



PENRITH CITY COUNCIL

BUSINESS PAPER



The launch of the Penrith Valley Heritage Drive at Mamre Homestead, 31 January 2002. Pictured from left are Joseph Grenfell who did the historical research for the Heritage Drive, The Hon Jackie Kelly MP, and His Worship the Mayor Councillor Pat Sheehy.



Policy Review Committee Meeting

25 February 2002



Penrith City Council

A COUNCIL COMMITTED TO PROVIDING THE HIGHEST QUALITY SERVICE TO ITS CUSTOMERS

20 February 2002

Dear Councillor,

In pursuance of the provisions of the Local Government Act, 1993 and Regulations thereunder, notice is hereby given that a **POLICY REVIEW COMMITTEE MEETING** of Penrith City Council is to be held at the St Marys Senior Citizens Centre, Corner of Mamre Road and Great Western Highway, St Marys, on Monday 25 February 2002 at 7.00pm.

Attention is directed to the statement accompanying this notice of the business proposed to be transacted at the meeting.

Yours faithfully,

Alan Travers
General Manager

B U S I N E S S

1. **APOLOGIES & LEAVE OF ABSENCE**
2. **CONFIRMATION OF MINUTES**
Policy Review Committee - 10 December 2001
3. **DECLARATIONS OF INTEREST**
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Other Interest
4. **ADDRESSING THE MEETING**
5. **MAYORAL MINUTES**
6. **NOTICE OF MOTION**
7. **REPORT & RECOMMENDATION OF WORKING PARTIES**
Development Regulation Working Party Meeting – 11 December 2001
8. **MASTER PROGRAM REPORTS**
9. **URGENT REPORTS (to be dealt with in the Master Program to which the item relates)**
10. **CONFIDENTIAL BUSINESS**

*Enquiries regarding this Business Paper should be directed to the
Public Officer, Peter Huxley on (02) 4732 7649*

POLICY REVIEW COMMITTEE MEETING

MONDAY 25 FEBRUARY 2002

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PENRITH CITY COUNCIL
DRAFT MEETING CALENDAR
January 2002 – December 2002

MINUTE NO

	TIME	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
		Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon
Ordinary Meetings	7.00 pm		4 18#	4 18	8 22	6 20#	3 *17	1 15	5 19#	2 ^16 30	14	4 18#	2 16
Policy Review Committee	7.00 pm		25	25	29	27	24	22	26	23	21	25	9

Council has two Ordinary Meetings per month where practicable. Extraordinary Meetings are held as required.

Policy Review Meetings are held monthly.

Members of the public are invited to observe at meetings of the Council. Should you wish to address Council, please contact The Public Officer, Peter Huxley on 47327649.

Meetings at which the Management Plan quarterly review is tabled and discussed.

* Meeting at which the Management Plan for 2002/2003 is adopted

^ Mayoral Election

**REPORT AND RECOMMENDATION
OF THE POLICY REVIEW COMMITTEE MEETING OF PENRITH CITY
COUNCIL HELD IN THE PASSADENA ROOM, PENRITH
ON MONDAY 10 DECEMBER 2001 AT 7.08 PM**

PRESENT

His Worship the Mayor Councillor Pat Sheehy, Councillors J Aitken(arrived 7.09PM), D Bailey, D Bradbury, G Davies, G Evans, R Fowler, J Greenow, C O'Neill, C O'Toole, and S Simat.

APOLOGIES

PRC170 RESOLVED on the MOTION of Councillor Davies seconded Councillor Bateman that apologies be received and accepted from Councillor K Paluzzano,

LEAVE OF ABSENCE

Leave of absence has previously been granted to Councillors Khan and Thain.

CONFIRMATION OF MINUTES

Policy Review Committee – 12 November 2001

PRC171 RESOLVED on the MOTION of Councillor Davies seconded Councillor Evans that the minutes of the Policy Review Committee Meeting of 12 November 2001 be confirmed.

DECLARATIONS OF INTEREST

No declarations of interest.

REPORTS OF COMMITTEES

Arts Project Working Party – 13 November 2001

PRC172 RESOLVED on the MOTION of Councillor Simat seconded Councillor Bateman that the recommendations be adopted.

Customer Services Review Working Party – 5 December 2001

PRC173 RESOLVED on the MOTION of Councillor Sheehy seconded Councillor O'Toole that the recommendations be adopted.

MASTER PROGRAM REPORTS

His Worship the Mayor, Councillor Sheehy advised that item 5 would be dealt with first then Item 6.

THE CITY IN ITS ENVIRONMENT

**5 North Penrith Urban Investigation Area - Draft Masterplan
and Contributions Arrangements**

4131/1

Council's Environmental Planning Manager, Roger Nethercote introduced the report and Mr Trevor Sier. Mr Sier gave a presentation on the progress of the North Penrith Army Land. He highlighted the master plan, design guidelines for Castlereagh Road and landuse zoning.

He address issues concerning dwelling numbers and designs, water management, traffic and parking, open space, heritage and Thornton Hall restoration, community safety and defence commitments and delivery.

Councillors raised issues concerning signage and Council's signage policy, waste disposal and recycling products, affordable housing and number of development blocks for the 422 apartments.

PRC174 A RECOMMENDATION was MOVED by Councillor Davies seconded Councillor Fowler

That:

1. Pursuant to the provisions of the Environmental Planning and Assessment Act, 1979 and Regulations (1980), Council prepare and publicly exhibit a draft Local Environmental Plan for North Penrith, generally as outlined in the report and attachments.
2. Pursuant to the provisions of the Environmental Planning and Assessment Act, 1979 and Regulations (1980), Council prepare and publicly exhibit the draft amendment to the Development Control Plan for the North Penrith Urban Investigation Area, generally as outlined in the report and in the attachments.
3. Council continue to negotiate with the Department of Defence regarding the content and structure of the draft Section 94 Contributions Plan and draft Development Agreement.
4. A Community Forum be held for local residents and other interested parties as part of the public exhibition to explain key features of the masterplan.
5. A further report be presented to Council on completion of the exhibition of the draft Local Environmental Plan and Development Control Plan.
6. Congratulations be extended to the presenters of the report.

Councillor Bailey left the meeting the time being 8.05PM.
Councillor Evans left the meeting the time being 8.06PM.

6 Update on the Health of the Hawkesbury Nepean River

5013/1 Pt 6

Councillor Simat left the meeting the time 8.07PM.
Councillor Bailey returned to the meeting the time being 8.07PM.
Councillor Evans left the meeting the time being 8.09PM.

Council's Building Approvals and Environmental Protection Manager, Craig Butler introduced the report and Dr Rob Mann and Adam Boey as members of the Hawkesbury-Nepean Integrated Water Monitoring Team.

Dr Rob Mann advised Council of the purpose of the team as being to facilitate and coordinate collaboration and efficient information sharing in water monitoring. He highlighted the steering committee members and participating Councils and outlined the benefits for Local Government.

Mr Adam Boey introduced the Integrated Data Management System that has been developed to provide up to date information on water quality.

Councillor Simat returned to the meeting the time being 8.20PM.

PRC175 A RECOMMENDATION was MOVED by Councillor Davies seconded Councillor Aitken

That:

1. the update report on the health of the Hawkesbury Nepean River be received.
2. Congratulation be extended to the presenters of the report.

THE CITY IN ITS REGION

1 Nepean University of Sydney Medical Research Foundation 1133/16

His Worship the Mayor, Councillor Sheehy advised this item was to be deferred to the February Policy Review Committee meeting.

2 "Who Cares About Western Sydney" - A Project 19/1
Commissioned by WSROC and Landcom

PRC176 A RECOMMENDATION was MOVED by Councillor Aitken seconded Councillor Simat that the report concerning the *Who Cares About Western Sydney* study findings be received and noted.

His Worship the Mayor, Councillor Sheehy advised that items 3 & 7 would be dealt with together.

3 Background to the City Marketing Program and Update on 1133-32 Part 7
Current Activities

Council's Economic Development Program manager, Peter Coyte introduced the report.

PRC177 A RECOMMENDATION was MOVED by Councillor Aitken seconded Councillor Evans that the information in the report on the City Marketing Program be received.

THE CITY AS AN ECONOMY

7 Economic Development Program Report 1133/1

PRC178 A RECOMMENDATION was MOVED by Councillor Aitken seconded Councillor Evans that the report on the Economic Development Program be received.

4 Draft State Environmental Planning Policy No. 66 - Integrating Transport and Landuse 4114/64

PRC179 A RECOMMENDATION was MOVED by Councillor Fowler seconded Councillor Aitken

That:

1. The information contained in this report be received and noted.
2. This report be submitted to Planning NSW as Council's submission to the draft State Environmental Planning Policy No. 66 – Integrating Land use and Transport.
3. Council make further representations to the relevant Ministers to progress the Penrith Regional Transport Study.

THE CITY SUPPORTED BY INFRASTRUCTURE

8 Street Name Signs 9012/1 Pt 7

Councillor Bateman left the meeting the time being 8.50PM.

Councillor Bateman returned to the meeting the time being 8.55PM.

Council's Asset Manager, David Burns introduced the report and gave a presentation on the purpose of street signs and the options for new street signage.

PRC180 A RECOMMENDATION was MOVED by Councillor Bailey seconded Councillor O'Toole

That:

1. the report concerning the options for new street sign designs be received.
2. Council adopt the street signage as black on yellow, with the inclusion of the street name, Council crest, suburb and where appropriate the street numbers.

COUNCIL'S OPERATING ENVIRONMENT

9 Preparation of 2002-2003 Management Plan 36/36

Council's Corporate Development Manager, Helen Lowndes introduced the report.

PRC181 A RECOMMENDATION was MOVED by Councillor Greenow seconded Councillor Bateman

That

1. the information concerning the 2002-2003 Management Plan and Project Evaluation process be received;
2. the recommended Timetable for development of the 2002-2003 Management Plan be adopted;
3. a further report on proposed improvements to Management Planning processes, including methods of public consultation, be provided.

10 Feasibility of conducting Council and Committee Meetings throughout the City 21/5

Council's Executive Officer, Peter Huxley introduced the report.

PRC182 A RECOMMENDATION was MOVED by Councillor Davies seconded Councillor Bailey

That:

1. suitably themed Policy Review meetings for February, May and September 2002, be held in suitable venues in St Marys, Werrington and Emu Plains, respectively.
2. Performance Indicators be developed for monitoring the effectiveness of the change of venue.

11 Urgent item – Closure of St. Mary's office of the NRMA

Councillor Davies raised concern regarding correspondence received from the NRMA.

PRC183 A RECOMMENDATION was MOVED by Councillor Davies seconded Councillor Greenow

That:

1. Council write to the NRMA asking them to reconsider closing the NRMA office at St Marys.
2. The matter be referred to EDEC with the request that they write to the NRMA expressing concern about the closure of the St Marys office.

There being no further business the Chairperson declared the meeting closed the time being 9.20PM.

Confirmed
Chairperson

**REPORT AND RECOMMENDATION
OF THE DEVELOPMENT REGULATION WORKING PARTY OF PENRITH CITY
COUNCIL HELD IN THE PASSADENA ROOM, PENRITH
ON TUESDAY 11 DECEMBER 2001 AT 12.30PM**

PRESENT

His Worship the Mayor Councillor Pat Sheehy, Councillor Aitken, Councillor Fowler, Alan Travers – General Manager, Alan Stoneham – Director City Planning, Craig Butler – Building Approvals & Environmental Protection Manager, Barry Ryan – Acting Safety Emergency & Waste Services Manager, Paul Lemm – Development Team Land Use Co-ordinator and Steve Barratt – Development Team Building Approvals Co-ordinator.

IN ATTENDANCE

Stephen Britten – Legal Officer, Roger Nethercote – Environmental Planning Manager, Wayne Mitchell – Environment Management Unit Co-ordinator, Tony Crichton – Senior Environmental Planner, Grant Collins – Recreation & Cultural Facilities Planner, Joanne Tapp – Senior Environmental Planner, David Walker (Building Designer for David Walker Architectural & Design Corporation), John Mullane (Town Planner for John Mullane Planning) and Anthony Krilich (Development Consultant for Benchmark Building Surveyors).

Minute Taker: Melissa Lynch

APOLOGIES

DR1 RESOLVED on the MOTION of Councillor Fowler seconded Councillor Aitken that apologies be received and accepted from Councillors Bateman, Bailey and Simat.

CONFIRMATION OF MINUTES

Development Regulation Working Party – 24 August 2001

DR2 RESOLVED on the MOTION of Councillor Aitken seconded Councillor Fowler that the minutes of the Development Regulation Working Party of 24 August 2001 be confirmed.

DECLARATIONS OF INTEREST

No declarations of interest.

MASTER PROGRAM REPORTS

THE CITY IN ITS ENVIRONMENT

3 An Overview of the Developers Forum

31-29

Craig Butler, Building Approvals & Environmental Protection Manager, introduced the report. Mr Butler spoke about the success of the recently conducted forum. Mr Butler said that there were three workshop groups facilitated by external people. He expressed his thanks to Anthony Krilich, David Walker and John Mullane for leading the three groups. The three groups were: Group 1 Dwellings/Dwelling Additions; Group 2 – Multi-unit and Subdivision; and Group 3 – Commercial and Industrial.

Mr Butler mentioned they are still analysing the results of the questionnaire that was completed at the end of the forum. He said an action plan will be developed in response to the questionnaire.

Craig Butler introduced David Walker, Anthony Krilich and John Mullane.

David Walker, Anthony Krilich and John Mullane each gave an individual presentation, which elaborated on the points raised in the report. Additional points raised were:

Group 2

- Pre-panel meetings only held Tuesdays and Thursdays. Would appreciate if the meetings could be held more often.
- Suggested either an express lane for developers or a drop off tray.
- Suggested a register for drawings that get delivered to the counter.
- Duty Planner not always available.
- Not enough writing space on the lodgement form. Email address should be provided on the form.
- Stop the clock usage.
- Heritage reports – every 3 to 4 weeks. Need the comments from the heritage advisor sooner and with less delays. The timeframe for comments is unacceptable.
- Stormwater details. Developers concerned with ongoing costs.
- Counter staff do not know who is on leave. Recorded messages are not changed when staff are on leave.
- Landscape designs that are prepared with the DA are not being complied with.
- Time and cost delays with tree removal.
- Suggested design awards to promote urban design
- Suggested an architect and surveyors recommendation list.

Group 1

- Concern with the number of planning instruments compared to other councils. Suggested the process be simpler.

Group 3

- Differing property descriptions in terms of ownership. Possibility of accessing Council's property system to avoid this.

- The need for a model is unclear in lodgement process.
- Difficulty with DAs for factory units.
- What constitutes an integrated development?
- Delays in DX information exchange.
- Concern with 4.00pm closing time. For example, at Liverpool Council the Duty Planner can be seen until 5.30pm.

Craig Butler said Council is more committed to approvals reform than ever before. Mr Butler said he would bring a report back to Council to the next working party meeting.

Councillor Fowler reiterated that voicemail messages should be changed if someone is on leave. Councillor Fowler also asked where we are up to with internet access to property details. Craig Butler said Graeme Pattingale is assisting in making the system more accessible.

Councillor Aitken said staffing issues is costing the industry a lot. Councillor Aitken said that staff ideas should be in line with where Council is heading.

His Worship the Mayor Councillor Pat Sheehy thanked Anthony, David and John. He said Council could now begin to address the issues raised at the forum now that they know what the problems are.

DR3 RESOLVED on the MOTION of Councillor Fowler seconded Councillor Aitken

That

1. The report relating to the Development Forum is received.
2. A letter of thanks is sent to Anthony Krilich, David Walker and John Mullane for their participation and input at the forum.

1 Resolutions Arising from the Last Development Regulation Working Party

31-29

DR4 RESOLVED on the MOTION of Councillor Aitken seconded Councillor Fowler

That:

1. The changes to the policy for non-complying and unauthorised development proposed in this report be endorsed, actioned and presented to a future meeting of the Development Regulation Working Party.
2. Approaches are made to Planning NSW to amend the Environmental Planning and Assessment Regulations to permit the imposition of an enforcement levy for all applications where retrospective approvals are sought.

2 Raising the Awareness of Developers and the Community About What Needs Development Approvals 31-29

DR5 RESOLVED on the MOTION of Councillor Fowler seconded Councillor Aitken that appropriate Council staff implement the measures (1) to (6) as listed in the report.

4 Council's Protocol for Keeping Those Persons Who Made Submissions to a DA Informed of its Status 31-29

DR6 RESOLVED on the MOTION of Councillor Aitken seconded Councillor Fowler that a new procedure be placed into the development assessment process for those applications to be determined under delegated authority, which requires;

- (i) persons who made submissions to a development application are contacted ahead of the determination of that application;
- (ii) appropriate records of this communication be kept on file and referenced in the assessment report.

5 The Use of Warrants by Council 31-29

DR7 RESOLVED on the MOTION of Councillor Fowler seconded Councillor Aitken that the report on the use of search warrants by Council be received.

COUNCIL'S OPERATING ENVIRONMENT

6 Ranger Services - Hours of Operation 31-29

DR8 RESOLVED on the MOTION of Councillor Aitken seconded Councillor Fowler that the report on the hours of operation of ranger services be received.

NEXT MEETING

Craig Butler said a meeting will be scheduled for March 2002 and the focus will be on policy reviews.

There being no further business the Chairperson declared the meeting closed the time being 2.40PM.

Confirmed
Chairperson

MASTER PROGRAM REPORTS

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The City in Its Region

1 Nepean University of Sydney Medical Research Foundation

1133/16

Compiled by: Peter Coyte, Local Economic Development Program Manager

Authorised by: Bruce McDonald, Director City Strategy

Management Plan 4 Year Outcome (Page 5): *Penrith is recognised widely as an innovative vibrant and attractive City with an identify distinguishing it from other parts of Sydney.*

01/02 Critical Action: *Participate in activities of appropriate regional organisations.*

Purpose:

To inform Council of the establishment of the Nepean University of Sydney Medical Research Foundation which was launched on the 9th November 2001. Professor Sirius Naraq, the Associate Dean of the Western Clinical School and the Founder of the Foundation will provide a short address to Council on the objections of the Foundation.

Background

This report was previously submitted to Policy and Review on 10th December 2001 and was deferred as Professor Naraq as unable to attend.

The following information has been provided by Professor Naraq.

“Ten years ago Nepean Hospital became a major teaching hospital for the University of Sydney. In the short time since Nepean Hospital became affiliated with the University of Sydney, it has expanded into a centre of excellence for patient care, training of doctors and training of specialists.

The Faculty of Medicine has recently gone through restructuring, replacing the Clinical Departments as the administrative units with the Clinical School. The Western Clinical School is now one of the four Clinical Schools of the Faculty of Medicine and we are certain that this new structure is a more efficient way to run the clinical part of the University of Sydney medical program and will further enhance the image of the Nepean as a very popular site for medical students.

Unlike other University teaching hospitals in the metropolitan area, until this year Nepean has not had the support of a broad-based medical research foundation. The new Nepean University of Sydney Medical Research Foundation has been established with the philosophy that the *medical research of today is the treatment of tomorrow*. It has been founded to benefit the communities being served by Nepean Hospital’s internationally acknowledged specialists and researchers in various aspects of medicine ranging from cancer, diabetes, depression and heart disease, to the wellbeing of newborns, pregnant women and the aged population and many more diverse areas of medical care and research.

The aim of the Foundation is to enhance the advancement of ongoing research at Nepean Hospital and to assist the hospital to strive and establish itself also as a centre of excellence for medical research. The Foundation will be instrumental in attracting the assistance of the local community, as well as Local, State and Federal Governments, with the objective being to raise major funds to support and finance more medical research at Nepean Hospital.

The support of Penrith City Council will be one of the factors which is vital to aids the success of this most important endeavour.”

RECOMMENDATION

That the report on the Nepean, University of Sydney Medical Research Foundation be received.



The City as a Social Place

2 NSW Sports Council for the Disabled

2000/6

Compiled by: Gary Dean, Facilities Operations Manager

Authorised by: David Burns, Acting Director ~ City Operations

Management Plan 4 Year Outcome (Page 45): *Community recreation facilities and services in new and established areas meet contemporary needs.*

01/02 Critical Action: *Provide in partnership with others an agreed plan for delivery of recreation facilities and services based on available resources.*

Purpose:

Presentation by representatives of the NSW Sports Council for the Disabled on two recent initiatives of the Sports Council.

Background

The NSW Sports Council for the Disabled Inc (Sports Council) was formed in 1984 to act as the peak organisation for sport for people with disabilities in NSW.

The Minister for Sport at the time, The Hon. Michael Cleary, brought four State sporting organisations for the disabled together under the one umbrella. These groups were Wheelchair, Blind, Amputee and Deaf.

There are currently 20 member associations.

Sports Council provides coordination and administrative support to these groups so that today they plan, program and implement many multi-disability sporting events in which a number of groups participate.

Sports Council works closely in a promotional and education role with generic sporting associations, Federal, State and Local Government, welfare organisations, schools, colleges and universities.

The Metropolitan West Region covers the Local Government areas of Parramatta, Baulkham Hills, Blacktown, Penrith and the Blue Mountains. The office is located in the former Council Chambers building in Henry Street, Penrith.

Current Situation

The Metropolitan West Region successfully obtained a Community Development Support Expenditure Scheme Grant of \$20,000 last year to establish a community based Sailing program and Adaptive Rowing Centre based at the Sydney International Regatta Centre. Briefly these two initiatives are:-

- **Nepean Sailability**

“.....to establish a community based sailing program accessible to all irrespective of ability.....”

- **Penrith Lakes Adaptive Rowing Centre**

“.....to provide rowing for people with a disability at a recreation, competitive and rehabilitation level.....”

The Deputy Mayor, Councillor Jackie Greenow participated in the official launch of this program in conjunction with Council’s Active Australia Day celebrations last October. The Deputy Mayor requested that a presentation on the program be made to Council.

Mr Ben Felton, Regional Coordinator NSW Sports Council for the Disabled – Metro West Region will be making a brief presentation to Council on the new program.

RECOMMENDATION

That Council receive the presentation on the new sport program initiated by the NSW Sports Council for the Disabled.



The City as a Social Place

3 Fires - Penrith Area, Christmas 2001/New Year 2002

7004/35

Compiled by: Barry Ryan, Acting Safety, Emergency & Waste Services
Manager

Authorised by: Ray Moore, Director - City Operations

Management Plan 4-Year Outcome (Page 49): *The City is positioned to better manage emergencies.*

01/02 Critical Action: N/A.

Purpose:

To provide Council with an overview of the operations relating to the fires in the Penrith area on and around Christmas Day 2001.

Background

On 24 December 2001 several bush fires occurred within the City and adjacent lower Blue Mountains. These fires, aided by high temperatures, strong winds and very low humidity increased in their intensity on Christmas Day.

The fires affected large areas of the City, including Mulgoa, Wallacia, Glenmore Park, Luddenham, Kemps Creek and Erskine Park.

The fires caused considerable damage, including the destruction of four previously habitated dwellings, sheds, outbuildings and numerous kilometres of fencing.

Section 44 Emergency

The formation of the new Rural Fire Service Zone assisted the Fire Control Officer in the early deployment of fire brigades from Penrith, Blacktown and Fairfield to fight the fires on Christmas Eve and early Christmas Day.

Crews from the NSW Fire Brigades were fighting fires within the urban area, particularly in and around Leonay and Emu Plains.

However, with the size of the fires in and adjacent to the Penrith Local Government area and impending weather conditions, a Section 44 Emergency was declared early on Christmas Day.

The declaration of such an emergency enabled the Fire Control Officer to call on additional resources from within NSW to assist in the fire fighting effort.

Additional crews from Baulkham Hills, Hornsby, Ku-ring-gai, Warringah, Pittwater, Gosford, Wyong, Cessnock, Maitland assisted in the fire fighting effort.

The Section 44 Emergency was lifted on Sunday, 30 December, but only after considerable damage was caused in the areas of Mulgoa, Wallacia, Glenmore Park, Luddenham, Kemps Creek and Erskine Park.

During the period of the Section 44 Emergency several fire fronts affected the City:

- Initially from an area south of Leonay, which jumped the river and spread through the northern area of Mulgoa, the Glenmore Park Nature Reserve, across the Northern Road into the RAAF Base and Erskine Park, and then continued into the Blacktown and Fairfield Local Government areas (Glenleigh fire). The Section 44 emergency area was extended to include Blacktown and Fairfield Local Government areas.
- A second fire which had been burning in the Wollondilly Local Government area (and devastated the suburbs of Warragamba and Silverdale) crossed the river at Greendale Road and travelled north-east through the southern area of Wallacia on to Luddenham.
- A third fire came from the direction of Mt Hall in the Blue Mountains. Whilst this fire initially impacted on the south-western area of Mulgoa, it combined with the second fire (coming from Wollondilly) and created a fire storm which severely affected areas around Parkriver Close and Fairlight Road.

This fire then joined with the Glenleigh fire on Boxing Day and travelled in an easterly direction towards Mulgoa village, and severely affected areas around St Thomas Road, and Chain-O-Ponds Road.

Logistic Considerations

A key problem in the operation was providing food and water to fire fighters, particularly on Christmas Day and Boxing Day when the majority of businesses were closed. Food and water were sourced from organisations such as local clubs, Council, and small businesses. These resources were generally supplied free of charge.

As the operation continued, the provision of food and water became a major logistical issue and a staging centre was set up at Regentville Hall. Through the organisation of local service clubs and volunteers from the community, feeding and support of some 400 firefighting personnel occurred.

Regentville Hall then became a regional centre for the provision and distribution of food, water and other supplies to areas such as Blue Mountains and Hawkesbury.

The efforts of the community volunteers in providing these services cannot be underestimated. Without their support the fire fighters could not have achieved the outcome that they did.

Council staff provided assistance in the operation by providing water carting, mechanical repairs, road closures and clearing and logistical support. This support was provided from Christmas Day to the lifting of the Section 44 declaration.

Operations

The fire fighting operations were controlled from the Penrith Rural Fire Service Operation Centre in Cox Avenue.

As the declarations were extended, to include Blacktown and Fairfield, all operations in these areas were transferred to Penrith for co-ordination, and a Local and District Operations Centre was developed within the training rooms adjacent to the fire control centre.

The Local Emergency Operation Centre (LEOC) is a co-ordination point for all emergency services in the Local (Penrith) area during a major emergency, and a District Emergency Operations Centre (DEOC) provides a similar function in respect to the Local Government

areas in the District. In this emergency the District (Penrith, Blue Mountains, Hawkesbury, Wollondilly) Police operations were co-ordinated from this centre.

Recognition of Fire Fighting Personnel

At the Australia Day celebration on the 26 January 2002, all personnel involved in the fire fighting operations were acknowledged, and vouchers for food and drink were provided.

Mayoral letters have been sent to the Local Brigade Captains and brigade members, the Councils whose brigades supported the operation, supporting Emergency Services, supporting community organisations, community volunteers, Council staff assisting in the operation and Council staff who are Rural Fire Service Volunteers.

Council has provided \$15,000 to the Minister for Emergency Services, The Hon. Bob Debus to distribute to Emergency Services in the Penrith Local Government area.

Certificates have been prepared for the Penrith Rural Fire Service Members and staff and the NSW Fire Brigades staff for their commitment and effort during this operation. It will be recommended that the Mayor present them.

Summary

The efforts of the staff and members of the Rural Fire Service and staff of the NSW Fire Brigades in frontline operations are laudable. Whilst there was a considerable amount of damage caused by the fires, this damage would have been far greater if not for the commitment and effort displayed.

RECOMMENDATION

That:

1. the report on the fire in the Penrith area during Christmas/New Year 2002 be received;
2. The Mayor presents the Penrith Rural Fire Service and NSW Fire Brigades with certificates recognising their commitment and effort during these fires.



The City as a Social Place

4 Youth Needs Audit

1030/56

Compiled by: Jeni Pollard, Youth Development Officer

Authorised by: Carol Joyce, Community Development Manager

Management Plan 4 Year Outcome (Page 74): *Effective responses to social impacts emerging from growth, development and change.*

01/02 Critical Action: *Pursue in partnership with others effective and efficient social planning through consultations with the mandatory target groups.*

Purpose:

To inform Council of the progress of the Youth Needs Audit project and present the final report including recommendations (Attachment 1) as adopted for Council's consideration by the Youth Needs Audit Working Party on 19 December 2001

Background

In June 2000 Penrith City Council made a decision to undertake a Youth Needs Audit.

The aims of the Youth Needs Audit process was to:

- identify the unmet needs of young people in the City
- determine which are the priority needs of young people
- find out the views of young people on how best to consult with young people in the City.

A Working Party was formed to oversee the project. An invitation was extended to all Councillors and key youth service providers to join the Working Party. Several local young people were also nominated to attend. The purpose of the Working Party was to inform Council of the most effective way to undertake the Audit and to facilitate an across LGA project.

The Audit Process

The Working Party decided that the most effective way to consult with a broad range of young people was to undertake a series of Forums across the Local Government Area. In order to ensure that groups with particular needs and issues were taken into account, it was agreed to then undertake a series of target specific focus groups.

The information received from the young people who participated in the consultations was summarised and put together into a draft document. This was then sent back out to the participants for comment as well as posted on the Council Website. At the same time, the research undertaken in recent years on youth needs in the area was collected and reviewed in relation to information gathered at the Youth Needs Audit consultations.

The recommendations were reviewed several times by the Working Party and further research was undertaken on some key issues in order to ensure the final report was balanced and the recommendations are focussed and achievable.

Current and Further Action

As the Youth Needs Audit has been an extended process of consultation, research and review, some work has already commenced on implementation of some of the recommendations. An example of this is the skatepark proposed for Jamison Park. A summary of the recommendations and action to date has been attached (Attachment 2). This document will serve as a review mechanism for action resulting from the Youth Needs Audit. It is anticipated that the recommendations outlined in the Youth Needs Audit will form the basis of a three year plan for youth service development in the Penrith LGA.

A launch of the report from the Youth Needs Audit will occur during Youth Week (April 7th – 14th, 2002).

RECOMMENDATION

That Council receive the Youth Needs Audit Report as endorsed by the Youth Needs Audit Working Party.



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The City as an Economy

**5 Penrith City Centre Association and St Marys Town Centre
Management Committee - Six Monthly Report 4201/53 & 4202/14**

Compiled by: Gary Dean, Facilities Operations Manager

Authorised by: David Burns, Acting Director - City Operations

Management Plan 4 Year Outcome (Page 67): *An environment conducive to business is in place.*

01/02 Critical Action: *Pursue, in partnership with economic groups, integrated initiatives to improve business sustainability and the City's economic performance.*

Purpose:

To receive a presentation from representatives of these two groups on their activities for the six month period ending December 2001.

Introduction

Council receives regular progress reports from both the Penrith City Centre Association and the St Marys Town Centre Management Committee regarding their activities. Council has received the reports for the period ending December 2001.

Council supports the activities of these groups by the provision of a sub-category rate funding strategy over the respective commercial centres. A condition of that funding agreement is a requirement for the submission of regular reports detailing the group's activities.

Current Situation

In the past these reports have been presented to Council's Ordinary Meetings. Representatives from these two groups have been invited tonight to present their reports to Council. They are:

- Mr John Budin – Chairperson, Penrith City Centre Association who will address:-
 - communication with Penrith CBD traders and landowners
 - safety projects, community liaison and enhancements
 - special projects
 - promotional activities and events
 - advice and submissions to Council

- Mr Peter Jackson-Calway, St Marys Town Centre Manager who will address:-
 - networking
 - promotions
 - town centre enhancements
 - communication

Included in the attachments is a copy of each of the group's reports.

Conclusion

Both Centres continue to operate in an effective manner and Council's funding has been applied accordingly.

RECOMMENDATION

That Council receive the presentations regarding progress reports from the Penrith City Centre Association and the St Marys Town Centre Management Committee.



The City as an Economy

6 Status Report on Economic Based International Links 1131/23 and 1131/24

Compiled by: Tina Tallack, City Partnerships Officer

Authorised by: Peter Coyte, Local Economic Development Program Manager

Management Plan 4 Year Outcome (Page 67): *The number of businesses in the City has increased by 20%.*

01/02 Critical Action: *Maintain and develop existing international economic relationships and respond to emerging opportunities.*

Purpose:

Provide Council with information on the status of activities between two of the City's International Links - Kangseo-gu, Korea and Xicheng District of Beijing City, PR China.

Background

Council has five international links. Three of these are currently based on social and cultural exchange (Fujieda and Matto Cities, Japan and Penrith, England) and two have been established on the basis of Mutual Economic Co-operation (Kangseo-gu, Seoul, Republic of Korea and Xicheng District of Beijing City, PR China).

This report will deal with progress on the two economic links.

● **Kangseo-gu**

A four-person delegation from Kangseo-gu, headed by Deputy Mayor Young Choi visited the City of Penrith in late 2001 and made a courtesy call to Penrith City Council for a meeting and lunch with Acting Mayor Councillor Jackie Greenow and other representatives of Penrith City Council.

The visit to Council was in response to discussion held by previous Mayor John Bateman and the Mayor of Kangseo, Hyun Song Ro during the visit by a delegation from Kangseo-gu during September 2000. At that time both Mayors raised concern about the inactivity between their respective regions and concurred that detailed plans for the relationship need to be further developed at an official level.

During the meeting the following items were discussed –

- 1. Penrith Valley International Business Group** - An information sheet was distributed and the role of the group was explained. It was suggested that there could be some direct contact with business people in Kangseo. The Deputy Mayor stated that a Small Business Group has been established in Kangseo and this would be the most appropriate connection.
- 2. Photographic Exchange** - It was suggested that there could be a photographic exchange between the two Cities similar to that conducted with Xicheng. This would provide the opportunity for citizens to experience the respective Cities and to promote tourism opportunities to both. It was agreed that the 'Penrith City Photographic Exhibition' that was displayed in the Xicheng District of Beijing City be sent to Kangseo for display during a festival event in 2002.

3. **Export Databases** – It was mentioned that Penrith Council has a database of companies that are engaged in export and import within the City. It was suggested that we could provide this data for distribution to Kangseo companies that are also engaged in export/import. Likewise, if Kangseo could provide Penrith with such data then this could be distributed. It was also mentioned that the Penrith Exporters would soon be listed on the Penrith Valley website and we could likewise list the Kangseo companies.
4. **Website** – It was suggested that we should promote hyperlinks between our websites to provide additional information to interested parties.
5. **Cultural Exchanges** – (Comments by Steve Hackett, DS)
The meeting was advised by the delegation of a major cultural celebration/festival taking place in Kangseo next September.

This occasion holds great importance in the City's calendar of events. Penrith was extended an informal invitation to consider participating in some way in this festival through music, dance, theatre, art, etc.

The various cultural facilities and programs across Penrith were outlined to the delegation in some detail. Special mention was made of an Art Management Residency Program whereby the previous Penrith Regional Gallery Director spent some time with a number of facilities in Kangseo several years ago. Artists in Residency Programs with Penrith Regional Gallery were also mentioned as were the programs conducted by the Joan Sutherland Performing Arts Centre.

Reference was also made to the fact that there had been several representative sporting teams participating in goodwill exchanges with Penrith teams over recent years.

It is suggested that consideration be given to Penrith representatives participating in some way in the Kangseo Festival.

6. **Administration Agreement** - During the discussion the Deputy Mayor of Kangseo-gu Young Choi suggested that an administration agreement should cover the issue of costs of visits. It was suggested by the Deputy Mayor that future visits should be conducted as follows –

- Visiting City covers the cost of airfares.
- Host City covers the cost of accommodation, food and transport whilst the delegation is in the Host City.
- Any business people who accompany delegations would cover their own costs completely.

This proposal was not accepted by Penrith and the Deputy Mayor of Kangseo was advised that we would need to discuss the matter with Council.

If implemented such a policy could create some tensions between the parties unless there was also an agreement in regard to the number of representatives in the delegations. However, an agreement on numbers could then itself become an issue when forming a delegation to visit Kangseo.

It is considered appropriate that we should continue with the existing arrangement where the Visiting City covers its own airfare, accommodation and basic meal costs and the

Host City provides airport transfers, transport around the Host City and costs of formal functions.

It was agreed that Penrith prepare a draft administration agreement and forward it Kangseo for comment.

7. **Kangseo Election** - During the meeting Kangseo advised that they will be having an election in July, 2003 and they are eager to engage in activities of mutual benefit prior to that time.

- **Xicheng District of Beijing City**

Since the visit by a delegation from the Xicheng District led by Governor Mrs Lu Xiwen in April 2001, there has been continued communication between Council, UWS Sydney Graduate School of Management (SGSM) and the Xicheng District regarding the development of a pilot course in Local government Corporate Governance.

During the visit by Governor Lu, a visit to the UWS Environmental Science Research Centre was also facilitated. The Xicheng Government representatives were impressed with the work being undertaken and are keen to further investigate the possibility of use of the technologies being introduced.

In December 2001 two officers of the Xicheng District Government visited the City of Penrith to further discuss the proposed pilot course. During their visit meetings were held between all three parties to discuss in depth details of the course and living arrangements for the course participants when they stay in Penrith to undertake the course.

Current Situation

- **Kangseo-gu**

- Administration Agreement – in 1997 Penrith prepared an administration agreement and forwarded it to Kangseo for comment. This document has been reviewed and copies in both English and Korean have been sent to Kangseo-gu for comment (copy attached).
- Photographic Exhibition – the ‘Penrith Photographic Exhibition’ has been returned from the Xicheng District of Beijing. New captions written in Korean are being prepared and arrangements will be made with Kangseo-gu to ship the exhibition to Korea for display in Kangseo.
- Web-site Data – in conjunction with an update of the Penrith Valley Website, consideration is being given to the inclusion of data on Penrith exporters.

- **Xicheng District of Beijing City**

Details for the program in Local Government Corporate Governance are currently being finalised and confirmed. It is anticipated that there will be 12 participants from the People’s Government of Xicheng District undertaking the pilot course. Prior to being selected for the 10-week program, participants were required to undertake an intensive English language course. It is being proposed that the course will commence during April 2002.

The Xicheng District have also indicated a desire for a 7-person delegation to visit Penrith to hold further discussions on future programs between the City of Penrith and the Xicheng District of Beijing City. It has been indicated that this visit may coincide with the commencement of the education course.

The Xicheng relationship is also providing to be of great assistance in facilitating enquiries by Penrith business that is bidding for work related to construction of facilities for the 2008 Beijing Olympics.

RECOMMENDATION

That this report on the status of activities with Kangseo-gu, Korea and the Xicheng District of Beijing City, China be received.



Council's Operating Environment

7 Service Specification Program - Progress Report

36/35

Compiled by: Ken Lim, Organisational Development Co-ordinator

Authorised by: Helen Lowndes, Corporate Development Manager

Management Plan 4 Year Outcome (Page 103) : *Appropriate services are selected, based on their relevance to Council's customer requirements and benefit to the community.*
01/02 Critical Action : *Adopt 'best-practice' and measurable service specifications for all Council services.*

Purpose

To provide an update to Council on the progress to date on the Service Specification Program and propose a mechanism for ongoing management of the process.

Background

The Service Specification program was endorsed by Council at the Policy Review Meeting on 27 August 2001. Since then, program implementation occurred in three key areas as follows:

- The Program Launch and Communication Strategy
- Skills Training and Coaching Sessions
- Pilot Service Specification Development

1. Program Launch and Communication Strategy

The Program Launch was successfully carried out in September 2001 and the Communication Strategy to date has been effective. Details are provided below:

- ***Organisation-wide Briefing Sessions***

The General Manager, Corporate Development Manager and Organisational Development Co-ordinator held a total of 19 one-hour briefing sessions (14 held in the Civic Centre and 5 at the Depot Training Room) from 11 September to 24 October 2001. The General Manager (and Acting GM on two occasions) met directly with 535 staff during this period, providing information on this program and discussing any questions or issues raised by staff. Other staff in remote locations received a memorandum introducing the program.

These sessions were extremely well attended and an effective way of communicating the program to staff. Feedback following the sessions was generally positive, particularly in relation to the General Manager (& Deputy GM) being present and explaining the reasons for the program. This alleviated the majority of potential concerns raised by staff.

Overall the sessions provided a great opportunity for all staff (especially the outdoor staff) to raise issues directly or indirectly related to Service Specifications.

- ***Regular Consultations and Progress Reporting***

Corporate Development met with representatives of the unions at the outset of the program and since September 2001 three meetings have taken place with a subgroup of the Joint Consultative Committee (JCC) with an additional presentations made at two JCC meetings. All issues raised were discussed, considered and in some instances have formed part of the communication strategy.

Progress presentations were also given at Manager and CMT meetings.

- ***Staff Newsletter Articles***

As part of the communication strategy Council's staff newsletter "*Network*" has published Service Specification program update articles in the October and December 2001 editions.

- ***Dedicated Contact Points***

A telephone hotline and service specification e-mail address was set up in August 2001. To date a total of two telephone calls and one e-mail have been received.

2. Skills Training and Coaching Sessions

Skills training and coaching sessions began on 17 October 2001 and to date, a total of 94 staff (Directors/Managers/Supervisors/Union/JCC Representative and other staff) have attended the three training and two coaching days. This represents 78% of the program target to date. By mid-March 2002, all training and coaching sessions will have been completed.

Feedback on the training so far has been generally positive with participants appreciating the benefits that the specification of services will have for their area of responsibility.

3. Pilot Service Specification Development

With six groups of participants, twelve services were chosen as pilots for specification development. In each group participants were allocated to one of two pilots. One manager was allocated to each pilot service as the team leader. Other participants, who currently deliver the service, were charged with documenting the service whilst the role of objective observers/contributors were given to the remaining team members.

Since October 2001 work has begun on all pilots with all twelve on target. Whilst the workload for each pilot will vary it is estimated that, on average, 60% of each service specification has been documented. A table listing the pilot services, the team leaders and progress to date is provided below:

Pilot Services /Sub-Service	Manager Resp.	'Front-End' Sections of the Service Specification Document	
		Key Objectives, Service Relationships, Constraints, Service Summary Chart	Link to Organisational Outcomes, Location of Service, Quality Standards, Quality of Service/Staff, Accountability & Responsibilities
1. Active Recreation Mgt	PCMM	Completed	Completed
2. Cemeteries	FOM	Completed	Completed
3. Public Health Services	BAEPM	Completed	Completed
4. Building Operations	BCMM	Completed	Completed
5. Fleet & Plant Mgt	AM	Completed	Completed
6. Residential Clean-Up Service	Acting SEWM	Completed	Completed
7. Corporate Support Services	EO	Completed	Completed
8. Legal Services	LO	Completed	Completed
9. Aged Housing Services	CDM	Completed	Completed
10. Rates Services	CFO	Completed	Completed
11. Planning Property Information Service	EPM	Completed	Completed
12. Client Advice & Project Mgt	DTAM	Completed	Completed

Teams have nearly completed the development of a full set of descriptors for the activities within their pilot services as well as the associated workload indicators (quantity measures) and performance criteria (quality measures). The important task to cost each activity is to follow.

During this exercise it has been observed that a number of participants have personally expanded their skills to be able to confidently describe what they provide for Council and ultimately the community at a practical level. In addition a sense of empowerment and team building is also occurring as part of this process.

Estimated Program Costs

During the Policy Review Meeting in August 2001, Councillors noted the importance of tracking the costs of this program. The estimated cost of this program to date is based upon two key elements, that is, external consultancy costs as well as the cost of staff participation (attendance at briefing sessions, training and coaching, 'out of class' time to document specifications and administrative support) which is part of Council's established Salary budget.

Consultancy Costs

External consultancy costs incurred since the commencement of this program are detailed in the table below:

Service Specification Program Activity	Amount
▪ 16 Training days	\$ 28,600
▪ 6 Coaching days	12,000
▪ 8 Scoping days /Reviewing progress of teams	14,600
▪ 3 days of 'in office' work	3,900
Consultancy Costs to 15 February 2002	\$ 59,100
<i>Percentage of total estimated Consultancy Costs (\$79,600)</i>	<i>74% of total est. cost</i>

Staff Participation Costs

The cost estimates for staff participation are based upon a number of factors which include:

- 19 briefing sessions held (GM + 535 staff attended ~ 2 hours per employee).
- 16 full-day training sessions (94 staff attended ~ 21 hours per employee)
- 12 half-day coaching sessions (94 staff attended ~ 6 hours per employee)
- The cost of paying for relief child care centre staff
- 'Out-of-class' time spent in pilot service specification team workshops and meetings
- Corporate Development and Workforce Development support time
- Administrative support in word processing and data entry work

Based on the above factors it is estimated that a total of **4,900** staff hours have been expended since the commencement of this program. This translates into approximately **\$159,500** which comes from the existing Salaries budget.

Total Estimated Program Costs (as at 15 February 2002)

The total estimated cost of the Service Specification Program to date is \$218,600 of which, \$59,100 (27%) represents the external consultancy costs and the remaining \$159,500 (73%) represents staff participation and support to the program.

It is estimated that with completion of the training and coaching sessions by mid-March and the costing of each of the pilot specifications by the end of April 2002 that \$20,000 in remaining budgeted expenses will be incurred for consultancy costs and approx. 1,200 hours of staff time (ie \$40,000 covered in existing salaries budgets) will be required to bring all 12 pilot service specifications to completion. **Therefore the total cost of the Service Specification Program in 2001-2002 is estimated to be in the vicinity of \$260,000.**

As the program aims to specify 12 pilot services it is estimated that each specification will cost approx. \$19,000 to develop. Based on other Councils who have taken similar approaches to service specification development the average cost is considered low particularly when the information documented from this program will provide the basis for delivery of that service and identification of customer needs.

It is important to note that all consultancy costs have been devoted to skills transfer to staff through training sessions and coaching workshops. In the long-run, this will provide our own staff with these skills thereby reducing the need for consultants in the future.

Completing the Program

The completion of the Service Specification Program for 2001-2002 is planned for April 2002 where it is expected that 12 draft specifications will have been developed and presented to CMT and subsequently Council for approval.

Corporate Development will, in the meantime, ensure that the momentum continues with all managers developing and costing their assigned pilots as well as preparing a plan and timetable to develop all services (under their responsibility) over the following two years. This activity plan will be reflected as a new task within the 2002-2003 Management Plan.

Service Specification Approval and Review Structure

As advised in earlier reports it is intended that once the draft service specifications have been developed they would need to be reported to Council for approval and review. If a Service Specification is to be endorsed by Council there must be a structure in place to allow Councillors to understand what each service currently provides and a forum to allow Councillors to actively comment on proposed service levels.

Based upon the benefits achieved from previous working parties it is proposed that that a new "**Services Review Working Party**" be formed as a "standing" working party (similar in that respect to the Regulation Working Party).

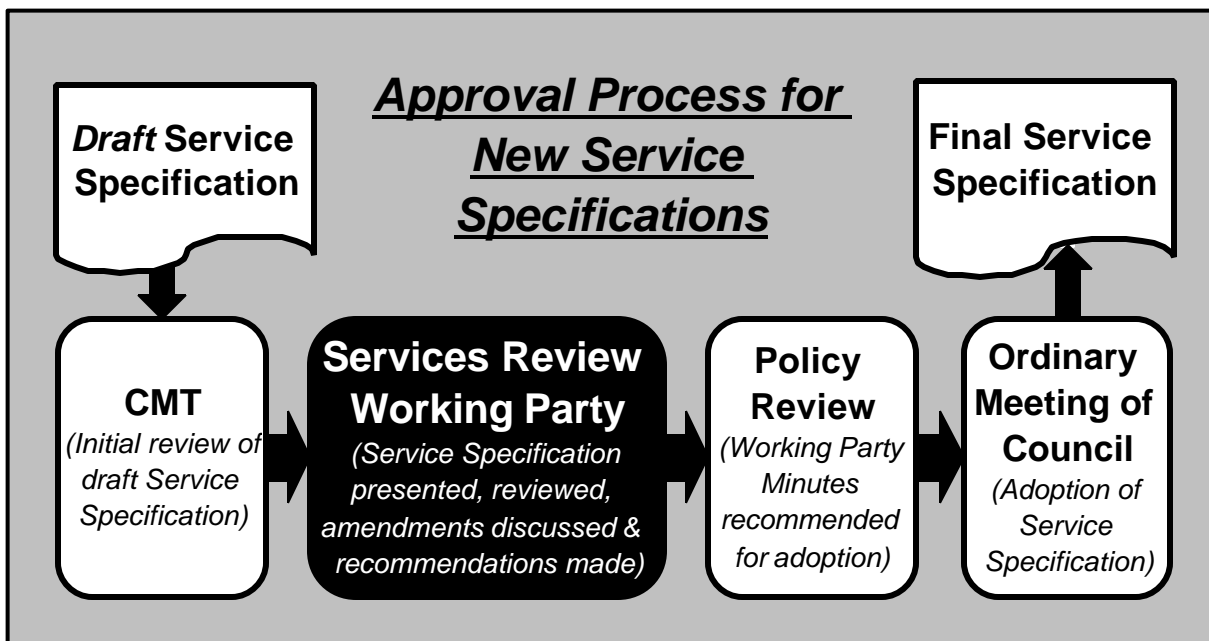
The proposed composition would include all interested Councillors and would be attended by Directors and relevant Council Officers when their respective service specification is to be approved or reviewed or other issue of relevance is considered.

Proposed functions of the Services working party could include :-

1. The assessment of newly completed Service Specifications and making of recommendations for changes before going to Policy Review meetings for sign-off.
2. The review of existing Service Specifications for continuing relevance and proposed changes resulting from recent Council decisions.
3. The follow-up of issues raised from previous service orientated working parties (eg Customer Services Review Working Party)
4. Addressing other service related issues that Councillors or management might identify from time to time.

Formal Terms of Reference will be developed if Council accepts this general outline.

Based upon the creation on the Working Party structure the following approval process is proposed (*see diagram below*).



Conclusion

The Service Specification Program is on track with up to 60% of all pilot services being documented to date. Following the detailed costing of these specifications it is anticipated that these draft documents be ready for CMT and Council review in April/May 2002. For this to occur it is important that a formal approval and review structure be in place. It is proposed that a "Services Review" working party" be formed to fulfil this role.

RECOMMENDATION

That:

1. The information contained in the Service Specification Program – Progress Report and presentation, be received.
2. A Services Review Working Party be formed to approve and review service specifications.



Council's Operating Environment

8 Key Issues for the 2002-2003 Management Plan

36/36

Compiled by: Ross Kingsley, Strategic Planning & Research Co-ordinator

Authorised by: Bruce McDonald, Director - City Strategy

Management Plan 4 Year Outcome (Page 107): *Effective corporate governance has been maintained.*

01/02 Critical Action: *Prepare, implement and review strategic and management plans and processes.*

Purpose:

To identify key issues to be further considered by Council in the development of the 2002-2003 Management Plan.

Background

Preparation of the 2002-2003 Management Plan is underway. It represents the third instalment of Council's *Penrith City 2000+* Strategic Plan.

An initial Council management plan workshop was held on 11 February. This was the first of a series of discussions in Council that will culminate in the adoption of the 2002-2003 Management Plan. The main purpose of this first workshop was to identify the major issues that Council will need to consider in preparing the plan, to broaden the understanding of both Council and management of those issues and to begin discussion of how we will respond to them.

A report on the outcomes of the 11 February workshop and directions to be further pursued with regard to key issues will be provided under separate cover.

RECOMMENDATION

That the information be received.



Council's Operating Environment

9 Draft 2002-2003 Management Plan - Budget

36/36

Compiled by: Peter Browne, Senior Corporate Accountant

Authorised by: Barry Husking, Chief Financial Officer

Management Plan 4 Year Outcome (Page 112): *Maintain a sound financial position and liquidity.*

01/02 Critical Action: *Ensure the timely provision of financial advice and information to support Council's decision making processes.*

Purpose:

To recommend to Council the proposed method for preparing the 2002/03 Management Plan budget based on maintaining existing service levels and pricing structures.

Background

Preparation of the 2002/2003 Management Plan is underway. A separate report to tonight's meeting details key issues to be considered in the development of the Plan. This report provides information on the proposed method of preparing the budget.

Last year (for 2001/02), Council again endorsed a process where a budget was prepared based on the expected costs of continuing to provide service levels to the community that had been established over previous years. Along the way, Council determined additional items to be funded from unallocated amounts that were available after this initial priority had been achieved.

Budget Process 2002/03

In order to prepare the budget, it is proposed that the following process (similar to that utilised for the 2001/2002 Management Plan) be followed:

1. Non-discretionary costs and charges will be estimated.
2. Labour costs will be estimated. Continuation of the same extent of service provision will form the base to which Council directives for increased service will be added, in order to determine costs.
3. Funding which has a particular purpose, such as grants or s94 contributions will be directed towards that purpose
4. Established replacement and renewal programs will be continued in accordance with the relevant Council resolutions
5. Rating and other general revenues will be estimated.
6. Fees will be calculated in accordance with existing principles, which link each individual fee to a particular pricing mechanism. Income will be estimated from the fee.

7. Further analysis and discussion of any unallocated revenue will take place to consider project evaluation bids, major projects, organisation resourcing, debt management, Council reserves and available funds. Workshops are currently scheduled for 27 March and 15 April 2002 for Council to consider its priorities for these items.

Further details outlining factors which are known today in respect of these steps follows.

1. Non-Discretionary Costs

a. Street Lighting Electricity Supply

New Contracts for electricity supply for street lighting come into effect 1 March 2002. The cost of electricity will fall 17.5% resulting in an annual saving estimated at \$80,000. There is likely to be a reduction in the RTA grants in consequence and the savings will be allocated to the Community Safety Street Lighting reserve so that this change will have no affect on the total budget.

b. Loan Repayments

The cost of interest and of capital repayments will be estimated. As an indication of costs, the 2001/02 budget provides for \$5.2M of capital repayments, \$0.6M transfer to sinking funds and \$4.5M of interest.

Some loans are funded from sources outside the general fund budget. Repayments on \$1.4m for the Hydrotherapy centre for example, are funded by Ripples.

c. Insurance Costs

Insurance costs have increased in the wake of the HIH collapse. Costs for professional indemnity and Public Liability increased by \$170,000 from the original budget during 2001/02. As well as these increased costs, consideration will need to be given to replenishing the insurance reserve.

2. Labour Costs

a. Award increase

The Local Government (State) Award provides for an increase of 3.25% (or \$17.50 p.w. if greater) to occur at the start of November.

b. Salary System

The new salary system is in its infancy and impacts are expected until the system has been operational for a few years. As part of the Council Agreement, many staff have recently received pay rises and the new wage rates will be utilised in preparing the budget. Provision will need to be made for staff progressing through the system however the impact will be substantially offset by staff who have already progressed being replaced by new employees who will commence at a lower pay rate.

c. Superannuation

The minimum level of superannuation for employees who are not members of the LGSS defined benefit scheme will increase to 9% of wages from 1 July 2002.

The size of the levy for employees who are in the defined benefit scheme has varied over recent years. The current arrangements do not require a Council contribution. The fund

generates sufficient revenue from earnings on contributions made by Councils in prior years. At this time there is no reason to believe a charge will occur for 2002/03.

It is proposed that the total provision for superannuation be calculated on the basis of 9% of estimated total wages for members of the accumulation scheme.

d. Workers Compensation

Workers Compensation premiums increase and decrease significantly with claims history. Recent history also shows a significant growth in the premium independent of claims patterns. Estimates are made as late as possible so that the impact of any changes in claims can be factored in. A small increase over the current year estimate is expected. It should be noted that the current estimate is around \$0.8M higher than the original 2001/02 budget.

3. Specific Purpose funding

a. Developer Contributions and s94

S94 of the Environmental Planning and Assessment Act allows Council to require a contribution if the subject of a development application or of an application for a complying development certificate, is likely to require the provision of, or increase the demand for, public amenities and public services.

In order to obtain s94 contributions Council must first prepare a plan detailing the additional infrastructure that will be required. The developers can then be levied.

Council has little control over when the income is received as it is linked to developers actions. Council does control the timing of the expenditures but is restricted in scope to the items in the plan. Both the income and the expenditure must be estimated in the budget.

b. Domestic Waste

The Domestic Waste function is required to be self-funding. For Penrith, this means waste charges are required to cover the costs of garbage, sullage, recycling and the rehabilitation of Gipps Street tip. Recycling, effluent charges and the 120L bin charges have historically been set below full cost recovery in order to encourage environmentally sound practices. The standard 240L bin fee has then been set to raise sufficient funds to cover all annual costs and to generate a surplus towards the rehabilitation of Gipps Street.

The State Government has a policy of increasing tipping fees and taxes in order to encourage recycling. At this time the likely rise is not anticipated to be significantly above CPI. The changes will need to be estimated and included in the budget calculations.

Council will need to consider if it wishes to increase service levels for domestic waste and adjust the fees accordingly. Improvements to the cleanup service have been suggested.

The funds collected to date for the rehabilitation of Gipps Street are not sufficient to complete the project. Consideration of the project and potential funding has been included in Council's major project deliberations. Options such as debt funding or deferring some of the works will need to be considered

4. Replacement and Renewal Programs

Council currently has a number of continuing multi-year programs in place. These programs include:

- Routine plant and vehicle replacement.
- Buildings asset replacement.
- Roads program.
- Drainage.
- Footpath program.
- Parks improvement program (s94).
- City beautification program.
- Environmental planning studies.
- Computer replacement program.

Consideration will be given to the changes in the cost of operating Councils plant and Vehicle Fleet. A tender for replacement of Council vehicles in 2001/02 has resulted in significantly reduced changeover costs. Savings will need to be calculated with the bulk of the annual benefits from this process expected to be available for the full 2002/03 year.

5. Rating Revenue

The State Government controls the total rate revenue of Council. Council may decide how this total is shared between business, residential and rural sectors and may also reduce the total rate revenue.

While it is an oversimplification, the maximum rate revenue is essentially calculated by:

- a. Taking last years revenue and adding an inflation adjustment announced by the Minister and,
- b. Adding rates on new properties created by subdivision and on new strata-titles.

Council may request the Minister to allow an increase in the above amount. Council will also be able to recover around \$0.3M of rate revenue lost during 2001/02 due to amended valuations from the Valuer General.

Rate increases have generally been below the increase in wages that occur most years. As a consequence, Council has needed to find additional revenue or cost savings each year in order to continue to provide the same services it has in prior years. In some years, increased revenue from a growing population has been utilised while cost savings have also played a major part.

6. Fees and Charges

a. General Policy

Section 404 of the Local Government Act lists a number of requirements for the draft management plan. The plan must include “a statement of the types of fees proposed to be charged by the council and the amounts of each such fee” and “a statement of the council's pricing policy with respect to the goods and services provided by it”. The draft fees and charges volume of the management plan will comply with this requirement by showing each fee and the price structure beside each fee or group of fees.

The pricing structures currently used are:

<i>Rate of Return Pricing</i>	Recovers all costs plus a margin. This margin may be considered to compensate for lost interest income. (If the assets were sold the proceeds could be invested to earn interest.)
<i>Full cost Recovery</i>	All costs are recovered including those of support services. This means that information technology, finance and insurance, administration, payroll, building and accommodation, personnel and other support costs must first be allocated to the activities they support.
<i>Direct Cost Recovery</i>	Only those costs that relate directly to the activity are included. Where a cost is directly related to the staff working on this function (e.g. entitlement to leave) it is charged. Where a decision on how to allocate would be required (e.g. a share of the cost of payroll processing), no cost is charged.
<i>Subsidised</i>	The fee or charge is not sufficient to cover all the costs of the service.

As well as these costs based pricing categories, Council also uses two other pricing systems:

<i>Reference Pricing</i>	The fee has been set with regard to the prices set by others. In most cases the “referenced” price is that being charged by other Councils.
<i>Statutory Pricing</i>	Legislation or other imposed systems set the prices.

Managers are currently reviewing the fees and will recommend revised fees for their area of operation.

When a fee is originally set, and when a full review is conducted, the following issues are examined:

- The Cost of the service or operation.
- Laws and regulations which require particular outcomes or certain issues to be included / excluded (e.g. Activities classified as business activities under National Competition Policy are subject to detailed policies).
- Other revenues intended to fund the service.
- Ability of the persons / groups to pay.

- Benefit to the community of providing the service and social factors, which suggest a subsidy should be provided.
- Prices charged/likely to be charged by others providing similar services including pricing mechanisms (is the fee normally a flat fee or fee per hour/unit? Is a minimum appropriate? Will the item be available only in fixed amounts?).

Subsequent reviews are conducted as part of the annual Management Plan process to ensure that the original intent adopted by Council is maintained. Annual reviews may be as simple as applying an appropriate index or may extend to a full costing or community benefit exercise. The extent of the review is determined by the degree of change that has occurred. As the method of providing the service will usually be the same, the fee applicable will normally increase a small amount to reflect the impact of inflation (or wage rises) on the cost of providing the service. The level of subsidy will remain for those services that are subsidised.

This year, as part of the organisation capacity review the focus will be on:

- alignment of the fee with the adopted fee structure (especially where the objective is full cost recovery);
- ensuring fees and charges have kept pace with the increasing cost of providing services;
- benchmarking fees with other Councils and other service providers;
- the extent to which the market can bear a price increase; and
- potential for new fees.

It must be remembered that in the end, Council services will generally be paid for by the Penrith Community. The choice is between payment by those using the service (which may include some who have difficulty meeting payment) or payment from rate income (which may likewise include some who have difficulty meeting payment).

b. Statutory Fees and Charges

Some fees charged by Council are subject to direction through regulations and other state government controls. Information from the various controlling authorities will be requested however information is generally not available at this time.

7. Borrowings

Council presently has a five year borrowing program in place. The five-year program targets a borrowing level of \$2.8m for 2000/01 through to 2003/04. The program is reviewable by Council and is part of Council's debt reduction strategy. It should be noted however, that ministerial approval is required for all loans.

Borrowing levels for the past few years are shown in the following table. The original budget represents the loan program determined in each annual Management Plan. The actual figure shows the final borrowings for the year based on Council's decision to increase the program during the year. The additional projects have been included in accordance with a practice of using additional loan funds only where there is a positive net cash flow achieved. In 1996/97 additional funds were borrowed for recycling bins and in 1997/98 funds were for the Whitewater Stadium. The original figures for borrowings include the Hydrotherapy Centre for \$0.8m in 1998/99 and \$0.6m in 2000/01.

New Money Borrowings

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Original Budget	\$4.4m	\$3.7m	\$4.1m	\$3.2m	\$3.4m	\$2.8m
Actual	\$7.0m	\$5.2m	\$4.1m	\$3.2m	\$3.4m	N/A

Options available for the 2002/03 program will be further considered in the evaluation of the Management Plan during April 2002.

Further Budget Considerations

The above details reflect the procedural aspects of preparing the budget based on existing practice. These items are intended to create the base position from which Councillor input is required in order to prepare a budget that accords with Council's priorities. The issues that are proposed to be addressed at future meetings include:

- Analysis of reserves which will indicate proposed programs and/or excess capacity to fund from reserves is proposed for the Council Workshop of 27 March 2002.
- Major projects and their funding requirements is proposed for the Council Workshop on 27 March 2002.
- Current debt position and policy on debt funding and debt reduction reserves is proposed for the Council Workshop of 15 April 2002.
- Rating Policy which determines the relative share that will be contributed by Residential, Commercial and Rural properties is proposed for the Council Workshop Meeting of 15 April 2002.
- Draft Fees and charges are proposed to be presented to the second Council Workshop on 15 April 2002.

The budget creation process should proceed on the above criteria. This will allow draft documents to be created which facilitate decisions on Council's capacity to perform its tasks and on any trade-offs which may be needed.

RECOMMENDATION

That:

1. The information concerning the Draft 2002-2003 Management Plan budget be received.
2. The 2002-2003 draft budget and associated fees be prepared on the basis set out in this report and included in the draft Management Plan



Council's Operating Environment

10 Westpool Annual Report

6011/38 Part 2

Compiled by: Ken Muir, Risk Management Co-ordinator

Authorised by: Barry Husking, Chief Financial Officer

Management Plan 4 Year Outcome (Page 108): *Effective risk management is practiced.*
01/02 Critical Action: *Continue to reduce risks through improved workforce, administrative, decision-making and regulatory practices.*

Purpose:

Penrith City Council is a founding member of Westpool and its thirteenth annual report is presented for information.

Background

Westpool provides:

- insurance coverage for public and professional indemnity liability
- comprehensive motor vehicle insurance cover
- a forum for the management of insurance claims
- a forum for the exchange of best practice for prevention and minimisation of risk
- training for member councils to help minimise risk
- a platform to pursue legislative change

Current Situation

The HIH Group collapse, the removal of non-feasance, unstable corporate performance (Pasminco, Harris Scarffe, Onetel, Ansett) and the New York tragedy of 11 September have significantly impacted on all classes of insurance cover.

The HIH collapse has had an effect on Westpool even though it has been some years since the HIH was an underwriter. The long tail of liability claims will take many years to resolve and the overall impact will not be determined until outstanding cases are finalised.

The removal of non-feasance has emphasised the need for the systematic management of road infrastructure management. Westpool has made representations to the Attorney General, the Minister for Local Government and the Public Bodies Review Committee on the outstanding issues raised by the removal of non-feasance. These two issues combined with September 11 have contributed to limiting the insurance options open to the Pool.

Council submitted an entry based on the systematic management of road reserve assets for the Westpool Risk Management Excellence Awards. Staff participated in and benefited from

the Westpool training and education program and Council has been instrumental in the development of risk profiles.

The financial situation is considered sound. The adoption of a new 5-year financial strategy will enable the Pool to place itself in an even stronger financial position within the 5-year period. Elements of the strategy include establishment of a prudential margin, as a specific reserve, of 15 to 20% and provision for the potential losses of HIH related cases. This is reflected in the increase of the current premium from \$672,100 to \$874,734.

RECOMMENDATION

That the report on the Westpool Annual Report be received.



**POLICY REVIEW COMMITTEE MEETING
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Council's Operating Environment

11 Key Issues for the 2002-2003 Management Plan

36/36

Compiled by: Ross Kingsley, Strategic Planning & Research Co-ordinator

Authorised by: Bruce McDonald, Director - City Strategy

Management Plan 4 Year Outcome (Page 107): *Effective corporate governance has been maintained.*

01/02 Critical Action: *Prepare, implement and review strategic and management plans and processes.*

Purpose:

To identify key issues to be further considered by Council in the development of its 2002-2003 Management Plan.

Background

Preparation of the 2002-2003 Management Plan is underway. It represents the third instalment of Council's Penrith City 2000+ Strategic Plan. The timetable for developing the Management Plan was reported to Council on 10 December 2001. Through that process, Council will develop tasks and programs of works as well as assess the funding allocations that will be required for them.

It is important to note that we are approaching the halfway point of Council's four year strategic program. The upcoming Management Plan therefore needs to identify a two year statement of tasks which will, in effect, determine the extent to which the strategic program will be accomplished. Council will also select the appropriate means of resourcing its selection of tasks and priority projects.

An initial Council Management Plan Workshop was held on 11 February 2002. This was the first of a series of discussions by Council that will ultimately lead to the development of a Draft Management Plan for public exhibition and consultation.

The main purpose of this first Workshop was to identify the major issues that Council will need to consider in preparing the plan, to broaden the understanding of both Council and management of those issues and to begin discussion of how we will respond to them. Generally, more detailed consideration by Council will be needed and a firm response to the issues raised will emerge later in the process.

This report seeks to:

- i. reflect the positions that emerged from the Management Plan Workshop held on 11 February 2002 and advance the discussion of the key issues - this is part of the refining process in developing the Management Plan; and
- ii. provide the opportunity for Council to identify any other priority matters it may wish to be considered in the preparation of the draft Management Plan.

Outcomes of the initial Management Plan Workshop

The Workshop on 11 February considered a number of key issues and provided direction for the organisation to advance a more detailed examination of them. These issues fall into several categories as outlined below.

1. Adjustment of the organisation to deliver Council's program

The Workshop considered the difficulties that the organisation will face in coming years and the resources needed to achieve the delivery of Council's present four year strategic program.

This has been further discussed by the Corporate Management Team and proposals are being prepared and costed to address immediate staffing needs. The approach being taken is to prioritise short-term requirements to deliver the present strategic program, that is, normally with a horizon of 2004. This is an interim measure pending progress in the preparation of service specifications which will more accurately define resourcing requirements across the whole organisation

Proposals to be advanced will include a proposition covering the Parks and Open Space maintenance service which was modified by Council to include a broader approach to resourcing field operations across the year.

A more definite set of proposals and level of costings for immediate staffing needs will be presented to the Management Plan Workshop on 11 March.

In the capital works program the focus in the coming year will be completing and advancing the key major projects discussed below. There will also be a need to review the program to optimise the use of Section 94, reserve and external funds for capital works. A better balance will be sought between resources allocated to the works program and the revenue to be allocated to those short-term staffing needs given priority by Council.

2. Major issues outside current financial capacity

There are a number of major issues that are outside Council's current scope of financial capacity. These include:

- **Catchment Management**

Council has, through the Strategic Plan, accepted a broader and more complete responsibility for environmental management than ever before. This is in accord with both the increased awareness of the community of these issues, and increased community demand for attention to them, and with new requirements being made of Local Government to take responsibility for the health of water catchments and the regional environment. A task in the present year's Management Plan requires an examination of opportunities to fund catchment management requirements.

Added to that is a growing pressure from Government to address such issues as the catchment management issues in the Hawkesbury/Nepean River Catchment.

Responsibility for integrating environmental management arrangements by Councils and State agencies will sit with the Dept of Local Government who are encouraging new revenue raising initiatives including environmental levies where appropriate. The concept of a levy funded Catchment Works Program was discussed with Council in the formulation of the 2001-2002 Management Plan.

A broad range of initiatives would necessarily underpin a comprehensive catchment management / environmental management strategy. These would include not only the identification and provision of appropriate infrastructure but other key issues such as salinity and biodiversity as well as less tangible but also essential elements such as management practices and environmental education.

While the upcoming DLWC/Council funded studies must be completed in order to accurately cost the full capital works improvements required, it is likely to be in the order of \$25 million. Adopting a 25 year timeframe, including provision for maintenance, would require an annual allocation of approximately \$1.25 million.

Options to obtain these funds have been considered including ordinary rates (including an 'environmental levy'), special rates (including fixed term capital special rates), charges for services provided to particular properties, loans, developer charges (levied under s.64 LG Act and s.94 EP&A Act), and government grants.

It is inevitable if Council is to respond to that agenda that there will be a need for a special levy or rate to fund that construction and other initiatives. Only ordinary rates are, realistically, capable of funding the likely cost of a catchment management program. The appropriate and most equitable form of such a rate will need further consideration.

- **Economic Development and Tourism**

Council has supported in principle the strategy of addressing economic development and tourism needs primarily through the strategy of establishing an independent EDEC model.

EDEC has sought initial funding from Council of \$228,000 per annum to cover operational costs on the basis that EDEC is incorporated and is hosted by Council. It has recommended that as the economic development and tourism objectives seek to benefit the whole City, this funding be raised by way of a general rate increase applied City wide, rather than through a business levy.

- **Urban Release Area Planning**

At the February 11 Workshop, one of the principal emphases by Council was on the importance of effective urban release planning to influence quality outcomes for the City. Seven release areas are currently being addressed or about to be addressed (i.e. Werrington Signals, North Penrith Army Land, Lakes Environs, ADI, Penrith Lakes, Caddens Release Area and the Glenmore Park Expansion Area).

Last year, additional resources were provided for this purpose but at the expense of temporarily suspending certain other important planning priorities. Resourcing of these other priorities such as policy development needs to be restored, and even more so with the requirements of the 'PlanFirst' legislation expected to commence in 2002-03. It was recognised last year that the increasing demand for planning resources in 2002-2003 would make it necessary to provide further planning and technical resourcing to enable all the urban release projects to move forward effectively.

The resources needed in the coming year to provide planning of the new release areas and to restore the normal planning policy activity amounts to 5 senior/specialist positions, in addition to those resources brought online to deal with first stage planning in the present year. The total additional resource requirement has been costed at \$868,000. Of this \$555,000 can be reasonably obtained through contributions by developers. Funding of \$313,000 is therefore required from Council revenue.

The continued need for those additional positions established for this purpose will be subject to an ongoing review according to the demands of the urban release program from year to year.

The priorities discussed above are outside our capacity under present financial parameters and special consideration is required of the means by which they can be addressed. More precise costs are being sought for the programs which would be required to be resourced. The effect of these being funded through additional rate revenue is being assessed.

Recommendations and costings regarding these matters will be brought to the Management Plan Workshop on 27 March.

3. Asset Management

Council has made asset management a focus in its Strategic Plan and in the current Management Plan, committing funds in the first instance for increased road maintenance and the development of an asset management strategy. That work is proceeding and has been assisted at present by funds provided under the Federal Government's 'Roads to Recovery' program. The improved presentation of the City during the Olympics period has also led to increased community expectations in this regard. Council will need to consider its preparedness to resource the maintenance of those standards into the future.

- **Roads Maintenance**

Various funding scenarios are being developed for improvements to the overall road pavement condition. As considerable further investigation and development of the asset management strategy will be required to effectively address the optimum resourcing of roads maintenance, it is anticipated that Council's present funding approach would be suitable to carry into 2002-2003. Options for a future funding strategy would be reported to Council as part of the 2003-2004 Management Plan formulation.

The Federal Government will continue to be pressed to make the Roads to Recovery program an ongoing component of local roads funding.

- **Building Maintenance**

Routine operational maintenance is adequately funded and receives an annual increment under Council's established budget process.

The Asset Renewal Program (that is, substantial refurbishments of buildings) requires a substantial recommitment of funding following the conclusion of a five year program which began in 1994. It is estimated that an increase in its annual allocation from \$200,000 to \$600,000 is required to prevent serious deterioration of the overall building asset condition.

- **Parks Maintenance**

The increased requirements for Parks and Open Space maintenance pose a significant challenge for Council. As reported above, a proposal to address the most pressing needs in this area, together with consideration of other key maintenance requirements, is being developed and will be treated as a high priority within the organisational capacity review of immediate staffing needs.

The proposal at this stage addresses current needs only. Given the present scale of open space and parks management and maintenance, the continuous growth of those tasks

and a scenario which will see seven new release areas added, it is timely to fundamentally review this function to see if in the design and preparation of open spaces and parks more innovation can be employed to reduce maintenance costs and limit vandalism. That review will also examine asset management practices. It will be included as a task in the Management Plan and as a priority element of the Service Specification program.

4. Major Projects

Based on Council's discussions at the February 11 Workshop, it is proposed that projects within the Major Projects strategy proceed according to current plans. Certain projects (including Penrith Swimming Centre and South Penrith Neighbourhood and Youth Centres) are presently in an examination phase, with reports to be provided to Council later in the year.

Those projects identified as key issues in 2002-2003, including those which may have a significant funding requirement in the upcoming Management Plan, are commented on below.

- **Joan Sutherland Performing Arts Centre**

Last month, as a result of further Council representations, the Premier announced a further \$1.9 million funding for the project. The Government's commitment now represents \$6.4 million. The estimated cost of the project is \$12 million and the project is likely to have a three year timeframe.

A draft funding strategy to address Council's commitments has been developed which includes the use of a proposed Section 94 city wide cultural plan, the asset and property development reserve and contribution from JSPAC itself. A further report seeking Council's endorsement of the funding strategy will be presented shortly.

- **JSPAC/Railway Street Theatre**

Council provides an annual operating subsidy of \$100,000 to the JSPAC and has also provided an annual subsidy of \$35,000 to the Railway Street Theatre. It was intended that the latter subsidy would cease upon the introduction of the new consolidated management arrangements. The recent announcement by the NSW Premier of the additional funding for the JSPAC extensions project was conditional upon Council continuing the Railway Street subsidy. More discussion is needed on this point.

The 2002-03 budget will need to address the question of Joan Sutherland Performing Arts Centre subsidy and the Railway Street Theatre subsidy.

- **Regional Gallery**

Design and approvals have been finalised for the currently proposed new facility, which will become operational in the present year. The funding strategy includes a Contribution from the Lewers Bequest of \$319,000 and approved General Revenue funding of \$200,000 over two years. A revised funding strategy is being developed for Council's consideration once tenders have been received.

The Premier recently announced an additional \$1.65 M for an expanded program. A further report will be presented on this new development.

- **Kingswood Neighbourhood Centre**

Construction will proceed in 2002-03, however total construction costs based on a 325 square metre building (i.e. some 30 square metres larger than the Kingswood Park Neighbourhood Centre) are estimated at \$839,025. With the present total allocation standing at \$554,147 and allowing for a revised S94 Plan for the larger facility, an additional \$240,692 is required.

No additional external sources of funding to meet this requirement are available. A more comprehensive report on this project will be presented to Council shortly.

- **Gipps Street Tip**

The Waste Charge is being examined with a view to ensuring the adequacy of the funding available for rehabilitation of the Gipps Street landfill as a major recreation area. This matter will be further reported in detail.

5. Other significant issues

Suggested approaches to various other key issues were considered by the Workshop on 11 February. These include:

- **Neighbourhood Coordination Program**

It is proposed in 2002-2003 to redirect the bulk of the increment normally provided to Asset Maintenance to address the needs of the local shopping strips. This funding would resource actions in addition to the normal intervention level provided for in the maintenance programs, and would allow attention to be paid to many of the issues emerging in these localities through the Neighbourhood Coordination Program partnerships and local safety audits.

- **St Marys and Penrith Town Centres**

A previous five year loan funded program whereby \$1million (\$200,000 per year) was expended on capital improvements in both these Centres ended in 1999-2000. Both Town Centre Associations requested Council to extend the program beyond the initial period. Council considered these requests but recognised that it was not possible, considering other more pressing priorities, to re-introduce the program at that time.

Council agreed to include a one year allocation of \$200,000 for each of the Centres in the present Management Plan. There is a continuing expectation by the Town Centre organisations that annual funding will be made available. How or indeed if that expectation can be accommodated will need to be worked through when the budget position is clearer.

- **Erskine Park Employment Area**

Having resolved the water and sewer issue, Council has now turned its attention to the provision of roads and drainage. As the site is undeveloped, there are no funds in the Section 94 Plan and developers are reluctant to carry the cost of the infrastructure. Therefore, Council needs to consider up-front funding the provision of the infrastructure to stimulate development of the estate.

Council has identified works amounting to some \$5million that need to be completed to effectively prepare the estate for immediate investment. Without any other funding

mechanism, Council would have to borrow these funds commercially within its normal borrowing program.

Council's proposal to establish a Western Sydney Employment Lands Infrastructure Fund, which would provide bridging finance to local government to up-front fund section 94 works pending collection of contributions, promoted Erskine Park as the pilot, but the request has proven unsuccessful. Efforts will continue to press the Government for an Infrastructure Fund.

Other funding and development options for the Erskine Park Employment Area are being investigated. Council may need to consider loan funding the project in the first instance, with Section 94 contributions used to fund the loan repayments. It may be that Council's view of its engagement in this project will lead to consideration of an entrepreneurial development approach to advance the Employment Area.

6. Project Evaluation

Council will have the opportunity to consider at the Management Plan Workshop on 27 March and at subsequent meetings the allocation of available funds to projects nominated to enhance services or provide new facilities. Typically in recent years around \$500,000-\$800,000 has been available to be allocated to discretionary projects. An available figure for 2002-2003 is yet to be confirmed. This will be addressed through the upcoming Management Plan Workshops.

7. Mid-term Strategic Program Review

Council will consider a mid-term review of the progress of its Strategic Program at a Workshop to be held on 11 March. The mid term review will allow a snapshot of how well we are progressing and to see what remains to be done and assess the resources needed to complete the program.

Without anticipating the review outcomes, it is clear that further resourcing will be needed over the coming two years in order for the program to be reasonably achieved. A number of issues already identified in this regard have been considered at the February 11 Workshop and are further discussed in this report.

Financial Parameters

A separate report and presentation by the Chief Financial Officer tonight addresses the planning for the financial aspects of the 2002-2003 Management Plan.

Councillor Identified Issues

As mentioned above, one principal vehicle for expressing Councillor priorities is nomination and consideration of projects and program funding through the Project Evaluation process. Tonight's meeting and the further Management Plan Workshops scheduled on 11 March, 27 March and 15 April provide an opportunity for Councillors to identify any other matters they wish to be considered or emphasis they wish to see reflected in the preparation of the draft Management Plan.

Discussion of draft tasks and projects for 2002-03 will take place at the Council Workshops on 27 March and 11 April 2001.

Conclusion

The Management Plan will continue to move Penrith forward. Like in any year and in any organisation providing public service, it is easy to identify more things of value to do than can practically be attempted. Irrespective of the choices among competing priorities, a large comprehensive program of services, new assets and maintenance will be delivered.

In its discussion to date Council has recognised factors which distinguished this Plan from the last two Council adopted:

- (i) the need to better balance its expenditure on program deliverables and the resources needed to achieve those deliveries, and in particular immediate staffing needs of the organisation;
- (ii) the imperatives which have emerged to finance catchment management obligations, influencing outcomes of the urban development program, and better addressing local economic and job development issues across the City. This will involve consideration of rating measures.
- (iii) The need for more resources to specifically address neighbourhood issues and maintenance of Council community buildings and amenities.

Asset Management financing remains a major issue. The Roads to Recovery program is assisting in this area but its continuation is vital to allow implementation over time of a maintenance program with adequate funding support.

Considerable headway can be seen over the last two years in realising Major Projects. These will be a main focus of the organisation this year. Emphasis is to be placed on:

- (i) completing Kingswood Neighbourhood Centre;
- (ii) completing the planned improvement to the Regional Gallery and advancing as far as possible the works included in the recent grant;
- (iii) advancing the community precinct at St Marys;
- (iv) advancing rehabilitation of Gipp Street Tip and its preparation as a major recreation complex;
- (v) advancing the JSPAC extensions and developing the company's venue management role.

There remain specific project and programs which will be addressed in the project evaluation as the available funds position charter.

RECOMMENDATIONS

That:

1. The information concerning the Draft 2002-2003 Management Plan be received.
2. Management continue the development of the Plan in line with the commentary included in this report.

3. Council identify other issues for consideration in the preparation of the Draft 2002-2003 Management Plan.



**FOR INFORMATION ON THE ATTACHMENTS
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ON 4732 7777 AND ASK TO SPEAK
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