



W A V E R L E Y
C O U N C I L

COUNCIL MEETING

A meeting of WAVERLEY COUNCIL will be held by video conference at:

7.00 PM, TUESDAY 16 JUNE 2020

A handwritten signature in grey ink, appearing to read 'R. B. McLeod'.

Ross McLeod
General Manager

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Live Streaming of Meetings

This meeting is streamed live via the internet and an audio-visual recording of the meeting will be publicly available on Council's website.

By attending this meeting, you consent to your image and/or voice being live streamed and publicly available.

AGENDA

PRAYER AND ACKNOWLEDGEMENT OF INDIGENOUS HERITAGE

The General Manager will read the following Opening Prayer:

God, we pray for wisdom to govern with justice and equity. That we may see clearly and speak the truth and that we work together in harmony and mutual respect. May our actions demonstrate courage and leadership so that in all our works thy will be done. Amen.

The Mayor will read the following Acknowledgement of Indigenous Heritage:

Waverley Council respectfully acknowledges our Indigenous heritage and recognises the ongoing Aboriginal traditional custodianship of the land which forms our Local Government Area.

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At the time of issuing this agenda, this report was not available. It will be issued to Councillors under separate cover and published online prior to the meeting

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9. Questions with Notice

There are no questions with notice.

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The following matter is proposed to be dealt with in closed session and has been distributed to Councillors separately with the agenda:

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OBITUARIES
CM/3/20.06(2)



W A V E R L E Y
COUNCIL

Subject: Obituaries
Author: Ross McLeod, General Manager

The Mayor will ask Councillors for any obituaries.

Council will rise for a minute's silence for the souls of people generally who have died in our Local Government Area.

CONFIRMATION AND ADOPTION OF MINUTES CM/5.1/20.06(2)



WAVERLEY
COUNCIL

Subject: Confirmation of Minutes - Council Meeting - 2 June 2020

TRIM No: SF20/42

Author: Richard Coelho, Governance and Internal Ombudsman Officer

RECOMMENDATION:

That the minutes of the Council Meeting held on 2 June 2020 be received and noted, and that such minutes be confirmed as a true record of the proceedings of that meeting.

Introduction/Background

The minutes of the Council meeting must be submitted to Council for confirmation, in accordance with section 375 of the *Local Government Act 1993*.

Attachments

1. Council Meeting Minutes - 2 June 2020



**MINUTES OF THE WAVERLEY COUNCIL MEETING
HELD BY VIDEO CONFERENCE ON TUESDAY, 2 JUNE 2020**

Present:

Councillor Paula Masselos (Mayor) (Chair)	Lawson Ward
Councillor Elaine Keenan (Deputy Mayor)	Lawson Ward
Councillor Sally Betts	Hunter Ward
Councillor Angela Burrill	Lawson Ward
Councillor George Copeland	Waverley Ward
Councillor Leon Goltsman	Bondi Ward
Councillor Tony Kay	Waverley Ward
Councillor Will Nemesh	Hunter Ward
Councillor John Wakefield	Bondi Ward
Councillor Dominic Wy Kanak	Bondi Ward

Staff in attendance:

Ross McLeod	General Manager
John Clark	Director, Customer Service and Organisation Improvement
Peter Monks	Director, Planning, Environment and Regulatory
Emily Scott	Director, Community, Assets and Operations
Karen Mobbs	General Counsel
Darren Smith	Chief Financial Officer
Jane Worthy	Internal Ombudsman

At the commencement of proceedings at 7.05PM, those present were as listed above.

PRAYER AND ACKNOWLEDGEMENT OF INDIGENOUS HERITAGE

The General Manager read the following Opening Prayer and Acknowledgement of Indigenous Heritage:

God, we pray for wisdom to govern with justice and equity. That we may see clearly and speak the truth and that we work together in harmony and mutual respect. May our actions demonstrate courage and leadership so that in all our works thy will be done. Amen.

Waverley Council respectfully acknowledges our Indigenous heritage and recognises the ongoing Aboriginal traditional custodianship of the land which forms our Local Government Area.

1. Apologies/Leaves of Absence

Apologies were received and accepted from Crs Lewis and O'Neill.

2. Declarations of Pecuniary and Non-Pecuniary Interests

The Chair called for declarations of interest and none were received.

3. Obituaries

Barbara Fuller-Quinn
Guz Merzi

Council rose for a minute's silence for the souls of people generally who have died in our Local Government Area.

4. Addresses by Members of the Public

4.1 K Von Muenster – CM/7.4/20.06 – Dogs Off-leash in Mackenzies Bay.

ITEMS BY EXCEPTION

AT THIS STAGE IN THE PROCEEDINGS, THE FOLLOWING MOTION WAS MOVED, SECONDED AND DECLARED CARRIED UNDER PART 13 OF THE CODE OF MEETING PRACTICE:

MOTION / DECISION

Mover: Cr Masselos

Seconder: Cr Keenan

That the recommendations for the following items be adopted as recommended in the business paper:

CM/5.1/20.06	Confirmation of Minutes - Council Meeting - 19 May 2020
CM/7.1/20.06	Waverley Local Environmental Plan 2012 - Housekeeping Amendment 2018 - Adoption
CM/7.5/20.06	Nib Literary Award Sponsorship

CM/7.6/20.06 Rose Bay Secondary College - Temporary Drop Off/Pick Up Zones following Relaxation of COVID-19 Restrictions

5. Confirmation and Adoption of Minutes

CM/5.1/20.06 Confirmation of Minutes - Council Meeting - 19 May 2020 (SF20/42)

MOTION / DECISION

Mover: Cr Masselos

Seconder: Cr Keenan

That the minutes of the Council Meeting held on 19 May 2020 be received and noted, and that such minutes be confirmed as a true record of the proceedings of that meeting.

6. Mayoral Minutes

CM/6.1/20.06 Infrastructure Funding (A18/0758)

MOTION / DECISION

Mover: Cr Masselos

That Council:

1. Notes the \$277,817 granted to Waverley Council as part of the Financial Assistance Grant program, which is part of the Local Road and Community Infrastructure Program.
2. Notes that this funding is calculated in a similar way to the Roads to Recovery program and considers road length and population in determining allocations with the focus on upgrades and maintenance of local roads and community infrastructure.
3. Notes that officers are submitting to the Commonwealth Government for approval, the Old South Head Road Pedestrian Crossing project being a project that can meet project criteria, timing and cost criteria, is aligned to Council transport strategies, and is additional to works programmed in the forthcoming year.
4. Writes to the Federal Government thanking them for the funding.

CM/6.2/20.06 Signatory to Letter Supporting Asylum Seekers through COVID-19 Pandemic (A02/0436)

MOTION (WITHDRAWN)

Mover: Cr Masselos

That Council endorses the Mayor signing the letter supporting asylum seekers through the COVID-19 pandemic as tabled at the meeting.

FORESHADOWED MOTION

Mover: Cr Goltsman

That this item be deferred until further information can be provided.

A PROCEDURAL MOTION, MOVED BY CR WAKEFIELD AND SECONDED BY CR BURRILL, TO LAY THE ITEM ON THE TABLE TO ALLOW THE DRAFTING OF A NEW MOTION, WAS PUT AND DECLARED CARRIED.

A PROCEDURAL MOTION, MOVED BY CR MASSELOS AND SECONDED BY CR WAKEFIELD, TO TAKE THE ITEM FROM THE TABLE, WAS PUT AND DECLARED CARRIED.

THE MOVER OF THE MOTION THEN WITHDREW THE MOTION AND MOVED THE FOLLOWING MOTION:

MOTION

That Council:

1. Supports the principle of providing people seeking asylum with access to Medicare, income support for those out of work, and valid visas through the COVID-19 pandemic as outlined in the open letter to the Prime Minister and signed by 35 local government mayors tabled at the meeting.
2. Authorises the Mayor to be a signatory to the open letter on behalf of Council.

THE MOVER OF THE MOTION THEN ACCEPTED THE DELETION OF CLAUSE 2 AND THE ADDITION OF A NEW CLAUSE.

THE MOTION AS AMENDED WAS THEN PUT AND DECLARED CARRIED.

DECISION:

That:

1. Council supports the principle of providing people seeking asylum with access to Medicare, income support for those out of work, and valid visas through the COVID-19 pandemic as outlined in the open letter to the Prime Minister and signed by 35 local government mayors tabled at the meeting.
2. Further information comes back to Council at the next Council meeting.

7. Reports

CM/7.1/20.06 Waverley Local Environmental Plan 2012 - Housekeeping Amendment 2018 - Adoption (A18/0623)

MOTION / DECISION

Mover: Cr Masselos
Seconder: Cr Keenan

That Council:

1. Notes the matters raised in the submissions made on the *Waverley Local Environment Plan 2012* (WLEP) Housekeeping Amendment 2018 planning proposal.
2. Supports the planning proposal to amend the WLEP in respect of the items raised in the Planning Proposal.
3. Amends the WLEP 2012 in accordance with the Planning Proposal in conjunction with Parliamentary Counsel under the delegation received from the Department of Planning, Industry and Environment.

4. Notifies any affected property owners of Council's decision.

CM/7.2/20.06 Waverley Local Housing Strategy - Adoption (A19/0332)

MOTION / DECISION

Mover: Cr Wakefield
Seconder: Cr Copeland

That Council:

1. Adopts the Waverley Local Housing Strategy attached to this report.
2. Forwards the Waverley Local Housing Strategy to the Department of Planning, Industry and Environment for assurance.

Division

For the Motion: Crs Betts, Burrill, Copeland, Goltsman, Kay, Keenan, Masselos, Nemesh, and Wakefield.

Against the Motion: Cr Wy Kanak.

CM/7.3/20.06 Hugh Bamford Reserve and Williams Park Plan of Management - Adoption (A19/0099)

MOTION

Mover: Cr Wakefield
Seconder: Cr Copeland

That Council:

1. Notes the feedback received from the Public Exhibition period during February and March 2020 for the Hugh Bamford and Williams Park Plan of Management.
2. Adopts the Hugh Bamford and Williams Park Plan of Management attached to this report pursuant to section 40 of the *Local Government Act* in accordance with section 3.23(6) of the *Crown Lands Management Act*.

THE MOVER OF THE MOTION THEN ACCEPTED THE ADDITION OF A NEW CLAUSE 3.

THE MOTION AS AMENDED WAS THEN PUT AND DECLARED CARRIED UNANIMOUSLY.

UNANIMOUS DECISION:

That Council:

1. Notes the feedback received from the Public Exhibition period during February and March 2020 for the Hugh Bamford and Williams Park Plan of Management.
2. Adopts the Hugh Bamford and Williams Park Plan of Management attached to this report pursuant to section 40 of the *Local Government Act* in accordance with section 3.23(6) of the *Crown Lands Management Act*.
3. Subsequently explores collaboration methods with the La Perouse Local Aboriginal Land Council and

traditional owner stakeholders, including the possibility of a local treaty, with a report to come back to Council.

CM/7.4/20.06 Dogs Off-leash in Mackenzies Bay (A20/0275)

MOTION

Mover: Cr Copeland

Seconder: Cr Masselos

That Council:

1. Continues to prohibit dogs at Mackenzies Bay.
2. Installs fencing around planted and remnant vegetation near the pedestrian pathway.
3. Replaces the entrance sign and relocates it to the top of the Mackenzies Bay stairs.
4. Continues assessing the suitability of other potential off-leash dog areas.
5. Undertakes an education campaign to inform the community on why dogs are prohibited at Mackenzies Bay

THE MOVER OF THE MOTION THEN ACCEPTED AN AMENDMENT TO CLAUSE 2 SUCH THAT THE CLAUSE NOW READS AS FOLLOWS:

‘Installs low fencing or loop barriers around planted and remnant vegetation areas near the pedestrian pathway’.

AMENDMENT 1

Mover: Cr Kay

Seconder: Cr Betts

That clause 5 be amended to read as follows:

‘Undertakes community consultation for a trial of a timed off-leash dog beach at Mackenzies Bay, with a further report to come back to Council following the consultation.’

THE AMENDMENT WAS PUT AND DECLARED CARRIED.

AMENDMENT 2

Mover: Cr Keenan

Seconder: Cr Wy Kanak

That clause 2 be deleted.

THE AMENDMENT WAS PUT AND DECLARED CARRIED.

THE MOTION AS AMENDED WAS THEN PUT AND DECLARED CARRIED.

DECISION:

That Council:

1. Continues to prohibit dogs at Mackenzies Bay.

2. Replaces the entrance sign and relocates it to the top of the Mackenzies Bay stairs.
3. Continues assessing the suitability of other potential off-leash dog areas.
4. Undertakes community consultation for a trial of a timed off-leash dog beach at Mackenzies Bay, with a further report to come back to Council following the consultation.

K Von Muenster addressed the meeting.

CM/7.5/20.06 Nib Literary Award Sponsorship (A20/0129)

MOTION / DECISION

Mover: Cr Masselos

Seconder: Cr Keenan

1. Treats the attachment to this report as confidential in accordance with section 11(3) of the Local Government Act 1993, as it relates to a matter specified in section 10A(2)(d)(i) of the Local Government Act 1993. The attachment contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.
2. Approves the sponsorship proposal as outlined in this report.
3. Authorises Council officers to enter into an agreement with the party that submitted the proposal to be the Principal Sponsor of The Nib Literary Award for the years 2020 – 2022.

CM/7.6/20.06 Rose Bay Secondary College - Temporary Drop Off/Pick Up Zones following Relaxation of COVID-19 Restrictions (A14/0145)

MOTION / DECISION

Mover: Cr Masselos

Seconder: Cr Keenan

That Council:

1. Installs a 20 metre 'No Parking, 8 AM–9 AM, 2:30 PM–4:00 PM, School Days Only' on the eastern side of Hardy Street zone north of the No Stopping Zone on the approach to the marked pedestrian crossing as shown in Figure 4.
2. Extends the existing 14.5 metres of 'No Parking, 8 AM–9 AM, 2:30 PM–4:00 PM, School Days Only' on the western side of Hardy Street by an additional 25 metres to the south as shown in Figure 4.
3. Converts 21 metres of the 94 metre 'Bus zone, 8 AM–9 AM, 2:30 PM–4:00 PM, School Days Only' bus zone to 'No Parking, 8 AM–9 AM, 2:30 PM–4:00 PM, School Days Only'.
4. Notifies the immediately affected residents and the school of the temporary changes.
5. Delegates authority to the Executive Manager, Infrastructure Services, to adjust the length and duration of, or remove the additional No Parking restrictions, and reinstate current restrictions, as necessary.
6. Requires Council Officers to complete a review of the operation of the parking 3 months after implementation and prepare a report for the traffic committee reviewing the status of the parking demand at that time and advise whether some or all of the additional 'No Parking' should be

removed, and current restrictions reinstated.

8. Notices of Motions

CM/8.1/20.06 Animal Registration Fees (A06/0149)

MOTION / DECISION

Mover: Cr Nemes
Seconder: Cr Goltsman

That Council:

1. Notes the surge in animal adoptions during the coronavirus period.
2. Notes that animal registrations are statutory fees and charges and are set by NSW State Government.
3. Writes to the Minister for Local Government, the Hon Shelly Hancock MP, requesting the State Government review and reduce the statutory fees and charges associated with animal adoption.
4. Investigates the allocation of up to \$20,000 from the fees collected from the registration of animals within the *Companion Animals Act* to deliver obedience training of animals adopted by Waverley residents.

9. Questions with Notice

There were no questions with notice.

10. Urgent Business

There were no items of urgent business.

11. Closed Session

There were no matters dealt with in closed session.

12. Meeting Closure

THE MEETING CLOSED AT 9.30PM.

.....
SIGNED AND CONFIRMED
MAYOR
16 JUNE 2020

CONFIRMATION AND ADOPTION OF MINUTES CM/5.2/20.06(2)



Subject: Adoption of Minutes - Waverley Traffic Committee Meeting - 28 May 2020

TRIM No: SF20/45

Author: Richard Coelho, Governance and Internal Ombudsman Officer

RECOMMENDATION:

That Part 1 of the minutes of the Waverley Traffic Committee Meeting held on 28 May 2020 be received and noted, and that the recommendations contained therein be adopted, with the exception of item TC/V.06/20.05 – Rose Bay Secondary College – Temporary Drop Off/Pick Up Zones following Relaxation of COVID-19 Restrictions, which was considered at the Council Meeting on 2 June 2020.

Introduction/Background

The Waverley Traffic Committee (WTC) is not a committee of Council. The WTC operates under delegation from Transport for NSW (TfNSW), an agency of the NSW Government. It is advisory-only and has no decision-making powers.

The purpose of the WTC is to make recommendations and provide advice to Council on the technical aspects of proposals to regulate traffic on local roads in Waverley. The recommendations of the WTC must be adopted by Council before they can be implemented.

Part 1 of the minutes of WTC meetings must be submitted to Council for adoption in accordance with clause 18 of the Waverley Traffic Committee Charter.

Council has the opportunity to 'save and except' any of the recommendations listed in Part 1 of the minutes for further consideration in accordance with clause 18.1 of the Charter.

Attachments

1. Waverley Traffic Committee Minutes - 28 May 2020

**MINUTES OF THE WAVERLEY TRAFFIC
COMMITTEE MEETING HELD BY EMAIL ON
THURSDAY, 28 MAY 2020**



Voting Members Present:

Cr P Masselos	Waverley Council – Chair
Sgt L Barrett	NSW Police – Eastern Suburbs Police Area Command – Traffic Services
Mr M Carruthers	Transport for NSW – Network and Safety Officer
Mr P Pearce	Representing Marjorie O’Neill, MP, Member for Coogee
Ms J Zin	Representing Gabrielle Upton, MP, Member for Vaucluse

Also Present:

Cr T Kay	Waverley Council – Alternate Chair
Mr B Gidies	State Transit – Traffic and Services Manager (Eastern Region)
Mr N Zervos	Waverley Council – Acting Executive Manager, Infrastructure Services

This meeting was held by email between 28 May 2020 and 1 June 2020, in accordance with clause 5.4 of the Waverley Traffic Committee Charter.

Apologies

There were no apologies.

Declarations of Pecuniary and Non-Pecuniary Interests

The Chair called for declarations of interest and none were received.

Adoption of Previous Minutes by Council - 23 April 2020

The recommendations contained in Part 1 – Matters Proposing that Council Exercise its Delegated Functions – of the minutes of the Waverley Traffic Committee meeting held on 23 April 2020 were adopted by Council at its meeting on 5 May 2020.

PART 1 – MATTERS PROPOSING THAT COUNCIL EXERCISE ITS DELEGATED FUNCTIONS

NOTE: The matters listed under this part of the agenda propose that Council either does or does not exercise the traffic related functions delegated to it by TfNSW. The recommendations made by the Committee under this part of the agenda will be submitted to Council for adoption.

TC/C STATE ELECTORATE OF COOGEE**TC/C.01/20.05 40 km/hr Speed Limit Changes - Traffic Control Devices (A18/0579)****COUNCIL OFFICER'S PROPOSAL:**

That Council:

1. Approves the attached designs of six speed humps for construction at:
 - (a) 13 Bourke Street, Bondi Junction.
 - (b) 14 Botany Street, Bondi Junction.
 - (c) 19 Park Parade, Bondi.
 - (d) 27 Bennett Street, Bondi Junction.
 - (e) 91 Ruthven Street, Bondi Junction.
 - (f) Botany Street at Allens Parade, Bondi Junction
2. Delegates authority to the Executive Manager, Infrastructure Services, to modify the designs should on-site circumstances warrant changes.

WTC RECOMMENDATION (UNANIMOUS SUPPORT):

That the Council Officer's Proposal be adopted.

Voting members present for this item: Representative of the Member for Coogee, NSW Police representative, TfNSW representative and Waverley Council representative (Chair).

The Committee noted the following typographical error in the officer's report:

Text in Executive summary (page 12) has a typographical error. The height of the speed hump in Bennett Street should be 75 mm and not 100 mm.

TC/C.02/20.05 Ocean Street (South)/Birrell Street, Bondi - Kerb Buildout (A20/0069)**COUNCIL OFFICER'S PROPOSAL:**

That Council approves the installation of a kerb buildout on both sides of Ocean Street, planting within the buildout, and kerb ramps aligned for direct access across Ocean Street at the intersection with Birrell Street, as per Drawing 9004 Issue A attached to this report.

WTC RECOMMENDATION (UNANIMOUS SUPPORT):

That the Council Officer's Proposal be adopted subject to the addition of new clause and amendments to the original clause such that recommendation now reads as follows:

That Council approves the installation of a kerb buildout on both sides of Ocean Street, planting within the buildout, and kerb ramps aligned for direct access across Ocean Street at the intersection with Birrell Street, as per Drawing 9004 Issue A attached to this report, with the No Stopping sign on Birrell Street to the east of Ocean Street to be located 10 ms from the new kerb build out, and subject to outcomes of the following further investigation:

1. That Council officers investigate aligning the proposed kerb buildout and ramps on both sides of Ocean Street closer to the swept paths shown on page 56 of the WTC agenda to provide enhanced pedestrian safety when crossing Ocean Street, and that the Executive Manager Infrastructure Services be granted delegation to amend the drawings, as appropriate.

Voting members present for this item: Representative of the Member for Coogee, NSW Police representative, TfNSW representative and Waverley Council representative (Chair).

TC/C.03/20.05 York Road improvements - Moriah College (A20/0069)**COUNCIL OFFICER'S PROPOSAL:**

That Council:

1. Provides in-principle support to the following upgrade options as part of the proposed development of Moriah College (subject to detailed design):
 - (a) Seagull intersection treatment at York Road-and Queens Park Road.
 - (b) Introduction of a left-turn slip lane on York Road (west) at York Road-and Baronga Avenue.
 - (c) Upgrade of the existing pedestrian refuge on York Road just south of Queens Park Road to a formal pedestrian crossing.
2. Detailed designs being submitted to Council's Traffic Committee.
3. Advise that all costs associated with the design and construction of the road upgrades are to be borne by the applicant.

WTC RECOMMENDATION (UNANIMOUS SUPPORT):

That the Council Officer's Proposal be adopted subject to the addition of a new clause after clause 1 and an amendment to clause 1(c), such that the recommendation now reads as follows:

That Council:

1. Provides in-principle support to the following upgrade options as part of the proposed development of Moriah College (subject to detailed design):
 - (a) Seagull intersection treatment at York Road-and Queens Park Road.
 - (b) Introduction of a left-turn slip lane on York Road (west) at York Road-and Baronga Avenue.
 - (c) Upgrade of the existing pedestrian refuge on York Road just south of Queens Park Road to a formal raised pedestrian crossing.
2. Undertakes a safety assessment of the line-marking for the left and right turns into York Road on the Queens Park Road approach to York Road.
3. Detailed designs being submitted to Council's Traffic Committee.
4. Advise that all costs associated with the design and construction of the road upgrades are to be borne by the applicant.

Voting members present for this item: Representative of the Member for Coogee, NSW Police representative, TfNSW representative and Waverley Council representative (Chair).

TC/V STATE ELECTORATE OF VAUCLUSE

TC/V.01/20.05 Murriverie Road, North Bondi - 15 Minute Parking Restrictions (A02/0637)

COUNCIL OFFICER'S PROPOSAL:

That Council installs a 5.5 metre '1/4 P 9.30 am–8 pm Mon–Fri, 8.30 am–12.30 pm Sat' zone from the No Stopping sign on Murriverie Road at Mitchell Street to the west as shown in Figure 3 in this report.

WTC RECOMMENDATION (UNANIMOUS SUPPORT):

That the Council Officer's Proposal be adopted.

Voting members present for this item: Representative of the Member for Vauclose, NSW Police representative, TfNSW representative and Waverley Council representative (Chair).

TC/V.02/20.05 58 Military Road, Dover Heights - Construction Zone (A03/2514-04)

COUNCIL OFFICER'S PROPOSAL:

That Council:

1. Installs a 15 metre long 'No Parking 7 am–5 pm Mon–Fri, 8 am–3 pm Saturday Council Authorised Vehicles Excepted' zone in front of 58 Military Road, Dover Heights.
2. Delegates authority to the Executive Manager, Infrastructure Services, to adjust the length and

duration of, or remove, the construction zone, as necessary.

WTC RECOMMENDATION (UNANIMOUS SUPPORT):

That the Council Officer's Proposal be adopted.

Voting members present for this item: Representative of the Member for Vaucluse, NSW Police representative, TfNSW representative and Waverley Council representative (Chair).

TC/V.03/20.05 80 O'Brien Street, Bondi Beach - Construction Zone (A03/2514-04)

COUNCIL OFFICER'S PROPOSAL:

That Council:

1. Installs a 12 metre long 'No Parking 7 am– 5 pm Mon–Fri, 8 am–3 pm Saturday Council Authorised Vehicles' zone in front of 80 and 82 O'Brien Street, Bondi Beach fronting both properties.
2. Delegates authority to the Executive Manager, Infrastructure Services, to adjust the length and duration of, or remove, the construction zone, as necessary.

WTC RECOMMENDATION (UNANIMOUS SUPPORT):

That the Council Officer's Proposal be adopted.

Voting members present for this item: Representative of the Member for Vaucluse, NSW Police representative, TfNSW representative and Waverley Council representative (Chair).

TC/V.04/20.05 Barracluff Avenue, Bondi Beach - Traffic Assessment (A03/0042-04)

COUNCIL OFFICER'S PROPOSAL:

That Council prepares a preferred option and alternatives for community consultation that include:

1. Preferred option:
 - (a) Construction of pedestrian/traffic islands with associated line marking and signage at the intersections of Barracluff Avenue and Francis Street, and Barracluff Avenue and Lamrock Avenue, Bondi Beach, as shown in Drawing 9005 Issue A attached to this report.
 - (b) Kerb extensions in Barracluff Avenue on both sides of the road opposite:
 - (i) 23 Barracluff Avenue and 25 Barracluff Avenue.
 - (ii) 5 Barracluff Avenue and 7 Barracluff Avenue.
2. Alternative option: closure of Barracluff Avenue in the vicinity of 21 Barracluff Avenue.

WTC RECOMMENDATION (MAJORITY SUPPORT):

That the Council Officer's Proposal be adopted subject to being amended to read as follows:

That Council:

1. For the purpose of community consultation, prepares designs for construction of pedestrian/traffic islands with associated line marking and signage at the intersections of Barracluff Avenue and Francis Street, and Barracluff Avenue and Lamrock Avenue, Bondi Beach, as shown in Drawing 9005 Issue A attached to this report.
2. Notes that the design includes kerb extensions in Barracluff Avenue on both sides of the road opposite:
 - (a) 23 Barracluff Avenue and 25 Barracluff Avenue.
 - (b) 5 Barracluff Avenue and 7 Barracluff Avenue.

The Waverley Council representative (Chair) voted against the recommendation.

Voting members present for this item: Representative of the Member for Vaucluse, NSW Police representative, TfNSW representative and Waverley Council representative (Chair).

TC/V.05/20.05 Rickard Avenue, Bondi Beach - Closure at Lamrock Avenue (A20/0069)

COUNCIL OFFICER'S PROPOSAL:

That Council makes the temporary closure of Rickard Avenue permanent given that it has no adverse traffic related impact on surrounding streets.

WTC RECOMMENDATION (UNANIMOUS SUPPORT):

That the Council Officer's Proposal be adopted.

Voting members present for this item: Representative of the Member for Vaucluse, NSW Police representative, TfNSW representative and Waverley Council representative (Chair).

TC/V.06/20.05 Rose Bay Secondary College - Temporary Drop Off/Pick Up Zones following Relaxation of COVID-19 Restrictions (A14/0145)

COUNCIL OFFICER'S PROPOSAL:

That Council:

1. Installs a 20 metre 'No Parking, 8 AM–9 AM, 2:30 PM–4:00 PM, School Days Only' on the eastern side of Hardy Street zone north of the No Stopping Zone on the approach to the marked pedestrian crossing as shown in Figure 4.
2. Extends the existing 14.5 metres of 'No Parking, 8 AM–9 AM, 2:30 PM–4:00 PM, School Days Only' on the western side of Hardy Street by an additional 25 metres to the south as shown in Figure 4.
3. Converts 21 metres of the 94 metre 'Bus zone, 8 AM– 9 AM, 2:30 PM–4:00 PM, School Days Only'

bus zone to no parking.

4. Notifies the immediately affected residents and the school of the changes.
5. Delegates authority to the Executive Manager, Creating Waverley, to adjust the length and duration of, or remove the No Parking restrictions, as necessary.
6. Requires Council officers to complete a review of the operation of the parking 3 months after implementation and prepare a report for the traffic committee reviewing the status of the parking demand at that time and advise whether some or all of the addition 'No Parking' should be removed.

WTC RECOMMENDATION (UNANIMOUS SUPPORT):

That the Council Officer's Proposal be adopted subject to clauses 3, 4, 5 and 6 being amended such that the recommendation now reads as follows:

That Council:

1. Installs a 20 metre 'No Parking, 8 AM–9 AM, 2:30 PM–4:00 PM, School Days Only' on the eastern side of Hardy Street zone north of the No Stopping Zone on the approach to the marked pedestrian crossing as shown in Figure 4.
2. Extends the existing 14.5 metres of 'No Parking, 8 AM–9 AM, 2:30 PM–4:00PM, School Days Only' on the western side of Hardy Street by an additional 25 metres to the south as shown in Figure 4.
3. Converts 21 metres of the 94 metre 'Bus zone, 8 AM–9 AM, 2:30 PM–4:00 PM, School Days Only' bus zone to 'No Parking, 8 AM–9 AM, 2:30 PM–4:00 PM, School Days Only'.
4. Notifies the immediately affected residents and the school of the temporary changes.
5. Delegates authority to the Executive Manager, Infrastructure Services, to adjust the length and duration of, or remove the additional No Parking restrictions, and reinstate current restrictions, as necessary.
6. Requires Council Officers to complete a review of the operation of the parking 3 months after implementation and prepare a report for the traffic committee reviewing the status of the parking demand at that time and advise whether some or all of the additional 'No Parking' should be removed, and current restrictions reinstated.

Voting members present for this item: Representative of the Member for Vacluse, NSW Police representative, TfNSW representative and Waverley Council representative (Chair).

TC/V.07/20.05 Curlewis Street Popup Cycleway Concept (SF20/3091)

COUNCIL OFFICER'S PROPOSAL:

That Council:

1. Approves in-principle the concept design for a fully separated popup cycleway along Curlewis Street between Campbell Parade and Old South Head Road as documented in Attachment 1 (Curlewis Street Popup Cycleway for May TC), consisting of:

- (a) A bi-directional separated popup bike lane on the southern side of Curlewis Street between Campbell Parade and Gould Street.
 - (b) A one-way pair of separated popup bike lanes on each side of Curlewis Street between Gould Street and Wellington Street.
 - (c) A painted bike crossing extension to the wombat crossing near Gould Street to connect the northern one-way bike lane in item 2 to item 1.
 - (d) A one-way separated popup bike lane on the southern side of Curlewis Street between Wellington Street and Simpson Street.
 - (e) Upgrade of existing shared path on the southern side of Curlewis Street between Wellington Street and Old South Head Road.
 - (f) A one-way separated popup bike lane on the northern side of Blair Street between Old South Head Road and Simpson Street.
 - (g) A new shared path on the northern side of Curlewis Street between Simpson Street and Wellington Street.
 - (h) Directional signage and new bike path to connect item 6 to item 7.
2. Delegates authority to the Executive Manager, Infrastructure Services, to modify the designs should on-site circumstances warrant changes.
 3. Requires detailed plans showing modifications to signs and line-markings and any changes to infrastructure to be submitted to Council's Traffic Committee for review following confirmation of funding.
 4. Requires Council Officers undertake community consultation as part of the detailed design process.

WTC RECOMMENDATION (UNANIMOUS SUPPORT):

That the Council Officer's Proposal be adopted subject to being amended to read as follows:

That Council:

1. Approves in-principle the concept design for a fully separated popup cycleway along Curlewis Street between Campbell Parade and Old South Head Road as documented in Attachment 1 (Curlewis Street Popup Cycleway), for the purpose of:
 - (a) Applying for funding.
 - (b) Undertaking site survey and commencing detail design.
2. Delegates authority to the Executive Manager, Infrastructure Services, to modify the designs should on-site circumstances warrant changes.
3. Following confirmation of funding:
 - (a) Requires detailed plans to be prepared showing modification to signs and line-markings and any changes to infrastructure to be submitted to Council's Traffic Committee for review.

- (b) Requires Council Officers undertake community consultation as part of the detailed design process.

Voting members present for this item: Representative of the Member for Vacluse, NSW Police representative, TfNSW representative and Waverley Council representative (Chair).

TC/CV ELECTORATES OF COOGEE AND VAUCLUSE

Nil.

THE MEETING ENDED ON 1 JUNE 2020.

.....
SIGNED AND CONFIRMED
MAYOR
16 JUNE 2020

:

MAYORAL MINUTES CM/6/20.06(2)



Subject: Mayoral Minutes

Author: Mayor of Waverley, Cr Paula Masselos

WAVERLEY
COUNCIL

Mayoral minutes are permissible at Waverley Council meetings under the Waverley Code of Meeting Practice. Clauses 9.7–9.11 of the Code state:

Subject to clause 9.10, if the mayor is the chair at a meeting of the council, the mayor may, by minute signed by the mayor, put to the meeting without notice any matter or topic that is within the jurisdiction of the council, or of which the council has official knowledge.

A mayoral minute, when put to a meeting, takes precedence over all business on the council's agenda for the meeting. The chair (but only if the chair is the mayor) may move the adoption of a mayoral minute without the motion being seconded.

A recommendation made in a mayoral minute put by the mayor is, so far as it is adopted by the council, a resolution of the council.

A mayoral minute must not be used to put without notice matters that are routine and not urgent, or matters for which proper notice should be given because of their complexity. For the purpose of this clause, a matter will be urgent where it requires a decision by the council before the next scheduled ordinary meeting of the council.

Where a mayoral minute makes a recommendation which, if adopted, would require the expenditure of funds on works and/or services other than those already provided for in the council's current adopted operational plan, it must identify the source of funding for the expenditure that is the subject of the recommendation. If the mayoral minute does not identify a funding source, the council must defer consideration of the matter, pending a report from the general manager on the availability of funds for implementing the recommendation if adopted.

**REPORT
CM/7.1/20.06(2)**

Subject: Schedule of Meeting Dates for Council and its Standing Committees - Amendments

TRIM No: A04/1869

Author: Jane Worthy, Internal Ombudsman

Director: John Clark, Director, Customer Service and Organisation Improvement

RECOMMENDATION:

That Council:

1. Notes the extension of the mayor's term to September 2021 due to the postponement of the local government elections.
2. Extends the current deputy mayor's term to 15 September 2020.
3. Amends its 2020 Schedule of Meeting Dates as follows:
 - (a) Schedules an additional ordinary Council meeting on Tuesday, 30 June 2020 at 7.00 pm.
 - (b) Schedules an ordinary Council meeting (including deputy mayoral election and appointment of Councillors to Committees) on Tuesday, 15 September 2020 at 7.00 pm.
 - (c) Cancels the ordinary Council meeting (including mayoral and deputy mayoral election) scheduled for Tuesday, 29 September 2020.

1. Executive Summary

This report recommends that Council amends its adopted schedule of meeting dates for 2020 to accommodate an additional ordinary Council meeting in June 2020 to deal with the annual budget, proposed rates model and fees and charges, and in response to the state government's postponement of the Council elections scheduled for September 2020.

The main purpose of the additional ordinary Council meeting proposed for Tuesday 30 June 2020 is for Council to consider the adoption of the 2020/21 Budget, rates, and Operational Plan 2020-21 before 1 July 2020. Considering this business item prior to 1 July has timing and revenue advantages for the Council.

The postponement of the Council elections for 12 months to September 2021 means Council can revert to its normal meeting schedule in September 2020. It is therefore recommended that an ordinary Council meeting, including the deputy mayoral election and appointment of Councillors to committees, be held on Tuesday 15 September 2020, and the ordinary Council meeting scheduled for 29 September 2020 to elect the mayor and deputy mayor be cancelled.

Should Council decide to hold the Council meeting on 15 September 2020, it will need to consider extending the current term of the deputy mayor by four days to 15 September 2020. This is because

Council set the current term of the deputy mayor to expire at midnight on 11 September 2020 to align with the council elections originally planned for 12 September 2020.

2. Introduction/Background

Proposal for additional ordinary Council meeting on 30 June 2020

At its meeting in June each year Council would normally consider the adoption of its draft Operational Plan including the annual budget, proposed rates model and fees and charges for the ensuing financial year. This meets the requirement of the *Local Government Act 1993* (the Act) for the plan to be adopted before 1 July each year (s405(1) of the Act).

This year, under the state government's temporary new integrated planning and reporting requirements for NSW councils, the deadline for the adoption of a new 2020-21 Operational Plan has been extended to 1 August 2020 due to the extenuating circumstances under the COVID-19 emergency. Councils can continue to operate under their adopted 2019-20 Operational Plan until 31 July 2020 (see OLG Circular 20-15 / 1 May 2020).

Council deferred consideration of the budget to allow additional time to review the financial impacts of COVID-19 and the support packages approved by Council last month, and prepare a meaningful budget. While Council could wait until the end of July to adopt the Operational Plan, budget, proposed rates model and fees and charges under the changed regulations, the new rates cannot be charged until they are adopted. It is estimated that waiting until July to adopt the Operational Plan and related matters could cost Council \$80,000 in lost revenue. The budget for 2020/2021 is already tight so the preference is to avoid this outcome.

Finance staff believe, given the timing of the exhibition period, that they can have a report prepared for Council to consider on this business item in time for a meeting on Tuesday 30 June 2020.

The General Manager is therefore recommending that a Council meeting be held on 30 June to adopt the budget, rates, and Operational Plan so the new rates can be charged from 1 July 2020. Additional items of business may also be included if necessary.

Proposal to amend the September 2020 meeting schedule

In March 2020 the NSW Government made the decision to postpone the September local government elections for 12 months in the face of the COVID-19 pandemic. The decision follows Parliament passing amendments to the *Local Government Act* to provide the Minister with the power to postpone the elections. The postponement of the election means Council can revert to holding its meeting on the third Tuesday of the month, being Tuesday 15 September 2020.

At the last mayoral election in September 2019, Council noted the term of the mayor was set by legislation (s 230 of the *Local Government Act 1993*) to end at midnight on 11 September 2020, and the term of the deputy mayor was set by Council resolution to end at midnight on 11 September 2020. This was to align the expiry of both terms of office with the holding of the council elections originally scheduled for 12 September 2020.

With the postponement of the elections the NSW Government has announced that mayors elected to office in September 2019 will continue to hold office until September 2021. However, this extension did not apply to the office of Deputy Mayor. With respect of the deputy mayoral term, should Council decide to hold the Council meeting on 15 September 2020 it will need to consider extending the current term of the deputy mayor by four days to 15 September 2020 to ensure there is no period without a Deputy Mayor.

It is recommended that Council schedules an ordinary Council meeting on Tuesday, 15 September 2020 at 7.00 pm, and at that this meeting includes the deputy mayoral election and the appointment of Councillors to committees. As a consequence to this, it is further recommended that Council cancels the ordinary Council meeting (including the mayoral and deputy mayoral election) scheduled for Tuesday, 29 September 2020. It is also recommended that Council extends the current term of the Deputy Mayor until 15 September 2020.

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Council 19 November 2019	CM/7.5/19.11	That Council adopts the 2020 Schedule of Meeting Dates for Council and its Standing Committees attached to this report.
Council 26 September 2019	ME/3.1/19.09	That Council: <ol style="list-style-type: none"> 1. Notes the term of office of the Mayor elected at this meeting is 12 months to midnight on 11 September 2020. 2. Agrees to elect a Deputy Mayor for a 12-month term to midnight on 11 September 2020. 3. Notes the procedure for the election of Mayor and Deputy Mayor by Councillors outlined in this report. 4. Determines the method of voting for the election of Mayor and Deputy Mayor to be the Open voting method.

4. Discussion

There are no legislative restrictions on Council changing its adopted meeting schedule, providing it still holds the required 10 Council meetings in a year.

There are currently no Standing Committee meetings scheduled for Tuesday, 6 October 2020 as Monday, 5 October is a public holiday in NSW (Labour Day). Meetings are not normally scheduled to be held on the day following a public holiday as it gives councillors one less day to prepare for the meeting.

5. Financial impact statement/Time frame/Consultation

It is estimated that waiting until 31 July 2020 to adopt the Operational Plan, budget, proposed rates model and fees and charges would cost Council \$80,000 in lost revenue.

There are no unbudgeted costs to Council in holding an additional ordinary Council meeting on 30 June 2020 by video conference.

There are no unbudgeted costs to Council in holding an ordinary Council meeting on 15 September 2020 as this is not an additional meeting but replaces the meeting originally scheduled for 29 September 2020.

Should Council adopt the changes to the meeting schedule, staff will notify the changes to the public via Council's website.

6. Conclusion

In light of both the potential loss of significant revenue caused by delaying the adoption of the Operational Plan, budget, proposed rates model and fees and charges, and the postponement of the council election to September 2021, this report recommends that Council takes the following action:

- Extends the current deputy mayor's term to 15 September 2020;
- Amends its 2020 schedule of meeting dates as follows:
 - Holds an additional ordinary Council meeting on Tuesday 30 June 2020 at 7.00 pm.
 - Holds an ordinary Council meeting on Tuesday 15 September 2020 at 7.00 pm to include the deputy mayoral election and appointment of Councillors to committees.
 - Cancels the ordinary Council meeting (including mayoral and deputy mayoral election) scheduled for Tuesday 29 September 2020.

7. Attachments

Nil.

REPORT
CM/7.2/20.06(2)

Subject: General Manager's Delegations

TRIM No: SF20/29

Author: Jane Worthy, Internal Ombudsman

Director: John Clark, Director, Customer Service and Organisation Improvement

RECOMMENDATION:

That Council notes this update on the implementation of the current delegations to the General Manager relating to the acceptance of tenders and the approval of purchases with fewer than the required number of quotes called for in the Purchasing Procedure up to \$250,000.

1. Executive Summary

At its meeting on 17 March 2020, Council reviewed its delegations to the General Manager following encouragement from the Local Government Minister, Shelley Hancock, for Councils to review their delegations to the General Manager so as to minimise the need for face-to-face meetings of Council, and to ensure business continuity during the COVID-19 pandemic.

As a result of the review, Council:

- Removed the financial limitation of the General Manager's delegation to accept tenders, with the restriction that this cannot be sub-delegated by the General Manager.
- Increased the General Manager's authority to approve purchases with fewer than the required number of quotes called for in the Purchasing Procedure from \$50,000 to \$250,000.

Council resolved to review the General Manager's delegation in June 2020 and December 2020. Council also requested that the General Manager report to Councillors monthly by e-mail on tenders accepted under delegation and any exemptions to the purchasing requirement approved.

This report provides an update on the implementation of the changes.

2. Introduction/Background

The General Manager's Instrument of Delegation approved at the Council meeting on 10 October 2019, allowed the General Manager to accept tenders, where the proposed contract is not for services currently being undertaken by Council staff, for contracts with a total contract value (including GST) of up to:

- \$2.5 million during the Council end of year recess (i.e. from the day following the last Council meeting of the calendar year until the first Operations and Community Services Committee meeting of the following year).
- \$500,000 for the rest of the year.

The removal of these tender limitations in March this year allows the General Manager to accept all tenders, except those affecting staff. The General Manager cannot sub-delegate this function.

In April 2019, Council resolved to limit the General Manager's authority to approve exemptions to Council's Purchasing Procedure, where the required number of quotes are not received to purchases under \$50,000. At the meeting in March this year, Council resolved to raise this to allow the General Manager to approve exemptions up to the tender threshold of \$250,000, for the duration of the pandemic.

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Council 17 March 2020	CM/10.1/20.03	<p>That:</p> <ol style="list-style-type: none"> <li data-bbox="635 622 1412 723">1. Council notes the potential impacts on business continuity for Council from the current Novel Coronavirus (COVID-19) pandemic. <li data-bbox="635 768 1412 902">2. Council resolves that it wishes to provide greater day-to-day decision-making authority to the General Manager while the pandemic affects the community and Council's operations. <li data-bbox="635 947 1412 1081">3. Council delegates/sub-delegates to the General Manager the functions in accordance with the Instrument of Delegation to the General Manager attached to this report. <li data-bbox="635 1126 1412 1294">4. Emily Scott be appointed to act as General Manager if the General Manager is sick or otherwise absent from work on leave or business, with such appointment to cease upon the return to work of the General Manager or by other resolution of the Council. <li data-bbox="635 1339 1412 1574">5. Should Emily Scott be unable or unwilling to act as General Manager at any time, Peter Monks be appointed to act as General Manager if the General Manager is sick or otherwise absent from work on leave or business, with such appointment to cease upon the return to work of the General Manager or by other resolution of the Council. <li data-bbox="635 1619 1412 1865">6. Should Emily Scott and Peter Monks be unable or unwilling to act as General Manager at any time, John Clark be appointed to act as General Manager if the General Manager is sick or otherwise absent from work on leave or business, with such appointment to cease upon the return to work of the General Manager or by other resolution of the Council. <li data-bbox="635 1910 1412 2078">7. Should Emily Scott, Peter Monks and John Clark be unable or unwilling to act as General Manager at any time, Darren Smith be appointed to act as General Manager if the General Manager is sick or otherwise absent from work on leave or business, with such appointment to

		<p>cease upon the return to work of the General Manager or by other resolution of the Council.</p> <ol style="list-style-type: none"> 8. Any person acting as General Manager pursuant to this resolution has all the functions, delegations and sub-delegations given to the General Manager by the Council. 9. Council reviews the General Manager's delegations at the June 2020 and December 2020 Council meetings. 10. Council authorises the General Manager to approve purchases with fewer than the required number of quotes called for in the Purchasing Procedure up to \$250,000, until December 2020 when a review of this will be included in the report to Council on the General Manager's delegations. 11. The General Manager reports to Councillors monthly by email on tenders accepted under delegation and any exemptions approved under clause 8 above. 12. Council authorises the Mayor and Deputy Mayor to affix the Council Seal to the Instrument of Delegation to the General Manager.
Council 10 October 2019	CM/7.11/19.10	<p>That:</p> <ol style="list-style-type: none"> 1. Council delegates/sub-delegates to the General Manager the Functions in accordance with the Instrument of Delegation to the General Manager attached to this report at Attachment 1. 2. Emily Scott be appointed to act as General Manager if the General Manager is sick or otherwise absent from work on leave or business, with such appointment to cease upon the return to work of the General Manager or by other resolution of the Council. 3. Should Emily Scott be unable or unwilling to act as General Manager at any time, Peter Monks be appointed to act as General Manager if the General Manager is sick or otherwise absent from work on leave or business, with such appointment to cease upon the return to work of the General Manager or by other resolution of the Council. 4. Should Emily Scott and Peter Monks be unable or unwilling to act as General Manager at any time, John Clark be appointed to act as General Manager if the General Manager is sick or otherwise absent from work on leave or business, with such appointment to cease upon the return to work of the General Manager or by other resolution of the Council.

		<ol style="list-style-type: none"> 5. Should Emily Scott, Peter Monks and John Clark be unable or unwilling to act as General Manager at any time, Darren Smith be appointed to act as General Manager if the General Manager is sick or otherwise absent from work on leave or business, with such appointment to cease upon the return to work of the General Manager or by other resolution of the Council. 6. Any person acting as General Manager pursuant to this resolution has all the functions, delegations and sub-delegations given to the General Manager by the Council. 7. Authorises the Mayor and Deputy Mayor to affix the Council Seal to the Instrument of Delegation to the General Manager.
Council 16 April 2019	CM/7.4/19.04	<p>That:</p> <ol style="list-style-type: none"> 1. Council delegates/sub-delegates to the General Manager the Functions in accordance with the Instrument of Delegation to the General Manager attached to this report at Attachment 1, subject to Policy Authorisation 14A Finance being limited to purchases under \$50,000. 2. Peter Monks be appointed to act as General Manager if the General Manager is sick or otherwise absent from work on leave, with such appointment to cease upon the return to work of the General Manager or by other resolution of the Council. 3. Should Peter Monks be unable or unwilling to act as General Manager at any time, Emily Scott be appointed to act as General Manager if the General Manager is sick or otherwise absent from work on leave, with such appointment to cease upon the return to work of the General Manager or by other resolution of the Council. 4. Any person acting as General Manager pursuant to this resolution has all the functions, delegations and sub-delegations given to the General Manager by the Council. 5. Authorises the Mayor and Deputy Mayor to affix the Council Seal to the Instrument of Delegation to the General Manager. 6. The delegations be reviewed in six months' time.

4. Discussion

Since Council's resolution in March, the General Manager has provided two updates by email to Councillors on the implementation of the changes: one dated 1 May 2020 and one dated 29 May 2020.

In summary, to date the General Manager has accepted the following four tenders, with a total value of \$1,136,395.90:

- Waverley Art School – Restoration services.
- 2A Edmund Street – Head design services, design and documentation.
- Rodney Reserve landslip remediation.
- Waverley Park Indoor Cricket Facility – Architectural services.

The General Manager has approved one procurement exemption in the period. This was a contract for the temporary staff amenity hire for the Bondi Pavilion Restoration and Conservation Project, which had a value of \$129,394. Less than the required three quotes were received.

Where tenders or procurement exercises result in outcomes outside of Council's Procurement Policy or requiring Council approval under law, they are being reported to Council for consideration/approval. A recent example was the recent tender relating to Bondi Pavilion construction works where a report came to Council for tenders to be rejected to enable negotiations with preferred contractors to occur. A further example was the RFQ for Footpath and Restoration Works reported in April where less than three quotes were received (even though more than three were sought) and the value of the work was greater than \$250,000.

In the context of Covid-19 impacts, the current arrangements are working well with a high degree of transparency. They are likely to become more useful as we move back to regular Council meeting cycles. On that basis, this report recommends that Council keeps in place the current General Manager delegation arrangements until the review scheduled for December.

5. Financial impact statement/Time frame/Consultation

There will be no financial impact of this decision. Councillors will continue to be made aware of tenders being accepted and exemptions being granted on a monthly basis. The Instrument of Delegation to the General Manager will be reviewed again at the December Council meeting unless circumstances require an earlier review.

No consultation is necessary.

6. Conclusion

This report recommends that Council makes no changes to the General Manager's delegations at this point.

7. Attachments

Nil.

REPORT

CM/7.3/20.06(2)



Subject: Related Party Disclosures Policy - Review

TRIM No: A17/0161

Author: Teena Su, Executive Manager, Finance

Director: Darren Smith, Chief Financial Officer

RECOMMENDATION:

That Council adopts the Related Party Disclosures Policy attached to this report in line with the requirements of Accounting Standard AASB 124.

1. Executive Summary

The Related Party Disclosures Policy has been reviewed to assist with the requirements for the Annual Financial Statements in accordance with Accounting Standard AASB 124. It proposes few administrative changes in line with the current organisation structure and the Community Strategic Plan.

2. Introduction/Background

The Related Party Disclosures Policy was last reviewed and adopted on 3 July 2018. It is important to perform periodical review to ensure it serves its intended purposes and compliance with legislation and Accounting Standards.

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Operations and Community Services Committee 3 July 2018 (reconvened 17 July 2018)	OC/5.2/18.07	That Council adopts the Related Party Disclosures Policy attached to this report in line with the requirements of Accounting Standard AASB 124.

4. Discussion

The Related Party Disclosures Policy has been reviewed to assist with the requirements for the Annual Financial Statements in accordance with Accounting Standard AASB 124.

In this review, the following administrative changes to the Policy have been proposed:

- Removed the Policy Amendment section, as this section is no longer required in the new policy template.
- Updated the director's definition on the definition section on page 10.
- Changed the responsible accounting officer to 'Chief Finance Officer' from 'Executive Manager, Finance' on page 11.
- Changed the KMPs hierarchy diagram to reflect the current structure on page 6.

- Removed the Waverley Community Strategic Plan's directions, as this section is no longer required in the new policy template.
- Changed 'Financial Waverley' to 'Finance' throughout the document.

The next review will take place in June 2022.

5. Financial impact statement/Time frame/Consultation

The review has been carried out by staff and discussed the changes with ELT.

The Policy has been reviewed in consultation with the:

- General Counsel.
- Chief Financial Officer.
- Director, Community, Assets and Operations.
- Director, Planning, Environment and Regulatory.
- Director, Customer Service & Organisation Improvement.

6. Conclusion

The review has proposed few administrative changes in line with the organisation structure and Council's Community Strategic Plan. The Policy complies with all requirements of Accounting Standard AASB 124.

7. Attachments

1. Related Party Disclosures Policy [↓](#)



WAVERLEY
COUNCIL

Related Party Disclosures Policy

Related Party Disclosures Policy

Policy owner	Executive Manager Finance
Approved by	Council
Date approved	16 June 2020
Commencement date	16 June 2020
TRIM Reference	A17/0161
Next revision date	June 2022
Relevant legislation/codes	AASB 124 – Related Party Disclosures (July 2015), Australian Accounting Standards, Local Government Act 1993, Local Government (General) Regulation 2005, Local Government State (Award) 2015, Government Information (Public Access) Act 2009, Corporations Act 2001, and Privacy and Personal Information Protection Act 1998 (PPIP Act).
Related policies/procedures/guidelines	Waverley Council Code of Conduct, Councillor Expenses and Facilities Policy, and Council's Information Guide prepared in accordance with the Government Information (Public Access) Act 2009.
Related forms	Related Party Relationships Disclosures form – D17/54224 Related Party Transactions Disclosures Form – D17/54225

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DRAFT

1. Background

From 1 July 2016, in accordance with the Accounting Standard *AASB 124*, Council is required to disclose Related Party Relationships and Transactions by identifying Key Management Personnel (KMP) and any related compensation in its Annual Financial Statements. The Standard *AASB 124* came into effect from 1 July 2016 and the responsibilities of KMP and commence from this date.

Related Party Relationships are a normal feature of commerce and business and can affect the profit or loss and financial position of an entity. *AASB 124* contains disclosure requirements to enable users of financial statements to form a view about the effects of related party relationships on an entity's financial position, income statement and cash flows.

It is important to emphasise that *AASB 124* Related Party Disclosures (*AASB 124*) is not designed to detect and report fraud.

Under *AASB 124* there are two types of related parties:

1. KMP
2. Other related parties

2. Purpose

The objective of this Policy is to ensure that Council's financial statements contain the necessary related party disclosures to ensure transparency in dealings and the effect on Council's financial reports. It explains the related party concept, and how materiality applies to related party transactions, and provides guidance on determining whether or how a related party transaction should be disclosed in Council's financial statements.

Determining the appropriate related party disclosures depends on the specific facts and circumstances, and requires professional judgement.

3. Scope

This Policy applies to all KMP's and other related parties and their related party transactions, whether those transactions are material or not.

This Policy does not replace or meet the obligation for Councillors and staff to disclose a conflict of interest under Council's Code of Conduct.

4. Policy Content

4.1 Introduction

Council is committed to responsible corporate governance, including compliance with laws and regulations governing Related Party Transactions.

KMP, all Councillors, the General Managers and Directors including Chief Financial Officer and General Counsel, are responsible for ensuring that this Policy is understood and complied with and are responsible for identifying Related Parties and notifying Council of any Related Party Transactions.

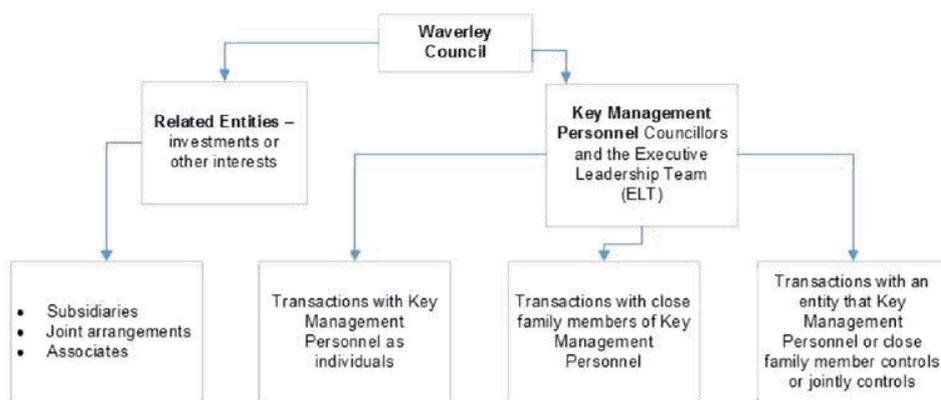
Council will prepare and report related party disclosures in accordance with *AASB 124* and *The Local Government Code of Accounting Practice and Financial Reporting* and provide a system to identify and capture all related party relationships and transactions with Related Parties of Council.

Council’s Governance group is responsible for maintaining related party information in a Register and Finance are responsible for maintaining relevant disclosures to comply with *AASB 124*, as required for financial reporting.

4.2 Related Parties of Council

Related Parties of Council include:

- Related Entities (entities related to Council),
- KMP of Council,
- Close Family Members of KMP, and
- Entities that are controlled or jointly controlled by KMP, or their close family members.



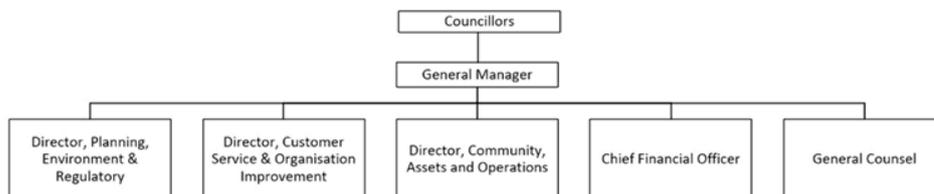
4.3 Related Entities (entities related to Council)

Entities controlled by Council, jointly controlled by Council or over which Council has significant influence are Related Parties of Council. Council will need to identify transactions with these entities and may need to make extra disclosure about them in Council’s financial statements. When assessing whether Council has control or joint control over an entity, Council must consider *AASB 10* and *AASB 11* and *AASB 128* for details about the criteria for determining whether Council has significant influence over an entity.

Council’s Contracts Register, Leases and License Register and the Schedule of Debts Written Off will be reviewed to identify Related Party Transactions/Parties. This information will be included in the Related Party Register which will include all joint arrangements and updated on a quarterly/annual basis.

4.4 Key Management Personnel

KMP are persons having the authority and responsibility for planning, directing and controlling the activities of the entity (voting powers), directly or indirectly, including any director (whether executive or otherwise) of the entity. They include:



KMP’s are responsible for identifying and disclosing any existing or potential related party transactions between Council and any of their related parties during a financial year and any changes to related party relationships.

Information provided will be reviewed in accordance with the Council’s operational requirements and held on a centralised register managed by Governance.

In order to comply with AASB 124, all KMP must complete the Related Party Relationship Disclosure Form notifying Governance of any existing or potential related party relationships between Council and any related parties of the KMP, as per:

- AASB 124 came into effect from 1 July 2016 and the responsibilities of KMP and the entity are retrospective and ongoing,
- 30 Days after a KMP commences their term of employment with Council, or not exceeding the financial year due date, and/or
- When a person is acting in a KMP position for at least one week (or five working days).

During the financial year, KMP must proactively notify Governance of any new or potential related party partnerships that they know of or any changes to previously notified relationships, by no later than 30 days after the KMP knows of the relationship or change.

KMP must also provide Governance with a Related Party Transaction Disclosure Form notifying any existing or likely related party transactions between Council and themselves, their close family members or entities controlled or jointly controlled by them or any of their close family members. This is required by July 14 for the prior financial year, or as requested.

“NIL” returns are required to be made when a KMP has no related party relationships or related party transactions to disclose.

When assessing whether a KMP or Close Family Member controls, or jointly controls an entity, Council will need to refer to *ASSB 10* and *ASSB 11*.

4.5 Council Disclosure

AASB 124 provides that Council must disclose all material and significant Related Party Transactions in its Annual Financial Statements by aggregate or general description and include the following details:

- The nature of the Related Party Relationship; and

- Relevant information about the transactions including:
 - the amount of the transaction,
 - the amount of outstanding balances, including commitments,
 - their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement,
 - details of any guarantee given or received,
 - provision for doubtful debts related to the amount of outstanding balances, and
 - the expense recognised during the period in respect of bad or doubtful debts due from related parties.

All transactions involving Related Parties will be captured and reviewed by the Executive Manager Finance to determine:

- Materiality or otherwise of such transactions,
- If the transactions are Ordinary Citizen Transactions, and
- The significance of each of the transactions.

Generally, transactions with amounts receivable from and payable to KMP or their related parties that occur within normal employee, customer or supplier relationships and at arm's length and are not material or significant.

These shall be excluded from detailed disclosures and they will be disclosed in the financial statements by general description. Disclosures that Related Party Transactions were made on terms equivalent to an arm's length transaction can only be made if such terms can be substantiated. In the event where there are contentious issues in the determination of Related Party Disclosures Council should seek advice from the External Auditor.

4.6 Materiality

AASB 124 requires management judgment in determining whether a transaction is material for disclosure in its financial statements. A transaction can be material by either size or nature. For example, a transaction at a nominal amount (such as a peppercorn lease) may be insignificant in amount, but is likely to be material by nature (non arms length transaction) and therefore requires disclosure.

Executive Manager Finance will apply AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* when assessing materiality for disclosure purposes.

Transactions that are in common with the general public in the course of delivering an entity's public service objectives and that are entered into under the same terms and conditions as a public citizen are unlikely to require disclosure. Examples include:

- Paying taxes, stamp duty, levies, fines or any other statutory charges,
- Receiving tax refunds or rebates,
- Using public services (such as public swimming pools, schools, hospitals, transport etc),
- Payments for electricity, water and other utility services, and
- Renewing licences and registrations.

Further, AASB 124 paragraph 27 provides a list of factors that may also assist an entity in determining materiality. Due to the nature of related party transactions, more weight is given to qualitative factors of the transactions such as the closeness of the related party relationship in establishing the level of significance of the transaction.

4.7 Related Party and KMP Disclosure

Related Party and KMP Disclosure and the types of disclosures required:

- Relationships between a parent entity and its subsidiaries, irrespective of whether there have been transactions between them,
- KMP' compensation (remuneration) relates to all forms of consideration paid, payable, or provided in exchange for services provided in total,
- Short-term employee benefits, such as wages, salaries, paid annual leave and paid sick leave, profit sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free and subsidised goods or services) for current employees,
- Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care,
- Other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit sharing, bonuses and deferred compensation, and
- Termination benefits.

4.8 Higher Duties

Staff acting in KMP positions are responsible for disclosing related parties transactions for the duration of the higher duties period, including completing the Related Party Relationships Disclosure Form and Related Party Transactions Disclosure Form at the same time as signing off the Higher Duty Form. They are also responsible to provide this information to Governance before the commencement of the higher duties period. This Policy requires staff acting in higher duties for a period of at least one week to comply with the Related Party Disclosures Policy by providing the information at the same time as the Higher Duty Form is provided to Governance. One week is five days carried out consecutively in the acting position. The declaration is for the time of the acting period only.

4.9 Register of Related Party Transactions

Council will maintain a Register of Related Party Transactions that will be managed by Governance.

4.10 Information Privacy

Information provided by KMP and other related parties will be held for the purpose of compliance with Council's legal obligation and shall be disclosed where required for compliance or legal reasons only.

Any application seeking access to information either provide in a Related Party Transactions Disclosure Form or information contained in the Register of Related Party Transactions will be considered, assessed and determined in accordance with Council's *Information Guide* prepared in accordance with the *Government Information (Public Access) Act 2009*.

5. Review of Policy

A review of KMP and their related parties will be completed on adoption of this Policy and then at intervals not exceeding six months and KMP are responsible for keeping Governance updated when any changes to those related parties occur outside of those times. This Policy will also be reviewed when any of the following occur:

- Organisational restructure,
- The related legislation/documents are amended or replaced,
- As a result of changes to the Office of Local Government Local Government Code of Accounting Practice and Financial Reporting, and/or
- Changes to AASB 124.

6. Definitions

Term	Definition
AASB 10	The Australian Accounting Standards Board – Consolidated Financial Statements – details the criteria for determining whether Council has significant influence over an entity.
AASB 11	The Australian Accounting Standards Board – Joint Arrangements – details the criteria for determining whether Council has significant influence over an entity.
AASB 19	The Australian Accounting Standards Board – Employee Benefits – details general recognition criteria for employee benefits.
AASB 124	The Australian Accounting Standards Board – Related Party Disclosures Standard under Section 334 of the <i>Corporations Act</i> 2001.
AASB 128	The Australian Accounting Standards Board – Investments in Associates and Joint Ventures detailing the criteria for determining whether Council has significant influence over an entity.
Arm's length transaction	A transaction between two related parties that is conducted as if they were unrelated, so that there is no question of conflict of interest. The idea of an 'arm's length' transaction allows the market to ensure that both parties in the transaction are acting in their own self-interest and are not subject to any pressure or duress from the other party.
Close family members / close members of the family	Close family members of a KMP are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity. Unless estranged, this includes: <ul style="list-style-type: none"> - That person's children and spouse or domestic partner - Children of that person's spouse or domestic partner - Dependants of that person, or that person's spouse or domestic partner

	Other family members could include siblings, parents or extended family, if that family member has the ability to influence or be influenced by that person. The entity needs to apply judgement to determine if there is sufficient evidence of influence.
Compensation	<p>Compensation includes employee benefits (as defined in AASB 119 <i>Employee Benefits</i>). Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. Compensation includes:</p> <ul style="list-style-type: none"> • Short term benefits such as wages and salaries, paid annual and sick leave and non-monetary benefits (such as cars) for current employees, • Post-employment benefits such as pensions and other retirement benefits, • Other long term benefits including long service leave and other long service benefits if they are payable wholly within twelve months after the end of the period, • Termination benefits, and • Share based payments.
Control	<p>Control of an entity is present where there is:</p> <ul style="list-style-type: none"> • Power over an entity; Exposure to rights to variable returns from involvement with the entity, and <p>The ability to use power over an entity to affect the amount of returns received as determined in accordance with <i>AASB 10 - Consolidated Financial Statement</i> (paragraphs 5 – 18 Appendices A and B).</p>
Director	A reference to "Director" in the Related Party Disclosure Register is a reference to the Head of a Directorate and not to any other position with the word "Director" in its title.
Higher Duty	<i>The Local Government (State) Award 2014 Clause 10 (i) and (ii) Use of Skills</i> states an employee who is required by management to relieve in a position which is at a higher grade in Council's Salary System, shall be paid for all time spent relieving in that position. This Policy requires staff acting in higher duties for at least one week (five days consecutively) or more, to comply with the Related Party Disclosure Policy.
Joint Control	Contractually agreed sharing of control of an arrangement that exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Key Management Personnel (KMP)	Those persons with the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity.
Local Government Code of Accounting Practice and Financial reporting	The Code issued by the Office of the Local Government annually prescribing and guiding the content of Council's general purpose financial statements.
Material (materiality)	The assessment of whether the transaction, either individually or in aggregate with other transactions, by omitting it or misstating could influence decisions that users make on the basis of the entity's financial statements. For the purpose of this Policy, it is considered appropriate to set a dollar value to determine materiality. This value is set at \$10,000.

Ordinary Citizen Transaction	A transaction that an ordinary citizen of the community would undertake in the ordinary course of business with Council.
Related Party	Any person or entity that is related to Council, that is preparing its financial statements.
Related Party Transaction	<p>A transfer of resources, services or obligations between a Council and a related party, regardless of whether a price is charged. Examples include but are not limited to:</p> <ul style="list-style-type: none"> • Purchases or sales of goods, • Purchases or sales of property or other assets, • Rendering or receiving of services, • Rendering or receiving of goods, • Leases, • Commitments to do something if a particular event occurs or does not occur in the future, and <p>Settlements of liabilities on behalf of Council or by Council on behalf of that related party.</p>
Remuneration	Remuneration package including any money, consideration or benefit received or receivable by the person but excludes reimbursement of out-of-pocket expenses, including any amount received or receivable from a Related Party Transaction.
Responsible Accounting Officer	The member of Council staff designated by the General Manager to fulfil the duties of the position (<i>cl.196 Local Government (General) Regulation 2005</i>) Council's Responsible Accounting Officer being the Chief Financial Officer.
Significant influence	Likely to influence the decisions that users of the Council's financial statements make having regard to both the extent (value and frequency) of the transactions, and that the transactions have occurred between the Council and related party outside a public service provider/taxpayer relationship.
The Act	<i>Local Government Act 1993</i>
The Regulation	<i>Local Government (General) Regulation 2005</i>

REPORT

CM/7.4/20.06(2)



Subject: Investment Policy - Review

TRIM No: A05/0197

Author: Teena Su, Executive Manager, Finance

Director: Darren Smith, Chief Financial Officer

RECOMMENDATION:

That Council adopts the Investment Policy attached to this report.

1. Executive Summary

The Investment Policy was last adopted by Council on 18 June 2019. Council reviews the Policy annually in June. In this review, officers are proposing some administrative changes to the authorisers listing and legislative references.

2. Introduction/Background

Since 2007, Council has been performing annual reviews of its Investment Policy to ensure that the Policy meets the legislative and council requirements. Council reviews the Policy annually in June.

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Council 18 June 2019	CM/7.3/19.06	That Council adopts the revised Investment Policy attached to this report.

4. Discussion

The Investment Policy was last adopted by Council on 16 July 2019. Council reviews the Policy annually in June. In the 2020 review, officers are proposing one administrative change to the authorisers listing at section 4.2 – Delegation of Authority:

- Removed Financial Strategist as this position no longer exist in the organisational structure.

The current limits on investment into specific credit rated ADIs provide sufficient allowance for a well-diversified non-fossil fuel/socially responsible investment portfolio and to achieve Council's investment direction.

It is worth noting that, if in the future we are to consider a loan from NSW TCorp, the Policy's credit rating limits would require to be amended; see Attachment 2 (Prudential's commentary).

5. Financial impact statement/Time frame/Consultation

The review of this Policy has been carried out by staff and developed in consultation with the:

- General Counsel.
- Revenue Co-ordinator.
- Chief Financial Officer.
- Prudential Investment Services Corp – Council’s independent financial advisor.

6. Conclusion

Officers have reviewed the Policy and discussed the changes with ELT. There is no significant change proposed in this review.

7. Attachments

1. Investment Policy [↓](#)
2. Prudential commentary on Investment Policy [↓](#)



WAVERLEY
COUNCIL

Investment Policy

Investment Policy

Policy owner	Executive Manager Finance
Approved by	Council
Date approved	16 June 2020
Commencement date	16 June 2020
TRIM Reference	A05/0197
Next revision date	June 2021
Relevant legislation/codes	Local Government Act 1993 - Section 412 & 625; Trustee Act 1925 – Section 14A(2) and 14C(1) & (2); Local Government (General) Regulation 2005 – Clause 212; Prevailing Ministerial Investment Order.
Related policies/procedures/guidelines	N/A
Related forms	N/A

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DRAFT

1. Background

The Policy provides the framework in which council funds are to be invested. Council developed this policy to ensure it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing council funds.

2. Purpose

This policy's objectives are to preserve capital, provide a framework to help Council optimise its return on investment of surplus funds, in accordance with its prevailing investment strategy, in a prudent and measurable manner, specifically by:

- entering into investment types which comply with prevailing Legislative and Accounting Code requirements;
- the establishment of risk management guidelines based upon overall credit rating of the portfolio, exposure limits to individual institutions and term to maturity limits; and
- the use of appropriate benchmarks for investment performance measurement.

When placing investments, cash flow considerations will be made to the time horizons of Council's liabilities to best match appropriate investments for the funds.

3. Scope

The policy applies to Council funds being invested for either short term or long term. The General Manager, Chief Financial Officer and Executive Manager Finance are responsible persons of council that can make such decisions. The General Manager can delegate the day-to-day management to Council officers and the same must be clearly stated in this Policy and noted in Council's Delegation Register.

4. Policy Content

4.1 Investment Framework

Investments are to comply with three key criteria relating to:

- **Portfolio Credit Framework:** limits the overall credit exposure of the portfolio;
- **Counterparty/Institution Credit Framework:** limits exposure to individual institutions based on their credit ratings, and;
- **Term to Maturity Framework:** limits based upon maturity of securities.

Credit ratings are based upon the Standard & Poor's Investment Rating, or equivalent from Moody's or Fitch ratings agencies, where a Standard & Poor's Investment Rating does not exist.

(a) Portfolio Credit Framework

The maximum available limits in each rating category are as follows:

Portfolio Credit Limits		
Long Term Credit Ratings Categories	Short Term Credit Ratings	Maximum
AAA	A-1+	100%
AA	A-1	100%
A	A-2	70%
BBB	-	30%
Specific Ministerial Approved Forms of Investment		
NSW Treasury Corp Deposits and TCorpIM Funds		100%

(b) Counterparty/Institution Credit Framework

Exposure to individual counterparties/financial institutions will be restricted by their credit rating so that single entity exposure is limited, as detailed in the table below:

Individual Counterparty Limits		
Long Term Credit Ratings Categories	Short Term Credit Ratings	Maximum
AAA	A-1+	40%
AA	A-1	30%
A	A-2	25%
BBB	-	15%
NSW Treasury Corp Deposits and TCorpIM Funds		
Cash Fund and/or Short Term Income Fund		100%
Medium Term Growth Fund		20%
Long Term Growth Fund		10%

Notes:

- Investments are to be restricted to senior ranked obligations from Australian Authorised Deposit Taking Institutions (ADI's) such as banks, building societies and credit unions that are regulated by, and subject to the prudential standards of, the Australian Prudential Regulation Authority (APRA).
- Managed funds are restricted to the NSW TCorpIM Funds and have been given specific approval under the prevailing Ministerial Investment Order.
- If any of the Council's investments are downgraded such that they no longer fall within the investment policy limits, they will be divested as soon as practicable having regard to potential losses resulting from early redemption and subject to minimising any loss of capital that may arise from compliance with this provision.

(c) Term to Maturity Framework

The investment portfolio is to be invested within the following terms to maturity constraints:

	Term to Maturity Limits		
	Short Term (0-1yr)	Medium Term (Over 1yr – 3yrs)	Long Term (Over 3yrs – 10yrs max.)
Maximum	100%	50%	30%
Minimum	30%	0%	0%

(d) Performance Benchmarks

The benchmark performance index for the portfolio is the **Ausbond Australian Bank Bill Index**.

(e) Investments in ethically, socially and environmentally beneficial alternatives.

Council invests in alternatives by observing quadruple bottom line accounting principles over both short-term and long-term outlooks—society, environment, economic/financial, civic leadership/governance—and where financial institutions are offering an equal or better return on

investment, and within the prevailing legislation and current Investment Policy risk management guidelines.

More specifically, a commitment to (including but not limited to): investments that provide for the ethical treatment of both shareholders and stakeholders, support development of co-operative ownership and control of the work place, high quality products and services, local ventures, appropriate technology, ecologically sustainable practices, social and economic justice, peace and non-violence and the use of renewable resources.

And avoiding investments that create pollution (such as fossil fuel industries), that are speculative, that exploit workers, customers and/or the environment, that are engaged in alcohol, tobacco and arms manufacture, that inhibit human rights and that damage non-renewable resources.

4.2 DELEGATION OF AUTHORITY

Authority for implementation of the Investment Policy is delegated by Council to the General Manager in accordance with the Local Government Act 1993.

The General Manager has in turn delegated the day-to-day management of Council’s Investments as per the following:

Depending upon the size of the investment and its maturity profile the following Council officers are approved to authorise transactions. Each authorisation requires approval from **two** Council officers and where the investment is for greater than \$3 million, or for more than 3 years, the General Manager or Chief Financial Officer **must** be one of these officers.

	Short Term (0-1yr)	Medium Term (Over 1yr – 3yrs)	Long Term (Over 3yr– 10yrs max.)
\$0 - \$1m	<ul style="list-style-type: none"> Executive Manager Finance Revenue Coordinator Management & Systems Coordinator Expenditure Coordinator Chief Financial Officer The General Manager or any Director 	<ul style="list-style-type: none"> The General Manager or any Director Chief Financial Officer Executive Manager Finance Revenue Coordinator Management & Systems Coordinator Expenditure Coordinator 	<ul style="list-style-type: none"> General Manager Chief Financial Officer (mandatory) Any Director Executive Manager Finance

	Short Term (0-1yr)	Medium Term (Over 1yr – 3yrs)	Long Term (Over 3yr– 10yrs max.)
>\$1m - \$3m	<ul style="list-style-type: none"> • Executive Manager Finance • Revenue Coordinator • Management & Systems Coordinator • Expenditure Coordinator • Chief Financial Officer • The General Manager or any Director 	<ul style="list-style-type: none"> • The General Manager or any Director • Chief Financial Officer • Executive Manager Finance • Revenue Coordinator • Management & Systems Coordinator • Expenditure Coordinator 	<ul style="list-style-type: none"> • General Manager • Chief Financial Officer (mandatory) • Any Director • Executive Manager Finance
> \$3M	<ul style="list-style-type: none"> • General Manager (mandatory) • Any Director • Executive Manager, Finance • Chief Financial Officer 	<ul style="list-style-type: none"> • General Manager • Chief Financial Officer (mandatory) • Any Director • Executive Manager, Finance 	<ul style="list-style-type: none"> • General Manager • Chief Financial Officer (mandatory) • Any Director • Executive Manager Finance

4.3 PRUDENT PERSON STANDARD / ETHICS AND CONFLICTS OF INTEREST

Council’s investments are to be managed with the care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to manage Council’s investment portfolio to safeguard the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council’s investment portfolio. This policy requires officers to disclose any conflict of interest to the General Manager.

Independent advisors utilised by Council are required to declare any actual or perceived conflicts of interest.

4.4 REPORTING & REVIEWING OF INVESTMENTS

All investments must be in the name of Waverley Council and documentary evidence held for each investment and details thereof maintained in an investment Register.

A monthly report will be submitted to Council, providing details of the investment portfolio in terms of performance and counterparty percentage exposure of total portfolio.

4.5 GENERAL

Due to the dynamic nature of the portfolio, it is possible that from time to time there may be breaches of the investment policy's limits for short periods. Should this occur it will be reported to Council at its next ordinary meeting.

4.6 APPLICABLE LEGISLATION

All investments are to be made in accordance with:

- Local Government Act 1993 - Section 412 & 625;
- Trustee Act 1925 – Section 14A(2) and 14C(1) & (2);
- Local Government (General) Regulation 2005 – Clause 212;
- Prevailing Ministerial Investment Order

Refer to Schedule 1 for extracts relating to the above.

Furthermore Council's investment management is to comply with:

- Prevailing Local Government Code of Accounting Practice and Financial Reporting;
- Australian Accounting Standards; and
- Division of Local Government Circulars.

Following are relevant sections and clauses relating to the above.

Schedule 1: Extracts of Legislative Requirements

LOCAL GOVERNMENT ACT 1993 - SECT 412 & 625 Section 412 Accounting records

- 1) A council must keep such accounting records as are necessary to correctly record and explain its financial transactions and its financial position.
- 2) In particular, a council must keep its accounting records in a manner and form that facilitate:
 - a) the preparation of financial reports that present fairly its financial position and the results of its operations, and
 - b) the convenient and proper auditing of those reports.

Section 625 How may councils invest?

- 1) A council may invest money that is not, for the time being, required by the council for any other purpose.
- 2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.

Note: See Gazette No 152 of 24.11.2000, p 12041

- 3) An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.
- 4) The acquisition, in accordance with section 358, of a controlling interest in a corporation is not an investment for the purposes of this section.

TRUSTEE ACT 1925 – SECTIONS 14A(2), 14C (1) & (2)

14A (2) Duties of trustee in respect of power of investment

A trustee must, in exercising a power of investment:

- (a) if the trustee's profession, business or employment is or includes acting as a trustee or investing money on behalf of other persons, exercise the care, diligence and skill that a prudent person engaged in that profession, business or employment would exercise in managing the affairs of other persons, or
- (b) if the trustee is not engaged in such a profession, business or employment, exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

14C Matters to which trustee is to have regard when exercising power of investment

- (1) Without limiting the matters that a trustee may take into account when exercising a power of investment, a trustee must, so far as they are appropriate to the circumstances of the trust, if any, have regard to the following matters:
 - (a) the purposes of the trust and the needs and circumstances of the beneficiaries,
 - (b) the desirability of diversifying trust investments,
 - (c) the nature of, and the risk associated with, existing trust investments and other trust property,
 - (d) the need to maintain the real value of the capital or income of the trust,
 - (e) the risk of capital or income loss or depreciation,
 - (f) the potential for capital appreciation,
 - (g) the likely income return and the timing of income return,

- (h) the length of the term of the proposed investment,
 - (i) the probable duration of the trust,
- (2) the liquidity and marketability of the proposed investment during, and on the determination of, the term of the proposed investment,
- (a) the aggregate value of the trust estate,
 - (b) the effect of the proposed investment in relation to the tax liability of the trust,
 - (c) the likelihood of inflation affecting the value of the proposed investment or other trust property,
 - (d) the costs (including commissions, fees, charges and duties payable) of making the proposed investment,
 - (e) the results of a review of existing trust investments in accordance with section 14A (4).
- (3) A trustee may, having regard to the size and nature of the trust, do either or both of the following:
- (a) obtain and consider independent and impartial advice reasonably required for the investment of trust funds or the management of the investment from a person whom the trustee reasonably believes to be competent to give the advice,
 - (b) pay out of trust funds the reasonable costs of obtaining the advice.

LOCAL GOVERNMENT (GENERAL) REGULATION 2005 - CLAUSE 212

212 ports on council investments

- (1) The responsible accounting officer of a council:
- (a) must provide the council with a written report (setting out details of all money that the council has invested under section 625 of the Act) to be presented:

- i if only one ordinary meeting of the council is held in a month, at that meeting, or
 - ii if more than one such meeting is held in a month, at whichever of those meetings the council by resolution determines, and
 - (b) must include in the report a certificate as to whether or not the investment has been made in accordance with the Act, the regulations and the council's investment policies.
- (4) The report must be made up to the last day of the month immediately preceding the meeting.

Note. Section 625 of the Act says how a council may invest its surplus funds.

5. Review of Policy

This Policy will be reviewed every year or as required in the event of legislative changes or requirements. The Policy may also be changed as a result of other amendments. Any amendments to the Policy must be way of a Council resolution or with the approval of the General Manager.

6. Definitions

Definitions of Eligible Investments:

11am 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.

Ausbond Bank Bill Index

In 2014, Bloomberg acquired the UBS Australia Bond Indices. The benchmark index formerly referred to as UBSA BBI was rebranded as Ausbond Bank Bill Index. Bloomberg calculates a daily Bank Bill Index representing the performance of a notional rolling parcel of bills averaging 45 days.

Australian Prudential Regulation Authority - APRA

APRA (Australian Prudential Regulation Authority) is the prudential regulator of the Australian financial services industry. APRA enforces prudential standards and practices (e.g. capital adequacy and other risk management issues) of banks, credit unions, building societies, insurance companies and friendly societies.

ADI issued Senior Debt Bonds:

Interest bearing securities which are high ranking 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.

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.

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.

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.

Authorised Deposit-Taking Institutions - ADI

Authorised Deposit-Taking Institutions (ADIs) are corporations that are authorised under the Banking Act 1959 to take deposits from customers.

T-Corp

New South Wales Treasury Corporation.

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.

Deposits with NSW Treasury &/or Investments in NSW TCorpIM Funds

The only managed fund options available to NSW council are via NSW Treasury Corporation. The NSW TCorpIM Funds comprise a number of pooled managed funds options each set up as a unit trust. The current cash and fixed income only options available through the NSW TCorpIM Funds 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.

NSW TCorpIM Medium Term and Long Term Growth Funds: These are diversified funds that invest in a blend of growth assets (e.g. shares & property) and defensive assets (e.g. cash and fixed interest). These funds are designed for investors with longer term time horizons and are able to take additional investment risk in order to generate higher potential returns.

- The Medium Term Growth Fund has growth asset exposure of between 20%-40%. This fund aims to provide a return of CPI + 2%pa over 7 years with greater than 50% probability.
- The Long Term Growth Fund has growth asset exposure of between 60%-80%. This fund aims to provide a return of CPI + 3.5%pa over 10 years with greater than 50% probability.

These funds exhibit a higher degree of volatility in in monthly returns relative to cash and fixed floating rate investments and may have periods of negative returns depending upon market conditions.

Standard & Poor's Credit Ratings Description

Credit Ratings

Standard & Poor's (S&P) 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 Credit Ratings (for obligations with maturities of no more than 12 months):

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 Credit Ratings (for obligations greater than 12 months):**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

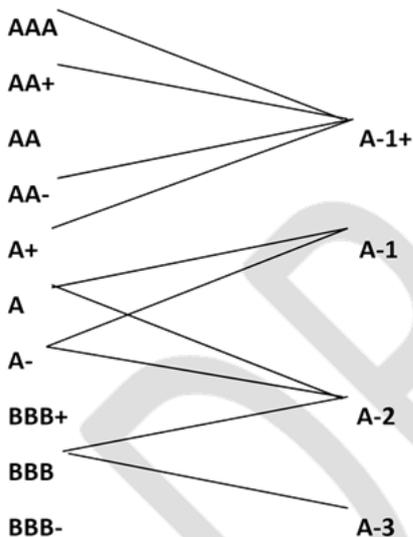
Highlights an emerging situation, which may materially affect the profile of a rated corporation and can be designed as positive, developing or negative. Following a full review the rating may either be affirmed or changed in the direction indication.

Rating Outlook

Assesses the potential direction of an issuer’s long-term debt rating over the intermediate-to-long term. In determining a Rating Outlook, 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.





Circular No. 11-01
Date 17 February 2011
Doc ID. A232163

Contact Finance Policy Section
02 4428 4100
dlg@dlg.nsw.gov.au

REVISED MINISTERIAL INVESTMENT ORDER

A revised Investment Order pursuant to section 625 of the *Local Government Act 1993* has been issued. The Minister for Local Government signed the revised Order on 12 January 2011 and it was published in the NSW Government Gazette on 11 February 2011. It replaces the Order dated 31 July 2008. The revised Order is attached to this circular.

Changes to the Investment Order include:

- the removal of the ability to invest in the mortgage of land (part (c) of the Investment Order dated 31 July 2008)
- the removal of the ability to make a deposit with the Local Government Financial Services Pty Ltd (part (f) of the order dated 31 July 2008)
- the addition of "Key Considerations" in the revised Investment Order, which includes a comment that a council's General Manager, or any other staff, with delegated authority by a council to invest in funds on behalf of the council must do so in accordance with the council's adopted investment policy.

Councils are reminded that on 25 May 2010 the Division of Local Government issued Investment Policy Guidelines (Circular to Councils 10-11 refers). It is expected that all councils will by now have adopted an Investment Policy in accordance with the Guidelines.

Ross Woodward
Chief Executive, Local Government
A Division of the Department of Premier and Cabinet

Department of Local Government
5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541
T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209
E dlg@dlg.nsw.gov.au W www.dlg.nsw.gov.au ABN 99 567 863 195

Sid Ali

From: Erik Gates <erikg@prudentialinvestmentservices.com>
Sent: Friday, 22 May 2020 3:40 PM
To: Sid Ali
Cc: Titus Hui
Subject: RE: Investment policy review - to the June council meeting

Hi Sid,

We've had time to review Council's investment policy. In our opinion, after significant amendments over the past few years to align and fine-tune the policy to a non-fossil fuel investment strategy along with growth exposure through NSW TCorp, Council's investment policy requires no changes this year.

Given most banks classified as non-fossil fuel aligned have credit ratings in the A-2 (short term) / BBB (long term) categories, the credit limits in place provide sufficient allowance for a well-diversified non-fossil fuel / socially responsible investment portfolio. Sections 1-4 remain relevant and accurate and the Delegated of Authority section appears to be up to date, but we will defer to you for confirmation regarding that section.

Please note however, the opinion above is based on Council not taking out a loan with NSW TCorp. If Council were to consider a loan from NSW TCorp there would need to be significant amendments to the policy around the credit limits. Based on our experience with other councils, TCorp would likely require a sharp reduction in the combined A-2/BBB categories to approximately 30% total. To put this in context, as at the end of April Council had 52.7% (\$90.8m) with banks in the A-2 & BBB categories. If a 30% limit were enforced it would require a reduction in those banks of \$40m. Given the trend of increasing spreads in TD rates from A-2/BBB banks versus the higher rated A-1+ & A-1 (short term) / AA & A (long term) banks, it is recommended Council undertake a cost benefit analysis if it were to consider a NSW TCorp loan.

Please call either me or Titus with any questions.

Kind regards
Erik

Erik Gates
Director

Prudential Investment Services Corp
Mob **0414 611 827**
Email erikg@prudentialinvestmentservices.com
Web www.prudentialinvestmentservices.com



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REPORT
CM/7.5/20.06(2)**Subject:** Investment Portfolio Report - May 2020**TRIM No:** A03/2211**Author:** Sid Ali, Revenue Co-ordinator
Teena Su, Executive Manager, Finance**Director:** Darren Smith, Chief Financial Officer

RECOMMENDATION:

That Council:

1. Receives and notes the Investment Summary Report for May 2020 attached to this report.
2. Notes that all investments have been made in accordance with the requirements of section 625 of the *Local Government Act 1993* and directions from the Minister for Local Government, including Ministerial Investment Orders, and Council's Investment Policy.

1. Executive Summary

For the month of May 2020, Council's investment portfolio generated \$236,170 of interest.

The interest on investment budget for the 2019–20 financial year was adopted by Council at its meeting on 18 June 2019, and was set at \$3,865,231. Third quarter amendment reducing budgeted interest to \$3,569,658 was adopted by Council at its meeting on 19 May 2020.

The interest income for the year to date figure as at 31 May 2020 is tracking at 95.93% (\$3,424,361) of the current budget forecast of \$3,569,658.

2. Introduction/Background

Clause 212 of the *Local Government (General) Regulation* requires that Council be provided with a written report setting out details of all money that the Council has invested under section 625 of the *Local Government Act 1993* (the Act) and certifying that these investments have been made in accordance with the Act, regulations, Ministerial Investment Orders and Council's Investment Policy.

The table below illustrates the monthly interest income received by Council and performance against the Budget.

Table 1. Monthly interest income received by Council.

Month	2019/20 Budget (\$)	Actual Monthly (\$)	Actual YTD (\$)	Tracking YTD Original Budget %	Current Budget %
July	3,865,231	374,347	374,347	9.68%	
August	3,865,231	368,646	742,993	19.22%	
September	3,865,231	314,157	1,057,150	27.35%	
October	3,865,231	409,532	1,466,682	37.95%	
November	3,865,231	298,396	1,765,078	45.67%	
December	3,865,231	259,164	2,024,242	52.37%	
Q2 Amendment	10,000				
January	3,875,231	300,294	2,324,536	60.14%	59.98%
February	3,875,231	251,390	2,575,926	66.64%	66.47%
March	3,875,231	263,148	2,839,075	73.45%	73.26%
April	3,875,231	349,116	3,188,191	82.48%	82.27%
Q3 Amendment	(305,573)				
May	3,569,658	236,170	3,424,361	88.59%	95.93%

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Council 19 May 2020	CM/7.3/20.05(2)	That Council: <ol style="list-style-type: none"> Receives and notes the Investment Summary Report for April 2020 attached to this report. Notes that all investments have been made in accordance with the requirements of section 625 of the <i>Local Government Act 1993</i> and directions from the Minister for Local Government, including Ministerial Investment Orders, and Council's Investment Policy.

4. Discussion

As at 31 May 2020, Council's cash investment portfolio generated interest earnings of \$3,424,361 representing 95.93% of the current approved budget of \$3,569,658.

Council's investment portfolio posted a return of 3.61% pa for the month of May versus the Ausbond Bank Bill Index benchmark return of 0.10% pa.

Over the last 12 months, Council's investment portfolio has exceeded the Ausbond Bank Bill index benchmark by 0.86% pa (1.83% vs 0.97% pa).

Portfolio value

Council's investment portfolio, as at 31 May 2020, has a current market value of \$175,808,689 which represents a gain of \$817,129 on the \$174,991,560 face value of the portfolio. The table below provides a summary by investment (asset) type.

Table 2. Portfolio value – Summary by investment (asset) type.

Asset Group	Face Value	Current value
Bonds	\$ 3,000,000	\$ 3,044,057
Cash	\$ 21,573,471	\$ 21,573,471
Floating Rate Note	\$ 24,800,000	\$ 24,825,977
Floating Rate Term Deposits	\$ 8,500,000	\$ 8,512,684
Managed Funds	\$ 14,118,089	\$ 14,118,089
Term Deposit	\$ 103,000,000	\$ 103,734,411
Total	\$ 174,991,560	\$ 175,808,689

Analysis

Attached to this report is the Summary of Investment Portfolio for the period ending 31 May 2020. These reports are prepared by Council's independent financial advisor, Prudential Investment Services Corp.

The TCorpIM LT Growth funds was up 2.8% in May. The Australian share market was up 5.0% during the month with IT the best performing sector, up 14.3%. Healthcare was the worst performing sector, down 5.1%, as investors rotated out of defensive stocks. Overseas markets were mostly stronger with the US S&P 500 (+4.8%), European S&P350 (+2.9%), and Japanese S&P 500 (+6.9%) all gaining, although the Chinese S&P 300 fell slightly (-0.6%).

The overall return for the last 12 months has exceeded the AusBond Bank Bill index by 0.86% pa (1.83% vs 0.97% pa).

Table 3. Portfolio return.

Month	Portfolio Return %	Ausbond BB Index %	Variance %
June-19	2.47	1.62	0.85
July-19	3.31	1.42	1.89
Aug-19	1.99	0.99	1.00
Sep-19	2.53	1.03	1.50
Oct-19	2.08	0.95	1.13
Nov-19	3.46	1.00	2.46
Dec-19	1.61	0.85	0.76
Jan-20	3.78	0.96	2.82
Feb-20	-0.83	0.95	-1.78
March-20	-5.97	1.18	-7.15
April-20	4.29	0.58	3.71
May-20	3.61	0.10	3.51
Average % return Over the last 12 months	1.83	0.97	0.86

Council has a well-diversified portfolio invested among a range of term deposits and floating rate notes from highly rated Australian ADIs. 87% of the portfolio is spread among the top three credit rating categories (A long term/A2 short term and higher) and NSW TCorpIM managed funds. It is expected that

Council can continue to achieve above benchmark returns with prudent investment selection for its short- and long-term holdings.

Investments in ethically, socially and environmentally beneficial alternatives

As at the end of May 2020, 70.7% of Council's portfolio was invested in non-fossil fuel lending ADIs and socially responsible investments, while fossil fuel lending ADIs accounted for 21.2% of the portfolio. The remaining 8.1% is invested with TCorp.

When excluding the capital money to meet day-to-day operating requirement in the CBA bank account (a fossil fuel lending bank), 80.69% of Council's investment portfolio was invested in non-fossil fuel lending ADIs and socially responsible investments, while fossil fuel lending ADIs accounted for 10.10% of the portfolio.

Over the period of 24 months, from June 2018 to May 2020, Council has reduced its investment in fossil fuel lending ADIs from 59% to 21.2% as displayed in Figure 1 below.

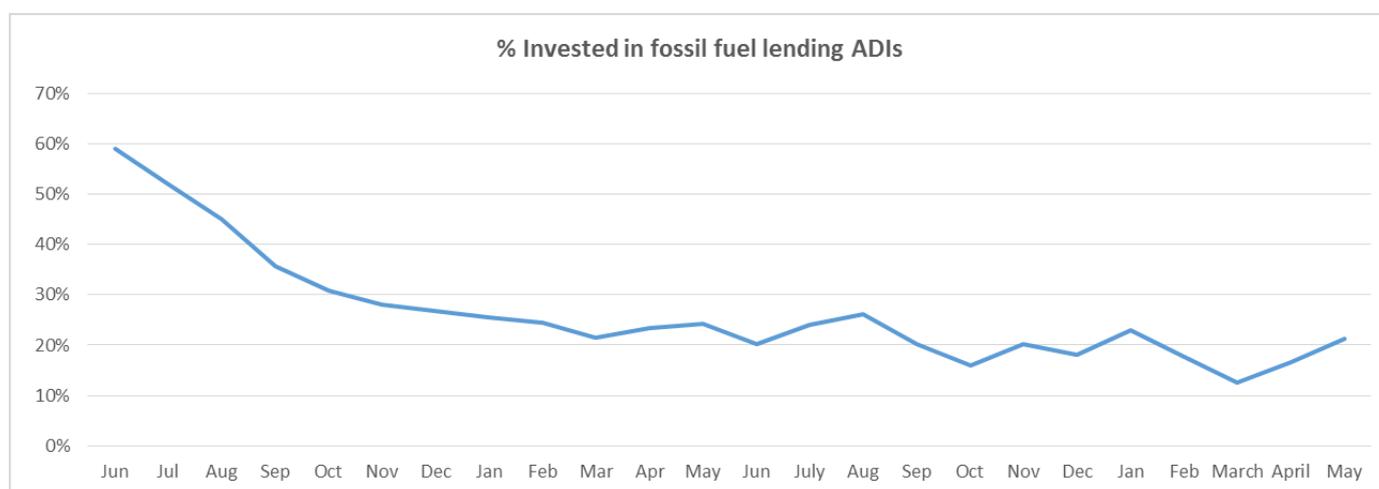


Figure 1. Investments in fossil fuel lending ADIs.

During May, Council's investment portfolio had \$9 M in a seven-month and several 12-month term deposits mature with a weighted average rate of approximately 2.20% pa. Council utilised the funds for expenditure requirements and remaining were invested in two new six- and seven-month deposits totalling \$3 m at an average rate of 1.50% pa. Due to the maturities, Council's portfolio invested in fossil fuel ADIs is 21.2%, up from 16.5% the month prior

5. Financial impact statement/Timeframe/Consultation

This report has been prepared in consultation with Council's independent financial advisor, Prudential Investment Services Corp.

6. Conclusion

Council's investment portfolio has achieved interest earning of \$3,424,361 YTD at 31 May 2020, representing 95.93% of the current budgeted interest of \$3,569,658. It is on track to achieve the budgeted interest.

7. Attachments

1. Investment Summary Report - May 2020 [↓](#)



WAVERLEY
COUNCIL

**Investment Summary Report
May 2020**

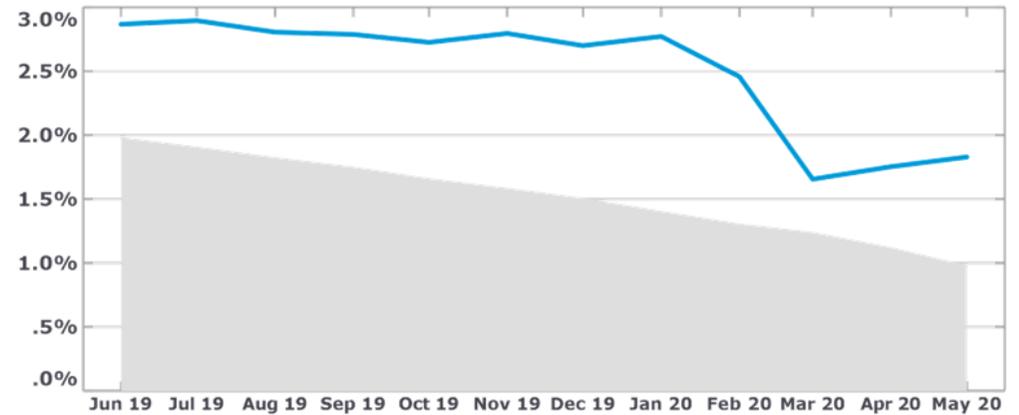
Waverley Council
Executive Summary - May 2020



Investment Holdings

	Face Value (\$)	Current Value (\$)
Bonds	3,000,000.00	3,044,057.02
Cash	21,573,471.29	21,573,471.29
Floating Rate Note	24,800,000.00	24,825,977.41
Floating Rate Term Deposits	8,500,000.00	8,512,683.86
Managed Funds	14,118,088.87	14,118,088.87
Term Deposit	103,000,000.00	103,734,410.82
	174,991,560.16	175,808,689.27

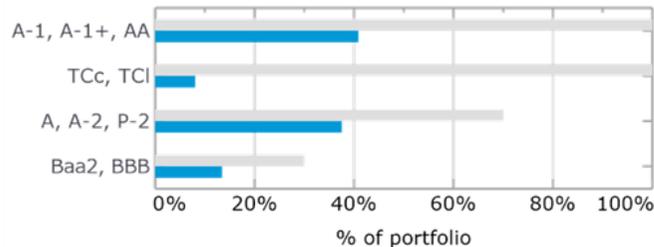
Investment Performance



■ Portfolio Rolling 12 month return ■ AusBond BB Index Rolling 12 month Return

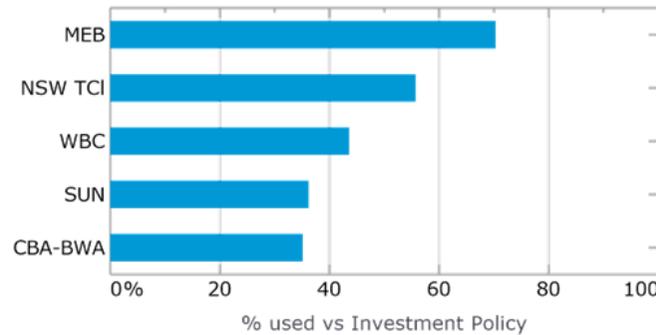
Investment Policy Compliance

Total Credit Exposure



■ Portfolio Exposure ■ Investment Policy Limit

Highest Individual Exposures



% used vs Investment Policy

Term to Maturities

Maturity Profile	Face Value (\$)	Policy Max
Between 0 and 1 Year	134,441,560	77% 100%
Between 1 and 3 Years	37,050,000	21% 50%
Between 3 and 10 Years	3,500,000	2% 30%
	174,991,560	

Waverley Council

Investment Holdings Report - May 2020

**Cash Accounts**

Face Value (\$)	Rate (%pa)	Institution	Credit Rating	Current Value (\$)	Deal No.	Reference
18,750,823.24	0.8500%	Commonwealth Bank of Australia	A-1+	18,750,823.24	120789	24hr Call
1,439,042.40	0.0000%	Commonwealth Bank of Australia	A-1+	1,439,042.40	120794	General Funds
30,197.27	0.0000%	Commonwealth Bank of Australia	A-1+	30,197.27	120795	Trust Funds
436,408.11	0.0000%	Commonwealth Bank of Australia	A-1+	436,408.11	120796	Cemetery Funds
122,726.12	0.0000%	Commonwealth Bank of Australia	A-1+	122,726.12	120797	Depositor Funds
152,080.86	0.0000%	Commonwealth Bank of Australia	A-1+	152,080.86	120799	Library CP
369,138.80	0.0000%	Commonwealth Bank of Australia	A-1+	369,138.80	120800	Eastgate CP
235,480.14	0.0000%	Commonwealth Bank of Australia	A-1+	235,480.14	120801	Hollywood Av CP
37,574.35	0.0000%	Commonwealth Bank of Australia	A-1+	37,574.35	370151	Library Gift
21,573,471.29	0.7388%			21,573,471.29		

Managed Funds

Face Value (\$)	Monthly Return	Institution	Credit Rating	Fund Name	Current Value (\$)	Deal No.	Reference
2,164,762.25	0.3579%	NSW T-Corp (Cash)	Tcc	Short Term Income Fund	2,164,762.25	411310	Builder Deposits
2,203,197.89	0.1059%	NSW T-Corp (Cash)	Tcc	Cash Fund	2,203,197.89	505262	
9,750,128.73	2.7975%	NSW T-Corp (LT)	Tcl	Long Term Growth Fund	9,750,128.73	538089	
14,118,088.87					14,118,088.87		

Term Deposits

Maturity Date	Face Value (\$)	Rate (%pa)	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
2-Jun-20	2,000,000.00	2.4500%	Auswide Bank	P-2	2,000,000.00	20-May-19	2,050,745.21	537959	50,745.21	At Maturity	
9-Jun-20	2,000,000.00	1.6000%	ME Bank	A-2	2,000,000.00	4-Feb-20	2,010,345.21	539424	10,345.21	At Maturity	
16-Jun-20	2,000,000.00	2.1500%	Auswide Bank	P-2	2,000,000.00	20-Jun-19	2,040,879.45	538062	40,879.45	At Maturity	
16-Jun-20	3,000,000.00	1.9400%	Westpac Group	A-1+	3,000,000.00	17-Jun-19	3,012,118.36	538045	12,118.36	Quarterly	Green
23-Jun-20	2,000,000.00	1.6000%	ME Bank	A-2	2,000,000.00	18-Feb-20	2,009,117.81	539463	9,117.81	At Maturity	
30-Jun-20	3,000,000.00	1.6000%	ME Bank	A-2	3,000,000.00	4-Feb-20	3,015,517.81	539425	15,517.81	At Maturity	

Waverley Council

Investment Holdings Report - May 2020

**Term Deposits**

Maturity Date	Face Value (\$)	Rate (%pa)	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
7-Jul-20	1,500,000.00	1.6000%	ME Bank	A-2	1,500,000.00	21-Feb-20	1,506,641.10	539479	6,641.10	At Maturity	
14-Jul-20	3,000,000.00	1.6000%	ME Bank	A-2	3,000,000.00	4-Feb-20	3,015,517.81	539426	15,517.81	At Maturity	
21-Jul-20	2,000,000.00	1.6000%	ME Bank	A-2	2,000,000.00	18-Feb-20	2,009,117.81	539464	9,117.81	At Maturity	
28-Jul-20	3,000,000.00	1.6500%	Credit Union Australia	A-2	3,000,000.00	10-Dec-19	3,023,597.26	538895	23,597.26	At Maturity	
11-Aug-20	5,000,000.00	1.7000%	ME Bank	A-2	5,000,000.00	13-Aug-19	5,068,232.88	538387	68,232.88	At Maturity	
25-Aug-20	3,000,000.00	1.7000%	ME Bank	A-2	3,000,000.00	21-Aug-19	3,039,821.92	538407	39,821.92	At Maturity	
26-Aug-20	4,000,000.00	1.5800%	Westpac Group	A-1+	4,000,000.00	22-Aug-19	4,001,731.51	538408	1,731.51	Quarterly	Green
8-Sep-20	3,000,000.00	1.6700%	Westpac Group	A-1+	3,000,000.00	11-Sep-19	3,011,255.34	538521	11,255.34	Quarterly	Green
15-Sep-20	1,500,000.00	1.6000%	ME Bank	A-2	1,500,000.00	21-Feb-20	1,506,641.10	539480	6,641.10	At Maturity	
22-Sep-20	5,000,000.00	1.6800%	Westpac Group	A-1+	5,000,000.00	12-Sep-19	5,018,641.10	538526	18,641.10	Quarterly	Green
30-Sep-20	3,000,000.00	1.9000%	ME Bank	A-2	3,000,000.00	17-Sep-19	3,040,290.41	538533	40,290.41	At Maturity	
27-Oct-20	3,000,000.00	3.0000%	Rural Bank	A-2	3,000,000.00	22-Oct-18	3,054,986.30	537252	54,986.30	Annually	
3-Nov-20	2,000,000.00	1.5500%	Auswide Bank	P-2	2,000,000.00	19-May-20	2,001,104.11	539805	1,104.11	At Maturity	
10-Nov-20	4,000,000.00	1.5200%	Westpac Group	A-1+	4,000,000.00	14-Nov-19	4,002,998.36	538671	2,998.36	Quarterly	Green
17-Nov-20	3,000,000.00	1.6300%	Credit Union Australia	A-2	3,000,000.00	19-Nov-19	3,026,124.66	538736	26,124.66	At Maturity	
24-Nov-20	2,000,000.00	1.6300%	Credit Union Australia	A-2	2,000,000.00	26-Nov-19	2,016,791.23	538819	16,791.23	At Maturity	
1-Dec-20	3,000,000.00	1.6000%	Suncorp Bank	A-1	3,000,000.00	25-Mar-20	3,008,942.47	539595	8,942.47	At Maturity	
8-Dec-20	1,000,000.00	1.3000%	Auswide Bank	P-2	1,000,000.00	26-May-20	1,000,213.70	539835	213.70	At Maturity	
15-Dec-20	2,000,000.00	2.9500%	Credit Union Australia	A-2	2,000,000.00	18-Dec-18	2,026,832.88	537426	26,832.88	Annually	
25-Jan-21	3,000,000.00	1.6500%	Auswide Bank	P-2	3,000,000.00	13-Feb-20	3,014,782.19	539456	14,782.19	At Maturity	
9-Feb-21	2,500,000.00	2.9500%	Newcastle Permanent Building Society	A-2	2,500,000.00	11-Feb-19	2,522,428.08	537536	22,428.08	Annually	
23-Feb-21	2,000,000.00	2.9000%	Credit Union Australia	A-2	2,000,000.00	26-Feb-19	2,015,254.79	537565	15,254.79	Annually	
9-Mar-21	3,000,000.00	1.5500%	MyState Bank	P-2	3,000,000.00	13-Mar-20	3,010,191.78	539571	10,191.78	At Maturity	
16-Mar-21	3,000,000.00	1.7200%	Suncorp Bank	A-1	3,000,000.00	17-Mar-20	3,010,744.11	539581	10,744.11	At Maturity	
23-Mar-21	6,000,000.00	1.6000%	Suncorp Bank	A-1	6,000,000.00	19-Mar-20	6,019,463.01	539589	19,463.01	At Maturity	

Waverley Council

Investment Holdings Report - May 2020



Term Deposits

Maturity Date	Face Value (\$)	Rate (%pa)	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
8-Jun-21	6,000,000.00	3.1500%	Westpac Group	AA-	6,000,000.00	6-Jun-18	6,045,049.32	536715	45,049.32	Quarterly	
3-Aug-21	2,000,000.00	1.9000%	Bank of Queensland	BBB+	2,000,000.00	6-Aug-19	2,031,232.88	538366	31,232.88	Annually	
21-Sep-21	2,500,000.00	2.8000%	Newcastle Permanent Building Society	BBB	2,500,000.00	25-Mar-19	2,513,041.10	537651	13,041.10	Annually	
8-Feb-22	3,000,000.00	3.0500%	Newcastle Permanent Building Society	BBB	3,000,000.00	19-Feb-19	3,025,820.55	537553	25,820.55	Annually	
8-Mar-22	2,000,000.00	1.7000%	Auswide Bank	Baa2	2,000,000.00	5-Mar-20	2,008,197.26	539531	8,197.26	Annually	
103,000,000.00		1.9526%			103,000,000.00		103,734,410.87		734,410.87		

Floating Rate Term Deposits

Maturity Date	Face Value (\$)	Rate (%pa)	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Interest Date	Reference
10-Jun-21	3,000,000.00	1.6465%	Commonwealth Bank of Australia ¾yr@4% then BBSW+1.08%	AA-	3,000,000.00	10-Jun-16	3,011,232.29	535380	11,232.29	10-Jun-20	
16-Nov-21	3,000,000.00	.9216%	Westpac Group 3moBBSW+0.82%	AA-	3,000,000.00	28-Nov-18	3,000,302.99	537360	302.99	28-Aug-20	Green
16-May-22	2,500,000.00	1.1978%	Westpac Group 3moBBSW+1.10%	AA-	2,500,000.00	16-May-17	2,501,148.58	535241	1,148.58	17-Aug-20	
8,500,000.00		1.2587%			8,500,000.00		8,512,683.86		12,683.86		

Floating Rate Notes

Maturity Date	Face Value (\$)	Rate (%pa)	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Coupon Date	Reference
9-Nov-20	2,250,000.00	1.3462%	ME Bank Snr FRN (Nov20) BBSW+1.25%	A-2	2,250,000.00	9-Nov-17	2,256,085.18	535919	1,742.68	10-Aug-20	
12-Apr-21	1,500,000.00	1.5552%	SUN Snr FRN (Apr21) BBSW+1.38%	A-1	1,500,000.00	12-Apr-16	1,514,917.79	533415	3,067.79	13-Jul-20	
16-Apr-21	2,500,000.00	1.4100%	ME Bank Snr FRN (Apr21) BBSW+1.27%	A-2	2,500,000.00	17-Apr-18	2,512,367.47	536513	4,442.47	16-Jul-20	
18-May-21	2,000,000.00	1.5778%	BoQ Snr FRN (May21) BBSW+1.48%	A-2	2,000,000.00	18-May-16	2,016,110.37	533605	1,210.37	18-Aug-20	
2-Jul-21	2,100,000.00	1.6672%	TMB Snr FRN (Jul21) BBSW+1.37%	BBB	2,100,000.00	2-Jul-18	2,115,121.27	536787	5,755.27	2-Jul-20	
30-Aug-21	1,500,000.00	1.3950%	BOz 'SRI' Snr FRN (Aug21) BBSW+1.30%	BBB	1,500,000.00	30-Aug-18	1,507,956.99	536983	171.99	31-Aug-20	

Waverley Council

Investment Holdings Report - May 2020

**Floating Rate Notes**

Maturity Date	Face Value (\$)	Rate (%pa)	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Coupon Date	Reference
28-Oct-22	2,400,000.00	1.0094%	TMB Snr FRN (Oct22)	BBSW+0.90%	BBB	2,400,000.00	28-Oct-19	2,383,584.63	538616	2,256.63	28-Jul-20
2-Dec-22	3,000,000.00	1.4692%	BOz 'SRI' Snr FRN (Dec22)	BBSW+0.90%	BBB	3,000,000.00	2-Dec-19	2,991,698.81	538825	10,988.81	2-Jun-20
25-Jan-23	1,250,000.00	1.1631%	BEN Snr FRN (Jan23)	BBSW+1.05%	BBB+	1,250,000.00	25-Jan-18	1,254,681.63	536145	1,394.13	27-Jul-20
6-Feb-23	1,100,000.00	1.5054%	NPBS Snr FRN (Feb23)	BBSW+1.40%	BBB	1,100,000.00	6-Feb-18	1,107,284.57	536174	1,179.57	6-Aug-20
21-Feb-23	1,700,000.00	0.9900%	CUA Snr FRN (Feb23)	BBSW+0.90%	BBB	1,700,000.00	21-Feb-20	1,686,942.91	539454	507.21	21-Aug-20
30-Jul-24	2,500,000.00	0.8783%	SUN Snr FRN (Jul24)	BBSW+0.78%	A+	2,500,000.00	30-Jul-19	2,487,700.04	538331	1,925.04	30-Jul-20
24-Oct-24	1,000,000.00	1.2350%	CUA Snr FRN (Oct24)	BBSW+1.12%	BBB	1,000,000.00	24-Oct-19	991,525.75	538604	1,285.75	24-Jul-20
24,800,000.00		1.3181%				24,800,000.00		24,825,977.41		35,927.71	

Fixed Rate Bonds

Maturity Date	Face Value (\$)	Rate (%pa)	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Purchase Yield	Reference
20-Oct-20	3,000,000.00	3.5000%	SUN Snr Bond (Oct20)	3.50%	A-1	3,042,780.00	18-May-18	3,044,057.02	536638	12,049.18	3.0000%
3,000,000.00						3,042,780.00		3,044,057.02		12,049.18	3.0000%

Waverley Council

Accrued Interest Report - May 2020



Accrued Interest Report

Investment	Deal No.	Ref	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Percentage Return
Bonds									
SUN Snr Bond (Oct20) 3.50%	536638		3,000,000.00	18-May-18	20-Oct-20		31	8,893.44	3.49%
Bonds Total								8,893.44	3.49%
Floating Rate Note									
ME Bank Snr FRN (Nov20) BBSW+1.25%	535919		2,250,000.00	09-Nov-17	09-Nov-20	12,116.71	31	3,074.18	1.61%
SUN Snr FRN (Apr21) BBSW+1.38%	533415		1,500,000.00	12-Apr-16	12-Apr-21		31	1,981.28	1.56%
ME Bank Snr FRN (Apr21) BBSW+1.27%	536513		2,500,000.00	17-Apr-18	16-Apr-21		31	2,993.84	1.41%
BoQ Snr FRN (May21) BBSW+1.48%	533605		2,000,000.00	18-May-16	18-May-21	11,736.99	31	3,427.36	2.02%
TMB Snr FRN (Jul21) BBSW+1.37%	536787		2,100,000.00	02-Jul-18	02-Jul-21		31	2,973.56	1.67%
BOz 'SRI' Snr FRN (Aug21) BBSW+1.30%	536983		1,500,000.00	30-Aug-18	30-Aug-21	7,890.82	31	2,599.93	2.04%
TMB Snr FRN (Oct22) BBSW+0.90%	538616		2,400,000.00	28-Oct-19	28-Oct-22		31	2,057.52	1.01%
BOz 'SRI' Snr FRN (Dec22) BBSW+0.90%	538825		3,000,000.00	02-Dec-19	02-Dec-22		31	3,743.44	1.47%
BEN Snr FRN (Jan23) BBSW+1.05%	536145		1,250,000.00	25-Jan-18	25-Jan-23		31	1,234.80	1.16%
NPBS Snr FRN (Feb23) BBSW+1.40%	536174		1,100,000.00	06-Feb-18	06-Feb-23	6,279.04	31	1,528.40	1.64%
CUA Snr FRN (Feb23) BBSW+0.90%	539454		1,700,000.00	21-Feb-20	21-Feb-23	7,491.55	31	2,172.00	1.50%
SUN Snr FRN (Jul24) BBSW+0.78%	538331		2,500,000.00	30-Jul-19	30-Jul-24		31	1,864.88	.88%
CUA Snr FRN (Oct24) BBSW+1.12%	538604		1,000,000.00	24-Oct-19	24-Oct-24		31	1,048.90	1.23%
Floating Rate Note Total						45,515.11		30,700.09	1.46%
Floating Rate Term Deposits									
Commonwealth Bank of Australia	535380		3,000,000.00	10-Jun-16	10-Jun-21		31	4,195.19	1.65%
Westpac Group	535380	Green	3,000,000.00	10-Jun-16	10-Jun-21	12,057.53	31	3,920.25	1.54%
Westpac Group	535241		2,500,000.00	16-May-17	16-May-22	12,506.89	31	3,485.03	1.64%
Floating Rate Term Deposits Total						24,564.42		11,600.47	1.61%

Waverley Council
Accrued Interest Report - May 2020



Accrued Interest Report

Investment	Deal No.	Ref	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Percentage Return
Managed Funds									
Short Term Income Fund	411310	Builder Deposits	2,164,762.25	01-Dec-15			31	7,719.84	4.30%
Cash Fund	505262		2,203,197.89	30-Jul-15			31	2,331.49	1.25%
Managed Funds Total								10,051.33	2.75%
Term Deposits									
Westpac Group	537940	Green	2,000,000.00	13-May-19	05-May-20	10,154.52	4	495.34	2.26%
Auswide Bank	537954		1,000,000.00	16-May-19	12-May-20	24,298.63	11	738.36	2.45%
ME Bank	538601		3,000,000.00	09-Oct-19	12-May-20	29,293.15	11	1,491.78	1.65%
Auswide Bank	537955		2,000,000.00	16-May-19	19-May-20	49,536.99	18	2,416.44	2.45%
Auswide Bank	537958		1,000,000.00	20-May-19	26-May-20	24,969.86	25	1,678.08	2.45%
Auswide Bank	537959		2,000,000.00	20-May-19	02-Jun-20		31	4,161.65	2.45%
ME Bank	539424		2,000,000.00	04-Feb-20	09-Jun-20		31	2,717.81	1.60%
Westpac Group	538045	Green	3,000,000.00	17-Jun-19	16-Jun-20		31	4,943.02	1.94%
Auswide Bank	538062		2,000,000.00	20-Jun-19	16-Jun-20		31	3,652.05	2.15%
ME Bank	539463		2,000,000.00	18-Feb-20	23-Jun-20		31	2,717.81	1.60%
ME Bank	539425		3,000,000.00	04-Feb-20	30-Jun-20		31	4,076.71	1.60%
ME Bank	539479		1,500,000.00	21-Feb-20	07-Jul-20		31	2,038.36	1.60%
ME Bank	539426		3,000,000.00	04-Feb-20	14-Jul-20		31	4,076.71	1.60%
ME Bank	539464		2,000,000.00	18-Feb-20	21-Jul-20		31	2,717.81	1.60%
Credit Union Australia	538895		3,000,000.00	10-Dec-19	28-Jul-20		31	4,204.11	1.65%
ME Bank	538387		5,000,000.00	13-Aug-19	11-Aug-20		31	7,219.18	1.70%
ME Bank	538407		3,000,000.00	21-Aug-19	25-Aug-20		31	4,331.51	1.70%
Westpac Group	538408	Green	4,000,000.00	22-Aug-19	26-Aug-20	15,237.26	31	5,367.67	1.58%

Waverley Council
Accrued Interest Report - May 2020



Accrued Interest Report

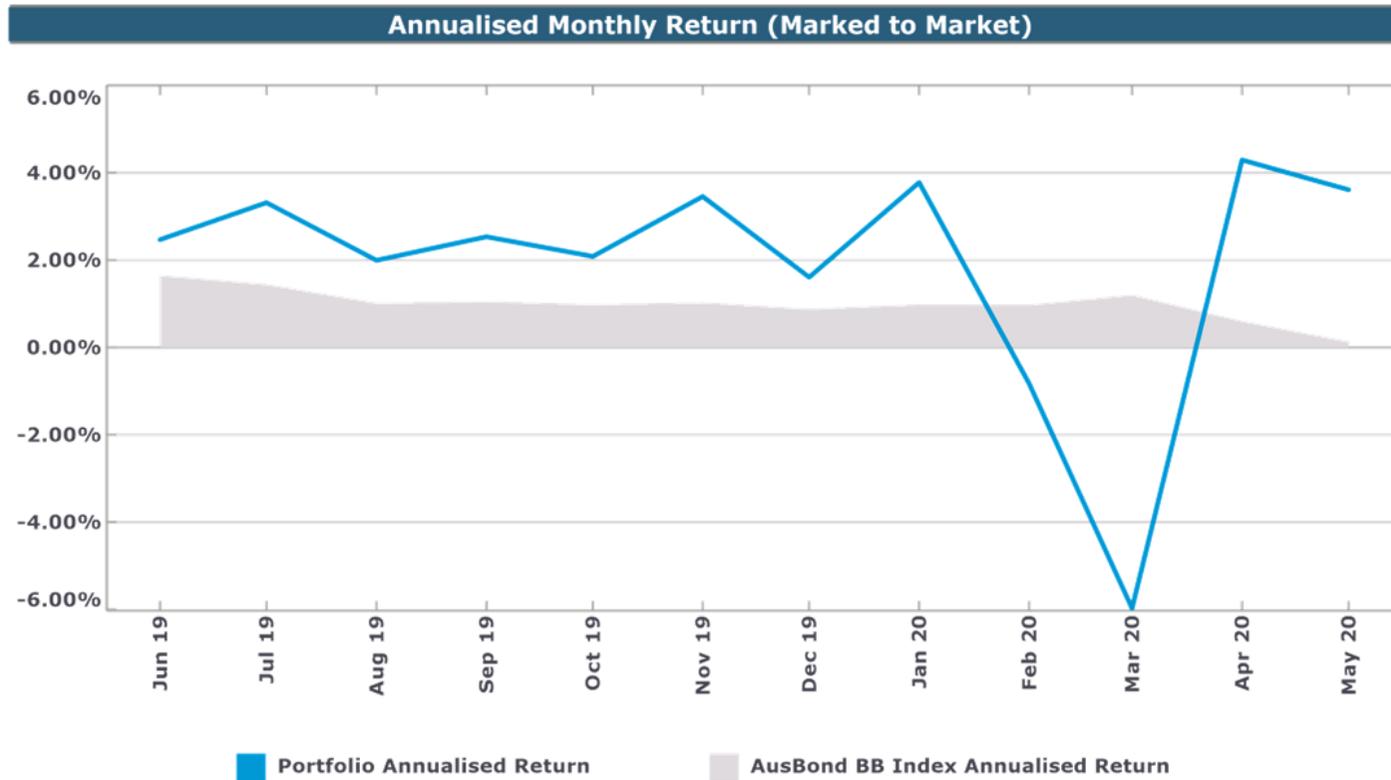
Investment	Deal No.	Ref	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Percentage Return
Westpac Group	538521	Green	3,000,000.00	11-Sep-19	08-Sep-20		31	4,255.07	1.67%
ME Bank	539480		1,500,000.00	21-Feb-20	15-Sep-20		31	2,038.36	1.60%
Westpac Group	538526	Green	5,000,000.00	12-Sep-19	22-Sep-20		31	7,134.25	1.68%
ME Bank	538533		3,000,000.00	17-Sep-19	30-Sep-20		31	4,841.09	1.90%
Rural Bank	537252		3,000,000.00	22-Oct-18	27-Oct-20		31	7,643.83	3.00%
Auswide Bank	539805		2,000,000.00	19-May-20	03-Nov-20		13	1,104.11	1.55%
Westpac Group	538671	Green	4,000,000.00	14-Nov-19	10-Nov-20	14,991.78	31	5,163.84	1.52%
Credit Union Australia	538736		3,000,000.00	19-Nov-19	17-Nov-20		31	4,153.15	1.63%
Credit Union Australia	538819		2,000,000.00	26-Nov-19	24-Nov-20		31	2,768.76	1.63%
Suncorp Bank	539595		3,000,000.00	25-Mar-20	01-Dec-20		31	4,076.72	1.60%
Auswide Bank	539835		1,000,000.00	26-May-20	08-Dec-20		6	213.70	1.30%
Credit Union Australia	537426		2,000,000.00	18-Dec-18	15-Dec-20		31	5,010.96	2.95%
Auswide Bank	539456		3,000,000.00	13-Feb-20	25-Jan-21		31	4,204.11	1.65%
Newcastle Permanent Building Society	537536		2,500,000.00	11-Feb-19	09-Feb-21		31	6,263.70	2.95%
Credit Union Australia	537565		2,000,000.00	26-Feb-19	23-Feb-21		31	4,926.02	2.90%
MyState Bank	539571		3,000,000.00	13-Mar-20	09-Mar-21		31	3,949.31	1.55%
Suncorp Bank	539581		3,000,000.00	17-Mar-20	16-Mar-21		31	4,382.47	1.72%
Suncorp Bank	539589		6,000,000.00	19-Mar-20	23-Mar-21		31	8,153.42	1.60%
Westpac Group	536715		6,000,000.00	06-Jun-18	08-Jun-21		31	16,052.06	3.15%
Bank of Queensland	538366		2,000,000.00	06-Aug-19	03-Aug-21		31	3,227.40	1.90%
Newcastle Permanent Building Society	537651		2,500,000.00	25-Mar-19	21-Sep-21		31	5,945.21	2.80%
Newcastle Permanent Building Society	537553		3,000,000.00	19-Feb-19	08-Feb-22		31	7,771.23	3.05%
Auswide Bank	539531		2,000,000.00	05-Mar-20	08-Mar-22		31	2,887.67	1.70%

Waverley Council

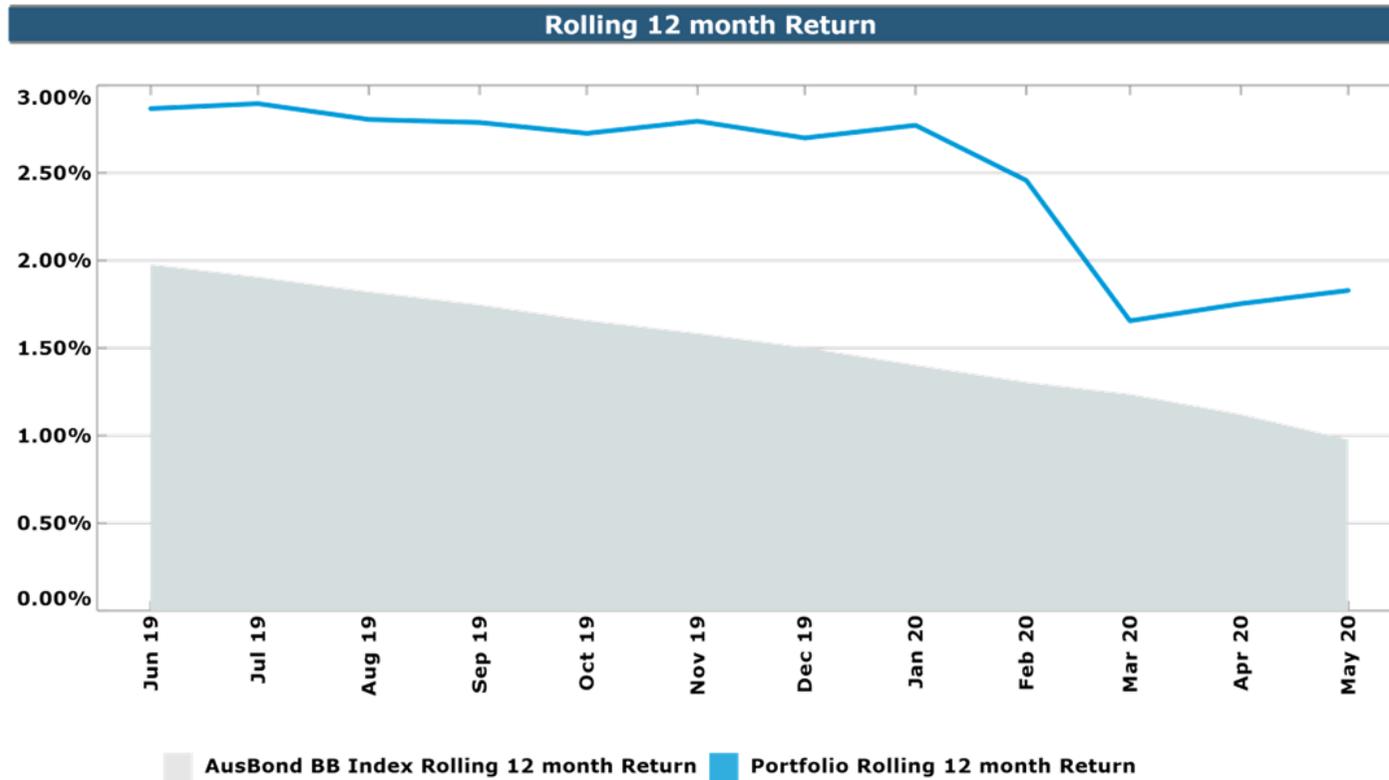
Accrued Interest Report - May 2020

**Accrued Interest Report**

Investment	Deal No.	Ref	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Percentage Return
Term Deposits Total						168,482.19		175,210.84	1.97%
						238,561.72		236,456.17	1.92%



Historical Performance Summary			
	Portfolio	AusBond BB Index	Outperformance
May 2020	3.61%	0.10%	3.51%
Last 3 Months	0.49%	0.62%	-0.13%
Last 6 Months	1.02%	0.77%	0.25%
Financial Year to Date	1.77%	0.91%	0.86%
Last 12 months	1.83%	0.97%	0.86%



Historical Performance Summary (actual)

	Portfolio	AusBond BB Index	Outperformance
May 2020	0.30%	0.01%	0.29%
Last 3 Months	0.12%	0.16%	-0.04%
Last 6 Months	0.51%	0.39%	0.12%
Financial Year to Date	1.63%	0.84%	0.79%
Last 12 months	1.83%	0.97%	0.86%

Waverley Council

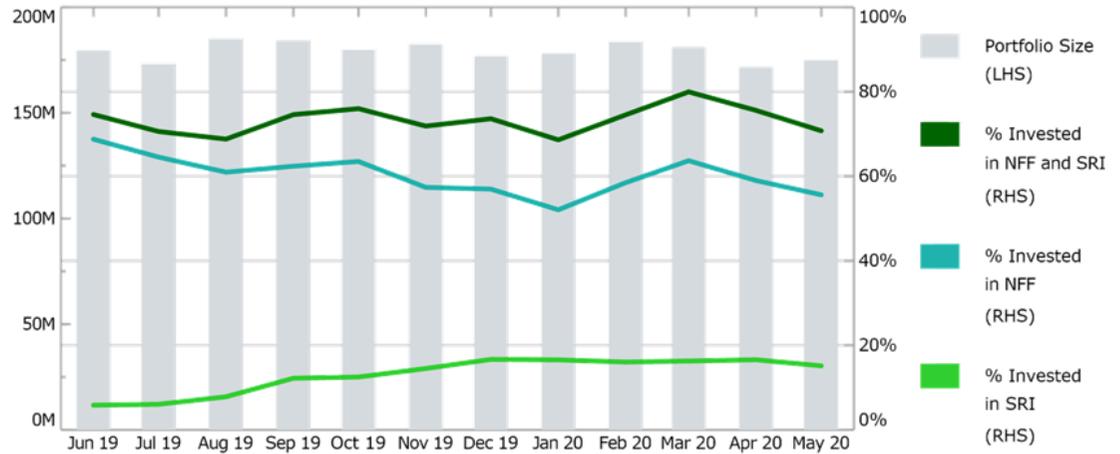
Environmental Commitments Report - May 2020



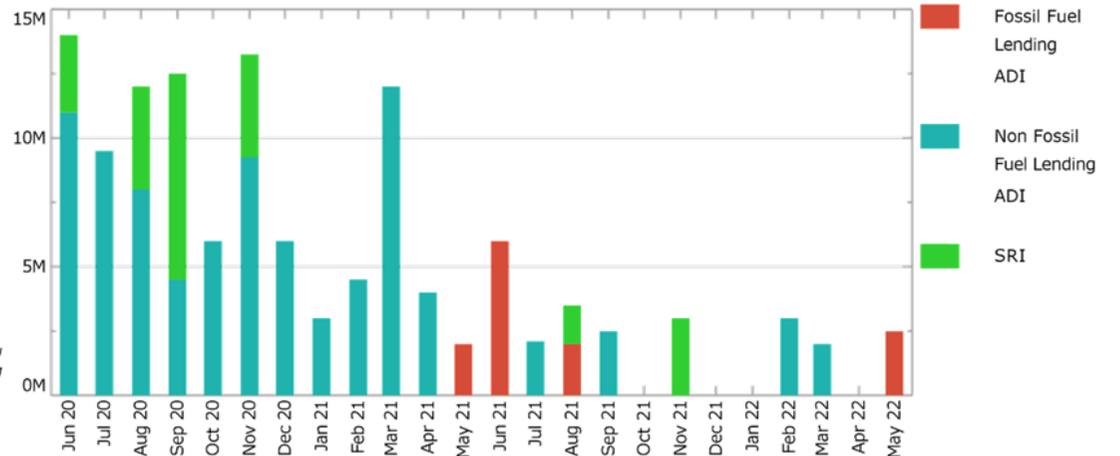
Current Breakdown **Historical Portfolio Exposure to NFF Lending ADIs and SRIs**

ADI Lending Status *	Current Month (\$)	Previous Month (\$)
Fossil Fuel Lending ADIs		
Bank of Queensland	4,000,000	4,000,000
Commonwealth Bank of Australia	24,573,471	15,956,133
Westpac Group	8,500,000	8,500,000
	37,073,471 21.2%	28,456,133 16.5%
Non Fossil Fuel Lending ADIs		
Auswide Bank	12,000,000	13,000,000
Bendigo and Adelaide Bank	4,250,000	4,250,000
Credit Union Australia	14,700,000	14,700,000
Members Equity Bank	30,750,000	33,750,000
MyState Bank	3,000,000	3,000,000
Newcastle Permanent Building Society	9,100,000	9,100,000
Suncorp Bank	19,000,000	19,000,000
Teachers Mutual Bank	4,500,000	4,500,000
	97,300,000 55.6%	101,300,000 58.9%
Other		
NSW T-Corp (Cash)	4,367,960	4,357,909
NSW T-Corp (LT)	9,750,129	9,484,792
	14,118,089 8.1%	13,842,700 8.0%
Socially Responsible Investments		
Bank Australia (Sustainability)	4,500,000	4,500,000
Westpac Group (Green TD)	22,000,000	24,000,000
	26,500,000 15.1%	28,500,000 16.6%
	174,991,560	172,098,833

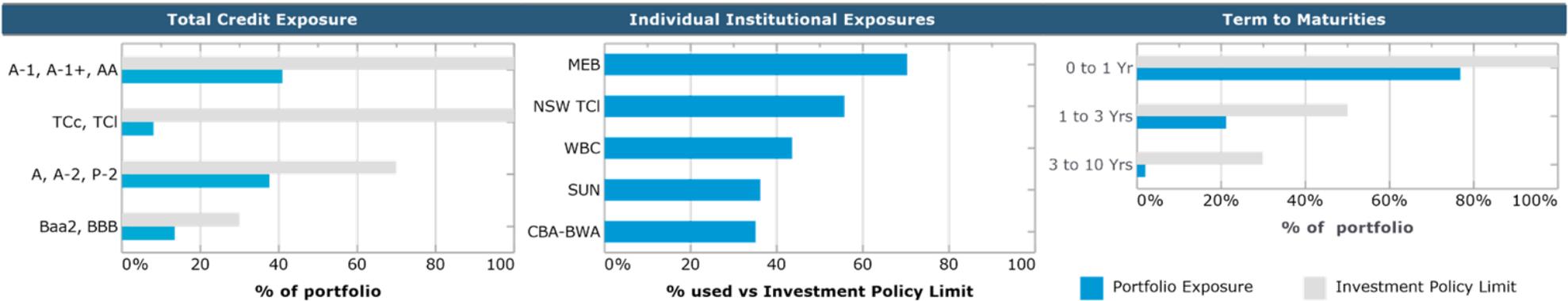
* source: <http://www.marketforces.org.au>
Percentages may not add up to 100% due to rounding



Upcoming maturities



Waverley Council
Investment Policy Report - May 2020



	Credit Rating	Face Value (\$)		Policy Max	
Short Term	A-1	16,500,000			
Short Term	A-1+	40,573,471			
Long Term	AA	14,500,000			
		71,573,471	41%	100%	✓
Short Term	TCC	4,367,960			
Short Term	TCI	9,750,129			
		14,118,089	8%	100%	✓
Short Term	A-2	50,250,000			
Short Term	P-2	13,000,000			
Long Term	A	2,500,000			
		65,750,000	38%	70%	✓
Long Term	Baa2	2,000,000			
Long Term	BBB	21,550,000			
		23,550,000	13%	30%	✓
		174,991,560	100%		

✓ = compliant
✗ = non-compliant

	% used vs Investment Policy Limit	
Members Equity Bank (A-2, BBB)	70%	✓
NSW T-Corp (LT) (TCI)	56%	✓
Westpac Group (A-1+, AA-)	44%	✓
Suncorp Bank (A-1, A+)	36%	✓
Commonwealth Bank of Australia (A-1+, AA-)	35%	✓
Credit Union Australia (A-2, BBB)	34%	✓
Auswide Bank (P-2, Baa2)	27%	✓
Newcastle Permanent Building Society (A-2, BBB)	21%	✓
Teachers Mutual Bank (A-2, BBB)	17%	✓
Bank Australia (A-2, BBB)	17%	✓
Bendigo and Adelaide Bank (A-2, BBB+)	10%	✓
Bank of Queensland (A-2, BBB+)	9%	✓
MyState Bank (P-2, Baa1)	7%	✓

	Face Value (\$)	Policy Max	
Between 0 and 1 Year	134,441,560	77%	100% ✓
Between 1 and 3 Years	37,050,000	21%	50% ✓
Between 3 and 10 Years	3,500,000	2%	30% ✓
	174,991,560		

Detailed Maturity Profile	Face Value (\$)	
00. Cash + Managed Funds	35,691,560	20%
01. Less Than 30 Days	11,000,000	6%
02. Between 30 Days and 60 Days	12,500,000	7%
03. Between 60 Days and 90 Days	12,000,000	7%
04. Between 90 Days and 180 Days	31,750,000	18%
05. Between 180 Days and 365 Days	31,500,000	18%
06. Between 365 Days and 3 Years	37,050,000	21%
07. Between 3 Years and 5 Years	3,500,000	2%
	174,991,560	

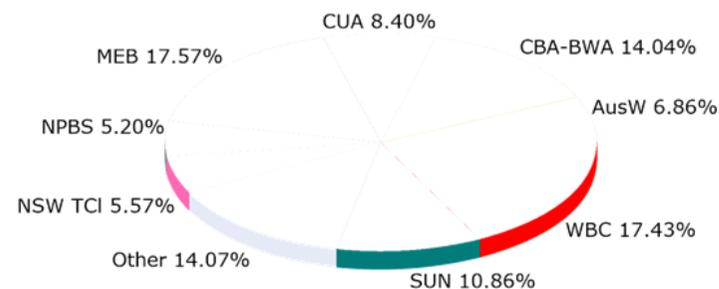
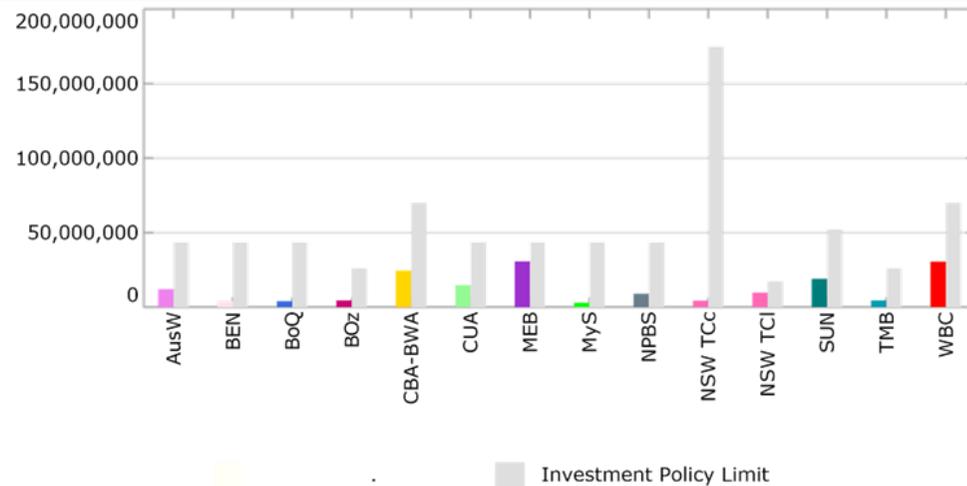
Waverley Council

Individual Institutional Exposures Report - May 2020



Individual Institutional Exposures **Individual Institutional Exposure Charts**

Parent Group	Credit Rating	Portfolio Exposure (\$)	Investment Policy Limit (\$)
Auswide Bank	P-2, Baa2	12,000,000	43,747,890
Bank Australia	A-2, BBB	4,500,000	26,248,734
Bank of Queensland	A-2, BBB+	4,000,000	43,747,890
Bendigo and Adelaide Bank	A-2, BBB+	4,250,000	43,747,890
Commonwealth Bank of Australia	A-1+, AA-	24,573,471	69,996,624
Credit Union Australia	A-2, BBB	14,700,000	43,747,890
Members Equity Bank	A-2, BBB	30,750,000	43,747,890
MyState Bank	P-2, Baa1	3,000,000	43,747,890
Newcastle Permanent Building Society	A-2, BBB	9,100,000	43,747,890
NSW T-Corp (Cash)	TCc	4,367,960	174,991,560
NSW T-Corp (LT)	TCl	9,750,129	17,499,156
Suncorp Bank	A-1, A+	19,000,000	52,497,468
Teachers Mutual Bank	A-2, BBB	4,500,000	26,248,734
Westpac Group	A-1+, AA-	30,500,000	69,996,624
		174,991,560	



Waverley Council

Cashflows Report - May 2020



Current Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Received</u>
5-May-20	537940	Westpac Group	Term Deposits	Maturity Face Value - Received	2,000,000.00
		Westpac Group	Term Deposits	Interest - Received	10,154.52
<u>Deal Total</u>					<u>2,010,154.52</u>
Day Total					2,010,154.52
6-May-20	536174	Newcastle Permanent Building Society	Floating Rate Note	Coupon - Received	6,279.04
<u>Deal Total</u>					<u>6,279.04</u>
Day Total					6,279.04
11-May-20	535919	ME Bank	Floating Rate Note	Coupon - Received	12,116.71
<u>Deal Total</u>					<u>12,116.71</u>
Day Total					12,116.71
12-May-20	537954	Auswide Bank	Term Deposits	Maturity Face Value - Received	1,000,000.00
		Auswide Bank	Term Deposits	Interest - Received	24,298.63
<u>Deal Total</u>					<u>1,024,298.63</u>
	538601	ME Bank	Term Deposits	Maturity Face Value - Received	3,000,000.00
		ME Bank	Term Deposits	Interest - Received	29,293.15
<u>Deal Total</u>					<u>3,029,293.15</u>
Day Total					4,053,591.78
14-May-20	538671	Westpac Group	Term Deposits	Interest - Received	14,991.78
<u>Deal Total</u>					<u>14,991.78</u>
Day Total					14,991.78
18-May-20	533605	Bank of Queensland	Floating Rate Note	Coupon - Received	11,736.99
<u>Deal Total</u>					<u>11,736.99</u>
	535241	Westpac Group	Floating Rate Term Deposits	Interest - Received	12,506.89
				<u>Deal Total</u>	<u>12,506.89</u>
Day Total					24,243.88

Waverley Council

Cashflows Report - May 2020



Current Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Received</u>	
19-May-20	537955	Auswide Bank	Term Deposits	Maturity Face Value - Received	2,000,000.00	
		Auswide Bank	Term Deposits	Interest - Received	49,536.99	
					<u>Deal Total</u>	<u>2,049,536.99</u>
	539805	Auswide Bank	Term Deposits	Settlement Face Value - Paid	-2,000,000.00	
					<u>Deal Total</u>	<u>-2,000,000.00</u>
					Day Total	49,536.99
21-May-20	539454	Credit Union Australia	Floating Rate Note	Coupon - Received	7,491.55	
					<u>Deal Total</u>	<u>7,491.55</u>
					Day Total	7,491.55
22-May-20	538408	Westpac Group	Term Deposits	Interest - Received	15,237.26	
					<u>Deal Total</u>	<u>15,237.26</u>
					Day Total	15,237.26
26-May-20	537958	Auswide Bank	Term Deposits	Maturity Face Value - Received	1,000,000.00	
		Auswide Bank	Term Deposits	Interest - Received	24,969.86	
					<u>Deal Total</u>	<u>1,024,969.86</u>
		539835	Auswide Bank	Term Deposits	Settlement Face Value - Paid	-1,000,000.00
			<u>Deal Total</u>	<u>-1,000,000.00</u>		
			Day Total	24,969.86		
28-May-20	537360	Westpac Group	Floating Rate Term Deposits	Interest - Received	12,057.53	
					<u>Deal Total</u>	<u>12,057.53</u>
					Day Total	12,057.53
29-May-20	536983	Bank Australia	Floating Rate Note	Coupon - Received	7,890.82	
					<u>Deal Total</u>	<u>7,890.82</u>
					Day Total	7,890.82
					Net Cash Movement for Period	
					6,238,561.73	

Waverley Council
Cashflows Report - May 2020



Current Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Received</u>
Net Cash Movement for Period					6,238,561.73

Next Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Due</u>		
2-Jun-20	537959	Auswide Bank	Term Deposit	Maturity Face Value - Received	2,000,000.00		
				Interest - Received	50,879.45		
				<u>Deal Total</u>	<u>2,050,879.45</u>		
	538825	Bank Australia	Floating Rate Note	Coupon - Received	11,109.57		
				<u>Deal Total</u>	<u>11,109.57</u>		
				Day Total	2,061,989.02		
9-Jun-20	536715	Westpac Group	Term Deposit	Interest - Received	49,191.78		
				<u>Deal Total</u>	<u>49,191.78</u>		
				539424	ME Bank	Term Deposit	Maturity Face Value - Received
ME Bank	Term Deposit	Interest - Received	11,046.58				
<u>Deal Total</u>	<u>2,011,046.58</u>						
Day Total	2,060,238.36						
10-Jun-20	535380	Commonwealth Bank of Australia	Floating Rate Term Deposits	Interest - Received	12,450.25		
				<u>Deal Total</u>	<u>12,450.25</u>		
				Day Total	12,450.25		
11-Jun-20	538521	Westpac Group	Term Deposit	Interest - Received	12,627.95		
				<u>Deal Total</u>	<u>12,627.95</u>		
				Day Total	12,627.95		
12-Jun-20	538526	Westpac Group	Term Deposit	Interest - Received	21,172.60		
				<u>Deal Total</u>	<u>21,172.60</u>		
				Day Total	21,172.60		
16-Jun-20	538045	Westpac Group	Term Deposit	Maturity Face Value - Received	3,000,000.00		
				Westpac Group	Term Deposit	Interest - Received	14,510.14
				<u>Deal Total</u>	<u>3,014,510.14</u>		
	538062	Auswide Bank	Term Deposit	Maturity Face Value - Received	2,000,000.00		
				Auswide Bank	Term Deposit	Interest - Received	42,646.58
				<u>Deal Total</u>	<u>2,042,646.58</u>		
Day Total	5,057,156.71						
23-Jun-20	539463	ME Bank	Term Deposit	Maturity Face Value - Received	2,000,000.00		

Waverley Council
Cashflows Report - May 2020



Next Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Due</u>
		ME Bank	Term Deposit	Interest - Received	11,046.58
				<u>Deal Total</u>	<u>2,011,046.58</u>
				Day Total	2,011,046.58
30-Jun-20	539425	ME Bank	Term Deposit	Maturity Face Value - Received	3,000,000.00
		ME Bank	Term Deposit	Interest - Received	19,331.51
				<u>Deal Total</u>	<u>3,019,331.51</u>
				Day Total	3,019,331.51
				Net Cash Movement for Period	14,256,012.96

REPORT
CM/7.6/20.06(2)

Subject: Debt Write-off

TRIM No: SF17/299

Author: Teena Su, Executive Manager, Finance

Director: Darren Smith, Chief Financial Officer

RECOMMENDATION:

That Council:

1. Writes off the domestic waste annual charge of \$887.52 for the property located at 43 Palmerston Avenue, Bronte (365273 Lot 10 DP 1230429), owned by the ratepayer identified on Council's file, in accordance with clause 131(4) of the *Local Government (General) Regulation 2005* and Council's Rates and Charges Policy.
2. Notes that \$892.66 of commercial waste debt has been written off by the General Manager for the period 18 February 2020 to 15 June 2020, in accordance with clause 213(3) of the *Local Government (General) Regulation 2005*.

1. Executive Summary

A sum of \$887.52 of domestic waste charges for the property located at 43 Palmerston Avenue, Bronte, are recommended to be written off in accordance with Council's Rates and Charges Policy and Regulation.

2. Introduction/Background

Under clause 131(1) of the *Local Government (General) Regulation 2005* the council must, from time to time, by resolution, fix the amount of rates and charges above which an individual rate or charge may be written off only by resolution of the council. Council has delegated to the General Manager the authority to write off individual rates and charges debts of less than \$100 (see the resolution CM/7.6/17.07 below).

Under clause 213(2) of the *Local Government (General) Regulation 2005* a Council must from time to time, by resolution, fix an amount above which debts may be written off only by Resolution of the Council.

Clause 213(3) of the *Local Government (General) Regulation 2005*, makes provision for a delegation where debts below an amount fixed by the Council may be written off. Council has delegated to the General Manager the authority to write off individual debts of less than \$2,500 (see the resolution CM/7.5/17.07 below).

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Council 18 July 2017	CM/7.6/17.07	That Council: 1. Adopts the Rates and Charges Policy attached to this report. 2. Fixes \$100 as the amount above which rates and charges may be written off only by resolution of Council, in accordance with clause 131(1) of the Local Government (General) Regulation, noting that the General Manager can write off rates and charges not greater than this amount.
Council 18 July 2017	CM/7.5/17.07	That Council: 1. Adopts the Trade Debtors Policy attached to this report. 2. Fixes \$2,500 (including GST) as the amount above which debts may be written off only by resolution of Council, in accordance with clause 213(2) of the <i>Local Government (General) Regulation</i> , noting that the General Manager can write off debts not greater than this amount. 3. For any future contracts with debt recovery agencies, considers inclusion of a contract requirement for notification of bad debts to a credit reporting agency at an earlier stage than is possible under current arrangements. 4. Receives a quarterly report outlining details of the debts written off by the General Manager.

4. Discussion

Domestic Waste Charge Write off

A sum of \$887.52 of domestic waste annual charges from September 2017 to May 2019, levied on the property located at 43 Palmerston Avenue, Bronte, are recommended to be written off.

The Valuer-General advised Council on September 2017 that this property has been subdivided. Unfortunately, due to delays with internal processes the delivery of waste bins to the new subdivided property was not completed until May 2019.

In late 2019, the ratepayer made payments to settle the Council rates component of the Rates Notice. However, due to the unavailability of the waste bins and service, the domestic waste charges for the period from September 2017 to May 2019 were not paid. Given the circumstances of the unpaid debt, it is officers' considered opinion that it would be uneconomical to recover this debt. It is recommended that the disputed domestic waste charge totalling \$887.52 be written off in accordance with clause 131(4) of the *Local Government (General) Regulation 2005* and Council's Rates and Charges Policy.

Debts Written off under Delegation

The table below lists the trade debts under \$2,500 written off by the General Manager from 18 February 2020 to 15 June 2020.

Table 1. Trade debts written off.

Business Name	Service Address	Owner/ Manager	Total Debt	Reason for abandonment	Debt Type	Debt Age (days)
Bardot Pty Ltd	464 Oxford Street, Bondi Junction	Cristina Capodicasa	\$892.66	Business closed and administrators appointed on 17 March 2020	Commercial Waste	>90

5. Financial impact statement/Time frame/Consultation

The proposed domestic waste charge write-off has been discussed with ELT.

6. Conclusion

Writing off bad debts is only recommended after a thorough review by the relevant business units and after all reasonable efforts have been taken to recover the debt.

All write-offs are recommended by the responsible Executive Manager/officer and reviewed by Finance staff before being placed before the General Manager or Council.

7. Attachments

Nil.

REPORT
CM/7.7/20.06(2)

Subject: Audit, Risk and Improvement Committee Meeting - 2 April 2020 - Minutes

TRIM No: SF20/986

Author: Al Johnston, Governance and Internal Ombudsman Officer

Director: John Clark, Director, Customer Service and Organisation Improvement

RECOMMENDATION:

That Council notes the minutes of the Audit, Risk and Improvement Committee meeting held on 2 April 2020 attached to this report.

1. Executive Summary

Council established the Audit, Risk and Improvement Committee ('the Committee') in February 2019. The Committee meets five times per year. In accordance with the Committee's Charter, once the minutes of a meeting have been confirmed by the Committee, they are reported to Council for noting.

The minutes of the meeting held on 2 April 2020 were confirmed by the Committee at its meeting on 21 May 2020 and are attached to this report for Council's information.

2. Introduction/Background

The Audit, Risk and Improvement Committee provides independent assistance to Council by monitoring, reviewing and providing advice on governance processes, risk management and control frameworks, and external accountability obligations.

The Committee is supported by an internal audit function and together they are one mechanism Council uses to ensure its internal controls and management approaches are effective for the management of risk across the organisation.

The Committee generally meets five times each calendar year. In accordance with section 9.6 of the Committee's Charter, after the minutes of each meeting have been confirmed by the Committee, they are reported to Council for noting.

3. Relevant Council Resolutions

Nil.

4. Discussion

Nil.

5. Financial impact statement/Time frame/Consultation

The minutes of the meeting held on 2 April 2020 were confirmed by the Committee at its meeting on 21 May 2020.

6. Conclusion

The minutes of the Committee's meeting held on 2 April 2020 are attached to this report for Council's information.

It is recommended that Council notes the minutes.

7. Attachments

1. ARIC - 2 April 2020 - Minutes [↓](#)



**MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING
HELD BY VIDEO CONFERENCE ON THURSDAY, 2 APRIL 2020**

Voting Members Present:

Elizabeth Gavey (Chair)	Independent Member
John Gordon	Independent Member
Kath Roach	Independent Member
Cr George Copeland	Councillor Member

In Attendance:

Ross McLeod	General Manager
John Clark	Director, Customer Service and Organisation Improvement
Darren Smith	Chief Financial Officer
Jane Worthy	Internal Ombudsman
Umayal Sivanandan	Senior Internal Auditor (SSROC)
Brett Hanger	External Auditor (Nexia Australia) (for Items 5.1-5.5)
Teena Su	Executive Manager, Finance (for Items 5.3-5.5 and 5.11)
Kevin Trinh	Executive Manager, Information Management & Technology (for Item 5.6)
Evan Hutchings	Special Project Lead (for Item 5.8)
Cr Tony Kay	Waverley Council
Al Johnston	Committee Secretary

At the commencement of proceedings at 1.00PM, those present were as listed above.

This meeting was originally scheduled for 26 March 2020, but was postponed one week to allow video conferencing facilities to be organised.

ACKNOWLEDGEMENT OF INDIGENOUS HERITAGE

The Chair read the following Acknowledgement of Indigenous Heritage:

Waverley Council respectfully acknowledges our Indigenous heritage and recognises the ongoing Aboriginal traditional custodianship of the land which forms our Local Government Area.

1. Apologies/Leaves of Absence

Apologies were received and accepted from Caroline Karakatsanis from the NSW Audit Office.

2. Declarations of Pecuniary and Non-Pecuniary Interests

The Chair called for declarations of interest and the following was received:

- 2.1 Mr Gordon advised the Committee that he had recently been appointed to the audit committee for the Health Care Complaints Commission NSW.

3. Confirmation of Minutes

ARIC/3.1/20.03 Confirmation of Minutes - Audit, Risk and Improvement Committee Meeting - 19 December 2019 (SF19/330)

MOTION / DECISION

Mover: John Gordon

Seconder: Cr Copeland

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 19 December 2019 be received and noted, and that such minutes be confirmed as a true record of the proceedings of that meeting.

4. Actions from Previous Meetings

ARIC/4.1/20.03 Actions from Previous Meetings (SF19/5449)

MOTION / DECISION

Mover: John Gordon

Seconder: Cr Copeland

That the Committee notes the status of the actions from previous meetings.

DISCUSSION

The Committee discussed the following:

- The presentation of the Long-Term Financial Plan is not on the agenda as indicated in the Actions from Previous Meetings table. The Chief Financial Officer advised that the impact of coronavirus on the budget will be significant and a presentation to the Committee will be more worthwhile when those impacts have been taken into account.
- The briefing paper on the new Internal Audit Services and Internal Audit Charter is not on the

agenda as indicated in the table. The Chief Financial Officer informed the Committee that the draft Internal Audit Charter was circulated to members and is awaiting their comment. The Chair requested members to provide their comments on the draft charter.

- The dashboard roll-out and check of fraud and corruption controls were not updated in the table. The Committee asked for an update at the May 2020 meeting on the dashboard roll-out and the check of fraud and corruption controls as mentioned in the table.

5. Reports

ARIC/5.1/20.03 Council's Response to Coronavirus Pandemic (A20/0246)

MOTION / DECISION

Mover: John Gordon

Seconder: Kath Roach

That the Committee:

1. Notes Council's response to the Coronavirus pandemic.
2. Commends Council for its prompt and effective response.

DISCUSSION

The General Manager and Director, Customer Service and Organisation Improvement briefed the Committee on the actions Council has taken to deal with the pandemic. Discussion included the work of the Crisis Management Team, Council's powers in relation to Public Health Orders, backpacker premises and beach closures, the cemetery business plan, signage, and staff stress levels.

ARIC/5.2/20.03 Approved ARIC Charter (SF19/5469)

MOTION / DECISION

Mover: Kath Roach

Seconder: John Gordon

That the Committee notes the adopted ARIC Charter attached to this report.

DISCUSSION

The Chair commented that the Committee is happy with the Charter and it places the ARIC in a good position to do its work.

ARIC/5.3/20.03 External Audit Update - Engagement Audit Plan for 2019/20 Financial Year (SF18/655)

MOTION / DECISION

Mover: John Gordon

Seconder: Cr Copeland

That the Committee receives and notes the Annual Engagement Plan (AEP) for the audit of the 2019/20 financial statements.

DISCUSSION

Council's External Auditor presented the scope and key issues of the Annual Engagement Plan for the year ending 30 June 2020. Of the 5 key issues and risks that may impact this years audit only the New

Accounting Standards are included in the Plan for the first time. The other 4 key issues - assessing fair value of assets, quality and timeliness of financial reporting, Information technology general controls, and revaluation of assets - are repeat issues. The External Auditor said he was satisfied with the Plan.

The Committee noted the Engagement Timetable and its alignment with the ARIC meeting schedule.

ARIC/5.4/20.03 Position Paper on New Accounting Standards AASB 16 - Leases (A19/0807)

MOTION / DECISION

Mover: John Gordon

Seconder: Cr Copeland

That the Committee notes the position paper and progress for the transition to the AASB16 – Leases.

ARIC/5.5/20.03 Position Paper on New Accounting Standards AASB 15 and AASB 1058 (A19/0807)

MOTION / DECISION

Mover: John Gordon

Seconder: Cr Copeland

That the Committee notes the position paper on new Accounting Standards AASB 15 and AASB 1058.

ARIC/5.6/20.03 Information Management & Technology - Work Program Update (A18/0665)

MOTION / DECISION

Mover: John Gordon

Seconder: Kath Roach

That the Committee:

1. Notes progress on the IT work program and provide any feedback.
2. Requests the line items in the table of IT related audit recommendations that are marked “N/A” are to be reviewed and the outcome reported back to the May Committee meeting.

DISCUSSION

The Executive Manager, Information Management and Technology advised the Committee that, in relation to the issue raised at the December 2019 meeting, it is inconclusive whether or not there was confidential or sensitive information available on shared folders. Subsequent investigations resulted in Council not identifying any such confidential or sensitive information in a shared folder and the consultant that reported the issue being unable to provide specific details.

With regard to the report, matters discussed included the creation of an information asset register, insurance cover for cyber security, the annual phishing simulation, ICT Strategy, and the actions in the IT Audit Progress table attached to the report. In particular, the IT Audit Progress table has in total 13 high, medium and low risk line items that are marked as “N/A”. The Committee asked for an explanation and requested they be reviewed and reported back to the Committee at its next meeting.

ARIC/5.7/20.03 Cyber Safety Awareness Training (SF19/2474)**MOTION / DECISION**

Mover: John Gordon
Seconder: Kath Roach

That the Committee notes the information contained in the report on Cyber Safety Awareness training provided to, and being planned and developed, for staff.

DISCUSSION

The Director, Customer Service and Organisation Improvement explained to the Committee that Council has engaged Statewide to assist it in the awareness program and that is a work in progress.

The Committee mentioned that with so many people working from home during the coronavirus pandemic now is an ideal time to increase their awareness of cyber security.

ARIC/5.8/20.03 Risk Management Program Update (SF19/2474)**MOTION / DECISION**

Mover: Cr Copeland
Seconder: Kath Roach

That the Committee notes the report on the updated status of Council's Enterprise Risk Management Program and the good progress made.

DISCUSSION

The Committee said it was pleased with the progress to date made and that it was important not to lose momentum.

ARIC/5.9/20.03 Annual Internal Audit Plan 2019/2020 - Status Update (A19/0801)**MOTION / DECISION**

Mover: John Gordon
Seconder: Cr Copeland

That the Committee notes the status update for the Annual Internal Audit Plan 2019/2020.

DISCUSSION

The Committee noted the status update for the Childrens Services (working with children) Audit indicates the report is completed but not presented to the Committee at this meeting because the management actions are being revised. The General Manager explained that agreement between Management and the Senior Internal Auditor on the management actions had not initially been reached, so more work was needed in that regard. He added that agreement has now been reached and the completed audit report will be presented to the Committee at its May meeting.

ARIC/5.10/20.03 Annual Internal Audit Plan 2019/2020 - Completed Internal Audits (A19/0800)**MOTION / DECISION**

Mover: John Gordon
Seconder: Kath Roach

That the Committee notes the completed Internal Audit Follow Up Review of Off-Street Parking 2015.

DISCUSSION

The Committee noted that the two findings requiring minor improvement will be addressed by 30 June 2020 and was satisfied with the response from Management.

The Committee observed that the follow up audit has occurred 5 years after the original audit and asked whether this was the usual practice, suggesting that 5 years is too long. The Senior Internal Auditor agreed that it is not usual and that the follow up audit should have been conducted earlier. The General Manager added that it is a “hangover” from the former audit committee that he will continue to monitor.

ARIC/5.11/20.03 Audit Recommendations Report - Implementation Status Update (SF18/416)**MOTION / DECISION**

Mover: John Gordon
Seconder: Kath Roach

That the Committee:

1. Notes the update on the reporting processes for audit recommendations contained in this report.
2. Requests that the themes of the investigation recommendations be reported to the Committee as part of the Governance Report rather than this report.

DISCUSSION

The Executive Manager, Finance advised the Committee that the one item closed in the External Audit Recommendations since the last ARIC meeting is Childcare reconciliation and recording, and the remaining items are on track to be closed by 30 June 2020.

The Internal Ombudsman said it is intended to present the updated Internal Audit Recommendation reports to the Committee at its May meeting.

The Committee discussed the process for sign-off on completed audit recommendations and noted that it is the members’ experience that at other councils a list of outstanding audit recommendations is regularly reviewed by the senior management team. The Committee mentioned Cumberland Council have a good sign-off process and suggested Management contact Cumberland’s Internal Ombudsman for advice.

The Committee expressed the view that it is not necessary to provide it with a tracking system for external investigations recommendations, and that it is sufficient to provide a broad list of themes so any systemic problems can be identified. The Committee agreed that it is appropriate for the themes to be reported to the Committee in the Governance Report rather than this report.

ARIC/5.12/20.03 Governance Report (SF20/1540)**MOTION / DECISION**

Mover: John Gordon
Seconder: Kath Roach

That the Committee:

1. Agrees to receive the Work Health and Safety Report attached to this report as part of this standing report.
2. Agrees to receive 6 monthly updates on the development of the Legislative and Compliance Database and Delegations Register as part of this standing report.
3. Requests that the next Governance Report includes:
 - (a). An outline of the complaints management system.
 - (b). An outline of the process to capture recommendations from ICAC and the Audit Office NSW.
4. Requests that in future the Governance Report includes:
 - (a). The statutory annual Code of Conduct report.
 - (b). Referrals to and from the Independent Commission Against Corruption and the NSW Ombudsman.
 - (c). An outline of any Public Interest Disclosures received.
 - (d). Any significant investigation reports.
5. Requests Management to advise it as to the nature of the Safework Notifiable Event on page 189 of the agenda, and whether there are any outstanding SafeWork orders.
6. Notes the significant progress Management has made in producing the Governance Report.

DISCUSSION

The Committee expressed satisfaction with the format and data provided in the Complaints and Compliments report. Upon review of the complaint resolution table included in the report the Committee requested an outline of the complaints management system at the next meeting.

The Committee also expressed satisfaction at the format and data provided in the GIPA and Subpeona report, and made the suggestion that each bar in each GIPA graph could be shaded to show how many information requests were released in full, in part, or withheld.

Regarding the legislative compliance database, the Committee wished to see the data again once the table had been fully populated. The Committee posed the following questions for Management to consider:

- How does the legislation filter down into the everyday work of staff on the ground?
- How many policies and procedures does Council have and how relevant and up-to-date are they (as policy is how you make the legislation relevant in the organisation).

Further, the Committee advised Management to pick 20-30 significant legislative requirements and review processes to ensure the organisation is compliant.

The General Manager agreed with the Committee that the methodology for legislative compliance in the organisation needs to be established.

The Committee referred to the Lagging Indicators table on page 189 of the agenda and requested Management to advise it as to the nature of the Safework Notifiable Event and whether there are any

outstanding SafeWork orders.

ARIC/5.13/20.03 Governance Framework - Update Report (SF20/1587)

MOTION / DECISION

Mover: Kath Roach
 Seconder: John Gordon

That the Committee:

1. Notes the proposal to prepare a governance framework for the organisation.
2. Requests an update in 6 months' time when the development of the framework has progressed.

DISCUSSION

The Internal Ombudsman advised the Committee that due to the Coronavirus pandemic the Governance Framework planning workshop has been postponed.

ARIC/5.14/20.03 ARIC - Draft Annual Work Program 2020 (SF19/5470)

MOTION / DECISION

Mover: John Gordon
 Seconder: Cr Copeland

That the Committee adopts the ARIC's draft Annual Work Program 2020 attached to this report subject to the removal of the N/A items shown in the table, and the addition of a closed session meeting with Council's Internal Ombudsman.

6 Other Business

ARIC/6.1/20.03 Tour of LGA for ARIC Members

The Chair of the Committee thanked Council for the ARIC members' recent tour of the LGA, and gave a special thanks to the bus driver, Mr Dan Joannides.

7. Meeting Closure

THE MEETING CLOSED AT 4.44PM.



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SIGNED AND CONFIRMED
CHAIR
21 MAY 2020

REPORT
CM/7.8/20.06(2)

Subject: Draft Waverley Local Character Statements - Exhibition

TRIM No: A20/0325

Author: Alicia Baker, Senior Strategic Planner

Director: Peter Monks, Director, Planning, Environment and Regulatory

RECOMMENDATION:

That Council publicly exhibits the draft Waverley Local Character Statements 2020 attached to this report for a minimum of 28 days, and during exhibition sends the report to the relevant precincts with an offer of a briefing or presentation.

1. Executive Summary

The purpose of this report is to seek Council's endorsement of the draft *Waverley Local Character Statements* (the draft Local Character Statements) for public exhibition. The draft Local Character Statements have been prepared as part of the *Comprehensive Waverley Local Environmental Plan Review 2021* project (the Comprehensive LEP Review).

The draft Local Character Statements document the outcomes of a local character study, which identified and described at a high level the social, environmental and economic characteristics of 23 defined areas across the Waverley LGA. Characteristics include housing type and architectural style, density and height, heritage and culture, parking, public/private domain interface, open space, topography and tree canopy. This is the first time that Council has undertaken a local character study for the whole LGA. A written and graphic statement of the existing and desired future character has been prepared for each of the 23 areas.

The preparation of the draft Local Character Statements forms part of Phase 4 of the Comprehensive LEP Review process and delivers on Action 7.3 of the *Waverley Local Strategic Planning Statement 2020-2036* (Waverley LSPS) and Action 5.1 of the *Waverley Local Housing Strategy* (Waverley LHS). The draft Local Character Statements form part of a suite of environmental studies that provide an evidence base to strengthen the integration of local character considerations into the Waverley planning framework. This will occur first as part of the strategic planning process and then through its translation into statutory controls, in the comprehensive review of the *Waverley Local Environmental Plan 2012* (WLEP) and the *Waverley Development Control Plan 2012* (WDCP). Specifically, this work will help Council prioritise place-based planning and local character when assessing Planning Proposals (PPs) and Development Applications (DAs).

The character study and draft Local Character Statements are a starting point to identify and describe the existing and future character of an area. The next step is to gain further public input. It is proposed to put the draft Local Character Statements on public exhibition to enable broad community feedback and refinement prior to adoption.

2. Introduction/Background

Recent reforms to the NSW planning system have resulted in a shift to a strategic-led planning framework with the introduction of regional strategic plans across NSW and district strategic plans in Greater Sydney.

In accordance with sections 3.8(3) and (4) of the *Environmental Planning and Assessment Act 1979* (EP&A Act), Council is required to undertake a comprehensive review of the WLEP to implement the Region Plan ('A Metropolis of Three Cities') and the District Plan (the 'Eastern City District Plan'), prepared by the NSW Government. As part of the review process, section 3.9 of the EP&A Act also requires that Council prepare a Local Strategic Planning Statement (LSPS). The LSPS is a new policy that sets the vision for the local area for the next 20 years and ensures there is a clear line of sight between State and local strategic planning priorities, including priorities to support local character.

The requirement to undertake the Comprehensive LEP Review is an opportunity for Council to revise and clarify a strategic vision for the area through the LSPS, and to review current plans and policies that guide development. This includes local character considerations.

The Comprehensive LEP Review consists of six phases, each with a deliverable to Council or the NSW Government. These six phases are:

- Phase 1 – The Health Check (completed 31 October 2018).
- Phase 2 – Draft Waverley Local Strategic Planning Statement (completed 1 June 2019).
- Phase 3 – Finalise Waverley Local Strategic Planning Statement (completed 4 February 2020).
- Phase 4 – Prepare Planning Proposal (currently underway).
- Phase 5 – Public exhibition.
- Phase 6 – Finalisation.

The Waverley LSPS identifies additional environmental studies, required to form a more detailed evidence base to undertake the comprehensive review of the WLEP and WDCP (refer to Figure 1). Studies include the draft Local Character Statements as well as the Waverley LHS and draft Waverley Village Centres Strategy (VCS). This evidence base may lead to some changes to the WLEP and WDCP, or it may confirm that the existing WLEP and WDCP are performing effectively to achieve Waverley's vision. The preparation and finalisation of the additional environmental studies forms part of Phase 4 of the Comprehensive LEP Review process.

The draft Local Character Statements have been prepared in response to Action 7.3 of the Waverley LSPS, to 'implement Local Character Statements, including desired future character, into Council's LEP and DCP' and Action 5.1 of the Waverley LHS, to 'complete Local Character Statement Discussion Paper'. The local character work will also deliver on the NSW Government's and Council's strategic direction to elevate the consideration of local character in planning and decision-making. It will help Council prioritise place-based planning and local character when assessing Planning Proposals (PPs) and Development Applications (DAs), against the WLEP, WDCP and other policies.

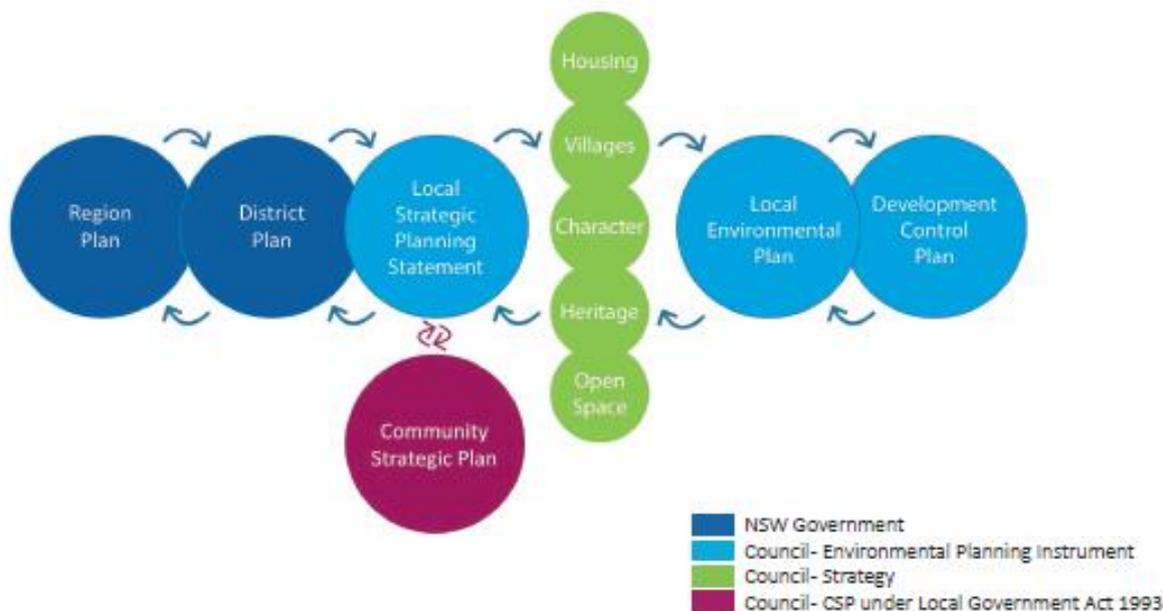


Figure 1. Comprehensive LEP Review process.

To assist Council’s to identify and describe local character and integrate it in the planning framework, the Department of Planning, Industry and Environment (DPIE) released two documents relating to local character, the *Local Character and Place Guideline* (2019) and *Discussion Paper – Local Character Overlays* (2019). The draft Local Character Statements have been prepared with reference to these documents.

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Strategic Planning and Development Committee 4 February 2020	PD/5.1/20.02	That Council: 1. Endorses the Waverley Local Strategic Planning Statement 2020–2036 (LSPS) attached to this report for finalisation, subject to the following amendments: (a) Page 14 of the LSPS, right column, add dot point: ‘Maintaining diversity of retail offerings to serve local needs.’ (b) Page 17 of the LSPS, right column, second dot point: delete the second sentence and replace with: ‘Proposals can satisfy these high standards by committing all development on the subject site to achieve a 5+ Green Star rating with the Green Building Council of Australia, or a Core Green Building Certification or Zero Carbon Certification with the Living Futures Institute of Australia, or equivalent.’ (c) Page 38 of the LSPS, right column, fourth paragraph regarding Principle H5: insert the

		<p>word 'protected' after the word 'enhanced'.</p> <p>(d) Page 47 of the LSPS, point 1 under heading Actions: add at the end of the sentence 'while maintaining diversity of retail offerings.'</p> <p>2. Forwards the endorsed LSPS to the Greater Sydney Commission to complete the assurance process.</p> <p>3. Delegates authority to the General Manager to take any further actions necessary to finalise and make the LSPS in accordance with clause 3.9 of the <i>Environmental Planning and Assessment Act 1979</i>.</p> <p>4. Council commits to implementing and progressing the LSPS in ways that operate to involve and acknowledge that Aboriginal First Nation Peoples have a custodial ongoing spiritual, social, cultural, economic and traditional relationship to looking after country and people.</p>
<p>Strategic Planning and Development Committee 4 June 2019</p>	<p>PD/5.1/19.06</p>	<p>That Council:</p> <p>1. Endorses the Draft Waverley Local Strategic Planning Statement (Attachment 1) and Draft Waverley Local Strategic Planning Statement Summary (Attachment 2) for public exhibition for a period of no less than 28 days, subject to the following amendments:</p> <p>(a) Provide indicative timing for short-, medium- and long-term indicators in the 'Key to actions' table (page 5).</p> <p>(b) Amend 'About the plan' (page 4) to clarify that the scope of the LSPS addresses broader economic, social and environmental issues, as well as land use planning issues.</p> <p>(c) Amend the list of 'Key Issues' (page 9) as follows:</p> <p>(i) Change 'A holistic approach encompassing how climate change, biodiversity, and green space are managed' to 'A holistic approach to the management of biodiversity, green space, and adaptation and resilience to climate change.'</p> <p>(ii) Change 'A diverse economy that is less reliant on tourism' to 'A diverse and thriving local economy that is less reliant on tourism.'</p>

		<p>(iii) Add as a Challenge 'There are community concerns about how tourism is managed.'</p> <p>(iv) Change 'Additional public schools in Waverley, particularly a secondary school' to 'Additional public schools in the Eastern Suburbs, particularly a secondary school.'</p> <p>(v) Change 'More space in the Mill Hill Community Centre' and 'Improve use of Bondi Pavilion, including more events and activities at night' to 'Provide more space for community uses and events.'</p> <p>2. Endorses the Waverley Local Housing Discussion Paper (Attachment 3) for public exhibition at the same time.</p>
Strategic Planning and Development Committee 9 October 2018	PD/5.1/18.10	<p>That Council:</p> <p>1. Endorses the Comprehensive Waverley Local Environmental Plan Review 2021 – Phase 1 – Health Check attached to this report.</p> <p>2. Forwards the document to the Department of Planning and Environment by 31 October 2018.</p>

4. Discussion

What is local character?

Local character is what makes one area distinctive from another. It is the way an area 'looks' and 'feels'. Character is created through the interrelation of distinctive natural and built elements in the public and private domains, including topography, vegetation, streetscape, built form, activity types, as well as the emotional and cultural experience of a place.

All areas in the Waverley local government area (LGA) have character; however, in some the character may be more identifiable, more unusual, or more attractive and what is important in one area might be different in another – from vibrant local centres, leafy streets, consistent dwelling typologies and architectural styles, to areas and items of heritage significance and access to coastal views and open space. This character makes the Waverley LGA an attractive place to live, work and visit. Consequently, the area is subject to ongoing redevelopment pressures and change, such as:

- Alterations and additions to existing dwellings, including second-storey and parking structure (e.g. enclosed garage) additions, rooftop additions comprising apartment dwellings and / or consolidation of apartments.
- Replacement of existing dwellings with 'higher-value' dwellings and densities, such as residential flat buildings (RFBs) or dual-occupancies.

- Exempt and Complying Development undertaken in accordance with State and Environmental Planning Policies (SEPPs), for example the *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008* (Codes SEPP).

If these pressures and change are not managed, areas may be impacted by new development, which may be insensitive to the area's existing character, in terms of building height, landscaped areas and car parking provision, etc.

Respecting local character does not mean that change cannot occur; rather, it means that good planning and design needs to be implemented to ensure new development is well-considered and builds on the valued characteristics of an area. Built form, bulk, scale and height as well as landscaping and materiality all play a part in ensuring the character of an area is maintained and/or enhanced whilst still allowing for new development to occur. Places which develop in response to an identified local character and desired future character are likely to be more liveable, more sustainable, and more productive. Accordingly, it is important that Council and the community create a shared vision for an area and how it will change over time, including identifying existing characteristics to be maintained and/or enhanced.

Local character study and statements

Methodology

The boundaries of each area have been informed by natural features, open space, primary roads, change in land use or building typologies, existing and former character areas and/or suburb boundaries. The 23 areas provide a narrowed focus for the local character study. The study has been informed by the DPIE's 'Character Assessment Toolkit' and 'Local Character Wheel' documented in the *Local Character and Place Guideline* (2019) (refer to Figure 3).

This is the first time that Council has undertaken a local character study for the whole LGA. The study seeks to complement the work on character within the WDCP (i.e. the existing Special Character Areas at North Bondi, Ben Buckler, and Bondi Heights in Part C) and other strategic studies including, the Waverley LHS, draft VCS, draft *Waverley Council Heritage Assessment 2020* and the Bondi Junction Urban Design Review Update 2020.

It is noted, that the draft Local Character Areas include Waverley's village centres (in some instances split across multiple character areas). These centres contribute to the social and economic character of each area. The draft Local Character Statements, however, do not seek to duplicate the detailed description and recommendations of the draft VCS, including the desired future character of each centre. The draft Local Character Statements complement the detail in the draft VCS, rather than duplicating significant work. Both documents will inform the review of the Waverley LEP and DCP.

Further, it is noted that the Bondi Junction Strategic Centre has been excluded from the character study. A number of studies and strategies have been completed for Bondi Junction in the past decade or so, including the Bondi Junction Complete Streets Project (2013) and Bondi Junction Commercial Centre Review (2017). These documents provide a series of recommendations and principles for the future development of the centre that have informed current policy settings and LEP and DCP controls. The current Bondi Junction Urban Design Review Update 2020 seeks to evaluate the current principles and policy framework applying to development in Bondi Junction to ensure that they are valid and up to date and makes appropriate recommendations for their implementation. It is considered that the existing documents holistically and sufficiently address the existing and desired future character of the Bondi Junction centre. It is considered that these documents provide adequate assessment and justification for any future inclusion of all or part of the centre as a local character area/local character overlay. As such, to avoid duplication of significant work, the Bondi Junction centre has been excluded from this local character study.

The local character study has informed the preparation of a written and graphic statement for the 23 areas. Each statement comprises:

- A high-level description of the area’s existing characteristics, using text, photos and maps. The existing characteristics focus on the themes of history, configuration and connectivity, built form, the public and private interface, natural environment and recent development within an area,
- A rating of the area’s key existing character attributes, and
- A desired future character statement and objectives for the area.

By describing the way a place looks and feels and the valued elements in the public and private domains, it can provide a reference point for future planning decisions.

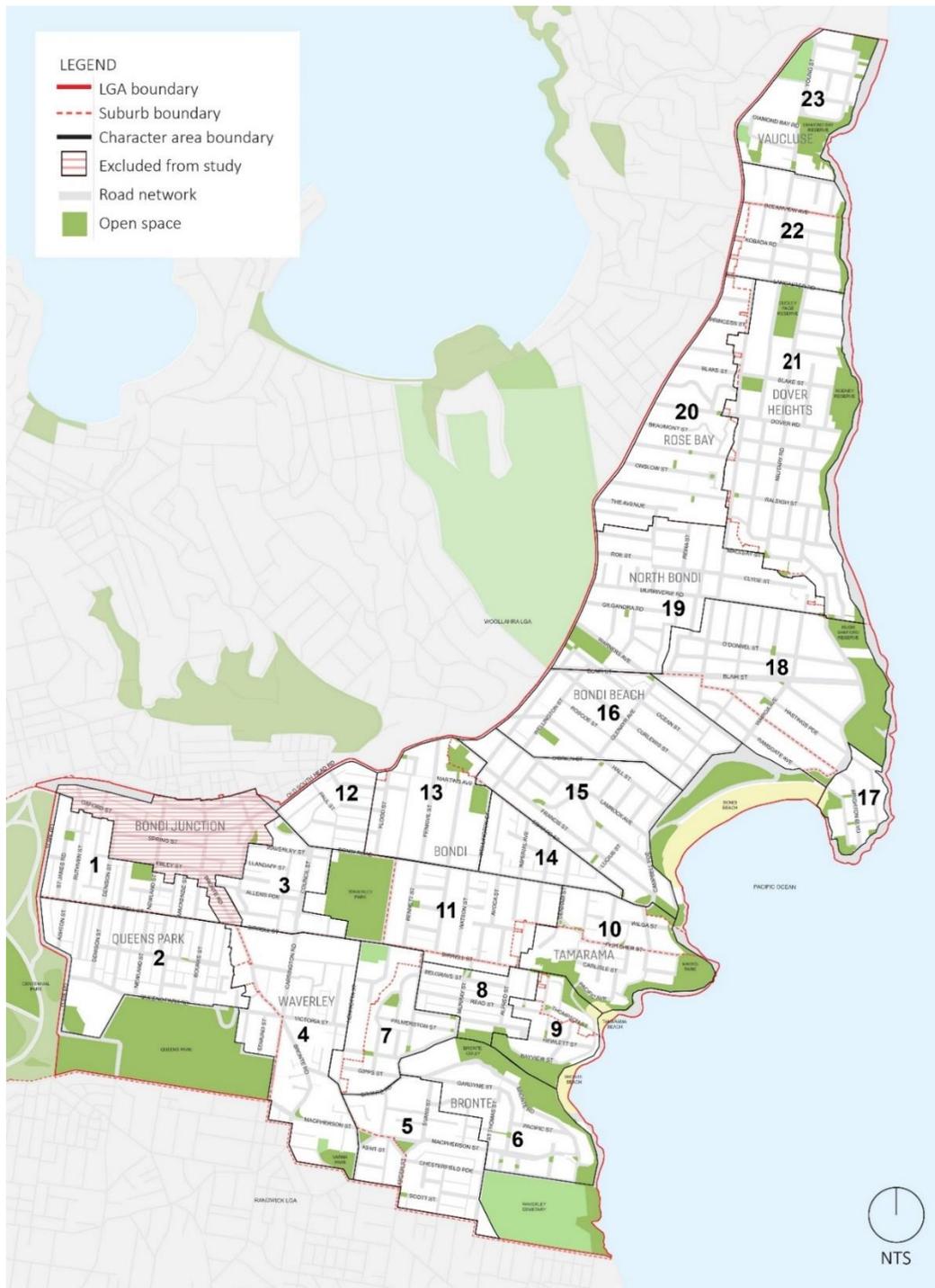


Figure 2. Draft Local Character Areas map.

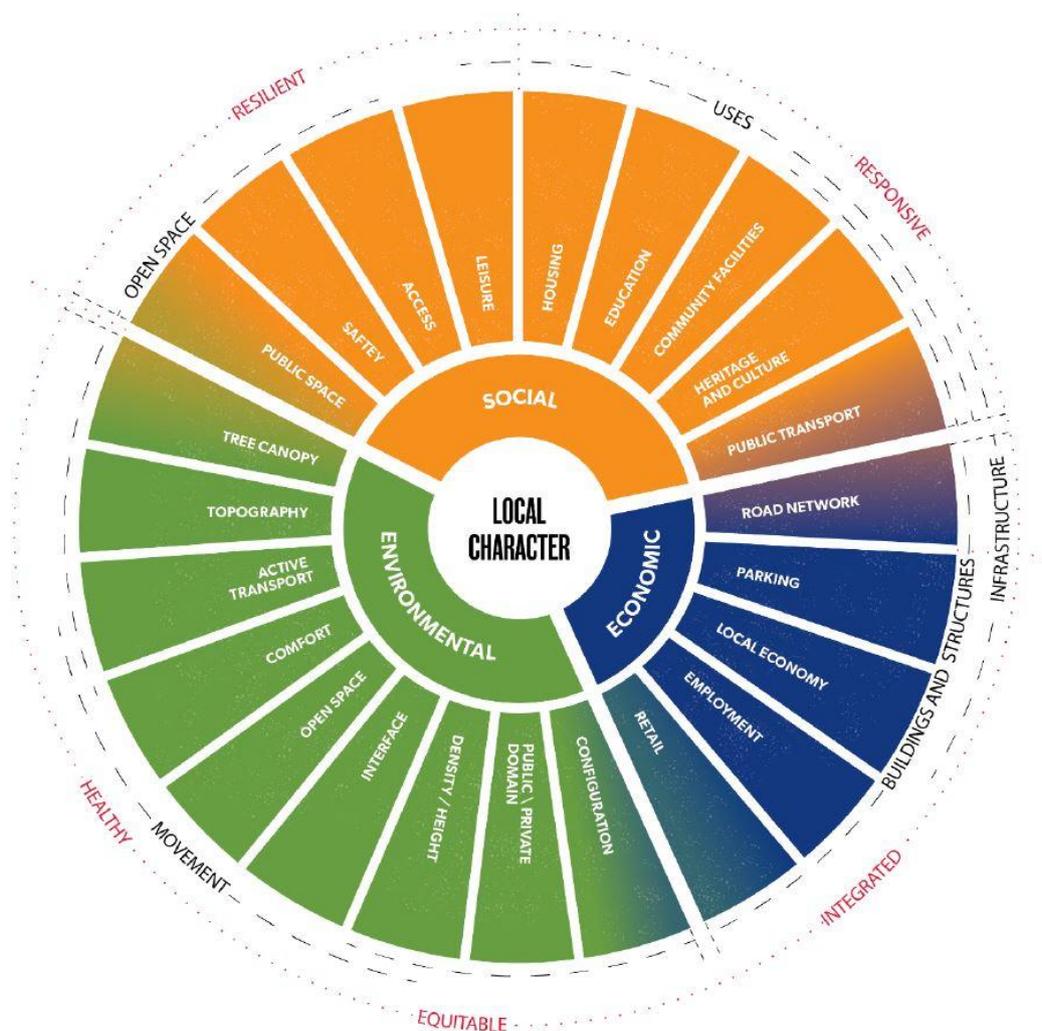


Figure 3. Local Character Wheel, DPIE, 2019.

Waverley’s approach to strengthening local character in the LGA

Currently local character is considered by strategic studies such as the Waverley LHS and draft VCS and addressed at the development assessment stage through the WDCP. Where an areas character has been identified as being important in the local character study and through community consultation, there is the opportunity to incorporate additional design objectives and controls in the LEP or DCP to elevate the consideration of local character. It is anticipated that any changes to planning controls would only apply to focussed areas (such as certain streets or blocks), within the identified local character areas. Similarly, it is not expected that all character areas will warrant changes to the LEP or DCP.

Any changes to the LEP or DCP will represent a considered policy response to planning for character in the Waverley LGA. Changes may be undertaken as part of the comprehensive review of the LEP and DCP, or they may be undertaken as separate amendments. The following options will be considered:

- Waverley LEP
 - Option 1: Objectives and Development Standards review
Review and update the Waverley LEP, where required, to ensure zones, objectives and development standards align with the local character study outcomes and the desired

- future character of an area. An amendment to the LEP would be facilitated by a Planning Proposal, and subject to the agreement of the DPIE.
- Option 2: Inclusion of Local Character Overlays (optional)

The DPIE is proposing amendments to the Standard Instrument (Local Environmental Plan) Order 2006 (SILEP) to introduce a Local Character Overlay (LCO) to strengthen local character and give its consideration legal weighting. The optional LCO would introduce a map layer and associated clause in an LEP identifying specific character areas. Development proposed in these areas would be required to address a Council's local character aspirations and development controls, as outlined in the local character study and / or DCP. It is noted that at the time of writing there is no commitment to the standard SILEP clause by DPIE.

The implementation of LCOs within the Waverley LEP will be investigated for areas which require additional direction to manage change whilst maintaining and enhancing local character. It is noted that an LCO will not be warranted for all LCAs, or even the entirety of a local character area identified within the Local Character Statements. It is more likely that an LCO would apply at a geographical level of a block or street. An amendment to the LEP would be facilitated by a Planning Proposal, subject to approval by the DPIE. The Planning Proposal would need to address and satisfy a state-wide set of criteria and be supported by detailed analysis.

- Waverley DCP

- Option 1: Objectives and development controls review

Council will review and update the WDCP, where required, to ensure development objectives and controls align with the local character study and the desired future character of an area. This review would also include existing WDCP Special Character Areas (SCAs), such as the Bondi Beachfront Area and Ben Buckler.

- Option 2: Inclusion of Local Character Areas (optional)

The WDCP has the capacity to include a character statement or character description which would establish the context for development in a particular area. Council will investigate the amendment of existing SCAs or inclusion of new SCAs, with associated design objectives and controls, within the WDCP. It is anticipated that not all local character study areas identified in this draft Discussion Paper would warrant inclusion in the WDCP.

Local character and heritage

'Heritage and local character are often intrinsically linked, and individual places can be heavily influenced by their existing built or natural environment, creating a rich tapestry from which to build. Rather than create a distinction between past and present, heritage can be used as a foundation of local character' (Justin Hewitt, Local Character and Place Collection, 2019, p.19).

Heritage and local character are intrinsically linked, however there remain important differences between areas or items of heritage significance and areas of local character, in terms of the assessment process and current legislative status, within the planning system.

A Heritage Conservation Area (HCA) is an umbrella term with specific Conservation Areas sitting below them. For example, an 'Urban Conservation Area' (a HCA with special architectural or historic interest that

includes built form) and a 'Landscape Conservation Area' (a HCA that contains significant landscape/parklands etc.). Heritage items are buildings, archaeological remains, trees etc. that is an exemplar of its type.

HCA's or heritage items are assessed against the criteria set out in the NSW Heritage Manual, with reference to the national best-practice standards contained in the Burra Charter (Australia ICOMOS, 2013), to determine whether it has heritage significance and therefore warrants listing. Areas and items of heritage significance within the Waverley LGA are identified in Schedule 5 of the WLEP.

If a building is included within a HCA or if it is individually heritage listed, it does not mean that works proposed to the building are not possible. What it does mean is that any proposed changes to the building may require a heritage exemption or a development application (DA) to Council with a Heritage Impact Statement included, as specified in cl.5.10 of the WLEP and Part B9 of the WDCP. It also means that Exempt and Complying Development, for example under the Codes SEPP, cannot be undertaken on a building within an HCA or that is individually listed.

Local character is much broader than heritage. Each Council is free to choose how to undertake a local character study, using the DPIE's *Local Character and Place Guideline* as a guide. Local character considerations go beyond historic and built form considerations to include all elements that contribute to the look and feel of an area including the public and private domains, including topography, vegetation, streetscape, activity types. Character elements of an area could be wide verges, leafy streets, dwelling typologies, styles or materials, consistent setbacks, significant views, etc. – these may have nothing to do with heritage.

Further, each Council can choose how to integrate the consideration of local character into the planning framework. Currently, character areas may be included within a standalone local character statement or within a Council's DCP. A DA to Council for new development, if located in a character area, would be required to consider the DCP objectives and controls relating to that area. The opportunity for inclusion of a local character area within a Council's LEP, as a local character overlay (LCO) is still being determined by the DPIE. Therefore, a character area does not have the same legislative weight as a HCA or heritage item. Identifying an area of local character is not an alternative form of heritage listing. It does not seek to duplicate the detail of the *draft Waverley Council Heritage Assessment 2020*; however, it does utilise the historic narrative to inform the local character statements and to identify areas of character.

Local character and Exempt and Complying Development

State Environmental Planning Policies (SEPPs) are state legislated plans prepared by the NSW Government. They specify planning controls for certain areas and / or types of development. SEPPs have greater weight than Council's plans and policies.

Some SEPPs, including the *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008* (Codes SEPP), enable Exempt Development, being development that can be undertaken without approval, and Complying Development, being development that requires a Complying Development Certificate approved by an accredited Certifier under a fast-track assessment process. Types of development can include:

- Construction of a new building (e.g. a dwelling, secondary dwelling, school).
- Alterations and additions to an existing building.
- Demolition of a building.
- Internal alterations (fit-out) of commercial / retail premises.

Exempt and Complying Development does not require a DA to Council. Therefore, local design objectives and controls in the WLEP and WDCP do not apply. This includes local character considerations. As such, the

application of some design controls under a SEPP can create a potential conflict with the character of an area, in terms of building height, landscaped areas, car parking provision, materiality etc.

Where an area's character has been identified as being highly valued in the local character study and through community consultation, there may be the opportunity to, in limited circumstances, introduce local variations to, or seek a local exclusion from, part of a SEPP, subject to the agreement of the DPIE. It is noted that this approach will not be warranted for all character areas, or even the entirety of a character area.

Further investigation and analysis are required to determine where the application of SEPPs, particularly the Codes SEPP, may result in development that is incompatible with an area's existing character, document the design controls that would result in this incompatibility, and propose alternative controls. This analysis would inform any request to the DPIE for local variations or exclusions. Requests would need to address and satisfy a state-wide set of clear criteria.

Whilst the potential to use local character studies to inform a request for local variations or exclusions has been flagged by the DPIE, at the time of writing no commitments have been made by the DPIE. Council will continue to advocate for greater consideration of local character within State policy.

Recommendations

The following recommendations have been identified in the local character study for further investigation. Figure 4 identifies local character investigation areas that warrant further review. It is noted that these recommendations may support priorities and actions from other strategic studies including the Waverley LSPS and Waverley LHS.

<i>Table 1 – Recommendations of local character study and statements</i>	
Recommendation	
1. Research and analysis	
1.1.	Undertake a further review of the local character investigation areas (refer to Figure 4) to identify areas of high character value that may warrant more tailored planning objectives and controls in the WLEP and / or WDCP, or exemption from the Codes SEPP.
1.2.	Consider policy development for particular types of development or areas, for example alterations and additions to Inter-War RFBs, local centres
2. Review of local planning policy	
2.1.	Undertake a review of the WLEP to identify inconsistencies (if they exist) between existing character and desired future character in respect of the zone objectives and development standards, including height of building and floor space ratio.
2.2.	Undertake a review of the WDCP to ensure current development objectives and controls align with the local character study outcomes, for example protection of view corridors, alterations and additions to existing dwellings, adaptive reuse, and vegetation coverage, etc.
2.3.	Undertake a review of existing WDCP to determine relevancy of existing local character areas and investigate the inclusion of amended or new local character areas, with associated planning objectives and controls (refer to recommendation 1.1)
3. Review of State planning policy	
3.1.	Undertake a review of the applicability of the Codes SEPP, including the Low-Rise Medium Density Housing Code (LRMDHC), within the Waverley LGA to determine: <ul style="list-style-type: none"> ○ Application of the Code across the LGA (this may involve mapping of Complying Development hotspots, or mapping where the LRMDHC could apply), ○ Inconsistencies between the Code and Council's controls, that may result in an

erosion of local character,

- Whether Council's controls need to be updated to reflect the LRMDHC to promote a Development Assessment pathway, and
- Whether local variations or exemptions from the Code is warranted.

3.2. Undertake a review of the applicability of the Seniors SEPP within the Waverley LGA to:

- Identify opportunity sites that may warrant tailored planning objectives and controls, and
- Investigate new controls including zone objectives in the WLEP to encourage seniors housing that is consistent with desired future character.

4. Advocacy

4.1. Continue to work with the DPIE and advocate for greater consideration of local character within State policy, including local variations and exemptions where warranted.

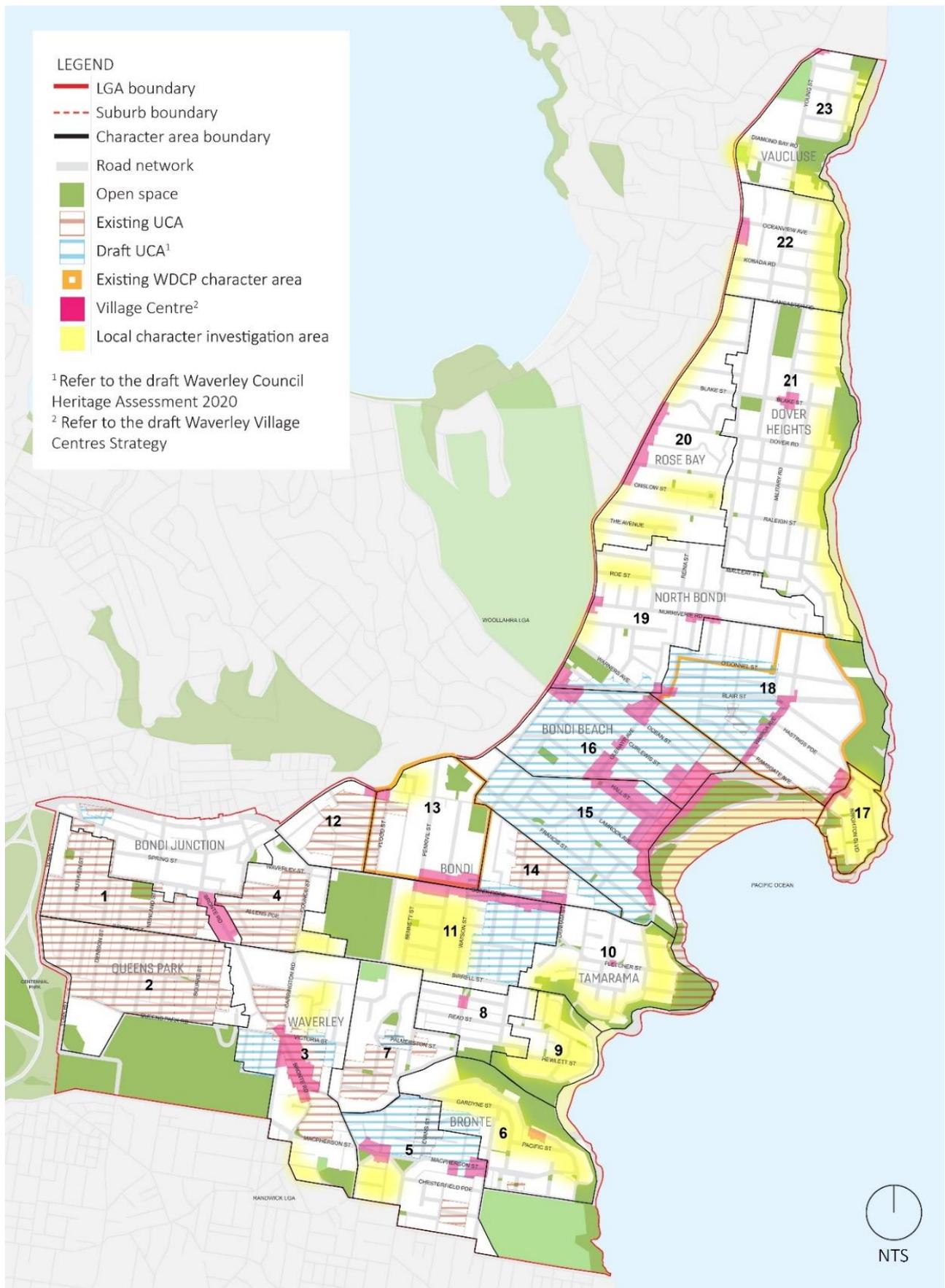


Figure 4. Investigation areas map.

5. Financial impact statement/Time frame/Consultation

Time frame

DPIE has set a time frame of three years for Council to complete the Comprehensive LEP Review, beginning in June 2018 and culminating in June 2021.

Comprehensive LEP Phase	Timeline
Phase 1 – The Health Check	Completed 31 October 2018
Phase 2 – Prepare Draft Waverley Local Strategic Planning Statement	Completed 1 June 2019
Phase 3 – Finalise Waverley Local Strategic Planning Statement	Completed 4 February 2020
Phase 4 – Prepare planning proposal	Underway Environmental studies, including the draft Discussion Paper and draft Local Character Statements, are currently being finalised to inform the draft planning proposal to be completed by late 2020.
Phase 5 – Public exhibition of planning proposal	Early 2021
Phase 6 – Finalisation	June 2021

Consultation

Council undertook extensive community consultation during the preparation of the Waverley Community Strategic Plan, Waverley Local Strategic Planning Statement (LSPS), Waverley Local Housing Discussion Paper, Waverley Architectural Mapping Project, Waverley Local Housing Strategy (LHS) and draft VCS. The feedback received as part of these consultations, including that documented in the *Community Strategic Plan Engagement Report 2018* and *Village Centres Strategy Consultation Summary Report – Engagement August-September 2019*, have informed the preparation of the local character study and draft Local Character Statements.

As part of Phase 1 of the Review, marketing material was developed to attract the community to sign up for project updates on the Have Your Say project page, which will be live for the duration of the Comprehensive LEP Review (until June 2021). Similar channels will be engaged in the public exhibition of the environmental studies, including the draft Local Character Statements to ensure that the project is adequately advertised, and the next level of detail attracts additional public input. Following public exhibition, the draft Local Character Statements will be finalised and reported back to Council for adoption in July / August 2020.

Consultation with the community and other stakeholders will be important in validating the character statements and desired future character objectives. Each Local Character Area has a series of questions for targeted feedback, but the community will also be invited to comment on all elements of the LCS, including the appropriateness of the recommendations.

Financial impact statement

There are no financial implications. The work is programmed within Council's work program and budget.

6. Conclusion

The draft *Waverley Local Character Statements 2020* have been prepared in response to the priorities and actions of the Waverley LSPS and Waverley LHS, which seek to elevate the consideration of local character in planning and decision-making.

The draft Local Character Statements document the outcomes of a local character study, undertaken for 23 defined areas across the Waverley LGA (with the exception of Bondi Junction), and include written and graphic descriptions of the existing and desired future character of each area.

Together with other environmental studies, the draft Local Character Statements will provide an evidence base to inform the review of the WLEP and WDCP undertaken as part of the Comprehensive LEP Review. It will provide a vision, objectives and controls which will guide Council planning and decision making, including assessment of PPs and DAs as well as advocating for local variations and exemptions to State policies.

This report seeks Council's endorsement of the draft Local Character Statements for public exhibition.

7. Attachments

1. Draft Waverley Local Character Statements 2020 (under separate cover)

REPORT
CM/7.9/20.06(2)

Subject: NSW Government Developer Contributions Review - Submissions

TRIM No: A12/0147

Author: Tim Sneesby, Manager, Strategic Planning

Director: Peter Monks, Director, Planning, Environment and Regulatory

RECOMMENDATION:

That Council:

1. Endorses the submissions on the *Criteria to request a higher section 7.12 percentage – Discussion Paper* and the *Draft Planning Agreement Policy Framework* attached to this report, and supports them being sent to the NSW Government.
2. Does not support the position of the *Draft Planning Agreement Policy Framework* to remove the explicit use of value capture as the primary purpose in Planning Agreements.
3. Notes that to allocate VPA funds to affordable housing, Council must develop an affordable housing contributions scheme, which Council does not currently have.
4. Supports the development of an affordable housing scheme in line with *Environmental Planning Assessment (Planning Agreements) Direction 2019*. This will be reported back to Council concurrently with updates to the VPA policy for endorsement for exhibition.
5. Supports the approach to provide a clear pathway to increasing section 7.12 flat rate contribution levies.
6. Does not support all of the proposed criteria in the designated pathway in their current form and proposes amendments to facilitate easier access to a higher 2% or 3% levy (from the current 0.5–1%).
7. Supports the development of an updated submission seeking an increase from Council's levy from 0.5–1% to either 2 or 3%, depending on the ability to justify an increase based on the final criteria.

1. Executive Summary

The NSW Government is undertaking a review of developer contributions sought through the planning framework. The comprehensive review includes proposed changes to the operation of Planning Agreements as well as new criteria for Councils seeking to apply for a higher section 7.12 (s 7.12) developer levy, as it is currently capped at 1% of the development cost. This Council report seeks Council endorsement of two separate submissions to the NSW Government's *Criteria to request a higher section 7.12 percentage – Discussion Paper* and the *Draft Planning Agreement Policy Framework*.

2. Introduction/Background

Property developers pay infrastructure contributions to the NSW Government and Councils. These contributions cover the cost of providing the infrastructure needed for public spaces, footpaths, cycleways, roads, stormwater drainage and other social and community facilities. Contributions are collected using a suite of tools, including Special Infrastructure Contributions (SIC), Planning Agreements and local s 7.11 and s 7.12 contributions (formerly s 94 and s 94A). Waverley utilises Planning Agreements and s 7.12 contributions.

The NSW Government is reviewing developer contributions in two ways. Firstly, they are seeking to make changes to the existing local developer contributions framework including Planning Agreements, s 7.11 and s 7.12 contributions and have exhibited a series of changes for public feedback. Secondly, the Minister for Planning and Public Spaces has requested the NSW Productivity Commissioner to conduct a holistic review of infrastructure funding in NSW. The Productivity Commissioner is expected to release an issues paper for comment in July or August 2020 and to provide their recommendations to the NSW Government by the end of 2020.

This Council report seeks Council endorsement of submissions to the NSW Government's *Criteria to request a higher section 7.12 percentage Discussion Paper* and the *Draft Planning Agreement Policy Framework*.

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Council 15 December 2015	CM/7.2/15.12	<p>That:</p> <ol style="list-style-type: none"> 1. Council endorses the principle of pursuing a submission to the Department of Planning and Environment to seek approval for increasing the legislated maximum Section 94A levy from 1% to 4% for specific developments with a value greater than \$250,000 in Bondi Junction. This will generate additional funding to pay for community infrastructure improvements in Bondi Junction. 2. Council notes councillors' issues have been addressed through: <ol style="list-style-type: none"> (a) excepting dwelling houses, dual occupancies, attached dwellings, semi-attached dwellings, and secondary dwellings from the specific developments that will be applied the 4% levy variation. (b) ensuring that the 4% levy will only apply to the portion of development value greater than \$250,000. 3. The draft submission to the Department of Planning and Environment at Attachment A to this report and the associated proposed amendments to the Waverley Council Development Contributions Plan 2006 be advertised for public comment for 28 days in February 2016. 4. The outcome of the public exhibition period be

Meeting and date	Minute No.	Decision
		<p>reported back to Council for consideration and adoption, prior to the submission being forwarded to the Department of Planning and Environment.</p> <p>5. On page 123 of the paper under Table 1, the word “single” is inserted into the sentence so it now reads “the following types of single developments are not subject to the Bondi Junction S94 A Levy”.</p>
Council 21 August 2018	CM/7.3/18.08	<p>That Council:</p> <ol style="list-style-type: none"> 1. Adopts the Waverley Planning Agreement Policy 2014 (Amendment No. 2) attached to this report subject to the following amendment: <ol style="list-style-type: none"> (a) The reference to a 25% allocation of funds to affordable housing in sections 2.4 and Appendix 6 of the policy being amended to 10% consistent with Council’s current policy and noting that a future workshop will be held with Councillors to discuss increasing the percentage (currently 10%) of VPA funds going towards the Waverley Affordable Housing Program. 2. Notes the purpose of this amendment to the Waverley Planning Agreement Policy 2014 is to implement pre-scheduled development contribution rates, implement and clarify the process for applying planning agreements to planning proposals in order to fund public infrastructure needs and housekeeping updates. 3. Notes that the proposed amendments relating to standardised, pre-scheduled development contribution rates are consistent with the value sharing principles that have been applied to Planning Agreements negotiated to date. 4. Notes that the proposed amendments relating to a planning proposal are consistent with the principles which have been applied to planning agreements negotiated for development applications, with the latter providing certainty for the community and development industry.

4. Discussion

Section 7.12 contributions

Section 7.12 contributions are one of several mechanisms available to local councils to fund new development-related infrastructure. They operate as ‘flat rate levies’, meaning that they are charged as a percentage of the proposed development cost. The *Environmental Planning and Assessment Regulation 2000* (EP&A Regulation) sets 1% as the standard highest maximum percentage which councils can levy

under a s 7.12 development contributions plan. The EP&A Regulation, however, identifies specific areas which are subject to higher maximum percentage levies if listed in clause 25K(1)(b). Currently, land in six local government areas is listed in this clause as having higher maximum percentage levies.

Waverley applies a s7.12 levy from 0.5% to 1% applying to new developments with a development (see table below for thresholds). Waverley applied to the NSW Government for a higher 4% levy in 2016 and was not approved for this higher percentage amount. Recently, representatives at DPIE indicated that Council would need to be consistent with the criteria as finalised in this Discussion Paper.

Table 1. s 7.12 levies and development cost thresholds.

Proposed cost (\$AUD) of the development	Maximum percentage (%) of the levy
\$0 to \$100,000	Nil
\$100,001 – \$200,000	0.5 percent (%)
More than \$200,000	1.0 percent (%)

The existing 1% levy does not have a strategic justification and was originally used in commercial and industrial areas, where it was difficult to apply a Section 95 levy as this is calculated on a per dwelling basis. The levy was not based on demand and was not based on any modelling of infrastructure requirements. The idea came from the City of Sydney, who had a similar levy in the *City of Sydney Act 1988*. The 1% levy became the de facto option for employment areas and dense inner-city suburbs, where new development generated the need for additional infrastructure, but it was too difficult to calculate nexus and apportionment.

A higher 7.12 levy percentage provides an opportunity to not only mitigate the impacts of development, but to also create a net community benefit. It allows a council to go beyond the bare minimum of infrastructure upgrades or maintenance. It can facilitate infrastructure development or upgrades that go beyond maintaining the status quo and which can improve infrastructure above baseline levels. It is to this extent, that development can be seen to be benefitting the public interest, particularly at a local level.

The Discussion Paper establishes criteria for requests for higher fixed rate s 7.12 levies. The Discussion Paper outlines three key principles for a request to increase the be considered:

1. The area being proposed for a higher maximum percentage levy must be identified in a strategic plan as a strategic centre, local centre or economic corridor.
2. It must have an existing or identified potential for significant employment growth.
3. Planning controls will need to reflect and support the planned increase in population and employment capacity of the identified area.

The principles above indicate that a higher levy should be spatially limited to a strategic centre, local centre or economic corridor. Council's preference is that a higher levy should not be spatially limited and should be able to apply to all areas and that it should not be arbitrarily capped at 3%—increases should be based on merit. Notwithstanding this, increases to the levy in these locations are supported in the absence of no increases. If those principles are satisfied then the application can be for an increase of the levy to 2% of development cost, or 3% of development cost.

To address these principles the Discussion Paper also outlines nine potential criteria for considering a 2% levy and two additional criteria for a 3% levy. The Discussion Paper guides feedback around six questions on the adequacy of the proposed criteria. The attached submission is primarily focussed on these questions. The submission is generally supportive of the criteria approach, which provides a clear pathway to increasing 7.12 levies, however, the submission does not support a number of the proposed criteria including C1.1, C1.2 and C1.9.

Planning Agreements

Waverley Council was the first Council in Sydney to introduce a clear and transparent VPA policy with a clear methodology that used value capture as its primary approach to determining appropriate public benefits associated with development. Since that time a number of Councils across Sydney have developed a VPA policy as a value capture mechanism—acting as a quasi-‘betterment levy’. Waverley’s policy received a commendation from the 2015 PIA NSW awards for ‘*Improving Planning Processes & Practices*’.

The attached submission focuses on what has changed between the last draft Practice Note (2016) and the current one. This draft Practice Note purports to respond to submissions to the 2016 exhibition and address recommendations of the 2019 *Review of Governance in the NSW Planning System* led by Nick Kaldas (the *Kaldas Review*). The Draft now on exhibition includes the following broad changes compared to the version exhibited in 2016:

1. Greater clarity and emphasis that value capture should not be the primary purpose of a planning agreement and that planning agreements should not be explicitly used for value capture.
2. Clarification that policies prepared by councils should also address, among other things, acceptability tests and public participation.
3. Inclusion of a new detailed section (section 3.2) on land use and strategic infrastructure planning emphasising that planning agreements should be underpinned by regular strategic land use and infrastructure planning, including Local Strategic Planning Statements, to address anticipated growth and infrastructure demand.
4. More detail about the steps in the process of negotiating agreements.
5. More detail about when post-exhibition changes to a draft planning agreement need to be re-exhibited.
6. More detail about explanatory notes and inclusion of a template explanatory note.

With the exception of 1., there is general support for the proposed changes to the Practice Note. The position that VPAs should not explicitly be used for value capture is not accepted. Value uplift associated with changes to planning controls is the value of the new property rights that allow for that development to take place, which are, until then ‘owned’ by the community. The current situation results in the costs of growth being borne by existing residents, while the benefits accrue to few landowners in the form of a windfall gain. This is clearly unsustainable and the community have a legitimate claim to the benefits created by planning decisions. The implication of the Practice Note is that planning agreement negotiations revert to ad hoc negotiations that are not clear at the beginning or necessarily transparent during the process or equitable in terms of the outcome. This is in complete contrast to the open, transparent and clear methodology applied in Council’s VPA Policy. The developer and the community in Waverley know clearly from the beginning what the negotiations are based on and how any funds generated are proposed to be spent.

The proposal to remove value capture from VPAs is based on a number of incorrect assumptions, as addressed in summary below (and outlined in more detail in the submission).

- **Value capture doesn’t have a nexus:** upzoned areas generate new demand and this demand is directly and proportionally linked to the value uplift.
- **Value capture incentivises conservative (low) planning controls:** Councils are required to update their controls based on housing and employment targets and housing strategies.
- **Planning Agreements slows down housing approvals:** developers do not have to offer VPAs and VPA negotiations can occur concurrently with the DA assessment process to ensure a timely response.
- **Value capture costs are ‘passed on’ to the home buyer:** the price of dwellings is determined by the market—the balance of supply and demand.

- **Value capture undermines strategic land use planning:** developers have always had discretion to exceed existing controls before value capture. Value capture lowers the economic payoffs to private landowners, distributes it to the community and reduces the incentive for developers to 'capture' the system in order to have it deliver them a windfall.
- **Value capture can lead to planning decisions being bought:** value capture simply means Councils are putting a price on additional floorspace that would otherwise be given away for free. DAs or PPs go through a rigorous and independent assessment process, which eliminates the possibility for decisions being bought.
- **Value capture holds developers to ransom:** it is a developer's choice to exceed the existing planning controls.
- **Value capture is simply a 'cash grab':** VPAs are often linked to strategic funding opportunities identified in a Capital Works Program/relevant Council policy or benefit residents of the new development.

Affordable housing

The draft Practice Note for Planning Agreements references the *Environmental Planning Assessment (Planning Agreements) Direction 2019* (Ministerial Direction), which sets out the matters to be considered by Council if negotiating a planning agreement which includes provision for affordable housing. In early 2019, DPIE announced that under State Environmental Planning Policy No 70—Affordable Housing (Revised Schemes) (SEPP 70) all Councils were eligible to impose affordable housing conditions of consent on new development on the proviso that the Council has an affordable housing scheme referenced in the LEP. An affordable housing condition of consent would be a condition on a development consent that requires monetary or in-kind contributions to affordable housing.

In Waverley, an affordable housing condition of consent includes a condition of consent for voluntary planning agreements (VPA) as every VPA allocates 10% of funds towards affordable housing. The Ministerial Direction supports this intent of SEPP 70 and requires that Councils who allocate VPA funds to affordable housing must develop an affordable housing contributions scheme; which Council does not currently have. Council officers are currently working on an update to the VPA Policy, which includes allocation of funds to affordable housing. As VPAs are one of the key mechanisms for collecting affordable housing contributions this report recommends that an affordable housing scheme is prepared with the VPA policy update, in line with Environmental Planning Assessment (Planning Agreements) Direction 2019, for Council's endorsement for exhibition.

5. Financial impact statement/Time frame/Consultation

There are no immediate financial implications for Council, however changes to Planning Agreements may reduce this source of funding to Council. Notwithstanding, it is understood that Councils can have regard to the Practice Note but are not legally compelled to follow it.

The submissions are due on 12 June 2020, but Council has an approved one-week extension to 19 June 2020. Once endorsed, the submissions will be sent to the NSW DPIE.

6. Conclusion

Council commends the NSW DPIE on the work completed to date on the review of developer contributions sought through the planning framework. Notwithstanding, support is sought from Council to submit the attached submissions to the NSW DPIE that make a number of recommendations as highlighted in this report.

This report also recommends that Council prepares an affordable housing contributions scheme as required by the *Environmental Planning Assessment (Planning Agreements) Direction 2019*.

7. Attachments

1. Draft submission - s 7.12 levy [↓](#)
2. Draft submission - Planning agreement practice note [↓](#)



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16th June 2020

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Submitted via the NSW Planning Portal

<https://www.planningportal.nsw.gov.au/draftplans/exhibition/draft-planning-agreements-policy-framework>

Waverley Council Submission to the *Criteria to request a higher s7.12 percentage: Discussion Paper*

Council thanks the Department of Planning, Industry and Environment (DPIE) for allowing Council to make this submission to the *Criteria to request a higher s7.12 percentage: Discussion Paper*.

Notwithstanding the constructive feedback contained in this submission, the DPIE should be congratulated for making progress in providing a pathway for Councils to have a more meaningful contribution amount.

This submission was endorsed by Council at its meeting held on 16th June. Should you have any questions about the contents of this submission please contact Tim Sneesby, A/Executive Manager, Urban Planning, Policy and Strategy on (02) 9083 8172 or tim.sneesby@waverley.nsw.gov.au.

Regards,

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Feedback on general principles

The DPIE establishes three principles as the basis on which higher maximum percentage levies are proposed to be set. This section provides feedback on these principles.

Identified in a strategic plan: the proposed area is identified as a strategic centre, local centre or economic corridor in a strategic plan (i.e. District Plan)

The DPIE Discussion Paper indicates that this principle is based on the importance of supporting centres in facilitating growth and delivering place-based public infrastructure with an appropriate funding mechanism. It is also consistent with previous decisions to increase the maximum percentages for areas already identified in the EP&A Regulation.

The existing 1% levy does not have a strategic justification and was originally used in commercial and industrial areas, where a user pays s7.11 (94 at the time) could not be used as this is calculated on a per dwelling basis. It is not based on demand and was not based on any modelling of infrastructure requirements. The idea came from the City of Sydney, who had a similar levy in the *City of Sydney Act 1988*. The 1% levy became the de-facto option for employment areas and also dense inner city suburbs, where new development still obviously generated the need for additional infrastructure, but where it was too difficult to calculate nexus and apportionment for dense.

In inner city / infill areas, it is very difficult trying to draw a clear apportionment between development and infrastructure demand, which is why many inner city councils rely on the 7.12 contribution. The current 1% levy does not provide sufficient funds and it doesn't establish a link between increases in density and maintaining or improving liveability standards. Additional development can confer positive benefits such as critical mass to support greater provision of goods and services. However, additional development and increases in density also creates costs and negative externalities in the form of congestion, visual impacts and overshadowing as well as greater contestability of public spaces and amenities.

While s7.12 has never been a clear 'user pays' funding mechanism, it has operated as a 'beneficiary pays' (of which user pays is a subset) mechanism. This recognises the beneficiaries of increased urban density should not just be the private interests who have been 'gifted' additional development rights (in the form of higher density zoning), but should also be the communities who experience the externalities associated with new development but don't see the trade-offs in terms of existing or improved infrastructure provision. What the community sees happening is land values increase due to rezoning but little return in terms of infrastructure investment. This is particularly acute in inner and middle ring Sydney where extra land for open space facilities is needed, but the land acquisition cost is prohibitively expensive. This has an impact on city performance and productivity when the political environment for locating more housing near jobs becomes difficult due to residents seeing no infrastructure or amenity improvements alongside densification.

The role of this beneficiary pays mechanism therefore transcends simply a user pays provision and creates a social contract for new development that may improve existing communities' acceptance of urban redevelopment. A higher 7.12 levy percentage provides an opportunity to not only mitigate the impacts of development, but to also create a net community benefit. It allows council to go beyond the bare minimum of infrastructure upgrades or maintenance. It can facilitate infrastructure development or upgrades that go beyond maintaining the status quo and which can actually improve



infrastructure above baseline levels. It is to this extent, that development can be seen to be benefitting the public interest, particularly at a local level.

By linking increases in density to infrastructure improvements, a higher 7.12 levy not only ties increased demand generated by additional persons, but also links the planning externalities associated with additional development to improved or at least maintained levels of liveability. Hence a higher 7.12 levy creates a connection between increased development and liveability. The importance of this connection or nexus cannot be understated, particularly given the NSW Government's intentions to accommodate further growth in existing urban areas.

A higher s7.12 levy improves liveability by funding public benefits that go above and beyond what Council is currently able to fund. To this extent, there is an argument that the 1% levy - being equivalent of slightly over \$4,000 per dwelling - is insufficient to provide infrastructure to meet the needs of new residents. It is also unable to offset the negative impacts of new development with positive impacts from improved or upgraded local infrastructure provision. A higher levy of 3% should be the base level 7.12 contribution across all areas that use this levy and the levy shouldn't be arbitrarily capped at 3% either – increases should be based on merit, based on a final agreed set of criteria. As outlined elsewhere in this submission, the higher levy won't impact on development feasibility and would be passed on to the existing owners of higher density sites.

Given the above, Council's preference is that a higher levy should not be spatially limited to a strategic centre, local centre or economic corridor – but should apply to all areas. Notwithstanding, increases to the levy in these locations are supported in the absence of no increases.

Significant employment growth: the centre needs to demonstrate a significant increase in employment capacity.

The DPIE Discussion Paper suggests the six existing areas that have a higher maximum percentage levies share a common goal of facilitating employment growth. This principle is linked to these centres having a specific need for distinct infrastructure and civic improvements and therefore higher s7.12 levies.

This principle should not be a consideration for the increase of a s7.12 levy. Areas of high residential growth require contributions for local infrastructure upgrades just as much, if not more than employment areas. If the DPIE want to encourage employment growth in centres, then there are other more appropriate mechanisms.

New residential development (particularly high rise) creates negative externalities and requires public infrastructure provision. Arguably new residents may require more infrastructure provision than new office or retail workers, therefore there is likely to be a greater justification for having a higher levy based on increased residential uses rather than commercial uses.

Employment growth is difficult to achieve in suburban centres, particularly beyond those identified as having a major role in employment growth in Sydney. Employment growth as a primary focus only applies to a few key centres across Sydney, based on the Region and District Plans. Therefore, the role of the majority of suburban centres is mostly for residential redevelopment. The ability to attract a higher levy shouldn't be determined by the share of employment uses in centres; that's the role of the District Plan and Council's LSPS's.

Using the existing centres as a precedent isn't good justification. Some of these weren't added because of a strategic justification (Burwood, Willoughby) and those that were included based on strategic



justification (the then DPE's *City Centres Program*, 2005) were based on the fact that they envisaged large scale residential and employment development. The rationale for the *City Centres Program* was that centres that are going to accommodate a lot more people need to be liveable and the 1% is insufficient. Very dense environments, and high rise in particular, create their own externalities. Existing communities are an important stakeholder and are not seeing the benefits or trade-offs from new development. Strategic centres and development corridors have borne the 'lion's share' of infill redevelopment and will continue to do so in the future. Existing and future residents of inner city suburbs rely on the public domain of their centres as their outdoor living room or their 'third space'. A higher levy is required to fund this.

Furthermore, despite the LEP controls indicating a greater capacity for jobs in these centres, the reality is that these centres are not experiencing large scale employment development because the employment market for suburban locations is 'thin' (with the exception of Parramatta), which is why employment is clustered in key centres across Sydney. For example, Chatswood has controls to facilitate 7,000 new jobs but there are few prospects in terms of new commercial towers and the most recent development of the three tallest towers in this centre were for 'serviced apartments'. Looking at the other centres, Liverpool, Wollongong, Newcastle, Burwood and Willoughby – the overwhelming majority of recently constructed and approved development in these centres has been residential. The Discussion Paper seeks to look at commonalities between existing centres that have a higher percentage levy and post-rationalise a strategic justification in the absence of one. The abovementioned reasons highlight there is no strategic justification for using 'significant employment growth' as a criteria and it should therefore not be used.

Local planning controls will need to support growth

At face value this principle is reasonable, however, there is no strategic justification for this principle and it is too nebulous. For example, it is difficult to define a threshold for 'growth' and more importantly already dense urban areas that have 'salt-and-pepper' infill should be able to levy a reasonable rate (i.e. higher than the existing insufficient 1% levy) on new development.

Should all the criteria be mandatory for a s7.12 plan to be considered for a higher percentage levy?

No. None of the criteria should be mandatory – they should be considered as guiding principles and any increases to the levy should be based on merit. Council should be able to simply demonstrate that their area is expected to experience growth and change and that this will require new infrastructure to offset negative externalities associated with new development (traffic, overshadowing, wind tunnel). A higher percentage levy is therefore needed to improve liveability for new and existing residents. Furthermore, an arbitrary cap of 3% should not apply – a level should be simply based on merit.

Are there any alternative criteria that should be considered?

The overarching principles could be, as outlined in the document, 'meets local needs, are place appropriate, enhance local character and aligns with broader economic strategies'. The majority of the proposed criteria are reasonable, with the exception of Criteria 1.2, 1.9, 2.1 and 2.2. This submission therefore makes the case that a higher levy should replace the inadequate 1% levy, or should have a much larger application, and should be easily accessible for Councils that choose to apply it. Higher contributions often face arguments that a higher levy could be 'passed on' to homebuyers or could impact development feasibility (these two in particular are contradictory, but it's common to hear these used). Therefore, it is important to deal with these issues below.



A higher s7.12 levy would not be 'passed on' to homebuyers

While this argument is compelling and intuitive, it is not borne out in the evidence and does not reflect the determinants of house prices. The price of dwellings is determined by the market – the balance of supply and demand. In other words, house prices are determined by how much the market is willing to bear. Additional development costs cannot be 'passed on' to the home buyer beyond the achievable market price for a dwelling. To assume that developers could pass on additional planning costs necessarily implies that developers are currently selling houses below their market price; an unlikely proposition.

The price of new dwellings will reflect the price of established dwellings, rather than the cost of development. In the short term, if a developer had not accounted for a cost (such as a higher % levy), then these costs would be borne by the developer. In the medium to long term, the expectations of these costs would be built into the development cost profile before a site is purchased and would therefore reduce the price landowners could achieve for development sites. Hence a higher levy would not be passed on to the consumer (end-buyer), but is reflected in lower land prices received by the landowner.

A higher s7.12 levy would not impact development feasibility

Development feasibility is nebulous and changes regularly and rapidly. Feasibility testing was completed on a range of scenarios, including an increase of the s7.12 levy. This modelling demonstrates that an increase to the levy only has a negligible impact on development profit margin, especially compared to other factors that influence development margin. An increase from a 1% to a 3% levy would only change the profit margin by a maximum of 2 percentage points. Therefore, given such a negligible impact, it shouldn't form part of a consideration as a criteria.

Another key reason why higher contributions don't impact on development feasibility is because developers don't pay contributions, landowners do via lower prices. For example, before a developer purchases a site, they run a Residual Land Value feasibility assessment to calculate how much they should pay for the land. It is during this due diligence feasibility assessment that developers' 'price in' or account for the increase in contributions. An increase in the levy could also be phased in over time to allow developers to factor this cost into their feasibilities.



C1.2: Considering the different ways 'significant' employment growth can be measured, what would be the most effective? E.g. options:

- ***Supporting at least 25% more new jobs than the number of additional residents planned to be accommodated in the contribution area.***
- ***Facilitating an increase of at least 25% more employment opportunities than currently available.***
- ***An increase in additional non-residential gross floor area greater than 20% of existing total non-residential gross floor area.***

In the first instance, as argued above there isn't a strong rationale for focussing only on employment centres and not high-rise residential centres. This criterion should not apply. The levy should apply to all development as new residents need public infrastructure (improved public domain, embellished parks, etc.) just as much, if not more than employment development.

Notwithstanding, there are inherent difficulties associated with measuring this criterion. If development capacity (i.e. what the controls allow vs. what is currently on the ground) was the key metric, which the first two dot points suggest, this may not relate to any market fundamentals. For example, a centre can have abundant commercial capacity (B3 zone), but the development economics may not stack up for new (or significant) employment floorspace.

The issue with the third dot point is measurement. For example, over what time period does the 20% apply? Some centres could take 50+ years to develop. If a council doesn't deliver on the 20%, then do they revert back to the lower levy? Do they have to refund the higher levy back to the developers?

What does one do about residential DAs in the meantime? For example, each new residential DA in a B4 zone, which most large centres are covered by (with maybe a small portion of B3), will absorb future development capacity. Once residential development reaches its threshold share of floorspace (compared to non-residential), do you simply refuse all future DAs for residential, as the rest are required to be commercial?

***C1.9: Changes to the works schedule require approval from the Minister
Is this requirement necessary? Are there other mechanisms that would ensure ongoing monitoring and review?***

No. Any changes should be assessed by the infrastructure team at DPIE. As indicated above, a higher levy won't affect development feasibility and DPIE planning officers have the professional skills and judgement to determine what are appropriate changes to the works schedule.

C2.1: The contribution plan must include funding and delivery of district-level infrastructure, representing at least 10% of total value of the contributions plan

District level infrastructure remains generally undefined. Should the Department publish a list of acceptable district-level infrastructure items or should it be determined on a case by case basis?

It would be difficult (or impossible) to include district-level infrastructure such as 'major parklands and sports-fields' in most inner and middle ring centres. Additionally, some centres may require new district libraries and other district level community facilities, but more importantly there may be a



series of 'local infrastructure' interventions that have greater justification to accommodate a population increase in a centre.

The DPIE infrastructure assessment team should be able to use their discretion as to whether the list of infrastructure is appropriate – perhaps they could have a series of principles, such as those outlined in C2.2 'meets local needs, are place appropriate, enhance local character and aligns with broader economic strategies'.

C2.1: Is 10% of the total value of the contributions an appropriate amount to be allocated for the provision of district level infrastructure? Should this be desirable rather than mandatory?

District level infrastructure shouldn't be a consideration given the above arguments. However, if it does remain as consideration, it should be desirable, not mandatory.

Other issues

Given that the levy is based on construction costs, it is open to 'gaming' by the development industry who can have 'lowball' construction estimates to reduce their payable contributions. Councils should be encouraged to verify costs themselves for small to mid-size development (some Councils have a spreadsheet with a range of reasonable values) and should engage a QS for larger development. It is noted that some large Council's like the City of Sydney engages a QS for larger development, while Waverley Council does not currently do this.



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Our ref: A12/0147

16th June 2020

NSW Department of Planning and Environment
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SYDNEY NSW 2001
Submitted via the NSW Planning Portal

Waverley Council Submission to the Draft Planning Agreement Policy Framework

Council thanks the Department of Planning, Industry and Environment (DPIE) for allowing Council to make this submission to the exhibition of the Improving Voluntary Planning Agreements suite of documents including the draft Practice Note and Ministerial Direction.

This submission focuses on what has changed between the last draft Practice Note and the current one released in November 2016. While Council is supportive of most changes, Council objects to the position that VPAs should not explicitly be used for value capture. Value uplift associated with changes to planning controls is the value of the new property rights that allow for that development to take place, which are, until then 'owned' by the community. The current situation results in the costs of growth being borne by existing residents, while the benefits accrue to few landowners in the form of a windfall gain. This is clearly unsustainable and the community have a legitimate claim to the benefits created by planning decisions.

This submission was endorsed by Council at its meeting held on 16th June. Should you have any questions about the contents of this submission please contact Tim Sneesby, A/Executive Manager, Urban Planning, Policy and Strategy on (02) 9083 8172 or tim.sneesby@waverley.nsw.gov.au.

Regards,

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Supportive comments

This draft Practice Note purports to respond to submissions to the 2016 exhibition and address recommendations of the 2019 *Review of Governance in the NSW Planning System* led by Nick Kaldas (the *Kaldas Review*). The Draft now on exhibition includes the following broad changes compared to the version exhibited in 2016:

1. Greater clarity and emphasis that value capture should not be the primary purpose of a planning agreement and that planning agreements should not be explicitly used for value capture.
2. Clarification that policies prepared by councils should also address, among other things, acceptability tests and public participation
3. Inclusion of a new detailed section (section 3.2) on land use and strategic infrastructure planning emphasising that planning agreements should be underpinned by regular strategic land use and infrastructure planning, including Local Strategic Planning Statements, to address anticipated growth and infrastructure demand
4. More detail about the steps in the process of negotiating agreements
5. More detail about when post-exhibition changes to a draft planning agreement need to be re-exhibited
6. More detail about explanatory notes and inclusion of a template explanatory note.

With the exception of the first dot point, there is general support for the proposed changes to the Practice Note. The implication of the Practice Note is that planning agreement negotiations revert to ad hoc negotiations that are not clear at the beginning or necessarily transparent during the process or equitable in terms of the outcome. This is in complete contrast to the open, transparent and clear methodology applied in Council's VPA Policy. The developer and the community in Waverley know clearly from the beginning what the negotiations are based on and how any funds generated are proposed to be spent.

Lack of transparency for DPIE's decision making and policy development

A key difference between the current Practice Note and the 2016 Practice Note (not finalised) is that the current Practice Note is more definitive opposing the use of value capture being used in Planning Agreements. This is despite the fact that the majority of submissions – especially those representing public interests such as Councils and PIA – supported the continued use of value capture in Planning Agreements. There was no transparency in how the submissions influenced the decision-making process leading to the current position on value capture.

One of the major issues in policy development at the NSW DPIE is the lack of a transparent process for outlining how public feedback influenced decision making. The DPIE should provide a list of submissions and a public 'submissions analysis and response' so that it is clear why some arguments were accepted, and others weren't. This approach is best practice and is the approach that Local Governments take when publicly reporting policies to Council for adoption. By creating greater accountability for decision makers it also reduces the real and perceived risk of policy capture by industry.



Strategic infrastructure funding and planning

The draft Practice Note emphasises the importance of VPAs being linked to a Council's strategic infrastructure planning and funding framework. It also states that Planning Agreements should not be used as a revenue raising exercise to overcome spending limitations or for improper use and should not be 'wholly unrelated' to development. Waverley agrees and believes that the funds from Planning Agreements should be hypothecated towards public infrastructure that has a link to the development in question.

In addition to being explicitly linked to Councils infrastructure funding plans and policies, there may be circumstances that arise where a development can contribute new infrastructure. This could be in the form of an adjacent park, affordable housing or other community infrastructure that may be consistent with the Local Strategic Planning Statement or other projects and priorities as outlined in Council's suite of urban policies and strategies.

VPAs as a vehicle for value capture should not be ruled out

The draft Practice Note states that:

"planning agreements for the primary purpose of value capture is not supported as it leads to the perception that planning decisions can be bought and sold and that planning authorities may leverage their bargaining position based on their statutory powers. Planning agreements should not be used explicitly for value capture in connection with the making of planning decisions. For example, they should not be used to capture land value uplift resulting from rezoning or variations to planning controls."

Waverley Council was the first Council in Sydney to introduce a VPA policy that used value capture as its primary approach to determine appropriate public benefits associated with development. Since that time a number of Councils across Sydney have developed a VPA policy as a value capture mechanism – acting as a quasi 'Betterment Levy'.

The case for VPAs functioning as a betterment levy is particularly important in inner-city areas, where a traditional s7.11 (formerly s94) is difficult to apply because the principles of 'nexus' and 'apportionment' are too difficult to calculate. Therefore, a number of inner-city Councils rely on the s7.12 (formerly 94A) 1% levy which is inadequate to keep up with the infrastructure needs in these areas.

In this context, the current infrastructure funding arrangement results in the costs of growth being borne by existing residents, while the benefits of growth accrue to few landowners in the form of a windfall gain. Arguably this disparity has been one factor that has led to a reduced 'social licence' for new development in existing urban areas.

A value capture approach acts as an 'informal nexus', whereby upzoned areas generate new demand (in the form of additional development rights) and this demand is linked to the value capture mechanism, which can fund major upgrades.

Waverley Council objects to the proposed removal of value capture as an explicit use for VPAs. Planning controls ration access to development rights (for the benefit and amenity of the community)



and enables those who have access to them to gain the value of social infrastructure, amenity, the scarcity of access to city services and jobs, etc. The value uplift associated with changes to planning controls represents the value of the new property rights that allow for that development to take place, which are, until then 'owned' by the community. In other words, planning decisions are made in the public interest and the value of land is created by planning decisions (*ceteris paribus*). Therefore, the value uplift that planning decisions generate is an unearned windfall gain to the developer granted by the public.

Given that value uplift is conceptually community property, the community have a legitimate claim to the benefits created by planning decisions. To this extent, value capture is not just a valuable funding mechanism, but a fundamental equity issue that places the public interest at the forefront of planning. The Planning Institute of Australia (PIA) position paper on Voluntary Planning Agreements also states that "VPAs are a powerful and effective tool to provide community benefits via 'value capture'" and that they "provide an opportunity for the community to share in part of the uplift in land value accruing to a developer from infrastructure investment, rezoning or development approval".

The 2016 draft Practice Note stated that VPAs can be linked to "planning incentives, density bonuses, planning trade-offs or the like". However, this approach has now been abandoned. Where development can exceed the established planning controls and can do so without having an unacceptable impact, then this can be approved under the existing arrangements of clause 4.6 statements or Planning Proposals. Value capture is an important trade-off to provide an improved outcome for the community who can gain a benefit from the development in terms of additional infrastructure and amenity.

VPAs are the only mechanism available in NSW to share in land value uplift. Spot rezonings and clause 4.6 variations are an established part of the NSW planning framework. If a value capture approach to uplift is ruled out, then developers will continue to exceed planning controls while the public will be unable to share in the uplift through publicly granted development rights.

Common misconceptions of value capture

The removal of the explicit use of value capture in VPAs is based on a number of incorrect assumptions, as outlined in summary and in detail below.

- **Value capture doesn't have a nexus:** upzoned areas generate new demand and this demand is directly and proportionally linked to the value uplift.
- **Value capture incentivises conservative (low) planning controls:** Councils are required to update their controls based on housing and employment targets and housing strategies.
- **Planning Agreements slow down housing approvals:** developers do not have to offer VPAs and VPA negotiations can occur concurrently with the DA Assessment process to ensure a timely response.
- **Value capture costs are 'passed on' to the home buyer:** The price of dwellings is determined by the market – the balance of supply and demand.
- **Value capture undermines strategic land use planning:** developers have always had discretion to exceed existing controls before value capture. Value capture lowers the economic payoffs to private landowners, distributes it to the community and reduces the incentive for developers to 'capture' the system in order to have it deliver them a windfall.



- **Value capture can lead to planning decisions being bought:** Value capture simply means Councils are putting a price on additional floorspace that would otherwise be given away for free. DAs or PPs go through a rigorous and independent assessment process, which eliminates the possibility for decisions being bought.
- **Value capture holds developers to ransom:** it is a developers choice to exceed the existing planning controls.
- **Value capture is simply a ‘cash grab’:** VPAs are often linked to strategic funding opportunities identified in a Capital Works Program/relevant Council policy or benefit residents of the new development.

Value capture creates a nexus between density and liveability nexus

In inner city / infill areas, it is very difficult trying to draw a clear apportionment between development and infrastructure demand, which is why many inner city councils rely on the 7.12 contribution. Section 7.12 does not provide sufficient funds and it doesn't establish a link between increases in density and maintaining or improving liveability standards. Additional development can confer positive benefits such as critical mass to support greater provision of goods and services. However, additional development and increases in density also creates costs and negative externalities in the form of congestion, visual impacts and overshadowing as well as greater contestability of public spaces and amenities.

At best, traditional 7.11 and 7.12 levies can only *mitigate* the negative externalities generated by additional development. The use of value capture in Planning Agreements provides an opportunity to not only mitigate the impacts of development, but to also create a net community benefit. It allows councils to go beyond the bare minimum of infrastructure upgrades or maintenance. It can facilitate infrastructure development or upgrades that go beyond maintaining the status quo and which can actually improve infrastructure above baseline levels. It is to this extent, that development can be seen to be benefitting the public interest, particularly at a local level and in the short to medium term.

The PIA NSW branch concurs with the role of VPAs in providing community benefits distinct from user pays contributions. In their *Voluntary Planning Agreements Position Paper* they state that VPAs “should be considered distinct from any obligation for proponents to contribute towards shared off-site infrastructure (user pays contributions), impact mitigation measures (consent conditions) or other inclusionary requirements (e.g. affordable housing / parking)”.

By linking increases in density to infrastructure improvements, value capture not only ties increased demand generated by additional persons, but also links the planning externalities associated with additional development to improved or at least maintained levels of liveability. Hence value capture creates a connection between increased development and liveability. The importance of this connection or nexus cannot be understated, particularly given the NSW Government's intentions to accommodate further growth in existing urban areas.

The use of value capture in VPAs allows for Council to improve liveability by funding public benefits that go above and beyond what Council would have been able to fund just through 7.12 contributions. For example, two developments in the Bondi Beach area sought floor space ratio exceedances to incorporate additional apartments. Under Council's traditional 7.12 plan the developments would raise around \$100,000, which would have limited benefits to the community. However, under two Planning Agreements Council raised close to \$1.2 million. Despite the ‘cost’ to the developer they still pursued the VPA with Council as there was a substantial enough windfall gain to create a win-win situation for both the developer and local community. The DA was court approved and this money was



used to fund an adjacent park upgrade and public domain improvements and attracted significant community support (see Figures 1 and 2 below).

Figure 1 Concept plan showing location of VPA that funded the adjacent park upgrade.



Figure 2 Concept plan for park upgrade at Seven Ways, Bondi Beach



The use of value capture has also led to successes in affordable housing. Affordable housing facilitates the retention of diverse communities. Diverse communities are vital to the economic and social prosperity of our places. VPAs have been the primary source of funding for affordable housing in Waverley, accumulating \$2.4 million for Waverley’s Affordable Housing Program. This would not have been achieved through inadequate section 7.12 contributions plans.

Value capture does not imply conservative (low) planning controls

There has been some suggestion by the development industry that value capture creates an incentive for councils to keep planning controls low so that they can capture uplift in proponent led Planning Proposals.

Value capture does not keep planning controls low. The review and updating of planning controls is done regularly by local government through the preparation of comprehensive, multi-disciplinary studies that inform the Local Strategic Planning Statement, such as the Local Housing Strategy, and all Councils have housing and employment targets to meet. For example, in the Waverley LGA the bulk of development and Planning Agreements occur in Bondi Junction, whose development standards underwent significant review in 2013. This review was led by an external consultant and funded by the DPIE. The final development standards were a culmination of robust reviews from both a planning and urban design perspective (influenced by studies such as Bondi Junction Urban Design Review 2013, Bondi Junction Strategic Economic Overview 2004, and Bondi Junction Feasibility Report 2006). The community were involved throughout the preparation of the changes and are now comfortable with the certainty that the LEP provides.

Since these changes, there have been some circumstances where standards have been exceeded. Developers are welcome to provide evidence to support an exceedance but should not be the sole beneficiary of any uplift in value on the site as it sits beyond what was previously accepted by the community, Council and the DPIE.



Planning Agreements do not slow down housing approvals

Regarding the claim that Planning Agreements have slowed down housing approvals, in Waverley's experience Planning Agreements rarely (if ever) hold up the development process. Indeed, the same developers continually offer VPAs in accordance with Council's value capture policy. So evidently, the development industry sees the benefit in sharing value with the community to keep on entering into these agreements.

Value capture does not increase house prices

When announcing the 2016 amendments, Minister Stokes stated that "we have a case where assessment processes are being held to ransom, increasing costs for new homes by up to thousands – a cost being borne, in the end, by home buyers".¹

The argument that planning contributions increase house prices is commonly spouted by the development industry. However, this comment cannot be treated lightly as it has a profound influence in the way that Planning Agreements are viewed and, more seriously, how they need to be changed.

While this argument is compelling and intuitive, it is not borne out in the evidence and does not reflect the determinants of house prices. The price of dwellings is determined by the market – the balance of supply and demand. In other words, house prices are determined by how much the market is willing to bear. Additional development costs cannot be 'passed on' to the home buyer beyond the achievable market price for a dwelling. To assume that developers could pass on additional planning costs necessarily implies that developers are currently selling houses below their market price – an unlikely proposition.

The price of new dwellings will reflect the price of established dwellings, rather than the cost of development. In the short term, if a developer had not accounted for a cost (such as value capture), then these costs would be borne by the developer. In the medium to long term, the expectations of these costs would be built into the development cost profile before a site is purchased and would therefore reduce the price landowners could achieve for development sites (effectively shifting the windfall 'planning gain' from private to public interests). Hence value capture is not passed on to the consumer (end-buyer) but is reflected in lower land prices received by the landowner; which would still benefit from a windfall gain.

Value capture underpins strategic planning by lowering the economic payoffs from planning decisions

There is an argument that value capture incentivises Councils to rely on 'spot rezonings' to capture value from, rather than proactively updating zoning controls based on a strategic planning process. This argument is flawed for several reasons: firstly it assumes that developers didn't exceed existing controls before value capture VPAs were introduced (and wouldn't exceed if value capture was ruled out); and secondly, it doesn't understand that value capture reduces the incentive for developers to capture the system.

The ability to exceed planning controls existed before value capture was used in VPAs with Clause 4.6 of the Standard Instrument LEP and proponent led Planning Proposals. Before Clause 4.6 was introduced, SEPP 1 'Development Standards' was used to exceed development standards in LEPs and was created shortly after the *Environmental Planning and Assessment Act 1979* (which itself

¹ Transparency for Council Value Capture Deals', Rob Stokes Minister for Planning Media Release, 4th November 2016.



introduced discretion compared to the *Local Government Act 1919*, which formerly governed planning in NSW). The ability to exceed existing planning controls is a long-established practice of the NSW planning system and there is no evidence to suggest that value capture and planning agreements encourage ad hoc planning, including DA exceedances and spot rezonings. Ultimately, developers make these decisions – Councils don't ask developers to exceed their controls.

Value capture lowers the economic payoffs to private landowners from planning decisions. It reduces the incentive for developers to 'capture' the system in order to have it deliver them a windfall. In this way, value capture actually underpins a plan-led strategic system. By supporting strategic planning (land use and infrastructure coordination), value capture reduces the diversion of resources from identified growth areas (and hence limits what economists term 'coordination failure').

If the DPIE genuinely want to reduce ad hoc proposals undermining strategic planning and give the community certainty regarding exceedances, then they should treat the cause not the symptom – make changes to the mechanisms which allow for variances, such as further circumscribing CI4.6 variations and proponent led spot rezonings. Removing value capture from VPAs won't stop developers seeking exceedance to existing controls – that would continue but with no shared value with the community.

Confidence in the planning system's focus on the public interest is at the core of upfront, evidence-based planning touted by the DPIE. If the DPIE wishes to remove the use of value capture methodology from VPAs, then a value capture policy relating to changes in zoning and development standards should be implemented statewide, outside of and additive to the development contributions system.

Value capture does not mean planning decisions can be bought

The draft Practice Note indicates the primary reason value capture is not supported is "it leads to the perception that planning decisions can be bought and sold and that planning authorities may leverage their bargaining position based on their statutory powers".² Some members of the community may express that a value capture VPA means you can buy an extra floor or two. This perception that Councils are simply 'selling floorspace' or 'selling decisions' is intuitive, but wrong and is not borne out in the evidence.

Value capture simply means Councils are putting a price on additional floorspace that would otherwise be given away for free. In fact, by having a clear VPA policy which states upfront what the value capture contributions are creates transparency and certainty in the community that VPA decisions aren't being made 'behind closed doors'.

The perception of planning decisions being bought was addressed in the original 2005 Practice Note and has been carried across to the current Practice Note. This perception is managed by Councils via the 'separation of powers' between those determining a Development Application or Planning Proposal and those negotiating the VPA. Local government in general and Waverley Council in particular are very good at managing this perception of 'bought' planning changes via VPAs by refusing applications that are unacceptable on planning grounds. Waverley Council's Planning Agreement policy is explicit on this issue:

² NSW Department of Planning, Industry and Environment, Draft Practice Note 2020, pg. 4.



“Council will not enter a planning agreement unless it is satisfied that the proposed development is acceptable on planning grounds having regard to the general heads of consideration set out in Section 79C of the Act. Development that is unacceptable on planning grounds will not be given consent because of benefits offered by a developer. It is noted that any exceptions to relevant development standards will be assessed in accordance with the provisions set out in cl.4.6 of WLEP 2012”.³

For instance, Council has refused several development applications and s4.55 modification applications involving VPAs on the grounds that these would have unacceptable impacts in planning terms. This includes developments seeking two additional storeys that would have contributed VPAs worth \$4.2 million and \$3.2 million, respectively. Similarly, Marrickville Council rejected a \$5 million VPA for additional storeys to a residential tower.⁴

Furthermore, Waverley’s ‘Planning Agreement Policy 2014’ has a detailed section covering probity with measures that govern ethical behaviour, transparency, definition of roles and responsibilities of different stakeholders, and the limits to Council responsibilities.

The assertion that planning decisions can be ‘bought and sold’ ignores the rigorous assessment that DAs and Planning Proposals with VPAs must go through (including Cl4.6 statements and meeting the ‘strategic’ and ‘site specific’ merit criteria) to justify exceedances beyond controls. After they meet this process, all DAs and PPs must be assessed by the Waverley Local Planning Panel. This last element ensures that there is no potential political or officer interference in the assessment of Planning Agreements. The take home is that applications cannot be approved unless they go through a rigorous and independent assessment process.

Value capture holds developers to ransom

VPAs are voluntary and developers are not being forced into entering Planning Agreements or ‘being held to ransom’. Developers are offering to enter into Planning Agreements, particularly where they are exceeding development standards, in good faith and of their own volition with the intention of increasing the public benefits of development. No one is forcing developers to exceed the existing planning controls.

Waverley has a planning agreement policy that is based on capturing 50% of value uplift generated from increases above planning controls. Waverley’s policy received a Commendation from the 2015 PIA NSW awards for ‘Improving Planning Processes & Practices’. Waverley’s ‘Planning Agreement Policy 2014’ details the negotiation and valuation processes for anyone seeking to enter into a planning agreement. Council believes that providing these details upfront holds both parties to account and makes the entire Planning Agreement transparent to the community. It is important to note under this process the planning agreement is negotiated in isolation to the assessment of the merits of a Development Application or Planning Proposal. Under the DA or PP, objections primarily relate to the potential loss of current amenity and liveability (often expressed by concerns with overshadowing, localised traffic congestion and bulk).

³ Waverley Council, Planning Agreement Policy 2014, p. 5.

⁴ Roberston, J. ‘Council rejects developer’s \$5m bid for extra storeys’, Sydney Morning Herald, 6 December 2012. <http://www.smh.com.au/nsw/council-rejects-developers-5m-bid-for-extra-storeys-20121211-2b8bo.html>



Value capture is not simply a ‘cash grab’

There is concern that value capture is simply a ‘cash grab’, especially where it is expressed as a % on uplift or in \$/sqm terms. The broader issue is that there are concerns the value uplift is not linked to Capital Works Programs, would and may go into consolidated revenue and not fund works related (or nearby) to the development.

The issue of substance here isn’t related to value capture. The issue is that VPAs should be linked to contributions plans and Capital Works Program or demonstrate that works benefit residents of the new development. The draft Practice Note could highlight this as a consideration. For example, Waverley’s PA Policy highlights upfront that VPAs negotiated in Bondi Junction should fund the *Complete Streets* program, which is a large-scale public domain upgrade to improve the liveability of this centre.

Council has to balance any additional planning harm – in terms of bulk, scale, height, overshadowing, overlooking, loss of privacy – which generally occurs immediately surrounding the site against contributions that fund community infrastructure not necessarily directly adjacent to the site (or in the form of affordable housing). Council actively seeks to provide the funds to nearby open space (and in Bondi Junction towards the *Complete Streets* program), which provide a very good nexus between increases in density and liveability.

Updated Practice Note does not respond to the Kaldas Review

This draft Practice Note purports to respond to recommendations from the Kaldas Review. A key reason why a more hardline approach to ruling out value capture is a result of the Kaldas Review. The Kaldas Review did not state or even imply that the value capture approach should be abandoned.

This review made only the following recommendations relating to VPAs:

- Underpin VPAs with proper strategic infrastructure planning, delivering on the commitment to community to provide appropriate growth infrastructure;
- Ensure identified infrastructure reinforces the link between public benefit and the proposed development, and must not include additional, unrelated items sought by local councils;
- Prevent Council from requiring a VPA to progress a planning proposal – planning decisions cannot be bought or sold.
- Ensure transparency, compliance and accountability.

Summary

In summary, Waverley recommends the following changes to the draft Practice Note:

- Remove section 2.3 and revise supporting value capture through planning agreements
- Remove references that target capture of windfall gain and develop detailed guidelines for how to assess and measure value capture for VPAs. This would ensure maximum community benefits and certainty for the development industry are achieved.
- Recognise the importance of value capture in enhancing the link between density increase and liveability.
- Acknowledge that there is no evidence that the use of value capture in Planning Agreements has led to Councils deliberately keeping planning controls low.



- Acknowledge that that there is no evidence that the use of value capture in Planning Agreements has led to higher housing costs for home buyers.
- Acknowledge that value capture doesn't undermine strategic planning, but reinforces it by reducing the economic incentive for developers to capture the system
- Acknowledge that while there can be a perception that decisions can be 'bought', applications go through a rigorous and independent assessment process, which eliminates the possibility for decisions being bought.
- Acknowledge that the Kaldas Review did not state or even imply that the value capture approach should be abandoned.
- Develop a statewide value capture policy related to increases to development uplift, additive to the existing development contributions system. This policy should capture a share of the value uplift from any future rezoning decision, whether individual or Local Government initiated.

REPORT

CM/7.10/20.06(2)



WAVERLEY
COUNCIL

Subject: Small Grants Program 2019-20 - Round 2 - Resubmissions

TRIM No: A20/0196

Author: Leisa Simmons, Manager, Housing Programs and Community Support

Director: Emily Scott, Director, Community, Assets and Operations

RECOMMENDATION:

That Council grants \$5,000 to COA Sydney, under its Community Services and Cultural Grants Program, to facilitate immediate support for vulnerable older people impacted by the coronavirus shutdown, with funding to be provided from the 2019/2020 budget.

1. Executive Summary

COA Sydney responded promptly to an invitation from Council to resubmit their application for a Small Grant, with additional information supplied. Officers have re-assessed the application. Based on the re-assessment, and with consideration for the urgency the coronavirus shutdown has created, it is recommended that Council grants COA \$5,000 to facilitate immediate support for isolated and disadvantaged older people.

2. Introduction/Background

At its meeting of 19 May 2020, Council considered and endorsed a report containing recommendations relating to applications for grants under its Small Grants Program 2019-20 (Round 2). Due to the disruption caused by the coronavirus shutdown, Council also resolved that officers should provide unsuccessful applicants with the opportunity to resubmit their applications with a 10-day deadline. Officers provided unsuccessful applicants with feedback on their applications, and an invitation to resubmit. Three applicants expressed an interest in resubmitting. One submitted additional information that is documented in this report, one withdrew but will submit again in a future round, and the third was unable to complete their resubmission before the deadline for this report. Officers have advised this applicant that their resubmission could be considered by Council as part of a grants report due in July.

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Council 19 May 2020	CM/7.5/20.05(2)	That Council: <ol style="list-style-type: none"> 1. Approves grants to the value of \$24,704 to individuals and organisations as set out in Table 1 of this Report, under its Community Services and Cultural Grants Program, to facilitate immediate support for activities relating to the coronavirus shutdown, with conditions where specified in Attachment 1. 2. Approves grants to the value of \$57,510 to individuals and organisations as set out in Table 1 of this Report,

		<p>under its Small Grants Program (Round 2) 2019–20, with conditions where specified in Attachment 1.</p> <p>3. Given the disruptions caused by the COVID-19 virus and as per Council's grants policy, invites unsuccessful applicants who wish to do so, to submit an unsolicited application for funding within the next 10 days. This will allow the applications to undergo proper assessment, with officer recommendations coming to the next council meeting.</p>
Council 17 March 2020	CM/7.4/20.03	That Council adopts the Community Grants Policy attached to this report.
Council 16 July 2019	CM/7.10/19.07	<p>That Council:</p> <p>1. Under the Community Grants Program 2019–20, grants \$333,673 to the organisations set out in Attachment 1 to this report for the activities and amounts listed.</p> <p>2. Adopts the following guidelines attached to this report:</p> <p>(a) Small Grants – Community and Cultural Grants Guidelines (Attachment 3).</p> <p>(b) Small Grants – Environmental Grants Guidelines (Attachment 4)</p> <p>(c) Small Grants – Creative Streets Grants Guidelines (Attachment 5).</p>
Operations Committee 5 August 2014	OCRD.20/14	<p>That:</p> <p>1. The Committee notes the changes being implemented in the Small Grants Program with regard to timing, promotions and website documentation.</p> <p>2. The Committee implements Option 2 below, so that Environmental Grants are available to schools and small business organisations who meet eligibility criteria, and with community groups retaining the opportunity to apply for small grants for social, cultural and recreation projects.</p> <p>3. The relevant Director provide all Councillors with briefing details on the existing criteria for assessing all applications.</p> <p>4. 'Small businesses' are defined as 'micro-businesses', consisting of 5 or fewer employees.</p>

4. Discussion

COA Sydney has resubmitted their application for \$5,000 in funds to support the temporary expansion of its list shopping service and the provision of essentials free of charge to isolated and vulnerable seniors impacted by the coronavirus shutdown. COA has supplied additional information that has enabled re-assessment of its application.

COA Sydney is a local not-for-profit supporting Jewish seniors to live independently in their homes and maintain quality of life with dignity. COA operates a Kosher Meals on Wheels Service, and a small list shopping service. During the coronavirus shutdown, COA has been working with other local agencies to ensure that seniors who are isolated by the shutdown, or who have experienced a loss in income due to the economic impacts of the shutdown, do not go without. COA is currently delivering 200 Kosher meals to Waverley residents, and fruit and vegetable packs to 260. COA reports that it has received more requests for help than it can resource, and is seeking Council's support to scale up its activities, drawing on the volunteer networks of its partner agencies.

Based on reassessment, and with consideration for the urgency that the coronavirus shutdown has created, Officers recommend that Council provides a grant of \$5,000 under its Community Services Grants Program to enable COA to expand the support it provides for isolated and disadvantaged older people during the shutdown and the months of progressive re-opening.

5. Financial impact statement/Time frame/Consultation

The 2019/2020 grant budget has been fully allocated. However, due to it being close to the end of the financial year, staff have identified budget savings within Community Services that can be used to accommodate this grant. Alternatively, the payment can be held over to 1 July and the grant funded from next year's grant allocation. Officers favour funding the grant in 2019/20.

6. Conclusion

The Small Grants Program provides Council with a unique opportunity to respond to ideas proposed by members of its community, and to facilitate diverse contributions to Waverley's physical and social infrastructure. This Report recommends that Council approves a small grant to enable the provision of support to isolated and vulnerable members of its community.

7. Attachments

Nil.

REPORT
CM/7.11/20.06(2)**WAVERLEY**
COUNCIL

Subject: Affordable Housing Rent Relief

TRIM No: A09/0354

Author: Leisa Simmons, Manager, Housing Programs and Community Support

Director: Emily Scott, Director, Community, Assets and Operations

RECOMMENDATION:

That Council approves a temporary variation to the Affordable Housing Tenancy Policy, applicable from 1 March to 1 September 2020, to allow its appointed Housing Manager, Bridge Housing, to offer tenants affected by the coronavirus shutdown, rent calculated at 30% of their income for a period of up to six months from the date at which they were assessed as eligible for rent relief.

1. Executive Summary

Council's Housing Manager, Bridge Housing has advised that five of the tenants in Council's Affordable Housing Program have sought rent relief, having lost a significant portion of their income as a result of the coronavirus shutdown. Bridge Housing has sought Council's approval to offer tenants, whose household income has been reduced by 25% or more as a result of the coronavirus shutdown, rent calculated at 30% of their income for a period of six months from the date at which they were assessed as eligible. Officers recommend that Council approves a temporary amendment to its Affordable Housing Tenancy Policy to allow Bridge to make this offer to provide Council's tenants.

2. Introduction/Background

The Waverley Affordable Housing Tenancy Policy sets rents at 25–35% of the median market rent for a comparable property depending on the tenant's household income. The program intends to benefit working people who earn a low-to-moderate income.

Impacts from coronavirus have impacted the household incomes of many tenants. In April, the NSW Government announced restrictions on evictions due to rent arrears for tenants whose household income is reduced by 25% or more as a result of the coronavirus shutdown.

In terms of hardship and rental arrangements, the Government has indicated that it expects that landlords will negotiate an arrangement with tenants, which may include reduced rent or the accumulation of rent arrears to be paid at a later date. In the context of such an agreement, tenants would be asked to provide evidence of reduced income and evidence of any application they have made for government income support. The Government has offered land tax relief as an incentive to landlords to negotiate arrangements that keep people housed and so limit social movement, minimising public health risks during the coronavirus pandemic.

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Council 17 June 2014	CRD.41/14	That Council: 1. Endorses the draft Waverley Housing for Older People Tenancy Policy. 2. Endorses the draft Waverley Community Living Program Tenancy Policy. 3. Endorses the draft Waverley Affordable Housing Tenancy Policy.

4. Discussion

Council's Housing Manager, Bridge Housing has advised that five of the tenants in Council's Affordable Housing Program have sought assistance with their rent payments. Of the five, two have been stood down and are receiving job seeker payments of \$557 per week. Three remain employed and are receiving job keeper payments of \$750 per week.

Bridge Housing has recommended offering tenants who can provide evidence that their household income has been reduced by more than 25%, rent reduced to 30% of their household income, plus any Commonwealth rent assistance available, for a period of up to six months, with a three-monthly review. This would mean that tenants would not accrue a rent debt to be paid at a later date.

Officers recommend that Council accepts Bridge's recommendation for the following reasons:

- Council's Affordable Housing is intended to benefit low to moderate income earners, including those working in industries hardest hit by the economic impact of the coronavirus shutdown
- For people who have lost a significant portion of their income for the period of the shutdown, or who have been stood down, financial recovery will be challenging. Housing stability will assist recovery. A large rent debt would place ongoing financial pressure on tenants, increasing the challenges of recovery
- Three out of the five requests received are from households supporting young children
- Well into the shutdown only five households, out of the 25 housed in Council's portfolio of Affordable Housing properties, have requested assistance. When income from the whole of the portfolio is considered, the rent loss resulting from a decision to provide assistance is relatively moderate.

5. Financial impact statement/Time frame/Consultation

The rent loss, based on the requests for assistance described in this report, amounts to \$44,746 for a six-month period, or 41% of anticipated income for the five identified properties. This represents a worst-case scenario, which would improve if those people on job keeper payments were to resume work in less than a six-month period.

The application of the rent reduction recommended, should Bridge receive further requests for assistance, could be expected to result in additional losses of similar magnitude (41%). It is anticipated that the program can cover the losses associated with the provision of assistance to tenants, and, if necessary, Council could draw down on the program's operating reserve.

Council does not pay land tax, so cannot benefit from the incentive offered to private landlords.

6. Conclusion

Council's Affordable Housing program aims to benefit working people who earn a low-to-moderate income. The coronavirus impacts have created a challenge for the financial wellbeing of many working people. As a residential landlord, Council is in a position to provide support in the form of rent relief, that will help its tenants on their journey towards economic recovery. Though Council's tenants represent a small proportion of all tenants in Waverley, demonstrating a commitment to their recovery is a valuable model for the broader community. More than 40% of households in Waverley are private renters, so the financial recovery of tenants will be essential to Waverley's overall economic recovery.

7. Attachments

Nil.

REPORT
CM/7.12/20.06(2)

Subject: Bondi Junction Cycleway and Streetscape Upgrade - Stage 3 Update

TRIM No: A14/0193

Author: Sharon Cassidy, Executive Manager, Major Projects

Director: Emily Scott, Director, Community, Assets and Operations

RECOMMENDATION:

That Council receives and notes this update on the Bondi Junction Cycleway and Streetscape Upgrade.

1. Executive Summary

The purpose of this report is to provide an update on Stage 3 of the Bondi Junction Cycleway and Street scape Upgrade. Stage 3 commenced on 8 April 2020 with a programmed finish date of 24 September 2020. The works are progressing well with civil works at the Customer Service Centre and Easts Leagues Club fast-tracked in advance of their 1 June 2020 reopening. The extent of rock excavation has been greater than anticipated for the stormwater works. This has resulted in a current delay of approximately 2 ½ weeks to the planned completion. The works on the southern side of Spring Street are scheduled to be completed mid-July 2020.

2. Introduction/Background

Ford Civil were engaged as the head contractor for the Bondi Junction Cycleway and Streetscape Upgrade project in May 2019. Refer to Figure 1 below for the staging plan. Stage 1 Early works and service investigations were completed in August 2019. Stage 2, Spring Street between Newland Street and Denison Street and Denison Street between Spring Street and Oxford Street commenced in late August 2019. The Spring Street portion was completed in March 2020. The works in Denison Street were delayed due to Ausgrid works and are in progress with completion scheduled in mid-June 2020. In March 2020, Council resolved for Council officers to implement a number of actions including a progress report relating to Stage 3, Spring Street between Newland Street and Bronte Road.

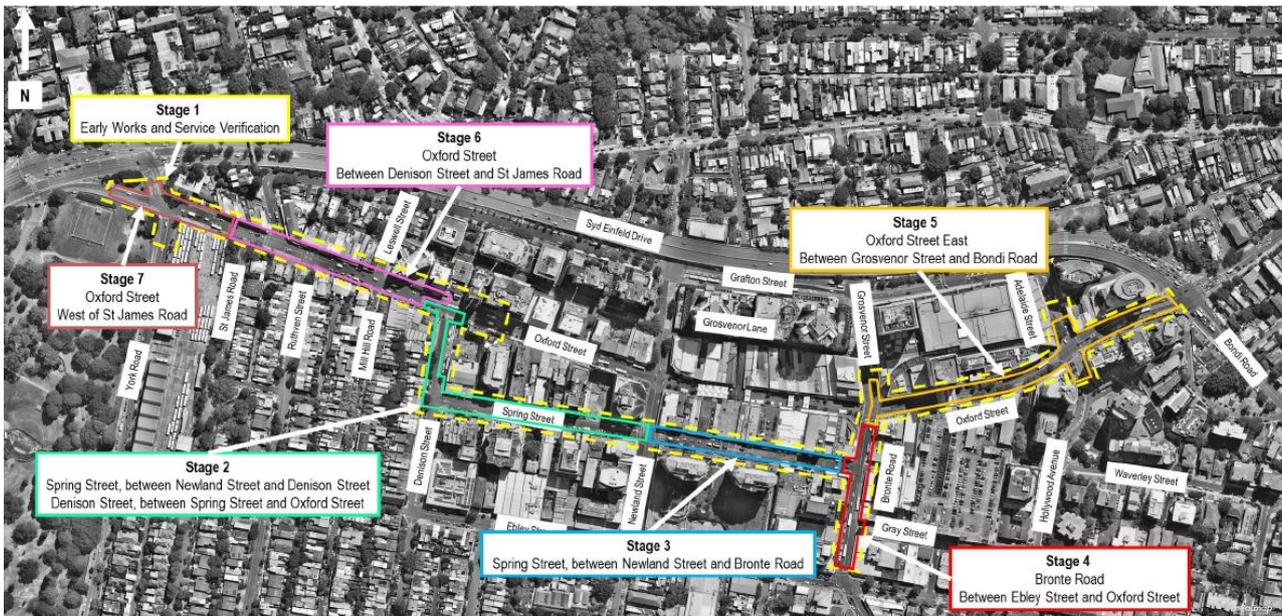


Figure 1. Staging plan.

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Council 17 March 2020	CM/8.9/20.03	<p>That Council:</p> <ol style="list-style-type: none"> 1. Notes that Stage 2 works of the Bondi Junction Cycleway project is close to completion in Spring Street (west), between Denison Street and Newland Street, and that works have been delayed from the anticipated completion timing of February 2020. 2. Notes that, when Stage 2 works in Spring Street (west) is complete, Stage 3 works will then commence in Spring Street (east), between Newland Street and Bronte Road, with 'Stage 3A' starting on the south side of Spring Street, followed by 'Stage 3B' on the north side, and that an official start date for Stage 3 works of Saturday 14 March has now been announced, depending on the weather. 3. Notes that Stage 3 is the critical area of Spring Street with major impacts on businesses, residents, vehicles and pedestrians during the construction period, estimated by the project team to take around six months, depending on the weather and unforeseen circumstances. 4. Notes that Officers are presently preparing a comprehensive Construction Pedestrian and Vehicle Plan of Management for each stage of the construction works ('stages 3A and 3B') which includes the following: <ol style="list-style-type: none"> (a) Parking Plan (on-street and off-street), to include drop off/pick up locations, the community bus zone (and that the plan acknowledges that the zone will

		<p>be returned to Spring Street at the earliest opportunity during the works), mobility parking, short term parking, loading and truck zones, and the use of Bronte Road for temporary parking.</p> <p>(b) Loading/Unloading Strategy for trucks and delivery vehicles in Spring Street and the use of the Oxford Street mall.</p> <p>(c) Safe Pedestrian/Vehicle Movement and Access Plan, including but not limited to the following:</p> <p>(i) Pedestrian access to/from the Medical Centre, Easts, the Eastgate Centre, and other busy businesses in Spring Street (east), including the steep slope on the southern Spring Street footpath at the Bronte Road intersection.</p> <p>(ii) Ensuring a safe, accessible pedestrian path of travel along the footpaths that is not unduly impacted by site barriers and crossing Spring Street, noting the high density of pedestrian traffic on the south side of Spring Street (east).</p> <p>(iii) Traffic flow management, including construction vehicles and vehicles exiting the Coles Loading Dock.</p> <p>And that a summary version of this Plan of Management be prepared for consultation.</p> <p>5. Ensures that the contractor Ford Civil minimises undue impacts to businesses during the Stage 3 construction period as much as possible by identifying the best times and approaches for noisy and disruptive works to be performed through consultation with key business owners (e.g. Easts, Medical Centre, Eastgate Centre management, and others), and that these processes be supported by Council officers.</p> <p>6. Officers investigate improved ways to consult, notify and receive feedback from the impacted community, including a project engagement list, by which interested parties can log their email address and/or mobile number and receive notifications of project progress.</p> <p>7. Publishes a summary of the above comprehensive Construction Pedestrian and Vehicle Plan of Management in local media, social media, on Council's website, and via other communication channels, and arranges distribution of the summary to business owners and residents directly impacted by works in Spring Street (east), including Bronte Road (between Oxford Street and Ebley Street) and as</p>
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		appropriate.
		8. Receives an initial progress report for Stage 3 works at the June 2020 Operations and Community Services Committee meeting.

4. Discussion

Actions form March 2020 Council resolution

The specific actions from the Council resolution are detailed below with an update on status.

Table 1. Actions form March 2020 Council resolution.

Resolution	Status
Ensures that the contractor Ford Civil minimises undue impacts to businesses during the Stage 3 construction period as much as possible by identifying the best times and approaches for noisy and disruptive works to be performed through consultation with key business owners (e.g. Easts, Medical Centre, Eastgate Centre management, and others), and that these processes be supported by Council officers.	This process has been ongoing though the work to date with fast tracked works occurring at Councils Customer Service Centre and East Leagues Club while these premises were closed. Close consultation has continued with Eastgate Centre Management in the works required at the Loading Dock exit and Spring Street carpark exit.
Officers investigate improved ways to consult, notify and receive feedback from the impacted community, including a project engagement list, by which interested parties can log their email address and/or mobile number and receive notifications of project progress.	Refer Communications Update below.
Publishes a summary of the above comprehensive Construction Pedestrian and Vehicle Plan of Management in local media, social media, on Council's website, and via other communication channels, and arranges distribution of the summary to business owners and residents directly impacted by works in Spring Street (east), including Bronte Road (between Oxford Street and Ebley Street) and as appropriate.	This was completed noting we have made amendments due to fast tracking certain areas of the works.
Receives an initial progress report for Stage 3 works at the June 2020 Operations and Community Services Committee meeting.	Subject of this report.

Construction update – 3 June 2020

Works commenced in Stage 3, Spring Street between Newland Street and Bronte Road, on 8 April 2020. Below is an update of the scheduled compared to currently planned program.

Stage 3.1 – South Side

Construction Start Date 8/4/20

Scheduled Finish date 23/6/20

Current planned finish date 11/7/20

Stage 3.2 – North Side

Scheduled Start Date 23/6/20

Original Scheduled finish Date 24/9/20

Scheduled Finish Date 10/10/20

The reason for the delay to the planned finish date is due to the extent of rock encountered during the excavation for the new stormwater line between Newland Street and Bronte Road. Stormwater installation precedes the other work functions and as such works on other areas cannot start until the stormwater drainage is installed.

Construction sequence overview

Due to the reduced pedestrian activity in Bondi Junction, Ford Civil have altered their construction sequence by constructing the footpath base slab prior to the kerb installation. Construction of the footpath base slabs in front of Council's customer service centre (CSC) and East Leagues Club were completed on 29 May 2020. The CSC and East Leagues Club reopened on the 1 June 2020, as such these works did not have an impact on their operations and it has reduced future construction impacts.

Access consultant

As advised at the Council meeting on 17 March 2020 we arranged for an Access Consultant, BCA Logic, to undertake an inspection following site establishment. This has been undertaken for Stage 3.1 where the consultant carried out a site inspection to specifically assess accessibility for pedestrians around Ford Civils' construction site. The consultant did not raise any issues with the accessibility around the construction site and also provided the following advice:

- Where possible maintain at least a 1540 mm clear width along the access way between the existing building and the site fence. This will generally allow for a turning space for a wheelchair user in accordance with AS1428.1-2009. This was considered to be provided at the time of the inspection.
- Throughout all areas maintain at least a 1000 mm clear path that maintains a similar gradient throughout. This would be required when driveways or kerbs are provided and a step is present, have a similar gradient with no step will allow for wheelchair users and prams to gain sufficient access throughout the path.
- Although visibility is provided throughout the length of the street due to the straight nature of the street, it is recommended to provide a 1800 mm wide x 2000 mm long passing space for wheelchairs and prams and 20 m intervals throughout the length of the footpath.
- There is an existing roadside accessible parking spot provided within proximity to the works. Once the works get to this location steps should be taken to relocate this accessible parking space to the other side of the road in a similar location to the pedestrian crossing.

A further inspection will be undertaken on mobilisation to Stage 3.2.

Communications update

The following communications were undertaken relating to the Stage 3 construction works:

End of 2019

- Walked through all businesses to gather contact details/alert about upcoming stage.

2020

- Notified all businesses of project (Council's Engagement Officer personally delivered notification to all businesses on Spring Street between Newland Street and Bronte Road to ensure they understand about the works, what was happening and introduce Ford Civil's Community Liaison Officer).
- Notification letter mailbox drop to all residents and property owners along Spring Street as well as, Newland Street between Oxford Street and Ebley Street and Bronte Road between Oxford Street and Ebley Street.
- Meeting with Easts Leagues Club, Eastgate (shopping centre and residential) and Westfield
- Project signage installed.
- Flyers handed out to all businesses on Spring St inviting everyone to info sessions.
- Waverley Weekly updates (x2).
- 3 x emails to internal/external stakeholders (including all participants, REF responders etc)
- 2 x meeting for residents.
- 1 x meeting for businesses.
- Project update in Wentworth Courier.
- Posters (customer service, bus stop shelters).
- I-visuals (Mill Hill, Customer Service, Library) 1 x promoting workshop 2 x promoting project.

We will shortly undertake a further walk-through and update in advance of the works on the northern side of Spring Street.

The following is also consistently undertaken:

- bondijunction@waverley.nsw.gov.au email on all communications, each time someone contacts we include them in the stakeholder list.
- Council's Engagement Officer works closely with Ford Civil's Community Liaison Officer to keep business details up to date.
- Ford's Community Liaison Officer keeps a diary and updates with any communication with public-documents also kept (emails, messages and notifications) and phone call record kept with all contacts saved.
- Ensuring signs are in place to allow public to understand road works, and access and egress is maintained for the public

5. Financial impact statement/Time frame/Consultation

Grant funding for Stage 3 has been committed by Transport for NSW. A funding application has been made for 2020–21 for the subsequent stages.

Refer above for program and consultation updates.

6. Conclusion

The works are progressing well with civil works at the Customer Service Centre and Easts Leagues Club fast-tracked in advance of their 1 June 2020 reopening. The works on the southern side of Spring Street are scheduled to be completed mid-July 2020.

7. Attachments

Nil.

REPORT

CM/7.13/20.06(2)



Subject: Petition - Bronte Surf Club and Community Facilities Building Upgrade

TRIM No: A20/0329

Author: Richard Coelho, Governance and Internal Ombudsman Officer

Director: John Clark, Director, Customer Service and Organisation Improvement

RECOMMENDATION:

That Council:

1. Receives and notes the petition against the current proposal to upgrade the Bronte Surf Club and Community Facilities Building, and considers the themes raised within it as part of the community consultation process.
2. Notes that Council officers are preparing a report on the outcomes of the community consultation on the proposed upgrade.

1. Executive Summary

Council has received an online petition containing 5,905 signatures (as at 2.30pm on 10 June 2020) via Change.org against the current proposal to upgrade the Bronte Surf Club and Community Facilities Building.

The petition does not fully comply with the Petitions Policy. However, it is recommended that the petition be noted as part of the community consultation process.

2. Introduction/Background

Council accepts petitions from persons who have an interest in the Waverley local government area as residents, landowners, business people or in some other capacity. Petitions must concern matters that Council is authorised to determine.

3. Relevant Council Resolutions

Meeting and date	Minute No.	Decision
Council 5 May 2020	CM/7.3/20.05(1)	That Council: <ol style="list-style-type: none"> 1. Endorses the Bronte Surf Club and Community Facilities Building Upgrade concept design attached to this report for public exhibition for a period of 28 days for the purposes of undertaking stage 2 community consultation, subject to the inclusion of the Surf Club and Lifeguard building image tabled at the meeting and attached to Council's file. 2. Notes that a further report will be prepared for Council

		post-exhibition summarising the consultation process and key feedback, and recommending any necessary revisions to concept design.
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4. Discussion

The petition states:

We strongly believe that Waverley Council's proposal for the redevelopment of Bronte Surf Life Saving Club, as it stands, does NOT best represent the needs of the Bronte community as a whole - for reasons including:

1. *Council proposes the development of a structure with a footprint that is simply TOO BIG - roughly twice the size of the existing club. This will lead to the destruction of public space and parkland for use by the broader Bronte community and beach users.*
2. *The structural overdevelopment will dominate the beachfront and significantly impact the natural aesthetic of Bronte Beach and Park.*
3. *The new footprint will also see the destruction of public amenities such as picnic and BBQ spaces within Bronte Park, all of which are utilised by beachgoers throughout the year on a regular basis.*
4. *The proposal includes a commercial kitchen and large function room, raising concerns relating to the potential for commercial and privatised revenue raising all year round. Such activity would bring large waves of people to an area already stretched to the brink by huge numbers of visitors, disturb residents and other park users, and put even more pressure on the constrained availability of parking.*
5. *Council proposes to demolish and relocate the historically and socially significant Dave Brown Place. This heritage nominated memorial, built in 1974 in honour of Waverley resident and Rugby League Immortal Dave Brown, is the spiritual home of the Bronte Boardriders Club, a grassroots organisation with hundreds of members that has produced internationally renowned professional surfers and both state and Australian champions.*

We support a vision for the redevelopment of the surf club and surrounding amenities, and we recognise the important role surf lifesaving plays in our coastal communities. However, we strongly believe that the current proposal has been made without adequate consideration of the broader community's concerns.

We are of the reasonable view that a design incorporating more efficient storage solutions and use of space to accommodate the needs of the surf lifesaving club within the existing building's footprint would be more appropriate. We are concerned about the loss of public green space and the impact of a disproportionately large building on the natural aesthetic of the beach and park.

PLEASE sign the petition to help stop the overdevelopment and commercialisation of Bronte Beach and Park, and preserve this special place for generations to come. Thank you for your support.

The petition is an online petition created on Change.org; see <change.org/p/waverley-council-stop-the-overdevelopment-and-privatisation-of-bronte-beach-and-park>.

Council's Petitions Policy states that:

A person submitting an e-petition must ensure that the petition has:

- 1. A clear and concise statement identifying the subject matter of the petition.*
- 2. The total number of people 'signing' the petition.*
- 3. The full name, address and phone number of the person submitting the petition ('chief petitioner'), together with the name of the organisation/group they represent if the petition is submitted on behalf of an organisation or group.*
- 4. The full name, address (including postcode), and email address of those people who support the e-petition.*

The petition does not comply with the Petitions Policy because it does not contain the full residential address or e-mail address of the people who support the petition. However, this is an apparent limitation of the Change.org platform. In the view of staff, the petition is sufficiently compliant to be placed before Council. Where a petition does not fully comply with the Petitions Policy, it is up to Council to decide whether to accept it or not.

Council is currently reviewing the Petitions Policy. The review will look at options to better accommodate online petitions.

5. Financial impact statement/Time frame/Consultation

There is no financial impact in Council receiving the petition.

The report on the outcomes of the community consultation on the upgrade is scheduled for the Strategic Planning and Development Committee meeting on 7 July 2020.

6. Conclusion

It is recommended that the petition be noted and its themes considered as part of the community consultation process.

7. Attachments

Nil.

NOTICE OF MOTION
CM/8.1/20.06(2)**Subject:** Jack Munday Memorial**TRIM No:** A02/0276**Submitted by:** Councillor Wy Kanak**MOTION:**

That Council:

1. Notes its recent expression of condolence on the passing of Jack Munday.
2. Notes the contribution Jack Munday made to defending the built heritage and environment of Sydney, to democracy, local government and the trade union movement.
3. Notes the pivotal role played by Jack Munday in saving many sites in south and eastern Sydney, including Centennial Park, which was the subject of a State Government proposal to construct a sport stadium as part of its bid for the 1988 Olympics, which would have seen 30% of the parklands taken over by the sports complex.
4. Liaises with the Centennial Park and Moore Park Trust, Judy Munday, Unions NSW, Bayside and Woollahra Councils regarding the installation of a memorial to Jack Munday in Centennial Park to celebrate and acknowledge his achievements as noted in clauses 1 and 2.
5. Notes Mr Jack Munday's support for the preservation of our local community's heritage and environment at Tamarama Gully, the Bondi Pavilion Community Cultural Centre and the positive effect the Green Bans Movement had for the saving of pocket parks, like the one on the corner of St James Road and Gowrie Street, Bondi Junction, designated as a Green Ban Park in 1975, where the then possessor of that land, the Church of England, agreed to a small section of its land being designated as parkland.
6. Consults on a community room in the upgraded Pavilion to be called 'The Jack Munday Green Bans Room' and/or alternatively a plaque commemorating Mr Jack Munday at the Bondi Pavilion Community Cultural Centre.
7. Officers bring back a report to Council regarding any proposals that result from the discussions noted in this motion.

Background

Jack Munday was a legendary figure in the Australian trade union movement. As an elected leader of the NSW branch of the Builders Labourers Federation (BLF) from 1968 to 1973, he pioneered the path-breaking green bans that combined union power with the environmental movement. Together, building workers and community groups saved urban green spaces, preserved workers' houses in the inner city, and guarded valuable historic buildings against demolition.

A development and construction boom that began in the late 1950s saw workers' homes across the inner city being replaced by skyscrapers, and heritage buildings and urban bushland come under threat.

From 1971–74, Jack Munday and the Builders Labourers imposed environmental bans on over 40 construction projects valued at more than \$4 billion in 1970s terms. At the time, there was no heritage or environmental protection legislation to safeguard significant buildings and green space from development.

The green bans provided a lifeline for dozens of NSW resident action groups and played a crucial role in saving large tracts of Sydney from demolition.

Munday stood for the NSW Legislative Council in 1978 and came very close to getting elected with 80,000 votes. He served as a councillor on the City of Sydney from 1984 to 1987, representing The Rocks area.

He remained an activist to the end, in recent years fighting to save the Bondi Pavilion, the Sydney College of the Arts and Callan Park, and in support of public transport in the inner west.

His contribution to the environment, heritage, workers' rights and the social justice movement has left a lasting legacy that should always be remembered.

General Manager's comment

Should Council resolve in the manner proposed, Council officers can commence discussions with the organisations and persons detailed in clause 4 regarding the installation of a memorial to Jack Munday in Centennial Park and consult on a community room or plaque in the upgraded Pavilion as outlined in clause 6 of the motion. A report back to Council will include feasibility and budget requirements for both.

John Clark

Director, Customer Service and Organisation Improvement

**NOTICE OF MOTION
CM/8.2/20.06(2)****Subject:** Financial Assistance Grants**TRIM No:** A18/0758**Submitted by:** Councillor Nemesh
Councillor Kay**MOTION:**

That Council:

1. Acknowledges the Federal Government's \$1.8 billion commitment to support Local Government through the Coronavirus pandemic period via Financial Assistance Grants.
2. Notes that, as part of this support package, Waverley Council will receive \$1,062,708.
3. Writes to:
 - (a) Mr Dave Sharma MP, Member for Wentworth, thanking him for his advocacy in helping to secure this funding for Waverley Council.
 - (b) The Hon Mark Coulton MP, Minister for Local Government, thanking him for his support of Local Government during this period.

General Manager's comment

Council has been advised that the Commonwealth Government has announced that it will bring forward the first two instalments of its 2020/2021 Financial Assistance Grants (FAG) programme. Officers estimate that the \$1,062,708 to be received by Waverley Council represents approximately 50% of the 2020/21 financial assistance grant (FAG) Council would expect to receive this year. The Commonwealth Government has advised the NSW Government that the FAG process will continue 'business as usual.'

Based on this advanced payment allocation, officers expect that the overall grant allocation will increase by 5.5% (\$110,987) over the 2019/2020 grant allocation. This is yet to be confirmed as the NSW Grants Commission is currently finalising the 2020/2021 Grant program. Council has budgeted to receive the bulk of this funding in the 2020/2021 financial year.

Ross McLeod
General Manager

NOTICE OF MOTION CM/8.3/20.06(2)



Subject: Stop Deaths in Custody - Black Lives Matter -
Implementing Royal Commission into Aboriginal Deaths
in Custody Recommendations

TRIM No: A02/0424

Submitted by: Councillor Wy Kanak

MOTION:

That Council:

1. Notes its unanimous decision of September 2016 (CM/8.5/16.09 – Remembrance of Black Deaths in Custody):

‘That Council continues to fly its Aboriginal Flags at half-mast on 28 September, known as a day focusing on the Remembrance of Black Deaths in Custody, or if this is not a business day, on the closest business day prior to 28 September.’

2. Notes its majority decision of December 2016 not to support the following motion (CM/8.6/16.12 – Royal Commission into Aboriginal Deaths in Police and Prison Custody):

‘That Waverley Council work with the Member for Vaucluse, NSW Attorney General, Hon Gabrielle Upton, in implementing the recommendations from the Royal Commission into Aboriginal Deaths in Police and Prison Custody, especially those recommendations that allow a Local Government connection.’

3. Notes the following report and motion from the North Bondi Precinct Committee meeting on 29 February 2012:

‘The incident at Kings Cross the alleged shooting and beating of an Aboriginal youth by police

To build good relationships and understanding in the community there are plans for local Aborigines to use the Yeshiva kitchen to prepare food for sale for charity

The possibility of using Justice Reinvestment money to be spent on addressing the causes of crime

Motion: resolved that the North Bondi Precinct applaud the initiatives as described by Cr Wy Kanak to improve community relationships with Aboriginal people in the community.’

4. Revisits its decision of December 2016 and writes to the State Members for Vaucluse and Coogee, and Federal Member for Wentworth, to convene a meeting of elected local, state and federal representatives for the Waverley local government area (‘LGA’) to discuss how the recommendations from the Royal Commission into Aboriginal (Torres Strait Islander) Deaths in Custody (‘RCIADIC’) can be fully implemented and actioned in the LGA and:

(a) To aid these discussions, and as part of the preparation for this meeting, Council and the

State/Federal Members initially identify which RCIADIC recommendations they believe are actionable within their electorate/LGA sphere of influence.

- (b) Council then further process actions following this meeting with further community/precinct and police consultation with a focused intent to stop black deaths in custody and to improve community/police relations.

5. Subject to further debate on, and amendments to, this motion, and related matters, Council recommits to its Reconciliation Action Plan actions in these matters.

Background

'A royal commission in 1987 investigated Aboriginal deaths in custody over a 10-year period, giving over 330 recommendations. Its recommendations are still valid today, but very few have been implemented. Every year, Aboriginal people continue to die in custody.'

Source: <https://www.creativespirits.info/aboriginalculture/law/royal-commission-into-aboriginal-deaths-in-custody#The_commission's_recommendations>.

Council has received the following information and debated on issues related to the following motions/resolutions:

1102.11.7

Anniversary of Apology to Aboriginal & Torres Strait Islander Australians and Memorial to Deaths in Custody (A07/0432)

MOTION / UNANIMOUS DECISION (Kanak / Main)

That Council acknowledge the lowering of its Aboriginal Flags to half mast from Friday 11 February to Tuesday 15 February to mark the dates of the 13 February 2008 Anniversary of former Prime Minister Rudd's 'Apology' to Aboriginal & Torres Strait Islander Australians and as a Memorial of deaths in police and prison custody highlighted in Sydney by the death of 17 year old Aboriginal youth Thomas 'TJ' Hickey who died in the early hours of the following day from injuries received during a Redfern police chase on 14 February 2004.

CM/8.6/16.12 Royal Commission into Aboriginal Deaths in Police and Prison Custody (A02/0424)

MOTION

Mover: Cr Wy Kanak

Seconder: Cr Wakefield

That Waverley Council work with the Member for Vaucluse, NSW Attorney General, Hon Gabrielle Upton, in implementing the recommendations from the Royal Commission into Aboriginal Deaths in Police and Prison Custody, especially those recommendations that allow a Local Government connection.

THE MOTION WAS PUT AND DECLARED LOST.

Division

For the Motion: Crs Masselos, Wakefield and Wy Kanak.

Against the Motion: Crs Betts, Burrill, Clayton, Cusack, Goltsman, Guttman-Jones, Kay and Mouroukas.

North Bondi Precinct Committee meeting – 29 February 2012**5.5 Cr Wy Kanak report**

- The incident at Kings Cross the alleged shooting and beating of an Aboriginal youth by police.
- To build good relationships and understanding in the community there are plans for local Aborigines to use the Yeshiva kitchen to prepare food for sale for charity.
- The possibility of using Justice Reinvestment money to be spent on addressing the causes of crime.

MOTION: Resolved that the North Bondi Precinct applaud the initiatives as described by Cr Wy Kanak to improve community relationships with Aboriginal people in the community.

There is currently a refocusing on the continuing issue of 'stopping blak deaths in custody' because of community, citizen, street marches related to 'stop blak deaths in custody' and 'Black Lives Matter'.

See: <<https://www.theguardian.com/australia-news/2020/jun/01/deaths-in-our-backyard-432-indigenous-australians-have-died-in-custody-since-2008>> and <<https://www.theguardian.com/australia-news/ng-interactive/2018/aug/28/deaths-inside-indigenous-australian-deaths-in-custody>>.

General Manager's comment

The matters addressed in the notice of motion are outside of the operational ambit of Council. However, Council may wish to take an advocacy or facilitative role on behalf of its community. If Council so resolves, officers will attempt to support Council's direction through the RAP.

Ross McLeod
General Manager

URGENT BUSINESS
CM/10/20.06(2)**W A V E R L E Y**
COUNCIL**Subject:** Urgent Business**Author:** Ross McLeod, General Manager

In accordance with clause 9.3 of the Waverley Code of Meeting Practice, business may be considered at a meeting of Council even though due notice of the business has not been given to councillors. However, this can happen only if:

1. The business to be considered is ruled by the chair to be of great urgency on the grounds that it requires a decision by Council before the next scheduled ordinary meeting of Council, and
2. A motion is passed to have the business considered at the meeting.

Such a motion can be moved without notice.

Only the mover of the motion can speak to the motion before it is put. A motion to have urgent business transacted at the meeting requires a seconder.

For business to be considered urgent, it must require a decision by Council before the next scheduled ordinary meeting of Council.

The mover of the motion must, when speaking to the motion, explain why he or she believes it requires a decision by Council before the next scheduled ordinary meeting of Council.

CLOSED SESSION
CM/11/20.06(2)

Subject: Moving into Closed Session
Author: Ross McLeod, General Manager

WAVERLEY
COUNCIL

RECOMMENDATION:

That:

1. Council moves into closed session to deal with the matter listed below, which is classified as confidential under section 10A(2) of the *Local Government Act 1993* for the reason specified:

CM/11.1/20.06(2) CONFIDENTIAL REPORT - Commercial Waste - Fees and Charges 2020-21

This matter is considered to be confidential in accordance with section 10A(2)(d)(ii) of the *Local Government Act*, and Council is satisfied that discussion of the matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a competitor of Council.

2. Pursuant to section 10A(1), 10(2) and 10A(3) of the *Local Government Act 1993*, the media and public be excluded from the meeting on the basis that the business to be considered is classified as confidential under section 10A(2) of the *Local Government Act 1993*.
3. The correspondence and reports relevant to the subject business be withheld from the media and public as provided by section 11(2) of the *Local Government Act 1993*.

Introduction/Background

In accordance with section 10A(2) of the Act, Council may close part of its meeting to deal with business of the following kind:

- (a) Personnel matters concerning particular individuals (other than councillors).
- (b) Personal hardship of any resident or ratepayer.
- (c) Information that would, if disclosed, confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.
- (d) Commercial information of a confidential nature that would, if disclosed:
 - (i) Prejudice the commercial position of a person who supplied it: or
 - (ii) Confer a commercial advantage on a competitor of Council;
 - (iii) Reveal a trade secret.
- (e) Information that would, if disclosed, prejudice the maintenance of law.
- (f) Matters affecting the security of Council, Councillors, Council staff and Council property.
- (g) Advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege.
- (h) Information concerning the nature and location of a place or an item of Aboriginal significance on community land.
- (i) Alleged contraventions of any Code of Conduct requirements applicable under section 440.

It is my opinion that the business listed in the recommendation is of a kind referred to in section 10A(2) of the *Local Government Act 1993* and, under the provisions of the Act and the *Local Government (General) Regulation 2005*, should be dealt with in a part of the meeting that is closed to members of the public and the media.

Pursuant to section 10A(4) of the Act and clauses 14.9–14.10 of the Waverley Code of Meeting Practice, members of the public may make representations to the meeting immediately after the motion to close part of the meeting is moved and seconded, as to whether that part of the meeting should be closed.

**RESUMING IN OPEN SESSION
CM/12/20.06(2)**



Subject: Resuming in Open Session
Author: Ross McLeod, General Manager

WAVERLEY
COUNCIL

RECOMMENDATION:

That Council resumes in open session.

Introduction/Background

In accordance with clause 14.21 of the Waverley Code of Meeting Practice, when the meeting resumes in open session the chair will announce the resolutions made by Council while the meeting was closed to members of the public and the media.