COUNCIL MEETING

ATTACHMENTS UNDER SEPARATE COVER

7.00 PM, TUESDAY 15 SEPTEMBER 2020

Waverley Council
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ATTACHMENTS UNDER SEPARATE COVER

CM/7.3/20.09 Innovation Civic Hall - Proposed Operating Model for the Refurbished Boot Factory

1 Waverley-Council-Knowledge-Innovation-Hub-Business-Case.....2

CM/7.4/20.09 Code of Conduct and Procedures – Review

1 Code of Conduct for Councillors 228

2 Code of Conduct for Council Staff 276

3 Code of Conduct for Council Committee Members and Other Council Officials.....321

4 Procdures for the Administration of the Code of Conduct 361

CM/7.8/20.09 Draft Planning Agreement Policy (Amendment No. 3) and Draft Affordable Housing Contributions Scheme - Exhibition

1 Draft Amendment 3 to Planning Agreement Policy 2014.....402

2 VPA benchmark rates modelling.....463

3 Draft Waverley Affordable Housing Contributions Scheme 464





WAVERLEY COUNCIL

Business Case to Reboot the Boot Factory by Establishing an Innovation Civic Hall

Version 1 – 12 March 2020

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Approved by:

REVISION HISTORY			
Rev	**Description of Change**	**Author**	**Effective Date**
D1	Draft prepared	Asset Technologies Pacific	18 Nov 2019
D1.01	Updated with stakeholder feedback	Asset Technologies Pacific	06 Dec 2019
D1.02	Updated with stakeholder feedback	Asset Technologies Pacific	06 Jan 2020
D2	Updated with additional option and two level analysis	Asset Technologies Pacific	02 Mar 2020
V1	Updated options with revised scope	Asset Technologies Pacific	12 Mar 2020

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TABLE OF CONTENTS

SECTION **Page**

1. Executive Summary **1**

1.1 Overview of Service Need 2
1.2 Proposed Work to Address the Service Need 4
1.3 Financial & Value for Money Assessments 4
1.4 Strategic Alignment 9
1.5 Recommendation 10
1.6 Next Steps 10

2. Introduction **11**

2.1 Purpose & Approach 11
2.2 Council Overview 12
2.3 Overview of the Boot Factory 13
2.4 Urban & Community Context 15
2.5 Australia's Innovation Context 15
2.6 Process of Business Case Development 16
2.7 Structure of the Business Case 20

3. The Case for Change **21**

3.1 Provide a Clear Utilisation Strategy to Meet Community Needs 21
3.2 Address Asset Deterioration 22
3.3 Address Compliance and Safety Issues 24
3.4 Improve Inclusivity 24
3.5 Protection of Heritage Significance of the Site 25
3.6 Support Local, State & National Need for Innovation 26

4. The Proposal **27**

4.1 Description of the Innovation Civic Hall 27
4.2 Objectives 35
4.3 Policy & Strategic Alignment of the Preferred Option 39
4.4 Programming & Space Utilisation 44

5. Value for Money Assessment of the Proposal **45**

5.1 Proposal Request 45
5.2 Cost Planning 45
5.3 Financial Appraisal 53
5.4 Value Management 62

6. Implementation of the Proposal **73**

6.1 Project Program 73

6.2 Governance Arrangements 74
6.3 Ownership 75
6.4 Procurement Strategy 75
6.5 Delivery Strategy 76
6.6 Stakeholder Management 77
6.7 Risk Management 82
6.8 Compliance Management 86
6.9 Sustainability 87
6.10 Change Management 89
6.11 Benefits Realisation Strategy 92
6.12 Resourcing 92
6.13 Stakeholder Endorsement 92

7. Post Implementation Plan 93

APPENDIX A – SECONDARY ANALYSIS OF OPTIONS 1 & 2 97

APPENDIX B – CONCEPTUAL DESIGN CONSIDERATIONS 110

APPENDIX C – INDEPENDENT SOCIAL VALUE ASSESSMENT 111

1. EXECUTIVE SUMMARY

Waverley Council (Council) has identified that remediation of the Boot Factory is needed to address severe dilapidation, underutilisation, risks to heritage significance and compliance limitations that have been evident for years and prevented a community asset from being safe for use. Council has, in principle, accepted that the remediation works are to proceed.

In conjunction with the remedial works, a purpose design fitout has been proposed that will take advantage of the opportunity to better integrate the reinstated Boot Factory with the Mill Hill Community Centre and Waverley Library to form an innovation precinct that can service the needs of the local community and businesses. Council intends to deliver programs from the Innovation Civic Hall (under the Preferred Option, Option 1) to improve education outcomes amongst students of all levels, stimulate local business growth through innovation, facilitate idea sharing between people who would not ordinarily have the opportunity to interact and foster a greater sense of community engagement.

This business case compares the social, financial and economic impacts of the following three options:

- **Option 1 - Establish Innovation Civic Hall (Preferred Option)**

  The establishment of an Innovation Civic Hall will deliver significant social and community benefits. The work will involve a purpose-built fitout of the Boot Factory.

- **Option 2 - Full Commercial Lease**

  Option 2 involves provision of the building shell and interiors for the purpose of attracting a tenant that is seeking a full commercial lease on a head lease basis. The fitout will be undertaken by the tenant at its cost.

- **Option 3 - Do Nothing (Comparison Only)**

  This option is for comparison purposes only and does not consider the use of the building or the fitout requirements. The building will remain isolated and statutory maintenance and structural inspections will performed in order to ensure the building does not pose a risk to passers-by.

The time horizon for the analysis is a twenty (20) year period of financial interest between 2019/20 and 2038/39. This business case also contains an overview of the scope of work (subject to final design and approval), expected outcomes, risks, strengths and weaknesses of the options considered. A social value assessment has been performed by social planning and community engagement specialist Cred Consulting (refer Appendix C).

1.1 Overview of Service Need

1.1.1 Meeting Australia's Demand for Innovation

The statutory body Innovation and Science Australia (ISA) has reviewed Australia's level of innovation and identified that significant improvement is required if Australia is to be a top-tier innovative nation and counteract the adverse effects of declining labour force participation associated with the ageing population. This is important because innovation, in the form of idea and knowledge exchange for the civic good, drives improvements in quality of life through longer life-expectancy, access to education and health services, raising living standards and rectifying contemporary social problems.

The Innovation Civic Hall will be an accessible, inclusive and affordable space that facilitates innovation and supports the local and national interest, by supporting the area of innovation for which Australia requires the most improvement: knowledge transfer (others being knowledge creation and knowledge application).

1.1.2 Provide a Clear Utilisation Strategy to Meet Community Needs

Repurposing the Boot Factory as an Innovation Civic Hall will service a rapidly developing need within the local community. The impacts will predominantly be realised in the STEAM fields of science, technology, engineering, arts and mathematics and related fields.

The Innovation Civic Hall will serve as a gathering and collaboration space for people from all types of backgrounds in and around the Waverley LGA to engage in study, conferences, research, mentoring, development, experimentation, and hot-desk style remote work. The wide variety of potential uses for the Innovation Civic Hall will benefit not only the community but also create new opportunities for local businesses that cannot be provided from other nearby government or private entities. The combined outcome will result in local economic growth.

1.1.3 Address Asset Deterioration

The Boot Factory is a three level brick structure and its structure, shell and substructure are in poor condition. Building movement has occurred predominantly on the southern side of the building which has resulted in cracking and displacement of the walls and floors.

Sections on the brick structures are exhibiting severe cracking and the mortar has deteriorated and will require repointing. The deterioration of the perimeter walls is exacerbated by the building movement over the past few years and necessitated structural steel reinforcement to be installed throughout the internal areas to limit the rate of deterioration. Significant water damage has occurred to the internal construction elements and finishes, particularly the timber floors and ceilings.

The electrical, fire and hydraulic services are in poor condition and are either not functional or have been intentionally isolated due to the overall safety risks presented by the dilapidated state of the building.

The restoration works (which must be performed prior to the fitout works) will address the above deterioration and defects and enable the building to provide safe and comfortable accommodation.

1.1.4 Address Compliance and Safety Issues

The Boot Factory is significantly non-compliant with the performance requirements of the Building Code of Australia 2019 (as amended) and Work Health and Safety Regulation 2011 and is unfit for occupancy. Examples of non-compliances and related issues which will need to be rectified include diminished structural integrity, inadequate provisions for access and egress, inadequate health and amenity due to a lack of waterproofing and sanitary compartments, inadequate natural lighting and ventilation, deficient fire detection and protection provisions and a range of safety risks throughout the building.

The restoration works (which must be performed prior to the fitout works) will address the above non-compliances and reinstate the building to a standard that meets the mandatory performance requirements of relevant legislation, standards and codes.

1.1.5 Improve Inclusivity

The Innovation Civic Hall will enable Council to operate more programs for the benefit of the local community. The location of the Boot Factory is an attractive factor in improving the accessibility of Council services to the community and, in conjunction with well managed programs, will be able to reach more people who would otherwise be unable to benefit from the programs.

From a design perspective, the remediation of the Boot Factory and establishment of an Innovation Civic Hall will open up the internal spaces to significantly improve the ease with which occupants can move in and around the functional areas. The proposed work on level 2 will provide a “cloud room” that will enable views of the sky and be both visually impressive as well as providing occupants with a greater sense of connectivity with their environment.

Visitors to the Boot Factory will use the passenger lift in the adjacent Mill Hill Community Centre to access the different levels of the building, thereby obviating the need for a passenger lift to be installed in the Boot Factory.

1.1.6 Protection of Heritage Significance of the Site

The Boot Factory is a heritage listed facility under the NSW State Heritage Register, National Trust Register and Waverley Local Environmental Plan 2012. The proposed works will preserve the original architectural style, regain many of the lost aspects of heritage significance and protect the structure from further deterioration.

The Australia ICOMOS Burra Charter defines cultural significance as: "...aesthetic, historic, scientific or social value for past, present or future generations."

The Boot Factory is of historical significance because it is part of an area that has a strong association with early economic development of the Sydney. The project is respectful of the past and the Boot Factory will be repurposed to meet the shifting needs of the community whilst also accommodating the needs of future generations.

1.2 Proposed Work to Address the Service Need

Council has undertaken extensive options planning and assessment and identified a preferred option for the activation of the Boot Factory. The preferred option involves the fitout of the Boot Factory as an Innovation Civic Hall. Part of the Waverley Library will also be fitout as a makerspace, which will complement the Innovation Civic Hall and form an innovation precinct. The Innovation Civic Hall will be fitout with furnishings and equipment necessary for the spaces to be used immediately upon opening.



The fitout works will be performed following the restoration of the Boot Factory and rejuvenation of the forecourt at Norman Lee Place (which will proceed regardless of the outcome of this business case).

1.3 Financial & Value for Money Assessments

The financial and value for money assessments were performed based on the preliminary design concept and intended functional use of the Innovation Civic Hall (Option 1) and current market rates for commercial leases in Option 2.

The assessment methodologies were in accordance with NSW Treasury Guidelines. The financial appraisal involved analysing the net present value of each option, taking into consideration capital, recurrent costs as well as self-generated revenue. Cost benefit analysis using the benefit-cost-ratio (BCR) and cost effectiveness analysis (CEA) were performed to determine the value for money for each option.

The financial analysis was performed on the basis of Net Present Value (NPV), which can be used to compare multiple options that have cashflows over a period of financial interest (in this case 20 years) and takes into consideration the time-value of money, by:

- Considering all capital investment, capital renewal and recurrent impacts (e.g. operating costs and revenue) over the 20 year period;
- Applying annual escalation (2.5% per year) on cashflows to determine future values;
- Discounting all future values into present values by applying a discount rate (3% per NSW Treasury, with sensitivities of 7% and 10%) for each year, where discounting represents the time-value of money which could have otherwise been invested. The discount rate of 3% is considered most informative as it is the closest rate to the local government discount rate; and
- Taking the sum of all present cashflows to achieve the Net Present Value.

The NPV costs used in the financial analysis and benefit cost ratio assessment have been calculated from nominal cashflows (i.e. including annual escalation of 2.5%) whilst the NPV costs used in the CEA analysis have been calculated from real cashflows.

Costs are expressed as positive values and income is expressed as negative values in accordance with NSW Treasury guidelines for business cases. As costs that are expressed as positive values, minimisation of cost and maximisation of benefits correlate with superior outcomes. Based on the data used to determine NPV, CEA and BCR, the most attractive outcomes are:

- **NPV** – Lowest (most negative) result is best;
- **CEA** – Lowest (most negative) result is best; and
- **BCR** – Lowest (most negative) result is best.

If the results of any of the above are negative, this indicates that the revenues over the period exceed the costs and therefore the result is even better. The following two level analysis has been performed on Option 1 (Innovation Civic Hall) and Option 2 (Full Commercial Lease). As Option 3 (Do Nothing) is for comparison only, a level 1 analysis has only been performed.

Level 1 Analysis

The level 1 analysis involves financial and value for money appraisals of the development including the fitout works (purpose built for Option 1 and basic for Option 2) and recurrent maintenance and capital renewal associated with the building. The level 1 analysis is the focus of this business case and excludes the restoration works at the Boot Factory, as these works will be undertaken regardless of the repurposing of the Boot Factory.

Level 2 Analysis

A secondary analysis has been undertaken on options 1 and 2 for comparison purposes. The analysis includes the cost of the restoration works (capital investment) in addition to the fitout as outlined in the level 1 analysis. The secondary is in Appendix A.

Summary of Level 1 Assessment – Annual Average Cashflows

In order to establish the Innovation Civic Hall (Option 1), Council is seeking funding of **$1,227,228.00** (in nominal values excluding GST). This amount excludes the cost of the restoration works at the Boot Factory.

The following table contains a summary of the capital and recurrent costs in terms of capital investment, capital renewal to repair / replace / upgrade assets as they approach end-of-life, operating costs and revenue.

Item	Nominal Value (including 2.5% annual escalation)		
	Option 1 – Innovation Civic Hall (Preferred)	Option 2 – Full Commercial Lease	Option 3 - Do Nothing (Comparison Only)
Capital Works Over 20 Years: 2019/20 to 2038/39			
Capital Investment (2yrs: 2019/20 and 2020/21)	$1,227,228	$31,519	$0
Capital Renewal (From 2028/29 to 2038/39)	$804,462	$277,044	$0
Total Capital Cost Over 20 Years	**$2,031,690**	**$308,563**	$0
Annual Average Cashflows Over 20 Years: 2019/20 to 2038/39			
Annual Average Capital Costs (Total Capital Cost / 20)	**$101,585**	**$15,428**	**$0**
Annual Average Operating Costs	$440,477	$5,434	**$31,420**
- Regular (Including Statutory) & Reactive Maintenance	*$37,070*	*$5,434*	*$31,420*
- Programming	*$120,538*	*$0*	*$0*
- Staffing (+1FTE Venue Manager + 0.2FTE FM + 20% O/H)	*$226,247*	*$0*	*$0*
- Utilities	*$56,622*	*$0*	*$0*
Annual Average Revenue	**($736,914)**	**($216,885)**	**$0**
- Membership income	*($95,961)*	*$0*	*$0*
- Rental income	*($26,518)*	*($216,885)*	*$0*
- Venue hire	*($614,434)*	*$0*	*$0*
Net Annual Average Cost Over 20 Years (Capital + Operations + Revenue)	**($194,852)**	**($196,023)**	**$31,420**

Option 2 (Innovation Civic Hall) yields the lowest overall annual average cost to establish, maintain and operate and will result in the greatest revenue to Council over the twenty year period. Significant factors that led to this result include the tenancy fitout being at the tenant's cost and cost to restore the Boot Factory being excluded (as the work will be undertaken regardless of the outcome of this business case).

Option 2 also has the benefit of providing Council with relatively stable income (due to rent) however this is also a downside because the revenue stream has limited potential for growth and will be constrained by rent review increases.

However, it should be noted that the actual revenue that can be realised from the commercial tenant will be significantly less than the revenue that can be generated from an Innovation Civic Hall (Option 1). This is because the Innovation Civic Hall will provide Council with three revenue streams, being membership, rental and venue hire income. Whilst these revenue streams are dependent on marketing, programming, membership and visitation levels, the growth potential and upper limit (based on 90% occupancy) is significant and has been projected to eclipse the projected income under the full commercial lease option (Option 2).

Taking the analysis over twenty years, Options 1 and 2 have comparable financial outcomes. Beyond the twenty year period, the higher revenue that can be achieved under Option 1 will make Option 1 significantly more favourable.

Summary of Level 1 Assessment – Financial and Value for Money Appraisals

The following table contains a summary of the level 1 analysis for each option. The most attractive results for the NPV, CEA and BCR are highlighted in yellow in the table below.

Item	Option		
	Option 1 – Innovation Civic Hall (Preferred)	Option 2 – Full Commercial Lease	Option 3 - Do Nothing (Comparison Only)
Key Data (Real Values)			
Capital Investment (2yrs: 2019/20 and 2020/21)	$1,169,288	$30,000	$0
Recurrent Impact (20 yrs: 2019/20 to 2038/39)	($4,230,156)	($3,153,727)	$480,000 (statutory maintenance only)
Financial Analysis – NPV (Nominal Values)			
NPV Cost @ 3% Discount Rate	($2,303,804)	($2,783,339)	$456,270
NPV Cost @ 7% Discount Rate	($1,054,321)	($1,849,947)	$315,181
NPV Cost @ 10% Discount Rate	($497,091)	($1,406,389)	$248,109
Cost Effectiveness (CEA)			
Effectiveness score (/100) – Higher is better	95	29	3
CEA @ 3% Discount Rate – More negative is better	($1,429)	($37,878)	$67,144
CEA @ 7% Discount Rate – More negative is better	$1,991	($27,283)	$51,524
CEA @ 10% Discount Rate – More negative is better	$3,501	($21,872)	$43,462
Qualitative Outcome	Good Effectiveness and Economic Return over the Long Term	Poor Effectiveness but Good Economic Return due to Financial Results	Good (Artificially) for the Short Term

Item	Option		
	Option 1 – Innovation Civic Hall (Preferred)	Option 2 – Full Commercial Lease	Option 3 - Do Nothing (Comparison Only)
Benefit Cost Ratio (BCR)			
Annual Average Benefits	($6,006,046)	($169,962)	0.00
Proportion of Benefits Realised by the Community	91%	5%	0.00
BCR @ 3% Discount Rate – More negative is better	-13.19	-12.50	0.00
BCR @ 7% Discount Rate – More negative is better	-11.49	-13.62	0.00
BCR @ 10% Discount Rate – More negative is better	-10.30	-14.33	0.00
Qualitative Outcome	Excellent	Poor	Poor
Benefits			
Increased activation in the Bondi Junction and surrounding areas	High	Low	Not applicable
Improved educational outcomes	High	Not applicable	Not applicable
Local business growth and development of employment pathways	High	Not applicable	Not applicable
Increasing collaboration and networking opportunities for local residents, workers and businesses	High	Low	Not applicable
Increasing community connection and civic engagement	High	Not applicable	Not applicable
Alignment with the Conservation Management Plan	High	Moderate	Not applicable
Support for Council and other relevant Government strategies, plans and policies	High	Moderate	Not applicable
Meeting current and future demand for accessible, inclusive and affordable spaces for life-long learning	High	Not applicable	Not applicable
Perception of protecting an important community asset and preventing commercialisation	High	Not applicable	Low

Option 1 (Innovation Civic Hall) delivers the best balance between financial and social/community benefits. Whilst Option 2 (Full Commercial Lease) is clearly the more cost effective option (as demonstrated from the NPV analysis), the benefit to the community is minimal.

Option 3 (Do Nothing) is both financially and economically unattractive and is not a realistic option because doing nothing is contrary to Council's strategic direction, the Conservation Management Plan, and represents poor property management practice.

It is important to note that the financial analysis indicates that the Innovation Civic Hall is projected to generate revenues to enable self-sufficient operation within three (3) years following construction of the facility. The timeframe is conservative on the basis of minimal occupancy during the short term and allows for public awareness to be cultivated until membership and venue hire levels grow to expected levels. Should Council adopt an aggressive marketing campaign, then it may be possible to attract users to the facility such that utilisation reaches approximately 50% of maximum capacity within one (1) year after opening. This utilisation level is an important target to achieve because it is the level required (under the proposed pricing framework) for self-sufficient operation.

As the facility will operate under a flexible model, providing a community asset whilst also supporting local business needs, it is considered the BCR analysis to be the most informative. In terms of the results from using different discount rates, the results from using the 3% discount rate are considered most informative as this rate is the closest rate to the local government discount rate.

Using the BCR at a discount rate of 3%, Option 1 (Innovation Civic Hall) yields the highest benefit to cost, highest total benefit (valued in monetary terms) and the highest proportion of total benefit realised by the community. Therefore, the establishment of an Innovation Civic Hall as part of a broader innovation precinct is very attractive.

Whilst there may be opportunities to adopt an alternate strategy that would improve the commercial attractiveness of the facility (assessed under Option 2), such a strategy would be inconsistent with the function of the precinct and be poorly received by members of the community. With such an adverse impact, it is likely that the commercial benefit would be short term as public perception remains stagnant (especially compared to the long-term growth potential of the Innovation Civic Hall).

1.4 Strategic Alignment

This business case supports Goal 11.2 of Council's Delivery Program, to "Provide multi-purpose community spaces where innovation and collaboration can occur" and for the Boot Factory, involves:

- Strategy: Create innovative spaces for business incubation and knowledge transfer
- Deliverable: Plan and finalise the concept of the knowledge and innovation hub based around the Boot Factory
- Outcome: Project well advanced by 2021 including concept approved by 2019 and development commenced by 2021

The following table contains a summary of the level of alignment and support that this business case has with respect to other Governmental strategies, plans and policies:

Item	Level of Alignment
Council Strategic Drivers	High – In accordance with Property Strategy, Statutory Obligations and Asset Management Principles
Council Community Strategic Plan	High – Direct links with each Theme
Council Boot Factory Conservation Management Plan	High – Direct support for retention and conservation of the Boot Factory
NSW State Infrastructure Strategy 2018-2038	High – Direct support for strategic directions associated with infrastructure planning, asset management, resilience, digital connectivity and technology, and innovative service delivery model

Item	Level of Alignment
Social Values (Innovation and Science Australia)	High – Direct support for social values associated with jobs and earnings, work-life balance, education and skills, community, civic engagement and governance
OECD Innovation Areas	High – Direct support for all areas including improved services, processes, business practices and external relations

1.5 Recommendation

It is recommended that Council proceed with the internal approval process for the option that best represents the purchase of social outcomes and integration of the facilities as a unified innovation precinct, being Option 1 involving:

- Establishment of the Innovation Civic Hall at the Boot Factory; and
- Establishment of a dedicated makerspace at Waverley Library to expand opportunities for public engagement in STEAM (science, technology, engineering, arts and mathematics) activities.

In order to deliver on the recommendation, Council is seeking funding of **$1,227,228** (in nominal values excluding GST). Please refer page 30 for an itemised breakdown of the costing.

Council is also seeking approval to proceed with the establishment of an Innovation Civic Hall at the former Boot Factory, located at 27-29 Spring Street, Bondi Junction. The funding request is the capital cost of fitout of the proposed Innovation Civic Hall. Ongoing operating costs and the cost of restoration works have been identified in the financial analysis but are excluded from the funding request.

1.6 Next Steps

A Development Application for the establishment of the Innovation Civic Hall at the Boot Factory has been prepared.

Following are the next steps in respect of this business case:

- Council conducts its internal approval process to proceed with the project; and
- If this business case and the Development Application are approved, Council will establish the governance structure and mobilise resources to prepare the request for tender documentation for the works

2. INTRODUCTION

Waverley Council (Council) is the owner and manager of the former Boot Factory, which is a heritage listed building located at 27-29 Spring Street, Bondi Junction. The Boot Factory is a three-level brick structure that is in a state of severe disrepair and has been vacated because it is currently unfit for occupancy. Investigations have been undertaken over the past few years and Council has been in the process of assessing its options for the remediation and occupancy of the facility.

A Council motion (CM/8.10/17.10) was passed for the Boot Factory to be reinstated for use as a knowledge and innovation hub in the form of an Innovation Civic Hall for the benefit of the local community and businesses. The benefits will arise from the use of the facility to cultivate innovation, which Council views from a community perspective as being:

Innovation is the exchange of knowledge and ideas for civic good

According to this definition, the cultivation of innovation is a modern interpretation of a core responsibility of Council under the Local Government Act whereby local councils must provide services that are appropriate to the current and future needs of its local community and of the wider public. Whilst the proposed Innovation Civic Hall may enable the community and businesses to access cutting-edge technologies, this will not be the focus of the facility.

Council's objectives are to improve services to the community and local businesses, cultivate knowledge and stimulate innovation, maximise utilisation, protect the long term integrity of a historic community asset, and implement an operational model and attract users that will be sustainable.

Council's strategy is to ensure that the Innovation Civic Hall is commensurate with stakeholder expectations and can not only deliver social benefits but also operate in a relatively self-sufficient manner. As such, community consultation processes have been undertaken, conceptual plans developed and various operating and financial models assessed on their merit and capacity to provide value.

Council has sought advice from professional organisations including urban planning specialist Eton Consulting and architecture firm Archer Office which lead the site investigations and preliminary urban design work. A social value assessment has also been performed by social planning and community engagement specialist Cred Consulting.

2.1 Purpose & Approach

The primary purpose of this business case is to demonstrate and justify the need to establish a knowledge and innovation hub (in the form of an Innovation Civic Hall) at the Boot Factory and to outline the associated financial, economic and social impacts.

This business case also contains an overview of the scope of work (subject to final design and approval), expected outcomes, risks, strengths and weaknesses of the options considered.

Extensive planning and consultation activities have been undertaken which culminated in the identification of potential options for the use of the facility. The analysis performed in the preliminary business case (available upon request) covered twelve (12) potential options and has been considered by the Steering Group which subsequently identified its preferred option.

Following are the options assessed in this business case:

- Option 1 (Establishment of an Innovation Civic Hall);
- Option 2 (Full Commercial Lease); and
- Option 3 (Do Nothing - Comparison Only).

2.2 Council Overview

Waverley Council operates within the boundaries of its Local Government Area (LGA), covering 9 km^2 along Sydney's eastern suburbs of Bronte, Tamarama and Bondi, north to Dover Heights and Rose Bay, west to Queens Park, Bondi Junction and Charing Cross, and south to Bronte.

Waverley Council provides and supports services to the community, programs and initiatives to sustain and improve the quality of life for the Waverley community. These include the delivery of 22 main services and up to 150 secondary services covering a wide range of activities, such as:

- Providing lifeguards on beaches;
- Operating childcare centres;
- Maintaining parks, beaches and open spaces;
- Operating Waverley Library;
- Cleaning streets;
- Collecting rubbish and recycling;
- Removing graffiti;
- Managing Waverley and South Head Cemeteries;
- Maintaining roads, footpaths and stormwater systems;

- Operating a seniors centre for older members of community;
- Providing community and cultural events;
- Managing on-street parking and car parks;
- Planning for, assessing and determining building and development; and
- Supporting the business community.

These services are delivered in line with the Community Strategic Plan 2018 - 2029, developed in partnership with the community and the elected Council, which outlines the priorities for Council in achieving the community's vision.

2.3 Overview of the Boot Factory

2.3.1 History

The Boot Factory was constructed in 1892 by William Sidaway and Son, who had been in the boot production business from 1887, in Cowper Street, Randwick.



The Boot Factory was constructed as a three-storey building and set back on land fronting Spring Street. William Sidaway commenced the production of footwear at the factory soon after the building was completed. Upon production ceasing, the facility was acquired by Mr. Fred Cull around 1893.

Mr. Cull had negotiations with Mr. James Bardon, also a footwear merchant from Randwick, to run the business from Spring Street. Mr. Thomas Bardon, brother of James, began production of high-class footwear under the auspices of George Cull and Sons. During 1920-21, Thomas Bardon purchased the Boot Factory from Mr. Cull and became the sole proprietor. Mr. Bardon died in 1938 and bequeathed the factory to his son, Thomas Charles Bardon. He carried on this flourishing business until he died in 1944 and left the entire factory to his wife and children, as well as the Caddy Family. Mr. Jim Caddy worked at the factory for many years, while his brother Herbert was manager until it closed.

The trustees of the Bardon estate authorised alterations to the building, including a general update of the workings of the plant to meet the rise of competition in the industry.

After World War II, the Bardon Boot Factory primarily produced fashion shoes for women. One well-known brand of the time, 'Sally Smart', was supplied to David Jones. Taylors Shoe Store of Bondi Junction sold many of the shoes produced at the factory and the tradition of quality footwear continued until it closed in 1969.

The Boot Factory was acquired in 1984, by Waverley Municipal Council which has restored the building as part of Waverley's Heritage.

2.3.2 Heritage Status

The Boot Factory is a heritage listed facility under the NSW State Heritage Register, National Trust Register and Waverley Local Environmental Plan 2012. The Boot Factory meets the significance criteria for the following:

- SHR Criteria a) [Historical significance] - This item is of historical significance.
- SHR Criteria c) [Aesthetic significance] - This item is of architectural, aesthetic and streetscape significance.
- SHR Criteria e) [Research potential] - This item is of archaeological significance.
- SHR Criteria f) [Rarity] - This item is of rarity value significance.

The Boot Factory has been deemed to be substantially intact, with sympathetic alterations undertaken.

Due to the Boot Factory's significant heritage value to the Waverley community, Council has taken action over many years to preserve it as much as possible.

2.3.3 Current Building Status

The Boot Factory is located at 27-33 Spring Street, Bondi Junction at Lot 6, Section A, DP 145. The structure, shell and foundation of the Boot Factory are in poor condition. Building movement has occurred predominantly towards the southern side which has resulted in cracking and displacement throughout the building. Inspection points have been installed across the external walls which are monitored to determine the rate of deterioration.

The building services are in poor condition, have limited coverage, inadequate capacity without space for expansion, poor performance and are not fit for purpose.

The extent of works that have been undertaken since the building has been vacated is limited to weatherproofing to minimise water ingress and subsequent water damage to the building fabric.

Significantly non-compliant with the provisions and intent of the Building Code of Australia 2019 and Work Health and Safety Regulation 2011 are evident which, in conjunction with the severe dilapidation of the building, result in the building being unfit for occupancy.

2.4 Urban & Community Context

There has been rapid growth in knowledge-based industries such as finance, professional services, information media and telecommunications that is being reflected in the demand for places that will enable the local community and businesses to engage in knowledge sharing, discovery and innovation. In terms of early stage development, the provision of access to and support of education across the STEAM fields of science, technology, engineering, art and mathematics, are important contributors to enabling people to success and engage in the knowledge economy.

Net overseas migration, population growth and the increase of single-person households have been key drivers for the need to increase community engagement and participation, cultivate knowledge and stimulate innovation across the Waverley local government area.

The dense populations across areas such as Waverley and Bondi Junction means that there is demand for "third place" areas (i.e. social surroundings other than the "home" and "workplace") to serve a practical and social function. Council therefor has the opportunity to meet the demand for new social environments that can combine elements of the first and second place (co-living), the second and third place (co-working), and the first and third place (co-mingling).

Council's library programs have also been praised by the local community, as demonstrated through consultation for the development of the Community Strategic Plan, for providing spaces that enable organised learning and social activities.

2.5 Australia's Innovation Context

Innovation and Science Australia (ISA) was established under the Australian Government's National Innovation and Science Agenda (NISA) as an independent statutory body for the provision of strategic whole-of-government advice on science, research and innovation.

As part of its statutory function, ISA conducts reviews of the Australian Innovation System, which comprises the following elements:

- **Innovation Activities** - Discrete activities that lead to discoveries with commercial potential e.g. development of new or better skills, research and development, entrepreneurial activity, innovation funding etc.
- **Networks** - Formal and informal linkages between people and organisations in the innovation system, e.g. community gatherings, joint arrangements, collaboration etc.

- **Framework conditions** - Institutional environment and general conditions for innovation activities, networks and collaboration.

A core finding from the 2016 Performance Review of the Australian Innovation and Science and Research System was

"Nonetheless, the findings in the ISR System Review make one thing very clear: we need to significantly lift our game if we want to be a top tier innovation nation"

It is important to note that innovation delivers substantial benefits to society's well-being that go well beyond just economic benefits, and actually impact on the quality of community members' day-to-day lives. The living standards of Australians have risen due to innovations including those in healthcare, communication, education, services, infrastructure and environmental sustainability.

2.6 Process of Business Case Development

Council has undertaken a rigorous study of the historical, heritage, environmental, social, operational and commercial implications of the proposed reuse of the Boot Factory and has sought to ensure that the work will achieve optimum outcomes for the prospective users of the facility as well as stakeholders across the broader Sydney region.

2.6.1 Management & Occupancy Until No Longer Viable

The Boot Factory is over 120 years old and was acquired by Council in 1984, at which time the building was already in a fragile and degraded state.

Since taking ownership Council has undertaken structural works and repairs, spending more than $640,000 since 1995. However, the works have only slowed deterioration.

The repairs have included but are not limited to:

- Restoration as part of a bicentennial project in 1988
- Around $200,000 worth of repairs in 1995 for stabilisation and repair works after tenants had to be vacated due to safety concerns
- $136,000 on maintenance since 1999
- $330,000 on make safe works since 2008
- Extra steel tie rods inserted in 2010
- Bracing works in 2013.

Council also commissioned a series of independent assessments of the site and the building. These reports have highlighted that despite Council repairs there are major structural issues and continued deterioration due to the standard of its original construction and materials.

2.6.2 Council Commissioning & Review of Independent Advice

Since 2007, Council has commissioned:

- 8 independent specialist engineering assessment reports from the Building Diagnosis Centre
- a heritage design consultancy assignment to explore options for restoration and adaptive reuse.

The reports have highlighted continued deterioration of the building and seven public Council reports since 2007 have explored the structural issues.

At its meeting in October 2017, a motion put to Council seeking to have an additional independent heritage assessment and investigation into the possibility of gaining State heritage listing for the Boot factory was unanimously supported.

In 2018 a heritage assessment by John Oultram Heritage and Design and a subsequent Heritage Impact Statement by Matt Devine and Co. was prepared for Waverley Council as part of the upgrade options analysis of the building prepared by Archer Office.

This report features a comprehensive review of previous advice (from page 33):

"For over 10 years there has been many studies and reports associated with the structural condition of the Boot Factory. Some of these recommended demolition and others introduced structural steel bracing to reinforce the building. As part of this current project, Partridge Structural Pty Ltd, consulting structural engineers were engaged to investigate and advice on adaptive reuse options for the Boot Factory. Their commission also included a review of the previous assessments, plus recommendations for necessary structural works.

As noted in the Partridge report, the 2007-2013 reports, descrive the building as unsafe for various reasons, and many 'condemn the building as unsafe and recommend demolition. '21 Partridge questioned the outcomes of these reports as they do not provide' any definitive values of the structural damage...' These early reports resulted in the installation of temporary steel bracing in 2013 with major impacts on building fabric during installation.

Partridge concludes that the condition of the building 'has severely deteriorated as a result of storm water penetration since the temporary steel bracing installation.'

As summarised by Partridge, more recent structural reports generally recommend upgrade of the existing structural members and do not recommend demolition."

2.6.3 Further Investigations & Independent Advice

The factory was built with materials and construction methods reflective of the time and as a result:

- The walls are buckling and rotating, becoming detached from the steel tie rods that were put in place in 2010.
- Water penetration is increasing all the time causing the timber wall column beams which attach to structural floor beams to rot and cement to fall to the ground.
- Cracking is increasing to the internal face of the 2nd floor level wall above and below the windows.

A combination of these structural issues would cause the building to eventually collapse. Council subsequently commissioned several reports from independent building consultants on the state of the Boot Factory. These have been peer reviewed and the findings supported by the peer reviewers.

Council resolved in 2010 to seek advice from heritage architects on options for adaptive reuse. Options revealed included:

- $1.2 million - basic repairs which would bring the building to a safe standard but not compliant - an investment that would need to repeated every decade.
- $2.5 - $3.6M - adaptive reuse options to improve access and services.

Adaptive reuse is the process of adapting old structures for purposes other than those initially intended. The options were put to Council in 2011 and the report concluded adaptive reuse was not viable. Councillors did not vote to implement any of these options or explore them further.

2.6.4 Design Option Considerations

In December 2018, Council commissioned a review of the Boot Factory to identify potential options for the establishment of a knowledge and innovation hub. The options identified in the review formed the basis upon which the analysis in the preliminary business case was prepared, taking into consideration additional options for comparison upon consultation with Council.

2.6.5 Preliminary Business Case

A preliminary business case was prepared by Asset Technologies Pacific in June 2019 which demonstrated Council's due diligence with respect to the assessment of potential options for the establishment of a knowledge and innovation hub and identified the relative cost and operational impacts of the options.

Extensive planning and consultation activities were undertaken which culminated in the identification of potential options for the use of the Boot Factory. The first round of analysis involved eleven (11) options which included two options that were solely for comparison purposes in order to establish a comparative baseline. The subsequent round of analysis involved twelve (12) options, where the comparative options were replaced with new redevelopment options and one additional option was included.

Following are the options that were assessed in the preliminary business case:

- Option 1 – Make Good Existing Facility & Adapt for Commercial Tenancy;
- Option 2 – Redevelopment into a Community Makerspace;
- Option 3 – Redevelopment into Community and Business Makerspaces;
- Option 4 - Redevelopment into a Business Makerspace;
- Option 5 - Redevelopment into a Retail / Showroom Makerspace;
- Option 6 - Redevelopment into a Co-Working Space;
- Option 7 - Redevelopment into a Business Incubator;
- Option 8 - Redevelopment into an Accelerator;
- Option 9 - Redevelopment into an Innovation Civic Hall;
- Option 10 - Redevelopment into an Innovation Lab;
- Option 11 - Redevelopment into a Technology Lab; and

- Option 12 - Redevelopment into Conference Venue with Food / Beverage Offering.

2.6.6 Steering Group Workshop

A workshop was conducted on 29 August 2019 for members of the Knowledge and Innovation Steering Group to determine the preferred operating model for the Boot Factory. The Steering Group reviewed the preliminary business case and identified a preferred option (subject of this business case).

Following is the recommendation from the Steering Group:

"The Knowledge and Innovation Steering Group recommend that a further business case be developed to analyse the adaptive reuse of the Spring Street Boot Factory as an Innovation Civic Hall that maximises both community benefit and venue hire opportunities."

2.7 Structure of the Business Case

This business case has been prepared in accordance with NSW Treasury Business Case Guidelines, August 2018 (TPP-18-06) and follows the template for a Final Business Case "20190213_fbc-report-insw-template" with modifications to suit Council's requirements. All costs in this business case are listed in 2019/20 present values unless otherwise indicated. Where nominal values are indicated, an annual escalation rate of 2.5% has been used. The financial analyses are based upon Council fully funding the works internally and not seeking a grant, loan or other external source of funding. Available reference documentation can be obtained either from the Council website or upon request to Council.

3. THE CASE FOR CHANGE

Construction of the Boot Factory was completed in the late 1800s and the site was acquired by Council in 1984. The building is currently in an advanced state of deterioration and the internal construction elements and services are in very poor condition. Council has recognised the Boot Factory's historical value to the Waverley community and as such, has preserved the structure by undertaking critical remedial works.

Council has committed to performing urgent remedial and restoration works at the Boot Factory to protect the heritage value of the building and reinstate the facility to a state that can be fitout for occupancy. However, the specific purpose of the fitout will need to enable delivery of an occupancy strategy that benefits the community and is consistent with Council policies, plans and strategies.

Repurposing the Boot Factory in the form of an Innovation Civic Hall type knowledge and innovation hub has been identified as a preferred option by Council. The need for a facility of this type is rapidly increasing and will be utilised by a cross section of the local community including youth education bodies, local businesses and senior citizen organisations.

Following the major restoration works, Council will undertake a purpose-built fitout of the Boot Factory to enable it to be used as an Innovation Civic Hall. If the business case and the development application are approved, it is anticipated that the planning and procurement work will commence in early 2020 and construction will be completed by the end of 2020/21.

Following are the key issues that will be addressed by the Boot Factory Knowledge and Innovation Hub Project:

- Provide a clear utilisation strategy that accommodates community needs;
- Address asset deterioration;
- Address compliance and safety issues;
- Improve inclusivity; and
- Protect the heritage significance of the facility.

3.1 Provide a Clear Utilisation Strategy to Meet Community Needs

Council has completed an internal feasibility assessment that demonstrates that the Boot Factory will service a rapidly developing need within the local community. Local residents, small businesses owners and students will benefit from the establishment of a knowledge and innovation hub.

The knowledge and innovation hub will provide a community service as well as business opportunities that cannot be provided from other nearby government or private entities. The service will help stimulate the local economy and provide small business with an opportunity to undertake research and development that would normally be outside of the financial reach of small business.

The knowledge and innovation hub will also provide students from school level to those pursuing advanced degrees with an opportunity to access information and test theories before submitting papers for review or publication.

3.2 Address Asset Deterioration



The Boot Factory is a three level brick structure with a gross floor area of approximately 412m^2. The structure, shell and substructure are in poor condition. Building movement has occurred predominantly on the southern side of the building which has resulted in cracking and displacement of the walls and floors.

The following graph provides a graphical comparison of the major building elements. These condition ratings are also benchmarked against industry averages for comparative sites. As the overall condition rating has been determined for the building as a whole asset as compared to individual systems, services and structures, the structural elements have been given a higher weighting than the building services.

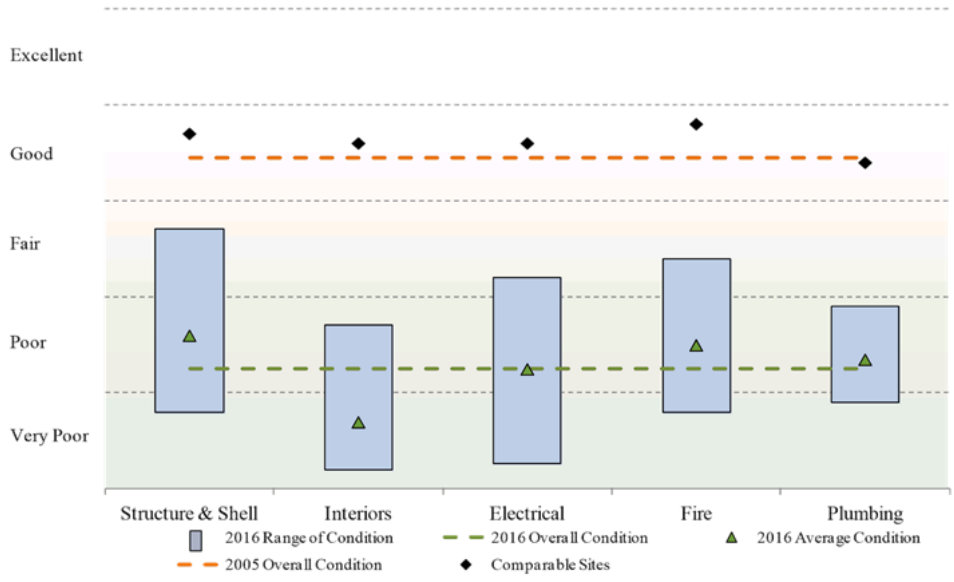


Figure 3.1 – Building Element Condition Comparison

The above figure demonstrates that the structures, systems and services at the Boot Factory are severely dilapidated and substantially below the industry standards for similar buildings.

Sections on the northern, western and southern brick walls are exhibiting severe cracking and the mortar has deteriorated and will require repointing. The deterioration of the perimeter walls is exacerbated by the building movement over the past few years and necessitated structural steel reinforcement to be installed throughout the internal areas to limit the rate of deterioration.

The internal construction elements and finishes have been partially demolished to enable the structural steel reinforcement to be installed. Significant water damage has occurred to the internal construction elements and finishes, particularly the timber floors and ceilings.

The damage is focussed towards the central and southern areas on the ground floor, level 1 and level 2 and appears to be contributed to by the butterfly configuration of the roof above these areas which enables water to easily accumulate following periods of heavy rainfall.



General lighting and power throughout the building has been isolated and a temporary building service has been provided to enable fittings to be removed and preliminary works to occur.

The main switchboard is a poor condition with no room for expansion within the enclosure. Additional electrical circuits have been added by mounting the circuit breakers on the wall adjacent to the main switchboard enclosure.

The fire services comprise dry fire detectors, fire control panel and wet sprinkler system. The deflection plates for the external wall wetting sprinklers have severely corroded, with pitting evident for approximately 20 sprinkler heads which will affect performance. The fire services are in poor condition. Plumbing fixtures have been retained however are not functional.

The external hardstand is constructed from brick pavers that are in poor condition. Sections on the northern side have displaced as a result of tree root growth and pose a safety risk to pedestrians. Fixed seating which has been installed within the affected area has also been displaced and is not fit for use. The restoration works (which must be performed prior to the fitout works) will address the above deterioration and defects and enable the building to provide safe and comfortable accommodation.



3.3 Address Compliance and Safety Issues



The Boot Factory is significantly non-compliant with the performance requirements of the Building Code of Australia 2019 (as amended) and Work Health and Safety Regulation 2011 and is unfit for occupancy.

Following are examples of non-compliances:

- Diminished structural integrity;
- Inadequate illumination of emergency egress routes;
- Inadequate health and amenity due to a lack of waterproofing;
- Inadequate health and amenity;
- Inadequate protection for persons at lower levels within the stairwell against falling objects;
- Inadequate fire protection;
- Risk of injury due to trip hazards;
- Risk of injury due to damaged window glazing;
- Downpipes have not been connected to stormwater; and
- Stormwater channels are blocked.

3.4 Improve Inclusivity

The current design and configuration of the Boot Factory is not particularly conducive to inclusivity or effective circulation. The internal staircase which provides access to the upper levels of the building, does not accommodate wheelchair access and is not suitable for people with a sight impairment.

The staircase has a limited capacity to accommodate visitors and in the event of an emergency, represent a safety risk in terms of being unable to accommodate maximal occupant flow as persons seek to evacuate. Interconnection of the upper level of the Boot Factory to the adjacent building will provide an acceptable level of accessibility and ensure that visitors can evacuate in the event of an emergency.

Internal areas will be reconfigured and modified such that areas with similar or related functions are more easily accessible.

The opportunity for improving access to community facilities and the expansion of STEAM at the Waverley Library has also been considered.



Figure 3.1 – Level 1 Study Area

The proposed works include the possible establishment of community makerspace areas within the adjacent Waverley Library.

Potential areas that could be cost effectively upgraded to provide suitable areas for interactive activities and workshop functions include the Level 1 Study Area, Ground Floor Children's Work Area and the Basement Level 1 Storage Area.



Figure 3.2 – Ground Floor Children's Work Area



Figure 3.3 – Basement 1 Storage Area

Existing facilities and services that are close proximity to operational areas such as amenity areas could be utilised. The utilisation of existing areas will subsequently enable the spaces within the Boot Factory to be dedicated to operational activities.

3.5 Protection of Heritage Significance of the Site

The Boot Factory is a heritage listed facility under the NSW State Heritage Register, National Trust Register and Waverley Local Environmental Plan 2012. The proposed capital renewal works will preserve the original architectural style, regain many of the lost aspects of heritage significance and protect the structure from further deterioration.

The Australia ICOMOS Burra Charter defines cultural significance as: "...aesthetic, historic, scientific or social value for past, present or future generations."

The Boot Factory is of historical significance because it is part of an area that has a strong association with early economic development of the Sydney. The Boot Factory Knowledge and Innovation Hub Project is respectful of the past and will be repurposed by meeting the shifting needs of the community and accommodating the needs of future generations.

The Boot Factory is structure deteriorating and the building systems and services have reached the end of their effective life. Complete deterioration of the structural elements is projected to occur within the next five to ten years unless significant capital renewal works are performed.

The timeline for the Boot Factory Knowledge and Innovation Hub Project is such that construction works and system and service upgrades will occur over the next three years which will address the issues and significantly extend the life of a valuable community asset. As such, approval of the project needs to occur within the short term to enable sufficient time for the planning, procurement and subsequent works.

3.6 Support Local, State & National Need for Innovation

Australia's level of innovation is assessed on an ongoing basis by Innovation and Science Australia (ISA), which is an independent statutory body that provides strategic whole-of-government advice on science, research and innovation.

A core finding from the 2016 Performance Review of the Australian Innovation and Science and Research System was

> *"Nonetheless, the findings in the ISR System Review make one thing very clear: we need to significantly lift our game if we want to be a top tier innovation nation"*

and that whilst Australia is above average in terms of Knowledge Creation, Australia's capacity for Knowledge Transfer needs to be improved. This is a key area that the Innovation Civic Hall will support, in addition to Knowledge Creation and Knowledge Application.

The Innovation Civic Hall will be an accessible, inclusive and affordable space that forms part of a broader innovation precinct comprising the hall itself, Normal Lee Place, Mill Hill Community Centre and Waverley Library. The activities conducted in and around the precinct will support the three tiers of innovation set out by Innovation and Science Australia:

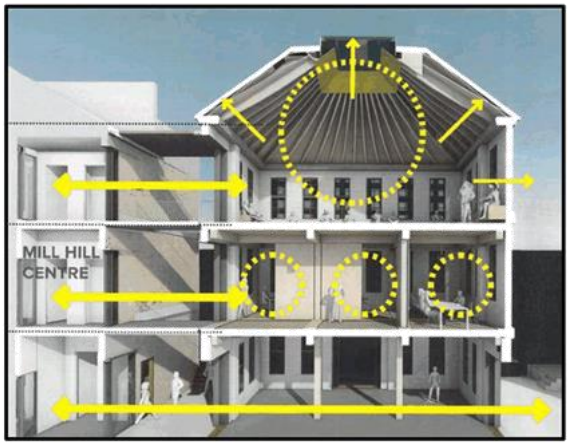
- **Knowledge Creation:** A key element of knowledge creation is being open to new opportunities and considering ideas from a different point of view. The Innovation Civic Hall will enable users to create knowledge with their peers as well as specialists from various fields, whether in terms of social issues, technology, science, art etc.
- **Knowledge Transfer:** Users from various backgrounds and of different employment status will be able to interact in an environment that is conducive to sharing knowledge and discussing new ideas
- **Knowledge Application:** The Innovation Civic Hall will include facilities that will enable users to apply their knowledge through workshopping, designing, prototyping, simulation, coding and the like. The internal spaces will be modular to accommodate informal gatherings, formal training / mentoring areas, meeting rooms, open conferences and events (particularly at the level 2 cloud room). Users will also have the opportunity to use the community makerspace to be established at Waverley Library.

4. THE PROPOSAL

4.1 Description of the Innovation Civic Hall

4.1.1 Scope of Work - Option 1

The scope of work relates to the Boot Factory (see right for spatial view of conceptual design) and potentially Waverley Library.



The establishment of an Innovation Civic Hall type knowledge and innovation hub at the Boot Factory will involve the following:

- Construction of new operable walls at the Boot Factory (allowance for additional operable walls included in ATP costings)
- Soft fitout including furniture and equipment (refer to Section 5.2.1 for further details of inclusions in ATP costings)
- Construction of a makerspace at Waverley Library including hard and soft fitout (refer to Section 5.2.1 for further details of inclusions in ATP costings)

The fitout of the Innovation Civic Hall forms part of a broader package of work being performed at the Boot Factory that is separate to the scope of work being assessed under this business case. Prior to the fitout for repurposing the Boot Factory to an Innovation Civic Hall, major remedial and restoration work will be undertaken at the Boot Factory to address asset deterioration, non-compliance, safety, security and heritage deficiencies. The remedial and restoration works have been assessed as part of the Level 2 analysis.

Restoration Works (Excluded Under Level 1 Analysis and Included Under Level 2 Analysis)

- Minor demolition to remove dilapidated structures, systems, services and fitout items that cannot be salvaged (the shell of the building will be retained)
- Construction of new timber floors (per Option 1B of the design report, refer Appendix B)
- Construction of new cross-laminated-timber (CLT) roof with skylight, guttering and downpipes

- Restoration of brick perimeter walls, windows and exterior finish
- Construction of new internal walls and partition walls and internal doors
- Fire services including fire indicator panel, fire detection, sprinklers (internal and external wall-wetting)
- Electrical services including upgrade of the main switchboard and new cabling, lighting and communications
- Mechanical services including air-conditioning of enclosed areas
- Hydraulic services including upgrades to stormwater, sewer and potable water
- Landscaping and upgrade of external services and infrastructure at Normal Lee Place

Allowances have been made for detailed design, procurement, project management and associated fees.

The table below contains the main categories of work covered in the cost plan prepared by MBM. Items highlighted in orange were adjusted by Asset Technologies Pacific as part of the cost validation process to reflect amendments in the scope of work and the operating profile.

Additional items were incorporated into the costings relating to the establishment of the makerspace at the Waverley Library and ongoing capital renewal during the 20 year period following the remediation of the Boot Factory.

Location	Overview of Work	Cost (Prepared by MBM) Before Validation	
		Level 1 Analysis Excl. Restoration	Level 2 Analysis Incl. Restoration
Boot Factory	Preparation	Excluded from Level 1 Analysis. Works will proceed regardless of the outcome regarding this business case	$121,310.00
Boot Factory	Columns		$17,151.00
Boot Factory	Upper Floors		$168,200.00
Boot Factory	Staircases		Existing Stairs to be Retained
Boot Factory	Roof		$314,032.00
Boot Factory	External Walls		$223,000.00
Boot Factory	Windows		$117,200.00
Boot Factory	External Doors		$105,000.00
Boot Factory	Internal Walls		$10,760.00
Boot Factory	Internal Screens		$91,408.00
Boot Factory	Internal Doors		$29,000.00
Boot Factory	Wall Finishes		$22,860.00

Location	Overview of Work	Cost (Prepared by MBM) Before Validation	
		Level 1 Analysis Excl. Restoration	Level 2 Analysis Incl. Restoration
Boot Factory	Floor Finishes		$13,000.00
Boot Factory	Ceiling Finishes		$22,005.00
Boot Factory	Fitments	$84,900.00	$84,900.00
Boot Factory	Mechanical Ventilation and Air Conditioning	Excluded from Level 1 Analysis. Works will proceed regardless of the outcome regarding this business case	$126,735.00
Boot Factory	Fire Protection		$64,481.00
Boot Factory	Electrical Light and Power		$91,865.00
Boot Factory	Communications		$19,373.00
Boot Factory	Special Services		$45,623.00
Boot Factory	External Stormwater		$2,100.00
Boot Factory	External Sewer		$39,375.00
Boot Factory	External Water Supply		$69,825.00
Boot Factory	External Electric Light and Power		$10,500.00
External Works	Preparation	Excluded from Level 1 Analysis. Works will proceed regardless of the outcome regarding this business case	$47,590.00
External Works	Roads, Footpaths and Paved Areas		$166,300.00
External Works	Boundary Walls, Fencing and Gates		$16,000.00
External Works	Landscaping and Improvements		$232,545.00
External Works	External Stormwater		$84,420.00
External Works	External Electric Light and Power		$5,250.00
External Works	External Services		$10,500.00
Fees	Builders Preliminaries and Margin (22%)	$957,493.00	$957,493.00
Sub-Total – Construction works, preliminaries and builder's margin		**$1,042,393.00**	**$2,767,196.00**
Fees (Before Exclusions)	Design Contingency (5%)	$179,247.00	$265,487.00
Fees (Before Exclusions)	Professional Fees (8%)	$319,956.00	$446,017.00
Fees (Before Exclusions)	Authority Fees (1.5%)	$61,263.00	$90,319.00
Fees (Before Exclusions)	Project Contingency (10%)	$414,540.00	$611,155.00
Total – Construction works, preliminaries and builder's margin and fees		**$2,017,399.00**	**$4,180,174.00**

The following table contains the validated costings used for the Preferred Option.

Overview of Work	Validated Costs	
	Level 1 Analysis	Level 2 Analysis
Construction works per MBM costings	$84,900.00	$1,809,703.00
Allowance for two additional operable walls	$172,000.00	$172,000.00
Establishment of a Makerspace facility at Waverley Library including hard fitout	$91,400.00	$91,400.00
Deduction of redundant fitout items from MBM Total	-$27,900.00	-$27,900.00
Soft fitout of furniture and equipment for Hub (excluded from MBM Total)	$347,700.00	$347,700.00

Overview of Work	Validated Costs	
	Level 1 Analysis	Level 2 Analysis
Soft fitout of furniture and equipment for Makerspace	$85,400.00	$85,400.00
Preliminaries and margin (22%)	$165,770.00	$545,227.00
Design Contingency (5%)	$45,964.00	$151,177.00
Professional Fees (8%)	$82,045.00	$269,851.00
Authority Fees (1.5%)	$15,710.00	$51,669.00
Project Contingency (10%)	$106,299.00	$349,623.00
Total Cost (Present Values – 2019/20)	**$1,169,288.00**	**$3,845,850.00**
Total Cost (Nominal Values Over 2019/20 and 2020/21)	**$1,227,228.00**	**$4,038,752.00**

The value of the funding request to proceed with Option 1 (Innovation Civic Hall) is **$1,227,228.00** excluding GST (nominal values). The value of the funding request is in addition to the restoration works.

4.1.2 Scope of Work - Option 2

Option 2 involves the establishment of a space for occupancy by a commercial tenant. The work will involve the same remediation of the Boot Factory, except the fitout will be basic in nature as opposed to being purpose made for an innovation civic hall. The fitout of the spaces within the Boot Factory will be performed by the tenant as part of their agreement with Council.

The works will involve the following:

Restoration Works (Excluded Under Level 1 Analysis and Included Under Level 2 Analysis)

- Minor demolition to remove dilapidated structures, systems, services and fitout items that cannot be salvaged (the shell of the building will be retained)
- Construction of new timber floors (per Option 1B of the design report, refer Appendix B)
- Construction of new cross-laminated-timber (CLT) roof with skylight, guttering and downpipes
- Restoration of brick perimeter walls, windows and exterior finish
- Construction of new internal walls and partition walls and internal doors
- Fire services including fire indicator panel, fire detection, sprinklers (internal and external wall-wetting)
- Electrical services including upgrade of the main switchboard and new cabling, lighting and communications

- Mechanical services including air-conditioning of enclosed areas
- Hydraulic services including upgrades to stormwater, sewer and potable water
- Landscaping and upgrade of external services and infrastructure at Normal Lee Place

Allowances have been made for detailed design, procurement, project management and associated fees.

The following table contains the validated costings used for Option 2.

Overview of Work	Validated Costs	
	Level 1 Analysis	Level 2 Analysis
Construction works per MBM costings	$84,900.00	$1,809,703.00
Deduction of fitments from MBM Total	-$84,900.00	-$84,900.00
Preliminaries and margin (22%)	$0.00	$379,457.00
Design Contingency (5%)	$0.00	$86,241.00
Professional Fees (8%)	$0.00	$186,193.00
Authority Fees (1.5%)	$0.00	$35,651.00
Project Contingency (10%)	$0.00	$241,235.00
Procurement to select commercial tenant	$30,000.00	$30,000.00
Total Cost (Present Values – 2019/20)	**$30,000.00**	**$2,683,580.00**
Total Cost (Nominal Values Over 2019/20 and 2020/21)	**$4,707,794.00**	**$2,817,873.00**

4.1.3 Functional Utilisation & User Profile

Option 1 (Innovation Civic Hall)

The Boot Factory will be remediated and adapted for use as an Innovation Civic Hall. The facilities will provide civic spaces for the gathering and exchange of ideas, with a focus on programs that bring together a range of stakeholder groups. The spaces will be modular so as to provide flexibility for regular and casual users, whether from an educational or business perspective.

Area	Use	Typical Users
Normal Lee Place (Forecourt)	▪ Outdoor café (allowance for 20m^2 included in ATP costings) ▪ Flexible space which can accommodate pop up markets, twilight events, family picnics, night-light installations and music / art / story installations ▪ Informal outdoor meeting space (allowance for tables and seating included in ATP costings)	▪ Families ▪ Visitors to the Innovation Civic Hall (regular and casual) ▪ Visitors to Mill Hill Community Centre ▪ Visitors to Waverley Library ▪ Local workers and high-rise residents ▪ Passers-by to locations in and around Spring Street, Newland Street, Ebley Street and Denison Street
Ground Floor	▪ Reception desk ▪ Workshopping for small and medium groups ▪ Displays and installations for art, history etc ▪ Flexible space for fairs ▪ Exhibition space and venue for public talks/lectures ▪ Exhibition space with focus on digital media and innovation	▪ Similar to above ▪ Event attendees kids
Level 1	▪ Meeting rooms (allowance for 4x 6m^2 and 4x 18m^2 meeting rooms in ATP costings) ▪ Programs e.g. incubator, accelerator and in-residence ▪ Mentoring, civic problem solving, Future Cities CRC Living Lab, start up hot desks ▪ Venue hire ▪ Events requiring flexible space and/or PCs e.g. hack-a-thons, classes, community focus groups/engagement ▪ Conference breakout	▪ Students (all levels) ▪ Facilitators ▪ Entrepreneurs ▪ Community members ▪ Business persons

Area	Use	Typical Users
Level 2	▪ Venue Hire/ External small conference capability ▪ Ted style talks ▪ Ideas talks ▪ City talks ▪ Community meetings ▪ Catered events ▪ Business Forum ▪ Chamber of Commerce ▪ Council staff events	▪ Event attendees/ticketed guests ▪ Facilitators ▪ Community organisations
Makerspace (At Waverley Library)	▪ Flexible space experimentation and discovery, creation, project visualisation and the sharing of tools ▪ Computer/media lab ▪ Printing / 3D printing	▪ Hobbyists, artists, residents, students, self-employed workers, part-time workers, library members and users, programmers
Mill Hill Community Centre (Existing Facility - Minor Refurbishment to Support Innovation Civic Hall)	▪ Conference breakout ▪ Conference catering space ▪ Meetings ▪ Workshops ▪ Amenities for Mill Hill and Innovation Civic Hall users	▪ Residents, hobbyists, entrepreneur, inventors, teachers, programmers, artists / creatives, students, self-employed workers, part-time workers library members and users, programmers

Option 2 (Full Commercial Lease)

The use of the building by the tenant will not be restricted to innovation purposes and may be used for any legal purpose acceptable to Council. The lease will have special conditions that permit the tenant to use the bathrooms and lift at the Mill Hill Community Centre.

4.1.4 Council Resourcing

Option 1 (Innovation Civic Hall)

Resources	Hours of Operation
Staffing: 1 FTE Venue / Program Manager and 0.2 FTE Facilities Manager Head Office Support (Calculated as Overhead) **Equipment:** Tables, chairs, shelving, joinery, PCs, communications equipment Basic tools for the Makerspace area in the Waverley Library (refer Section 5.2.1)	Monday to Friday 12 Noon - 9pm Saturday 9.30 am - 3.00pm Per the Development Application, the hours for venue hire are 7am - 12pm each day. No amplified music is permitted between 10pm - 7am.

Option 2 (Full Commercial Lease)

Existing Council resources will be used to manage the agreement and relationship between Council and the tenant. Additional resources will not be required under this option.

4.2 Objectives

The objective of this business case is to analyse options to establish a knowledge and innovation hub and identify the impacts associated with the options under consideration. Project specific objectives have been identified in specific, measurable, achievable, relevant and timely (SMART) terms in the table below:

SMART Project Objectives				
Specific	Measurable	Achievable	Relevant	Time-Bound
1. Increase community engagement and access to hireable spaces for community use	Monitor statistics of space utilisation and visitation as well as outcomes from community surveys	Community hireable spaces will be established that will address existing deficiencies relating to service capacity, amenity, accessibility and attractiveness to users. The works are low in complexity, however Council will need to protect heritage fabric and minimise impacts upon users and persons in the vicinity.	One of Council's core functions is to provide community programs and events. The Boot Factory is currently vacant as it is unfit for occupancy. There is demand for additional spaces that can accommodate community usage needs. Opportunities for increasing the visibility of such spaces, ease of circulation and value offered to the community are important drivers for the work.	The Boot Factory Knowledge and Innovation Hub Project will be completed within the programmed timeframe (including contingencies). The community is expected to respond favourably with increased use of the upgraded facilities. Long term changes in community behaviours are expected over the subsequent years.
2. Reinstate a historic public asset for use by the local community and businesses	Assess and monitor the status of the facility's condition, compliance, safety, functionality and other relevant factors. Statistics of utilisation will also be monitored.	The remedial works needed to address the level of dilapidation across the structures, systems and services is low in complexity. There is also a clear demand for spaces to be used for community and business purposes.	The structural integrity of the Boot Factory has deteriorated to a state where major remedial works are required to protect the building from irreversible decline and mitigate the loss of a heritage asset that can be used for the benefit of the community and businesses.	The Boot Factory Knowledge and Innovation Hub Project will be completed within the programmed timeframe (including contingencies). Following the major repairs, maintenance works will need to be undertaken as part of Council's maintenance regime.

SMART Project Objectives				
Specific	**Measurable**	**Achievable**	**Relevant**	**Time-Bound**
3. Improve participation in programs and events	Monitor statistics of program participation and event ticket sales as well as outcomes from community surveys	Facilities that support programs will be refurbished to address deficiencies relating to system and service capacity, amenity, accessibility and attractiveness to users. The works are low in complexity, however Council recognises the need to protect heritage fabric and minimise impacts upon users and persons in the vicinity. Management plans have been developed and will be implemented to address the key risks.	Council recognises its role in supporting members of the community in the cultivation of knowledge and preparation for success in the knowledge economy. The fitness for purpose of the facilities are a major contributing factor to the success of the programs and events and as such, require remediation to ensure that they are presented to a standard that is commensurate with the community's expectations as well as being competitive with standard offered by managers of similar facilities.	The Boot Factory Knowledge and Innovation Hub Project will be completed within the programmed timeframe (including contingencies). The community is expected to respond favourably with increased use of the upgraded facilities. Long term changes in community behaviours are expected over the subsequent years.
4. Support the growth of the local area and local business	Monitor growth and trends across Bondi	Works will be undertaken to address asset deterioration, capacity and functionality problems and improve circulation to and from the Boot Factory and the local area (including local businesses).	The Boot Factory is a major feature of the area and can serve to complement traffic to the Mill Hill Centre and Waverley Library whilst also supporting local businesses, such that traffic to the Boot Factory will contribute to increased traffic to surrounding areas and further activate local businesses.	The Boot Factory Knowledge and Innovation Hub Project will be completed within the programmed timeframe (including contingencies). The community is expected to respond favourably with increased use of the upgraded facilities. Long term changes in community behaviours are expected over the subsequent years.

SMART Project Objectives				
Specific	**Measurable**	**Achievable**	**Relevant**	**Time-Bound**
5. Improve sustainability	Ecological sustainability is measured relative to the use of electricity, water and gas as well as the overall footprint of the facility Operational sustainability is measured relative to the capacity of the facility to accommodate demand without undue deterioration or capacity problems Financial sustainability is measured relative to the costs associated with the Boot Factory that are borne by Council compared to the revenues generated by the facility.	The Boot Factory Knowledge and Innovation Hub Project includes works that will improve ecological sustainability. The works will remediate asset deterioration and system and service upgrades will address existing capacity problems to protect the ongoing operational sustainability of the Boot Factory. A secondary result from the above sustainability works is that financial sustainability will improve. This is due the community and commercial aspects of the Boot Factory.	The Boot Factory has not undergone a major refurbishment (to improve ecological sustainability) since its original design and therefore its ecological performance is less than its potential. Redevelopment works are required to enable the Boot Factory to sustain itself operationally and financially while also retaining its community and public character.	The Boot Factory Knowledge and Innovation Hub Project will be completed within the programmed timeframe (including contingencies). Reductions in reactive maintenance costs will be realised within one year following construction and increase at a lower rate (over the long term) than would otherwise be the case if the conservation upgrade is not undertaken.

SMART Project Objectives				
Specific	**M**easurable	**A**chievable	**R**elevant	**T**ime-Bound
6. Address safety and security risks and discharge statutory obligations relating to the facility's compliance status	Safety and security are measured relative to the extent to which the requirements of the Work Health and Safety Act are satisfied, duty of care obligations are adhered to and good management practices are adopted. Compliance status is measured relative to the extent to which the mandatory requirements of relevant legislation, standards and codes are satisfied. Independent assessments of the Boot Factory have been undertaken prior to the preparation of this business case and establish the baseline status against which the "post completion" status can be compared.	Safety and security risks as well as the non-compliances for which remediation is mandatory will be addressed. Safety and security risks associated with asset deterioration (over the long term following completion of the works) will be managed as part of Council's ongoing maintenance program.	Council is bound by law and good management practice to ensure the facilities under its management are safe, secure and compliant with relevant legislation, standards and codes. The Boot Factory Knowledge and Innovation Hub Project represents works to address this requirement.	The Boot Factory Knowledge and Innovation Hub Project will be completed within the programmed timeframe (including contingencies). Reductions in reactive maintenance costs will be realised within one year following construction and increase at a lower rate (over the long term) than would otherwise be the case if the conservation upgrade is not undertaken.

4.3 Policy & Strategic Alignment of the Preferred Option

4.3.1 Alignment with Council's Strategic Drivers

Strategic Driver	Key Mechanism of the Preferred Option (Option 1) Achieving the Benefit
Improved Public Facilities	▪ Community spaces are fitout with improved equipment that can accommodate a growing need for innovation and technology. ▪ Renewal of finishes and refurbishment of structures, systems and services to a modern standard.
Protected Heritage Significance	▪ Restoration of lost heritage aspects ▪ Protection of heritage fabric from further deterioration
Improved Operational Use	▪ Infrastructure upgrades to accommodate current and future needs. ▪ Rectification of configuration problems that affect sightlines and public visibility.
Improved Accessibility	▪ Upgrades to accessible provisions in accordance with legislation and codes.
Improved Circulation	▪ Amalgamation of spaces and reconfiguration into logical areas.
Protected Structural Integrity	▪ Major remedial works to deteriorated roof, wall, window and door elements ▪ Structural enhancements to new areas and reinforcement of existing areas.
Essential Services Compliance	▪ System upgrades to expand coverage of fire detection and alarming systems and building warning systems, enhancements to fire compartmentation and upgrades to emergency lighting and exit signage.
Increased Utilisation for Local Community Needs	▪ Improved attractiveness of facilities as a result of refreshed layouts and renewed structures, finishes, systems and services. ▪ Suitable for technology based organisations to partner with Council to provide community services.
Increased Utilisation for Local Business Needs	▪ Improved attractiveness of facilities as a result of refreshed layouts and renewed structures, finishes, systems and services. ▪ Suitable for technology based organisations to partner with Council to provide community services.
Implementation of Property Principles	▪ Council will mandate that contractors and other organisations involved in the delivery of the works adopt the property principles set out in Council's Property Strategy.

4.3.2 Alignment with Community Strategic Plan

This business case supports the following chapters of the Waverley Council Community Strategic Plan:

Theme	Link	Key Mechanism of Support from the Preferred Option (Option 1)
Arts and Culture	Social	▪ Welcoming facilities that attract visitors to engage in community activities and drive pedestrian traffic to the adjacent Mill Hill Community Centre and Waverley Library ▪ Providing public space which can support cultural activities and arts
Community Services & Wellbeing	Social	▪ Providing publicly available spaces that are safe and welcoming for diverse and inclusive purposes
Recreation & Open Spaces	Social	▪ Ensuring availability of venues for events and functions
Local Economy	Economic	▪ Facilities that support the engagement and preparation of students, researchers, local businesses and the like for success in the knowledge economy ▪ Environment that is supportive of start up businesses and promotes Bondi Junction as a business hub ▪ Greater activation of and support of local businesses at all stages of development ▪ Cultivation of knowledge and innovation to further develop the economy
Planning, Development & Heritage	Economic	▪ The establishment of the Innovation Civic Hall will serve as a sustainable development in financial, ecological and operational terms
Transport, Pedestrians and Parking	Economic	▪ Improved pedestrian circulation in and around Normal Lee Place and the Boot Factory and Mill Hill Centre
Buildings & Infrastructure	Economic	▪ Reinstatement of a vacant and dilapidated facility for safe and functional use ▪ Activation of underutilised facilities ▪ Improving the sustainability of a major public built asset ▪ Improved public assets, spaces and footpaths
Sustainable Environment	Environment	▪ Ecologically sustainable design principles will be incorporated into the work ▪ Targets for carbon and waste will be established ▪ Water and energy efficient equipment will be used
Sustainable Waste	Environment	▪ Waste management will be aligned with the waste management practice at the Mill Hill Centre, which already involves separation of waste streams
Corporate Leadership and Engagement	Civic Leadership	▪ Planning and consultation processes have been and will continue to be undertaken as part of the development of the site ▪ Community engagement has been sought out and feedback will be taken into consideration when finalising the conceptual design ▪ Financial sustainability will be supported through improved facilities which enhance the user experience and subsequently attract greater revenues ▪ Major assets at the Boot Factory will be renewed such that maintenance obligations over the long-term are reduced

Theme	Link	Key Mechanism of Support from the Preferred Option (Option 1)
Knowledge and Innovation	Civic Leadership	▪ The hub will have the facilities and amenities that support engagement in knowledge sharing, discovery, education, business development and the like ▪ Knowledge and innovation hub will be established which links with nearby community centre and library facilities ▪ Utilisation of the Mill Hill Centre will be increased

4.3.3 Alignment with Conservation Management Plan

The preferred option (Option 1) is aligned with and supports the following aspects of the Conservation Management Strategy for the Boot Factory:

- The building should be retained and conserved
- There shall be no vertical additions to the building apart from permitted exceptions
- There shall be no alterations to the façades of the building other than to reinstate original features apart from permitted exceptions.
- The principal room layout and planning configuration as well as significant internal original features should be retained and conserved
- There shall be no external additions to the primary form apart from permitted exceptions
- The property shall be the subject of regular inspection and maintenance in accordance with a maintenance plan based on the Heritage Division Guideline
- Waverley Council will retain ownership and convert the building for community use
- All fabric of exceptional and high significance heritage value will be retained, however alternatives may be considered if they enhance the heritage significance
- Any fabric of moderate or little or low heritage significance may be altered, however alternatives may be considered if they enhance the heritage significance

4.3.4 Alignment with NSW State Infrastructure Strategy 2018–2038

The Strategy sets out the NSW Government's infrastructure vision for the state over the next 20 years, across all sectors.

The following table identifies the strategic directions set out in the State Infrastructure Strategy that are supported by the preferred option (Option 1):

Strategic Direction	Preferred Option Alignment
Integrating land use and infrastructure planning	The Innovation Civic Hall will form part of a greater innovation precinct that includes the adjoining Mill Hill Community Centre, nearby Waverley Library and local facilities designed for the community benefit.
Infrastructure planning, prioritisation and deliver	The analysis performed in this business case demonstrates that the Innovation Civic Hall will yield substantial social and economic benefits that far outweigh the initial cost.
Asset management – assurance and utilisation	By establishing the Innovation Civic Hall, Council is remediating a dilapidated structure and optimising the management, performance and use of the asset.
Resilience	By establishing the Innovation Civic Hall, Council will improve the value and capacity of its property portfolio, which in turn will increase its resilience against social and infrastructure threats.
Digital connectivity and technology	The Innovation Civic Hall will be fitout with modern PCs and communications hubs and introduce all levels of visitors from youth to seniors to relevant technologies and how they can be used for the benefit of day to day life. The equipment will also be used by members and visitors who are in need of high-power PCs for their studies, hobbies and professions.
Innovative service delivery models	Council will meet the INSW strategic objective of driving high quality consumer-centric services by assuming complete operational control of the Innovation Civic Hub whilst also providing visitors with access to other partners, businesses and the like that they would not normally have the opportunity to interact with.

4.3.5 Alignment with Social Values Identified by Innovation and Science Australia

Innovation and Science Australia (ISA) is an independent statutory body that provides strategic whole-of-government advice on science, research and innovation.

The following table identifies the social values set out in the ISA's performance review of Australia's Innovation and Science and Research System that are supported by the preferred option (Option 1):

Social Value	Preferred Option Alignment with Australia's ISR
Jobs and Earnings	There will be improvements in job related outcomes as indicated in the benefit cost analysis and social value assessment
Work-Life Balance	Self employed persons and those who have flexible work arrangements will have the opportunity to work from the Innovation Civic Hall and have convenient access to recreation, retail, community and other related services in the precinct and surrounding Bondi Junction area

Social Value	Preferred Option Alignment with Australia's ISR
Education and Skills	There will be improvements in education related outcomes as indicated in the benefit cost analysis and social value assessment
Community	A core function of the Innovation Civic Hall is to attract groups of people from across the community to interact in cooperative and beneficial ways for the good of their wellbeing, education, business, leisure and the like.
Civic Engagement and Governance	Local community members will have access to a new facility that enables them to engage with other members of the community in an accessible, inclusive and affordable manner.

4.3.6 Alignment with the OECD Innovation

The Organisation for Economic Co-operation and Development (OECD) defines innovation as 'the implementation of a new or significantly improved product (good or service), a process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations'.

The following table identifies the alignment between the preferred option (Option 1) and the innovation areas identified by the OECD:

Innovation Area	Preferred Option Alignment with OECD Innovation
Improved Service	The provision of an Innovation Civic Hall is a new service that Council will be offering to meet the local demand for an accessible, inclusive and affordable space where ideas can be shared and people can interact with members of the community and local businesses with whom they otherwise would not have the opportunity to interact
Improved Process	Council will assume responsibility for the operation of the Innovation Civic Hall and take into consideration the lessons learned from case studies and prior investigations into knowledge and innovation hubs (particularly those performed as part of the social value assessment)
Business Practice	Council will expand its current venue and program management capabilities to include additional scope relating to the management and implementation of a knowledge and innovation hub type facility
External Relations	In managing and delivering programs at the Innovation Civic Hall, Council will attract guests and partners who have expertise in a variety of areas (e.g. social commentary, education, technology etc) and interest in sharing their experience with the local community

4.4 Programming & Space Utilisation

Council's strategy for the utilisation of the space is to maximise the level of flexibility that each area affords whilst also establishing a tiered visitation / pricing structure to balance utilisation and affordability.

Following are the key functions for each area:

- Normal Lee Place (Forecourt) – Outdoor / informal gatherings and circulation between the Innovation Civic Hall and the Mill Hill Community Centre
- Ground Floor – Reception and general displays (maximum visitation, lowest cost)
- Level 1– Meeting rooms and small gatherings of people (average visitation, moderate cost)
- Level 2 – Venue hire and events with large gatherings of people (group visitation, highest cost)
- Makerspace (At Waverley Library)
- Mill Hill Community Centre – Amenities and lifts for visitors as well as supplementary facilities such as meeting rooms

5. VALUE FOR MONEY ASSESSMENT OF THE PROPOSAL

5.1 Proposal Request

Council is seeking funding of **$5,683,022 (nominal value)** and approval to proceed with the establishment of an Innovation Civic Hall. The funding request comprises $50,225 for 2019/20 for procurement and preliminary planning activities (anticipated to commence April 2020) and $5,632,797 for 2020/21 for the project works.

The costings are in addition to the restoration works. Refer to Section 4.1.1 Scope of Work for an elemental breakdown of the costings prepared by the independent quantity surveyor and the validated costs (which reflect design and operational changes following the quantity surveyor costings as well as items that were excluded) that have been used for the funding request.

It is expected that the contract(s) for the project will be awarded at the commencement of 2020/21 and the project delivery will be completed within the financial year.

5.2 Cost Planning

The following table identifies the type of life cycle costs covered under the analysis for each option:

Cost Type	Option		
	Option 1 Establish Knowledge & Innovation Hub	Option 2 Full Commercial Lease	Option 3 (Do Nothing)
Capital investment to restore Boot Factory	-(1)	-(1)	-
Capital investment to repurpose as an Innovation Civic Hall	✓	-	-
Capital investment to repurpose for occupancy by a commercial tenant	-	✓	-
Capital renewal of structures and base building services	✓	✓	-
Capital renewal of fitout structures and services	✓		-
Membership income	✓	-	-
Rental income	✓	✓	-
Venue hire	✓	-	-
Maintenance of structures and base building services	✓	✓	✓
Maintenance of fitout structures and services	✓	-	✓
Programming	✓	-	-
Staffing (+1FTE Venue Manager + 0.2FTE FM + 20% O/H)	✓	-	-
Utilities	✓	-	-

Note 1: Cost impacts have been assessed as part of the Level 2 analysis in Appendix A and have been provided for information purposes.

5.2.1 Basis of Analysis – Option 1 (Innovation Civic Hall)

The cost planning for the establishment of the Innovation Civic Hall has been performed by an independent quantity surveyor (MBM) and validated by performance and management consultant Asset Technologies Pacific.

The cost estimates are inclusive of all planning, design, procurement, construction, management, professional and authority fees associated with the work. The funding request is in present values and exclusive of GST.

The following adjustments to the cost plan have been made to allow for items that were either excluded or underestimated in the cost plan based on Council's preferred operational model (i.e. Innovation Civic Hall), including:

- Exclusion of limited soft fitout items detailed in the quantity surveyor's cost plan valued at $27,900.00
- Inclusion of two additional operable walls for $172,000
- Establishment of a Makerspace facility at Waverley Library including hard fitout for $91,400.00
- Inclusion of soft fitout of furniture and equipment for the Innovation Civic Hall at the Boot Factory for $347,700
- Inclusion of soft fitout of furniture and equipment for the Makerspace at Waverley Library for $85,400.00
- Adjustments to the allowances for contingency, professional and authority fees due to the above changes

Capital Costs

- Adjustments to the capital investment costs identified in the cost plan prepared by the quantity surveyor (MBM) have been made based on Council's programmatic concepts and the necessary soft fitout (e.g. furniture and equipment) as well as the proposed makerspace to be established at Waverley Library.

  The cost estimate includes allowances for soft fitout which were either excluded or limited in the initial cost plan and are considered to be inadequate to enable the facility to be used as an innovation civic hall:

  Innovation Civic Hall at the Boot Factory

  - **Forecourt**
    - 6 tables and 24 chairs

- Fitout of café to be a capital investment by the operator

- **Ground Floor (Reception + Modular Workshop / Lecture Space)**
  - 3 tables, 30 chairs, 6 PCs, 3 communication hub units and associated joinery and equipment
- **Level 1 (Programming + Hireable Meeting Rooms)**
  - *Small Meeting Rooms (Based on four 6m^2)*

    4 tables, 12 chairs, 4 high-specification PCs, 4 communication hub units and associated joinery and equipment
  - *Large Meeting Rooms (Based on four 18m^2)*

    4 large tables, 36 chairs, 8 high-specification PCs, 4 communication hub units and associated joinery and equipment
  - *Breakout Space*

    Joinery and fittings
- **Level 2 (Cloud Room for Events / Venue Hire)**
  - 4 conference tables, 100 conference chairs, 4 PCs, 2 communication hub units and associated joinery

- The community makerspace in the Waverley Library will adapt existing office, study and storage spaces within the library and basement. Floor area has been estimated as being 115m^2.
- The cost estimate includes allowances for soft fitout of the Makerspace at Waverley Library which were excluded from the initial cost plan:

  Makerspace at Waverley Library
  - 5 tables and 20 chairs
  - 20 high-specification PCs (in addition to existing 10 PCs and 2 3D printers at the computer training room)
  - 2 communication hub units and associated joinery
  - Basic tools including soldering irons, glue guns, table vices, cutters, hand saws, hand drill, PPE (primarily safety gloves). Storage has been allowed in order to safety store the tools when not in use.

- Capital renewal costs associated with the refurbishment, repair, replacement and/or upgrade of assets that reach the end of their effective operational life during the forthcoming 20-year period have been included. The extent of work predominantly relates to the refurbishment of interior finishes, however repairs to the electrical services (including light fittings), external construction, air-conditioning have been scheduled in 2032/33 (Year 14), 2035/36 (Year 17) and 2036/37 (Year 18) respectively.

Recurrent Impact

- Council will assume responsibility for the full operation of the facility. Council staffing will increase by 1 FTE to cover a manager who will manage access, memberships, respond to enquiries and take a leadership role in the performance of the space. Where the manager is unavailable, existing Library staff or Arts and Culture staff will supplement the requirement. An additional 0.2 FTE will be required to cover Council's facilities management personnel who will coordinate and manage contractors performing regular and reactive maintenance. Staffing costs are inclusive of salaries, on-costs and overheads (e.g. administrative and marketing support from Council's head-office).

- Rental income associated within the forecourt has been assessed in terms of a small café approximately 20m^2. This is in accordance with Council's preferred programming and, as demonstrated from the independent social values assessment, precedent where innovation civic halls often have a café on-site for the purpose of encouraging activation, informal connections and supporting events. Annual rent has been nominated at \$1100/m^2 and is benchmarked as being slightly lower than similar facilities at Bondi Pavilion.

- Facility hire income associated with functions and events has been projected based on a tiered pricing model that is comparable to Council's schedule of fees and charges for the following types of users:

    - Non-profit / community
    - Commercial / Government
    - Corporate

- Income from memberships has been projected on a tiered pricing model that is designed to improve community access without being perceived as being exclusive. All public spaces within the facility will be available to members of the community regardless of whether they are members.

  Any person can make a booking to attend a scheduled talk or event, subject to any conditions associated with the talk/event (e.g. attendees should be

persons in a particular industry). However, members will have priority access for making bookings to attend scheduled talks and events and will have complementary access to.

Following is the expected mechanism for differentiating the membership levels:

- Low fee rate membership will be for flexible and casual use which will enable users to access the facility (excluding conferences) as they choose. Complementary access to meeting rooms and/or scheduled events will be capped at nominal hours per month or visits per month as determined by Council.
- Medium fee rate membership will be for semi regular users and will enable users to access the facility (excluding conferences) as they choose. Complementary access to meeting rooms and/or scheduled events will be capped at a higher level than for members on the low fee rate. Medium fee rate paying members will also have discounted meeting room hire rates when they exceed the complementary meeting room hire capping.
- High fee rate membership will be for full and unlimited access to the facility, including complementary access to meeting rooms and/or scheduled events. Members will also have complementary access to nominated conferences from a selection approved by Council. High fee rate paying members will have discounted meeting room hire rates when they exceed the complementary meeting room hire capping.

- Following is the fee schedule with indicative short (early life cycle), medium (growth period) and long-term (well established and widely recognised) patronage levels:

Tier	Rate	Unit	Average Per Month		
			Short	Medium	Long
Member Low Rate - Flexible / Casual	$50	Per Month	10	30	35
Member Medium Rate - Semi Regular Access	$160	Per Month	5	16	19
Member High Rate - Full Access to All Areas	$410	Per Month	2	4	8
Venue Hire Small Meeting Room Low Rate	$15	Per Hour	53	106	119
Venue Hire Small Meeting Room Medium Rate	$20	Per Hour	88	177	199
Venue Hire Small Meeting Room High Rate	$65	Per Hour	35	71	80
Hire Big Meeting Room Low Rate	$20	Per Hour	27	93	113
Hire Big Meeting Room Medium Rate	$25	Per Hour	44	155	188
Hire Big Meeting Room High Rate	$120	Per Hour	18	62	75

Tier	Rate	Unit	Average Per Month		
			Short	Medium	Long
Hire Cloud Room Low Rate	$550	Per Day (9hrs)	2	6	8
Hire Cloud Room Medium Rate	$700	Per Day (9hrs)	4	10	12
Hire Cloud Room High Rate	$1600	Per Day (9hrs)	1	4	6

Short term patronage will primarily be dependent on Council's marketing initiatives and spread of word-of-mouth and social media endorsement of the Innovation Civic Hall. It is expected that over the medium term, patronage will increase as a result of growing popularity and community awareness of the facility as well as refinements in Council's own processes for attracting visitation.

Long-term patronage has been estimated to correlate approximately with maximum utilisation of the facility. Facility utilisation levels have been projected as being less than 100% to reflect the gradual ramp of up marketing and site visitation and also because there will be some competition between the membership and venue hire streams at site. A capping of 90% has been applied which is consistent with other popular Council facilities.

- Rental income associated with spaces within the shell of the Boot Factory has been excluded on the basis that such an operating model is likely to have low financial viability and be poorly received by members of the community. This is supported by the social values assessment (refer Appendix C) which indicates that larger Innovation Civic Halls may rent out office space at market-rate but generally alongside affordable office spaces.

- Revenues are based on the impact relative to current levels. Minor revenue losses have been calculated due to temporary reductions in availability of the spaces when capital renewal is being undertaken.

- Expenditure associated with programming has been set at Council's $100,000 annual projection.

- Expenditure associated with maintenance, operational services and utility charges have been projected and take into consideration the anticipated utilisation profile of the site.

- Maintenance services include regular and reactive maintenance. Regular maintenance costs are inclusive of electrical services (e.g. test and tag), fire and essential services (e.g. statutory maintenance per AS1851), hydraulic services (e.g. testing of thermostatic mixing valves) and electronic security (e.g. cleaning of cameras).

Reactive maintenance costs are inclusive of electrical services (e.g. lamp replacement), fire and essential services (e.g. repair of fire detection fault), hydraulic services (e.g. replacement of washers and seals), mechanical services (e.g. repairs to air-conditioning units), electronic security (e.g. recalibration of cameras), internal elements (e.g. repairs to damaged finishes), structures (e.g. repairs to damaged walls and architectural fixtures).

- The impact of changes in service levels has been excluded.
- The impact of sponsorships and grants has been excluded from the analysis, however it is noted that there are opportunities for such and Council has already received expressions of interest on these matters.

Design Considerations

- Design consideration are based on "The Boot Factory Upgrade Options Analysis Stage 4 Design Report" prepared by Archer Office, 15 February 2019 and feedback from consultation with Council and Cred Consulting.
- A community makerspace will be constructed within the Waverley Library to complement the Boot Factory and Mill Hill Community Centre in terms of improving the overall precinct.

5.2.2 Basis of Analysis – Option 2 (Full Commercial Lease)

Head Lease

- The commercial lease will be a head lease where Council provides the building shell and base building services and the tenant is responsible for the fitout and maintenance of all structures, systems and services for the term of the lease.
- The lease will have special conditions that permit the tenant to use the bathrooms and lift at the Mill Hill Community Centre.
- Council will not be responsible for any outgoings or benefits from the revenue generated by the tenant under the head lease.
- Council's sole source of revenue from the lease will be the rent received for the Boot Factory.
- The use of the building by the tenant will not be restricted to innovation purposes and may be used for any legal purpose acceptable to Council.

- The term of the lease will be twenty years to align with the period of financial interest being assessed, or the lease may be renewed once during the twenty year period.

Capital Costs

- Adjustments to the capital investment costs identified in the cost plan prepared by the quantity surveyor (MBM) have been made based on performing remedial and enabling works necessary to establish a space fit for occupancy by a commercial tenant.

  The cost estimate excludes allowances for soft fitout as this work will be performed by the tenant at the commencement of the lease.

- Capital renewal costs associated with the repair of the building shell and base building services have been included in the cost allowances over the next twenty year period. Capital renewal associated with the tenant services and fitout will be the responsibility of the tenant under the head lease.

Recurrent Impact

- The tenant will assume responsibility for the full operation of the facility.

- Existing Council resources will be used to manage the agreement and relationship between Council and the tenant.

- Rental income has been assessed for a head lease at a rate of $460/m^2. Rent increases have been excluded.

- A two month period has been allowed at the commencement of the lease for the tenant to fitout the space for its own purposes.

  Council's maintenance expenditure has been projected for repairs to the structure and base building services. Maintenance services include regular and reactive maintenance. Regular maintenance costs are inclusive of electrical services (e.g. inspection of main switchboard) and fire and essential services (e.g. statutory maintenance per AS1851). Reactive maintenance costs are inclusive of electrical services (e.g. repairs to main switchboard), fire and essential services (e.g. repair of fire sprinkler defect), hydraulic services (e.g. repairs to underground pipework) and structures (e.g. repairs to damaged exterior walls).

Design Considerations

- The Boot Factory will be fitout by the commercial tenant at its own cost.

5.2.3 Basis of Analysis – Option 3 (Do Nothing, Comparison Only)

- The Boot Factory will be retained in its current dilapidated state and will be unfit for occupancy.
- Council will perform statutory maintenance and structural inspections to ensure the structure does not pose an undue risk of failure or serious safety incident to the public.
- Council will also perform safety and security checks to identify any risks to passers-by that need to be addressed and confirm that unauthorised entry does not occur.

5.3 Financial Appraisal

The financial appraisal has been performed by comparing the net present value of each option over a 20 year period of financial interest. The capital and recurrent costs identified are in nominal values in accordance with NSW Treasury's Guidelines.

- An annual escalation of 2.5% has been used in determining the nominal amounts from the present values.
- The discount rates used for the financial appraisal is 3% with sensitivity analysis performed using rates of 7% and 10%.
- Costs have been identified as positive values and income has been identified as a negative value. Therefore, the option with the lowest NPV cost is the most financially attractive option.
- Costs are exclusive of GST.
- Costs have been rounded to the nearest dollar.
- Costs are inclusive of all relevant planning, design, procurement, project management, supply, installation, testing, commissioning, authority and associated fees.

5.3.1 Capital Cost Impact

Option 1 (Innovation Civic Hall) - Years 1 to 10

Costs expressed as positive numbers and income expressed as negative numbers.

Option 1 (Innovation Civic Hall) Level 1 Analysis - Capital Costs											
Year	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**10 Yr Total**
Planning and procurement	$49,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$49,000**
Detailed design and project delivery, comprising - Innovation Civic Hall fitout: $519,700 - Library works for makerspace: $91,400 - Library fitout for makerspace: $85,400 - Year 2 Validation, Fees & Contingency: $472,788	$0	$1,120,288	$0	$0	$0	$0	$0	$0	$0	$0	**$1,120,288**
Capital renewal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$45,200	**$45,200**
Net Capital Cost (Real)	$49,000	$1,120,288	$0	$0	$0	$0	$0	$0	$0	$45,200	**$1,214,488**
Escalation Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Net Capital Cost (Nominal)	$50,225	$1,177,003	$0	$0	$0	$0	$0	$0	$0	$57,860	**$1,285,088**

Option 1 (Innovation Civic Hall) - Years 11 to 20

Costs expressed as positive numbers and income expressed as negative numbers.

Option 1 (Innovation Civic Hall) Level 1 Analysis - Capital Costs											
Year	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**	**2036/37**	**2037/38**	**2038/39**	**20 Yr Total**
Planning and procurement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$49,000**
Detailed design and project delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$1,120,288**
Capital renewal	$0	$22,000	$0	$91,000	$0	$73,000	$163,500	$100,800	$0	$45,200	**$540,700**
Net Capital Cost (Real)	$0	$22,000	$0	$91,000	$0	$73,000	$163,500	$100,800	$0	$45,200	**$1,709,988**
Escalation Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Net Capital Cost (Nominal)	$0	$29,588	$0	$128,581	$0	$108,369	$248,785	$157,214	$0	$74,065	**$2,031,690**

Option 2 (Full Commercial Lease) - Years 1 to 10

Costs expressed as positive numbers and income expressed as negative numbers.

Option 2 (Full Commercial Lease) Level 1 Analysis - Capital Costs											
Year	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**10 Yr Total**
Planning and procurement	$0	$30,000	$0	$0	$0	$0	$0	$0	$0	$0	**$30,000**
Detailed design and project delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Capital renewal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Net Capital Cost (Real)	$0	$30,000	$0	$0	$0	$0	$0	$0	$0	$0	**$30,000**
Escalation Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Net Capital Cost (Nominal)	$0	$31,519	$0	$0	$0	$0	$0	$0	$0	$0	**$31,519**

Option 2 (Full Commercial Lease) - Years 11 to 20

Costs expressed as positive numbers and income expressed as negative numbers.

Option 2 (Full Commercial Lease) Level 1 Analysis - Capital Costs											
Year	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**	**2036/37**	**2037/38**	**2038/39**	**20 Yr Total**
Planning and procurement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$30,000**
Detailed design and project delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Capital renewal	$0	$0	$0	$20,000	$0	$0	$163,500	$0	$0	$0	**$183,500**
Net Capital Cost (Real)	$0	$0	$0	$20,000	$0	$0	$163,500	$0	$0	$0	**$213,500**
Escalation Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Net Capital Cost (Nominal)	$0	$0	$0	$28,259	$0	$0	$248,785	$0	$0	$0	**$308,563**

Option 3 - Do Nothing (Comparison Only)

This comparative case does not involve a capital investment funding request nor does it include any capital renewal works.

5.3.2 Recurrent Impact

Option 1 (Innovation Civic Hall) - Years 1 to 10

Costs expressed as positive numbers and income expressed as negative numbers.

Option 1 (Innovation Civic Hall) Level 1 Analysis - Recurrent Impact											
Year	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**10 Yr Total**
Membership income	$0	$0	($25,440)	($36,000)	($47,000)	($58,000)	($68,400)	($73,000)	($78,000)	($82,314)	**($468,154)**
Rental income	$0	$0	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	**($176,000)**
Venue hire	$0	$0	($169,560)	($275,000)	($397,000)	($475,440)	($514,000)	($553,000)	($591,900)	($473,520)	**($3,449,420)**
Maintenance	$0	$0	$6,800	$14,900	$22,400	$28,300	$33,800	$35,800	$38,700	$33,000	**$213,700**
Programming	$0	$0	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	**$800,000**
Staffing	$0	$16,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	**$1,512,000**
Utilities	$0	$4,000	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	**$378,400**
Total Recurrent Impact (Real)	$0	$20,000	$123,600	$15,700	($109,800)	($193,340)	($236,800)	($278,400)	($319,400)	($211,034)	**($1,189,474)**
Escalation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Total Recurrent Impact (Nominal)	$0	$21,013	$133,104	$17,330	($124,229)	($224,215)	($281,481)	($339,203)	($398,887)	($270,141)	**($1,466,709)**

Option 1 (Innovation Civic Hall) - Years 11 to 20

Costs expressed as positive numbers and income expressed as negative numbers.

Option 1 (Innovation Civic Hall) Level 1 Analysis - Recurrent Impact											
Year	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**	**2036/37**	**2037/38**	**2038/39**	**20 Yr Total**
Membership income	($96,840)	($82,314)	($96,840)	($96,840)	($96,840)	($82,314)	($96,840)	($96,840)	($96,840)	($82,314)	**($1,392,976)**
Rental income	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	**($396,000)**
Venue hire	($591,900)	($473,520)	($591,900)	($591,900)	($591,900)	($473,520)	($591,900)	($591,900)	($591,900)	($473,520)	**($9,013,280)**
Maintenance	$33,000	$33,000	$33,000	$33,000	$33,000	$33,000	$33,000	$33,000	$33,000	$33,000	**$543,700**
Programming	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	**$1,800,000**
Staffing	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	**$3,382,000**
Utilities	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	**$846,400**
Total Recurrent Impact (Real)	($343,940)	($211,034)	($343,940)	($343,940)	($343,940)	($211,034)	($343,940)	($343,940)	($343,940)	($211,034)	**($4,230,156)**
Escalation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Total Recurrent Impact (Nominal)	($451,279)	($283,817)	($474,125)	($485,978)	($498,128)	($313,281)	($523,345)	($536,429)	($549,840)	($345,804)	**($5,928,735)**

Option 2 (Full Commercial Lease) - Years 1 to 10

Costs expressed as positive numbers and income expressed as negative numbers.

Option 2 (Full Commercial Lease) Level 1 Analysis - Recurrent Impact											
Year	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**10 Yr Total**
Membership income	$0	$0	($151,067)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	**$0**
Rental income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**($1,420,027)**
Venue hire	$0	$0	$600	$800	$2,200	$4,200	$5,100	$5,400	$5,800	$5,000	**$0**
Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$29,100**
Programming	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Staffing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Utilities	$0	$0	($150,467)	($180,480)	($179,080)	($177,080)	($176,180)	($175,880)	($175,480)	($176,280)	**$0**
Total Recurrent Impact (Real)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	**($1,390,927)**
Escalation	$0	$0	($162,037)	($199,216)	($202,613)	($205,359)	($209,423)	($214,293)	($219,150)	($225,653)	-
Total Recurrent Impact (Nominal)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**($1,637,744)**

Option 2 (Full Commercial Lease) - Years 11 to 20

Costs expressed as positive numbers and income expressed as negative numbers.

Option 2 (Full Commercial Lease) Level 1 Analysis - Recurrent Impact											
Year	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**	**2036/37**	**2037/38**	**2038/39**	**20 Yr Total**
Membership income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Rental income	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	**($3,232,827)**
Venue hire	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Maintenance	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	**$79,100**
Programming	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Staffing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Utilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Total Recurrent Impact (Real)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	**($3,153,727)**
Escalation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Total Recurrent Impact (Nominal)	($231,295)	($237,077)	($243,004)	($249,079)	($255,306)	($261,689)	($268,231)	($274,937)	($281,810)	($288,855)	**($4,229,027)**

Option 3 - Do Nothing (Comparison Only) - Years 1 to 10

Costs expressed as positive numbers and income expressed as negative numbers.

Do Nothing (Comparison Only) - Recurrent Impact											
Year	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**10 Yr Total**
Membership income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Rental income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Venue hire	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Maintenance	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	**$240,000**
Programming	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Staffing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Utilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Total Recurrent Impact (Real)	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	**$240,000**
Escalation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Total Recurrent Impact (Nominal)	$24,600	$25,215	$25,845	$26,492	$27,154	$27,833	$28,528	$29,242	$29,973	$30,722	**$275,604**

Option 3 - Do Nothing (Comparison Only) - Years 11 to 20

Costs expressed as positive numbers and income expressed as negative numbers.

Do Nothing (Comparison Only) - Recurrent Impact											
Year	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**	**2036/37**	**2037/38**	**2038/39**	**20 Yr Total**
Membership income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Rental income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Venue hire	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Maintenance	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	**$543,700**
Programming	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Staffing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Utilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Total Recurrent Impact (Real)	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	**$480,000**
Escalation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Total Recurrent Impact (Nominal)	$31,490	$32,277	$33,084	$33,911	$34,759	$35,628	$36,519	$37,432	$38,368	$39,327	**$628,399**

5.3.3 Net Present Value

The financial appraisal has been performed in accordance with the methodology set out in the NSW Treasury Business Case Guidelines, August 2018 (TPP-18-06) and the basis of analysis set out in Section 5.2.

The following tables contain the net present value calculations for each of the options over a 20 year period of financial interest. Values in each year are expressed in nominal values (i.e. inclusive of 2.5% escalation). The financial models that were used to calculate the recurrent impact utilised conservative projections based on historical data and engineering assessments.

Option 1 (Innovation Civic Hall)

Option 1 (Innovation Civic Hall) Level 1 Analysis - Financial Appraisal					
Year	**Capital Cost (Nominal)**	**Recurrent Impact (Nominal)**	**Total Cost (Nominal)**	**Discount Rate**	**Discounted Cash Flows**
2019/20	$50,225	$0	$50,225	3.0%	$48,762
2020/21	$1,177,003	$21,013	$1,198,016	3.0%	$1,129,245
2021/22	$0	$133,104	$133,104	3.0%	$121,809
2022/23	$0	$17,330	$17,330	3.0%	$15,397
2023/24	$0	($124,229)	($124,229)	3.0%	($107,161)
2024/25	$0	($224,215)	($224,215)	3.0%	($187,777)
2025/26	$0	($281,481)	($281,481)	3.0%	($228,870)
2026/27	$0	($339,203)	($339,203)	3.0%	($267,770)
2027/28	$0	($398,887)	($398,887)	3.0%	($305,714)
2028/29	$57,860	($270,141)	($212,281)	3.0%	($157,957)
2029/30	$0	($451,279)	($451,279)	3.0%	($326,014)
2030/31	$29,588	($283,817)	($254,229)	3.0%	($178,311)
2031/32	$0	($474,125)	($474,125)	3.0%	($322,856)
2032/33	$128,581	($485,978)	($357,397)	3.0%	($236,282)
2033/34	$0	($498,128)	($498,128)	3.0%	($319,729)
2034/35	$108,369	($313,281)	($204,912)	3.0%	($127,694)
2035/36	$248,785	($523,345)	($274,560)	3.0%	($166,113)
2036/37	$157,214	($536,429)	($379,215)	3.0%	($222,749)
2037/38	$0	($549,840)	($549,840)	3.0%	($313,566)
2038/39	$74,065	($345,804)	($271,739)	3.0%	($150,455)
20 Yr Total	$2,031,690	($5,928,735)	($3,897,045)	-	($2,303,805)

Discount Rate	Net Present Value
3.0%	($2,303,804)
7.0%	($1,054,321)
10.0%	($497,091)

Option 2 (Full Commercial Lease)

Option 2 (Full Commercial Lease) Level 1 Analysis - Financial Appraisal					
Year	**Capital Cost (Nominal)**	**Recurrent Impact (Nominal)**	**Total Cost (Nominal)**	**Discount Rate**	**Discounted Cash Flows**
2019/20	$0	$0	$0	3.0%	$0
2020/21	$31,519	$0	$31,519	3.0%	$29,710
2021/22	$0	($162,037)	($162,037)	3.0%	($148,287)
2022/23	$0	($199,216)	($199,216)	3.0%	($177,001)
2023/24	$0	($202,613)	($202,613)	3.0%	($174,776)
2024/25	$0	($205,359)	($205,359)	3.0%	($171,985)
2025/26	$0	($209,423)	($209,423)	3.0%	($170,280)
2026/27	$0	($214,293)	($214,293)	3.0%	($169,165)
2027/28	$0	($219,150)	($219,150)	3.0%	($167,960)
2028/29	$0	($225,653)	($225,653)	3.0%	($167,907)
2029/30	$0	($231,295)	($231,295)	3.0%	($167,092)
2030/31	$0	($237,077)	($237,077)	3.0%	($166,281)
2031/32	$0	($243,004)	($243,004)	3.0%	($165,474)
2032/33	$28,259	($249,079)	($220,820)	3.0%	($145,988)
2033/34	$0	($255,306)	($255,306)	3.0%	($163,871)
2034/35	$0	($261,689)	($261,689)	3.0%	($163,076)
2035/36	$248,785	($268,231)	($19,446)	3.0%	($11,765)
2036/37	$0	($274,937)	($274,937)	3.0%	($161,497)
2037/38	$0	($281,810)	($281,810)	3.0%	($160,712)
2038/39	$0	($288,855)	($288,855)	3.0%	($159,932)
20 Yr Total	$308,563	($4,229,027)	($3,920,464)	-	($2,783,339)
Discount Rate	**Net Present Value**				
3.0%	($2,783,339)				
7.0%	($1,849,947)				
10.0%	($1,406,389)				

Option 3 (Do Nothing)

Option 3 (Do Nothing, Comparison Only) - Financial Appraisal					
Year	**Capital Cost (Nominal)**	**Recurrent Impact (Nominal)**	**Total Cost (Nominal)**	**Discount Rate**	**Discounted Cash Flows**
2019/20	$0	$24,600	$24,600	3.0%	$23,883
2020/21	$0	$25,215	$25,215	3.0%	$23,768
2021/22	$0	$25,845	$25,845	3.0%	$23,652
2022/23	$0	$26,492	$26,492	3.0%	$23,538
2023/24	$0	$27,154	$27,154	3.0%	$23,423
2024/25	$0	$27,833	$27,833	3.0%	$23,310
2025/26	$0	$28,528	$28,528	3.0%	$23,196
2026/27	$0	$29,242	$29,242	3.0%	$23,084

Option 3 (Do Nothing, Comparison Only) - Financial Appraisal					
Year	**Capital Cost (Nominal)**	**Recurrent Impact (Nominal)**	**Total Cost (Nominal)**	**Discount Rate**	**Discounted Cash Flows**
2027/28	$0	$29,973	$29,973	3.0%	$22,972
2028/29	$0	$30,722	$30,722	3.0%	$22,860
2029/30	$0	$31,490	$31,490	3.0%	$22,749
2030/31	$0	$32,277	$32,277	3.0%	$22,638
2031/32	$0	$33,084	$33,084	3.0%	$22,529
2032/33	$0	$33,911	$33,911	3.0%	$22,419
2033/34	$0	$34,759	$34,759	3.0%	$22,310
2034/35	$0	$35,628	$35,628	3.0%	$22,202
2035/36	$0	$36,519	$36,519	3.0%	$22,095
2036/37	$0	$37,432	$37,432	3.0%	$21,987
2037/38	$0	$38,368	$38,368	3.0%	$21,881
2038/39	$0	$39,327	$39,327	3.0%	$21,774
20 Yr Total	$0	$628,399	$628,399	-	$456,270
Discount Rate	**Net Present Value**				
3.0%	$456,270				
7.0%	$315,181				
10.0%	$248,109				

Sensitivity Analysis

The following table contains the net present values and results of the sensitivity analysis.

Net Present Value Discount Rate Sensitivity Analysis	Options		
	Option 1 (Innovation Civic Hall) Level 1 Analysis	**Option 2 (Full Commercial Lease) Level 1 Analysis**	**Do Nothing (Comparison Only)**
NPV Cost @ 3% Discount Rate	($2,303,804)	($2,783,339)	$456,270
NPV Cost @ 7% Discount Rate	($1,054,321)	($1,849,947)	$315,181
NPV Cost @ 10% Discount Rate	($497,091)	($1,406,389)	$248,109

The sensitivity analysis indicates that for all discount rates considered and from a purely financial perspective, Option 2 (Full Commercial Lease) is the most financially attractive option. This result is due to the lack of capital investment required by Council beyond the restoration works that will be proceeding regardless of the outcome of this business case and the minimal maintenance and administration associated with the facility as it will be maintained and operated by the commercial tenant.

It is important to note that whilst this appears favourable from a financial perspective, the establishment of a commercial lease is contrary to Council's intention of providing a facility from which services can be delivered for the betterment of the community.

Furthermore, the nature of the facility and its intended function are such that strictly financial outcomes must be considered in the context of the overall economic outcomes which take into consideration the value that can be realised from the use of the facility, i.e. delivery of programs, facilitating networking between students and businesses, dissemination of knowledge, providing a safe space to discuss new ideas and contemporary issues etc. In this case, Option 1 (Innovation Civic Hall) will provide attractive financial results whilst also providing benefits to the community (assessed as part of the value for money assessment).

5.4 Value Management

5.4.1 Cost Benefit Analysis

The cost benefit analysis involved calculating the Benefit Cost Ratio (BCR) for each option as the ratio between $NPV_{benefits}$ and NPV_{costs} at a discount rate of 3%, and sensitivity discount rates of 7% and 10%. Nominal values (i.e. including annual escalation of 2.5% was used). The benefits and costs were valued at being the actual cashflow (if any), e.g. capital cost, plus the equivalent value of the cash item.

Social benefits have been assessed and valued in terms of the following:

- Increased activation in the Bondi Junction and surrounding areas;
- Improved educational outcomes; and
- Local business growth and development of employment pathways.

Where the benefit cannot be quantified in monetary terms in a reliable manner, for example “level of compliance with Council policies”, then the item was considered as part of the cost effectiveness analysis (refer Section 5.4.2),

The calculation of BCR takes into consideration the sign of cashflows, where savings and beneficial valuations are treated as negative numbers. Therefore, a negative value is deemed most favourable. Similarly, when considering two positive numbers the value that is closer to the negative is deemed most favourable.

Overview of Methodology for Valuation of Social Benefits - Increased activation in the Bondi Junction and surrounding areas

Activation of the Bondi Junction and surrounding areas will result in greater visitation and engagement. Visitation growth has been assessed in terms of a proportion of the users of the Innovation Civic Hall engaging in activities in and around Bondi Junction. Visitation growth is generally due to the convenience of being in the local area and having either a need or interest in food / beverage, shopping, evening events, gatherings, scheduling back-to-back appointments etc either before or after attending the Innovation Civic Hall.

The proportion of users contributing to the increased activation has been considered for each member and hirer type, ranging from 10% to 40% of each user type, across the respective tiers and modelled over the 20 year period. The maximum utilisation of the facility has been capped at 90% and therefore establishes an upper bound on potential growth from direct users of the facility. Spend per person has been applied for each user type.

Opportunities for activation associated with non-users of the facility, for example friends of members, has been excluded due to the high level of sensitivity on the data and parameters needed.

Overview of Methodology for Valuation of Social Benefits - Improved Educational Outcomes

The assessment of improved educational outcomes takes into consideration the factors identified at the preliminary business case stage, as well as additional social issues raised by the independent social value assessment and interviews (aggregated in the list below). The data and modelling performed have also been adjusted specifically for the case of an Innovation Civic Hall.

Following are key areas of improved educational outcomes that will beneficially impact society and the economy:

- Increased proportion of students entering higher education and/or becoming entrepreneurs;
- Increased proportion of students graduating with greater knowledge, understanding and capability to apply the subject matter of their course or area of study;
- Improvements in human capital associated with the development of new skills
- Accelerated transference of new skills and knowledge to students and persons entering the workforce;
- Greater awareness and appreciation of social issues which may not be immediately apparent to persons from varying socio-economic backgrounds, for example domestic violence, homelessness, sustainability, personal responsibility etc;
- Increased productivity levels realised from persons entering the workforce;
- Increased self-confidence and the cultivation of relationships which translate to greater wellbeing; and

- Increased dissemination and appreciation of knowledge amongst members as well as persons with whom the members have relationships, such as family members, friends, colleagues, and further developing the knowledge economy.

The economic impact of education is generally measured in terms of the % growth in Gross Domestic Product (GDP) attributable to % increases in standardised educational testing. The approach implemented by OECD Member Countries such as Australia is that of the Program for International Student Assessment (PISA).

The correlation between the two has been modulated to a 20 year time horizon for the realisation of benefits whereby an aggregate 1% growth in PISA score results in a 0.16% growth in GDP. As the analysis applies to the Waverley LGA, the economic metric used is the Gross Regional Product (GRP).

The valuation methodology involved:

1) Determining the total number of persons who are likely to be exposed to and have access to the Innovation Civic Hall and could realise an educational benefit. These persons correlate with students attending secondary school, TAFE and university and the data was sourced from .idCommunity demographic resources.

2) Determining the number of persons who are projected to realise an educational benefit (whether directly through using the facility or indirectly via a friend or family member). This is based on the membership and attendance projections used in the recurrent impact analysis (Refer Section 5.3), taking into consideration the cycling of memberships and indirect educational benefits from other persons who had direct access to the hub.

The impact that the user profile has on the dissemination of knowledge for educational purposes has also been considered, for example where business users are the primary demographic then the benefits will be indirect whilst for students as the primary demographic then the benefits will be direct.

3) Convert the number at step (2) above to a percentage expressed with respect to the total number of persons at step (1). This will yield the percentage of benefitted persons vs potentially benefitted persons.

4) Multiply the proportion calculated at step (3) above by the nominal benefit (expressed in %PISA outcome growth) to yield the aggregate %PISA impact.

5) Application of the 0.16% to 1% correlating factor between %PISA impact and %GRP impact.

Overview of Methodology for Valuation of Social Benefits – Local business growth and development of employment pathways

The assessment of local business growth takes into consideration the factors identified at the preliminary business case stage, as well as additional social issues raised by the independent social value assessment and interviews (aggregated in the list below). The data and modelling performed have also been adjusted specifically for the case of an Innovation Civic Hall.

Following are key areas of improved business outcomes that will beneficially impact society and the economy:

- Increased access for workers in the early stages of their careers to receive mentoring and idea-sharing with experienced works in similar and related industries;
- Increased employment pathways to enable workers to continue developing themselves and their careers who may not follow a traditional approach;
- Increased contextual awareness of contemporary issues and skills for workers by discussing topics of a different nature to their industry and greater opportunities to develop new skills that are complementary;
- Increased probability of success for start-up businesses;
- Increased competition amongst businesses due to business growth attributable to the Innovation Civic Hall experience, yielding better services and products for consumers;
- Increased access to local talent in creative, technical, managerial and related areas;
- Increased productivity levels realised from higher levels of competency;
- Increased quality of products and services due to the higher levels of creative and technical competencies, management capability and networking with relevant persons and organisations;
- Accelerated progression within the workplace due to better networking, higher levels of competence and related factors attributable to the Innovation Civic Hall experience;
- Progressing the delivery of projects through enabling championing and provision of specialist spaces for work to be undertaken; and

- Increased sharing of knowledge, industry practice and relevant data between organisations between similar industries as well as translating the information for use by other industries.

The valuation methodology involved:

- Projecting the number of businesses for each option that would benefit from the Innovation Civic Hall, based on the maximum occupancy (limited by space and internal configuration) and utilisation rate, and estimate the time spent by each business.

- Estimating the value of improved productivity, increased sales, better services etc associated with the time spent at the Innovation Civic Hall. This value represents the value of the goods and services delivered due to the time spent at the hub and includes the value of outcomes that were facilitated by the time spent at the Innovation Civic Hall, without which the outcome would not be realised.

  The impact that the user profile has on the dissemination of knowledge for educational purposes has also been considered, for example where business users are the primary demographic then the benefits will be direct whilst for members of the community as the primary demographic then the benefits will be indirect.

The following tables contains the benefit cost ratio cashflows for Option 1 (Innovation Civic Hall) and Option 2 (Full Commercial Lease) over a 20 year period of financial interest. Open 3 (Do Nothing) does not offer any benefits and therefore has a benefit cost ratio of 0. Values in each year are expressed in nominal values (i.e. inclusive of 2.5% escalation). The economic models that were used to calculate the recurrent impact utilised conservative projections based on historical data and engineering assessments.

Option 1 (Innovation Civic Hall)

Option 1 (Innovation Civic Hall) Level 1 Analysis Benefit Cost Ratio			
Year	**Increased activation in Bondi Junction (all ages, day/night)**	**Improved educational outcomes**	**Local business growth and employment pathways**
2019/20	$0	$0	$0
2020/21	$0	$0	$0
2021/22	($550,541)	($1,000)	($33,600)
2022/23	($1,529,280)	($2,000)	($223,000)
2023/24	($2,291,040)	($3,000)	($389,000)
2024/25	($3,052,800)	($5,000)	($580,000)
2025/26	($3,814,560)	($7,000)	($796,000)
2026/27	($4,029,120)	($9,000)	($1,034,000)
2027/28	($4,243,680)	($12,000)	($1,293,000)
2028/29	($4,458,240)	($14,000)	($1,572,000)

Option 1 (Innovation Civic Hall) Level 1 Analysis Benefit Cost Ratio			
Year	**Increased activation in Bondi Junction (all ages, day/night)**	**Improved educational outcomes**	**Local business growth and employment pathways**
2029/30	($4,458,240)	($17,000)	($1,869,000)
2030/31	($4,458,240)	($21,000)	($2,184,000)
2031/32	($4,458,240)	($24,000)	($2,513,000)
2032/33	($4,458,240)	($28,000)	($2,857,000)
2033/34	($4,458,240)	($32,000)	($3,213,000)
2034/35	($4,458,240)	($37,000)	($3,581,000)
2035/36	($4,458,240)	($42,000)	($3,958,000)
2036/37	($4,458,240)	($47,000)	($4,343,000)
2037/38	($4,458,240)	($52,000)	($4,735,000)
2038/39	($4,458,240)	($57,000)	($5,133,000)
20 Yr Total	**($68,551,661)**	**($410,000)**	**($40,306,600)**
Discount Rate	**Benefit Cost Ratio**		
3.0%	-13.19		
7.0%	-11.49		
10.0%	-10.30		

Option 2 (Full Commercial Lease)

Option 2 (Full Commercial Lease) Level 1 Analysis Benefit Cost Ratio			
Year	**Increased activation in Bondi Junction (all ages, day/night)**	**Improved educational outcomes**	**Local business growth and employment pathways**
2019/20	$0	$0	$0
2020/21	$0	$0	$0
2021/22	($7,776)	$0	$0
2022/23	($9,331)	$0	$0
2023/24	($9,331)	$0	$0
2024/25	($9,331)	$0	$0
2025/26	($9,331)	$0	$0
2026/27	($9,331)	$0	$0
2027/28	($9,331)	$0	$0
2028/29	($9,331)	$0	$0
2029/30	($9,331)	$0	$0
2030/31	($9,331)	$0	$0
2031/32	($9,331)	$0	$0
2032/33	($9,331)	$0	$0
2033/34	($9,331)	$0	$0
2034/35	($9,331)	$0	$0
2035/36	($9,331)	$0	$0
2036/37	($9,331)	$0	$0
2037/38	($9,331)	$0	$0
2038/39	($9,331)	$0	$0

Option 2 (Full Commercial Lease) Level 1 Analysis Benefit Cost Ratio			
Year	**Increased activation in Bondi Junction (all ages, day/night)**	**Improved educational outcomes**	**Local business growth and employment pathways**
20 Yr Total	**($166,403)**	**$0**	**$0**
Discount Rate	**Benefit Cost Ratio**		
3.0%	-12.50		
7.0%	-13.62		
10.0%	-14.33		

Option 3 (Do Nothing)

For the Do Nothing case, there will not be any social benefits realised and therefore the BCR is 0 regardless of discount rate.

The sensitivity analysis indicates that for all discount rates considered, the establishment of an Innovation Civic Hall provides substantial social benefits that outweigh the initial capital cost of the work. This is demonstrated by the BCR being negative (i.e. net gain in benefits) and with magnitude greater than 1 (i.e. more benefits than costs).

5.4.2 Cost Effectiveness Analysis

The economic appraisal has been performed using cost effectiveness analysis (CEA), in accordance with Treasury's Economic Appraisal Guidelines. The CEA compares the ratio of the NPV of each option and its effectiveness score. The NPV amounts used in the economic appraisal were calculated from real values, rather than nominal values (which were used for the financial appraisal). As such, the actual NPV amounts will differ slightly between the financial and economic appraisals.

Effectiveness

The next table contains a summary of the qualitative criteria used for the effectiveness results. The criteria relate to items that cannot be reliably quantified in monetary terms and therefore exclude social benefits such as increased activation, improved educational outcomes and business growth.

The weightings were assigned on the basis of the relative priority to Council and taking into consideration the social values identified in the independent assessment.

A score of zero for any of the criteria means that for the specific option, there will be no change relative to the current status of the respective qualitative criteria. A full score for any of the criteria means that for the specific option, the outcomes and objectives of the project will be wholly achieved.

As the objectives are project specific, this does not necessarily mean that a full score for a given criteria correlates with the achievement of the highest possible level or standard (e.g. industry leading and commercially self-sustaining innovation hub).

Effectiveness				
Qualitative Criteria	**Weighting**	**Option 1 (Innovation Civic Hall) Level 1 Analysis**	**Option 2 (Full Commercial Lease) Level 1 Analysis**	**Do Nothing (Comparison Only)**
Increasing collaboration and networking opportunities for local residents, workers and businesses	25	25	10	0
Increasing community connection and civic engagement	25	25	0	0
Alignment with the Conservation Management Plan	10	8[(1)]	5[(2)]	0
Support for Council and other relevant Government strategies, plans and policies	25	25	14	0
Meeting current and future demand for accessible, inclusive and affordable spaces for life-long learning	10	10	0	0
Perception of protecting an important community asset and preventing commercialisation	5	2	0	3
Total Score	**100**	**97**	**29**	**3**

Note 1: The effectiveness of Option 1 (Innovation Civic Hall) under the Level 2 analysis is 10/10 because the scope of analysis includes the restoration works, which is strongly aligned with the Conservation Management Plan.

Note 2: The effectiveness of Option 2 (Full Commercial Lease) under the Level 2 analysis is 10/10 because the scope of analysis includes the restoration works, which is strongly aligned with the Conservation Management Plan. Without the restoration works, the commercial nature of the level 1 scope of analysis diminishes its score with respect to conservation management.

The following tables contain the net present value calculations for the options over a 20 year period of financial interest that have been used for the value for money assessment of cost effectiveness. Values in each year are expressed in real values (i.e. exclusive of escalation).

Option 1 (Innovation Civic Hall)

Option 1 (Innovation Civic Hall) Level 1 Analysis – Cost Effectiveness Assessment					
Year	**Capital Cost (Real)**	**Recurrent Impact (Real)**	**Total Cost (Real)**	**Discount Rate**	**Discounted Cash Flows**
2019/20	$49,000	$0	$49,000	3.0%	$47,573
2020/21	$1,120,288	$20,000	$1,140,288	3.0%	$1,074,831
2021/22	$0	$123,600	$123,600	3.0%	$113,112
2022/23	$0	$15,700	$15,700	3.0%	$13,949
2023/24	$0	($109,800)	($109,800)	3.0%	($94,714)
2024/25	$0	($193,340)	($193,340)	3.0%	($161,919)
2025/26	$0	($236,800)	($236,800)	3.0%	($192,540)
2026/27	$0	($278,400)	($278,400)	3.0%	($219,772)
2027/28	$0	($319,400)	($319,400)	3.0%	($244,794)
2028/29	$45,200	($211,034)	($165,834)	3.0%	($123,396)
2029/30	$0	($343,940)	($343,940)	3.0%	($248,470)
2030/31	$22,000	($211,034)	($189,034)	3.0%	($132,585)
2031/32	$0	($343,940)	($343,940)	3.0%	($234,206)
2032/33	$91,000	($343,940)	($252,940)	3.0%	($167,223)
2033/34	$0	($343,940)	($343,940)	3.0%	($220,762)
2034/35	$73,000	($211,034)	($138,034)	3.0%	($86,018)
2035/36	$163,500	($343,940)	($180,440)	3.0%	($109,169)
2036/37	$100,800	($343,940)	($243,140)	3.0%	($142,819)
2037/38	$0	($343,940)	($343,940)	3.0%	($196,144)
2038/39	$45,200	($211,034)	($165,834)	3.0%	($91,818)
20 Yr Total	**$1,214,488**	**($1,189,474)**	**$25,014**	-	**$212,330**

Discount Rate	Net Present Value
3.0%	($702,023)
7.0%	($135,767)
10.0%	$117,337

Option 2 (Full Commercial Lease)

Option 2 (Full Commercial Lease) Level 1 Analysis – Cost Effectiveness Assessment					
Year	**Capital Cost (Real)**	**Recurrent Impact (Real)**	**Total Cost (Real)**	**Discount Rate**	**Discounted Cash Flows**
2019/20	$0	$0	$0	3.0%	$0
2020/21	$30,000	$0	$30,000	3.0%	$28,278
2021/22	$0	($150,467)	($150,467)	3.0%	($137,699)
2022/23	$0	($180,480)	($180,480)	3.0%	($160,354)
2023/24	$0	($179,080)	($179,080)	3.0%	($154,476)
2024/25	$0	($177,080)	($177,080)	3.0%	($148,302)
2025/26	$0	($176,180)	($176,180)	3.0%	($143,250)
2026/27	$0	($175,880)	($175,880)	3.0%	($138,841)
2027/28	$0	($175,480)	($175,480)	3.0%	($134,491)
2028/29	$0	($176,280)	($176,280)	3.0%	($131,169)
2029/30	$0	($176,280)	($176,280)	3.0%	($127,348)
2030/31	$0	($176,280)	($176,280)	3.0%	($123,639)
2031/32	$0	($176,280)	($176,280)	3.0%	($120,038)
2032/33	$20,000	($176,280)	($156,280)	3.0%	($103,319)
2033/34	$0	($176,280)	($176,280)	3.0%	($113,147)
2034/35	$0	($176,280)	($176,280)	3.0%	($109,852)
2035/36	$163,500	($176,280)	($12,780)	3.0%	($7,732)
2036/37	$0	($176,280)	($176,280)	3.0%	($103,546)
2037/38	$0	($176,280)	($176,280)	3.0%	($100,530)
2038/39	$0	($176,280)	($176,280)	3.0%	($97,602)
20 Yr Total	**$30,000**	**($1,390,927)**	**($1,360,927)**	-	**($1,120,304)**
Discount Rate	**Net Present Value**				
3.0%	($1,572,756)				
7.0%	($1,098,449)				
10.0%	($863,228)				

Option 3 (Do Nothing)

Do Nothing (Comparison Only) - Cost Effectiveness Assessment					
Year	**Capital Cost (Real)**	**Recurrent Impact (Real)**	**Total Cost (Real)**	**Discount Rate**	**Discounted Cash Flows**
2019/20	$0	$24,000	$24,000	7.0%	$22,430
2020/21	$0	$24,000	$24,000	7.0%	$20,963
2021/22	$0	$24,000	$24,000	7.0%	$19,591
2022/23	$0	$24,000	$24,000	7.0%	$18,309
2023/24	$0	$24,000	$24,000	7.0%	$17,112
2024/25	$0	$24,000	$24,000	7.0%	$15,992
2025/26	$0	$24,000	$24,000	7.0%	$14,946

Do Nothing (Comparison Only) - Cost Effectiveness Assessment					
Year	**Capital Cost (Real)**	**Recurrent Impact (Real)**	**Total Cost (Real)**	**Discount Rate**	**Discounted Cash Flows**
2026/27	$0	$24,000	$24,000	7.0%	$13,968
2027/28	$0	$24,000	$24,000	7.0%	$13,054
2028/29	$0	$24,000	$24,000	7.0%	$12,200
2029/30	$0	$24,000	$24,000	7.0%	$11,402
2030/31	$0	$24,000	$24,000	7.0%	$10,656
2031/32	$0	$24,000	$24,000	7.0%	$9,959
2032/33	$0	$24,000	$24,000	7.0%	$9,308
2033/34	$0	$24,000	$24,000	7.0%	$8,699
2034/35	$0	$24,000	$24,000	7.0%	$8,130
2035/36	$0	$24,000	$24,000	7.0%	$7,598
2036/37	$0	$24,000	$24,000	7.0%	$7,101
2037/38	$0	$24,000	$24,000	7.0%	$6,636
2038/39	$0	$24,000	$24,000	7.0%	$6,202
20 Yr Total	$0	$240,000	$240,000	-	$168,566

Discount Rate	**Net Present Value**
3.0%	$201,431
7.0%	$154,571
10.0%	$130,385

Results

The economic assessment has been performed using actual NPV costs. The following table contains the results of the cost effectiveness analysis. As the NPVs are costs that are expressed as positive values, minimisation of cost correlates with superior outcomes. Therefore, the lowest NPV cost per unit effectiveness will be the most economically attractive option (lowest highlighted in yellow).

Sensitivity Analysis of Cost Effectiveness Ratios				
Discount Rate	**Criteria**	**Option 1 (Innovation Civic Hall) Level 1 Analysis**	**Option 2 (Full Commercial Lease) Level 1 Analysis**	**Do Nothing (Comparison Only)**
3%	NPV Cost	($702,023)	($1,572,756)	$201,431
	NPV Cost / Unit Effectiveness	($7,390)	($54,233)	$67,144
7%	NPV Cost	($135,767)	($1,098,449)	$154,571
	NPV Cost / Unit Effectiveness	($1,429)	($37,878)	$51,524
10%	NPV Cost	$117,337	($863,228)	$130,385
	NPV Cost / Unit Effectiveness	$1,235	($29,766)	$43,462

The sensitivity analysis indicates that Option 2 (Full Commercial Lease) yields the most negative NPV Cost per unit effectiveness and therefore offers the best value in terms of revenue that can be realised from providing the benefits. However, it must be noted that the actual effectiveness of Option 2 is low as it offers limited actual benefit to the community, particularly when compared to Option 1.

6. IMPLEMENTATION OF THE PROPOSAL

6.1 Project Program

The following figures depict indicative programs for the Option 1 and Option 2 works. The works will be performed over a fifteen month period followed by a twelve month defects liability period. A detailed program identifying individual milestones will be prepared as part of the project planning stage.

Option 1 (Innovation Civic Hall)

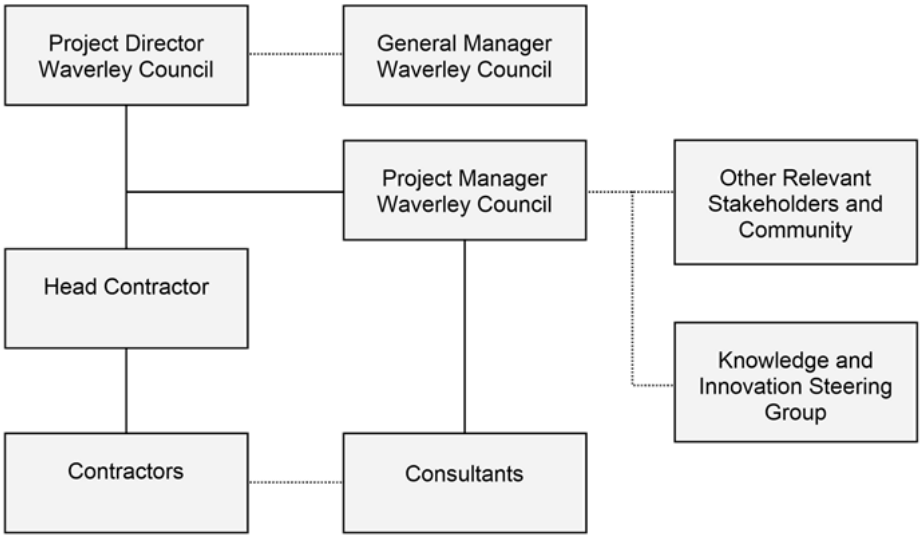
	2019/20			2020/21												2021/22	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Planning and procurement																	
Detailed design																	
Construction works																	
Testing and commissioning																	
Contingency																	

Option 2 (Full Commercial Lease)

	2019/20			2020/21												2021/22	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Planning and procurement																	
Detailed design																	
Procurement for tenant																	
Construction works																	
Testing and commissioning																	
Contingency																	
Tenant fitout																	

6.2 Governance Arrangements

The governance structure for the project is illustrated in the figure below.



A senior member of Council staff will assume the role of project director and a project manager will be appointed either internally or from a professional project management firm. The head contractor will report directly to the project manager and manage the sub-contractors associated with the delivery of the works.

The project director will oversee the project and provide guidance to the project manager and the broader project team in relation to project approach, activities, risks, issues and management.

6.2.1 Delivery Team

The delivery team will involve contractors appointed from procurement processes undertaken for the works. The Project Manager will regularly attend site and perform quality and process inspections, review progress, attend meetings and supervise the works. The project manager will also manage the head contractor's program and implement the performance management regime where appropriate.

The lead Project Manager will engage and supervise the engineering consultants and contractors. The engineering consultants will also (where required) provide technical assistance during the construction phases of the program. The project manager will liaise with the respective stakeholders in relation to the progressive delivery of the project.

6.2.2 Budget, Program & Decisions

Management of the works from a strategic level will be performed by the Council Project Director in consultation with the Project Sponsor.

At the project level, management of the project budget, program and review and endorsement of key decision items will be the responsibility of the project specific project manager. Where the risk or value of the item exceeds the specific project manager's delegation, then the matter will be escalated to the Council Project Manager, who may need to escalate to the Project Director.

6.2.3 Outcomes & Benefits

Ultimately, responsibility for the achievement of the outcomes from the works is with the Project Director. The Council appointed Project Manager will oversee the monitoring of benefits from a construction perspective and whilst the Council appointed Venue / Program Manager will oversee the monitoring of benefits associated with the operation of the Innovation Civic Hall.

The benefits will be monitored through Council's existing systems. Monitoring of benefits at the venue level will be performed by the Venue / Program Manager in consultation with the Project Manager to ensure the correct data is collated and analysed within the appropriate context.

6.3 Ownership

Council owns and operates the assets subject of this business case and will continue to do so following the works. Maintenance will be performed by service providers managed by Council's facilities management team. Assets that are dilapidated and cannot be salvaged will be removed during the works, however opportunities to retain existing assets where safe and practical to do so will be taken.

6.4 Procurement Strategy

This business case forms part of Council's due diligence process for property planning and redevelopment activities. Council may source additional studies as required to support its internal approval processes before proceeding with the work.

The procurement process will be undertaken in accordance with local government procurement guidelines as well as the NSW Government Procurement Policy Framework.

Procurement documentation will be prepared internally, however technical elements may be prepared with the assistance of specialist consultants. A formal Request for Tender process will be undertaken to ensure value for money is achieved.

As the works relate to renewal and replacement of existing assets, Council is familiar with and has a high level of confidence in the market capability to deliver the work. There is a high level of precedent and prior market testing that has been performed for similar projects involving major community assets and heritage structures.

Notwithstanding Council's level of confidence in the market capability to deliver the work, the procurement processes will include evaluation criteria that require tenderers to demonstrate:

- relevant experience and good past performance on similar projects, particularly with community assets and heritage structures
- qualified / licensed personnel
- appropriate management systems, particularly for ISO9001 Quality Management and ISO14001 Environmental Management and AS4801 or ISO45001 Safety Management (preference for third-party certified systems)

Council may also seek to determine the contractors' financial stability as demonstrated by an Illion Comprehensive Report.

The procurement process will include an option for external project management services which may be taken up at Council's discretion depending on whether a work item arises for which Council believes it prudent to supplement its in-house project management team with specialist services.

6.5 Delivery Strategy

The works are relatively low in complexity due to the focus on remediating and upgrading existing systems, services and structures.

Whilst there would typically be a risk associated with the need to perform investigations for heritage structures, Council maintains a comprehensive repository of studies performed at site which adequately address the risk and will suffice for the design team to prepare the detailed final design.

From a construction perspective, there is relatively little innovation required due to the technologies and systems (e.g. electrical, fire and communications services) being implemented being well-developed and mature in the respective industries.

Technical considerations will be given as part of the works to the limitations imposed by heritage matters, including review, assessment and approval processes as well as sourcing appropriately qualified contractors to perform the works. Whilst the building systems and services will be upgraded and efficiencies will be taken advantage of where possible (e.g. energy and water efficient fixtures), the upgraded systems and services as well as the associated construction techniques are relatively mature with limited innovation evident.

Council will adopt a "Design and Construct" delivery strategy with consideration for external project management (whilst retaining Council oversight) depending on whether incidental work items occur which are beyond Council staff experience.

Alliance contracting will not be adopted as the nature of the work is generally minor in nature and does not offer an attractive proposition to a private sector organisation seeking to share beneficial opportunities. The project will not warrant an early-tender-involvement (ETI) / early-contractor-involvement (ECI) process.

6.6 Stakeholder Management

6.6.1 Levels of Participation & Commitment Participation

Stakeholders have been categorised by the degree to which their contribution will impact the delivery of the project. This contribution has been analysed in terms of their organisational and social influence as well as understanding of the works. Each of these factors can be analysed in more detail during stakeholder analysis. The outcome is summarised into a contribution index, which has the following values:

Critical - The stakeholder is directly impacted by and/or has a direct impact upon the project. The stakeholder has the power to significantly influence whether the project will succeed or prevent it from succeeding altogether.

Desirable - The stakeholder is moderately impacted by and/or has a moderate impact upon the project. The works can be completed even without active participation from the stakeholder, however this would impact upon the timeliness, cost and quality of the works.

Non Critical - Although the stakeholder can contribute to the project, this contribution is either not essential or can be more easily obtained from other stakeholders.

6.6.2 Commitment

Stakeholders will display a different level of commitment to the project, even throughout the life of the project. The range of commitment to a project is represented by the following values:

Committed - The stakeholder has committed to contributing to the project and is available to do so. The commitment may be documented in the form of an agreed plan, letter or contract which outlines the stakeholder's responsibilities;

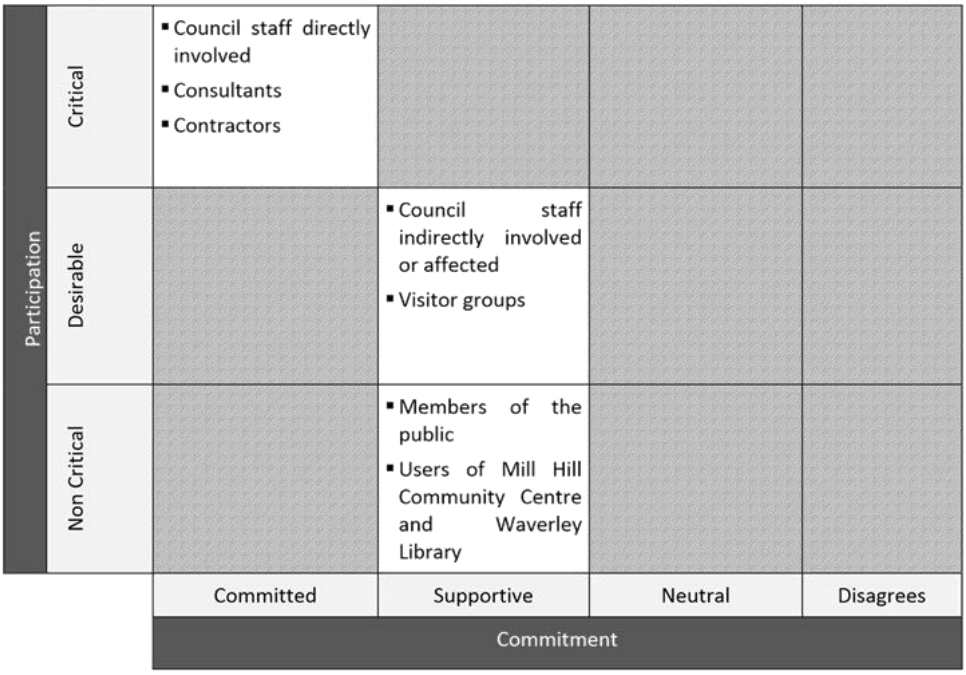
Supportive - The stakeholder is well informed, sees value in what is being done, understands their contribution and is willing to provide it, although formal commitment has not been entered into;

Neutral - The stakeholder may or may not be informed about the project and while they do not disagree, they are not actively involved in any capacity, or may be indifferent about the project objectives and outcomes;

Disagrees - The stakeholder may or may not be informed, but does not see value in the project and the work being performed, he/she would rather not be involved and in fact would prefer the work not to be carried out at all.

6.6.3 Analysis

The following matrix identifies the minimum level of stakeholder participation and commitment that will ensure the successful delivery of the works.



The outcome of the analysis indicates that all stakeholders need to maintain relatively high levels of participation and commitment.

Ongoing analysis of stakeholder participation and commitment should be incorporated into the delivery of the works. This will enable Council to maintain at the appropriate level of participation and commitment.

6.6.4 Resistance Barriers

Council will need to actively identify when stakeholder commitment is below the required level of commitment and implement the necessary measures to address issues relating to understanding, misinformation etc.

Where stakeholder responses are considered to be unsupportive or misinformed, then Council should identify the resistance barrier and take action to address the resistance.

Possible resistance barriers include:

- Understanding of the need for change and the project objectives;
- Understanding of benefits to the change process;

- Perception of change management in general;
- Perception of support from other parts of Council and other stakeholders;
- Understanding of stakeholder input / contribution and feelings of lost control;
- Perception of threat to current authority, employment security, personal goals and professional goals;
- Concern over a lack of skills and/or knowledge; and
- Understanding of impact on work, responsibilities and day to day activities.

6.6.5 Stakeholder Support & Feedback

To facilitate open communication and feedback and active resolution of complaints, it is important that stakeholders are able to raise issues and complaints in a formal way.

Council will need to ensure that a process is implemented for persons to raise complaints and contact a Council representative. The process may involve the use of Council's online contact forms, email or telephone. The issues raised will need to be recorded and responded to in a timely and consistent manner in accordance with Council's policies.

Stakeholder support will need to take into consideration the following:

- **Timeliness -** Issues will be addressed in a timely and efficient manner;
- **Sensitivity -** Respect will be given to the feelings / views of each party;
- **Fairness -** Substantive and procedural fairness will be granted in the resolution process; and
- **Confidentiality -** Only parties directly involved in the issue or involved in decision making will have access to the relevant information.

6.6.6 Management Strategies

Management strategies have been developed for each combination of participation and commitment level. The management strategies are as follows:

Manage Closely	Regular communication and implementation of tasks (e.g. project meetings)
Keep Satisfied	Communication as required and implementation of tasks (e.g. committee meetings)
Keep Informed	Regular notification of relevant information (e.g. status meetings and send emails)
Monitor	Communication as required (e.g. send emails and status reports)

The following table identifies the stakeholder management strategies that are appropriate to each combination of participation and commitment level.

Participation		Committed	Supportive	Neutral	Disagrees
	Critical	Manage Closely	Manage Closely	Keep Satisfied	Keep Satisfied
	Desirable	Manage Closely	Keep Satisfied	Keep Informed	Monitor
	Non Critical	Keep Informed	Keep Informed	Monitor	Monitor
		Commitment			

Management of Council staff directly involved with the delivery of the works as well as contractors and consultants will be required. This may be accomplished by regular status meetings, communications and reports.

Regular communication will be required between Council and regular user groups of the adjacent buildings who may be affected by the works. The detail and frequency of communication will need to be specific to the stakeholder groups.

6.6.7 Management Matrix

Stakeholder Type	Interest	Strategy	Actions / Support Measures
Internal Staff	Governance	Manage Closely	▪ Nomination of Council contact person and means of contact (e.g. email) ▪ Invite participation in information sessions ▪ Ensure consistent communication and status reports / meetings
	Acknowledgement for contribution		
	Responsibilities		
	Opportunities for new roles and responsibilities		
Regular visitor groups to adjacent buildings that may be affected	Availability of spaces	Keep Satisfied	▪ Timely notification of changes (e.g. online, brochures and newsletters) ▪ Ensuring visibility of feedback routes
	Accessibility of spaces		
	Educational offerings		
	Presentation of cultural / historical information		
	Admission fees		
Contractors / Service Providers	Contractual requirements including scope of work, timeliness, cost and quality of service	Manage Closely	▪ Ensure specifications and contract information is well documented Ensure consistent communication and status reports / meetings
Consultants	Contractual requirements including scope of work, timeliness, cost and quality of service	Manage Closely	▪ Ensure specifications and contract information is well documented Ensure consistent communication and status reports / meetings

6.7 Risk Management

Risk identification, assessment, response planning and monitoring is an interactive process and will form part of the routine project meetings and reviews.

An initial risk assessment has been undertaken as part of the development of this business case. The risk assessment has been performed in accordance with the guidelines for qualitative risk assessment detailed in *AS/NZS ISO 31000:2018 Risk Management - Principles and Guidelines*.

If the establishment of an Innovation Civic Hall is approved, the risks to the Council are considered minor and will be managed through planned communications with stakeholders, budget planning and project management support.

The following table details the qualitative definitions of likelihood used:

RATING	LIKELIHOOD OF RISK OCCURRING:
Almost Certain	Expected to occur in most circumstances or a greater than 90% chance of occurrence should the mitigation actions not be implemented.
Likely	Probably occur in most circumstances or between a 70% to 90% chance of occurrence should the mitigation actions not be implemented.
Possible	May occur at some time or between a 30% to 70% chance of occurrence should the mitigation actions not be implemented.
Unlikely	Could occur at some time or between a 10% to 30% chance of occurrence should the mitigation actions not be implemented.
Rare	May only occur in exceptional circumstances or less than 10% chance of occurrence should the mitigation actions not be implemented.

The following table contains the qualitative definitions of consequence.

RATING	AN OCCURRENCE OF THE RISK WILL RESULT IN:
Catastrophic	The consequences would threaten the operation of the Council, or result in serious injury or financial loss.
Major	The consequences would threaten the operation or continued effective function of the Council. Intervention may be required by top-level management.
Moderate	The consequence would threaten the effectiveness of some aspects of the Council's business or community services. Management could be subject to significant review, or a change in the operational procedures may be required.
Minor	The consequence would threaten the effectiveness of some aspects of the facilities, however the threat could be managed by the operational staff and personnel.
Insignificant	The consequences are managed by the implementation of routine mitigation actions.

The following table is a risk determination matrix. The level of risk of a threat may be determined based upon the likelihood and consequence that has been assessed.

	CONSEQUENCE				
LIKELIHOOD	Catastrophic	Major	Moderate	Minor	Insignificant
Almost Certain	**E**	**E**	**H**	**H**	**M**
Likely	**E**	**E**	**H**	**M**	**M**
Possible	**E**	**H**	**H**	**M**	**L**
Unlikely	**H**	**H**	**M**	**L**	**L**
Rare	**H**	**M**	**M**	**L**	**L**

Extreme	Immediate implementation of mitigation actions is required.
High	The implementation of mitigation actions is a high priority.
Medium	Mitigation should be performed, but may be managed over the strategic longer term
Low	Level of risk is acceptable

Following is the initial risk assessment register for the work:

Threat	Pre-Mitigation			Mitigation	Post-Mitigation		
	Likelihood	Consequence	Risk Rating		Likelihood	Consequence	Risk Rating
Injury staff and service providers	Rare	Catastrophic	**High**	▪ Require suppliers to have sufficient and current insurances ▪ Require suppliers to prepare and implement safe work method statements ▪ Personnel to use required personal protective equipment	Rare	Major	**Medium**
Noise impacts on persons in residential accommodation	Possible	Moderate	**High**	▪ Advise suppliers of appropriate times of work	Unlikely	Moderate	**Medium**
Noise impacts on adjoining buildings (business)	Possible	Moderate	**High**	▪ Advise suppliers of appropriate times of work	Unlikely	Moderate	**Medium**
Major site service disrupted	Unlikely	Major	**Extreme**	▪ Identify location of site services prior to undertaking works ▪ Require higher insurance coverage ▪ Prepare contingencies, such as emergency generator	Rare	Moderate	**Medium**
Industrial action by contractor staff	Rare	Moderate	**Medium**	▪ Perform a pre-tender review of risk ▪ Ensure contract protects the Council	Rare	Minor	**Low**
Specialty materials not available	Unlikely	Minor	**Low**	▪ Identify difficult to obtain materials during scoping ▪ Design to available material	Rare	Minor	**Low**
Temporary loss of revenue at Mill Hill Community Centre and/or Waverley Library	Possible	Moderate	**High**	▪ Specify timing of works and give prior warning ▪ Undertake works during periods of low activity ▪ Identify loss of revenue in working budgets	Unlikely	Moderate	**Medium**

Threat	Pre-Mitigation			Mitigation	Post-Mitigation		
	Likelihood	Consequence	Risk Rating		Likelihood	Consequence	Risk Rating
Unavailability of facilities	Unlikely	Moderate	**Medium**	▪ Specify timing of works ▪ Advise affected parties	Rare	Moderate	**Low**
Works affecting events	Unlikely	Moderate	**Medium**	▪ Specify timing of works	Rare	Moderate	**Low**
Works affecting licensees/tenants	Unlikely	Moderate	**Medium**	▪ Specify timing of works	Rate	Moderate	**Low**
Equipment does not address functional requirements	Unlikely	Minor	**Low**	▪ Review the design specification prior to tender	Rare	Minor	**Low**
Works affecting licensees/tenants	Unlikely	Moderate	**Medium**	▪ Specify timing of works	Rate	Moderate	**Low**
Damage to building fabric	Possible	Moderate	**High**	▪ Require building management plan ▪ Perform spot audits of suppliers ▪ Require exclusion zones to be established ▪ Identify heritage fabric in specification ▪ Only utilise qualitied and experienced contractors with background in performing work on heritage assets	Unlikely	Moderate	**Medium**

6.8 Compliance Management

6.8.1 Management

The contracts for the delivery of the work will specify that the contractors must comply with all relevant legislation, standards, codes and guidelines regardless of whether they are explicitly stated in the contract or not.

Council's project management staff are experienced in managing the delivery of the works due to past similar projects and the nature of the work being similar to work that has already been completed in the past. Lessons learned from these prior works, as well as Council's experience, will be supplemented on high risk work items as required by sourcing external support from subject matter experts and industry specialists. The detailed design will need to be approved by Council before the construction work proceeds.

The head contractor and associated contractors and consultants engaged on the project will need to demonstrate understanding of the relevant legislation, standards and codes. This will be verified during the procurement process and monitored during the construction period over the course of the project.

6.8.2 Validation

Compliance will be validated at the following stages:

- Planning – Detailed design will be prepared by the contractor(s) based on the conceptual design, technical specifications in the request for tender package and consultation with Council and relevant stakeholders (which may include advice from subject matter experts as needed)
- Planning – Contractors will not proceed with the works until the design has been finalised and approved by Council (which may also require review and endorsement from a principal certifying authority as required)
- Project Delivery – Contractors will conduct their own quality checks and spot inspections to ensure compliance with the specifications, contract terms and conditions, and the legislative requirements.
- Project Delivery – Council and other project management stakeholders will conduct inspections to verify the works and also review inspection and test reports submitted by the contractors
- Project Commissioning – Contractors will perform final commissioning (following the piecemeal testing and commissioning conducted during the project delivery phase) and then rectify defects and non-compliances before completion

- Post Completion – Engineering assessment will be conducted on the assets as part of Council's ongoing property and asset management practices, including condition assessments and preparation of life cycle cost plans at scheduled intervals

The following table identifies examples of technical standards and legislative requirements relevant to this business case. Contractors and service providers will be contractually obligated to comply with all relevant legislation, standards and codes regardless of whether they have been identified in this business case.

Item	Standard / Code / Legislation	Publisher
1	AS/NZS ISO 31000 – Risk Management – Principles & Guidelines	Standards Australia
2	Disability Discrimination Act 1992	Commonwealth Legislation
3	Electricity (Consumer Safety) Act 2004	NSW Legislation
4	Environmental Planning and Assessment Act 1979	NSW Legislation
5	Work Health and Safety Act	NSW Legislation
6	Heritage Act 1977	NSW Legislation
7	Crown Lands Act 1989	NSW Legislation
8	National Construction Code	Australian Building Codes Board

6.9 Sustainability

Council has established a Green Infrastructure Master Plan which is a Council initiative to improve the energy, water and waste efficiency of existing and new buildings across Bondi. The initiative will include progression towards energy, water and waste targets, improving building efficiency and value and establishing the region as an urban centre for environmental innovation.

The project will be undertaken in accordance with the Green Infrastructure Master Plan and contribute towards Council's LGA-wide targets for 2020:

- 30% reduction in greenhouse gas emissions (70% reduction by 2050).
- Zero increase in mains water use.
- 75% resource recovery.
- No net increase in waste.
- Improve stormwater quality (minimise sediment, bacteria & nutrients).

The project will also be undertaken in accordance with the NSW Government Resource Efficiency Policy (GREP). The following table identifies the alignment of the works comprising this business case with the GREP:

GREP Requirement	Business Case Alignment with GREP Requirement
Energy	
E1: Targets to undertake energy efficiency projects	Opportunities to incorporate energy efficient systems and fittings will be adopted and have been allowed for in the project costings
E2: Minimum NABERS Energy ratings for offices and data centres	The design of the spaces will target having good energy performance, which will generally be commensurate with NABERS energy rating of 5
E3: Minimum standards for new electrical appliances and equipment	New electrical appliances and equipment will be installed using the latest mature technologies to ensure the optimal balance between energy efficiency and reliability. Air-conditioning equipment will be specified as needing to achieve at least the minimum Integrated Part Load Value (IPLV) performance benchmarks. Where a star rating applies, the new appliances will be specified as needing to be at least equal to the relevant star rating. Allowance has been made in the life cycle costings to accommodate this requirement.
E4: Minimum standards for new buildings	The scope of work relates to an existing building, rather than the construction of a new building. However, the Boot Factory will undergo major works involving remediation in accordance with relevant standards, codes and legislation that will reinstate the facility to a state that is not only fit for occupancy, but will deliver a high quality service to community and commercial user groups.
E5: Identify and enable solar leasing opportunities	The utilisation of solar photovoltaic systems is subject to the final design, however opportunities to adopt this technology will be undertaken where appropriate.
E6: Minimum fuel efficiency standards for new light vehicles	Not applicable
E7: Purchase 6% GreenPower	Not applicable
Water	
W1: Report on water use	Water use during project works will be minimised and requirements will be prescribed. Contractors will report on their water use during the works.
W2: Minimum water standards for office buildings	Plumbing fixtures installed as part of the restoration work will be rated 4A or better and maximise water efficiency.
W3: Minimum standards for new water-using appliances	New appliances will be installed as part of the fitout works. The new appliances will be the latest water saving models available.
Waste	
P1: Report on top three waste streams	Waste management at the Boot Factory will be aligned with the waste management practice at the Mill Hill Centre, which already involves separation of waste streams.
Clean Air	
A1: Air emission standards for mobile non-road diesel plant and equipment	Not applicable
A2: Low-VOC surface coatings	Surface coatings including paint finishes and protective coatings and covers will be specified in the scopes of works of the relevant projects as needing to meet predefined VOC levels.

6.10 Change Management

6.10.1 Understanding of Change

Property & Infrastructure

There will be a significant improvement to the property and infrastructure in terms of condition, safety, security, compliance, fitness for purpose and level of amenity which will need to be updated in Council's asset management systems, plans and documentation.

The extent of the changes to the Boot Factory will be building wide and the condition and fitness for purpose of these assets will improve and consequently, their utilisation and availability will increase. The changes to the Mill Hill Community Centre and Waverley Library will also need to be updated in Council's systems.

Processes

Council's processes that may be affected by the project relate to the following key areas:

a. Maintenance, capital works and operational services

Council will cease providing maintenance and operational services during the project as the head contractor will take possession of the site.

b. Management systems, information and communications technology

Council's management systems and technical registers are capable of supporting the project and managing the associated information. Council's current information technology and communications systems are adequate and have sufficient capacity to accommodate the projected increase in communication frequency.

c. Community and cultural services

Community and cultural services processes will be expanded as a result of the additional programming being performed at the Innovation Civic Hall. The operating hours have been defined in the development application and staffing will be increased in order to deliver and manage the services.

d. Commercial services, marketing, media etc

The commercial services, marketing and media processes will be minimally affected by the project. There may be changes associated with spaces in the adjacent library building.

e. Human Resources

Council's human resources comprise internal permanent and temporary staff. Current levels of internal staff resourcing will be adequate to effectively manage the project apart from the project management role which may need to be externally appointed.

Upon nearing completion of the project, Council will begin transition-in of its personnel for the operation of the Innovation Civic Hall. Resourcing is anticipated to increase by 1 FTE for a new Venue / Programs Manager and 0.2 FTE for the facilities management team. Existing staffing from the head office are adequate to provide administrative support and similar services.

6.10.2 Acceptance of Responsibility for Change

A professional approach to asset management has been adopted by Council in delivering major projects. Council will leverage the skills and capabilities of the respective internal operational groups to ensure the success of the project. The Project Director will be the change management team sponsor and monitor individual responsibilities for the change management process.

6.10.3 Change Management Team

The change management team members will be selected from the overall governance arrangement for the delivery of the works. The internal resources will primarily be from Council's facilities management team and will be committed to the objectives of the change, motivated to successfully implement the change, understand the context and conditions for successful change and have change management skills.

Following are the key members:

a. Project Director – A senior member of Council will assume the role of Project Director, who is the senior director responsible for the management and implementation of the program. The Project Director will have the authority to make decisions affecting the delivery and progression of the program.

b. Project Manager – The program manager will be a senior staff member (or an appointment of an external project manager) responsible for managing the overall program of works, undertaking many of the operational activities associated with the delivery of the works.

c. Project Team Members – Internal and external staff who are responsible for aspects of the project and have specific areas of expertise necessary for the successful delivery of the project. The stakeholders involved in the Council's change management team will have the necessary skills and training to manage the change process.

6.10.4 Communication

Strong communication throughout the change management process is crucial to the engagement of stakeholders and the successful delivery of the project. The objective of stakeholder communication is to provide the stakeholders with awareness and understanding of the project.

Communications throughout the change management process will need to be specific to the type of stakeholder affected and be delivered via media that is appropriate to the stakeholder. Following is an example of the types of communication appropriate to the stakeholders:

Stakeholder Type	Relevant Information
Internal Staff	▪ Project governance and contact details ▪ Benefits e.g. organisation efficiency via reduction in management time ▪ Actions that will need to be taken by the staff member ▪ Actions that will be taken by the change management team or service providers ▪ Organisational benefits ▪ Timeframe for the change process including commencement date, completion date and key milestones ▪ Opportunity for feedback
Users of Adjacent Buildings affected by the works	▪ Project governance and contact details ▪ Benefits e.g. educational, historical, business etc ▪ Potential impact on accessibility and availability of facilities as well as recommendations for alternative access routes ▪ Timeframe for the change process including commencement date, completion date and key milestones ▪ Opportunity for feedback
Potential program partners which may be approached in advance	▪ Project governance and contact details ▪ Benefits e.g. increased business opportunities ▪ Availability of site services including electricity, water, gas etc ▪ Potential impact on accessibility and availability of facilities ▪ Timeframe for the change process including commencement date, completion date and key milestones ▪ Opportunity for feedback

Council will need to monitor stakeholders' responses to communications to ensure that stakeholders have sufficient awareness and understanding of the project. Council should take the opportunity to address instances of misinformation and tailor the information to suit specific stakeholder needs.

6.10.5 Implementing Change

The individual components of the work will be identified at the detailed design stage along with the project budget. A project specific management plan will be prepared during the project planning phase.

6.11 Benefits Realisation Strategy

The key benefit of undertaking the works is that Council will be able to deliver services in a safe and effective manner whilst also maximising the opportunities for general members of the public, business and students to access and utilise technology, undertake research and create an environment for learning and development. The programmatic, event and community based activities engaged in at site will cultivate innovation (per Council's definition) and benefit not only the local community but also the economy as well.

6.12 Resourcing

Project governance will be performed using internal Council resources. The roles of project director and project management will be assumed by senior personnel with the appropriate skills and experience to successfully manage the contractors. The project delivery team comprising contractors and consultants will be engaged following competitive request for tender processes.

Upon the completion of the project, Council's existing management and operational personnel will mobilise to meet the resourcing demand for the new Innovation Civic Hall. Additional staff will be appointed as required however the overall impact is expected to be minimal.

Council will assume responsibility for the full operation of the Innovation Civic Hall. The benefit of this approach is on-site staff will synergise with staff at the adjacent Mill Hill Community Centre.

Whilst the independent social values assessment identified that there is a need for services within the precinct to be complementary, Council is undertaking a community tenancy review project in parallel with (but independent of) this business case with the objective of better serving the community and ensuring services are complementary.

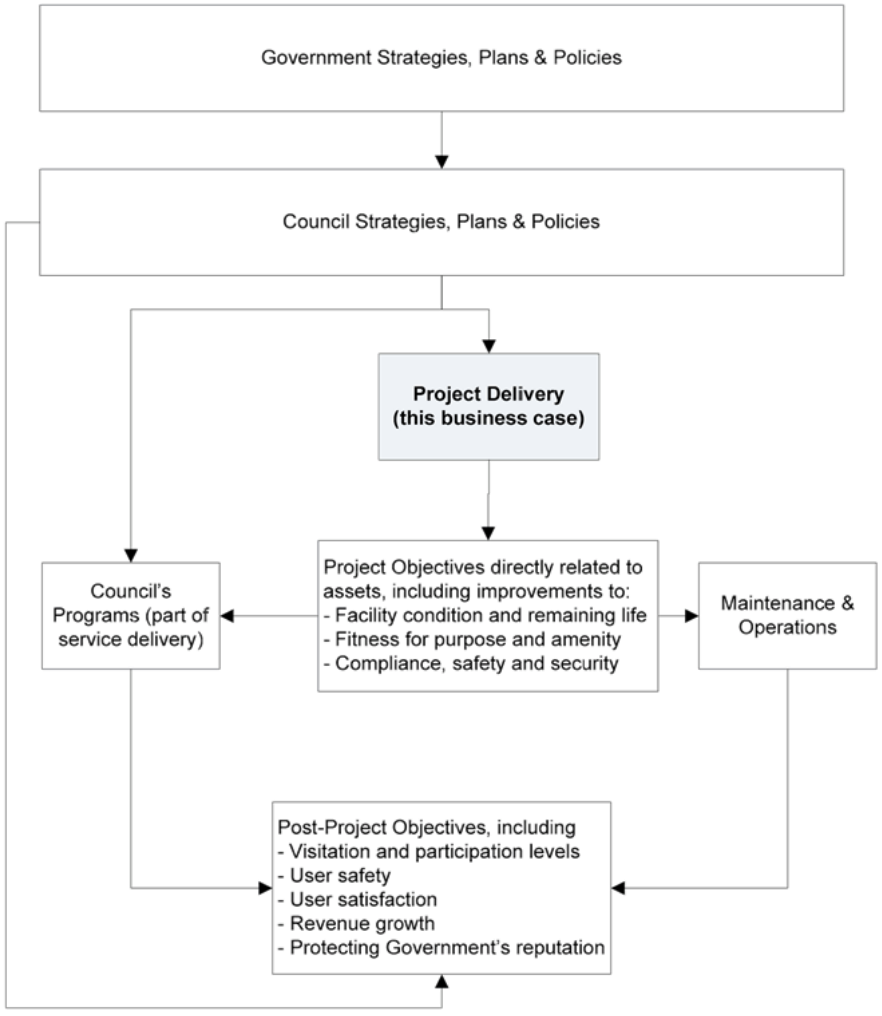
6.13 Stakeholder Endorsement

All levels of Council management have been consulted as part of the development of this business case. The Preferred Option has been endorsed by the Steering Group.

7. POST IMPLEMENTATION PLAN

Council will implement post-implementation evaluation at various stages following the completion of the works using a combination of quantitative and qualitative measurements. The evaluations will be performed using data that Council collects on an ongoing basis as part of its day to day service delivery and regular reviews, however may also be supplemented by independent studies where required particularly in terms of assessing areas where the data relates to matters beyond Council's reach (e.g. economic activity).

The following figure depicts the relationship between inputs, outcomes and project related outcomes and objectives:



The project will be evaluated in terms of management processes during project delivery, project outcomes and post-project (i.e. operation of the Innovation Civic Hall) outcomes:

Evaluation Area	Measurement Method	Target	Responsibility	Timeframe
Management Processes				
Project Program Management	Monitor project delivery against project program	Within program (including contingencies)	Project Manager (project work)	Within target timeframe
Financial Management	Monitor project budgets, cashflows, payment claims and milestones	Within budget	Project Manager (project work)	Ongoing during project program
Quality Management	Review compliance with contract terms and conditions, technical specifications, inspection / witness and test / hold points	100% compliance with contract terms and conditions (including agreed variations) 100% compliance with technical requirements (including agreed variations)	Project Manager (project work)	Ongoing during project program
Project Outcomes				
Safety hazards have been rectified	Safety inspections and assessment of safety risks	Nil safety defects, faults or deterioration which were covered under the project scope	Project Manager (project work)	Upon final completion
Facility is fit for purpose and meets compliance requirements	Inspections and compliance validation performed as specified	100% compliance with technical requirements (including agreed variations) 100% free from defects upon final completion	Project Manager (project work)	Upon final completion
Post-Project / Operation of the Innovation Civic Hall				
Community engagement	Review results from satisfaction surveys which include questions relating to user feelings of engagement	Results indicate that there is community "buy-in" and a sense of ownership	Venue / Program Manager (operational)	Within 12 months of full operation and each subsequent anniversary
Participation in programs	Review membership and participation records for programs and other services	Not less than prior year and within 10% of projections (or better)	Venue / Program Manager (operational)	Within 12 months of full operation and each subsequent anniversary

Evaluation Area	Measurement Method	Target	Responsibility	Timeframe
Program effectiveness	Review results from satisfaction surveys which include questions relating to the value and benefits being realised by users	Results indicate that users are networking and gaining benefiting from engagement with others at the Innovation Civic Hall	Venue / Program Manager (operational)	Within 12 months of full operation and each subsequent anniversary
Venue hire	Review venue hire records	Not less than prior year and within 10% of projections (or better)	Venue / Program Manager (operational)	Within 12 months of full operation and each subsequent anniversary
Facility is safe for use	Review safety incidents Quality inspections by Council and contractors Review service provider reports Review of user feedback on potential / actual safety hazards	Nil safety incidents due to asset defects, faults or deterioration which were covered under the project scope	Project Manager (project work) Venue / Program Manager (operational)	Within 12 months of full operation and each subsequent anniversary for the useful life of the asset (subject to deterioration due to subsequent use)
Facility is accessible	Quality inspections by Council and contractors Review service provider reports Review of user feedback on access limitations	Nil accessibility issues due to limitations for which rectification was covered under the project scope 90% satisfied or very satisfied that the facility is accessible	Project Manager (project work) Venue / Program Manager (operational)	Within 12 months of full operation and each subsequent anniversary
Service offerings are affordable	Review visitation records (casual use) and membership and participation records Review results from satisfaction surveys where questions include an indication of affordability (must ensure sensitivity with respect to individual persons' incomes)	Visitation, membership and participation records within 20% of projections 70% satisfied or very satisfied that the service offerings are priced fairly	Executive Leadership Team (approval of fees and charges)	Within 12 months of full operation and each subsequent anniversary
Facility and programs are inclusive	Review membership and participation records Review results from satisfaction surveys where questions include an indication of perceived safety and inclusivity of the environment	Fair and reasonable participation from people of various ages, abilities, backgrounds and incomes 90% satisfied or very satisfied that the facility, staff and programs are inclusive	Executive Leadership Team (approval of service offerings) Venue / Program Manager (operational)	Within 12 months of full operation and each subsequent anniversary

Evaluation Area	Measurement Method	Target	Responsibility	Timeframe
Revenue growth	Review income statements and cashflows associated with the Innovation Civic Hall	Gross income within 20% of projections	Executive Leadership Team (approval of fees and charges) Venue / Program Manager (operational)	Ongoing (delivery of service programs) and yearly (monitoring against target)
Indication of increased activation in Bondi Junction	Independent study Review results from satisfaction surveys where questions include an indication of increased use of Bondi Junction facilities and engagement in paid activities	Estimated valuation within 20% of projections Survey results within 20% of projections or better	Project Manager (project work) Venue / Program Manager (operational)	Within five years and each subsequent five year period
Indication of business growth	Independent study Review results from satisfaction surveys where questions include an indication of improved business outcomes that can be attributed to participating in programs offered at the Innovation Civic Hall or engaging with other facility users	Estimated valuation within 20% of projections Survey results within 20% of projections or better 90% satisfied or very satisfied that their business has improved in connection with the Innovation Civic Hall	Project Manager (project work) Venue / Program Manager (operational)	Within five years and each subsequent five year period
Indication of educational benefits	Independent study Review results from satisfaction surveys where questions include areas of improved education and skills development that can be attributed to participating in programs offered at the Innovation Civic Hall or engaging with other facility users	Estimated valuation within 20% of projections Survey results within 20% of projections or better 90% satisfied or very satisfied that their education has improved in connection with the Innovation Civic Hall	Project Manager (project work) Venue / Program Manager (operational)	Within five years and each subsequent five year period

APPENDIX A - SECONDARY ANALYSIS OF OPTIONS 1 & 2

A.1. Option 1 (Innovation Civic Hall)

The level 2 analysis is inclusive of all capital investment (including restoration of the Boot Factory), capital renewal and recurrent impacts.

A.1.1. Capital Cost Impact

Option 1 (Innovation Civic Hall) - Years 1 to 10

Costs expressed as positive numbers and income expressed as negative numbers.

Option 1 (Innovation Civic Hall) Level 2 Analysis - Capital Costs											
Year	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**10 Yr Total**
Planning and procurement	$70,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$70,000**
Detailed design and project delivery, comprising - Restoration works: $1,809,703 - Innovation Civic Hall fitout: $519,700 - Library works for makerspace: $91,400 - Library fitout for makerspace: $85,400 - Year 2 Validation, Fees & Contingency: $1,339,647	$0	$3,775,850	$0	$0	$0	$0	$0	$0	$0	$0	**$3,775,850**
Capital renewal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$45,200	**$45,200**
Net Capital Cost (Real)	$70,000	$3,775,850	$0	$0	$0	$0	$0	$0	$0	$45,200	**$3,891,050**
Escalation Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Net Capital Cost (Nominal)	$71,750	$3,967,002	$0	$0	$0	$0	$0	$0	$0	$57,860	**$4,096,612**

Option 1 (Innovation Civic Hall) - Years 11 to 20

Costs expressed as positive numbers and income expressed as negative numbers.

Option 1 (Innovation Civic Hall) Level 2 Analysis - Capital Costs											
Year	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**	**2036/37**	**2037/38**	**2038/39**	**20 Yr Total**
Planning and procurement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$70,000**
Detailed design and project delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$3,775,850**
Capital renewal	$0	$22,000	$0	$91,000	$0	$73,000	$163,500	$100,800	$0	$45,200	**$540,700**
Net Capital Cost (Real)	$0	$22,000	$0	$91,000	$0	$73,000	$163,500	$100,800	$0	$45,200	**$4,386,550**
Escalation Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Net Capital Cost (Nominal)	$0	$29,588	$0	$128,581	$0	$108,369	$248,785	$157,214	$0	$74,065	**$4,843,214**

A.1.2. Recurrent Impact

Option 1 (Innovation Civic Hall) - Years 1 to 10

Costs expressed as positive numbers and income expressed as negative numbers.

Option 1 (Innovation Civic Hall) Level 2 Analysis - Recurrent Impact											
Year	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**10 Yr Total**
Membership income	$0	$0	($25,440)	($36,000)	($47,000)	($58,000)	($68,400)	($73,000)	($78,000)	($82,314)	**($468,154)**
Rental income	$0	$0	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	**($176,000)**
Venue hire	$0	$0	($169,560)	($275,000)	($397,000)	($475,440)	($514,000)	($553,000)	($591,900)	($473,520)	**($3,449,420)**
Maintenance	$0	$0	$6,800	$14,900	$22,400	$28,300	$33,800	$35,800	$38,700	$33,000	**$213,700**
Programming	$0	$0	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	**$800,000**
Staffing	$0	$16,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	**$1,512,000**
Utilities	$0	$4,000	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	**$378,400**
Total Recurrent Impact (Real)	$0	$20,000	$123,600	$15,700	($109,800)	($193,340)	($236,800)	($278,400)	($319,400)	($211,034)	**($1,189,474)**
Escalation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Total Recurrent Impact (Nominal)	$0	$21,013	$133,104	$17,330	($124,229)	($224,215)	($281,481)	($339,203)	($398,887)	($270,141)	**($1,466,709)**

Option 1 (Innovation Civic Hall) - Years 11 to 20

Costs expressed as positive numbers and income expressed as negative numbers.

Option 1 (Innovation Civic Hall) Level 2 Analysis - Recurrent Impact											
Year	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**	**2036/37**	**2037/38**	**2038/39**	**20 Yr Total**
Membership income	($96,840)	($82,314)	($96,840)	($96,840)	($96,840)	($82,314)	($96,840)	($96,840)	($96,840)	($82,314)	**($1,392,976)**
Rental income	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	($22,000)	**($396,000)**
Venue hire	($591,900)	($473,520)	($591,900)	($591,900)	($591,900)	($473,520)	($591,900)	($591,900)	($591,900)	($473,520)	**($9,013,280)**
Maintenance	$33,000	$33,000	$33,000	$33,000	$33,000	$33,000	$33,000	$33,000	$33,000	$33,000	**$543,700**
Programming	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	**$1,800,000**
Staffing	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	$187,000	**$3,382,000**
Utilities	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	$46,800	**$846,400**
Total Recurrent Impact (Real)	($343,940)	($211,034)	($343,940)	($343,940)	($343,940)	($211,034)	($343,940)	($343,940)	($343,940)	($211,034)	**($4,230,156)**
Escalation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Total Recurrent Impact (Nominal)	($451,279)	($283,817)	($474,125)	($485,978)	($498,128)	($313,281)	($523,345)	($536,429)	($549,840)	($345,804)	**($5,928,735)**

A.1.3. Net Present Value

Option 1 (Innovation Civic Hall) Level 2 Analysis - Financial Appraisal					
Year	**Capital Cost (Nominal)**	**Recurrent Impact (Nominal)**	**Total Cost (Nominal)**	**Discount Rate**	**Discounted Cash Flows**
2019/20	$71,750	$0	$71,750	3.0%	$69,660
2020/21	$3,967,002	$21,013	$3,988,015	3.0%	$3,759,087
2021/22	$0	$133,104	$133,104	3.0%	$121,809
2022/23	$0	$17,330	$17,330	3.0%	$15,397
2023/24	$0	($124,229)	($124,229)	3.0%	($107,161)
2024/25	$0	($224,215)	($224,215)	3.0%	($187,777)
2025/26	$0	($281,481)	($281,481)	3.0%	($228,870)
2026/27	$0	($339,203)	($339,203)	3.0%	($267,770)
2027/28	$0	($398,887)	($398,887)	3.0%	($305,714)
2028/29	$57,860	($270,141)	($212,281)	3.0%	($157,957)
2029/30	$0	($451,279)	($451,279)	3.0%	($326,014)
2030/31	$29,588	($283,817)	($254,229)	3.0%	($178,311)
2031/32	$0	($474,125)	($474,125)	3.0%	($322,856)
2032/33	$128,581	($485,978)	($357,397)	3.0%	($236,282)
2033/34	$0	($498,128)	($498,128)	3.0%	($319,729)
2034/35	$108,369	($313,281)	($204,912)	3.0%	($127,694)
2035/36	$248,785	($523,345)	($274,560)	3.0%	($166,113)
2036/37	$157,214	($536,429)	($379,215)	3.0%	($222,749)
2037/38	$0	($549,840)	($549,840)	3.0%	($313,566)
2038/39	$74,065	($345,804)	($271,739)	3.0%	($150,455)
20 Yr Total	**$4,843,214**	**($5,928,735)**	**($1,085,521)**	-	**$346,935**

Discount Rate	Net Present Value
3.0%	$346,936
7.0%	$1,402,689
10.0%	$1,828,261

A.1.4. Benefit Cost Ratio

Option 1 (Innovation Civic Hall) Level 2 Analysis - Establish Knowledge & Innovation Hub – Benefit Cost Ratio Analysis			
Year	**Increased activation in Bondi Junction (all ages, day/night)**	**Improved educational outcomes**	**Local business growth and employment pathways**
2019/20	$0	$0	$0
2020/21	$0	$0	$0
2021/22	($550,541)	($1,000)	($33,600)
2022/23	($1,529,280)	($2,000)	($223,000)
2023/24	($2,291,040)	($3,000)	($389,000)
2024/25	($3,052,800)	($5,000)	($580,000)
2025/26	($3,814,560)	($7,000)	($796,000)
2026/27	($4,029,120)	($9,000)	($1,034,000)
2027/28	($4,243,680)	($12,000)	($1,293,000)
2028/29	($4,458,240)	($14,000)	($1,572,000)
2029/30	($4,458,240)	($17,000)	($1,869,000)
2030/31	($4,458,240)	($21,000)	($2,184,000)
2031/32	($4,458,240)	($24,000)	($2,513,000)
2032/33	($4,458,240)	($28,000)	($2,857,000)
2033/34	($4,458,240)	($32,000)	($3,213,000)
2034/35	($4,458,240)	($37,000)	($3,581,000)
2035/36	($4,458,240)	($42,000)	($3,958,000)
2036/37	($4,458,240)	($47,000)	($4,343,000)
2037/38	($4,458,240)	($52,000)	($4,735,000)
2038/39	($4,458,240)	($57,000)	($5,133,000)
20 Yr Total	**($68,551,661)**	**($410,000)**	**($40,306,600)**
Discount Rate	**Benefit Cost Ratio**		
3.0%	-9.36		
7.0%	-7.51		
10.0%	-6.35		

A.1.5. Effectiveness

Effectiveness		
Qualitative Criteria	Weighting	Option 1 (Innovation Civic Hall) Level 2 Analysis - Establish Knowledge & Innovation Hub
Increasing collaboration and networking opportunities for local residents, workers and businesses	25	25
Increasing community connection and civic engagement	25	25
Alignment with the Conservation Management Plan	10	10
Support for Council and other relevant Government strategies, plans and policies	25	25
Meeting current and future demand for accessible, inclusive and affordable spaces for life-long learning	10	10
Perception of protecting an important community asset and preventing commercialisation	5	2
Total Score	**100**	**97**

A.1.6. Cost Effectiveness

Option 1 (Innovation Civic Hall) Level 2 Analysis - Establish Knowledge & Innovation Hub – Cost Effectiveness Assessment					
Year	Capital Cost (Real)	Recurrent Impact (Real)	Total Cost (Real)	Discount Rate	Discounted Cash Flows
2019/20	$70,000	$0	$70,000	3.0%	$67,961
2020/21	$3,775,850	$20,000	$3,795,850	3.0%	$3,577,953
2021/22	$0	$123,600	$123,600	3.0%	$113,112
2022/23	$0	$15,700	$15,700	3.0%	$13,949
2023/24	$0	($109,800)	($109,800)	3.0%	($94,714)
2024/25	$0	($193,340)	($193,340)	3.0%	($161,919)
2025/26	$0	($236,800)	($236,800)	3.0%	($192,540)
2026/27	$0	($278,400)	($278,400)	3.0%	($219,772)
2027/28	$0	($319,400)	($319,400)	3.0%	($244,794)
2028/29	$45,200	($211,034)	($165,834)	3.0%	($123,396)
2029/30	$0	($343,940)	($343,940)	3.0%	($248,470)
2030/31	$22,000	($211,034)	($189,034)	3.0%	($132,585)
2031/32	$0	($343,940)	($343,940)	3.0%	($234,206)
2032/33	$91,000	($343,940)	($252,940)	3.0%	($167,223)
2033/34	$0	($343,940)	($343,940)	3.0%	($220,762)
2034/35	$73,000	($211,034)	($138,034)	3.0%	($86,018)
2035/36	$163,500	($343,940)	($180,440)	3.0%	($109,169)
2036/37	$100,800	($343,940)	($243,140)	3.0%	($142,819)

SECONDARY ANALYSIS OF OPTIONS 1 & 2

Option 1 (Innovation Civic Hall) Level 2 Analysis - Establish Knowledge & Innovation Hub – Cost Effectiveness Assessment					
Year	**Capital Cost (Real)**	**Recurrent Impact (Real)**	**Total Cost (Real)**	**Discount Rate**	**Discounted Cash Flows**
2037/38	$0	($343,940)	($343,940)	3.0%	($196,144)
2038/39	$45,200	($211,034)	($165,834)	3.0%	($91,818)
20 Yr Total	**$3,891,050**	**($1,189,474)**	**$2,701,576**	-	**$2,735,840**
Discount Rate	**Net Present Value**				
3.0%	$1,677,204				
7.0%	$2,069,611				
10.0%	$2,204,567				

A.2. Option 2 (Full Commercial Lease)

The level 2 analysis is inclusive of all capital investment (including restoration of the Boot Factory), capital renewal and recurrent impacts.

A.2.1. Capital Cost Impact

Option 2 (Full Commercial Lease) - Years 1 to 10

Costs expressed as positive numbers and income expressed as negative numbers.

Option 2 (Full Commercial Lease) Level 2 Analysis - Capital Costs											
Year	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**10 Yr Total**
Planning and procurement	$61,000	$30,000	$0	$0	$0	$0	$0	$0	$0	$0	**$91,000**
Detailed design and project delivery, comprising - Restoration works: $1,809,703 - Year 2 Validation, Fees & Contingency: $782,877	$0	$2,592,580	$0	$0	$0	$0	$0	$0	$0	$0	**$2,592,580**
Capital renewal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Net Capital Cost (Real)	$61,000	$2,622,580	$0	$0	$0	$0	$0	$0	$0	$0	**$2,683,580**
Escalation Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Net Capital Cost (Nominal)	$62,525	$2,755,348	$0	$0	$0	$0	$0	$0	$0	$0	**$2,817,873**

Option 2 (Full Commercial Lease) - Years 11 to 20

Costs expressed as positive numbers and income expressed as negative numbers.

Option 2 (Full Commercial Lease) Level 2 Analysis - Capital Costs											
Year	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**	**2036/37**	**2037/38**	**2038/39**	**20 Yr Total**
Planning and procurement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$91,000**
Detailed design and project delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$2,592,580**
Capital renewal	$0	$0	$0	$20,000	$0	$0	$163,500	$0	$0	$0	**$183,500**
Net Capital Cost (Real)	$0	$0	$0	$20,000	$0	$0	$163,500	$0	$0	$0	**$2,867,080**
Escalation Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Net Capital Cost (Nominal)	$0	$0	$0	$28,259	$0	$0	$248,785	$0	$0	$0	**$3,094,917**

A.2.2. Recurrent Impact

Option 2 (Full Commercial Lease) - Years 1 to 10

Costs expressed as positive numbers and income expressed as negative numbers.

Option 2 (Full Commercial Lease) Level 2 Analysis - Recurrent Impact											
Year	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**10 Yr Total**
Membership income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Rental income	$0	$0	($151,067)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	**($1,420,027)**
Venue hire	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Maintenance (base building only)	$0	$0	$600	$800	$2,200	$4,200	$5,100	$5,400	$5,800	$5,000	**$29,100**
Programming	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Staffing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Utilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Total Recurrent Impact (Real)	$0	$0	($150,467)	($180,480)	($179,080)	($177,080)	($176,180)	($175,880)	($175,480)	($176,280)	**($1,390,927)**
Escalation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Total Recurrent Impact (Nominal)	$0	$0	($162,037)	($199,216)	($202,613)	($205,359)	($209,423)	($214,293)	($219,150)	($225,653)	**($1,637,744)**

Option 2 (Full Commercial Lease) - Years 11 to 20

Costs expressed as positive numbers and income expressed as negative numbers.

Option 2 (Full Commercial Lease) Level 2 Analysis - Recurrent Impact											
Year	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**	**2036/37**	**2037/38**	**2038/39**	**20 Yr Total**
Membership income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Rental income	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	($181,280)	**($3,232,827)**
Venue hire	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Maintenance (base building only)	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	**$79,100**
Programming	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Staffing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Utilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Total Recurrent Impact (Real)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	($176,280)	**($3,153,727)**
Escalation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-
Total Recurrent Impact (Nominal)	($231,295)	($237,077)	($243,004)	($249,079)	($255,306)	($261,689)	($268,231)	($274,937)	($281,810)	($288,855)	**($4,229,027)**

A.2.3. Net Present Value

Option 2 (Full Commercial Lease) Level 2 Analysis - Financial Appraisal					
Year	**Capital Cost (Nominal)**	**Recurrent Impact (Nominal)**	**Total Cost (Nominal)**	**Discount Rate**	**Discounted Cash Flows**
2019/20	$62,525	$0	$62,525	3.0%	$60,704
2020/21	$2,755,348	$0	$2,755,348	3.0%	$2,597,180
2021/22	$0	($162,037)	($162,037)	3.0%	($148,287)
2022/23	$0	($199,216)	($199,216)	3.0%	($177,001)
2023/24	$0	($202,613)	($202,613)	3.0%	($174,776)
2024/25	$0	($205,359)	($205,359)	3.0%	($171,985)
2025/26	$0	($209,423)	($209,423)	3.0%	($170,280)
2026/27	$0	($214,293)	($214,293)	3.0%	($169,165)
2027/28	$0	($219,150)	($219,150)	3.0%	($167,960)
2028/29	$0	($225,653)	($225,653)	3.0%	($167,907)
2029/30	$0	($231,295)	($231,295)	3.0%	($167,092)
2030/31	$0	($237,077)	($237,077)	3.0%	($166,281)
2031/32	$0	($243,004)	($243,004)	3.0%	($165,474)
2032/33	$28,259	($249,079)	($220,820)	3.0%	($145,988)
2033/34	$0	($255,306)	($255,306)	3.0%	($163,871)
2034/35	$0	($261,689)	($261,689)	3.0%	($163,076)
2035/36	$248,785	($268,231)	($19,446)	3.0%	($11,765)
2036/37	$0	($274,937)	($274,937)	3.0%	($161,497)
2037/38	$0	($281,810)	($281,810)	3.0%	($160,712)
2038/39	$0	($288,855)	($288,855)	3.0%	($159,932)
20 Yr Total	**$3,094,917**	**($4,229,027)**	**($1,134,110)**	-	**($155,165)**
Discount Rate	**Net Present Value**				
3.0%	($155,165)				
7.0%	$587,585				
10.0%	$901,550				

A.2.4. Benefit Cost Ratio

Option 2 (Full Commercial Lease) Level 2 Analysis - Establish Knowledge & Innovation Hub – Benefit Cost Ratio Analysis			
Year	**Increased activation in Bondi Junction (all ages, day/night)**	**Improved educational outcomes**	**Local business growth and employment pathways**
2019/20	$0	$0	$0
2020/21	$0	$0	$0
2021/22	($7,776)	$0	$0
2022/23	($9,331)	$0	$0
2023/24	($9,331)	$0	$0
2024/25	($9,331)	$0	$0
2025/26	($9,331)	$0	$0
2026/27	($9,331)	$0	$0
2027/28	($9,331)	$0	$0
2028/29	($9,331)	$0	$0
2029/30	($9,331)	$0	$0
2030/31	($9,331)	$0	$0
2031/32	($9,331)	$0	$0
2032/33	($9,331)	$0	$0
2033/34	($9,331)	$0	$0
2034/35	($9,331)	$0	$0
2035/36	($9,331)	$0	$0
2036/37	($9,331)	$0	$0
2037/38	($9,331)	$0	$0
2038/39	($9,331)	$0	$0
20 Yr Total	**($166,403)**	**$0**	**$0**
Discount Rate	**Benefit Cost Ratio**		
3.0%	-0.90		
7.0%	-0.68		
10.0%	-0.55		

A.2.5. Effectiveness

Effectiveness		
Qualitative Criteria	Weighting	Option 2 (Full Commercial Lease) Level 2 Analysis - Establish Knowledge & Innovation Hub
Increasing collaboration and networking opportunities for local residents, workers and businesses	25	10
Increasing community connection and civic engagement	25	0
Alignment with the Conservation Management Plan	10	10
Support for Council and other relevant Government strategies, plans and policies	25	14
Meeting current and future demand for accessible, inclusive and affordable spaces for life-long learning	10	0
Perception of protecting an important community asset and preventing commercialisation	5	0
Total Score	**100**	**29**

A.2.6. Cost Effectiveness

Option 2 (Full Commercial Lease) Level 2 Analysis - Establish Knowledge & Innovation Hub – Cost Effectiveness Assessment					
Year	Capital Cost (Real)	Recurrent Impact (Real)	Total Cost (Real)	Discount Rate	Discounted Cash Flows
2019/20	$61,000	$0	$61,000	3.0%	$59,223
2020/21	$2,622,580	$0	$2,622,580	3.0%	$2,472,033
2021/22	$0	($150,467)	($150,467)	3.0%	($137,699)
2022/23	$0	($180,480)	($180,480)	3.0%	($160,354)
2023/24	$0	($179,080)	($179,080)	3.0%	($154,476)
2024/25	$0	($177,080)	($177,080)	3.0%	($148,302)
2025/26	$0	($176,180)	($176,180)	3.0%	($143,250)
2026/27	$0	($175,880)	($175,880)	3.0%	($138,841)
2027/28	$0	($175,480)	($175,480)	3.0%	($134,491)
2028/29	$0	($176,280)	($176,280)	3.0%	($131,169)
2029/30	$0	($176,280)	($176,280)	3.0%	($127,348)
2030/31	$0	($176,280)	($176,280)	3.0%	($123,639)
2031/32	$0	($176,280)	($176,280)	3.0%	($120,038)
2032/33	$20,000	($176,280)	($156,280)	3.0%	($103,319)
2033/34	$0	($176,280)	($176,280)	3.0%	($113,147)
2034/35	$0	($176,280)	($176,280)	3.0%	($109,852)
2035/36	$163,500	($176,280)	($12,780)	3.0%	($7,732)
2036/37	$0	($176,280)	($176,280)	3.0%	($103,546)

Option 2 (Full Commercial Lease) Level 2 Analysis - Establish Knowledge & Innovation Hub – Cost Effectiveness Assessment					
Year	**Capital Cost (Real)**	**Recurrent Impact (Real)**	**Total Cost (Real)**	**Discount Rate**	**Discounted Cash Flows**
2037/38	$0	($176,280)	($176,280)	3.0%	($100,530)
2038/39	$0	($176,280)	($176,280)	3.0%	($97,602)
20 Yr Total	$2,683,580	($1,390,927)	$1,292,653	-	$1,382,674
Discount Rate	**Net Present Value**				
3.0%	$788,216				
7.0%	$1,091,370				
10.0%	$1,210,243				

APPENDIX B - CONCEPTUAL DESIGN CONSIDERATIONS

WAVERLEY
COUNCIL



THE BOOT FACTORY

UPGRADE OPTIONS ANALYSIS

FOR WAVERLEY COUNCIL

STAGE 4: UPGRADE OPTIONS ANALYSIS REPORT

DESIGN REPORT

15th FEBRUARY 2019

PRELIMINARY

ARCHER OFFICE ASPECT Studios™ PARTRIDGE MATT DEVINE & CO BCA mbm ADP Consulting : Engineers EARTHSCAPE Douglas Partners

PROJECT TEAM

ARCHITECTURE:	ARCHER OFFICE (LEAD CONSULTANT)
HERITAGE:	MATT DEVINE & CO
STRUCTURAL ENGINEER:	PARTRIDGE STRUCTURAL
MEP ENGINEERING:	ADP CONSULTING
BCA + DDA:	BCA LOGIC
GEOTECHNICAL ENGINEER:	DOUGLAS PARTNERS
LANDSCAPE:	ASPECT STUDIOS
ARBORIST:	EARTHSCAPE HORTICULTURAL SERVICES
QUANTITY SURVEYOR:	MBMPL

CONTENTS

01 INTRODUCTION

02 SITE INVESTIGATION
- CONTEXT
- SITE ANALYSIS
- EXISTING BUILDING ANALYSIS
- PRINCIPLES

03 THE OPPORTUNITY

04 PROPOSED UPGRADE
- BUILDING FABRIC
- SPACES
- URBAN DESIGN + LANDSCAPE

05 ATTACHMENTS

BACKGROUND

The Boot Factory operated under its original owner and founder William Sidaway from its construction in 1892 to 1920. The factory was purchased by the Bardon family who continued to operate it as a boot factory until its closure in 1969. The site was eventually acquired by Waverley Council in 1984 from developer Dainford limited following its protection under section 130 of the Heritage Act 1977 and three unsuccessful development applications.

After conservation works were carried out in 1984-85 as specified by Clive Lucas & Partners, the building was used by various community organisations and services. It has been vacant since 2007 due to concerns regarding its condition. Numerous studies have been commissioned by Waverley Council since this time to evaluate the condition and remedial options for the building.

PURPOSE OF STUDY

The purpose of this study is to provide an analysis of feasible options for the adaptive re-use of the site. The intention is to investigate the site's use as a 'Knowledge and Innovation Hub' operated by Waverley council.

INTRODUCTION

This document comprises upgrade options analysis and forms a summary of Phase 4 of the project.

This document is a truncated summary of the collective findings of the consultant team. For specific detail reference should be made to specialist consultant report that are attached to this document.



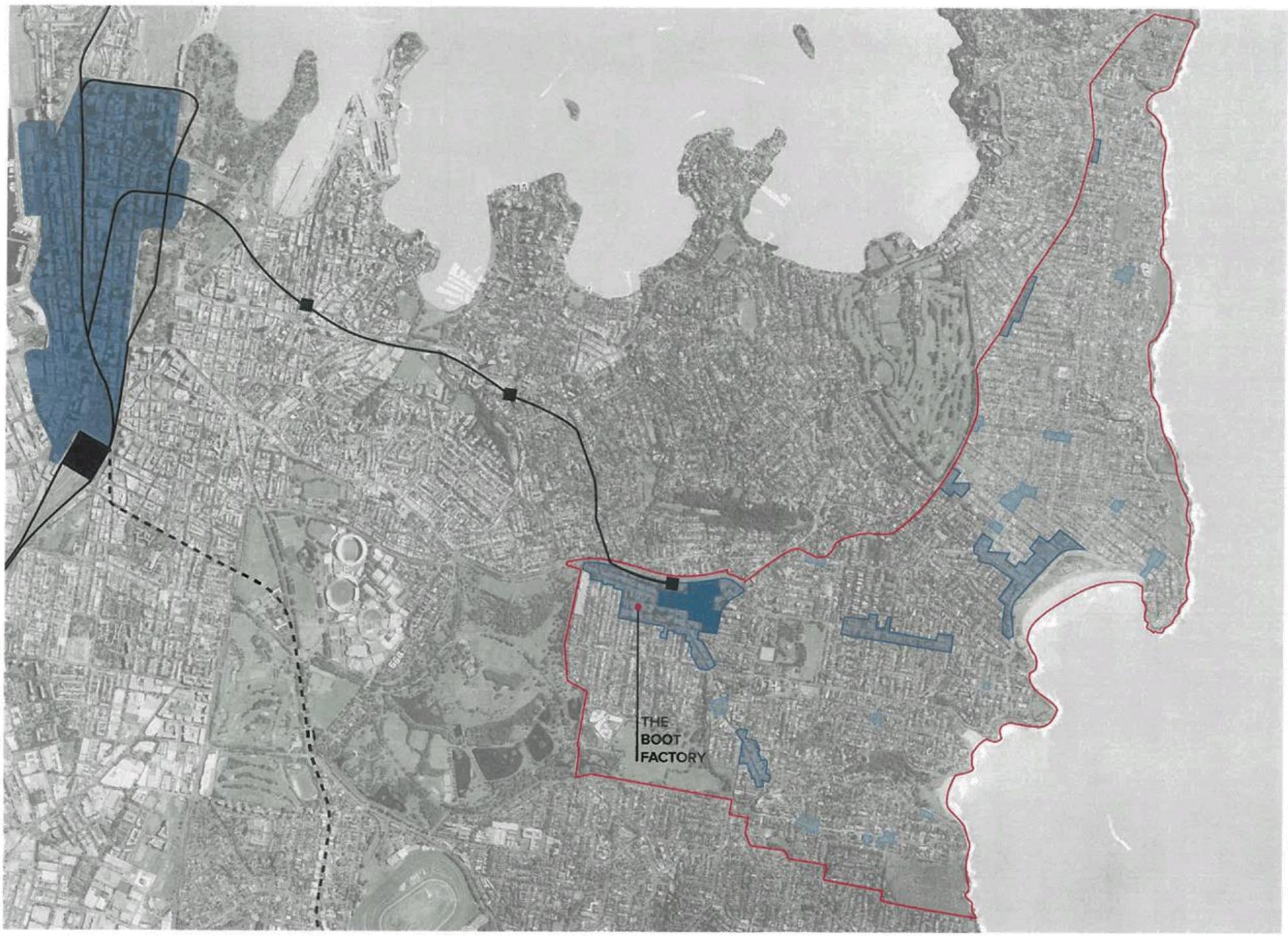


Left: 1985, Waverley Local Studies Photo Collection

Right: c1911 First Floor Interior, Waverley Local Studies Photo No. 876

SITE INVESTIGATION
CONTEXT

LOCATION



Bondi Junction is located on a ridgeline once known as Mill Hill.

The commercial centre grew around the original junction of the Bondi and Bronte tram routes.

Bondi Junction is connected to greater Sydney by the Eastern-most heavy rail station in Sydney.

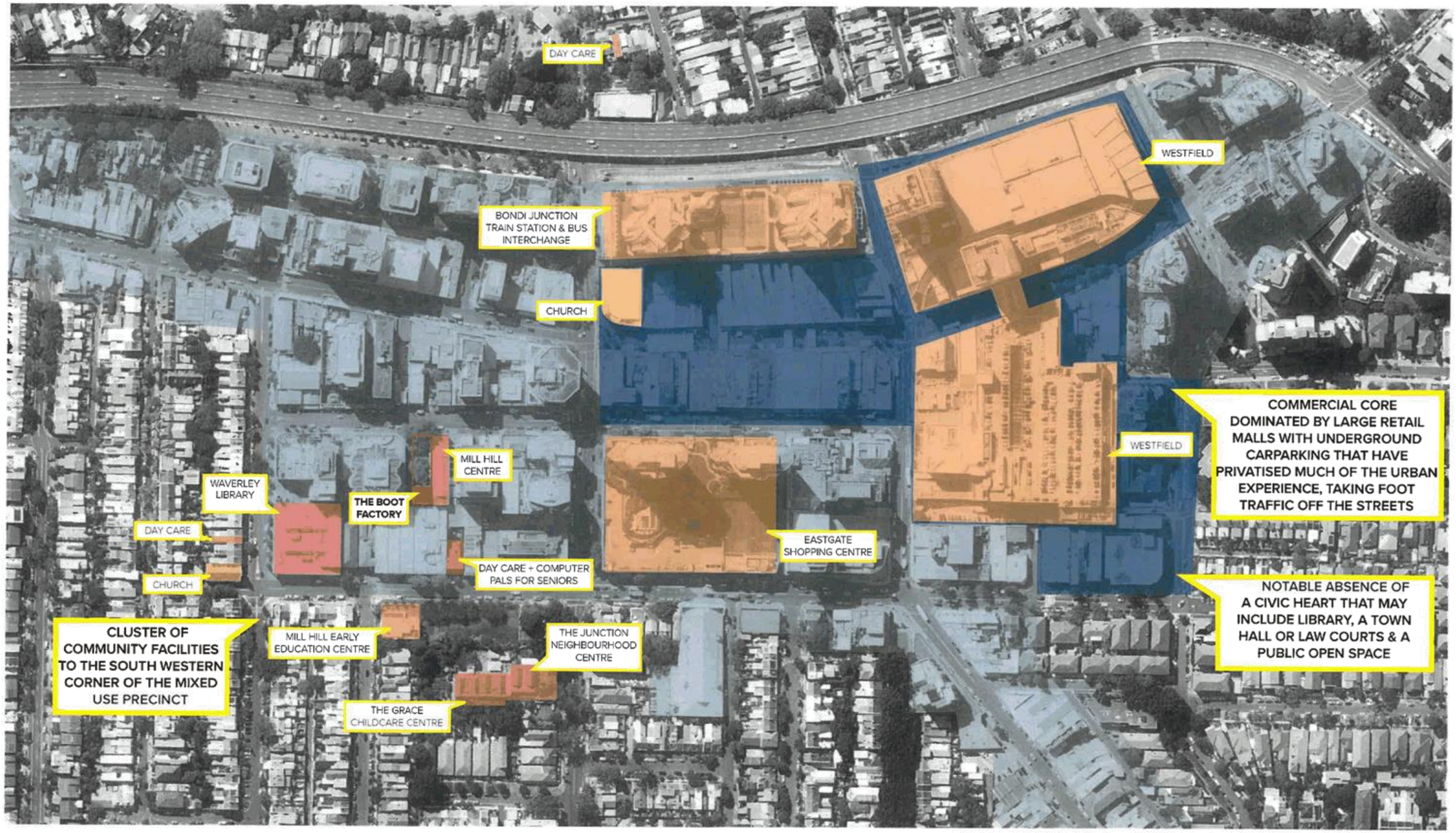
Bondi Junction comprises the only Commerical Core zone within the Waverley municipality.

KEY
- WAVERLEY MUNICIPALITY
- MIXED USE ZONES
- NEIGHBOURHOOD CENTRES
- COMMERCIAL CORE ZONE
- RAIL LINE

SCALE 1:25,000

SITE INVESTIGATION
CONTEXT

PUBLICLY ACCESSIBLE BUILDINGS



SCALE 1:2,500

SITE INVESTIGATION
CONTEXT

PUBLIC OPEN SPACES

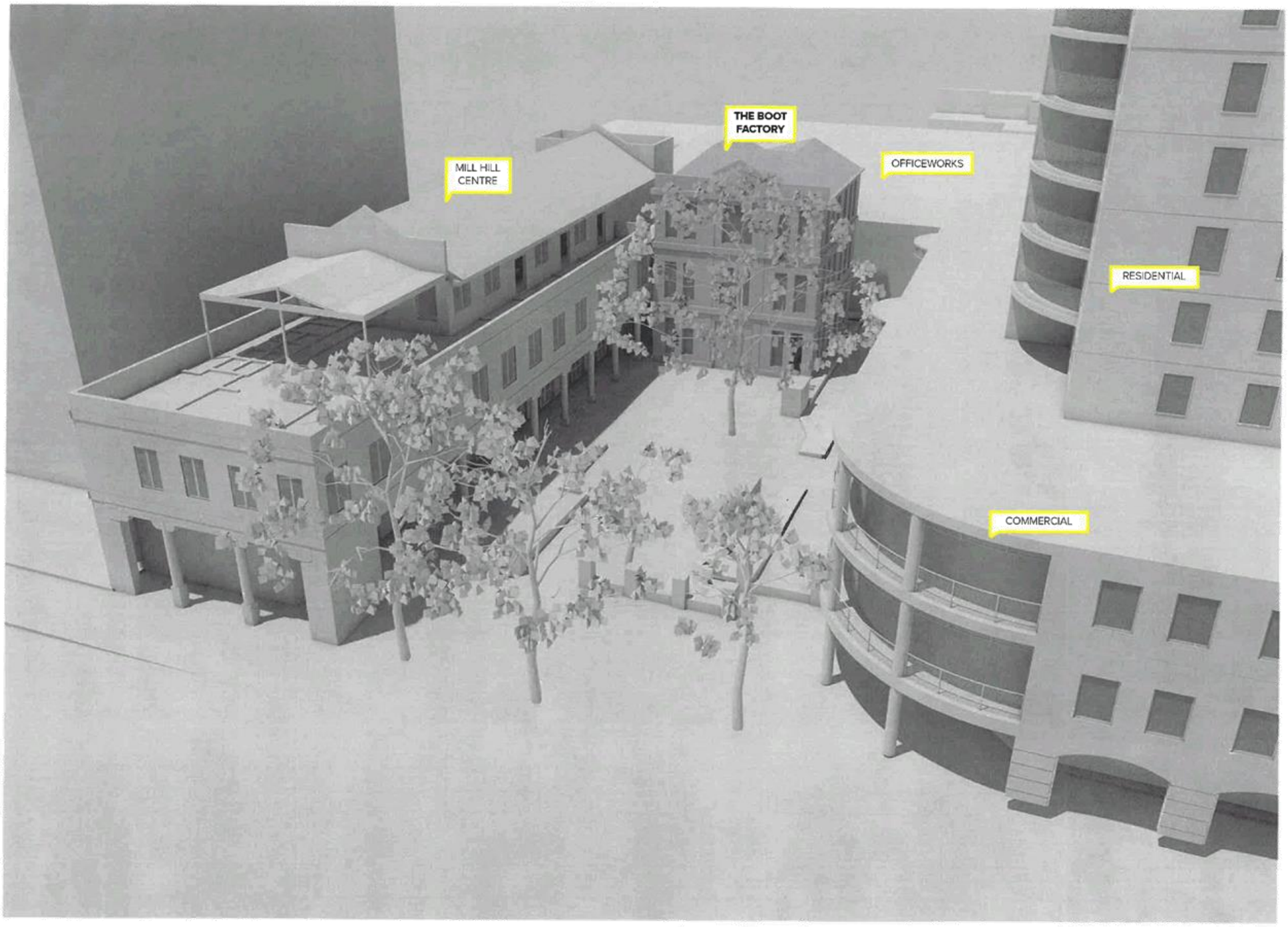


PARKS
SQUARES & MALLS

SCALE 1:2,500

SITE INVESTIGATION
SITE ANALYSIS

NORMAN LEE PLACE



The Boot Factory is located at the rear of Norman Lee Place at 27-33 Spring Street, Bondi Junction, located on the South side of Spring Street.

The site is bounded by the Mill Hill centre to the East, large format retailer Officeworks to the South and commercial and residential flat building known as Spring Street Apartments to the West.

SITE INVESTIGATION
SITE ANALYSIS

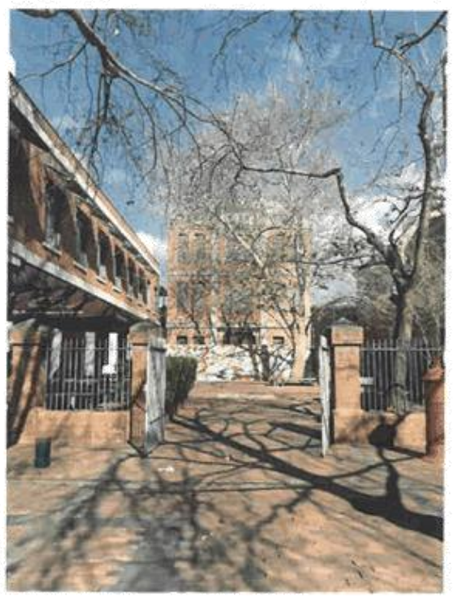
CURRENT SITUATION



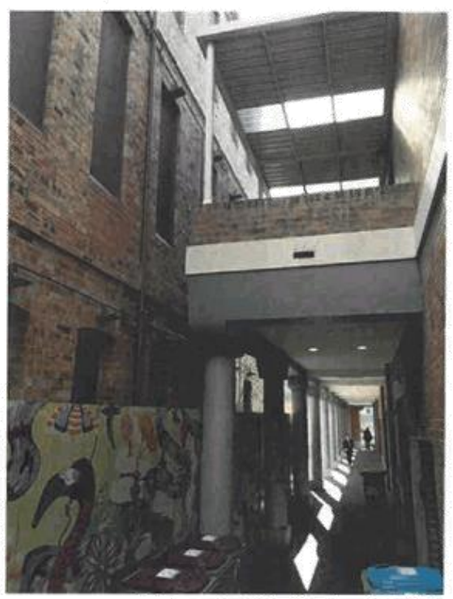
Obstacles including fences, rubbish bins, bike racks, an unused post box block site access.



The mixed use building to the West is set back to create this in-between space leading to the council-owned Officeworks building beyond.



A large tree close to The Boot Factory blocks views to the building from Norman Lee Place and the street.



The Mill Hill Community Centre has been constructed very close to The Boot Factory Building.



A steel table tennis table and large chess board painted over pavers provide limited activation.

SITE INVESTIGATION
SITE ANALYSIS



NORTHERN ELEVATION

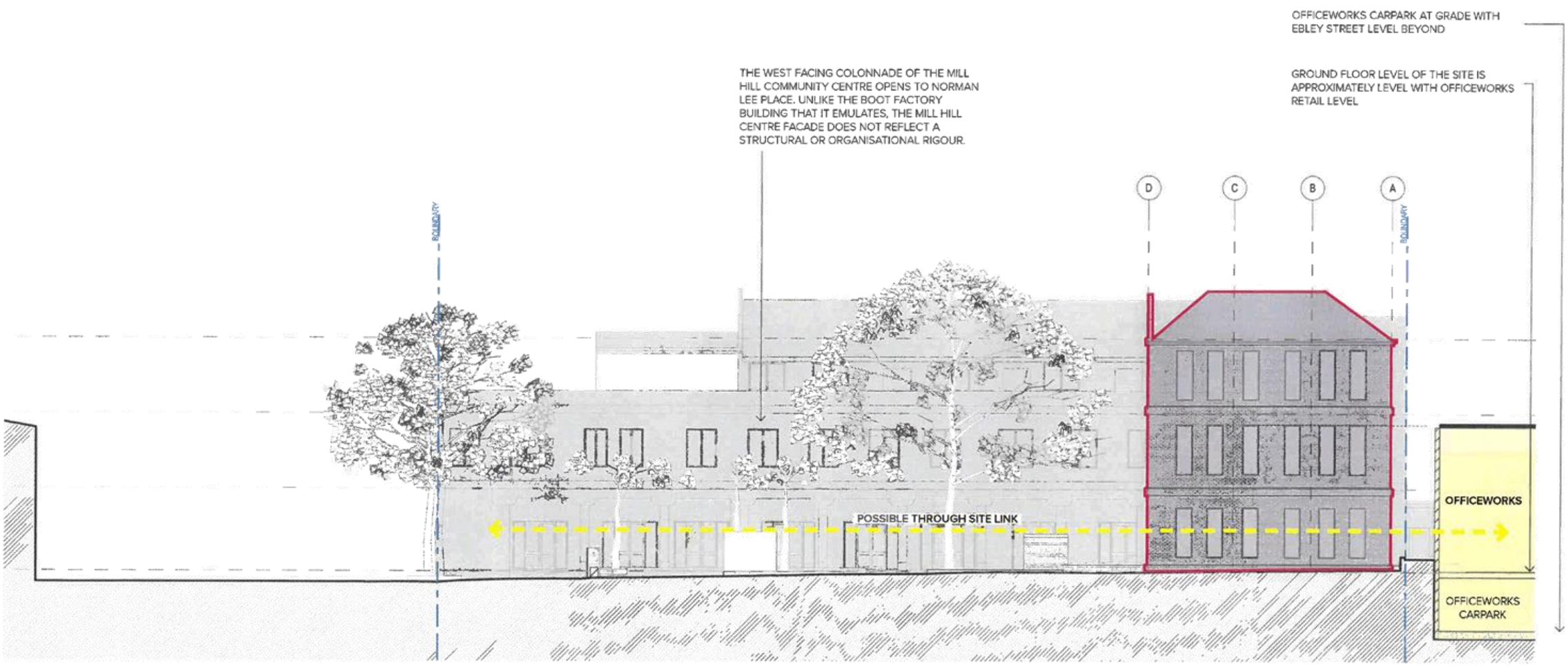
Despite high rise commercial and residential buidlings either side of the buidling, massings immediately to either side are slightly lower than The Boot Factory building, while opening to face towards it, displaying unusual deference that is not typical of Bondi Junction's commercial and mixed use zone.

Neighbouring buildings to both East and West address Norman Lee Place with covered ground floor colonnades. Both buildings provide offices looking onto the square with roof terraces above.

SCALE 1:200

SITE INVESTIGATION
SITE ANALYSIS

THE COUNCIL-OWNED BUILDING CURRENTLY OCCUPIED BY OFFICEWORKS TO THE SOUTH HAS THE MAIN WAREHOUSE LEVEL APPROXIMATELY AT GRADE WITH THE SITE

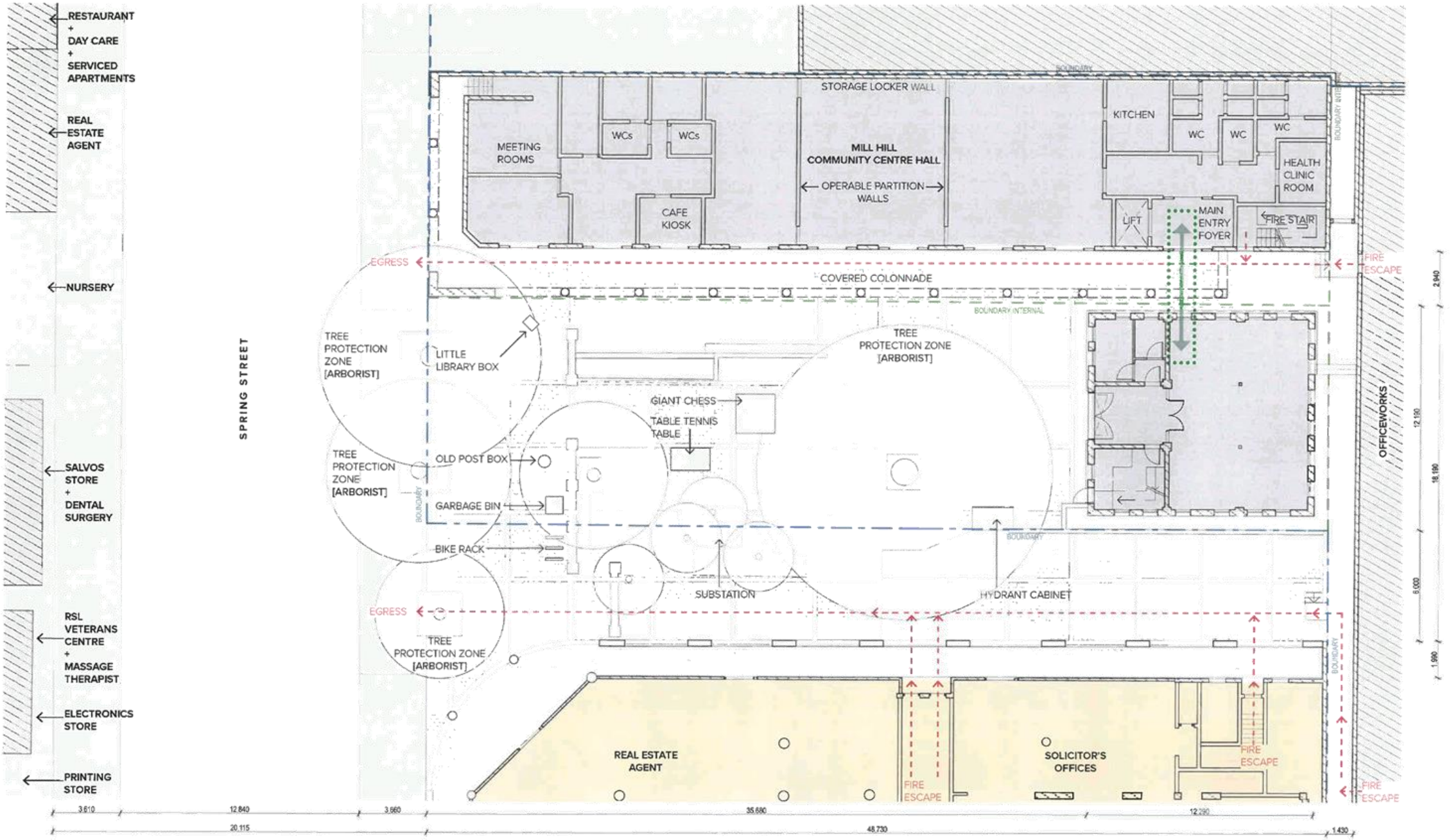


SITE SECTION B

SCALE 1:200

SITE INVESTIGATION
SITE ANALYSIS

NORMAN LEE PLACE IS BOUNDED BY SPACES THAT COULD OPEN ONTO THE SQUARE



GROUND FLOOR SITE PLAN

NOTE: EGRESS PATHS OF NEIGHBOURING BUILDINGS ARE INDICATIVE ONLY. EASEMENTS TO BE CONFIRMED BY WAVERLEY COUNCIL.

SCALE 1:200

SITE INVESTIGATION
EXISTING BUILDING ANALYSIS

DEVELOPMENT TIMELINE



1892 SIDAWAY BOOT FACTORY OPENED
- By 1896, 60 staff are employed at Sidaway & Sons

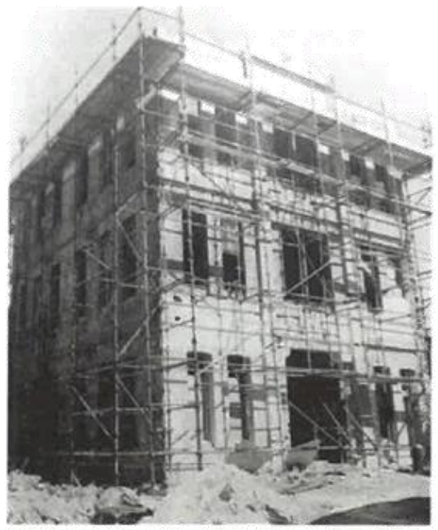


1940s SHEDS FILL FORECOURT
- Likely shopfront, double storey building to street front
- Single storey shed attached to ground floor

1969 BARDON FACTORY CLOSES
- Commercial use of site ceases

1979 PURCHASED BY DEVELOPER DAINFORD LIMITED
- Protective order under Section 130 of Heritage Act

1984 WAVERLEY COUNCIL PURCHASE SITE
- Council pays $750,000 for the property after 3 unsuccessful DAs lodged by Dainford Limited



1984-85 CONSERVATION WORKS UNDERTAKEN AS SPECIFIED BY CLIVE LUCAS & PARTNERS
- Removal of outbuildings
- Partial reconstruction of ground floor front facade
- New concrete fire stair & amenities
- Creation of entry lobby space with central main entry door
- Windows extensively repaired and/or reconstructed



1985 PUBLIC LAUNCH
- Community groups move in

1990 LOCAL HERITAGE LISTING
- Waverley LEP

1992 MILL HILL CENTRE CONSTRUCTED
- Designed by Jackson Teece Chesterman Willis

MID-90s REMEDIAL STRUCTURAL WORKS
- Concerns over structural stability of walls addressed



2007 BUILDING VACATED
- Due to structural concerns

2013 STRUCTURAL BRACING INSTALLED
- Windows boarded up
- Extensive steel bracing installed
- Safety fencing and hoarding erected

Left to Right:
1. c1911 Waverley Local Studies Collection photo No. 002534
2. 1982 Waverley Local Studies Collection, un-numbered
3. 1985 During Conservation Works, Waverley Local Studies Collection photo No. 1699
4. 1985 Boot Factory at its reopening, Waveley Local Studies Collection, un-numbered
5. 2009, Building Diagnosis Centre Report

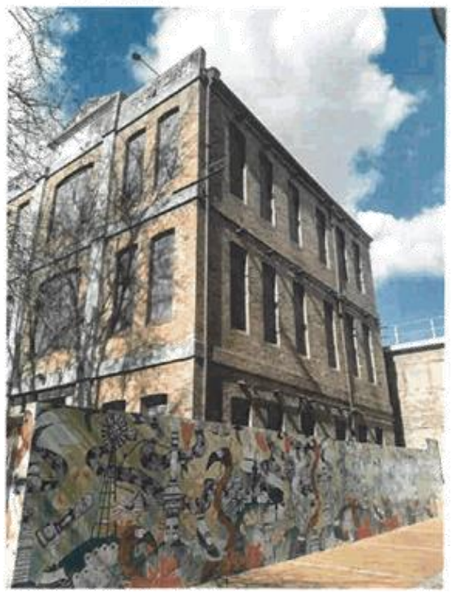
SITE INVESTIGATION

EXISTING BUILDING ANALYSIS

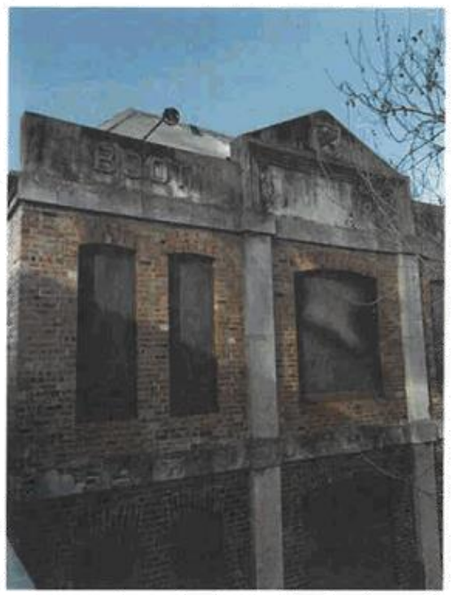
CURRENT CONDITIONS



The front and other three brick facades are all in generally good condition.



Drenchers are visible over windows to the side and rear boundaries.



The windows are currently boarded up. Some exterior damage to render is visible.



The interior of the building is currently compromised by remedial structural bracing members.

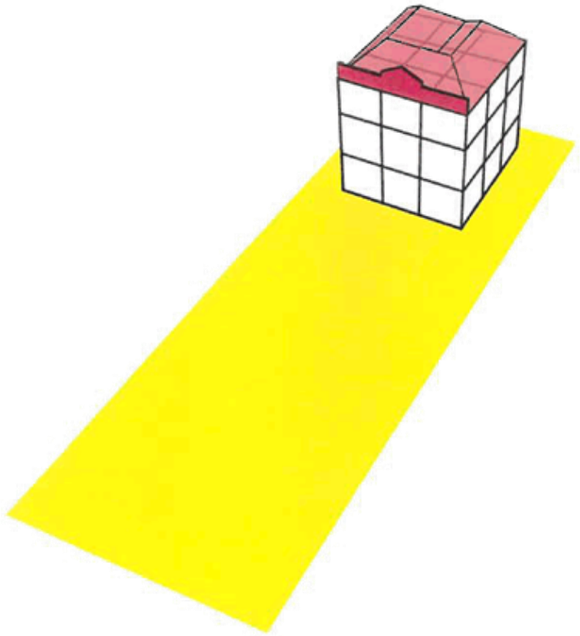


Concrete fire stair constructed in 1984.

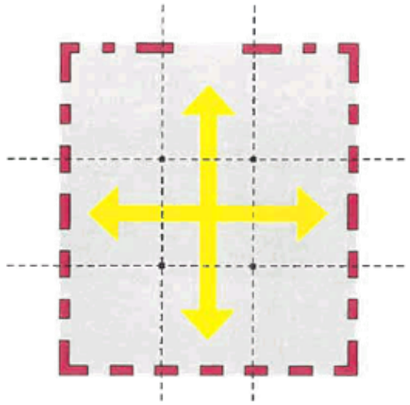
SITE INVESTIGATION

EXISTING BUILDING ANALYSIS

HERITAGE



1. CUBIC FORM
3 Storeys
3 Bay facade with parapet & gable roof



2. INTERNAL LAYOUT
Each floor plate has 3 x 3 bays, symmetrical on two axes



3. FACADES
Front facade followed by West facade are the most important.
East and South facades are least important equally.

Important (Essential) Characteristics of the Boot Factory: While there is no doubt that the Boot Factory has historic, associative and social heritage significance at a local level, as well as being both rare and representative, it is the building's aesthetic significance that is most evident on site, expressed directly through its distinctive form and layout. These characteristics are important to be expressed, emphasized and definitely retained.

The Boot Factory is rectilinear in form, almost cubic, comprising three-storeys of three-bays, with each floor separated by a string course. The front façade features pilasters between the three bays and is terminated with a rendered parapet. Most bays are two windows wide, with the exception of the front façade, which has one double-width window in the central bay.

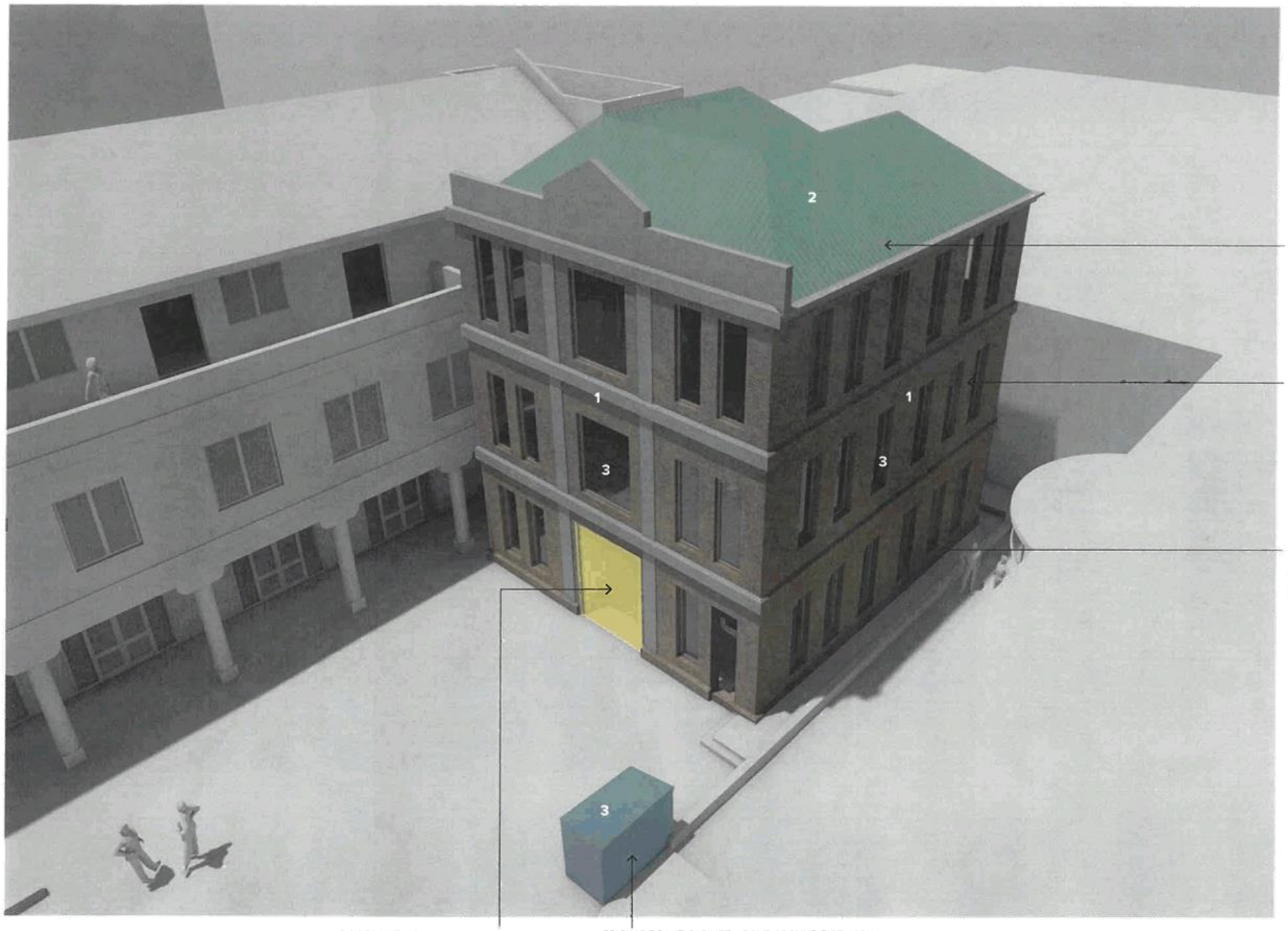
Each floor is a perfect square in plan, symmetrical on two axes, with a three by three grid on each floor, defined by a structural system of timber columns and brick pilasters. The fire stair and bathrooms added in 1984 were designed to respect this powerful grid.

The existing relationship of the Boot Factory to Spring Street is integral to its heritage significance and needs to celebrated; this forecourt indicates the original setting of the item and makes a substantial contribution to its aesthetic significance. Further to this, the front façade is by far the most important, with its rendered string courses, pilasters and parapet.

Due to the setback of the adjacent development, the western façade is also highly visible and needs to be respected. Due to the proximity of development on adjacent sites, the importance of both the eastern and southern facades is diminished, as these facades cannot be experienced properly, and possibly allow for scope to change.

SITE INVESTIGATION

EXISTING BUILDING ANALYSIS



ROOF LEAKING. ROOF SHEETING TO BE REPLACED AS A MINIMUM. POTENTIAL TO EXPLORE OPTIONS THAT IMPROVE AMENITY, SUCH AS NATURAL VENTILATION & LIGHT

GVEN THE PROXIMITY OF ADJACENT BUILDINGS & TO MEET FIRE REGULATION REQUIREMENTS, WINDOWS TO EAST, SOUTH & WEST ELEVATIONS MUST BE FIXED CLOSED OR AUTOMATICALLY CLOSING & MUST BE PROTECTED WITH EXTERIOR DRENCHERS

PERIMETER BRICK WALLS ARE OF HIGH SIGNIFICANCE & THEIR STRUCTURAL INTEGRITY CAN BE MAINTAINED

DOORS LIKELY REQUIRE UPGRADING TO POWER OPERATED (DUE TO SIZE OF DOORS & ANTICIPATED FORCE REQUIRED TO OPERATE)

BRICK HYDRANT CABINET, ABOVE GROUND PIPEWORK, SPRINKLER CONTROL VALVE & PRESSURE MAINTENANCE PUMP NEED TO BE REPLACED & POSSIBLY RELOCATED (NOTE: COMMUNITY MURAL ON WEST FACE)

KEY ITEMS

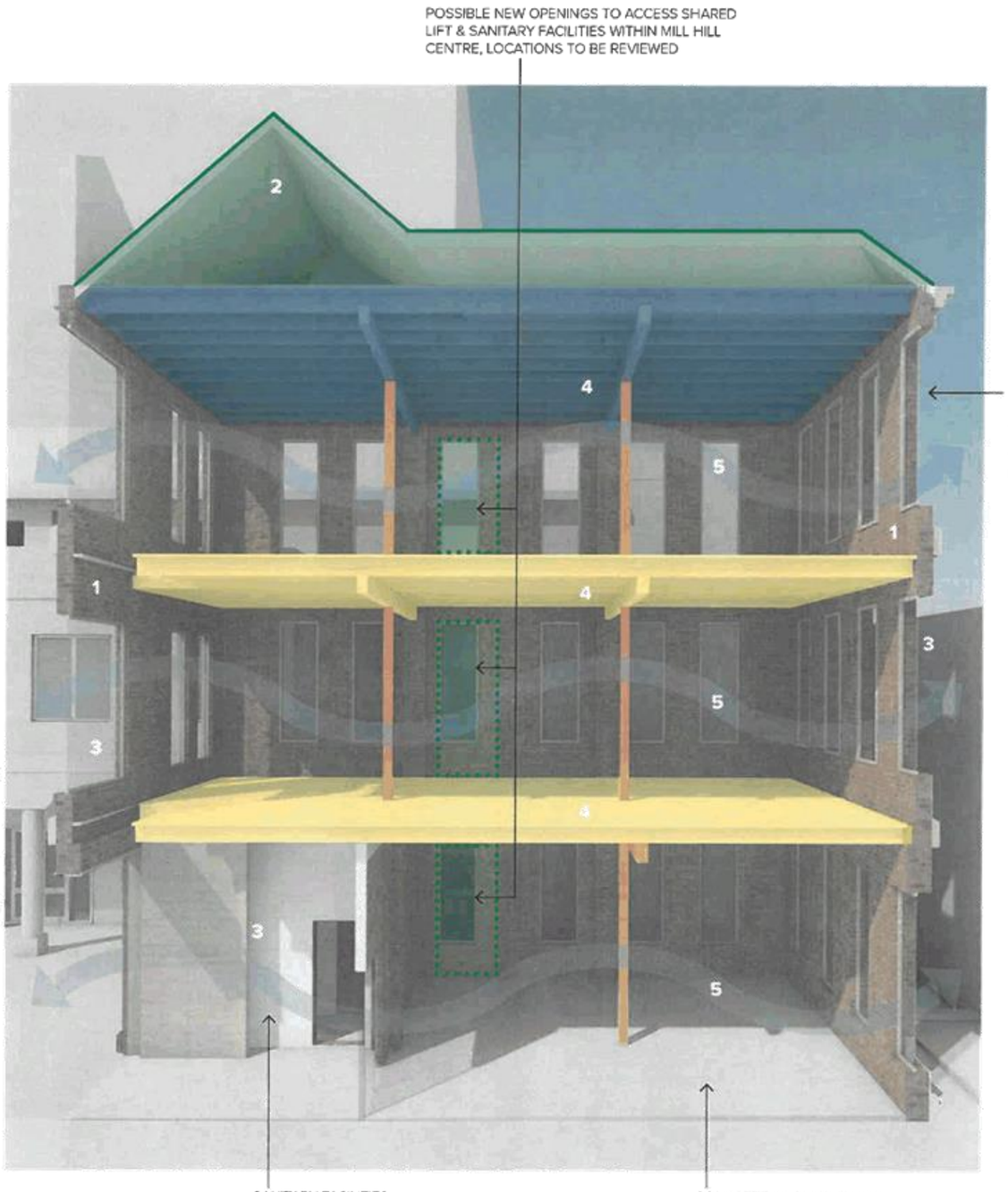
1 Retain masonry perimeter walls

2 Replace roof sheeting & review opportunity to improve roof performance

3 Upgrades to achieve compliance with relevant codes

SITE INVESTIGATION

EXISTING BUILDING ANALYSIS



KEY ITEMS

1 Retain masonry perimeter walls

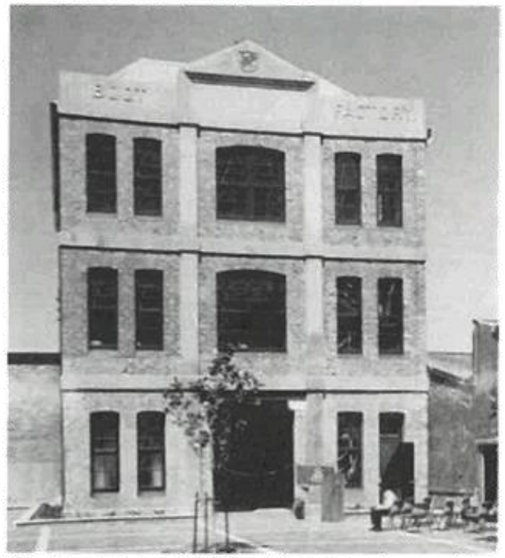
2 Replace roof sheeting & review opportunity to improve roof performance

3 Upgrades to achieve compliance with relevant codes

4 Upgrade or re-construct floors

5 Maintain natural ventilation if possible

SITE INVESTIGATION
PRINCIPLES



1. INTEGRITY OF BUILDING FORM

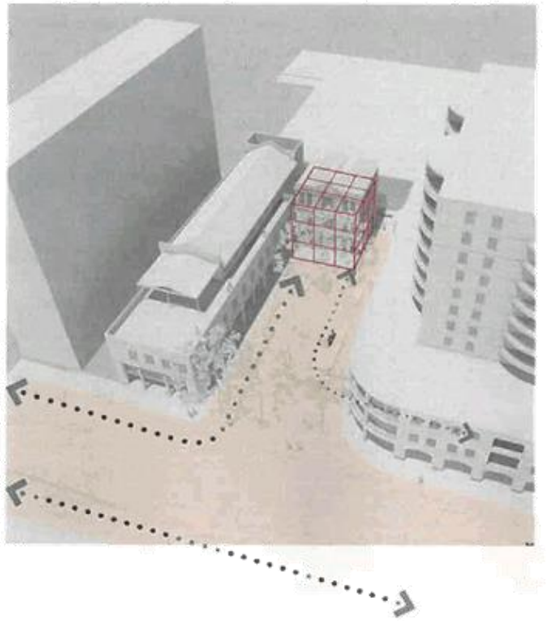
- Original design intended to be 'in-the-round'
- Complete whole: external additions beyond this envelope likely to compromise the integrity of the building
- The intent of restoration works is to extend the design life of the base building.
- Intended functional use is to be facilitated through flexible internal fitout elements that are relatively temporary.
- Intervention should not compromise the clarity of the base building



2. A PLACE FOR COLLABORATIVE PRODUCTION

Maintaining original design intent as heritage conservation principle:

- Significance and suitability of the boot factory as a place for physical making
- Natural daylight and ventilation
- Reintroduction of this use seems appropriate
- Opportunity to re-imagine this use oriented towards future process of making
- Functionality of design as a key principle. Originally built as a functional building of its time, pre-dating electricity. Intervention to be of its time ie. Contemporary and highly functional.



3. SITE AS EXTENSION OF PUBLIC DOMAIN

- The public domain extends into the site, to create a public address for the building.
- The Boot Factory building is sited 'in the round'
- Strengthen and reinforce clarity of building object in public space.
- Further introduced elements are to be diminutive and not compromise the clarity of the boot factory building within the public domain

FROM ELTON REPORT (STILL UNDERWAY):

The 'Rebooting The Boot Factory' report being prepared by Elton Consulting is still underway. The DRAFT that has been received contains multiple potential directions that remain open to ongoing discussion, however we have identified several key criteria that appear both appropriate and likely to underpin the future direction of the project regardless of finer-grained considerations:

1. **DIVERSE USER GROUPS**
2. **MULTIPLE FUNCTIONAL OPPORTUNITIES**
3. **FLEXIBILITY OF USE OVER TIME**
4. **THE BOOT FACTORY AS A 'BEACON FOR IDEAS'**

ASPIRATIONS

PRESENT

FACTORY BUILDING

HERITAGE

- NATURAL LIGHT
- NATURAL VENTILATION
- RATIONAL CONSTRUCTION
- HONEST EXPRESSION
- HISTORY OF COLLABORATIVE PRODUCTION

ADAPTABLE SHELL

FUTURE

COMMUNITY HUB

INNOVATION

- BIG PICTURE THINKING
- LONG TERM VIEW: INNOVATION AS THE COLLABORATION OF PEOPLE SHARING IDEAS RATHER THAN THE "LATEST TECHNOLOGY"
- ADAPTATION: AVOID OBSOLESCENCE, PERPETUAL INNOVATION

INNOVATION IS TIMELESS

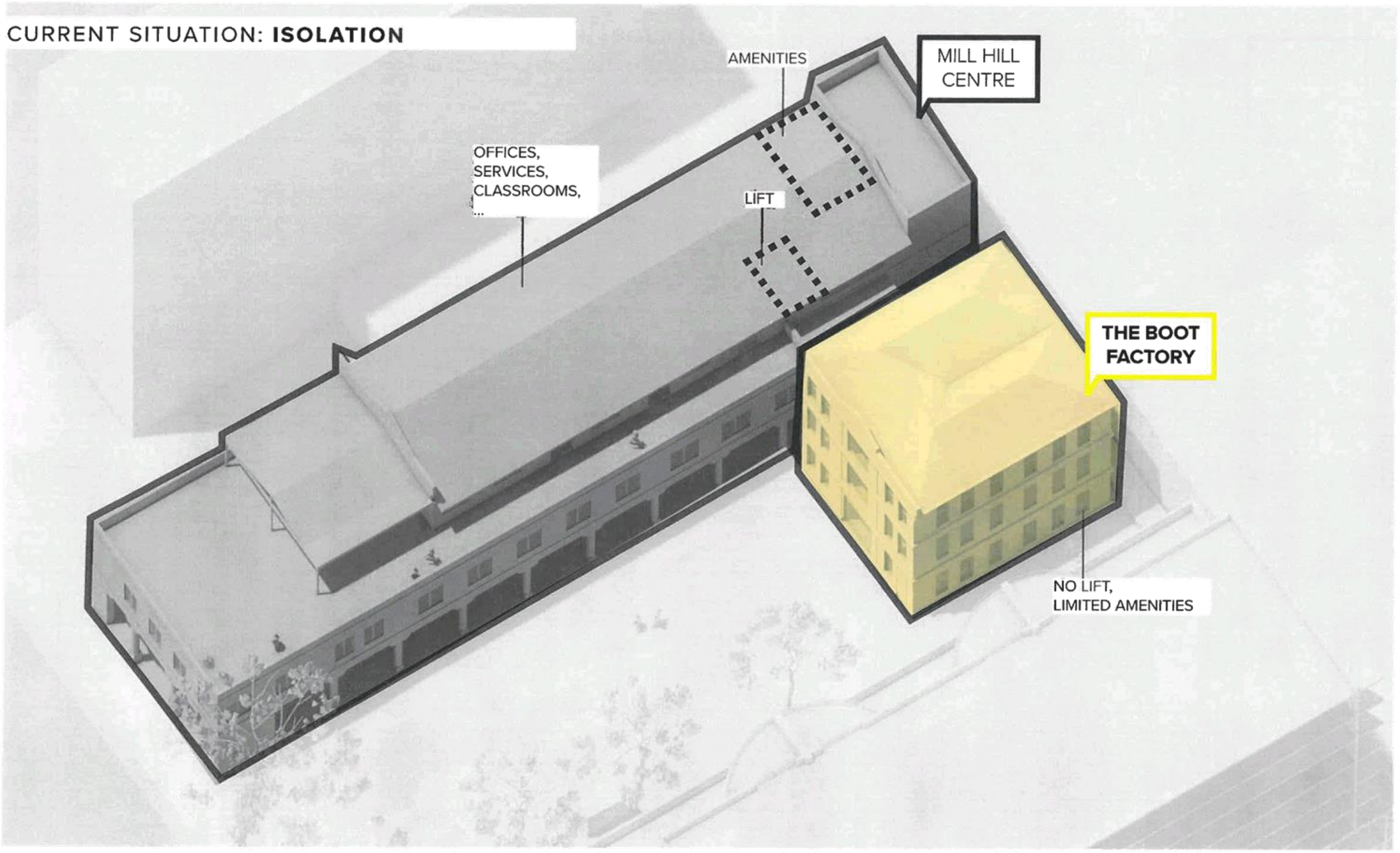
CRUCIBLE FOR INNOVATION

Crucible
noun

- a ceramic or metal container in which metals or other substances may be melted or subjected to very high temperatures.
- a situation of severe trial, or in which different elements interact, leading to the creation of something new.

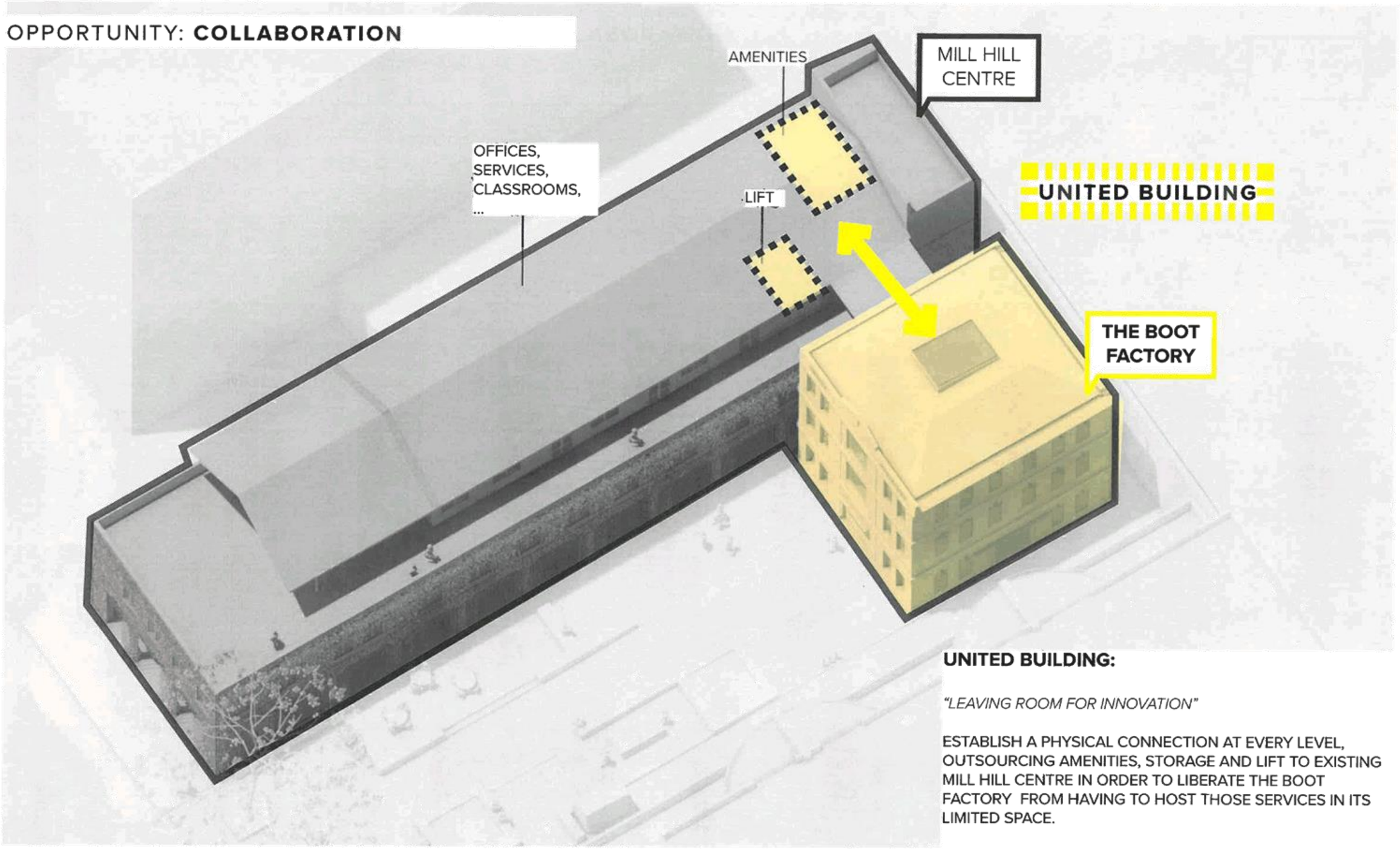
THE BOOT FACTORY & MILL HILL CENTRE

CURRENT SITUATION: **ISOLATION**



THE BOOT FACTORY & MILL HILL CENTRE

OPPORTUNITY: **COLLABORATION**

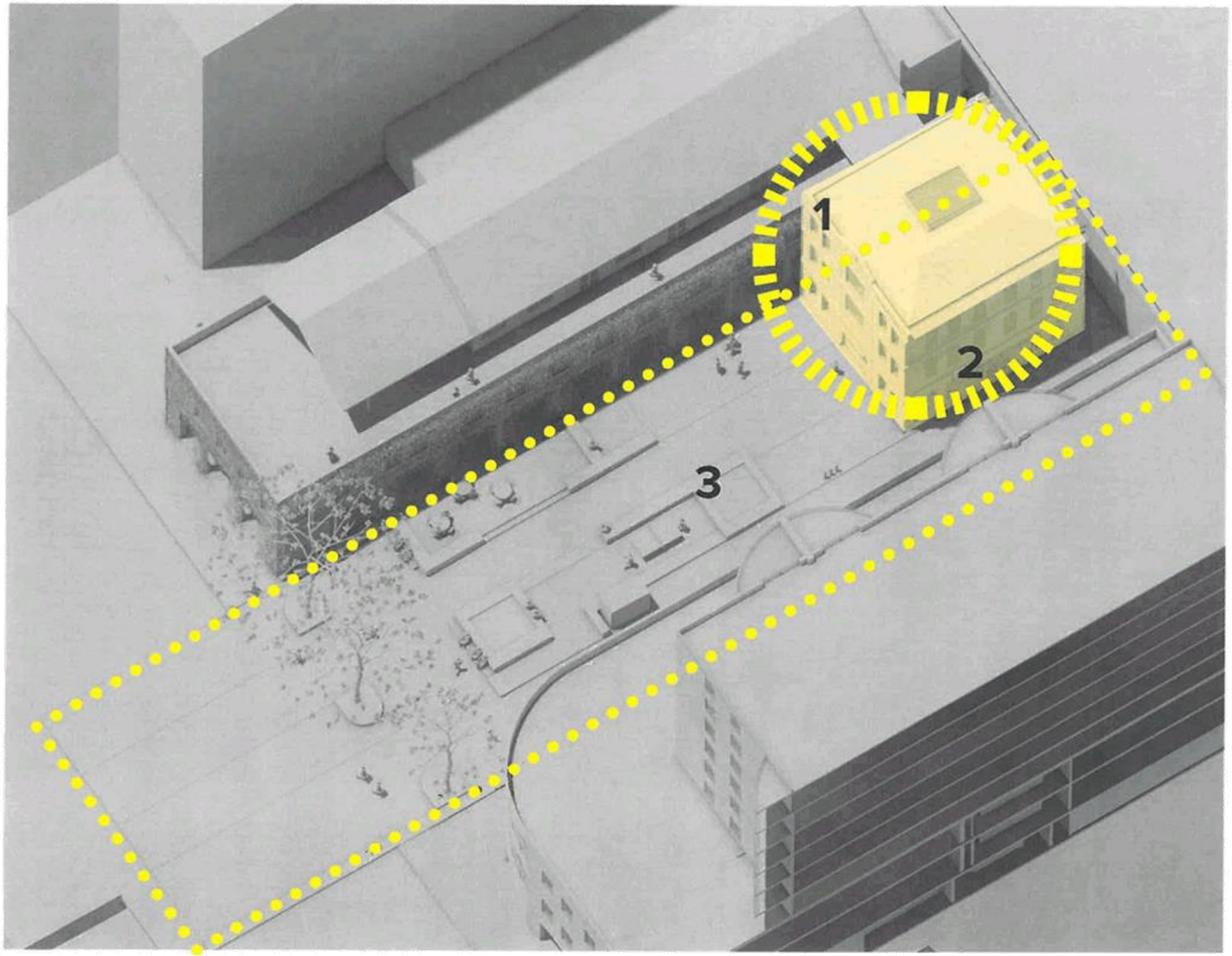


UNITED BUILDING:

"LEAVING ROOM FOR INNOVATION"

ESTABLISH A PHYSICAL CONNECTION AT EVERY LEVEL, OUTSOURCING AMENITIES, STORAGE AND LIFT TO EXISTING MILL HILL CENTRE IN ORDER TO LIBERATE THE BOOT FACTORY FROM HAVING TO HOST THOSE SERVICES IN ITS LIMITED SPACE.

INTERVENTION





1. INTEGRITY OF BUILDING FORM

↓

BUILDING FABRIC



2. A PLACE FOR COLLABORATIVE PRODUCTION

↓

SPACES



3. SITE AS EXTENSION OF PUBLIC DOMAIN

↓

URBAN DESIGN + LANDSCAPE

THE BOOT FACTORY UPGRADE

BUILDING FABRIC

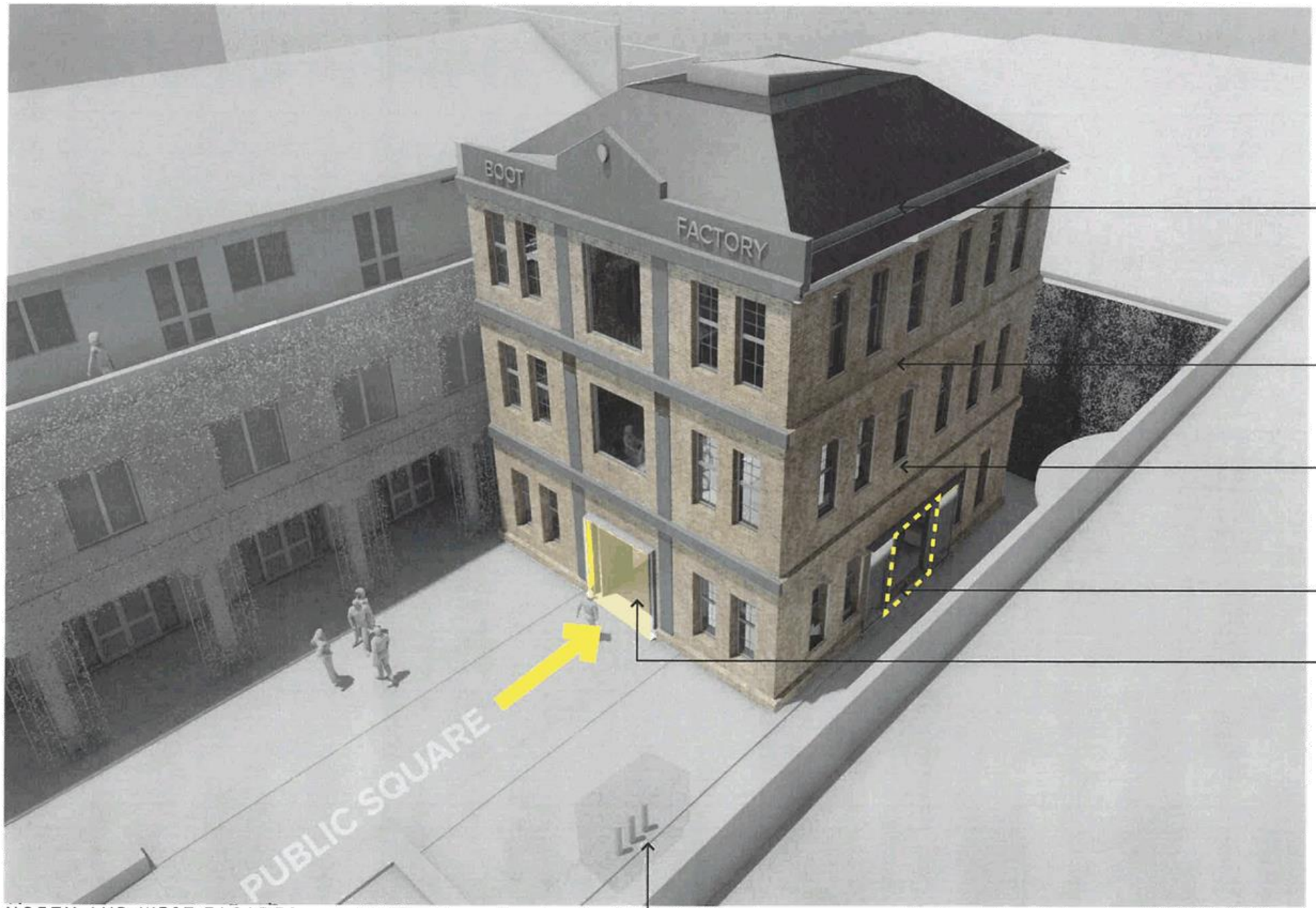
SPACES

URBAN DESIGN + LANDSCAPE

THE BOOT FACTORY UPGRADE

BUILDING FABRIC

IMPROVE PERFORMANCE OF ENVELOPE



NORTH AND WEST FACADES

BRICK HYDRANT CABINET, ABOVE GROUND PIPEWORK, SPRINKLER CONTROL VALVE & PRESSURE MAINTENANCE PUMP NEED TO BE REPLACED & COULD POSSIBLY BE RELOCATED (NOTE: COMMUNITY MURAL ON WEST FACE)

With input from consultants :

- BCA
- Building Services
- Heritage
- Structural

KEY ELEMENTS:

COMMON TO ALL OPTIONS

ROOF
Roof form adjustment shown maintains the roof profile on north, east and west facades, while wrapping this profile to the south to leave a large skylight in the middle, eliminating the roof valley form that is currently leaking and introducing more natural light and ventilation.

BRICK WALLS
Retain and restore perimeter brick walls, as they are of high heritage significance & their structural integrity can be maintained.

WINDOWS
Unblock windows in order or improve amenity through natural ventilation & light. existing windows retained and covered in a mesh that can act as a 'medium' for drenchers.

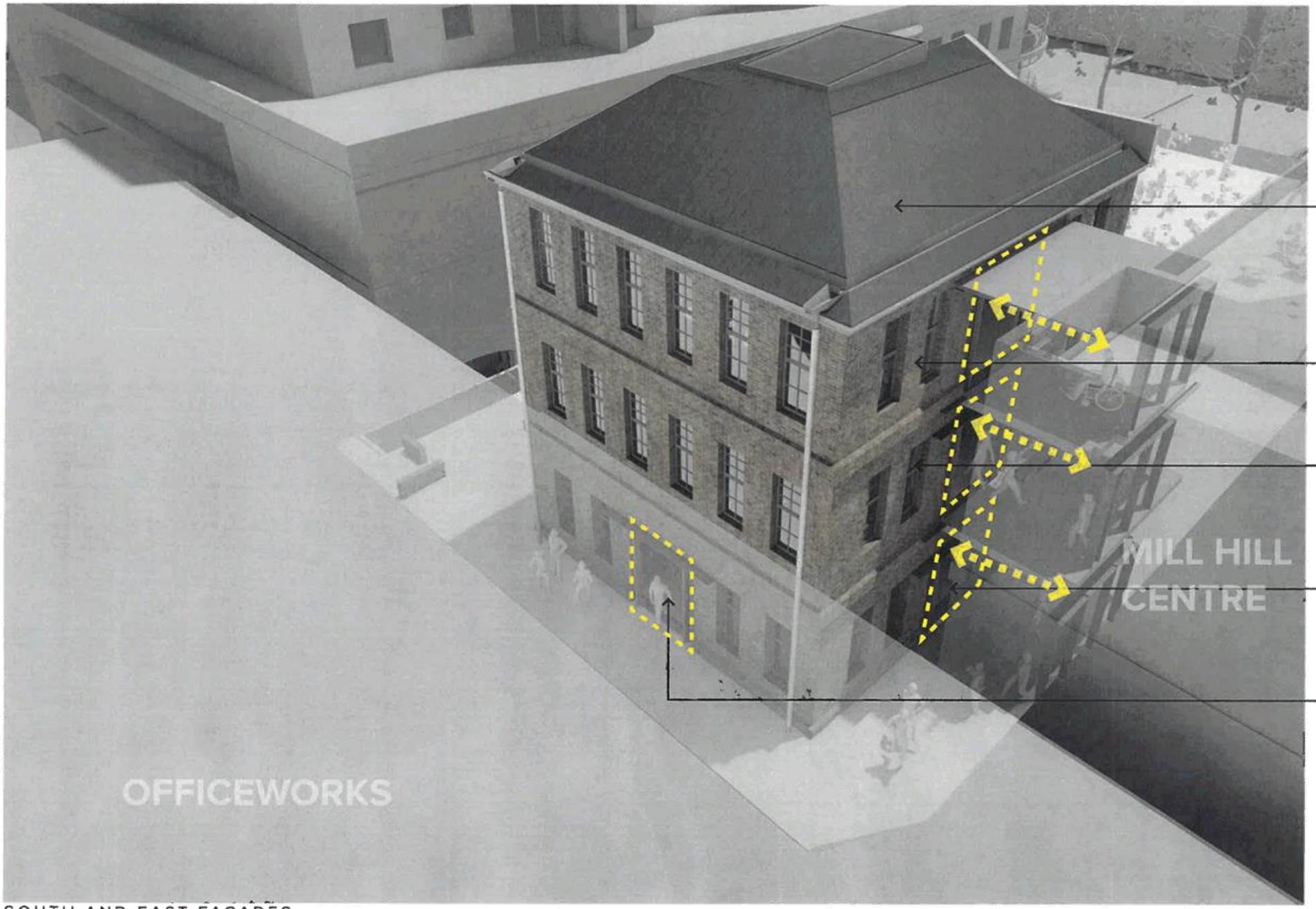
DOORS
Enlargement of openings for connection to adjacent side and back public space.

FRONT DOOR
If main entry doors are held open during normal operating hours they do not need to be power operated to meet accessibility requirements.
If visitors are to operate these doors, their scale would require power assistance.

THE BOOT FACTORY UPGRADE

BUILDING FABRIC

IMPROVE PERFORMANCE OF ENVELOPE



SOUTH AND EAST FACADES

With input from consultants :

- BCA
- Building Services
- Heritage
- Structural

KEY ELEMENTS:

COMMON TO ALL OPTIONS

ROOF
Roof form adjustment shown maintains the roof profile on north, east and west facades, while wrapping this profile to the south to leave a large skylight in the middle, eliminating the roof valley form that is currently leaking and introducing more natural light and ventilation.

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WINDOWS
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MILL HILL CONNECTION
Connection to adjacent mill hill centre building for use of lifts, amenities, storage and access to the officeworks carpark.

DOORS
Enlargement of openings for connection to adjacent side and back public space.

MATERIALITY

THE BOOT FACTORY UPGRADE
BUILDING FABRIC



Restore and retain existing brick fabric



New roof structure



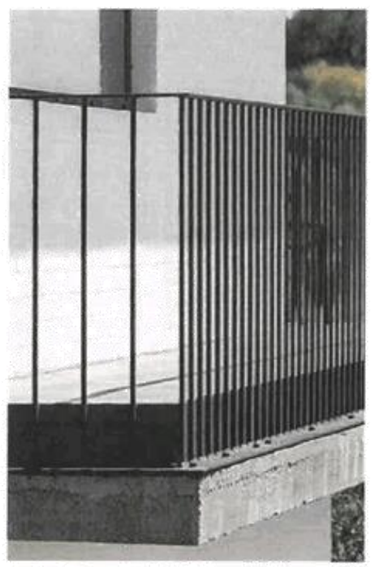
Doors openings: Metal reveal



Windows - Metal mesh over openings



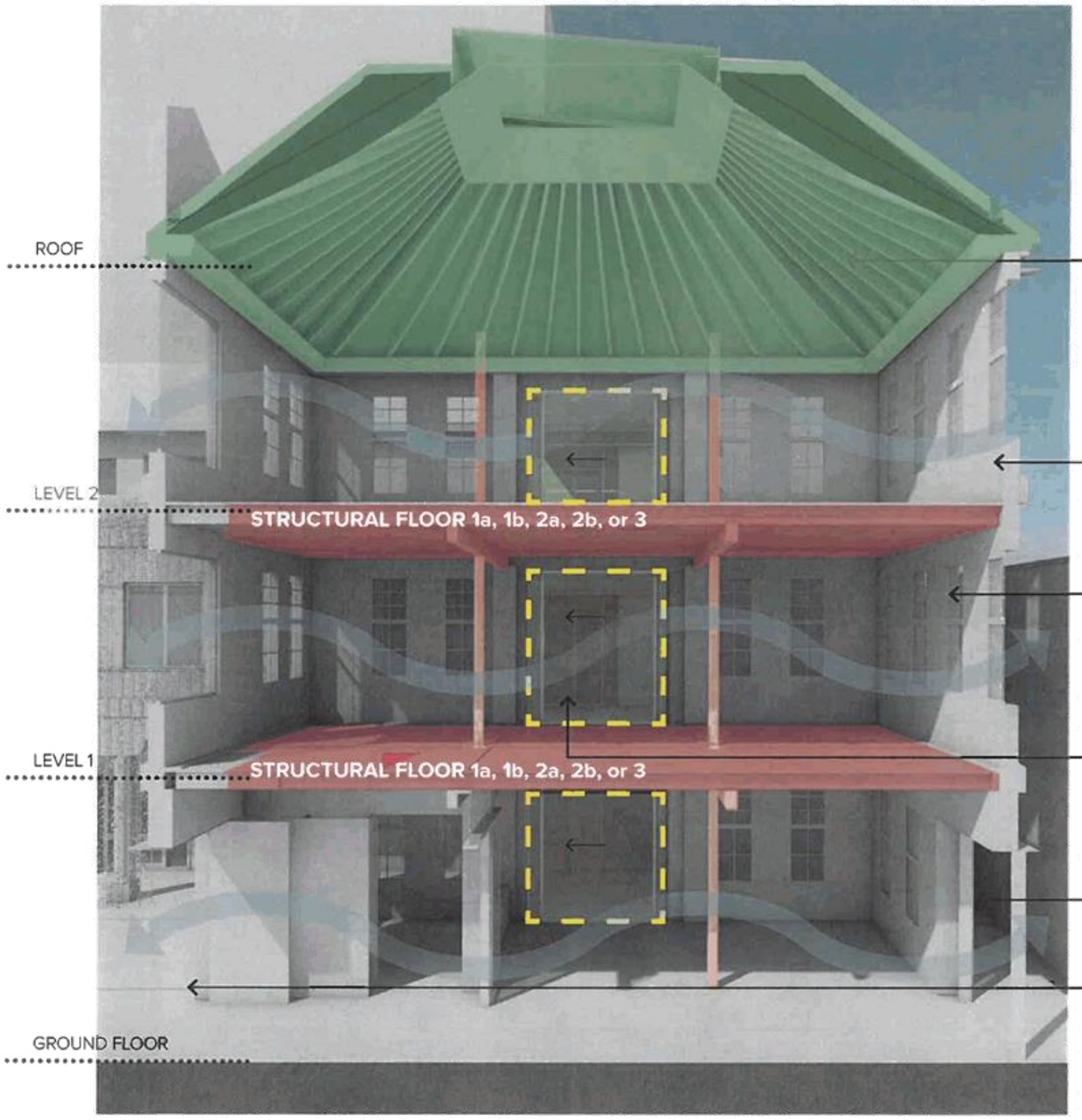
Staircase - plate steel balustrade



Bridges - lightweight steel balustrade

THE BOOT FACTORY UPGRADE
BUILDING FABRIC

RESTORE STRUCTURAL INTEGRITY



With input from consultants :
- BCA
- Building Services
- Heritage
- Structural

KEY ELEMENTS:

COMMON TO ALL OPTIONS

ROOF
Roof form adjustment shown maintains the roof profile on north, east and west facades, while wrapping this profile to the south to leave a large skylight in the middle, eliminating the roof valley form that is currently leaking and introducing more natural light and ventilation.

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If visitors are to operate these doors, their scale would require power assistance.

OPTIONS

STRUCTURE

- **OPTION 1a**

Restoration of Existing Structure
Rebuild/Reuse Structure and Building Fabric – Conservation/Restoration approach. Make good to existing condition and rebuild to existing construction.

- **OPTION 1b**

Reconstruction with New Timber Structure
Rebuild timber floor structure with contemporary construction techniques – possible solution to Glulam floor and column structure.
- Removal of existing timber structure and floors, make good to existing brickwork engaged columns in preparation for new timber structure.

- **OPTION 2a**

Restoration of existing + New Concrete Topping + New Stair
Reconstruct existing timber floor structure at a lower level to accommodate concrete topping poured over, providing fire isolation between floors.
- The timber floor structure to act as permanent formwork for the concrete slab.
- Underside of slab to be the timber floor and column structure.

- **OPTION 2b**

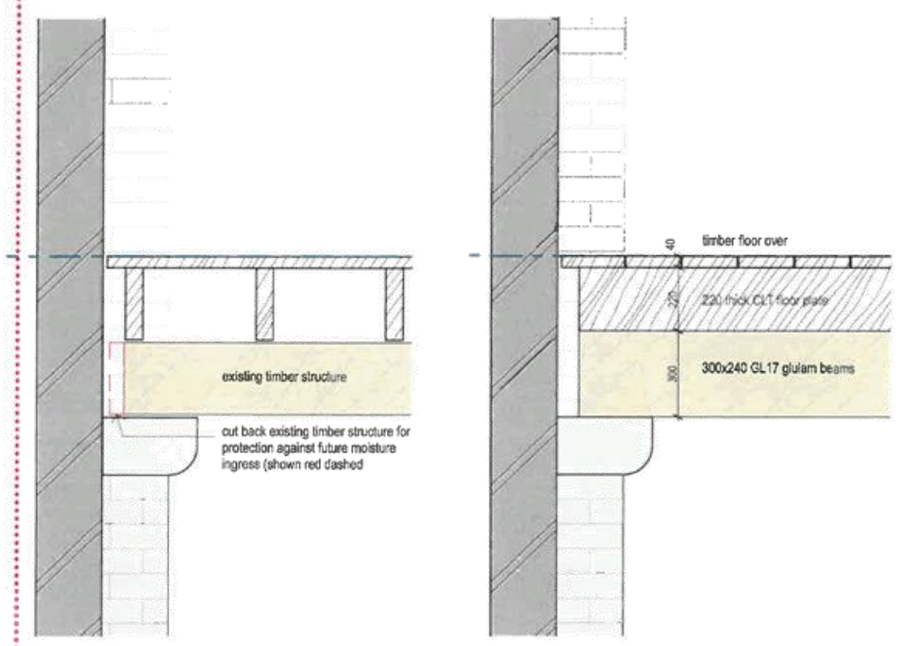
Reconstruction of existing timber structure lower level + New Concrete Topping
Reconstruct existing timber floor structure at a lower level to accommodate concrete topping poured over, providing fire isolation between floors.
- The timber floor structure to act as permanent formwork for the concrete slab.
- Underside of slab to be the timber floor and column structure.

- **OPTION 2b**

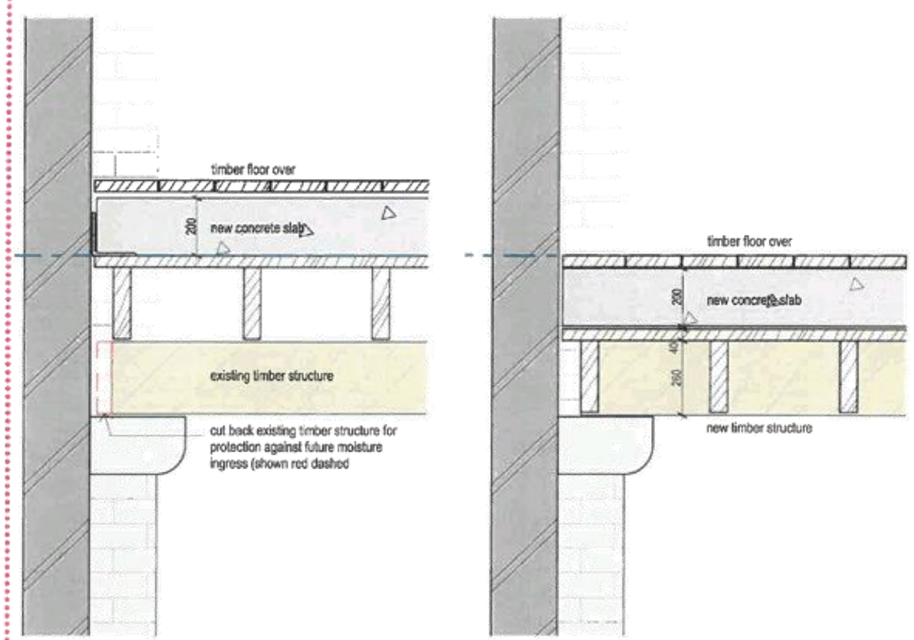
New Structural Floor Plates
New exposed concrete floors with expressed beam thickenings to correspond with the structural grid.
Removal of existing timber structure and floors, make good to existing brickwork engaged columns in preparation for proposed suspended concrete floor slabs
Timber floor inlay to finish slab to accommodate services and acoustic insulation
Exposed concrete soffit with expressed beam thickenings

STRUCTURAL OPTIONS

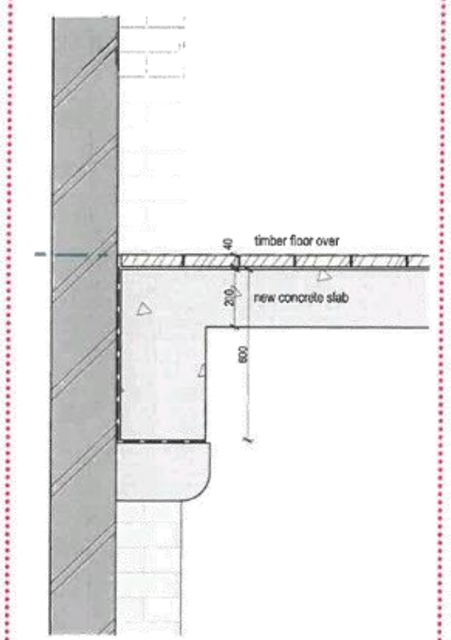
OPTION 1 - TIMBER



OPTION 2 - TIMBER + CONCRETE



OPTION 3 - CONCRETE



SCALE 1:20

OPTION 1A **RESTORE EXISTING TIMBER STRUCTURE**	OPTION 1B **NEW TIMBER STRUCTURE**	OPTION 2A **CONCRETE OVER EXISTING TIMBER**	OPTION 2B **COMPOSITE TIMBER AND CONCRETE**	OPTION 3 **NEW CONCRETE STRUCTURE**
Member-by-member analysis of existing structure to allow piecemeal restoration with new elements and reinforcing as required.	Construct new finely crafted timber floor using optimised techniques such as CLT to improve acoustic separation and fire performance and strength.	New concrete slab, poured over the existing timber structure, which would be restored as a cosmetic, non-structural element to be supported from the concrete.	Construct timber floor structure with adjusted setout to allow a concrete slab to be poured over to finish at original floor level. Timber to contribute to structural performance.	New concrete slab with expressed beams to correspond with structural grid. Potential for timber detailed acoustic linings and integrated services such as floor boxes to liberate heritage brickwork from services.
Completed strength: (best case) 2kPa - 3kPa This could support uses such as a reading room, hotel room, office space or classroom but not strong enough for exhibitions, gatherings, events or physical activities.	Completed strength: Can be designed to high strength as required to allow for anticipated uses and future flexibility.	Completed strength: Can be designed to high strength as required to allow for anticipated uses and future flexibility. Note increased floor level will require threshold transitions and a new stair.	Completed strength: Can be designed to high strength as required to allow for anticipated uses and future flexibility.	Completed strength: Can be designed to high strength as required to allow for anticipated uses and future flexibility.
Negligible acoustic separation. Highly susceptible to fire. Sprinklers.	CLT provides improved acoustic separation. CLT provides improved fire performance. Sprinklers likely still required.	Good acoustic separation. Sprinklers not required by this construction but are likely required by other conditions.	Good acoustic separation. Sprinklers not required by this construction but are likely required by other conditions.	Good acoustic separation. Sprinklers not required by this construction but are likely required by other conditions.

THE BOOT FACTORY UPGRADE

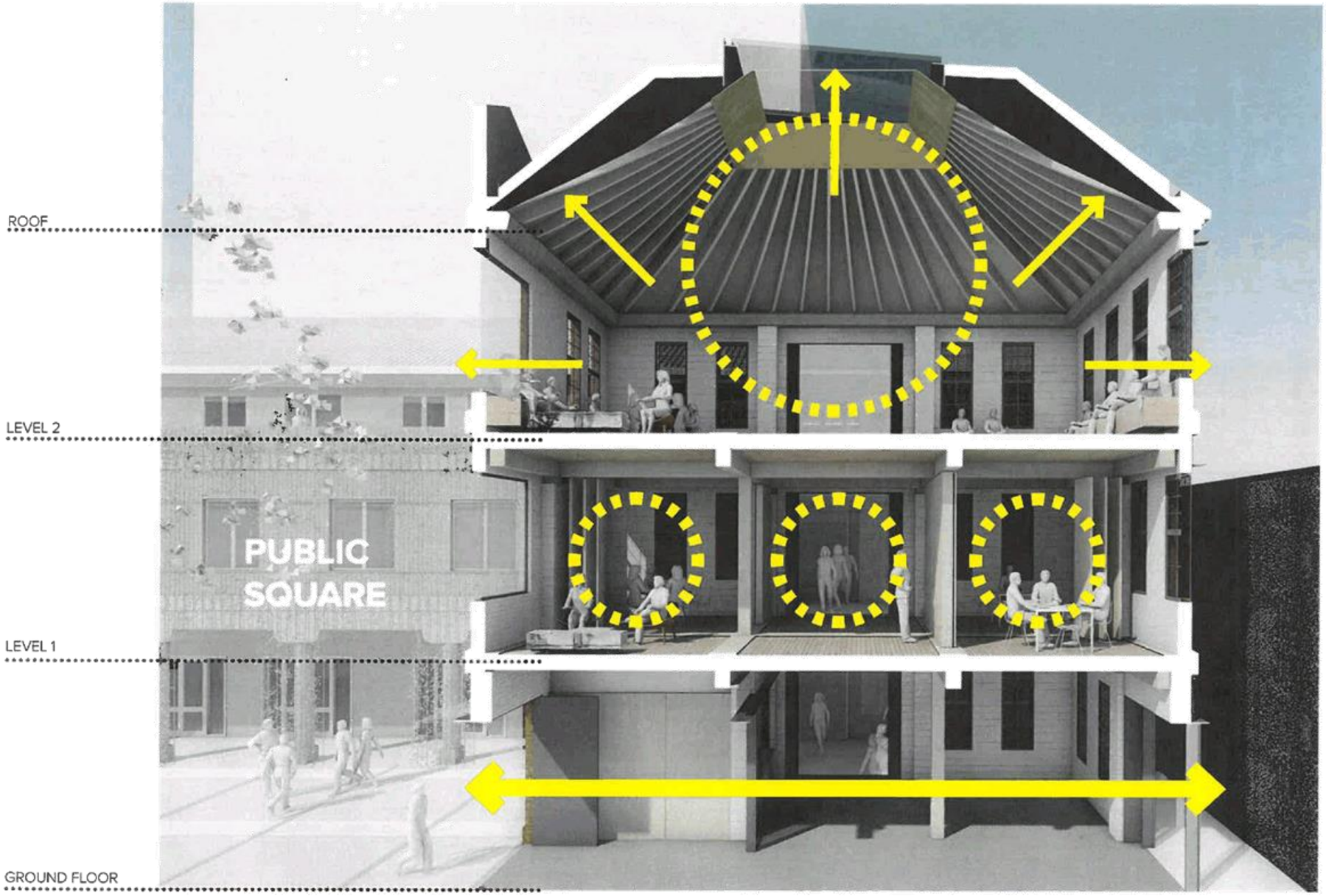
BUILDING FABRIC

SPACES

URBAN DESIGN + LANDSCAPE

THE BOOT FACTORY UPGRADE
SPACES

3 STOREYS : DIVERSE SPATIAL QUALITIES



The construction of a new roof provides the opportunity to create a voluminous room that is separated from the street and yet open to both the views and the sky.

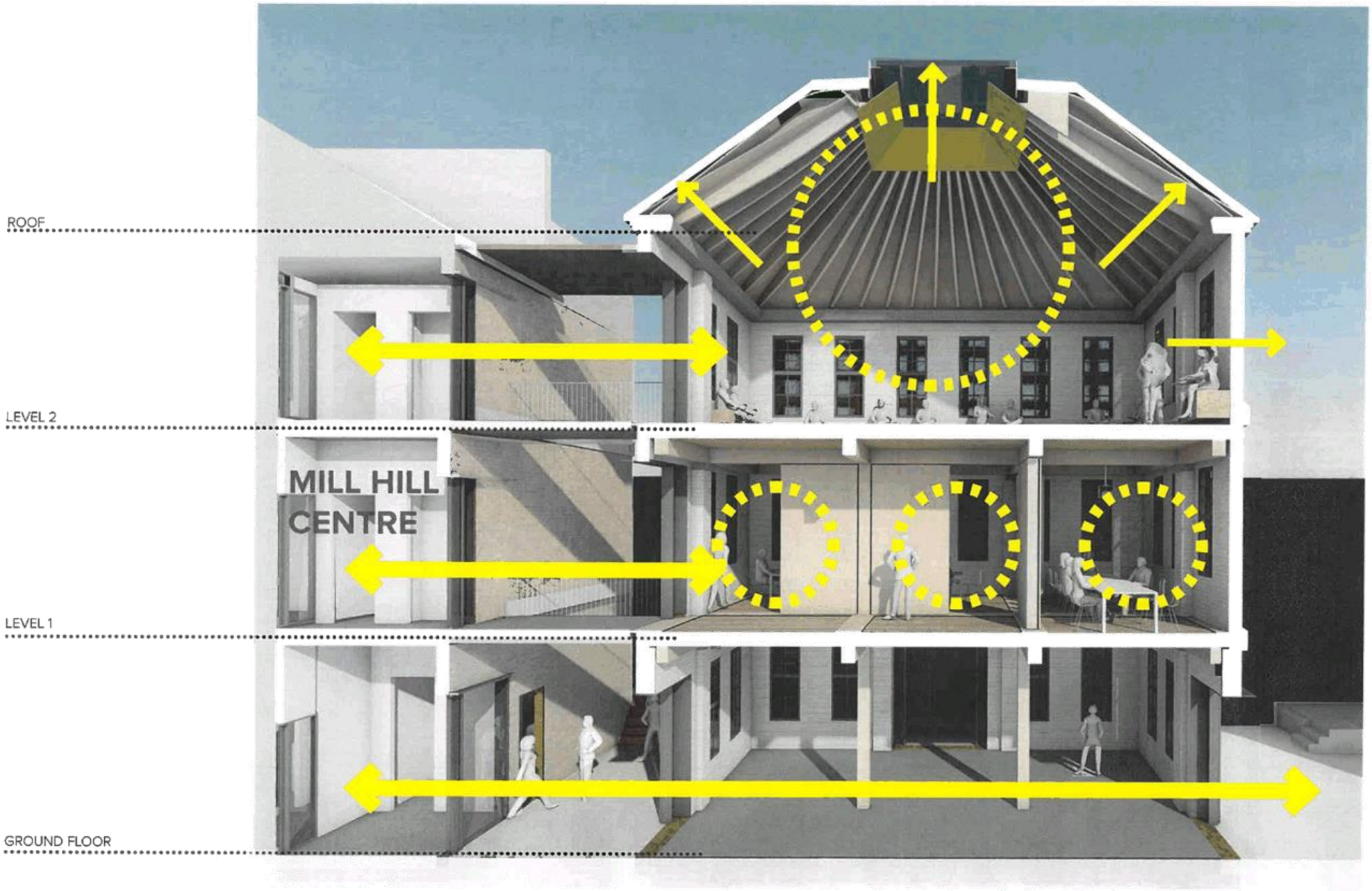
The possibility of opening up the top floor of the stairwell offers the potential to restore the 'whole-floor' spatial condition of the original factory prior to the 1980s refurbishment, even if glazed partitions are used for acoustic separation.

GENEROSITY
VIEWS, LIGHT, VOLUME, PRIVACY
CONNECTED TO THE SKY
ASPIRATIONAL

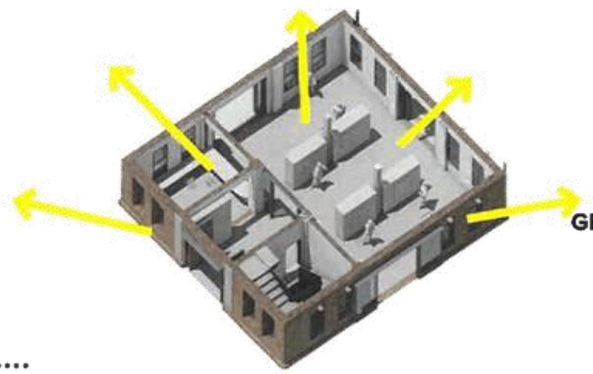
INTIMATE
FLEXIBLE, FOCUSED
INTERCONNECTED

CONNECTED
PUBLIC, CONNECTED TO SQUARE
GRASS ROOTS
ROBUST

3 STOREYS : DIVERSE SPATIAL QUALITIES

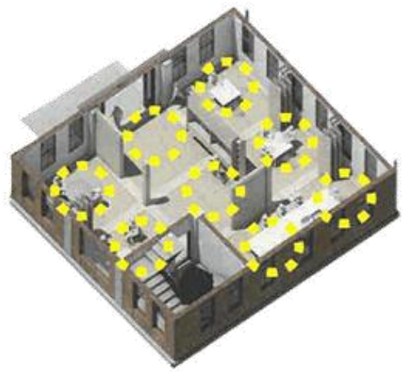


3 STOREYS : PERFORMANCE DIVERSITY



GENEROSITY

LEVEL 2



INTIMATE

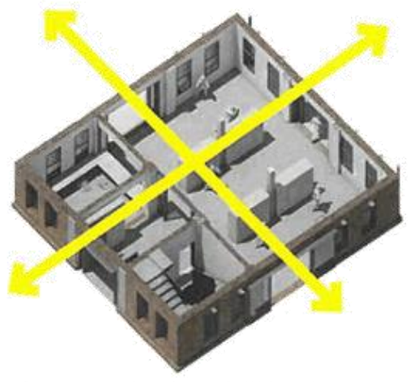
+



LINKED

STAIRCASE

LEVEL 1



CONNECTED

GROUND FLOOR

SPACES AND FITOUT TO SUPPORT ACTIVITIES:

- Events
- Exhibitions
- Talks
- Meetings
- Workshops
- Training
- Drawing classes
- Yoga
- ...Future uses

PRINCIPLES:

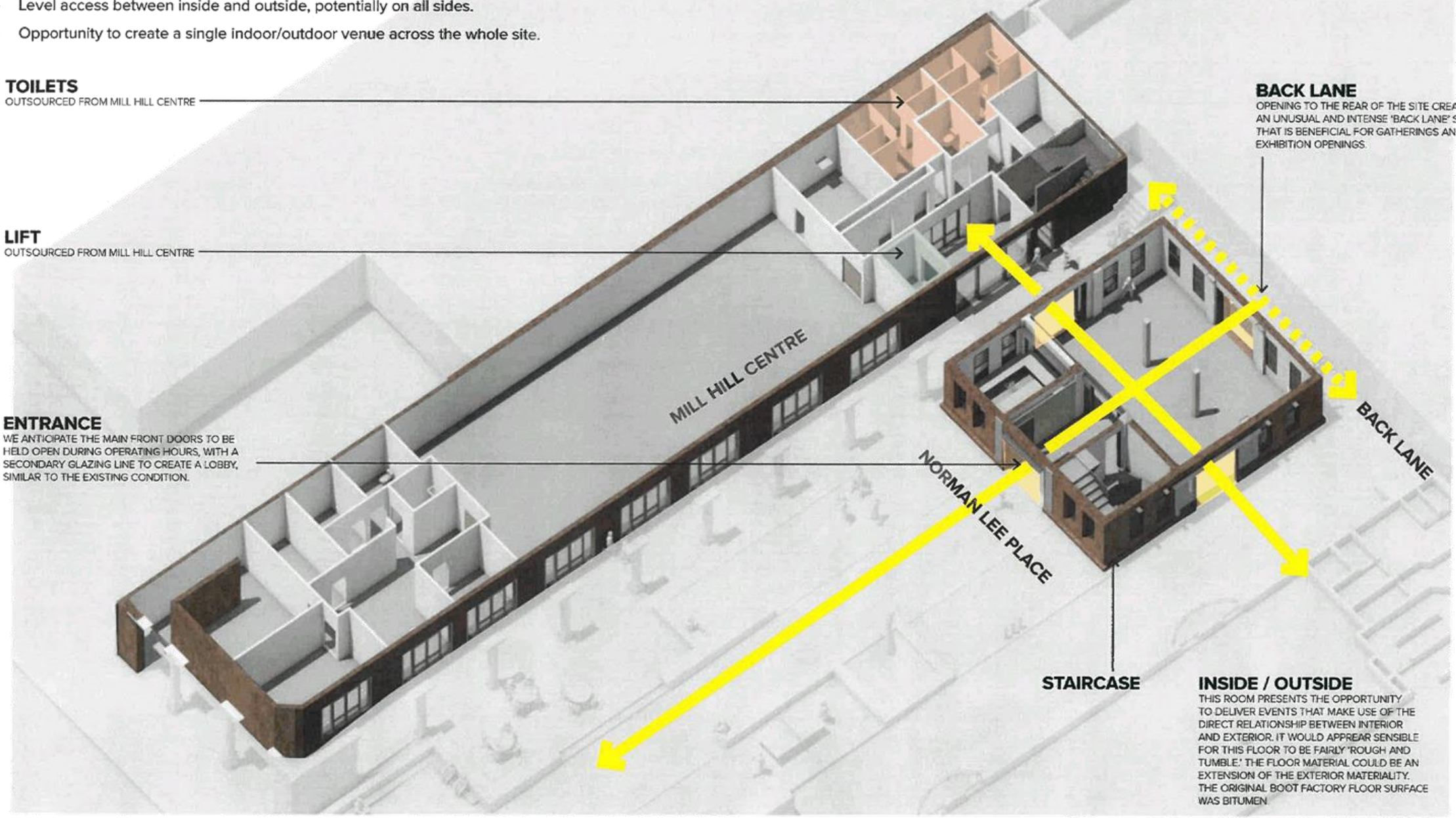
- Diversity of spatial qualities and scales
- Flexibility to adapt over time
- Short-term functionality delivered with non-integral elements.

THE BOOT FACTORY UPGRADE

SPACES

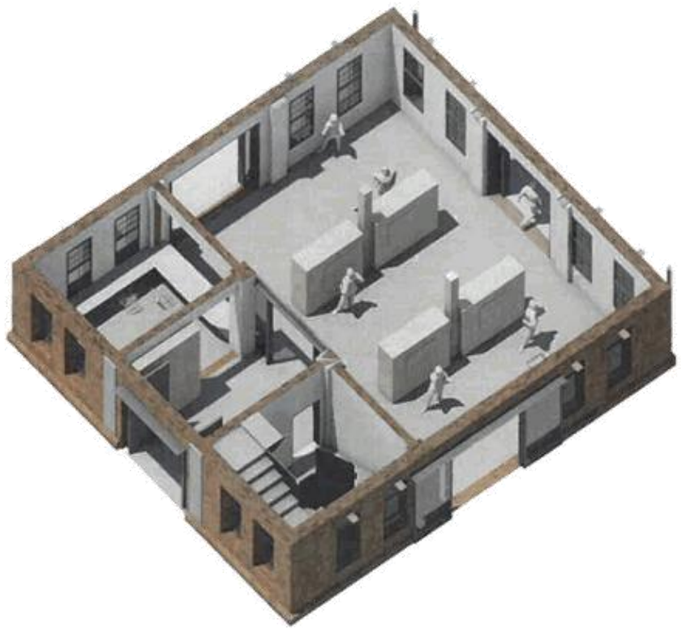
GROUND FLOOR: GRASS ROOTS / STREET LEVEL / ROBUST

- Connected: Interior space as continuation of external the public realm.
- Level access between inside and outside, potentially on all sides.
- Opportunity to create a single indoor/outdoor venue across the whole site.



GROUND FLOOR: GRASS ROOTS / STREET LEVEL / ROBUST

- Connected: Interior space as continuation of external the public realm.
- Level access between inside and outside, potentially on all sides.
- Opportunity to create a single indoor/outdoor venue across the whole site.



Exhibitions/ Openings



Presentation / Talks



Workshops

GROUND FLOOR: GRASS ROOTS / STREET LEVEL / ROBUST



GROUND FLOOR INTERIOR PERSPECTIVE

GROUND FLOOR: GRASS ROOTS / STREET LEVEL / ROBUST



GROUND FLOOR INTERIOR PERSPECTIVE

GROUND FLOOR: GRASS ROOTS / STREET LEVEL / ROBUST

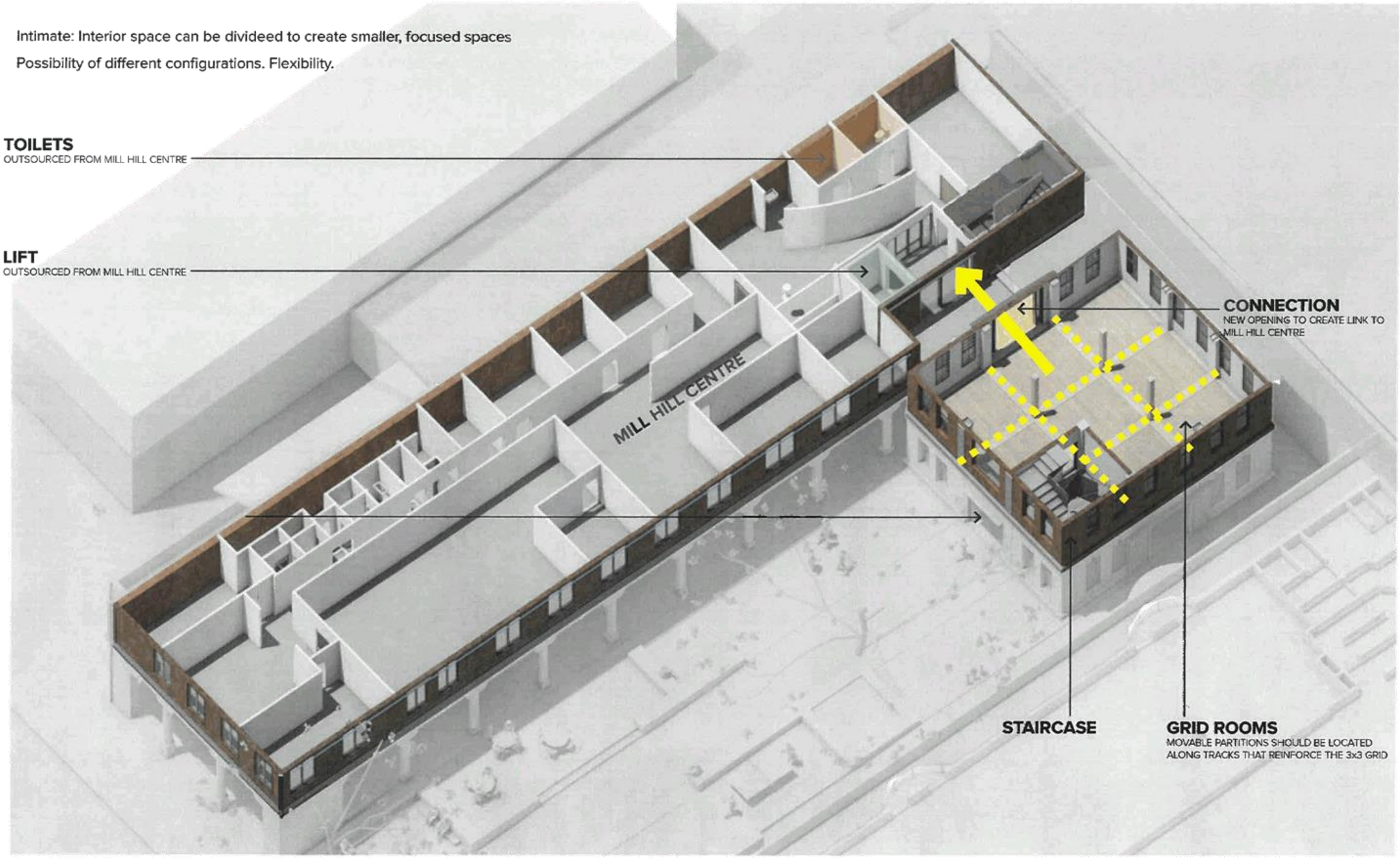


VIEW THROUGH BACK LANE

THE BOOT FACTORY UPGRADE
SPACES

LEVEL 1: INTIMATE / COLLABORATIVE 'HUDDLE' SPACES

- Intimate: Interior space can be divideed to create smaller, focused spaces
- Possibility of different configurations. Flexibility.



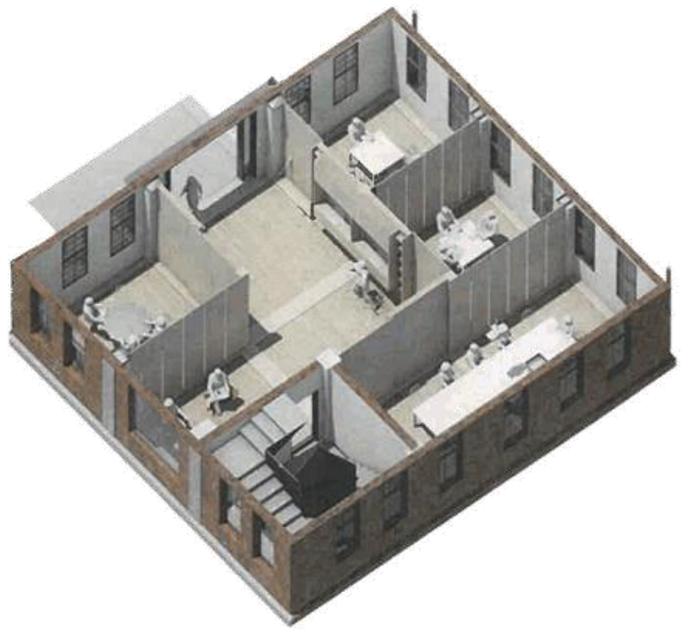
LEVEL 1: INTIMATE / COLLABORATIVE 'HUDDLE' SPACES

- Intimate: Interior space can be divideed to create smaller, focused spaces
- Possibility of different configurations. Flexibility.

Examples:



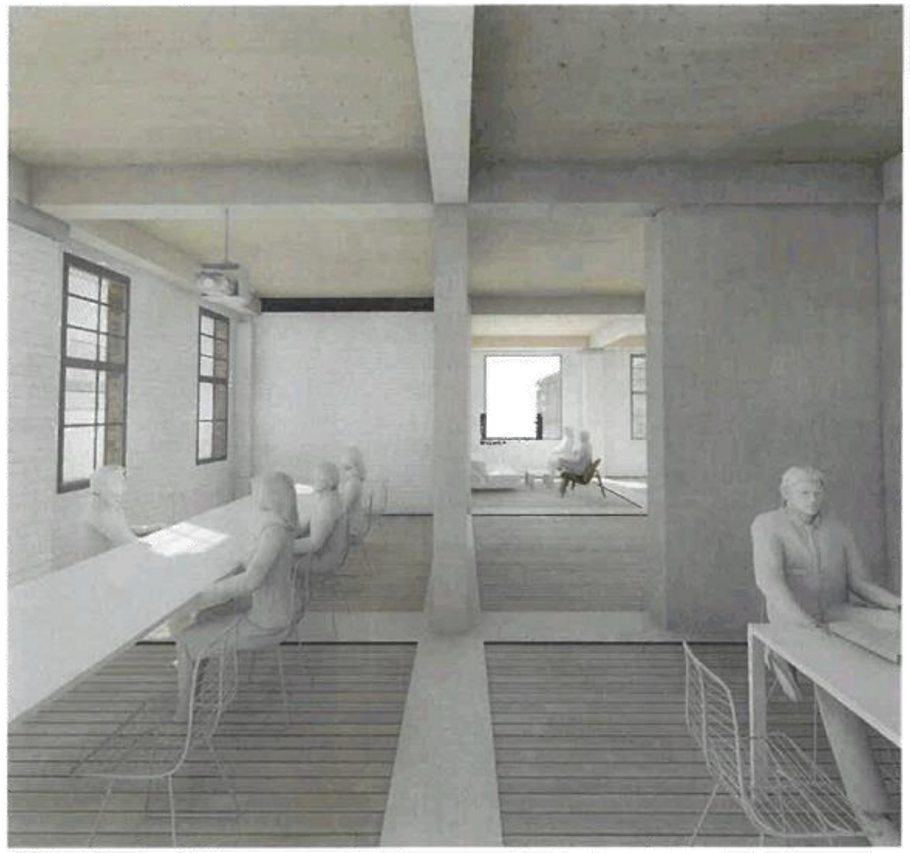
Level 1: Open space



Level 1: Compartmentalized space

LEVEL 1: INTIMATE / COLLABORATIVE 'HUDDLE' SPACES





LEVEL 1 INTERIOR PERSPECTIVES

LEVEL 1: INTIMATE / COLLABORATIVE 'HUDDLE' SPACES





LEVEL 1 INTERIOR PERSPECTIVES

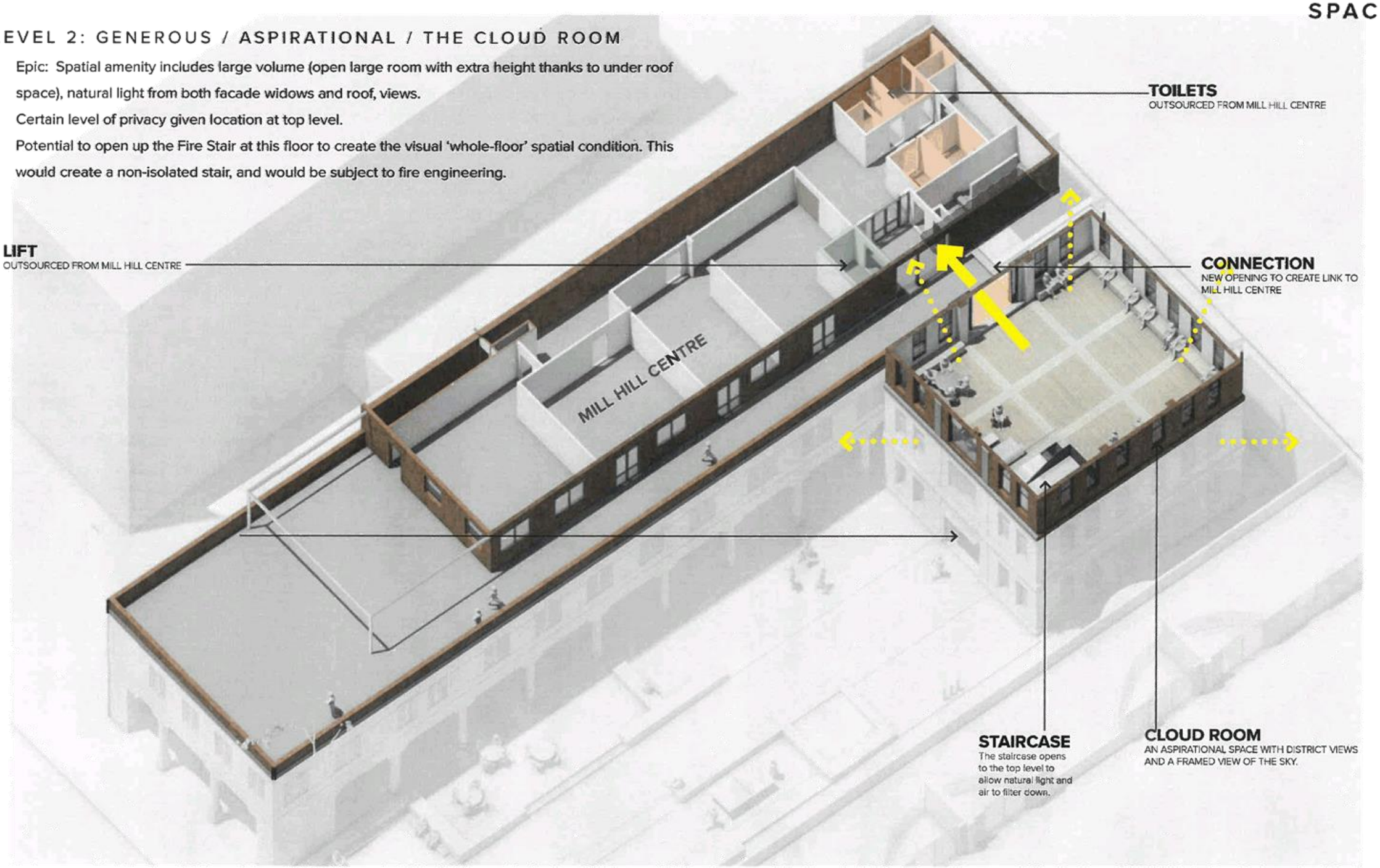
LEVEL 1: INTIMATE / COLLABORATIVE 'HUDDLE' SPACES



CONNECTION TO MILL HILL CENTRE

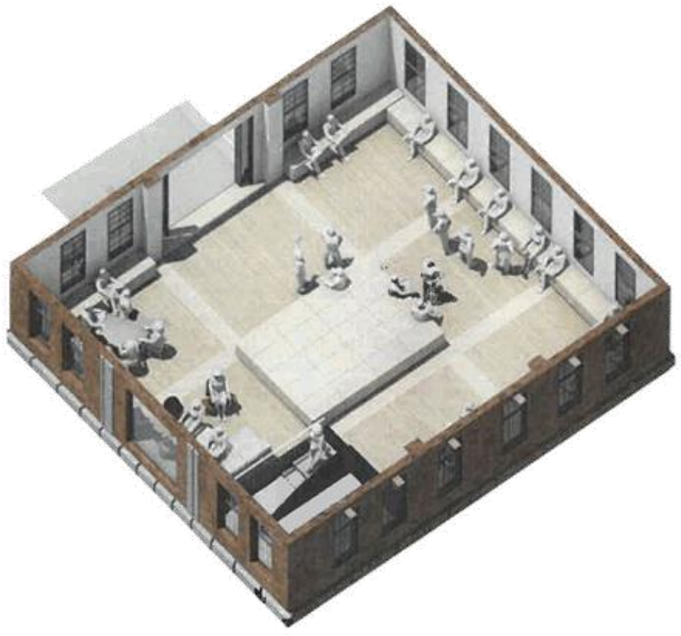
LEVEL 2: GENEROUS / ASPIRATIONAL / THE CLOUD ROOM

- Epic: Spatial amenity includes large volume (open large room with extra height thanks to under roof space), natural light from both facade widows and roof, views.
- Certain level of privacy given location at top level.
- Potential to open up the Fire Stair at this floor to create the visual 'whole-floor' spatial condition. This would create a non-isolated stair, and would be subject to fire engineering.



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Meetups



Talks



Workshops

LEVEL 2: GENEROUS / ASPIRATIONAL / THE CLOUD ROOM



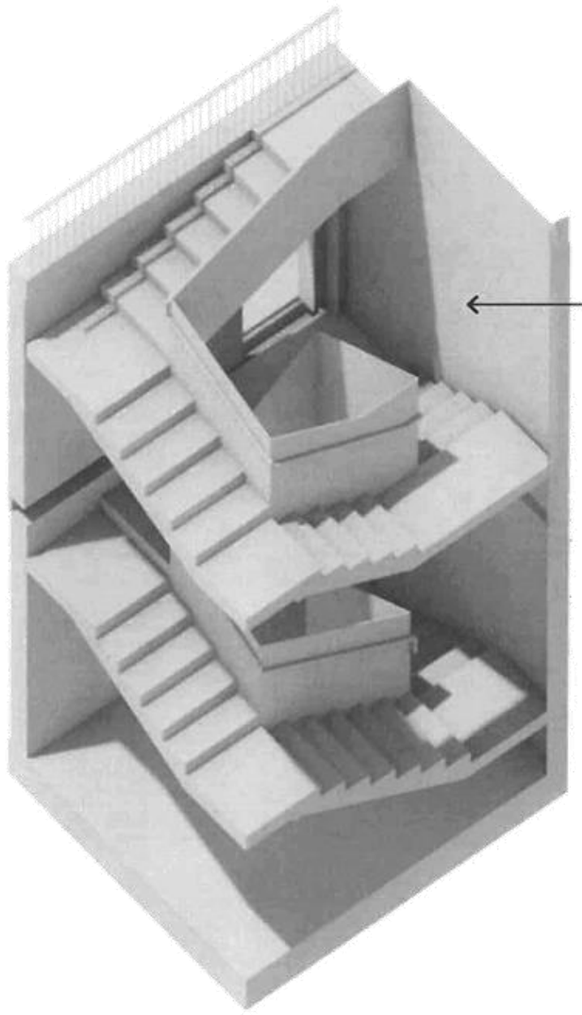
LEVEL 2 INTERIOR PERSPECTIVE: ROOF OP1

LEVEL 2: GENEROUS / ASPIRATIONAL / THE CLOUD ROOM



LEVEL 2 INTERIOR PERSPECTIVE: ROOF OP2

STAIRWELL : OPEN ATRIUM



The staircase opens to the top level to allow natural light and air to filter down.

STAIRWELL : OPEN ATRIUM



STAIRCASE INTERIOR PERSPECTIVE FROM LEVEL 2

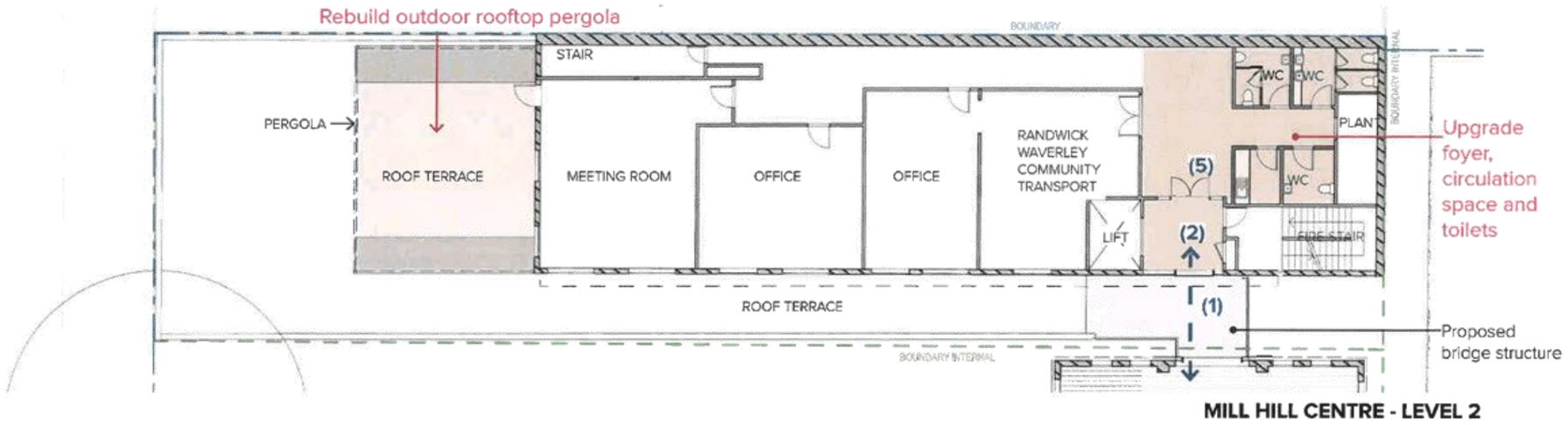
MILL HILL CENTRE UPGRADES

Required for *united building* - all options

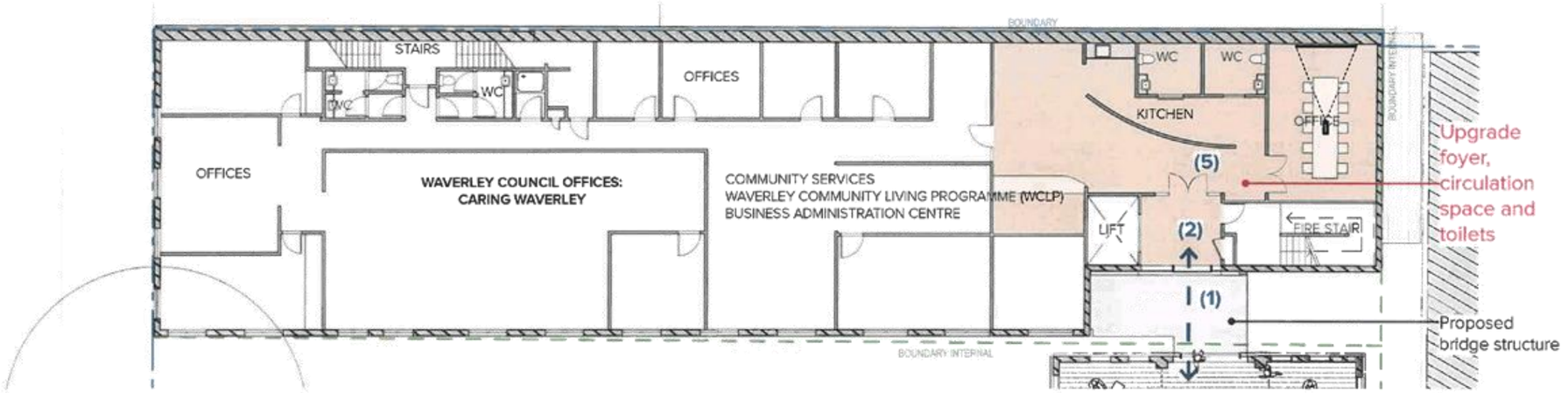
from BCA consultant :

- **(1)** Upgraded level access between Boot Factory and Mill Hill Centre to provide compliant access to sanitary facilities
- **(2)** Door hardware along path of travel and lift control panel upgrade to comply with AS1735.12
- **(3)** Discontinue swipe card access to Mill Hill Centre to enable ready access to sanitary facilities
- **(4)** Relocation of ground floor manual release door button to a height compliant with AS1428.1-2009
- **(5)** Signage of sanitary facilities must be upgraded to comply with AS1428.1-2009

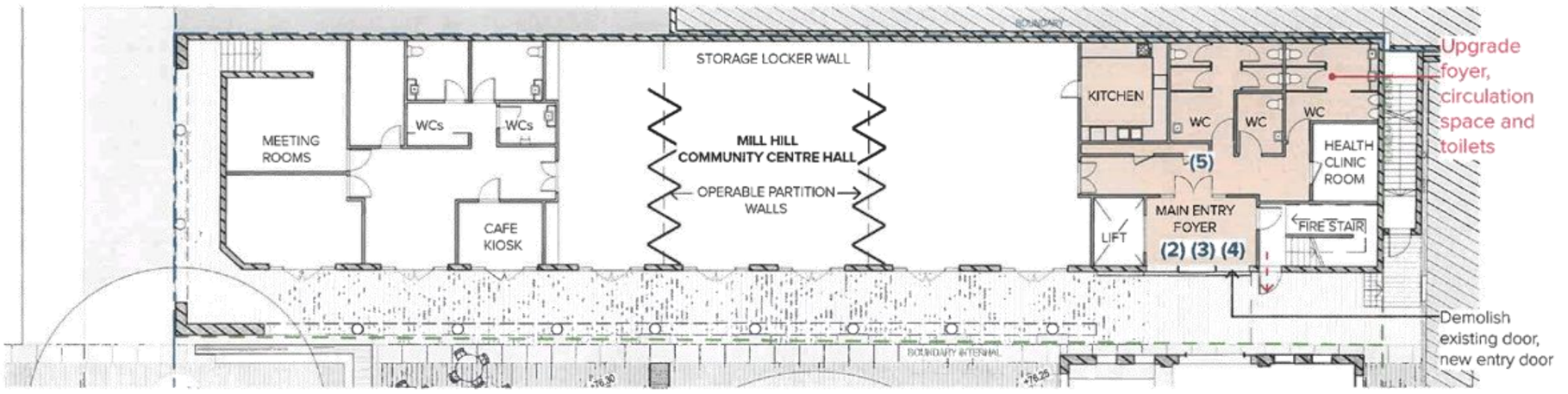
Suggested upgrades to improve amenity



MILL HILL CENTRE - LEVEL 2



MILL HILL CENTRE - LEVEL 1



MILL HILL CENTRE - GROUND FLOOR

SCALE 1 : 200

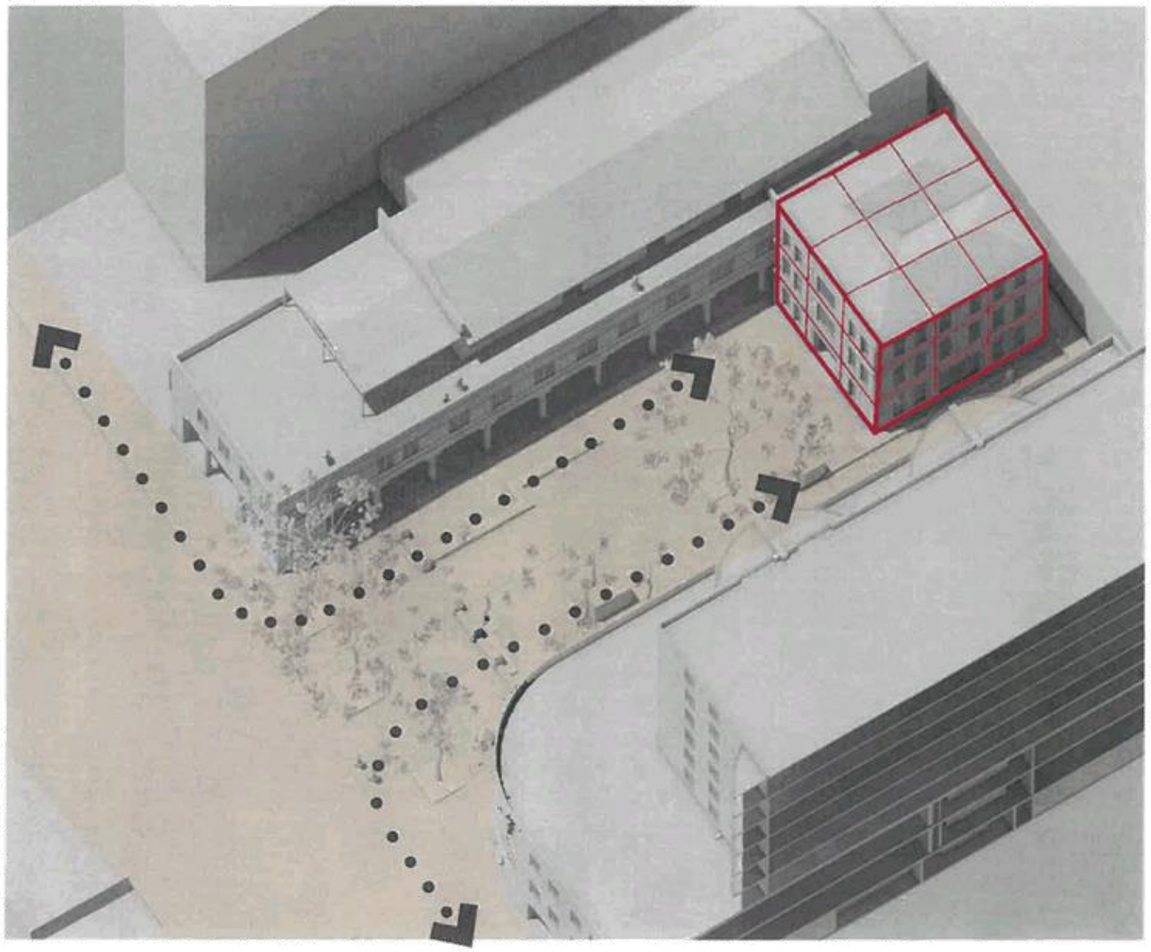
THE BOOT FACTORY UPGRADE

BUILDING FABRIC

SPACES

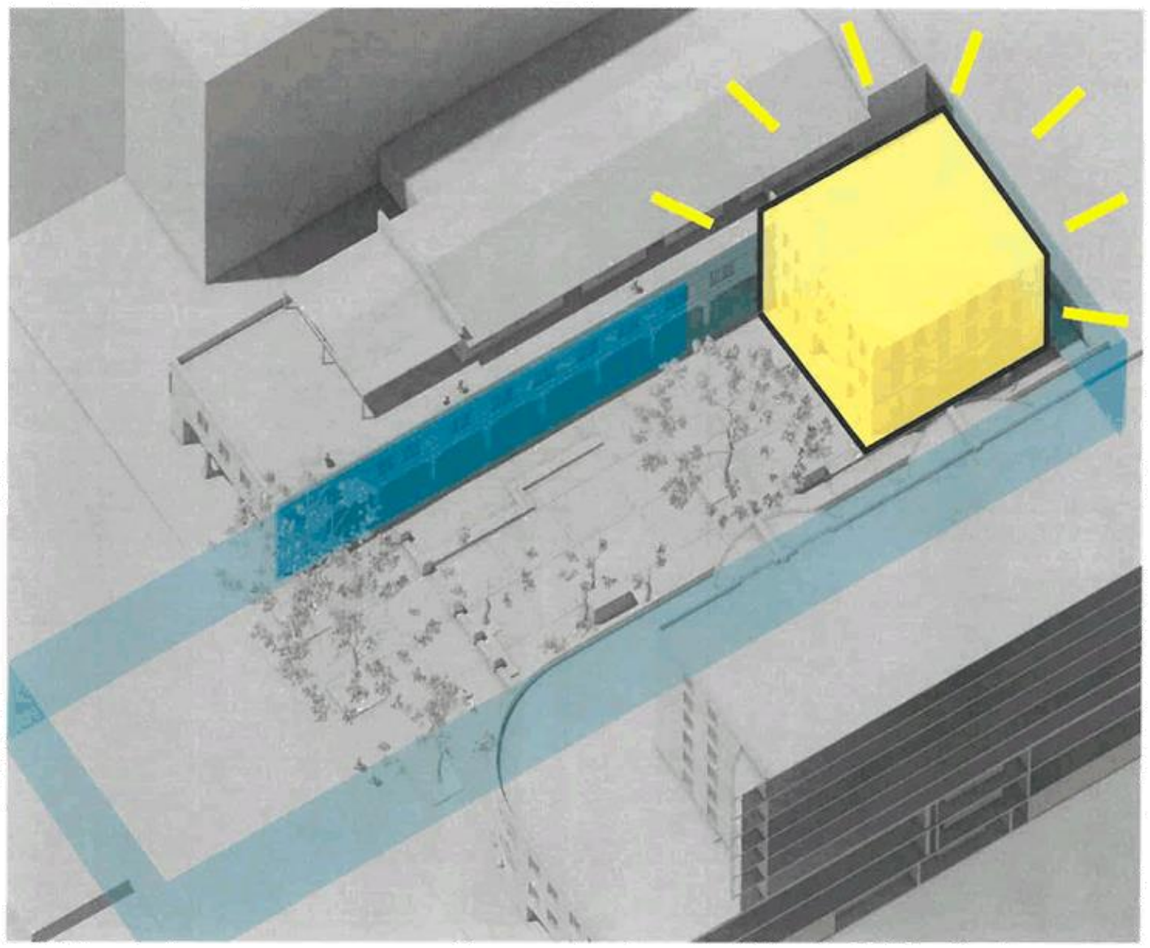
URBAN DESIGN + LANDSCAPE

PRINCIPLES



1. SITE AS EXTENSION OF PUBLIC DOMAIN

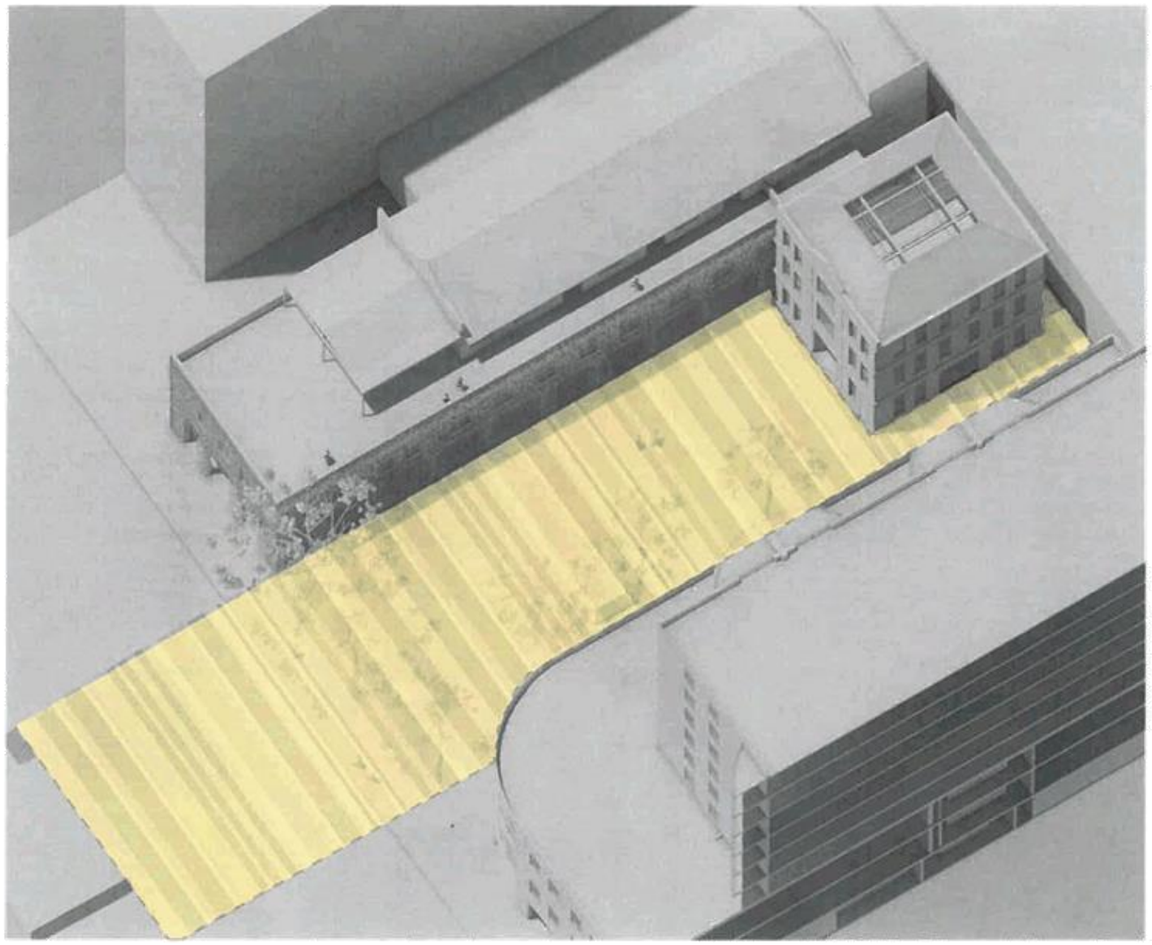
Open up the site is as an extension of the street so that the factory sits within the public domain as a building 'in the round'.



2. FOREGROUND BOOT FACTORY WITHIN PUBLIC ROOM

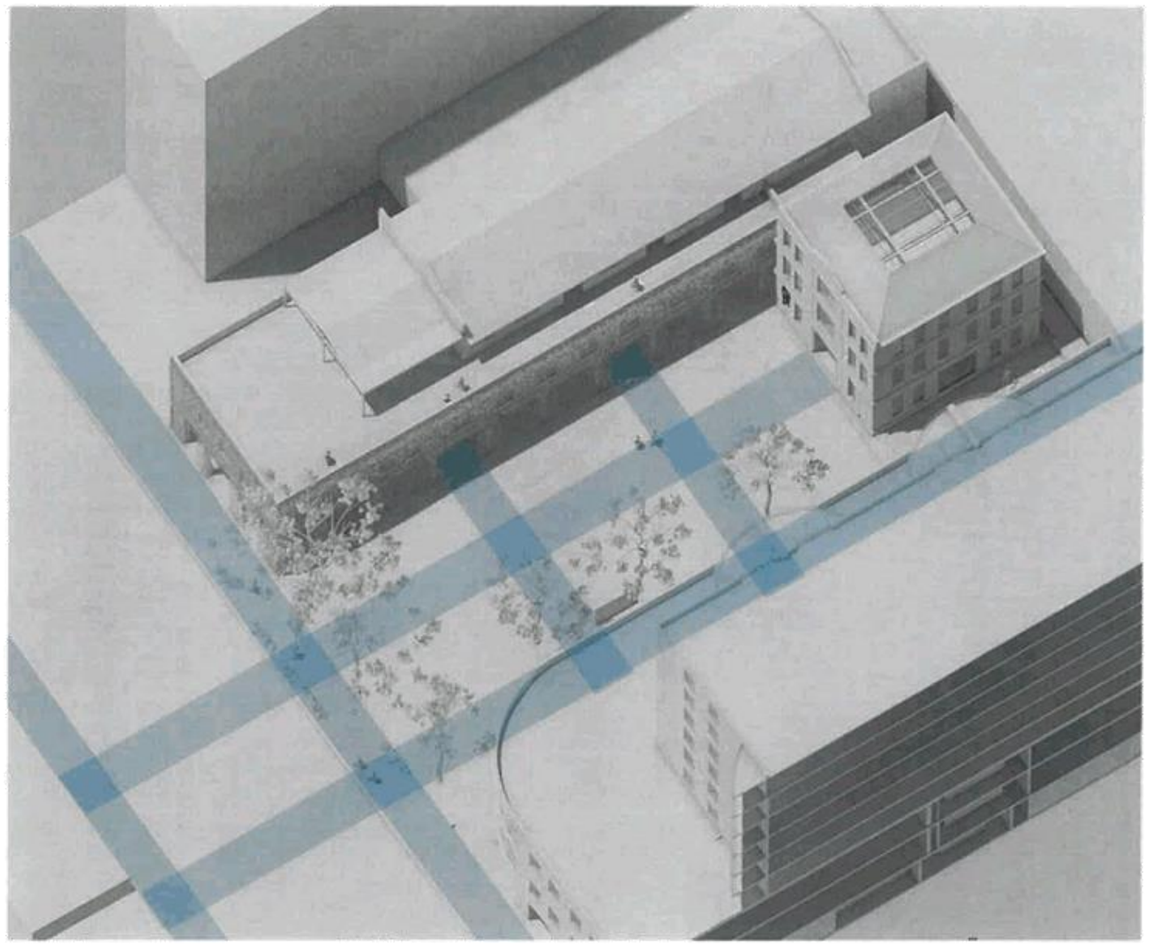
Potential treatments to adjacent facades to foreground heritage building. This public space forms an additional complimentary venue to The Boot Factory and Mill Hill Centre facilities.

PRINCIPLES



3. ROLL OUT THE CARPET

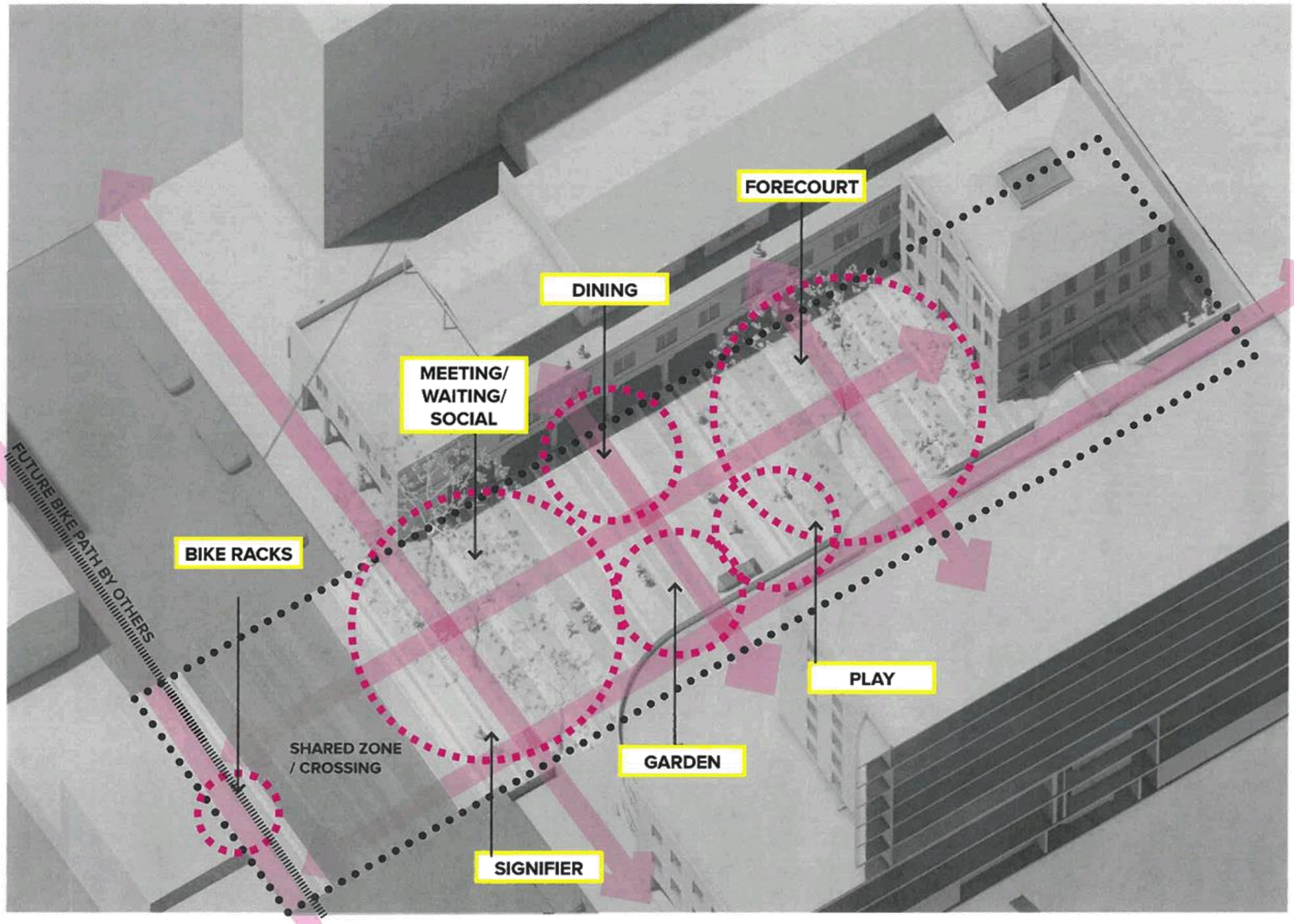
A generous genture allows the public room to extend to the opposite side of spring st. Expressing this in the ground plane with a shared zone or surface treatment emphasises the presence of this important public space.



4. DESIRE PATHS

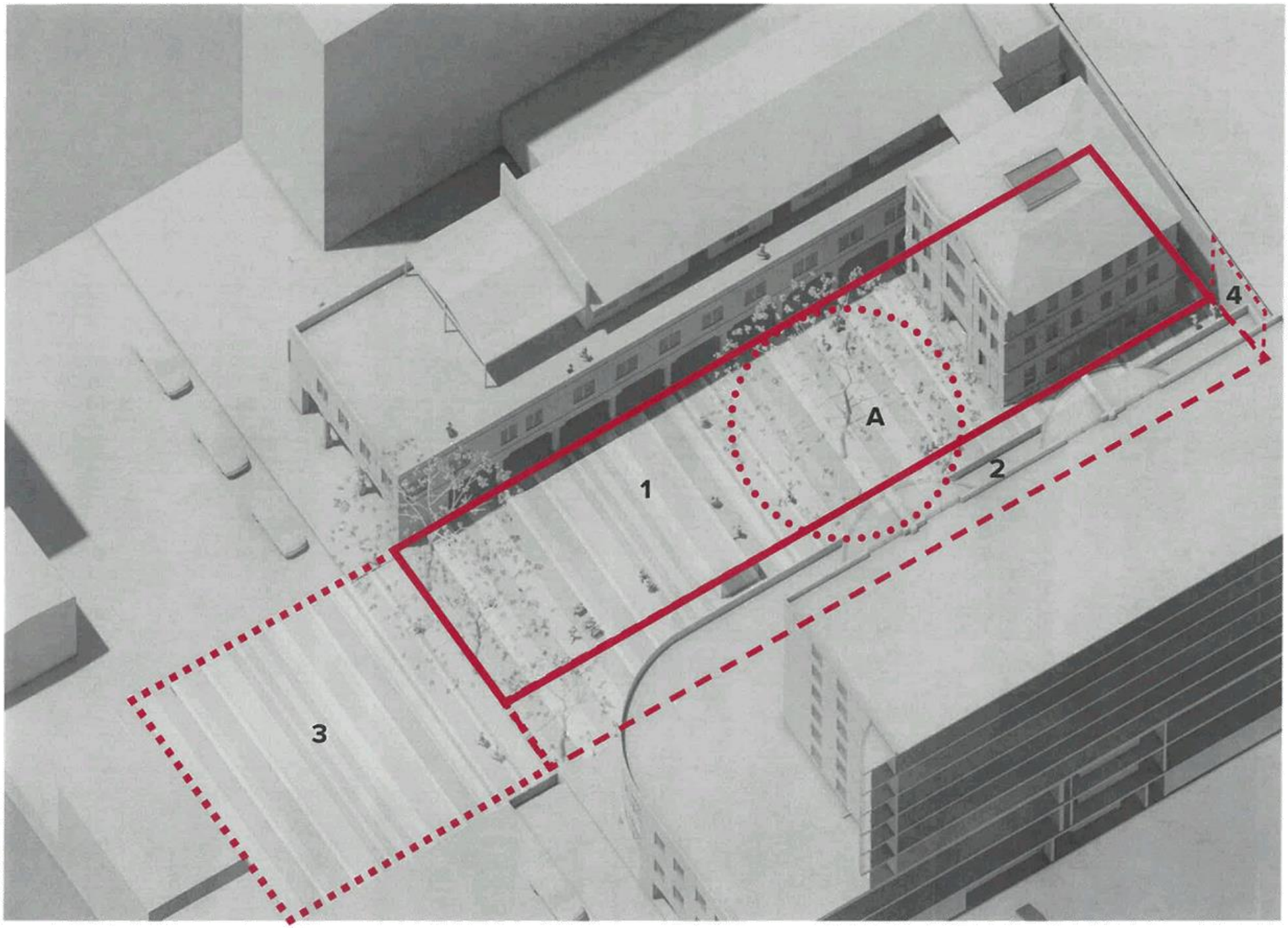
Functions within the site can be organised to maintain key direct routes of travel through the site.

INDICATIVE FUNCTIONAL ZONES



Indicative zoning of activities divided by desire paths.

EXTENT OF PUBLIC DOMAIN WORKS



ITEMS

A Retain, Remove or under prune existing London plane tree

1 Ground plane within boundary

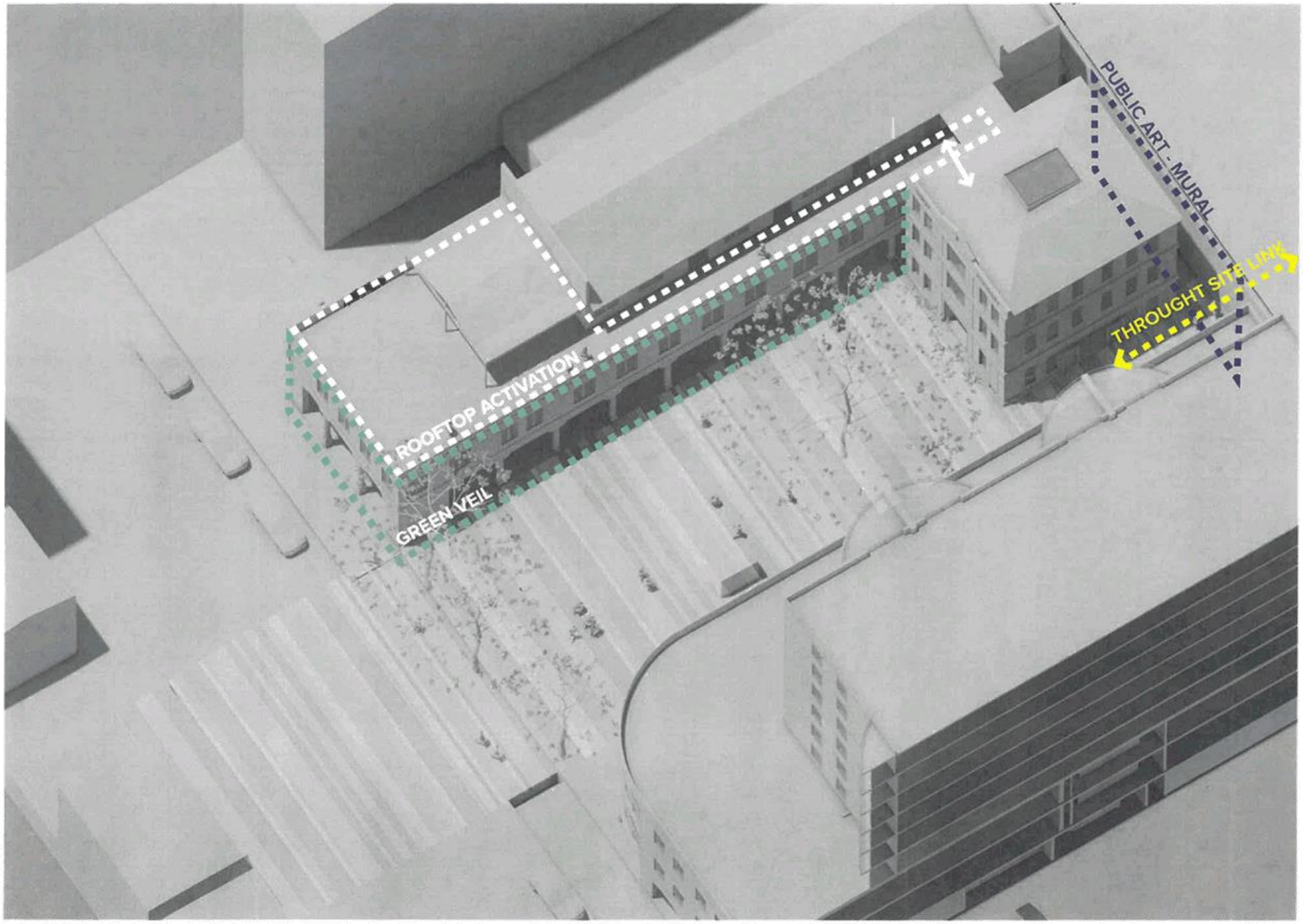
2 Extension to adjacent site

3 Extension across the street

4 Through site link to Ebley st [NOT FOR COSTING]

THE BOOT FACTORY UPGRADE
URBAN DESIGN + LANDSCAPE

WORKS TO ADJACENT COUNCIL ASSETS



ITEMS

Green veil
Lightweight system of cables and planting to soften mill hill center facade

Rooftop activation
Connection of top level with mill hill center rooftop for occasional functions and events

Public art - mural
Contemporary graphic treatment to officeworks wall as part of public art strategy

Through site link
Connection with ebley st through officeworks building
[NOT FOR COSTING]



Green Veil

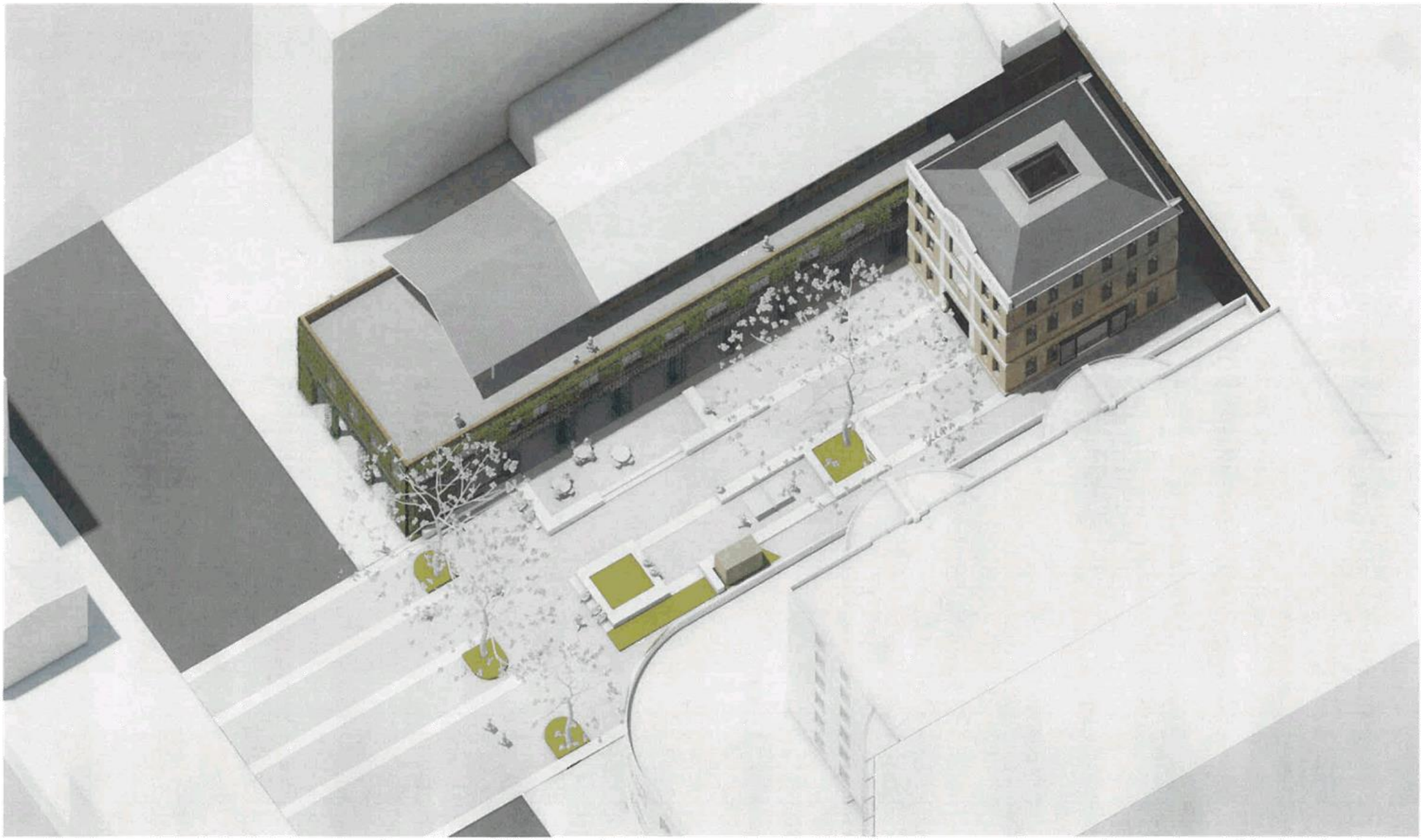
A lightweight cable system installed on the Mill Hill Centre to support greenery can help soften this facade that has been designed to mimic the original Boot Factory building, while shading this western facing facade to reduce thermal gain and in turn reduce energy consumption.



Public Art - Mural

Placing the mural as the background for the Boot Factory encourages visitors into the site and helps create an intense little alley that the ground floor can open onto at the rear. This mural can also provide additional precinct identity and views from within the building spaces.

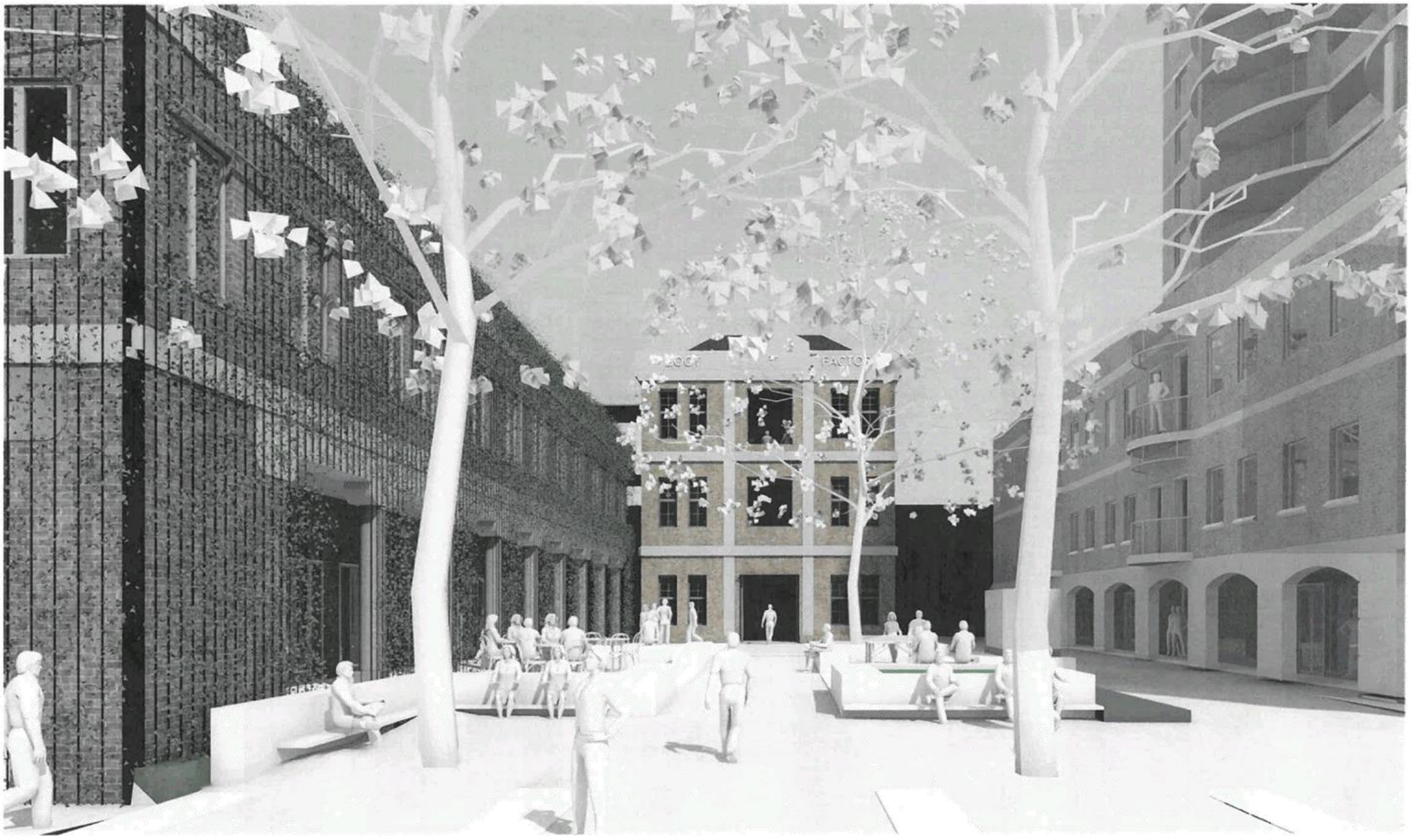
VISUALIZATION



VISUALIZATION



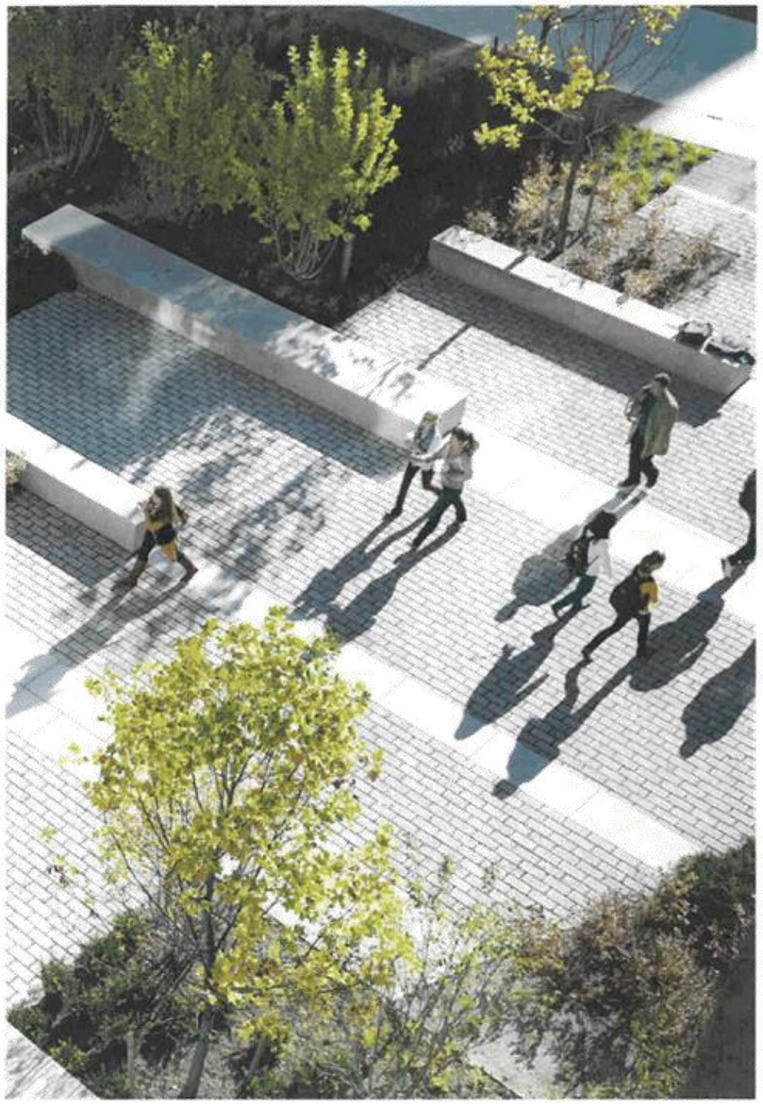
VISUALIZATION



VISUALIZATION



MATERIALITY



Simple and legible use of materials to define the sequence of spaces



Concrete steps + edges



Concrete seating edges



Green veiil - planting on lightweight cables



Seasonal interest

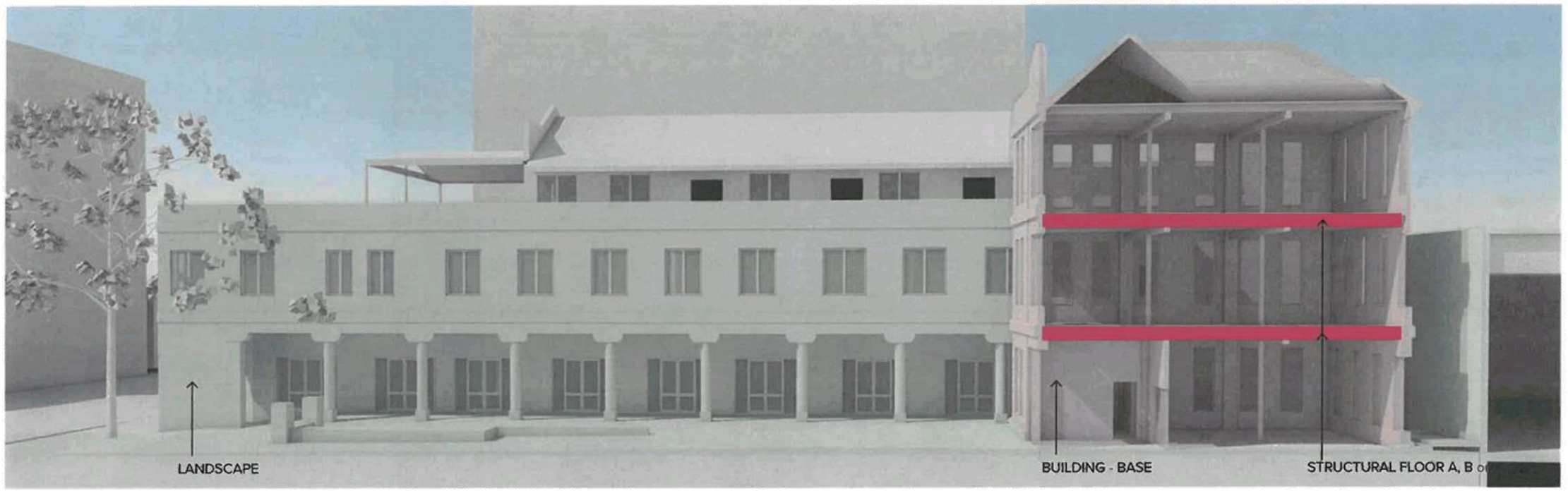


Swathes of grasses



Seating beneath dappled shade

OPTIONS MATRIX



	OPTION 1a	OPTION 1b	OPTION 2a	OPTION 2b	OPTION 3
BUILDING WORKS ROOF BRICK WALLS WINDOWS DOORS FRONT DOOR MILL HILL CONNECTION INTERIOR UPGRADE	●	●	●	●	●
FLOOR OPTION 1a	●				
FLOOR OPTION 1b		◐			
FLOOR OPTION 2a			●		
FLOOR OPTION 2b				◐	
FLOOR OPTION 3					●
LANDSCAPE GROUND PLANE GREEN VEIL PUBLIC ART - MURAL	●	●	●	●	●

ATTACHMENTS:

STAGE 4: UPGRADE OPTIONS ANALYSIS REPORT

DRAWING SETS

01 EXISTING BOOT FACTORY BUILDING DRAWINGS *(FROM STAGE 1: SITE INVESTIGATION)*

02 THE BOOT FACTORY UPGRADE DRAWINGS

SPECIALIST CONSULTANT REPORTS

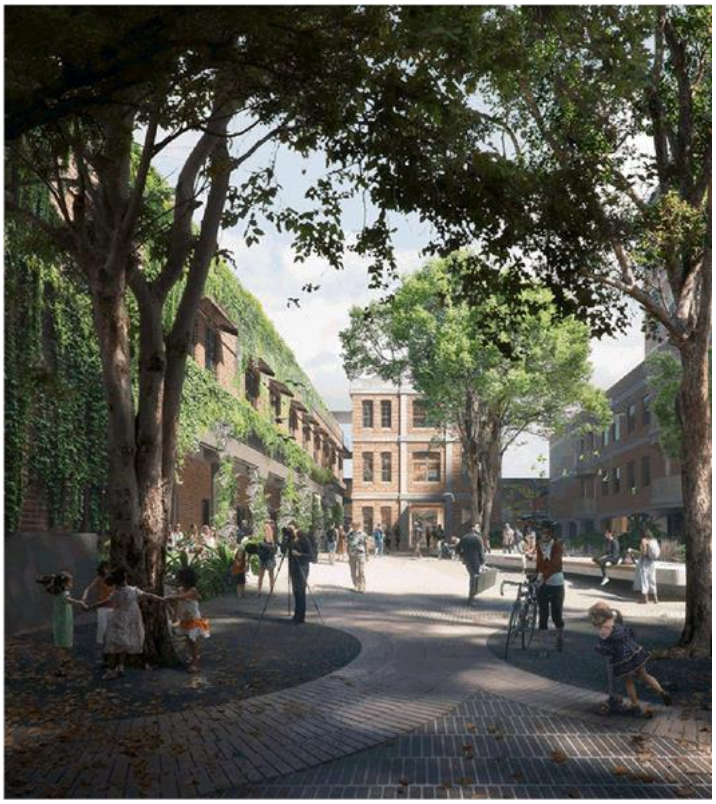
03 REMEDIAL ENGINEERING REPORT, PARTRIDGE STRUCTURAL 14.02.201

THANK YOU

APPENDIX C - INDEPENDENT SOCIAL VALUE ASSESSMENT

Cred
CONSULTING









ASSET TECHNOLOGIES PACIFIC
FOR WAVERLEY COUNCIL

Assessment of Social Value Associated with Boot Factory Repurposing as Innovation Civic Hall

16 December 2019

Creating and building community

Cred
CONSULTING

Report Title: Assessment of Social Value Associated with the Boot Factory Repurposing as an Innovation Civic Hall

Client: Waverley Council

Version: Final Draft

Date: 16 December 2019

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Contents

EXECUTIVE SUMMARY 4

INTRODUCTION 8

FINDINGS FROM PREVIOUS BACKGROUND REPORTS AND RESEARCH 16

LEADING PRACTICE CASE STUDIES 26

SOCIAL VALUE INDICATORS AND ASSESSMENT 38

APPENDIX A - REGIONAL AUDIT MAP 46

Executive summary

INTRODUCTION

The former Boot Factory is an approximately 450m2 Council-owned, heritage listed, three-storey brick building located at 27-29 Spring Street in Bondi Junction in the Waverley local government area (LGA).

Over the past few years, Waverley Council (Council) has been investigating options to repurpose the Boot Factory as a Knowledge and Innovation Hub, complementing existing facilities including Waverley Library and the Mill Hill Centre within a knowledge and innovation precinct.

In October 2019, Cred Consulting was engaged by Asset Technologies Pacific for Waverley Council to deliver a Social Value Assessment (this report) to inform the development of a final business case for the potential repurposing of the former Boot Factory as an Innovation Civic Hall to ensure that the proposal is meeting community needs and delivering social value.

WHAT IS PROPOSED?

The final design proposal for the Boot Factory is outlined in Archer's Upgrade Options Analysis (2019), and proposes significant structural repairs, protection and conservation of heritage fabric, integration with the adjacent Mill Hill Centre on every storey; and other upgrades including to accommodate fitout of internal areas according to intended function of the hub.

The preferred utilisation model for the Boot Factory repurposing is the "Innovation Civic Hall" model, which has been defined as "a civic space for the gathering and exchange of ideas, with a focus on programs that bring together a range of stakeholder groups" (ATP, preliminary business case, p3). In this definition, innovation refers primarily to the exchange of knowledge and ideas for civic good, rather than a focus on the latest cutting-edge technology.

The Innovation Civic Hall will serve as a gathering and collaboration space for people from all types of backgrounds in and around the Waverley LGA to engage in study, conferences, research, mentoring, development, experimentation, and hot-desk style remote work.

WHY HAS THIS BEEN PROPOSED?

The Waverley community have identified knowledge and innovation as an area of high priority, with the Waverley Community Strategic plan (CSP) outlining a vision for Waverley as a "knowledge-driven, innovative and digitally connected community," and the goal to "provide multi-purpose community spaces where innovation and collaboration can occur."

Council's objectives through this project are to improve services to the community and local businesses; cultivate knowledge and stimulate innovation; maximise utilisation; protect the long term integrity of a historic community asset; and implement an operational model and attract users that will be sustainable.

As identified through Elton Consulting's *Rebooting the Boot Factory* report, there is "significant community and stakeholder support and enthusiasm for the Boot Factory to be repurposed as a Knowledge and Innovation Hub."

Based on a review of ATP's Preliminary Business Case Analysis and Archer's Upgrade Options Analysis, the Knowledge and Innovation Steering Group have identified the Innovation Civic Hall model as the preferred option including due to: the flexibility of the option for interpretation; high level of community engagement and connections; need for conference facility in the area; high possibility of maximising venue hire; placemaking potential; lack of regional duplication; suits the adaptive reuse of the building and honours its heritage.

METHODOLOGY

This Social Value Assessment has been based on a robust evidence based methodology including:

- Review of background reports and research that informed the potential repurposing of the Boot Factory as an Innovation Civic Hall including why this type of facility is needed
- Identification of community and cultural needs based on a range of Council strategies, policies and community research reports
- Analysis of best practice case studies and learnings that can be applied to to the future use, fitout and operations of the Boot Factory Innovation Hall
- Review of proposed operational and financial models in the context of delivering social value - including best models to delivery optimal patronage
- Social value assessment against identified social value indicators and recommendations around fitout and operations to ensure social value outcomes are delivered through the repurposing of the Boot Factory as a Innovation Civic Hall.

COMMUNITY NEEDS

The following community needs that may be addressed through the repurposing of the Boot Factory as an Innovation Civic Hall have been identified through a review of relevant Council strategies, policies and community research reports:

- Increased collaboration and networking opportunities for local residents, workers and businesses, recognising that one of Waverley's unique assets is the large number of creative, knowledge and innovation experts and practitioners who live and/or work in the area
- Need for ongoing resourcing, staffing and programming of community and cultural facilities to maximise utilisation
- Increased activation of Bondi Junction day and night, including welcoming and things to do for people of all ages, including children, young people and families, and activities at night for working aged population
- Increased spaces outside the home where the Waverley community can come together, particularly for the higher than average number of people living in apartment dwellings and people living alone
- Ongoing opportunities and support for lifelong learning and skill development and sharing, including opportunities to foster multigenerational and crosscultural connections and reduce social isolation
- Increased opportunities for civic engagement, leveraging the knowledge, skills and expertise already present within the Waverley community
- Need for community and cultural facilities to be accessible, affordable and fit for purpose
- Support for businesses at all stages of development, including start ups
- Increased opportunities and spaces to engage with arts and culture, with desire for increased spaces for creative production and showcasing
- Regional gap for maker space, however the location and structure of the Boot Factory building is not seen to be supportive of loud, messy or labour-intensive activities.

OPERATING AND FINANCIAL MODELS

Council's proposed operational model for the Innovation Civic Hall is fully Council operated and managed, with opportunities for programming partnerships with not-for-profit organisations and residents. Cred Consulting supports this model, with potential social benefits outlined in Table 8 on page 42 and including:

- Opportunity for synergies with other Council owned and operated community facilities within the precinct, including the adjacent Mill Hill Centre and Waverley Library
- Council can control and direct the programs and events at the Boot Factory
- The funding and resourcing is supported by Council, which has minimal to no risk and there is greater certainty of resource supply including staffing, funding and expertise
- Greater level of accountability around service provision given Council's responsibilities under the Local Government Act to its community.
- Greater ability to ensure that the programs and events can change overtime to respond to the changing community needs and interests.
- Supported by the community.

Council's strategy is to ensure that the Innovation Civic Hall is commensurate with stakeholder expectations and can not only deliver social benefits but also operate in a relatively self-sufficient manner. Cred acknowledges that a range of income streams will be required to enable an activated and viable Innovation Civic Hall. This includes venue hire, membership, and event fees. While regular/permanent hiring of office space may bring in additional revenue, given the limited floor space within the Innovation Civic Hall this is not recommended. However, hot desk or temporary office space for not for profit groups and startups should be considered as a possibility.

"Choosing the right model is one thing, but it really comes down to the programs you run in them. There are so many places that have put money into bricks and mortar, but don't invest in the programs of the ongoing operation"

"You'll need to have a dedicated person managing relationships between everyone in the space. Like a site facility person who looks after everything every single day who would be the person to solve issues as they arise"

- Quotes from expert interviews conducted by Elton Consulting for Rebooting the Boot Factory report

SOCIAL VALUE INDICATORS AND ASSESSMENT

The social value associated with the repurposing of the Boot Factory as an Innovation Civic Hall has been assessed against measurable social outcomes indicators developed through an understanding of Waverley community needs identified through a review of background reports, research and consultation.

Social indicators are outlined in Table 7 on page 44 and include:

- Increased collaboration and networking opportunities for local residents, workers and businesses
- Increased community connection and civic engagement
- Increased night-time activation in Bondi Junction
- Improved educational outcomes, and
- Local business growth and increased employment pathways.

Assessment against these indicators is provided in Table 1 and shows that the proposed Business Case and Utilisation Model will provide positive social impacts and social value for the Waverley community. Mitigation measures to further enhance and ensure social value outcomes are delivered based on the proposed Business Case and Utilisation Model are provided overpage.

TABLE 1 - SOCIAL VALUE INDICATORS

SOCIAL VALUE INDICATORS	ASSESSMENT
Increased collaboration and networking opportunities for local residents, workers and businesses	The proposed model will deliver increased collaboration and networking opportunities for local residents, workers and businesses by providing a space to connect with access to technology, peers and networking opportunities. The model directly supports community aspirations for more places and opportunities to connect and collaborate, and leverages the significant number of creative and cultural workers and businesses located in the area.
Increased community connection and civic engagement	Through the provision of 450m2 of increased community floor space the model is delivering increased community space for residents, workers and business to connect and engage in civic activities, decision making and development. The range of spaces proposed support the delivery of small to larger civic events, particularly when the entire Mill Hill, Library and Innovation Civic Hall precinct are combined. The space will deliver enhanced opportunities for community programs already provided through the Mill Hill Centre and result in improved social connectivity and local resilience.
Increased activation in Bondi Junction for all ages, day and night	The model will positively increase activation in Bondi Junction for all ages, day and night, through the delivery of creative and community events and programs (which will draw people from outside the local area) and activation of the adjacent courtyard which will attract people to the space. It will be necessary to ensure that the Hall is sufficiently funded to deliver an ongoing range of programs, activities and events throughout the year, and delivered in the day time and night time.
Improved educational outcomes	Through the delivery of tech-based programs, and improved access to spaces fit out with innovative technology and equipment, young people including school children will have access to increased learning opportunities that will enhance educational outcomes.
Local business growth and increased employment pathways	There are great opportunities through this flexible Council run model to connect with local businesses and entrepreneurs to collaborate to deliver events, programs, and activities that will promote and grow local businesses and deliver increased employment pathways.

MITIGATION MEASURES

Social value of the repurposing of the Boot Factory as an Innovation Civic Hall will only be achieved if the following considerations are included:

- Take a precinct-based approach to planning for the Boot Factory, including based on an understanding of the different community roles played by the Mill Hill Centre and the Waverley Library within the proposed Bondi Junction-based knowledge and innovation precinct
- Ensure ongoing resourcing, staffing and programming of the Boot Factory to ensure activation and utilisation
- Ensure ongoing engagement with the Waverley community and stakeholders throughout the process of repurposing the Boot Factory to ensure community buy-in and sense of ownership
- Ensure flexible and multifunctional fitout so that the use and function of the facility can change over time as community needs change and/or grow
- Ensure facility is accessible, affordable and inclusive to support participation for all ages, abilities, backgrounds and incomes, and
- Consider partnering the Boot Factory with not for profit 'residents' to offer programming in return for space. Benefits include access to pre-existing networks and member bases.



1 Introduction

Bondi Junction After Dark Campfire Stories Event (Image: Kiera Chevell)

1. Introduction

In October 2019, Cred Consulting was engaged by Asset Technologies Pacific for Waverley Council to deliver a Social Value Assessment (this report) to inform the development of a final business case for the potential repurposing of the former Boot Factory as an Innovation Civic Hall.

The former Boot Factory is a Council-owned heritage listed building located at 27-29 Spring Street in Bondi Junction in the Waverley local government area (LGA). This three-level building is currently in a state of severe disrepair and has been vacated because it is currently unfit for occupancy.

Over the past few years, Waverley Council (Council) has been investigating options to repurpose the former Boot Factory as a Knowledge and Innovation Hub, complementing existing facilities, including the adjacent Mill Hill Centre and the Waverley Library, within a Bondi Junction-based knowledge and innovation precinct.

Council's objectives through this project are to improve services to the community and local businesses, cultivate knowledge and stimulate innovation, maximise utilisation, protect the long term integrity of a historic community asset, and implement an operational model and attract users that will be sustainable.

Throughout this investigation, Council has engaged with community and stakeholders and sought advice from professional organisations, including engaging Asset Technologies Pacific (ATP) to prepare a preliminary business case assessing potential options for the repurposing of the Boot Factory as a Knowledge and Innovation Hub and their relative cost and operational impacts.

With strong support from the Knowledge and Innovation Hub Steering Group, the preferred option from the preliminary business case is the Innovation Civic Hall option. ATP will now proceed with the development of a final business base assessing this option. To support the development of the final business case, ATP has engaged Cred Consulting to deliver a Social Value Assessment.



Artists' impression of repurposed Boot Factory and Norman Lee Place



Artists' impression of repurposed Boot Factory Level 2

1.2. PURPOSE AND APPROACH OF THIS SOCIAL VALUE ASSESSMENT

Delivering community and cultural benefits, and responding to community needs, through its social infrastructure investments is a an important priority for Council. The purpose of this report is to provide a Social Value Assessment of the potential repurposing of the Boot Factory as an Innovation Civic Hall to ensure that it is responding to these identified community needs. The findings of this Assessment will inform the development of the final Business Case by ATP.

This Social Value Assessment has been based on a robust evidence based methodology including:

- Review of background reports and research that informed the potential repurposing of the Boot Factory as an Innovation Civic Hall including why this type of facility is needed
- Identification of community and cultural needs based on a range of Council strategies, policies and community research reports
- Analysis of best practice case studies and learnings that can be applied to the future use, fitout and operations of the Boot Factory Innovation Hall
- Review of proposed operational and financial models in the context of delivering social value - including best models to delivery optimal patronage
- Social value assessment against identified social value indicators and recommendations around fitout and opreations to ensure social value outcomes are delivered through the repurposing of the Boot Factory as an Innovation Civic Hall

Assessment and analysis of social value associated with the Boot Factory as an Innovation Civic Hall is provided at Chapter 6.

1.1. PROJECT TIMELINE

The Boot Factory was constructed between 1890 and 1915 by William Sidaway, who produced footwear in Bondi Junction from around 1887.

The building was acquired by Council in 1984 in a fragile and degraded state. Council restored the building and it was re-opened in 1986 as part of the Mill Hill Community Centre. It was previously a base for a range of community services and organisations, including the Inventors Association of Australia.

In 2009, the building was deemed unsafe due to structural concerns and has been empty since then.

In October 2017, Council moved to investigate options for the restoration and adaptive reuse of the Boot Factory site, including options for a maker space, creative industries incubatory and/or innovation hub.

In December 2018, Elton Consulting delivered a report entitled *Rebooting the Boot Factory*, which outlines an evidence-base for establishing a knowledge and innovation hub, including an overview of different knowledge and innovation models and approaches.

In April 2019, Archer delivered an Upgrade Options Analysis of feasible options for the adaptive re-use of the site as a knowledge and innovation hub.

In April 2019, community experts were appointed to the Knowledge and Innovation Hub Steering group.

In June 2019, Asset Technologies Pacific (ATP) delivered a preliminary business case assessing twelve potential options for the repurposing of the Boot Factory as a Knowledge and Innovation Hub and their relative cost and operational impacts.

In August 2019, outcomes of the ATP Preliminary Business Case were presented to and discussed by the Knowledge and Innovation Hub Steering Group, resulting in support for the Innovation Civic Hall model.

In November 2019, a Development Application was lodged by Council. The DA is for restoration works to the Boot Factory roof, masonry perimeter walls, new floors and an interior fit-out. The building will also be connected to the Mill Hill Community Centre to provide lift access and amenities for Boot Factory users. Council will also beautify the courtyard at Norman Lee Place.

Now, ATP will proceed with the finalisation of the business case assessing the Innovation Civic Hall model. To support the development of the final business case, ATP has engaged Cred Consulting to deliver this Social Value Assessment.

1.2. PRECINCT CONTEXT

The Boot Factory is located at 27-29 Spring Street in Bondi Junction. It is a three-level building with approximately 150m2 per storey and a small public courtyard (Norman Lee Place) at the front of the building.

The Boot Factory is located next to the Mill Hill Centre, and within a block of Waverley Library, Bondi Junction Transport Hub and shopping district. There is a mix of residential, commercial and retail uses within the immediate vicinity.

Council has identified the opportunity to better integrate the reinstated Boot Factory with the Mill Hill Centre and Waverley Library, both of which form part of the Mill Hill Precinct, and establish a knowledge and innovation hub that can service the needs of the community and local businesses.

Planning for the repurposing of the Boot Factory should take into account the different public roles of each facility within the precinct in order to avoid duplication of services:

Boot Factory Innovation Civic Hall - Civic space for the gathering and exchange of ideas with a focus on programs that bring together a range of stakeholder groups. More details about what is proposed is provided overpage.

Mill Hill Centre - Community centre and hub, with classes and activities for older people, and disability, mental health, homeless and child, youth and family support services located on site. Includes Council offices and hireable spaces including a hall and 4 meeting rooms.

Waverley Library - Highly valued library service providing space, resources and wide range of programs to support organised learning and social connections. Hireable spaces including theatrette; 2 meeting rooms; computer training room; children's activity room. Proposal to establish makerspace areas within the library.

Figure 1 - Bondi Junction Knowledge and Innovation Precinct Overview map



1.3. WHAT IS PROPOSED?

Proposal for building works and landscape works

The final design proposal for the Boot Factory is outlined in Archer's Upgrade Options Analysis (2019), and proposes significant structural repairs, protection and conservation of heritage fabric, integration with the adjacent Mill Hill Centre; and other upgrades including to accomodate fitout of internal areas according to intended function of the hub.

A key feature of the design proposal is integration with the adjacent Mill Hill Centre on every storey including to outsource amenities, storage and lift services in order to liberate the Boot Factory building from having to host these services in its limited space (approximately 150m2 per storey). There also proposed opportunities for occasional functions and events on the Mill Hill Centre rooftop.

The design also proposes urban design principles for the site, including opening up the site as an extension of the street so that the Boot Factory sits within the public domain as a building 'in the round,' with opportunities for increased activation of Norman Lee Place and Spring Street.

The design proposes the following potential spatial qualities for the building's three storeys (shown in Figure 1 overpage), which has received support from Council's Knowledge and Innovation Steering Group:

- Ground floor: Publically accessible space with a focus on grass roots and connected to Norman Lee Place with opportunity to create a single indoor/outdoor venue across the whole site, for example for exhibitions/ openings, presentations/talks and workshops.
- Level 1: Intimate / collaborative spaces - Flexible with possibility of different functions and can be divided to create smaller, focused spaces.
- Level 2: Generosity / Aspirational / the cloud room - Spatial amenity includes large volume (open large room with additional height afforded by new roof).

Figure 2 - Archer Upgrade Options Analysis - spatial qualities overview



Proposal for utilisation

Proposed utilisation model: Innovation Civic Hall

The Knowledge and Innovation Steering Group have identified the Innovation Civic Hall model as the preferred utilisation model for the Boot Factory. Examples of leading practice Innovation Civic Halls across the globe have been included at Chapter 3.

Taken in conjunction with the interconnected Mill Hill Community Centre and the Waverley Library (which will include a new Makerspace), the Innovation Civic Hall will provide civic spaces for the gathering and exchange of ideas, with a focus on programs that bring together a range of stakeholder groups.

Proposed functional uses

The proposed functional uses for spaces within the Boot Factory are outlined in Table 3 and summarised below:

- Norman Lee Place (forecourt): outdoor cafe, flexible space which can accomodate various events and informal outdoor meeting space.
- Ground floor: Reception, exhibition space and venue for public talks, flexible space for hire
- Level 1: Meeting rooms, programs, start up hot desks, events requiring flexible space
- Level 2: Venue hire / small conference capability, Ted X style talks, community meetings, chamber of commerce.

Complementing the Boot Factory, the interconnected Mill Hill Centre will provide amenities and lifts servicing both facilities.

Forecast typical users

The Boot Factory aims to cater to and bring together a wide range of stakeholders, with typical users by space outlined in Table 4 and summarised below:

- Norman Lee Place (forecourt): Families, visitors to the Knowledge and Innovation Precinct, local workers and high rise residents and passers-by.
- Ground floor: Similar to above, event attendees and kids
- Level 1: Students (all levels), community members, facilitators, business people
- Level 2: Event attendees / ticketed guests, facilitators, community organisations.

Proposed resourcing requirements

Staffing resourcing requirements may include a program producer/manager and part allocation of Council's facilities management resources. This model requires fitout for flexible workshop, function and event spaces.

Potential programming may include "computer lab, media lab, exhibition environment, presentations e.g. Ted X style, markets, performance, workshops, facilitators, thinker in residence programs, community led initiatives and meet up sessions."

Hours of operation

Proposed hours of operation for the Boot Factory as per the Development Application are:

- Monday to Friday 12 Noon - 9pm
- Saturday 9.30 am - 3.00pm
- Per the Development Application, the hours for venue hire are 7am - 12pm each day. No amplified music is permitted between 10pm - 7am.

Venue hire options

Supported by the Steering Committee Group, Council proposes a tiered schedule of fees and charges for the following types of users: Non-profit / community, commercial / government, and corporate.

TABLE 3 - FUNCTIONAL UTILISATION AND USER PROFILE (SOURCE: ATP BUSINESS BASE)

AREA	USE	TYPICAL USERS
Norman Lee Place (Forecourt)	- Outdoor café (allowance for 20m2 included in ATP costings) - Flexible space which can accommodate pop up markets, twilight events, family picnics, night-light installations and music / art / story installations - Informal outdoor meeting space (allowance for tables and seating included in ATP costings)	- Families - Visitors to the Innovation Civic Hall (regular and casual) - Visitors to Mill Hill Community Centre - Visitors to Waverley Library - Local workers and high-rise residents - Passers-by to locations in and around Spring Street, Newland Street, Ebley Street and Denison Street
Ground Floor	- Reception desk - Workshopping for small and medium groups - Displays and installations for art, history etc - Flexible space for fairs - Exhibition space and venue for public talks/ lectures	- Similar to above - Event attendees kids
Level 1	- Meeting rooms (allowance for 4x 6m2 and 4x 18m2 meeting rooms in ATP costings) - Programs e.g. incubator, accelerator and in-residence - Mentoring, civic problem solving, Future Cities CRC Living Lab, start up hot desks - Venue hire - Events requiring flexible space and/or PCs e.g. hack-a-thons, classes, community focus groups/ engagement - Conference breakout	- Students (all levels) - Facilitators - Entrepreneurs - Community members - Business persons
Level 2	- Venue Hire/ External small conference capability - Ted style talks - Ideas talks - City talks - Community meetings - Catered events - Business Forum - Chamber of Commerce - Council staff events	- Event attendees / ticketed guests - Facilitators - Community organisations
Makerspace (At Waverley Library)	- Flexible space experimentation and discovery, creation, project visualisation and the sharing of tools - Computer/media lab - Printing / 3D printing	- Hobbyists, artists, residents, students, self-employed workers, part-time workers, library members and users, programmers
Mill Hill Community Centre (Existing Facility - Minor Refurbishment to Support Innovation Civic Hall)	- Conference breakout - Conference catering space - Meetings - Workshops - Amenities for Mill Hill and Innovation Civic Hall Users	- Residents, hobbyists, entrepreneur, inventors, teachers, programmers, artists / creatives, students, self-employed workers, part-time workers library members and users, programmers

TABLE 4 - RESOURCING (SOURCE: ATP BUSINESS BASE)

RESOURCES	HOURS OF OPERATION
Staffing: - Resources - Hours of Operation - 1 FTE Venue / Program Manager and 0.2 FTE Facilities Manager - Head Office Support (Calculated as Overhead) **Equipment:** - Tables, chairs, shelving, joinery, PCs, communications equipment - Basic tools for the Makerspace area in the Waverley Library (refer Section 5.2.1)	Monday to Friday 12 Noon - 9pm Saturday 9.30 am - 3.00pm Per the Development Application, the hours for venue hire are 7am - 12pm each day. No amplified music is permitted between 10pm - 7am.

1.4. COMMUNITY NEED

Chapter 2 provides an in-depth analysis and summary of community needs that could be addressed through the repurposing of the Boot Factory as identified through previous reports, research and community and stakeholder engagement completed by Council and other professional organisations.

The Boot Factory Knowledge and Innovation Hub project aligns with the Waverley Community Strategic Plan 2018-2029 (CSP) which sets out the community's overarching ten-year vision and priorities.

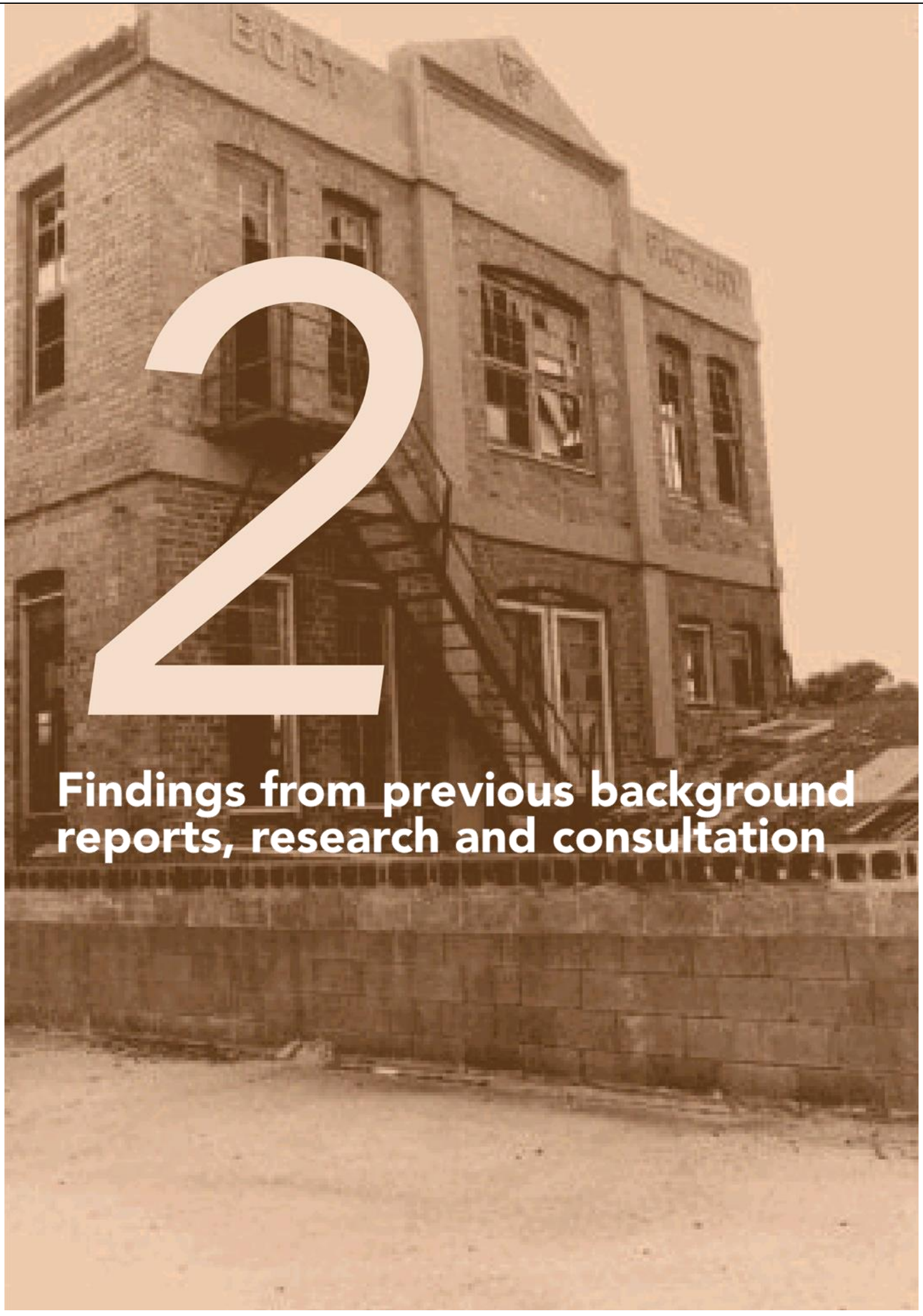
The Waverley community have identified knowledge and innovation as an area of high priority, with the CSP outlining a vision for Waverley as a "knowledge-driven, innovative and digitally connected community," and the goal to "provide multi-purpose community spaces where innovation and collaboration can occur."

In consultation to inform the Community Strategic Plan, the community said with regards to knowledge and innovation:

- Foster digital innovation e.g. through youth hackathons, etc.
- Improve utilisation of Mill Hill to support innovation
- Develop innovation hubs
- Ensure library keeps pace with knowledge economy
- Offer digital training to community members.

ATP's preliminary business case outlines how the Boot Factory Knowledge and Innovation Hub project is supported through each CSP theme (p10-11).





2

Findings from previous background reports, research and consultation

2. Findings from previous background reports, research and consultation

KEY FINDINGS

This section provides a summary of findings from a review of background reports and research relevant to the potential repurposing of the Boot Factory as a Knowledge and Innovation Hub.

Identified community needs

The following community needs of repurposing the Boot Factory as an Innovation Civic Hall have been identified through a review of background reports and research:

- Opportunities for collaboration and networking for large number of creative, knowledge and innovation experts who live and/or work in Waverley LGA
- Increased opportunities for civic engagement and community involvement in local decision-making, leveraging the knowledge, skills and expertise already present within the Waverley community
- Increased spaces outside the home where Waverley's diverse community can come together, work and socialise, particularly for large and increasing number of residents living in high density, lone person households
- Need for staffing, resourcing and programming to ensure facilities are activated and meet community needs
- Increased activation of Bondi Junction day and night, including welcoming and things to do for people of all ages, including children, young people and families, and activities at night for working aged population
- Support for businesses at all stages of development, including start ups
- Increased opportunities and spaces to engage with arts and culture, with desire for increased spaces for creative production and showcasing
- Need for spaces and activities to be accessible, affordable and inclusive for all ages, abilities, backgrounds and incomes
- Ongoing opportunities and support for lifelong learning and sharing for Waverley's highly educated, skilled and engaged community, including digital training
- Regional gap for maker space, however the location and structure of the Boot Factory building is not seen to be supportive of loud, messy or labour-intensive activities.

This section provides identification of community and cultural needs based on a range of Council strategies, policies and community research reports including:

- Rebooting the Boot Factory, Elton Consulting (December 2018)
- Preliminary Business Case Analysis of Options for the Establishment of a Knowledge & Innovation Hub, Asset Technologies Pacific (June 2019), and
- Knowledge and Innovation Hub Steering Group Charter and Workshop Outcomes (August 2019).
- Waverley Community Strategic Plan and Community Engagement Report (2018)
- Bondi Junction Evening, Culture and Entertainment strategy (2018 -2028)
- Waverley Social Sustainability Strategy and Engagement Strategy Workshop Report (2019).

2.1. REBOOTING THE BOOT FACTORY, ELTON CONSULTING (DECEMBER 2018)

This report by Elton Consulting documents the outcomes of investigations into the establishment a knowledge and innovation hub at the Boot Factory. Research included a review of demographic, knowledge-sharing and place making trends; regional provision analysis; industry stakeholder interviews and roundtables; community consultation through focus groups and workshops and an overview of different knowledge and innovation models.

The report indicates community and stakeholder support for adaptive reuse of the Boot Factory as a community facility and space of intellectual capital and innovation to complement existing facilities such as Waverley Library.

Importantly, the report identifies that "one of Waverley's unique assets is the number of creative, knowledge and innovation experts and practitioners who live and/or work in the area," with opportunities to further support and leverage off the ideas and initiatives of this community.

The report also highlights the importance of programming, activities and support to the success of the hub, as well as community support for the activation of Bondi Junction, including the area around Mill Hill and the Boot Factory.

The report outlines some generally agreed factors that are required for a successful knowledge and innovation hub including:

- Co-located spaces specifically situated to support collaboration, information- sharing, innovation and creativity at a place-based level
- Places designed to enable the people who use them to be adaptive and creative 'from the ground up' and enable transfer of knowledge between users.
- Encourage people who may not otherwise work together to interact, share skills and experience, and 'bounce ideas' in a supportive and supported environment.
- Leverage community strengths, support local goals and reflect the character and skills of the community and place they exist in.

Identified community needs and potential benefits

The report identifies the following community needs and potential benefits responding to these needs:

- Need for flexible spaces outside the home where people can come together, socialise and collaborate, particularly as the local population grows and changes and with more lone households, single parents and people living in high density apartments
- Opportunity to support and connect Waverley's large number of local creative, knowledge and innovation experts and practitioners through access to spaces, programs and resources
- Opportunity to provide a collaborative space, where people can share ideas and work together in flexible and creative local spaces
- A resource to support the significant number of educational institutions within the LGA and regionally
- Opportunities for people living in Waverley to become involved in activities that require more space than is available in apartments, e.g. exhibitions, programs and ideas exchanges
- Opportunity for a 'multigenerational' hub where people of different ages, skillsets, life and work experience, and backgrounds to meet and share skills
- A resource for children, young people and people over 45 years to "create, play, learn or work"
- A facility able to complement other regional knowledge and innovation clusters
- While there is a need regionally for makerspaces, focus group participants felt that the location and structure of the building would not support loud, messy or labour-intensive activities
- Opportunity to activate the area outside the Boot Factory as much as the area inside—providing more vibrancy and activity for Norman Lee Place and Bondi Junction
- Opportunity to help boost local participation in the knowledge and innovation industry by pairing up people already working in this field with interested residents
- Need for clearly defined purpose and sense of community ownership and input would be an important component of building a well-used and successful space.

2.2. PRELIMINARY BUSINESS CASE, ASSET TECHNOLOGIES PACIFIC (JUNE 2019)

Asset Technologies Pacific (ATP) were engaged by Council to prepare a Business Case Analysis of Options for the establishment of a Knowledge and Innovation Hub.

This analysis included analysis of financial implications; soft fit out costs; estimated annual income projected in terms of rental income associated with tenanted spaces and membership models and potential funding sources and their viability.

Identified community needs and potential benefits

ATP's business case analysis identifies a number of potential community benefits of a Knowledge and Innovation Hub generally, including:

- Improved public facilities, including community spaces that are fitout with improved equipment that can accommodate a growing demand for places that will enable the local community and businesses to engage in knowledge sharing, discovery and innovation.
- Provision of access to and support of education across STEAM fields enabling people to success and engage in the knowledge economy.
- Providing opportunity for students from school level to those pursuing advanced degrees to access information and test theories before submitting papers for review or publication.
- Providing a community service as well as business opportunities that cannot be provided from other nearby government or private entities.
- Help stimulate the local economy by providing local small business with an opportunity to undertake research and development that would normally be outside of the financial reach of small business.

2.3. WAVERLEY SOCIAL SUSTAINABILITY STRATEGY AND ENGAGEMENT STRATEGY WORKSHOP REPORT (2019).

Waverley Council is currently preparing a Draft Social Sustainability Strategy and a Community Engagement Strategy. The Mayor's Community Organisation's Breakfast "Consolidation and Renewal" was held on Tuesday 17 September from 7.30am to 10.30am. The purpose of the breakfast was to provide an opportunity for local community service organisations to connect, network and collaborate on issues and opportunities to inform the development of the Draft Strategies. 54 representatives of community services attended the workshop.

One of the strengths for social sustainability in Waverley identified at the workshop is that residents that live here have high agency and social capital to share; are highly educated and skilled; and engaged with and passionate about local issues.

Some of the (relevant) identified challenges for social sustainability in Waverley include:

- Highly transient population can be a challenge to community connection
- Socioeconomically disadvantaged pockets within the LGA, despite strong perception of wealth
- Need to include everyone in the community, including people of all ages, abilities and backgrounds.
- Need for more support, programs, and things to do for young people
- Need for more affordable and accessible community spaces for engagement and collaboration
- Need to support lifelong learning, particularly in light of shift of responsibility from State government to local services such as the library to navigate online learning
- Need and desire for engagement with community around civic issues, including impacts of climate change.

2.4. KNOWLEDGE AND INNOVATION HUB STEERING GROUP CHARTER AND WORKSHOP OUTCOMES

The Knowledge and Innovation Hub Steering Group (Steering Group) was established in November 2017 and community experts were appointed in April 2019. The aim of the Steering Group is to assist Council in realising its strategic vision for the Boot Factory, Library and other future knowledge and innovations spaces.

Outcomes of the ATP Preliminary Business Case were presented to the Steering Group and discussed during a workshop in August 2019.

Innovation Civic Hall is preferred operating model

At the workshop, each Steering Group member was asked to vote on their two most preferred options. There was overwhelming agreement on the Innovation Civic Hall model. The reasons for this choice included:

- Flexibility of model/room for interpretation
- High level of community engagement/connections
- High possibility of maximizing venue hire/need for conference facility in the area
- Placemaking potential
- A space for community and business which would resonate with ratepayers
- Demographic data supports model
- Model is not duplicated in study area
- Suits the adaptive reuse of the building and honours it's heritage.

Programming to support preferred option

In line with designs proposed by Archer Office in the Upgrade Options Analysis Report, the steering group are in agreement that the

1. Ground Floor represents a grass roots level. A space connected to Norman Lee Place, where the curiosity inspires robust conversations.
2. Level One has the potential to be dedicated for collaborative/intimate work, with the possibility of flexible configurations. A focused and quiet space.
3. Level Two is a generous and aspirational space, 'the cloud room'. An oculus or beacon of ideas and light.

The Steering Group recognize the importance of financial sustainability in any recommended model and discussed the possibility of maximizing venue hire and the potential to use the Level two 'cloud room' as an event/conference space.

Some suggested a pricing model for the Boot Factory where events held on the ground floor attract a greater number of community participants and are charged at a lower rate, opposed to Level 2 which is more exclusive but charged at a premium.

Synergies with adjacent facilities

A conversation to identify any potential model and/or programming synergies with adjacent knowledge and innovation precinct facilities was held during the workshop. The following was discussed:

- Shared use of Mill Hill amenities, ie kitchen, toilets, lifts, storage spaces
- Establishment of community makerspace area in Waverley Library
- Self-managed printing facilities compatible with library system
- Commercial café space in Mill Hill.

2.5. WAVERLEY COMMUNITY STRATEGIC PLAN COMMUNITY ENGAGEMENT REPORT (2018)

As outlined in section 1.6 of the introduction to this report, the Boot Factory Knowledge and Innovation Hub project aligns with the Waverley Community Strategic Plan 2018-2029 (CSP) which sets out the community's overarching ten-year vision and priorities.

Relevant issues and opportunities identified through community engagement relating to CSP priority themes that could be addressed through the repurposing of the Boot Factory are outlined below.

Theme: Knowledge and Innovation

- Improve utilisation of Mill Hill to support innovation
- Ensure library keeps pace with knowledge economy
- Offer digital training to community members
- Strong support for fostering innovation e.g. through innovation hubs and incubators

Theme: Arts and Culture

- The library is highly valued, along with its programs and its value in providing community connections.
- Convene more out of season cultural activities
- Spaces for performing arts
- Encourage arts and cultural activities, including cross-cultural activities

Theme: Community services and wellbeing

- Support for seniors, young people, youth and families and people with disability
- Mill Hill Community Centre: respondents want more space and say in how it is run
- Promote diversity and inclusion.

Theme: Recreation and public spaces

- Improve availability of venues for events
- Provide activities for children and youth

Theme: Local economy

- Foster tourism through tourist information, eco-tourism, a diverse night-time economy and improved service and food offerings
- Residents seek a diverse nightlife in Bondi Beach and Bondi Junction, more restaurants open late and night markets
- Support start-up businesses, e.g. through co-share spaces, innovation hub, etc.
- Innovation grants to support youth contribution to business
- Bondi Junction as a business and tourism hub.

Theme: Planning development and heritage

- Protect heritage buildings, in particular Waverley cemetery and the Boot Factory

Theme: Buildings and infrastructure

- Preserve heritage buildings

Theme: Sustainable environment

- Strong desire for Council to undertake initiatives to promote a clean green LGA (including sustainability initiatives and retaining and adding to green spaces)

Theme: Corporate leadership and engagement

- Introduce more opportunities to engage with Council and access information. A desire for ongoing engagement emerged.

2.6. WAVERLEY CULTURAL PLAN BACKGROUND REPORT AND COMMUNITY ENGAGEMENT REPORT, CRED CONSULTING (JUNE 2019)

At November 2019, the Waverley Cultural Plan is currently being developed. A Background Report and Community Engagement Outcomes Report (prepared by Cred Consulting) summarise findings from research and consultation and have informed the development of the Cultural Plan.

The background report highlights the large proportion of Waverley residents employed in the Arts and Recreation services industry compared to the average across Greater Sydney, and emphasises opportunity to support this creative community to collaborate and network to drive local initiatives and projects.

Identified community needs

Relevant community needs identified through community and stakeholder engagement include:

- Desire for increased spaces in the Waverley LGA to engage in cultural and creative activities, with the majority of survey respondents indicating they think there are not enough cultural facilities and spaces in Waverley (60%). Participants would like to see more spaces for creative production (e.g. affordable studios and rehearsal spaces), creative showcasing (e.g. gallery, performance) and for temporary pop-up spaces in vacant buildings and public domain. The Boot Factory redevelopment was seen as an opportunity to deliver these kinds of spaces.
- Desire for existing spaces to be better utilised, highlighting a need for cultural infrastructure to receive sufficient operating budget to ensure appropriate maintenance, promotion, staffing and programming. Participants indicated that prohibitive venue hire regulations, processes and cost are a barrier to community use and access.
- Desire for increased activation of streets, footpaths and urban plazas to support local cultural opportunities and community connections (e.g. more appealing urban design in collaboration with local creatives; comfortable staying places; opportunities for busking in public places and event-ready places). This was a priority for Bondi Junction in particular.
- Desire to further develop Waverley's night time economy and to support live music, including through providing and promoting smaller live music venues and facilities that encourage live music expression in the Waverley LGA. This was identified as a particular opportunity for Bondi Junction and the Bondi Pavilion.
- Desire for Aboriginal culture, traditions, knowledge and stories be acknowledged and more visible in the local area, including through events and activities, signage and interpretation, and public artworks incorporated into the landscape.
- Desire for inclusive and affordable opportunities to engage with arts and culture including for children and families, young people, people with disability and activities for working adults at night and on the weekends
- Desire to support local creatives (artists, writers, performers) to work in the area as the cost of living across Sydney continues to rise (e.g. opportunities for affordable workspaces and networking and collaboration programs).
- Desire for Council to further support community, artists and cultural groups to deliver their ideas, including through grants, capacity building, partnerships and by reviewing planning regulations and barriers to community initiatives.
- Strong focus on challenges and opportunities to further support community and cultural uses at Bondi Pavilion, including a need for: (Artistic) vision and planning informed by community engagement; Increased operational resourcing and staffing; Dynamic marketing and promotion; Improved maintenance; Expanded programming; and removing prohibitive regulations and costs to encourage cultural and creative uses.

2.7. BONDI JUNCTION EVENING, CULTURE AND ENTERTAINMENT STRATEGY (2018 -2028)

The Bondi Junction Evening, Culture and Entertainment Strategy responds to a community aspiration for more activity and things to do in the evening. In particular, there is a demand for activities that attract families and young children, moving away from the traditional focus on alcohol based evening culture and entertainment options.

In particular, Spring Street, Oxford Street, Bronte Road and Waverley Mall were highlighted by the community as areas that would benefit from further evening activation. It outlines the following high priority actions for Norman Lee Place:

The Boot Factory and Norman Lee Place are a significant asset for Spring Street as one of the few heritage buildings in Bondi Junction. In order to make this an attractive and usable space, the following actions are recommended:

- Investigate opening up the existing adjoining uses onto Norman Lee Place for passive surveillance and visual activation.
- Investigate the potential as a key location for pop up events to activate the space, subject to a risk assessment and residential survey to ensure residential amenity is not adversely affected.
- Tell the history of the Boot Factory through projections onto unused windows and other artistic interpretations. Enter discussions with the Cultural Programs team around how their existing events could complement this.
- Introduce additional greenery to soften the space without detracting from heritage features
- Encourage greater use of the adjoining community centre for evening activities.
- Encourage neighbourhood activities for local residents.

2.8. BONDI JUNCTION HEARTBEAT OF THE EAST (2016 - 2030)

Consultation to inform the Bondi Junction Heartbeat of the East document identified that respondents found Bondi Junction to be a desirable place to live, work and play, but the area could be improved through the following initiatives:

- More activity and personality at street level
- Greater range of open space and recreational spaces
- More arts and culture
- Improved traffic and parking conditions
- Improved safety and accessibility
- More things on offer for night time activities
- Enhanced tourist and visitor information services
- Sustainability – respondents wanted Bondi Junction to be a sustainable urban centre
- Ensure transparency of projects in Bondi Junction
- Greater awareness of community services on offer – many respondents had little knowledge of Bondi Junction's community services.

2.9. SUMMARY OF IDENTIFIED COMMUNITY NEEDS

The table below provides an overview of community needs identified through a review of background research, reports and community and stakeholder engagement relating to the Boot Factory Knowledge and Innovation Hub project.

TABLE 5 - SUMMARY OF COMMUNITY NEEDS IDENTIFIED THROUGH BACKGROUND RESEARCH

COMMUNITY NEED IDENTIFIED THROUGH BACKGROUND REPORTS AND RESEARCH	EVIDENCE
Increased collaboration and networking opportunities for local residents, workers and businesses	- One of the Waverley LGA's unique assets is the large number of creative, knowledge and innovation experts and practitioners who live and/or work in the area. There is opportunity and significant community desire to further support local residents, workers and businesses to network, collaborate and develop their ideas and initiatives locally at the Boot Factory. - Over 3,000 Waverley residents work in the knowledge and innovation industries, with as many as 54% doing so within the LGA, and a further 8,718 people travelling from outside the LGA to work in these industries within Waverley. (Elton Consulting, Rebooting the Boot Factory) - Waverley has a higher proportion of residents employed in the Arts and Recreation services industry (2.7%) compared to Greater Sydney (1.7%) (Cred Consulting, Waverley Cultural Plan Background Report).
Programmed, staffed and resourced community and cultural facilities	- Stakeholder engagement with industry experts to inform the Rebooting the Boot Factory report indicated that programming will be key to the success of any Knowledge and Innovation Hub, and prioritised the need for appropriate staffing and resourcing to ensure the hub is activated, utilised and meets the needs of the community (both the Waverley community and any innovation industry stakeholders). - Community engagement to inform the Bondi Pavilion upgrade and restoration project and the Waverley Cultural Plan indicated that there is a strong desire for facilities to receive sufficient resourcing to ensure appropriate programming, staffing, maintenance and promotion.
Increased activation of Bondi Junction for all ages, day and night	- A key aspiration of the Bondi Junction community is for more activity and things to do in the evening. In particular, there is a demand for activities that attract families and young children, moving away from the traditional focus on alcohol-based evening culture and entertainment options (Bondi Junction Evening, Culture and Entertainment Strategy). - There is also a strong desire for things to do at night and on the weekend to support participation for Waverley's working aged population (Waverley Cultural Plan Engagement Report) - The community has also identified a need for increased activation of streets, footpaths and urban plazas to support local cultural opportunities and community connections, particularly in Bondi Junction (community ideas included more appealing urban design in collaboration with local creatives; comfortable staying places; opportunities for busking in public places and event-ready places).
More places outside the home to come together, socialise, work and collaborate	- The Waverley LGA is characterised by a high proportion of people living in high density, particularly within the Bondi Junction area. Demographic trends indicate increasing density and more residents living in single person households, indicating a need for flexible spaces outside the home where people can come together, socialise and collaborate. This includes flexible spaces that can accomodate a wide range of activities to suit the needs of this changing and diverse community, including those that require more space than is available in apartments.
Ongoing support and opportunities for local learning, skill development and sharing	- The Waverley community is highly educated and have identified knowledge and innovation as an area of high priority, with the CSP outlining a vision for Waverley as a "knowledge-driven, innovative and digitally connected community." - Waverley also has a large population of students from school level to those pursuing advanced degrees, with opportunity to further support them to through the provision of spaces, resources and programs where they can access information and test theories before submitting papers for review or publication (ATP, Preliminary Business Case; Elton Consulting, Rebooting the Boot Factory).

COMMUNITY NEED IDENTIFIED THROUGH BACKGROUND REPORTS AND RESEARCH	EVIDENCE
Increased opportunity for civic engagement	- The Waverley community is highly engaged, with many residents already volunteering their time to get involved with or have their say on local issues that matter to them, and opportunities to further leverage the knowledge, skills and expertise already present within the Waverley community. - There is a strong desire for more opportunities to engage in conversation with Council around planning for community and cultural facilities, programming and services). - Specifically, the community has indicated desire for more say around the management of the Mill Hill Centre, which is adjacent to the Boot Factory (Waverley CSP Engagement Report).
Increased opportunities for community connection, including multigenerational and multicultural	- Waverley is home to a growing and increasingly diverse population, including many itinerant workers, people from culturally diverse backgrounds and diverse age groups. There is a need to support opportunities for community connection as the Waverley community continues to grow and change. - In particular, the community has indicated desire for more intercultural and intergenerational activities and sharing (Waverley CSP Engagement Report; Rebooting the Boot Factory Focus Group outcomes). - Community has identified aw strong desire for community and cultural spaces and activities that are inclusive of all ages, abilities, and incomes
Venue for hire space that is affordable, accessible and fit-for-purpose	- There is a desire for venue for hire and event spaces in Waverley that are affordable, accessible for the community and fit-for-purpose (including ensuring booking processes and regulations are not a barrier to use) (Bondi Pavilion Community and Cultural Use Impact Assessment; Knowledge and Innovation Hub steering group)
Makerspaces	- While there is a need regionally for makerspaces, the location and structure of the Boot Factory building is not seen to be supportive of loud, messy or labour-intensive activities (Rebooting the Boot Factory)
Support for local business at all stages of development	- Support for local business and for emerging start ups was identified as a priority through community engagement to support the Waverley CSP - Opportunity to help stimulate the local economy by providing local small business with an opportunity to undertake research and development that would normally be outside of the financial reach of small business (ATP, Preliminary Business Case)
Increased opportunity, places and spaces to participate in arts and culture	- There is a strong desire for more opportunities, places and spaces to engage with arts and culture within the Waverley LGA, including spaces for creative production and presentation (e.g. gallery and exhibition space).
Increased acknowledgment and visibility of Aboriginal history, culture and community	- There is a strong desire for more acknowledgement and visibility of Aboriginal history, culture and community in Waverley, for example through public art, interpretation and activities (Waverley Community Strategic Plan).



3

Leading Practice Innovation Civic Halls

3. Leading Practice Innovation Civic Hall Case Studies

KEY FINDINGS

This section provides an overview of five leading practice Innovation Civic Halls across the globe. It provides an understanding of the types of spaces and features these facilities provide; how they are managed and programmed; and how they have delivered social value and community benefits.

In addition, a number of leading practice libraries with innovation features have been reviewed.

A comparison of key learnings relating to use and programming, operation and management and facility and fitout from leading practice Innovation Civic Halls to maximise social value for the Boot Factory upgrade are outlined overpage.

3.1. WHAT ARE INNOVATION CIVIC HALLS?

Innovation Civic Halls are a relatively new but increasingly common model seen across the globe and predominantly in the United States.

While varied in their purposes, uses, programming and operation, Innovation Civic Halls are typically characterised by a focus on fostering innovation and collaboration to serve the civic good.

This aligns with the proposed utilisation of the Boot Factory Innovation Civic Hall, which, according to ATP's Business Case, will "serve as a gathering and collaboration space for people from all types of backgrounds in and around the Waverley LGA to engage in study, conferences, research, mentoring, development, experimentation, and hot-desk style remote work."

While there are no existing examples of the Innovation Civic Hall model in Australia, our libraries are increasingly taking on a "third space" role and incorporating innovation features such as makerspaces within their facilities. With a new makerspace proposed at the Waverley Library, this section also looks at learnings from leading practice libraries across Greater Sydney with innovation features.

3.2. KEY FINDINGS FROM LEADING PRACTICE INNOVATION CIVIC HALL CASE STUDIES

The following five (5) leading practice Innovation Civic Halls and two (2) libraries with innovation features were reviewed as part of this research, with a focus on learnings for the Boot Factory Innovation Civic Hall:

- Civic Hall at Union Square, New York, USA
- Innovation Hall, St Louis, USA
- Civic Hall, Toronto, Canada
- District Hall, Boston, USA
- Pakhuis de Zwijger, Amsterdam, Netherlands
- Workary, Whitlam Library, Cabramatta, Sydney, and
- Darling Square Library and Ideas Lab, Sydney.

Learning from Innovation Civic Hall case studies

Comparison of the five Innovation Civic Halls indicates some common characteristics, including:

Use and programming

- Innovation Civic Halls are often located within business or innovation districts, tapping into and supporting existing presence of workers and often serving to activate and anchor these districts (3/5)
- All Innovation Civic Halls included (or will include) programming in the evening, including to encourage participation for working population (5/5)
- Innovation Civic Halls often include a publically accessible space where community members can work, socialise and collaborate (5/5 Innovation Civic Hall case studies)
- Innovation Civic Halls often feature a cafe or restaurant, with benefits including encouraging activation, informal connection and support for events (4/5)
- As implied in the name, Innovation Civic Halls often include a strong focus on creating better civic or community outcomes, with some identifying specific civic target areas or missions (e.g. fostering innovation in education and government, or ensuring inclusion and diversity in digital skills development).

Operation and management

- All reviewed case studies Innovation Civic Halls were staffed (5/5)
- Venue hire is a source of income for some Innovation Civic Halls, while some Innovation Civic Halls offer reduced rate for venue hire for events or organisations that align with their "mission" (4/5)
- Innovation Civic Halls are often operated and managed by a not-for-profit anchor tenant (e.g. Venture Cafe, Civic Hall) (5/5)
- For Innovation Civic Halls with a larger amount of space, renting out office space at market-rate is a source of income, however often alongside affordable office space to support growing businesses or not-for-profit organisations (4/5)

Facility and fitout

- Most Innovation Civic Hall case studies include access to technology (e.g. free Wifi, public access computers) (4/5).
- Most Innovation Civic Halls include a flexible fit-out in order to accommodate a wide range of current and unknown future uses, including features such as moveable walls (4/5).

LEADING PRACTICE CASE STUDY

CIVIC HALL @ UNION SQUARE, UNION SQUARE, CITY OF NEW YORK, NEW YORK, USA



Description:	In Feb of 2016 not-for-profit organisation Civic Hall, and developer partner RAL and Affiliates Inc. (RAL) were selected as the winners of a public bid process offered by the New York City Economic Development Corporation to develop a 250,000 square foot technology-focused commercial center on city-owned land near Union Square at the intersection of 14th street and Irving Place. Projected to be opened in 2021, Civic Hall @ Union Square will be a new, diverse and inclusive 21st century community center focused on technology, civic engagement and a more equitable future for all. The new facility will include a 40,000 square foot collaborative community space; a 400-seat conference center, and a Digital Learning Center including 18 "classrooms" for digital workforce development organisations which will provide discounted training, remove barriers to tech education and foster a culture of inclusivity and opportunity. According to the Civic Hall press release, the new centre will: "provide much-needed tech skills to underserved populations and digital literacy trainings to public sector professionals working for nonprofit and government agencies. It is expected that this new training center will provide an estimated 50,000 people a year with digital skills and access to jobs in New York's growing technology ecosystem." In addition to the training facility itself, the Tech Training Center project will also feature step up, affordable office space for growing companies that have graduated from Civic Hall, incubators, or co-working spaces. The Center will also offer modern, market-rate space to attract established, industry-leading corporations to the ecosystem.
Run by:	Operated by anchor tenant, not-for-profit organisation Civic Hall
Floor space:	7,433m2
Financial model:	Sources of revenue will include market-rate office space for established corporations; conference and other venue hire; affordable office space for early-stage start ups; membership etc.
Programming:	Public programming will be delivered by not-for-profit Civic Hall, as well as by technology workforce development partners. Programming has not yet been finalised however will include a focus on providing affordable digital skills training to general community, as well as digital literacy training to public sector professionals working for nonprofit and government agencies.
Opening hours:	N/A

Proposed community benefits

Whilst Civic Hall @ Union Square has not yet opened, some of the identified potential community benefits include:

- Responds to growing demand for high-tech skills, with the aim of ensuring that careers of the future are accessible to New Yorkers of all backgrounds and skill levels by providing discounted training, removing barriers to tech education and fostering a culture of inclusivity and opportunity.
- Fosters crosscollaboration by providing a space for a diverse mix of community organizations, tech companies, city, state and federal agencies, and individual civic entrepreneurs.
- Aims to be accessible by providing diverse tenanting options, including affordable spaces for starts ups and market-rate spaces for established industry leaders to foster crosscollaboration

LEADING PRACTICE CASE STUDY

INNOVATION HALL, ST. LOUIS, CITY OF ST. LOUIS, MISSOURI, USA



Brief description:	Innovation Hall St Louis is located within the Cortex Innovation Community, a 200-acre masterplanned business and innovation district integrated within St Louis' historical Central West End neighbourhood. Opened in 2018, Innovation Hall is operated by not-for-profit organisation Venture Cafe and is the first of its kind in the region. Innovation Hall is a place for entrepreneurs, innovators and community to meet, host and connect - a collaborative event and meeting venue, public workspace, and programming hub designed to bring people together at every level. Innovation Hall is comprised of the Civic Lounge, a free and open drop-in workspace; The Chocolate Pig, a new concept restaurant and café; and reserved event and meeting space for 4 to 300+ person gatherings. Continuing Venture Café's history of connecting educators to the entrepreneurial community, Innovation Hall is also home to St. Louis' first education innovation hub EdHub. Made possible by an anonymous donor, the hub includes unique events and programming focused on innovation, equity, and access in education.
Run by:	Operated by Venture Cafe St Louis. Venture Cafe is a not-for-profit organisation with independently managed branches across the world.
Financial model:	Sources of revenue include event space and meeting space for hire.
Programming:	Programming is delivered by Venture Cafe St Louis, and includes 8 to 12 "learning sessions" weekly, focussed on various topics such as technology, communication, leadership, public speaking, branding etc. A review of the Innovation Hall website shows that nearly all programs are held on weekday afternoons and evenings. Innovation Hall is also home to EdHub, a platform for educators and innovators to share and create ideas for transforming education in the St. Louis area. Made possible by an anonymous donor, EdHub provides space for education-related events, transportation for attendees, a fellowship program to support new initiatives in education, and hosts workshops, events, and summer programs for educators and students.
Floor space:	N/A
Opening hours:	Civic Lounge is open to the public Mon-Fri 8am-5pm, with the majority of programs run on weeknights.

Spaces:	**Capacity**	**Hireable?**	**Functions/ features**
Green Pod	20 - 30 pax	US$75/hr US$500/day	- WiFi, whiteboard walls, TV, conference phone, video conferencing system
Pink Pod	10 - 20 pax	US$50/hr US$350/day	- " "
Huddle Room	2 - 4 pax	US$25/hr	- " "
Civic Lounge	50-100 pax	US$300/hr	- WiFi, whiteboard walls, TV, conference phone, video conferencing system
Assembly	400 pax	US$500/day	- Stackable chairs, WiFi, whiteboard walls, TV, conference phone and video

Identified social benefits

- Connects individuals who predominantly work independantly, expanding their capacity to produce through collaboration.
- Activates St Louis' Cortex Innovation Community district and fosters cross-collaboration across industries, workers and businesses present within the district.
- Includes programming focus on fostering innovation, equity and access in the education system.
- Offers venue hire discounts to "mission-aligned" "events and gatherings that help make connections, grow new ideas, and build an inclusive and supportive innovation community."

LEADING PRACTICE CASE STUDY

CIVIC HALL, TORONTO, CITY OF TORONTO, ONTARIO, CANADA



Brief description:	Based in Canada's largest city, the Civic Hall Toronto is a hub for various stakeholders to strengthen civic innovation. This facility creates relationships between government innovators, entrepreneurs, technologists and residents of Toronto, encourages collaboration through informal co-working spaces, training workshops and events, using technology and design skills to resolve civic challenges. This space was inspired by successful innovation hubs in other cities including New York's Civic Hall, and Paris' Superpublic. Civic Hall Toronto offers a unique mix of services for government and community members, and is operated with the support of Code for Canada. Government teams are offered training across various topics including Human-Centered Design, or Agile and Lean. Events that showcase civic tech success stories and give members the chance to learn from expert practitioners are hosted, as well as facilitating access to a collaboration space at the Centre for Social Innovation in downtown Toronto. Code for Canada also offer custom project support, including event design for user testing and community engagement. The Civic Hall Toronto engages community members, including entrepreneurs, technologists or engaged Torontonians, through the use of tech and design, building programmes to meet their unique needs. Networking events, and access to people and resources for scaling civic tech projects are of great value to the community. Overall, the level up of collaboration by convening people from different sectors removes barriers for shared work and creates opportunities for open learning, leading to better outcomes.
Run by:	Operated by Code for Canada, a national not-for-profit, alongside the City of Toronto, the Centre for Social Innovation and Civic Hall in New York City.
Financial model:	Sources of revenue include 3-tiered government membership packages, as well as hosting events that showcase examples of civic innovation and provide opportunities for members to network, learn and work together. These events may be exclusive to members or open to the public.
Programming:	Programming is delivered by Code for Canada and aims to target and benefit government innovators and resident or design and tech entrepreneurs. Available programming includes regular training workshops, events, project collaboration and a co-working space for government teams and the local civic tech community. In 2018, Civic hall Toronto in partnership with Code for Canada launched GRIT (Gathering Residents to Improve Technology) Toronto. GRIT is a program that facilitates better, more inclusive and accessible usability testing that engages residents in the creation of the technology that's meant to serve them. It is a service available to Civic Hall Toronto members, as well as anyone who wants to validate their program.
Floor space:	N/A
Opening hours:	N/A

Rooms/functions:	**Capacity**	**Hireable?**	**Functions/ features**
N/A	N/A	N/A	N/A

LEADING PRACTICE CASE STUDY
DISTRICT HALL, BOSTON USA



Brief description:	District Hall was designed to be a central gathering place for Boston's Innovation District. District Hall anchors the District, and creates a physical space and public resources to connect, support, and strengthen innovators while expanding the reach, visibility, and benefits of Greater Boston's innovation economy. District Hall was founded through a unique public-private partnership in response to the City's call. The building was privately funded and built by Boston Global Investors as the first project in their 23-acre master plan for Seaport Square. The City invited the Cambridge Innovation Center (CIC) to create an active innovation hub concept. CIC then developed the initial concept and design, as well as provided construction management and financial support for the project. CIC has ongoing responsibility and holds the lease for the property. The Venture Café Foundation was involved in the initial planning process and continues to manage operations and programming since 2013. The District Hall provides a wide range of resources and curated programs to help broker and foster new connections and create an environment where ideas can be discussed, shared, or converged. Initiatives range from collaborative 'cafe club' events, to skills workshops, mentorship programs, public workspaces, and pop-up exhibitions that showcase start-up concepts and products to thought leaders, government and larger companies. The three core components of District Hall are: - EVENT SPACE - Versatile event spaces designed to inspire creativity and foster collaboration. - FREE, PUBLIC WORKSPACE - A free, public work and meeting space, equipped with free WiFi, integrated power tables, and writeable walls. - PROGRAMS + RESOURCES - Programs and resources are designed to bring together diverse perspectives, build deep and meaningful connections, and develop effective and insightful solutions.
Run by:	Operated and managed by Venture Cafe Boston. Venture Cafe is a not-for-profit organisation with independantly managed branches across the world.
Financial model:	Sources of revenue include venue and event space hire.
Programming:	Programs include networking and meetups, talks, hackathons etc.
Floor space:	N/A
Opening hours:	Public Lounge is open on weekdays, 8/10am-5pm, with additional programs taking place and venue hire available on weeknights and weekends

Rooms/ functions:	Capacity	Hireable?	Functions/ features
Small pod	6-8	US$50/hr	- WiFi, IdeaPaint walls, Ceiling-mounted projector, HDMI/VGA/audio inputs, Bose sound system
Large pod	15-30	US$100/hr	- WiFi, IdeaPaint walls, Ceiling-mounted projector, HDMI/VGA/audio inputs, Bose sound system
Assembly	Max 250	US$100-300/hr	- WiFi, IdeaPaint walls, Projector, Bose sound system, floor outlets, dimmable high-bays and string lights, stackable chairs
Lounge	50-150	US$300/hr	- WiFi, IdeaPaint walls, Projector, Bose sound system, Wall-mounted touch screen monitor, floor outlets, color-changing Phillips Color Kinetics light spine, Phillips Hue color-changing bulbs
Whole venue	450	Varies	

Any identified social or community benefits?

Connects individuals who predominantly work independantly, expanding their capacity to produce through collaboration.

LEADING PRACTICE CASE STUDY

WORKARY, WHITLAM LIBRARY, CABRAMATTA, CITY OF FAIRFIELD, NSW, AUSTRALIA



Brief description:	Whitlam library is an example of how the boundaries of the traditional library can be pushed to deliver services that actively respond to community needs. Within the footprint of a 3,000m² library, recent renovations and creative re-use of spaces has seen the inclusion of 'the Workary,' 'Studio 2166' and a VR technology space. These additions provide space for the community to make best use of the library's resources to develop business ideas, get creative in the studio to produce music and video, as well as learn and trial the very latest in technology. Access to these resources is important, particularly in areas of socio-economic disadvantage where residents may not be able to access their own VR technology, recording equipment or be able to rent office space. In addition the library has also extended its opening hours to midnight, enabling students who may not have a dedicated quiet study space in their own home to be able to say at the library into the evening. Whitlam library demonstrates how to actively respond to the needs of a diverse demographic by opening hours to midnight, as well as providing access to resources that many people would not be able to afford within their own households. It also shows how business incubator space can be provided within a library setting - being located upstairs separates the space from children's program areas, with a variety of resources available including hireable meeting rooms, dedicated work space and a variety of business support programs available.		
Floor space:	3,000m²		
Operating model:	Owned and run by Council		
Financial model:	Council funded, limited revenue from bookable meeting rooms		
Programming:	Provides business advisor space for ESL residents		
Opening hours:	Monday—Friday 9.30am—7.45pm, Saturday 10am—3.45pm		
Rooms/functions:	**Capacity**	**Hireable?**	**Functions/ features**
Drop-in desk space and lounge area	N/A	- N/A	
3 Meeting rooms	6 pax each	- $11/hour	- Smart TV, free Wi-Fi, power outlets, whiteboard
lab.LX	N/A	- Yes, free	- 360° cameras, 3D scanners, robots, electronics kits and Virtual Reality System - Hot desk with programs including Adobe Creative Suite, GameMaker Studio and Python
3 Hot Desks	1 pax each	- Free 4-hr sessions	- Free Wi-Fi, a large monitor, keyboard and mouse, and complimentary tea and coffee.
Business Advisor Space	2 pax	- Yes, free	- Language specific one-to-one business advisory sessions in Mandarin, Cantonese, Vietnamese, English and Arabic
Studio 2166	N/A	- Yes, free	- iMacs with 64 GB of RAM and: - Avid Pro Tools and Adobe Creative Cloud - Cycling 74 - MAX MSP 8 and Ableton Live 10 - Green screen, cameras - Synthesizers, microphones and sound gear
The Alcove	3 pax	- Free 30-60min intervals	- Stage is a semi-circle, approximately 2.4m wide and 2.1m high located in library foyer - Mic and small amp available upon request.

LEADING PRACTICE CASE STUDY

PAKHUIS DE ZWIJGER, AMSTERDAM, CITY OF AMSTERDAM, NETHERLANDS



Brief description:	"Pakhuis de Zwijger" is a cultural organisation located in Amsterdam's Java Eiland neighbourhood in a former warehouse built in the 1930s. After being squatted for decades by artists and musicians, in the mid 90s, the City of Amsterdam assigned this building a public and cultural role, with cultural organisation Pakhuis de Zwijger as the anchor tenant, and other Amsterdam-based cultural organisations, that together deliver cultural programming and utilisation of the building. The building has a combination of public functions and semi-public and private working spaces. Its programming focuses on the complex urban challenges associated with transitioning cities sustainably into the modern era, under the themes: creative industry, the city and global trends. Pakhuis de Zwijger positions itself as an online and offline platform that aims to be inclusive for people of different disciplines, expertise, backgrounds, ages, cultures, lifestyles, convictions and genders. In the past years, this cultural organisation has opened additional centres in more socio-economically disadvantaged neighbourhoods in Amsterdam, in collaboration with the City of Amsterdam.
Run by:	Not for profit cultural organisation Pakhuis de Zwijger, with programming supported by other cultural organisation tenants
Financial model:	Revenue from office space, venue hire and subsidies from City of Amsterdam
Programming:	Over 600 annual programs, of which the vast majority are free, including conferences, presentations, concerts, clubnights, exhibitions, workshops, masterclasses, and recordings for tv, radio and internet. Online programming includes a podcast, and many programs and talks are streamed online.
Floor space:	Approximately 5,000m2 of which 25% is allocated as "incubator / development" space with reduced rent
Opening hours:	N/A

Rooms/functions:	**Capacity**	**Hireable?**	**Functions/ features**
Foyer exhibition space and cafe / restaurant	N/A	- Yes	- Wi-Fi
Two small halls	150 / 100	- Yes	- Wi-Fi, theatre light and sound, live stream, voting system, twitter wall
Main hall	250	- Yes	- 9 large screens with panorama projection
Wardrobes/lockers	N/A	- Yes	

Social benefits

- Strong focus on inclusive programming for people of all ages and backgrounds
- Strong focus on increasing engagement, collaboration and problem-solving around civic issues
- Provides reduced rate office and presentation spaces for not for profit organisations

LEADING PRACTICE CASE STUDY

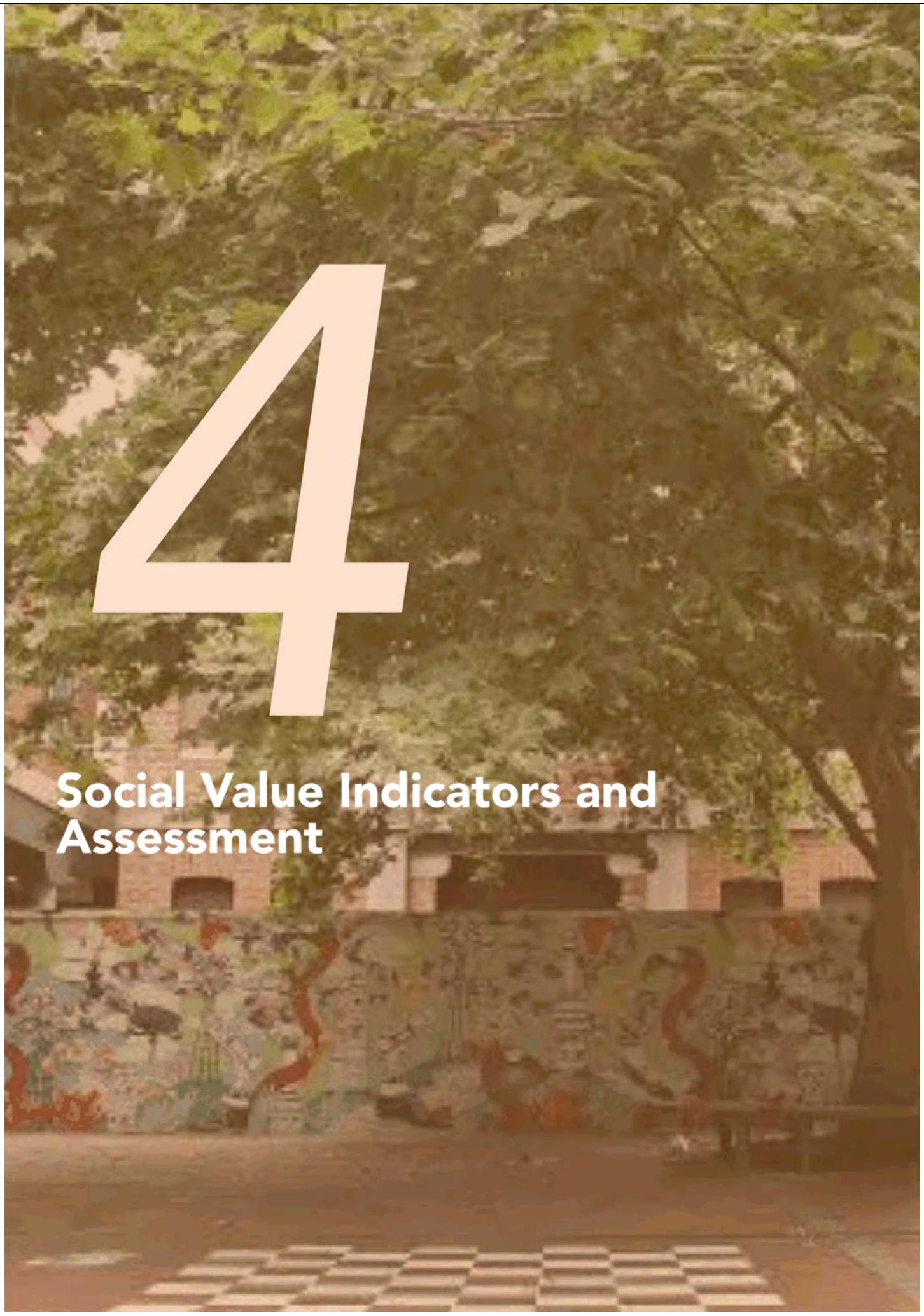
DARLING SQUARE LIBRARY AND IDEAS LAB, CITY OF SYDNEY COUNCIL, SYDNEY



Brief description:	The City of Sydney and Lendlease have recently unveiled a brand new $10 million library as part of the $3.4 billion redevelopment of Darling Harbour. The new library is located over two floors of The Exchange building and replaces the former Haymarket library. Darling Square Library houses a collection of more than 30,000 items (including an Asian literature collection), bookable meeting rooms, intuitive digital technology, workspaces, public computers with free wifi, children's area (with bilingual rhyme-time and story-time sessions) and a 200 square metre Ideas Lab for hands-on workshops and events. The Ideas Lab on level 1 is a dedicated makerspace and multipurpose room to create, invent or tinker. The City and Lendlease will work together to oversee the program of events and structure of the Ideas Lab. The space focuses on supporting start-ups and entrepreneurs. The program of hands-on workshops features 3D design and printing, robotics and electronics to help startups and curious makers upskill, share knowledge and network.
Run by:	City of Sydney Council
Programming:	- People can attend a range of courses including computer training, design skills, programming or award winning Late Night Library programs. - Ideas lab programming include afterschool STEAM programs, weekly makerspace sessions, robotics,
Features	- Free wifi, public access computer, free wifi, scanning and printing, space for hire
Floor space:	2,225m2
Opening hours:	Mon-Fri 10am-7pm, Sat-Sun: 11am-4pm

Community benefits of Ideas Lab

- Provides access to STEAM resources, programs and spaces for all ages



4

Social Value Indicators and Assessment

4. Operating and financial models

KEY FINDINGS

This section provides an assessment of Councils' preferred operating and financial models and an assessment of social value of the Boot Factory proposal against indicators developed through an understanding of Waverley community needs.

Overall, Cred Consulting is supportive of the proposed Utilisation Model, as it will provide positive social impacts and social value for the Waverley community. Mitigation measures to further enhance and ensure social value outcomes are delivered based on the proposed Business Case and Utilisation Model are provided in section 5.4.

Choosing the right operating and financial model will be key to delivering social value via the Boot Factory Innovation Civic Hall, including to support community access and participation as well as to ensure community support for the project.

This section provides a high-level understanding of and professional opinion on various potential operating and financial models for the Boot Factory Innovation Civic Hall that the Waverley community may be receptive to.

This is based on leading practice research; our existing expertise and knowledge; and previous findings from community and stakeholder engagement conducted around the Boot Factory upgrade project and other relevant projects including the Waverley Cultural Plan and the Bondi Pavilion Upgrade and Restoration Project.

4.1. ABOUT THE PROPOSED OPERATING MODEL

Council proposes to manage and operate the Boot Factory, and may consider partnering with one or multiple not-for-profit tenants to support programming.

According to the ATP Business Case: "Council intends to deliver programs from the Innovation Civic Hall to improve education outcomes amongst students of all levels, stimulate local business growth through innovation, facilitate idea sharing between people who would not ordinarily have the opportunity to interact and foster a greater sense of community engagement."

Cred Consulting supports Council's preferred model of Council fully operated and managed.

4.2. ABOUT THE PROPOSED FINANCIAL MODEL

Council's strategy is to ensure that the Innovation Civic Hall is commensurate with stakeholder expectations and can not only deliver social benefits but also operate in a relatively self-sufficient manner. As such, community consultation processes have been undertaken, conceptual plans developed and various operating and financial models assessed on their merit and capacity to provide value.

Cred acknowledges that a range of income streams will be required to enable an activated and viable Innovation Civic Hall. This includes venue hire, membership, and event fees. While regular/permanent hiring of office space may bring in additional revenue, given the limited floor space within the Innovation Civic Hall this is not recommended. However, hot desk or temporary office space for not for profit groups and startups should be considered as a possibility.

4.3. ASSESSMENT OF OPERATING MODELS

Table 8 provides an assessment of the pros and cons of a range of operating models. The ATP Business Case analyses Council's preferred Operating Model 1, Fully operated by Council. This is supported by Cred Consulting given the higher social outcomes, certainty and accountability this model provides.

TABLE 7 - OPERATING MODEL PROS AND CONS FOR DELIVERY OF SOCIAL OUTCOMES

	POTENTIAL SOCIAL OUTCOMES	
OPERATING MODELS	PROS	CONS
1. Fully operated by Council **Council preferred model and recommended through this study for future operations**	- Opportunity for synergies with other Council owned and operated community facilities within the precinct, including the adjacent Mill Hill Centre and Waverley Library - Council can control and direct the programs and events at the Boot Factory - The funding and resourcing is supported by Council, which has minimal to no risk and there is greater certainty of resource supply including staffing, funding and expertise - Greater level of accountability around service provision given Council's responsibilities under the Local Government Act to its community. - Greater ability to ensure that the programs and events can change overtime to respond to the changing community needs and interests. - Supported by the community.	- Requires Council resourcing, including staffing, management - Need for services within the precinct to be complementary
2. Council operated in partnership with Anchor Tenant	- Opportunity for synergies with other Council owned and operated community facilities within the precinct, including the adjacent Mill Hill Centre and Waverley Library - Independent organisation could bring existing network, knowledge, membership and programming approach to support facility activation - Reduced programming costs for Council	- Requires significant Council resourcing, including staffing, management - Need for services within the precinct to be complementary
3. Anchor tenant - Independently operated and managed by not-for-profit organisation	- Independent organisation could bring existing network, knowledge, membership and programming approach to support facility activation - Opportunity to establish KPIs to guide operation and management (e.g. around community inclusion, engagement, participation etc) - Can build capacity within not-for-profit sector - Reduced management and staffing costs for Council	- Council does not have direct control over programming - Risk of community perception of loss of control over public asset
4. Partnership with other regional knowledge and innovation public institutions (such as UNSW)	- Partners could bring existing network, knowledge, membership and programming approach to support facility activation - Reduced costs for Council	- Risk of community perception of loss of control over public asset
Commercially operated	- Reduced costs for Council	- Risk of community perception of commercialisation of public asset - In opposition to best practice approaches to deliver social outcomes and community desires - Reduced social outcomes

4.4. ASSESSMENT OF FINANCIAL MODELS

The following financial models should be considered by Council to deliver income and additional outside of Council annual budget. The pros and cons of each of these financial models are provided in Table 9 below.

TABLE 8 - FINANCIAL MODELS PROS AND CONS FOR DELIVERY OF SOCIAL OUTCOMES

FINANCIAL MODELS	PROS	CONS
Venue hire	- Identified community need for affordable and accessible venue hire spaces	- Consider scaled pricing scheme to reduce risk of community perception of commercialisation of public asset
Event fee	- Identified community need for more things to do at night in Bondi Junction, including family friendly	- Competitive market for events - Consider scaled pricing scheme to reduce risk of community perception of commercialisation of public asset
Regular membership	- Once established membership base, relatively reliable source of income	- Need to build membership base from scratch if Council operated - Unsure of membership reach or benefit
Casual users	- More capacity for events and programs outside of regular hiring	- Insecure revenue source
Office space	- Consistent source of income	- Risk of community perception of commercialisation of public asset - Reduces the ability to deliver programs and services wihtin the

5. Social Value Indicators and Assessment

5.1. APPROACH TO ASSESSMENT

The social value associated with the repurposing of the Boot Factory as an Innovation Civic Hall has been assessed against social value indicators developed through an understanding of Waverley community needs identified through a review of background reports, research and consultation.

Social indicators are outlined in Table 10 overpage and include:

- Increased collaboration and networking opportunities for local residents, workers and businesses
- Increased community connection and civic engagement
- Increased activation in Bondi Junction for all ages, day and night
- Improved educational outcomes, and
- Local business growth and increased employment pathways.



5.2. SOCIAL VALUE INDICATORS

TABLE 9 - SOCIAL VALUE INDICATORS

SOCIAL VALUE INDICATORS	NEED IDENTIFIED THROUGH REVIEW OF BACKGROUND RESEARCH, REPORTS AND CONSULTATION	SOCIAL MEASUREMENT
Increased collaboration and networking opportunities for local residents, workers and businesses	- Opportunities for collaboration and networking for large number of creative, knowledge and innovation experts who live and/or work in Waverley LGA - Venue for hire spaces that are accessible, affordable and fit-for-purpose - Support and networking opportunities for local established and emerging businesses	- Increased number of community networks - Number of programs being delivered by community and cultural groups
Increased community connection and civic engagement	- Increased spaces outside the home where people can come together, work and socialise, particularly for large and increasing number of residents living in high density, lone person households - Increased opportunities for the Waverley community to come together, including for multigenerational and multicultural connections, as the Waverley community continues to grow and change - Increased opportunities for civic engagement and community involvement in local decision-making, leverage the knowledge, skills and expertise already present within the Waverley community - Spaces and activities that include and are accessible for all ages, abilities, backgrounds and incomes - Increased opportunities and spaces to engage with arts and culture, with desire for increased spaces for creative production and showcasing	- Community Satisfaction Survey - Community Engagement participation - Community and cultural program attendance
Increased activation in Bondi Junction for all ages, day and night	- Increased night-time activation of Bondi Junction, including welcoming and things to do for people of all ages, including children, young people and families, and activities at night for working aged population - Increased activation of streets, footpaths and urban plazas in Bondi Junction to support local cultural opportunities and community connections	- Increased night-time activation in Bondi Junction (e.g. events, programs, night time businesses, foot traffic)
Improved educational outcomes	- Ongoing opportunities and support for lifelong learning and sharing for Waverley's highly educated, skilled and engaged community, including large population of students from school level to those pursuing higher ed	- ABS data - Myschools data
Local business growth and increased employment pathways	- Support for local small business, entrepreneurs and innovators at all stages of development	- ABS data - Number of creative and cultural businesses in the local area - Number of creative and cultural jobs in the local area

5.3. ASSESSMENT AGAINST SOCIAL VALUE INDICATORS

Table 11 provides an assessment of the proposed Business Case against of social value indicators and shows that the proposed Business Case and Utilisation Model will provide positive social impacts and social value for the Waverley community. Mitigation measures to further enhance and ensure social value outcomes are delivered based on the proposed Business Case and Utilisation Model are provided in section 5.4 below.

TABLE 10 - SOCIAL VALUE INDICATORS

SOCIAL VALUE INDICATORS	ASSESSMENT
Increased collaboration and networking opportunities for local residents, workers and businesses	The proposed model will deliver increased collaboration and networking opportunities for local residents, workers and businesses by providing a space to connect with access to technology, peers and networking opportunities. The model directly supports community aspirations for more places and opportunities to connect and collaborate, and leverages the significant number of creative and cultural workers and businesses located in the area.
Increased community connection and civic engagement	Through the provision of 450m2 of increased community floor space the model is delivering increased community space for residents, workers and business to connect and engage in civic activities, decision making and development. The range of spaces proposed support the delivery of small to larger civic events, particularly when the entire Mill Hill, Library and Innovation Civic Hall precinct are combined. The space will deliver enhanced opportunities for community programs already provided through the Mill Hill Centre and result in improved social connectivity and local resilience.
Increased activation in Bondi Junction for all ages, day and night	The model will positively increase activation in Bondi Junction for all ages, day and night, through the delivery of creative and community events and programs (which will draw people from outside the local area) and activation of the adjacent courtyard which will attract people to the space. It will be necessary to ensure that the Hall is sufficiently funded to deliver an ongoing range of programs, activities and events throughout the year, and delivered in the day time and night time.
Improved educational outcomes	Through the delivery of tech-based programs, and improved access to spaces fit out with innovative technology and equipment, young people including school children will have access to increased learning opportunities that will enhance educational outcomes.
Local business growth and increased employment pathways	There are great opportunities through this flexible Council run model to connect with local businesses and entrepreneurs to collaborate to deliver events, programs, and activities that will promote and grow local businesses and deliver increased employment pathways.

5.4. MITIGATION MEASURES

While the Business Case and Utilisation Model for the Innovation Civic Hall is supported and considered to have positive social outcomes, these can be assured and enhance if the following measures are implemented:

- Take a precinct-based approach to planning for the Boot Factory, including based on an understanding of the different community roles played by the Mill Hill Centre and the Waverley Library within the proposed Bondi Junction-based knowledge and innovation precinct.
- Ensure ongoing resourcing, staffing and programming of the Boot Factory to ensure activation and utilisation
- Ensure ongoing engagement with the Waverley community and stakeholders throughout the process of repurposing the Boot Factory to ensure community buy-in and sense of ownership
- Ensure flexible and multifunctional fitout so that the use and function of the facility can change over time as community needs change and/or grow
- Ensure facility is accessible, affordable and inclusive to support participation for all ages, abilities, backgrounds and incomes, and
- Consider partnering with not for profit 'residents' to offer programming in return for space. Benefits include access to pre-existing networks and member bases.

A

Appendix A - Audit map

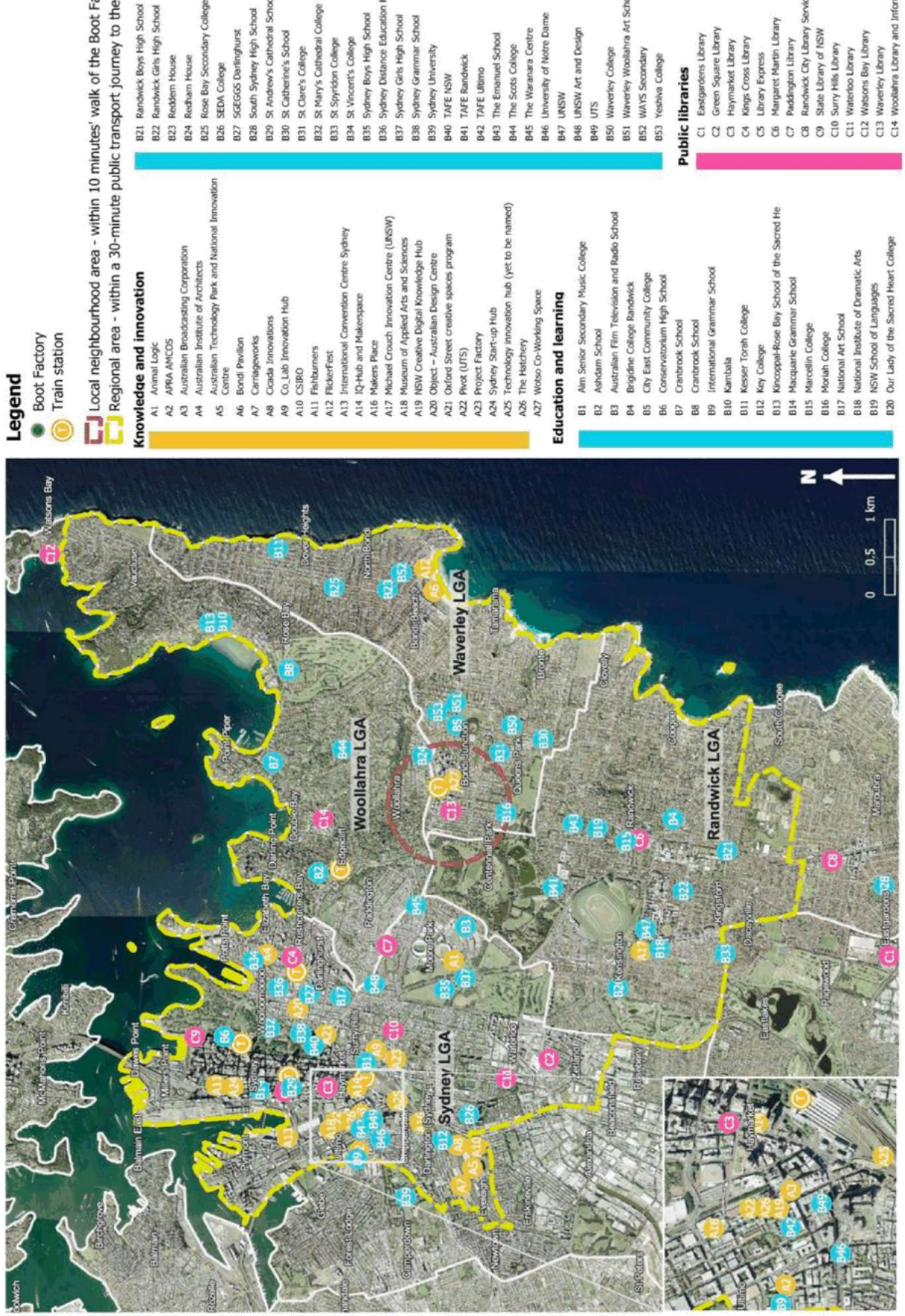
Appendix 1. Existing Facilities Mapping (Elton Consulting, 2018)

The map over page was completed by Elton Consulting in their report Rebooting the Boot Factory (2018).

The map shows an audit of knowledge and innovation facilities and services within a local neighbourhood area (within 10 minutes walk) and a regional area (within 30 minutes public transport).

As identified by Elton Consulting, there is a large number of education and learning facilities within the study area. In line with a strong community focus on lifelong learning as identified through the Waverley CSP, there are opportunities for the Innovation Civic Hall to support community education and learning outcomes and to partner with educational institutions (for example universities) to deliver appropriate programs and services. Council has identified that these benefits will be mostly realised in the STEAM fields (Science, Technology, Engineering, the Arts and Mathematics).

Boot Factory Knowledge and Innovation Hub - proposed study area and facilities mapping





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Code of Conduct for Councillors

Policy Owner	Manager Internal Ombudsman, Governance and Civic
Approved by	Council
Date Approved	18 June 2019
Commencement date	19 June 2019
TRIM Reference	A18/0585
Next revision date	March 2021
Relevant legislation/codes	• *Local Government Act 1993* • Model Code of Conduct for Local Councils in NSW • Procedures for the Administration of the Model Code of Council for Local Councils in NSW
Related policies/procedures/ guidelines	• Code of Conduct for Council Staff • Code of Conduct for Council Committee Members and Other Council Officials • Procedures for the Administration of the Code of Conduct
Related forms	Designated Persons Returns Form

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Table of contents

PART 1 INTRODUCTION 6

PART 2 DEFINITIONS 7

PART 3 GENERAL CONDUCT OBLIGATIONS 9

Fairness and equity 9
Harassment and discrimination 9
Bullying 10
Work health and safety 10
Land use planning, development assessment and other regulatory functions 11
Binding caucus votes 11
Obligations in relation to meetings 12

PART 4 PECUNIARY INTERESTS 13

What is a pecuniary interest? 13
What interests do not have to be disclosed? 14
What disclosures must be made by a councillor? 15
Disclosure of interests in written returns 15
Disclosure of pecuniary interests at meetings 16

PART 5 NON-PECUNIARY CONFLICTS OF INTEREST 18

What is a non-pecuniary conflict of interest? 18
Managing non-pecuniary conflicts of interest 18
Political donations 20
Loss of quorum as a result of compliance with this Part 20
Personal dealings with council 21

PART 6 PERSONAL BENEFIT 22

Gifts and benefits 22
How are offers of gifts and benefits to be dealt with? 22
Gifts and benefits of token value 23
Gifts and benefits of more than token value 23
"Cash-like gifts" 24
Improper and undue influence 24

PART 7 RELATIONSHIPS BETWEEN COUNCIL OFFICIALS 25

Obligations of councillors and administrators 25
Obligations of staff 25

DRAFT

Inappropriate interactions 26

PART 8 ACCESS TO INFORMATION AND COUNCIL RESOURCES 27

Councillor and administrator access to information 27
Councillors and administrators to properly examine and consider information 27
Refusal of access to information 27
Use of certain council information 28
Use and security of confidential information 28
Personal information 28
Use of council resources 29
Internet access 29
Council record keeping 29
Councillor access to council buildings 30

PART 9 MAINTAINING THE INTEGRITY OF THIS CODE 31

Complaints made for an improper purpose 31
Detrimental action 31
Compliance with requirements under the Procedures 32
Disclosure of information about the consideration of a matter under the Procedures 32
Complaints alleging a breach of this Part 32

SCHEDULE 1: DISCLOSURES OF INTERESTS AND OTHER MATTERS IN WRITTEN RETURNS SUBMITTED UNDER CLAUSE 4.9 33

Part 1: Preliminary 33
Definitions 33
Matters relating to the interests that must be included in returns 35
Part 2: Pecuniary interests to be disclosed in returns 36
Real property 36
Gifts 36
Contributions to travel 37
Interests and positions in corporations 37
Interests as a property developer or a close associate of a property developer 38
Positions in trade unions and professional or business associations 38
Dispositions of real property 39
Sources of income 39
Debts 40
Discretionary disclosures 41

SCHEDULE 2: FORM OF WRITTEN RETURN OF INTERESTS SUBMITTED UNDER CLAUSE 4.9 42

'Disclosures by councillors' return 42

DRAFT

Important information 42
Disclosure of pecuniary interests and other matters 43
SCHEDULE 3: FORM OF SPECIAL DISCLOSURE OF PECUNIARY INTEREST SUBMITTED UNDER CLAUSE 4.25 46
Important information 46

DRAFT

PART 1 INTRODUCTION

This code of conduct applies to councillors. It is based on the *Model Code of Conduct for Local Councils in NSW* ("the Model Code of Conduct") which has been prescribed under the *Local Government (General) Regulation 2005* ("the Regulation").

Section 440 of the *Local Government Act 1993* ("LGA") requires every council (including county councils) and joint organisation to adopt a code of conduct that incorporates the provisions of the Model Code of Conduct. A council's or joint organisation's adopted code of conduct may also include provisions that supplement the Model Code of Conduct and that extend its application to persons that are not "council officials" for the purposes of the Model Code of Conduct (eg volunteers, contractors and members of wholly advisory committees).

The Model Code of Conduct sets the minimum standards of conduct for council officials. It is prescribed by regulation to assist council officials to:

- understand and comply with the standards of conduct that are expected of them
- enable them to fulfil their statutory duty to act honestly and exercise a reasonable degree of care and diligence (section 439)
- act in a way that enhances public confidence in local government.

Councillors must comply with the provisions in this code of conduct. It is the personal responsibility of council officials to comply with the standards in the code and to regularly review their personal circumstances and conduct with this in mind.

Failure by a councillor to comply with the standards of conduct prescribed under this code constitutes misconduct for the purposes of the LGA. The LGA provides for a range of penalties that may be imposed on councillors for misconduct, including suspension or disqualification from civic office. A councillor who has been suspended on three or more occasions for misconduct is automatically disqualified from holding civic office for five years.

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PART 2 DEFINITIONS

In this code the following terms have the following meanings:

administrator	an administrator of a council appointed under the LGA other than an administrator appointed under section 66
committee	see the definition of "council committee"
complaint	a code of conduct complaint made for the purposes of clauses 4.1 and 4.2 of the Procedures.
council	includes county councils and joint organisations
council committee	a committee established by a council comprising of councillors, staff or other persons that the council has delegated functions to and the council's audit, risk and improvement committee
council committee member	a person other than a councillor or member of staff of a council who is a member of a council committee, and a person other than a councillor who is a member of the council's audit, risk and improvement committee
council official	includes councillors, members of staff of a council, administrators, council committee members, delegates of council, volunteers and, for the purposes of clause 4.12, council advisers
councillor	any person elected or appointed to civic office, including the mayor and includes members and chairpersons of county councils and voting representatives of the boards of joint organisations and chairpersons of joint organisations
conduct	includes acts and omissions
delegate of council	a person (other than a councillor or member of staff of a council) or body, and the individual members of that body, to whom a function of the council is delegated
election campaign	includes council, state and federal election campaigns
environmental planning instrument	has the same meaning as it has in the *Environmental Planning and Assessment Act 1979*
general manager	includes the executive officer of a joint organisation
joint organisation	a joint organisation established under section 400O of the LGA
LGA	the *Local Government Act 1993*

DRAFT

local planning panel	a local planning panel constituted under the *Environmental Planning and Assessment Act 1979*
mayor	Includes the chairperson of a county council or a joint organisation
members of staff	includes staff engaged on contract
the Office	Office of Local Government
personal information	information or an opinion (including information or an opinion forming part of a database and whether or not recorded in a material form) about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion
the Procedures	the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW* prescribed under the Regulation
the Regulation	the *Local Government (General) Regulation 2005*
volunteer	A person engaged directly by council to undertake work without financial gain
voting representative	A voting representative of the board of a joint organisation
wholly advisory committee	a council committee that the council has not delegated any functions to

DRAFT

PART 3 GENERAL CONDUCT OBLIGATIONS

General conduct

3.1. You must not conduct yourself in a manner that:

(a) is likely to bring the council or other council officials into disrepute

(b) is contrary to statutory requirements or the council's administrative requirements or policies

(c) is improper or unethical

(d) is an abuse of power

(e) causes, comprises or involves intimidation or verbal abuse

(f) involves the misuse of your position to obtain a private benefit

(g) constitutes harassment or bullying behaviour under this code, or is unlawfully discriminatory.

3.2. You must act lawfully and honestly, and exercise a reasonable degree of care and diligence in carrying out your functions under the LGA or any other Act (section 439).

Fairness and equity

3.3. You must consider issues consistently, promptly and fairly. You must deal with matters in accordance with established procedures, in a non-discriminatory manner.

3.4. You must take all relevant facts known to you, or that you should be reasonably aware of, into consideration and have regard to the particular merits of each case. You must not take irrelevant matters or circumstances into consideration when making decisions.

3.5. An act or omission in good faith, whether or not it involves error, will not constitute a breach of clauses 3.3 or 3.4.

Harassment and discrimination

3.6. You must not harass or unlawfully discriminate against others, or support others who harass or unlawfully discriminate against others, on the grounds of age, disability, race (including colour, national or ethnic origin or immigrant status), sex, pregnancy, marital or relationship status, family responsibilities or breastfeeding, sexual orientation, gender identity or intersex status or political, religious or other affiliation.

3.7. For the purposes of this code, "harassment" is any form of behaviour towards a person that:

(a) is not wanted by the person

(b) offends, humiliates or intimidates the person, and

(c) creates a hostile environment.

Bullying

3.8. You must not engage in bullying behaviour towards others.

3.9. For the purposes of this code, "bullying behaviour" is any behaviour in which:

(a) a person or a group of people repeatedly behaves unreasonably towards another person or a group of persons, and

(b) the behaviour creates a risk to health and safety.

3.10. Bullying behaviour may involve, but is not limited to, any of the following types of behaviour:

(a) aggressive, threatening or intimidating conduct

(b) belittling or humiliating comments

(c) spreading malicious rumours

(d) teasing, practical jokes or 'initiation ceremonies'

(e) exclusion from work-related events

(f) unreasonable work expectations, including too much or too little work, or work below or beyond a worker's skill level

(g) displaying offensive material

(h) pressure to behave in an inappropriate manner.

3.11. Reasonable management action carried out in a reasonable manner does not constitute bullying behaviour for the purposes of this code. Examples of reasonable management action may include, but are not limited to:

(a) performance management processes

(b) disciplinary action for misconduct

(c) informing a worker about unsatisfactory work performance or inappropriate work behaviour

(d) directing a worker to perform duties in keeping with their job

(e) maintaining reasonable workplace goals and standards

(f) legitimately exercising a regulatory function

(g) legitimately implementing a council policy or administrative processes.

Work health and safety

3.12. All council officials, including councillors, owe statutory duties under the Work Health and Safety Act 2011 (WHS Act). You must comply with your duties under the WHS Act and your responsibilities under any policies or procedures adopted by the council to ensure workplace health and safety. Specifically, you must:

(a) take reasonable care for your own health and safety

(b) take reasonable care that your acts or omissions do not adversely affect the health and safety of other persons

(c) comply, so far as you are reasonably able, with any reasonable instruction that is given to ensure compliance with the WHS Act and any policies or procedures adopted by the council to ensure workplace health and safety

(d) cooperate with any reasonable policy or procedure of the council relating to workplace health or safety that has been notified to council staff

(e) report accidents, incidents, near misses, to the general manager or such other staff member nominated by the general manager, and take part in any incident investigations

(f) so far as is reasonably practicable, consult, co-operate and coordinate with all others who have a duty under the WHS Act in relation to the same matter.

Land use planning, development assessment and other regulatory functions

3.13. You must ensure that land use planning, development assessment and other regulatory decisions are properly made, and that all parties are dealt with fairly. You must avoid any occasion for suspicion of improper conduct in the exercise of land use planning, development assessment and other regulatory functions.

3.14. In exercising land use planning, development assessment and other regulatory functions, you must ensure that no action, statement or communication between yourself and others conveys any suggestion of willingness to improperly provide concessions or preferential or unduly unfavourable treatment.

Binding caucus votes

3.15. You must not participate in binding caucus votes in relation to matters to be considered at a council or committee meeting.

3.16. For the purposes of clause 3.15, a binding caucus vote is a process whereby a group of councillors are compelled by a threat of disciplinary or other adverse action to comply with a predetermined position on a matter before the council or committee, irrespective of the personal views of individual members of the group on the merits of the matter before the council or committee.

3.17. Clause 3.15 does not prohibit councillors from discussing a matter before the council or committee prior to considering the matter in question at a council or committee meeting, or from voluntarily holding a shared view with other councillors on the merits of a matter.

3.18. Clause 3.15 does not apply to a decision to elect the mayor or deputy mayor, or to nominate a person to be a member of a council committee or a representative of the council on an external body.

Obligations in relation to meetings

3.19. You must comply with rulings by the chair at council and committee meetings or other proceedings of the council unless a motion dissenting from the ruling is passed.

3.20. You must not engage in bullying behaviour (as defined under this Part) towards the chair, other council officials or any members of the public present during council or committee meetings or other proceedings of the council (such as, but not limited to, workshops and briefing sessions).

3.21. You must not engage in conduct that disrupts council or committee meetings or other proceedings of the council (such as, but not limited to, workshops and briefing sessions), or that would otherwise be inconsistent with the orderly conduct of meetings.

3.22. If you are a councillor, you must not engage in any acts of disorder or other conduct that is intended to prevent the proper or effective functioning of the council, or of a committee of the council. Without limiting this clause, you must not:

(a) leave a meeting of the council or a committee for the purposes of depriving the meeting of a quorum, or

(b) submit a rescission motion with respect to a decision for the purposes of voting against it to prevent another councillor from submitting a rescission motion with respect to the same decision, or

(c) deliberately seek to impede the consideration of business at a meeting.

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PART 4 PECUNIARY INTERESTS

What is a pecuniary interest?

4.1. A pecuniary interest is an interest that you have in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to you or a person referred to in clause 4.3.

4.2. You will not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision you might make in relation to the matter, or if the interest is of a kind specified in clause 4.6.

4.3. For the purposes of this Part, you will have a pecuniary interest in a matter if the pecuniary interest is:

(a) your interest, or

(b) the interest of your spouse or de facto partner, your relative, or your partner or employer, or

(c) a company or other body of which you, or your nominee, partner or employer, is a shareholder or member.

4.4. For the purposes of clause 4.3:

(a) Your "relative" is any of the following:

i. your parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

ii. your spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

iii. the spouse or de facto partner of a person referred to in paragraphs (i) and (ii).

(b) "de facto partner" has the same meaning as defined in section 21C of the Interpretation Act 1987.

4.5. You will not have a pecuniary interest in relation to a person referred to in subclauses 4.3(b) or (c):

(a) if you are unaware of the relevant pecuniary interest of your spouse, de facto partner, relative, partner, employer or company or other body, or

(b) just because the person is a member of, or is employed by, a council or a statutory body, or is employed by the Crown, or

(c) just because the person is a member of, or a delegate of a council to, a company or other body that has a pecuniary interest in the matter, so long as the person has no beneficial interest in any shares of the company or body.

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What interests do not have to be disclosed?

4.6. You do not have to disclose the following interests for the purposes of this Part:

(a) your interest as an elector

(b) your interest as a ratepayer or person liable to pay a charge

(c) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to the public generally, or to a section of the public that includes persons who are not subject to this code

(d) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to your relative by the council in the same manner and subject to the same conditions as apply to persons who are not subject to this code

(e) an interest you have as a member of a club or other organisation or association, unless the interest is as the holder of an office in the club or organisation (whether remunerated or not)

(f) an interest you have relating to a contract, proposed contract or other matter, if the interest arises only because of a beneficial interest in shares in a company that does not exceed 10 per cent of the voting rights in the company

(g) an interest you have arising from the proposed making by the council of an agreement between the council and a corporation, association or partnership, being a corporation, association or partnership that has more than 25 members, if the interest arises because your relative is a shareholder (but not a director) of the corporation, or is a member (but not a member of the committee) of the association, or is a partner of the partnership

(h) an interest you have arising from the making by the council of a contract or agreement with your relative for, or in relation to, any of the following, but only if the proposed contract or agreement is similar in terms and conditions to such contracts and agreements as have been made, or as are proposed to be made, by the council in respect of similar matters with other residents of the area:

i. the performance by the council at the expense of your relative of any work or service in connection with roads or sanitation

ii. security for damage to footpaths or roads

iii. any other service to be rendered, or act to be done, by the council by or under any Act conferring functions on the council, or by or under any contract

(i) an interest relating to the payment of fees to councillors (including the mayor and deputy mayor)

(j) an interest relating to the payment of expenses and the provision of facilities to councillors (including the mayor and deputy mayor) in accordance with a policy under section 252 of the LGA

(k) an interest relating to an election to the office of mayor arising from the fact that a fee for the following 12 months has been determined for the office of mayor

(l) an interest of a person arising from the passing for payment of a regular account for the wages or salary of an employee who is a relative of the person

DRAFT

(m) an interest arising from being covered by, or a proposal to be covered by, indemnity insurance as a councillor

(n) an interest arising from the appointment of a councillor to a body as a representative or delegate of the council, whether or not a fee or other recompense is payable to the representative or delegate.

4.7. For the purposes of clause 4.6, "relative" has the same meaning as in clause 4.4, but includes your spouse or de facto partner.

What disclosures must be made by a councillor?

4.8. A councillor:

(a) must prepare and submit written returns of interests in accordance with clause 4.9, and

(b) must disclose pecuniary interests in accordance with clause 4.16 and comply with clause 4.17 where it is applicable.

Disclosure of interests in written returns

4.9. A councillor must make and lodge with the general manager a return in the form set out in schedule 2 to this code, disclosing the councillor's interests as specified in schedule 1 to this code within 3 months after:

(a) becoming a councillor, and

(b) 30 June of each year, and

(c) the councillor becoming aware of an interest they are required to disclose under schedule 1 that has not been previously disclosed in a return lodged under paragraphs (a) or (b).

4.10. A person need not make and lodge a return under clause 4.9 paragraphs (a) and (b) if:

(a) they made and lodged a return under that clause in the preceding 3 months, or

(b) they have ceased to be a councillor in the preceding 3 months.

4.11. A person must not make and lodge a return that the person knows or ought reasonably to know is false or misleading in a material particular.

4.12. The general manager must keep a register of returns required to be made and lodged with the general manager.

4.13. Returns required to be lodged with the general manager under clause 4.9(a) and (b) must be tabled at the first meeting of the council after the last day the return is required to be lodged.

4.14. Returns required to be lodged with the general manager under clause 4.9(c) must be tabled at the next council meeting after the return is lodged.

4.15. Information contained in returns made and lodged under clause 4.9 is to be made publicly available in accordance with the requirements of the Government Information (Public Access) Act 2009, the Government Information (Public Access) Regulation 2009 and any guidelines issued by the Information Commissioner.

Disclosure of pecuniary interests at meetings

4.16. A councillor who has a pecuniary interest in any matter with which the council is concerned, and who is present at a meeting of the council or committee at which the matter is being considered, must disclose the nature of the interest to the meeting as soon as practicable.

4.17. The councillor must not be present at, or in sight of, the meeting of the council or committee:

(a) at any time during which the matter is being considered or discussed by the council or committee, or

(b) at any time during which the council or committee is voting on any question in relation to the matter.

4.18. In the case of a meeting of a board of a joint organisation, a voting representative is taken to be present at the meeting for the purposes of clauses 4.16 and 4.17 where they participate in the meeting by telephone or other electronic means.

4.19. A disclosure made at a meeting of a council or council committee must be recorded in the minutes of the meeting.

4.20. A general notice may be given to the general manager in writing by a councillor to the effect that the councillor or the councillor's spouse, de facto partner or relative, is:

(a) a member of, or in the employment of, a specified company or other body, or

(b) a partner of, or in the employment of, a specified person.

Such a notice is, unless and until the notice is withdrawn or until the end of the term of the council in which it is given (whichever is the sooner), sufficient disclosure of the councillor's interest in a matter relating to the specified company, body or person that may be the subject of consideration by the council or council committee after the date of the notice.

4.21. A councillor is not prevented from being present at and taking part in a meeting at which a matter is being considered, or from voting on the matter, merely because the councillor has an interest in the matter of a kind referred to in clause 4.6.

4.22. A person does not breach clauses 4.16 or 4.17 if the person did not know, and could not reasonably be expected to have known, that the matter under consideration at the meeting was a matter in which they had a pecuniary interest.

4.23. Despite clause 4.17, a councillor who has a pecuniary interest in a matter may participate in a decision to delegate consideration of the matter in question to another body or person.

4.24. Clause 4.17 does not apply to a councillor who has a pecuniary interest in a matter that is being considered at a meeting if:

(a) the matter is a proposal relating to:

i. the making of a principal environmental planning instrument applying to the whole or a significant portion of the council's area, or

ii. the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or repeal applies to the whole or a significant portion of the council's area, and

(b) the pecuniary interest arises only because of an interest of the councillor in the councillor's principal place of residence or an interest of another person (whose interests are relevant under clause 4.3) in that person's principal place of residence, and

(c) the councillor made a special disclosure under clause 4.25 in relation to the interest before the commencement of the meeting.

4.25. A special disclosure of a pecuniary interest made for the purposes of clause 4.24(c) must:

(a) be in the form set out in schedule 3 of this code and contain the information required by that form, and

(b) be laid on the table at a meeting of the council as soon as practicable after the disclosure is made, and the information contained in the special disclosure is to be recorded in the minutes of the meeting.

4.26. The Minister for Local Government may, conditionally or unconditionally, allow a councillor who has a pecuniary interest in a matter with which the council is concerned to be present at a meeting of the council or committee, to take part in the consideration or discussion of the matter and to vote on the matter if the Minister is of the opinion:

(a) that the number of councillors prevented from voting would be so great a proportion of the whole as to impede the transaction of business, or

(b) that it is in the interests of the electors for the area to do so.

4.27. A councillor with a pecuniary interest in a matter who is permitted to be present at a meeting of the council or committee, to take part in the consideration or discussion of the matter and to vote on the matter under clause 4.26, must still disclose the interest they have in the matter in accordance with clause 4.16.

PART 5 NON-PECUNIARY CONFLICTS OF INTEREST

What is a non-pecuniary conflict of interest?

5.1. Non-pecuniary interests are private or personal interests a council official has that do not amount to a pecuniary interest as defined in clause 4.1 of this code. These commonly arise out of family or personal relationships, or out of involvement in sporting, social, religious or other cultural groups and associations, and may include an interest of a financial nature.

5.2. A non-pecuniary conflict of interest exists where a reasonable and informed person would perceive that you could be influenced by a private interest when carrying out your official functions in relation to a matter.

5.3. The personal or political views of a council official do not constitute a private interest for the purposes of clause 5.2.

5.4. Non-pecuniary conflicts of interest must be identified and appropriately managed to uphold community confidence in the probity of council decision-making. The onus is on you to identify any non-pecuniary conflict of interest you may have in matters that you deal with, to disclose the interest fully and in writing, and to take appropriate action to manage the conflict in accordance with this code.

5.5. When considering whether or not you have a non-pecuniary conflict of interest in a matter you are dealing with, it is always important to think about how others would view your situation.

Managing non-pecuniary conflicts of interest

5.6. Where you have a non-pecuniary conflict of interest in a matter for the purposes of clause 5.2, you must disclose the relevant private interest you have in relation to the matter fully and in writing as soon as practicable after becoming aware of the non-pecuniary conflict of interest and on each occasion on which the non-pecuniary conflict of interest arises in relation to the matter.

5.7. If a disclosure is made at a council or committee meeting, both the disclosure and the nature of the interest must be recorded in the minutes on each occasion on which the non-pecuniary conflict of interest arises. This disclosure constitutes disclosure in writing for the purposes of clause 5.6.

5.8. How you manage a non-pecuniary conflict of interest will depend on whether or not it is significant.

5.9. As a general rule, a non-pecuniary conflict of interest will be significant where it does not involve a pecuniary interest for the purposes of clause 4.1, but it involves:

(a) a relationship between a council official and another person who is affected by a decision or a matter under consideration that is particularly close, such as a current or former spouse or de facto partner, a relative for the purposes of clause 4.4 or another person from the council official's extended family that the council official has a close personal relationship with, or another person living in the same household

(b) other relationships with persons who are affected by a decision or a matter under consideration that are particularly close, such as friendships and business relationships. Closeness is defined by the nature of the friendship or business relationship, the frequency of contact and the duration of the friendship or relationship

(c) an affiliation between the council official and an organisation (such as a sporting body, club, religious, cultural or charitable organisation, corporation or association) that is affected by a decision or a matter under consideration that is particularly strong. The strength of a council official's affiliation with an organisation is to be determined by the extent to which they actively participate in the management, administration or other activities of the organisation

(d) membership, as the council's representative, of the board or management committee of an organisation that is affected by a decision or a matter under consideration, in circumstances where the interests of the council and the organisation are potentially in conflict in relation to the particular matter

(e) a financial interest (other than an interest of a type referred to in clause 4.6) that is not a pecuniary interest for the purposes of clause 4.1

(f) the conferral or loss of a personal benefit other than one conferred or lost as a member of the community or a broader class of people affected by a decision.

5.10. Significant non-pecuniary conflicts of interest must be managed in one of two ways:

(a) by not participating in consideration of, or decision making in relation to, the matter in which you have the significant non-pecuniary conflict of interest and the matter being allocated to another person for consideration or determination, or

(b) if the significant non-pecuniary conflict of interest arises in relation to a matter under consideration at a council or committee meeting, by managing the conflict of interest as if you had a pecuniary interest in the matter by complying with clauses 4.16 and 4.17.

5.11. If you determine that you have a non-pecuniary conflict of interest in a matter that is not significant and does not require further action, when disclosing the interest you must also explain in writing why you consider that the non-pecuniary conflict of interest is not significant and does not require further action in the circumstances.

5.12. Despite clause 5.10(b), a councillor who has a significant non-pecuniary conflict of interest in a matter, may participate in a decision to delegate consideration of the matter in question to another body or person.

Political donations

5.13. Councillors should be aware that matters before council or committee meetings involving their political donors may also give rise to a non-pecuniary conflict of interest.

5.14. Where you are a councillor and have received or knowingly benefitted from a reportable political donation:

(a) made by a major political donor in the previous four years, and

(b) the major political donor has a matter before council,

you must declare a non-pecuniary conflict of interest in the matter, disclose the nature of the interest, and manage the conflict of interest as if you had a pecuniary interest in the matter by complying with clauses 4.16 and 4.17. A disclosure made under this clause must be recorded in the minutes of the meeting.

5.15. For the purposes of this Part:

(a) a "reportable political donation" has the same meaning as it has in section 6 of the Electoral Funding Act 2018

(b) "major political donor" has the same meaning as it has in the Electoral Funding Act 2018.

5.16. Councillors should note that political donations that are not a "reportable political donation", or political donations to a registered political party or group by which a councillor is endorsed, may still give rise to a non-pecuniary conflict of interest. Councillors should determine whether or not such conflicts are significant for the purposes of clause 5.9 and take the appropriate action to manage them.

5.17. Despite clause 5.14, a councillor who has received or knowingly benefitted from a reportable political donation of the kind referred to in that clause, may participate in a decision to delegate consideration of the matter in question to another body or person.

Loss of quorum as a result of compliance with this Part

5.18. A councillor who would otherwise be precluded from participating in the consideration of a matter under this Part because they have a non-pecuniary conflict of interest in the matter is permitted to participate in consideration of the matter if:

(a) the matter is a proposal relating to:

i. the making of a principal environmental planning instrument applying to the whole or a significant portion of the council's area, or

ii. the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or repeal applies to the whole or a significant portion of the council's area, and

(b) the non-pecuniary conflict of interest arises only because of an interest that a person has in that person's principal place of residence, and

(c) the councillor discloses the interest they have in the matter that would otherwise have precluded their participation in consideration of the matter under this Part in accordance with clause 5.6.

5.19. The Minister for Local Government may, conditionally or unconditionally, allow a councillor who is precluded under this Part from participating in the consideration of a matter to be present at a meeting of the council or committee, to take part in the consideration or discussion of the matter and to vote on the matter if the Minister is of the opinion:

(a) that the number of councillors prevented from voting would be so great a proportion of the whole as to impede the transaction of business, or

(b) that it is in the interests of the electors for the area to do so.

5.20. Where the Minister exempts a councillor from complying with a requirement under this Part under clause 5.19, the councillor must still disclose any interests they have in the matter the exemption applies to, in accordance with clause 5.6.

Personal dealings with council

5.21. You may have reason to deal with your council in your personal capacity (for example, as a ratepayer, recipient of a council service or applicant for a development consent granted by council). You must not expect or request preferential treatment in relation to any matter in which you have a private interest because of your position. You must avoid any action that could lead members of the public to believe that you are seeking preferential treatment.

5.22. You must undertake any personal dealings you have with the council in a manner that is consistent with the way other members of the community deal with the council. You must also ensure that you disclose and appropriately manage any conflict of interest you may have in any matter in accordance with the requirements of this code.

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PART 6 PERSONAL BENEFIT

6.1 For the purposes of this Part, a gift or a benefit is something offered to or received by a council official or someone personally associated with them for their personal use and enjoyment.

6.2 A reference to a gift or benefit in this Part does not include:

(a) Items with a value of $10 or less

(b) a political donation for the purposes of the Electoral Funding Act 2018

(c) a gift provided to the council as part of a cultural exchange or sister-city relationship that is not converted for the personal use or enjoyment of any individual council official or someone personally associated with them

(d) a benefit or facility provided by the council to an employee or councillor

(e) attendance by a council official at a work-related event or function for the purposes of performing their official duties, or

(f) free or subsidised meals, beverages or refreshments provided to council officials in conjunction with the performance of their official duties such as, but not limited to:

i. the discussion of official business

ii. work-related events such as council-sponsored or community events, training, education sessions or workshops

iii. conferences

iv. council functions or events

v. social functions organised by groups, such as council committees and community organisations.

Gifts and benefits

6.3 You must avoid situations that would give rise to the appearance that a person or body is attempting to secure favourable treatment from you or from the council, through the provision of gifts, benefits or hospitality of any kind to you or someone personally associated with you.

6.4 A gift or benefit is deemed to have been accepted by you for the purposes of this Part, where it is received by you or someone personally associated with you.

How are offers of gifts and benefits to be dealt with?

6.5 You must not:

(a) seek or accept a bribe or other improper inducement

(b) seek gifts or benefits of any kind

(c) accept any gift or benefit that may create a sense of obligation on your part, or may be perceived to be intended or likely to influence you in carrying out your public duty

(d) subject to clause 6.7, accept any gift or benefit of more than token value as defined by clause 6.9

(e) accept an offer of cash or a cash-like gift as defined by clause 6.13, regardless of the amount

(f) participate in competitions for prizes where eligibility is based on the council being in or entering into a customer–supplier relationship with the competition organiser

(g) personally benefit from reward points programs when purchasing on behalf of the council.

6.6 Where you receive a gift or benefit of any value other than one referred to in clause 6.2, you must disclose this promptly to the general manager in writing. The recipient or general manager must ensure that, at a minimum, the following details are recorded in the council's gift register:

(a) the nature of the gift or benefit

(b) the estimated monetary value of the gift or benefit

(c) the name of the person who provided the gift or benefit, and

(d) the date on which the gift or benefit was received.

6.7 Where you receive a gift or benefit of more than token value that cannot reasonably be refused or returned, the gift or benefit must be surrendered to the council, unless the nature of the gift or benefit makes this impractical.

Gifts and benefits of token value

6.8 You may accept gifts and benefits of token value. Gifts and benefits of token value are one or more gifts or benefits received from a person or organisation over a 12-month period that, when aggregated, do not exceed a value of $100. They include, but are not limited to:

(a) invitations to and attendance at local social, cultural or sporting events with a ticket value that does not exceed $100

(b) gifts of alcohol that do not exceed a value of $100

(c) ties, scarves, coasters, tie pins, diaries, chocolates or flowers or the like

(d) prizes or awards that do not exceed $100 in value.

Gifts and benefits of more than token value

6.9 Gifts or benefits that exceed $100 in value are gifts or benefits of more than token value for the purposes of clause 6.5(d) and, subject to clause 6.7, must not be accepted.

6.10 Gifts and benefits of more than token value include, but are not limited to, tickets to major sporting events (such as international matches or matches in national sporting codes) with

a ticket value that exceeds $100, corporate hospitality at a corporate facility at major sporting events, free or discounted products or services for personal use provided on terms that are not available to the general public or a broad class of persons, the use of holiday homes, artworks, free or discounted travel.

6.11 Where you have accepted a gift or benefit of token value from a person or organisation, you must not accept a further gift or benefit from the same person or organisation or another person associated with that person or organisation within a single 12-month period where the value of the gift, added to the value of earlier gifts received from the same person or organisation, or a person associated with that person or organisation, during the same 12-month period would exceed $100 in value.

6.12 For the purposes of this Part, the value of a gift or benefit is the monetary value of the gift or benefit inclusive of GST.

"Cash-like gifts"

6.13 For the purposes of clause 6.5(e), "cash-like gifts" include but are not limited to, gift vouchers, credit cards, debit cards with credit on them, prepayments such as phone or internet credit, lottery tickets, memberships or entitlements to discounts that are not available to the general public or a broad class of persons.

Improper and undue influence

6.14 You must not use your position to influence other council officials in the performance of their official functions to obtain a private benefit for yourself or for somebody else. A councillor will not be in breach of this clause where they seek to influence other council officials through the proper exercise of their role as prescribed under the LGA.

6.15 You must not take advantage (or seek to take advantage) of your status or position with council, or of functions you perform for council, in order to obtain a private benefit for yourself or for any other person or body.

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PART 7 RELATIONSHIPS BETWEEN COUNCIL OFFICIALS

Obligations of councillors and administrators

7.1 Each council is a body politic. The councillors or administrator/s are the governing body of the council. Under section 223 of the LGA, the role of the governing body of the council includes the development and endorsement of the strategic plans, programs, strategies and policies of the council, including those relating to workforce policy, and to keep the performance of the council under review.

7.2 Councillors or administrators must not:

(a) direct council staff other than by giving appropriate direction to the general manager by way of council or committee resolution, or by the mayor or administrator exercising their functions under section 226 of the LGA

(b) in any public or private forum, direct or influence, or attempt to direct or influence, any other member of the staff of the council or a delegate of the council in the exercise of the functions of the staff member or delegate

(c) contact a member of the staff of the council on council-related business unless in accordance with the policy and procedures governing the interaction of councillors and council staff that have been authorised by the council and the general manager

(d) contact or issue instructions to any of the council's contractors, including the council's legal advisers, unless by the mayor or administrator exercising their functions under section 226 of the LGA.

7.3 Despite clause 7.2, councillors may contact the council's external auditor or the chair of the council's audit risk and improvement committee to provide information reasonably necessary for the external auditor or the audit, risk and improvement committee to effectively perform their functions.

Obligations of staff

7.4 Under section 335 of the LGA, the role of the general manager includes conducting the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies of the council, implementing without undue delay, lawful decisions of the council and ensuring that the mayor and other councillors are given timely information and advice and the administrative and professional support necessary to effectively discharge their official functions.

7.5 Members of staff of council must:

(a) give their attention to the business of the council while on duty

(b) ensure that their work is carried out ethically, efficiently, economically and effectively

(c) carry out reasonable and lawful directions given by any person having authority to give such directions

(d) give effect to the lawful decisions, policies and procedures of the council, whether or not the staff member agrees with or approves of them

(e) ensure that any participation in political activities outside the service of the council does not interfere with the performance of their official duties.

Inappropriate interactions

7.6 You must not engage in any of the following inappropriate interactions:

(a) councillors and administrators approaching staff and staff organisations to discuss individual or operational staff matters (other than matters relating to broader workforce policy), grievances, workplace investigations and disciplinary matters

(b) council staff approaching councillors and administrators to discuss individual or operational staff matters (other than matters relating to broader workforce policy), grievances, workplace investigations and disciplinary matters

(c) subject to clause 8.6, council staff refusing to give information that is available to other councillors to a particular councillor

(d) councillors and administrators who have lodged an application with the council, discussing the matter with council staff in staff-only areas of the council

(e) councillors and administrators approaching members of local planning panels or discussing any application that is either before the panel or that will come before the panel at some future time, except during a panel meeting where the application forms part of the agenda and the councillor or administrator has a right to be heard by the panel at the meeting

(f) councillors and administrators being overbearing or threatening to council staff

(g) council staff being overbearing or threatening to councillors or administrators

(h) councillors and administrators making personal attacks on council staff or engaging in conduct towards staff that would be contrary to the general conduct provisions in Part 3 of this code in public forums including social media

(i) councillors and administrators directing or pressuring council staff in the performance of their work, or recommendations they should make

(j) council staff providing ad hoc advice to councillors and administrators without recording or documenting the interaction as they would if the advice was provided to a member of the community

(k) councillors attending on-site inspection meetings with lawyers and/or consultants engaged by the council associated with current or proposed legal proceedings unless permitted to do so by the council's general manager or, in the case of the mayor or administrator, unless they are exercising their functions under section 226 of the LGA.

PART 8 ACCESS TO INFORMATION AND COUNCIL RESOURCES

Councillor and administrator access to information

8.1 The general manager is responsible for ensuring that councillors and administrators can access information necessary for the performance of their official functions. The general manager and public officer are also responsible for ensuring that members of the public can access publicly available council information under the Government Information (Public Access) Act 2009 (the GIPA Act).

8.2 The general manager must provide councillors and administrators with the information necessary to effectively discharge their official functions.

8.3 Members of staff of council must provide full and timely information to councillors and administrators sufficient to enable them to exercise their official functions and in accordance with council procedures.

8.4 Members of staff of council who provide any information to a particular councillor in the performance of their official functions must also make it available to any other councillor who requests it and in accordance with council procedures.

8.5 Councillors and administrators who have a private interest only in council information have the same rights of access as any member of the public.

8.6 Despite clause 8.4, councillors and administrators who are precluded from participating in the consideration of a matter under this code because they have a conflict of interest in the matter, are not entitled to request access to council information in relation to the matter unless the information is otherwise available to members of the public, or the council has determined to make the information available under the GIPA Act.

Councillors and administrators to properly examine and consider information

8.7 Councillors and administrators must ensure that they comply with their duty under section 439 of the LGA to act honestly and exercise a reasonable degree of care and diligence by properly examining and considering all the information provided to them relating to matters that they are required to make a decision on.

Refusal of access to information

8.8 Where the general manager or public officer determine to refuse access to information requested by a councillor or administrator, they must act reasonably. In reaching this decision they must take into account whether or not the information requested is necessary for the councillor or administrator to perform their official functions (see clause 8.2) and whether they have disclosed a conflict of interest in the matter the information

relates to that would preclude their participation in consideration of the matter (see clause 8.6). The general manager or public officer must state the reasons for the decision if access is refused.

Use of certain council information

8.9 In regard to information obtained in your capacity as a council official, you must:

(a) only access council information needed for council business

(b) not use that council information for private purposes

(c) not seek or obtain, either directly or indirectly, any financial benefit or other improper advantage for yourself, or any other person or body, from any information to which you have access by virtue of your office with council

(d) only release council information in accordance with established council policies and procedures and in compliance with relevant legislation.

Use and security of confidential information

8.10 You must maintain the integrity and security of confidential information in your possession, or for which you are responsible.

8.11 In addition to your general obligations relating to the use of council information, you must:

(a) only access confidential information that you have been authorised to access and only do so for the purposes of exercising your official functions

(b) protect confidential information

(c) only release confidential information if you have authority to do so

(d) only use confidential information for the purpose for which it is intended to be used

(e) not use confidential information gained through your official position for the purpose of securing a private benefit for yourself or for any other person

(f) not use confidential information with the intention to cause harm or detriment to the council or any other person or body

(g) not disclose any confidential information discussed during a confidential session of a council or committee meeting or any other confidential forum (such as, but not limited to, workshops or briefing sessions).

Personal information

8.12 When dealing with personal information you must comply with:

(a) the Privacy and Personal Information Protection Act 1998

(b) the Health Records and Information Privacy Act 2002

(c) the Information Protection Principles and Health Privacy Principles

(d) the council's privacy management plan

(e) the Privacy Code of Practice for Local Government

Use of council resources

8.13 You must use council resources ethically, effectively, efficiently and carefully in exercising your official functions, and must not use them for private purposes unless this use is lawfully authorised and proper payment is made where appropriate.

8.14 You must be scrupulous in your use of council property, including intellectual property, official services, facilities, technology and electronic devices and must not permit their misuse by any other person or body.

8.15 You must avoid any action or situation that could create the appearance that council property, official services or public facilities are being improperly used for your benefit or the benefit of any other person or body.

8.16 You must not use council resources (including council staff), property or facilities for the purpose of assisting your election campaign or the election campaigns of others unless the resources, property or facilities are otherwise available for use or hire by the public and any publicly advertised fee is paid for use of the resources, property or facility.

8.17 You must not use the council letterhead, council crests, council email or social media or other information that could give the appearance it is official council material:

(a) for the purpose of assisting your election campaign or the election campaign of others, or

(b) for other non-official purposes.

8.18 You must not convert any property of the council to your own use unless properly authorised.

Internet access

8.19 You must not use council's computer resources or mobile or other devices to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature, or that could otherwise lead to criminal penalty or civil liability and/or damage the council's reputation.

Council record keeping

8.20 You must comply with the requirements of the State Records Act 1998 and the council's records management policy.

8.21 All information created, sent and received in your official capacity is a council record and must be managed in accordance with the requirements of the State Records Act 1998 and the council's approved records management policies and practices.

8.22 All information stored in either soft or hard copy on council supplied resources (including technology devices and email accounts) is deemed to be related to the business of the council and will be treated as council records, regardless of whether the original intention was to create the information for personal purposes.

8.23 You must not destroy, alter, or dispose of council information or records, unless authorised to do so. If you need to alter or dispose of council information or records, you must do so in consultation with the council's records manager and comply with the requirements of the State Records Act 1998.

Councillor access to council buildings

8.24 Councillors and administrators are entitled to have access to the council chamber, committee room, mayor's office (subject to availability), councillors' rooms, and public areas of council's buildings during normal business hours and for meetings. Councillors and administrators needing access to these facilities at other times must obtain authority from the general manager.

8.25 Councillors and administrators must not enter staff-only areas of council buildings without the approval of the general manager (or their delegate) or as provided for in the procedures governing the interaction of councillors and council staff.

8.26 Councillors and administrators must ensure that when they are within a staff only area they refrain from conduct that could be perceived to improperly influence council staff decisions.

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PART 9 MAINTAINING THE INTEGRITY OF THIS CODE

Complaints made for an improper purpose

9.1 You must not make or threaten to make a complaint or cause a complaint to be made alleging a breach of this code for an improper purpose.

9.2 For the purposes of clause 9.1, a complaint is made for an improper purpose where it is trivial, frivolous, vexatious or not made in good faith, or where it otherwise lacks merit and has been made substantially for one or more of the following purposes:

(a) to bully, intimidate or harass another council official

(b) to damage another council official's reputation

(c) to obtain a political advantage

(d) to influence a council official in the exercise of their official functions or to prevent or disrupt the exercise of those functions

(e) to influence the council in the exercise of its functions or to prevent or disrupt the exercise of those functions

(f) to avoid disciplinary action under the Procedures

(g) to take reprisal action against a person for making a complaint alleging a breach of this code

(h) to take reprisal action against a person for exercising a function prescribed under the Procedures

(i) to prevent or disrupt the effective administration of this code under the Procedures.

Detrimental action

9.3 You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for a complaint they have made alleging a breach of this code.

9.4 You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for any function they have exercised under the Procedures.

9.5 For the purposes of clauses 9.3 and 9.4, a detrimental action is an action causing, comprising or involving any of the following:

(a) injury, damage or loss

(b) intimidation or harassment

(c) discrimination, disadvantage or adverse treatment in relation to employment

(d) dismissal from, or prejudice in, employment

(e) disciplinary proceedings.

Compliance with requirements under the Procedures

9.6 You must not engage in conduct that is calculated to impede or disrupt the consideration of a matter under the Procedures.

9.7 You must comply with a reasonable and lawful request made by a person exercising a function under the Procedures. A failure to make a written or oral submission invited under the Procedures will not constitute a breach of this clause.

9.8 You must comply with a practice ruling made by the Office under the Procedures.

Disclosure of information about the consideration of a matter under the Procedures

9.9 All allegations of breaches of this code must be dealt with under and in accordance with the Procedures.

9.10 You must not allege breaches of this code other than by way of a complaint made or initiated under the Procedures.

9.11 You must not make allegations about, or disclose information about, suspected breaches of this code at council, committee or other meetings, whether open to the public or not, or in any other forum, whether public or not.

9.12 You must not disclose information about a complaint you have made alleging a breach of this code or any other matter being considered under the Procedures except for the purposes of seeking legal advice, unless the disclosure is otherwise permitted under the Procedures.

9.13 Nothing under this Part prevents a person from making a public interest disclosure to an appropriate public authority or investigative authority under the Public Interest Disclosures Act 1994.

Complaints alleging a breach of this Part

9.14 Complaints alleging a breach of this Part by a councillor or an administrator are to be managed by the Office. This clause does not prevent the Office from referring an alleged breach of this Part back to the council for consideration in accordance with the Procedures.

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SCHEDULE 1: DISCLOSURES OF INTERESTS AND OTHER MATTERS IN WRITTEN RETURNS SUBMITTED UNDER CLAUSE 4.9

Part 1: Preliminary

Definitions

1. For the purposes of the schedules to this code, the following definitions apply:

address means:

(a) in relation to a person other than a corporation, the last residential or business address of the person known to the councillor disclosing the address, or

(b) in relation to a corporation, the address of the registered office of the corporation in New South Wales or, if there is no such office, the address of the principal office of the corporation in the place where it is registered, or

(c) in relation to any real property, the street address of the property.

de facto partner has the same meaning as defined in section 21C of the Interpretation Act 1987.

disposition of property means a conveyance, transfer, assignment, settlement, delivery, payment or other alienation of property, including the following:

(a) the allotment of shares in a company

(b) the creation of a trust in respect of property

(c) the grant or creation of a lease, mortgage, charge, easement, licence, power, partnership or interest in respect of property

(d) the release, discharge, surrender, forfeiture or abandonment, at law or in equity, of a debt, contract or chose in action, or of an interest in respect of property

(e) the exercise by a person of a general power of appointment over property in favour of another person

(f) a transaction entered into by a person who intends by the transaction to diminish, directly or indirectly, the value of the person's own property and to increase the value of the property of another person.

gift means a disposition of property made otherwise than by will (whether or not by instrument in writing) without consideration, or with inadequate consideration, in money or money's worth passing from the person to whom the disposition was

made to the person who made the disposition, but does not include a financial or other contribution to travel.

interest means:

(a) in relation to property, an estate, interest, right or power, at law or in equity, in or over the property, or

(b) in relation to a corporation, a relevant interest (within the meaning of section 9 of the Corporations Act 2001 of the Commonwealth) in securities issued or made available by the corporation.

listed company means a company that is listed within the meaning of section 9 of the Corporations Act 2001 of the Commonwealth.

occupation includes trade, profession and vocation.

professional or business association means an incorporated or unincorporated body or organisation having as one of its objects or activities the promotion of the economic interests of its members in any occupation.

property includes money.

return date means:

(a) in the case of a return made under clause 4.9(a), the date on which a person became a councillor

(b) in the case of a return made under clause 4.9(b), 30 June of the year in which the return is made

(c) in the case of a return made under clause 4.9(c), the date on which the councillor became aware of the interest to be disclosed.

relative includes any of the following:

(a) a person's spouse or de facto partner

(b) a person's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

(c) a person's spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

(d) the spouse or de factor partner of a person referred to in paragraphs (b) and (c).

travel includes accommodation incidental to a journey.

Matters relating to the interests that must be included in returns

2. ***Interests etc. outside New South Wales***: A reference in this schedule or in schedule 2 to a disclosure concerning a corporation or other thing includes any reference to a disclosure concerning a corporation registered, or other thing arising or received, outside New South Wales.

3. ***References to interests in real property***: A reference in this schedule or in schedule 2 to real property in which a councillor has an interest includes a reference to any real property situated in Australia in which the councillor has an interest.

4. ***Gifts, loans etc. from related corporations***: For the purposes of this schedule and schedule 2, gifts or contributions to travel given, loans made, or goods or services supplied, to a councillor by two or more corporations that are related to each other for the purposes of section 50 of the Corporations Act 2001 of the Commonwealth are all given, made or supplied by a single corporation.

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Part 2: Pecuniary interests to be disclosed in returns

Real property

5. A person making a return under clause 4.9 of this code must disclose:

   (a) the street address of each parcel of real property in which they had an interest on the return date, and

   (b) the street address of each parcel of real property in which they had an interest in the period since 30 June of the previous financial year, and

   (c) the nature of the interest.

6. An interest in a parcel of real property need not be disclosed in a return if the person making the return had the interest only:

   (a) as executor of the will, or administrator of the estate, of a deceased person and not as a beneficiary under the will or intestacy, or

   (b) as a trustee, if the interest was acquired in the ordinary course of an occupation not related to their duties as the holder of a position required to make a return.

7. An interest in a parcel of real property need not be disclosed in a return if the person ceased to hold the interest prior to becoming a councillor.

8. For the purposes of clause 5 of this schedule, "interest" includes an option to purchase.

Gifts

9. A person making a return under clause 4.9 of this code must disclose:

   (a) a description of each gift received in the period since 30 June of the previous financial year, and

   (b) the name and address of the donor of each of the gifts.

10. A gift need not be included in a return if:

   (a) it did not exceed $500, unless it was among gifts totalling more than $500 made by the same person during a period of 12 months or less, or

   (b) it was a political donation disclosed, or required to be disclosed, under Part 3 of the Electoral Funding Act 2018, or

   (c) the donor was a relative of the donee, or

   (d) subject to paragraph (a), it was received prior to the person becoming a councillor.

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11. For the purposes of clause 10 of this schedule, the amount of a gift other than money is an amount equal to the value of the property given.

Contributions to travel

12. A person making a return under clause 4.9 of this code must disclose:

(a) the name and address of each person who made any financial or other contribution to the expenses of any travel undertaken by the person in the period since 30 June of the previous financial year, and

(b) the dates on which the travel was undertaken, and

(c) the names of the states and territories, and of the overseas countries, in which the travel was undertaken.

13. A financial or other contribution to any travel need not be disclosed under this clause if it:

(a) was made from public funds (including a contribution arising from travel on free passes issued under an Act or from travel in government or council vehicles), or

(b) was made by a relative of the traveller, or

(c) was made in the ordinary course of an occupation of the traveller that is not related to their functions as the holder of a position requiring the making of a return, or

(d) did not exceed $250, unless it was among gifts totalling more than $250 made by the same person during a 12-month period or less, or

(e) was a political donation disclosed, or required to be disclosed, under Part 3 of the Electoral Funding Act 2018, or

(f) was made by a political party of which the traveller was a member and the travel was undertaken for the purpose of political activity of the party in New South Wales, or to enable the traveller to represent the party within Australia, or

(g) subject to paragraph (d) it was received prior to the person becoming a councillor.

14. For the purposes of clause 13 of this schedule, the amount of a contribution (other than a financial contribution) is an amount equal to the value of the contribution.

Interests and positions in corporations

15. A person making a return under clause 4.9 of this code must disclose:

(a) the name and address of each corporation in which they had an interest or held a position (whether remunerated or not) on the return date, and

(b) the name and address of each corporation in which they had an interest or held a position in the period since 30 June of the previous financial year, and

(c) the nature of the interest, or the position held, in each of the corporations, and

(d) a description of the principal objects (if any) of each of the corporations, except in the case of a listed company.

16. An interest in, or a position held in, a corporation need not be disclosed if the corporation is:

(a) formed for the purpose of providing recreation or amusement, or for promoting commerce, industry, art, science, religion or charity, or for any other community purpose, and

(b) required to apply its profits or other income in promoting its objects, and

(c) prohibited from paying any dividend to its members.

17. An interest in a corporation need not be disclosed if the interest is a beneficial interest in shares in a company that does not exceed 10 per cent of the voting rights in the company.

18. An interest or a position in a corporation need not be disclosed if the person ceased to hold the interest or position prior to becoming a councillor.

Interests as a property developer or a close associate of a property developer

19. A person making a return under clause 4.9 of this code must disclose whether they were a property developer, or a close associate of a corporation that, or an individual who, is a property developer, on the return date.

20. For the purposes of clause 19 of this schedule:

close associate, in relation to a corporation or an individual, has the same meaning as it has in section 53 of the Electoral Funding Act 2018.

property developer has the same meaning as it has in Division 7 of Part 3 of the Electoral Funding Act 2018.

Positions in trade unions and professional or business associations

21. A person making a return under clause 4.9 of the code must disclose:

(a) the name of each trade union, and of each professional or business association, in which they held any position (whether remunerated or not) on the return date, and

(b) the name of each trade union, and of each professional or business association, in which they have held any position (whether remunerated or not) in the period since 30 June of the previous financial year, and

(c) a description of the position held in each of the unions and associations.

22. A position held in a trade union or a professional or business association need not be disclosed if the person ceased to hold the position prior to becoming a councillor.

Dispositions of real property

23. A person making a return under clause 4.9 of this code must disclose particulars of each disposition of real property by the person (including the street address of the affected property) in the period since 30 June of the previous financial year, under which they wholly or partly retained the use and benefit of the property or the right to re-acquire the property.

24. A person making a return under clause 4.9 of this code must disclose particulars of each disposition of real property to another person (including the street address of the affected property) in the period since 30 June of the previous financial year, that is made under arrangements with, but is not made by, the person making the return, being a disposition under which the person making the return obtained wholly or partly the use of the property.

25. A disposition of real property need not be disclosed if it was made prior to a person becoming a councillor.

Sources of income

26. A person making a return under clause 4.9 of this code must disclose:

    (a) each source of income that the person reasonably expects to receive in the period commencing on the first day after the return date and ending on the following 30 June, and

    (b) each source of income received by the person in the period since 30 June of the previous financial year.

27. A reference in clause 26 of this schedule to each source of income received, or reasonably expected to be received, by a person is a reference to:

    (a) in relation to income from an occupation of the person:

        i. a description of the occupation, and

        ii. if the person is employed or the holder of an office, the name and address of their employer, or a description of the office, and

        iii. if the person has entered into a partnership with other persons, the name (if any) under which the partnership is conducted, or

    (b) in relation to income from a trust, the name and address of the settlor and the trustee, or

    (c) in relation to any other income, a description sufficient to identify the person from whom, or the circumstances in which, the income was, or is reasonably expected to be, received.

28. The source of any income need not be disclosed by a person in a return if the amount of the income received, or reasonably expected to be received, by the person from that source did not exceed $500, or is not reasonably expected to exceed $500, as the case may be.

29. The source of any income received by the person that they ceased to receive prior to becoming a councillor need not be disclosed.

30. A fee paid to a councillor or to the mayor or deputy mayor under sections 248 or 249 of the LGA need not be disclosed.

Debts

31. A person making a return under clause 4.9 of this code must disclose the name and address of each person to whom the person was liable to pay any debt:

    (a) on the return date, and

    (b) at any time in the period since 30 June of the previous financial year.

32. A liability to pay a debt must be disclosed by a person in a return made under clause 4.9 whether or not the amount, or any part of the amount, to be paid was due and payable on the return date or at any time in the period since 30 June of the previous financial year, as the case may be.

33. A liability to pay a debt need not be disclosed by a person in a return if:

    (a) the amount to be paid did not exceed $500 on the return date or in the period since 30 June of the previous financial year, as the case may be, unless:

        i. the debt was one of two or more debts that the person was liable to pay to one person on the return date, or at any time in the period since 30 June of the previous financial year, as the case may be, and

        ii. the amounts to be paid exceeded, in the aggregate, $500, or

    (b) the person was liable to pay the debt to a relative, or

    (c) in the case of a debt arising from a loan of money the person was liable to pay the debt to an authorised deposit-taking institution or other person whose ordinary business includes the lending of money, and the loan was made in the ordinary course of business of the lender, or

    (d) in the case of a debt arising from the supply of goods or services:

        i. the goods or services were supplied in the period of 12 months immediately preceding the return date, or were supplied in the period since 30 June of the previous financial year, as the case may be, or

ii. the goods or services were supplied in the ordinary course of any occupation of the person that is not related to their duties as the holder of a position required to make a return, or

(e) subject to paragraph (a), the debt was discharged prior to the person becoming a councillor.

Discretionary disclosures

34. A person may voluntarily disclose in a return any interest, benefit, advantage or liability, whether pecuniary or not, that is not required to be disclosed under another provision of this schedule.

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SCHEDULE 2: FORM OF WRITTEN RETURN OF INTERESTS SUBMITTED UNDER CLAUSE 4.9

'Disclosures by councillors' return

1. The pecuniary interests and other matters to be disclosed in this return are prescribed by schedule 1 of the Model Code of Conduct for Local Councils in NSW.

2. If this is the first return you have been required to lodge with the general manager after becoming a councillor, do not complete Parts C, D and I of the return. All other parts of the return should be completed with appropriate information based on your circumstances at the return date, that is, the date on which you became a councillor.

3. If you have previously lodged a return with the general manager and you are completing this return for the purposes of disclosing a new interest that was not disclosed in the last return you lodged with the general manager, you must complete all parts of the return with appropriate information for the period from 30 June of the previous financial year or the date on which you became a councillor (whichever is the later date), to the return date which is the date you became aware of the new interest to be disclosed in your updated return.

4. If you have previously lodged a return with the general manager and are submitting a new return for the new financial year, you must complete all parts of the return with appropriate information for the 12-month period commencing on 30 June of the previous year to 30 June this year.

5. This form must be completed using block letters or typed.

6. If there is insufficient space for all the information you are required to disclose, you must attach an appendix which is to be properly identified and signed by you.

7. If there are no pecuniary interests or other matters of the kind required to be disclosed under a heading in this form, the word "NIL" is to be placed in an appropriate space under that heading.

Important information

This information is being collected for the purpose of complying with clause 4.9 of the Code of Conduct.

You must not lodge a return that you know or ought reasonably to know is false or misleading in a material particular (see clause 4.11 of the Code of Conduct). Complaints about breaches of these requirements are to be referred to the Office of Local Government and may result in disciplinary action by the council, the Chief Executive of the Office of Local Government or the NSW Civil and Administrative Tribunal.

The information collected on this form will be kept by the general manager in a register of returns. The general manager is required to table all returns at a council meeting.

Information contained in returns made and lodged under clause 4.9 is to be made publicly available in accordance with the requirements of the *Government Information (Public Access) Act 2009*, the *Government Information (Public Access) Regulation 2009* and any guidelines issued by the Information Commissioner.

You have an obligation to keep the information contained in this return up to date. If you become aware of a new interest that must be disclosed in this return, or an interest that you have previously failed to disclose, you must submit an updated return within three months of becoming aware of the previously undisclosed interest.

Disclosure of pecuniary interests and other matters by [*full name of councillor*]

as at [*return date*]

in respect of the period from [*date*] to [*date*]

[*councillor's signature*]
[*date*]

A. Real Property

Street address of each parcel of real property in which I had an interest at the return date/at any time since 30 June	Nature of interest

B. Sources of income

1 Sources of income I reasonably expect to receive from an occupation in the period commencing on the first day after the return date and ending on the following 30 June

Sources of income I received from an occupation at any time since 30 June

Description of occupation	Name and address of employer or description of office held (if applicable)	Name under which partnership conducted (if applicable)

2 Sources of income I reasonably expect to receive from a trust in the period commencing on the first day after the return date and ending on the following 30 June

Sources of income I received from a trust since 30 June

Name and address of settlor	Name and address of trustee

3 Sources of other income I reasonably expect to receive in the period commencing on the first day after the return date and ending on the following 30 June

Sources of other income I received at any time since 30 June

[*Include description sufficient to identify the person from whom, or the circumstances in which, that income was received*]

C. Gifts

Description of each gift I received at any time since 30 June	Name and address of donor

D. Contributions to travel

Name and address of each person who made any financial or other contribution to any travel undertaken by me at any time since 30 June	Dates on which travel was undertaken	Name of States, Territories of the Commonwealth and overseas countries in which travel was undertaken

E. Interests and positions in corporations

Name and address of each corporation in which I had an interest or held a position at the return date/at any time since 30 June	Nature of interest (if any)	Description of position (if any)	Description of principal objects (if any) of corporation

	(except in case of listed company)
F. Were you a property developer or a close associate of a property developer on the return date? (Y/N)	
G. Positions in trade unions and professional or business associations	
Name of each trade union and each professional or business association in which I held any position (whether remunerated or not) at the return date/at any time since 30 June	Description of position
H. Debts	
Name and address of each person to whom I was liable to pay any debt at the return date/at any time since 30 June	
I. Dispositions of property	
1 Particulars of each disposition of real property by me (including the street address of the affected property) at any time since 30 June as a result of which I retained, either wholly or in part, the use and benefit of the property or the right to re-acquire the property at a later time	
2 Particulars of each disposition of property to a person by any other person under arrangements made by me (including the street address of the affected property), being dispositions made at any time since 30 June, as a result of which I obtained, either wholly or in part, the use and benefit of the property	
J. Discretionary disclosures	

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SCHEDULE 3: FORM OF SPECIAL DISCLOSURE OF PECUNIARY INTEREST SUBMITTED UNDER CLAUSE 4.25

1. This form must be completed using block letters or typed.

2. If there is insufficient space for all the information you are required to disclose, you must attach an appendix which is to be properly identified and signed by you.

Important information

This information is being collected for the purpose of making a special disclosure of pecuniary interests under clause 4.24(c) of the Code of Conduct for Councillors (the Code of Conduct).

The special disclosure must relate only to a pecuniary interest that a councillor has in the councillor's principal place of residence, or an interest another person (whose interests are relevant under clause 4.3 of the Code of Conduct) has in that person's principal place of residence.

Clause 4.3 of the Code of Conduct states that you will have a pecuniary interest in a matter because of the pecuniary interest of your spouse or your de facto partner or your relative or because your business partner or employer has a pecuniary interest. You will also have a pecuniary interest in a matter because you, your nominee, your business partner or your employer is a member of a company or other body that has a pecuniary interest in the matter.

"Relative" is defined by clause 4.4 of the Code of Conduct as meaning your, your spouse's or your de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child and the spouse or de facto partner of any of those persons.

You must not make a special disclosure that you know or ought reasonably to know is false or misleading in a material particular. Complaints about breaches of these requirements are to be referred to the Office of Local Government and may result in disciplinary action by the Chief Executive of the Office of Local Government or the NSW Civil and Administrative Tribunal.

This form must be completed by you before the commencement of the council or council committee meeting at which the special disclosure is being made. The completed form must be tabled at the meeting. Everyone is entitled to inspect it. The special disclosure must be recorded in the minutes of the meeting.

Special disclosure of pecuniary interests by [*full name of councillor*]

in the matter of [*insert name of environmental planning instrument*]

which is to be considered at a meeting of the [*name of council or council committee (as the case requires)*]

to be held on the day of 20 .

Pecuniary interest	
Address of the affected principal place of residence of the councillor or an associated person, company or body (the identified land)	
Relationship of identified land to the councillor [*Tick or cross one box.*]	□ The councillor has an interest in the land (e.g. is the owner or has another interest arising out of a mortgage, lease, trust, option or contract, or otherwise). □ An associated person of the councillor has an interest in the land. □ An associated company or body of the councillor has an interest in the land.
Matter giving rise to pecuniary interest[1]	
Nature of the land that is subject to a change in zone/planning control by the proposed LEP (the subject land)[2] [Tick or cross one box]	□ The identified land. □ Land that adjoins or is adjacent to or is in proximity to the identified land.

[1] Clause 4.1 of this Code of Conduct for Councillors (Code of Conduct) provides that a pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person. A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to the matter, or if the interest is of a kind specified in clause 4.6 of the Code of Conduct.

[2] A pecuniary interest may arise by way of a change of permissible use of land adjoining, adjacent to or in proximity to land in which a councillor or a person, company or body referred to in clause 4.3 of the Code of Conduct has a proprietary interest.

Current zone/planning control [*Insert name of current planning instrument and identify relevant zone/planning control applying to the subject land*]	
Proposed change of zone/planning control [*Insert name of proposed LEP and identify proposed change of zone/planning control applying to the subject land*]	
Effect of proposed change of zone/planning control on councillor or associated person [*Insert one of the following: "Appreciable financial gain" or "Appreciable financial loss"*]	

[*If more than one pecuniary interest is to be declared, reprint the above box and fill in for each additional interest.*]

Councillor's signature

Date

[This form is to be retained by the council's general manager and included in full in the minutes of the meeting]

Code of Conduct for Council Staff

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Policy Owner	Manager Internal Ombudsman, Governance and Civic
Approved by	Council
Date Approved	18 June 2019
Commencement date	19 June 2019
TRIM Reference	A18/0585
Next revision date	March 2021
Relevant legislation/codes	• *Local Government Act 1993* • Model Code of Conduct for Local Councils in NSW • Procedures for the Administration of the Model Code of Council for Local Councils in NSW
Related policies/procedures/ guidelines	• Code of Conduct for Councillors • Code of Conduct for Council Committee Members and Other Council Officials • Procedures for the Administration of the Code of Conduct
Related forms	Designated Persons Returns Form

DRAFT

Table of Contents

PART 1 INTRODUCTION 6

PART 2 DEFINITIONS 7

PART 3 GENERAL CONDUCT OBLIGATIONS 9

General conduct 9
Fairness and equity 9
Harassment and discrimination 9
Bullying 10
Work health and safety 10
Land use planning, development assessment and other regulatory functions 11
Obligations in relation to meetings 11

PART 4 PECUNIARY INTERESTS 12

What is a pecuniary interest? 12
What interests do not have to be disclosed? 13
What disclosures must be made by a designated person? 13
What disclosures must be made by council staff other than designated persons? 14
What disclosures must be made by a council committee member? 15
Disclosure of interests in written returns 15
Disclosure of pecuniary interests at meetings 16

PART 5 NON-PECUNIARY CONFLICTS OF INTEREST 18

What is a non-pecuniary conflict of interest? 18
Managing non-pecuniary conflicts of interest 18
Loss of quorum as a result of compliance with this Part 20
Other business or employment 20
Personal dealings with council 21

PART 6 PERSONAL BENEFIT 22

Gifts and benefits 22
How are offers of gifts and benefits to be dealt with? 22
Gifts and benefits of token value 23
Gifts and benefits of more than token value 23
"Cash-like gifts" 24
Improper and undue influence 24

PART 7 RELATIONSHIPS BETWEEN COUNCIL OFFICIALS 25

Obligations of councillors and administrators 25

DRAFT

Obligations of staff 25
Inappropriate interactions 25
PART 8 ACCESS TO INFORMATION AND COUNCIL RESOURCES 27
Councillor and administrator access to information 27
Refusal of access to information 27
Use of certain council information 27
Use and security of confidential information 28
Personal information 28
Use of council resources 28
Internet access 29
Council record keeping 29
Councillor access to council buildings 30
PART 9 MAINTAINING THE INTEGRITY OF THIS CODE 31
Complaints made for an improper purpose 31
Detrimental action 31
Compliance with requirements under the Procedures 32
Disclosure of information about the consideration of a matter under the Procedures 32
Complaints alleging a breach of this Part 32
SCHEDULE 1: DISCLOSURES OF INTERESTS AND OTHER MATTERS IN WRITTEN RETURNS SUBMITTED UNDER CLAUSE 4.18 33
Part 1: Preliminary 33
Definitions 33
Matters relating to the interests that must be included in returns 35
Part 2: Pecuniary interests to be disclosed in returns 36
Real property 36
Gifts 36
Contributions to travel 37
Interests and positions in corporations 37
Interests as a property developer or a close associate of a property developer 38
Positions in trade unions and professional or business associations 38
Dispositions of real property 39
Sources of income 39
Debts 40
Discretionary disclosures 41
SCHEDULE 2: FORM OF WRITTEN RETURN OF INTERESTS SUBMITTED UNDER CLAUSE 4.18 42
'Disclosures by councillors and designated persons' return 42

DRAFT

Important information 42
Disclosure of pecuniary interests and other matters 43

DRAFT

PART 1 INTRODUCTION

This code of conduct applies to members of council staff, including the general manager. It is based on the Model Code of Conduct for Local Councils in NSW ("the Model Code of Conduct") which has been prescribed under the Local Government (General) Regulation 2005 ("the Regulation").

Section 440 of the *Local Government Act 1993* ("LGA") requires every council (including county councils) and joint organisation to adopt a code of conduct that incorporates the provisions of the Model Code of Conduct. A council's or joint organisation's adopted code of conduct may also include provisions that supplement the Model Code of Conduct and that extend its application to persons that are not "council officials" for the purposes of the Model Code of Conduct (eg volunteers, contractors and members of wholly advisory committees).

The Model Code of Conduct sets the minimum standards of conduct for council officials. It is prescribed by regulation to assist council officials to:

- understand and comply with the standards of conduct that are expected of them
- enable them to fulfil their statutory duty to act honestly and exercise a reasonable degree of care and diligence (section 439)
- act in a way that enhances public confidence in local government.

Members of staff must comply with the provisions in this code of conduct. It is the personal responsibility of council officials to comply with the standards in the code and to regularly review their personal circumstances and conduct with this in mind.

Failure by a member of staff to comply with this code of conduct may give rise to disciplinary action.

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PART 2 DEFINITIONS

In this code the following terms have the following meanings:

administrator	an administrator of a council appointed under the LGA other than an administrator appointed under section 66
committee	see the definition of "council committee"
complaint	a code of conduct complaint made for the purposes of clauses 4.1 and 4.2 of the Procedures
council	includes county councils and joint organisations
council committee	a committee established by a council comprising of councillors, staff or other persons that the council has delegated functions to and the council's audit, risk and improvement committee
council committee member	a person other than a councillor or member of staff of a council who is a member of a council committee and a person other than a councillor who is a member of the council's audit, risk and improvement committee
council official	includes councillors, members of staff of a council, administrators, council committee members, delegates of council, volunteers and, for the purposes of clause 4.16, council advisers
councillor	any person elected or appointed to civic office, including the mayor and includes members and chairpersons of county councils and voting representatives of the boards of joint organisations and chairpersons of joint organisations
conduct	includes acts and omissions
delegate of council	a person (other than a councillor or member of staff of a council) or body, and the individual members of that body, to whom a function of the council is delegated
designated person	a person referred to in clause 4.8
election campaign	includes council, state and federal election campaigns
general manager	includes the executive officer of a joint organisation
joint organisation	a joint organisation established under section 400O of the LGA
LGA	the *Local Government Act 1993*
mayor	includes the chairperson of a county council or a joint organisation

DRAFT

members of staff	includes staff engaged on contract
the Office	Office of Local Government
personal information	information or an opinion (including information or an opinion forming part of a database and whether or not recorded in a material form) about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion
the Procedures	the Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW prescribed under the Regulation
the Regulation	the *Local Government (General) Regulation 2005*
volunteer	a person engaged directly by council to undertake work without financial gain
wholly advisory committee	a council committee that the council has not delegated any functions to

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PART 3 GENERAL CONDUCT OBLIGATIONS

General conduct

3.1. You must not conduct yourself in a manner that:

(a) is likely to bring the council or other council officials into disrepute

(b) is contrary to statutory requirements or the council's administrative requirements or policies

(c) is improper or unethical

(d) is an abuse of power

(e) causes, comprises or involves intimidation or verbal abuse

(f) involves the misuse of your position to obtain a private benefit

(g) constitutes harassment or bullying behaviour under this code, or is unlawfully discriminatory.

3.2. You must act lawfully and honestly, and exercise a reasonable degree of care and diligence in carrying out your functions under the LGA or any other Act. (section 439).

Fairness and equity

3.3. You must consider issues consistently, promptly and fairly. You must deal with matters in accordance with established procedures, in a non-discriminatory manner.

3.4. You must take all relevant facts known to you, or that you should be reasonably aware of, into consideration and have regard to the particular merits of each case. You must not take irrelevant matters or circumstances into consideration when making decisions.

3.5. An act or omission in good faith, whether or not it involves error, will not constitute a breach of clauses 3.3 or 3.4.

Harassment and discrimination

3.6. You must not harass or unlawfully discriminate against others, or support others who harass or unlawfully discriminate against others, on the grounds of age, disability, race (including colour, national or ethnic origin or immigrant status), sex, pregnancy, marital or relationship status, family responsibilities or breastfeeding, sexual orientation, gender identity or intersex status or political, religious or other affiliation.

3.7. For the purposes of this code, "harassment" is any form of behaviour towards a person that:

(a) is not wanted by the person

(b) offends, humiliates or intimidates the person, and

(c) creates a hostile environment.

Bullying

3.8. You must not engage in bullying behaviour towards others.

3.9. For the purposes of this code, "bullying behaviour" is any behaviour in which:

(a) a person or a group of people repeatedly behaves unreasonably towards another person or a group of persons and

(b) the behaviour creates a risk to health and safety.

3.10. Bullying behaviour may involve, but is not limited to, any of the following types of behaviour:

(a) aggressive, threatening or intimidating conduct

(b) belittling or humiliating comments

(c) spreading malicious rumours

(d) teasing, practical jokes or 'initiation ceremonies'

(e) exclusion from work-related events

(f) unreasonable work expectations, including too much or too little work, or work below or beyond a worker's skill level

(g) displaying offensive material

(h) pressure to behave in an inappropriate manner.

3.11. Reasonable management action carried out in a reasonable manner does not constitute bullying behaviour for the purposes of this code. Examples of reasonable management action may include, but are not limited to:

(a) performance management processes

(b) disciplinary action for misconduct

(c) informing a worker about unsatisfactory work performance or inappropriate work behaviour

(d) directing a worker to perform duties in keeping with their job

(e) maintaining reasonable workplace goals and standards

(f) legitimately exercising a regulatory function

(g) legitimately implementing a council policy or administrative processes.

Work health and safety

3.12. All council officials, including councillors, owe statutory duties under the *Work Health and Safety Act 2011* (WHS Act). You must comply with your duties under the WHS Act and your responsibilities under any policies or procedures adopted by the council to ensure workplace health and safety. Specifically, you must:

(a) take reasonable care for your own health and safety

(b) take reasonable care that your acts or omissions do not adversely affect the health and safety of other persons

(c) comply, so far as you are reasonably able, with any reasonable instruction that is given to ensure compliance with the WHS Act and any policies or procedures adopted by the council to ensure workplace health and safety

(d) cooperate with any reasonable policy or procedure of the council relating to workplace health or safety that has been notified to council staff

(e) report accidents, incidents, near misses, to the general manager or such other staff member nominated by the general manager, and take part in any incident investigations

(f) so far as is reasonably practicable, consult, co-operate and coordinate with all others who have a duty under the WHS Act in relation to the same matter.

Land use planning, development assessment and other regulatory functions

3.13. You must ensure that land use planning, development assessment and other regulatory decisions are properly made, and that all parties are dealt with fairly. You must avoid any occasion for suspicion of improper conduct in the exercise of land use planning, development assessment and other regulatory functions.

3.14. In exercising land use planning, development assessment and other regulatory functions, you must ensure that no action, statement or communication between yourself and others conveys any suggestion of willingness to improperly provide concessions or preferential or unduly unfavourable treatment.

Obligations in relation to meetings

3.15. You must comply with rulings by the chair at council and committee meetings or other proceedings of the council unless a motion dissenting from the ruling is passed.

3.16. You must not engage in bullying behaviour (as defined under this Part) towards the chair, other council officials or any members of the public present during council or committee meetings or other proceedings of the council (such as, but not limited to, workshops and briefing sessions).

3.17. You must not engage in conduct that disrupts council or committee meetings or other proceedings of the council (such as, but not limited to, workshops and briefing sessions), or that would otherwise be inconsistent with the orderly conduct of meetings.

PART 4 PECUNIARY INTERESTS

What is a pecuniary interest?

4.1. A pecuniary interest is an interest that you have in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to you or a person referred to in clause 4.3.

4.2. You will not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision you might make in relation to the matter, or if the interest is of a kind specified in clause 4.6.

4.3. For the purposes of this Part, you will have a pecuniary interest in a matter if the pecuniary interest is:

(a) your interest, or

(b) the interest of your spouse or de facto partner, your relative, or your partner or employer, or

(c) a company or other body of which you, or your nominee, partner or employer, is a shareholder or member.

4.4. For the purposes of clause 4.3:

(a) Your "relative" is any of the following:

i. your parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

ii. your spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

iii. the spouse or de facto partner of a person referred to in paragraphs (i) and (ii).

(b) "de facto partner" has the same meaning as defined in section 21C of the *Interpretation Act 1987*.

4.5. You will not have a pecuniary interest in relation to a person referred to in subclauses 4.3(b) or (c):

(a) if you are unaware of the relevant pecuniary interest of your spouse, de facto partner, relative, partner, employer or company or other body, or

(b) just because the person is a member of, or is employed by, a council or a statutory body, or is employed by the Crown, or

(c) just because the person is a member of, or a delegate of a council to, a company or other body that has a pecuniary interest in the matter, so long as the person has no beneficial interest in any shares of the company or body.

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What interests do not have to be disclosed?

4.6. You do not have to disclose the following interests for the purposes of this Part:

(a) your interest as an elector

(b) your interest as a ratepayer or person liable to pay a charge

(c) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to the public generally, or to a section of the public that includes persons who are not subject to this code

(d) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to your relative by the council in the same manner and subject to the same conditions as apply to persons who are not subject to this code

(e) an interest you have as a member of a club or other organisation or association, unless the interest is as the holder of an office in the club or organisation (whether remunerated or not)

(f) an interest you have relating to a contract, proposed contract or other matter, if the interest arises only because of a beneficial interest in shares in a company that does not exceed 10 per cent of the voting rights in the company

(g) an interest you have arising from the proposed making by the council of an agreement between the council and a corporation, association or partnership, being a corporation, association or partnership that has more than 25 members, if the interest arises because your relative is a shareholder (but not a director) of the corporation, or is a member (but not a member of the committee) of the association, or is a partner of the partnership

(h) an interest you have arising from the making by the council of a contract or agreement with your relative for, or in relation to, any of the following, but only if the proposed contract or agreement is similar in terms and conditions to such contracts and agreements as have been made, or as are proposed to be made, by the council in respect of similar matters with other residents of the area:

i. the performance by the council at the expense of your relative of any work or service in connection with roads or sanitation

ii. security for damage to footpaths or roads

iii. any other service to be rendered, or act to be done, by the council by or under any Act conferring functions on the council, or by or under any contract

(i) an interest of a person arising from the passing for payment of a regular account for the wages or salary of an employee who is a relative of the person

(j) an interest arising from being covered by, or a proposal to be covered by, indemnity insurance as a council committee member

4.7. For the purposes of clause 4.6, "relative" has the same meaning as in clause 4.4, but includes your spouse or de facto partner.

What disclosures must be made by a designated person?

4.8. Designated persons include:

(a) the general manager

(b) other senior staff of the council for the purposes of section 332 of the LGA

(c) a person (other than a member of the senior staff of the council) who is a member of staff of the council or a delegate of the council and who holds a position identified by the council as the position of a designated person because it involves the exercise of functions (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the person's duty as a member of staff or delegate and the person's private interest

(d) a person (other than a member of the senior staff of the council) who is a member of a committee of the council identified by the council as a committee whose members are designated persons because the functions of the committee involve the exercise of the council's functions (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the member's duty as a member of the committee and the member's private interest.

4.9. A designated person:

(a) must prepare and submit written returns of interests in accordance with clause 4.18, and

(b) must disclose pecuniary interests in accordance with clause 4.10.

4.10. A designated person must disclose in writing to the general manager (or if the person is the general manager, to the council) the nature of any pecuniary interest the person has in any council matter with which the person is dealing as soon as practicable after becoming aware of the interest.

4.11. Clause 4.10 does not require a designated person who is a member of staff of the council to disclose a pecuniary interest if the interest relates only to the person's salary as a member of staff, or to their other conditions of employment.

4.12. The general manager must, on receiving a disclosure from a designated person, deal with the matter to which the disclosure relates or refer it to another person to deal with.

4.13. A disclosure by the general manager must, as soon as practicable after the disclosure is made, be laid on the table at a meeting of the council and the council must deal with the matter to which the disclosure relates or refer it to another person to deal with.

What disclosures must be made by council staff other than designated persons?

4.14. A member of staff of council, other than a designated person, must disclose in writing to their manager or the general manager the nature of any pecuniary interest they have in a matter they are dealing with as soon as practicable after becoming aware of the interest.

4.15. The staff member's manager or the general manager must, on receiving a disclosure under clause 4.14, deal with the matter to which the disclosure relates or refer it to another person to deal with.

What disclosures must be made by a council committee member?

4.16. A council committee member must disclose pecuniary interests in accordance with clause 4.25 and comply with clause 4.26.

4.17. For the purposes of clause 4.16, a "council committee member" includes a member of staff of council who is a member of the committee.

Disclosure of interests in written returns

4.18. A designated person must make and lodge with the general manager a return in the form set out in schedule 2 to this code, disclosing the designated person's interests as specified in schedule 1 to this code within 3 months after:

(a) becoming a designated person, and

(b) 30 June of each year, and

(c) the designated person becoming aware of an interest they are required to disclose under schedule 1 that has not been previously disclosed in a return lodged under paragraphs (a) or (b).

4.19. A person need not make and lodge a return under clause 4.18, paragraphs (a) and (b) if:

(a) they made and lodged a return under that clause in the preceding 3 months, or

(b) they have ceased to be a designated person in the preceding 3 months.

4.20. A person must not make and lodge a return that the person knows or ought reasonably to know is false or misleading in a material particular.

4.21. The general manager must keep a register of returns required to be made and lodged with the general manager.

4.22. Returns required to be lodged with the general manager under clause 4.18(a) and (b) must be tabled at the first meeting of the council after the last day the return is required to be lodged.

4.23. Returns required to be lodged with the general manager under clause 4.18(c) must be tabled at the next council meeting after the return is lodged.

4.24. Information contained in returns made and lodged under clause 4.18 is to be made publicly available in accordance with the requirements of the *Government Information (Public*

Access) Act 2009, the *Government Information (Public Access) Regulation 2009* and any guidelines issued by the Information Commissioner.

Disclosure of pecuniary interests at meetings

4.25. A council committee member who has a pecuniary interest in any matter with which the council is concerned, and who is present at a meeting of the committee at which the matter is being considered, must disclose the nature of the interest to the meeting as soon as practicable.

4.26. The council committee member must not be present at, or in sight of, the meeting of the committee:

(a) at any time during which the matter is being considered or discussed by the committee, or

(b) at any time during which the committee is voting on any question in relation to the matter.

4.27. A disclosure made at a meeting of a council committee must be recorded in the minutes of the meeting.

4.28. A general notice may be given to the general manager in writing by a council committee member to the effect that the council committee member, or the council committee member's spouse, de facto partner or relative, is:

(a) a member of, or in the employment of, a specified company or other body, or

(b) a partner of, or in the employment of, a specified person.

Such a notice is, unless and until the notice is withdrawn or until the end of the term of the council in which it is given (whichever is the sooner), sufficient disclosure of the council committee member's interest in a matter relating to the specified company, body or person that may be the subject of consideration by the council committee after the date of the notice.

4.29. A council committee member is not prevented from being present at and taking part in a meeting at which a matter is being considered, or from voting on the matter, merely because the council committee member has an interest in the matter of a kind referred to in clause 4.6.

4.30. A person does not breach clauses 4.25 or 4.26 if the person did not know, and could not reasonably be expected to have known, that the matter under consideration at the meeting was a matter in which they had a pecuniary interest.

4.31. The Minister for Local Government may, conditionally or unconditionally, allow a council committee member who has a pecuniary interest in a matter with which the council is concerned to be present at a meeting of the committee, to take part in the consideration

or discussion of the matter and to vote on the matter if the Minister is of the opinion that it is in the interests of the electors for the area to do so.

4.32. A council committee member with a pecuniary interest in a matter who is permitted to be present at a meeting of the committee, to take part in the consideration or discussion of the matter and to vote on the matter under clause 4.31, must still disclose the interest they have in the matter in accordance with clause 4.25.

4.33. Note: For the purpose of clauses 4.25 to 4.32, a "council committee member" includes a member of staff of council who is a member of a council committee.

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PART 5 NON-PECUNIARY CONFLICTS OF INTEREST

What is a non-pecuniary conflict of interest?

5.1. Non-pecuniary interests are private or personal interests a council official has that do not amount to a pecuniary interest as defined in clause 4.1 of this code. These commonly arise out of family or personal relationships, or out of involvement in sporting, social, religious or other cultural groups and associations, and may include an interest of a financial nature.

5.2. A non-pecuniary conflict of interest exists where a reasonable and informed person would perceive that you could be influenced by a private interest when carrying out your official functions in relation to a matter.

5.3. The personal or political views of a council official do not constitute a private interest for the purposes of clause 5.2.

5.4. Non-pecuniary conflicts of interest must be identified and appropriately managed to uphold community confidence in the probity of council decision-making. The onus is on you to identify any non-pecuniary conflict of interest you may have in matters that you deal with, to disclose the interest fully and in writing, and to take appropriate action to manage the conflict in accordance with this code.

5.5. When considering whether or not you have a non-pecuniary conflict of interest in a matter you are dealing with, it is always important to think about how others would view your situation.

Managing non-pecuniary conflicts of interest

5.6. Where you have a non-pecuniary conflict of interest in a matter for the purposes of clause 5.2, you must disclose the relevant private interest you have in relation to the matter fully and in writing as soon as practicable after becoming aware of the non-pecuniary conflict of interest and on each occasion on which the non-pecuniary conflict of interest arises in relation to the matter. In the case of members of council staff other than the general manager, such a disclosure is to be made to the staff member's manager. In the case of the general manager, such a disclosure is to be made to the mayor.

5.7. If a disclosure is made at a committee meeting, both the disclosure and the nature of the interest must be recorded in the minutes on each occasion on which the non-pecuniary conflict of interest arises. This disclosure constitutes disclosure in writing for the purposes of clause 5.6.

5.8. How you manage a non-pecuniary conflict of interest will depend on whether or not it is significant.

5.9. As a general rule, a non-pecuniary conflict of interest will be significant where it does not involve a pecuniary interest for the purposes of clause 4.1, but it involves:

(a) a relationship between a council official and another person who is affected by a decision or a matter under consideration that is particularly close, such as a current or former spouse or de facto partner, a relative for the purposes of clause 4.4 or another person from the council official's extended family that the council official has a close personal relationship with, or another person living in the same household

(b) other relationships with persons who are affected by a decision or a matter under consideration that are particularly close, such as friendships and business relationships. Closeness is defined by the nature of the friendship or business relationship, the frequency of contact and the duration of the friendship or relationship.

(c) an affiliation between the council official and an organisation (such as a sporting body, club, religious, cultural or charitable organisation, corporation or association) that is affected by a decision or a matter under consideration that is particularly strong. The strength of a council official's affiliation with an organisation is to be determined by the extent to which they actively participate in the management, administration or other activities of the organisation.

(d) membership, as the council's representative, of the board or management committee of an organisation that is affected by a decision or a matter under consideration, in circumstances where the interests of the council and the organisation are potentially in conflict in relation to the particular matter

(e) a financial interest (other than an interest of a type referred to in clause 4.6) that is not a pecuniary interest for the purposes of clause 4.1

(f) the conferral or loss of a personal benefit other than one conferred or lost as a member of the community or a broader class of people affected by a decision.

5.10. Significant non-pecuniary conflicts of interest must be managed in one of two ways:

(a) by not participating in consideration of, or decision making in relation to, the matter in which you have the significant non-pecuniary conflict of interest and the matter being allocated to another person for consideration or determination, or

(b) if the significant non-pecuniary conflict of interest arises in relation to a matter under consideration at a committee meeting, by managing the conflict of interest as if you had a pecuniary interest in the matter by complying with clauses 4.25 and 4.26.

5.11. If you determine that you have a non-pecuniary conflict of interest in a matter that is not significant and does not require further action, when disclosing the interest you must also explain in writing why you consider that the non-pecuniary conflict of interest is not significant and does not require further action in the circumstances.

5.12. If you are a member of staff of council other than the general manager, the decision on which option should be taken to manage a non-pecuniary conflict of interest must be made in consultation with and at the direction of your manager. In the case of the general

manager, the decision on which option should be taken to manage a non-pecuniary conflict of interest must be made in consultation with and at the direction of the mayor.

Loss of quorum as a result of compliance with this Part

5.13. The Minister for Local Government may, conditionally or unconditionally, allow a council committee member who is precluded under this Part from participating in the consideration of a matter to be present at a meeting of the committee, to take part in the consideration or discussion of the matter and to vote on the matter if the Minister is of the opinion that it is in the interests of the electors for the area to do so.

5.14. Where the Minister exempts a committee member from complying with a requirement under this Part under clause 5.13, the committee member must still disclose any interests they have in the matter the exemption applies to, in accordance with clause 5.6.

Note: For the purpose of clauses 5.13 and 5.14, a "council committee member" includes a member of staff of council who is a member of a council committee.

Other business or employment

5.15. The general manager must not engage, for remuneration, in private employment, contract work or other business outside the service of the council without the approval of the council.

5.16. A member of staff must not engage, for remuneration, in private employment, contract work or other business outside the service of the council that relates to the business of the council or that might conflict with the staff member's council duties unless they have notified the general manager in writing of the employment, work or business and the general manager has given their written approval for the staff member to engage in the employment, work or business.

5.17. The general manager may at any time prohibit a member of staff from engaging, for remuneration, in private employment, contract work or other business outside the service of the council that relates to the business of the council, or that might conflict with the staff member's council duties.

5.18. A member of staff must not engage, for remuneration, in private employment, contract work or other business outside the service of the council if prohibited from doing so.

5.19. Members of staff must ensure that any outside employment, work or business they engage in will not:

(a) conflict with their official duties

(b) involve using confidential information or council resources obtained through their work with the council including where private use is permitted

(c) require them to work while on council duty

(d) discredit or disadvantage the council

(e) pose, due to fatigue, a risk to their health or safety, or to the health and safety of their co-workers.

Personal dealings with council

5.20. You may have reason to deal with your council in your personal capacity (for example, as a ratepayer, recipient of a council service or applicant for a development consent granted by council). You must not expect or request preferential treatment in relation to any matter in which you have a private interest because of your position. You must avoid any action that could lead members of the public to believe that you are seeking preferential treatment.

5.21. You must undertake any personal dealings you have with the council in a manner that is consistent with the way other members of the community deal with the council. You must also ensure that you disclose and appropriately manage any conflict of interest you may have in any matter in accordance with the requirements of this code.

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PART 6 PERSONAL BENEFIT

6.1 For the purposes of this Part, a gift or a benefit is something offered to or received by a council official or someone personally associated with them for their personal use and enjoyment.

6.2 A reference to a gift or benefit in this Part does not include:

(a) Items with a value of $10 or less

(b) a political donation for the purposes of the *Electoral Funding Act 2018*

(c) a gift provided to the council as part of a cultural exchange or sister-city relationship that is not converted for the personal use or enjoyment of any individual council official or someone personally associated with them

(d) a benefit or facility provided by the council to an employee or councillor

(e) attendance by a council official at a work-related event or function for the purposes of performing their official duties, or

(f) free or subsidised meals, beverages or refreshments provided to council officials in conjunction with the performance of their official duties such as, but not limited to:

i. the discussion of official business

ii. work-related events such as council-sponsored or community events, training, education sessions or workshops

iii. conferences

iv. council functions or events

v. social functions organised by groups, such as council committees and community organisations.

Gifts and benefits

6.3 You must avoid situations that would give rise to the appearance that a person or body is attempting to secure favourable treatment from you or from the council, through the provision of gifts, benefits or hospitality of any kind to you or someone personally associated with you.

6.4 A gift or benefit is deemed to have been accepted by you for the purposes of this Part, where it is received by you or someone personally associated with you.

How are offers of gifts and benefits to be dealt with?

6.5 You must not:

(a) seek or accept a bribe or other improper inducement

(b) seek gifts or benefits of any kind

(c) accept any gift or benefit that may create a sense of obligation on your part, or may be perceived to be intended or likely to influence you in carrying out your public duty

(d) subject to clause 6.7, accept any gift or benefit of more than token value as defined by clause 6.9

(e) accept an offer of cash or a cash-like gift as defined by clause 6.13, regardless of the amount

(f) participate in competitions for prizes where eligibility is based on the council being in or entering into a customer–supplier relationship with the competition organiser

(g) personally benefit from reward points programs when purchasing on behalf of the council.

6.6 Where you receive a gift or benefit of any value other than one referred to in clause 6.2, you must disclose this promptly to your manager or the general manager in writing. The recipient, manager, or general manager must ensure that, at a minimum, the following details are recorded in the council's gift register:

(a) the nature of the gift or benefit

(b) the estimated monetary value of the gift or benefit

(c) the name of the person who provided the gift or benefit, and

(d) the date on which the gift or benefit was received.

6.7 Where you receive a gift or benefit of more than token value that cannot reasonably be refused or returned, the gift or benefit must be surrendered to the council, unless the nature of the gift or benefit makes this impractical.

Gifts and benefits of token value

6.8 You may accept gifts and benefits of token value. Gifts and benefits of token value are one or more gifts or benefits received from a person or organisation over a 12-month period that, when aggregated, do not exceed a value of $100. They include, but are not limited to:

(a) invitations to and attendance at local social, cultural or sporting events with a ticket value that does not exceed $100

(b) gifts of alcohol that do not exceed a value of $100

(c) ties, scarves, coasters, tie pins, diaries, chocolates or flowers or the like

(d) prizes or awards that do not exceed $100 in value.

Gifts and benefits of more than token value

6.9 Gifts or benefits that exceed $100 in value are gifts or benefits of more than token value for the purposes of clause 6.5(d) and, subject to clause 6.7, must not be accepted.

6.10 Gifts and benefits of more than token value include, but are not limited to, tickets to major sporting events (such as international matches or matches in national sporting codes) with

a ticket value that exceeds $100, corporate hospitality at a corporate facility at major sporting events, free or discounted products or services for personal use provided on terms that are not available to the general public or a broad class of persons, the use of holiday homes, artworks, free or discounted travel.

6.11 Where you have accepted a gift or benefit of token value from a person or organisation, you must not accept a further gift or benefit from the same person or organisation or another person associated with that person or organisation within a single 12-month period where the value of the gift, added to the value of earlier gifts received from the same person or organisation, or a person associated with that person or organisation, during the same 12-month period would exceed $100 in value.

6.12 For the purposes of this Part, the value of a gift or benefit is the monetary value of the gift or benefit inclusive of GST.

"Cash-like gifts"

6.13 For the purposes of clause 6.5(e), "cash-like gifts" include but are not limited to, gift vouchers, credit cards, debit cards with credit on them, prepayments such as phone or internet credit, lottery tickets, memberships or entitlements to discounts that are not available to the general public or a broad class of persons.

Improper and undue influence

6.14 You must not use your position to influence other council officials in the performance of their official functions to obtain a private benefit for yourself or for somebody else.

6.15 You must not take advantage (or seek to take advantage) of your status or position with council, or of functions you perform for council, in order to obtain a private benefit for yourself or for any other person or body.

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PART 7 RELATIONSHIPS BETWEEN COUNCIL OFFICIALS

Obligations of councillors and administrators

7.1 Each council is a body politic. The councillors or administrator/s are the governing body of the council. Under section 223 of the LGA, the role of the governing body of the council includes the development and endorsement of the strategic plans, programs, strategies and policies of the council, including those relating to workforce policy, and to keep the performance of the council under review.

7.2 Councillors or administrators must not:

(a) direct council staff other than by giving appropriate direction to the general manager by way of council or committee resolution, or by the mayor or administrator exercising their functions under section 226 of the LGA

(b) in any public or private forum, direct or influence, or attempt to direct or influence, any other member of the staff of the council in the exercise of the functions of the staff member

(c) contact a member of the staff of the council on council-related business unless in accordance with the policy and procedures governing the interaction of councillors and council staff that have been authorised by the council and the general manager.

Obligations of staff

7.3 Under section 335 of the LGA, the role of the general manager includes conducting the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies of the council, implementing without undue delay, lawful decisions of the council and ensuring that the mayor and other councillors are given timely information and advice and the administrative and professional support necessary to effectively discharge their official functions.

7.4 Members of staff of council must:

(a) give their attention to the business of the council while on duty

(b) ensure that their work is carried out ethically, efficiently, economically and effectively

(c) carry out reasonable and lawful directions given by any person having authority to give such directions

(d) give effect to the lawful decisions, policies and procedures of the council, whether or not the staff member agrees with or approves of them

(e) ensure that any participation in political activities outside the service of the council does not interfere with the performance of their official duties.

Inappropriate interactions

7.5 You must not engage in any of the following inappropriate interactions:

(a) councillors and administrators approaching staff and staff organisations to discuss individual or operational staff matters (other than matters relating to broader workforce policy), grievances, workplace investigations and disciplinary matters

(b) council staff approaching councillors and administrators to discuss individual or operational staff matters (other than matters relating to broader workforce policy), grievances, workplace investigations and disciplinary matters

(c) subject to clause 8.6, council staff refusing to give information that is available to other councillors to a particular councillor

(d) councillors and administrators who have lodged an application with the council, discussing the matter with council staff in staff-only areas of the council

(e) councillors and administrators being overbearing or threatening to council staff

(f) council staff being overbearing or threatening to councillors or administrators

(g) councillors and administrators making personal attacks on council staff or engaging in conduct towards staff that would be contrary to the general conduct provisions in Part 3 of this code in public forums including social media

(h) councillors and administrators directing or pressuring council staff in the performance of their work, or recommendations they should make

(i) council staff providing ad hoc advice to councillors and administrators without recording or documenting the interaction as they would if the advice was provided to a member of the community

(j) council staff meeting with applicants or objectors alone AND outside office hours to discuss planning applications or proposals

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PART 8 ACCESS TO INFORMATION AND COUNCIL RESOURCES

Councillor and administrator access to information

8.1 The general manager is responsible for ensuring that councillors and administrators can access information necessary for the performance of their official functions. The general manager and public officer are also responsible for ensuring that members of the public can access publicly available council information under the *Government Information (Public Access) Act 2009* (the GIPA Act).

8.2 The general manager must provide councillors and administrators with the information necessary to effectively discharge their official functions.

8.3 Members of staff of council must provide full and timely information to councillors and administrators sufficient to enable them to exercise their official functions and in accordance with council procedures.

8.4 Members of staff of council who provide any information to a particular councillor in the performance of their official functions must also make it available to any other councillor who requests it and in accordance with council procedures.

8.5 Councillors and administrators who have a private interest only in council information have the same rights of access as any member of the public.

8.6 Despite clause 8.4, councillors and administrators who are precluded from participating in the consideration of a matter under this code because they have a conflict of interest in the matter, are not entitled to request access to council information in relation to the matter unless the information is otherwise available to members of the public, or the council has determined to make the information available under the GIPA Act.

Refusal of access to information

8.7 Where the general manager or public officer determine to refuse access to information requested by a councillor or administrator, they must act reasonably. In reaching this decision they must take into account whether or not the information requested is necessary for the councillor or administrator to perform their official functions (see clause 8.2) and whether they have disclosed a conflict of interest in the matter the information relates to that would preclude their participation in consideration of the matter (see clause 8.6). The general manager or public officer must state the reasons for the decision if access is refused.

Use of certain council information

8.8 In regard to information obtained in your capacity as a council official, you must:

(a) subject to clause 8.13, only access council information needed for council business

(b) not use that council information for private purposes

(c) not seek or obtain, either directly or indirectly, any financial benefit or other improper advantage for yourself, or any other person or body, from any information to which you have access by virtue of your position with council

(d) only release council information in accordance with established council policies and procedures and in compliance with relevant legislation.

Use and security of confidential information

8.9 You must maintain the integrity and security of confidential information in your possession, or for which you are responsible.

8.10 In addition to your general obligations relating to the use of council information, you must:

(a) only access confidential information that you have been authorised to access and only do so for the purposes of exercising your official functions

(b) protect confidential information

(c) only release confidential information if you have authority to do so

(d) only use confidential information for the purpose for which it is intended to be used

(e) not use confidential information gained through your official position for the purpose of securing a private benefit for yourself or for any other person

(f) not use confidential information with the intention to cause harm or detriment to the council or any other person or body

(g) not disclose any confidential information discussed during a confidential session of a council or committee meeting or any other confidential forum (such as, but not limited to, workshops or briefing sessions).

Personal information

8.11 When dealing with personal information you must comply with:

(a) the *Privacy and Personal Information Protection Act 1998*

(b) the *Health Records and Information Privacy Act 2002*

(c) the Information Protection Principles and Health Privacy Principles

(d) the council's privacy management plan

(e) the Privacy Code of Practice for Local Government

Use of council resources

8.12 You must use council resources ethically, effectively, efficiently and carefully in exercising your official functions, and must not use them for private purposes, except when supplied as part of a contract of employment (but not for private business purposes), unless this use is lawfully authorised and proper payment is made where appropriate.

8.13 Union delegates and consultative committee members may have reasonable access to council resources and information for the purposes of carrying out their industrial responsibilities, including but not limited to:

(a) the representation of members with respect to disciplinary matters

(b) the representation of employees with respect to grievances and disputes

(c) functions associated with the role of the local consultative committee.

8.14 You must be scrupulous in your use of council property, including intellectual property, official services, facilities, technology and electronic devices and must not permit their misuse by any other person or body.

8.15 You must avoid any action or situation that could create the appearance that council property, official services or public facilities are being improperly used for your benefit or the benefit of any other person or body.

8.16 You must not use council resources (including council staff), property or facilities for the purpose of assisting your election campaign or the election campaigns of others unless the resources, property or facilities are otherwise available for use or hire by the public and any publicly advertised fee is paid for use of the resources, property or facility.

8.17 You must not use the council letterhead, council crests, council email or social media or other information that could give the appearance it is official council material:

(a) for the purpose of assisting your election campaign or the election campaign of others, or

(b) for other non-official purposes.

8.18 You must not convert any property of the council to your own use unless properly authorised.

Internet access

8.19 You must not use council's computer resources or mobile or other devices to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature, or that could otherwise lead to criminal penalty or civil liability and/or damage the council's reputation.

Council record keeping

8.20 You must comply with the requirements of the *State Records Act 1998* and the council's records management policy.

8.21 All information created, sent and received in your official capacity is a council record and must be managed in accordance with the requirements of the *State Records Act 1998* and the council's approved records management policies and practices.

8.22 All information stored in either soft or hard copy on council supplied resources (including technology devices and email accounts) is deemed to be related to the business of the council and will be treated as council records, regardless of whether the original intention was to create the information for personal purposes.

8.23 You must not destroy, alter, or dispose of council information or records, unless authorised to do so. If you need to alter or dispose of council information or records, you must do so in consultation with the council's records manager and comply with the requirements of the *State Records Act 1998*.

Councillor access to council buildings

8.24 Councillors and administrators must not enter staff-only areas of council buildings without the approval of the general manager (or their delegate) or as provided for in the procedures governing the interaction of councillors and council staff.

8.25 Councillors and administrators must ensure that when they are within a staff only area they refrain from conduct that could be perceived to improperly influence council staff decisions.

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PART 9 MAINTAINING THE INTEGRITY OF THIS CODE

Complaints made for an improper purpose

9.1 You must not make or threaten to make a complaint or cause a complaint to be made alleging a breach of this code for an improper purpose.

9.2 For the purposes of clause 9.1, a complaint is made for an improper purpose where it is trivial, frivolous, vexatious or not made in good faith, or where it otherwise lacks merit and has been made substantially for one or more of the following purposes:

(a) to bully, intimidate or harass another council official

(b) to damage another council official's reputation

(c) to obtain a political advantage

(d) to influence a council official in the exercise of their official functions or to prevent or disrupt the exercise of those functions

(e) to influence the council in the exercise of its functions or to prevent or disrupt the exercise of those functions

(f) to avoid disciplinary action under the Procedures

(g) to take reprisal action against a person for making a complaint alleging a breach of this code

(h) to take reprisal action against a person for exercising a function prescribed under the Procedures

(i) to prevent or disrupt the effective administration of this code under the Procedures.

Detrimental action

9.3 You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for a complaint they have made alleging a breach of this code.

9.4 You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for any function they have exercised under the Procedures.

9.5 For the purposes of clauses 9.3 and 9.4, a detrimental action is an action causing, comprising or involving any of the following:

(a) injury, damage or loss

(b) intimidation or harassment

(c) discrimination, disadvantage or adverse treatment in relation to employment

(d) dismissal from, or prejudice in, employment

(e) disciplinary proceedings.

Compliance with requirements under the Procedures

9.6 You must not engage in conduct that is calculated to impede or disrupt the consideration of a matter under the Procedures.

9.7 You must comply with a reasonable and lawful request made by a person exercising a function under the Procedures. A failure to make a written or oral submission invited under the Procedures will not constitute a breach of this clause.

9.8 You must comply with a practice ruling made by the Office under the Procedures.

Disclosure of information about the consideration of a matter under the Procedures

9.9 All allegations of breaches of this code must be dealt with under and in accordance with the Procedures.

9.10 You must not allege breaches of this code other than by way of a complaint made or initiated under the Procedures.

9.11 You must not make allegations about, or disclose information about, suspected breaches of this code at council, committee or other meetings, whether open to the public or not, or in any other forum, whether public or not.

9.12 You must not disclose information about a complaint you have made alleging a breach of this code or any other matter being considered under the Procedures except for the purposes of seeking legal advice, unless the disclosure is otherwise permitted under the Procedures.

9.13 Nothing under this Part prevents a person from making a public interest disclosure to an appropriate public authority or investigative authority under the *Public Interest Disclosures Act 1994.*

Complaints alleging a breach of this Part

9.14 Complaints alleging a breach of this Part by the general manager are to be managed by the Office. This clause does not prevent the Office from referring an alleged breach of this Part back to the council for consideration in accordance with the Procedures.

9.15 Complaints alleging a breach of this Part by other council officials are to be managed by the general manager in accordance with the Procedures.

SCHEDULE 1: DISCLOSURES OF INTERESTS AND OTHER MATTERS IN WRITTEN RETURNS SUBMITTED UNDER CLAUSE 4.18

Part 1: Preliminary

Definitions

1. For the purposes of the schedules to this code, the following definitions apply:

address means:

(a) in relation to a person other than a corporation, the last residential or business address of the person known to the councillor or designated person disclosing the address, or

(b) in relation to a corporation, the address of the registered office of the corporation in New South Wales or, if there is no such office, the address of the principal office of the corporation in the place where it is registered, or

(c) in relation to any real property, the street address of the property.

de facto partner has the same meaning as defined in section 21C of the *Interpretation Act 1987*.

disposition of property means a conveyance, transfer, assignment, settlement, delivery, payment or other alienation of property, including the following:

(a) the allotment of shares in a company

(b) the creation of a trust in respect of property

(c) the grant or creation of a lease, mortgage, charge, easement, licence, power, partnership or interest in respect of property

(d) the release, discharge, surrender, forfeiture or abandonment, at law or in equity, of a debt, contract or chose in action, or of an interest in respect of property

(e) the exercise by a person of a general power of appointment over property in favour of another person

(f) a transaction entered into by a person who intends by the transaction to diminish, directly or indirectly, the value of the person's own property and to increase the value of the property of another person.

gift means a disposition of property made otherwise than by will (whether or not by instrument in writing) without consideration, or with inadequate consideration, in money or money's worth passing from the person to whom the disposition was made to the person who made the disposition, but does not include a financial or other contribution to travel.

interest means:

(a) in relation to property, an estate, interest, right or power, at law or in equity, in or over the property, or

(b) in relation to a corporation, a relevant interest (within the meaning of section 9 of the *Corporations Act 2001* of the Commonwealth) in securities issued or made available by the corporation.

listed company means a company that is listed within the meaning of section 9 of the *Corporations Act 2001* of the Commonwealth.

occupation includes trade, profession and vocation.

professional or business association means an incorporated or unincorporated body or organisation having as one of its objects or activities the promotion of the economic interests of its members in any occupation.

property includes money.

return date means:

(a) in the case of a return made under clause 4.18(a), the date on which a person became a councillor or designated person

(b) in the case of a return made under clause 4.18(b), 30 June of the year in which the return is made

(c) in the case of a return made under clause 4.18(c), the date on which the councillor or designated person became aware of the interest to be disclosed.

relative includes any of the following:

(a) a person's spouse or de facto partner

(b) a person's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

(c) a person's spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

(d) the spouse or de factor partner of a person referred to in paragraphs (b) and (c).

travel includes accommodation incidental to a journey.

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Matters relating to the interests that must be included in returns

2. Interests etc. outside New South Wales: A reference in this schedule or in schedule 2 to a disclosure concerning a corporation or other thing includes any reference to a disclosure concerning a corporation registered, or other thing arising or received, outside New South Wales.

3. References to interests in real property: A reference in this schedule or in schedule 2 to real property in which a councillor or designated person has an interest includes a reference to any real property situated in Australia in which the designated person has an interest.

4. Gifts, loans etc. from related corporations: For the purposes of this schedule and schedule 2, gifts or contributions to travel given, loans made, or goods or services supplied, to a designated person by two or more corporations that are related to each other for the purposes of section 50 of the *Corporations Act 2001* of the Commonwealth are all given, made or supplied by a single corporation.

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Part 2: Pecuniary interests to be disclosed in returns

Real property

5. A person making a return under clause 4.18 of this code must disclose:

   (a) the street address of each parcel of real property in which they had an interest on the return date, and

   (b) the street address of each parcel of real property in which they had an interest in the period since 30 June of the previous financial year, and

   (c) the nature of the interest.

6. An interest in a parcel of real property need not be disclosed in a return if the person making the return had the interest only:

   (a) as executor of the will, or administrator of the estate, of a deceased person and not as a beneficiary under the will or intestacy, or

   (b) as a trustee, if the interest was acquired in the ordinary course of an occupation not related to their duties as the holder of a position required to make a return.

7. An interest in a parcel of real property need not be disclosed in a return if the person ceased to hold the interest prior to becoming a councillor or designated person.

8. For the purposes of clause 5 of this schedule, "interest" includes an option to purchase.

Gifts

9. A person making a return under clause 4.18 of this code must disclose:

   (a) a description of each gift received in the period since 30 June of the previous financial year, and

   (b) the name and address of the donor of each of the gifts.

10. A gift need not be included in a return if:

   (a) it did not exceed $500, unless it was among gifts totalling more than $500 made by the same person during a period of 12 months or less, or

   (b) it was a political donation disclosed, or required to be disclosed, under Part 3 of the *Electoral Funding Act 2018*, or

   (c) the donor was a relative of the donee, or

   (d) subject to paragraph (a), it was received prior to the person becoming a councillor or designated person.

11. For the purposes of clause 10 of this schedule, the amount of a gift other than money is an amount equal to the value of the property given.

Contributions to travel

12. A person making a return under clause 4.18 of this code must disclose:

(a) the name and address of each person who made any financial or other contribution to the expenses of any travel undertaken by the person in the period since 30 June of the previous financial year, and

(b) the dates on which the travel was undertaken, and

(c) the names of the states and territories, and of the overseas countries, in which the travel was undertaken.

13. A financial or other contribution to any travel need not be disclosed under this clause if it:

(a) was made from public funds (including a contribution arising from travel on free passes issued under an Act or from travel in government or council vehicles), or

(b) was made by a relative of the traveller, or

(c) was made in the ordinary course of an occupation of the traveller that is not related to their functions as the holder of a position requiring the making of a return, or

(d) did not exceed $250, unless it was among gifts totalling more than $250 made by the same person during a 12-month period or less, or

(e) was a political donation disclosed, or required to be disclosed, under Part 3 of the *Electoral Funding Act 2018*, or

(f) was made by a political party of which the traveller was a member and the travel was undertaken for the purpose of political activity of the party in New South Wales, or to enable the traveller to represent the party within Australia, or

(g) subject to paragraph (d) it was received prior to the person becoming a councillor or designated person.

14. For the purposes of clause 13 of this schedule, the amount of a contribution (other than a financial contribution) is an amount equal to the value of the contribution.

Interests and positions in corporations

15. A person making a return under clause 4.18 of this code must disclose:

(a) the name and address of each corporation in which they had an interest or held a position (whether remunerated or not) on the return date, and

(b) the name and address of each corporation in which they had an interest or held a position in the period since 30 June of the previous financial year, and

(c) the nature of the interest, or the position held, in each of the corporations, and

(d) a description of the principal objects (if any) of each of the corporations, except in the case of a listed company.

16. An interest in, or a position held in, a corporation need not be disclosed if the corporation is:

(a) formed for the purpose of providing recreation or amusement, or for promoting commerce, industry, art, science, religion or charity, or for any other community purpose, and

(b) required to apply its profits or other income in promoting its objects, and

(c) prohibited from paying any dividend to its members.

17. An interest in a corporation need not be disclosed if the interest is a beneficial interest in shares in a company that does not exceed 10 per cent of the voting rights in the company.

18. An interest or a position in a corporation need not be disclosed if the person ceased to hold the interest or position prior to becoming a councillor or designated person.

Interests as a property developer or a close associate of a property developer

19. A person making a return under clause 4.18 of this code must disclose whether they were a property developer, or a close associate of a corporation that, or an individual who, is a property developer, on the return date.

20. For the purposes of clause 19 of this schedule:

close associate, in relation to a corporation or an individual, has the same meaning as it has in section 53 of the *Electoral Funding Act 2018*.

property developer has the same meaning as it has in Division 7 of Part 3 of the *Electoral Funding Act 2018*.

Positions in trade unions and professional or business associations

21. A person making a return under clause 4.18 of the code must disclose:

(a) the name of each trade union, and of each professional or business association, in which they held any position (whether remunerated or not) on the return date, and

(b) the name of each trade union, and of each professional or business association, in which they have held any position (whether remunerated or not) in the period since 30 June of the previous financial year, and

(c) a description of the position held in each of the unions and associations.

22. A position held in a trade union or a professional or business association need not be disclosed if the person ceased to hold the position prior to becoming a councillor or designated person.

Dispositions of real property

23. A person making a return under clause 4.18 of this code must disclose particulars of each disposition of real property by the person (including the street address of the affected property) in the period since 30 June of the previous financial year, under which they wholly or partly retained the use and benefit of the property or the right to re-acquire the property.

24. A person making a return under clause 4.18 of this code must disclose particulars of each disposition of real property to another person (including the street address of the affected property) in the period since 30 June of the previous financial year, that is made under arrangements with, but is not made by, the person making the return, being a disposition under which the person making the return obtained wholly or partly the use of the property.

25. A disposition of real property need not be disclosed if it was made prior to a person becoming a designated person.

Sources of income

26. A person making a return under clause 4.18 of this code must disclose:

(a) each source of income that the person reasonably expects to receive in the period commencing on the first day after the return date and ending on the following 30 June, and

(b) each source of income received by the person in the period since 30 June of the previous financial year.

27. A reference in clause 26 of this schedule to each source of income received, or reasonably expected to be received, by a person is a reference to:

(a) in relation to income from an occupation of the person:

i. a description of the occupation, and

ii. if the person is employed or the holder of an office, the name and address of their employer, or a description of the office, and

iii. if the person has entered into a partnership with other persons, the name (if any) under which the partnership is conducted, or

(b) in relation to income from a trust, the name and address of the settlor and the trustee, or

(c) in relation to any other income, a description sufficient to identify the person from whom, or the circumstances in which, the income was, or is reasonably expected to be, received.

28. The source of any income need not be disclosed by a person in a return if the amount of the income received, or reasonably expected to be received, by the person from that source did not exceed $500, or is not reasonably expected to exceed $500, as the case may be.

29. The source of any income received by the person that they ceased to receive prior to becoming a designated person need not be disclosed.

Debts

30. A person making a return under clause 4.18 of this code must disclose the name and address of each person to whom the person was liable to pay any debt:

(a) on the return date, and

(b) at any time in the period since 30 June of the previous financial year.

31. A liability to pay a debt must be disclosed by a person in a return made under clause 4.18 whether or not the amount, or any part of the amount, to be paid was due and payable on the return date or at any time in the period since 30 June of the previous financial year, as the case may be.

32. A liability to pay a debt need not be disclosed by a person in a return if:

(a) the amount to be paid did not exceed $500 on the return date or in the period since 30 June of the previous financial year, as the case may be, unless:

i. the debt was one of two or more debts that the person was liable to pay to one person on the return date, or at any time in the period since 30 June of the previous financial year, as the case may be, and

ii. the amounts to be paid exceeded, in the aggregate, $500, or

(b) the person was liable to pay the debt to a relative, or

(c) in the case of a debt arising from a loan of money the person was liable to pay the debt to an authorised deposit-taking institution or other person whose ordinary business includes the lending of money, and the loan was made in the ordinary course of business of the lender, or

(d) in the case of a debt arising from the supply of goods or services:

i. the goods or services were supplied in the period of 12 months immediately preceding the return date, or were supplied in the period since 30 June of the previous financial year, as the case may be, or

ii. the goods or services were supplied in the ordinary course of any occupation of the person that is not related to their duties as the holder of a position required to make a return, or

(e) subject to paragraph (a), the debt was discharged prior to the person becoming a designated person.

Discretionary disclosures

33. A person may voluntarily disclose in a return any interest, benefit, advantage or liability, whether pecuniary or not, that is not required to be disclosed under another provision of this schedule.

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SCHEDULE 2: FORM OF WRITTEN RETURN OF INTERESTS SUBMITTED UNDER CLAUSE 4.18

'Disclosures by councillors and designated persons' return

1. The pecuniary interests and other matters to be disclosed in this return are prescribed by schedule 1 of the Model Code of Conduct for Local Councils in NSW.

2. If this is the first return you have been required to lodge with the general manager after becoming a councillor or designated person, do not complete Parts C, D and I of the return. All other parts of the return should be completed with appropriate information based on your circumstances at the return date, that is, the date on which you became a councillor or designated person.

3. If you have previously lodged a return with the general manager and you are completing this return for the purposes of disclosing a new interest that was not disclosed in the last return you lodged with the general manager, you must complete all parts of the return with appropriate information for the period from 30 June of the previous financial year or the date on which you became a designated person (whichever is the later date) to the return date which is the date you became aware of the new interest to be disclosed in your updated return.

4. If you have previously lodged a return with the general manager and are submitting a new return for the new financial year, you must complete all parts of the return with appropriate information for the 12-month period commencing on 30 June of the previous year to 30 June this year.

5. This form must be completed using block letters or typed.

6. If there is insufficient space for all the information you are required to disclose, you must attach an appendix which is to be properly identified and signed by you.

7. If there are no pecuniary interests or other matters of the kind required to be disclosed under a heading in this form, the word "NIL" is to be placed in an appropriate space under that heading.

Important information

This information is being collected for the purpose of complying with clause 4.18 of the Code of Conduct.

You must not lodge a return that you know or ought reasonably to know is false or misleading in a material particular (see clause 4.20 of the Code of Conduct). Complaints about breaches of these requirements are to be referred to the Office of Local Government and may result in disciplinary action by the council, the Chief Executive of the Office of Local Government or the NSW Civil and Administrative Tribunal.

The information collected on this form will be kept by the general manager in a register of returns. The general manager is required to table all returns at a council meeting.

Information contained in returns made and lodged under clause 4.18 is to be made publicly available in accordance with the requirements of the *Government Information (Public Access) Act 2009*, the *Government Information (Public Access) Regulation 2009* and any guidelines issued by the Information Commissioner.

You have an obligation to keep the information contained in this return up to date. If you become aware of a new interest that must be disclosed in this return, or an interest that you have previously failed to disclose, you must submit an updated return within three months of becoming aware of the previously undisclosed interest.

Disclosure of pecuniary interests and other matters by [full name of designated person]

as at [return date]

in respect of the period from [date] to [date]

[designated person's signature]
[date]

A. Real Property

Street address of each parcel of real property in which I had an interest at the return date/at any time since 30 June	Nature of interest

B. Sources of income

1 Sources of income I reasonably expect to receive from an occupation in the period commencing on the first day after the return date and ending on the following 30 June

Sources of income I received from an occupation at any time since 30 June

Description of occupation	Name and address of employer or description of office held (if applicable)	Name under which partnership conducted (if applicable)

2 Sources of income I reasonably expect to receive from a trust in the period commencing on the first day after the return date and ending on the following 30 June

Sources of income I received from a trust since 30 June

Name and address of settlor	Name and address of trustee

3 Sources of other income I reasonably expect to receive in the period commencing on the first day after the return date and ending on the following 30 June Sources of other income I received at any time since 30 June [Include description sufficient to identify the person from whom, or the circumstances in which, that income was received]

C. Gifts	
Description of each gift I received at any time since 30 June	Name and address of donor

D. Contributions to travel		
Name and address of each person who made any financial or other contribution to any travel undertaken by me at any time since 30 June	Dates on which travel was undertaken	Name of States, Territories of the Commonwealth and overseas countries in which travel was undertaken

E. Interests and positions in corporations			
Name and address of each corporation in which I had an interest or held a position at the return date/at any time since 30 June	Nature of interest (if any)	Description of position (if any)	Description of principal objects (if any) of corporation (except in case of listed company)

F. Were you a property developer or a close associate of a property developer on the return date? (Y/N)

G. Positions in trade unions and professional or business associations	
Name of each trade union and each professional or business association in which I held any position (whether remunerated or not) at the return date/at any time since 30 June	Description of position

H. Debts
Name and address of each person to whom I was liable to pay any debt at the return date/at any time since 30 June

I. Dispositions of property
1 Particulars of each disposition of real property by me (including the street address of the affected property) at any time since 30 June as a result of which I retained, either wholly or in part, the use and benefit of the property or the right to re-acquire the property at a later time
2 Particulars of each disposition of property to a person by any other person under arrangements made by me (including the street address of the affected property),

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being dispositions made at any time since 30 June, as a result of which I obtained, either wholly or in part, the use and benefit of the property

J. Discretionary disclosures

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Code of Conduct for Council Committee Members and Other Council Officials

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Policy Owner	Manager Internal Ombudsman, Governance and Civic
Approved by	Council
Date Approved	18 June 2019
Commencement date	19 June 2019
TRIM Reference	A18/0585
Next revision date	March 2021
Relevant legislation/codes	• *Local Government Act 1993* • Model Code of Conduct for Local Councils in NSW • Procedures for the Administration of the Model Code of Council for Local Councils in NSW
Related policies/procedures/ guidelines	• Code of Conduct for Council Staff • Code of Conduct for Councillors • Procedures for the Administration of the Code of Conduct
Related forms	Designated Persons Returns Form

DRAFT

TABLE OF CONTENTS

PART 1 INTRODUCTION 5

PART 2 DEFINITIONS 6

PART 3 GENERAL CONDUCT OBLIGATIONS 8

General conduct 8
Fairness and equity 8
Harassment and discrimination 8
Bullying 9
Work health and safety 9
Land use planning, development assessment and other regulatory functions 10
Obligations in relation to meetings 10

PART 4 PECUNIARY INTERESTS 11

What is a pecuniary interest? 11
What interests do not have to be disclosed? 12
What disclosures must be made by a designated person? 13
What disclosures must be made by council advisers? 13
What disclosures must be made by a council committee member? 14
Disclosure of interests in written returns 14
Disclosure of pecuniary interests at meetings 15

PART 5 NON-PECUNIARY CONFLICTS OF INTEREST 17

What is a non-pecuniary conflict of interest? 17
Managing non-pecuniary conflicts of interest 17
Personal dealings with council 19

PART 6 PERSONAL BENEFIT 20

Gifts and benefits 20
How are offers of gifts and benefits to be dealt with? 20
Gifts and benefits of token value 21
Gifts and benefits of more than token value 21
"Cash-like gifts" 22
Improper and undue influence 22

PART 7 ACCESS TO INFORMATION AND COUNCIL RESOURCES 23

Use of certain council information 23
Use and security of confidential information 23
Personal information 23

DRAFT

Use of council resources 24
Internet access 24
Council record keeping 24
PART 8 MAINTAINING THE INTEGRITY OF THIS CODE 26
Complaints made for an improper purpose 26
Detrimental action 26
Compliance with requirements under the Procedures 27
Disclosure of information about the consideration of a matter under the Procedures 27
SCHEDULE 1: DISCLOSURES OF INTERESTS AND OTHER MATTERS IN WRITTEN RETURNS SUBMITTED UNDER CLAUSE 4.15 28
Part 1: Preliminary 28
Definitions 28
Matters relating to the interests that must be included in returns 30
Part 2: Pecuniary interests to be disclosed in returns 31
Real property 31
Gifts 31
Contributions to travel 32
Interests and positions in corporations 32
Interests as a property developer or a close associate of a property developer 33
Positions in trade unions and professional or business associations 33
Dispositions of real property 34
Sources of income 34
Debts 35
Discretionary disclosures 36
SCHEDULE 2: FORM OF WRITTEN RETURN OF INTERESTS SUBMITTED UNDER CLAUSE 4.15 37
'Disclosures by designated persons' return 37
Important information 37
Disclosure of pecuniary interests and other matters 38

DRAFT

PART 1 INTRODUCTION

This code of conduct applies to council officials who are not councillors or staff of the council, that is council committee members, delegates of council, volunteers, members of wholly advisory committees and for the purposes of clause 4.12, advisers of council. It is based on the *Model Code of Conduct for Local Councils in NSW* ("the Model Code of Conduct"), which has been prescribed under the *Local Government (General) Regulation 2005* (the "Regulation).

Section 440 of the *Local Government Act 1993* ("LGA") requires every council (including county councils) and joint organisation to adopt a code of conduct that incorporates the provisions of the Model Code of Conduct. A council's or joint organisation's adopted code of conduct may also include provisions that supplement the Model Code of Conduct and that extend its application to persons that are not "council officials" for the purposes of the Model Code of Conduct (eg volunteers, contractors and members of wholly advisory committees).

The Model Code of Conduct sets the minimum standards of conduct for council officials. It is prescribed by regulation to assist council officials to:

- understand and comply with the standards of conduct that are expected of them
- enable them to fulfil their statutory duty to act honestly and exercise a reasonable degree of care and diligence (section 439)
- act in a way that enhances public confidence in local government.

Council officials covered by this code, must comply with the provisions in this code of conduct. It is the personal responsibility of council officials to comply with the standards in the code and to regularly review their personal circumstances and conduct with this in mind.

Failure by a council official to comply with this code of conduct may give rise to disciplinary action.

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PART 2 DEFINITIONS

In this code the following terms have the following meanings:

committee	see the definition of "council committee"
complaint	a code of conduct complaint made for the purposes of clauses 4.1 and 4.2 of the Procedures.
council	includes county councils and joint organisations
council committee	a committee established by a council comprising of councillors, staff or other persons that the council has delegated functions to and the council's audit, risk and improvement committee
council committee member	a person other than a councillor or member of staff of a council who is a member of a council committee, and a person other than a councillor who is a member of the council's audit, risk and improvement committee
council official	includes councillors, members of staff of a council, administrators, council committee members, delegates of council, volunteers and, for the purposes of clause 4.12, council advisers
councillor	any person elected or appointed to civic office, including the mayor and includes members and chairpersons of county councils and voting representatives of the boards of joint organisations and chairpersons of joint organisations
conduct	includes acts and omissions
delegate of council	a person (other than a councillor or member of staff of a council) or body, and the individual members of that body, to whom a function of the council is delegated
designated person	a person referred to in clause 4.8
election campaign	includes council, state and federal election campaigns
general manager	includes the executive officer of a joint organisation
joint organisation	a joint organisation established under section 400O of the LGA
LGA	the *Local Government Act 1993*
members of staff	includes staff engaged on contract
the Office	Office of Local Government

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personal information	information or an opinion (including information or an opinion forming part of a database and whether or not recorded in a material form) about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion
the Procedures	the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW* prescribed under the Regulation
the Regulation	the *Local Government (General) Regulation 2005*
volunteer	A person engaged directly by council to undertake work without financial gain
wholly advisory committee	a council committee that the council has not delegated any functions to
wholly advisory committee member	a person other than a councillor or member of staff who is a member of a wholly advisory committee

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PART 3 GENERAL CONDUCT OBLIGATIONS

General conduct

3.1. You must not conduct yourself in a manner that:

(a) is likely to bring the council or other council officials into disrepute

(b) is contrary to statutory requirements or the council's administrative requirements or policies

(c) is improper or unethical

(d) is an abuse of power

(e) causes, comprises or involves intimidation or verbal abuse

(f) involves the misuse of your position to obtain a private benefit

(g) constitutes harassment or bullying behaviour under this code, or is unlawfully discriminatory.

3.2. You must act lawfully and honestly, and exercise a reasonable degree of care and diligence in carrying out your functions under the LGA or any other Act. (section 439).

Fairness and equity

3.3. You must consider issues consistently, promptly and fairly. You must deal with matters in accordance with established procedures, in a non-discriminatory manner.

3.4. You must take all relevant facts known to you, or that you should be reasonably aware of, into consideration and have regard to the particular merits of each case. You must not take irrelevant matters or circumstances into consideration when making decisions.

3.5. An act or omission in good faith, whether or not it involves error, will not constitute a breach of clauses 3.3 or 3.4.

Harassment and discrimination

3.6. You must not harass or unlawfully discriminate against others, or support others who harass or unlawfully discriminate against others, on the grounds of -age, disability, race (including colour, national or ethnic origin or immigrant status), sex, pregnancy, marital or relationship status, family responsibilities or breastfeeding, sexual orientation, gender identity or intersex status or political, religious or other affiliation.

3.7. For the purposes of this code, "harassment" is any form of behaviour towards a person that:

(a) is not wanted by the person

(b) offends, humiliates or intimidates the person, and

(c) creates a hostile environment.

Bullying

3.8. You must not engage in bullying behaviour towards others.

3.9. For the purposes of this code, "bullying behaviour" is any behaviour in which:

(a) a person or a group of people repeatedly behaves unreasonably towards another person or a group of persons, and

(b) the behaviour creates a risk to health and safety.

3.10. Bullying behaviour may involve, but is not limited to, any of the following types of behaviour:

(a) aggressive, threatening or intimidating conduct

(b) belittling or humiliating comments

(c) spreading malicious rumours

(d) teasing, practical jokes or 'initiation ceremonies'

(e) exclusion from work-related events

(f) unreasonable work expectations, including too much or too little work, or work below or beyond a worker's skill level

(g) displaying offensive material

(h) pressure to behave in an inappropriate manner.

3.11. Reasonable management action carried out in a reasonable manner does not constitute bullying behaviour for the purposes of this code. Examples of reasonable management action may include, but are not limited to:

(a) performance management processes

(b) disciplinary action for misconduct

(c) informing a worker about unsatisfactory work performance or inappropriate work behaviour

(d) directing a worker to perform duties in keeping with their job

(e) maintaining reasonable workplace goals and standards

(f) legitimately exercising a regulatory function

(g) legitimately implementing a council policy or administrative processes.

Work health and safety

3.12. All council officials, including councillors, owe statutory duties under the Work Health and Safety Act 2011 (WHS Act). You must comply with your duties under the WHS Act and your responsibilities under any policies or procedures adopted by the council to ensure workplace health and safety. Specifically, you must:

(a) take reasonable care for your own health and safety

(b) take reasonable care that your acts or omissions do not adversely affect the health and safety of other persons

(c) comply, so far as you are reasonably able, with any reasonable instruction that is given to ensure compliance with the WHS Act and any policies or procedures adopted by the council to ensure workplace health and safety

(d) cooperate with any reasonable policy or procedure of the council relating to workplace health or safety that has been notified to council staff

(e) report accidents, incidents, near misses, to the general manager or such other staff member nominated by the general manager, and take part in any incident investigations

(f) so far as is reasonably practicable, consult, co-operate and coordinate with all others who have a duty under the WHS Act in relation to the same matter.

Land use planning, development assessment and other regulatory functions

3.13. You must ensure that land use planning, development assessment and other regulatory decisions are properly made, and that all parties are dealt with fairly. You must avoid any occasion for suspicion of improper conduct in the exercise of land use planning, development assessment and other regulatory functions.

3.14. In exercising land use planning, development assessment and other regulatory functions, you must ensure that no action, statement or communication between yourself and others conveys any suggestion of willingness to improperly provide concessions or preferential or unduly unfavourable treatment.

Obligations in relation to meetings

3.15. You must comply with rulings by the chair at council and committee meetings or other proceedings of the council unless a motion dissenting from the ruling is passed.

3.16. You must not engage in bullying behaviour (as defined under this Part) towards the chair, other council officials or any members of the public present during council or committee meetings or other proceedings of the council (such as, but not limited to, workshops and briefing sessions).

3.17. You must not engage in conduct that disrupts council or committee meetings or other proceedings of the council (such as, but not limited to, workshops and briefing sessions), or that would otherwise be inconsistent with the orderly conduct of meetings.

PART 4 PECUNIARY INTERESTS

What is a pecuniary interest?

4.1. A pecuniary interest is an interest that you have in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to you or a person referred to in clause 4.3.

4.2. You will not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision you might make in relation to the matter, or if the interest is of a kind specified in clause 4.6.

4.3. For the purposes of this Part, you will have a pecuniary interest in a matter if the pecuniary interest is:

(a) your interest, or

(b) the interest of your spouse or de facto partner, your relative, or your partner or employer, or

(c) a company or other body of which you, or your nominee, partner or employer, is a shareholder or member.

4.4. For the purposes of clause 4.3:

(a) Your "relative" is any of the following:

i. your parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

ii. your spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

iii. the spouse or de facto partner of a person referred to in paragraphs (i) and (ii).

(b) "de facto partner" has the same meaning as defined in section 21C of the Interpretation Act 1987.

4.5. You will not have a pecuniary interest in relation to a person referred to in subclauses 4.3(b) or (c):

(a) if you are unaware of the relevant pecuniary interest of your spouse, de facto partner, relative, partner, employer or company or other body, or

(b) just because the person is a member of, or is employed by, a council or a statutory body, or is employed by the Crown, or

(c) just because the person is a member of, or a delegate of a council to, a company or other body that has a pecuniary interest in the matter, so long as the person has no beneficial interest in any shares of the company or body.

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What interests do not have to be disclosed?

4.6. You do not have to disclose the following interests for the purposes of this Part:

(a) your interest as an elector

(b) your interest as a ratepayer or person liable to pay a charge

(c) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to the public generally, or to a section of the public that includes persons who are not subject to this code

(d) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to your relative by the council in the same manner and subject to the same conditions as apply to persons who are not subject to this code

(e) an interest you have as a member of a club or other organisation or association, unless the interest is as the holder of an office in the club or organisation (whether remunerated or not)

(f) if you are a council committee member, an interest you have as a person chosen to represent the community, or as a member of a non-profit organisation or other community or special interest group, if you have been appointed to represent the organisation or group on the council committee

(g) an interest you have relating to a contract, proposed contract or other matter, if the interest arises only because of a beneficial interest in shares in a company that does not exceed 10 per cent of the voting rights in the company

(h) an interest you have arising from the proposed making by the council of an agreement between the council and a corporation, association or partnership, being a corporation, association or partnership that has more than 25 members, if the interest arises because your relative is a shareholder (but not a director) of the corporation, or is a member (but not a member of the committee) of the association, or is a partner of the partnership

(i) an interest you have arising from the making by the council of a contract or agreement with your relative for, or in relation to, any of the following, but only if the proposed contract or agreement is similar in terms and conditions to such contracts and agreements as have been made, or as are proposed to be made, by the council in respect of similar matters with other residents of the area:

i. the performance by the council at the expense of your relative of any work or service in connection with roads or sanitation

ii. security for damage to footpaths or roads

iii. any other service to be rendered, or act to be done, by the council by or under any Act conferring functions on the council, or by or under any contract

(j) an interest of a person arising from the passing for payment of a regular account for the wages or salary of an employee who is a relative of the person

(k) an interest arising from being covered by, or a proposal to be covered by, indemnity insurance as a council committee member

4.7. For the purposes of clause 4.6, "relative" has the same meaning as in clause 4.4, but includes your spouse or de facto partner.

What disclosures must be made by a designated person?

4.8. Designated persons include:

(a) a person who is a delegate of the council and who holds a position identified by the council as the position of a designated person because it involves the exercise of functions (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the person's duty as a delegate and the person's private interest

(b) a person (other than a member of the senior staff of the council) who is a member of a committee of the council identified by the council as a committee whose members are designated persons because the functions of the committee involve the exercise of the council's functions (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the member's duty as a member of the committee and the member's private interest.

4.9. A designated person:

(a) must prepare and submit written returns of interests in accordance with clause 4.15, and

(b) must disclose pecuniary interests in accordance with clause 4.10.

4.10. A designated person must disclose in writing to the general manager the nature of any pecuniary interest the person has in any council matter with which the person is dealing as soon as practicable after becoming aware of the interest.

4.11. The general manager must, on receiving a disclosure from a designated person, deal with the matter to which the disclosure relates or refer it to another person to deal with.

What disclosures must be made by council advisers?

4.12. A person who, at the request or with the consent of the council or a council committee, gives advice on any matter at any meeting of the council or committee, must disclose the nature of any pecuniary interest the person has in the matter to the meeting at the time the advice is given. The person is not required to disclose the person's interest as an adviser.

4.13. A person does not breach clause 4.12 if the person did not know, and could not reasonably be expected to have known, that the matter under consideration at the meeting was a matter in which they had a pecuniary interest.

What disclosures must be made by a council committee member?

4.14. A council committee member must disclose pecuniary interests in accordance with clause 4.22 and comply with clause 4.23.

Note: A council committee member identified by council as a "designated person" for the purposes of clause 4.8(b) must also prepare and submit written returns of interests in accordance with clause 4.15.

Disclosure of interests in written returns

4.15. A designated person must make and lodge with the general manager a return in the form set out in schedule 2 to this code, disclosing the designated person's interests as specified in schedule 1 to this code within 3 months after:

(a) becoming a designated person, and

(b) 30 June of each year, and

(c) the designated person becoming aware of an interest they are required to disclose under schedule 1 that has not been previously disclosed in a return lodged under paragraphs (a) or (b).

4.16. A person need not make and lodge a return under clause 4.15, paragraphs (a) and (b) if:

(a) they made and lodged a return under that clause in the preceding 3 months, or

(b) they have ceased to be a designated person in the preceding 3 months.

4.17. A person must not make and lodge a return that the person knows or ought reasonably to know is false or misleading in a material particular.

4.18. The general manager must keep a register of returns required to be made and lodged with the general manager.

4.19. Returns required to be lodged with the general manager under clause 4.15(a) and (b) must be tabled at the first meeting of the council after the last day the return is required to be lodged.

4.20. Returns required to be lodged with the general manager under clause 4.15(c) must be tabled at the next council meeting after the return is lodged.

4.21. Information contained in returns made and lodged under clause 4.15 is to be made publicly available in accordance with the requirements of the *Government Information (Public Access) Act 2009*, the *Government Information (Public Access) Regulation 2009* and any guidelines issued by the Information Commissioner.

Disclosure of pecuniary interests at meetings

4.22. A council committee member who has a pecuniary interest in any matter with which the council is concerned, and who is present at a meeting of the committee at which the matter is being considered, must disclose the nature of the interest to the meeting as soon as practicable.

4.23. The council committee member must not be present at, or in sight of, the meeting of the committee:

(a) at any time during which the matter is being considered or discussed by the committee, or

(b) at any time during which the committee is voting on any question in relation to the matter.

4.24. A disclosure made at a meeting of a council committee must be recorded in the minutes of the meeting.

4.25. A general notice may be given to the general manager in writing by a council committee member to the effect that the council committee member, or the council committee member's spouse, de facto partner or relative, is:

(a) a member of, or in the employment of, a specified company or other body, or

(b) a partner of, or in the employment of, a specified person.

Such a notice is, unless and until the notice is withdrawn or until the end of the term of the council in which it is given (whichever is the sooner), sufficient disclosure of the council committee member's interest in a matter relating to the specified company, body or person that may be the subject of consideration by the council committee after the date of the notice.

4.26. A council committee member is not prevented from being present at and taking part in a meeting at which a matter is being considered, or from voting on the matter, merely because the council committee member has an interest in the matter of a kind referred to in clause 4.6.

4.27. A person does not breach clauses 4.22 or 4.23 if the person did not know, and could not reasonably be expected to have known, that the matter under consideration at the meeting was a matter in which they had a pecuniary interest.

4.28. The Minister for Local Government may, conditionally or unconditionally, allow a council committee member who has a pecuniary interest in a matter with which the council is concerned to be present at a meeting of the committee, to take part in the consideration or discussion of the matter and to vote on the matter if the Minister is of the opinion that it is in the interests of the electors for the area to do so.

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4.29. A council committee member with a pecuniary interest in a matter who is permitted to be present at a meeting of the committee, to take part in the consideration or discussion of the matter and to vote on the matter under clause 4.28, must still disclose the interest they have in the matter in accordance with clause 4.22.

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PART 5 NON-PECUNIARY CONFLICTS OF INTEREST

What is a non-pecuniary conflict of interest?

5.1. Non-pecuniary interests are private or personal interests a council official has that do not amount to a pecuniary interest as defined in clause 4.1 of this code. These commonly arise out of family or personal relationships, or out of involvement in sporting, social, religious or other cultural groups and associations, and may include an interest of a financial nature.

5.2. A non-pecuniary conflict of interest exists where a reasonable and informed person would perceive that you could be influenced by a private interest when carrying out your official functions in relation to a matter.

5.3. The personal or political views of a council official do not constitute a private interest for the purposes of clause 5.2.

5.4. Non-pecuniary conflicts of interest must be identified and appropriately managed to uphold community confidence in the probity of council decision-making. The onus is on you to identify any non-pecuniary conflict of interest you may have in matters that you deal with, to disclose the interest fully and in writing, and to take appropriate action to manage the conflict in accordance with this code.

5.5. When considering whether or not you have a non-pecuniary conflict of interest in a matter you are dealing with, it is always important to think about how others would view your situation.

Managing non-pecuniary conflicts of interest

5.6. Where you have a non-pecuniary conflict of interest in a matter for the purposes of clause 5.2, you must disclose the relevant private interest you have in relation to the matter fully and in writing as soon as practicable after becoming aware of the non-pecuniary conflict of interest and on each occasion on which the non-pecuniary conflict of interest arises in relation to the matter.

5.7. If a disclosure is made at a committee meeting, both the disclosure and the nature of the interest must be recorded in the minutes on each occasion on which the non-pecuniary conflict of interest arises. This disclosure constitutes disclosure in writing for the purposes of clause 5.6.

5.8. How you manage a non-pecuniary conflict of interest will depend on whether or not it is significant.

5.9. As a general rule, a non-pecuniary conflict of interest will be significant where it does not involve a pecuniary interest for the purposes of clause 4.1, but it involves:

(a) a relationship between a council official and another person who is affected by a decision or a matter under consideration that is particularly close, such as a current or former spouse or de facto partner, a relative for the purposes of clause 4.4 or another person from the council official's extended family that the council official has a close personal relationship with, or another person living in the same household

(b) other relationships with persons who are affected by a decision or a matter under consideration that are particularly close, such as friendships and business relationships. Closeness is defined by the nature of the friendship or business relationship, the frequency of contact and the duration of the friendship or relationship.

(c) an affiliation between the council official and an organisation (such as a sporting body, club, religious, cultural or charitable organisation, corporation or association) that is affected by a decision or a matter under consideration that is particularly strong. The strength of a council official's affiliation with an organisation is to be determined by the extent to which they actively participate in the management, administration or other activities of the organisation.

(d) membership, as the council's representative, of the board or management committee of an organisation that is affected by a decision or a matter under consideration, in circumstances where the interests of the council and the organisation are potentially in conflict in relation to the particular matter

(e) a financial interest (other than an interest of a type referred to in clause 4.6) that is not a pecuniary interest for the purposes of clause 4.1

(f) the conferral or loss of a personal benefit other than one conferred or lost as a member of the community or a broader class of people affected by a decision.

5.10. Significant non-pecuniary conflicts of interest must be managed in one of two ways:

(a) by not participating in consideration of, or decision making in relation to, the matter in which you have the significant non-pecuniary conflict of interest and the matter being allocated to another person for consideration or determination, or

(b) if the significant non-pecuniary conflict of interest arises in relation to a matter under consideration at a committee meeting, by managing the conflict of interest as if you had a pecuniary interest in the matter by complying with clauses 4.22 and 4.23.

5.11. If you determine that you have a non-pecuniary conflict of interest in a matter that is not significant and does not require further action, when disclosing the interest you must also explain in writing why you consider that the non-pecuniary conflict of interest is not significant and does not require further action in the circumstances.

5.12. Council committee members are not required to declare and manage a non-pecuniary conflict of interest in accordance with the requirements of this Part where it arises from an interest they have as a person chosen to represent the community, or as a member of a non-profit organisation or other community or special interest group, if they have been appointed to represent the organisation or group on the council committee.

5.13. The Minister for Local Government may, conditionally or unconditionally, allow a council committee member who is precluded under this Part from participating in the consideration of a matter to be present at a meeting of the committee, to take part in the consideration or discussion of the matter and to vote on the matter if the Minister is of the opinion that it is in the interests of the electors for the area to do so.

5.14. Where the Minister exempts a committee member from complying with a requirement under this Part under clause 5.13, the committee member must still disclose any interests they have in the matter the exemption applies to, in accordance with clause 5.6.

Personal dealings with council

5.15. You may have reason to deal with your council in your personal capacity (for example, as a ratepayer, recipient of a council service or applicant for a development consent granted by council). You must not expect or request preferential treatment in relation to any matter in which you have a private interest because of your position. You must avoid any action that could lead members of the public to believe that you are seeking preferential treatment.

5.16. You must undertake any personal dealings you have with the council in a manner that is consistent with the way other members of the community deal with the council. You must also ensure that you disclose and appropriately manage any conflict of interest you may have in any matter in accordance with the requirements of this code.

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PART 6 PERSONAL BENEFIT

6.1 For the purposes of this Part, a gift or a benefit is something offered to or received by a council official or someone personally associated with them for their personal use and enjoyment.

6.2 A reference to a gift or benefit in this Part does not include:

(a) items with a value of $10 or less

(b) a political donation for the purposes of the Electoral Funding Act 2018

(c) a gift provided to the council as part of a cultural exchange or sister-city relationship that is not converted for the personal use or enjoyment of any individual council official or someone personally associated with them

(d) a benefit or facility provided by the council to an employee or councillor

(e) attendance by a council official at a work-related event or function for the purposes of performing their official duties, or

(f) free or subsidised meals, beverages or refreshments of token value provided to council officials in conjunction with the performance of their official duties such as, but not limited to:

i. the discussion of official business

ii. work-related events such as council-sponsored or community events, training, education sessions or workshops

iii. conferences

iv. council functions or events

v. social functions organised by groups, such as council committees and community organisations.

Gifts and benefits

6.3 You must avoid situations that would give rise to the appearance that a person or body is attempting to secure favourable treatment from you or from the council, through the provision of gifts, benefits or hospitality of any kind to you or someone personally associated with you.

6.4 A gift or benefit is deemed to have been accepted by you for the purposes of this Part, where it is received by you or someone personally associated with you.

How are offers of gifts and benefits to be dealt with?

6.5 You must not:

(a) seek or accept a bribe or other improper inducement

(b) seek gifts or benefits of any kind

(c) accept any gift or benefit that may create a sense of obligation on your part, or may be perceived to be intended or likely to influence you in carrying out your public duty

(d) subject to clause 6.7, accept any gift or benefit of more than token value as defined by clause 6.9

(e) accept an offer of cash or a cash-like gift as defined by clause 6.13, regardless of the amount

(f) participate in competitions for prizes where eligibility is based on the council being in or entering into a customer–supplier relationship with the competition organiser

(g) personally benefit from reward points programs when purchasing on behalf of the council.

6.6 Where you receive a gift or benefit of any value other than one referred to in clause 6.2, you must disclose this promptly to the general manager in writing. The general manager must ensure that, at a minimum, the following details are recorded in the council's gift register:

(a) the nature of the gift or benefit

(b) the estimated monetary value of the gift or benefit

(c) the name of the person who provided the gift or benefit, and

(d) the date on which the gift or benefit was received.

6.7 Where you receive a gift or benefit of more than token value that cannot reasonably be refused or returned, the gift or benefit must be surrendered to the council, unless the nature of the gift or benefit makes this impractical.

Gifts and benefits of token value

6.8 You may accept gifts and benefits of token value. Gifts and benefits of token value are one or more gifts or benefits received from a person or organisation over a 12-month period that, when aggregated, do not exceed a value of $100. They include, but are not limited to:

(a) invitations to and attendance at local social, cultural or sporting events with a ticket value that does not exceed $100

(b) gifts of alcohol that do not exceed a value of $100

(c) ties, scarves, coasters, tie pins, diaries, chocolates or flowers or the like

(d) prizes or awards that do not exceed $100 in value.

Gifts and benefits of more than token value

6.9 Gifts or benefits that exceed $100 in value are gifts or benefits of more than token value for the purposes of clause 6.5(d) and, subject to clause 6.7, must not be accepted.

6.10 Gifts and benefits of more than token value include, but are not limited to, tickets to major sporting events (such as international matches or matches in national sporting codes) with

a ticket value that exceeds $100, corporate hospitality at a corporate facility at major sporting events, free or discounted products or services for personal use provided on terms that are not available to the general public or a broad class of persons, the use of holiday homes, artworks, free or discounted travel.

6.11 Where you have accepted a gift or benefit of token value from a person or organisation, you must not accept a further gift or benefit from the same person or organisation or another person associated with that person or organisation within a single 12-month period where the value of the gift, added to the value of earlier gifts received from the same person or organisation, or a person associated with that person or organisation, during the same 12-month period would exceed $100 in value.

6.12 For the purposes of this Part, the value of a gift or benefit is the monetary value of the gift or benefit inclusive of GST.

"Cash-like gifts"

6.13 For the purposes of clause 6.5(e), "cash-like gifts" include but are not limited to, gift vouchers, credit cards, debit cards with credit on them, prepayments such as phone or internet credit, lottery tickets, memberships or entitlements to discounts that are not available to the general public or a broad class of persons.

Improper and undue influence

6.14 You must not use your position to influence other council officials in the performance of their official functions to obtain a private benefit for yourself or for somebody else.

6.15 You must not take advantage (or seek to take advantage) of your status or position with council, or of functions you perform for council, in order to obtain a private benefit for yourself or for any other person or body.

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PART 7 ACCESS TO INFORMATION AND COUNCIL RESOURCES

Use of certain council information

7.1 In regard to information obtained in your capacity as a council official, you must:

(a) only access council information needed for council business

(b) not use that council information for private purposes

(c) not seek or obtain, either directly or indirectly, any financial benefit or other improper advantage for yourself, or any other person or body, from any information to which you have access by virtue of your position with council

(d) only release council information in accordance with established council policies and procedures and in compliance with relevant legislation.

Use and security of confidential information

7.2 You must maintain the integrity and security of confidential information in your possession, or for which you are responsible.

7.3 In addition to your general obligations relating to the use of council information, you must:

(a) only access confidential information that you have been authorised to access and only do so for the purposes of exercising your official functions

(b) protect confidential information

(c) only release confidential information if you have authority to do so

(d) only use confidential information for the purpose for which it is intended to be used

(e) not use confidential information gained through your official position for the purpose of securing a private benefit for yourself or for any other person

(f) not use confidential information with the intention to cause harm or detriment to the council or any other person or body

(g) not disclose any confidential information discussed during a confidential session of a council or committee meeting or any other confidential forum (such as, but not limited to, workshops or briefing sessions).

Personal information

7.4 When dealing with personal information you must comply with:

(a) the Privacy and Personal Information Protection Act 1998

(b) the Health Records and Information Privacy Act 2002

(c) the Information Protection Principles and Health Privacy Principles

(d) the council's privacy management plan

(e) the Privacy Code of Practice for Local Government

Use of council resources

7.5 You must use council resources ethically, effectively, efficiently and carefully in exercising your official functions, and must not use them for private purposes unless this use is lawfully authorised and proper payment is made where appropriate.

7.6 You must be scrupulous in your use of council property, including intellectual property, official services, facilities, technology and electronic devices and must not permit their misuse by any other person or body.

7.7 You must avoid any action or situation that could create the appearance that council property, official services or public facilities are being improperly used for your benefit or the benefit of any other person or body.

7.8 You must not use council resources (including council staff), property or facilities for the purpose of assisting your election campaign or the election campaigns of others unless the resources, property or facilities are otherwise available for use or hire by the public and any publicly advertised fee is paid for use of the resources, property or facility.

7.9 You must not use the council letterhead, council crests, council email or social media or other information that could give the appearance it is official council material:

(a) for the purpose of assisting your election campaign or the election campaign of others, or

(b) for other non-official purposes.

7.10 You must not convert any property of the council to your own use unless properly authorised.

Internet access

7.11 You must not use council's computer resources or mobile or other devices to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature, or that could otherwise lead to criminal penalty or civil liability and/or damage the council's reputation.

Council record keeping

7.12 You must comply with the requirements of the *State Records Act 1998* and the council's records management policy.

7.13 All information created, sent and received in your official capacity is a council record and must be managed in accordance with the requirements of the *State Records Act 1998* and the council's approved records management policies and practices.

7.14 All information stored in either soft or hard copy on council supplied resources (including technology devices and email accounts) is deemed to be related to the business of the council and will be treated as council records, regardless of whether the original intention was to create the information for personal purposes.

7.15 You must not destroy, alter, or dispose of council information or records, unless authorised to do so. If you need to alter or dispose of council information or records, you must do so in consultation with the council's records manager and comply with the requirements of the *State Records Act 1998*.

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PART 8 MAINTAINING THE INTEGRITY OF THIS CODE

Complaints made for an improper purpose

8.1 You must not make or threaten to make a complaint or cause a complaint to be made alleging a breach of this code for an improper purpose.

8.2 For the purposes of clause 8.1, a complaint is made for an improper purpose where it is trivial, frivolous, vexatious or not made in good faith, or where it otherwise lacks merit and has been made substantially for one or more of the following purposes:

(a) to bully, intimidate or harass another council official

(b) to damage another council official's reputation

(c) to obtain a political advantage

(d) to influence a council official in the exercise of their official functions or to prevent or disrupt the exercise of those functions

(e) to influence the council in the exercise of its functions or to prevent or disrupt the exercise of those functions

(f) to avoid disciplinary action under the Procedures

(g) to take reprisal action against a person for making a complaint alleging a breach of this code

(h) to take reprisal action against a person for exercising a function prescribed under the Procedures

(i) to prevent or disrupt the effective administration of this code under the Procedures.

Detrimental action

8.3 You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for a complaint they have made alleging a breach of this code.

8.4 You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for any function they have exercised under the Procedures.

8.5 For the purposes of clauses 8.3 and 8.4, a detrimental action is an action causing, comprising or involving any of the following:

(a) injury, damage or loss

(b) intimidation or harassment

(c) discrimination, disadvantage or adverse treatment in relation to employment

(d) dismissal from, or prejudice in, employment

(e) disciplinary proceedings.

Compliance with requirements under the Procedures

8.6 You must not engage in conduct that is calculated to impede or disrupt the consideration of a matter under the Procedures.

8.7 You must comply with a reasonable and lawful request made by a person exercising a function under the Procedures. A failure to make a written or oral submission invited under the Procedures will not constitute a breach of this clause.

Disclosure of information about the consideration of a matter under the Procedures

8.8 All allegations of breaches of this code must be dealt with under and in accordance with the Procedures.

8.9 You must not allege breaches of this code other than by way of a complaint made or initiated under the Procedures.

8.10 You must not make allegations about, or disclose information about, suspected breaches of this code at council, committee or other meetings, whether open to the public or not, or in any other forum, whether public or not.

8.11 You must not disclose information about a complaint you have made alleging a breach of this code or a matter being considered under the Procedures except for the purposes of seeking legal advice, unless the disclosure is otherwise permitted under the Procedures.

8.12 Nothing under this Part prevents a person from making a public interest disclosure to an appropriate public authority or investigative authority under the Public Interest Disclosures Act 1994.

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SCHEDULE 1: DISCLOSURES OF INTERESTS AND OTHER MATTERS IN WRITTEN RETURNS SUBMITTED UNDER CLAUSE 4.15

Part 1: Preliminary

Definitions

1. For the purposes of the schedules to this code, the following definitions apply:

address means:

(a) in relation to a person other than a corporation, the last residential or business address of the person known to the councillor or designated person disclosing the address, or

(b) in relation to a corporation, the address of the registered office of the corporation in New South Wales or, if there is no such office, the address of the principal office of the corporation in the place where it is registered, or

(c) in relation to any real property, the street address of the property.

de facto partner has the same meaning as defined in section 21C of the Interpretation Act 1987.

disposition of property means a conveyance, transfer, assignment, settlement, delivery, payment or other alienation of property, including the following:

(a) the allotment of shares in a company

(b) the creation of a trust in respect of property

(c) the grant or creation of a lease, mortgage, charge, easement, licence, power, partnership or interest in respect of property

(d) the release, discharge, surrender, forfeiture or abandonment, at law or in equity, of a debt, contract or chose in action, or of an interest in respect of property

(e) the exercise by a person of a general power of appointment over property in favour of another person

(f) a transaction entered into by a person who intends by the transaction to diminish, directly or indirectly, the value of the person's own property and to increase the value of the property of another person.

gift means a disposition of property made otherwise than by will (whether or not by instrument in writing) without consideration, or with inadequate consideration, in money or money's worth passing from the person to whom the disposition was

made to the person who made the disposition, but does not include a financial or other contribution to travel.

interest means:

(a) in relation to property, an estate, interest, right or power, at law or in equity, in or over the property, or

(b) in relation to a corporation, a relevant interest (within the meaning of section 9 of the Corporations Act 2001 of the Commonwealth) in securities issued or made available by the corporation.

listed company means a company that is listed within the meaning of section 9 of the Corporations Act 2001 of the Commonwealth.

occupation includes trade, profession and vocation.

professional or business association means an incorporated or unincorporated body or organisation having as one of its objects or activities the promotion of the economic interests of its members in any occupation.

property includes money.

r***eturn date*** means:

(a) in the case of a return made under clause 4.15(a), the date on which a person became a councillor or designated person

(b) in the case of a return made under clause 4.15(b), 30 June of the year in which the return is made

(c) in the case of a return made under clause 4.15(c), the date on which the councillor or designated person became aware of the interest to be disclosed.

relative includes any of the following:

(a) a person's spouse or de facto partner

(b) a person's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

(c) a person's spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child

(d) the spouse or de factor partner of a person referred to in paragraphs (b) and (c).

travel includes accommodation incidental to a journey.

Matters relating to the interests that must be included in returns

2. ***Interests etc. outside New South Wales***: A reference in this schedule or in schedule 2 to a disclosure concerning a corporation or other thing includes any reference to a disclosure concerning a corporation registered, or other thing arising or received, outside New South Wales.

3. ***References to interests in real property***: A reference in this schedule or in schedule 2 to real property in which a councillor or designated person has an interest includes a reference to any real property situated in Australia in which the councillor or designated person has an interest.

4. ***Gifts, loans etc. from related corporations***: For the purposes of this schedule and schedule 2, gifts or contributions to travel given, loans made, or goods or services supplied, to a councillor or designated person by two or more corporations that are related to each other for the purposes of section 50 of the *Corporations Act 2001* of the Commonwealth are all given, made or supplied by a single corporation.

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Part 2: Pecuniary interests to be disclosed in returns

Real property

5. A person making a return under clause 4.15 of this code must disclose:

   (a) the street address of each parcel of real property in which they had an interest on the return date, and

   (b) the street address of each parcel of real property in which they had an interest in the period since 30 June of the previous financial year, and

   (c) the nature of the interest.

6. An interest in a parcel of real property need not be disclosed in a return if the person making the return had the interest only:

   (a) as executor of the will, or administrator of the estate, of a deceased person and not as a beneficiary under the will or intestacy, or

   (b) as a trustee, if the interest was acquired in the ordinary course of an occupation not related to their duties as the holder of a position required to make a return.

7. An interest in a parcel of real property need not be disclosed in a return if the person ceased to hold the interest prior to becoming a councillor or designated person.

8. For the purposes of clause 5 of this schedule, "interest" includes an option to purchase.

Gifts

9. A person making a return under clause 4.15 of this code must disclose:

   (a) a description of each gift received in the period since 30 June of the previous financial year, and

   (b) the name and address of the donor of each of the gifts.

10. A gift need not be included in a return if:

   (a) it did not exceed $500, unless it was among gifts totalling more than $500 made by the same person during a period of 12 months or less, or

   (b) it was a political donation disclosed, or required to be disclosed, under Part 3 of the Electoral Funding Act 2018, or

   (c) the donor was a relative of the donee, or

   (d) subject to paragraph (a), it was received prior to the person becoming a councillor or designated person.

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11. For the purposes of clause 10 of this schedule, the amount of a gift other than money is an amount equal to the value of the property given.

Contributions to travel

12. A person making a return under clause 4.15 of this code must disclose:

(a) the name and address of each person who made any financial or other contribution to the expenses of any travel undertaken by the person in the period since 30 June of the previous financial year, and

(b) the dates on which the travel was undertaken, and

(c) the names of the states and territories, and of the overseas countries, in which the travel was undertaken.

13. A financial or other contribution to any travel need not be disclosed under this clause if it:

(a) was made from public funds (including a contribution arising from travel on free passes issued under an Act or from travel in government or council vehicles), or

(b) was made by a relative of the traveller, or

(c) was made in the ordinary course of an occupation of the traveller that is not related to their functions as the holder of a position requiring the making of a return, or

(d) did not exceed $250, unless it was among gifts totalling more than $250 made by the same person during a 12-month period or less, or

(e) was a political donation disclosed, or required to be disclosed, under Part 3 of the Electoral Funding Act 2018, or

(f) was made by a political party of which the traveller was a member and the travel was undertaken for the purpose of political activity of the party in New South Wales, or to enable the traveller to represent the party within Australia, or

(g) subject to paragraph (d) it was received prior to the person becoming a councillor or designated person.

14. For the purposes of clause 13 of this schedule, the amount of a contribution (other than a financial contribution) is an amount equal to the value of the contribution.

Interests and positions in corporations

15. A person making a return under clause 4.15 of this code must disclose:

(a) the name and address of each corporation in which they had an interest or held a position (whether remunerated or not) on the return date, and

(b) the name and address of each corporation in which they had an interest or held a position in the period since 30 June of the previous financial year, and

(c) the nature of the interest, or the position held, in each of the corporations, and

(d) a description of the principal objects (if any) of each of the corporations, except in the case of a listed company.

16. An interest in, or a position held in, a corporation need not be disclosed if the corporation is:

(a) formed for the purpose of providing recreation or amusement, or for promoting commerce, industry, art, science, religion or charity, or for any other community purpose, and

(b) required to apply its profits or other income in promoting its objects, and

(c) prohibited from paying any dividend to its members.

17. An interest in a corporation need not be disclosed if the interest is a beneficial interest in shares in a company that does not exceed 10 per cent of the voting rights in the company.

18. An interest or a position in a corporation need not be disclosed if the person ceased to hold the interest or position prior to becoming a councillor or designated person.

Interests as a property developer or a close associate of a property developer

19. A person making a return under clause 4.15 of this code must disclose whether they were a property developer, or a close associate of a corporation that, or an individual who, is a property developer, on the return date.

20. For the purposes of clause 19 of this schedule:

close associate, in relation to a corporation or an individual, has the same meaning as it has in section 53 of the Electoral Funding Act 2018.

property developer has the same meaning as it has in Division 7 of Part 3 of the Electoral Funding Act 2018.

Positions in trade unions and professional or business associations

21. A person making a return under clause 4.15 of the code must disclose:

(a) the name of each trade union, and of each professional or business association, in which they held any position (whether remunerated or not) on the return date, and

(b) the name of each trade union, and of each professional or business association, in which they have held any position (whether remunerated or not) in the period since 30 June of the previous financial year, and

(c) a description of the position held in each of the unions and associations.

22. A position held in a trade union or a professional or business association need not be disclosed if the person ceased to hold the position prior to becoming a councillor or designated person.

Dispositions of real property

23. A person making a return under clause 4.15 of this code must disclose particulars of each disposition of real property by the person (including the street address of the affected property) in the period since 30 June of the previous financial year, under which they wholly or partly retained the use and benefit of the property or the right to re-acquire the property.

24. A person making a return under clause 4.15 of this code must disclose particulars of each disposition of real property to another person (including the street address of the affected property) in the period since 30 June of the previous financial year, that is made under arrangements with, but is not made by, the person making the return, being a disposition under which the person making the return obtained wholly or partly the use of the property.

25. A disposition of real property need not be disclosed if it was made prior to a person becoming a designated person.

Sources of income

26. A person making a return under clause 4.15 of this code must disclose:

(a) each source of income that the person reasonably expects to receive in the period commencing on the first day after the return date and ending on the following 30 June, and

(b) each source of income received by the person in the period since 30 June of the previous financial year.

27. A reference in clause 26 of this schedule to each source of income received, or reasonably expected to be received, by a person is a reference to:

(a) in relation to income from an occupation of the person:

i. a description of the occupation, and

ii. if the person is employed or the holder of an office, the name and address of their employer, or a description of the office, and

iii. if the person has entered into a partnership with other persons, the name (if any) under which the partnership is conducted, or

(b) in relation to income from a trust, the name and address of the settlor and the trustee, or

(c) in relation to any other income, a description sufficient to identify the person from whom, or the circumstances in which, the income was, or is reasonably expected to be, received.

28. The source of any income need not be disclosed by a person in a return if the amount of the income received, or reasonably expected to be received, by the person from that source did not exceed $500, or is not reasonably expected to exceed $500, as the case may be.

29. The source of any income received by the person that they ceased to receive prior to becoming a councillor or designated person need not be disclosed.

Debts

30. A person making a return under clause 4.15 of this code must disclose the name and address of each person to whom the person was liable to pay any debt:

(a) on the return date, and

(b) at any time in the period since 30 June of the previous financial year.

31. A liability to pay a debt must be disclosed by a person in a return made under clause 4.15 whether or not the amount, or any part of the amount, to be paid was due and payable on the return date or at any time in the period since 30 June of the previous financial year, as the case may be.

32. A liability to pay a debt need not be disclosed by a person in a return if:

(a) the amount to be paid did not exceed $500 on the return date or in the period since 30 June of the previous financial year, as the case may be, unless:

i. the debt was one of two or more debts that the person was liable to pay to one person on the return date, or at any time in the period since 30 June of the previous financial year, as the case may be, and

ii. the amounts to be paid exceeded, in the aggregate, $500, or

(b) the person was liable to pay the debt to a relative, or

(c) in the case of a debt arising from a loan of money the person was liable to pay the debt to an authorised deposit-taking institution or other person whose ordinary business includes the lending of money, and the loan was made in the ordinary course of business of the lender, or

(d) in the case of a debt arising from the supply of goods or services:

i. the goods or services were supplied in the period of 12 months immediately preceding the return date, or were supplied in the period since 30 June of the previous financial year, as the case may be, or

ii. the goods or services were supplied in the ordinary course of any occupation of the person that is not related to their duties as the holder of a position required to make a return, or

(e) subject to paragraph (a), the debt was discharged prior to the person becoming a designated person.

Discretionary disclosures

33. A person may voluntarily disclose in a return any interest, benefit, advantage or liability, whether pecuniary or not, that is not required to be disclosed under another provision of this schedule.

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SCHEDULE 2: FORM OF WRITTEN RETURN OF INTERESTS SUBMITTED UNDER CLAUSE 4.15

'Disclosures by designated persons' return

1. The pecuniary interests and other matters to be disclosed in this return are prescribed by schedule 1 of the Model Code of Conduct for Local Councils in NSW.

2. If this is the first return you have been required to lodge with the general manager after becoming a designated person, do not complete Parts C, D and I of the return. All other parts of the return should be completed with appropriate information based on your circumstances at the return date, that is, the date on which you became a designated person.

3. If you have previously lodged a return with the general manager and you are completing this return for the purposes of disclosing a new interest that was not disclosed in the last return you lodged with the general manager, you must complete all parts of the return with appropriate information for the period from 30 June of the previous financial year or the date on which you became a designated person (whichever is the later date) to the return date which is the date you became aware of the new interest to be disclosed in your updated return.

4. If you have previously lodged a return with the general manager and are submitting a new return for the new financial year, you must complete all parts of the return with appropriate information for the 12-month period commencing on 30 June of the previous year to 30 June this year.

5. This form must be completed using block letters or typed.

6. If there is insufficient space for all the information you are required to disclose, you must attach an appendix which is to be properly identified and signed by you.

7. If there are no pecuniary interests or other matters of the kind required to be disclosed under a heading in this form, the word "NIL" is to be placed in an appropriate space under that heading.

Important information

This information is being collected for the purpose of complying with clause 4.15 of the Code of Conduct.

You must not lodge a return that you know or ought reasonably to know is false or misleading in a material particular (see clause 4.18 of the Code of Conduct). Complaints about breaches of these requirements are to be referred to the Office of Local Government and may result in disciplinary action by the council, the Chief Executive of the Office of Local Government or the NSW Civil and Administrative Tribunal.

The information collected on this form will be kept by the general manager in a register of returns. The general manager is required to table all returns at a council meeting.

Information contained in returns made and lodged under clause 4.15 is to be made publicly available in accordance with the requirements of the Government Information (Public Access) Act 2009, the Government Information (Public Access) Regulation 2009 and any guidelines issued by the Information Commissioner.

You have an obligation to keep the information contained in this return up to date. If you become aware of a new interest that must be disclosed in this return, or an interest that you have previously failed to disclose, you must submit an updated return within three months of becoming aware of the previously undisclosed interest.

Disclosure of pecuniary interests and other matters by [full name of designated person]

as at [*return date*]

in respect of the period from [*date*] to [*date*]

[*designated person's signature*]
[*date*]

A. Real Property

Street address of each parcel of real property in which I had an interest at the return date/at any time since 30 June	Nature of interest

B. Sources of income

1 Sources of income I reasonably expect to receive from an occupation in the period commencing on the first day after the return date and ending on the following 30 June

Sources of income I received from an occupation at any time since 30 June

Description of occupation	Name and address of employer or description of office held (if applicable)	Name under which partnership conducted (if applicable)

2 Sources of income I reasonably expect to receive from a trust in the period commencing on the first day after the return date and ending on the following 30 June

Sources of income I received from a trust since 30 June

Name and address of settlor	Name and address of trustee

3 Sources of other income I reasonably expect to receive in the period commencing on the first day after the return date and ending on the following 30 June

Sources of other income I received at any time since 30 June

[*Include description sufficient to identify the person from whom, or the circumstances in which, that income was received*]

C. Gifts

Description of each gift I received at any time since 30 June	Name and address of donor

D. Contributions to travel

Name and address of each person who made any financial or other contribution to any travel undertaken by me at any time since 30 June	Dates on which travel was undertaken	Name of States, Territories of the Commonwealth and overseas countries in which travel was undertaken

E. Interests and positions in corporations

Name and address of each corporation in which I had an interest or held a position at the return date/at any time since 30 June	Nature of interest (if any)	Description of position (if any)	Description of principal objects (if any) of corporation

	(except in case of listed company)
F. Were you a property developer or a close associate of a property developer on the return date? (Y/N)	
G. Positions in trade unions and professional or business associations	
Name of each trade union and each professional or business association in which I held any position (whether remunerated or not) at the return date/at any time since 30 June	Description of position
H. Debts	
Name and address of each person to whom I was liable to pay any debt at the return date/at any time since 30 June	
I. Dispositions of property	
1 Particulars of each disposition of real property by me (including the street address of the affected property) at any time since 30 June as a result of which I retained, either wholly or in part, the use and benefit of the property or the right to re-acquire the property at a later time	
2 Particulars of each disposition of property to a person by any other person under arrangements made by me (including the street address of the affected property), being dispositions made at any time since 30 June, as a result of which I obtained, either wholly or in part, the use and benefit of the property	
J. Discretionary disclosures	

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WAVERLEY COUNCIL

Procedures for the Administration of the Code of Conduct

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Policy Owner	Manager Internal Ombudsman, Governance and Civic
Approved by	Council
Date Approved	18 June 2019
Commencement date	19 June 2019
TRIM Reference	A18/0585
Next revision date	
Relevant legislation/codes	• *Local Government Act 1993* • Model Code of Conduct for Local Councils in NSW • Procedures for the Administration of the Model Code of Council for Local Councils in NSW
Related policies/procedures/ guidelines	• Code of Conduct for Council Staff • Code of Conduct for Councillors • Code of Conduct for Council Committee Members and Other Council Officials
Related forms	Designated Persons Returns Form

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TABLE OF CONTENTS

PART 1 INTRODUCTION 5

PART 2 DEFINITIONS 6

PART 3 ADMINISTRATIVE FRAMEWORK 8

The establishment of a panel of conduct reviewers 8

The appointment of an internal ombudsman to a panel of conduct reviewers 9

The appointment of complaints coordinators 10

PART 4 HOW MAY CODE OF CONDUCT COMPLAINTS BE MADE? 11

What is a code of conduct complaint? 11

When must a code of conduct complaint be made? 11

How may a code of conduct complaint about a council official other than the general manager be made? 11

How may a code of conduct complaint about the general manager be made? 12

PART 5 HOW ARE CODE OF CONDUCT COMPLAINTS TO BE MANAGED? 13

Delegation by general managers and mayors of their functions under this Part 13

Consideration of complaints by general managers and mayors 13

What complaints may be declined at the outset? 13

How are code of conduct complaints about staff (other than the general manager) to be dealt with? 13

How are code of conduct complaints about delegates of council, council advisers and council committee members to be dealt with? 14

How are code of conduct complaints about administrators to be dealt with? 15

How are code of conduct complaints about councillors to be dealt with? 15

How are code of conduct complaints about the general manager to be dealt with? 17

How are complaints about both the general manager and the mayor to be dealt with? 18

Referral of code of conduct complaints to external agencies 18

Disclosure of the identity of complainants 18

Code of conduct complaints made as public interest disclosures 19

Special complaints management arrangements 19

PART 6 PRELIMINARY ASSESSMENT OF CODE OF CONDUCT COMPLAINTS ABOUT COUNCILLORS OR THE GENERAL MANAGER BY CONDUCT REVIEWERS 21

Referral of code of conduct complaints about councillors or the general manager to conduct reviewers 21

Preliminary assessment of code of conduct complaints about councillors or the general manager by a conduct reviewer 22

DRAFT

Referral back to the general manager or mayor for resolution 24
Complaints assessment criteria 25
PART 7 INVESTIGATIONS OF CODE OF CONDUCT COMPLAINTS ABOUT COUNCILLORS OR THE GENERAL MANAGER 26
What matters may a conduct reviewer investigate? 26
How are investigations to be commenced? 26
Written and oral submissions 27
How are investigations to be conducted? 28
Referral or resolution of a matter after the commencement of an investigation 28
Draft investigation reports 29
Final investigation reports 30
Consideration of the final investigation report by council 32
PART 8 OVERSIGHT AND RIGHTS OF REVIEW 35
The Office's powers of review 35
Complaints about conduct reviewers 35
Practice rulings 35
Review of decisions to impose sanctions 36
PART 9 PROCEDURAL IRREGULARITIES 38
PART 10 PRACTICE DIRECTIONS 39
PART 11 REPORTING STATISTICS ON CODE OF CONDUCT COMPLAINTS ABOUT COUNCILLORS AND THE GENERAL MANAGER 40
PART 12 CONFIDENTIALITY 41

DRAFT

PART 1 INTRODUCTION

These procedures reflect "the Model Code Procedures" that are prescribed for the administration of the Model Code of Conduct for Local Councils in NSW ("the Model Code of Conduct").

The Model Code of Conduct is made under section 440 of the Local Government Act 1993 ("the LGA") and the Local Government (General) Regulation 2005 ("the Regulation"). Section 440 of the LGA requires every council (including county councils) and joint organisation to adopt a code of conduct that incorporates the provisions of the Model Code of Conduct.

The Model Code Procedures are made under section 440AA of the LGA and the Regulation. Section 440AA of the LGA requires every council (including county councils) and joint organisation to adopt procedures for the administration of their code of conduct that incorporate the provisions of the Model Code Procedures.

In adopting procedures for the administration of their adopted codes of conduct, councils and joint organisations may supplement the Model Code Procedures. However, provisions that are not consistent with those prescribed under the Model Code Procedures will have no effect.

Note: Parts 6, 7, 8 and 11 of these procedures apply only to the management of code of conduct complaints about councillors (including the mayor) or the general manager.

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PART 2 DEFINITIONS

In these procedures the following terms have the following meanings:

administrator	an administrator of a council appointed under the LGA other than an administrator appointed under section 66
code of conduct	a complaint that is a code of conduct complaint for the purposes of clauses 4.1 and 4.2 of these procedures
complainant	a person who makes a code of conduct complaint
complainant councillor	a councillor who makes a code of conduct complaint
complaints coordinator	a person appointed by the general manager under these procedures as a complaints coordinator
conduct reviewer	a person appointed under these procedures to review allegations of breaches of the code of conduct by councillors or the general manager
council	includes county councils and joint organisations
council committee	a committee established by a council comprising of councillors, staff or other persons that the council has delegated functions to and the councils audit, risk and improvement committee
council committee member	a person other than a councillor or member of staff of a council who is a member of a council committee, and a person other than a councillor who is a member of the council's audit, risk and improvement committee
councillor	any person elected or appointed to civic office, including the mayor and includes members and chairpersons of county councils and voting representatives of the boards of joint organisations and chairpersons of joint organisations
council official	includes councillors, members of staff of a council, administrators, council committee members, delegates of council and, for the purposes of clause 4.12, council advisers
delegate of council	a person (other than a councillor or member of staff of a council) or body, and the individual members of that body, to whom a function of the council is delegated
external agency	a state government agency such as, but not limited to, the Office, the ICAC, the NSW Ombudsman or the police
general manager	includes the executive officer of a joint organisation

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ICAC	the Independent Commission Against Corruption
joint organisation	a joint organisation established under section 400O of the LGA
LGA	the *Local Government Act 1993*
mayor	includes the chairperson of a county council or a joint organisation
members of staff	includes staff engaged on contract
the Office	Office of Local Government
investigator	a conduct reviewer
the Regulation	the *Local Government (General) Regulation 2005*
Respondent	a person whose conduct is the subject of investigation by a conduct reviewer under these procedures
volunteer	A person engaged directly by council to undertake work without financial gain
wholly advisory committee	a council committee that the council has not delegated any functions to
wholly advisory committee member	a person other than a councillor or member of staff who is a member of a wholly advisory committee

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PART 3 ADMINISTRATIVE FRAMEWORK

The establishment of a panel of conduct reviewers

3.1. The council must establish a panel of conduct reviewers.

3.2. The council may enter into an arrangement with one or more other councils to share a panel of conduct reviewers including through a joint organisation or another regional body associated with the councils.

3.3. The panel of conduct reviewers is to be established following a public expression of interest process.

3.4. An expression of interest for members of the council's panel of conduct reviewers must, at a minimum, be advertised locally and in the Sydney metropolitan area.

3.5. To be eligible to be a conduct reviewer, a person must, at a minimum, meet the following requirements:

(a) an understanding of local government, and
(b) knowledge of investigative processes including but not limited to procedural fairness requirements and the requirements of the Public Interest Disclosures Act 1994, and
(c) knowledge and experience of one or more of the following:
    i. investigations
    ii. law
    iii. public administration
    iv. public sector ethics
    v. alternative dispute resolution, and
(d) meet the eligibility requirements for membership of a panel of conduct reviewers under clause 3.6.

3.6. A person is not eligible to be a conduct reviewer if they are:

(a) a councillor, or
(b) a nominee for election as a councillor, or
(c) an administrator, or
(d) an employee of a council, or
(e) a member of the Commonwealth Parliament or any State Parliament or Territory Assembly, or
(f) a nominee for election as a member of the Commonwealth Parliament or any State Parliament or Territory Assembly, or
(g) a person who has a conviction for an indictable offence that is not an expired conviction.

3.7. A person is not precluded from being a member of the council's panel of conduct reviewers if they are a member of another council's panel of conduct reviewers.

3.8. An incorporated or other entity may be appointed to a council's panel of conduct reviewers where the council is satisfied that all the persons who will be undertaking the functions of a conduct reviewer on behalf of the entity meet the selection and eligibility criteria prescribed under this Part.

3.9. A panel of conduct reviewers established under this Part is to have a term of up to four years.

3.10. The council may terminate the panel of conduct reviewers at any time. Where a panel of conduct reviewers has been terminated, conduct reviewers who were members of the panel may continue to deal with any matter referred to them under these procedures prior to the termination of the panel until they have finalised their consideration of the matter.

3.11. When the term of the panel of conduct reviewers concludes or is terminated, the council must establish a new panel of conduct reviewers in accordance with the requirements of this Part.

3.12. A person who was a member of a previous panel of conduct reviewers established by the council may be a member of subsequent panels of conduct reviewers established by the council if they continue to meet the selection and eligibility criteria for membership of the panel.

The appointment of an internal ombudsman to a panel of conduct reviewers

3.13. Despite clause 3.6(d), an employee of a council who is the nominated internal ombudsman of one or more councils may be appointed to a council's panel of conduct reviewers with the Office's consent.

3.14. To be appointed to a council's panel of conduct reviewers, an internal ombudsman must meet the qualification requirements for conduct reviewers prescribed under clause 3.5 as modified by the operation of clause 3.13.

3.15. An internal ombudsman appointed to a council's panel of conduct reviewers may also exercise the functions of the council's complaints coordinator. For the purposes of clause 6.1, an internal ombudsman who is a council's complaints coordinator and has been appointed to the council's panel of conduct reviewers, may either undertake a preliminary assessment and investigation of a matter referred to them under clauses 5.26 or 5.33 or refer the matter to another conduct reviewer in accordance with clause 6.2.

3.16. Clause 6.4(c) does not apply to an internal ombudsman appointed to a council's panel of conduct reviewers.

The appointment of complaints coordinators

3.17. The general manager must appoint a member of staff of the council or another person (such as, but not limited to, a member of staff of another council or a member of staff of a joint organisation or other regional body associated with the council), to act as a complaints coordinator. Where the complaints coordinator is a member of staff of the council, the complaints coordinator should be a senior and suitably qualified member of staff.

3.18. The general manager may appoint other members of staff of the council or other persons (such as, but not limited to, members of staff of another council or members of staff of a joint organisation or other regional body associated with the council), to act as alternates to the complaints coordinator.

3.19. The general manager must not undertake the role of complaints coordinator.

3.20. The person appointed as complaints coordinator or alternate complaints coordinator must also be a nominated disclosures coordinator appointed for the purpose of receiving and managing reports of wrongdoing under the Public Interest Disclosures Act 1994.

3.21. The role of the complaints coordinator is to:
(a) coordinate the management of complaints made under the council's code of conduct
(b) liaise with and provide administrative support to a conduct reviewer
(c) liaise with the Office and
(d) arrange the annual reporting of code of conduct complaints statistics.

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PART 4 HOW MAY CODE OF CONDUCT COMPLAINTS BE MADE?

What is a code of conduct complaint?

4.1. For the purpose of these procedures, a code of conduct complaint is a complaint that shows or tends to show conduct on the part of a council official in connection with their role as a council official or the exercise of their functions as a council official that would constitute a breach of the standards of conduct prescribed under the council's code of conduct if proven.

4.2. The following are not "code of conduct complaints" for the purposes of these procedures:

(a) complaints about the standard or level of service provided by the council or a council official

(b) complaints that relate solely to the merits of a decision made by the council or a council official or the exercise of a discretion by the council or a council official

(c) complaints about the policies or procedures of the council

(d) complaints about the conduct of a council official arising from the exercise of their functions in good faith, whether or not involving error, that would not otherwise constitute a breach of the standards of conduct prescribed under the council's code of conduct.

4.3. Only code of conduct complaints are to be dealt with under these procedures. Complaints that do not satisfy the definition of a code of conduct complaint are to be dealt with under the council's routine complaints management processes.

When must a code of conduct complaint be made?

4.4. A code of conduct complaint must be made within three months of the alleged conduct occurring or within three months of the complainant becoming aware of the alleged conduct.

4.5. A complaint made after 3 months may only be accepted if the general manager or their delegate, or, in the case of a complaint about the general manager, the mayor or their delegate, is satisfied that the allegations are serious and compelling grounds exist for the matter to be dealt with under the code of conduct.

How may a code of conduct complaint about a council official other than the general manager be made?

4.6. All code of conduct complaints other than those relating to the general manager are to be made to the general manager in writing. This clause does not operate to prevent a person from making a complaint to an external agency.

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4.7. Where a code of conduct complaint about a council official other than the general manager cannot be made in writing, the complaint must be confirmed with the complainant in writing as soon as possible after the receipt of the complaint.

4.8. In making a code of conduct complaint about a council official other than the general manager, the complainant may nominate whether they want the complaint to be resolved by mediation or by other alternative means.

4.9. The general manager or their delegate, or, where the complaint is referred to a conduct reviewer, the conduct reviewer, must consider the complainant's preferences in deciding how to deal with the complaint.

4.10. Notwithstanding clauses 4.6 and 4.7, where the general manager becomes aware of a possible breach of the council's code of conduct, they may initiate the process for the consideration of the matter under these procedures without a written complaint.

How may a code of conduct complaint about the general manager be made?

4.11. Code of conduct complaints about the general manager are to be made to the mayor in writing. This clause does not operate to prevent a person from making a complaint about the general manager to an external agency.

4.12. Where a code of conduct complaint about the general manager cannot be made in writing, the complaint must be confirmed with the complainant in writing as soon as possible after the receipt of the complaint.

4.13. In making a code of conduct complaint about the general manager, the complainant may nominate whether they want the complaint to be resolved by mediation or by other alternative means.

4.14. The mayor or their delegate, or, where the complaint is referred to a conduct reviewer, the conduct reviewer, must consider the complainant's preferences in deciding how to deal with the complaint.

4.15. Notwithstanding clauses 4.11 and 4.12, where the mayor becomes aware of a possible breach of the council's code of conduct by the general manager, they may initiate the process for the consideration of the matter under these procedures without a written complaint.

PART 5 HOW ARE CODE OF CONDUCT COMPLAINTS TO BE MANAGED?

Delegation by general managers and mayors of their functions under this Part

5.1. A general manager or mayor may delegate their functions under this Part to a member of staff of the council or to a person or persons external to the council other than an external agency. References in this Part to the general manager or mayor are also to be taken to be references to their delegates.

Consideration of complaints by general managers and mayors

5.2. In exercising their functions under this Part, general managers and mayors may consider the complaint assessment criteria prescribed under clause 6.31.

What complaints may be declined at the outset?

5.3. Without limiting any other provision in these procedures, the general manager or, in the case of a complaint about the general manager, the mayor, may decline to deal with a complaint under these procedures where they are satisfied that the complaint:

(a) is not a code of conduct complaint, or
(b) subject to clause 4.5, is not made within 3 months of the alleged conduct occurring or the complainant becoming aware of the alleged conduct, or
(c) is trivial, frivolous, vexatious or not made in good faith, or
(d) relates to a matter the substance of which has previously been considered and addressed by the council and does not warrant further action, or
(e) is not made in a way that would allow the alleged conduct and any alleged breaches of the council's code of conduct to be readily identified.

How are code of conduct complaints about staff (other than the general manager) to be dealt with?

5.4. The general manager is responsible for the management of code of conduct complaints about members of staff of council (other than complaints alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct) and for determining the outcome of such complaints.

5.5. The general manager must refer code of conduct complaints about members of staff of council alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct to the Office.

5.6. The general manager may decide to take no action in relation to a code of conduct complaint about a member of staff of council other than one requiring referral to the Office under clause 5.5 where they consider that no action is warranted in relation to the complaint.

5.7. Where the general manager decides to take no action in relation to a code of conduct complaint about a member of staff of council, the general manager must give the complainant reasons in writing for their decision and this shall finalise the consideration of the matter under these procedures.

5.8. Code of conduct complaints about members of staff of council must be managed in accordance with the relevant industrial instrument or employment contract and make provision for procedural fairness including the right of an employee to be represented by their union.

5.9. Sanctions for breaches of the code of conduct by staff depend on the severity, scale and importance of the breach and must be determined in accordance with any relevant industrial instruments or contracts.

How are code of conduct complaints about delegates of council, council advisers and council committee members to be dealt with?

5.10. The general manager is responsible for the management of code of conduct complaints about delegates of council and council committee members (other than complaints alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct) and for determining the outcome of such complaints.

5.11. The general manager must refer code of conduct complaints about council advisers, delegates of council and council committee members alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct to the Office.

5.12. The general manager may decide to take no action in relation to a code of conduct complaint about a delegate of council or a council committee member other than one requiring referral to the Office under clause 5.11 where they consider that no action is warranted in relation to the complaint.

5.13. Where the general manager decides to take no action in relation to a code of conduct complaint about a delegate of council or a council committee member, the general manager must give the complainant reasons in writing for their decision and this shall finalise the consideration of the matter under these procedures.

5.14. Where the general manager considers it to be practicable and appropriate to do so, the general manager may seek to resolve code of conduct complaints about delegates of council or council committee members, by alternative means such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour. The resolution of a code of conduct complaint under this

clause is not to be taken as a determination that there has been a breach of the council's code of conduct.

5.15. Where the general manager resolves a code of conduct complaint under clause 5.14 to the general manager's satisfaction, the general manager must notify the complainant in writing of the steps taken to resolve the complaint and this shall finalise the consideration of the matter under these procedures.

5.16. Sanctions for breaches of the code of conduct by delegates of council and/or council committee members depend on the severity, scale and importance of the breach and may include one or more of the following:
(a) censure
(b) requiring the person to apologise to any person or organisation adversely affected by the breach in such a time and form specified by the general manager
(c) prosecution for any breach of the law
(d) removing or restricting the person's delegation
(e) removing the person from membership of the relevant council committee.

5.17. Prior to imposing a sanction against a delegate of council or a council committee member under clause 5.16, the general manager or any person making enquiries on behalf of the general manager must comply with the requirements of procedural fairness. In particular:
(a) the substance of the allegation (including the relevant provision/s of the council's code of conduct that the alleged conduct is in breach of) must be put to the person who is the subject of the allegation, and
(b) the person must be given an opportunity to respond to the allegation, and
(c) the general manager must consider the person's response in deciding whether to impose a sanction under clause 5.16.

How are code of conduct complaints about administrators to be dealt with?

5.18. The general manager must refer all code of conduct complaints about administrators to the Office for its consideration.

5.19. The general manager must notify the complainant of the referral of their complaint in writing.

How are code of conduct complaints about councillors to be dealt with?

5.20. The general manager must refer the following code of conduct complaints about councillors to the Office:
(a) complaints alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct

(b) complaints alleging a failure to comply with a requirement under the code of conduct to disclose and appropriately manage conflicts of interest arising from political donations (see section 328B of the LGA)
(c) complaints alleging a breach of the provisions relating to the maintenance of the integrity of the code of conduct contained in Part 9 of the code of conduct
(d) complaints that are the subject of a special complaints management arrangement with the Office under clause 5.49.

5.21. Where the general manager refers a complaint to the Office under clause 5.20, the general manager must notify the complainant of the referral in writing.

5.22. The general manager may decide to take no action in relation to a code of conduct complaint about a councillor, other than one requiring referral to the Office under clause 5.20, where they consider that no action is warranted in relation to the complaint.

5.23. Where the general manager decides to take no action in relation to a code of conduct complaint about a councillor, the general manager must give the complainant reasons in writing for their decision within 21 days of receipt of the complaint and this shall finalise the consideration of the matter under these procedures.

5.24. Where the general manager considers it to be practicable and appropriate to do so, the general manager may seek to resolve code of conduct complaints about councillors, other than those requiring referral to the Office under clause 5.20, by alternative means such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour. The resolution of a code of conduct complaint under this clause is not to be taken as a determination that there has been a breach of the council's code of conduct.

5.25. Where the general manager resolves a code of conduct complaint under clause 5.24 to the general manager's satisfaction, the general manager must notify the complainant in writing of the steps taken to resolve the complaint within 21 days of receipt of the complaint and this shall finalise the consideration of the matter under these procedures.

5.26. The general manager must refer all code of conduct complaints about councillors, other than those referred to the Office under clause 5.20 or finalised under clause 5.23 or resolved under clause 5.24, to the complaints coordinator.

How are code of conduct complaints about the general manager to be dealt with?

5.27. The mayor must refer the following code of conduct complaints about the general manager to the Office:
- (a) complaints alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct
- (b) complaints alleging a breach of the provisions relating to the maintenance of the integrity of the code of conduct contained in Part 9 of the code of conduct
- (c) complaints that are the subject of a special complaints management arrangement with the Office under clause 5.49.

5.28. Where the mayor refers a complaint to the Office under clause 5.27, the mayor must notify the complainant of the referral in writing.

5.29. The mayor may decide to take no action in relation to a code of conduct complaint about the general manager, other than one requiring referral to the Office under clause 5.27, where they consider that no action is warranted in relation to the complaint.

5.30. Where the mayor decides to take no action in relation to a code of conduct complaint about the general manager, the mayor must give the complainant reasons in writing for their decision within 21 days of receipt of the complaint and this shall finalise the consideration of the matter under these procedures.

5.31. Where the mayor considers it to be practicable and appropriate to do so, the mayor may seek to resolve code of conduct complaints about the general manager, other than those requiring referral to the Office under clause 5.27, by alternative means such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour. The resolution of a code of conduct complaint under this clause is not to be taken as a determination that there has been a breach of the council's code of conduct.

5.32. Where the mayor resolves a code of conduct complaint under clause 5.31 to the mayor's satisfaction, the mayor must notify the complainant in writing of the steps taken to resolve the complaint within 21 days of receipt of the complaint and this shall finalise the consideration of the matter under these procedures.

5.33. The mayor must refer all code of conduct complaints about the general manager, other than those referred to the Office under clause 5.27 or finalised under clause 5.30 or resolved under clause 5.31, to the complaints coordinator.

How are complaints about both the general manager and the mayor to be dealt with?

5.34. Where the general manager or mayor receives a code of conduct complaint that alleges a breach of the code of conduct by both the general manager and the mayor, the general manager or mayor must either:
(a) delegate their functions under this part with respect to the complaint to a member of staff of the council other than the general manager where the allegation is not serious, or to a person external to the council, or
(b) refer the matter to the complaints coordinator under clause 5.26 and clause 5.33.

Referral of code of conduct complaints to external agencies

5.35. The general manager, mayor or a conduct reviewer may, at any time, refer a code of conduct complaint to an external agency for its consideration, where they consider such a referral is warranted.

5.36. The general manager, mayor or a conduct reviewer must report to the ICAC any matter that they suspect on reasonable grounds concerns or may concern corrupt conduct.

5.37. Where the general manager, mayor or conduct reviewer refers a complaint to an external agency under clause 5.35, they must notify the complainant of the referral in writing unless they form the view, on the advice of the relevant agency, that it would not be appropriate for them to do so.

5.38. Referral of a matter to an external agency shall finalise consideration of the matter under these procedures unless the council is subsequently advised otherwise by the referral agency.

Disclosure of the identity of complainants

5.39. In dealing with matters under these procedures, information that identifies or tends to identify complainants is not to be disclosed unless:
(a) the complainant consents in writing to the disclosure, or
(b) it is generally known that the complainant has made the complaint as a result of the complainant having voluntarily identified themselves as the person who made the complaint, or
(c) it is essential, having regard to procedural fairness requirements, that the identifying information be disclosed, or
(d) a conduct reviewer is of the opinion that disclosure of the information is necessary to investigate the matter effectively, or
(e) it is otherwise in the public interest to do so.

5.40. Clause 5.39 does not apply to code of conduct complaints made by councillors about other councillors or the general manager.

5.41. Where a councillor makes a code of conduct complaint about another councillor or the general manager, and the complainant councillor considers that compelling grounds exist that would warrant information that identifies or tends to identify them as the complainant not to be disclosed, they may request in writing that such information not be disclosed.

5.42. A request made by a complainant councillor under clause 5.41 must be made at the time they make a code of conduct complaint and must state the grounds upon which the request is made.

5.43. The general manager or mayor, and where the matter is referred to a conduct reviewer, the conduct reviewer, must consider a request made under clause 5.41 before disclosing information that identifies or tends to identify the complainant councillor, but they are not obliged to comply with the request.

5.44. Where a complainant councillor makes a request under clause 5.41, the general manager or mayor or, where the matter is referred to a conduct reviewer, the conduct reviewer, shall notify the councillor in writing of their intention to disclose information that identifies or tends to identify them prior to disclosing the information.

Code of conduct complaints made as public interest disclosures

5.45. These procedures do not override the provisions of the *Public Interest Disclosures Act 1994*. Code of conduct complaints that are made as public interest disclosures under that Act are to be managed in accordance with the requirements of that Act, the council's internal reporting policy, and any guidelines issued by the NSW Ombudsman that relate to the management of public interest disclosures.

5.46. Where a councillor makes a code of conduct complaint about another councillor or the general manager as a public interest disclosure, before the matter may be dealt with under these procedures, the complainant councillor must consent in writing to the disclosure of their identity as the complainant.

5.47. Where a complainant councillor declines to consent to the disclosure of their identity as the complainant under clause 5.46, the general manager or the mayor must refer the complaint to the Office for consideration. Such a referral must be made under section 26 of the *Public Interest Disclosures Act 1994*.

Special complaints management arrangements

5.48. The general manager may request in writing that the Office enter into a special complaints management arrangement with the council in relation to code of conduct complaints made by or about a person or persons.

5.49. Where the Office receives a request under clause 5.48, it may agree to enter into a special complaints management arrangement if it is satisfied that the number or nature of code of conduct complaints made by or about a person or persons has:
(a) imposed an undue and disproportionate cost burden on the council's administration of its code of conduct, or
(b) impeded or disrupted the effective administration by the council of its code of conduct, or
(c) impeded or disrupted the effective functioning of the council.

5.50. A special complaints management arrangement must be in writing and must specify the following:
(a) the code of conduct complaints the arrangement relates to, and
(b) the period that the arrangement will be in force.

5.51. The Office may, by notice in writing, amend or terminate a special complaints management arrangement at any time.

5.52. While a special complaints management arrangement is in force, an officer of the Office (the assessing OLG officer) must undertake the preliminary assessment of the code of conduct complaints specified in the arrangement in accordance with the requirements of Part 6 of these procedures.

5.53. Where, following a preliminary assessment, the assessing OLG officer determines that a code of conduct complaint warrants investigation by a conduct reviewer, the assessing OLG officer shall notify the complaints coordinator in writing of their determination and the reasons for their determination. The complaints coordinator must comply with the recommendation of the assessing OLG officer.

5.54. Prior to the expiry of a special complaints management arrangement, the Office may, at the request of the general manager, review the arrangement to determine whether it should be renewed or amended.

5.55. A special complaints management arrangement shall expire on the date specified in the arrangement unless renewed under clause 5.54.

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PART 6 PRELIMINARY ASSESSMENT OF CODE OF CONDUCT COMPLAINTS ABOUT COUNCILLORS OR THE GENERAL MANAGER BY CONDUCT REVIEWERS

Referral of code of conduct complaints about councillors or the general manager to conduct reviewers

6.1 The complaints coordinator must refer all code of conduct complaints about councillors or the general manager that have not been referred to an external agency or declined or resolved by the general manager, mayor or their delegate and that have been referred to them under clauses 5.26 or 5.33, to a conduct reviewer within 21 days of receipt of the complaint by the general manager or the mayor.

6.2 For the purposes of clause 6.1, the complaints coordinator will refer a complaint to a conduct reviewer selected from:
(a) a panel of conduct reviewers established by the council, or
(b) a panel of conduct reviewers established by an organisation approved by the Office.

6.3 In selecting a suitable conduct reviewer, the complaints coordinator may have regard to the qualifications and experience of members of the panel of conduct reviewers. Where the conduct reviewer is an incorporated or other entity, the complaints coordinator must also ensure that the person assigned to receive the referral on behalf of the entity meets the selection and eligibility criteria for conduct reviewers prescribed under Part 3 of these procedures.

6.4 A conduct reviewer must not accept the referral of a code of conduct complaint where:
(a) they have a conflict of interest in relation to the matter referred to them, or
(b) a reasonable apprehension of bias arises in relation to their consideration of the matter, or
(c) they or their employer has entered into one or more contracts with the council (other than contracts relating to the exercise of their functions as a conduct reviewer) in the 2 years preceding the referral, and they or their employer have received or expect to receive payments under the contract or contracts of a value that, when aggregated, exceeds $100,000, or
(d) at the time of the referral, they or their employer are the council's legal service provider or are a member of a panel of legal service providers appointed by the council.

6.5 For the purposes of clause 6.4(a), a conduct reviewer will have a conflict of interest in a matter where a reasonable and informed person would perceive that they

could be influenced by a private interest when carrying out their public duty (see clause 5.2 of the Model Code of Conduct).

6.6 For the purposes of clause 6.4(b), a reasonable apprehension of bias arises where a fair-minded observer might reasonably apprehend that the conduct reviewer might not bring an impartial and unprejudiced mind to the matter referred to the conduct reviewer.

6.7 Where the complaints coordinator refers a matter to a conduct reviewer, they will provide the conduct reviewer with a copy of the code of conduct complaint and any other information relevant to the matter held by the council, including any information about previous proven breaches and any information that would indicate that the alleged conduct forms part of an ongoing pattern of behaviour.

6.8 The complaints coordinator must notify the complainant in writing that the matter has been referred to a conduct reviewer, and advise which conduct reviewer the matter has been referred to.

6.9 Conduct reviewers must comply with these procedures in their consideration of matters that have been referred to them and exercise their functions in a diligent and timely manner.

6.10 The complaints coordinator may at any time terminate the referral of a matter to a conduct reviewer and refer the matter to another conduct reviewer where the complaints coordinator is satisfied that the conduct reviewer has failed to:
(a) comply with these procedures in their consideration of the matter, or
(b) comply with a lawful and reasonable request by the complaints coordinator, or
(c) exercise their functions in a timely or satisfactory manner.

6.11 Where the complaints coordinator terminates a referral to a conduct reviewer under clause 6.10, they must notify the complainant and any other affected person in writing of their decision and the reasons for it and advise them which conduct reviewer the matter has been referred to instead.

Preliminary assessment of code of conduct complaints about councillors or the general manager by a conduct reviewer

6.12 The conduct reviewer is to undertake a preliminary assessment of a complaint referred to them by the complaints coordinator for the purposes of determining how the complaint is to be managed.

6.13 The conduct reviewer may determine to do one or more of the following in relation to a complaint referred to them by the complaints coordinator:
(a) to take no action

(b) to resolve the complaint by alternative and appropriate strategies such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour
(c) to refer the matter back to the general manager or, in the case of a complaint about the general manager, the mayor, for resolution by alternative and appropriate strategies such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour
(d) to refer the matter to an external agency
(e) to investigate the matter.

6.14 In determining how to deal with a matter under clause 6.13, the conduct reviewer must have regard to the complaint assessment criteria prescribed under clause 6.31.

6.15 The conduct reviewer may make such enquiries the conduct reviewer considers to be reasonably necessary to determine what options to exercise under clause 6.13.

6.16 The conduct reviewer may request the complaints coordinator to provide such additional information the conduct reviewer considers to be reasonably necessary to determine what options to exercise in relation to the matter under clause 6.13. The complaints coordinator will, as far as is reasonably practicable, supply any information requested by the conduct reviewer.

6.17 The conduct reviewer must refer to the Office any complaints referred to them that should have been referred to the Office under clauses 5.20 and 5.27.

6.18 The conduct reviewer must determine to take no action on a complaint that is not a code of conduct complaint for the purposes of these procedures.

6.19 The resolution of a code of conduct complaint under clause 6.13, paragraphs (b) or (c) is not to be taken as a determination that there has been a breach of the council's code of conduct.

6.20 Where the conduct reviewer completes their preliminary assessment of a complaint by determining to exercise an option under clause 6.13, paragraphs (a), (b) or (c), they must provide the complainant with written notice of their determination and provide reasons for it, and this will finalise consideration of the matter under these procedures.

6.21 Where the conduct reviewer refers a complaint to an external agency, they must notify the complainant of the referral in writing unless they form the view, on the advice of the relevant agency, that it would not be appropriate for them to do so.

6.22 The conduct reviewer may only determine to investigate a matter where they are satisfied as to the following:

(a) that the complaint is a code of conduct complaint for the purposes of these procedures, and

(b) that the alleged conduct is sufficiently serious to warrant the formal censure of a councillor under section 440G of the LGA or disciplinary action against the general manager under their contract of employment if it were to be proven, and

(c) that the matter is one that could not or should not be resolved by alternative means.

6.23 In determining whether a matter is sufficiently serious to warrant formal censure of a councillor under section 440G of the LGA or disciplinary action against the general manager under their contract of employment, the conduct reviewer is to consider the following:

(a) the harm or cost that the alleged conduct has caused to any affected individuals and/or the council

(b) the likely impact of the alleged conduct on the reputation of the council and public confidence in it

(c) whether the alleged conduct was deliberate or undertaken with reckless intent or negligence

(d) any previous proven breaches by the person whose alleged conduct is the subject of the complaint and/or whether the alleged conduct forms part of an ongoing pattern of behaviour.

6.24 The conduct reviewer must complete their preliminary assessment of the complaint within 28 days of referral of the matter to them by the complaints coordinator and notify the complaints coordinator in writing of the outcome of their assessment.

6.25 The conduct reviewer is not obliged to give prior notice to or to consult with any person before making a determination in relation to their preliminary assessment of a complaint, except as may be specifically required under these procedures.

Referral back to the general manager or mayor for resolution

6.26 Where the conduct reviewer determines to refer a matter back to the general manager or to the mayor to be resolved by alternative and appropriate means, they must write to the general manager or, in the case of a complaint about the general manager, to the mayor, recommending the means by which the complaint may be resolved.

6.27 The conduct reviewer must consult with the general manager or mayor prior to referring a matter back to them under clause 6.13(c).

6.28 The general manager or mayor may decline to accept the conduct reviewer's recommendation. In such cases, the conduct reviewer may determine to deal with the complaint by other means under clause 6.13.

6.29 Where the conduct reviewer refers a matter back to the general manager or mayor under clause 6.13(c), the general manager or, in the case of a complaint about the general manager, the mayor, is responsible for implementing or overseeing the implementation of the conduct reviewer's recommendation.

6.30 Where the conduct reviewer refers a matter back to the general manager or mayor under clause 6.13(c), the general manager, or, in the case of a complaint about the general manager, the mayor, must advise the complainant in writing of the steps taken to implement the conduct reviewer's recommendation once these steps have been completed.

Complaints assessment criteria

6.31 In undertaking the preliminary assessment of a complaint, the conduct reviewer must have regard to the following considerations:

(a) whether the complaint is a code of conduct complaint for the purpose of these procedures
(b) whether the complaint has been made in a timely manner in accordance with clause 4.4, and if not, whether the allegations are sufficiently serious for compelling grounds to exist for the matter to be dealt with under the council's code of conduct
(c) whether the complaint is trivial, frivolous, vexatious or not made in good faith
(d) whether the complaint discloses prima facie evidence of conduct that, if proven, would constitute a breach of the code of conduct
(e) whether the complaint raises issues that would be more appropriately dealt with by an external agency
(f) whether there is or was an alternative and satisfactory means of redress available in relation to the conduct complained of
(g) whether the complaint is one that can be resolved by alternative and appropriate strategies such as, but not limited to, explanation, counselling, training, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour
(h) whether the issue/s giving rise to the complaint have previously been addressed or resolved
(i) any previous proven breaches of the council's code of conduct
(j) whether the conduct complained of forms part of an ongoing pattern of behaviour
(k) whether there were mitigating circumstances giving rise to the conduct complained of
(l) the seriousness of the alleged conduct (having regard to the criteria specified in clause 6.23)

(m) the significance of the conduct or the impact of the conduct for the council
(n) how much time has passed since the alleged conduct occurred
(o) such other considerations that the conduct reviewer considers may be relevant to the assessment of the complaint.

PART 7 INVESTIGATIONS OF CODE OF CONDUCT COMPLAINTS ABOUT COUNCILLORS OR THE GENERAL MANAGER

What matters may a conduct reviewer investigate?

7.1 A conduct reviewer (hereafter referred to as an "investigator") may investigate a code of conduct complaint that has been referred to them by the complaints coordinator and any matters related to or arising from that complaint.

7.2 Where an investigator identifies further separate possible breaches of the code of conduct that are not related to or do not arise from the code of conduct complaint that has been referred to them, they are to report the matters separately in writing to the general manager, or, in the case of alleged conduct on the part of the general manager, to the mayor.

7.3 The general manager or the mayor or their delegate is to deal with a matter reported to them by an investigator under clause 7.2 as if it were a new code of conduct complaint in accordance with these procedures.

How are investigations to be commenced?

7.4 The investigator must at the outset of their investigation provide a written notice of investigation to the respondent. The notice of investigation must:
(a) disclose the substance of the allegations against the respondent, and
(b) advise of the relevant provisions of the code of conduct that apply to the alleged conduct, and
(c) advise of the process to be followed in investigating the matter, and
(d) advise the respondent of the requirement to maintain confidentiality, and
(e) invite the respondent to make a written submission in relation to the matter within a period of not less than 14 days specified by the investigator in the notice, and
(f) provide the respondent the opportunity to address the investigator on the matter within such reasonable time specified in the notice.

7.5 The respondent may, within 7 days of receipt of the notice of investigation, request in writing that the investigator provide them with such further information they consider necessary to assist them to identify the substance of the allegation against them. An investigator will only be obliged to provide such information that the investigator considers reasonably necessary for the respondent to identify the substance of the allegation against them.

7.6 An investigator may at any time prior to issuing a draft report, issue an amended notice of investigation to the respondent in relation to the matter referred to them.

7.7 Where an investigator issues an amended notice of investigation, they must provide the respondent with a further opportunity to make a written submission in response to the amended notice of investigation within a period specified by the investigator in the amended notice.

7.8 The investigator must also, at the outset of their investigation, provide written notice of the investigation to the complainant, the complaints coordinator and the general manager, or in the case of a complaint about the general manager, to the complainant, the complaints coordinator and the mayor. The notice must:

(a) advise them of the matter the investigator is investigating, and
(b) in the case of the notice to the complainant, advise them of the requirement to maintain confidentiality, and
(c) invite the complainant to make a written submission in relation to the matter within a period of not less than 14 days specified by the investigator in the notice.

Written and oral submissions

7.9 Where the respondent or the complainant fails to make a written submission in relation to the matter within the period specified by the investigator in their notice of investigation or amended notice of investigation, the investigator may proceed to prepare their draft report without receiving such submissions.

7.10 The investigator may accept written submissions received outside the period specified in the notice of investigation or amended notice of investigation.

7.11 Prior to preparing a draft report, the investigator must give the respondent an opportunity to address the investigator on the matter being investigated. The respondent may do so in person or by telephone or other electronic means.

7.12 Where the respondent fails to accept the opportunity to address the investigator within the period specified by the investigator in the notice of investigation, the investigator may proceed to prepare a draft report without hearing from the respondent.

7.13 Where the respondent accepts the opportunity to address the investigator in person, they may have a support person or legal adviser in attendance. The support person or legal adviser will act in an advisory or support role to the respondent only. They must not speak on behalf of the respondent or otherwise interfere with or disrupt proceedings.

7.14 The investigator must consider all written and oral submissions made to them in relation to the matter.

How are investigations to be conducted?

7.15 Investigations are to be undertaken without undue delay.

7.16 Investigations are to be undertaken in the absence of the public and in confidence.

7.17 Investigators must make any such enquiries that may be reasonably necessary to establish the facts of the matter.

7.18 Investigators may seek such advice or expert guidance that may be reasonably necessary to assist them with their investigation or the conduct of their investigation.

7.19 An investigator may request that the complaints coordinator provide such further information that the investigator considers may be reasonably necessary for them to establish the facts of the matter. The complaints coordinator will, as far as is reasonably practicable, provide the information requested by the investigator.

Referral or resolution of a matter after the commencement of an investigation

7.20 At any time after an investigator has issued a notice of investigation and before they have issued their final report, an investigator may determine to:

(a) resolve the matter by alternative and appropriate strategies such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour, or

(b) refer the matter to the general manager, or, in the case of a complaint about the general manager, to the mayor, for resolution by alternative and appropriate strategies such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour, or

(c) refer the matter to an external agency.

7.21 Where an investigator determines to exercise any of the options under clause 7.20 after the commencement of an investigation, they must do so in accordance with the requirements of Part 6 of these procedures relating to the exercise of these options at the preliminary assessment stage.

7.22 The resolution of a code of conduct complaint under clause 7.20, paragraphs (a) or (b) is not to be taken as a determination that there has been a breach of the council's code of conduct.

7.23 Where an investigator determines to exercise any of the options under clause 7.20 after the commencement of an investigation, they may by written notice to the respondent, the complainant, the complaints coordinator and the general manager, or in the case of a complaint about the general manager, to the respondent, the complainant, the complaints coordinator and the mayor, discontinue their investigation of the matter.

7.24 Where the investigator discontinues their investigation of a matter under clause 7.23, this shall finalise the consideration of the matter under these procedures.

7.25 An investigator is not obliged to give prior notice to or to consult with any person before making a determination to exercise any of the options under clause 7.20 or to discontinue their investigation except as may be specifically required under these procedures.

Draft investigation reports

7.26 When an investigator has completed their enquiries and considered any written or oral submissions made to them in relation to a matter, they must prepare a draft of their proposed report.

7.27 The investigator must provide their draft report to the respondent and invite them to make a written submission in relation to it within a period of not less than 14 days specified by the investigator.

7.28 Where the investigator proposes to make adverse comment about any other person (an affected person) in their report, they must also provide the affected person with relevant extracts of their draft report containing such comment and invite the affected person to make a written submission in relation to it a period of not less that 14 days specified by the investigator.

7.29 The investigator must consider written submissions received in relation to the draft report prior to finalising their report in relation to the matter.

7.30 The investigator may, after consideration of all written submissions received in relation to their draft report, make further enquiries into the matter. If, as a result of making further enquiries, the investigator makes any material change to their proposed report that makes new adverse comment about the respondent or an affected person, they must provide the respondent or affected person as the case may be with a further opportunity to make a written submission in relation to the new adverse comment.

7.31 Where the respondent or an affected person fails to make a written submission in relation to the draft report within the period specified by the investigator, the investigator may proceed to prepare and issue their final report without receiving such submissions.

7.32 The investigator may accept written submissions in relation to the draft report received outside the period specified by the investigator at any time prior to issuing their final report.

Final investigation reports

7.33 Where an investigator issues a notice of investigation they must prepare a final report in relation to the matter unless the investigation is discontinued under clause 7.23.

7.34 An investigator must not prepare a final report in relation to the matter at any time before they have finalised their consideration of the matter in accordance with the requirements of these procedures.

7.35 The investigator's final report must:
- (a) make findings of fact in relation to the matter investigated, and,
- (b) make a determination that the conduct investigated either,
  - i. constitutes a breach of the code of conduct, or
  - ii. does not constitute a breach of the code of conduct, and
- (c) provide reasons for the determination.

7.36 At a minimum, the investigator's final report must contain the following information:
- (a) a description of the allegations against the respondent
- (b) the relevant provisions of the code of conduct that apply to the alleged conduct investigated
- (c) a statement of reasons as to why the matter warranted investigation (having regard to the criteria specified in clause 6.23)
- (d) a statement of reasons as to why the matter was one that could not or should not be resolved by alternative means
- (e) a description of any attempts made to resolve the matter by se of alternative means
- (f) the steps taken to investigate the matter
- (g) the facts of the matter
- (h) the investigator's findings in relation to the facts of the matter and the reasons for those findings
- (i) the investigator's determination and the reasons for that determination
- (j) any recommendations.

7.37 Where the investigator determines that the conduct investigated constitutes a breach of the code of conduct, the investigator may recommend:
(a) in the case of a breach by the general manager, that disciplinary action be taken under the general manager's contract of employment for the breach, or
(b) in the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the LGA, or
(c) in the case of a breach by a councillor, that the council resolves as follows:
i. that the councillor be formally censured for the breach under section 440G of the LGA, and
ii. that the matter be referred to the Office for further action under the misconduct provisions of the LGA.

7.38 Where the investigator proposes to make a recommendation under clause 7.37©, the investigator must first consult with the Office on their proposed findings, determination and recommendation prior to finalising their report, and must take any comments by the Office into consideration when finalising their report.

7.39 Where the investigator has determined that there has been a breach of the code of conduct, the investigator may, in addition to making a recommendation under clause 7.37, recommend tha the council revise any of its policies, practices or procedures.

7.40 Where the investigator determines that the conduct investigated does not constitute a breach of the code of conduct, the investigator may recommend:
(a) that the council revise any of its policies, practices or procedures
(b) that a person or persons undertake any training or other education.

7.41 The investigator must provide a copy of their report to the complaints coordinator and the respondent.

7.42 At the time the investigator provides a copy of their report to the complaints coordinator and the respondent, the investigator must provide the complainant with a written statement containing the following information:
(a) the investigator's findings in relation to the facts of the matter and the reasons for those findings
(b) the investigator's determination and the reasons for that determination
(c) any recommendations, and
(d) such other additional information that the investigator considers may be relevant.

7.43 Where the investigator has determined that there has not been a breach of the code of conduct, the complaints coordinator must provide a copy of the investigator's report to the general manager or, where the report relates to the general manager's conduct, to the mayor, and this will finalise consideration of the matter under these procedures.

7.44 Where the investigator has determined that there has been a breach of the code of conduct and makes a recommendation under clause 7.37, the complaints coordinator must, where practicable, arrange for the investigator's report to be reported to the next ordinary council meeting for the council's consideration, unless the meeting is to be held within the 4 weeks prior to an ordinary local government election, in which case the report must be reported to the first ordinary council meeting following the election.

7.45 Where it is apparent to the complaints coordinator that the council will not be able to form a quorum to consider the investigator's report , the complaints coordinator must refer the investigator's report to the Office for its consideration instead of reporting it to the council under clause 7.44.

Consideration of the final investigation report by council

7.46 The role of the council in relation to a final investigation report is to impose a sanction if the investigator has determined that there has been a breach of the code of conduct and has made a recommendation in their final report under clause 7.37.

7.47 The council is to close its meeting to the public to consider the final investigation report in cases where it is permitted to do so under section 10A of the LGA.

7.48 Where the complainant is a councillor, they must absent themselves from the meeting and take no part in any discussion or voting on the matter. The complainant councillor may absent themselves without making any disclosure of interest in relation to the matter unless otherwise required to do so under the code of conduct.

7.49 Prior to imposing a sanction, the council must provide the respondent with an opportunity to make a submission to the council. A submission may be made orally or in writing. The respondent is to confine their submission to addressing the investigator's recommendation.

7.50 Once the respondent has made their submission they must absent themselves from the meeting and, where they are a councillor, take no part in any discussion or voting on the matter.

7.51 The council must not invite submissions from other persons for the purpose of seeking to rehear evidence previously considered by the investigator.

7.52 Prior to imposing a sanction, the council may by resolution:

(a) request that the investigator make additional enquiries and/or provide additional information to it in a supplementary report, or
(b) seek an opinion from the Office in relation to the report.

7.53 The council may, by resolution, defer further consideration of the matter pending the receipt of a supplementary report from the investigator or an opinion from the Office.

7.54 The investigator may make additional enquiries for the purpose of preparing a supplementary report.

7.55 Where the investigator prepares a supplementary report, they must provide copies to the complaints coordinator who shall provide a copy each to the council and the respondent.

7.56 The investigator is not obliged to notify or consult with any person prior to submitting the supplementary report to the complaints coordinator.

7.57 The council is only required to provide the respondent a further opportunity to make an oral or written submission on a supplementary report if the supplementary report contains new information that is adverse to them.

7.58 A council may by resolution impose one of the following sanctions on a respondent:
(a) in the case of a breach by the general manager, that disciplinary action be taken under the general manager's contract of employment for the breach, or
(b) in the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the LGA, or
(c) in the case of a breach by a councillor:
    i. that the councillor be formally censured for the breach under section 440G of the LGA, and
    ii. that the matter be referred to the Office for further action under the misconduct provisions of the LGA.

7.59 Where the council censures a councillor under section 440G for the LGA, the council must specify in the censure resolution the grounds on which it is satisfied that the councillor should be censured by disclosing in the resolution, the investigator's findings and determination and/or such other grounds that the council considers may be relevant or appropriate.

7.60 The council is not obliged to adopt the investigator's recommendation. Where the council proposes not to the investigator's recommendation, the council must resolve not to adopt the recommendation and state in its resolution the reasons for its decision.

7.61 Where the council resolves not to adopt the investigator's recommendation, the complaints coordinator must notify the Office of the council's decision and the reasons for it.

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PART 8 OVERSIGHT AND RIGHTS OF REVIEW

The Office's powers of review

8.1 The Office may, at any time, whether or not in response to a request, review the consideration of a matter under a council's code of conduct where it is concerned that a person has failed to comply with a requirement prescribed under these procedures or has misinterpreted or misapplied the standards of conduct prescribed under the code of conduct in their consideration of a matter.

8.2 The Office may direct any person, including the council, to defer taking further action in relation to a matter under consideration under the council's code of conduct pending the completion of its review. Any person the subject of a direction must comply with the direction.

8.3 Where the Office undertakes a review of a matter under clause 8.1, it will notify the complaints coordinator and any other affected persons, of the outcome of the review.

Complaints about conduct reviewers

8.4 The general manager or their delegate must refer code of conduct complaints about conduct reviewers to the Office for its consideration.

8.5 The general manager must notify the complainant of the referral of their complaint about the conduct reviewer in writing.

8.6 The general manager must implement any recommendation made by the Office as a result of its consideration of a complaint about a conduct reviewer.

Practice rulings

8.7 Where a respondent and an investigator are in dispute over a requirement under these procedures, either person may make a request in writing to the Office to make a ruling on a question of procedure (a practice ruling).

8.8 Where the Office receives a request in writing for a practice ruling, the Office may provide notice in writing of its ruling and the reasons for it to the person who requested it and to the investigator, where that person is different.

8.9 Where the Office makes a practice ruling, all parties must comply with it.

8.10 The Office may decline to make a practice ruling. Where the Office declines to make a practice ruling, it will provide notice in writing of its decision and the

reasons for it to the person who requested it and to the investigator, where that person is different.

Review of decisions to impose sanctions

8.11 A person who is the subject of a sanction imposed under Part 7 of these procedures other than one imposed under clause 7.58, paragraph (c), may, within 28 days of the sanction being imposed, seek a review of the investigator's determination and recommendation by the Office.

8.12 A review under clause 8.11 may be sought on the following grounds:
(a) that the investigator has failed to comply with a requirement under these procedures, or
(b) that the investigator has misinterpreted or misapplied the standards of conduct prescribed under the code of conduct, or
(c) that in imposing its sanction, the council has failed to comply with a requirement under these procedures.

8.13 A request for a review made under clause 8.11 must be made in writing and must specify the grounds upon which the person believes the investigator or the council has erred.

8.14 The Office may decline to conduct a review, in cases where the grounds upon which the review is sought are not sufficiently specified.

8.15 The Office may undertake a review of a matter without receiving a request under clause 8.11.

8.16 The Office will undertake a review of the matter on the papers. However, the Office may request that the complaints coordinator provide such further information that the Office considers reasonably necessary for it to review the matter. The complaints coordinator must, as far as is reasonably practicable, provide the information requested by the Office.

8.17 Where a person requests a review under clause 8.11, the Office may direct the council to defer any action to implement a sanction. The council must comply with a direction to defer action by the Office.

8.18 The Office must notify the person who requested the review and the complaints coordinator of the outcome of the Office's review in writing and the reasons for its decision. In doing so, the Office may comment on any other matters the Office considers to be relevant.

8.19 Where the Office considers that the investigator or the council has erred, the Office may recommend that a decision to impose a sanction under these procedures be reviewed.

8.20 Where the Office recommends that the decision to impose a sanction be reviewed:

(a) the complaints coordinator must, where practicable, arrange for the Office's determination to be tabled at the next ordinary council meeting unless the meeting is to be held within the 4 weeks prior to an ordinary local government election, in which case it must be tabled at the first ordinary council meeting following the election, and

(b) the council must:

i. review its decision to impose the sanction, and

ii. consider the Office's recommendation in doing so, and

iii. resolve to either rescind or reaffirm its previous resolution in relation to the matter.

8.21 Where, having reviewed its previous decision in relation to a matter under clause 8.210(b), the council resolves to reaffirm its previous decision, the council must state in its resolution its reasons for doing so.

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PART 9 PROCEDURAL IRREGULARITIES

9.1 A failure to comply with these procedures does not, on its own, constitute a breach of the code of conduct, except as may be otherwise specifically provided under the code of conduct.

9.2 A failure to comply with these procedures will not render a decision made in relation to a matter invalid where:

(a) the non-compliance is isolated and/or minor in nature, or
(b) reasonable steps are taken to correct the non-compliance, or
(c) reasonable steps are taken to address the consequences of the non-compliance.

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PART 10 PRACTICE DIRECTIONS

10.1 The Office may at any time issue a practice direction in relation to the application of these procedures.

10.2 The Office will issue practice directions in writing, by circular to all councils.

10.3 All persons performing a function prescribed under these procedures must consider the Office's practice directions when performing the function.

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PART 11 REPORTING STATISTICS ON CODE OF CONDUCT COMPLAINTS ABOUT COUNCILLORS AND THE GENERAL MANAGER

11.1 The complaints coordinator must arrange for the following statistics to be reported to the council within 3 months of the end of September of each year:

(a) the total number of code of conduct complaints made about councillors and the general manager under the code of conduct in the year to September (the reporting period)

(b) the number of code of conduct complaints referred to a conduct reviewer during the reporting period

(c) the number of code of conduct complaints finalised by a conduct reviewer at the preliminary assessment stage during the reporting period and the outcome of those complaints

(d) the number of code of conduct complaints investigated by a conduct reviewer during the reporting period

(e) without identifying particular matters, the outcome of investigations completed under these procedures during the reporting period

(f) the number of matters reviewed by the Office during the reporting period and, without identifying particular matters, the outcome of the reviews, and

(g) the total cost of dealing with code of conduct complaints made about councillors and the general manager during the reporting period, including staff costs.

11.2 The council is to provide the Office with a report containing the statistics referred to in clause 11.1 within 3 months of the end of September of each year.

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PART 12 CONFIDENTIALITY

12.1 Information about code of conduct complaints and the management and investigation of code of conduct complaints is to be treated as confidential and is not to be publicly disclosed except as may be otherwise specifically required or permitted under these procedures.

12.2 Where a complainant publicly discloses information on one or more occasions about a code of conduct complaint they have made or purported to make, the general manager or their delegate may, with the consent of the Office, determine that the complainant is to receive no further information about their complaint and any future code of conduct complaint they make or purport to make.

12.3 Prior to seeking the Office's consent under clause 12.2, the general manager or their delegate must give the complainant written notice of their intention to seek the Office's consent, invite them to make a written submission within a period of not less than 14 days specified by the general manager or their delegate, and consider any submission made by them.

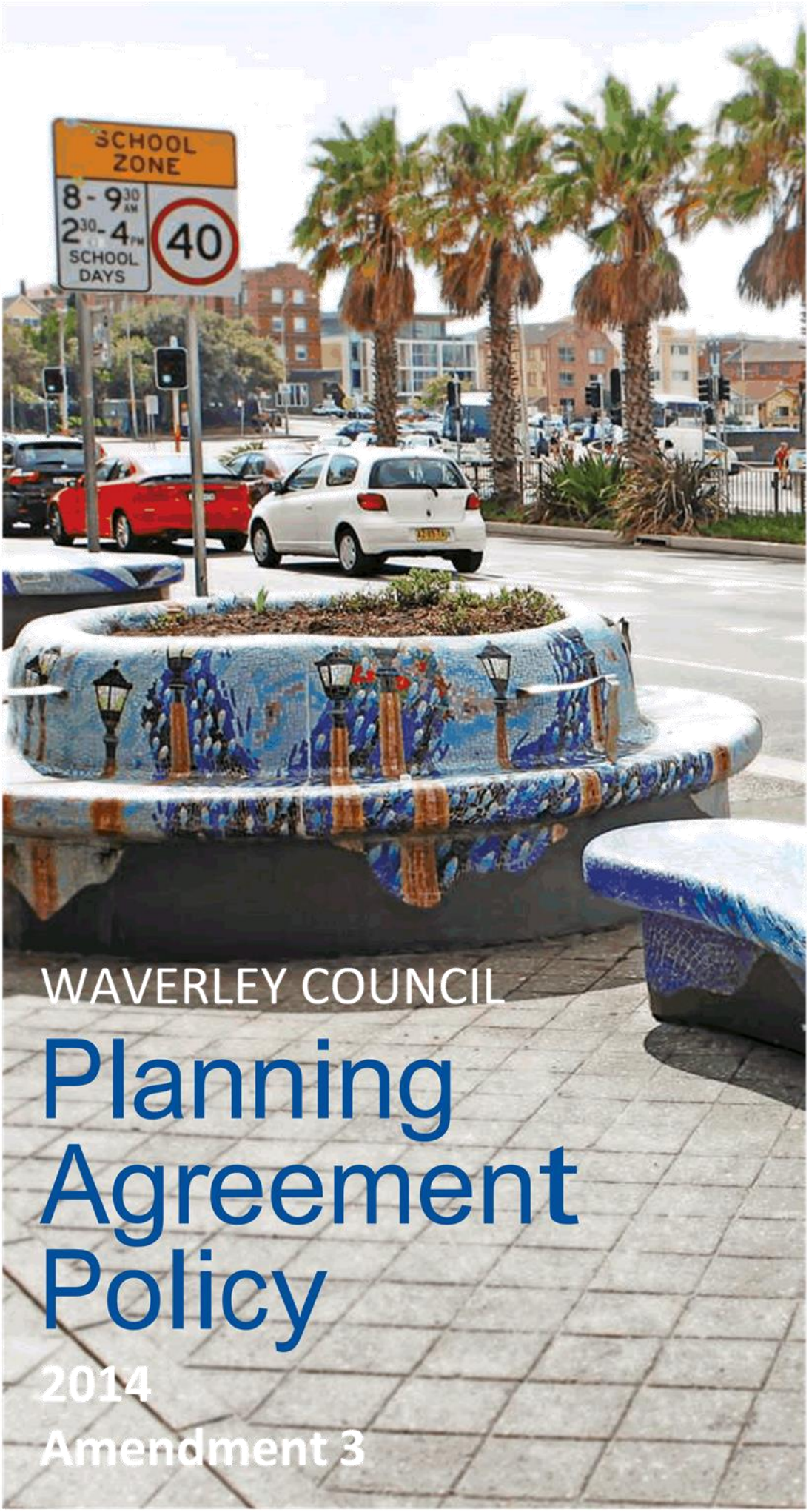
12.4 In giving its consent under clause 12.2, the Office must consider any submission made by the complainant to the general manager or their delegate.

12.5 The general manager or their delegate must give written notice of a determination made under clause 12.2 to:
(a) the complainant
(b) the complaints coordinator
(c) the Office, and
(d) any other person the general manager or their delegate considers should be notified of the determination.

12.6 Any requirement under these procedures that a complainant is to be provided with information about a code of conduct complaint that they have made or purported to make, will not apply to a complainant the subject of a determination made by the general manager or their delegate under clause 12.2.

12.7 Clause 12.6 does not override any entitlement a person may have to access to council information under the *Government Information (Public Access) Act 2009* or to receive information under the *Public Interest Disclosures Act 1994* in relation to a complaint they have made.

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WAVERLEY COUNCIL

Planning Agreement Policy

2014

Amendment 3

WAVERLEY
COUNCIL

Table of Contents

Table of Contents 1

Terms and definitions used in this Policy 1

Part 1 - Policy Framework 3

1.1 Name of this Policy 3
1.2 Application of the Policy and commencement 3
1.3 Objectives of this Policy 3
1.4 Statutory framework 4
1.5 Land use and strategic infrastructure planning 4
1.6 What are the mandatory requirements of a planning agreement? 5
1.7 Guiding principles 6

Part 2 - Principles for Planning Agreements 7

2.1 Purposes of planning agreements 7
2.2 Principles underlying the use of planning agreements 8
2.3 What matters will the Council consider? 8
2.4 Strategic planning context 9
2.5 Types of public benefits 10
2.6 Recurrent charges 10
2.7 Pooling of development contributions 11
2.8 Do other development contributions apply? 11

Part 3 - Negotiation Procedures and Probity 12

3.1 Introduction 12
3.2 Steps in the negotiation process 12
3.3 Probity 13

Part 4 - Notification and Exhibition 16

4.1 Public notification of planning agreements 16
4.2 Re-notification 16
4.3 Public comment on planning agreements 16

Part 5 - Implementation and Conditions 17

5.1 Preparation of the planning agreement 17
5.2 When is a planning agreement required to be entered into? 17
5.3 When will planning obligations arise? 17
5.4 Implementation agreements 18
5.5 Monitoring and review of a planning agreement 18
5.6 Modification or discharge of obligations 18
5.7 Assignment and dealings by the developer/proponent 19
5.8 Provision of security under a planning agreement 19
5.9 Registration of planning agreements 19
5.10 Dispute resolution 19
5.11 Methodology for valuing public benefits under a planning agreement 19
5.12 How will the Council seek to determine the amount of Monetary Contribution that may be payable for Developments with FSR above clause 4.4 of WLEP (the WLEP Provisions) 20

5.13 How will the Council seek to determine the amount of Monetary Contribution that may be payable for an amendment to the Waverley Local Environmental Plan 2012 20

Appendix 1 VPA payable rates
Appendix 2 Valuation Methodology for Planning Proposals
Appendix 3 Planning Agreement Template
Appendix 4 Explanatory Note Template
Appendix 5 Works for Planning Agreements
Appendix 6 Waverley Council Statement of Business Ethics

Terms and definitions used in this Policy

In this Policy, the following terminology is used:

Act means the *Environmental Planning and Assessment Act 1979.*

Council means Waverley Council.

developer is a person who has sought a change to an environmental planning instrument (which includes the making, amendment or repeal of an instrument (s7.4(11)), or who has made or proposes to make a development application, or who has entered into an agreement with or is otherwise associated with such a person.

development application has the same meaning as in the Act.

development contribution means the kind of provision made by a developer under a planning agreement, being a monetary contribution, the dedication of land free of cost or the provision of any other material public benefit.

explanatory note means a written statement that provides details of the objectives, nature, effect and merits of a planning agreement, or an amendment to or revocation of a planning agreement.

instrument change means a change to an environmental planning instrument to facilitate a development the subject of a planning agreement.

planning benefit means a development contribution that confers a net public benefit.

public facilities means public infrastructure, facilities, amenities and services.

planning obligation means an obligation imposed by a planning agreement on a developer requiring the developer to make a development contribution.

planning proposal means an application to amend the Waverley Local Environmental Plan 2012

proponent means the party that is responsible for lodging a planning proposal with Council.

Practice Note means the *draft Planning Agreement Practice Note* (April 2020) published by the Department of Planning, Industry and Environment.

public includes a section of the public.

public benefit is the benefit enjoyed by the public as a consequence of a development contribution.

Regulation means the *Environmental Planning and Assessment Regulation* 2000.

WLEP 2012 means the *Waverley Local Environmental Plan 2012.*

Part 1 - Policy Framework

1.1 Name of this Policy

This Policy is known as the *Waverley Council Planning Agreement Policy 2014* ("**the Policy**"). It sets out Waverley Council's policy and procedures relating to planning agreements under the *Environmental Planning and Assessment Act 1979*.

1.2 Application of the Policy and commencement

This Policy applies to development applications lodged pursuant to *Waverley Local Environmental Plan 2012* ("WLEP 2012") and planning proposals seeking a change to WLEP 2012 for land and development within the local government area of Waverley Council ("Council"). This policy generally applies to all forms of development with the exception of dwelling houses (a building containing only one dwelling) and employment generating development only (i.e. retail and commercial floorspace).

To be updated post-exhibition - This Policy was adopted by resolution of the Council on 21st August 2018. The Policy is effective from 21st August 2018.

1.3 Objectives of this Policy

The objectives of this Policy are:

(a) to establish a fair, transparent and accountable framework governing the use of planning agreements by the Council;

(b) to explore the range and extent of development contributions made by development towards public facilities and other public benefits in the Council's area;

(c) to set out the Council's specific policies and procedures relating to the use of planning agreements within the Council's area;

(d) to give all stakeholders in development greater involvement in determining the type, standard and location of public facilities and other public benefits; and

(e) to facilitate public participation and to allow the community to gain an understanding of the benefits of appropriate planning agreements for the provision of public benefits.

(f) to enhance the understanding within Council's area as to possibilities for development and associated public benefits and planning benefits facilitated by planning agreements.

1.4 What does the Policy set out?

This Policy sets out the Council's approach to the use of planning agreements through negotiation when considering development applications and planning proposals associated with changes to WLEP 2012 in the Waverley area. Council is guided by the policy approach set out in the Department of Planning's Practice Note titled *Planning Agreements* (19 July 2005) ("the Practice Note") and also considers the draft *Planning Agreement Practice Note (*April 2020) that was on exhibition at the time of this policy update. It should be noted Council must give regard to the Practice Note but is not bound by it.

In particular, this Policy sets out

- timing considerations in respect to planning agreements and procedures for negotiating and entering into planning agreements,
- the circumstances in which the Council may consider entering into a planning agreement,
- the matters ordinarily covered by a planning agreement, the form of development contributions which may be sought under a planning agreement. Unless otherwise agreed in a particular case, development contributions negotiated as part of a development application or as part of a planning proposal will be valued or calculated as set out in in Appendix 1 and Appendix 2.
- examples of the kinds of public benefits which may be sought and, in relation to each kind of benefit, whether it involves a planning benefit,
- the method for determining the value of public benefits,
- whether money paid under different planning agreements is to be pooled and progressively applied towards the provision of public benefits to which the different agreements relate,
- when, how and where public benefits may be provided in line with strategic priorities as identified in Council's strategies and plans probity measures, and
- the Council's policies on other matters relating to planning agreements, such as their review and modification, the discharging of the developer's obligations under agreements, the circumstances, if any, in which refunds may be given, dispute resolution and enforcement mechanisms, and the payment of costs relating to the preparation, negotiation, execution, monitoring and other administration of agreements.

1.4 Statutory framework

The current legal and procedural framework for planning agreements is set in Subdivision 2 of Division 7.1 of the *Environmental Planning and Assessment Act 1979*. Council is also bound by the provisions of Division 1A of Part 4 of the *Environmental Planning and Assessment Regulation* 2000.

Section 7.4 sets out the circumstances under which a planning agreement may be entered into. It provides a planning agreement may be made between a planning authority (or two or more planning authorities) and a person (developer):

a) who has sought a change to an environment planning instrument (such as a rezoning application); or

b) who has made or proposes to make a development application; or

c) who has entered into an agreement with or is otherwise associated with a person in one of the above two categories.

1.5 Land use and strategic infrastructure planning

Land use planning should occur concurrently with strategic infrastructure planning to ensure that built form provisions and infrastructure contributions deliver both appropriate urban forms and contributions related to the development. Strategic infrastructure planning should

be undertaken regularly and address expected growth, infrastructure demand resulting from this growth, and the apportioned cost of these infrastructure provisions. Planning agreements should be used towards public benefits that are in accordance with the council's infrastructure planning and funding policies and strategies, including this Policy.

1.6 What are the mandatory requirements of a planning agreement?

Section 7.4(3) of the Act requires planning agreements to include provisions specifying:

(a) a description of the land to which the agreement applies,

(b) a description of:

  (i) the change to the environmental planning instrument to which the agreement applies, or

  (ii) the development to which the agreement applies,

(c) the nature and extent of the provision to be made by the developer under the agreement, the time or times by which the provision is to be made and the manner by which the provision is to be made,

(d) in the case of development, whether the agreement excludes (wholly or in part) or does not exclude the application of section 7.11 or 7.12 to the development,

(e) if the agreement does not exclude the application of section 7.11 to the development, whether benefits under the agreement are or are not to be taken into consideration in determining a development contribution under section 7.11,

(f) a mechanism for the resolution of disputes under the agreement,

(g) the enforcement of the agreement by a suitable means, such as the provision of a bond or guarantee, in the event of a breach of the agreement by the developer

The Act does not preclude a planning agreement containing other provisions that may be necessary or desirable in particular cases, except as provided by law. However, Council has prepared a template agreement that will form the basis for a planning agreement and this may be used as the basis for any agreement. This is attached as Appendix 3.

Clause 25E(1) of the Regulation requires that an explanatory note must accompany a planning agreement that:

- summarises the objectives, nature and effect of the proposed agreement, amendment or revocation, and
- contains an assessment of the merits of the proposed agreement, amendment or revocation, including the impact (positive or negative) on the public or any relevant section of the public.

1.7 Guiding principles

The Practice Note sets out guidelines and safeguards in the application of planning agreements. These include determining the planning agreements acceptability and reasonableness. As such attention will be directed towards:

a) proper or legitimate planning purposes, ordinarily ascertainable from the statutory planning controls and other adopted planning policies applying to development,

b) providing for public benefits that bear a relationship to development that are not wholly unrelated to the development and are located in the vicinity of where the development is located.

c) producing outcomes that meet the general values and expectations of the public and protect the overall public interest,

d) providing for a reasonable means of achieving the relevant purposes and outcomes and securing the benefits, and

e) protecting the community against planning harm.

Generally, negotiations of a planning agreement should commence before lodgment of a development application/submission of a planning proposal to the Gateway so as to ensure a practical outcome for public notification . In most cases, by way of safeguard, a planning agreement should be entered into before a planning proposal is submitted to the Gateway.

In addition, by way of safeguard, Council will seek to ensure probity of its processes involving planning agreements by ensuring applications involving planning agreements which involve Council land, or development applications made by or on behalf of Council, are independently assessed by an external planning consultant.

Part 2 - Principles for Planning Agreements

2.1 Purposes of planning agreements

Section 7.4(1) of the Act provides that a planning agreement is a voluntary agreement or other arrangement between one or more planning authorities and a developer under which the developer agrees to make development contributions towards a public purpose. Planning agreements are negotiated between planning authorities and developers in the context of applications for changes to environmental planning instruments (planning proposals) or for consent to carry out development (development applications).

The Council's approach to the negotiation of planning agreements is based on the planning purpose of furthering the Council's planning vision for the area as set out in the Waverley Community Strategic Plan, Local Strategic Planning Statement (LSPS) and supporting environmental strategies (as amended from time to time). It is also informed by the mission and values of the Corporate Plan.

When negotiating planning obligations the Council will generally take into account Council's vision and mission statement, the Strategic Plan's general priorities set out in the programs to that Plan, the site circumstances and also the obligation preferences of the developer.

As an incentive towards the provision of development contributions to be applied towards public benefits and planning benefits, Council may consider, subject to its statutory obligations and other matters set out in this Policy or any other relevant Council policies, plans or procedures:

a) **applications for development up to an additional area of 15% of maximum gross floor area permitted under clause 4.4 of WLEP 2012.**

Notwithstanding (a) above, Council will consider each proposed planning agreement on a case by case basis. In circumstances where significant variation of applicable development standards is proposed consideration should be given to the preparation of a planning proposal to amend WLEP2012.

The Council may negotiate a planning agreement with a developer/proponent in connection with any proposed application by the developer/proponent for an instrument change (e.g. rezoning application) or for development consent relating to any land in the Council's area. The Council may also negotiate a planning agreement in association with another Council or another authority where relevant. The negotiation of a planning agreement is at the absolute discretion of the Council.

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 4.15 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.

2.2 Principles underlying the use of planning agreements

The Council's use of planning agreements will be governed by the following principles:

a) Planning decisions will not be bought or sold through planning agreements.

b) The Council will not allow planning agreements to improperly fetter the exercise of its functions under the act, regulation or any other act or law.

c) The Council will not use planning agreements for any purpose other than a proper planning purpose.

d) Development that is unacceptable on planning grounds will not be permitted because of planning benefits offered by developers that do not make the development acceptable in planning terms.

e) The Council will not seek benefits under a planning agreement that are wholly unrelated to particular development. Development contributions obtained from planning agreements in an area will be spent within the vicinity of the development it relates to.

f) The Council will not take into consideration planning agreements that are wholly unrelated to an application, nor will the Council give undue weight to a planning agreement.

g) The Council will not allow the interests of individuals or interest groups to outweigh the public interest when considering a proposed planning agreement.

h) The Council will not improperly rely on its position in order to extract unreasonable public benefits from developers under planning agreements.

i) Planning agreements should not be used as a means of general revenue raising or to overcome revenue shortfalls.

j) Planning agreements must be underpinned by proper strategic land use and infrastructure planning carried out on a regular basis and must address expected growth and the associated infrastructure demand.

k) Strategic planning should ensure that development is supported by the infrastructure needed to meet the needs of the growing population.

The progression of a planning proposal or the approval of a development application should never be contingent on entering into a planning agreement.

2.3 What matters will the Council consider?

The matters that the Council may consider in any such negotiation may include, but not be limited to, the following:

(a) Whether the planning agreement(s) meets the demands created by the development for new public infrastructure, amenities and services.

(b) If inclusions in the development meet specific planning objectives of the Council.

(c) If compensation is required for the loss of, or damage to, a public amenity, service, resource or asset caused by the development through its replacement, substitution, repair or regeneration.

(d) Rectification of an existing deficiency in the existing provision of public facilities in the Council's area is made.

(e) Whether recurrent funding of public facilities and/or public benefit is required or provided.

(f) The extent to which the Council needs to monitor the planning impacts of development.

(g) Whether planning benefits for the wider community accrue from the planning agreement.

The most important factor in deciding what planning obligations might be required as part of a planning agreement is the size of the development or resulting increase in land value from an amendment to the Waverley Local Environmental Plan 2012. However, other factors such as the location or the resulting type of development may be relevant. These will establish core information such as likely increases in population and demand for particular public services.

This information will help Council with the determination of the development application/planning proposal and to prepare the planning agreement.

2.4 Strategic planning context

An important role for Planning Agreements is achieving specific land use planning outcomes with strategic and/or site-specific merit. A Planning Agreement should facilitate the provision of public facilities and amenity outcomes that advance the delivery of Council's corporate and strategic planning objectives and deliver valuable community benefits where appropriate. Long-term strategies including Waverley's Local Strategic Planning Statement (LSPS) and Waverley's Community Strategic Plan (2018-2029) (CSP) and delivery program are based on the outcomes of engagement with the community. The implementation of key aspects of some of these goals, the broader strategic directions and the delivery of key infrastructure areas can be directly or indirectly achieved through Planning Agreements.

The vision and goals established within Council's long-term strategic plans such as the CSP and LSPS flow through to supporting plans that guide Council's medium and short-term priorities:

- Long Term Financial Plan (10 years)
- Delivery Program (4 years)
- Operational Plan (Annual)

Council's Local Strategic Planning Statement, supported by a number of environmental strategies and considers planning for growth in Waverley, including relevant supporting strategies which seek to identify the communities needs for infrastructure such as community facilitates, transport, open space, public domain and recreation infrastructure, capital works and infrastructure.

2.5 Types of public benefits to be delivered under planning agreements

Public benefits received through Planning Agreements contribute to Council's ability to deliver:

a) infrastructure identified within existing development contributions plans (s7.12 contributions plan),
b) infrastructure identified within Council's Strategic plans, e.g. commercial floor space in village centres, affordable housing, and open space acquisition,
c) infrastructure required directly as a result of density increases experienced or expected from the redevelopment of a site. e.g. due to changes in development controls arising from a Planning Proposal, and
d) Land identified in a strategic plan, policy, planning instrument, development control plan or contributions plan for a public purpose, dedication or acquisition.

Examples of public benefits described above are provided at Appendix 5. It is recognised that development contributions that facilitate works in addition to the works listed in Appendix 5 may be appropriate because negotiations for each proposed development will reflect the circumstances of each case and the needs created by the scale of proposed change. Consequently, Appendix 5 does not prevent development contributions being negotiated on a case by case basis, particularly where planning benefits are also involved.

It is to be noted that at a minimum 25% of all planning agreement contributions will form a monetary contribution to Waverley's Affordable Housing Program fund. There may be some circumstances where Council will allocate up to 100% of the monetary contribution to Waverley's Affordable Housing Program fund.

This policy allows for in-kind contributions to be made to Council in lieu of monetary contributions provided that these are consistent with the calculation methods outlined in Appendix 1 and 2. In-kind contributions could include for example affordable housing, commercial floor space dedicated in perpetuity to Council or public domain upgrades.

2.6 Recurrent charges

The Council may request developers/proponents, through a planning agreement, to make development contributions towards the recurrent costs of public facilities. Where the public facility primarily serves the development to which the planning agreement relates or neighbouring development, the arrangement for recurrent funding may be in perpetuity.

Where the public facility or public benefit is intended to serve the wider community, the planning agreement may, where appropriate, only require the developer/proponent to make contributions towards the recurrent costs of the facility for a set period which will be negotiated according to the impact of the development.

2.7 Pooling of development contributions

Where a proposed planning agreement provides for a monetary contribution by the developer/proponent, the Council may seek to include a provision permitting money paid under the agreement to be pooled with money paid under other planning agreements and applied progressively for the different purposes under those agreements.

Pooling may be appropriate to allow public benefits, particularly essential infrastructure, to be provided in a fair and equitable way.

2.8 Do other development contributions apply?

Generally, the Council will not enter a planning agreement that excludes the application of s7.11 or s7.12 of the Act to development to which the agreement relates. This, however, is a matter for negotiation between the Council and a developer having regard to the particular circumstances of the case.

However, where the application of s7.11 of the Act to development is not excluded by a planning agreement, the Council will generally not agree to a provision allowing benefits under the agreement to be taken into consideration in determining a development contribution under section 7.11.

Part 3 - Negotiation Procedures and Probity

3.1 Introduction

The Council's negotiation system for planning agreements aims to be efficient, predictable, transparent and accountable. Council will seek to ensure that the final negotiation of planning agreements runs in parallel with applications for instrument changes or development applications so as not to unduly delay the approval.

Where possible Council will publicly notify a planning agreement in the same manner and at the same time as the application for the instrument change or the development application to which it relates.

Council's preference is therefore to have the planning agreement negotiated and documented before it is publicly notified as required by the Act and Regulation. It is also preferable that a planning agreement is negotiated before lodgement of the relevant application and that it accompanies the application on lodgement.

3.2 Steps in the negotiation process

The negotiation of a planning agreement will generally involve the following key steps which are outlined in Appendix 1 and 2:

Planning Proposals

1. Prior to the lodgement of the relevant planning proposal, the Council and proponent (and any other relevant person) will decide whether to negotiate a planning agreement.
2. The parties will decide whether to appoint an independent person to facilitate or otherwise participate in the negotiations or aspects of it, and appoint such person.
3. A timetable for negotiations and the protocols and work practices governing their negotiations will be agreed between the parties.
4. The key issues for negotiation will be identified by the parties, and the negotiations over these issues will take place.
5. If agreement is reached, the Council (and any other relevant party) will prepare the proposed planning agreement including the explanatory note, and provide a copy of it to the proponent.
6. The parties may undertake further negotiation on the specific terms of the proposed planning agreement as necessary.
7. Once agreement is reached on the terms of the proposed planning agreement, the proponent may then make the development application/planning proposal to the Council accompanied by an offer to enter into such an agreement with specifics of the agreement set out in detail.
8. The Council will publicly exhibit the planning proposal and planning agreement in accordance with the Act. The Council may approve the planning proposal and set

out the conditions for the agreement or, if an agreement has been executed, set out in the consent/determination the terms of the agreement.

Development applications

1. Prior to the lodgement of the relevant development application, the applicant will decide whether to offer a planning agreement. The applicant should contact Council about how the benchmark rates (Appendix 1) apply to the subject development.
2. The applicant submits the development application with a letter of offer to enter into a planning agreement.
3. Development assessment staff independently undertake their assessment of the application.
4. Should the development application be approved, Council officers will prepare the planning agreement for notification, reporting to Council and execution.

The parties may be required to undertake further negotiations and, hence, a number of the abovementioned steps mentioned may need to be repeated as a result of the public notification process or its formal consideration by the Council in connection with the relevant application.

Note that all costs associated with the negotiation of a planning agreement, including the appointment of an independent person, are to be borne by the developer.

It is also noted that where the value of the development exceeds $20 million the development application will be dealt with by the independent Sydney Planning Panel (SPP) or any other relevant planning authority.

3.3 Probity

Public probity is important to Waverley Council and it will ensure that the negotiation of any planning agreements is fair, transparent and is directed at achieving public benefits in an appropriate manner free of corruption.

In this regard, Council will:

a) Inform any applicant about Council values and business ethics - specifically, about ethical behaviour appropriate to business dealings. A copy of Council's Statement of Ethics Policy (as amended from time to time) is attached at Appendix 8.

b) Ensure that its communities understand the system and the Council's role – specifically, how the planning agreements system operates and how Council will deal with developments/ planning proposals objectively.

c) Notify planning agreements to ensure they are open and transparent – specifically, achieving maximum public awareness of the matters contained in a planning agreement(s) and the potential benefits of an agreement.

d) Ensure appropriate delegations and separation of responsibilities in considering development applications/planning proposals that involve planning agreements – specifically, the need to ensure processes adequately

address the level of risk of corruption of a process while at the same time being appropriate to the likely level of risk.

e) Ensure that modifications to approved development should be subject to the same scrutiny as the original development application.

f) Ensure that Councillors and Council staff understand their varied roles, some of which have potential to conflict.

g) Complete negotiations via written correspondence, rather than face-to-face meetings, to ensure that all discussions are clearly documented to ensure the highest level of transparency, accountability and record-keeping. This also allows timely consideration and resolution of any issues raised and facilitates carefully considered decision making by all parties.

h) Take every step to ensure that conflicts of interest are ameliorated to the greatest extent possible – specifically, independent assessment by third parties where Council has an interest and not entering into any contractual arrangement which purport to guarantee outcomes that are subject to separate regulatory processes.

Apart from the above procedures, further procedures that will be implemented to address these matters may also include, but not be limited by, the following procedures:

a) The Councillors will not be involved in the face to face negotiation of the agreement but will ultimately execute the planning agreement as part of their duties as Councillors.

b) A Council officer with appropriate delegated authority will negotiate a planning agreement on behalf of the Council in accordance with this Policy.

c) The Council will, in all cases, ensure that Council staff with key responsibility for providing advice on approvals, approving applications or ensuring compliance, do not have a role in the assessment of the commercial aspects of the agreement nor on the conditions of the planning agreement except where advice is required on matters relating to the conditions of consent for a particular proposal.

d) The Council may involve an independent person(s) to facilitate or otherwise participate in the negotiations or aspects of it, particularly where this will lead to a better planning outcome.

e) The Council will ensure that all negotiations with a developer/proponent and their consultants are sufficiently separated and documented.

f) Where the Council has a commercial stake in development the subject of an agreement, it will take appropriate steps to ensure that it avoids a conflict of interest between its role as a planning authority and its commercial interest in the development.

g) Where Council is the consent authority and an applicant has proposed to enter into a Planning Agreement, the development application must be

determined by the Waverley Local Planning Panel (WLPP), the Sydney Planning Panel, or any other relevant planning authority.

Part 4 - Notification and Exhibition

4.1 Public notification of planning agreements

In accordance with the Act, a planning agreement must be publicly notified and available for public inspection for a minimum period of 28 days. Notification generally involves a public notice in the Wentworth Courier, online at https://haveyoursay.waverley.nsw.gov.au/ and directly to the relevant precinct committee. The Council may decide to notify a planning agreement for a longer period or shorter period as permitted by the Act.

The Council will also notify the application to which a planning agreement relates in accordance with the Act.

4.2 Re-notification

The Council may publicly re-notify and make available for public inspection a proposed planning agreement and the application to which it relates if, in the Council's opinion, a material change is made to the terms of the agreement or the application after it has been previously publicly notified and inspected. Such a change may arise as a consequence of public submissions made in respect of the previous public notification and inspection of the agreement or the application, or their formal consideration by the Council, or for any other reason.

4.3 Public comment on planning agreements

The Council encourages the public to make submissions on planning agreements. This will allow the Council to better understand local needs and permit fine tuning of the planning obligations set out in any planning agreement.

In the case of development applications, whilst Council aims to advertise the planning agreement at the same time as the development application it may be advertised separately to the development application depending upon when an outcome is reached following negotiation.

In the case of planning proposals, it would be expected that the proponent would provide a detailed offer which would incorporate specifics as to the public benefit and an undertaking to pursue and enter into a negotiated planning agreement prior to gazettal notification.

Part 5 - Implementation and Conditions

5.1 Preparation of the planning agreement

The Council will prepare a planning agreement relating to a particular application for an instrument change or development application. The Council uses a standard form of planning agreement on which every planning agreement is based which reflects the policies and procedures set out in this document (refer Appendix 3). This planning agreement will include an explanatory note (refer Appendix 4).

The Council will require a planning agreement to make provision for payment by the developer of the Councils costs of and incidental to negotiating, preparing and entering into the agreement as well as administering and enforcing the agreement.

5.2 When is a planning agreement required to be entered into?

A planning agreement is entered into when it is signed by all of the parties. The Council will usually require a planning agreement to be entered into as a condition of granting development consent to the development to which the agreement relates or as part of the Gateway process for a planning proposal. However, a planning agreement can be entered into at any time after the agreement is publicly notified in accordance with the Act and Regulation.

5.3 When will planning obligations arise?

5.3.1 Development Applications

The Council will generally require a planning agreement to provide that the developer's obligations in relation to securing the delivery of development contributions must be met prior to the issuing of any construction certificate related to the subject development application. Delivery of the development contribution may be prior to occupation certificate.

5.3.2 Planning Proposals

There are a number of possible scenarios which are to be detailed in the terms of the planning agreement to ensure that the obligations of the agreement are fulfilled by the proponent of the planning proposal.

a) Generally, the developer's obligations in relation to caveat and registration of the PA must be met as soon as possible after gateway determination and prior to gazettal notice, bank guarantee must be delivered to Council upon gazettal notice and delivery of the contribution (e.g. payment of monetary contribution), prior to the issuing of any construction certificate related to the subject development application otherwise, generally the delivery of the contribution will be upon gazettal notice.

   Note: there may be a significant time gap between the gazettal of the planning proposal and the issuing of a construction certificate for any subsequent development of the subject site. Timing must be a key consideration during the negotiation of the planning agreement terms.

b) If the proponent of the planning proposal intends to sell the site it must immediately notify Council in writing. Generally, the proponent must meet the obligations of the planning agreement, particularly the delivery of

developer contributions (e.g. payment of monetary contribution), on or before settlement of the sale of the land. Generally, this is to be secured through registration of the planning agreement, caveat against the title of the land and provision of bank guarantee as required under (a).

5.4 Implementation agreements

The Council may require an implementation agreement that provides for matters such as:

(a) The timetable for provision of planning obligations under the planning agreement.

(b) The design, technical specification and standard of any work required by the planning agreement to be undertaken by the developer.

(c) The manner in which a work is to be handed over to the council.The manner in which a material public benefit is to be made available for its public purpose in accordance with the planning agreement.

5.5 Monitoring and review of a planning agreement

The Council will continuously monitor the performance of the developer's/proponent's obligations under a planning agreement and report them in accordance with the Act.

5.6 Modification or discharge of obligations

The Council may agree to a provision in a planning agreement permitting the developer's/proponent's obligations under the agreement to be modified or discharged in the following circumstances:

a) The developer's/proponent's obligations have been fully carried out in accordance with the agreement, or

b) The development consent to which the agreement relates has lapsed, or

c) The development consent to which the agreement relates has been modified to such an extent that the planning obligations may not be appropriate, or

d) The performance of the planning agreement has been frustrated by an event or events beyond the reasonable control of the parties, or

e) The developer/proponent has fully and completely assigned the developer's/proponent's interest under the agreement in accordance with its terms, or

f) Other material changes affecting the operation of the planning agreement have occurred, or

g) The Council and the developer/proponent otherwise agree to the modification or discharge of the agreement.

Such a provision will require the modification or revocation of the planning agreement in accordance with the Act and Regulation.

5.7 Assignment and dealings by the developer/proponent

The Council will not generally permit the assignment of any or all of the developer's/proponent's rights or obligations under the agreement, nor will the Council permit any dealing in relation to any part or the whole of the land the subject of the agreement. However the Council may agree to an assignment when:

a) The developer/proponent has, at no cost to the Council, first procured the execution by the person with whom it is dealing of all necessary documents in favour of the Council by which that person agrees to be bound by the agreement as if they were a party to the original agreement, and

b) If the proposed dealing involves a mortgage, charge or other encumbrance in relation to the party's right, title and interest in the land, such documents provide for an agreement by the person to the effect that they, and any receiver appointed by them, will not enjoy rights greater than those of that party, and

c) The party is not in breach of the Agreement.

This does not affect the operation of any of other requirements of the agreement.

5.8 Provision of security under a planning agreement

The Council will generally require a planning agreement to make provision for security to cover the developer's/proponent's obligations under the agreement. A form of security will generally be an unconditional bank guarantee from an Australian Bank in favour of the Council to the full value of the developer's/proponent's obligations under the Agreement and on terms otherwise acceptable to the Council. An insurance bond may also be deemed acceptable. Other security will generally be required.

5.9 Registration of planning agreements

The Council may require a planning agreement to contain a provision requiring the developer/proponent to agree to registration of the agreement pursuant to s93H of the Act if the requirements of that section are satisfied.

5.10 Dispute resolution

The Council will require a planning agreement to provide for mediation of disputes between the parties to the agreement before the parties may exercise any other legal rights in relation to the dispute.

5.11 Methodology for valuing public benefits under a planning agreement

Subject to section 2.4, unless otherwise agreed in a particular case, public benefits will be valued as follows:

5.11.1 Provision of land or units for a public purpose

Where the benefit under a planning agreement is the provision of land for a public purpose, or units given to Council in perpetuity, the value of the benefit will be determined by an independent valuer who is experienced in valuing land in New South Wales (and who is acceptable to Council), on the basis of a scope of work which is prepared by Council. All costs of the independent valuer in carrying out such a valuation will be borne by the developer/proponent.

5.11.2 Carrying out of works for a public purpose

Where the benefit under a planning agreement is the carrying out of works for a public purpose, the value of the benefit will be determined by an independent quantity surveyor (who is acceptable to Council), on the basis of the estimated value of the completed works being determined using the method that would ordinarily be adopted by a quantity surveyor. Council will prepare the scope of work for the independent quantity surveyor. All costs of the independent quantity surveyor in carrying out the work will be borne by the developer/proponent.

5.11.3 Other public benefit

Where the benefit under a planning agreement is the provision of public benefit other than under 5.11.1 or 5.11.2, Council and the Developer/proponent will negotiate the manner in which the benefit is to be valued for the purposes of the agreement.

5.12 How will the Council seek to determine the amount of Monetary Contribution that may be payable for Developments with FSR above clause 4.4 of WLEP (the WLEP Provisions)

Generally, the value of 50% of the increase in net value to the development arising from an increase in FSR beyond WLEP 2012 provisions in clause 4.4 may be considered an appropriate contribution. A series of standardised development contribution rates have been developed to streamline negotiations and provide fairness, predictability and certainty to the community, Council and developers. These pre-scheduled development contribution rates apply to different suburbs in the Waverley LGA. These rates are located in Appendix 1 and will be applied to Development Applications. These rates will be updated annually.

5.13 How will the Council seek to determine the amount of Monetary Contribution that may be payable for an amendment to the Waverley Local Environmental Plan 2012

The Council and the proponent will negotiate in this regard. Generally, the value of 50% of the net value from the planning proposal may be considered an appropriate contribution. The net value will be determined by an independent valuer who is experienced in valuing land in New South Wales (and who is acceptable to Council). All costs of the independent valuer in carrying out such a valuation will be borne by the proponent. The methodology used to determine the net value will generally be calculated by determining the Residual Land Value resulting from the planning proposal less the Base Case.

APPENDIX 1
VPA payable rates

The VPA payable rates per square metre for residential floor space are outlined in the following table. VPA payable rates have not been calculated for Bronte, Tamarama, Waverley or Queens Park as there have been few VPAs offered in these areas. If a VPA is offered in these suburbs, then it should be calculated based on the 'Average LGA' rate. For mixed use developments commercial office and retail benchmark rates should be used.
n.b. these rates will be updated on an annual basis based on sales prices.

RESIDENTIAL BENCHMARK RATES

Area and type	Rate $/sqm
Bondi Junction	$3,700
Bondi	$3,700
Bondi Beach	$4,000
North Bondi	$4,200
Dover Heights	$2,800
Rose Bay	$2,800
Vaucluse	$2,800

BENCHMARK RATES FOR OFFICE AND RETAIL IN MIXED USE DEVELOPMENTS

Area and type	Rate $/sqm	Location it applies
Bondi Road, Bondi	$2,400	
Bondi Junction retail core[1]	$2,800	

Bondi Junction retail fringe[2]	$2,600	
Bondi Junction office	$2,600	
Campbell Pde, Bondi[3]	$4,100	
Hall Street, Bondi[4]	$3,600	
Fringe	$3,000	All other areas not specified in this table.

PRO RATA BENCHMARKS

Where a modification is sought to a development application to increase the floorspace in a mixed use development, the proportionate percentage of the commercial and residential floorspace in the overall development may be applied pro rata to calculating the monetary contribution.

For any other development type that is not residential or retail or office the following methodology should be used.

METHODOLOGY APPLYING TO OTHER DEVELOPMENT TYPES

There are two components that will make up the valuation. These are:

1. The valuation (end sale value) of the bonus (marginal) floor space; and

2. Assessment of the marginal costs (to be deducted from the marginal revenue in order to calculate marginal profit);

Component 1 must be done by fully qualified Valuers. It is recommended that two Valuers are appointed, one on behalf of Council and the other on behalf of the applicant. The adopted valuation figures is to be the average of the two valuations, where these valuations are reasonably close.

Component 2 must be done by fully qualified quantity surveyors (QS). It is recommended that two consultants are appointed, one on behalf of Council and the other on behalf of the applicant. The adopted cost estimates is to be the average of the two QS estimates, where these valuations are reasonably close.

The principles of valuation of the two components are detailed below:

1. Component 1 – Value of Floor Space Bonus

1.1. The Valuer is to provide the end sale value of the bonus floor space. This refers to the additional apartments plus their ancillary car parking spaces.

1.2. Where there was a bonus on the height of the building then the bonus apartments will be on the upper most levels of the building. Alternatively it may be on the levels immediately below the penthouse and sub-penthouse levels (given that a premium may be attached to the penthouse and sub-penthouse levels – refer to example in Paragraph 1.6 below).

1.3. The marginal value (or value of the bonus floor space measured in dollars per square metre) should not be less than average value (the building's total value divided by total floor area).

1.4. The bonus floor space does not necessarily have to be identified in "whole" apartments. It can be identified in fractions of apartments or even in square metres.

1.5. The valuation is to take into consideration the specification and quality of finish of the bonus apartments.

1.6. An acceptable method of measure is the difference between the total value of the apartments without the bonus floor space and the total value of the apartments with the bonus floor space.

In the example below a bonus floor space provides an additional increase in the internal leasable area of 14.9% through an increase of building height (one additional floor) plus a slight widening of the building. The result is an increase in the end value by 15.8%.

Building Without Bonus Floor Space

Level	Sqm	$/sqm	$m
11	300	12,000	3.6
10	400	11,000	4.4
9	500	10,000	5.0
8	500	9,800	4.9
7	500	9,600	4.8
6	500	9,400	4.7
5	500	9,200	4.6
4	500	9,000	4.5
3	500	8,500	4.3
2	500	8,000	4.0
1	500	7,500	3.8
TOTAL	5,200		48.5

Building With Bonus Floor Space

Level	Sqm	$/sqm	$m
12	300	12,000	3.6
11	425	11,000	4.7
10	525	10,200	5.4
9	525	10,000	5.3
8	525	9,800	5.1
7	525	9,600	5.0
6	525	9,400	4.9
5	525	9,200	4.8
4	525	9,000	4.7
3	525	8,500	4.5
2	525	8,000	4.2
1	525	7,500	3.9
TOTAL	5,975		56.2
Margin	775		7.7
% Increase	14.9%		15.8%

1.7. The marginal value shall be the actual price exchanged. Where the apartments have not been exchanged then the market value should be the listed or asking price. If there are no listed or asking prices then the value shall be estimated by the Valuer based on market evidence.

1.8. Market evidence should include any pre-sales in the building and/or recent sales and pre-sales of comparable apartments in other buildings in the locality.

1.9. The Valuer shall deduct (from the end value of the bonus floor space) GST at one eleventh of the gross end sale value and any other costs on sale such as sales commission and legal costs. Generally these costs will be no more than 3.0% of gross end sale value.

1.10. The result is the expected marginal net sale proceeds from the bonus floor space.

2. Component 2 – Marginal Cost to Design and Construct

2.1. The QS shall provide an estimate of the marginal cost of construction relating to the bonus floor space and bonus car parking spaces. Generally, Council will not accept exaggerated costs that are significantly higher than the development cost indicated on the submitted DA.

2.2. This simplest method to calculate marginal cost is the pro-rata of the total building cost based on bonus floor space divided by total GFA plus a pro-rata of the car parking cost based on number of parking spaces allocated to the bonus units divided by total car parking spaces.

2.3. Various site costs including, but not limited to, landscaping, driveways, fencing and external works shall be excluded since these costs are not marginal.

2.4. The QS and/or Valuer shall then add the marginal design costs, application fees, marketing and advertising costs and other ancillary costs. Again this would be a pro-rata of total costs. Evidence of these costs should be provided.

2.5. The QS and/or Valuer shall then add the monetary contributions under Section 94A in relation to the bonus floorspace (if paid or is to be paid).

2.6. The QS and/or Valuer can then add finance and interest costs again using the pro-rata method. The method for showing interest calculation must be provided using cash flow or other appropriate method of calculation.

2.7. Land cost and profit margins are not to be included as these are not marginal costs.

2.8. GST on costs is to be excluded since this will be returned to the developer in the form of input credits.

2.9. The result is the total estimated cost in delivering the marginal floor space.

The formula for calculating the profit from the bonus floor space is:
Marginal net sale proceeds less Marginal cost to Construct

50% of the profit from the bonus floor space is to be provided as a negotiated form of public benefit through a Planning Agreement.

APPENDIX 2
Valuation Methodology for Planning Proposals under Waverley Council's Planning Agreement Policy 2014

There are two components that will make up the valuation. These are:

1. The Base Case; and
2. Residual Land Value.

Both components must be done by suitably qualified Valuers. It is recommended that two Valuers are appointed, one on behalf of Council and the other on behalf of the applicant. The costs of commissioning the Valuers should be shared between Council and the applicant. The adopted valuation figure is to be the average of the two valuations.

The principles of valuation of the two components are detailed below:

1. Component 1 – Base Case

1.1. The Base Case is the value of the land under the current zoning (assuming in perpetuity). The value under the base case should be assessed on the site's highest and best use permissible under the current zoning. The highest and best use may, or may not be, the current use of the land.

1.2. The Valuer is required to test and determine the highest and best use of the land. The base case is to assume that the current zoning on the land and the development standards under the current instruments will remain in perpetuity. The planning proposal itself must not affect the base case.

1.3. Standard valuation practices shall apply and at least two methods of valuation should be used. Comparable sales should be one of the methods applied unless there is insufficient evidence. When using comparable sales evidence the Valuer must ensure that the sale prices are not affected by planning proposals or draft instruments that are not related to the base case – or at least make reasonable allowances / adjustments.

1.4. If the subject site was sold recently then the purchase price can be adopted provided that the price was not inflated as a result of the planning proposal.

2. Component 2 – Residual Land Value

2.1. The Valuer shall estimate the value of the land under the planning proposal using the residual land valuation (RLV) method. The preferred method for calculating the RLV is discounted cash flow modelling using proprietary software like Estate Master DF or similar. A simple developer's profit model may be acceptable for small-scale single-staged developments.

2.2. The assumptions in the RLV calculations must be reasonable and based on industry averages.

2.3. If there are no listed or asking prices then the end sale values shall be estimated by the Valuer based on comparable market evidence.

2.4. Market evidence should include any recent pre-sales in the building and/or recent sales and pre-sales of comparable apartments in other buildings in the locality.

2.5. Estimated construction costs must be supported by a Quantity Surveyor's report. Construction contingency should be no greater than 5%. Soft costs may be included such as design costs, application fees, authority fees, development management, marketing and advertising and finance establishment costs.

2.6. In calculating the RLV the project start date should assume the land is zoned appropriately (i.e. the zone that is being proposed).

2.7. The RLV should exclude any discounting during the rezoning period as the payment under the VPA will not be made until occupation certificate. A typical development program should be assumed that allows reasonable time for development approval, certification and construction. Council will not accept a program that appears conservative or pessimistic. The table below provides a suggested range of project lives for a single stage project. Any significant departure in project life requires supporting evidence.

Construction Cost	**Approvals and Documentation (months)**	**Construction (months)**
Under $20m	8-9	10-14
$20m to $40m	9-11	14-17
Above $40m	10-12	18-20

2.8. It is recognised that these timeframes can vary and are impacted by building height and number of basement levels.

2.9. For a short single staged development a developer's profit or "back of envelope" method rather than a cash flow model may be acceptable. Using this method the RLV will be derived from the target profit/risk margin. If this method is used the interest should be calculated as follows:

Interest Cost = (Total Project Costs excluding land & GST) ***X*** *(Interest Rate / 12)* ***X*** *(Months of Construction)* ***X*** *50%.*

2.10. The RLV model should preferably show both the development margin and Project Internal Rate of Return (IRR) on the cash flow before interest. Reasonable industry standard hurdle rates should be applied. Generally a target margin (on project costs) of 15% to 25% and a target IRR of 16% to 20% should apply but this depends upon the levels of market risk and other project risks.

The formula for calculating the net value from the planning proposal is:
Residual Land Value minus the Base Case

50% of the net value from the planning proposal is to be provided as a negotiated form of public benefit through a Planning Agreement.

APPENDIX 3 (Clause 1.6)
Planning Agreement Template

PLANNING AGREEMENT NO. _____

Section 7.4 of the Environmental Planning and Assessment Act, 1979

THIS AGREEMENT is made on 20

PARTIES

WAVERLEY COUNCIL of Cnr Paul Street and Bondi Road, Bondi Junction NSW 2022 ABN 12 502 583 608 ("**Council**")

AND

DEVELOPER NAME (ACN #) of Address ("**Developer**")

BACKGROUND/RECITALS

A. The Developer is the registered proprietor of the Land.

B. The Council is the local authority constituted under the Local Government Act 1993 and the planning and consent authority constituted under the Act.

C. On DATE the Developer made (or caused to be made) the Development Application to Council for Development Consent to carry out the Development on the Land.

D. The Development Application was accompanied by an offer dated DATE by the Developer to enter into this Agreement to make the Development Contribution to be applied towards a public purpose in accordance with Council's Planning Agreement Policy if development consent was granted.

E. The Development Consent was granted on DATE.

F. This Agreement is consistent with the Developer's offer referred to in Recital D.

OPERATIVE PROVISIONS:

1 PLANNING AGREEMENT UNDER THE ACT

The parties agree that this Agreement is a planning agreement governed by Section 7.4 and Subdivision 2 of Division 7.1 of Part 7 of the Act.

2 APPLICATION OF THIS AGREEMENT

This Agreement applies to the Land and to the Development proposed in the Development Application, as may be modified.

3 OPERATION OF THIS AGREEMENT

This Agreement shall take effect on and from the date of this Agreement. The parties must execute and enter into this Agreement as soon as possible after the Development Consent is grant and prior to any Construction Certificate issuing for the Development.

4 DEFINITIONS AND INTERPRETATION

4.1 **Definitions**

In this Agreement unless the context otherwise requires:

"Act" means the *Environmental Planning and Assessment Act* 1979 (NSW);

"Agreement" means this agreement;

"Bank Guarantee" means an irrevocable and unconditional undertaking by a trading bank approved by the Council to pay the Development Contribution amount on demand without an expiry or end date and containing terms and conditions acceptable to Council and in accordance with clause 9 of this Agreement;

"Business Day" means a day that is not a Saturday, Sunday or public holiday, on which banks are open for general services in Sydney, New South Wales;

"Caveat Form" means an irrevocable authority to Waverley Council to register and maintain a caveat on the Land, in a form acceptable to Council and executed by the owner of the Land, or such other form of owner's consent to caveat as may be required by Council;

"Certifying Authority" means any accredited private certifier including where appropriate, a Principal Certifying Authority (PCA) appointed or to be appointed to certify the Development or any aspect of it;

"Council" means Waverley Council and herein includes any local government authority with which that Waverley Council may merge or any other local government authority responsible for a local government area that the Land is located within;

"Construction Certificate" means any construction certificate as referred to in s 6.4 of the Act in respect of the Development Consent;

"Development" means the development the subject of the Development Application described in item 4 of the Schedule;

"Development Application" means the development application referred to in item 3 of the Schedule;

"Development Consent" means the development consent granted in respect of the Development Application described in item 3 of the Schedule;

"Development Contribution" means the amount of money referred to in item 5 of the Schedule; [NOTE: For monetary contributions]

"Development Contribution Date" means the time the Development Contribution is to be paid as specified to in item 7 of the Schedule; [NOTE: For monetary contributions]

"GST" has the same meaning as in the GST Law;

"**GST Law**" has the meaning given to that term in *A New Tax System (Goods and Services Tax) Act* 1999 (Cth) and any other Act or regulation relating to the imposition or administration of the GST;

"Land" means the land described in item 2 of the Schedule;

"Occupation Certificate" means any occupation certificate as referred to in s 6.4 of the Act in respect of the Development Consent;

"Party" means a party to this Agreement including their successors and assigns;

"Public Purpose" for the purpose of this Agreement means the public purpose described in item 6 of the Schedule;

"Registration Application" means an application for registration of this Agreement as a planning agreement on the title of the Land pursuant to Section 7.6 of the Act in a form approved by the Registrar General;

"Schedule" means the schedule to this Agreement.

4.2 **Interpretation**

In the interpretation of this Agreement, the following provisions apply unless the context otherwise requires:

(a) Headings are inserted for convenience only and do not affect the interpretation of this Agreement;

(b) A reference in this Agreement to a business day means a day other than a Saturday or Sunday on which banks are open for business generally in Sydney, New South Wales;

(c) If the day on which any act, matter or thing is to be done under this Agreement

is not a business day, the act, matter or thing must be done on the next business day;

(d) A reference in this Agreement to dollars or $ means Australian dollars and all amounts payable under this Agreement are payable in Australian dollars;

(e) A reference in this Agreement to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision;

(f) A reference in this Agreement to any agreement, Agreement or document is to that agreement, Agreement or document as amended, novated, supplemented or replaced;

(g) A reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this Agreement;

(h) An expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency;

(i) Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning;

(j) A word which denotes the singular denotes the plural, a word which denotes the plural denotes the singular, and a reference to any gender denotes the other genders;

(k) References to the word 'include' or 'including' are to be construed without limitation;

(l) A reference to this Agreement includes the agreement recorded in this Agreement;

(m) A reference to a party to this Agreement includes a reference to the servants, agents and contractors of the party, and the party's successors and assigns; and

(n) Any schedules and attachments form part of this Agreement.

5 DEVELOPMENT CONTRIBUTION TO BE MADE UNDER THIS AGREEMENT

5.1 The Developer agrees to make, and the Council agrees to accept, the Development Contribution to be applied for the Public Purpose.

5.2 The Developer must pay the Development Contribution to the Council by bank cheque on or before the Development Contribution Date and time is essential in this respect. [NOTE: For monetary contributions]

6 APPLICATION OF THE DEVELOPMENT CONTRIBUTION

6.1 The Council will apply the Development Contribution towards the Public Purpose as soon as practicable.

7 APPLICATION OF S7.11 AND S7.12 OF THE ACT TO THE DEVELOPMENT

7.1 This Agreement does not exclude the application of Sections 7.11,7.12 or 7.24 of the Act to the Development.

7.2 The Development Contribution provided by the Developer will not be taken into consideration in determining any development contribution under Section 7.11 or 7.12 of the Act.

8 REGISTRATION OF THIS AGREEMENT

8.1 The Parties agree this Agreement is to be registered by the Registrar-General as provided for in section 7.6 of the Act.

8.2 The Developer warrants that they have done everything necessary to enable this Agreement to be registered under section 7.6 of the Act.

8.3 Without limiting clause 8.2, the Developer warrants that they have obtained the express written consent to the registration of this Agreement under section 7.6 of the Act from:

(a) If this Agreement relates to land under the *Real Property Act 1900*, each person who has an estate or interest in the Land registered under that Act; or

(b) If this Agreement relates to land not under the *Real Property Act 1900*, each person who is seized or in possessed of an estate or interest in the Land.

8.4 As soon as possible after entering into this Agreement and in any event prior to the issue of a Construction Certificate, the Developer will at their cost arrange and effect registration of this Agreement under s7.6 upon the title to the Land and as soon as possible will:

(a) deliver to the Council the Registration Application in registrable form noting the Council as applicant and executed by the owner of the Land and any other person the subject of the warranty in clause 8.3;

(b) produce or cause to be produced the title deed with NSW Land Registry Services and advise Council of the production number or provide a copy of the CoRD Holder Consent as may be applicable;

(c) provide the Council with a cheque in favour of NSW Land Registry Services, NSW for the registration fees for registration of this Agreement, or deliver funds electronically as Council may direct; and

(d) provide the Council with a cheque in favour of the Council for its reasonable costs, expenses and fees incurred or to be incurred in connection with the preparation of this Agreement and any documents, form or instrument created or to be created in accordance with the provisions of this Agreement.

(e) and take any other necessary action so as to ensure this Agreement is registered

on the title to the Land prior to the issue of any Construction Certificate.

8.5 Upon compliance with clause 8.4 by the Developer the Council will promptly lodge the Registration Application with the Registrar General.

8.6 The Parties will co-operate with each other to ensure that the Agreement is registered by the Registrar General.

8.7 Upon payment of the Development Contribution or surrender of the Development Consent, the Developer may request in writing the removal of the dealing created by registration of the Agreement from the title to the Land. The Council will not withhold its consent to such removal, provided the Developer pays all reasonable costs, expenses and fees of the Council relating to such removal.

8.8 Should payment of the Development Contribution or surrender of the Development Consent occur upon the date of this Agreement and prior to issue of a Construction Certificate, then there will be no obligation to register this Agreement in accordance with this clause nor provide the Bank Guarantee in accordance with clause 9.1.

8.9 Upon registration of this Agreement by the Registrar General, this Agreement is binding on, and is enforceable against the owner of the Land from time to time as if each owner for the time being had entered into this Agreement.

9 BANK GUARANTEE

9.1 Provision of Bank Guarantee

(a) Subject to clause 8.8, prior to the issue of a Construction Certificate, the Developer must deliver to the Council a Bank Guarantee, which must be:

(i) in a form and from an institution approved by the Council;

(ii) irrevocable and unconditional;

(iii) with no expiry date;

(iv) issued in favour of the Council;

(v) for an amount equivalent to the Development Contribution set out in Item 6 of the Schedule;

(vi) drafted to cover all of the Developer's obligations under this Agreement; and

(vii) on the terms otherwise satisfactory to the Council.

(b) The Developer acknowledges that the Council enters into this Agreement in consideration of the Developer providing the Bank Guarantee as a security for the performance of all of the Developer's obligations under this Agreement, including without limitation the delivery of the Development Contribution to Council in accordance with this Agreement.

9.2 **Calling on Bank Guarantee**

(a) The Council may call on the Bank Guarantee in the event that the Developer:

(i) fails to make a payment of any part of the Development Contribution in accordance with this Agreement or any other amount payable under this Agreement by its due date for payment; or

(ii) breaches any other term or condition of this Agreement,

and fails to remedy the relevant failure or breach within 7 days after the Council's notice.

(b) If the Council calls on the Bank Guarantee as a result of the Developer's failure to pay any amount due under this Agreement, then the Council will apply the amount received pursuant to its claim on the Bank Guarantee towards the Developer's obligation to pay the relevant amount and will deduct that amount from the total amount payable under this Agreement. In those circumstances, the Developer will be required to pay to the Council any outstanding balance of the Development Contribution and other amounts payable under this Agreement.

9.3 **Return of Bank Guarantee**

Subject to clause 9.2, provided that the Developer has complied with its obligations under this Agreement, to pay the Development Contribution or any other amount payable under this Agreement, the Council will return the Bank Guarantee to the Developer.

10 REVIEW OF THE AGREEMENT

Any amendment or review of this Agreement shall be by agreement in writing and in compliance with section 7.5 of the Act.

11 DISPUTE RESOLUTION

11.1 **Notice of dispute**

If a Party claims that a dispute has arisen under this Agreement ("Claimant"), it must give written notice to the other Party ("Respondent") stating the matters in dispute and designating as its representative a person to negotiate the dispute ("Claim Notice").
No Party may start Court proceedings (except for proceedings seeking interlocutory relief) in respect of a dispute unless it has first complied with this clause.

11.2 **Response to notice**

Within ten business days of receiving the Claim Notice, the Respondent must notify the Claimant of its representative to negotiate the dispute.

11.3 The nominated representative must:

(i) Meet to discuss the matter in good faith within five business days after services by the Respondent of notice of its representatives;

(ii) Use reasonable endeavours to settle or resolve the dispute within 15 business days after they have met.

11.4 **Further notice if not settled**

If the dispute is not resolved within 15 business days after the nominated representatives have met, either Party may give to the other a written notice calling for determination of the dispute ("Dispute Notice") by mediation under clause 11.5 or by expert determination under clause 11.6.

11.5 **Mediation**

If a Party gives a Dispute Notice calling for the dispute to be mediated:

(i) The Parties must agree to the terms of reference of the mediation within five business days of the receipt of the Dispute Notice (the terms shall include a requirement that the mediation rules and the Institute of Arbitrators and Mediators Australia (NSW Chapter) apply);

(ii) The mediator will be agreed between the Parties, or failing agreement within five business days of receipt of the Dispute Notice, either Party may request the President of the Institute of Arbitrators and Mediators Australia (NSW Chapter) to appoint a mediator;

(iii) The mediator appointed pursuant to this Clause 11.5 must;

(a) Have reasonable qualifications and practical experience in the area of disputes; and

(b) Have no interest or duty which conflicts or may conflict with his function as mediator, he being required to fully disclose any such interest or duty before his appointment;

(iv) The mediator shall be required to undertake to keep confidential all matters coming to his knowledge by reason of his appointment and performance of his duties;

(v) The Parties must within five business days of receipt of the Dispute Notice notify each other of their representatives who will be involved in the mediation.

(vi) The Parties agree to be bound by a mediation settlement and may only initiate judicial proceedings in respect of a dispute which is the subject of a mediation settlement for the purpose of enforcing that mediation settlement.

(vii) In relation to costs and expenses

(a) Each Party will bear their own professional and expert costs incurred in connection with the mediation; and

(b) The cost for the mediator will be shared equally by the Parties unless the

mediator determines a Party has engaged in vexatious or unconscionable behaviour in which case the mediator may require the full cost of the mediation to be borne by that Party.

11.6 **Expert Determination**

If the dispute is not resolved under clause 11.3 or 11.5 the dispute may, by agreement between the Parties, both acting reasonably having regard to the nature of the dispute, be resolved by expert determination, in which event:

(i) The dispute must be determined by an independent expert in the relevant field:
  (a) Agreed upon and appointed jointly by the Council and the Developer; or
  (b) In the event that no agreement is reached or appointment made within 30 business days, appointed on application of a Party by the then current President of the Law Society of New South Wales;

(ii) The expert must be appointed in writing and terms of the appointment must not be inconsistent with this clause;

(iii) The determination of the dispute by such expert will be made as an expert and not as an arbitrator and will be in writing and containing reasons for the determination;

(iv) The expert will determine the rules of the conduct for the process, but must conduct the process in accordance with the rules of natural justice;

(v) Each Party will bear its own costs in connection with the process and the determination by the expert together with an equal proportion of the expert's fees and costs; and

(vi) Any determination made by an expert pursuant to this clause is final and binding upon the Parties except where the determination is in respect of, or relates to, termination or purported termination of this Agreement by any Party, in which event the expert is deemed to be giving a non-binding appraisal and any Party may commence litigation in relation to the dispute if it has not been resolved within 20 business days of the expert giving his or her decision.

11.7 **Litigation**

If the dispute is not finally resolved in accordance with this clause 11, either Party is at liberty to litigate the dispute.

11.8 **Continue to Perform Obligations**

Each Party must continue to perform its obligations under this Agreement, notwithstanding the existence of a dispute.

12 ENFORCEMENT

12.1 Nothing in this Agreement prevents the Council from exercising any function under the Act

or any other Act or law relating to the enforcement of any aspect of this Agreement (including the breach of this Agreement by the Developer) or any matter to which this Agreement relates.

12.2 Until such time as the Development Contribution has been paid in full, an Occupation Certificate must not be issued and the Developer must:

(a) notify the Council in writing of the name and contact details of any Certifying Authority to which it has applied for an Occupation Certificate at the same time that such application is made;

(b) at the time it lodges any application for an Occupation Certificate notify the Certifying Authority in writing of the existence and terms of this Agreement; and

(c) procure and provide to Council a written acknowledgement from the Certifying Authority addressed to Council confirming that the Certifying Authority will not issue an Occupation Certificate until Council provides written confirmation that the Development Contribution has been paid;

(d) not rely on any Occupation Certificate in respect to the Development.

12.3 The Developer acknowledges and agrees that:

(a) the Land is charged with the payment to Council of the Development Contribution until the Development Contribution is paid in full to Council; [NOTE for monetary contributions]

(b) Council has a caveatable interest in the Land from the later of the date of the Development Consent and this Agreement until the Development Contribution and any other monies due to Council under this Agreement are paid in full to Council;

(c) Council has the right to lodge and maintain a caveat against the title to the Land to notify of and protect its interest created by this Agreement (including the charge in (a), until the Development Contribution and any other monies due to Council under this Agreement are paid in full to Council;

(d) unless the Development Contribution is paid to Council by the Developer upon entering into this Agreement, the Developer shall provide Council with the Caveat Form; and

(e) Upon payment of the Development Contribution or surrender of the Development Consent, the Developer may request in writing the removal of the caveat from the title to the Land. The Council will not withhold its consent to such removal, provided the Developer pays all reasonable costs, expenses and fees of the Council relating to such removal and has complied with all its obligations under this Agreement.

13 NOTICES

13.1 Any notice, consent, information, application or request that must or may be given or made to a Party under this Agreement is only given or made if it is in writing and sent in one of the following ways:

(a) delivered or posted to that Party at its address set out below in Item 8 of the Schedule;

(b) faxed to that Party at its fax number set out below in Item 8 of the Schedule;

(c) emailed to that Party at its email address set out below in Item 8 of the Schedule.

13.2 If a Party gives the other Party 3 business days' notice of a change of its address or fax number, any notice, consent, information, application or request is only given or made by that other Party if it is delivered, posted or faxed to the latest address or fax number.

13.3 Any notice, consent, information, application or request is to be treated as given or made at the following time:

(a) If it is delivered, when it is left at the relevant address.

(b) If it is sent by post, 2 business days after it is posted.

(c) If it is sent by fax, as soon as the sender receives from the sender's fax machine a report of an error free transmission to the correct fax number.

13.4 If any notice, consent, information, application or request is delivered, or an error free transmission report in relation to it is received, on a day that is not a business day, or if on a business day, after 5pm on that day in the place of the Party to whom it is sent, it is to be treated as having been given or made at the beginning of the next business day.

14 APPROVALS AND CONSENT

Except as otherwise set out in this Agreement, and subject to any statutory obligations, a Party may give or withhold an approval or consent to be given under this Agreement in that Party's absolute discretion and subject to any conditions determined by the Party. A Party is not obliged to give its reasons for giving or withholding consent or for giving consent subject to conditions.

15 ASSIGNMENT AND DEALINGS

Until the Development Contribution is paid in full, the Developer cannot sell, transfer, assign, novate, charge, encumber or otherwise deal with the Land or attempt or purport to do so.

16 COSTS

Council's costs of and incidental to the preparation and execution of this Agreement and any related documents and registration of same shall be borne by the Developer. The Developer shall be responsible to pay its own costs and any stamp duty arising from this Agreement or its preparation.

17 ENTIRE AGREEMENT

This Agreement contains everything to which the Parties have agreed in relation to the matters it deals with. No Party can rely on an earlier document, or anything said or done by another Party, or by a director, officer, agent or employee of that Party, before this Agreement was executed, except as permitted by law.

18 FURTHER ACTS

Each Party must promptly execute all documents and do all things that another Party from time to time reasonably requests to affect, perfect or complete this Agreement and all transactions incidental to it.

19 GOVERNING LAW AND JURISDICTION

This Agreement is governed by the law of New South Wales. The Parties submit to the nonexclusive jurisdiction of its courts and courts of appeal from them. The Parties will not object to the exercise of jurisdiction by those courts on any basis.

20 JOINT AND INDIVIDUAL LIABILITY AND BENEFITS

Except as otherwise set out in this Agreement, any agreement, covenant, representation or warranty under this Agreement by 2 or more persons binds them jointly and each of them individually, and any benefit in favour of 2 or more persons is for the benefit of them jointly and each of them individually.

21 NON FETTER

The Developer acknowledges and agrees that:

(a) in addition to its obligations under this Agreement the Council is also responsible for the conduct and administration of local government in the Waverley Local Government Area;

(b) this Agreement in no way affects Council's statutory obligations, functions or powers, including without limitation, its obligations, functions or powers in respect of the Development Application, Development Consent and any other approvals required in respect of the works to be carried out under the Development Consent;

(c) nothing which the Council does or fails to do under this Agreement will limit or otherwise affect the Developer's obligations under the Development Consent;

and

(d) nothing which the Council does, fails to do or purports to do in performing the Council's statutory functions or powers will constitute or amount to a breach of this Agreement.

22 REPRESENTATIONS AND WARRANTIES

The Parties represent and warrant that they have power to enter into this Agreement and comply with their obligations under the Agreement and that entry into this Agreement will not result in the breach of any law.

23 SEVERABILITY

If a clause or part of a clause of this Agreement can be read in a way that makes it illegal, unenforceable or invalid, but can also be read in a way that makes it legal, enforceable and valid, it must be read in the latter way. If any clause or part of a clause is illegal, unenforceable or invalid, that clause or part is to be treated as removed from this Agreement, but the rest of this Agreement is not affected.

24 MODIFICATION

No modification of this Agreement will be of any force or effect unless it is in writing and signed by the Parties to this Agreement.

25 WAIVER

The fact that a Party fails to do, or delays in doing, something the Party is entitled to do under this Agreement, does not amount to a waiver of any obligation of, or breach of obligation by, another Party. A waiver by a Party is only effective if it is in writing. A written waiver by a Party is only effective in relation to the particular obligation or breach in respect of which it is given. It is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.

26 GOODS & SERVICES TAX

26.1 The Parties agree and acknowledge, all amounts payable by one party to the other party in relation to a supply under this Agreement have been calculated exclusive of GST which may be imposed on the supply.

26.2 If any supply made under this Agreement is, or becomes, subject to GST, the party to whom the supply is made ("**Recipient**") must pay to the party making the supply

("**Supplier**"), as consideration, in addition to any consideration payable or to be provided elsewhere in this Agreement, subject to issuing a Valid Tax Invoice, an additional amount on account of GST, such amount to be calculated by multiplying the consideration by the applicable rate of GST.

26.3 Any amount in respect of GST payable under clause 26.2 must be paid to the Supplier immediately on receipt of the Valid Tax Invoice.

26.4 If any party is required to reimburse or indemnify the other party for a cost or expense ("**Cost**") incurred by the other party, the amount of that Cost for the purpose of this Agreement is the amount of the Cost incurred, less the amount of any credit for, or refund of, GST, which the party incurring the Cost is entitled to claim in respect of the Cost.

27 EXECUTION IN TRIPLICATE

The Parties shall execute this Agreement in triplicate so as to provide one original signed by both parties and a further copy for registration of the Agreement under s7.6 of the Act. This Agreement will be dated on the day of execution by all Parties.

SCHEDULE

Item Number	Particulars	Description
1	Developer	NAME (ACN #)
2	Land	Street Address (Lot & DP)
3	Development Application	DA #
4	Development (description)	
5	Development Contribution	
6	Public Purpose	
7	Development Contribution Date (Payment date for the Development Contribution)	
8	Developer Address	
	Developer Fax	
	Developer Email	
	Council Address	CORNER PAUL STREET AND BONDI ROAD, BONDI JUNCTION NSW 2022
	Council Fax	(02) 9387 1820
	Council Email	info@waverley.nsw.gov.au

EXECUTED by WAVERLEY COUNCIL with Common Seal of Waverley Council affixed pursuant to a resolution of Waverley Council on

ROSS MCLEOD	**CLR PAULA MASSELOS**
General Manager	Mayor

EXECUTED by
NAME
(ACN #)
In accordance with section 127 of the
Corporations Act 2001

NAME	**NAME**
Director/Secretary	Director

16

APPENDIX 4
Explanatory Note Template

Explanatory Note

(Clause 25E of the Environmental Planning and Assessment Regulation 2000)

Draft Planning Agreement

The purpose of this explanatory note is to provide a summary of the proposed planning agreement (PA) prepared jointly between Waverley Council and the Developer u*nder s7.4 of the Environmental Planning and Assessment Act* 1979 (the Act).

This explanatory note has been prepared as required by clause 25E of the *Environmental Planning and Assessment Regulation 2000.*

1 Parties:

Waverley Council (Council) and

Developer (ACN #) of Address (Developer)

2 Description of subject land:

3 Description of Development:

4 Background:

5 Summary of Objectives, Nature and Effect of the Draft Planning Agreement:

6 Assessment of the merits of the Draft Planning Agreement:

The Planning Purposes served by the Draft Planning Agreement

How the Draft Planning Agreement promotes the Public Interest

How the Draft Planning Agreement Promotes the Objects of the Environmental Planning and Assessment Act, 1979 (EP&A Act)

How the Draft Planning Agreement promotes elements of the Council's charter under section 8 of the Local Government Act, 1993

Conformity with the Council's Capital Works Program

Whether the Agreement specifies that certain requirements of the Agreement must be complied with before a construction certificate, occupation certificate or subdivision certificate is issued

This explanatory note is not to be used to assist in construing the Planning Agreement

APPENDIX 6
Types of public benefits delivered by Planning Agreements

Possible requirements:

The following is a list of possible requirements that the Council may have for planning agreements. They are not exhaustive and developers are encouraged to discuss these or other requirements that may be included in a planning agreement.

Council Requirement	Project Cost Estimate
Bondi Junction Public Domain and Transport Infrastructure Improvements	**$21,000,000**
Contributions to the Waverley Affordable Housing Program	**On going**

Other examples of public benefits

Detailed requirements for these public benefits can be found in Council's suite of environmental studies.

- Affordable housing
- Dedicated land or floorspace for a public purpose
- Publicly accessible through site links
- Amenity upgrades in parks
- E-bike infrastructure (parking hubs/ev charging points)
- Publicly accessible recreation (e.g. tennis courts, indoor play, swimming) and youth facilities
- Playful spaces
- Cultural Infrastructure - music performance space / gallery / exhibition space / artist run initiative (ARI) space / spaces for artist residencies
- Open space acquisition opportunities identified in the Open Space and Recreation Strategy

Statement of Business Ethics

LINKS TO COMMUNITY STRATEGIC PLAN & DELIVERY PROGRAM **Direction G1** – Inspiring community leadership is achieved through decision making processes that are open, transparent, corruption resistant and based on sound integrated planning. **Strategy G1a** – Develop and maintain a framework of plans and policies that ensures open and transparent operations that facilitate equitable benefit sharing and progress towards sustainability.
AUTHOR: **Michael Simmons**
DEPARTMENT: **Governance & Integrated Planning**
DATE CREATED: **August 2006**
DATE REVISED: **April 2014**
DATE APPROVED BY EXECUTIVE TEAM:
DATE ADOPTED BY COUNCIL: **6 May 2014**
NEXT REVIEW DATE: **April 2016**
TRIM FILE REF: **A06/1397**

Statement of Business Ethics

How we do business at Waverley

Our community expects high ethical standards in the provision of Council services and in everything else we do. How we manage our relationships is key to maintaining the community's trust and confidence. Council has set out an ethical framework in which it operates and what we expect from staff.

Our Statement of Business Ethics provides clear guidelines on what to expect from Waverley Council, our obligations and expected behaviours. These standards comply with the NSW Government guidelines for procurement and contracting.

Our principles and policies are an integral part of good business practice.

If at any time you feel that Council is not meeting its standards, please contact my office.

I encourage you to become familiar with our policies, and trust that this Statement helps you in your interactions with Council.



Athanasios (Arthur) Kyron
General Manager

1. Who does this Business Ethics Statement refer to?

We, us, our	Council's staff, councillors, contractors, subcontractors, consultants, delegates and (to the extent practicable) volunteers, as appropriate to the context
Council's staff	Council's staff, contractors, subcontractors, consultants, delegates and (to the extent practicable) volunteers
You, your	People or organisations that deal or wish to deal with Council in business matters
Code of Conduct	Council's *Code of Conduct* and the *Code of Conduct Procedure for Councillors & General Manager* and the *Code of Conduct Procedure for Staff, Delegates & Volunteers* as it applies to Councillors, council staff, consultants, delegates and volunteers

2. Why comply with a Business Ethics Statement?

When you comply with this Statement, you will find that doing business with Council is easier and more effective. You can be sure that you are not disadvantaged because we require others who deal with us to do the same.

By doing business ethically, you will also find it easier to deal with other government bodies because they have similar policies. Ethical practice makes good business sense.

On the other hand, corrupt or unethical behaviour can lead to significant legal, financial and reputational consequences for yourself and Council.

3. What are our Values?

Our values are set out in our Delivery Program and Operational Plan and apply to everything we do. We pride ourselves on bringing the following values alive in our daily activities:

Great Leadership

Great leadership is having the courage to make difficult decisions when they are for the benefit of the whole community and having the skills to engage our teams in providing quality service.

Great Customer Service

Great Customer Service is the willingness and ability to give priority to customers, delivering high quality services which meet their needs.

Respect for All

Respect for all is; treating each other and all members of the community in a friendly, fair and equitable way.

Working Ethically

Ethical behaviour is acting in ways that are consistent with the expectation of the organisation to be corruption free and transparent.

Working Together

Working Together is about everyone working in partnership (internally and with the community) to achieve common or shared goals.

Getting the Job Done Safely, Sustainably and On Time

Getting the job done means providing a service efficiently, effectively and in the safest possible manner within agreed timeframes and due regard for the environment.

4. What are our Key Business Principles?

Our Key Business Principles overlap with our Values, and target our relationships with suppliers.

Ethics

We have to comply with Council's *Code of Conduct*. This means we need to uphold high standards of conduct and ethics in everything we do for Council. We expect the private sector to apply similarly high standards when dealing with Council.

We will:

- act with integrity;
- avoid personal and professional conflicts;
- respect and follow the letter and spirit of Council's policies and procedures;
- use public resources effectively and efficiently;
- make decisions solely on merit; and
- give reasons for decisions (where appropriate).

Value for Money

We will always try to obtain the best possible value for money in any business arrangement. This does not simply mean the lowest or highest price.

Apart from initial and ongoing costs, we will normally consider other aspects such as your ability to provide suitable goods or services, quality, safety, environmental sustainability, reliability and timely performance.

The lowest or highest bid may be the 'best value' if it meets the requirements we believe are needed.

Fairness

We will be fair by being objective, reasonable and even-handed. This does not mean that we will always ask for competitive bids or that we will ask for bids from suppliers that have performed poorly in the past.

On the other hand, we will rarely deal exclusively with a particular supplier, and then only where we have strong reasons to do so.

Sometimes our decision will have a negative effect on a person or organisation, but that does not necessarily mean it is unfair.

We will only request business proposals (by tender or any other method) if we intend to award a contract. If we make a change to our request, we will advise all the affected bidders so that they can respond before a decision is made.

All of our business dealings are open and transparent, where legally appropriate, including the surrounding process. The exception is where we need to maintain confidentiality or protect privacy.

5. What should you expect from Council?

Council will ensure that all policies, procedures and practices related to approvals, tendering, contracting and the procurement of goods and services are consistent with best practice and the highest standards of ethical conduct. You should expect Council's staff and councillors to:

- act honestly, openly, fairly and ethically in all their dealings with you;
- be friendly, courteous, respectful and professional in their dealings with you;
- respect confidentiality of commercial information and privacy of individuals;
- prevent actual, potential or perceived conflicts of interest;
- comply with the law including legislation and regulations;
- comply with Council's policies and procedures including the Code of Conduct and purchasing policies;

- assess all business proposals objectively by considering only relevant factors;
- seek value for money;
- promote fair and open competition;
- protect privilege, confidentiality and privacy;
- respond promptly to reasonable requests for information;
- never request gifts or other benefits;
- decline gifts or other benefits for doing their job unless the gifts or benefits are nominal or token, or otherwise allowed under the Council's *Code of Conduct*. Please note that Waverley Council staff who have a financial delegation are prohibited from receiving gifts of any value; and
- clear probity standards are established.

6. What does Council expect from you?

We expect you to:

- act honestly, openly, fairly and ethically in all your dealings with Council and in all your dealings on behalf of Council;
- treat our customers in a friendly, courteous, respectful and professional way in all your dealings on behalf of Council;
- ensure that environmental sustainability is a key element of your business practice;
- respect confidentiality of commercial and Council information and privacy of individuals;
- prevent actual, potential or perceived conflicts of interest and declare these as soon as possible if they occur;
- comply with the law including legislation and regulations;
- provide working conditions for your employees that comply with industrial relations laws and regulations;
- not be involved in the exploitation of child labour;
- uphold Equal Employment Opportunity principals;
- comply with this Statement and Council's other policies and procedures including the *Code of Conduct*, purchasing policies, secondary employment and post-separation employment policies;
- provide value for money;
- protect privilege, confidentiality and privacy;
- respond promptly to reasonable requests for information;

- respect the fact that Council's staff and councillors must comply with this Statement and Council's other policies and procedures;
- ensure that you do not offer, and refuse requests for, gifts or benefits to Council's staff or councillors for doing their job, unless you are offering gifts or benefits that are nominal or token or otherwise allowed under the *Code of Conduct*;
- ensure that you do not lobby or seek to influence Council's staff or councillors while business proposals are being considered;
- ensure that you are not involved in collusive practices including attempting to influence or pressure Council's staff or councillors to perform their public duties improperly;
- obtain Council's consent before discussing Council's business with the media;
- assist Council to prevent unethical practices in our business relationships;
- advise the General Manager if you believe any person has breached the law, this Statement or Council's other policies and procedures.

If you are employed/contracted by us, you must ensure that in your dealings with members of the public, you:

- comply with the values and meet the standards set out in this Statement and in council's codes and policies;
- act reasonably and professionally at all times;
- provide information about how they can make a complaint about you or your operations and how their complaint will be dealt with including how we will be advised of the complaint and its resolution.

7. Why you need to comply

All of Council's providers of goods and services are required to comply with this statement. The principles of this Statement are consistent with the ethical requirements of other public sector agencies. Therefore you must be careful when you deal with us, because we are public officials.

Council will not tolerate corrupt conduct in any form, such as trying to influence the outcome of a tender. Council's standard tendering invitations, for example, state that any action or contact that may be considered as an attempt to

influence a decision of Council's staff or councillors will automatically disqualify the relevant tender.

People and businesses who engage in corrupt conduct are committing a crime. Penalties for certain acts under the *Independent Commission Against Corruption Act 1988* and the *Crimes Act 1900* can include imprisonment.

Non-compliance with the requirements of this Statement resulting in demonstrated corrupt or unethical conduct could lead to:

- Termination of contracts
- Loss of future work
- Loss of reputation
- Investigation for corruption
- Matters being referred for criminal investigation
- Disqualification of tender

8. Additional information to assist you

Gifts or other benefits

Council awards contracts and determines applications based solely on merit. Gifts must NOT be given in connection with any prospective business dealings and Council officials are not permitted to ask for any reward or incentive for doing their job.

The acceptance of gifts of a token value by Councillors and staff is permitted in certain circumstances. All gifts accepted and all offers of gifts whether token or not are required to be disclosed and are required to be recorded in Council's Gift Register. Waverley Council staff that have a financial delegation are prohibited from receiving gifts of any value.

References to 'gifts' normally include other benefits or cash. Gifts or benefits to Council's staff and Councillors that have a nominal or token value and do not create a sense of obligation, may be acceptable. Cash is never acceptable. All gifts must be declared and entered in Council's gift register.

Council's *Code of Conduct* contains further information.

Communication

You must communicate with us clearly and directly at all times, and account for all communications. This will ensure

that there is a minimal risk of appearing to influence Council's staff or councillors inappropriately.

Confidentiality

All Council information is considered confidential and cannot be disclosed unless Council has agreed otherwise in writing, or the information is public knowledge, or the law requires it to be disclosed.

Conflict of Interest

Council's staff and councillors must disclose any actual, potential or perceived conflict between their personal interests and their professional duties. This includes both pecuniary and non-pecuniary interests and is equally important.

Sponsorship

From time to time, Council seeks financial or in-kind sponsorship from the private sector to support Council's activities or events. Council also regularly provides sponsorships or grants to community organisations for their activities or events.

Council has a *Sponsorships, Grants and Donations Policy* that sets out the procedures and considerations that apply in these situations. Sponsorships, grants or donations must not interfere with Council's ability to carry out its functions, and the process of seeking and providing sponsorships, grants and donations must be open and transparent.

Contractors, Sub-Contractors, Consultants and Delegates

You must ensure that any person who is engaged in your work for Council complies with this Statement. This applies to all delegates including your staff, contractors, sub-contractors, consultants and any other persons or organisations. We must ensure that any person who acts for Council complies with this Statement.

All delegates of Council must also comply with Council's Code of Conduct for Staff, Delegates and Volunteers.

Secondary and Post-Separation Employment

Council's staff members have a duty to maintain public trust.

If a Council staff member works as an employee outside Council, this is called 'secondary employment'. Running a business or acting as a consultant is also considered 'secondary employment', even if the staff member is not strictly an employee in the other business.

The General Manager can prohibit Council's staff from secondary employment where there is, or might be, a conflict of interest.

Council's staff must apply for the General Manager's approval of secondary employment if there is a risk of conflict of interest.

Council's staff must not use their access to commercially sensitive information they gain at Council to assist them into secondary employment or into new employment, business or consultancy after they leave Council. This includes detailed knowledge of Council policies, procedures, practices and information unless these are public knowledge.

Council's staff must also not allow themselves or their work to be influenced by plans for, or offers of, new employment, business or consultancy.

Council's *Code of Conduct* contains further information.

Intellectual Property

You must respect Council's intellectual property and Council must respect your intellectual property. Access, licence or use must be agreed in writing.

Use of Resources

Council's resources must only be used for official purposes.

Council's *Code of Conduct* contains further information.

Political Donations

The law requires that persons who have a financial interest in, or have made a submission in relation to a Development application or a planning instrument, must disclose certain information about political donations and other gifts. This is a mandatory requirement if a donation or gift has been made to a Councillor or council employee within the previous two years of the application or submission.

Reporting Unethical Behaviour

Council is committed to promoting ethical behaviour. Reports of unethical behaviour, fraud, corruption, maladministration or waste can be made to the General Manager or Council's Public Officer on 02 9369 8000.

External reports can be made to the:

Independent Commission Against Corruption	02 8281 5999
NSW Ombudsman	02 9286 1000
NSW Department of Local Government	02 4428 4100

Public officials, including Council's staff and councillors, who report corrupt conduct, maladministration or serious waste of public funds can be protected by the *Protected Disclosures Act 1994*. This Act protects public officials disclosing corruption related matters from reprisal or detrimental action and ensures that disclosures are properly investigated and dealt with.

9. Who should you contact?

If you have questions or comments concerning this Statement, or have information on suspected corruption, maladministration or serious waste of funds, please contact the General Manager's office by letter, phone, fax or email. The details are below.

If you would like a copy of Council's *Code of Conduct for Staff, Code of Conduct for Councillors* or *Sponsorships, Grants and Donations Policy*, visit www.waverley.nsw.gov.au or contact our Public Officer.

FOR MORE INFORMATION OR TO OBTAIN COUNCIL POLICIES…	TO REPORT CORRUPTION, MALADMINISTRATION OR WASTE…
CONTACT **The Public Officer,** **Waverley Council**	CONTACT **The General Manager,** **Waverley Council**
PHONE **9369 8000**	PHONE **9369 8000**
FAX **9369 1820**	FAX **9369 1820**
ONLINE **www.waverley.nsw.gov.au**	ADDRESS **PO BOX 9,** **BONDI JUNCTION NSW 1355**
EMAIL **info@waverley.nsw.gov.au**	EMAIL **info@waverley.nsw.gov.au**

Attachment 2 - Benchmark rates modelling

RESIDENTIAL BENCHMARK RATES

VPA payable benchmarks ($/sqm)		
	2017	2020
Bondi Junction	$ 3,900	$ 3,700
Bondi	$ 3,700	$ 3,700
Bondi Beach	$ 4,300	$ 4,000
North Bondi	$ 4,200	$ 4,200
Dover Heights	$ 3,000	$ 2,800
Rose Bay	$ 3,000	$ 2,800
Vaucluse	$ 3,000	$ 2,800

OFFICE AND RETAIL IN MIXED USE DEVELOPMENTS BENCHMARK RATES

VPA payable benchmarks ($/sqm)		
	2017	2020
Bondi Junction retail core	$ 3,000	$ 2,800
Bondi Junction retail fringe	$ 2,500	$ 2,700
Bondi Junction office	$ 2,500	$ 2,700
Bondi Road, Bondi	$ 3,500	$ 2,500
Campbell Pde, Bondi	$ 4,500	$ 4,100
Hall Street, Bondi	$ 3,900	$ 3,600
Fringe	$ 3,500	$ 3,000

DATA SOURCES

CAN I USE THIS DATA FOR THIS SUBURB?

	Realestate.com trend line	LPI	Listings	FACS
Bondi	Yes	Yes	Yes	No
Bondi Beach	Yes	Yes	Yes	No
North Bondi	Yes	Yes	Yes	No
Dover Heights	insufficient sales	insufficient sales	insufficient sales	insufficient sales
Rose Bay	No	Yes	Yes	insufficient sales
Vaucluse	No	Yes	insufficient sales	insufficient sales

DATA COMMENTS

	Realestate.com median trend	LPI	Listings	FACS
Completeness	all sales	all sales	hand picked sales	all sales
Sorting	units	strata/non strata	units	strata/non-strata
Timeframe at most detailed level	calendar year	date	date	quarterly
Geographic	suburb - both waverley and woollahra	suburb - can take out woollahra side	suburb - both Waverley and Woollahra	post code - Bondi Beach, North Bondi and Bondi all share same postcode
Land use	Residential	Residential and commercial	Residential	Residential

Draft Waverley Affordable Housing Contributions Scheme

Table of Contents

1. Strategic context and background 3

1.1. Background 3

1.2. Introduction 3

1.3. Aim of this scheme 4

1.4. Where does the scheme apply? 4

1.5. What types of development does the scheme apply to? 4

1.6. Overview of affordable housing need in Waverley 4

1.7. Legislative basis for affordable housing contributions 5

1.8. Relationship to other affordable housing provisions in the LGA 5

1.9. Affordable housing principles 5

2. Affordable housing contributions 6

2.1. Voluntary Planning Agreements 6

2.2. Monetary contribution rates in the LEP 6

2.2.1. Dedication of dwellings 6

2.3. Development that is exempt from the affordable housing contribution scheme 6

2.4. Conditions of consent for affordable housing 7

3. Administration and implementation 7

3.1. How to make a contribution 7

3.2. Processes for the distribution and management of funds 7

3.3. Tenant eligibility criteria 8

3.4. How tenants are assessed and allocated homes 8

3.5. Monitoring and review of scheme 9

1. Strategic context and background

1.1. Background

Section 7.32 of the Act requires an affordable housing contributions scheme in order to impose a condition requiring land or contributions for affordable housing.

The Waverley Affordable Housing Needs Analysis (Appendix A) demonstrates the need to increase the supply of affordable rental housing in Waverley Local Government Area (LGA). Without provision of more affordable forms of housing, the market will to continue to produce more expensive housing in the area, so that housing will only be affordable to households on relatively high incomes. The flow on effect is that existing lower income groups would need to move out of the area, and new lower income households may be prevented from finding housing in the local area.

The Waverley LGA is undergoing significant change from projected population growth and redevelopment pressures. These changes combined with access to the eastern beaches, significant open spaces, Bondi Junction rail interchange, commercial and retail centre makes the area an attractive place to live, work and visit. This will continue to place upward pressure on property values beyond the means of lower income households to purchase or rent in the area.

1.2. Introduction

The *Waverley Affordable Housing Contributions Scheme* (herein referred to as the Scheme) aims to ensure that lower income households continue to live and work locally within the Waverley LGA, to facilitate a socially diverse and inclusive community.

Current approach

Waverley's current approach to collecting affordable housing contributions is under Waverley's Planning Agreement Policy 2014. This Policy has been successfully utilised to negotiate and draft planning agreements accompanying Development Applications seeking a Clause 4.6 variation to Clause 4.4 Floor space ratio for additional floorspace. Waverley has had a longstanding commitment to the provision of affordable housing where every planning agreement contribution allocates 10% of funds towards affordable housing. Amendment 3 to the Policy seeks to increase this to a minimum of 25%.

The NSW Government released a Ministerial Direction requiring that Councils who wish to require land or contributions for affordable housing through a voluntary planning agreement must have an affordable housing contributions scheme. Council wishes to continue allocating planning agreement funds to affordable housing and hence the preparation of this Scheme.

Proposed approach

Under *State Environmental Planning Policy 70 – Affordable Housing (Revised Schemes)* (SEPP 70) all Councils in NSW were made eligible to start collecting affordable housing contributions where there is uplift in the planning controls, an identified local housing need (Appendix A) and where it is viable.

Council has adopted the Local Housing Strategy which does not propose any rezoning in the LGA. This is because it was determined that existing housing capacity under current controls would deliver the appropriate housing supply to meet housing targets. Notwithstanding, the Local Housing Strategy identified a strong need for affordable housing in the Waverley LGA and indicated that new market

housing was not addressing this need but exacerbating it by often reducing existing affordable housing. To this end, there is a clear case for intervention, in the form of an affordable housing contribution, to ensure that new housing delivery is contributing to the delivery of affordable housing. The LHS recommended a percentage range of 1-3% contribution on all new residential apartment development and 10-15% contribution on sites receiving uplift. It was identified that a specific percentage of 1% on all new residential apartment development and 10% on sites receiving uplift would be more appropriate compared to a range, as a test of industry acceptance. It is envisaged that this rate will increase in the future.

Furthermore, Council also receives unsolicited spot rezonings from private industry. The subject scheme will give Council the legislative backing to require affordable housing contributions of 10% from proponents that are granted uplift through the planning proposal process.

1.3. Aim of this scheme

The aim of the Scheme is to deliver affordable housing resulting from contributions in the Waverley LGA. The scheme aims to:

- Support a socially diverse community
- Capture value attributed to individual landowners through uplift granted by the planning system for the public purpose of affordable housing
- Expand Council's existing affordable housing portfolio

1.4. Where does the scheme apply?

The Scheme applies to the whole Waverley Local Government Area.

1.5. What types of development does the scheme apply to?

Residential apartment development and mixed-use development excluding employment generating only development.

1.6. Overview of affordable housing need in Waverley

Affordable housing refers to a spectrum of housing options including social housing, affordable rental housing, and certain types of market housing. There are few opportunities in Waverley to access affordable housing. Unaffordability has been a growing issue over the last two decades as household income-to-house price ratio has increased from 4:1 in 1994 to 12:1 in 2016. At present, Waverley is severely unaffordable. Waverley's rent for all dwellings is 1.3 times higher than the Sydney average. As a result, 30% of all renting households are in rental stress and, most strikingly, 85% of low-income households are in rental stress.

The current forms of affordable housing supply are not going to meet the relevant demand. Waverley has the fifth lowest key worker population in Sydney. Where key workers are on a very low, low and moderate income, this is contributing to overall demand for affordable housing. To meet the base demand, 11% of total dwelling stock needs to be affordable. Projecting this to 2036, this equates to an additional 600 affordable rental dwellings, or approx. 30 affordable rental dwellings per annum. Proposed affordable housing targets of 1% on all new development and 10% on development receiving uplift, while not meeting all underlying demand, will provide a pathway to increasing affordable housing in the LGA. Furthermore, to retain the current proportion (2%) and ensure no further net loss of social housing, 90 social housing units should be delivered by 2036. Whilst Council can continue to advocate for this, the state government owns and manages social housing.

The current sources of affordable housing are from what is approved under the ARHSEPP, Waverley Council's Affordable Housing program and what's available in the market. The current supply of affordable rental housing is only meeting 57% of demand and 43% of households in rental stress are not going to have their housing needs met in the current housing climate.

1.7. Legislative basis for affordable housing contributions

Residential development and mixed-use development excluding dwelling houses (a building containing only one dwelling) and employment generating only development within the Waverley LGA is subject to the collection of contributions for affordable housing under Section 7.32 Clause 1 of the Act because:

- *State Environmental Planning Policy 70 – Affordable Housing (Revised Schemes)* (SEPP 70) is applied to the whole state. It allows Councils to collect affordable housing contributions where there is an identified need for affordable housing in the area. Appendix A provides additional analysis for affordable housing in the LGA.
- Redevelopment in the LGA will reduce the availability of affordable housing by increasing demand for affordable housing while also increasing the cost of housing.

1.8. Relationship to other affordable housing provisions in the LGA

Where an applicant seeks to utilise the bonus provisions of the Affordable Rental Housing State Environmental Planning Policy 2009, this contributions plan does not apply.

1.9. Affordable housing principles

The Waverley affordable housing principles are:

- Affordable housing must be provided and managed in Waverley so that a socially diverse residential population representative of all income groups is available in Waverley,
- Affordable housing must be rented to tenants whose gross household incomes fall within the following ranges of percentages of the median household income for the time being for the Sydney Statistical Division according to the Australian Bureau of Statistics:
  - Very low income household - less than 50%
  - Low income household - 50% or more, but less than 80%
  - Moderate income household - 80–120%
  - and at rents that do not exceed a benchmark of 30% of their actual household income, and
- Dwellings provided for affordable housing must be managed so as to maintain their continued use for affordable housing,
- Rental income from affordable housing received by or on behalf of the Council, after deduction of normal landlord's expenses (including management and maintenance costs and all rates and taxes payable in connection with the dwellings), must be used for the purpose of improving or replacing affordable housing or for providing additional affordable housing in Waverley or for research and policy development for housing and affordable housing purposes, and
- Affordable housing must consist of dwellings constructed to a standard that, in the opinion of the consent authority, is consistent with other dwellings within the development, especially in terms of internal fittings and finishes, solar access and privacy.

2. Affordable housing contributions

2.1. Voluntary Planning Agreements

The Planning agreement policy 2014 requires that at a minimum 25% of all VPA contributions go to affordable housing. In some circumstances, this may be higher.

2.2. Monetary contribution rates in the LEP

The levy will be calculated as a percentage across the whole development in accordance with the market value of residential floorspace around the time of the development. These rates are outlined in the table below and will be updated on a regular basis in line with current market conditions.

- A levy of 1% applying to all new residential apartment development
- A levy 10% applying to sites receiving uplift through planning controls.

Table 1. Suburb revenues to calculate the affordable housing contribution.

Gross realisation $/sqm	
Rose Bay	$14,000
Bronte	$21,000
Waverley	$14,000
Dover Heights	$14,000
Bondi	$18,500
Vaucluse	$14,000
Bondi Beach	$20,000
Bondi Junction	$18,500
Tamarama	$21,000
North Bondi	$19,500
Queens Park	$17,000

2.2.1. Dedication of dwellings

Council's preference is for monetary contributions. However, where the opportunity arises that the monetary contribution is equal to that of a whole unit (at least 50 sqm), this could be dedicated to Council.

2.3. Development that is exempt from the affordable housing contribution scheme

Residential development that is not apartments or employment generating only developments.

2.4. Conditions of consent for affordable housing

Where the total floor area to be dedicated as affordable housing is less than the amount equivalent to a unit at least 50sqm or where the proposed dwellings are considered not appropriate for the purpose of affordable housing (subject to Council approval), an equivalent monetary contribution that would otherwise be required will be sought in accordance with the rate, outlined in section 2.1.

Where an in-lieu contribution is being made the condition of consent is to contain but not be limited to, the following information:

- The monetary contribution required in accordance with the rates as specified under 2.1 of this plan;
- The total floor area of the development used for residential purposes that was used in the calculations;
- A requirement that the condition be satisfied (to Council's approval) prior to the issue of a construction certificate.

3. Administration and implementation

3.1. How to make a contribution

Payment of contributions will be by unendorsed bank cheque to the Council prior to issue of any construction certificate. In circumstances where no construction certificate is required, payment is required prior to commencement of use/occupation.

3.2. Processes for the distribution and management of funds

Contributions resulting from in-kind or monetary contributions are to be provided in accordance with the following criteria:

- Affordable housing is to be dedicated to the Council
- Contributions are to be pooled and managed by the Council until such time as there is sufficient funding available to develop and/or acquire new affordable housing
- Affordable housing units are owned by the Council and managed by an eligible community housing provider
- Affordable housing is rented to low and moderate income households at 30 per cent of gross household income
- All rent received after deduction of management and maintenance costs will be reinvested back into Council's Affordable Housing Program to be used for the purpose of improving, replacing or providing additional affordable rental housing in Waverley LGA, and
- Affordable housing is designed and constructed to a standard which, in the opinion of Council, is consistent with other dwellings within the same development, that is, they are not differentiated (internally and externally) as affordable housing compared with the design of other housing.

3.3. Tenant eligibility criteria[1]

In order to be eligible to participate in the WAHP, successful applicants must be able to substantiate compliance with the following criteria:

a) The average household gross annual income, which includes all people in the household aged eighteen (18) years and older, taken over the last two (2) years prior to application to WAHP much fall within the following ranges of percentages of the median household income from the Waverley Statistical Division according to the Australian Bureau of Statistics:
   - Low 0% - 80% (the precise income amount will vary annually)
   - Medium 0% - 120% (the precise income amount will vary annually)

b) Must be able to demonstrate a connectedness to the Waverley LGA area meaning a tenant must be living in the Council LGA currently and for the past three (3) years; or if not living the Waverley Council LGA, have lived in the area for at least five (5) years in the previous ten (10) years;

c) Must not own assets or property which could reasonably be expected to be used to solve their housing needs;

d) Employees, or immediate relatives of employees of the Waverley Council and the Affordable Housing Manager ("AHM");

e) Must not be already living in secure medium and long term subsidized social housing the Eastern Suburbs including the Local Government Area of Waverley, Woollahra, Randwick, Botany and City of Sydney at the time of application submission;

f) Prior to accepting potential tenants on the waiting list, their eligibility needs to be confirmed through:
   - proof of income, through documentation such as income tax returns, social security documentation, declaration of all assets etc, and
   - proof of connection with the Waverley area, through evidence of current and past phone/power bills and/or current and past rent receipts.

   Interviews are conducted with applicants in order to verify compliance with eligibility criteria; and

g) Prior to placement of anyone from the waiting list in a dwelling, the income and connectedness criteria, lack of secure accommodation are to be verified.

Applicants no longer meeting the criteria should be removed from the waiting list.

3.4. How tenants are assessed and allocated homes

WAHP properties are allocated to approved tenants as per the following:

a) properties will be advertised. Advertisements for properties will clearly stipulate all eligibility criteria; applicants who fulfil the eligibility criteria will be short listed;

b) eligible applicants whose household numbers are appropriate to the available property size will be further short listed; and

c) all eligible potential tenants will enter a ballot which will be drawn.

[1] This tenant eligibility criteria is from the *Waverley Affordable Housing Program Policy 2007 (Amendment 1).* This policy will be updated from time to time and should be referred to.

Three (3) years is the maximum period available to any tenant in the WAHP. Shorter periods of tenure may be negotiated for privately owned rent capped properties. Previous tenants unsuccessful at the ballot will be advised of new similar properties coming into the WAHP by way of letter from the respective AHM for twelve (12) months only. It is noted, there will be no succession or transfer of tenure. The AHM should inform prospective tenants of all possible conditions of tenure.

3.5. Monitoring and review of scheme

Council will regularly review this policy and the manner in which it operates. As necessary, amendments and other changes may be required to ensure the policy operates in the way that Council intends.

Appendix A

Affordable Housing Needs Analysis

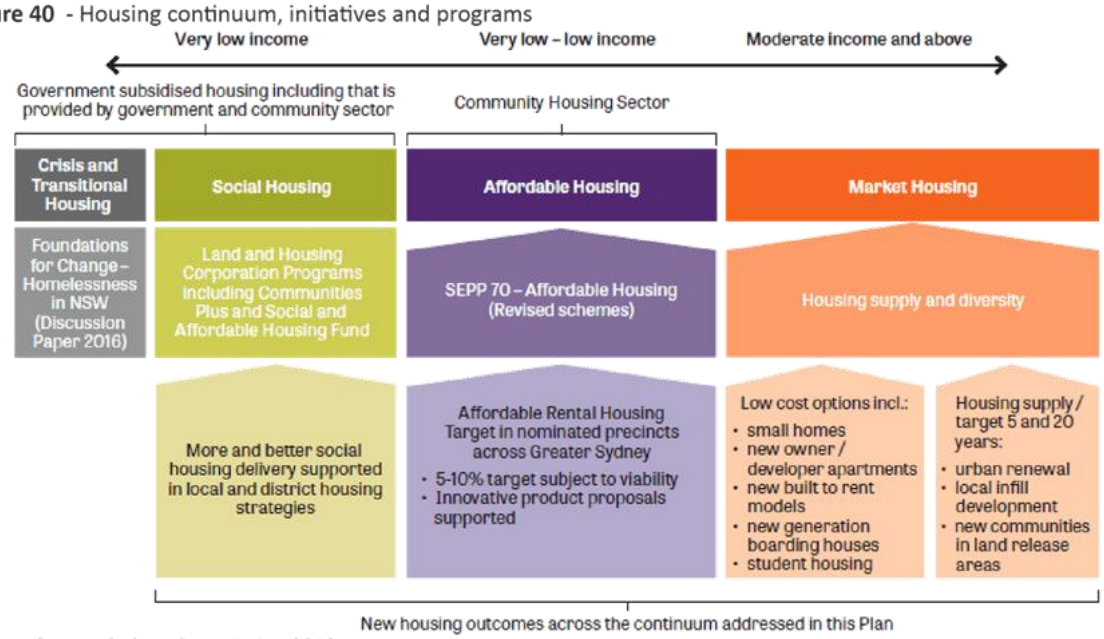
'Affordable housing' is often used an umbrella term for a spectrum of affordable housing options. The figure below shows that these options include social housing, affordable rental housing, and certain types of market housing. The following sections will highlight that there is a clear and critical need to improve housing affordability in Waverley. A range of factors contribute to this need, including a combination of rising housing costs, population growth pressures and growing demand for inner-city living, in addition to limited land availability.

Term	Definition
Affordable rental housing	Housing that is owned by government or a registered community housing provider and rented to a mix of very low to moderate income households.
Housing stress	A household is categorised as being in housing stress where it spends 30% or more of household income on housing costs.
Low cost housing	Housing that is 'naturally' more affordable than other stock e.g. older boarding houses, granny flats
Social housing	To qualify for social housing, tenants must be on very low to low incomes, need to support to live independently and/ or have been unable to find affordable housing in the private market. Social housing includes public, community and Aboriginal housing. Public housing is managed by Department of Communities and Justice (DCJ formerly known as Family and Community Services) while community housing is managed by non-government organisations.

7.1 Affordable housing

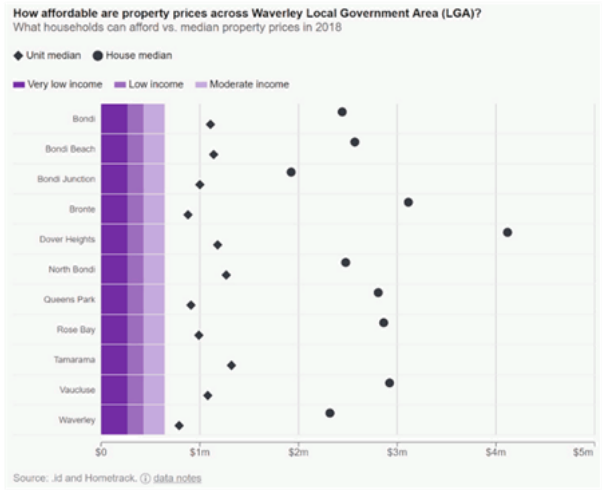
Median household wage growth in Sydney has remained relatively stable, however house prices continue to climb resulting in a widening house price to income ratio. In Waverley the household income to house price ratio has risen from 4 in 1994 to 12 in 2016. The house price to income ratio indicates that Sydney median household income of $1,750 would need to spend 12 times their annual gross income to purchase the average house in Waverley.

Figure 40 - Housing continuum, initiatives and programs



Source: Greater Sydney Commission 2018

Figure 41 - What households can afford vs. median property prices in 2018.



Source: Housing.ID 2019, Hometrack 2018

The affordability of housing currently available on the market is based on very low, low and moderate household incomes. The Greater Sydney median household income is used as opposed to the Waverley median household income because Waverley has a higher proportion of high income earners than Greater Sydney.

Median house prices across all suburbs in the Waverley LGA were well out of reach for very low, low and moderate income households in 2018. The purple gradation in the image below shows what very low, low and moderate income earners could afford based on spending 30% of their household income towards a mortgage. The median house price in all suburbs was a significant distance from what would be deemed an affordable mortgage.

Table 3 - Greater Sydney median household income ranges

	Very low income household	Low income household	Moderate income household
Income benchmark	<50% of Gross Median H/H income for Greater Sydney	50-80% of Gross Median H/H income for Greater Sydney	80-120% of Gross Median H/H income for Greater Sydney
Income range	<$875	$876-$1,400	$1,401-$2,100

Figure 42 - Waverley house price growth in context



Source: HNSW Rent and Sales Reports 1994-2016 / ABS 1994-2011 Income Data
Note: Income extrapolated for years after 2011.

[18]Sydney income used to assess the relative affordability against Sydney.

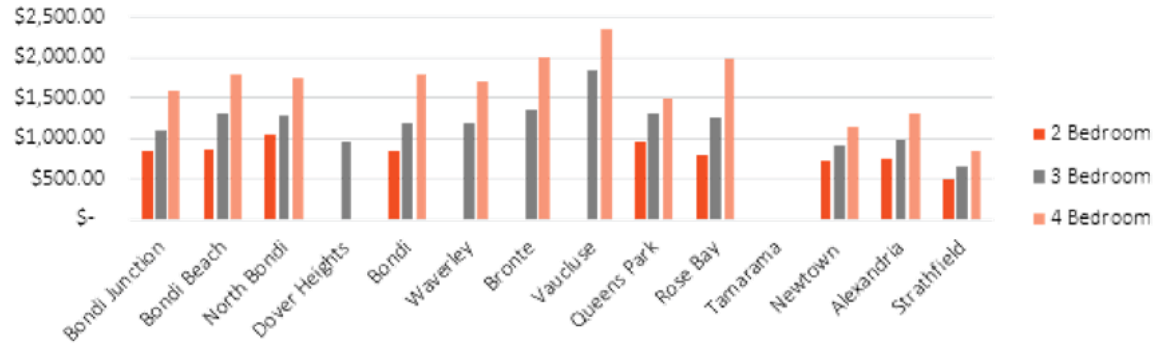
Median unit prices were closer to the affordable purchase range of very low, low and moderate income households but were still above what would be considered affordable. Median unit prices were particularly high, above $1 million, in beachside suburbs such as Bondi, Bondi Beach, North Bondi and Tamarama.

Waverley's rent (for all dwellings) is 130% higher than the Sydney average. The median rent for a house of $1,300/week is like the median price in that it is well beyond the affordable rental range. In particular, the disparity between rents in Waverley compared to Greater Sydney are more pronounced for three or more bedroom places. This reflects a high demand for this type of housing product in Waverley.

The median rent for a unit is $680/week. The median unit rent is likely to be affordable for households on a moderate income. The median unit rent was at the top end of the moderate income affordability range in Bondi Junction, Bronte, Queens Park, Rose Bay and Waverley. When looking at the apartment types by bedroom number, the affordable units were for one and two bedroom apartments. Like rental prices for houses, there is a significant increase in price for three bedroom dwellings. This points to a demand for larger affordable units and the potential forced relocation for those residents who cannot afford these dwellings.

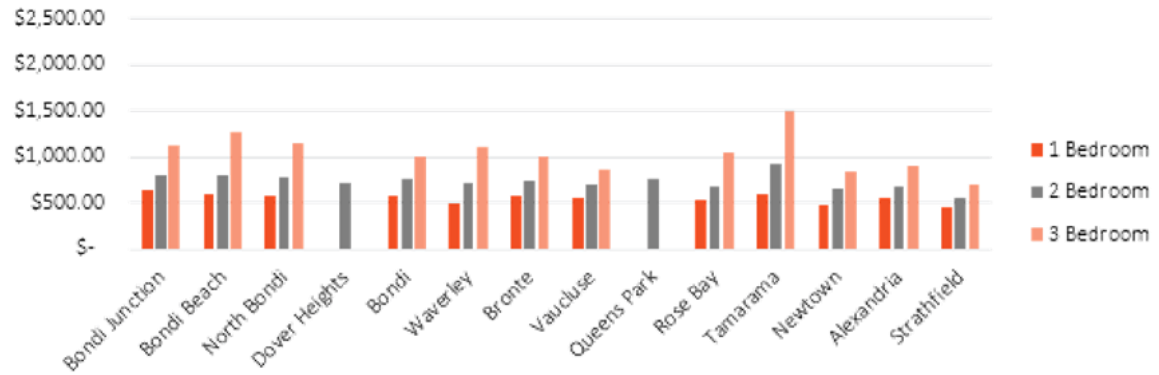
The above analysis highlights how Waverley has become severely unaffordable. This will be exacerbated by fluctuations in available housing supply, as Waverley continues to be a desirable place to live.

Figure 43 - Detached house weekly rental prices comparison – Waverley suburbs vs. Sydney suburbs



Source: Realestate.com. Note: excludes not stated, not applicable, nil or negative responses.

Figure 44 - Unit weekly rental prices comparison – Waverley suburbs vs. Sydney



Source: Realestate.com. Note: excludes not stated, not applicable, nil or negative responses.

Table 4 - Social housing base level demand Waverley, 2016-2036					
	2016	2021	2026	2031	2036
Number of dwellings	510	571	576	588	600

Table 5 - Base level affordable rental housing demand (2016-2036)					
	2016	2021	2026	2031	2036
Number of dwellings	3,438	3,847	3,885	3,962	4,044

Demand for social housing

To qualify for social housing, tenants must be on very low to low incomes, need support to live independently and/or have been unable to find affordable housing in the private market. Social housing includes public, community and Aboriginal housing. Public housing is managed by Department of Communities and Justice (DCJ formerly known as Family and Community Services) while community housing is managed by non-government organisations.

A contributing factor to demand for social housing is homelessness. The ABS recognises a person as experiencing homelessness if they are living in a dwelling that is inadequate; has no tenure, or if their initial tenure is short and not extendable; or does not allow them to have control of, and access to space for social relations. There are six categories of homelessness including persons living in severely crowded dwellings, improvised dwellings, tents, or sleeping out ('rough sleepers'), in supported accommodation, staying temporarily with other households ('couch surfing'), living in boarding houses and in other temporary lodgings. Of the 116,427 people counted as being homeless on Census night 2016, the greatest proportion (51,088 or 43.9% of all homeless people) were those living in 'severely' crowded dwellings.[19] From the available ABS data for Waverley, 15 people were recorded to be sleeping in an 'improvised home', tent or on the street on Census night 2016. This does not capture those in any of the five other homelessness categories described above and likely underplays the extent of homelessness in Waverley.

Social housing demand is based on the current share of households who are currently in social housing. As at 2016, social housing makes up 2% of total dwelling stock in Waverley which equates to 510 dwellings (assuming one household = one dwelling). This proportion is extrapolated forward to 2036 and five year increments up to then. By maintaining the 2%, 600 dwellings should be social housing by 2036, which means an additional 90 social housing units should be delivered. This forms a base level target for social housing to ensure no further net loss in the future (Table 4). It does not reflect the broader demand reflected in the waiting list time of 5-10 years for social housing in the Eastern Suburbs. The protection of social housing however is largely out of Council's jurisdiction as it is developed and managed by the state government.

Demand for affordable rental housing/key worker housing

Affordable rental housing is aimed to assist very low, low and moderate income earners who are unable to afford rent in the private market. Affordable rental housing is managed by a community housing provider on behalf of Council where the dwelling is rented out at a capped percentage (around 70-80%) of the market rent. Affordable housing is sometimes referred to as 'key worker' housing.

It is important to understand the demand for key worker housing as key workers are essential to the social and economic wellbeing of cities. The financial ability of key workers to live somewhere is often used as a measure of housing affordability because they are generally in lower-paid occupations and need to live close to their place of work because of irregular shifts (e.g. at night) or the need to respond to emergency situations. Typically, key workers are teachers, nurses,

[19]Australian Bureau of Statistics 2018, '2049.0- Census of Population and Housing: Estimating homelessness, 2016', accessed 12 November 2019, < https://www.abs.gov.au/ausstats/abs@.nsf/mf/2049.0>.

ambulance, paramedic and emergency services and police officers.

Key workers are essential to the social and economic wellbeing of cities. They typically include teachers, nurses, ambulance, paramedic and emergency services and police officers. The definition of a key worker could differ between places.

In 2016, there were 1,600 key workers on very low, low to moderate incomes living in Waverley. Between 2006 and 2011, there was a 15.2% net loss of these key workers in the Eastern Suburbs, and now Waverley LGA has the fifth lowest key worker population in Sydney.[20] The loss of key workers is telling of the broader picture that Waverley has grown as an increasingly unaffordable area for very low and low income households. This entrenches and exacerbates disadvantages as it "can force long distance commutes and increasingly displace asset poor older and younger people from areas where they have historically lived; thereby excluding those who play a valuable role in the Waverley's economic and social fabric".[21]

There are also people who work within Waverley on very low, low to moderate incomes who, while not designated as a part of the 'key worker' nomenclature, nevertheless form an important part of the economic function of Waverley. The top three local industries are retail, accommodation and food services and health care and social assistance industries. These lower income earners live across Sydney and are more likely to travel from outside the LGA (more than 10km) and therefore experience commutes of 1 hour or more. In total, there are approximately 20,000 local workers on very low, low to moderate incomes in Waverley.

To determine the forecast demand for affordable rental housing, households who need this housing are those who have very low, low or moderate household incomes and spend more than 30 per cent of this income on rent (i.e. are experiencing rental stress).

Housing stress is a critical measure of the need for affordable housing, as it shows the interplay between housing costs (rental and purchasing) and income levels. Housing stress has generally been defined as those households in the lowest 40% of incomes (i.e. very low, low or moderate income households) who are paying more than 30% of their usual gross weekly income on housing costs (rental or purchasing). Those experiencing mortgage stress are excluded from this demand analysis because they have the option of selling their asset and entering the private rental market.

Increasing housing stress caused by the loss of affordable housing has detrimental ramifications such as the displacement of long term residents in gentrifying areas, loss of cultural and social diversity, and key workers struggle to afford high housing costs proportionally to low incomes.

Rental stress is a growing issue across Sydney as more people choose or can only afford to rent in a competitive housing market. In 2016, 30% of households renting in Waverley are in rental stress, which makes up 13% of all households in Waverley. When broken down into the income brackets below,

Figure 45 - Households in rental stress



Source: Housing.ID 2019, ABS Census 2016.

[20]Gurran, N., Gilbert, C. Zhang, Y., Phibbs, P. 2018, "Affordability in Sydney", Report prepared for Teachers Mutual Bank, Police Bank and My Credit Union, The University of Sydney, Sydney.

[21]Judith Stubbs and Associates, 2016, SSROC Affordable Housing Submission: Background report part 1 – demographic and housing market analysis.

there is a stark comparison between the proportion of households in rental stress when compared to Greater Sydney. This is markedly noticeable for very low income and low income households where 81% and 85% of these households are in rental stress. Based on anecdotal evidence, these households are likely to be those on a pension or single income families.
The proportion of households in rental stress has been translated as a base level demand target for the provision of affordable rental housing. In 2016, 13% of Waverley households were in rental stress equating to 3,440 dwellings (assuming one household=one dwelling). This made up 11% of the total dwelling stock in 2016. Table 5 indicates the likely future demand for affordable rental housing, assuming the proportion of rental stress remains constant. It highlights that just to address the current proportion of households in rental stress, an additional 600 affordable dwellings will be required by 2036; equating to approximately 30 affordable rental dwellings per annum.

7.2 Affordable housing supply

The NSW Environmental Planning and Assessment Act 1979 has explicitly aimed to promote and retain affordable housing. State and local governments in New South Wales have a relatively long history of addressing affordable housing through planning legislation and policy, much of which was developed during the 1990s. The focus has been on protecting existing sources of low-cost housing, especially in metropolitan areas; overcoming barriers to diverse housing forms contained in local planning schemes; and allowing planning authorities some limited opportunities to seek contributions towards affordable housing programs.[22]

Affordable Rental Housing State Environmental Planning Policy (ARHSEPP) 2009

The ARHSEPP was introduced to encourage the provision of new affordable housing developments and where low cost housing is lost, requiring a monetary contribution to offset the impact. The ARHSEPP applies to all LGAs in Greater Sydney and provides bonus floorspace provisions if new development provides a portion of new stock as affordable housing for a fixed-term of 10 years. The ARHSEPP requires that where the demolition or strata subdivision of affordable rental housing is proposed, it must be offset by monetary contributions to be applied towards affordable housing.

Boarding houses

To encourage new affordable housing, the ARHSEPP provides a floor space bonus for boarding house development. In the period from 2009 to 2017, 73 boarding house rooms were approved, approx. 9 rooms per annum in the Waverley LGA. Research by City Futures demonstrates that boarding house developments generated under the bonus ARHSEPP provisions cater to a different market than traditional boarding houses. Of the 9,000 rooms provided by boarding house developments in the SSROC[23] region, around 50% were targeted student accommodation (typically clustered around university campuses). Of those boarding houses not specifically targeting student accommodation, the tenants are typically young, skilled and from a migrant background with a modest income. These boarding houses are low cost rentals but only marginally cheaper than one bedroom units. Therefore, new boarding houses are catering to a market for low cost housing, albeit not at the substantially discount rates of older style boarding houses. These new rooms will fill a gap in the market for low cost housing and it is expected that in the longer term will become relatively more affordable compared to existing stock.

Secondary dwellings

Secondary dwellings have long been part of Sydney's urban form. Secondary dwellings include laneway development in the form of converted garages or new studios above garages and are a relatively common development type in Waverley. The introduction of the ARHSEPP in combination with standardised planning controls made secondary dwellings a form of complying development, making it easier to develop this type of housing. The introduction of the ARHSEPP had an immediate impact on the number of approvals for secondary dwellings as they more than doubled between 2008 and 2013.

Due to the existing established form of the Waverley area, the built-up nature of existing sites and smaller lot sizes, it is difficult to get a secondary dwelling

[22]Gurran N et al. New directions in planning for affordable housing: Australian and international evidence and implications, Australian Housing and Urban Research Institute (AHURI), June 2008

approved via complying development. This is because complying development has strict design requirements that must all be met. Therefore, the approval pathway is generally through development application to Council where assessment is more merit based and specific to the subject site. Between 2006 and 2016, 80 secondary dwellings have been approved in the Waverley LGA. This represents 6.5% of the total number of new dwellings in the same period.[24] Despite their popularity, these dwellings are said to create undesirable amenity issues, such as overlooking, with neighbours often objecting to development applications.

Issues with the ARHSEPP

The key intention of the ARHSEPP is to facilitate more affordable rental housing by encouraging smaller and by nature, less expensive, dwellings into the local housing market. However, the SEPP purely relies on the smaller nature of the housing to make it affordable, with no formal requirements to cap rent at an affordable rate. In the 2016/17 financial year 20% of secondary dwellings were rented out on the private market and were more expensive than comparable product in the market. Anecdotal evidence indicates that the remaining 80% of secondary dwellings are being utilised under private, likely informal arrangements for extended family or adult children to live in. This reflects a wider shift towards multi-generational households for social and cultural reasons but also increasing housing affordability pressures particularly for young adults trying to get their foot in the market. Moreover, it is out of Council's control to monitor the rents to ensure that they are addressing the demand for affordable housing.

There are several operating flaws with the ARHSEPP which prohibit it from achieving its main objectives. Developers can bypass the requirement to offset the loss of affordable housing with monetary contributions by not providing historical data on the low rental status of the building as at 28th January 2000. Even when contributions are collected, they are not reinvested back into the Waverley LGA. Furthermore, developments only need to be available at a discounted affordable rate for 10 years, not in perpetuity.

State Environmental Planning Policy 70 - Affordable Housing (Revised Schemes) (SEPP 70)

Ahe DPIE announced in early 2019 that all Councils will be included in SEPP 70. The premise of the SEPP is that it allows Councils to levy new development in areas where significant upzoning has occurred for affordable housing contributions. This is subject to an affordable housing needs analysis and viable contributions scheme. These contributions are then hypothecated to increasing the provision of affordable rental dwellings.

Waverley raised concerns in its submission to the draft SEPP 70 Guidelines that affordable housing contribution scheme should apply to all new development and that it is possible the guidelines misrepresent the Act[25] by only focusing on the 'rezoning' and not the 'initial zoning'.

Waverley's Affordable Housing Program

Waverley Council has had a longstanding commitment to the provision of affordable housing. The majority of Council's portfolio was acquired through an affordable housing policy. Developers at the time made a request for additional floorspace under a SEPP 1 variation at the development application stage. In most cases the additional floorspace was delivered by a dedication of a dwelling in perpetuity to Council for the purposes of affordable housing. Units were generated through this process between 1996 & 2010. In order to provide greater flexibility the policy was amended to permit either the dedication and transfer of completed dwellings to Council as affordable housing in perpetuity, providing dwellings for a set lease term, or through monetary contribution. Through this process Council secured 44 units of affordable housing, 22 in perpetuity and 22 on leases of varying periods. All but one of the lease periods has now ended. The distribution of properties and their target demographic is summarised below.

[23]Southern Sydney Region of Councils (SSROC) includes Canterbury-Bankstown, Burwood, Inner West, Sutherland Shire, Georges River, Bayside, Randwick, Woollahra, and Waverley Councils.

[24]Troy, L., van den Nouwelant, R. and Randolph, B (2018) State Environmental Planning Policy (Affordable Rental Housing) 2009 and affordable housing in Central and Southern Sydney. City Futures Research Centre, Faculty of Built Environment, UNSW Sydney Australia.

Table 6 - Waverley Council Affordable Housing Portfolio		
Program	Dwellings	Targets
Affordable Housing Program	25 units	Ordinary working people on **low to moderate incomes** who can demonstrate a connection to Waverley
Waverley Housing for Older People	47 units	People 55+ on **very low incomes** who can demonstrate a strong connection to Waverley
Waverley Housing for People with a Disability	3 units	Clients of Waverley Council's Community Living Program for people with an intellectual disability with **very low to low incomes**

The Policy could not be applied after the gazettal of Waverley LEP 2010 which required all FSR and HOB controls to be included in the LEP rather than the DCP. Variations to FSR were then required under Clause 4.6 which meant that the Waverley AH Program could no longer be applied. Consequently, a Voluntary Planning Agreement (VPA) Policy was prepared which proposed that any DAs exceeding the FSR be encouraged to enter into a VPA which shared the value of any additional floorspace 50/50 with Council and that this monetary dedication be used by Council for a public purpose. Generally, this would involve capital works improvements in the vicinity of the DA however 10% of the VPA monetary contribution continues to be allocated to Council's Affordable Housing Trust Fund which is used to develop or purchase additional affordable housing units. In 2016, Council invested a portion of its cash contributions in the joint purchase with Bridge Housing of a 4x2 bed unit block, for the purpose of provision of affordable housing.

7.2.3 Loss of affordable housing

An indicator of the loss of affordable housing is tracking boarding houses through Councils boarding house register. Councils records go back as far as 1996 and is updated every year. Since 1996, there has been a net loss of over 100 boarding house rooms in Waverley. This represents a decrease in the proportion of boarding house rooms from 2% to 1% of the total dwelling stock in a twenty year period.

The trends relating to boarding houses is at best a proxy for the broader picture relating to the loss of low cost housing. For example, using the data from the boarding house register, in the period between 2010 and 2018 there was a net loss of 32 boarding rooms which equates to on average, the loss of 4 boarding rooms per annum. The Strategic Planning team completes referrals for the application of the ARHSEPP to new development applications. This allows Council to track where there is a loss of affordable housing. In addition to the demolition of a boarding house, the conversion of a company title block to strata title also results in a loss of affordable housing. In the 2017 / 2018 there were five applications that resulted in a loss of a total of 58 low cost, affordable rental dwellings. 58 low cost affordable rental dwellings are significantly higher than the average loss of 4 boarding house rooms per annum in the same year. Notwithstanding, there has been an overall loss of affordable housing and supply is not keeping up. The only provision of 'pure' affordable housing has been through Council's Waverley Affordable Housing Program where there has been 75 units delivered since 1996. During the same period there has been a loss of over 100 boarding house rooms, which is only an indicator of the broader loss across the LGA. The delivery of boarding houses and secondary dwellings in recent years do provide some form of low cost housing primarily because of their smaller nature which makes them a more affordable product on the housing market. Furthermore, where dwellings are affordable, it's only required to be for ten years.

7.3.4 Future affordable housing supply

As highlighted above, 80 secondary dwellings were approved between 2006 and 2016, which is

approximately 10 secondary dwellings per year. That means approximately 200 secondary dwellings could be delivered in the next 20 years (10 x 20 years). Since the introduction of the ARHSEPP, 73 boarding house rooms have been approved in the Waverley LGA; approximately 9 rooms per year. Extrapolating this forward means approximately 180 (9 x 20 years) boarding house rooms could be delivered in the next 20 years.

Affordable dwelling forms have not been factored into the table above but are important to meeting the overall housing target to 2036. Affordable dwelling forms did not form part of the capacity assessment which looked at net additional dwellings through dual occupancies in R2 and apartments in R3, B4 and R4. These would be subject to different requirements which was not completed in this discussion paper. Notwithstanding, these should be monitored alongside dwelling completions into the future as they fill a gap in the spectrum of housing options. Consideration should also be given to how much one affordable dwelling form compares to a typical dwelling in terms of meeting demand.

7.2.5 Affordable housing supply gap

On a yearly basis, below is a summary of known supply of affordable rental housing in Waverley:

- Dedicated Council units – 75 dwellings
- Low cost housing (approved through the ARHSEPP) – 19 dwellings (for a maximum of 10 years)

Based on what is currently on the market the following number of affordable (i.e. 30% of income) rental units were available to each income bracket:

- Very low income – 7 dwellings
- Low income – 239 dwellings
- Moderate income – 1,543 dwellings

As at 2016, 3,438 households needed affordable rental housing because they were either a very low, low or moderate income household spending 30% or more of their household income on rent. The current supply of affordable rental housing is only meeting 57% of demand. 43% of households in rental stress are not going to have their housing needs met in the current housing climate. This gap is also likely an underestimation of the actual gap between affordable rental housing supply and demand. It does not account for the fluctuations in available market supplied units, or that the affordability of units approved through the ARHSEPP is questionable given the latest research discussed above.

Known supply of affordable rental housing is 94 dwellings pa.

Market supply of affordable rental housing = 1, 789 dwellings pa.

Total supply of affordable rental housing = 1,883 dwellings pa.

7.3 Affordable housing target

The District Plans indicate that Councils should aim to implement an affordable housing target of 5-10% of floor space for developments that experience uplift in the planning controls, subject to viability. The 5-10% would only apply to the additional floor space achieved through uplift. For example, if a development was rezoned to allow for 100sqm in addition to what was previously allowed on site, 10sqm of that would be dedicated to affordable housing, rather than across the whole development. This strategy does not recommend uplift in the planning controls due to the existing level of density and capacity to meet targets under the current controls.

A different approach to levying affordable housing contributions is proposed, including a lower contribution rate for all new residential floor space and a higher contribution rate on sites that experience uplift. Initial modelling and feasibility suggest that the following scheme could comprise the following elements:

- 1% phasing up to 3% over time on all new residential apartment development.
- 10-15% applying to sites that get uplift in the planning controls.

These targets alone will not close the affordable housing gap in Waverley but is a base level that could be achieved in collaboration with the State Government.

7.4 Summary

Affordable housing refers to a spectrum of housing options including social housing, affordable rental housing, and certain types of market housing. There are few opportunities in Waverley to access affordable housing. Unaffordability has been a growing issue over the last two decades as household income to house price ratio has increased from 4 in 1994 to 12 in 2016. At present, Waverley is severely unaffordable. Waverley's rent for all dwellings is 1.3 times higher than the Sydney average. As a result, 30% of all renting households are in rental stress and most strikingly 85% of low-income households are in rental stress.



The current forms of affordable housing supply are not going to meet the relevant demand. Waverley has the fifth lowest key worker population in Sydney. Where key workers are on a very low, low and moderate income, this is contributing to overall demand for affordable housing. To meet the base demand, 11% of total dwelling stock needs to be affordable. Projecting this to 2036, this equates to an additional 600 affordable rental dwellings, or approx. 30 affordable rental dwellings per annum. Proposed affordable housing targets of 1-3% on all new development and 10-15% on development receiving uplift, while not meeting all underlying demand, will provide a pathway to increasing affordable housing in the LGA. Furthermore, to retain the current proportion (2%) and ensure no further net loss of social housing, 90 social housing units should be delivered by 2036. Whilst Council can continue to advocate for this, the state government owns and manages social housing.

The current sources of affordable housing are from what is approved under the ARHSEPP, Waverley Council's Affordable Housing program and what's available in the market. The current supply of affordable rental housing is only meeting 57% of demand. 43% of households in rental stress are not going to have their housing needs met in the current housing climate.