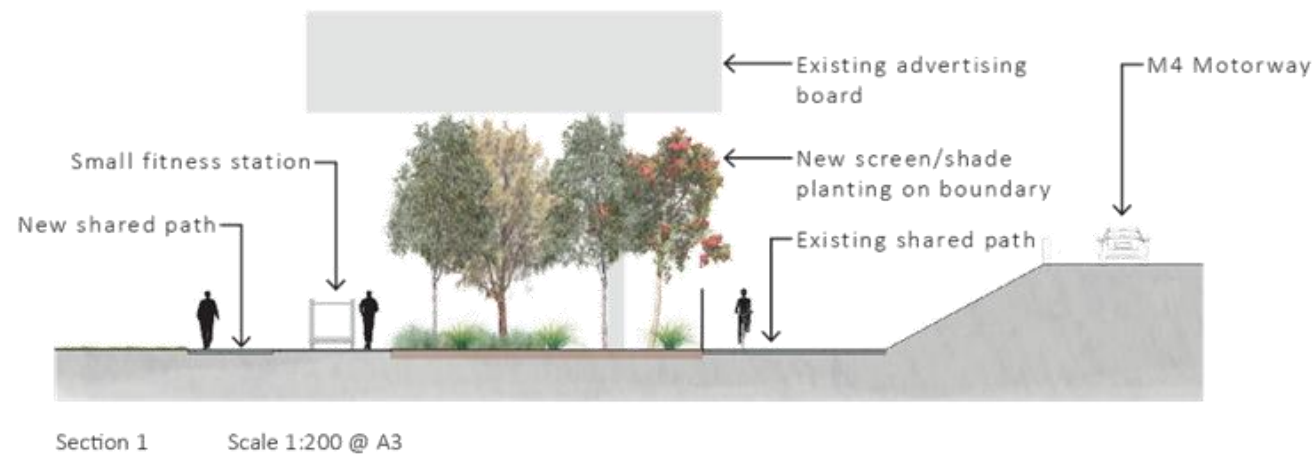
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17th of July, 2019



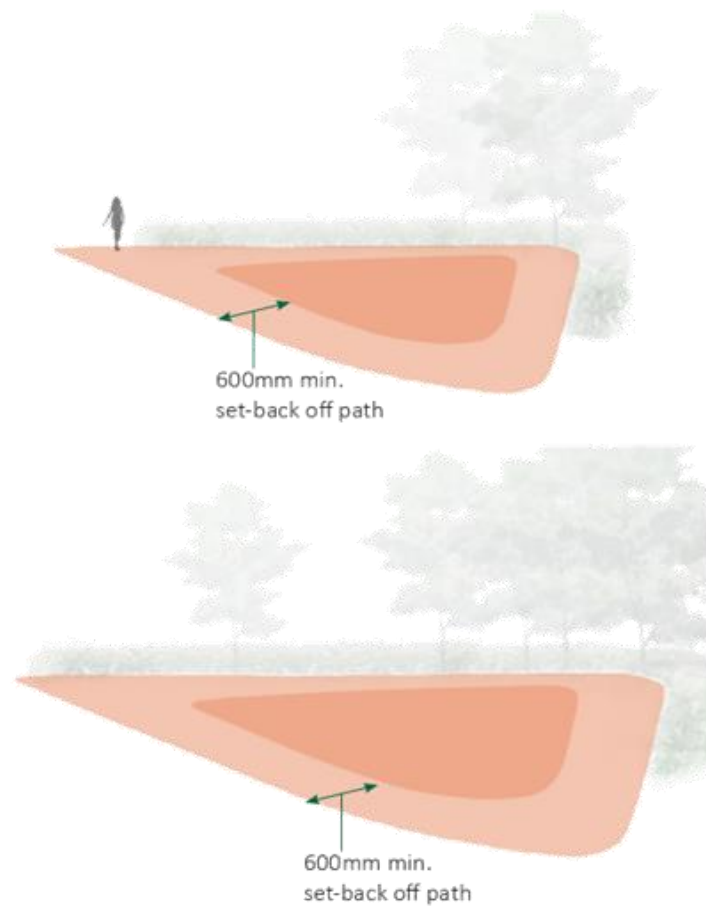








### Examples of Potential Fitness Station Sizes



#### Small Fitness Station

- 40m<sup>2</sup> approx.
- 3 fitness equipment pieces
- 1-2 benches and/or,
- drinking fountain/water bottle refill tap

#### Large Fitness Station

- 80m<sup>2</sup> approx.
- 6 fitness equipment pieces
- drinking fountain/water bottle refill tap
- adjacent seating & shade structures

### Examples of Potential Fitness Station Elements



**Back**

- trains the back, shoulder and arm muscles for improved circulation



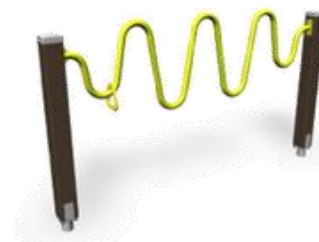
**Chest**

- trains the chest, shoulder and arm muscles



**Shoulder Wheel**

- improves shoulder mobility



**Wave Bar**

- provides exercise for the wrist, elbow and shoulder joints and develops hand-eye coordination and concentration



**Step & Calf**

- improves balance and mobility in the legs



**Step & Calf**

- improves balance and mobility in the legs



**Finger Stairs**

- improves finger dexterity, hand-eye coordination and concentration



**Bench Workout With Pedals**

- improves lower muscle strength and coordination skills



**Balance Beam**

- improves all-round balance and mobility





**Summer Layout (Track & Field)**

- ① 400m grass Running Track
- ② 110m grass Running Track
- ③ Discus
- ④ Shotput
- ⑤ Long/Triple Jump
- ⑥ Javelin
- ⑦ High Jump

Scale 1:3000 @ A3



**Winter Layout (Rugby Union)**

- ① Full size Rugby Field (110 x 70m)
- ② U8 & U9 Rugby Field (70 x 35m)
- ③ U6 & U7 Rugby Field (50 x 25m)

Scale 1:3000 @ A3





DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-177

Attachment 3

Holroyd Sports Ground Plan of  
Management Public Hearing  
Report



# PROPOSED RECATEGORISATION OF HOLROYD SPORTS GROUND PUBLIC HEARING REPORT

FINAL REPORT

17 JULY 2019



Land Categorisation Plan

Scale 1:2000 @ 1:1

CUMBERLAND COUNCIL

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# PROPOSED RECATEGORISATION OF HOLROYD SPORTS GROUND

## PUBLIC HEARING REPORT

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FINAL REPORT

17 JULY 2019

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# 1 INTRODUCTION

## 1.1 Purpose of this report

The purpose of this report is to convey to Cumberland Council the outcomes of a public hearing held on 18 June 2019 and the public exhibition of the proposed recategorisation of community land in the Draft Plan of Management for Holroyd Sports Ground (the site).

This report, as it relates to the public hearing and the proposed community land recategorisation in the Draft Holroyd Sports Ground Plan of Management (the Draft Plan of Management) prepared in April 2019, has been prepared under Section 40A of the *Local Government Act 1993* (the Act).

## 1.2 Land covered by this report

### 1.2.1 Location of Holroyd Sports Ground

This report addresses the proposed recategorisation of Holroyd Sports Ground, which is classified as community land under the *Local Government Act 1993*. The location of Holroyd Sports Ground is in Figure 1.

**Figure 1 Location of Holroyd Sports Ground**



## 1.2.2 Features of Holroyd Sports Ground

A detailed description of Holroyd Sports Ground is in the Draft Plan of Management. Key features of Holroyd Sports Ground are that it:

- ☐ incorporates sports fields used for athletics and rugby union
- ☐ is adjoined by natural and channelised sections of A'Becketts Creek
- ☐ incorporates an advertising sign on the northern boundary adjacent to the M4 Motorway.



*Sports field*



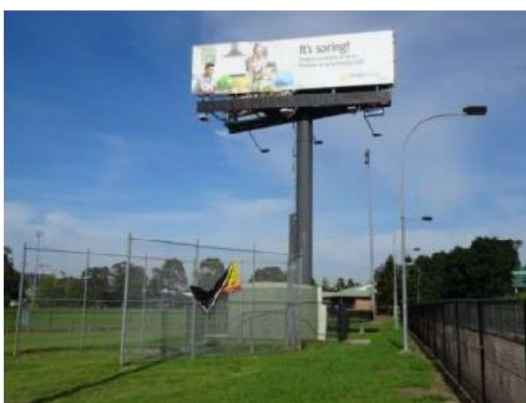
*Sports field*



*Channelised section of A'Becketts Creek*



*Natural creekline of A'Becketts Creek*



*Advertising sign*

## 1.3 Background

Holroyd Sports Ground was categorised as Sportsground in the adopted Holroyd Sports Ground Plan of Management (Manidis Roberts Consultants, 2004). However a map of the land which is categorised as Sportsground was not provided in the Plan of Management.

Cumberland Council has prepared an updated Draft Plan of Management for Holroyd Sports Ground, in which community land in Holroyd Sports Ground is proposed to be categorised or recategorised as Sportsground, Natural Area-Watercourse, and General Community Use.

Under the *Local Government Act 1993* Council must hold a public hearing, chaired by an independent facilitator, if community land is proposed to be recategorised.

If Council approves the proposed recategorisation, Holroyd Sports Ground will be managed according to the guidelines for and core objectives of the Sportsground, Natural Area-Watercourse, and General Community Use categories.

## 1.4 This report

The remainder of this report presents:

- ❑ the relevant requirements of the *Local Government Act 1993* regarding Plans of Management and categorisation/recategorisation of community land
- ❑ the outcomes of a public hearing and public exhibition of the proposed recategorisation of community land in Holroyd Sports Ground.

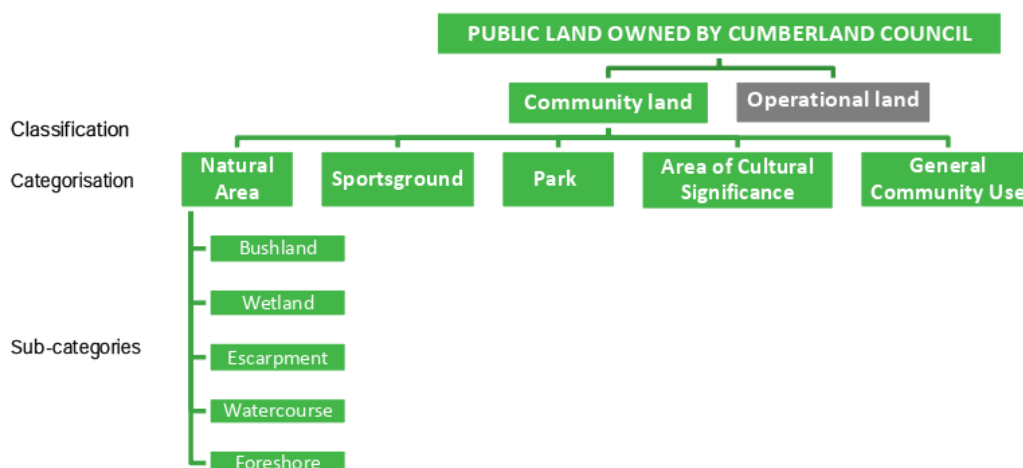


## 2 PLANNING CONTEXT

### 2.1 What is community land?

The *Local Government Act 1993* sets out a range of requirements that Cumberland Council is legally bound to adhere to, including the management of public land.

Figure 2 Community land categorisation



The Local Government Act requires that all public land owned by Council must be classified as “community” or “operational” land (Section 26).

Community land is intended to be managed for use by the community for purposes including environmental protection, recreational, cultural, social and educational activities. Community land may only be leased or licensed for up to 21 years without the Minister’s consent or up to 30 years with the Minister’s consent, it cannot be sold, and its use is restricted to the above purposes.

Conversely, operational land is land that can be used for any purposes deemed fit by Council, may be used for commercial purposes, be leased for a longer period of time, and can be sold.

### 2.2 What are the categories of community land?

The *Local Government Act 1993* requires that all land owned by the Council which is classified as community land be categorised.

Community land may be categorised as one or more of the following under Section 36(4):

- ☐ a natural area.
- ☐ a sportsground.
- ☐ a park.
- ☐ an area of cultural significance.
- ☐ general community use.



Land that is categorised as a natural area is to be further categorised as one or more of the following under Section 36(5) of the Act:

- ☐ bushland.
- ☐ wetland.
- ☐ escarpment.
- ☐ watercourse.
- ☐ foreshore.
- ☐ a category prescribed by the regulations.

## 2.3 Proposed recategorisation of Holroyd Sports Ground

Part of Holroyd Sports Ground is proposed to be recategorised from Sportsground to Natural Area – Watercourse and General Community Use as shown in Figure 3 below.

**Figure 3 Proposed recategorisation of Holroyd Sports Ground**



Cumberland Council is proposing to categorise the natural banks and the channelised section of A'Becketts Creek as Natural Area – Watercourse, because that category best fits Council's intentions for future management of the creek.

Cumberland Council is proposing to recategorise part of Holroyd Sports Ground from Sportsground to General Community Use to reflect that area of land as the location of the advertising sign.

Figure 4 Draft Landscape Masterplan for Holroyd Sports Ground



## 2.4 What are the guidelines for categorising community land?

### 2.4.1 Recommendations for categorising community land

The Department of Local Government's revised Practice Note on Public Land Management (Department of Local Government, 2000) made general recommendations on the guidelines for categorising community land. The Practice Note stated:

*"Council must have regard to the guidelines in determining a category (cl.9) but are not required to adopt any category merely because the land fits the description in the guidelines. Council should look at all the circumstances of the land in making a decision as to categorisation. For example, a piece of land may seem to satisfy the guidelines for more than one category. Council has a discretion in this case to look at the land in context, taking into account all relevant material before determining a category. It is important that Council be able to justify a decision."*

*Also, Council may have a piece of community land, parts of which may be best managed as different categories, for example a piece of land with remnant bushland in one part and children's play equipment in another. Council is able to categorise land as part 'Natural Area – Bushland' and part 'Park'. It is strongly recommended that the land in each category not overlap. Overlapping categories may cause conflict in management objectives and will create confusion in the minds of Council staff and the community."*

### 2.4.2 Guidelines and core objectives for categorising community land

Guidelines for categorising community land as a particular category are in Clauses 102 to 111 of the *Local Government (General) Regulation 2005*. The guidelines for categorisation of community land as Sportsground, Natural Area-Watercourse and General Community Use under the *Local Government (General) Regulation 2005* are set out in Table 1 below.

Each category and sub-category of community land has core objectives that apply to it under the *Local Government Act 1993*. The core objectives outline the approach to management of the land covered by the particular category. The core objectives for each category of community land are set out in Sections 36E to 36N of the Act. The core objectives for the Sportsground, Natural Area-Watercourse and General Community Use categories under the *Local Government Act 1993* are also set out below.

**Table 1 Guidelines and core objectives for categories of community land at Holroyd Sports Ground**

Category	Guidelines	Core objectives
Sportsground	If the land is used or proposed to be used primarily for active recreation involving organised sports or the playing of outdoor games.	<ul style="list-style-type: none"> <li>- encourage, promote and facilitate recreational pursuits in the community involving organised and informal sporting activities and games.</li> <li>- ensure that such activities are managed having regard to any adverse impact on nearby residences.</li> </ul>
General Community Use	Land that may be made available for use for any purpose for which community land may be used, whether by the public at large or by specific sections of the public.	<ul style="list-style-type: none"> <li>- promote, encourage and provide for the use of the land, and to provide facilities on the land, to meet the current and future needs of the local community and of the wider public in relation to: <ul style="list-style-type: none"> <li>- public recreation and the physical, cultural, social and intellectual welfare or development of individual members of the public.</li> </ul> </li> </ul>



Category	Guidelines	Core objectives
		<ul style="list-style-type: none"> <li>- purposes for which a lease, licence or other estate may be granted in respect of the land (other than the provision of public utilities and works associated with or ancillary to public utilities).</li> </ul>
Natural Area	<p>If the land, whether or not in an undisturbed state, possesses a significant geological feature, geomorphological feature, landform, representative system or other natural feature or attribute that would be sufficient to further categorise the land as bushland, wetland, escarpment, watercourse or foreshore under section 36(5) of the Act.</p>	<ul style="list-style-type: none"> <li>- conserve biodiversity and maintain ecosystem function in respect of the land, or the feature or habitat in respect of which the land is categorised as a natural area.</li> <li>- maintain the land, or that feature or habitat, in its natural state and setting.</li> <li>- provide for the restoration and regeneration of the land.</li> <li>- provide for community use of and access to the land in such a manner as will minimise and mitigate any disturbance caused by human intrusion.</li> <li>- to assist in and facilitate the implementation of any provisions restricting the use and management of the land that are set out in a recovery plan or threat abatement plan prepared under the <i>Threatened Species Conservation Act 1995</i> or the <i>Fisheries Management Act 1994</i>.</li> </ul>
Under Section 36(5) of the Act, Natural Areas are required to be further categorised as bushland, wetland, escarpment, watercourse or foreshore based on the dominant character of the natural area.		
Natural Area – Watercourse	<p>Land that is categorised as a natural area should be further categorised as watercourse if the land includes:</p> <p>(a) any stream of water, whether perennial or intermittent, flowing in a natural channel, or in a natural channel that has been artificially improved, or in an artificial channel that has changed the course of the stream of water, and any other stream of water into or from which the stream of water flows, and</p> <p>(b) associated riparian land or vegetation, including land that is protected land for the purposes of the <i>Rivers and Foreshores Improvement Act 1948</i> or State protected land identified in an order under section 7 of the <i>Native Vegetation Conservation Act 1997</i>.</p>	<ul style="list-style-type: none"> <li>- manage watercourses so as to protect the biodiversity and ecological values of the instream environment, particularly in relation to water quality and water flows</li> <li>- manage watercourses so as to protect the riparian environment, particularly in relation to riparian vegetation and habitats and bank stability</li> <li>- restore degraded watercourses</li> <li>- promote community education, and community access to and use of the watercourse, without compromising the other core objectives of the category.</li> </ul>

## 2.5 Plans of Management for community land

Cumberland Council must prepare a Plan of Management for its community land (Section 36(1)). Community land is required to be used and managed according to a Plan of Management applying to the land (Section 35).

Requirements of the Local Government Act for the contents of a Plan of Management are:

- ☐ a description of the condition of the land, and of any buildings or other improvements on the land as at the date of adoption of the Plan of Management
- ☐ a description of the use of the land and any such buildings or improvements as at the date of adoption of the Plan of Management
- ☐ categorisation of community land
- ☐ core objectives for management of the land
- ☐ the purposes for which the land, and any such buildings or improvements, will be permitted to be used
- ☐ the purposes for which any further development of the land will be permitted, whether under lease or licence or otherwise
- ☐ a description of the scale and intensity of any such permitted use or development
- ☐ authorisation of leases, licences or other estates over community land
- ☐ performance targets
- ☐ means for assessing achievement of objectives and performance targets.

## 2.6 Public hearing for recategorisation of community land

### 2.7.1 Why hold a public hearing to recategorise community land?

A public hearing is required under Section 40A of the Local Government Act if the proposed Plan of Management is either categorising (that is, the Plan of Management has not been previously been prepared and adopted by Council, or has not categorised community land), or re-categorising (changing the adopted category) the land covered by the Plan of Management.

*Note: Public hearings regarding categorisation or re-categorisation of community land are not related to reclassification. Reclassification is when community land is re-classified as operational land that can then be managed differently and has the ability to be sold by Council. Community land is protected under the Local Government Act and cannot be sold.*

### 2.7.2 Who conducts a public hearing?

An independent chairperson conducts the public hearing, and provides a report to Council with recommendations on the proposed recategorisation of Holroyd Sports Ground.

Under Section 47G of the Act, the person presiding at a public hearing must not be:

- a) A Councillor or employee of the Council holding the public hearing.
- b) A person who has been a Councillor or employee of that Council at any time during the 5 years before the date of his or her appointment.

### 2.7.3 What happens after the public hearing?

Council must make a copy of the report regarding the outcomes of the public hearing available for inspection by the public at a location within the area of Council no later than 4 days after it has received the final report from the person presiding at the public hearing. This report will be presented to Council for their information when it considers recategorising Holroyd Sports Ground, and adopting any proposed amendments to the Draft Plan of Management for Holroyd Sports Ground.



## 3 THE PUBLIC HEARING

### 3.1 Advertising and notification

#### 3.1.1 Public notice requirements for draft Plans of Management

Section 38 of the *Local Government Act 1993* states that Councils must give “public notice” of a draft Plan of Management, and the length of time that it must be on public exhibition and for submissions to be made. The public notice contents are set out in Section 705 of the Act.

The Draft Plan of Management was on public exhibition for 42 days from 16 May to 26 June 2019.

The public hearing was held on Tuesday 18 June 2019 at the Holroyd Centre in Merrylands from 6:00pm to 7:30pm.

The various ways in which Cumberland Council notified the community of the public exhibition and public hearing are outlined below. All notifications invited comments by post, email and online.

#### 3.1.2 Online notification

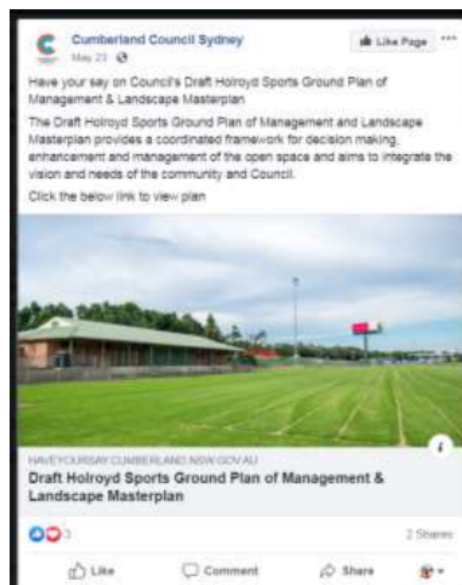
Council notified the community of the public exhibition of the Draft Plan of Management and the public hearing date on its website at <https://haveyoursay.cumberland.nsw.gov.au>.

Council's online 'Have your Say' page provided further information regarding the draft Plan of Management and public hearing, including downloadable copies of the draft plan, Council Officer contact details, and an online comments register.

#### 3.1.3 Social media

Notice of the public exhibition was posted on social media (Facebook) on 23 May 2019.

Figure 5 Facebook post about the public exhibition




### 3.1.3 Newspaper notices

The public exhibition period and public hearing notification details were advertised in Council's column in the *Auburn Review* on 11 June 2019 and in the *Parramatta Advertiser* on 12 June 2019.

Figure 6 Notification about the public hearing in the Auburn Review

8 | auburnreview Tuesday, June 11, 2019 www.localnewsplus.com.au



## Announcements

#### Public Exhibitions

##### Council's Design Excellence Panel Policy

Cumberland Council is exhibiting its Design Excellence Panel Policy for 28 days from Wednesday 22 May 2019.

Cumberland Council is committed to ensuring the highest standard of architectural and urban design is achieved for Cumberland's built environment. The Design Excellence Panel Policy has been developed to outline the principles, purpose and scope of the Design Excellence Panel.

The Design Excellence Policy may be viewed online at [cumberland.nsw.gov.au/have-your-say](http://cumberland.nsw.gov.au/have-your-say) or at the locations listed below under "Viewing the Exhibitions".

Any person who wishes to make a submission may do so in writing until 4pm on Wednesday 19 June 2019. Please quote reference "SCAP9 Cumberland Design Excellence Panel Policy" as the relevant subject on your submission.

**For More Information:** Contact Ewa Cullen, Planning

- **Berala Community Centre**  
79-104 Woodburn Road, Berala
- **Auburn Centre for Community**  
40A Macquarie Road, Auburn
- **Auburn Library**  
Civic Plaza, 1 Seven Street, Auburn
- **Granville Library**  
8 Carlton Street, Granville
- **Greystanes Library**  
732 Maryland Road, Greystanes
- **Guildford Library**  
Railway Terrace, Guildford
- **Lidcombe Library**  
Bridge Street, Lidcombe
- **Merrylands Library**  
Corner Miller and Newman Streets, Merrylands
- **Regents Park Library**  
1 Amy Street, Regents Park

#### Tender

##### Auburn Botanical Gardens Entrance Revitalisation Project

**Tender No: T2019-019**

Cumberland Council is seeking tenders from suitably qualified companies for the construction, landscaping and heritage works of the new community access entry at the Auburn Botanical Gardens at Chisholm Road, Auburn.

Tender documents can be downloaded (free of charge) from [tenders.nsw.gov.au](http://tenders.nsw.gov.au).

Responses must be submitted electronically to the same above mentioned portal. Submissions by hard copy, email and fax will not be accepted.

Tender closing date is at 2pm on 2 July 2019, late tenders will not be considered.

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Panel's Coordinator at Cumberland Council on **8757 9963**

#### Council's Draft Cumberland Biodiversity Strategy 2019

Cumberland Council is exhibiting its Draft Cumberland Biodiversity Strategy 2019 for 28 days from Wednesday 22 May 2019.

The Draft Cumberland Biodiversity Strategy 2019 outlines a strategic and coordinated approach to manage biodiversity in Cumberland. It has been developed to protect and enhance biodiversity in the Cumberland area. The Draft Strategy outlines a framework for managing biodiversity, sets out a vision and identifies objectives and actions under three Key Focus Areas:

**Key Focus Area 1:** Community Awareness and Engagement  
**Key Focus Area 2:** Habitat Connectivity and Condition  
**Key Focus Area 3:** Planning and Innovation

The framework may be viewed online at [cumberland.nsw.gov.au/have-your-say](http://cumberland.nsw.gov.au/have-your-say) or at the locations listed below under "Viewing the Exhibitions".

Any person who wishes to make a submission may do so in writing until 4pm on Wednesday 19 June 2019. Please quote reference "Cumberland Biodiversity Strategy 2019" as the relevant subject on your submission.

**For More Information:** Contact Tim Nguyen, Environmental Management Officer at Cumberland Council on **8757 9804**

#### Council's Draft Environmental Management Framework 2019

Cumberland Council is exhibiting its Draft Environmental Management Framework 2019 for 28 days from Wednesday 22 May 2019.

Council is committed to keeping our organisation and Cumberland clean, green and environmentally sustainable for our residents, businesses and the wider community.

The Draft Environmental Management Framework outlines how Council protects, enhances and improves our environment for current and future generations. The framework supports our commitment to deliver "A clean and green community".

#### Plan of Management for Holroyd Sports Ground

A draft Plan of Management incorporating a Landscape Masterplan has been prepared within the legislative requirements of the Local Government Act 1993, to guide the future management and development of the Holroyd Sports Ground.

The Public Exhibition of the draft plan will be for a 42-day period, concluding on Wednesday 26 June 2019, and the community is invited to provide comments during this period.

The draft Plan of Management for the Holroyd Sports Ground open space area can be viewed on Council's website at [haveyoursay.cumberland.nsw.gov.au](http://haveyoursay.cumberland.nsw.gov.au), or at the Cumberland Council Service Centre, 16 Memorial Avenue, Merrylands.

Submissions will be received until close of business at 4.30pm by:

- **Email:** [council@cumberland.nsw.gov.au](mailto:council@cumberland.nsw.gov.au)
- **Post:** The General Manager, Cumberland Council, PO Box 42, Merrylands NSW 2160.

The draft Plan of Management defines the future management and development priorities as prescribed by its categorisation under the Local Government Act.

A Public Hearing for these inclusive will be held between 4pm and 7.30pm on Tuesday 18 June 2019 at The Holroyd Centre, 17 Miller Street, Merrylands.

Should you have any enquiries in relation to the draft Plan of Management, please contact Council's Recreation Planner, Linda Wright on **8757 9384**.

Tenders are required to comply with the Local Government (General) Regulation 2005 and the NSW Government Code of Practice and Code of Tendering.

Requests for further clarification and enquiries in relation to the tender may be emailed to [tendering@cumberland.nsw.gov.au](mailto:tendering@cumberland.nsw.gov.au).

#### Proposed Developments

##### Childcare Centre

The exhibition period for the following application is from 11 June 2019 to 25 June 2019.

**File:** DA-152/2019

**Site:** 17 Nottingham Road, Lidcombe, Lot 2 DP 962677

**Proposed:** Demolition of existing structures and construction of a 48-place childcare facility with basement level parking to operate 7am to 4pm, Monday to Friday

**Contact:** Elma Sukuma, **8757 9570**

##### Re-notification

The exhibition period for the following application is from 11 June 2019 to 25 June 2019.

**File:** DA-290/2017/A

**Site:** 331 Bawell Street, South Granville, Luth 4041 Sec 1 DP 3121

**Proposed:** Re-notification - Section 4.56 application to modify an approved childcare facility to provide additional general purpose rooms and a rooftop outdoor play area.

**Contact:** Harley Peerman, **8757 9956**

Cumberland Council invites public comment on these Development Proposals before making a decision. Plans for the proposals may be inspected at Council's Administration Building, Merrylands Office Customer Services Counter, 16 Memorial Avenue, Merrylands and Auburn Office Customer Services Counter, 100 Macquarie Road, Auburn.

#### Have Your Say

##### Proposed Closure of a Public Road -

### 3.1.4 Notification of local residents and businesses

Council letterhead and flyer notifications for the public exhibition period and public hearing date were distributed to nearby businesses and residences within a 200 metre radius of the study area.

### 3.1.5 Notification of Holroyd Sports Ground users

Corflute signage was displayed at Holroyd Sports Ground.

### 3.1.5 Notification of stakeholders

Council emailed interested stakeholders including the Holroyd Sports Ground Local Park Committee and the Recreation and Sport Advisory Panel about the public exhibition, Have Your Say page, and the public hearing.

## 3.2 Availability of the draft Plan of Management

The draft Plan of Management for Holroyd Sports Ground showing the proposed recategorisation could be viewed online on Council's website at [haveyoursay.cumberland.nsw.gov.au](http://haveyoursay.cumberland.nsw.gov.au).

Hard copies of the draft Plan of Management were also made available at Council's Merrylands Customer Service Centre.

## 3.3 Attendance at the public hearing

As required under Section 47G of the *Local Government Act 1993*, Council appointed an independent chairperson, Sandy Hoy, Director of Parkland Planners, to chair the public hearing.

Linda Wright, Recreation Planner at Cumberland Council, attended the public hearing to represent Cumberland Council, provide information, and answer questions during the public hearing. Julie Marler from Phillips Marler attended the public hearing to answer any questions about the Landscape Masterplan.

No members of the community attended the public hearing.

## 3.4 The public hearing

The public hearing was open from 6:00pm to 7:30pm on Tuesday 18 June for questions and comments about the proposed recategorisation and the Draft Plan of Management. However no members of the community attended the public hearing.

## 3.5 Submissions

No verbal or written submissions were made at the public hearing.

The closing date for written submissions online, by mail or email on the proposed categorisation and the Draft Plan of Management was advertised as Wednesday 26 June 2019. Written submissions could be made by:

- ☐ Online: [haveyoursay.cumberland.nsw.gov.au](http://haveyoursay.cumberland.nsw.gov.au)

□ Email: [council@cumberland.nsw.gov.au](mailto:council@cumberland.nsw.gov.au)

□ Post:

The General Manager  
Cumberland Council  
PO Box 42  
Merrylands NSW 2160

Written submissions were received from:

- Holroyd Sports Ground Local Park Committee.
- One community member responding to the public exhibition of the Draft Holroyd Sports Ground Plan of Management wants pedestrian entry to Holroyd Sports Ground from the east, retention of habitat along A'Becketts Creek, planting to screen the channel walls, walking and fitness opportunities, and an enclosed area for exercising dogs separated from the active recreation area.
- One community member responding to the public exhibition of the Draft Holroyd Gardens Plan of Management, who suggested using Holroyd Sports Ground as overflow event parking for Holroyd Gardens users.

These submissions will be considered and addressed in finalising the Plan of Management and Landscape Masterplan for Holroyd Sports Ground.

No written submissions which mentioned the proposed recategorisation of community land in Holroyd Sports Ground were received.



## 4 RECOMMENDATIONS

### 4.1 Recommendations

No submissions about the proposed recategorisation of community land at Holroyd Sports Ground were made at either the public hearing or during the public exhibition of the Draft Plan of Management. As such, there is no compelling reason to change the proposed recategorisation of Holroyd Sports Ground as Sportsground, Natural Area – Watercourse, and General Community Use which was proposed in the Draft Holroyd Sports Ground Plan of Management.

My recommendations to Cumberland Council regarding the proposed recategorisation of community land in Holroyd Sports Ground are that Council:

- note that no verbal and written submissions were made by the community.
- recategorise the community land in Holroyd Sports Ground as Sportsground, Natural Area – Watercourse, and General Community Use as shown in Figure 7 of the publicly exhibited Draft Holroyd Sports Ground Plan of Management, and as shown in Figure 7 below.

**Figure 7 Categorisation of Holroyd Sports Ground**



Source: Holroyd Sports Ground Draft Plan of Management



## 4.2 Adoption of proposed categorisation

Council must agree to the proposed recategorisation of community land as set out in the Draft Holroyd Sports Ground Plan of Management before resolving to adopt the proposed amendments to the Plan of Management.

Section 114 of the *Local Government (General) Regulation 2005* states that if Council receives any submission objecting to a categorisation of land in the Plan of Management, and the Council adopts the Plan of Management without amending the categorisation that gave rise to the objection, the resolution by which Council adopts the Plan of Management must state the Council's reasons for categorising the relevant land in the manner that gave rise to the objection.

If Council intends to adopt the proposed recategorisation of Sportsground, Natural Area – Watercourse, and General Community Use as was set out in the Draft Plan of Management, it must state the reasons why it did not make changes to the categorisation in response to the objections received in its resolution to adopt the Plan of Management. However, there were no submissions which objected to the proposal to recategorise the community land in Holroyd Sports Ground as Sportsground, Natural Area – Watercourse, and General Community Use.

If Council decides to alter the proposed categorisation of community land from that in the Draft Plan of Management and that considered at the public hearing, Council must hold a further public hearing in respect of the proposed Plan of Management (Section 40A(3) of the *Local Government Act 1993*).

## 4.3 Reporting

Within four days of receiving this final report, Council is required under Section 47G(3) of the *Local Government Act 1993* to make a copy of this report available for inspection by the public at a location within the area of the Council. It is recommended that Council:

- ☐ keep a copy of the public hearing report for inspection at Council's Merrylands and Auburn Customer Service Centres and libraries.
- ☐ post an electronic copy of the public hearing report on Council's website.



**Sandy Hoy**  
Director  
Parkland Planners

17 July 2019

DOCUMENTS  
ASSOCIATED WITH  
REPORT C08/19-177

Attachment 4  
Summary of Submissions



### Summary of Submissions

Comments / Suggestions	Council response	Changes to document
<p>Submission 1:</p> <p>As presented within minutes of Holroyd Sports Ground Local Park Committee meeting:</p> <ul style="list-style-type: none"> <li>- Acknowledgement Names incorrect.</li> <li>- Committee Responsibilities not how committee views roles and responsibilities.</li> <li>- Throwing Cages and Shot Circles Very Good to Poor Condition, but not listed in actions.</li> <li>- Seasonal Sports Field Layouts not as User Groups see them.</li> </ul>	<p>Committee, Names and User Groups will be separated and fixed.</p> <p>It appears the former 355 constitution was used within the Plan of Management not the new/current one. This will be rectified.</p> <p>Wording to be rectified.</p> <p>This is a DRAFT Master Plan Feedback is welcomed up until Wednesday 26 June: <a href="https://haveyoursay.cumberland.nsw.gov.au/draft-holroyd-sports-ground-plan-ofmanagement-landscape-masterplan">https://haveyoursay.cumberland.nsw.gov.au/draft-holroyd-sports-ground-plan-ofmanagement-landscape-masterplan</a></p>	<p>Names and User Groups separated and corrected and included in Attachment 1 of this report.</p> <p>The Draft Holroyd Sports Ground Plan of Management is updated to reflect updated roles and responsibilities of the Holroyd Sports Ground Local Park Committee, per the Cumberland Council Parks and Facilities Committee Constitution, 2017 included in Attachment 1 of this report.</p> <p>Change recommended for description of Very Good to Poor Condition to remain, however, action listed to address those in Poor Condition.</p> <p>No change recommended.</p>

<ul style="list-style-type: none"> <li>- No Use by Elite Athletes observed.</li> <li>- Clubhouse Storage</li> <li>- Fitness Facilities question of additional access gates.</li> <li>- Dog Exercise concerns on sporting fields. Signs regarding no off-leash area have been removed.</li> </ul>	<p>If unauthorised use is advised, Council will monitor.</p> <p>Rugby Club has advised previously of storage concerns. All feedback is documented as part of Public Exhibition process.</p> <p>Fitness Equipment will be accessed by the pedestrian path around perimeter of the facility, no access across field will be needed. Field Fencing was updated recently with access points, if ever required.</p> <p>Signage will be replaced if required.</p>	<p>No change recommended.</p> <p>A change recommended to revise action regarding User Group Storage included in Attachment 1 of this report.</p> <p>No change recommended for this comment in Submission 1.</p> <p>A change recommended to revise action to reinstate signage if required included in Attachment 1 of this report.</p>
<p>Submission 2:</p> <p>"My family live east of Church Street &amp; access Holroyd Sportsground via the cycleway. It would be great to allow for pedestrian entry from this direction at the east side of the enclosed area. Presently one has to walk or cycle all the way over to the western end to gain entry. For people living on "the far side" Holroyd Sportsground and adjoining open space represents the closest recreation space available and this should be allowed for. Generally speaking very happy with the suggested landscaping plan especially the revegetation project along A'Becketts Creek. My only concern is that this be done in a way that allows for habitat retention through time, especially for small bird species reliant on low</p>	<p>In Figure 10: Holroyd Sports Ground Draft Landscape Masterplan, as included in the Plan of Management, opportunities for pedestrian and cycle entry points to the South West and East of Holroyd Sports Ground are recognised to increase access and linkages to pathway networks including a new internal recreational pathway along the creek line and perimeter of Holroyd Sports Ground.</p>	<p>No change recommended to this comment in Submission 2.</p>



<p>cover for protection from predators. Staged removal and revegetation from the upstream end should be employed. The vegetation in the channelised section of the canal described as "weed growth" in one section of the plan should be regarded as potential habitat for species including potentially Reed Warbler &amp; other small bird species, frogs (including the Green &amp; Golden Bell Frog) &amp; aquatic insects such as dragonflies. The plant species concerned is absorbing nutrient &amp; slowing down the flow of water, a decided advantage given the erosion that is occurring further down the creek. Screening of the channelised wall &amp; retaining wall via smart planting of short / medium / tall species based on where in the slope they occur (shorter species upslope) would also be appreciated. Passive walking recreation &amp; opportunities to improve fitness are also appreciated. While not a dog walker I do recognise that an element of the community should be considered regarding this, perhaps in an enclosed area separate from the active recreation.."</p>	<p>Additional considerations will be made in regards to 4.2.5 Environmental Impacts for action of the removal of weed species within the concrete canal in regards to potential habitat, nutrient absorption and water flow impacts.</p> <p>Consideration has been made under 4.2.4 Recreation Actions for Dog exercise including provision of dog waste bins in passive recreation areas of the open space area.</p>	<p>A change recommended to revise action to Channel Management as required included in Attachment 1 of this report.</p> <p>No change recommended to this comment in Submission 2.</p>
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Item No: C08/19-178

## **NOTICE OF MOTION - SERVICE CENTRES AT COUNCIL LIBRARIES AND COMMUNITY CENTRES**

Councillor: Kun Huang  
File Number: SC483

### **SUMMARY**

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Pursuant to Notice, Councillor Huang submitted the following Motion.

### **NOTICE OF MOTION**

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**That Council provide a report in relation to the current administrative services offered at Council's customer service centres, community centres and libraries across the Cumberland Local Government Area.**

### **RESOURCING IMPLICATIONS**

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This Notice of Motion requests information related to services operated by the Community Development and People and Performance Directorates. Council is able to provide a detailed report utilising existing staff resources on this matter.

### **GENERAL MANAGER ADVICE**

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Council currently operates:

- Two customer service centres located in Auburn and Merrylands, which provide face to face service functions for all Council services, including cashiering, general information, service requests, application enquiries, and complaints and feedback. Both locations are open Monday to Friday from 8.00am to 4.30pm. An after-hours call centre function also operates Monday to Friday from 4.30pm to 8.00am, and Saturday to Sunday 24 hours per day for all enquiries. Council's Contact Centre at Auburn also offers phone and webchat functions.
- Eight libraries, including two central libraries (Auburn and Merrylands) and six branch libraries (Granville, Greystanes, Guildford, Lidcombe, Regents Park and Wentworthville), which provide a range of administrative services and on-site customer service functions up to 7 days a week across extended opening hours. This includes general information and referral services, requests and complaints, Internet and Wi-Fi access, viewing of public exhibition documents and JP services; and
- Three staffed multi-purpose community centres (Auburn, Berala and Guildford) and an additional centre under development (Granville), which provide a range of on-site customer service functions (face to face and phone enquiries) 5 days a week, Monday to Friday during business hours. This includes general

enquiries, requests and complaints, receipt of cashless payments, hall bookings, registrations for Council programs and services, Wi-Fi access and viewing of public exhibition documents.

The report requested can detail the full suite of services available to the community at these sites, current user statistics and information related to limitations across these sites.

## **ATTACHMENTS**

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Nil

Item No: C08/19-179

## **NOTICE OF MOTION – CUMBERLAND COUNCIL MULTICULTURAL LANGUAGE SERVICES**

Councillor: Kun Huang  
File Number: SC483

### **SUMMARY**

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Pursuant to Notice, Councillor Huang submitted the following Motion.

### **NOTICE OF MOTION**

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**That Council provide a report on the feasibility and costs associated with the establishment of a Council operated call service that allows residents to dial the customer services number and select their language prior to connecting to a customer service representative.**

### **RESOURCING IMPLICATIONS**

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Council is able to produce a report on this matter within existing resourcing.

### **GENERAL MANAGER ADVICE**

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Council is able to produce a report on this matter for the 18 September 2019 Council meeting. This report will explore various options available to Council for consideration in providing a multi-lingual customer service offering.

### **ATTACHMENTS**

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Nil





Item No: C08/19-180

## **NOTICE OF MOTION - SOUTH GRANVILLE INFRASTRUCTURE WORK**

Councillor: Tom Zreika  
File Number: SC483

### **SUMMARY**

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Pursuant to Notice, Councillor Zreika submitted the following Motion.

### **NOTICE OF MOTION**

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**That in financial year 2019/20, Council:**

- 1. Endorse the construction of footpaths where no footpaths currently exist in the South Granville ward, within the boundaries of the former Woodville Ward of Parramatta City Council, and the projected budget of \$2,500,000 be included in this year's capital works program.**
- 2. Upgrade the streetscape and improve the landscape with new street furniture and paving at Dellwood Street Shops, at a projected budget of \$700,000.**
- 3. Construct new canteen and clubroom facilities at Everley Park, inclusive of a new clubroom at Everley Park North and new canteen facilities at Everley Park South at a projected budget of \$400,000.**
- 4. Renew and refurbish the cricket nets at Colquhoun Park and Guildford Park at a projected budget of \$100,000.**
- 5. Endorse the above works being funded from available funds within the Woodville ward reserve.**

### **RESOURCING IMPLICATIONS**

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These projects can be undertaken with Council's existing contract resources. The capital works budget will be amended to reflect these additional projects at the Quarter 1 Review if this Motion is successful.

### **GENERAL MANAGER ADVICE**

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These projects subject to Council approval can be incorporated into Council's current Capital Works Program. Design and scoping works can commence and be completed in the 3rd Quarter of this current financial year with construction anticipated to commence in the 4th quarter of the current financial year and carried forward into the 2020 - 2021 financial year for completion.

**ATTACHMENTS**

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Nil

Item No: C08/19-181

## **NOTICE OF MOTION - ANCHOR FEES**

Councillor: Ned Attie and Joseph Rahme  
File Number: SC483

### **SUMMARY**

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Pursuant to Notice, Councillors Attie and Rahme submitted the following Motion.

### **NOTICE OF MOTION**

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**That:**

- 1. Council investigate the costs of Anchor Fees contained within the Cumberland Council Schedule of Fees and Charges 2019/2020 as compared to other local councils that impose such fees and charges.**
- 2. Council be provided with a report into comparable costs of anchor fees with similar councils.**
- 3. A fair and equitable cost structure be developed for anchors (similar to Burwood or Canada Bay Councils) and provided to Council for comment or otherwise.**

### **RESOURCING IMPLICATIONS**

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This report can be provided with existing resources.

### **GENERAL MANAGER ADVICE**

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This report will be provided to Council for consideration in October 2019.

### **ATTACHMENTS**

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Nil