

BUSINESS PAPER



The Mayor, Councillor David Bradbury, with participating students from Colyton High School on 12 May 2004 at the launch of the IT In Schools computer furniture program

Policy Review Committee Meeting

24 May 2004

17 May 2004

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 24 May 2004 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 been granted to Councillor Cettolin for the period 14 May to 27 May 2004 inclusive.

Leave of Absence has been granted to Councillor Aitken for the period 17 May to 12 July inclusive

2. CONFIRMATION OF MINUTES

Policy Review Committee – 8 March 2004

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. REPORTS & RECOMMENDATIONS OF COMMITTEES

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 24 MAY 2004

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MEETING CALENDAR

May 2004 - December 2004

	TIME	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
		Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon
Ordinary Meetings	7.00 pm		7	5	2	6	11	1	6
			28*	19	16 #	27+	18	15 #	20
Policy Review Committee	7.00 pm	24	21	26	23			22	13

Meetings at which the Management Plan quarterly review is presented.

* Meeting at which the Management Plan for 2004/2005 is adopted.

^ Mayoral Election subject to poll being declared.

+ Mayoral Election.

- Council has two Ordinary Meetings per month where practicable.
 - Extraordinary Meetings are held as required.
 - Policy Review Meetings are held monthly where practicable.
 - Members of the public are invited to observe meetings of the Council.
- Should you wish to address Council, please contact the Executive Officer, Glenn McCarthy on 47327649.

**UNCONFIRMED MINUTES
OF THE POLICY REVIEW COMMITTEE MEETING OF PENRITH CITY
COUNCIL HELD IN THE COUNCIL CHAMBERS, PENRITH
ON MONDAY 8 MARCH 2004 AT 7.05 PM**

PRESENT

His Worship the Mayor Councillor Greg Davies, Councillors J Bateman, D Bradbury, G Evans, R Fowler, J Greenow, A Khan, C O'Toole, P Sheehy, and J Thain.

APOLOGIES

PRC 141 RESOLVED on the MOTION of Councillor Sheehy seconded Councillor Bateman that apologies be received and accepted from Councillors K Paluzzano, D Bailey and C O'Neill.

LEAVE OF ABSENCE

Leave of absence was previously granted to Councillors J Aitken and S Simat for the period 8 March to 12 March 2004.

CONFIRMATION OF MINUTES

Policy Review Committee Meeting - 23 February 2004

PRC 142 RESOLVED on the MOTION of Councillor Fowler seconded Councillor Bateman that the minutes of the Policy Review Committee Meeting of 23 February 2004 be confirmed.

DECLARATIONS OF INTEREST

Councillor Thain declared a non-pecuniary interest in Item 3, Planning Investigations and Land Capability in the Blaikie Road Area, Jamisontown as he is a member of the Hawkesbury Nepean Floodplain Management Steering Committee. He reserved his right to speak and vote on the matter.

Councillor Fowler declared an interest in Item 3, Planning Investigations and Land Capability in the Blaikie Road Area, Jamisontown as he is a director of a company that has an indirect interest in property in the area and took no part in the debate or voting.

SUSPENSION OF STANDING ORDERS

PRC 143 RESOLVED on the MOTION of Councillor Greenow seconded Councillor Evans that Standing Orders be suspended to allow members of the public to address the meeting, the time being 7.07PM.

Unconfirmed Minutes of the Policy Review Committee Meeting of Penrith City Council held in the Council Chambers, Penrith on Monday 8 March 2004

Mr Ernie Lagis of Jamisontown addressed the meeting on Item 3, Planning Investigations and Land Capability in the Blaikie Road Area, Jamisontown and spoke against the recommendation. He said that the report focused on Blakie Road and does not focus on Tench Avenue and Jamison Road and therefore fails to constitute a strategy. He said that reference to studies in the report should have been annexed, and that the report did not address the views or arguments that have been put forward by land owners in the past.

Mr Maurice Zanon of Dural addressed the meeting on Item 3, Planning Investigations and Land Capability in the Blaikie Road Area, Jamisontown and spoke against the recommendation. He said that basing the decision on a one in one hundred year flood was excessively cautious. He said that many properties in the subject area were above the one in one hundred year flood level anyway, and that subdividing the land into one acre lots would make very little difference to the density of population and would enable Tench Avenue to become a showcase on both sides of the street.

RESUMPTION OF STANDING ORDERS

PRC 144 RESOLVED on the MOTION of Councillor Evans seconded Councillor Greenow that Standing Orders be resumed the time being 7:19PM.

PRC 145 RESOLVED on the MOTION of Councillor Greenow seconded Councillor Sheehy that Item 3 Planning Investigations and Land Capability in the Blaikie Road Area, Jamisontown be dealt with immediately following the presentations given by external parties.

REPORTS OF COMMITTEES

Arts Project Working Party -23 February 2004

PRC 146 RESOLVED on the MOTION of Councillor Sheehy seconded Councillor Fowler that the recommendations be adopted.

Finance Working Party - 25 February 2004

PRC 147 RESOLVED on the MOTION of Councillor Fowler seconded Councillor Sheehy that the recommendations be adopted.

ACKNOWLEDGEMENT OF INTERNATIONAL WOMENS' DAY

His Worship the Mayor, Councillor Greg Davies acknowledged that it was International Womens' Day.

MASTER PROGRAM REPORTS

THE CITY IN ITS REGION

1 Research into Penrith's Distinguishing Identity

1000-25

Unconfirmed Minutes of the Policy Review Committee Meeting of Penrith City Council held in the Council Chambers, Penrith on Monday 8 March 2004

Economic Development and City Marketing Manager, Geoff Shuttleworth introduced Mr Mark Mitchell from C&R Research who gave a presentation of the results of a survey into aspects of Penrith's attributes that distinguish it from other parts of Western Sydney.

PRC 148 RESOLVED on the MOTION of Councillor Bradbury seconded Councillor Greenow that the information in the report on research into Penrith's distinguishing identity be received.

THE CITY AS A SOCIAL PLACE

7 Penrith City Children's Services Co-operative Ltd.

1343/2

Councillor Evans left the meeting the time being 7:46PM.

Children's Services Co-ordinator Janet Keegan introduced Mr Max Friend, Chairman of the Penrith City Children's Services Co-operative Ltd, who gave a presentation on the Co-operative's annual report.

Councillor Evans returned to the meeting the time being 7:54PM.

Councillor Sheehy said that it was very significant that Council approached its childcare services from the point of view that they were an investment in the future of Penrith City.

PRC 149 RESOLVED on the MOTION of Councillor Fowler seconded Councillor Sheehy

That:

1. The information concerning the Penrith City Children's Services Co-operative be received
2. Council agree to accept responsibility for the deficits identified in this report, accumulated prior to the Penrith City Children's Services Co-operative taking over management responsibility, by writing off those amounts listed.
3. The long-term outstanding childcare centres debts, incurred prior to the formation of the Penrith City Children's Services Co-operative, be transferred from the Co-operative's financial statements.
4. Council continue to underwrite the operations of Penrith City Children's Services Co-operative.
5. Council congratulate and thank the Board of the Penrith City Children's Services Co-operative, and the officers of Council who are involved with the Co-operative for their efforts.

Councillor Fowler left the meeting the time being 7.59PM.

THE CITY IN ITS ENVIRONMENT

3 Planning Investigations and Land Capability in the Blaikie Road Area, Jamisontown. 4050/1

PRC 150 RESOLVED on the MOTION of Councillor Greenow seconded Councillor Evans that the matter be deferred to be dealt with by the next Council, pending consideration of the issues raised by Mr Lagis and Mr Zanos in their addresses to the Policy Review Committee earlier in the meeting.

Councillor Fowler returned to the meeting the time being 8.01PM.

THE CITY IN ITS REGION

2 WSROC's Regional Planning and Management Framework for Greater Western Sydney 19/116

Environmental Planning Manager, Roger Nethercote gave a presentation of the WSROC Regional Planning and Management Framework for Greater Western Sydney

Councillor Evans requested that a copy of the presentation be provided to all Councillors.

PRC 151 RESOLVED on the MOTION of Councillor Evans seconded Councillor Greenow

That

1. The report on WSROC's Draft Regional Planning and Management Framework for Greater Western Sydney be received
2. WSROC be advised that Council generally endorses the principles outlined in the Draft Regional Planning and Management Framework for Greater Western Sydney, subject to the further review of the issues relating to Penrith City outlined in the report.

PRC 152 RESOLVED on the MOTION of Councillor Greenow seconded Councillor Fowler that Item 12 on the Business Paper be brought forward and dealt with.

COUNCIL'S OPERATING ENVIRONMENT

12 Standard & Poors credit rating 6035/18

Senior Corporate Accountant, Vicki O'Kelly gave a presentation to the meeting on the Penrith City Council's recent Standard & Poors credit rating.

PRC 153 RESOLVED on the MOTION of Councillor Bradbury seconded Councillor Fowler

That:

1. The information in the report on Standard & Poors Credit Rating be received

Unconfirmed Minutes of the Policy Review Committee Meeting of Penrith City Council held in the Council Chambers, Penrith on Monday 8 March 2004

2. Financial indicators reviewed by S&P be included in the Management Plan and monitored with a view to improving Council's credit rating
3. Council discuss the credit rating with financial institutions and the implication for a possible Bond Issue
4. Depreciation rates be reviewed to reflect increased asset life.
5. Council congratulate the Chief Financial Officer Barry Husking on his leadership of the financial services team

THE CITY IN ITS ENVIRONMENT

4 Schools and Churches in Orchard Hills

4050/1

PRC 154 RESOLVED on the MOTION of Councillor Sheehy seconded Councillor Khan

That:

1. The information contained within the report Schools and Churches in Orchard Hills be received
2. Proposals for the expansion of existing schools (educational establishments) and churches (places of public worship) must be accompanied by a Masterplan of the future development boundaries of the site, and will be considered on their merits
3. The existing rezoning application, relating to Lot 43 DP 811320, 26-48 Kingswood Road, Orchard Hills and, the proposal relating to Lot 52 DP 866791, 338-356 Wentworth Road, Orchard Hills be considered and determined.

Councillor Sheehy left the meeting the time being 8.37PM.

Councillor Sheehy returned to the meeting the time being 8.38PM

Councillor Thain left the meeting the time being 8:36PM.

THE CITY AS A SOCIAL PLACE

5 'PLANS For Our Future' – Recreation and Cultural Facilities Strategy, and Established Residential Areas Infrastructure, Facilities and Services Strategy

1980 / 10 PT 6

An AMENDMENT was MOVED by Councillor O'Toole, seconded Councillor Bradbury that a recommendation be added to the recommendations in the business paper requiring that an urgent report identifying prioritised requirements for parks in all wards be brought to the next Council meeting

Councillor Thain returned to the meeting the time being 8.40PM

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Following discussion, Councillor Bradbury withdrew his seconding of the amendment, which was then seconded by Councillor Khan.

On being PUT to the meeting, the AMENDMENT was LOST.

A further AMENDMENT was MOVED by Councillor Bradbury, seconded by Councillor Fowler that a recommendation be added to the recommendations in the business paper requiring that a report identifying prioritised requirements for parks in all wards be brought to a future Council meeting.

On being PUT to the meeting the AMENDMENT was CARRIED.

PRC 155 RESOLVED on the MOTION of Councillor Bradbury, seconded Councillor Fowler

That:

1. The information contained in the report on 'PLANS For Our Future' - Recreation and Cultural Facilities Strategy, and Established Residential Areas Infrastructure, Facilities and Services Strategy be received
2. Council adopt the 'Recreation and Cultural Facilities Strategy', and the 'Established Residential Areas Infrastructure, Facilities and Services Strategy', as attached to this report.
3. A report identifying prioritised requirements for parks in all wards be brought to a future Council meeting.

Councillor O'Toole left the meeting the time being 8.57PM and did not return.

6 Lemongrove Gardens Hostel/Self Care Units

1012/6 Pt 2

PRC 156 RESOLVED on the MOTION of Councillor Sheehy seconded Councillor Greenow

That:

1. The information contained in the report on Lemongrove Gardens Hostel/Self Care Units be received.
2. The Accommodation Bond for the Hostel be increased from \$40,000 to a maximum of \$113,500 or "the limit to accommodation bond size for pensioner supplement eligibility" as adopted by the Government from time to time.
3. That the Entry Contribution for the Retirement Village be increased to \$100,000 per unit with a retention by Council of \$45,000 after 5 years.
4. The percentage of financially disadvantaged residents in Lemongrove Gardens Hostel be monitored and reported to Council twice per year.

THE CITY AS AN ECONOMY

8 Employment Lands Study Stage 2 - Supply analysis 4100/54

PRC 157 RESOLVED on the MOTION of Councillor Thain seconded Councillor Fowler that the information contained in the report on the Employment Lands Study Stage Two - Supply Analysis be received.

THE CITY SUPPORTED BY INFRASTRUCTURE

9 Penrith Valley Road Safety Strategy 2005-2009 - Development of Draft Strategy 9019/11

PRC 158 RESOLVED on the MOTION of Councillor Bateman seconded Councillor Evans

That:

1. The information concerning the development of the 2005-2009 Penrith Valley Road Safety Strategy be received.
2. Council adopt the draft Penrith Valley Road Safety Strategy for the period 2005-2009.

10 Responsible Driver Programme - Evaluation 9019/59

PRC 159 RESOLVED on the MOTION of Councillor Bateman seconded Councillor Greenow that the matter be deferred pending consideration of the issues in a letter received by Councillors on the afternoon of the meeting

COUNCIL'S OPERATING ENVIRONMENT

11 Licence Agreement for Occupation of Council Footpaths 7000/13 Pt.3

PRC 160 RESOLVED on the MOTION of Councillor Sheehy seconded Councillor Bateman

That:

1. The information on the fee structure contained in the report for the occupation of Council's footpaths be received
2. Council adopt the fee in the amount of \$100 per square metre per annum for the occupation of Council's footpaths in Queen Street, St Marys and High Street, Penrith

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3. Council adopt the fee in the amount of \$50 per square metre per annum for the occupation of Council's footpaths for other areas outside St Marys and Penrith areas
4. The fees be adopted within the 2004/2005 Management Plan
5. Council adopt the terms and conditions of the Licence Agreement
6. No fee be charged for traders who wish to occupy space in Queen Street, St Marys where the land is in private ownership
7. The new fee structure commence on 1st July, 2004.

13 Progress Report on the Implementation of Council's Salary System

909/136

PRC 161 RESOLVED on the MOTION of Councillor Sheehy seconded Councillor Greenow

That:

1. The information contained in the report on the Implementation of Council's Salary System be received
2. Council congratulate the Workforce Development staff involved in the development and implementation of Council's Salary System and Council staff for their co-operation and participation in the implementation of the system.

There being no further business the Chairperson declared the meeting closed the time being 9:23PM.

MASTER PROGRAM REPORTS

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The City in Its Environment

1 Urban Growth in Penrith

4105/17

Compiled by: Mark Broderick, Release Area Unit Co-ordinator

Authorised by: Roger Nethercote, Environmental Planning Manager

Management Plan 4 Year Outcome: *Residential development is consistent with Council's Residential Strategy.*

Critical Action: *Monitor and review the effectiveness of Council's Residential Strategy.*

Purpose:

The purpose of this report is to inform Councillors of the key findings of recent research into Urban growth in Penrith undertaken by the Urban Frontiers Program (UFP) of the University of Western Sydney and to outline further research currently being developed by UFP.

The "Key Findings and Executive Summary" Report is included in the attachments for the information of Councillors.

Professor Bill Randolph of the Urban Frontiers Program will also be presenting an overview of the research at tonight's meeting.

Background

Penrith Council has for almost 20 years persistently held a strategic vision for the City of Penrith expressed in its Strategic Plan – one of a prosperous region with a harmony of rural and urban qualities and a strong commitment to environmental protection and enhancement. It would offer both the cosmopolitan and cultural lifestyles of a mature City and the casual character of a rural community. Over that time many themes remain consistent:

- Managing change and growth that urban development brings to the City in its acknowledged role of accepting a share of the Sydney region's growth.
- Striving to provide the amenities that will add to quality of life and well being of those who live or come to live here.
- Acting as an advocate for the City's environment.
- Working energetically in a range of partnerships to encourage the development of local jobs at a pace to match the growing workforce.
- Pressing (along with others in Western Sydney) for equitable and adequate provision of transport infrastructure and service.

A number of responses in our current Strategic Plan as a result revolve around limiting urban growth, valuing our rural lands, maintaining biodiversity and examining appropriate urban development opportunities to meet future housing need.

Council completed a Residential Strategy for the City of Penrith in 1997, which was favourably received by Department of Infrastructure, Planning and Natural Resources (DIPNR). It confirmed that that our expected population growth for the following 20 years

(some 45,000 people) can be accommodated within existing and currently planned release areas, without resorting to new residential areas located in outer lying rural precincts.

The Residential Strategy identified the need to provide in the order of 20,000 new homes to house the City's population growth over this time. It proposes that some two-thirds of new home, around 13,000 dwellings, would be accommodated in 8 new release areas, a number of which are included in the Government's Metropolitan Development Program (MDP). We are currently advancing the planning for these areas across the City. The remainder, around 7,000 dwellings, is proposed to be provided within established urban areas, including a number of town centres.

A separate report outlining further detail and status of those release areas is included in tonight's business paper.

Last year Council adopted a Rural Lands Strategy, which seeks to remove the uncertainty about the role of Penrith's Rural Lands in the City. Recommended policy actions include: focusing new rural housing in the existing villages in order to minimise urban sprawl, introducing new land use designations that will promote appropriate rural activities including agriculture, and regulating inappropriate rural development in order to minimise adverse impacts to local water catchments and biodiversity protection areas.

Given the demands placed on infrastructure, timely service delivery to new urban areas, and the expectation of creating sustainable communities, Council has not supported the squandering of rural land on unchecked and poorly planned residential areas.

We have made a number of submissions to DIPNR over a number of years outlining Council's view in limiting the urban growth in the City, and reinforcing the position that Penrith was able to accommodate population growth and projected housing demand without resorting to previous government nominated urban release in the City's northern and southern rural areas. The Minister for Planning subsequently acknowledged that Council's approach to managing residential development was consistent with the Government's then blueprint for housing supply across Metropolitan Sydney.

Council has remained strongly committed to ensuring quality urban outcomes in our new urban areas, and ensuring a strong focus on sustainable social, environmental and economic directions for those new communities. However, there is a need to provide comfort to the wider community about new urban areas, and a need to overcome negative perceptions of providing for future housing needs generated by our expanding local population.

The Urban Frontiers Program (UFP) of the University of Western Sydney was commissioned in 2003 to conduct research on urban growth in Penrith. The purpose of the work was to contribute to a better understanding of the impacts of population and residential growth on the City, what the key drivers are, and its implications for future growth and development in Penrith. The work would also inform on the directions being pursued in Council's Residential Strategy and our ongoing response to managing the growth of the City.

Key findings for Council

The Research Report has identified six key findings about residential growth that have implications for our strategic planning. From each finding emerge fundamental issues to which Council must respond to if it is to manage its growth effectively. These issues will be the subject of further research, which is detailed later in this report.

1. Housing Supply

In the twenty years up to 2001 Penrith grew by 25,000 new households, while the number of persons per household has fallen from 3.4 persons in 1981 to 3.0 persons in 2001. As the average household size continues to fall to a predicted 2.6 persons in 2019, another 25,000 households will need housing over the next twenty years. Whether the trend for smaller household formations will translate into a greater demand for smaller accommodation remains to be seen, but should be one of the key drivers of new development over the next two decades.

The Study suggests, on current projections, that there is a potential shortfall between dwelling capacity (79,200) and projected household numbers (82,529) by 2019 of around 3,300 dwellings, plus a further 3,000 to account for normal vacancy rates. Growth pressures will likely continue and therefore need to be planned for effectively.

2. Housing Types

A substantial proportion of recent growth in household numbers has been for single people and couples. In 2001, around 44% of all households were couples with children. A further 21% were couples without children, 14% were one-parent families, and around 22% were lone person households.

By 2019, there is expected to be a 72% increase in couples without children and 67% increase in lone person households. That is expected to translate into 60% of the additional households expected to be living in Penrith by 2019 to be single people or couples.

While this trend is predicted to continue, the dwelling market continues to produce single family-oriented homes of three or more bedrooms. This presents a clear challenge to the development industry, particularly for new housing in the release areas, to properly respond to this diversification of population make-up from our traditional family base.

3. Housing Diversity and Managing Higher Densities

An issue identified in the Study is that of a growing geographic segregation of the population across the City on the basis of household type. This is driven in large measure by current planning policies of placing higher density development in concentrated areas around town centres and transport nodes. The Study noted that this can lead to increased spatial polarisation of population between the outer suburbs with high proportions of family households, and the growing proportion of other household types in the older and redeveloping suburbs.

The emerging division between the more diverse older central suburbs and newer more socially homogenous suburbs on the fringe continues to be reinforced by new development. While higher density development adds considerably to housing choice, the concentration of higher density housing stock, as evidenced in other parts of Sydney where it has been primarily associated with a lower income rental market, has led to concentrations of relatively disadvantaged populations.

The research strongly suggests that a key way to avoid a polarised housing market in the future is to disperse higher density housing across residential areas. In part, this can be controlled through careful siting of new multi-unit housing, as well as ensuring a high quality of planning and design.

This is an element which we are already including in plans for the new release areas with appropriate forms of housing mix in different locations.

4. Housing Affordability

Penrith has enjoyed a relatively affordable housing market compared to other parts of Sydney. However Penrith has not been immune to growth pressures and the economic upswing, which has led to pressures on the property market.

The research indicates that for most households this has resulted in asset accumulation, however there is a potential concern that some households, particularly the young, are being priced out. Rental property numbers are growing and this provides opportunities for many who either cannot or are not yet able to buy. However, this market may begin to shrink back if the investment climate changes in the next few years. If this happens, then the lack of new affordable housing may become a more significant problem for key groups.

But even with relatively low rents compared to the rest of Sydney, around 3,600 private rental households were estimated as paying more than 30 per cent of their income in rent. This suggests that for many Penrith renters, housing affordability is a problem.

This leads to the need to consider how an appropriately priced affordable housing supply, both lower cost home ownership and private rental, can be encouraged and retained within the area for local people who cannot, or who are not in a position, to afford higher prices.

5. Planning for a Mature Community

The research also indicates that Penrith's population profile is changing: its population is ageing; larger numbers of younger people are making different choices about home ownership and families; and households are less stable than in the past.

Given the much more mature and mixed profile of Penrith's population, a range of housing choices need to be available to ensure their housing needs can be met locally.

Development and Social Trends

The Research Report provides an overview of demographic pressures, a social and economic profile, sub-area profile, housing supply figures, a profile of households and individuals by dwelling type, housing costs and affordability, and migration. These are detailed in the attached summary report. Some key aspects to Penrith's growth is listed below:

1. The number of households in Penrith increased by 80% between 1981 and 2001, from 31,846 to 57,249. The average household size fell from 3.4 persons in 1981 to 3.0 persons in 2001 and, if trends continue, household sizes will continue to fall to 2.6 persons in 2019.
2. Population growth in Penrith is being driven by strong natural increase.
3. The largest single household group is couples with children (25,143, or 44% of all households), however, between 1996 and 2001 there was no proportional shift in couples with children in Penrith, whereas there were significant increases in lone person households, one parent families and couples without children.
4. Between 2001 and 2019 the number of households in Penrith is expected to increase by a further 25,280, 44 percent.
5. The population structure within Penrith is "hollowing out", that is, population is increasing in the newer outer suburbs while older established "core suburbs have lost population. So while Penrith's population continues to grow overall, there are significant

areas in the older suburbs that have passed their growth phase and are now losing population.

6. Penrith's housing stock is dominated by detached dwelling houses (85% of all dwellings), and its proportion of multi-unit housing stock is substantially lower than the Sydney average.
7. The growth in higher density housing in Penrith over the 1990s was largely attributable to the development of semi-detached homes, rather than higher density flats.
8. While Penrith has matured and established itself as one of the major local government areas in the State in the last quarter century, substantial population pressure will continue. This population pressure is being driven fundamentally by natural increase within the City and a small amount of immigration from overseas. Penrith is however, losing population through net domestic migration, largely to areas beyond Sydney. Natural increase has more than compensated for this net migration loss.

Further Research

1. Urban Growth

The Research Report has investigated and identified key issues that contribute to an understanding of the pressures for growth, change and development in Penrith. The Report presents a number of challenges to how we might have seen Penrith emerging in the future.

A number of issues raised require further research to assist in the development of required strategic responses. To that end, we have engaged UFP to carry out further research that refines and builds on the findings of the 2003 Research Report. This additional body of work will inform Council about appropriate strategic initiatives that could be taken to address identified housing and community need, as well as critical actions and possible new policy directions for our Residential Strategy.

UFP has commenced initial research on the following questions:

- What is the emerging community profile of Penrith over the next twenty years and what will be their needs in terms of housing, type and location?
- As the stock of dwellings within multi-unit housing continues to be developed, there will be a trend for a proportion of that housing to be used increasingly for rental accommodation. What will be the social consequences of this trend and how should it be best managed?
- What will be the emerging role of our older housing areas and what are the social and economic consequences of alternative housing policies for these areas?
- What will happen to our older established residential areas in terms of continuing loss of population if there is no urban renewal stimulated by infill housing opportunities?
- What is needed to provide for a diverse community, particularly in terms of adaptable and affordable housing, lifestyle needs and providing for older people and people with disabilities?
- What are the likely social implications (beyond housing need) of an emerging and diverse household mix for Penrith?

The results of this further research will be reported to Council when concluded.

2. Metropolitan Strategy Review

The State Government has recently announced the development of a new Blueprint for Metropolitan Sydney to be developed over the next twelve months. That Plan will fundamentally establish a long-term Strategy to consolidate Sydney's position as Australia's Global City, ensuring it remains competitive, liveable and sustainable. Importantly, the strategy will set out how the government intends to manage growth and change in the Greater Metropolitan Region.

The Strategy development will be assisted by a series of discussion forums called "The Sydney Futures Forum", allowing the opportunity for stakeholders, including Local Government to participate in the Metropolitan Strategy process. The outputs from the forums and the new Strategy itself will be important determinants in relation to how Western Sydney and indeed Penrith will be viewed in terms of continuing growth.

A report on the government's Metropolitan Strategy process is being prepared and will be submitted to Council shortly.

3. Older Established Areas

We have commenced a review of the residential 2(c) zones, which permit low-density multi-unit housing (villas) across the City. This review has been prompted by community concerns expressed about multi-unit housing proposals in a number of older established areas, including Oxley Park, Cambridge Park and Werrington.

Council has considered recent reports on this review process, which have included holding a range of community consultations, discussions with the development industry and other stakeholders. Council in March 2004 resolved to move forward with a number of amendments to the Urban Lands LEP and DCP addressing issues raised by the community.

The amended plans are expected to be exhibited next month and the results will be reported back to Council.

We are also liaising with WSROC in relation to a project which they are advancing looking at revitalising older areas. This initiative picks up on the "Year of the Built Environment" program and will commence with a Regional Forum in August or September 2004, which will discuss relationships between cultural and urban planning and urban design, the emerging structures for areas undergoing renewal and processes of engaging local communities. It is intended that WSROC will develop guidelines for revitalising older areas and will focus on key issues such as retention of neighbourhood character and cohesion, engaging communities in the process of change, developing urban design guidelines to assist neighbourhood renewal and placement of infill housing.

The WSROC project contemplates the development of built environment projects aimed at revitalising selected established areas. We have advised WSROC of our interest in pursuing a pilot project for one of our older established areas undergoing change, such as Oxley Park, which would review the implications of infill housing and develop strategies for how that will be managed to retain and enhance neighbourhood character, social structures and community facility provision. A task has been included in next year's Management Plan to include this approach.

A task is also included in next year's Management Plan, which will see the process advanced for the development of a new integrated Local Plan for the City. We have sought funding

opportunities from DIPNR to assist in the resourcing of this important planning process. The Local Plan will draw together and review the major land-use plans currently operating and develop appropriate strategic responses to the places that make up the City and the controls that will guide future development activity. The research outlined above will be of great assistance in informing and directing the new Local Plan.

Conclusion

Penrith continues to sustain pressures for growth, change and development. The research outlined in this report has highlighted the principle drivers of growth, most notably continued natural population increase, changing household formations, and the need for Council to consider further strategies for the effective management of that growth.

As outlined in the summary document, the Study suggests that Penrith's growth management strategy will need to be refined to "successfully avoid the pit falls of unregulated growth, address the outstanding issues of previous periods of growth and provide a firm framework that maintains the best aspects of the area, including affordability and amenity, but makes significant inroads into the issues of future urban sustainability and community cohesion".

Council's platform for current residential development policy is the Penrith Residential Strategy, which was adopted by Council in 1997. The current research provides a valuable basis for considering future planning and social policy directions in the City, and will inform emerging discussion around the review of Council's Strategic Plan.

We have already started a process of review with ongoing examination of some of our established residential areas which is responding to community concerns expressed about infill housing and is also assisting in our wider understanding of the implications of current housing policy.

Given the current research has identified a number of implications for the new release areas, particularly the view that wider housing diversity will be required to satisfy increasing household numbers and population make-up, we will be arranging a forum with principle development groups to inform them of the keys issues arising from the Study. In addition to continuing dialogue about the release areas, the forum will also engage other stakeholders, including the Chamber of Commerce, City Centre Association and community groups, to bring to their notice the research findings so they are better informed about the drivers of growth in the City and discuss with them how new urban development can better respond to future community needs.

RECOMMENDATION

That:

1. The information contained in the report on Urban Growth in Penrith be received
2. The key findings and recommendations of the Stage 2 research into Urban Growth in Penrith being undertaken by the Urban Frontiers Program be reported to Council when it is finalised.



The City in Its Environment

2 Status of the City's Urban Release Area Program

4105/3

Compiled by: **Angela Yoong, 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

This report provides an up-date on the current status of planning for our new release areas.

Background

There are eight new urban release areas, an education precinct and an employment precinct in the Penrith LGA for which planning processes are advancing concurrently. The Caddens Release Area, Werrington Mixed Use Area and the Claremont Meadows Stage 2 form part of the education precinct strategy investigation area known as the Werrington Enterprise, Living and Learning (WELL) Precinct. The strategic employment precinct is known as the Erskine Park Employment Area (EPEA). These release areas and precincts play a significant role in providing residential accommodation and employment lands in Penrith and are all at different stages of the planning process.

The planning process is multi layered and involves extensive negotiations with developer interests, agencies and other stakeholders, community negotiations and funding issues. The federal and state authorities can greatly influence the timing of delivery of outcomes.

This report provides the status of the planning of the release areas and strategic precincts. Estimations of dwelling yield for each of the release areas as well as the initial forecasts for delivery are also provided in the *Appendices* to the report.

Status of the Residential Urban Release Areas

1. Claremont Meadows Stage 2

<i>Property description</i>	The site is generally bounded by Caddens Road and the former Gipps Street landfill site; the M4 Motorway; the South Creek corridor; and the Orchard Hills to the north, south, east and west respectively
<i>Site area</i>	63 hectares
<i>Current zoning</i>	Predominantly zoned Residential 2(d) under LEP 96 (1984)
<i>Projected number of dwellings</i>	500
<i>Estimated population</i>	1,500
<i>Development status</i>	Development applications approved: i) 104-110 Gipps Street – subdivision into 16 allotments

<i>Location plan</i>	<p>Development applications lodged: i) 355-363 Caddens Road (Lot 6 DP27233) – subdivision into 24 allotments; ii) 244-254 Caddens Road (Lots 1,2 DP 27107)</p> <p>Potential development applications: i) Landcom land in the eastern precinct likely to be lodged in May 2004; ii) 244-254 Caddens Road (Lots 1,2 DP 27107)</p> <p>Refer to Attachment Sheet 1</p>
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i) Structure Planning

Extensive liaison with the National Parks and Wildlife Service (NPWS) resulted in the development and adoption of a Key Principles diagram for Claremont Meadows Stage 2 by Council in July 2003. The Key Principles diagram identifies the requirement for noise attenuation measures and visual screening on the northern side of the M4 Motorway and sections of Gipps Street (the realignment of the Werrington Arterial). It also includes a key pedestrian/cycle link along Caddens Road; conservation open space areas north and south of Caddens Road; multi-unit housing north of Caddens Road to the east of Gipps Street; and large residential allotments north of the M4 Motorway.

ii) Statutory Plans

The draft Local Environmental Plan (LEP) for the Stage 2 development was placed on public exhibition in September 2003. The Plan was subsequently re-exhibited in March/April 2004.

The Draft Development Control Plan (DCP) and an amendment to the Section 94 Contributions Plan are being prepared. The draft DCP will incorporate detailed provisions for the eastern precinct arising from a Draft Master Plan prepared by Landcom.

iii) Program

The re-exhibition process of the Draft LEP included: i) written notification to residents both in the existing Claremont Meadows Estate and Stage 2; and ii) displays at Penrith, St Marys and the Claremont Meadows Community Centre. Information was also available on the website. The exhibition concluded on 23 April, 2004. A separate report will be submitted to Council on the Draft LEP.

The Draft DCP will be exhibited shortly. A report on the amendment to the Section 94 Contributions Plan is scheduled for submission to Council in the near future.

2. Werrington Mixed Use Area

<i>Property description</i>	The site is generally bounded by the Western Railway Line to the north, Great Western Highway to the south, University of Western Sydney to the east, and extension to French Street and adjoining residential areas to the west.
<i>Site area</i>	22 hectares
<i>Current and/or proposed zoning</i>	<p>The site is currently zoned 5(a) Special Uses (Army) under Penrith LEP 1998 (Urban Land).</p> <p>The site is proposed to be zoned Part 10(a) Mixed Use Residential/Part 10(b) Mixed Use Employment/Part 5(a) Defence under Penrith LEP 1998 (Urban Land) – Amendment No.13.</p>
<i>Proposed development</i>	1 ha transport interchange; 6 ha of mixed use residential (medium, high density and student housing) and multi-user army depot; minimum 8 ha

	of mixed use employment (technology focus); and drainage, conservation and passive open space
<i>Projected number of dwellings</i>	190
<i>Estimated population</i>	520
<i>Estimate number of jobs</i>	300 (including off-site jobs)
<i>Approximate area of employment zoned land</i>	8 hectares
<i>Development status</i>	Not advanced
<i>Location Plan</i>	Refer to Attachment Sheet 2

i) Statutory Plans

The Draft LEP (Penrith Urban Land LEP 1998 Draft Amendment No. 13 - Werrington Mixed Use Area) applies to the site. The Plan, when gazetted, will rezone the site to Part Mixed Use – Residential, Part Mixed Use – Employment and Part Special Uses - Defence. The planning instrument was submitted to the Department of Infrastructure, Planning and Natural Resources (DIPNR) mid last year with a request that the Minister make the plan.

Council adopted the DCP for the site in December, 2002. The DCP will come into force on the date of gazettal of the Draft LEP.

A Draft Section 94 Contributions Plan has been prepared for the site. The Section 94 levies will fund the upgrading of the existing French Street between Great Western Highway and George Street; intersection works at French and George Streets; active recreation in the area; upgrading of the Victoria Street community cottage; and possibly drainage, subject to the outcomes of the drainage study for the site. Section 94 contributions relating to library and cultural facilities will also apply.

ii) Program

A Draft Transport Management Accessibility Plan (TMAP) has been prepared for Transport NSW for the proposed new railway station and interchange. The TMAP identifies a range of measures to support the functioning of the rail precinct. Responsibilities for the funding and provision of the package of measures are yet to be determined. These measures are associated with the wider needs of the University precinct, which is currently under investigation in the WELL Precinct Study.

As previously reported to Council, RailCorp had lodged an objection to the Draft LEP and required a clause to be inserted stating that developers were to make contributions towards transport infrastructure. RailCorp has for some time been negotiating with the Department of Defence (DOD) for contributions towards the construction of the proposed rail station and transport interchange. The Deed will cover matters such as land transfers, construction of the extension of French Street between George Street and the proposed railway station/transport interchange. Despite agreement being reached on the substantive elements, a deed of agreement has not been signed off by the parties. We continue to press State Government and DOD for the matter to be resolved and for the station construction to advance.

The draft Master Plan for the residential component of the Werrington Mixed Use Area has yet to be finalised by DOD. It identifies infrastructure requirements such as a transport interchange (which includes a new railway station and commuter car park); the upgrading of existing roads, intersection upgrading with Great Western Highway and construction of new roads; provision of trunk drainage and stormwater works (including onsite detention basins); and provision of pedestrian/cycleway network and open space (including riparian corridor).

The draft Master Plan requires the preparation of a number of studies including drainage and traffic. The drainage issue applies to both the drainage management of the subject site and downstream of the Great Western Railway line. A culvert exists under the railway line and has been identified as having inadequate capacity to drain storm water to land to the north of the railway line. Substantial flows are currently redirected towards the west along the southern side fill embankment of the Great Western Railway. This has impacts on properties to the west, both to the south and north of the rail line. Council engineers have recommended the upgrading of the existing railway culvert and the various sized pipes to address the drainage issue. A number of viable technical options have been canvassed but the central issue to-date is the apportionment of infrastructure costs, which is under consideration by RailCorp.

The timing of the exhibition of the Section 94 Contributions Plan will coincide with the exhibition of the Draft Master Plan, yet to be finalised by the Department of Defence.

We are continuing to seek: i) the finalisation of the Deed between the SRA and DOD; an acceptable Draft Master Plan; and satisfactory drainage and traffic studies; and ii) the resolution of funding of the required infrastructure.

DOD has recently advised that it is currently “reviewing the disposal planning for the site” and will subsequently inform Council of its decision in the near future.

3. Caddens Release Area

<i>Property description</i>	The site is generally bounded by The University of Western Sydney to the north, Orchard Hills/Caddens Road to the south, Claremont Meadows Estate to the east and the South Kingswood residential area to the west.
<i>Site area</i>	100 hectares
<i>Current zoning</i>	Rural 1(d) “Future Urban” under IDO 93.
<i>Projected number of dwellings</i>	1,300
<i>Estimated population</i>	3,900
<i>Estimate number of jobs</i>	To be determined as part of further planning investigations to be undertaken.
<i>Approximate area of employment zoned land</i>	To be determined
<i>Development status</i>	Not advanced
<i>Location plan</i>	Refer to Attachment Sheet 3

i) Program

The Caddens Release Area is listed on the Metropolitan Development Program (MDP) for consideration and investigation into its potential for urban development. There will be detailed investigations applying to the release area which will form the basis for a local environmental study to underpin future zoning considerations for the release area. We are in the process of identifying the required additional planning and environmental investigations.

The planning for this area is being considered in the context of the Werrington Enterprise, Living and Learning (WELL) Precinct Strategy development to ensure that options for developing the release area are fully explored to achieve optimal integration with the Precinct Strategy, particularly the education lands to the north of the Caddens Release Area occupied by the University of Western Sydney (USW) and TAFE. Private landowners within the

Caddens Release Area are now represented on the WELL Precinct Steering Committee, allowing the landowners to remain up to date with progress of planning of both the Caddens Release Area and the WELL Precinct. The WELL Precinct Strategy will be discussed separately in this report.

4. ADI, St Marys

<i>Property description</i>	The site is generally bounded by Ninth Avenue/Palmyra Avenue to the north, the urban areas of Cambridge Gardens, Werrington Downs, Werrington County, and St Marys to the south, Forrester Road/Palmyra Avenue to the east, and The Northern Road to the west.
<i>Site area</i>	1,545 hectares, 850 hectare Regional Park, 380 hectare urban area (Penrith)
<i>Current zoning</i>	The zoning provides for a range of urban uses, including housing and employment uses, regional park and open space.
<i>Projected number of dwellings (Penrith component)</i>	3,068 (Penrith)
<i>Estimated population</i>	7,830 (Penrith)
<i>Estimate number of jobs</i>	3,460 (Penrith)
<i>Approximate area of employment zoned land</i>	69 hectares (43 ha in Penrith)
<i>Development status</i>	(i) Development Applications approved: - Nil at this stage. (ii) DAs lodged :- Nil at this stage. (iii) Potential DAs:- June 2004 :- First DAs expected to be lodged for subdivision in the Eastern Precinct (BCC area). Late 2005 :- First DAs expected to be lodged for subdivision in Dunheved South Precinct (PCC) and Dunheved North Precinct (BCC). Early 2006 :- First DAs expected to be lodged for buildings in Dunheved South Precinct (PCC) and Dunheved North BCC).
<i>Location plan</i>	Refer to Attachment Sheet 4

i) Committees/Studies/Strategies

Council has participated in a number of committees relating to transport, macro fauna, employment and human services issues. The major focus of these committees are to develop appropriate precinct and management plans, strategies, innovative ways of delivering infrastructure, as well as identifying key elements which would be included in the upcoming review of the gazetted REP for the site. Advisory Committees are currently being established to advise the National Parks & Wildlife Service [now part of Department of Environment and Conservation (DEC)] and DIPNR on the preparation of a Plan of Management for the Regional Park and Regional Open Space areas within the site.

A Human Services Infrastructure Coordination Group has been set up to oversee the provision of human services for zoned urban land on the site. The Coordination Group will make recommendations about the scope and location of facilities, services and open space to be provided for the development.

A Traffic Modelling Study has been completed while the Transport Management Study is yet to be finalised. The latter is being reviewed to establish the transport implications of the

reduced development extent for the ADI site. The review may establish the need for additional works to be undertaken and highlight the need for State Government transport agencies to commit to delivering arterial road network improvements.

An Employment Development Strategy has been prepared for the joint Venture Partners and submitted as part of the Eastern Precinct Plan to Blacktown City Council. The Strategy has a required an employment target of 5,300 jobs and predicts the creation of approximately 6,700 jobs by the year 2020.

ii) Agreements

An agreement exists between the Commonwealth and State Governments and Delfin Lend Lease (DLL) where the Minister acknowledges the need to progressively provide facilities and services to support additional population on the site. This Agreement provides for: i) 3 primary schools; ii) additional community health centres; iii) transport and road provision (including bus priority works, main road intersection works, bus overpass and cycle ways); iv) regional and local open space; and v) regional park.

A further report on the delivery and management of the proposed Regional Park is currently being prepared for Council's next meeting.

iii) Release of Precincts

The Minister for Western Sydney (and Assistant Minister for Infrastructure and Planning) declared the release of the Eastern Precinct and also the North and South Dunheved Precincts in June 2003.

The Draft Precinct Plan for the eastern precinct, which was submitted by Delfin Lend Lease (DLL) to Blacktown City Council in early August 2003, was publicly exhibited in August/September 2003. We assessed the Precinct Plan and submitted a report to Council at its meeting of 15 September, 2003. Blacktown City Council, at its Development Committee Meeting on 28 January 2004 and its Ordinary Meeting on 4 February 2004, adopted the Eastern Precinct Plan with certain amendments, as agreed to by the proponent, Delfin Lend Lease.

iv) Program

We have met recently with DLL, DIPNR and Blacktown City Council to discuss advancement of the Dunheved Employment Precinct Plan. DLL have prepared consultant briefs and studies will be underway shortly.

It is expected that a draft Precinct Plan for the South Dunheved Employment Precinct will be submitted by DLL in August 2004.

5. Glenmore Park Expansion Area

<i>Property description</i>	The site is generally bounded by Mulgoa Nature Reserve and the existing Glenmore Park residential area; rural lands; The Northern Road; and Mulgoa Tip and rural lands to the north, south, east and west respectively.
<i>Site area</i>	The total site area is 225 hectares, which includes land designated by the Australian Heritage Commission on the Register of the National Estate as forming part of the Mulgoa Natural Area. The total developable urban area is 125 hectares.
<i>Current zoning</i>	Zone 1(a) (Rural "A" Zone – General) under Penrith LEP No.

<i>Proposed development</i>	201 (Rural Lands) gazetted 12 July 1991 Mixed density residential, rural residential, roads, community and sporting facilities, employment, open space and conservation land.
<i>Projected number of dwellings</i>	1,200
<i>Estimated population</i>	3,600
<i>Estimated number of jobs required</i>	1,550
<i>Development status</i>	Not yet advanced
<i>Location plan</i>	Refer to Attachment Sheet 5

i) Statutory Plans

The draft Local Environmental Study (LES) was adopted by Council at its meeting of 8 December, 2003. We are presently reviewing key issues emerging from the LES, including environmentally constrained land, with a view to preparing a draft LEP for public exhibition in August/September.

The LES investigations have determined a demand for the following infrastructure requirements: i) public primary school (relocated from a previously identified site within the existing estate); ii) road amplification works of The Northern Road, including dual lane roundabout at the Bradley Street intersection, and dual lanes between this new intersection and the existing roundabout at Glenmore Parkway; iii) active playing fields, a community building and parking; iv) riparian and open space corridors which include pedestrian and cycleway network; v) internal roads, drainage and storm water, water and sewer, energy and communications. Biodiversity conservation was also determined to be a significant aspect.

Further investigations are also required to identify appropriate land uses which could be incorporated into the development and which also satisfy Council's employment targets.

Developer contributions through Section 94 will fund road works and public transport improvements, onsite water management, securing open space and biodiversity areas and improvements, and community facilities.

ii) Program

A Transport Management Accessibility Plan (TMAP) is being prepared and provides the opportunity to identify transport local and regional infrastructure projects relating to both Section 94 and the regional infrastructure levy.

This release area falls within the Category 3 classification of the State Government's Metropolitan Development Program (MDP). This means that a levy is raised on each lot created to fund regional transport needs. Details relating the infrastructure funding required by the State Government Category 3 classification have not yet been determined, however, it is anticipated that a decision will be made shortly by DIPNR.

6. Lakes Environs

<i>Property description</i>	Land generally bounded by Nepean Street to the north, Andrews Road to the south, Cranebrook Road to the west and Laycock Street and Greygums Oval to the east.
<i>Site area</i>	95 hectares
<i>Current zoning</i>	Penrith LEP 1998 (Lakes Environs) gazetted 13 March 1998 – Part

<i>Proposed development</i>	2(g) Residential (Waterways)/Part 2(h) Residential (Services)/Part 5(c) State Road & State Road Widening/Part 7(w) Environment Protection (Wetlands) Site development will comprise 694 residential dwellings (in detached, multi-unit and apartment forms), a range of employment generating uses including 300-bed motel and a conference centre. Nepean Street is to be closed and Laycock Street extended to Andrews Road.
<i>Projected number of dwellings</i>	694
<i>Estimated population</i>	1,660
<i>Estimate number of jobs</i>	Yet to be determined
<i>Approximate area of employment zoned land</i>	17 hectares
<i>Development status</i>	Development Consent was granted in September 2003 for bulk earthworks associated with the lakes construction & rehabilitation of wetlands. Amendments to LEP and DCP (to provide a more contemporary housing delivery strategy for the site) and a draft Section 94 Contributions Plan are being prepared for public exhibition.
<i>Location Plan</i>	Refer to Attachment Sheet 6

i) Statutory Plans

Council adopted the LEP, DCP and Master Plan for the site in 1998.

Stockland purchased the land zoned Residential (Waterways) 2(g) and is now negotiating the purchase of the land zoned Residential (Services) 2(f) which fronts onto Andrews Road. Stockland has requested amendments to the LEP and DCP to facilitate a refined Master Plan for the Residential (Waterways) 2(g) land.

ii) Program

The current Master Plan for the 2(g) land envisages the site being developed as an ‘integrated development’, that is, in a manner that involves approval of the dwellings at the same time as approval is granted for the subdivision of the land. This development strategy requires integration of housing design and lot layout in an effort to deliver more environmentally sensitive development. Stockland seeks to develop the site as a mixture of ‘integrated development’ and in the more traditional manner that involves the subdivision and sale of land followed by separate approval of the dwelling. The refined Master Plan will also include adjustments in road layout, shape of the lakes, housing type and the location of community facilities.

The requested amendments to the LEP and DCP, together with the refined Master Plan for the 2(g) zone were reported to the Policy & Review Committee Meeting of 23 February 2004 and supported. We are currently preparing amended documents for public exhibition. A Draft Section 94 Contributions Plan is also currently being prepared for the site.

7. Penrith Lakes

<i>Property description</i>	Land generally bounded by the Nepean River on the south and west, Smith Road to the north and Cranebrook Road, Church Lane and
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<i>Site area</i>	West Wilchard Road to the east 1937 hectares
<i>Current and/or proposed zoning</i>	The land is currently zoned Rural 'A2' under IDO 93 as amended by SREP 11 to allow the extraction of sand and gravel. The draft amendment to the REP proposes a mix of Regional Open Space, Urban, Urban Fringe and Employment zones.
<i>Proposed development</i>	<ul style="list-style-type: none"> • 793 ha parkland and 720 ha of lakes • 250 ha of mixed use/residential • 25 ha of rural/residential • 75 ha of urban fringe land for mixed use/residential • 24 ha for the relocation of Castlereagh Road • 50 ha for employment uses
<i>Projected number of dwellings</i>	4,900
<i>Estimated population</i>	14,000
<i>Estimate number of jobs</i>	Up to 4,000 (including off-site jobs)
<i>Approximate area of employment zoned land</i>	50 hectares
<i>Development status</i>	<p>Awaiting confirmation from DIPNR as to the timing of the REP exhibition, expected to be later this year.</p> <p>Resolution is being sought to flooding issues and a whole of government approach to the funding, timing and delivery of required infrastructure and the early establishment of the Parkland Authority.</p>
<i>Location plan</i>	Refer to Attachment Sheet 7

i) Statutory Plans

The initial planning studies and investigations have generally been completed for Penrith Lakes, with Council's participation in all working groups (funding and management, community and urban, recreation, transport, infrastructure, economic and employment, heritage, flora and fauna, water cycle, physical constraints.)

Key issues which we identified included: i) the parkland planning and the early establishment of the Parkland Management Authority; ii) the planning structure and approvals processes to be included in the Draft Regional Environmental Plan (REP) amendment; iii) the importance of ensuring appropriate water quality controls/standards, determination of appropriate flood modelling and flood evacuation capacity for the site and determination of the land capability; iv) job creation the employment strategy delivery; v) diversity in housing product, including 'up market' housing product; vi) transport infrastructure improvements; and vii) social facility delivery, including optimising recreation/leisure opportunities. The resolution of these issues is progressing and the timing of exhibiting the Draft REP has yet to be finalised by DIPNR.

ii) Program

The new REP for the site and associated Environmental Planning Strategy were scheduled for exhibition late last year. There was, however, a delay due to the need for a major review of the flood modelling and planning for the site and that the studies did not meet the requirements of the State Government's Floodplain Management Manual. This further study is now advancing.

Developer Agreement negotiations between DIPNR and PLDC are also being finalised. We expect DIPNR to confirm the timing of the REP exhibition shortly.

The State Government proposes to provide the necessary infrastructure by means of the following: i) a Development Agreement between PLDC and respective State Government service authorities for the provision of facilities to address regional issues, for example, arterial road works; ii) a Section 94 Contributions Plan to be prepared by Penrith City Council for the provision of local services and facilities (local open space, child care, cultural facilities, libraries, etc.) generated by the urban development of the site; and iii) a direct State Government funding for facilities such as schools, health and emergency services, water and sewerage supply.

DIPNR is currently preparing a draft Outline Development Agreement (ODA) which will be placed on public exhibition with the proposed amendment to SREP No. 11 to facilitate urban development of the site. The draft ODA will provide for the following services and facilities: i) regional transport infrastructure; ii) water quality management; iii) flood mitigation; iv) regional parkland establishment; v) community environment program; and vi) provision of affordable housing.

Council will continue to seek the resolution of the flooding issues and a whole of government approach to the funding, timing and delivery of required infrastructure which includes matters such as water, sewer, education and identified heritage resources in the ODA.

8. North Penrith Urban Area

<i>Property description</i>	The site is generally bounded by Coreen Avenue to the north, the Main Western Railway Line to the south, Castlereagh Road to the west, and Lemongrove residential area to the east.
<i>Site area</i>	50 hectares
<i>Current zoning</i>	The site is zoned under Penrith LEP 1998 (Urban Land) – Amendment No. 3 which was gazetted on 15 December 2000 – Part 2(a) Residential (Urban Landscape Protection)/Part 2(d) Residential (Medium density)/Part 2(e) Residential (Medium-high density)/Part 3(f) Mixed Uses/Part 5(a) Special Uses (commuter carpark & civic square)/Part 6(b) Proposed Public recreation & community uses. Part of the site is also zoned 4(a) General Industry under Penrith LEP 1996 (Industrial Land).
<i>Proposed zoning</i>	The current mixed land use zoning of the site is still proposed, subject to minor amendments proposed under Penrith LEP 1998 (Amendment No. 10). This proposes to rezone ‘deferred’ land in the north-eastern corner of the site for open space and housing; relocate the commuter carpark; and refine the zoned boundary edges within the site resulting from preparation of the Masterplan.
<i>Proposed development</i>	<ul style="list-style-type: none"> • 9.5 ha employment precinct • 1.5 ha urban village precinct • 29 ha residential home -business precinct • 10 ha of open space/community facilities
<i>Projected number of dwellings</i>	850
<i>Estimated population</i>	2,000
<i>Estimate number of jobs</i>	1,100 (including off-site jobs)

<i>Approximate area of employment zoned land</i>	9.5 hectares
<i>Development status</i>	Not advanced
<i>Location plan</i>	Refer to Attachment Sheet 8

i) Statutory Plans

The LEP and DCP came into effect in December 2000. The LEP provides for a mixed land use approach with a balance of employment uses and housing types. The LEP also recognises the transit focus of the site and its strategic location to the Penrith City Centre.

A Draft Master Plan was placed on public exhibition between March and June 2002.

A Draft Section 94 Contributions Plan is currently being prepared. It is expected that the developer contributions through Section 94 will fund storm water detention systems, open space/parks, internal roads, community building and pedestrian/cycle network.

A draft Masterplan was placed on public exhibition between March and June 2002. The draft Masterplan describes the following services and facilities that are to provided:

- * A transitway link from ADI and bus interchange;
- * A pedestrian and cycleway linking open space, parks, public transport and the regional cycleway/pedestrian network;
- * A community building and amenities block within the central oval;
- * A 600-space commuter car park;
- * Open space/parks;
- * Small scale retail development in the village centre;
- * Restoration of Thornton Hall, and interpretation of other significant heritage items and an identified archaeological site;
- * Storm water detention systems; and
- * Road upgrading.

ii) Program

In 2003, the Department of Defence commissioned an independent consultant review of the North Penrith development proposal and Masterplan. The Review recommended the 'Hybrid' scheme as the preferred land use option for the site. This proposal involves the use of six hectares of land on the south-western area of the site for commercial/office development, yielding approximately 148,000m² of office space. The remaining land uses proposed in this scheme would be the same as the current Masterplan, with the exception that the proposed 600-space commuter carpark would be deleted.

Council in November 2003 considered a report on the three different land use scenarios examined as part of the consultant's Review. Council resolved to write to the City Centre Associations, the Chamber of Commerce, the Museum of Fire and commercial land owners within the CBD, advising them of the 'Hybrid' scheme and seeking their comments on this proposal.

The outcomes of this consultation formed part of separate reports considered by Council at its meetings of 16 February 2004 and 1 March 2004. At the later meeting Council resolved that the matter be deferred for consideration until after the Local Government general election to be held on Saturday 27 March 2004. This matter will be reported back to Council shortly. Council has written to The Hon. Senator Robert Hill seeking advice on the Commonwealth Government's position in relation to the future land use arrangements of the site. In particular, Council has sought to clarify whether the Government wishes to pursue the

exhibited Masterplan for the site. We have also pursued a commitment from the Department not to dispose of the site until consensus on the future use of the land has been reached. Council also expressed concern with respect to the potential impact on the economic viability of the Penrith Town Centre resulting from the ‘Hybrid’ scheme.

The Hon Fran Bailey, MP, Parliamentary Secretary to the Minister for Defence responded advising that Council’s concerns with respect to the composition of land uses and the disposal process would be taken into consideration. It was advised that the Government was still deciding on the best approach to be taken for the North Penrith site and that it would advise the Department of Defence to keep Council informed of the progress for the disposal of the property.

We have written again to the Commonwealth Government seeking a response to these issues. The Hon Fran Bailey MP, has responded by reiterating their previous advice that the Government was still determining the most appropriate way ahead for the disposal of the property, and that once an evaluation of the options for the site has been completed, the Government would instruct Defence to advise Council accordingly.

9. Erskine Park Employment Area (EPEA) – Industrial Lands

<i>Property description</i>	The site is generally bounded by St Clair/Erskine Park residential areas to the north, the Sydney Water supply pipeline to the south, Ropes Creek to the east, and Mamre Road to the west.
<i>Site area</i>	540 hectares
<i>Current zoning</i>	<ul style="list-style-type: none"> Penrith LEP 1994: Erskine Park Employment Area – Part 4(e) employment/Part 4(e1) employment (restricted)/Part 5(c) special uses ‘C’ (State Roads & State Road Widening)/Part 1(f) floodway.
<i>Estimated number of jobs</i>	6,000 – 8,000
<i>Approximate developable area of employment zoned land</i>	276 ha
<i>Development status</i>	<p><i>(i)Development applications approved:-</i></p> <p>(1) a subdivision on the northern corner of Erskine Park/Mamre Roads by BGV Developments;</p> <p>(2) a light industrial building (Stramit development) on the southern side of Erskine Park Road;</p> <p>(3) bulk earthworks and relocation of the existing creek line (Walker site);</p> <p>(4) construction of the Western Access Road is currently underway.</p> <p><i>(ii)Development applications lodged:-</i></p> <p>(1) a DA on the Austral property is currently on hold, pending the review of biodiversity and drainage issues for the whole estate;</p> <p>(2) a zone substation within the EPEA site is likely to be approved soon;</p> <p>(3) a warehouse/distribution centre (Packcentre) is currently being assessed;</p> <p>(4) a DA for Bulk Earthworks on the Packcentre site is currently being assessed;</p> <p>(5) a DA for the construction of Lenore Lane and the intersection with Erskine Park Road is currently being assessed;</p> <p>(6) a DA for an 8-lot subdivision on the Paclib site is currently being</p>

<i>Location plan</i>	<p>assessed.</p> <p>(iii) <i>Potential development applications:-</i></p> <p>(1) Filling of lots (western CSR site);</p> <p>(2) Building on north-west corner of Walker site.</p> <p>Refer to Attachment Sheet 9</p>
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i) Statutory Plans

The LEP was gazetted in 1994. The DCP and Section 94 Contributions Plan were adopted by Council in December 2002 and came into force on 3 January, 2003.

ii) Program

The lead-in water and sewer mains to the Lenore Lane/Erskine Park Road intersection and to Erskine Park Road respectively are constructed.

Council is undertaking, at the request of landowners, a review of the biodiversity strategy for the estate. The purpose of the review is to ensure that viable conservation and development outcomes can be achieved for the estate. Council have appointed an environmental consultant to assess the landowners' proposal for a revised Biodiversity Strategy for the estate. It is anticipated that the consultant's report on the review of this Strategy will lodged with Council by the end of May 2004. The finalised Strategy will then be reported to Council after consultation with State government agencies.

DIPNR is presently finalising the drainage and water quality strategy.

Council has been actively seeking the construction of an electricity zone substation within the estate by Integral Energy (IE). A development application for a substation is being considered by Council and will be determined soon under delegated authority. IE has advised that its Board has agreed to fund both the land purchase and the construction of the substation and that procurement of equipment for the substation has been completed.

IE has also advised that it has initiated a process of compulsory acquisition for the purchase of electricity easements within EPEA and over land within the Blacktown LGA. It is Council's understanding that IE is prepared to initiate the construction of the substation at the same time as the compulsory acquisition process is proceeding.

Council officers have recently met with IE to develop a process with landowners to facilitate the construction of feeder lines to individual properties, to enable the provision of power to individual allotments as soon as the substation is commissioned.

Planning of the site has also made provision for an arterial link through the estate linking this estate to the SEPP No. 59 lands and to the proposed M7 Westlink (Western Sydney Orbital.) Council considers that this link will enhance both estates and enable both effective and efficient public transport services to be provided to reduce the dependency by the employees in the area on motor vehicles. Council has had recent discussions with the DIPNR Infrastructure Co-ordination and Planning unit and the RTA regarding this link. Both DIPNR and the RTA have seen merit in providing a link through the SEPP No. 59 lands and the EPEA. Opportunities for provision of this link are currently being reviewed and DIPNR has indicated that it will consider route opportunities in the planning of the SEPP No. 59 lands.

10. Werrington Enterprise, Living and Learning (WELL) Precinct Strategy

<i>Property description</i>	The site is generally bounded by the Railway line to the north, Caddens Road to the south, Gipps Street to the east and the South
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<i>Site area</i>	Kingswood residential area to the west. 670 ha
<i>Current zoning</i>	<i>Penrith Urban Lands LEP 1998 – Part Residential 2(b), Part 2(d), Part Special Uses 5(a), Part Open Space 6(a)</i> <i>Draft Amendment No.13 – Werrington Mixed Use Area – Part Mixed Use 10(a) – Residential, Part Mixed Use 10(b) - Employment</i> <i>Penrith LEP 201 – Rural Lands- Part Rural 1(a), Part Corridors 5(d)</i> <i>Penrith LEP 96 – Part Residential 2(d) Part Business 3(c), Part Special Uses 5(a), Part Reservation 9(a)</i> <i>Penrith Planning Scheme – Zone No. 1 – Non Urban</i> <i>Interim Development Order No. 93 - Rural 1(d) (Future Urban)</i>
<i>Projected number of dwellings</i>	To be determined as part of the statutory planning processes for the individual areas within the Precinct
<i>Estimated population</i>	To be determined
<i>Estimate number of jobs</i>	Not determined at this stage, however the range of land uses identified for the precinct will generate significant employment.
<i>Approximate area of employment zoned land</i>	Not determined at this stage
<i>Development status</i>	See status for Werrington Mixed Use Area, Claremont Meadows Stage 2 and Caddens Road Release Area
<i>Location plan</i>	Refer to Attachment Sheet 10

i) Precinct Strategy/Committee/Project Manager

Council initiated the preparation of a strategy for the precinct, focusing on the Kingswood/South Werrington area encompassing the proposed University Railway station and its surrounds, the Western Sydney TAFE, the University of Western Sydney (UWS), Caddens Release Area, Werrington Mixed Use Area and Claremont Meadows Stage 2. The aim of the strategy is to achieve sustainable outcomes of a vibrant, productive, integrated education and living areas supported by efficient public transport systems and networks.

A Project Steering Committee has been formed, comprising representatives from Landcom, UWS, TAFE, DIPNR, Council (including 2 Councillors and senior staff) and private landowners representatives from the Caddens Road area and south Werrington precincts to coordinate the development of the strategy.

Funding from the State Government’s Urban Improvement Program (UIP) has enabled the appointment of a Place Manager for the WELL Precinct project, and for a range of studies to be undertaken.

An extensive community consultation process, including an ‘Enquiry by Design’ workshop, was undertaken last year. A web site has been established to provide details of the project.

ii) Program

Council considered a status report dealing with the outcomes of the ‘Enquiry by Design’ process and the ideas developed through that process at its meeting of 3 November, 2003 and endorsed the key planning concepts outlined in the report. The issues raised by Council and

the community have been extensively addressed and are being incorporated into the draft Strategy.

Since that time, a draft strategy has been prepared by the Consultants and we are now refining that document and holding a range of discussions with principal landholder interest within the Precinct. It is intended that the Strategy will be referred to the Steering Committee shortly for consideration and the results of that deliberation will be reported back to Council.

The next phase following Council endorsement of this draft Strategy will be to place it on public exhibition for community feedback. Following adoption of the Strategy, the more detail planning processes for individual areas within the Precinct will be able to be advanced with further detailed studies and the development of new statutory plans based on the framework provided by the Precinct Strategy.

Estimated Lot Yield/Population and Forecasts

Appendix 1 sets out the estimated dwelling yield and estimated population for each of the urban release areas. The estimated total additional number of dwellings arising from the development of all the release areas is 12,852 and an approximate total population of 36,242.

Appendix 2 provides a forecast of additional dwellings from 2007 to 2022 for each of the release areas. The forecast additional dwellings for the years 2007 and 2012 are approximately 3,880 and 2012 respectively. These forecasts are only estimates of future development activity, based on the status of the planning to-date.

Conclusion

The planning process for our urban release areas incorporates extensive urban capability analysis and advancing the statutory aspects of rezoning, such as preparation of LESs/LEPs and guiding documents including DCPs, Master Plans and Section 94 Contributions Plans. This process includes complex negotiations to achieve development agreements between the different levels of government, servicing authorities and key stakeholders to achieve desired outcomes.

Planning of our urban release areas and strategic precincts is at different stages of the process for each release area. Consultations and negotiations continue to occur with the community, service authorities and landowners in providing and constructing infrastructures to deliver quality, sustainable new urban communities in the City. We continue to press for decisions from those development interests/landowners where advancement of planning processes have slowed.

Further reports will be submitted to Council providing updates on the status of the urban release areas in Penrith, and on individual release areas as milestones are reached.

RECOMMENDATION

That the report on the status of the City's Urban Release Areas program be received.



Appendix 1

Penrith Residential Urban Release Areas

Estimate of Dwelling Yield and Population - 15-Year Projection

May 2004

The estimated dwelling yield and estimated population for each urban release area is summarised below:

Category	Location	Total Dwellings	Population
Metropolitan	ADI (Penrith component)	3068	7830
Development	Caddens Release Area	1,300	3,900
Program	Claremont Meadows Stage 2	500	1,500
	Erskine Park (existing)	80	240
	Glenmore Park (existing)	70	210
	Glenmore Park Expansion Area (Bradley Street)	1,200	3,600
	Lakes Environs	694	1,666
	North Penrith Urban Area	850	2,000
	Werrington Mixed Use Area	190	522
	MDP Total:	7,952	21,468
Unconfirmed	Penrith Lakes	4,900	14,000
Release Areas	Unconfirmed Release Areas Total:	4,900	14,000
TOTAL Potential		12,852	35,468

Note: Estimates are derived from a number of sources including the ABS, State Government Metropolitan Development Program (MDP) annual reviews and developer updates.
Release areas are still in planning phase and estimates will continue to be reviewed and refined over time.

Appendix 2

Penrith Residential Urban Release Areas

Initial Forecasts for Delivery and Dwellings

May 2004

The estimated delivery of dwellings for each urban release area is summarised below:

Residential Urban Release Areas	Forecast Additional Dwellings By Years			
	2007	2012	2017	2022
ADI (Penrith component)	600	1,000	1,000	468
Caddens Release Area	450	450	200	200
Claremont Meadows Stage 2	250	150	50	50
Erskine Park (existing)	80	0	0	0
Glenmore Park (existing)	70	0	0	0
Glenmore Park Expansion Area (Bradley Street)	350	550	150	150
Lakes Environs	330	364	0	0
North Penrith Urban Area	650	200	0	0
Werrington Mixed Use Area	100	90	0	0
Penrith Lakes	1,000	1,000	1,000	1,900
Total	3,880	3,804	2,400	2,768

Note: Estimates are derived from a number of sources including the ABS, State Government Metropolitan Development Program (MDP) annual reviews and developer updates.
Release areas are still in planning phase and estimates will continue to be reviewed and refined over time.

The City in Its Environment

3 Status of the City's Major Policy Program and Key Policy Projects

4114/66

Compiled by: Josephine Bavatu, Environmental Planner

Authorised by: Ruth Goldsmith, Local Planning Manager

Management Plan 4 Year Outcome: *Development enhances the City's living and working environments.*

Critical Action: *Implement policy and regulatory responses to achieve quality urban outcomes (e.g. 3D modelling).*

Purpose

The purpose of this report is to advise Council of the status of our major planning policy projects, emerging strategies, and key policy projects that are separate to our Release Areas Program.

Background

Council, in its considerations for the strategic direction of the City, has emphasised the need to ensure Penrith remains a place with a distinct character and identity. It has also recognised that indiscriminate urban development, without a clear planning framework, will threaten that attraction.

Setting limits to the extent of that growth and arresting its impact on an already stressed and depleted environment are recognised as issues which must be resolved in partnership with Government and the development industry. There is a strong need for articulated strategies to manage issues such as biodiversity conservation, stormwater catchments and salinity. Pursuing quality urban outcomes for the significant number of new release areas proposed across the City is also a substantial area of endeavour. The principles for managing these and other significant issues throughout the City remain the focus for our planning response.

A report on the status of the major new urban release areas is also provided to Council in tonight's Business Paper. This report therefore focuses on the array of other significant policy responses that are being advanced. Commentary outlining the context, current status and future actions for each of the major projects we are currently pursuing is provided below.

Current Strategies

1. Biodiversity Conservation Strategy

Biodiversity in its simplest expression means the variety of all life forms. It includes the different plants, animals and micro-organisms, the genes they contain, and the ecosystems of which they form a part. The loss of biodiversity is of national concern, and has been identified as a serious environmental issue in Penrith.

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 supported by key 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.

On 8 December 2003, Council endorsed the draft Biodiversity Strategy for public exhibition, which commenced on 27 February 2004 and continued to 9 April 2004. The final Strategy was reported to Council for its consideration on 17 May 2004.

A concurrent project is the enhancement of our existing GIS and mapping system (funded through EEP), to develop the means by which we can move towards a vegetation monitoring system. The vegetation monitoring system, and related information data management program, is essential in providing Council with a clearer picture of the cumulative loss (and in some cases gains) in biodiversity habitat.

That project has progressed to the stage where maps showing specific vegetation community types can be produced (with cadastral property information), and the process is now being refined. Continuing specialist and technical support is required. The progress in mapping will shortly be enhanced by the addition of a layer providing current aerial photography information, with consultants appointed to undertake detailed photo and 'on the ground' survey work.

The focus for the next twelve months will be the establishment of an associated vegetation information management system.

2. City Centres' Review

Penrith City has for some time now witnessed significant growth and expansion in its population and employment, and the need for provision of major services and facilities. Council considered a comprehensive report on the proposed City Centres' Review process on 9 December 2002, and a subsequent report on 28 April 2003.

That report outlined the proposed planning investigations, to include the analysis of land use, economic and social systems. The studies were to be tailored in their scope, to reflect the particular circumstances and nature of current activities in the Penrith City Centre and St Marys Town Centres. This would apply most specifically to the economic analysis, in terms of respecting the different levels of retail and commercial activity, but will also be relevant in other studies, such as urban design, and social and cultural elements.

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. The Review is being undertaken in two stages, with the first stage involving –

- an extensive community consultation, involving dialogue with all individuals and groups with an interest in the Centres, including users of the Centres, business owners, Centres property owners, city workers, community organisations and services, relevant government departments and authorities, community groups, identified target groups (such as the City's younger and aged communities), visitors, and individuals in the City's wider communities, and
- a review of the principal systems which bear upon the operation, development and growth of the Centres, including –
 - ~ *land use systems* eg. access, public transport, parking, urban design analysis
 - ~ *economic systems* eg. economic viability, servicing constraints, existing market trends, retail, commercial, residential and tourism activities, and
 - ~ *social systems* eg. existing social and cultural values, constraints to recognising / expressing the social and cultural elements of the City's communities, encouraging cultural diversity.

Specialist consultants have progressed the technical investigations and studies – Hill PDA has been engaged to undertake the economic analysis of the centres, the NSW Government Architect to analyse the urban design characteristics of the centres, and Sinclair Knight Mertz to review the access and transport systems in both centres. These consultancies have extensive and broad experience in their specific disciplines, including previous projects within Penrith City.

Within each of the Penrith and St Marys Centres, consultation with key local and regional stakeholders has been undertaken in order to identify existing issues and problems and explore current initiatives in Penrith City Centre and St Marys Town Centre. Council's Community Development Department is undertaking an analysis of the social systems that define the cultural character of these centres.

The comprehensive community engagement process is currently planned to commence in July 2004. Village Well, a communications consultancy, has been appointed to lead, co-ordinate and undertake the community engagement process. The company has extensive experience in community consultation projects associated with the review of town centres and local communities within Australia, and more specifically NSW and the Sydney Region.

The focus for the next twelve months will be incorporating the outcomes of the extensive community consultation forums, and further specialist investigations, into the development of strategies to guide the future of the City's key commercial, retail, business and future living areas – the Penrith City Centre and the St Marys Town Centre.

3. *Employment Lands Review*

The Employment Lands Review has been conducted in two stages – the first concentrating on 'demand', and the second on 'supply'. A report on the first Stage of the Review was presented to Council on 17 March 2003. It identified that unemployment for Penrith residents has fallen over the last 10 years, with strong growth in the managerial / professional and retail sectors. Job figures also indicate that Council's focus on ensuring that employment is provided as part of most new release areas is providing positive results, as growth in the number of jobs in Penrith from 1991 – 1996 came close to meeting the growth in the labour force over the same period.

It was noted that these trends are likely to continue into the future, though growth in employment will slow as growth in population slows. It is expected that the majority of jobs growth will require the provision of commercial, retail or community facility type space, with the balance requiring industrial or semi industrial space.

The second stage of the Review investigated existing land supply and future land requirements, and focussed on determining whether the City has sufficient volume and range of employment land to meet the anticipated demand up to 2021, taking into account the trends regarding demand for employment land identified in Stage 1. It considered a range of factors including the likelihood of zoned land actually being developed, the potential impact of major new release areas such as Penrith Lakes and ADI, and the competitive environment within which Penrith is operating.

Stage 2 of the Employment Lands Study (demand) was reported to Council on 8 March 2004. The investigations conducted in Stage 2 of the Employment Lands Review conclude that although there is sufficient commercial and retail land to meet immediate needs, Penrith will face a future shortfall of zoned industrial land that is available for sale.

We are currently in the early stages of preparing an Employment Lands Strategy, arising from the outcomes and recommendations of both stages of the Employment Lands Review. The focus for the next twelve months will be the development of the Strategy, which will cover all major land uses that create employment in the City, including commercial, industrial and retailing (both traditional and bulky goods).

The Employment Lands Strategy will identify relevant criteria for future employment land, and recommend suitable locational criteria. It will also seek to address any significant constraints to that land becoming available in time to avoid any future land shortage. As part of this process, the Strategy will investigate appropriate locations for land suitable for bulky goods retailing.

The Strategy will also look at other factors affecting employment in Penrith, including access to jobs. It will recognise our current successful activities, and build on those with recommendations for further action to address identified issues. These recommendations will take the form of an Action Plan, to be prepared alongside a comprehensive Local Environmental Plan and Development Control Plan. Together, these approaches will assist in addressing the elements identified in the WSROC Study into the Employment Profile of Greater Western Sydney, and the more focussed, comprehensive review of the City's Employment Lands.

4. *Heritage Review*

The Penrith Heritage LEP was gazetted in 1991, based on a Heritage Study carried out in 1986/87. Since that time, community attitudes and understanding about what constitutes heritage has evolved and changed, as new information about heritage places has emerged. In recent years, the community has identified new places that it believes should be listed and protected as heritage items and several statutory limitations and omissions have been detected within the current LEP.

To improve the protection and management of places of heritage significance to the community, a review of the previous Heritage Study and Heritage LEP has commenced. The review will assist Council in conserving existing heritage items, and protecting newly identified heritage places.

The review involves the engagement of a heritage consultant to re-assess the places of heritage significance identified in the 1986/7 Heritage Study inventory, and identify new places of heritage significance worthy of protection under a new Heritage LEP. All information collected will be presented in accordance with the NSW Heritage Office heritage assessment criteria and format. This will embrace European heritage, post-European Aboriginal cultural heritage, and significant natural environmental heritage aspects of the City's makeup.

Paul Davies Architect has been appointed to undertake the Heritage Study, and commenced investigations in March 2004. To achieve the objectives of the Heritage Study, the following tasks will be undertaken by the consultants –

1. Facilitation and management of Community Consultation jointly with Council
2. Preparation of a thematic history for the City
3. A review of the significance of listed heritage items and heritage conservation areas
4. Identification of new potential heritage items and heritage conservation areas
5. Determination of the curtilage for all identified proposed new heritage items and listed heritage items
6. Assessment of the relative significance of all elements within existing and proposed heritage conservation areas, and
7. A comparative analysis of all existing and proposed heritage items to determine their relative values as a basis for determining the need for statutory protection.

It is envisaged that the review of the Heritage Study and inventory will extend into next year, with the investigations primarily completed by the end of this year. An extensive public consultation process, and the preparation of new planning controls will follow this. The new Heritage LEP will be based on the NSW Heritage Office's model Heritage LEP, and modified to meet Penrith's specific needs.

5. *Citywide Integrated Local Plan*

On 1 September 2003 the Minister for Infrastructure and Planning and the Minister for Natural Resources received a report from the PlanFIRST taskforce that considered whether planFIRST, as announced in 2002, should be pursued partially or fully as a means of reforming the NSW planning system.

The Taskforce recommended that the comprehensive LEP proposed by PlanFIRST be referred to as an 'integrated plan', to reflect its role to integrate all planning instruments and to integrate with other documents. The integrated plan is to include all the provisions councils currently have in local planning instruments, plus links to the state planning instruments. Integrated plans are to have two levels of control.

The first is statutory information required by the State Government, including zones, definitions, and state and regional planning objectives. The second is non-statutory information specific to the local area, including development control plan (DCP) provisions, locality statements, links to other key Council documents and performance indicators.

It will be mandatory for councils to prepare one integrated plan for the whole of their local government area (LGA), which will have to be consistent with a template developed by the Department, and applied through the Environmental Planning and Assessment Act Regulations.

The Department of Infrastructure, Planning and Natural Resources (DIPNR) has not yet released either a timeframe or an implementation plan that responds to the recommendations of the Taskforce. It is therefore not certain when Council will have to start ensuring plans conform with the integrated plan template. As information regarding the new template, and the principles of an integrated plan, is released by DIPNR, the City's new draft plans can be further developed in accordance with those principles.

The work already being done, however, in updating plans for the City's rural lands, employment lands, heritage and its City Centres will stand Council in good stead as we move towards further consolidation of the City's planning instruments. It is intended that an integrated planning framework for the City will be developed over the next twelve months, alongside the preparation of the new Rural Lands plan.

6. *People's Lifestyle Aspirations and Needs Study – 'PLANS for our future'*

The 'PLANS for our Future' project commenced in July 2002. PLANS involved a comprehensive planning process that included strategic research, City-wide demographic and socio-economic analysis, City-wide recreation and cultural needs assessment, an established residential areas infrastructure, facilities and services needs assessment, an extensive community consultation process, a Section 94 plan template that will assist Council to consolidate the City's Established Areas Section 94 planning process, and the formation of Strategies that provide the framework to work toward addressing the prioritised recreation and cultural facilities needs.

The key information reports from the PLANS process have included –

- The 'Community Attitudes and Aspirations Survey' Report, considered by Council at its Policy Review Meeting of 9 December 2002
- A Demographic and Socio-Economic Analysis Report
- PLANS Audit report
- Section 94 Plan Framework
- The comprehensive PLANS Report, and
- The 'Recreation and Cultural Facilities Strategy', and the 'Established Residential Areas Infrastructure, Facilities and Services Strategy'

The PLANS Study was publicly exhibited for six weeks, from 19 January to 1 March 2004. Council endorsed the final PLANS Strategies (Recreation and Cultural Facilities, and Established Residential Areas Infrastructure, Facilities and Services) on 15 March 2004.

The adopted 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.

Development of the more detailed Action Plans for the Citywide Open Space Network, the Footpaths and Cycleways Network, and Sports Facilities and Grounds, have now commenced, and will continue over the next twelve months.

7. *Rural Lands Strategy, and new Local Environmental Plan*

In 1997 Penrith City Council adopted a Residential Strategy, which promotes a compact City and defines Penrith's urban growth limits. The Strategy confirmed that expected residential growth for at least the next 20 years could be accommodated within existing and future urban areas, without resorting to any new urban release areas apart from those already being planned.

With residential growth targets confirmed, it was timely for Council to review its planning policies and regulations as they related to Rural Lands. Council was under increasing

pressure to identify and promote appropriate land-uses in the rural areas, and thus give a level of certainty for the residents about the future of their area. A key focus was to preserve the distinctive character and environmental values of Penrith's rural areas. The comprehensive Rural Lands Study commenced in February 1999 and continued over the next three years, with the assistance of a consultant.

The Rural Lands Study and Draft Strategy were publicly exhibited from 6 August 2001 to 26 October 2001. The purpose of the exhibition was to present the findings of the Study and draft Strategic recommendations to rural residents, landowners, key stakeholders and agencies, and invite their input. Local Community Information Sessions were held at various venues around the City during August and September 2001.

A series of three Councillor Workshops was conducted in July 2002, November 2002 and March 2003. The workshops provided Councillors with the opportunity to discuss the submissions received, and consider the land use designations and other recommended actions proposed in the draft Strategy, prior to the formal reporting of the draft Strategy to Council for its decision on those recommended actions. Presentations were made at the workshops by Council's consultant, the independent consultants for Kemps Creek, PlanningNSW and NSW Agriculture.

The conclusion of this extensive study and consultation process enabled the Rural Lands Study and draft Strategy to be reported to Council on 16 June 2003. All persons and groups that made submissions were advised by letter of the report's presentation. At that meeting, Council resolved to defer consideration of the report, to allow rural residents and landowners additional time to review recommendations in the draft Rural Lands Strategy. That resolution provided rural residents and landowners with a further 8 weeks to consider the draft Rural Lands Strategy, as the report was then presented to the Policy Review Committee meeting of 11 August 2003.

Council adopted the Rural Lands Strategy on 29 September 2003. At the request of Council, subsequent reports on specific issues relating to Jamisontown and Orchard Hills were presented for Council's consideration on 8 March 2004, and a further report on Jamisontown will be presented to Council later this year.

The finalisation of a Rural Lands Study and Strategy for Penrith drew together a comprehensive planning process that has examined in detail a broad range of rural issues, sought extensive community input and gained the support of relevant agencies. The Strategy now provides Council and the community with a clear direction for the future of our Rural Lands, as well as providing objectives and actions to get us there.

The Strategy establishes a basis for the preparation of a new comprehensive Rural Lands LEP and DCP, by identifying draft land use designations that reflect the strategies and objectives for particular areas, that will ultimately permit more effective management of a range of land uses that are currently considered unsustainable or problematic in our rural areas.

Currently, statutory and internal consultations regarding the draft Local Environmental Plan (LEP) have commenced. Council is liaising with the Department of Infrastructure, Planning and Natural Resources (DIPNR) for guidance on the format and content of the new draft plan, which is likely to form the basis for the new Citywide Local Plan.

8. *Sustainable Penrith*

Sustainability is about understanding the inter-relationships of our social, environmental and economic systems, and recognising the balance that is needed to ensure a sustainable future for the City and its communities. The principles of sustainability, which underpin Council's decisions and management practices, are –

- A lack of scientific certainty should not be used as a reason for postponing measures to prevent environmental harm (the precautionary principle)
- We, as custodians of the natural, social and economic environment, must balance the impacts of today's decisions with the needs of future generations (intergenerational equity)
- Maintain essential ecological processes, biological diversity and life support systems of the environment (conservation of biological diversity and ecological integrity)
- Full-cost accounting ensures shared responsibility for sustaining the natural, social and economic environment (improved valuation, pricing and incentive mechanisms).

Balancing the pressures and impacts of continuing growth on the City's natural, social and economic environments is a significant challenge for Council. Sustainability means integrating and balancing the competing expectations of the present generation and not compromising the future. This needs responsible planning and management of the City's interdependent social, environmental and economic capacities.

There is an increasingly sophisticated understanding of environmental concerns, and recognition of the need to have social, economic and personal aspirations that are in harmony with environmental goals. Council can play a vital role as a leader, facilitator, educator, regulator and service provider, responding to the community and promoting the principles of sustainability.

Council endorsed the Sustainable Penrith Strategy in 1999. The Strategy involved a range of initiatives to assist our path to sustainability, aiming to–

- Achieve comprehensive links between the planning process and key environmental, social and economic outcomes,
- Focus on long term sustainable outcomes, and
- Involve all sectors of the community and build partnerships.

A broader examination of the sustainability of Council's practices and activities was completed during 2003, and included outcomes from the Sustainability Self Assessment Audit (departmental survey responses). The Sustainability Report and the Sustainable Penrith Action Plan was considered by Council and adopted in December 2003. The Sustainable Penrith Action Plan encourages an integrated approach to decision-making, management processes and Council operations, in which the principles of sustainability are implicit.

Council's Strategic Plan highlights a comprehensive range of environmental, social and economic issues affecting the life and well-being of the City and its communities. The principles of sustainability are being incorporated into the planning responses for the new urban developments that will be occurring in the City. A wide range of opportunities also exist to promote Penrith as a 'Sustainable City', in terms of its commitment to innovative solutions, and sustainable living and working environments. Council continues to demonstrate its commitment to sustainability through a range of achievements that include –

a) Promotional and Partnership initiatives

- ✓ The Mayoral Sustainable Penrith Community Forum, in October 2002 provided information displays, a community discussion forum, and guest speakers.
- ✓ 'Solar Splash' was held on 12 April 2003. This event included solar boat races, the Eco Energy Fair, and community workshops. The Mayoral Sustainable Penrith Community Forum for 2003 was provided through the community workshop sessions at Solar Splash.

'Solar Splash' 2003 was sponsored by the Sustainable Energy Development Authority (SEDA), and was run in partnership with the Dragon Boat Festival at the Sydney International Regatta Centre.

The next 'Solar Splash' was planned for early 2005, however the solar boat race enthusiasts have had difficulties in maintaining involvement, which is jeopardising the feasibility of the event next year. We are currently investigating alternate opportunities for engaging the schools and the community.

- ✓ Penrith Valley Festival (2003) displays and information
- ✓ Council Open Day displays and information
- ✓ World Environment Activities Day – participating in the World Environment Activities Day with Browngle Penrith Lakes and Long Neck Lagoon at the Environment Education Centres
- ✓ Forums with university planning students, which emphasise the sustainable planning initiatives we are pursuing throughout the City
- ✓ The 'Penrith Partners in Sustainability' forum established a business and major energy users reference / networking group, to identify and pursue Citywide greenhouse and sustainability initiatives. Penrith Partners in Sustainability will continue to promote sustainable development through a network of shared knowledge. We are investigating opportunities to develop a Penrith Partners network that also encourages the participation of the broader business community.

b) Cities for Climate Protection (CCP) Program

Council is participating in the five-step Milestone process to produce positive actions for reducing greenhouse gas emissions. Council has achieved four milestones, including the development of a greenhouse inventory, the setting of an emission reduction goal, the development and implementation of a local action plan (LAP), and the implementation of those recommended actions. We are currently completing Milestone Five.

c) Sustainability Education Officer and Education Program

EEP funding has enabled the appointment of a Sustainability Education Officer to facilitate a co-ordinated approach to Council's extensive sustainability and environmental Education Program. Council endorsed the 'Sustainable Penrith' Education Policy on 17 November 2003. Specific education initiatives have included –

- ✓ Council's 'Solar Splash'
- ✓ sustainability audits of schools
- ✓ establishment of 'Sustainability Station' in Council's Queen Street Centre (opened 1 August 2003)
- ✓ launch of Council's Sustainability website
- ✓ displays at the 'Sustainability Station' on Council's Local Sustainability Award, home energy efficiency and initiatives under the Cities for Climate Protection (CCP) program
- ✓ development of eight Sustainable Penrith Fact Sheets addressing Energy Smart Homes, the CCP Program, energy efficiency in the home, accessing rebates, and the Sustainability Station
- ✓ Energy Efficient Air-conditioning Seminars, held in partnership with SEDA (commenced in December 2003)
- ✓ Energy Home Rating Tool pilot program, also being undertaken in partnership with SEDA, commenced in April 2004

- ✓ a biodiversity education campaign 'Biodiversity - a Dragon's Tale' was held to complement the recent exhibition of the draft Biodiversity Strategy.

d) ICLEI Water Campaign

The ICLEI Water Campaign is an international freshwater management program that assists local governments to reduce water consumption and improve local water quality both within Council and across the City. It will work with, and complement, our approaches to a healthier catchment. Council commenced Milestone 1 of the Water Campaign in March 2004.

Council is also participating in the Sydney Water 'Every Drop Counts' program, which audits Council's water consumption, and will develop recommendations for ways in which water use in Council's operations can be reduced.

e) Sustainable Design Advisor

Council's Sustainable Design Advisor was appointed in April, and has now commenced weekly meetings with staff. The Sustainable Design Advisor will provide advice on selected development proposals before Council, as well as providing guidance in more sustainable approaches to the design and construction of Council's own assets.

The Sustainable Design Advisor is also formulating a training program for Council staff on the principles and best practice approaches to sustainable design.

Council's Strategic Plan highlights a comprehensive range of environmental, social and economic issues affecting the life and well-being of the City and its communities, and Council's current Strategic and Management Plans include programs and tasks that aim to enhance the organisation's move towards sustainability. The Sustainable Penrith Action Plan provides detailed actions and guidance where more sustainable conduct can be secured through directed intervention, in terms of both the City and the Council.

There is a wide range of opportunities to promote Penrith as a 'Sustainable City', in terms of its commitment to innovative solutions, and sustainable living and working environments, and these activities will continue over the next year.

Summary

We are actively advancing our approaches for achieving more sustainable outcomes for the City. Those elements will be paramount in the way we look at the future growth of the City, and intrinsic to our planning responses to both new and existing urban areas. It is critical that we continue to strive for quality urban outcomes in the planning and development of all urban areas in the City.

The range of planning policy projects to be advanced is extensive, and our resourcing is at full capacity. At relevant stages in the planning for these projects, there will need to be more detailed discussions, which we will facilitate through regular reports to Council's Policy Review Committee and project-specific Councillor Workshops.

RECOMMENDATION

That the report on the status of the City's major policy program and key policy projects be received.



The City as an Economy

4 Review of Undergraduate Courses at University of Western Sydney

1026/2 Part 13

Compiled by: Annette Frohling, City Partnerships Officer

Authorised by: Geoff Shuttleworth, Economic Development & City Marketing Manager

Management Plan 4 Year Outcome: *The city is recognised as a centre of research and education excellence.*

Critical Action: *Ensure the City's education assets are a feature of City marketing.*

Purpose:

Professor Robert Coombes, Deputy Vice Chancellor (Academic) and Professor Nigel Bond, Pro-Vice Chancellor (Academic) of the University of Western Sydney are presenting the University's proposals for reform and a review of the undergraduate courses at the University of Western Sydney.

Background

At its Ordinary Meeting of 16 February, Council again discussed the issue of higher education funding and expressed its concerns about the impacts of the recent Commonwealth reforms on the University of Western Sydney's ability to sustain its current academic and research programs. At the meeting Council resolved to invite representatives of the University to attend a Policy Review Committee Meeting to discuss its proposals for reform.

Council has also been made aware of the University's plans to rationalise its teaching programs and the impacts that this may have on the Penrith Campus. The University has been asked to detail these in order to allow Council to better assess them.

Professor Robert Coombes and Professor Nigel Bond will be providing a presentation on the review of Undergraduate Courses at UWS to the Policy and Review Committee

RECOMMENDATION

That the information contained in the report on the review of undergraduate courses at University of Western Sydney be received.



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The City Supported by Infrastructure

5 Parking of Heavy Vehicles in Urban Areas

9003/2

Compiled by: Noel Fuller, Co-ordinator Ranger & Animal Services

Authorised by: Barry Ryan, Waste & Community Protection Manager

Requested by: Cr Steve Simat

Management Plan 4 Year Outcome: *Traffic congestion and accident trauma reduced within the City.*

Critical Action: *Manage parking in the City's CBDs and neighbourhood precincts.*

Purpose

To inform Council of the policy for parking heavy vehicles in public streets.

Background

Since the commencement of the Australian Road Rules on 1 December 1999, Council has had the authority to enforce these provisions in regard to heavy/long vehicles.

The enforcement of the provisions was generally undertaken by the NSW Police Parking Officers.

In August 2002 the NSW Police Parking Officers were transferred to local councils throughout New South Wales. Since this date, Council has received an increasing number of complaints from members of the public about heavy and excessively long vehicles being parked in urban areas. Council Rangers have responded to these complaints by informing the owners of such vehicles of the provisions of the Australian Road Rules, issuing warnings and penalty infringement notices (where necessary).

Current Situation

The enforcement of the provisions of the Australian Road Rules by Council Rangers is primarily conducted in response to complaints from members of the public. At times, the number of patrols in particular areas have increased where the drivers of heavy/long vehicles have not responded to Council Rangers' requests to comply with the relevant legislation.

The Australian Road Rules 200 (1) requires that a driver of a heavy vehicle or long vehicle must not stop on a length of road that is not in a built-up area, except on the shoulder of the road.

The Australian Road Rules 200 (2) also requires that a driver of a heavy vehicle or long vehicle must not stop on a length of a road in a built-up area for longer than one hour.

“Heavy Vehicle” means a vehicle with a gross vehicle mass of 4.5 tonnes or more.

“Long Vehicle” means a vehicle that, together with any load or projection, is 7.5 metres long, or longer.

The penalty for non-compliance with this legislation is \$76.00.

In addition to Council Rangers enforcing these provisions of the Australian Road Rules, the NSW Police undertake programs from time-to-time to control this issue.

Heavy and long vehicles parking in urban areas could cause significant damage to the road surface or nature strip.

There is also an increased danger to vehicular and pedestrian traffic, as these heavy and long vehicles can obscure on-coming traffic. Heavy and long vehicles also affect the amenity of the urban areas.

Investigations have previously been conducted on providing alternative parking areas for heavy/long vehicles. Significant concerns were raised as to the adequacy of suitable security to vehicles that would use the designated areas. The drivers' concerns were such that they would not utilise a designated area without sufficient security systems in place.

RECOMMENDATION

That the information contained in the report on parking of heavy vehicles in urban areas be received.



Council's Operating Environment

6 Policy on the writing and issuing of Media Releases

44/41

Compiled by: Carl Spears, Media Liaison Officer

Authorised by: Bruce McDonald, Director - City Strategy

Requested by: Councillor Steve Simat

<p>Management Plan 4 Year Outcome: <i>Effective communication occurs throughout the organisation, with the community, and among major city organisations.</i></p> <p>Critical Action: <i>Manage issues which impact on Council and communicate Council policy and services throughout the media.</i></p>
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Purpose:

To inform Council of the procedure and policy for writing and issuing of Council media releases.

Background

Council employs a Media Liaison Officer to assist the media in communicating Council policy and services to the community. A duty of the position is the drafting of media releases to provide information to the media.

At Council's Ordinary Meeting on 16 February, a request was made for a report to be brought back to Council on Council's policy on the writing and issuing of Council media releases and who is responsible for authorising them.

Current Situation

Council has no record of Council formally adopting a policy regarding the writing and issuing of media releases.

The current practice on writing and issuing media releases requires consultation with relevant managers and /or directors on the appropriate material facts of the issue and the emphasis and message to be conveyed in the media release. The manager and/or director sign off the final draft before it is sent to the media.

Recently this practice has been reinforced and being applied rigorously.

RECOMMENDATION

That the information contained in the report on the Council policy for the writing and issuing of Council media releases be received.



Council's Operating Environment

**7 Policy on the Payment of Expenses and Provision of Facilities
to the Mayor, Deputy Mayor and Councillors**

3/4

Compiled by: Glenn McCarthy, Executive Officer

Authorised by: Steve Hackett, Director - City Services

Management Plan 4 Year Outcome: <i>Effective corporate governance has been maintained.</i>

Critical Action: <i>Ensure statutory obligations are performed and observed.</i>

Purpose:

To adopt the Draft Policy on the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors.

Background

Section 252 of the *Local Government Act, 1993* requires the Council to adopt a policy concerning the payment of expenses and the provision of facilities to the Mayor, Deputy Mayor and Councillors. Before adopting or amending such a policy, the Council must give at least 28 days public notice of the proposal unless the Council is of the opinion that the amendments are not substantial (s.253).

A Draft Policy on the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors was presented to the Policy Review Committee meeting held on 23 February 2004. At that meeting it was resolved to place the Draft Policy on public exhibition for the required period of 28 days. Advertisements were placed in the Council pages of the local media, the Draft Policy was placed on Council's website and copies were exhibited at Council's Offices and Libraries until 31 March 2004.

No submissions were received during the exhibition period.

Current Situation

A copy of the Draft Policy is attached to the business paper for tonight's meeting and may now be adopted to remain in force until 30 June 2007.

RECOMMENDATION

That:

1. The information contained within the report on the Policy on Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors be received
2. The Draft Policy on the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors be adopted.



Council's Operating Environment

8 Debt Recovery Policy

6508/4

Compiled by: Hank Noort, Chief Rates Clerk
Authorised by: Barry Husking, Chief Financial Officer
Requested by: Councillor Aitken

Management Plan 4 Year Outcome: <i>Maintain a sound financial position and liquidity.</i>
Critical Action: <i>Develop a plan to secure a sound long term financial position for Council.</i>

Purpose:

Following a request made by Councillor Aitken on 3^d May 2004, this report will bring Council up to date with the debt recovery procedures implemented.

Council formalised its Debt Recovery policy for the collection of Rates, Charges and Sundry Debtors on 27 November 2000. The policy allows Council to proceed with legal action against customers in default of payment arrangements.

Background

Council's rate arrears were as high as 6.9% in July 1995 due to non-enforcement of legal action. Figures show the percentage of rate arrears has been steady around 5% since Council resolved to adopt the current debt recovery policy enabling legal action to be taken as outlined in this report.

The following table shows Penrith Council's percentage of rates outstanding each year since 1994. It is important to note that for a period just prior to 1996, it was Council's procedure not to proceed with a Writs of Execution. Additionally, during 2001 and 2002 legal action could not be instigated, as the electronic debt recovery system was not available.

Table 1 – Arrears Percentages

Month/Year	Rates Outstanding Percentage
July 1994	5.5%
July 1995	6.9%
July 1996	5.0% writs activated from 1.7.95
July 1997	4.2%
July 1998	4.6%
July 1999	4.0%
July 2000	4.2%
July 2001	5.1% legal action process not available
July 2002	5.3% legal action process not available
July 2003	4.5% Current Debt Recovery Policy

The above percentages include arrears for pensioners. The July 2003 percentage outstanding for pensioners was 0.9%.

Current Policy:

Council's debt recovery policy is two-fold, consisting of (1) procedures prior to the commencement of legal action and (2) legal action procedures. Council's Legal Officer, Chief Financial Officer, Chief Rates Clerk, Rates Administration Officers and Senior Collections Clerk are authorised by Council resolution to take the necessary action to secure payment of Rates, Charges and other debts.

1. Procedure prior to Commencement of legal action:

Reminder Notice

If an instalment has not been paid, Council sends a Reminder Notice. This notice is sent approximately two weeks after the instalment due date. The Reminder Notice advises the ratepayer of the missed payment and requests they contact Council to make an alternative arrangement, should they be unable to pay the amount in full. If a phone call is received at this stage, legal action will not proceed beyond this point.

Arrangements

Negotiations of alternative arrangements are available to the ratepayer at each and every stage of the recovery process. Council's Rates staff are trained to take an understanding approach with customers who are experiencing difficulties paying their rates. Should a ratepayer contact Council at any stage of the debt recovery process, all legal action is stopped at this point.

Arrangements provide the customer with an opportunity to pay weekly, fortnightly or monthly instalments, with a view to settle the account by the end of the financial year. This allows the customer more time to pay, therefore reducing the financial impact on them.

If a customer were in a situation that did not allow them to commit to a payment arrangement, a Council Officer would offer to meet with them. The customer would be asked to provide evidence of their financial situation, demonstrating that they would be unable to make any payments. In this situation, the Chief Rates Clerk may give permission for the account to be placed on hold. The account would be reviewed on an annual basis.

In Council's experience, a ratepayer who is given extra time to settle the account is usually able to make a satisfactory arrangement at a later date.

Arrangements that extend beyond the financial year must be carefully analysed as they can cause an unrecoverable situation for the ratepayer when the outstanding debt increases beyond future means. This can often create greater heartache than preliminary actions.

Pensioners

Council does not instigate legal action against pensioners. Should a pensioner be unable to pay their rates, they are encouraged to make payments that are affordable to them

2. Legal Action Procedures

Notice of intention to commence Legal Action

Letters of Intention To Commence Legal Action are issued when the overdue amount on a property exceeds one instalment plus \$100 arrears and has a total overdue amount in excess of \$300. This notification is sent following the reminder notice issued after the first and third instalments. (There was a temporary change to this part of the policy on implementation of

new debt recovery software in 2003, where action was taken against accounts that simply had overdue amounts greater than \$300).

Letters of Intention To Commence Legal Action are not sent if the ratepayer has made and kept an alternative payment arrangement.

Properties under new ownership are investigated to ensure the new owner is receiving Council notices. Owners are contacted and offered a payment arrangement. This ensures new owners are not penalised in cases where Council has been provided with an incorrect postal address.

Legal Action

Following Letters of Intention To Commence Legal Action, Statements of Liquidated Claim are served. Legal action is undertaken in accordance with legal requirements and court processes, including judgment and writs of execution.

When a Statement of Liquidated Claim is lodged at the Court, legal costs associated with that claim are fully recoverable. The ratepayer is liable for payment of those costs in accordance with the fee system issued by the Court.

The fee system issued by the court is relative to the amount of the debt outstanding. This is shown in table two as follows:

Table 2 – Current Costs

DEBT VALUE RANGE	LODGMET FEE	SERVICE FEE	SOLICITORS FEE	TOTAL LEGAL COSTS
\$300 to \$1000	\$61.00	\$42.00	\$196.40	\$299.40
\$1001 to \$2000	\$61.00	\$42.00	\$294.60	\$397.60
\$2001 to \$3000	\$61.00	\$42.00	\$294.60	\$397.60
\$3001 to \$5000	\$80.00	\$42.00	\$294.60	\$416.60
\$5001 to \$10000	\$80.00	\$42.00	\$392.80	\$514.80
\$10001 to \$15000	\$152.00	\$42.00	\$392.80	\$586.80
\$15001 to \$20000	\$152.00	\$42.00	\$392.80	\$586.80
\$20001 plus	\$152.00	\$42.00	\$491.00	\$685.00

The Lodgment Fee is paid to the court and the Service Fee to the contract server at an agreed rate. Council's Legal Officer is legally permitted to sign each statement of Liquidated claim and the costs are charged in accordance with the court's fee system.

If Company Only

Council obtains judgement for the debt and then a letter of demand is sent for payment to be made in 14 days. If payment not received, Council can commence wind up proceedings.

Statistics

Council has approximately 62,000 rate accounts and initiates legal action on overdue accounts twice a year. Approximately 11,000 Reminder notices were sent following the third instalment due 1 March 2004.

On 29 March 2004 Council sent 1,655 Notices of Intention To Commence legal Action. Of these 591 are currently being served a Statement of Liquidated Claim. There are currently 950 accounts with an alternative payment arrangement.

At the end of the previous quarter (30/03/04) Council's outstanding rates percentage was 4.64%.

RECOMMENDATION

That:

1. This the information contained in the report on Debt Recovery Policy be received
2. The procedures outlined in this report be formalised and adopted as Council's Debt Recovery Policy.



Council's Operating Environment

9 Preparations for Council's Next Strategic Plan

36/39

Compiled by: Ross Kingsley, Strategic Planning Co-ordinator

Authorised by: Helen Lowndes, Corporate Development Manager

Management Plan 4 Year Outcome: <i>Effective corporate governance has been maintained.</i>

Critical Action: <i>Prepare, implement and review strategic and management plans and processes.</i>
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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 March 2004, Council has resolved to extend its present Strategic Plan and Program until 30 June 2005.

It has been agreed that the next Strategic Plan for the City will be formulated by 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 and involvement of Council.

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.

Tonight's report is in essence a full update of the information provided to Council at earlier meetings and a progress report on the outcomes to date of the agreed actions, including new considerations which have emerged.

The report addresses the key steps required to be carried out in coming months, which will involve the direct participation of Council, 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 steps and the arrangements for greater involvement of City partners and stakeholders as well as the broader community.

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 and priorities for the City.

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.

Derived from that Plan is a more specific document, the Council's Strategic Program, which more clearly identifies what the Council will do over its four year term to take the City forward consistent with the Strategic Plan. The Strategic Program also becomes the framework for annual increments of Management Plan tasks, projects and services.

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.

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. The diagram provided as Appendix 1 to this report expresses this in outline.

Development of the Next Plan

The process to prepare for Council's development of its next Strategic Plan is well underway. It is designed to build on and enhance the proven strengths of past experience in terms of the general timetable and approach.

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 is envisaged to, 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 five 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. Changes which are presently occurring and most importantly those which will impact on the City in coming years must be taken into account.

Previous Discussions with Council

A series of discussions were held with Council on this matter in the months preceding the election and the Strategic Plan context has also been outlined in Council's recent orientation program. Tonight's report builds on these earlier discussions, which have included the following key steps:

1. Policy Review Committee Meeting of 8 September 2003

Due to the change of election date to March 2004, Council decided to extend the life of its present Strategic Plan and Program, which were originally adopted to cover the period 2000-2004, to a five year period (ending in June 2005). Importantly, this arrangement allows the new Council to be the author of the Strategic Plan and program which will become the agenda of Council for the rest of its term.

It was reaffirmed through the report that:

It has been fundamental to Council's approach to strategic planning over a number of terms that the newly-elected Council has the opportunity to review the vision for the City and to express its priorities through an adopted Strategic Plan and Program. As expressed in Council's recent submission to the Minister for Local Government on Structural Reform:

"Council's Strategic Plan is its principal policy document. It contains Council's vision for the City and strategic directions Council has set for the City to be pursued over time. It is prepared (or reviewed) at the beginning of each Council's term. That particular Council incorporates into that plan its proposed 4-year outcomes outlining the details of the issues identified in the Plan."

Council agreed that its next Strategic Plan be formulated in the second half of 2004.

2. Policy Review Committee Meeting of 8 December 2003

A report was presented addressing the background to and steps being taken to prepare the next Strategic Plan. This included discussion of some proposed new approaches, discussed later in tonight's report, which were aimed to further improve the process.

Council approved arrangements which are further discussed in the present report, including a Council Strategic Planning Workshop held in February, as indicated below.

3. Strategic Planning Workshop of 9 February 2004

The agreed Workshop was held for Council on the evening of Monday, 9 February. All Directors and Managers were also in attendance.

The forum included a presentation by Mike McAllum of the consultants Global Foresight Network (GFN) who have been assisting the organisation with the initial identification of potential issues for Council's next Strategic Plan. Mr McAllum outlined the 'strategic foresight' methodology which is being applied and the additional benefits which it could bring to Council's well-proven planning approach. This is further discussed below.

The main component of the workshop consisted of an opportunity for Councillors to provide their own ideas and direction to management in the further development of key issues for the next Strategic Plan.

4. Council Orientation Session of 17 April 2004

The Director - City Strategy made a presentation to this forum outlining the 2000-2005 Strategic Plan and process, including discussion of Council's leadership, its Strategic and Management planning approach and the Strategic Plan and Program.

Interviews With Councillors

Another important dimension of the Strategic Plan preparations is a confidential interview being conducted with each Councillor by an independent consultant. The aim of the interview is to discuss Councillors' views on key issues affecting the City and the delivery of the existing Strategic Plan.

This step has been carried out and judged to be most valuable in past Strategic Plan preparations and the arrangement was once again approved by Council earlier this year. Interviews were accordingly carried out by the consultant with all Councillors prior to the election and a similar arrangement has been made for new Councillors.

As in previous years, the summary report produced from the interviews will be provided to Councillors and management with no identification of the source of any comments. This information will form part of the background material being prepared for the Strategic Plan. The support of Councillors in contributing their knowledge and experience in this way will mean that a very significant advance can be made in the identification of key issues for the Strategic Plan.

Next Steps in the Program

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

1. The Council Discussion Paper

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 through a series of facilitated workshops and teams established to assess and compile pertinent research
- identification of issues by representatives of Council's key City partners, through two facilitated workshops being held in late May, and through other consultations
- a well-founded body of factual research drawn/commissioned from various sources.

Intended enhancements to the Discussion Paper approach are amplified in the following sections.

2. Planning Retreat

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 decisions by Council on the content of and directions to be taken in the Plan. This retreat will involve a series of facilitated workshops for Councillors supported by senior management. Appropriate consultants are being identified to facilitate this process.

The suggested dates for the retreat are Friday 10 September - Sunday 12 September 2004. Initial assessment of other known Council commitments indicates that this weekend may be suitable. This needs to be confirmed with Council.

3. Finalisation of the Strategic Plan

Following Council's agreement at the retreat on the content of its strategy for the City, a Draft Strategic Plan document will be prepared and submitted to Council for confirmation.

It is proposed to then exhibit the Draft Strategic Plan for public comment in October-November. This is an additional consultation stage in the Strategic Plan process which has not previously been featured.

The intended schedule is to report the finalised Strategic Plan, including details of any submissions received on the exhibition, to Council in December.

4. Strategic Program Development

Concurrently with the final stages of Council's Strategic Plan development, intensive work will be undertaken in the period September-December 2004 on the formulation of a new four year Strategic Program (2005-2009) which will be the mechanism driving the implementation of Council's strategy for the remainder of its term.

This work has previously been undertaken by teams of Managers with nominated Councillors.

The development of the Strategic Program principally entails the identification of Critical Actions tailored to achieve the 4-year Outcomes Council has agreed on within its term.

To support this work, it is proposed that the organisation:

- undertake capacity modelling and assessment of the proposed Critical Actions to identify, to a reasonable degree, the resourcing implications of the four year program. This part of the Strategic Program development is essential to ensuring the better understanding of resource requirements. It is not about limiting desired actions or ideas, rather ensuring that Council and the organisation can make better informed decisions about priorities and options for delivery
- establish appropriate strategic-level performance measures for Council's selected Outcomes
- identify appropriate accountabilities of senior officers for the delivery of the Program

It is anticipated that guidelines will be provided for management and Council in framing the longer term objectives, 4-year Outcomes and Critical Actions in the Strategic Plan and Program to ensure clarity of intent and measurability of achievement where practical.

It is intended to complete the Strategic Program by December 2004 in order to recommend its adoption to Council along with the Strategic Plan itself. This is a very challenging timetable which will require significant commitment by the organisation as well as the active support of Council. If achieved, it will mean that the next annual Management Plan (2005-06) can be firmly based on Council's new adopted strategy for the City.

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 many 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 this year has been assisted by measures including:

- The effective use of key research projects which have been recently completed, 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 recent 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
- Seizing opportunities for innovation and increased access to research, especially through partnerships (such as with UWS and WSROC).

1. Research and Investigation of the Key Issues

From the discussions held with Council to date and the other sources available to the organisation, some groupings or 'clusters' of issues have emerged for further research and investigation. This is being carried forward by teams led by designated Managers, with the Directors actively involved as mentors and expert advisers to the research teams as required. Resourcing has been arranged to ensure research support is available throughout this phase of the process.

Care is being taken to ensure that the terms of reference for these 'discussion teams' does not assume or merely replicate the existing Master Program framework but instead brings a fresh perspective to the examination of issues. This is reinforced by the 'strategic foresight' approach discussed below.

2. 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 were 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 are playing a direct role in the research and development of key issues for the Discussion Paper.

These workshops 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 was seen as a starting point, which remains a 'live' document, refined and amended through our ongoing discussions, particularly with Council and through more investigation of the topics.

As the use of the consultants and the 'strategic foresight' approach appeared to bring positive benefits, Council agreed to extend 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.

The evening workshop facilitated by the consultants for Council on 9 February 2004 (as noted above) was arranged for this purpose.

3. Review of the Current 'State of the City'

To enable an effective address of emerging and future issues for the City, it is essential that a well-founded body of factual evidence on the present nature and circumstances of our area and its community is available to Council and the organisation. Significant research conducted by both Council itself and of course leading external bodies is available to provide such a base. In particular, several key reports which have previously been presented to Council form an important part of this data.

With this in mind, it is proposed to bring a further report to Council's June Policy Review Committee meeting which would consist of a discussion of the present 'State of Penrith City'

and be accompanied by package of key information sources. This package would draw together such elements as:

- the Census/demographic analysis conducted for Council by Professor Bill Randolph of the Urban Frontiers Program of UWS
- the Community and Customer Surveys conducted by Council in 2002 and 2003
- the Local Profile of Penrith compiled for the WSROC Regional Planning Framework

With this shared body of knowledge freshly in the view of Council and officers, we can move with increased confidence to a more future-focussed perspective in the remainder of the Strategic Plan process.

Proposed further Strategic Plan Workshop with Council

It is suggested that a further facilitated 'strategic foresight' workshop be scheduled for Council in July. This would be preceded by the provision of some appropriate material on emerging issues which could be discussed. A possible date for this workshop is Monday, 12 July, on which Council presently has no scheduled meeting.

This arrangement would constitute part of the final stage of preparations before Council receives the Discussion Paper for its consideration.

Partnerships and Consultation

As part of the process of formulating and implementing the next Strategic Plan the opportunity is being 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.

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

- 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, consultation forums have been arranged with appropriate local and regional stakeholders later this week. As well as a direct contribution to the Strategic Plan, this is seen as a further step in enhancing City partnerships.

Arrangements are also being made for consultations during July 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 Appendix 2 to this report. 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.

Conclusion

The current Strategic Plan, developed by the previous 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 development with regard to the matters introduced above. The Strategic Plan must bring out key future issues and develop contemporary relevant responses to them from an effective base of evidence and discussion. 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 being undertaken as preparation for the Council Discussion Paper.

The planning process itself will also be facilitated by enhanced support systems now available to the organisation, namely the new integrated strategic and management planning system (OutcomeManager) and the long term financial modelling and budgeting system recently acquired (Mondelo) which will significantly increase our ability to undertake scenario testing and capacity planning at the Strategic Program level.

The support and participation of Council throughout the coming months is an indispensable element of the proposed Strategic Plan preparations, leading up to Council's formal decision-making on its new Plan and Program by the end of 2004.

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 and timetable discussed in this report
3. Further reports be provided to Council at each appropriate stage of the Strategic Plan preparations.



APPENDIX 1

Council's Strategic and Management Approach

**The structured approach
employed over the last
two Council terms**

Strategic Plan
(not tied to time)



Strategic Program
(tied to the term of Council)



Management Plan
(Annual Instalment)

APPENDIX 2

Outline Timetable of Strategic Plan development

Date	Milestone or Requirement
May	<ul style="list-style-type: none"> • Completion of confidential Interviews with Councillors (by consultant) • Consultation forums with City partners • Discussion Paper development underway • Presentation of 'State of the City' report and key information sources
June	<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. • Discussion Paper development continued
July	<ul style="list-style-type: none"> • Workshop with Council facilitated by consultants GFN (evening) <i>[date to be confirmed - suggested Monday 12th July]</i> • Consultation forums with Special Interest Groups • Discussion Paper drafted.
August	<ul style="list-style-type: none"> • Directors' report on progress of the 2000-2005 Strategic Program • Discussion Paper finalised and distributed
September	<ul style="list-style-type: none"> • Council Strategic Plan retreat <i>[dates to be confirmed - suggested Friday 10th Sept -Sunday 12th Sept]</i> • Draft Strategic Plan adopted and decision to exhibit <i>[date to be confirmed - possibly Monday 27th Sept]</i> • Development of Draft Strategic Program commenced
October	<ul style="list-style-type: none"> • Exhibition of draft Strategic Plan commenced • Development of Draft Strategic Program continued <i>[including Critical Actions/capacity modelling]</i> • Accountabilities for new Strategic Program considered by CMT
November	<ul style="list-style-type: none"> • Council Workshop on Strategic Program • Finalisation of Draft Strategic Program • Exhibition of Draft Strategic Plan concludes
December	<ul style="list-style-type: none"> • Strategic Plan and Strategic Program reported to Council for adoption <i>[effective from 1 July 2005]</i>

Council's Operating Environment

10 Fire Services Funding

1033/4 & 1084/1

Compiled by: Barry Ryan, Waste & Community Protection Manager
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Authorised by: Barry Husking, Chief Financial Officer
Barry Ryan, Waste & Community Protection Manager

Management Plan 4 Year Outcome: *Maintain a sound financial position and liquidity.*
Critical Action: *Ensure the timely provision of financial advice and information to support Council's decision making processes.*

Purpose:

To inform Council of information received following a review of funding by the NSW Public Accounts Committee on the mechanism of funding for the NSW Fire Services (i.e., NSW Fire Brigades and NSW Rural Fire Service) and recommend that Council makes a submission on the review.

Background

At present, the NSW Fire Brigades (NSW FB) and the NSW Rural Fire Service (NSW RFS) are funded primarily by a levy on general insurance companies, which they pass on by means of a levy on certain types of policies.

Local Government contributes to the funding of the fire services through an annual contribution to both services. In 2003/04 Penrith Council's contribution to the NSW FB is \$765,727, and \$169,163 to the NSW RFS. The proposed new funding model changes the proportion of the funding source as illustrated below.

	Current	Proposed
Cost of NSW Fire Services for 2002/03 (dataset used for modeling)	\$509,515,000	\$509,515,000
% Funded by Insurance FSL	73.7%	0.0%
% Funded by NSW State Government	13.7%	7.6%
% Funded by Local Councils	12.6%	12.6%
% Funded by Property FSL	0.0%	79.8%

In addition to the statutory contributions, Penrith Council provides additional operational funding to the NSW RFS of \$152,000.

Local Government has lobbied to have the method of funding for the fire services changed to a more equitable approach. A basic premise of this approach is that the fire services are essential emergency services and should be funded by the NSW Government in a similar manner to the Police and Ambulance services.

In addition, Council has made submissions to the Local Government Association Conference to require a review of the actual process by which the NSW RFS prepares its annual budget, which is a convoluted and outdated process.

Current Situation

The primary objectives for the review, as set out by the Public Accounts Committee, are as follows:

1. *To determine the expected total revenue generated under various scenarios with a new property-based levy (the Aggregate Calculations); and,*
2. *To determine the potential number, and percentage, of individual properties which will contribute more and contribute less following the proposed change, by geographic regions and in aggregate (the Individual Comparisons).*

A financial model to help the Public Accounts Committee (PAC) to achieve these objectives was prepared.

The financial model was developed using 30 June 2003 land valuation details from the Valuer General's Office and insurance policy data from six major general insurance companies operating in NSW. The model also took account of the fire services' benefits received by property owners.

The report has identified that the proposed wider contribution base would ensure a more equitable distribution of the cost of the service as it would include those property owners who are either uninsured or underinsured. Together these comprise a relatively high number of property owners as illustrated in the table below:

Non and under Insured

Insurance Type	% Non Insured	% Under Insured
Building	11	27
Contents	24	35

A benefit to this method of funding is that it is a transparent charge although there may be some backlash if it is perceived to be another "tax".

Under the preferred model, Penrith is classified as part of the Greater Metropolitan Region or GMR. Within the GMR the majority of residential, commercial and farmland properties benefit from the proposed scheme. Seventy five percent (75%) of GMR residential ratepayers are estimated to be better off by an average amount of \$36 per annum, 60 % of commercial properties by an average amount of \$532 per annum and 72 % of owners of farmland properties by an average amount of \$46 per annum. It must be noted that these changes are based on the average property values across the Greater Metropolitan Region and will vary across local government areas. As Penrith has lower property values relative to some of the other councils in the group it is likely that the percentage of property owners effected in a negative way will be less than the average.

In the proposed scenarios the amount directly contributed by Local Government remains unchanged. The onus is on the PAC to consider whether Local Government should continue to make direct contributions or pay a levy on Local Government owned properties. This should be offset by savings on the levy currently included in insurance paid on insured properties, although further information is required to fully determine the financial impact on Penrith Council.

Provided the Council contribution funded from rates is removed, the proposed system would largely address the current situation where insured property owners in effect contribute twice to the fire service funding: through their insurance policy and through their rates.

The Local Government & Shires Association (LGSA) is opposed to any new scheme that continues the direct contribution by Council. The LGSA supports a property valuation based scheme in conjunction with a levy on motor vehicles.

The property valuation methodology proposes that the new method of funding would be collected by councils by way of a levy on the rate notice. If this option was introduced then there are a number of administrative issues that would need to be pursued further with the PAC before its operation. If the proposed levy is collected by way of council rate notices, it places an additional burden of collection on councils. There would need to be adequate monetary compensation for the additional work to levy and collect.

Representations should be made to the PAC to support in principle a property valuation based fire service levy, however, before fully endorsing the proposal additional details as to the actual financial effect across Penrith City are required.

The scenarios have been based on the current level of funding for the NSW RFS and the NSW FB, provided through the fire-fighting fund. This ignores the additional funding to the services that Local Government provides and does not examine if the current level of funding is too high or low.

In addition, the review ignores the cost savings provided to the fire services by volunteer organisations such as the Nepean Rescue Squad. Council has made representations to the Minister for Emergency Services to provide funding to the Nepean Rescue Squad as the NSW Government funds other emergency services providing primary rescue tasks in the Sydney Metropolitan Area (normally the NSW Fire Brigades).

Summary

A change to the methodology used for calculating the Fire Service Levy contribution is welcomed as long as the proposed new methodology results in an equitable outcome for all concerned. The model proposed should have a more equitable result for property owners as it captures those who are currently either under or non-insured; however, the burden on local government is proposed to increase. Any increase in costs to local governments will impact on their ability to provide services and meet community demands. The LGSA's position is that the direct contributions currently made by local governments in NSW should be discontinued and that a property based levy is introduced. Recent reforms to fire services funding in Queensland, South Australia and Western Australia all replaced fire service levies on local government with property based levies.

Council should make a submission to the enquiry identifying that whilst it appears that a property based valuation scheme in conjunction with a levy on motor vehicles would be a more equitable method of funding the Fire Services:

- The report does not fully examine the actual required funding for the Fire Services
- The report does not consider the additional funding provided by Local Government to the NSW RFS, above the statutory contribution
- The report does not consider savings to the Fire Services, in particular the NSW FB, by volunteer organisations such as the Nepean VRA Rescue Squad
- The report does not address the convoluted and outdated budgeting method used by the NSW RFS
- The report does not provide enough information to identify the actual financial impacts on each Local Government Area

RECOMMENDATION

That:

1. The information contained in the report on Fire Services Funding be received.
2. Council makes a submission to the Public Accounts Committee on the proposed NSW Fire Services Funding in the terms of this report.

