

BUSINESS PAPER



His Worship the Mayor, Councillor Greg Davies signs an agreement to develop friendly relations with Kunshan City

Policy Review Committee Meeting

8 December 2003

3 December 2003

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 in the Pasadena Room, Civic Centre, 601 High Street, Penrith on Monday 8 December 2003 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

Leave of absence has previously been granted to:

Councillor Bateman 7 to 14 December 2003, inclusive

Councillor Thain 8 to 10 December 2003, inclusive

2. CONFIRMATION OF MINUTES

Policy Review Committee – 20 October 2003

3. DECLARATIONS OF INTEREST

Pecuniary Interest (The Act requires Councillors who declare a pecuniary interest in an item to leave the meeting during discussion of that item)

Other Interest

4. ADDRESSING THE MEETING

5. MAYORAL MINUTES

6. NOTICE OF MOTION

7. REPORT & RECOMMENDATIONS OF WORKING PARTIES

Ropes Park Proposal Working Party – 15 October 2003

Road Safety Steering Committee – 29 October 2003

8. MASTER PROGRAM REPORTS

9. URGENT REPORTS (to be dealt with in the Master Program to which the item relates)

10. CONFIDENTIAL BUSINESS

POLICY REVIEW COMMITTEE MEETING

MONDAY 8 DECEMBER 2003

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PENRITH CITY COUNCIL
MEETING CALENDAR
November – December 2003

	TIME	DEC
		Mon
Ordinary Meetings	7.00 pm	15
Policy Review Committee	7.00 pm	8

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 Executive Officer, Glenn McCarthy 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.**

**UNCONFIRMED MINUTES
OF THE POLICY REVIEW COMMITTEE MEETING OF PENRITH CITY COUNCIL
HELD IN THE COUNCIL CHAMBERS, PENRITH
ON MONDAY 20 OCTOBER 2003 AT 7.04 PM**

PRESENT

Councillors Pat Sheehy (Chair), J Aitken, D Bailey, J Bateman, R Fowler, C O'Neill, K Paluzzano, S Simat (arrived 7:12PM), and J Thain.

APOLOGIES

PRC 101 RESOLVED on the MOTION of Councillor Bateman seconded Councillor Bailey that an apology be received and accepted from Councillor O'Toole.

LEAVE OF ABSENCE

Leave of Absence had previously been granted to Councillors Bailey, Greenow and Khan.

Councillor Bailey informed the meeting that he no longer required the leave of absence he had previously been granted up to 20 December 2003 inclusive.

Councillors Davies and Evans were absent from the meeting as they were participating in an International Links Tour of China and Korea.

WELCOME OF NEW EXECUTIVE OFFICER

The Chairperson, Councillor Sheehy introduced Council's new Executive Officer, Mr Glenn McCarthy to the meeting and welcomed him to Penrith City Council.

RE-ELECTION OF COUNCILLOR FOWLER AS CHAIRPERSON OF WESTPOOL

The Chairperson, Councillor Sheehy informed the meeting that Councillor Fowler has been re-elected as Chairperson of Westpool, a position he has held continuously since 1992/93. Councillor Sheehy congratulated Councillor Fowler on his re-election and said that it was a credit to his stewardship of that organisation.

CONFIRMATION OF MINUTES

Policy Review Meeting – 22 September 2003

PRC 102 RESOLVED on the MOTION of Councillor Paluzzano seconded Councillor Bateman that the minutes of the Policy Review Meeting of 22 September 2003 be confirmed.

DECLARATIONS OF INTEREST

There were no declarations of interest.

REPORTS OF COMMITTEES

Carpenter Site Development Working Party – 20 August 2003

PRC 103 RESOLVED on the MOTION of Councillor Fowler seconded Councillor Aitken that the recommendations of the Carpenter Site Development Working Party of 20 August 2003 be adopted.

Community Safety Partnership Committee – 17 September 2003

PRC 104 RESOLVED on the MOTION of Councillor Bateman seconded Councillor Bailey that the recommendations of the Community Safety Partnership Committee of 17 September 2003 be adopted.

MASTER PROGRAM REPORTS

THE CITY IN ITS REGION

1 Westlink M7 - Project Overview

(9011/49 Pt 2)

Councillor Simat arrived at the meeting, the time being 7:12 PM.

Council's Design and Technical Advice manager Mr Craig Ross introduced Ms Gillian Burrows, the Corporate Relations Manager from the Abigroup Leighton joint venture who gave a presentation to Council about the progress and aims of the Westlink M7 road project. She presented statistics that illustrated why there was a need for the project and explained some of the advantages the road would provide, such as less traffic congestion, less driver fatigue, greater travel time certainty and reduced air and noise pollution.

The road will consist of 40 kilometres of dual carriageways, 2 lanes in each direction, separated by a wide central median. It will utilise full electronic tolling with no toll booths, stopping or slowing, and will include a 40 km shared path / cycleway.

The road is expected to be open to traffic in 2006.

PRC 105 RESOLVED on the MOTION of Councillor Bateman seconded Councillor Fowler
That:

1. The report on the Westlink M7 project be received
2. All Councillors receive a copy of the presentation on the Westlink M7 project given by Ms Burrows.

THE CITY IN ITS ENVIRONMENT

4 Alternative Waste Treatment

7004/8

Waste and Community Protection Manager, Barry Ryan introduced Mr Peter Rimmer, Sales & Customer Service Manager with Waste Service NSW who gave a presentation on progress of the Alternative Waste Treatment facility being constructed at Eastern Creek.

Mr Rimmer said that the facility is expected to be commissioned in mid 1994, and gave an overview of the technology processes that the facility will use, and the markets for the products that the facility will generate, including electricity and compost.

Mr Rimmer said that the AWT facility would be a long term cost effective and environmentally sustainable solution for Western Sydney, and that it aligns with NSW Government policy on resource recovery by giving effect to the State Waste Strategy.

PRC 106 RESOLVED on the MOTION of Councillor Fowler seconded Councillor Paluzzano that Council receive the presentation from Waste Service NSW.

THE CITY AS A SOCIAL PLACE

5 Indicators of Social Advantage and Disadvantage

1042/2

Community Development Manager, Ms Carol Joyce, introduced Community Program Coordinator, Mr Mick Fell who gave a presentation on indicators of social advantage and disadvantage based on statistics from the 1996 census. The information was shown as coloured areas on maps of the Penrith LGA and compared Penrith with the rest of Sydney. Mr Fell said that the population of the Penrith LGA was one percent of the Australian population and that there was therefore a wide range of results.

PRC 107 RESOLVED on the MOTION of Councillor Fowler seconded Councillor Paluzzano

That:

1. The information contained in the report on indicators of social advantage and disadvantage be received and noted
2. When the Socio-Economic Indexes for Areas for Penrith based on the 2001 data become available a further report be provided making comparisons between 1991, 1996 and 2001.

7 Equity and Health in Wentworth Area Health Service

1111/17

Councillor Aitken left the meeting, the time being 7:54PM.

Mr Kris Hort, the Associate Director of the Population Health Unit of the Wentworth Area Health Service (WAHS) gave a presentation to the meeting highlighting some of the results of the Community Health Indicators project that has been running in partnership with Penrith City Council.

Councillor Aitken returned to the meeting, the time being 7:58PM.

Mr Hort said that the report identified suburbs that have poorer than average health and those with better than average health. He said that the findings show that there is significant potential to improve population health by targetting services and programs at disadvantaged communities and population groups. He said that there is also the potential to improve health by addressing social and environmental factors, such as transport, urban design, access to facilities, and community cohesion and participation.

Mr Hort said that it was important to develop partnerships between Council, State Government and other relevant parties to manage infrastructure development and prepare and implement plans for activities and programs

Building Approvals and Environment Protection Manager, Mr Craig Butler addressed the meeting on the issues raised in the previous two presentations. He said that it was important that Council consider the development of partnerships with the WAHS and a formal framework for the co-ordination of resources. He said that Council was developing its expertise in this area and that the gathering of reliable data, such as that just presented to the meeting, gives Council a solid basis for appropriate social and land use planning.

PRC 108 RESOLVED on the MOTION of Councillor Paluzzano seconded Councillor Bateman

That:

1. The report "Equity and Health in Wentworth Area Health Service" be accepted and disseminated within Penrith City Council
2. Further work occur on the development of a planning framework to guide Council's responses to equity and health needs and this be subsequently reported to Council
3. A planning framework for equity and health be developed and linked to Council's future strategic plans.

Councillor Simat left the meeting the time being 8.27 PM.

6 Planning for Neighbourhood Renewal

1027/6

PRC 109 RESOLVED on the MOTION of Councillor Paluzzano seconded Councillor Fowler that Council receive the Planning for Neighbourhood Renewal report.

THE CITY IN ITS ENVIRONMENT

2 Urban Improvement Program - Werrington Enterprise Living and Learning (WELL) Precinct Strategy

4105/89

Councillor Simat returned to the meeting the time being 8.39 PM.

Roger Nethercote, Council's Environment Planning Manager, presented information on the Werrington Enterprise Living and Learning Precinct Strategy. He outlined the process to date,

the importance of consultation with Residents and Landowners, key outcomes, the WELL website and significant elements of the Study Area.

Councillor Bateman left the meeting the time being 8.49PM and did not return.

Councillor Aitken left the meeting the time being 8.57 PM and did not return.

The Chairperson, Councillor Sheehy advised the remaining items in tonight's business paper could not be considered due to the want of a quorum.

The Chairperson declared the meeting closed the time being 9.04PM.

Report and Recommendations

Ropes Park Proposal Working Party

Date: 15 October 2003
Chairperson: Councillor Greenow
Declarations of Interest: Councillor Simat had declared an interest in the proposal before the Working Party.

The Committee met at 6.30pm and concluded at 7.30pm and made the following recommendations:

RECOMMENDATION

That:

1. The Working Party await the advice of the Department of Infrastructure, Planning and Natural Resources on its review of development associated with the M7 Westlink and its view of the 'Ropes Park' proposal, prior to the Working Party reconvening.
2. Further consideration be given to the Working Party Terms of Reference when it next meets.

Report and Recommendations

Road Safety Steering Committee

Date: 29 October 2003
Chairperson: Sharon Maddox – Road Safety Coordinator
Declarations of Interest: None

The Committee met at 9.00am and concluded at 9.55am and made the following recommendations:

RECOMMENDATION

That:

1. The information contained in the report on the Road Safety Action Plan Update - WSROC Drinksafe Program be received
2. Council accept the \$5000 grant from RTA for the WSROC Drinksafe program

MASTER PROGRAM REPORTS

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The City in Its Environment

1 Draft Penrith Biodiversity Strategy

4109/42

Compiled by: Terry Agar, Senior Environmental Planner

Authorised by: Ruth Goldsmith, Local Planning Manager

<p>Management Plan 4 Year Outcome: <i>A Biodiversity Conservation Strategy is being implemented.</i></p>

<p>Critical Action: <i>Develop and implement a local Biodiversity Conservation Strategy.</i></p>

Purpose:

To seek Council's endorsement to publicly exhibit the draft Biodiversity Strategy.

Background

The draft Biodiversity Strategy is a framework for co-ordinating and integrating Council's and the community's efforts in the protection of the City's native biological resources and the maintenance of ecological processes and systems. The protection and conservation of biodiversity is part of the process of achieving Council's vision for a sustainable future for the City.

Draft Biodiversity Strategy

The draft Strategy was prepared within the context of the National and New South Wales Biodiversity Strategies. In contrast to these Strategies, however, the draft Penrith Strategy is focussed at the local government and community level, with practical actions to achieve specific objectives.

The overall goal of the draft Strategy is *'to protect the native biodiversity of the Penrith Local Government Area and maintain ecological processes and systems'*. This goal is underpinned by the following principles to guide its implementation:

1. Biodiversity is best conserved in situ (ie in its natural environment)
2. Collective responsibility and co-operation of all governments, business and the community is essential to conserve biodiversity
3. Protecting biodiversity requires management of threatening processes by identifying, preventing and mitigating the causes of biodiversity loss
4. Allocation and use of resources should be efficient, equitable and transparent
5. Lack of full knowledge should not be an excuse for postponing action to conserve biodiversity
6. Central to the biodiversity conservation is the establishment of a comprehensive, representative and adequate and system of ecologically viable reserves integrated with agricultural and other resource production systems, and
7. The traditional association of Aboriginal people with components of biodiversity should be recognised.

The Draft Strategy is divided into 5 parts:

1. Biodiversity conservation and protection
2. Integrating biodiversity conservation and natural resource management
3. Managing threatening processes
4. Improving our knowledge, and
5. Community involvement.

For each part there is a description of the associated issues and their current status. To address these issues a range of objectives have been specified for each part, with proposed actions to achieve them (attached) and deliver a balanced response for a sustainable long-term outcome.

The draft Strategy proposes a more structured, holistic approach to the conservation of biodiversity in the City of Penrith, that builds on the existing achievements. Council currently carries out many of the actions outline in the Strategy, however there are areas that could be addressed more fully with the involvement of Penrith's communities. It is anticipated that community comment on the draft document will further improve its relevance and conservation outcomes.

Public Exhibition

The draft Biodiversity Strategy is an important planning policy document that will guide both Council and the community efforts in protecting the City's significant natural areas. It is therefore important to obtain community input prior to its finalisation and adoption by Council. Although there is no statutory exhibition period for these types of planning policy documents, it is recommended that the exhibition is for a period of 28 days.

Conclusion

The draft Biodiversity Strategy is a major step forward in formalising Council's position on the protection and conservation of the significant inherent values of biodiversity. The draft Strategy describes the current status of biodiversity in the City, the threats it faces, and the management and community involvement necessary for its long term protection and conservation. Feedback from the community at this time will ensure that, prior to finalising the draft Strategy, it meets community needs and aspirations.

RECOMMENDATION

That:

1. The information contained in the report on the Draft Penrith Biodiversity Strategy be received
2. Council endorse the Draft Biodiversity Strategy as attached to this report
3. The draft Biodiversity Conservation Strategy is placed on public exhibition for a minimum period of 28 days, commencing after the Christmas - New Year holiday period.



The City in Its Environment

2 Glenmore Park Release Area Stage 2

4122/49 Part 5

Compiled by: Joanne Tapp - Senior Environmental Planner

Authorised by: Roger Nethercote - Environmental Planning Manager

Management Plan 4 Year Outcome: *New release areas deliver quality urban environments.*
Critical Action: *Plan new release areas to achieve quality urban environments.*

Purpose:

The purpose of this report is to inform Council of, and seek its endorsement to the outcomes of the Local Environmental Study (LES) prepared to support the urban development of Glenmore Park Release Area Stage 2. The report also advises Council of, and seeks its endorsement to a revised approach to progressing the planning for the Glenmore Park Release Area.

Kimberley Everett (of EDAW Gillespies) will give a presentation of the principle LES outcomes.

Background

Council, in recent years has considered a number of reports in respect of the advancement of planning investigations, which inquire into the potential for an urban development extension to the existing Glenmore Park Release Area. Most recently, Council resolved in September 2001, to again resolve to initiate planning investigations and prepare a Draft LEP.

Council will recall that consultant firm EDAW Gillespies (EDAW) were engaged to undertake the environmental and planning investigations of the Glenmore Park Southern Expansion Area. At its meeting of 21 October 2002, Council considered a report and received a presentation from Kimberley Everett of EDAW Gillespies, wherein Council subsequently resolved that:

- 1. The information contained in the report on the progress of the Glenmore Park Southern Expansion Area be received and noted.*
- 2. Council endorse the presentation of the Glenmore Park Southern Expansion Area to the Planning NSW Senior Advisors Group for listing of the site on the Metropolitan Development Program.*

A presentation was subsequently made to the Senior Advisors Group and the Department of Infrastructure, Planning and Natural Resources (DIPNR), formerly Planning NSW, who have since confirmed the formal inclusion of Glenmore Park Stage 2 as a new release area on the Metropolitan Development Program (MDP). DIPNR have determined that the following criteria be addressed prior to rezoning occurring:

- The total area of 225 ha being included as the release area, and that the issues associated with the western most land (conservation issues and mining issues) be addressed in a coordinated way;*

- *Preparation of a Transport Management Accessibility Plan (TMAP), which seeks to ensure that every advantage is provided for public transport, specifically bus services, in terms of street layout and provision of services and associated facilities; and*
- *Planning of land use and infrastructure be undertaken at a coordinated district level, in accordance with the areas' Category 3 classification by the Cabinet Standing Committee on Urban Management. This relates to the Governments commitment to the provision of transport infrastructure associated with urban growth, and means that the area requires coordinated district level structure planning of land use and infrastructure (which may involve an infrastructure MOU between service providers) and that provisions for the funding and delivery of transport infrastructure to be applied are to be consistent with any recommendations by the Minister.*

The total site area has been considered and investigated as part of the LES exercise from the outset, including the western most land. The TMAP exercise is currently being initiated and it is intended that it will be undertaken in parallel with Draft LEP and Draft DCP preparation. Details relating to infrastructure funding required by the areas' Category 3 classification have not yet been determined, however we have been advised that a decision is likely to be made shortly.

Local Environmental Study (LES)

The LES environmental investigations are now complete and presented in the completed 'Glenmore Park Stage 2 Local Environmental Study'. The following commentary summarises the principle recommendations of the Local Environmental Study:

Sustainability and Ecologically Sustainable Development (ESD) Principles

Central to the establishment of a Vision for the Glenmore Park Stage 2 development, was the idea of a coordinated approach to sustainable social, environmental and economic opportunities and solutions in the natural and future built environments.

The LES proposes a range of management strategies geared towards achieving sustainable outcomes in planning for a new community, including:

- Providing for economic and employment opportunities to satisfy the demands generated by incoming residents
- Locating higher density developments near community and commercial facilities so that they are accessible to those without a vehicle
- Use of energy efficient building construction materials, and design and siting principles
- Providing equitable access to social and community facilities and resources
- Encouraging efficient use of infrastructure and associated facilities, and
- Concentrating development in areas already disturbed to reduce pressure to extend into ecologically significant areas.

Biodiversity

The LES found that there were four (4) species of National significance (Cattle Egret, Great Egret, Grey-headed Flying Fox, and White-throated Needletail), five (5) State listed vulnerable bat species and the occurrence of the Cumberland Land Snail. In addition, sixteen (16) regionally significant species recorded within or adjacent to the study area. Potential

habitat was identified for a number of threatened species within the study area, however the quality of those habitats had been diminished by previous land management practices. It was considered that bushland and riparian corridors will provide for the retention of a majority of the existing native habitats, future rehabilitation and revegetation of habitats, a net increase in native terrestrial and aquatic habitats in the study area and provision of linkages, whereas the current environment is fragmented.

The following points summarise the principle recommendations relating to the protection of the biodiversity, which occupy the site and its surrounds:

- All native vegetation to be retained
- Retention of hollow-bearing trees
- Development controls and appropriate zones to areas of conservation significance
- Network of bushland, arboreal and riparian corridors to be provided
- Management plan to control management of corridor network, and
- Known and potential habitats for endangered species to be retained and enhanced.

Flora and fauna corridor links from the Mulgoa Nature Reserve along the Surveyors Creek riparian corridor and through new corridors to The Northern Road have been identified and can potentially link the site to the significant tracks of Cumberland Plain Woodland located on the Orchard Hills Defence lands to the east.

It is also noted that a significant part of the western-most land is listed on the Register of the National Estate and forms part of the larger area known as Mulgoa Natural Area, which includes the Mulgoa Nature Reserve adjoining the site. Although the listing has no statutory effect other than for Commonwealth proposals, it is important to recognise the listing as it identifies areas of significance, at the national level, that are worthy of conservation. The implications of this listing and the biodiversity characteristics of the site for development opportunities are discussed later in this report (see Cumberland Precinct).

We have had preliminary discussions with NPWS, as well as the land owner interests in the Glenmore Park Stage 2 area in relation to the most effective means of ensuring the long-term management of any biodiversity areas to be conserved on site. A number of options require further exploration, including opportunities for biodiversity conservation areas in the west of the site to be considered as additions to the adjoining Mulgoa Nature Reserve, or potentially managed under community ownership by adjoining lot owners.

Environmental Analysis

The study area has been examined for impediments to development by water quality and hydrology, salinity, noise, air quality, geotechnical and soil analysis, and the presence of any contamination.

There is opportunity to introduce a sustainable urban drainage network into GP Stage 2, including grassed swales, gross pollutant traps and trash racks and by retaining the natural characteristics of the existing creeks. Constructed wetlands (offline to the main creek lines) can act as bio-filters. Land affected by the 1 in 100 year flood event will be accommodated in riparian and open space corridors.

Investigations have determined that the shale resource which has been mined at the Mulgoa Quarry is now exhausted and is no longer considered a significant state resource.

Assessments of the remediated land indicate that there is no evidence to suggest that residential development is not feasible subject to the results of additional investigations to be undertaken once a proposed masterplan design has been prepared.

Soil salinity has been identified as a potential hazard and will require further investigation. Appropriate management practices however, can be implemented to ensure that salinity will not impede future development.

Neither air nor noise quality impacts (associated with the Penrith Waste Services tip site on Mulgoa Road) are considered constraints to development.

Bushfire Management

The proposed development is within a bushfire prone area, however a bushfire threat assessment has revealed that mitigating measures can reduce the potential bushfire impact to the development. The LES recommends the following management and mitigation strategies within the development areas and the remainder of the site to minimise potential bushfire impact:

- Undeveloped and open space land to be appropriately managed and maintained
- Development and infrastructure to not impact on conservation zones
- Dwellings to comply with bushfire planning guidelines and building standards
- Consideration of Section 94 funding for fire fighting facilities and equipment
- Consideration to access, evacuation opportunities and fire-trail network
- Rural-residential development to provide additional water supplies, and
- Hazard management strategies in consultation with relevant authorities.

Culture & Heritage

The Study has determined that given the high levels of site disturbance in the study area, Aboriginal archaeological significance has been reduced to low levels. There are, however two (2) features identified, which might have potential significance. One of these (a site where an artefact was found and which has the potential for additional artefacts to occur) is located in an area which is unlikely to be developed, and the other, a possible Aboriginal scarred tree, can be accommodated within the open space network.

Non-Aboriginal features consist of house site remains and cadastral boundaries, and are considered not sufficiently significant to reach the threshold criteria for local, State or National heritage listing.

The LES concludes that there is sufficient opportunity for archaeological sites to be included within the proposed open space network. The open space network can be used to retain evidence of all past uses, including more recent mining activities. Signage and displays can explain the history of early land grants. Further investigations of the Aboriginal sites will, importantly, include the involvement of the local Aboriginal community.

The Visual Environment

The Glenmore Park Stage 2 release area lies on the southern interface of the rural – urban fringe and with The Northern Road located adjacent, forms an important gateway to the southern rural landscape.

The area to the south and east of Glenmore Park Stage 2 is semi-rural in nature, with a mixture of rural residential, hobby farming and small-scale rural pursuits. The landscape is composed of grasslands, isolated buildings and stands of trees. Mulgoa Nature Reserve forms the western boundary to Glenmore Park Stage 2, and comprises a landscape dominated by increased canopy cover in front of the Blue Mountains escarpment. There are limited views available from the existing Glenmore Park development given the sites' topography, and a secondary ridge, which separates existing Glenmore Park from Glenmore Park Stage 2.

The LES recognises the importance of minimising the visual impact of development upon the amenity of the surrounding area and the retention of the rural character along The Northern Road. The principles of protection of the catchment ridgeline and its open grassed character, use of construction materials and colours, with attention to the built form, where views into the site from the south-east may be open.

Connectivity & Accessibility

The LES has established the following recommendations for transport in the GP Stage 2 area:

- A viable transport network, catering for pedestrians and cyclists
- Early provision of public transport, to link and expand existing but systems within the Glenmore Park estate
- Promotion of a trunk bus service between Glenmore Parkway, GP Stage 2 and Penrith / Kingswood Stations via Bradley Street and The Northern Rd, and
- A staged access strategy as development advances. Initially three (3) links from the existing Glenmore Park estate could service 400 dwellings without a significant impact on amenity in the existing estate. A further 180 dwellings could be established without requiring works at the Bradley Street/Northern Road intersection. A two-lane roundabout at the intersection of Bradley Street, and duplication of The Northern Road between Glenmore Parkway and Bradley Street would be required to accommodate the remaining dwellings.

The transport management plan process will expand on the initial transport investigations to provide a more comprehensive framework for public transport and other access arrangements for the expansion area.

Physical Infrastructure

The provision of utility services is feasible for all forms of standard infrastructure. Sydney Water has however noted that a water pumping station would be required to service development above RL 75m. This has implications for the planning of the road layout and also requires consideration to backup power supply to accommodate a bushfire and power outage occurring at the same time.

The following recommendations have been established for the provision and delivery of physical infrastructure:

- Early delivery of infrastructure

- Use of innovative technology, including optical fibre
- Provision of sewer, water & electricity using current best practice
- Opportunity for a central free-to-air television antenna (reducing proliferation of high antenna typical of the Glenmore Park estate) to be further investigated, and
- Community internet (however establishment & maintenance needs to be addressed).

Economy and Employment

It will be recalled that Council's policy for the creation of new employment opportunities for release areas is to see new jobs created which at least matches incoming resident workforce participants.

The LES has determined that to achieve this outcome, some 1550 permanent jobs will be needed as a direct result of the development. However, the employment investigations have established a difficulty in achieving the job target given the unique character, location and scale of the Glenmore Park Stage 2 area.

The LES indicates that some 1045 permanent jobs, both on and off site, can be created. The main areas identified which would bring additional employment forward are retail (primarily off site), education (off site as well as the expanded primary school to be relocated from the existing estate), business and services, government services and home-based businesses.

On this basis, a short fall of around 505 jobs would exist. The LES recommends a range of employment opportunities that could be considered to address the shortfall of jobs required to satisfy Council target. These include an apprenticeship / employment scheme associated with site construction and open space management, policies to increase the ratio of home-based-business (from 6% to 15%) and the opportunity for a business and services centre which would provide space for small local business/household services (including professional suites and a general store). In addition, an area of 1.5 ha has been suggested as providing additional employment generating opportunities for the site, for uses such as a garden/ industrial/ business activities.

A range of other potential opportunities have been identified and it would be important that during the LEP formulation phase that a detailed Employment Strategy be developed which establishes a clear job delivery and monitoring process.

Social & Community Services

The LES has determined that the following facilities will be required to meet the needs of the incoming residents:

- Primary School - The population of Glenmore Park Stage 2 is sufficient to meet the base threshold levels for a primary school. It is intended that the primary school to be sited in the Southern Hamlets area of the existing estate will be relocated to the expansion area. Preliminary discussions have established that a larger school will probably be provided, given the demand contributed by part of the Eastern Hamlets catchment of the existing Glenmore Park estate.
- Child care facilities – The study has found that there are unmet child care needs in Glenmore Park, being before and after school care, occasional care, and care for 0–2 year olds. These services have been unattractive to private operators to date, and Council is

currently investigating provision of a multi-purpose facility in the Eastern Hamlets area of the existing estate, which will accommodate a range of child care services.

- Combined community centre – The study found that a multi-purpose community facility was desirable for a combined demand generated by Eastern Hamlets and Glenmore Park Stage 2. Such facility could provide for range of services and activities including child care services, meeting rooms, toy library, and office and equipment stores. Council officers are currently involved in a feasibility and preliminary design exercise for a multi-purpose community centre located in the Eastern Hamlets area of the existing estate. Further investigation will be undertaken to determine if this facility will meet all the expectant demands from the expansion area, or whether a small scale community facility would be required to be located in the Glenmore Park Stage 2 area, perhaps forming part of the proposed primary school or playing fields complex.
- Active and passive recreation opportunities – A pair of playing fields has been identified to service the SGP Stage 2 area, and would be centrally located to provide a focus for the emerging community, along with other identified community facilities. A number of neighbourhood parks have also been identified, which would be dispersed throughout the development and which provide a range of passive recreation opportunities, such as children's playground facilities and so on.

Mining Consents

Over the years a number of development consents have been issued by the Minister for the extractive industry activities which have occurred in the Bradley Street precinct. These activities are now being wound down and the Bradley Street site rehabilitated. If the land is to advance for urban development through the rezoning process being contemplated, then it will be important to ensure that the mining consents are surrendered so that there is no prospect of their resurrection at some future point where impacts on the emerging residential community will occur.

This issue has been raised to DIPNR who are examining the options for this process. At this stage, it is contemplated that special provisions would need to be included in the draft LEP to ensure this matter is properly addressed.

Structure Plan

The LES has resulted in a Structure Plan being developed which reflects the conclusions of the environmental investigations and provides a framework for a future urban planning outcome. The principle features of the Structure Plan are summarised below.

As the LES Structure Plan is delineated in colour, a copy will be provided separately to Councillors, and also displayed at the PRC Meeting.

1. Residential Development Precinct

This precinct is largely contained within the former quarry lands on both sides of Bradley Street, and would provide a total developable area of 125 ha. Geotechnical studies have found that the remediated lands are suitable for development. This precinct represents the extent of the upper Surveyors Creek catchment and the catchment boundary also establishes the boundary between the Residential and Rural precinct.

Single family housing consistent with the existing Glenmore Park estate is likely, with lower densities on hill slopes, in transition zones, and in more sensitive locations. Higher densities, possibly including some multi-unit housing, can be realised on the less constrained land around the proposed community / commercial precinct.

The assessment made on dwelling yield indicates that this area could provide in the order of 1300 houses. This figure is based on a 15 dwellings per hectare of net available land set aside for housing. DIPNR has for some time sought this dwelling density, and this allowance has been advocated in our planning for the release areas in Penrith. There are, however, varying approaches to how the area available for development is to be calculated and we will need to hold further discussions with DIPNR on this issue during the LEP preparation phase to confirm final dwelling yields.

This precinct also contains a substantial open space / drainage corridor as well as community / commercial opportunities. The principle collector road network servicing Glenmore Park Stage 2 will also be accommodated within this precinct.

2. Cumberland Precinct

This precinct comprises land to the west of the site listed by the Australian Heritage Commission as National Estate, (containing Cumberland Plain Woodland) that also forms part of the adjacent 'Mulgoa Natural Area'. Conservation and enhancement of the natural environment is the principle strategy in this precinct, and its contribution to the adjacent regional open space corridor is paramount in that it has a medium to high rating in regional significance. The LES confirms that the bushland, groundcover, understorey and canopy in this precinct can be rehabilitated and restored to improve habitat values. For successful rehabilitation to occur, however an assurance that no further disturbance will occur (e.g., mining), and that runoff is appropriately managed.

Given the high conservation value and environmental sensitivity of this precinct, standard forms of development are not recommended. There are three (3) areas within this precinct which could accommodate some form of development, on the basis that these areas contain no site habitat retention values. Two of these areas are internal to the site and high retention value areas would need to be traversed to provide vehicular and infrastructure access corridors. The third area directly abuts the Rural Precinct and access and service provision is more feasible.

The LES concludes that if any development was to be contemplated in this precinct, it should be low density on large lots and highly site responsive. Connection to a reticulated sewer disposal system would be essential and bushfire management by way of vegetation removal to accommodate asset protection zone represents a further factor to be considered.

Given the environmental constraints on this area, the practicality of locating isolated development in the two internal areas to the south-western corner of the site is extremely doubtful, given the potential impacts access and service corridors would create. The previously quarried areas towards the centre of the site appear more logically available for some form of housing development. These issues will need to be further explored in conjunction with the land owners during the LEP and masterplan phases.

3. Rural Precinct

This precinct provides for a transition zone of low density single detached housing on large lots (up to 2.5 ha), between the Residential precinct and the Cumberland precinct. Its layout and design will be influenced by bushfire management requirements, servicing and interface treatments to its adjacent boundaries. This precinct comprises a net developable area of 30 ha and is expected to yield around 30 dwellings.

4. Community / Commercial (Neighbourhood) Precinct

A compact node of community and commercial facilities will be located centrally within the site abutting the main open space network, and highly accessible from Bradley Street. Allowance has been made for a community / commercial facility, playing fields and associated parking area, a primary school an area of 1.5 ha for employment activities. The clustering of these uses aims to achieve a vibrant mixed-use 'hub' and would ideally be associated with medium density residential development. The area of this precinct is approximately 8ha.

5. Surveyors Creek Open Space Corridor

This land plays an integral role in conserving natural overland flow corridors, providing a network of pedestrian and bicycle connectivity, supplying active and passive recreation opportunities, providing relief to and value adding to the built environment. It also has value in terms of its contribution to a linked biodiversity network that has potential beyond this site, specifically to the RAAF land east of the Northern Road. This corridor has been defined in consideration of the extent of the 1:100 year flood, continuation of the existing Glenmore Park wetland system, and appropriate riparian corridor widths.

Recent discussions with DIPNR - Natural Resources (formerly, DLWC), have confirmed their acceptance of the proposed network. They have suggested the opportunity be further investigated of widening the proposed connection to the Mulgoa Nature Reserve to improve its viability as a biodiversity link. This may be offset by a slight narrowing in the upper reaches of the corridor network where the primary focus is pedestrian connectivity.

Next Steps

Draft Local Environmental Plan

It is proposed that a draft local environmental plan (DLEP) now be prepared which generally reflects the planning principles identified in the LES outcomes. It is important to note that a number of the issues discussed above will need further refinement and investigation, particularly following further consultations with relevant agencies and the land owner interests. It is noted that Council has previously resolved to prepare a Draft LEP in respect of 'land adjacent to Bradley Street'. This work will be advanced during the next six months.

It is intended that the LES would be exhibited concurrently with the Draft LEP to provide a background and context for any new statutory plan.

Consultation

Prior to the public exhibition of the LES and Draft LEP, Council is required to consult with relevant government authorities and other bodies in accordance with the EP & A Act. The comments of these bodies will be considered and used to refine the Draft LEP prior to the commencement of the formal public exhibition of the LES and Draft LEP.

Other Plans

A draft Development Control Plan and associated Masterplan, and Section 94 Plan / Developer Agreement are proposed to be prepared and progressed. These plans will also reflect the general outcomes of the LES, but will illustrate a greater depth of detail in order to guide appropriate development outcomes. There are also public exhibition phases required under the EP & A Act for these plans, however they do not require the level of consultation with DIPNR that an LEP does, and therefore their path to adoption by Council would be

more streamlined. We will bring back a further report to Council for endorsement on these plans prior to their exhibition.

The Transport Management Accessibility Plan (TMAP) process can be commenced independently of these processes, and indeed should be, so that its results can be collated into the submission to DIPNR, prior to the public exhibition of the LES / Draft LEP. As noted earlier in this report, Council and the Glenmore Park Stage 2 landowners are preparing to commence the TMAP exercise.

Conclusion

Council has previously supported the commencement of environmental investigations and rezoning process for the southern expansion of Glenmore Park. The current LES process has determined that the Glenmore Park Release Area Stage 2 is suitable for accommodating urban development and that impacts on the surrounding environment are minimal if undertaken in an appropriate manner.

The extension of Glenmore Park is an identified opportunity in Council's Residential Strategy and will provide for a logically located new urban community which has the added benefits of connecting directly to the infrastructure and other facilities afforded by the existing estate.

The LES has indicated that all infrastructure and related services can be made available to accommodate this new urban area. A focus will however need to be given to the extent of development in the western portion of the site and the appropriate balance to be achieved with the conservation and management of significant biodiversity areas.

The main shortcoming identified thus far relates to opportunities for employment creation and further work will need to be undertaken in the development of an Employment Strategy for the site to optimise new job opportunities.

Given the LES findings that the site is compatible for urban development, and recognising the State Government's listing of the land on the Metropolitan Development Program, it is recommended that Council endorse the general principles emerging from the LES as a basis upon which to formulate a draft Local Environmental Plan and supporting plans for Glenmore Park Release Area Stage 2.

RECOMMENDATION

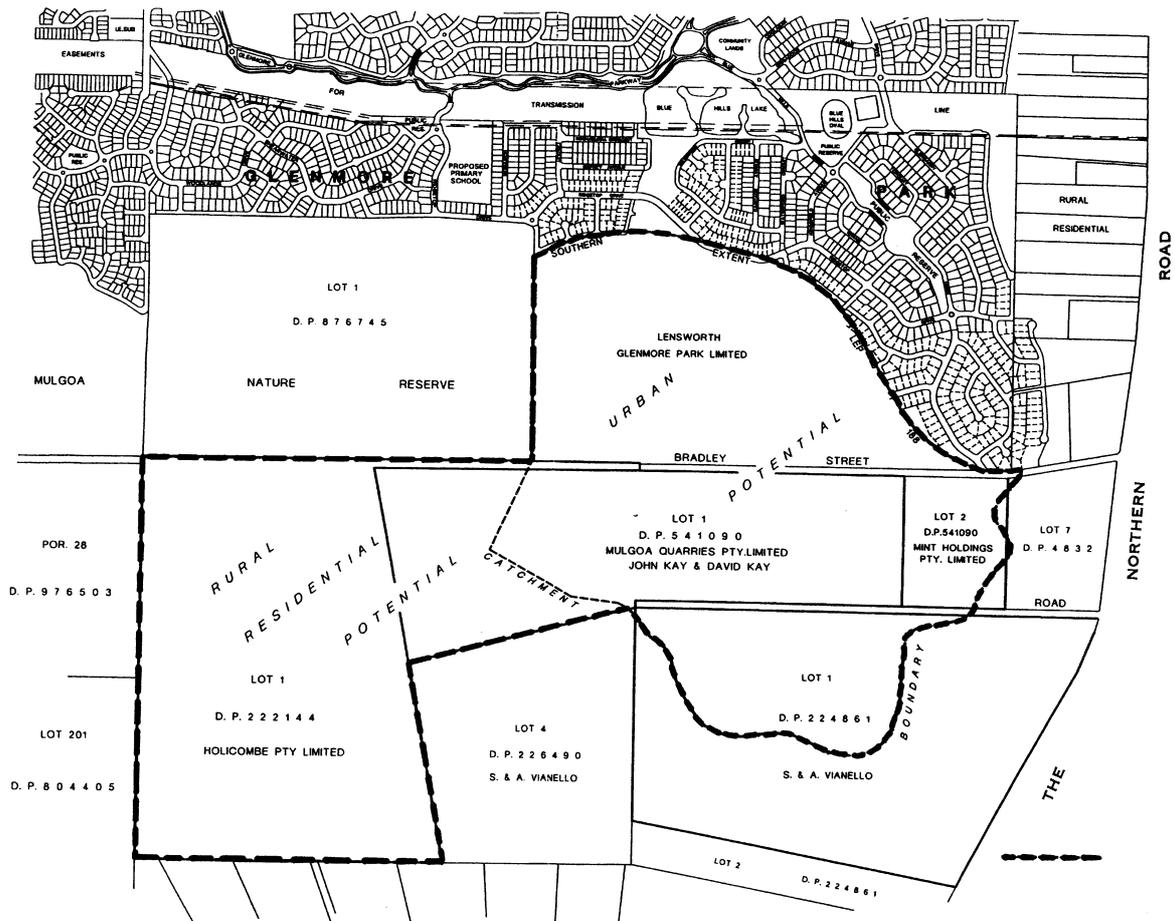
That:

1. The information contained in the report on the progress and status of Glenmore Park Release Area Stage 2 be received
2. Council endorse the recommendations and principles contained in the 'Glenmore Park Release Area Stage 2 Local Environmental Study' as the basis for the formulation of the Draft Local Environmental Plan for the site
3. The Local Environmental Study and Draft Local Environmental Plan be exhibited concurrently following the preparation of the Draft Local Environmental Plan
4. Pursuant to the Environmental Planning and Assessment Act 1979 and Regulation, Council prepare a draft Development Control Plan / Masterplan and Section 94 Plan for the 'Glenmore Park Release Area Stage 2', based on the recommendations and principles contained in the LES, and a further report be

presented to Council for consideration when these draft plans have been formulated;

5. All landowners in and adjacent to the 'Glenmore Park Release Area Stage 2' be advised of Council's decision.





The City as a Social Place

3 PLANS For Our Future

1980 / 10 PT 6

Compiled by: Grant Collins, Recreation and Cultural Facilities Planner

Authorised by: Ruth Goldsmith, Local Planning Manager

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

Critical Action: *Develop a comprehensive strategy and priority program to provide additional recreation facilities for the City, including more local active open space in established and new release areas, and more regional active open space.*

Purpose:

The purpose of this report is to advise Council of the status of the People's Lifestyle Aspirations and Needs Study (PLANS), and to seek Council's endorsement for the PLANS Strategies and the authority to proceed to public exhibition.

Background

The PLANS Community Attitudes and Aspirations Survey report was presented at Council's Policy Review Meeting on 9 December 2002. This report was endorsed with only minor amendments, to better distinguish the results from the new release areas. The amended information was subsequently reported to Council in March 2003.

The Recreation and Open Space Working Party meeting on 5 February 2003 considered a report on the progress of the PLANS project, including the work completed on the desktop review, strategic research, the Audit Report and the community consultation process. Councillors raised concerns over some inaccuracies contained within the Audit Report, which have subsequently been addressed.

The Working Party expressed general support for the proposed draft strategy actions, including development of a City wide network of open space, and an integrated footpath and cycleway network that delineated the major destinational and recreational routes. The Working Party also supported further investigation of a multi-purpose indoor recreation, sporting and cultural centre, including a review of the potential for existing centres to be redeveloped, such as the St Clair Recreation Centre.

Project Update

A revised draft Recreation and Cultural Facilities Strategy, and draft Overview of the Infrastructure, Facilities and Services Strategy, were received in May 2003. The Internal Project Team and Project Coordination Group (including external stakeholders) reviewed the draft Strategies and provided comments to the consultants.

The review identified a number of tasks yet to be completed to Council's satisfaction. To assist in this process, Council undertook a survey of schools regarding the out of school hours use of their recreation and cultural facilities. A response rate of 94.5% was achieved, and an analysis of the findings together with the Department of Education Policy on 'Community Use of School Facilities' was forwarded to the consultants for inclusion in the draft Strategy reports.

The major outputs received from the PLANS process have included:

- Community Attitudes and Aspirations Survey Report
- Desktop Review report
- Demographic and socio-economic analysis report
- Audit report
- Draft Recreation and Cultural Facilities Strategy report
- Established Residential Areas Infrastructure, Facilities and Services Strategy
- Section 94 Strategy and Draft Section 94 Plan Framework.

The final draft Strategies have now been received. The Executive Summary and the draft Strategies are attached to this report, and the full Report will be made available separately for Councillors. It is timely to invite further community participation in the proposed directions for the Strategy actions, prior to their final adoption by Council.

Proposed Future Directions and Implementation

The final Recreation and Cultural Facilities Strategy establishes six key objectives to guide future implementation actions:

1. Maximise the use of existing recreation and cultural facilities
2. Rationalise recreation and cultural facilities that are over supplied / under utilised
3. Provide new recreation and cultural facilities that are under supplied
4. Encourage community involvement in facility and service provision
5. Facilitate diverse recreational and cultural program development, and
6. Provide effective and sustainable management, support and resources.

As a result of the PLANS research, community consultation and analysis of current trends and benchmarks in service provision, a number of key priority areas have emerged. These priorities not only guide the retrofitting of the City's established areas, but also assist in planning for our future release areas. Some of the key priority issues include:

- Responding to the high – and growing – ‘passive’ recreation needs of the City's communities
- Improving the quality of specific recreation facilities, particularly:
 - nature reserves and waterways
 - playgrounds
 - parks
 - walking and cycle paths
 - aquatic centres and pools

- Developing specific actions plans for
 - open space
 - playgrounds
 - footpaths, cycleways and trails
 - sports facilities
 - sports development

These action plans would include the following approaches:

- Developing high quality shared, multi-purpose active / passive recreation precincts, and discouraging future development of dispersed, single purpose facilities.
- Providing quality sporting fields for growing sports (soccer, rugby league, AFL) and ensuring sufficient quality facilities are provided to meet the demands for other local high participation sports (touch football, netball, gymnastics).
- Developing an integrated open space, community facilities and footpath / cycleway network throughout the City.
- Improving the aesthetic appeal and safety aspects of open space through well designed public landscaping and / or adequate public lighting in established residential areas.
- Promoting the shared use of existing community centres and halls that are under utilised.
- Seeking shared community use of school recreation and hall facilities, and exploring options for contributions towards Council maintained facilities.
- Incorporating the principles of ‘universal design’ in the planning and design of future infrastructure, facilities and services to promote the development of a more integrated, inclusive and sustainable City environment.

Open Space and Footpath / Cycleway Networks

Whilst the consultants have been finalising the draft Strategies, Council staff have commenced analysis of a City wide ‘open space network’. The following categories for the City’s open space parkland areas (based on the AUS-SPEC # 6A guidelines) are currently being considered:

- district park
- neighbourhood park
- local park
- pocket park, and
- linear / drainage reserve.

Whilst there will be areas of natural significance and biodiversity values within these above categories, a key element of this network of parks is to provide for the passive recreation pursuits of the City’s communities. It is likely that there will be other Council-owned sites that are designated specifically to protect their biodiversity conservation values. Other open space areas that are not Council’s direct responsibility (including National Parks, Regional Parks, Nature Reserves) are also not included in this network of Council parks.

Specific equipment, facilities and other infrastructure, eventually linked to detailed maintenance standards, will be identified for each category of open space. This will allow for more informed decisions to be made on the priorities for future embellishment programs, based on community needs and consultation. It also allows the community to contribute to, and work with the standards, types of facilities, and level of service, agreed for each park.

Review of Council's existing open space areas will be based on delivering a quality park network, and may allow future consideration of rationalising unsustainable assets where they do not contribute to contemporary community recreation needs. Any financial benefits achieved through this process could be directed into improvements of existing parks within each neighbourhood.

The preliminary outcomes of the open space analysis will be reported to a workshop with Councillors towards the end of January / early February 2004. Following that workshop, and subject to Council's endorsement of the detailed consultation process, it is anticipated that communities will be invited to participate in reviewing their local open space needs.

The next level of planning for the City wide integrated footpath and cycleway network, that delineates the major destinational and recreational routes, has also been progressed. Maps showing existing and proposed networks will be available for consideration at the workshop.

Future Process

Exhibition of the draft PLANS Strategies is proposed from January to the end of February 2004. Following that public exhibition process, a report on the final Strategies will be presented to Council for adoption.

A workshop (Recreation and Open Space Working Party) is suggested in late January / early February 2004, for Councillors to consider the proposed plans for the open space network and the integrated footpath / cycleway network. Subject to Council's endorsement of the draft networks, and the detailed community participation program, consultation will commence as soon as possible. It is likely that these consultations will extend over a considerable timeframe.

Conclusion

The next level of detailed planning for open space and pathway networks, emerging from the PLANS recommendations, has been commenced. This process will require significant community involvement and participation in determining the specific recreation needs for their neighbourhoods.

The PLANS project provides the foundation for the implementation of actions to address the recreation and cultural facilities needs of the City's communities, and the infrastructure, facilities and services needs of the City's established residential areas.

RECOMMENDATION

That:

1. The information contained in the report on PLANS for Our Future be received
2. Council endorse the draft Recreation and Cultural Facilities Strategy, and the draft Established Residential Areas Infrastructure, Facilities and Services Strategy, as outlined in this report

3. Council authorise the public exhibition of the draft Recreation and Cultural Facilities Strategy, and the draft Established Residential Areas Infrastructure, Facilities and Services Strategy.



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The City as an Economy

4 Penrith City Centre – Outcomes of the Government Architect's Built Form Analysis

4200/6 Part 2

Compiled by: Paul Battersby, Senior Environmental Planner

Authorised by: Ruth Goldsmith, Local Planning Manager

<p>Management Plan 4 Year Outcome: <i>Local job-to-workforce ratio increased to 70%.</i> Critical Action: <i>Conduct and respond to an assessment of the effectiveness of the City's major business centres.</i></p>
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Purpose:

The purpose of this report is to advise Council of the recommendations of the Government Architect's Built Form Analysis of the Penrith City Centre, and to seek endorsement for the principles of that Study.

Background

Council is undertaking a Review of the Penrith City Centre and St Marys Town Centre to develop a clear framework that provides future direction for the role and operation of the centres. The City Centres' Review is founded on extensive community engagement and will produce agreed vision and action orientated strategies to sustain and improve the level of performance and competitiveness of the Centres well into the future.

Consultants have been appointed and technical studies commenced, with the community engagement process to commence in February 2004. The City Centres' Review is expected to take some 12 to 18 months to complete, culminating in new statutory planning instruments to guide development of the Centres.

However, Council is currently receiving an increasing level of enquiry regarding the development of higher rise buildings, primarily for residential purposes, within the Penrith City Centre. In recognising the City's growth, last year Council also responded to a State Government 'expression of interest' to provide a State Government Office Block within the former Council Chambers Precinct.

Pending completion of and to inform the City Centres' Review, Council has commissioned Chris Johnson, NSW Government Architect, to undertake a broad analysis of the built form and character of Penrith City Centre. The initial stage in that Analysis was to examine the existing structure, form and character of the City Centre, and recommend a preliminary future building envelope for the Penrith City Centre. The Analysis will inform decisions regarding appropriate locations for higher rise development within the City Centre, pending completion of the broader City Centres' Review.

The second part of the Analysis will be to make specific recommendations regarding the desired built form and character of development within the Council's Chambers Precinct, culminating in the preparation of a preliminary development plan for the Precinct.

Current Situation

The Government Architect has now completed the first stage. He has undertaken a built form analysis of the Penrith City Centre, documented the broad structure, form and character of the Centre and developed a preliminary building envelope for the Centre as requested.

The Government Architect has identified the following issues with the existing structure and form of the City Centre:

Physical Layout

- the City Centre is stretched over 2.5 km
- legibility of a 'Centre' is not evident.

City Image

- built form primarily comprises single and two storey buildings, dominated by the multi-level Tax Office building
- there is no sense of arrival from Penrith Station
- the overhead bridge over Station Street hampers the view south from Penrith Station
- the City Centre is dominated by surface carparking.

Public Spaces

- there are green spaces at the periphery of the City Centre, but they are scarce in the centre
- there is a lack of high quality public spaces.

Activities/Uses

- active frontages at street level are not consistent throughout the City Centre, in particular along main pedestrian routes
- Penrith City Centre lacks night-time activity
- Activity nodes (the Civic Centre, Penrith Plaza, the Bus/Rail Interchange, the central High Street retail precinct, Nepean Square and the Law and Order Precinct centred on Penrith Court House) are spread over the City Centre, with little relationship between them.

Planning Controls

- some recent development enquiries are excessive in bulk, height and floor area in comparison to the existing fabric of the Penrith City Centre
- existing building envelope controls encourage buildings with a 'pyramid' form with deep floor plates at ground level
- existing Floor Space Ratio (FSR) controls encourage inconsistent built form outcomes in the future and the possible sterilisation of sites.

However, the Government Architect indicates that the existing structure and form of the City Centre provides opportunities to:

- create a new built form identity and image of the City Centre
- create a legible sense of a centre, through the built form and public domain framework
- protect and enhance pedestrian amenity with mixed use development
- create an arrival space at the Railway Station
- intensify activities and mix use opportunities around the Railway Station
- protect sun access to streets and significant public spaces
- create active frontages to all streets and public spaces especially around the Railway Station and along City Centre streets
- reconnect the Railway Station, Penrith Plaza, High Street, Legal, Civic and Cultural Precincts with a new network of public spaces, such as parks squares and arcades
- weave a green layer of parks and gardens through the City Centre and to connect the green areas around the periphery of the City Centre, and
- recommend new building envelope controls that are compatible with the desired future urban character and the surrounding built form.

Taking into consideration the above-mentioned issues and opportunities, the Government Architect has made preliminary recommendations for an urban structure for the Penrith City Centre based on the following principles:

- use higher building forms to define the City Centre and to provide a sense of enclosure
- maintain sun access to east-west streets by applying the 32° winter sun angle to northern facades
- create a public square in front of Penrith Station
- convert Soper and Allen Places (carparks) into high quality urban parks/civic spaces
- maintain the existing network of lanes
- create a series of pedestrian links in the form of arcades, colonnades etc. to strengthen connectivity
- encourage buildings around Soper and Allen Places to have dual frontages
- consider a land swap with Judges Park and Council's owned land behind High Street in order to bring more open space into the City Centre
- consider the future plans for the TAFE site in Henry Street and its contribution to the vitality of the City Centre

- ensure that roofs are integrated into the design of the overall façade, building composition and desired contextual response to create attractive and dynamic City form, and
- allow mixed use development throughout the City Centre to promote vitality.

A diagrammatic representation of the urban structure recommended by the Government Architect is appended to this report.

The Government Architect recommends that building heights in the City Centre should generally be limited to 4 storeys, with the top storey setback beyond the elevations of the lower storeys. He has recommended higher building forms, of between 4 and 12 storeys, be used to define the edges of the core of the City Centre, and to create a sense of enclosure.

Orderly implementation of the recommended urban structure is essential to achieving the above-mentioned principles, providing a new urban form that is compatible with established development and maintaining the amenity of the City Centre during the delivery process. The Government Architect notes that implementation of the recommended urban structure could be broken into 3 stages, to ensure that development in the City Centre is not fragmented and takes place in an orderly manner. A diagrammatic representation of the recommended staging is also appended to this report.

Comment

In response to current and proposed development applications currently before Council, the Government Architect was asked, ahead of his broader review of the Penrith City Centre and St Marys Town Centre, to develop a preliminary building envelope to inform decisions regarding where higher rise development could be located within the City Centre.

The Government Architect has made preliminary recommendations regarding an urban structure for the City Centre which is based on lower scale development fronting public streets, new 'green parks' and 'urban squares, ringed by higher built forms. This structure concentrates future activity within the central 'core' of the CBD, improves pedestrian accessibility between the existing principal activity nodes and provides quality public spaces.

Whilst the Government Architect's analysis provides those initial directions and principles to enable Council to manage current development proposals, it is considered premature to adopt a final building envelope for the Penrith City Centre ahead of the broader City Centres' Review process. To this end it is recommended that Council support the location of higher rise development as indicated in this first stage of the proposed urban structure, as an interim measure.

The Government Architect's analysis will also be used to inform the City Centres' Review, where consultation through the community engagement process will provide the broader community and stakeholder responses to the desired future built form and structure for both of the City's commercial centres.

In the interim, it is important that current development proposals do not compromise the future orderly development and desired form of the City Centre. As such, it is recommended that in general, building heights should be limited to 4 storeys, with the top storey setback beyond the elevations of the lower storeys. This is consistent with the form and scale of current development.

It is considered, however, that a higher built form could be supported around the Penrith City Centre 'core', to a maximum of 6 storeys pending the outcomes of the City Centres' Review.

A maximum of 6 storeys would create the desired sense of enclosure whilst remaining compatible with the scale of existing development in the City Centre.

Conclusion

The Government Architect has undertaken a built form analysis of the Penrith City Centre, documenting the broad structure, form and character of the Centre and developing a preliminary building envelope that defines a desired future urban structure for the Centre.

The recommended urban structure is based on nominated principles that deliver lower scale development fronting public streets, new 'green parks' and 'urban squares, ringed by higher built forms. This structure concentrates future activity within the central 'core' section of the CBD, improves pedestrian accessibility between the existing principal activity nodes and provides quality public spaces. The higher built form around the 'core' perimeter creates a sense of enclosure that defines the City Centre and provides a focus for civic activities.

The recommended urban structure raises a number of issues requiring resolution. However, this analysis only delivers an interim and preliminary building envelope, to inform decisions regarding the location of higher rise development within the City Centre, pending completion of the City Centres' Review.

It is premature to adopt a final building envelope for the Penrith City Centre ahead of the broader City Centres' Review process. The Government Architect's analysis will inform the broader City Centres' Review, with the final built form and structure of the Penrith City Centre being developed through the community engagement process.

In the interim it is recommended that:

1. Higher rise development in the Penrith City Centre shall be located as indicated in Stage 1 of the Government Architect's proposed urban structure
2. The higher built form identified in Stage 1 of the implementation strategy shall be limited to a maximum of 6 storeys. Elsewhere within the Penrith City Centre, buildings shall observe a maximum building height of 4 storeys, with the top storey set back beyond the elevations of the lower storeys
3. Site development shall respect and respond to the issues, opportunities and principles identified by the Government Architect; and
4. Development shall be required to comply with the provisions of the existing Penrith City Centre planning instruments, in particular the current maximum floor space ratio requirements.

RECOMMENDATION

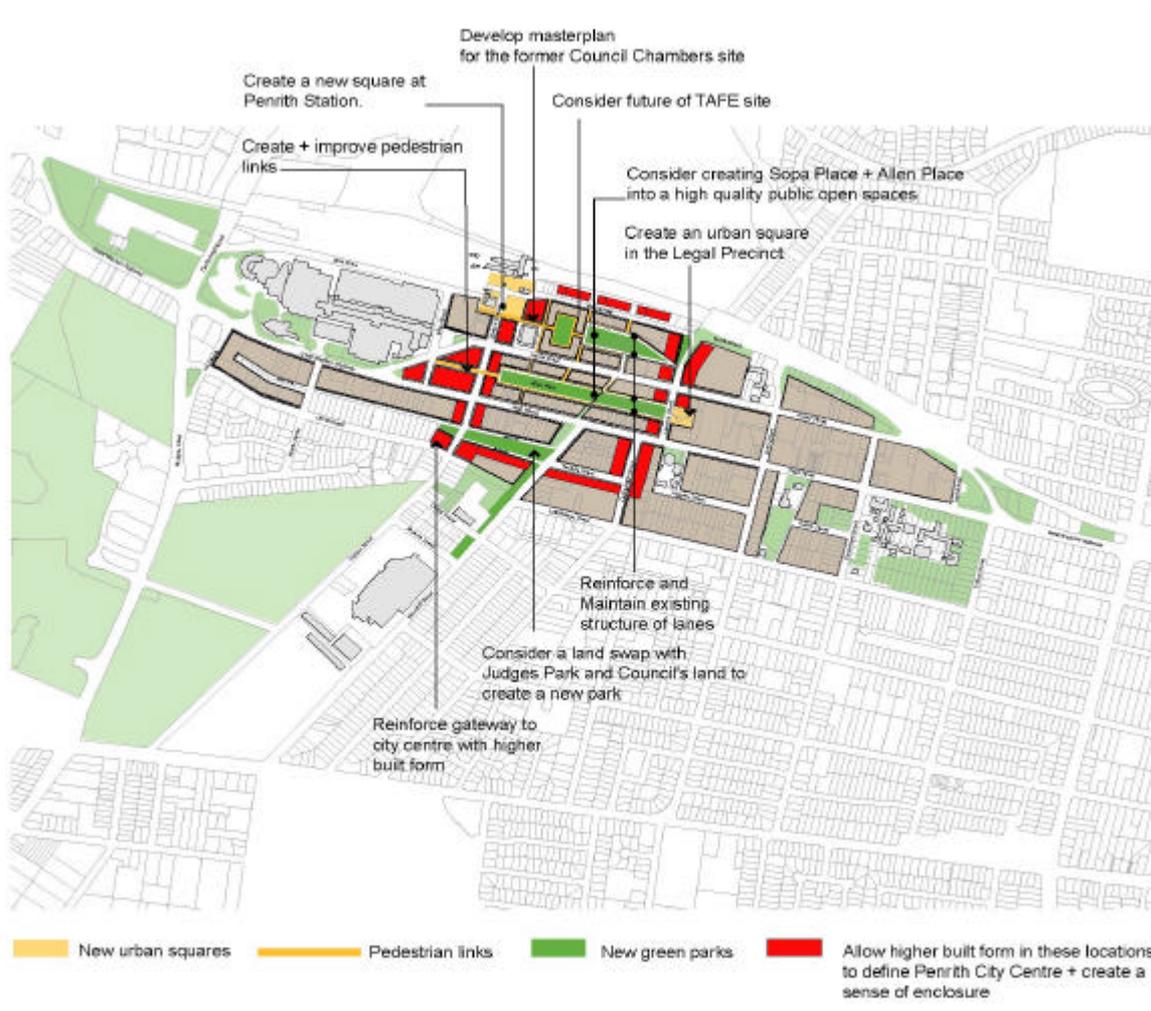
That:

1. The information contained in the report on the Penrith City Centre – Outcomes of the Government Architect's Built Form Analysis be received
2. Council express appreciation to the Government Architect for his valued contribution in setting the direction for the future urban structure of Penrith City Centre
3. Pending completion of the City Centres' Review:

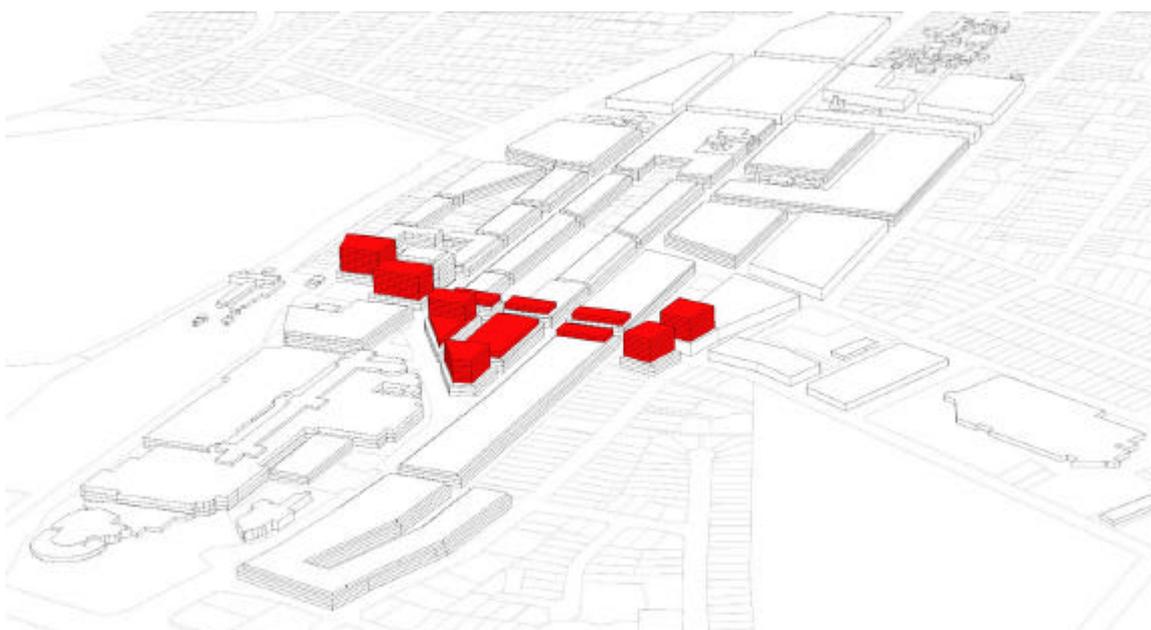
- 3.1 Higher rise development in the Penrith City Centre shall be located as indicated in Stage 1 of the Government Architect's proposed urban structure
 - 3.2 The higher built form identified in Stage 1 of the implementation strategy shall be limited to a maximum of 6 storeys. Elsewhere within the Penrith City Centre, buildings shall observe a maximum building height of 4 storeys, with the top storey set back beyond the elevations of the lower storeys
 - 3.3 Site development shall respect and respond to the issues, opportunities and principles identified by the Government Architect, and
 - 3.4 Development shall be required to comply with the provisions of the existing Penrith City Centre planning instruments, in particular the current maximum floor space ratio requirements
4. The Penrith Valley Chamber of Commerce, the Penrith City Centre Association and the Penrith Valley Economic Development Corporation be advised of Council's decision.



Appendix 1: Proposed Urban Structure



Appendix 2: Stage 1



The City as an Economy

5 International Links

1131/27

Compiled by: Bijai Kumar, Local Economic Development Program Manager

Authorised by: Bruce McDonald, Director City Strategy

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

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

Purpose:

To give a brief presentation and inform Council on the outcomes of the visit to China, South Korea and Japan by the 2003 Penrith City delegation, and to seek Council's ratification of the signing of the agreements to develop friendly relations with the City of Kunshan in China, and the administration of the Mutual Co-operation Agreement with the City of Gangseo-gu, South Korea.

Background

In December 2002 Council resolved that His Worship the Mayor Councillor Greg Davies lead a Penrith City delegation on a visit to the Xi Cheng District of Beijing City, Gangseo-gu in Seoul Korea, Fujieda City and Matto City in Japan. Council also resolved that the Deputy Mayor Councillor Jackie Greenow participate in the delegation.

Provision had earlier been made in Council's Management Plan to visit our international contacts.

Originally the visit by the Penrith delegation was scheduled for June 2003 but due to the incident of Severe Acute Respiratory Syndrome (SARS) and travel warnings issued by the Australian Department of Foreign Affairs and Trade (DFAT) the visit was postponed to October 2003.

The itinerary was put together in modules and allowed delegates, especially business delegates to participate in the whole tour or just part of it.

Prior to the visit possible business and cultural opportunities were identified within each city being visited and, prior to the departure of the Penrith delegation preparations were undertaken to ensure full advantage was taken of the areas identified. A major focus of the visit was the development of the inbound Chinese tourism market and a study was undertaken by Australian Business Limited to ascertain Penrith Valley's ability to service this market and to obtain a clear indication of the market needs.

Members of the Penrith Delegation:

The Penrith Delegation was made up of Councillors, Council Officers, and representatives of business and cultural facilities in Penrith Valley. Members of the delegation were –

Council delegates:

- His Worship the Mayor Councillor Greg Davies of Penrith (China and Korea)
- Councillor Jackie Greenow, Deputy Mayor of the City of Penrith (Japan)
- Alan Travers, General Manager, Penrith City Council (China, Korea and Japan)
- Bruce McDonald, Deputy General Manager and Director of City Strategy, Penrith City Council (China and Korea)
- Bijai Kumar, Local Economic Development Program Manager, Penrith City Council (China and Korea)
- Tina Tallack, City Partnerships Officer, Penrith City Council (China, Korea and Japan)

Business and other delegates –

- Greg Evans, ACD Network, Penrith City Councillor and representative of Penrith Valley Economic Development Corporation (China)
- Tony Falcone, business operator in construction and hospitality industries (China)
- Kristina Friend, Proprietor Vines Cottages (China and Korea)
- Leigh Hartog, Director JK Williams (Korea and Japan)
- Barry Hickman, Managing Director Hickman Group Limited (China)
- Dr Akbar Khan, Penrith City Councillor, doctor and community leader (China, Korea and Japan)
- John Kirkman, Director Penrith Regional Gallery and Lewers Bequest (China, Korea and Japan)
- Jim Munro, Director TestSafe (Korea)
- Peter Onus, Proprietor Astina Apartments (China and Korea)
- Victoria Qiu, Manager International Trade, Australian Business Limited (China)
- Valda Silvy OAM, General Manager Joan Sutherland Performing Arts Centre (China, Korea and Japan)
- Steve Welsh, Managing Director IMS Installations International Pty Ltd (China)
- Kie Man Yoo, Glenmore Heritage (Korea)

It was pleasing to receive such a high level of participation from the City's business and cultural interest. That added a substantial extra dimension to the visits and discussions.

The presence of those representatives and their contributions at meetings and functions clearly demonstrated to our hosts our serious commitment to the international links agenda and our desire to explore the economic opportunities that emanate from these relationships.

Hon Peter Anderson AM of Peter Anderson and Company Pty Limited had intended to be a member of the Penrith Delegation during the visit to China but cancelled due to ill health. Mr Anderson's assistance to help coordinate the delegation's visit to Dalian is acknowledged as is the support provided by his business colleagues while the delegation was in Dalian.

Mr Steve Welsh was engaged by Council to develop a program of visitation to Kunshan in China. Mr Welsh's role in developing and managing this successful leg of the program is also acknowledged by Council.

Ms Victoria Qiu of Australian Business Limited (ABL) was engaged by Council given her key role in the study on inbound Chinese tourism market and her willingness to provide interpretation services in China as well as to further strengthen Council's partnership with Australian Business Limited. Ms Qiu also acted as the group interpreter. Her insights into the contemporary drivers of Chinese business and the vast bureaucracy that supports it, greatly assisted the delegation better understand the expectations of our hosts and the subtleties of the conversations that took place.

The Visitation Program

Preparation

China has experienced spectacular economic growth over the last 20 years and Australia has been a major beneficiary of this growth with bilateral trade between the two countries reaching \$15 billion in 2002. Such growth has created significant wealth not only for the economy but for a growing number of Chinese people who have taken advantage of more liberal government policies to travel the world.

For great importance to Australia is the fact that for the first time we have become the number one source of Asian inbound tourism, excluding Japan. According to the Australian Tourism Forecast Council arrivals from China are expected to grow and expected to reach 850,000 by 1012.

As a result of these development in China and our recent successful engagement with Xicheng government in the delivery of the corporate governance training module Council decided to engage Australian Business Limited (ABL) to assess Penrith region's capacity and attract a share of the growing Chinese market. The study was conducted in June 2003 and it concluded that Penrith indeed has the potential to attract Chinese visitors and the opportunities lie in the areas of education; business tours; sporting exchanges; and business incentive tours.

The results of the ABL study pointed strongly in the direction of a strong economic agenda and Council took the position that the visitation program should assess the economic opportunities with our international links and other private operators identified in the report. This focus was maintained in South Korea as well and to some extent in Japan.

Program

The program which commenced on Tuesday 7 October and lasted over some 19 days took the delegation to three cities in China namely Beijing, Dalian and Kunshan; to Gangseo-gu in South Korea; and further two cities, Fujieda and Matto in Japan.

After visiting Dalian the delegation split into two, with the Mayor leading one group to Kunshan via Shanghai while the other group remained in Dalian led by the General Manager, Mr Alan Travers.

His Worship the Mayor, Councillor Davies, was regrettably required to return to Australia at the conclusion of the Korean sector. Councillor Greenow was unable to join the delegation until the Japanese sector where she led the delegation in the absence of the Mayor.

A brief outline of the engagements and meetings for the delegation in each city is provided below:

Beijing (8-11 October)

- Meetings and discussions Mr Duo Lin, Governor of Xicheng government, Mr Zhenjiang Sui, executive Vice Governor, and other senior officials representing such areas as foreign economic relations and trade, development planning, education and tourism.

The delegation also had the opportunity to visit a Chinese Hutong as well as the most impressive Finance Street, which will on completion be the premier finance and insurance district of China.

- Meetings with the following high profile and successful tourism and foreign education service providers and business organisations:
 - China Travel Service, Head Office - one of China's largest travel groups holding number two position in the Australian and New Zealand markets. Their core interests lie in leisure, students, technical visits and business tours
 - China Council for the promotion of International Trade (CCPIT)/China Chamber of International Commerce (CCOIC) - with some 70,000 business members across China, CCOIC has strong interest in industry based training for their members
 - CYTS Online Ltd/CYTS Chinese Citizen Travel Service - a department of CYTS Tours Corporation which is China's second largest travel group and largest listed travel company. CYTS Online is number one in Australia and New Zealand and its core market segments are leisure, student groups, business and technical visits.
 - Applied Scholastics International - the company has recently moved its English Language Intensive Course for Overseas Students (ELICOS) centre from Ultimo to Penrith and organises some 150 students each year to Australia and New Zealand for long term studies.
 - Beijing JIL Overseas Education Consulting and Services Co Ltd - is China's largest overseas education centre with connections in several education markets such as the US, Canada, UK and Australia
 - Senior Trade Commissioner, Austrade

Dalian (12- 15 October)

- Meeting and discussions with Mr Xia Deren, Mayor of Dalian, other political leaders and senior officials of the Dalian government
- Other meetings and visits
 - Dalian Education Bureau - has administrative responsibility for some 2,000 educational institutions and over one million students
 - Bi-lingual private school - a unique school as all grades have English teaching while secondary classes have English text books and foreign teachers

- Dalian Tourism Department - responsible for tourism promotion in Dalian which attracts some half a million international and over 14 million domestic visitors
- Lunshan City- has a sister city agreement with Logan in Queensland and has plans to develop a major economic development zone to attract international investment and to build further 10 colleges and universities in the area.

Kunshan (14-15 October)

- Meetings and discussions with Mr Gao Xuejun, the executive Vice Mayor of Kunshan Municipal Government, other political leaders and senior government officials representing foreign trade and economic cooperation, education and health services
- Signing of the agreement on the development of friendly relations between the two Cities
- Other meetings and visits
 - People's government of Zhoushi Town, Kunshan City
 - Kunshan Yufeng experimental school
 - Kunshan Economic and Technical Development Zone
 - Le Shing Hong Machinery (headed by Paul Ferris from Australia)
 - Kunshan No 1 Municipal hospital

Gangseo-gu, South Korea (16-18 October)

- Meetings and discussions with Mayor Young Yoo and senior officials of Ganseo-gu city
- Signing of the administration of the Mutual Cooperation Agreement
- Other meetings and visits:
 - Seoul Industry Promotion Foundation - business incubator and a number of incubated companies operating on the site
 - Site visits to a number of companies and a supermarket

Fujieda and Matto, Japan (20-24 October)

- Meetings and discussions with Mr Goto, Chairman of the Fujieda International Friendship Society, Mr Aoki, Vice Chairperson of the Fujieda International Friendship Society, and Ms Sasaki, Vice Chairperson of the Fujieda International Friendship Society on business communications and art and photographic exhibitions for the 20th anniversary celebrations between the two cities.
- Meeting with Mayor Kado on developing communications between our respective business organisations and art and music exchanges.

Outcomes and Future Actions

This section of the report focuses on the major outcomes of the entire visitation program and these are divided into three key areas of formal signings, economic opportunities and tourism, and cultural exchanges.

- Formal Signings

Agreement between the City of Penrith and the City of Kunshan, PRC on the development of friendly relations between the two Cities

His Worship the Mayor, Councillor Greg Davies and Mr Gao Xue Kum, the Managing Vice Mayor of Kunshan Municipal Government signed the above agreement on 4 October 2003 for "the two sides to make concerted efforts, on the basis of equality and mutual benefit, to actively carry out exchanges and cooperation in the fields of economic, trade, science and technology, culture, education and tourism etc."

As a consequence of this signing His Worship the Mayor, Councillor Davies has formally invited the Mayor of Kunshan to visit Penrith so that our city peers can also develop a better understanding of what we have to offer. If both Cities believe that there is scope for the agreement to take a more "formal" structure it will be expanded as appropriate.

Administration of Mutual Cooperation Agreement (MCA)

His Worship the Mayor Councillor Greg Davies, Mr Alan Travers and Mr Yoo Young, Mayor of Gangseo-gu signed the above agreement on 17 October 2003 to "assist the positive development of the relationship between the two cities. To achieve this it is necessary for both cities to:

- Provide up to date information and data so that the contacts in each city are informed and familiar with the other city
- Promote the other city to the business sector in own city
- Facilitate the development of specific business opportunities
- Continue to strengthen and enhance the MCA."

The MCA between the two cities was signed in December 1994 for the "pursuit of mutual economic benefit, municipal administrative and operations development, and greater understanding through reciprocal contact."

The signing of the administration of the MCA was both symbolic as it signified a maturing of the relationship between the two cities as well as adding purpose by giving greater definition to the MCA and by putting into place a process for more pro-active engagement with the cities' economic development agendas.

- Economic Opportunities and Tourism

According to Austrade the most significant opportunities for Australian businesses in China lie in the following areas:

Resources, infrastructure and industry- mining and energy, industrial automation, environment, transport infrastructure, design and architecture, building materials and industrial infrastructure;

Consumer goods, services and technology- ICT and services, upstream agricultural business, processed food, electronic games and biotechnology; and

Olympics - (Green Olympics) covering energy efficiency and air and water pollution treatment; and (Hi Tech Olympics) covering transport logistics, sports venues, ICT, security,

and sporting technology and (People's Olympics) covering preservation of historic assets, construction of cultural facilities and affordable housing. Other opportunities arise from project management, catering, ticket management and logistics related technology and skills.

One of the key implications of the massive developments in Beijing and across China is the growing demand for services, both business and industrial, to maintain and service the growth that is taking place. There is a strong view that such services, required for the long-term care and maintenance of economic assets and building and housing stocks, will provide present and future opportunities for foreign businesses, which can work with local Chinese partners to provide these services.

However, China is a very competitive market place due largely to the economies of scale that allow businesses to price at margins that would be unthought in Australia. (Beijing for example has 11 million bicycles!). This presents major challenges for local businesses which are constrained in production capacity and unable to garner the resources to work in such a price driven market unless they have technology solutions which can be applied in partnership with Chinese companies and their resources. (A case in hand in the Penrith based IMS Installations who provide factory relocation services in Kunshan and Shanghai.)

Our realistic assessment is that the opportunities for traditional commerce are fairly limited unless there is local production capacity to supply large quantities at world competitive prices. This does not preclude the development of niche products such as hotels or high quality processed foods; this market will grow significantly as wealth grows.

While Penrith in that context is seen as a minor market for conventional trade opportunities, the delegation played strongly on the huge potential presented by the Greater Western Sydney (GWS) region, its burgeoning population and its status as the nation's economic powerhouse. It is important to recognise that the local economy will prosper on the back of a vibrant regional economy and Penrith also needs to be marketed in the context of the GWS region for it to successfully engage in the international market.

According to the delegation's assessment the most significant and immediate opportunities arise from the business tourism or visits market. To take advantage of this the following actions will be facilitated by Council:

Business Tourism

- identify the key elements of the "short term English training" and "long term English training" programs and develop a range of product packages for the Asian markets
- determine the position and roles of TAFE, UWS, selected high schools both public and private, other training providers such as Applied Scholastics now based in Penrith and the Penrith Valley Economic Development Cooperation (Education and Training task group) in the development and delivery of these education product packages
- determine how Council can help set up the networks and mechanisms to deliver these product packages
- develop promotional plans to market the product packages on an on going basis to international links and private providers in China and South Korea.

Municipal and Corporate Training

- Jointly with the Sydney Graduate School of Management seek the cooperation of Xi Cheng government to further refine and enhance the training module and support services associated with its delivery

- Promote the program as a module for exploring and developing training programs in China in corporate governance and its potential application to the following areas:
 - Municipal corporate governance
 - Tourism hospitality
 - Medical training related specially to nursing services
 - Environmental management

Sporting Business and Technical visits

This appears to a growing area of interest and will be explored further with the Penrith Valley Economic Development Corporation (international task group) and international links as well the travel companies in China.

General Economic Opportunities

- Undertake a proactive program of reciprocal information exchange with international links and key business organisations, including hosting of information on web sites, on key economic issues (for example providing list of exporters)
- Advise Penrith Valley Economic Development Corporation, Penrith Valley Chamber of Commerce and TradeStart on the outcomes of the visits and facilitate contacts with peer organisations through international links
- Advise Greater Western Sydney Economic Development Board on the outcomes of the visitation program and seek their support to facilitate links with business organisations though international links.

Cultural Exchanges

Our representatives from the Joan Sutherland Centre and the Lewers Gallery had a great opportunity to meet with their peers and to discuss how cultural exchanges might be facilitated.

Some of the key cultural and related programs and exchanges that have been identified by them and the Council and will be explored further include the following:

- 'Three Gorges Project'. Residency and exhibition based project scheduled for 2004 involving artists Zhang Jijang (China) and Andrew Lo (Australia). This residency and exhibition based project will be initially presented in Penrith. However, it is possible that the exhibition component of the project could be presented in Dalian should a suitable venue be available
- 'Shimai - Sisters'. Exhibition project to travel to Fujieda City (Japan) to celebrate 20th anniversary of sister city relationship. The project will comprise three components i.e. community based objects, contemporary works and children's artwork
- 'Peter Upward'. Feasibility commenced re possible touring of Peter Upward retrospective exhibition to Matto City (Japan) in 2005. (It is possible that this exhibition could also be toured to Korea if a suitable venue was available)
- A possible musical component to accompany the art exhibition in Fujieda

- A women's choir group and traditional drummers from South Korea to visit Penrith.

Actions to Date

The Mayor (in case of China and South Korea) and the Deputy Mayor (in case of Japan) have already written to their counterparts to thank our hosts for their hospitality and to reinforce our desire to strengthen our relationships and to explore economic opportunities based on strong and robust cultural and people partnerships.

The Mayor has also written to all the business people on the delegation to thank them for their contributions towards the success of the delegation.

Following the Mayor's letters, the General Manager and the Director City Strategy have written to their counterparts in international links as well to the private sector representatives in China with a series of proposals and ideas that we would like to jointly progress over the coming months which were initially canvassed in discussions.

Council staff have met to consider how to progress the diverse opportunities that may arise in the area of education and training and arrangements have been put in place for coordinating all enquiries on the ground.

It is expected that cultural exchanges and courtesy visits will underpin the economic and business exchanges that will be explored and developed with our international links and private sector contacts. The long term economic opportunities will only be strengthened and enhanced when there is mutual respect and understanding of our cultural differences and collective goodwill and commitment to work for the mutual benefit of our respective communities. The hospitality and courtesy extended to all the delegates by our hosts in all three countries demonstrates their understanding of this basic tenet in managing international relations and Penrith city must embrace its reciprocal obligations with equal enthusiasm, vigour and professionalism.

RECOMMENDATION

That:

1. The information contained in the report on International Links regarding the visitation program undertaken by the Penrith City delegation to China, South Korea and Japan, be received
2. Council ratify the signing of the agreement to develop friendly relations with the City of Kunshan in China
3. Council ratify the signing of the administration of the Mutual Cooperation Agreement with the City of Gangseo-gu, South Korea.



Council's Operating Environment

6 Sustainability Review and Sustainable Penrith Action Plan

4100/63

Compiled by: Louise Petchell, Senior Environmental Planner

Authorised by: Ruth Goldsmith, Local Planning Manager

Management Plan 4 Year Outcome: *Ecological Sustainable Development principles underpin Council's decisions and management practices.*

Critical Action: *Conduct environmental audits of Council's existing operations, systems and processes.*

Purpose:

The purpose of this report is to advise Council of the completion of the broad Sustainability Review of Council's processes, activities and systems, and to seek Council's endorsement of the Sustainable Penrith Action Plan.

Background

The Sustainability Review is a staged (and continuing) process. Stage 1 of the Review was a 'self-assessment' Sustainability Audit. All departments or function / service delivery areas within Council completed a survey (*Sustainability Guidelines for Decision Makers*) which assisted in identifying the level of 'sustainability' in each department's activities. They provided a useful basis for the subsequent independent review of Council's processes and activities, and also allowed for efficient monitoring of our sustainability performance.

Stage 2, the independent review of Council's processes and activities, was undertaken by a consultant team led by Environs Australian, who evaluated how each department incorporated Ecologically Sustainable Development (ESD) into their policy formulation, decision-making processes and programs.

Aims and Objectives of the Sustainability Review

The *aim* of the Sustainability Review was to achieve the integration of ESD principles in all of Council's processes and activities, and to encourage commitment to sustainability throughout the organisation's culture. The *objectives* were to:

- create a sense of ownership that will encourage commitment to sustainability throughout the organisation's culture
- improve the connectivity of Council's activities to enable Council to respond effectively and efficiently to its legislative requirements
- improve the coordination of Council's information base to facilitate the capture and management of data
- develop a strategy that guides Council's decision-making and daily activities within an ESD framework, and
- develop a framework for monitoring Council's implementation of ESD principles in its processes and activities.

The Sustainability Review involved analysis of the 'self-assessment' Sustainability Audit, a number of workshops with the senior management team and key staff, and individual interviews with Council officers. The consultants also carried out an evaluation of Council's Strategic Plan in the context of the United Nations Environment Program (UNEP) Principles for Sustainable Cities. That evaluation found that there was considerable correlation between Council's priorities and the ten principles that cover key social, environment and economic dimensions of sustainability.

The Review highlighted the range of actions that Council is currently undertaking in moving towards sustainability, and reinforced that Council is at the leading edge of innovation in terms of its approach and general directions.

Current Situation

The Sustainability Review showed that, overall, Council is moving positively towards integrating the principles of sustainability in its operations, although there is still work to be done in gaining commitment to and understanding of the sustainability agenda.

The Review highlighted that the understanding around sustainability was extremely varied, and some concepts were not clearly understood. The strong emphasis around the natural and local environment indicated that people may not be aware of the broader indirect impacts of the organisation's activities (despite the fact that they are likely to be significant).

Further, many saw the sustainability agenda as something external to the organisation, and were not aware of how Council's internal practices might influence its external activities. Since the Council delivers external services to the City, it is essential that this understanding is developed throughout the organisation. A formal training program commencing early 2004 is aimed at increasing that level of understanding.

The Consultant's report (available for Councillors upon request) details the Review process, and outlines a number of recommendations that have been considered in developing the Sustainable Penrith Action Plan, which is attached to this report.

Opportunities for Improving Sustainability

Council's Strategic Plan is its principal policy statement, and the vehicle through which Council exercises its leadership of the City and its communities. The Strategic Plan sets long term goals, and is the means by which Council draws the community and the City's major advocates together in developing and pursuing its shared vision.

As Council is aware, the Management Plan takes a shorter term planning focus, and identifies annual tasks to be done in response to the four year Critical Actions outlined in the Strategic Plan. The Sustainable Penrith Action Plan builds on Council's commitment to sustainability and a continuing program of improvement, by identifying additional actions that assist in our path towards sustainability.

The Sustainable Penrith Action Plan uses some of Council's existing Four Year Outcomes to identify the direction for each of the recommended actions. This allows flexibility in delivering those actions over time, without committing to current Critical Actions, as Council moves towards the development of a new Strategic Plan and Program, and future Management Plans.

The timeframes associated with the revised Council election cycle, and the decision to maintain the focus of this Management Plan for an additional year, have created an opportunity to supplement existing tasks with additional actions that assist our path towards

sustainability. There are some instances where the need for a more sustainable approach has not been explicitly expressed in Council's current Management Plan. Some of the recommended actions in the Sustainable Penrith Action Plan, therefore, are supported by proposed new Critical Actions to direct those actions for the life of the current Management Plan.

Incorporating these additional tasks into Council's existing Management Plan program, and taking those directions forward into our next Strategic Plan, will assist in building on Council's commitment to sustainability. The Sustainable Penrith Action Plan provides detailed actions and guidance where more sustainable conduct can be secured, in terms of both the City and the Council.

Conclusion

Sustainable practice in the organisation is an ongoing process. Recognition by Council that it is leading in innovation is important for realising the many opportunities for improving sustainability. Implementation of the Sustainable Penrith Action Plan, incorporated within the sustainability focus and directions set in Council's Strategic Plan, has the potential to deliver long-term advantages for both the Council and the City. The Action Plan also contributes to the achievement of Council's Four Year Outcome that seeks to ensure that 'Ecological Sustainable Development principles underpin Council's decisions and management practices'.

The Sustainability Review and Sustainable Penrith Action Plan are tools that contribute to defining our progress towards sustainability, and will assist Council in establishing the framework to enable both the organisation and the City to continue to respond to the changing needs and expectations of our communities.

RECOMMENDATION

That:

1. The information contained in the report on the Sustainability Review and Sustainable Penrith Action Plan be received
2. Council endorse the Sustainable Penrith Action Plan, as attached to this report.



Council's Operating Environment

7 Key Issues and Financial Settings for the 2004-2005 Management Plan

36/47

Compiled by: Ross Kingsley, Strategic Planning Co-ordinator and Peter Browne, Senior Corporate Accountant

Authorised by: Barry Husking, Chief Financial Officer

<p>Management Plan 4 Year Outcome: <i>Effective corporate governance has been maintained.</i></p>
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<p>Critical Action: <i>Prepare, implement and review strategic and management plans and processes.</i></p>

Purpose:

To identify key issues and financial settings to be further considered by Council in the development of its 2004-2005 Management Plan and to outline the proposed approach.

Background

Preparation of the 2004-2005 Management Plan is underway. This annual program represents a fifth and final instalment of Council's Penrith City 2000+ Strategic Plan. The requirements for developing the Management Plan were reported to Council at its Policy Review Committee meeting of 8 September 2003 and a copy of that report is included in the attachments to tonight's business paper. Through the upcoming process, Council will develop tasks and programs of works for 2004-05 as well as assess the funding allocations that will be required for them.

The intended approach is similar to the process previously followed with the important exception that the change of Council election date to 27 March requires certain refinements to the usual timetable. These matters are further discussed below.

This report initiates a series of discussions by Council that will ultimately lead to the development of a Draft Management Plan for public exhibition and consultation.

A main purpose of this report is to begin 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 next Management Plan is particularly significant in so far as it is the remaining opportunity to complete as far as possible Council's Strategic Program and to achieve the outcomes that Council set as its platform at the start of its term. The Management Plan will therefore need to set tasks, projects and funding preferences acutely targeted to completing that program.

Council decided at its previous consideration that the principal policy setting of the 2004-05 Management Plan would be a sharp focus on the completion of the Council's extended Strategic Program.

Directions from the Present Council

The circumstances arising from the 2004 Council election (on 27 March) require some acceleration of our usual management planning timetable to allow the present Council to confirm the direction of the draft plan and base budget prior to the election. This is reflected in deadlines for the preparation of information being requested from Managers.

The previous report to Council proposed an initial Management Plan Workshop in late February. Examination of the Council meeting dates for early 2004 (as approved by Council at its most recent meeting) suggests that the most practical option would be to schedule this workshop for Wednesday 3 March 2004. The purpose of this initial workshop will be to confirm the organisation's translation of the present Council's direction into the Draft Management Plan, i.e. the tasks, major projects, ongoing services and programs etc. which will be funded by the 'base budget'. This is further discussed below in terms of the key issues and financial settings which will guide the organisation in the process.

The Act envisages that Council should consult the public on its program via the public exhibition process and then make adjustments during the year. The vast bulk of Council's budget is consumed by the continuation of existing services and programs. In the absence of any major change in the services provided by Council or the means of funding them, a draft management plan that includes these items will reasonably state Council's intent. As such, it could be exhibited prior to the decisions on how to spend any remaining funds and the development of any new programs.

Endorsement of the Plan by the New Council

As has been recognised, the newly-elected Council will in effect need to inherit and to approve for public exhibition in May a Draft Management Plan which reflects the guidance of the previous Council's program. The new Council must then be given the opportunity to express its own views in an effective way before the finalisation of the Management Plan. The usual public consultation on the Draft Plan will be carried out in May-June 2004.

In view of these unique circumstances a second Council Workshop on the Draft Management Plan (usually conducted in mid-April) will be scheduled during the exhibition period (in late May). This will include consideration of Project/Service Evaluation as well as other detailed decision-making on the contents of the Draft Plan.

A further workshop in early June could be held if required, in order to confirm Council's view of the final Plan prior to its public report.

It has also been anticipated that Quarterly reviews of the 2004-05 Management Plan may involve more adjustment of the program by Council than usual. This will be an additional opportunity available to the new Council to shape the established program to meet its view of contemporary priorities.

Proposed Timetable

The proposed timetable for development of the 2004-2005 Management Plan, based on previous discussions with Council, is outlined in the following table:

Table 1. Outline Timetable for Development of the 2004-2005 Management Plan

Date	Key Action or Requirement
2004 January - February	<ul style="list-style-type: none"> • Completion of initial Draft Management Plan by the organisation according to direction by Council
March 3	1 st Council Management Plan Workshop: <ul style="list-style-type: none"> • Confirmation that initial Draft Plan reflects present Council's program and policy direction
March 27	Council Elections
April	Required Council induction and Mayoral Election etc
May 10 (<i>if meeting held on Monday</i>)	Report to Ordinary Meeting: <ul style="list-style-type: none"> • Adoption of Draft Management Plan for Exhibition
May 14 - June 11	Public Exhibition of Draft Management Plan
Late May	2 nd Council Management Plan Workshop: <ul style="list-style-type: none"> • Includes Project Evaluation / discretionary decisions
early June (<i>if required</i>)	further Council Management Plan Workshop [<i>to confirm finalisation of the Plan</i>]
June 21 (or prior to June 30)	Adoption of 2004-05 Management Plan

Key Issues

A previous report was made to Council's Policy Review Committee meeting of 8 September 2003 regarding the initial identification of key issues for address by the organisation within the remaining period of the present Strategic Program. This was based on the Directors' latest review of the progress of the Strategic Program and previous discussions with Council.

The issues within each Master Program were suggested on the deliberate basis of maintaining the current strategy emphasis and the imperative to complete Council's present program rather than anticipating new issues which might emerge from the next Strategic Plan.

The issues previously accepted for further consideration by Council were:

The City in its Region

- Securing commitment of agencies to transport planning and provision to support current and scheduled growth
- Contributing to the development by WSROC of a regional planning and management framework
- Greenfields development planning and infrastructure.

The City in its Environment

- Determining the long term future of rural lands

- Securing adequate commitment and participation from State agencies in sustainable management of bushland remnants, particularly those on Crown lands
- Continuing the Environmental Enhancement Program
- Defining a realistic yet adequate role in a more integrated system of catchment management and natural resource management.

The City as a Social Place

- Completing and commissioning major cultural projects
- Moving programs addressing local disadvantage forward – eg North St Marys
- Developing responses to the City's recreation and cultural needs (PLANS Study outcomes and the like).

The City as an Economy

- Erskine Park servicing and development
- Employment land supply
- Penrith / St Marys centres reviews
- Measures to secure job growth in line with new workforce growth
- Positioning the City to attract knowledge jobs.

The City Supported by Infrastructure

- Asset management funding
- Regional transport network improvements
- Completing Flood Plain Management Policy.

Council's Operating Environment

- Strategic Plan and Program development
- Aligning service levels / specification to available capacity and nominated priorities
- Continuing development, refinement and installation of corporate systems and practices (eg information management, consultation procedures)
- March 2004 Council elections.

Council will have a further opportunity tonight to confirm, amend or add to these issues in light of contemporary requirements.

Following this direction, specific reports can be prepared in more depth on any particular matter needing a more detailed exploration.

Project/Service Evaluation

Within this policy setting there will no doubt be a need to establish priorities among proposals and projects and tasks which are competing for limited resources. An extensive list of project evaluation bids is normally submitted for assessment and ranking.

Typically in recent years around \$500,000-\$800,000 has been available to be allocated to discretionary projects. An available figure for 2004-05 is yet to be confirmed. This will be refined through the upcoming Management Plan Workshops. Council will be familiar with this process and the process of project selection.

The previous report to Council proposed that:

The initial Draft Plan should be presented as a 'base' document only which does not seek to take decisions on 'discretionary' elements of the annual program. Such decisions should be reserved, as far as proper and practical, for further consideration by the new Council. It is consequently proposed to defer the Project Evaluation process until after the election of the new Council and the endorsement of the Draft Management Plan for exhibition.

It was also suggested that the Council Workshop on the Draft Management Plan which would be held during the exhibition period (in late May):

would include consideration and decision on Project Evaluation as well as other detailed decision-making available within the strategic parameters which are expressed in the Draft Plan.

While this broad approach was agreed, the opportunity may exist to refine the process which is followed to allocate 'discretionary' funds in the 2004-05 Plan.

It is therefore proposed that Council have the opportunity to consider at the Management Plan Workshop(s) in May/June and at subsequent reviews the allocation of available funds to projects and nominated proposals.

Financial Approach

Last year (for 2003-04) 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.

In order to prepare the next budget, it is proposed that the following process (similar to that utilised for the 2003-04 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. A first draft budget is developed with a surplus available for allocation. This draft then forms the starting point for the new Council to determine its budget
8. 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. The new Council will need to determine its timetable for these actions and what decisions (if any) it will make prior to public exhibition.

Further details outlining factors which are known today in respect of these steps follow:

1. Non-Discretionary Costs

a) Electricity Supply (General and Street Lighting)

Contracts for electricity to our larger sites with Energy Australia continue to apply and include CPI style increases. Options for contracts for supply to our smaller sites were advised to Council 17 November 2003 and Council resolved to place these sites also with Energy Australia. Savings of around \$26,000 are expected for these smaller sites. Availability / connection and maximum load constitute about half of the total bill and this component is expected to increase by around CPI plus 2%.

The Energy Performance contract will create energy savings compared to the situation without this program. The savings will be returned to the Sustainability Revolving Fund (reserve).

Three-year contracts for electricity supply for street lighting came into effect 1 March 2002. Only minor changes to costs are anticipated for 2003-04, however the 2003-04 budget underestimated costs (adjusted at the first quarterly review by \$174,000) so a comparison to the original 2003-04 budget will appear as an increase.

b) Loan Repayments

The cost of interest and of capital repayments will be estimated. (While most costs are locked in, a small proportion is subject to changes in interest rates.) Current estimate is \$3.9M of interest and \$5.0M of capital repayments.

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.

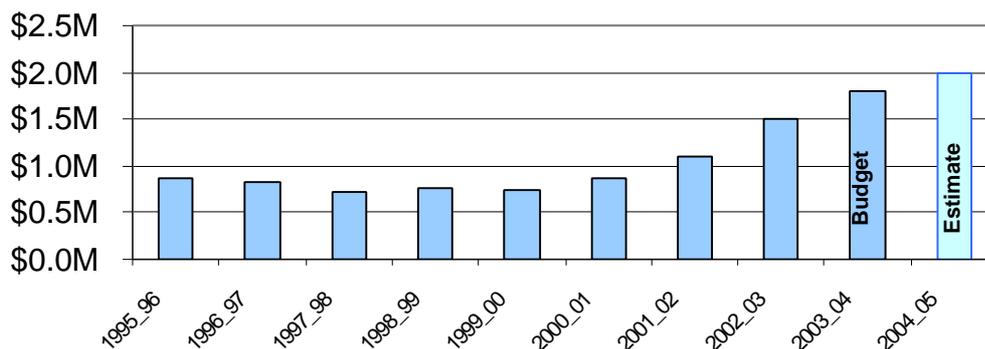
Loan repayments funded from general funds are currently falling as the borrowing program over the past 10 years has been reduced. In accordance with Council's policy, half of the savings are being directed towards asset maintenance. In the 2002/03 and 2003/04 budgets Council brought forward part of these savings by reducing the Loan Sinking Fund (Reserve), which holds funds for years where loan repayments are unusually high due to large contracted capital repayments, by \$610,000 per year. This policy of bringing savings forward means that the savings in 2004/05 have already been spent. The reduction in loan repayment costs for 2004/05 is estimated at \$1.16M and half

this amount (\$508,100) would be used to repay the Loan Sinking Fund Reserve. The 2005/06 Budget would complete the returns to the Sinking Fund.

c) Insurance Costs

The early indication is for a minimum cost increase of 10% for general insurance compared to the original 2003/04 budget. Marketplace general insurance costs, particularly public liability, have been rapidly increasing since 1999/2000.

ISR (including property), Motor Vehicle and Public Liability Insurance.



2. Labour Costs

a) Award increase

The current 2001 Local Government (State) Award provided for increases of 3.5% in 2001, and 3.25% in 2002 and 2003. At this point it is intended to prepare the budget on the assumption that the next award increases will follow a similar pattern of rises in November each year.

b) Salary System

The impact of the new salary system will be difficult to estimate until the system has been fully operational for a few years. Provision will need to be made for staff progressing through the system however the impact will be offset to some extent by staff who have already progressed being replaced by new employees who will commence at a lower pay rate. There are also staff who, if they are assessed as performing at a higher level, will be entitled to have their assessment backdated.

c) Termination Payments

Councils ELE reserve is used to fund unusual changes in termination payments each year. The number of staff who might leave is difficult to predict and the budget each year includes funding for average levels of retirements. If all staff old enough to retire chose to do so, the cost would be the equivalent of 65% of the reserve. Staff at a younger age can also leave at any time and the reserve targets holding 20% of the theoretical cost of all staff leaving. The reserve currently sits at 22.1% of liabilities.

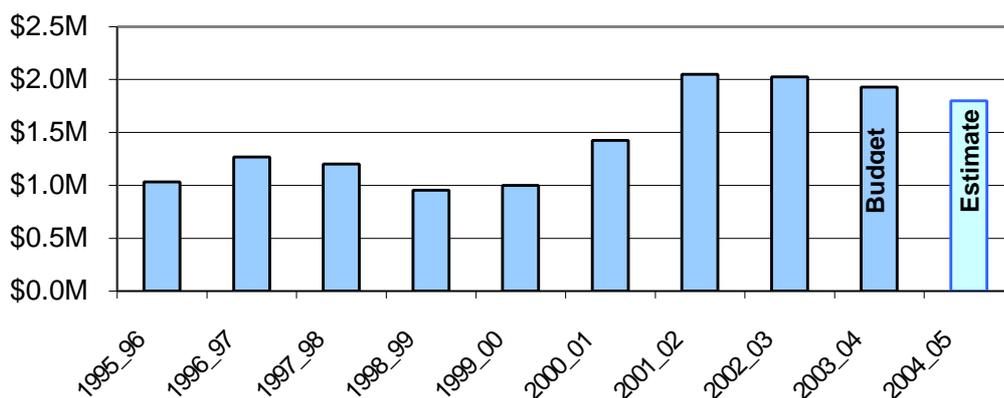
d) Superannuation

The minimum level of superannuation for employees who are not members of the LGSS defined benefit scheme will continue to be 9% of wages. The size of the levy for employees who are in the defined benefit scheme has varied in the past. The current

arrangements do not require a Council contribution as that fund generates sufficient revenue from earnings on contributions made by Councils in prior years. The "contribution holiday" has been in place for a number of years now.

e) 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 usually made as late as possible so that the impact of any changes in claims can be factored in. At this point a small decrease over the current year estimate is expected as shown below.



Workers Compensation Insurance Costs

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 has meant waste charges were required to cover the costs of garbage, sullage (effluent), recycling and the rehabilitation of Gipps Street tip. Sullage, recycling, and the 140L bin charges were 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 Tip.

The Local Government Act has been amended to separate sullage from other domestic waste costs. This will have impacts on how Council can legally deliver and fund this

service. Subsidies of around \$0.5M for sullage have been annually factored into domestic waste charges to make the service affordable and to stop illegal dumping. The issue has been the subject of recent Council reports. Investigation of potential impacts and possible solutions to this significant matter continue.

c) 2002-03 Special Rate Rise

Funding for projects specified in the application for special rate rise is proposed to be set at the amount for last year, increased by the percentage allowed to Council for its notional yield. That is, the same Ministerial Rate Increase (inflation adjustment) as applies to normal Rates. As required by the rate rise submission, other funding for these items will, at a minimum, remain at the current level.

The Enhanced Environmental Program; the Community Safety and Neighbourhood Renewal Program; and the Economic Development Programs are therefore all proposed to have slight increases.

4. Replacement and Renewal Programs

Council currently has a number of continuing multi-year programs in place. It is not proposed to make changes to them. These programs include:

- Routine plant and vehicle replacement
- Buildings asset replacement
- Roads program (It should be noted that Council has obligations for minimum spending pursuant to grant conditions)
- Drainage
- Footpath program
- City beautification program
- Environmental planning studies
- Computer replacement program.

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
- 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 and did so for 2002/03.

Ministerial 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.

Revised land values have recently been received. The new values will not impact on Council's total revenue but will shift the burden between ratepayers. The change will be analysed to determine the impact on groups of ratepayers.

6. Fees and Charges

The Local Government Amendment (National Competition Policy Review) Act 2003 amended (or at least attempted to amend) the way in which Councils set their fees. The changes appear to be attempting to permit Councils to amend fees for business activities during the year. All other fees are required to be set following public exhibition in the management plan. The definition of "Business Activity" for the purpose of setting fees is different to the general definition and appears to exclude all of Penrith's Business Activities.

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:

Reference Pricing

The fee has been set primarily based on market conditions or equity rather than analysis of costs. The main inputs are the observed prices set by others. In most cases the “referenced” price is that being charged by other Councils.

Statutory Pricing

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 (That is, by asking questions like: 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.

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. Grants

a) Financial Assistance Grant

The areas that impact most significantly on the Grant are population and land values. It seems likely that changes in the Financial Assistance Grant will favour drought-stricken areas by distributing existing grants away from areas where significant appreciation in land values has occurred.

8. Borrowings

It seems appropriate that the new Council should determine the borrowing level for 2004/05 but the first draft budget will need to include borrowings and a continuation of existing policy is proposed. The current policy provides sound guidance for the new Council.

Council presently has a five-year borrowing program in place. The five-year program targets a borrowing level of \$2.8m through to 2004/05. The program 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 additional projects (above the borrowing targeted by the debt reduction policy) have been included in accordance with a practice of using additional loan funds only where there is a positive net cash flow achieved. The figures do not include any refinancing of existing loans (and this practice does occur periodically when contractual arrangements and interest rate differentials make it advantageous).

New Money Borrowings

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04 Budget
Base Borrowings	\$4.4m	\$3.7m	\$3.3m	\$3.2m	\$2.8m	\$2.8m	\$2.8m	\$2.8m
Domestic Waste	2.6m							
Whitewater		\$1.5m						
Hydro-therapy			\$0.8m		\$0.6m			
PAC							\$2.3m	\$0.8m
Com. Arts Precinct								\$1.0m
Total	\$7.0m	\$5.2m	\$4.1m	\$3.2m	\$3.4m	\$2.8m	\$5.1m	\$4.6m

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 to be presented to a Council Workshop in May

- Major projects and their funding requirements is proposed to be considered at the Council Workshops in March and May
- Rating Policy which determines the relative share that will be contributed by Residential, Commercial and Rural properties is proposed for the Council Workshop in March. The impact of new land values would be considered at this Workshop.
- Draft Fees and charges are proposed to be presented to the Council Workshop in March.

The Management Plan preparation 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 that may be needed. It will create the best possible starting point for a new Council that will need to place a Management Plan on public exhibition very soon after election.

Conclusion

The principal factor distinguishing the upcoming Plan is the role it must play in finalising the delivery of the program selected by Council four years ago.

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 to benefit the City.

The arrangements and timetable proposed are challenging for the organisation (as was envisaged in the previous report made to Council on 8 September). Given the imperatives of the 2004 Council election timetable, however, there is little flexibility. The arrangements suggested will provide a very robust policy and management oversight of the process.

If Council is in agreement with this broad approach then management will be well placed to continue development of the Management Plan. Identification of any particular issues Councillors want considered and assessed as the process unfolds would further assist that preparation.

RECOMMENDATION

That:

1. The information contained in the report on Key Issues and Financial Settings for the 2004-2005 Management Plan be received
2. Council adopt as its principal policy setting for preparation of the 2004-2005 Management Plan an emphasis on the completion of the extended 2000-2005 Strategic Program
3. Council make initial identification of particular matters to be considered in the preparation of the Draft 2004-2005 Management Plan
4. Preparation of the Draft 2004-2005 Management Plan continue in the terms discussed in this report.



Council's Operating Environment

8 Preparations for Council's Next Strategic Plan

36/39

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

Authorised by: Bruce McDonald, Director - City Strategy

Management Plan 4 Year Outcome: *Effective corporate governance has been maintained.*

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

Purpose:

To update Council on preparations being made for the next Strategic Plan and confirm the approach to certain key aspects of the process.

Background

Due to the deferral of the Local Government elections until 27 March 2004, Council has resolved to extend its present Strategic Plan and Program until 30 June 2005.

The next Strategic Plan will be formulated with the new Council in the second half of 2004 and will come into effect on 1 July 2005. It will be accompanied by a four-year Strategic Program (covering the period 2005-2009) to action Council's strategic directions within that term. Prior to this formal process there is an extensive program of preparations to be undertaken by the organisation with the endorsement of Council.

Council received an initial report on this matter at its Policy Review Committee meeting of 8 September 2003 and it was agreed that a further report be provided tonight. A copy of the previous report is included in the attachments to tonight's business paper.

Tonight's report addresses some of the key steps required to be carried out in coming months, which will involve the direct participation of all Directors, all Managers and many supervisors and specialists as well as opportunities for all staff to have input. The report addresses the role of Council in setting direction for these preliminary steps and the potential for greater involvement of City partners and stakeholders as well as the broader community.

The organisation's steering group for the strategic planning process consists of the Director - City Strategy, Director - City Planning, Corporate Development Manager and Strategic Planning and Research Co-ordinator. This group will provide further reports as required at each key phase of the process.

Council's Approach to Strategic Planning

Since 1988 it has been the practice for the newly elected Council to fashion a strategic plan for the City of Penrith which sets out its long term ambitions for what the City will grow to be. The process (which has proven to be effective) is that of taking the plan determined by the outgoing Council and adjusting that having regard to changed circumstances or approach rather than to re-invent from the ground up a new strategy.

One great benefit of this approach to strategy development is the continuity that it brings. It is one which allows the present Council to express its own ambitions for the City in a context of appreciating earlier and continuing aspirations for what Penrith might become. It also lays in its turn a platform for ensuing Councils to build on.

Successive strategic plans have demonstrated enduring elements. These include attaching value to the City's rural qualities, seeking to benefit from the changing social and economic character of Penrith, exploiting the new ideas and energies that comes from this expanding City and preserving an identity and character distinguishable from the stereotypes of Western Sydney. A constant theme has been one of seeing Penrith is not consumed by the metropolitan area.

Derived from that Plan is a more pointed document, the Council's Strategic Program. In essence this document outlines what the contemporary Council chooses to do in taking the City forward to that ambition contained in the strategic plan. Conversely, it defines the framework for the tasks that the organisation must attend to in order to deliver the Council's program for its term.

This strategic program is the basic building block of how Council moves the City forward. While clearly Council itself can only achieve within its own resources we have been moving for the last four to six years into a leadership focus by engaging partners across the spectrum of the City. This involves working with other major agents in the City to support their efforts to secure outcomes with which we agree and which reinforces our own Strategic Program elements.

Development of the Next Plan

It is intended to build on and enhance the proven strengths of past experience in terms of the general timetable and approach to formulation of the new Strategic Plan during 2004.

This will involve reviewing the present plan, gathering and presenting background information for Council, consulting with Councillors, the community and the organisation, workshop discussions and refinement of issues and concepts towards a Plan format.

The next Strategic Plan will, like its predecessor, have an unlimited horizon in its view of a future for the City. It will, of course, carry forward much of that long term view which was captured four years ago.

It is important though to recognise the change that has occurred to the City, to the City's context and to the social, economic and environmental context at large since the last Plan was made. It will be important in this light to ensure that in our considerations of the future, the view is seen from a contemporary standpoint and with a fresh perspective, avoiding the trap of accepting conventional wisdom as fact.

The Council Discussion Paper and Retreat

As in the past, a Discussion Paper will be prepared for Council through the planning process which will be informed by:

- the perspectives of Councillors, both outgoing and newly-elected
- professional assessment of the issues by senior management and key staff
- a well-founded body of factual research.

This Discussion Paper will be essentially similar to previous documents, but with more emphasis placed on:

1. contemporary research
2. use of a different facilitation technique which is designed to identify emerging issues and responses to those issues
3. pre-consultation and engagement of City partners.

These intended enhancements to the Discussion Paper approach are amplified below.

It is proposed, as has been done in the development of the last two Strategic Plans, to schedule a weekend retreat for Council in order to provide the opportunity for an informed distillation of the issues presented in the Discussion Paper and a decision by Council on the directions to be taken in the Plan. This retreat will involve a series of facilitated workshops for Councillors supported by senior management. It is suggested in the draft timetable to be conducted in late August or early September 2004.

Researching the City's Needs

Formulating a well-informed plan for the City's future involves sourcing, collecting and presenting a substantial body of information to be shared by decision-makers. The quality and objectivity of such data is a key area for attention.

It has in past experience been found that the Strategic Plan has been developed by the Council from two main information bases, namely:

- the research, experience and professional insights of its senior staff (drawn on for the production of a series of background papers), and
- the insight and understanding of the local community that the Councillors brought with them to the table.

Although vital components, these constituted an incomplete information base from which to take decisions which will affect the direction of the City not only for the next four years but perhaps in some cases many years beyond that.

The information base on which the Strategic Plan is founded has been improved in each planning process by increasing research capabilities and more structured consultation programs. This will again be the case in 2004 and some of the key steps of which Council is aware have already been put in place.

Enhancing the consultation and research elements of the Strategic Plan process in the coming year will be assisted by measures including:

- The effective use of key research projects which have been recently completed or are programmed, such as those conducted through the PLAN Study (the City-wide aspirational Survey, analysis of 2001 Census data and development of draft strategies), the Customer Research program, economic and transport studies etc.
- Ensuring that external research findings on key topics (e.g. the present WSROC research on strategic issues at the regional level) are known and readily available to Council and the organisation

- Establishment of a coordination team to harness the key research resources and expertise of the organisation and ensure that efforts are focussed on supporting the Strategic Plan requirements
- Increased pre-consultation of other principle organisations within the City
- Drawing in those community forums broadly representing particular interests such as social, economic and environmental viewpoints
- More sharply focussed enquiries examining our services and the way we discharge our core business
- Indepth address on areas where the City could be shown to have significant deficit when benchmarked against relevant LGAs, which would allow Council through the Strategic Plan to take a leading role in correcting that inequity, even if the principle responsibility lay with others e.g. State government
- Seizing opportunities for innovation and increased access to research, especially through partnerships (such as with UWS and WSROC).

Use of the 'Strategic Foresight' technique

In light of the importance of challenging the organisation's preconceptions and sharpening our thinking for the next Strategic Plan, it was recognised that it would be valuable to draw in external expertise to help indicate fresh directions and available techniques.

The consultant firm Global Foresight Network (GFN) was identified as providing a strong framework and a proven methodology known as 'strategic foresight' which it was considered would provide a valuable contribution in this regard. The approach involves a perspective of 'standing in the future' to view the major historic changes and challenges facing the City, rather than proceeding incrementally from present knowledge and plans.

The intention of this technique is to ensure that information brought to decision-makers is not extrapolated from the moment but contemplates changes that will need to be addressed over an extended period. For instance, projections of demographic change can be made from the Australian Bureau of Statistics (ABS) which will indicate a different profile of the City. This in itself can affect service priorities, but our understanding can be enhanced by linking this to considerations of changes in the external environment and the possible future attitudes and aspirations of residents, which can also affect the nature of the services we need to be moving to. An example might be changes in recreation priorities which arise not just from (say) an ageing resident base but from quite separate social trends in technology and transport etc which give rise to new wants and needs.

Clearly many fundamentals will remain as core Council business. Nevertheless, the rate of likely change to the City and its needs demands a high level of organisational awareness of new ideas and techniques to address this.

All Directors and Managers participated in an initial 'strategic foresight' workshop conducted in September as part of commencing the organisation's Strategic Plan preparations. The outcomes of the workshop are being built upon and the involvement of officers in the process broadened by way of a second workshop in December aimed at those Supervisors and Specialists who will play a direct role in coming months in the research and development of key issues for the Discussion Paper.

These workshops have assisted officers to identify and begin to comment on the emerging issues for the next Strategic Plan and potential areas of research, which may be required. This

is a starting point, which will be a 'live' document, refined and amended through our further discussions, particularly with Council and through more investigation of the topics.

Proposed further Strategic Plan Workshops with Council

The use of the consultants and the 'strategic foresight' approach to date has been positive and the Corporate Management Team has discussed the value of extending the approach to provide:

- an initial opportunity for Council to consider the directions of this process to date
- a workshop to introduce the newly-elected Council to the strategic foresight technique and consideration of the emerging issues.

It is proposed to program an evening workshop facilitated by the consultants for Council early in the new year to test the results of the strategic foresight discussions by the organisation. The suggested date is Monday 9 February, which is presently not scheduled for any Council or Committee meeting.

If the present Council confirms the value of this approach, a full day workshop for the newly-elected Council could be arranged as part of the Council development program.

Partnerships and Consultation

While Council has had considerable success over time in forming valuable partnerships, it is suggested that as part of the process of formulating and implementing the next Strategic Plan the opportunity can be taken to further advance our City partnerships. Our partnership approach has been maturing and is evolving from consultation based around particular needs to a dialogue which provides the opportunity for more coordinated and aligned actions to benefit the City.

Consultation in all areas should be an ongoing dialogue or 'conversation', not merely reactive to particular circumstances. Elements of the 'conversation' to be conducted should include:

- Penrith City's place in the region
- the Triple Bottom Line as three pillars of our program
- engagement of senior management throughout the process.

As an element of Council's leadership of the City, expressed in the Strategic Plan, there would be value in such dialogue with key interest groups and stakeholders who can have a major influence on the City's future. This will involve:

- engaging those key City partners with whom we have established relationships and extending that to more organisations and institutions
- nurturing a continuing dialogue with a range of special interest forums which now tend to be 'occasional' and focussed on the Draft Management Plan.

In view of our intention to more effectively engage our key City partners in the strategic planning process, it is also suggested that a consultation forum be arranged for early 2004 to which appropriate stakeholders would be invited. As well as a direct contribution to the Strategic Plan, this would be seen as a further step in enhancing City partnerships.

Council could also consider appropriate arrangements for consultations with economic, environmental and social interest groups beyond the past focus on Management Plan responses.

Timetable

An outline timetable of the proposed strategic planning process is provided in Table 1 below. While Council has already approved the broad timings, endorsement of the approach proposed in this report will provide a firm basis for Strategic Plan development.

Table 1. Outline Timetable of Strategic Plan development

Date	Milestone or Requirement
2003 December - January	<ul style="list-style-type: none"> • Identification of key research needs and approaches. • Investigation of key issues by officers/teams.
2004 February 9 Late February or March	<ul style="list-style-type: none"> • GFN workshop with Council. • Consultation forum with City partners.
February - April	<ul style="list-style-type: none"> • Organisation completes investigation and research of key issues. • Staff communication program, opportunities for all staff to input and discuss ideas. • Further consultation with City partners and groups.
March 27	Council Elections
Late April [<i>tbc</i>]	<ul style="list-style-type: none"> • GFN workshop with the new Council.
May - June	<ul style="list-style-type: none"> • Discussion Paper development. • Final consultations / research.
July	<ul style="list-style-type: none"> • Discussion Paper finalised.
late August / September	<ul style="list-style-type: none"> • Strategic Plan retreat with Council.
September - November	<ul style="list-style-type: none"> • Strategic Plan finalisation. • Strategic Program development.
December 2004 [<i>tbc</i>]	<ul style="list-style-type: none"> • Strategic Plan and Program adopted [effective from 1 July 2005]

Conclusion

The current Strategic Plan, developed by this Council, has provided strong leadership to the City and direction to the organisation and is recognised in local government as a leading example of long-term planning. The strengths of the Plan and the well-established approach to its development will be retained and built upon.

From this foundation, the coming Strategic Plan exercise can take Council and the organisation to the next level of sophistication with regard to the matters introduced above. The Strategic Plan must tease out key future issues and develop contemporary relevant responses to them from an effective evidentiary and discussion base. Preliminary discussion papers which allow that type of consideration must be provided to Council at an early stage to challenge our assumptions and where appropriate shift the paradigms.

An increased and better focussed research program at the strategic level will be required to meet these objectives. This will be enhanced by the 'strategic foresight' approach being pursued and the extensive program of investigation to be undertaken in the next six months.

The planning process itself will also be facilitated by enhanced support systems, namely the new integrated strategic and management planning system (OutcomeManager) and potentially a financial modelling package (presently being assessed) which will increase our ability to undertake capacity planning at the Strategic Program level.

The support and participation of Council both prior to and following the election is an indispensable element of the proposed Strategic Plan preparations, leading up to Council's formal decision-making on the Plan. As was previously agreed, it will be necessary to take the process and the discussion of key issues to an agreed point of development with the present Council, then introduce the concepts and open a discussion with the new Council as early and effectively as possible.

RECOMMENDATION

That:

1. The information contained in the report on Strategic Plan preparations be received
2. Preparation of the Strategic Plan and the proposed arrangements continue in the terms discussed in this report
3. Further reports be provided to Council at each appropriate stage of the Strategic Plan preparations.

