

8 August 2006

Dear Councillor,

In pursuance of the provisions of the Local Government Act, 1993 and the 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 14 August 2006 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**

### *BUSINESS*

1. **APOLOGIES**
2. **LEAVE OF ABSENCE**  
**Leave of absence has been granted to:**  
*Councillor Greg Davies - 6 August 2006 to 3 September 2006 inclusive.*
3. **CONFIRMATION OF MINUTES**  
*Policy Review Committee Meeting - 24 July 2006.*
4. **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)*  
*Non-Pecuniary Interest*
5. **ADDRESSING THE MEETING**
6. **MAYORAL MINUTES**
7. **NOTICES OF MOTION**
8. **ADOPTION OF REPORTS AND RECOMMENDATION OF COMMITTEES**
9. **MASTER PROGRAM REPORTS**
10. **URGENT REPORTS (to be dealt with in the master program to which the item relates)**
11. **QUESTIONS WITHOUT NOTICE**
12. **COMMITTEE OF THE WHOLE**



**POLICY REVIEW COMMITTEE MEETING**

**MONDAY 14 AUGUST 2006**

**TABLE OF CONTENTS**

**MEETING CALENDAR**

**CONFIRMATION OF MINUTES**

**MASTER PROGRAM REPORTS**

## MEETING CALENDAR

February 2006 - December 2006

	TIME	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
		Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon
Ordinary Meetings	7.00 pm	6	6	3	1❖	5	3	7	4✓	9	6	4
		20 #+			15 #	19*	17	21#+	18 25^	23	20 #	11
Policy Review Committee	7.00 pm	27	20@		22	26	24	14	11@	16	13	

# Meetings at which the Management Plan quarterly reviews are presented.

#+ General Manager's presentation – half year and end of year review

@ Strategic Program progress reports (only business)

❖ Meeting at which the Draft Management Plan is adopted for exhibition

\* Meeting at which the Management Plan for 2006/2007 is adopted

✓ Meeting at which the 2005/2006 Annual Statements are presented

^ Election of Mayor/Deputy Mayor (only business)

- 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 (Ordinary & Policy Review) 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 PASSADENA ROOM, PENRITH  
ON MONDAY 24 JULY 2006 AT 7:04PM**

**PRESENT**

His Worship the Mayor Councillor John Thain, Councillors Jim Aitken OAM, Kaylene Allison, David Bradbury, Lexie Cettolin, Kevin Crameri OAM, Greg Davies (arrived 7:08PM), Mark Davies, Ross Fowler, Jackie Greenow, Karen McKeown, Garry Rumble, and Steve Simat (arrived 7:14PM).

**APOLOGIES**

PRC 46 RESOLVED on the MOTION of Councillor Jackie Greenow seconded Councillor Ross Fowler that apologies be received and accepted from Councillors Susan Page, Greg Davies and Steve Simat.

**LEAVE OF ABSENCE**

Leave of Absence was previously granted to Councillor Pat Sheehy for the period 14 July 2006 to 9 August 2006 inclusive.

**CONFIRMATION OF MINUTES - Policy Review Committee Meeting - 26 June 2006**

PRC 47 RESOLVED on the MOTION of Councillor Jackie Greenow seconded Councillor Ross Fowler that the minutes of the Policy Review Committee Meeting of 26 June 2006 be confirmed.

**DECLARATIONS OF INTEREST**

Councillor Kevin Crameri declared a non pecuniary interest in Item 7 ADI Site, St Marys - Request by Delfin Lend Lease for Declaration of Remaining Precincts on the ADI Site as Release Areas as he lives in the vicinity. He reserved his right to speak and vote on the item.

**ORDER OF BUSINESS**

PRC 48 RESOLVED on the MOTION of Councillor Garry Rumble seconded Councillor Karen McKeown that Items 6-Disability Access Committee 2004-06 Highlights, Item 5-Penrith Regional Cities Taskforce and Item 2-Proposed Membership of the Hawkesbury Harvest Network be dealt with as the first items of business.

**MASTER PROGRAM REPORTS**

**THE CITY AS A SOCIAL PLACE**

**6 Disability Access Committee 2004-06 Highlights**

His Worship the Mayor, Councillor John Thain, informed the meeting that the Community Development Manager had sent his apologies for the meeting.

His Worship the Mayor, Councillor John Thain, acknowledged the presence at the meeting of the community members of the Disability Access Committee, Mr David Currie, Ms Maeve Dunnett, Ms Alison Herbert, Ms Tricia Hitchen, and Ms Jill Huber.

Councillor Greg Davies arrived at the meeting the time being 7:08PM.

Mr Joe Ibbitson, Council's Community Programs Co-ordinator, introduced the report and introduced Mr David Currie from the Disability Access Committee, who gave a short presentation on the highlights of the achievements of the Disability Access Committee over the last two years

Councillor Steve Simat arrived at the meeting the time being 7:14PM.

At the conclusion of Mr Currie's presentation, His Worship the Mayor, Councillor John Thain, presented the community members of the Disability Access Committee with certificates of appreciation from Council acknowledging their commitment and contribution over the last two years.

Councillor David Bradbury asked the members of the Disability Access Committee what they felt were the most important issues to be addressed in the future.

The members of the committee responded that Council should employ more people with a disability and make the Council building more accessible for such employees, and that awareness raising programs to were needed to lift the community's awareness of the wide range of disability issues that exist.

PRC 49 RESOLVED on the MOTION of Councillor David Bradbury seconded Councillor Jackie Greenow that the information contained in the report on the Disability Action Committee achievements be received.

## **THE CITY IN ITS BROADER CONTEXT**

### **5 Penrith Regional Cities Taskforce**

Acting Director-City Strategy, Ms Ruth Goldsmith introduced the report and Professor Chris Johnson, Executive Director of Cities and Centres in the NSW Department of Planning, who gave a presentation on the setting up of the Penrith Regional Cities Taskforce by the NSW Government in conjunction with the Council and a Reference Panel made up of stakeholder representatives. Professor Johnson explained how the Penrith Regional Cities Taskforce fits into the wider plan for the whole state and how Penrith will be one of six regional centres to be developed.

PRC 50 RESOLVED on the MOTION of Councillor Greg Davies seconded Councillor Ross Fowler

That:

1. The information contained in the report on Penrith Regional Cities Taskforce be received
2. The proposed Regional Cities Taskforce arrangements be endorsed
3. Council be consulted on the makeup of the Reference Panel
4. Reports be made to each subsequent Policy Review Committee meeting on progress of the development of the regional plan for Penrith by the Regional Cities Taskforce.

### **2 Proposed Membership of the Hawkesbury Harvest Network**

Environmental Health Manager, Mr Wayne Mitchell introduced the report and Mr Ian Knowd, Treasurer of Hawkesbury Harvest who gave a short presentation on the success of Hawkesbury Harvest and its plans and vision for the future

PRC 51 RESOLVED on the MOTION of Councillor Garry Rumble seconded Councillor Kevin Crameri

That:

1. The information contained in the report on Proposed Membership of the Hawkesbury Harvest Network be received
2. Council join the Hawkesbury Harvest and make a financial contribution of \$20,000 from existing budgets as outlined in the report.

### **1 Results of the Survey of the Agricultural Business Sector in Penrith**

PRC 52 RESOLVED on the MOTION of Councillor Greg Davies seconded Councillor Kevin Crameri

That:

1. The information contained in the report on Results of the Survey of the Agricultural Business Sector in Penrith be received
2. Representations be made to the State Government through the Greater Western Sydney Economic Development Board to examine and address the issue of predatory pricing by major buyers of agricultural produce in the Sydney basin.

### **3 St Marys Town Centre Strategy**

PRC 53 RESOLVED on the MOTION of Councillor Greg Davies seconded Councillor Steve Simat

That:

1. The information contained in the report on St Marys Town Centre Strategy be received
2. Council adopt the revised St Marys Town Centre Strategy (attached to this report)
3. Council endorse the recommended actions outlined in this report
4. Responses, as outlined in this report, be provided to persons who made submissions on the draft Strategy
5. The St Marys Town Centre Strategy, including the Activity Precinct and Public Domain maps, be used to inform further planning, funding and implementation processes
6. A further report that identifies options for improving the connectivity of, and access to, Queen Street, and that identifies possible options for the funding of such improvements be brought to Council.

### **4 Penrith City Centre Strategy**

Councillor Steve Simat left the meeting the time being 8:33PM.

His Worship the Mayor, Councillor John Thain left the meeting and the Deputy Mayor, Councillor Jackie Greenow assumed the chair, the time being 8:40PM.

His Worship the Mayor, Councillor John Thain returned to the meeting and resumed the chair, the time being 8:43PM.

Councillor Steve Simat returned to the meeting the time being 8:45PM.

PRC 54 RESOLVED on the MOTION of Councillor Greg Davies seconded Councillor Kevin Crameri

That:

1. The information contained in the report on the Penrith City Centre Strategy be received
2. Council adopt the revised Penrith City Centre Strategy (attached to this report)
3. Council endorse the recommended actions outlined in this report
4. Responses, as outlined in this report, be provided to persons who made submissions on the draft Strategy
5. The Penrith City Centre Strategy, including the Activity Precinct and Public Domain maps, be used to inform the planning to be undertaken with the State Government's Regional Cities Taskforce
6. A further report on extending the Riverlink project as far as the M4 Motorway be brought to Council
7. A further report identifying options for improving traffic movement and flow in Penrith, including the option of an underpass under the railway line be brought to Council.

## **THE CITY AS A SOCIAL PLACE**

### **7 ADI Site, St Marys - Request by Delfin Lend Lease for Declaration of Remaining Precincts on the ADI Site as Release Areas**

Councillor Garry Rumble left the meeting the time being 8:56PM.

Councillor Garry Rumble returned to the meeting the time being 9:00PM.

PRC 55 RESOLVED on the MOTION of Councillor Greg Davies seconded Councillor Steve Simat

That:

1. The information contained in the report on ADI Site, St Marys - Request by Delfin Lend Lease for Declaration of Remaining Precincts on the ADI Site as Release Areas be received
2. Council advise the Department of Planning that it has no objections in principle to the Minister for Planning declaring the remaining precincts on the ADI site as Release Areas subject to:
  - (a) The establishment of an annual audit process which demonstrates that specific employment targets for the ADI Site are being met on a staged basis

- (b) The Department of Planning ensuring that the Employment Development Strategy Committee meet on a six-monthly basis to review progress on the implementation of the Employment Development Strategy
- (c) The formulation of an employment delivery program on a Precinct specific basis which identifies expected job growth in the nominated sectors over the life of the development
- (d) The establishment of a clear process for ensuring the staged, early delivery of transport and service infrastructure for all Precincts on the ADI site
- (e) The urgent completion of the draft Plan of Management for the Regional Park for public exhibition and a fast-tracking of infrastructure works to allow the opening of the Regional Park at the earliest practical opportunity
- (f) The progression of the planning and implementation of the proposed Central Park facility to be located in the Regional Open Space on the ADI Site.

Councillor Kevin Cramer asked that his name be recorded as having voted against the motion.

## **THE CITY AS AN ECONOMY**

### **8 Penrith City Centre Association and St Mary's Town Centre Association Business Plans for 2006-07**

PRC 56 RESOLVED on the MOTION of Councillor Greg Davies seconded Councillor Steve Simat

That:

1. The information contained in the report on Penrith City Centre Association and St Mary's Town Centre Association Business Plans for 2006-07 financial year be received
2. Funding for the Penrith City Centre Association in the amount of \$268,708 for the 2006-07 financial year be endorsed to be paid on a quarterly basis
3. Funding for the St Marys Town Centre Association in the amount of \$201,585 for the 2006-07 financial year be endorsed to be paid on a quarterly basis
4. The Associations submit in February 2007 six monthly performance reports for review by Council's Director City Strategy
5. Council officers work with both Associations to develop key performance indicators (KPI's) for the components of their business plans, and that the development of these KPI's be the subject of a further report to Council.

**9 Penrith Valley Economic Development Corporation Business Plan 2006-07**

PRC 57 RESOLVED on the MOTION of Councillor Jim Aitken seconded Councillor Ross Fowler

That:

1. The information contained in the report on the Penrith Valley Economic Development Corporation Business Plan 2006-07 be received
2. Funding for the Penrith Valley Economic Development Corporation for the 2006-07 financial year, in the amount of \$260,623, be endorsed, with half the amount to be paid in August 2006
3. Arrangements for the balance of the funding be deferred until the next Policy Review Committee meeting to allow for a meeting between the Council's Chief Financial Officer and the Penrith Valley Economic Development Corporation to clarify the details of the requested additional funding, and to ascertain from the Corporation details of all grants applied for by the Corporation and the results of those applications.

**THE CITY SUPPORTED BY INFRASTRUCTURE**

**10 Agreed Stormwater Drainage Capacity Standards**

PRC 58 RESOLVED on the MOTION of Councillor Kevin Cramer seconded Councillor Greg Davies

That:

1. The information contained in the report on Agreed Stormwater Drainage Capacity Standards be received
2. The design parameters as outlined be adopted by Council for all future drainage design
3. A further report be submitted to Council addressing any inadequacies in the existing drainage system.

**LEADERSHIP AND ORGANISATION**

**11 Service Specification Program**

PRC 59 RESOLVED on the MOTION of Councillor Greg Davies seconded Councillor Garry Rumble

That:

1. The information contained in the report on the Service Specification Program be received
2. The specification for the Waste Management Services be adopted
3. The specification for the Printing Services be adopted.

## **12 Proposed Policy on Grant Applications by Staff**

PRC 60 RESOLVED on the MOTION of Councillor Ross Fowler seconded Councillor Greg Davies

That:

1. The information contained in the report on Proposed Policy on Grant Applications by Staff be received
2. The proposed Policy on Grant Applications by Staff, as shown in the Draft Policy Document appended to this report, be adopted with the following amendment:

The policy to read:

“Council Managers, in consultation with the relevant Director, may apply for grants to the value of \$20, 000 (excluding GST) without first obtaining Council endorsement of the application, provided that:

- A contribution or commitment of Council funds is not a requirement of the grant program,  
and
- The project to be funded will contribute to either:
  - At least one of Council’s Term Achievements in its current Strategic Plan,  
or
  - The completion of a Task in the current Management Plan.

Under this policy, Council retains responsibility for and control over the acceptance of any grant offered.

Councillors are to be informed by memo as soon as possible by the relevant Manager when a grant application has been made.”

3. A further report that details Council’s processes for dealing with grant applications and how these processes are resourced be brought to Council.

There being no further business the Chairperson declared the meeting closed the time being 9:38PM.



## MASTER PROGRAM REPORTS

<b>Item</b>	<b>Page</b>
<b>THE CITY IN ITS BROADER CONTEXT</b>	
1 Rural Resource Lands Study	1
<b>THE CITY AS A SOCIAL PLACE</b>	
2 Affordable Housing	15
3 Castlereagh Cemetery and Crematorium Working Party	28
<b>THE CITY IN ITS ENVIRONMENT</b>	
4 Further Groundwater Investigations in the Penrith City Area	32
5 Productivity Commission's Draft Report on Waste Management	35
<b>THE CITY SUPPORTED BY INFRASTRUCTURE</b>	
6 Emergency Management	48
<b>LEADERSHIP AND ORGANISATION</b>	
7 Service Specification Program	52



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**THE CITY IN ITS BROADER CONTEXT**

**Item**

**Page**

1 Rural Resource Lands Study

1





## **The City in its Broader Context**

### **1 Rural Resource Lands Study**

**Compiled by:** Tanya Jackson, Senior Environmental Planner

**Authorised by:** Craig Butler, Director - City Planning

**Strategic Program Term Achievement:** *Council's adopted strategy is being implemented as the basis for future rural land use decisions.*

**Critical Action:** *Implement the Rural Lands Strategy through the new Local Plan and an agreed program of actions.*

#### **Purpose:**

*To advise Council of the outcomes of the Rural Resource Lands Study. The report recommends that Council support the Study's key recommendations.*

#### **Background**

The rural resource lands project was initiated by Baulkham Hills Council who put forward the concept of a rural enterprise zone to address the increasing pressures facing rural lands on the metropolitan fringe, particularly the viability of agricultural lands. Baulkham Hills Council discussed this concept with the Department of Planning who suggested that a regional approach to this issue would be preferred.

A meeting of regional Mayors was subsequently set up to pursue this concept. The meeting was held on 2 February 2005 and was attended by mayors and council officers from Baulkham Hills, Campbelltown, Gosford, Hawkesbury, Hornsby, Wollondilly, and Penrith councils. At this meeting it was agreed that a steering committee of technical officers from each council would be set up to finalise a brief and seek funding to undertake a Study as part of the Department's Planning Reforms Fund. It was also agreed that the Study should be widened in its scope to address the regional rural economy, and links to the Metropolitan Strategy and sustainability.

The Steering Committee was successful in obtaining \$75,000 as part of the Planning Reform Fund to engage a consultant to prepare a study for rural resource lands. SJB Planning was appointed to undertake the Study.

#### **Rural Resource Lands Study**

##### ***Purpose and Objectives of the Study***

The Rural Resource Study reaffirmed that rural lands located in the urban fringe areas of the greater Metropolitan Region of Sydney are important and valued for many reasons, accommodating a range of agricultural uses that contribute to the regional and State economy. Rural lands provide for the protection of biodiversity, scenic landscapes and metropolitan water catchments and also contain sites of Aboriginal heritage significance. These values are also recognised in Council's Rural Lands Strategy, adopted on 29 September 2003.

However, these lands have been, and continue to be, under a range of pressures, due to their location on the urban fringe. These pressures, at least in part, arise from a past lack of a coordinated strategic regional planning approach that recognises the values of these lands. This has contributed to the continuing uncertainty regarding the future of rural lands, in addition to the pressures associated with land banking, property speculation, and subdivision. As well, some agricultural producers in the region have experienced a range of economic pressures associated with changing commodity prices and markets that have affected the viability of traditional farming.

The Study examined the economic dynamics that impact on the use of rural resource lands, and the opportunities and constraints associated with alternative and complementary uses, linked with increasing farm viability and sustainability. The report considered the existing planning framework (local and state) as well as non-planning tools potentially applicable to protecting these lands in the NSW and Sydney context. A copy of the report on CD has been circulated to all councillors.

The Study process included an Industry Workshop, attended by representatives from the NSW Farmers Association, Department of Primary Industry, Urban Agriculture, Sydney Region, Hawkesbury Harvest, Sydney Agricultural Rural and Public Lands Trust; North West Sydney Agribusiness Alliance, South East NSW Horticulture Producers, Orchard Industry Action Group, Central Coast Plateau Chamber of Commerce, Dairy Australia, and Elf Mushroom. The key objectives of the Study were to:

- Identify the values of rural lands that should be protected and enhanced
- Acknowledge the issues and trends facing agriculture and other rural pursuits on the Metropolitan fringe
- Prepare a vision for rural resource lands that acknowledges the important economic, social and environmental role of these lands in the Metropolitan context
- Develop a strategy to encourage the innovative and sustainable development of rural resource land.

### ***Recommendations***

The Study provides the following vision for rural resource lands:

- *“The rural resource lands of the Greater Metropolitan Region will be protected and enhanced for current and future generations, driving the Regional identity and character, and shaping the region, due to the maintenance and improvement of these irreplaceable lands.*
- *These lands will ensure a sustainable and successful future for the Region, contributing economic, environmental, cultural and social outcomes through a holistic and balanced approach to planning and resource management.”*

The main conclusions of the Study are outlined below. Attachment 1 details the strategies and actions drawn from the conclusions of the Study and provides comments in relation to Penrith. The Study concludes that:

- Councils are generally undertaking appropriate strategic planning and development control in relation to rural resource lands in their individual areas. However, the lack of regional coordination has resulted in a disparate range of approaches which may hinder the protection of rural resource lands.

- The absence of a clear and contemporary regional rural plan or strategy for the Metropolitan area has been to the detriment of rural resource lands. There is therefore a need for the State Government to take a leading role and establish a clear policy position in relation to agricultural and rural lands in Sydney.
- The subregional planning work being undertaken incorporate an unambiguous urban growth boundary that establishes a clear and long-term distinction (25-30years) between urban and non-urban areas in the region. This is important for overcoming land speculation and the expectation of subdivision and development.
- To inform subregional planning, the Department needs to complete the following work associated with the Metropolitan Strategy:

*Department of Environment and Conservation*

- Regional biodiversity mapping and Regional Conservation Plans

*Department of Primary Industries*

- Mapping of regionally significant activities including agriculture, mining and petroleum uses and extractives industries.

- The State Government needs to establish a clear policy position on the role of agriculture in the State economy, and proceed with the preparation of the proposed Agriculture and Rural Related Industries Sector Strategy, with the Department of Primary Industries playing a leading role.
- There is no need for a rural enterprise zone in the greater Metropolitan region as there is sufficient scope in the current and the new Local Plan template rural zones to permit a range of land uses in rural zones.
- Initiatives such as biodiversity banking, rate rebates, economic development strategies for marketing and promotion in the form of growers markets and farm gate sales are considered practical and worth pursuing.
- The market-based instrument that has the most potential to be readily adaptable to assist with the protection of rural resource land is the proposed biodiversity banking model being developed by the Department of Environment and Conservation. The Study suggests that the Department of Environment and Conservation work with a Council in the region to undertake a pilot project on biodiversity banking in the region, to be used as a model to test the concept in the NSW planning context.
- Market based instruments or tools such as Purchase of Development Rights and Transferable Development rights are not easily applicable to the NSW planning system at present, and would require legislative changes and considerable policy development. The Study suggests that the Department of Planning in developing new “delivery” tools” (E2.2 of the Metropolitan Strategy) work with a council in the region to undertake a pilot project on transferable development rights, to be used as a model to test the concept in the NSW planning context.

In summary the Study’s recommendations and direction is consistent with Council’s approach to rural lands and its adopted Rural Lands Strategy (2003). The Study reinforces the need for the State Government to embrace a regional approach to rural resource lands by developing a contemporary regional rural plan or strategy for the Metropolitan area which clearly annunciates the value of rural resource lands and strategies for their protection. The most appropriate way for such plans and/or strategies to be implemented is via subregional plans, which will then be translated into local environmental plans.

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## **Department of Planning's Rural Lands Policy**

The SJB Planning Rural Resource Lands Study has in part been a catalyst for the Department of Planning's recent initiative to develop a Rural Lands Policy. It is understood that the Rural Lands Policy will respond to the following Metropolitan Strategy Actions:

### **E4.1 Maintain rural activities and Resource lands**

- E4.1.1 Complete mapping of regional significant activities
- E4.1.2 Complete subregional planning to ensure LEPs maintain viable rural industries.

### **E4.2 Protect Resource lands from incompatible and inappropriate uses**

- E4.2.1 Focus land release in growth centres
- E4.2.2 Implement sustainability criteria for new land releases
- E4.2.3 Review long term development capability of Macarthur South.

### **E4.3 Provide greater certainty to encourage investment in resource lands**

- E4.3.1 Provide a consistent approach to the zoning system in rural lands.

As part of the development of the Rural Lands Policy the Department of Planning held an initial meeting on 19 July 2006 with councils across Metropolitan Sydney to ascertain the issues and pressures on rural lands facing each council. At this stage, the Department has not formally provided a timeframe and program for completing its Rural Lands Policy although it is likely to coincide with the completion of the subregional plans. Council is awaiting further advice from the Department on the direction and format that the Policy is likely to comprise.

The development of a Rural Lands Policy provides an opportunity for the Department to take a leading role in developing a regional approach and framework for the protection of rural resource lands. It is intended that Council in this forum will pursue the strategies and actions recommended in SJB's Rural Resource Lands Study which endeavour to achieve improved regional coordination, planning and management of rural lands.

## **Council's Rural Lands Strategy**

The finalisation of a Rural Lands Study and adoption of the Rural Lands Strategy for Penrith in 2003 brought together a comprehensive planning process which examined in detail a broad range of rural issues, sought extensive community input and gained the support of relevant agencies. The aims of the Rural Lands Study were to:

1. Reinforce Penrith's urban growth limits and promote a compact City by identifying and promoting the intrinsic rural values and functions of the City's Rural Lands
2. Sustain healthy and diverse rural lands in Penrith, by conserving their biodiversity, maintaining the integrity of their ecosystems, maintaining their natural capital, and promoting the social well being of rural communities
3. Promote agriculture and other rural land-uses that are sustainable in the longer term, through the use of appropriate resource and environmental management policies, plans, guidelines and practices

4. Promote a sustainable economic environment that fosters economically viable rural development, employment, transport and future investment opportunities
5. Increase the awareness of ecologically sustainable rural land use practices amongst landholders, land-users and the community generally, and promote responsible stewardship of Penrith's Rural Lands
6. Achieve outcomes which support and enhance Council's vision of a region with a harmony of urban and rural qualities with a strong commitment to environmental protection and enhancement, and which offers both the cosmopolitan and cultural lifestyles of a mature city and the casual character of a rural community.

The aims of the Study are achieved through the recommended strategic actions outlined in the Rural Lands Strategy. The growth management philosophy underpinning the Rural Lands Strategy is:

- Limit north and south urban expansion
- Provide for expansion of specified villages
- Provide for limited amounts of new residential development only where located near to services and where environmental impacts can be minimized
- Encourage a wide range of agricultural pursuits and other rural uses having regard to the issue of environmental impacts
- Embody the concepts of:
  - Ecological Sustainable Development.
  - Total Catchment Management.

The Rural Lands Strategy provides a 'blueprint' for the new Local Plan and accompanying DCP for Penrith.

It is considered that the actions and strategies recommended by SJB's Rural Resource Lands Study are consistent with the strategies and direction of Council Rural Lands Strategy by recognising the importance of rural lands located on the urban fringe and seeking to incorporate their protection through the Metropolitan subregional plans and subsequently via local environmental plans developed by each council.

### **Conclusion**

The issues and challenges facing rural lands on the urban fringe of the greater Metropolitan region of Sydney are not unique or new. If rural lands are to be conserved and valued as a resource, then it is appropriate to plan more vigorously for the conservation of that resource.

While the Metropolitan Strategy recognises the importance of rural lands there is still considerable more planning work required to embed their protection and management through Metropolitan subregional plans and the potentially the Department's Rural Lands Policy. The Rural Lands Resource Study's recommendations point to some of the extra planning work required.

The State Government's work on developing an Agricultural Sector Strategy and Regional Conservation Plans needs to be finalised and implemented via subregional plans and then Local Plans.

The Rural Lands Resource Study's recommendation to establish an urban growth boundary, to distinguish between urban and rural areas, as a component of the subregional plans is also supported. It is consistent with Council's adopted positions on containment of the City's urban footprint and considered imperative to the long-term sustainability of rural lands.

It is recommended that Council endorse the Rural Lands Resource Study.

## **RECOMMENDATION**

That:

1. The information contained in the report on Rural Resource Lands Study be received
2. Council write to the Department of Planning indicating its support for the Rural Resource Lands Study and requesting that the State Government take a leading role in establishing a clear policy position in relation to agricultural and rural lands in Sydney. Specifically, the submission should request that:
  - (i) Subregional plans incorporate an urban growth boundary that establishes a clear and long-term distinction (25-30years) between urban and non-urban areas in the region
  - (ii) The Study's recommended vision for rural resource lands of the region is reflected in State Government planning policy
  - (iii) The following work is completed to inform the subregional planning process:
    - (a) Regional biodiversity mapping and the development of Regional Conservation Plans being prepared by the Department of Environment and Conservation
    - (b) Mapping of regionally significant activities including agriculture, mining and petroleum uses and extractives industries which is to be undertaken by the Department of Primary Industries
    - (c) The proposed Agriculture and Rural Related Industries Sector Strategy be advanced, with the Department of Primary Industries playing a leading role
    - (d) The Department of Environment and Conservation and a Council within the region undertaking a pilot project on biodiversity banking as a model to test the concept in the NSW planning context
    - (e) The Department of Planning in developing new "delivery" tools" (E2.2 of the Metropolitan Strategy) work with a council in the region to undertake a pilot project on transferable development rights, to be used as a model to test the concept in the NSW planning context.
3. A copy of Council's report and letter to the Department of Planning be forwarded to the Department of Environment and Conservation and the Department of Primary Industries for consideration.

4. Council request the Department of Planning to provide a timeframe and program for completing its Rural Lands Policy and provide further information on the role that the Policy is intended to play in the context of subregional plans and the preparation of local environmental plans, which are consistent with the State Government's standard LEP template.

**ATTACHMENTS/APPENDICES**

1. Strategies and Actions 4 Pages Appendix

**Attachment 1 – Rural Resource Lands Study**

<b>Strategies and Actions</b>		
<b>Strategy 1</b>		
<i>Protect rural resource lands from urban development, subdivision, land speculation and other incompatible land uses.</i>		
Action	Strategy	Comment
1.1	As a component of the proposed subregional planning, establish an unambiguous urban growth boundary in order that there is a clear and long term (25-30 year) distinction between urban and non-urban areas in the region.	This action is important for the long-term sustainability of rural lands. It is intended that Council write to the Department of Planning to indicate its support for an urban growth boundary being included as a component of the subregional plans and its Rural Lands Policy
1.2	Councils endorse the policy approach to rural and resource lands adopted in the recently released Metropolitan Strategy, subject to the government proceeding urgently with subregional planning.	Council continues to participate in subregional planning process and in the development of a Rural Lands Policy, both of which are being co-ordinated by the Department of Planning
1.3	The Department of Planning complete outstanding work associated with Metropolitan Strategy in order that this material will inform the subregional planning. This includes: <ul style="list-style-type: none"> <li>• Completion of regional biodiversity mapping; and</li> <li>• Completion of mapping of regionally significant activities including agriculture, mining and petroleum uses and extractive industries.</li> </ul>	It is intended that Council write to the Department of Planning highlighting the importance of this work being completed, particularly in regard to the protection and sustainability of rural resource lands.
1.4	The Department of Planning provide to Councils a detailed timetable and work program for subregional planning.	Council is currently participating in the subregional planning process, which is anticipated to be completed in November 2006.
1.5	The provisions of REP No 8 be embedded into the planning framework of the Central Coast regional Strategy and incorporated into local plans as appropriate.	Not applicable to Penrith.
1.6	That, given the focus on rural and resource lands in the Metropolitan Strategy, and the proposed subregional planning to be undertaken, Councils in the region consider resolving not to approve any proposed rezoning proposals that would reduce the current stock of rural resource lands in the region, outside of those areas identified within the respective Growth Centres and Employment Lands.	The Metropolitan Strategy and Council's Employment Lands Strategy is proposed to accommodate projected population and employment demand for the next 15-20 years. The aims, growth management philosophy and development principles and strategies in Council's adopted Rural Lands Strategy (2003) provide for the co-ordinated and effective growth of Penrith's rural areas for the next 10-20 years in a balanced and sustainable way. Therefore any rezoning of rural lands, outside the Growth Centres and identified Employment Lands would represent a longer term proposal. It is intended that any rezoning proposals be considered in the context of the adopted Rural Lands Strategy.
1.7	That Regional Organisations of Councils and individual Councils, in preparing Strategic Plans, incorporate specific and explicit goals, strategies and actions regarding the protection and enhancement of rural resource lands.	Noted. Council Strategic Plan and Management Plan both incorporate strategies which specifically acknowledge the need to protect and enhance rural lands. These strategies will be translated into the new Local Plan and accompanying DCP.
1.8	The Department of Planning amend the draft Standard Local Environmental Plan template as recommended in the Study.	The Standard Template for Local Environmental Plans was gazetted on 31 March 2006.

<b>Strategies and Actions</b>		
<b>Strategy 2</b>		
<i>Support and protect agricultural and rural practices and industries</i>		
Action	Strategy	Comment
2.1	<p>The NSW Government proceed as quickly as possible with the development of the proposed Agricultural and Related rural Industries Sector Strategy, in order to provide a clear State Government policy position in relation to this industry across the State and within individual planning regions.</p> <p>This Industry Sector Strategy must reinforce the value, significance and long term protection and growth of agricultural and rural industries in the Sydney Metropolitan region. The Strategy must also provide a definitive resolution to competing activities such as prime agricultural land and extractive industries, as well as address the need to protect and accommodate existing farmers and farm workers of non-English speaking backgrounds in the Sydney region. In addition the Strategy should include a 'whole-of-government- approach to relocating the viable agricultural activities that will be forced out of the Metropolitan Growth Centres, ensuring the activities and jobs remain within the Sydney Basin long term.</p>	It is intended that Council write to the Department of Planning highlighting the importance of proceeding with the preparation of the proposed Agriculture and Rural Related Industries Sector Strategy.
2.2	The Agricultural Sector Strategy, once developed, contribute to the development and review of regional strategies including the Metropolitan Strategy and subregional plans.	Noted.
2.3	The relevant Councils of the region consider the formation of a forum such as the Wollondilly Rural Industries Liaison Committee in order to establish effective and direct lines of communication regarding issues affecting their local farmers and producers, and in order to demonstrate their commitment to these activities.	Noted.
2.4	The relevant Councils of the region develop an agricultural retention strategy for their areas, modelled on the 'Growing Hawkesbury's Future' project undertaken by Hawkesbury City Council, 2005. The retention strategy should include examination and support for a 'farmers' market' as a component of the economic development of the area.	The "Growing Hawkesbury's Future" project (previously known as HARTDAC) was undertaken by Hawkesbury City Council (2005). Part 6.3.4 of Council's adopted Rural Lands Strategy (2003) sets out a number of economic and employment initiatives to encourage economic and social growth in the rural areas of Penrith Action 2.4. The agricultural retention strategy could be pursued in this context. Encouraging the Hawkesbury Harvest Farm Gate Trail to extend into Penrith and then to the LGAs to the south and the establishment of a farmers market in the LGA are both actions identified in Council's Rural Lands Strategy.
2.5	The relevant Councils of the region prepare economic development strategies for their areas, including the enhancement of rural activities and rural employment, as well as tourism activities associated with rural resource lands.	<p>The development of economic development strategies for rural activities forms part of implementation of Council's Rural Lands Strategy (2003). Specific strategies (Part 6.3.4) include:</p> <ul style="list-style-type: none"> <li>• Ensure that the economic development of Penrith considers rural lands.</li> <li>• Provide employment generating activities in Rural Penrith.</li> <li>• Provide economic incentives to encourage the development of rural activities</li> <li>• Promote the City as a place for rural based</li> </ul>

<b>Strategies and Actions</b>		
		tourism.
<b>Action</b>	<b>Strategy</b>	<b>Comment</b>
<b>2.6</b>	The relevant councils of the region, where they are not already doing so, provide a substantial land rate differential for 'farmland' in accordance with the existing provisions available under the NSW Local Government Act.	For many years Council has been committed to the City's agriculture by applying reduced rates for those rural properties that carry the City's farming activities, providing a financial incentive for owners of active farming properties. Penrith currently provides a 25% differential to rural producers called a farmland rate. It is considered that opportunities to increase the differential through a regional approach should be explored.
<b>2.7</b>	The relevant councils of the region prepare and implement detailed development control provisions reinforcing the desirability of, and management of rural resource lands, with particular focus on managing the interface between urban and non-urban land uses and activities. To this end the Baulkham Hills Draft rural Lands DCP provides a best practice model.	The development of planning provisions for rural and urban areas will be undertaken in the development of Councils new Local Plan and accompanying Development Control Plan. The majority of rural areas will form part of Stage 1 of the Local Plan.
<b>Strategy 3</b>		
<i>Protect and enhance the biodiversity values of the region</i>		
<b>3.1</b>	The NSW Department of Environment and Conservation proceed as quickly as possible to develop a Regional Conservation Plan for the region.	It is intended that Council write to the Department of Environment and Conservation on the need for a Regional Conservation Plan for the region to be completed and implemented through Council's new Local Plan.
<b>3.2</b>	The Department of Planning and relevant Councils use the regional conservation plan as a major driver in the development of subregional plans, the future review of the Metropolitan Strategy and the finalisation of the Central Coast Strategy and Sydney-Canberra Corridor Strategy.	Noted. It is intended that Council write to the Department of Planning reinforcing the importance of regional conversation plans in the protection and enhancement of biodiversity values of the region.
<b>3.3</b>	The Councils of the region endorse the concepts of biodiversity certification and biodiversity banking, as proposed by the Department of Environment and Conservation, as essential tools for the protection and improvement of rural resource lands in the Sydney region.	As part of reforms to the threatened species legislation, the Department of Environment and Conservation (DEC) is proposing to establish a biodiversity banking and offset scheme. The scheme involves: <ul style="list-style-type: none"> <li>• Establishing biobank sites on land through a biobanking agreement between the Minister for the Environment and the landowner.</li> <li>• Creating biodiversity credits for management actions that are carried out, or proposed to be carried out, to improve or maintain biodiversity values on biobank sites. DEC is currently developing a biobanking assessment methodology to determine the number of biodiversity credits that may be created for these management actions.</li> <li>• Trading credits, once they are created and registered.</li> <li>• Enabling the credits to be used to offset the impact of development on biodiversity values. The biobanking assessment methodology will be used to determine the number and class of credits that must be retired to offset the impact of a development and ensure that the</li> </ul>

<b>Strategies and Actions</b>		
<b>Action</b>	<b>Strategy</b>	<b>Comment</b>
		development improves or maintains biodiversity values.
<b>3.3 cont:</b>		While the implications of this scheme on the City are yet to be determined, there are sites within the City that could potentially become biobank sites, particularly to offset development within the North West and South West growth centres. Council staff have flagged this issue with the Department of Planning for further discussion.
<b>3.4</b>	Each Council of the region prepare and implement a biodiversity strategy, linked to, and helping to guide, the proposed subregional planning.	Council has prepared and adopted a Biodiversity Strategy (2004). The Biodiversity Strategy will be implemented as part of the new Local Plan and accompanying DCP for the City.
<b>3.5</b>	The Department of Environment and Conservation team together with a Council in the region to undertake a pilot project on biodiversity banking in the region, to be used as a model in implementing the concept in an urban fringe location.	It is intended that Council write to the Department of Environment and Conservation and the Department of Planning to indicate its support for the concept, and for partaking in any pilot project on biodiversity banking.
<b>3.6</b>	The Department of Planning, in developing new 'delivery tools' (E2.2 of the Metropolitan Strategy) team together with a Council in the region to undertake a pilot project on transferable development rights, to be used as a model to test the concept in the NSW planning context.	It is intended that Council write to the Department of Planning to indicate its support for the undertaking of a pilot project on transferable development rights and indicating Councils willingness to be involved.

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## THE CITY AS A SOCIAL PLACE

<b>Item</b>	<b>Page</b>
2 Affordable Housing	15
3 Castlereaugh Cemetery and Crematorium Working Party	28





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## The City as a Social Place

### 2 Affordable Housing

**Compiled by:** Erich Weller, Community Development Manager; Nuala Cavanagh, Senior Environmental Planner; Mark Broderick, Release Area Unit Coordinator

**Authorised by:** Erich Weller, Community Development Manager; Ruth Goldsmith, Local Planning Manager; Roger Nethercote, Environmental Planning Manager

**Requested By:** Councillor Ross Fowler

**Strategic Program Term Achievement:** *Council's planning approach to the provision of housing across the City addresses the supply, choice, affordability, economic, social diversity and workplace needs of the community.*

**Critical Action:** *Review the effectiveness of Councils Residential Strategy, ensuring that it addresses the current and emerging, supply, choice, affordability, and social and economic diversity needs of the City's communities.*

#### **Purpose:**

*To inform Council of the current situation in relation to the opportunities for the provision of affordable housing in Penrith City. The report recommends the information be received.*

#### **Introduction**

Housing as “shelter” is an essential of life. Housing as “home” has enormous social and symbolic meaning to people. Home is a place for many leisure and social activities. The quality of housing in which people live has a major bearing on their quality of life. People, as far as is within their means, generally seek housing that provides security and privacy.

Particular groups in Australian society have difficulty in accessing home ownership, or even private rental accommodation that is affordable. A number of groups, including persons on benefits or pensions, people with a physical or intellectual disability, persons with a mental illness and victims of domestic violence have distinctive housing needs which, in combination with low incomes, can render them extremely vulnerable in the housing market. Increasingly low-income families are also vulnerable, even if one or both parents are in employment.

In contributing to building sustainable communities that are fair and equitable, Council has identified the affordability of housing in the City as an issue that requires action. While recognising that the Federal and State Governments have principal responsibility for delivering affordable housing outcomes, this report outlines some of the opportunities where Council, together with partners, can make a difference.

In July 2005 Council signed a Memorandum of Understanding (MoU) with the NSW Department of Housing. This Memorandum identified a number of priority projects and matters that the two organisations agreed to focus on and progress. One of these matters is

affordable housing and the MoU makes specific reference to Council and the Department working together “to retain and develop new affordable housing opportunities”.

The MoU also makes references to the support the NSW Centre for Affordable Housing, a unit within the Department of Housing, can provide Council in identifying and developing affordable housing opportunities.

This report provides information on affordable housing in the context of current Federal and State affordable housing policy, the statutory planning arrangements and a summary of the opportunities that may emerge from Council’s current planning processes for the City Centres, the existing established areas of the City, and the new release areas.

## **Background**

In the past, in Australia and NSW, public housing has been the major form of affordable rental housing for low-income households. Public housing, owned and principally managed by the NSW Department of Housing, has been largely funded and constructed through the inter-governmental framework of Commonwealth-State Housing Agreements (CSHA’s). The current CSHA (from 1/7/03 to 30/6/08) is a formal agreement authorised under the Housing Assistance Act 1996. This Act is:

*“an Act to assist people to obtain access to housing that is affordable and appropriate to their needs, and to provide assistance for other housing-related purposes”.*

(Foreword, Housing Assistance Act 1996 Annual Report 1998-99, piii)

Other housing related purposes for eligible low-income households include home purchase assistance, and financial assistance to access and maintain a tenancy in the private rental market. This assistance is restricted to help with bonds and, in exceptional circumstances, rental arrears.

Initially, the CSHA focused on increasing housing supply as part of post-war construction. In many cases the households occupying these dwellings took up the option of purchasing their dwelling.

However over the last 10-15 years the Agreements have focused more on providing flexible and appropriate housing assistance to those households who cannot meet their housing needs unassisted in the private market.

Increasingly, public housing has been rationed to those individuals and households deemed to be in priority need. In 2004/05, the principal source of income for over 90% of public housing households was Centrelink benefits. Rent is capped so no low-income tenant pays more than 25% of their income in rent.

Most subsidised tenant households comprise a single person only. Currently over 30% of subsidised tenant households currently in public housing are headed by a person over 65 years of age, and almost 30% of subsidised tenants households receive a disability support pension.

A housing register is maintained to allocate housing to eligible applicants. As at 30 June 2005, there were 69,067 applicants on the register – a decline from the 73,289 recorded a year earlier. This fall is part of a longer term trend and is mainly due to improved

management of the register, including regular surveys of applicants to determine ongoing eligibility and need.

To be eligible for inclusion on the housing register there are maximum household income thresholds. For a single person maximum gross income is \$410.00 per week, for a couple \$550.00 per week, and a single parent with two children \$690.00 per week.

Increasingly however the allocation of public housing tenancies is to those in greatest need, or priority housing allocations. In 2004/05 over 31% of the 9,082 new tenants housed in NSW were priority allocations.

Since the early 1990s, policy discussions and responses by both the Federal and NSW Governments to the issue of affordable housing have significantly broadened, due largely to the increasing difficulty for low to medium income households to enter the first home-buyer market, or to access private rental, without spending more than 30% of household income on housing costs. The next sections will summarise the most recent of these responses.

### **Framework for National Action on Affordable Housing**

The Framework for National Action on Affordable Housing was agreed by a joint meeting of all Housing, Local Government and Planning Ministers in August 2005.

For the purposes of the Framework affordable housing is defined as “housing which is affordable for low and moderate income households across home ownership, private rental as well as public rental tenures”.

The National Action on Affordable Housing will be achieved through two streams of activities:

- Those directly related to “Affordable Housing Delivery and Management”
- “Parallel Policy Parameters” for which responsibilities are managed outside housing portfolios and influence the housing market more broadly.

The two activity streams summarised above are incorporated into three schedules that are part of the Framework. The three schedules are:

Schedule 1:	Structuring Current Approaches (2005/06)
Schedule 2:	Packaging Reform Options (2006/07)
Schedule 3:	Cabinet/COAG Consideration for Further Development (2007/08)

A package of policy reform options will be prepared for consideration by the Ministers party to the Framework in August 2006. Outcomes sought under the two activity streams include:

#### **Affordable Housing Delivery/Management**

- Diversifying affordable housing delivery sector
- Strengthening subsidy arrangements
- Expansion of special programs (e.g. for particular target groups)

\* work funded by States and Territories only

#### **Parallel Policy Parameters**

- Improving market efficiency
- Leveraging financing
- Adopting land supply and planning mechanisms
- Aligning taxation policy \*

In this process the Ministers are involved on a no-commitment basis insofar as particular jurisdictions and Cabinet processes need to be considered.

Council officers will continue to monitor the progress of the Framework and any opportunities that emerge to increase the supply of affordable housing.

### **NSW Landcom and Affordable Housing**

Landcom's charter from the NSW Government is to develop housing that meets the lifestyle needs of the state's diverse population. A key initiative is to meet the housing requirements of families on moderate incomes, who are unable to enter the housing market due to escalating house and land prices.

Landcom is working to develop market based affordable housing options for households on moderate incomes, i.e. a combined income of between \$46,000 and \$69,000 (2004) across its operations in Sydney, the Hunter, Central Coast and Illawarra regions.

Landcom has set itself a target to deliver 7.5% of its total land and/or housing product (annual yield) as affordable to moderate income households by 2008.

In 2003/04, 6.5% of Landcom's product fell within the moderate income housing bracket, a significant increase on the previous year's result of 2.6%.

Landcom aims to deliver this product on land that it is directly involved in developing on behalf of the NSW Government. In Penrith City the principal Landcom site in the new release area program is the Caddens Release, part of the WELL Precinct.

With some of the affordable Landcom housing product that has been developed at a discount cost due to planning concessions, there is a restriction for only 10 years on the dwelling not being sold for the market price. If the dwelling is sold before the ten year period the dwelling can only be sold for the purchase price plus an agreed Consumer Price Indexation increase. Affordable housing developed for rental and managed by a not-for-profit housing association or trust can potentially deliver greater equity outcomes for a longer period.

Landcom continues to assess its affordable housing product, including debt and shared equity, to deliver alternative housing options.

### **The Centre for Affordable Housing**

The Centre for Affordable Housing was established in 2002/03 by the NSW Government in response to a reduction in housing affordability in the private sector over the last 5-10 years. The Centre is a unit within the NSW Department of Housing.

The Centre works with local and State Government, not-for-profit organisations, and private companies to increase the supply of affordable housing for very low to moderate income households. This incorporates households earning up to around \$69,000 in Sydney and \$57,600 in other parts of NSW.

The Centre works with partners to find practical, market-oriented options, as well as resources to deliver affordable housing as part of financially viable projects. It provides:

- **Brokering** – bringing potential partners together
- **Initial assessment** – of proposals, to identify their capacity for affordable housing, and suggesting potential development options and resources
- **Technical advice** – to assist those interested in affordable housing developments to assess their options to deliver and manage affordable housing
- **Investment and feasibility analysis** – to confirm the best development options, project financing and partnership arrangements
- **Good practice advice and case studies** – to demonstrate how affordable housing can be developed
- **Material assistance** – from time to time, resources (land and financial) will become available through the Centre for projects that leverage resources from partners to deliver affordable housing.

At its recent meeting with the Centre for Affordable Housing representatives, more detail was provided to Council officers on the technical advice the Centre could provide. This included determining what is an affordable housing outcome for households in different income ranges in relation to different dwelling types and their market value whether rental or purchase.

### **Affordable Housing Accommodation**

The Centre has completed a small number of demonstration projects in the inner West, Thornleigh and Liverpool.

These projects are managed by experienced not-for-profit community housing organisations. Rents, which are set at a discount to market rates, are affordable but sufficient to cover operating costs. Projects do not require ongoing government subsidies and generate a small surplus which is reinvested in the provision of further affordable housing.

For example, the six rental units in Liverpool assist low-income employed households (such as people who have completed training or single parents returning to the workforce) to secure affordable rental accommodation. Leases are generally extended to five years, and are reviewed annually.

The demonstration projects provide an opportunity to develop and test new approaches to setting rents to address work disincentives that can exist when income-based rents are charged. All the projects will be evaluated to gauge their success.

### **Proposed State Affordable Housing Strategy**

The Centre for Affordable Housing, as part of an inter-departmental Committee of Cabinet, has also been involved in developing a NSW Affordable Housing Strategy. Reference is made to this proposed strategy in the recently released Metro Strategy, *City of Cities, a Plan for Sydney's Future*.

According to the City of Cities Plan, the NSW Affordable Housing Strategy will include but not be limited to:

- Working with local government, social, community and industry partners to implement new housing affordability options for particular groups in the community
- Incorporate housing affordability objectives in urban renewal planning

- Making better use of planning laws and regulations to encourage the growth of affordable housing stock.

Further detail on some of these matters is provided below.

### **Statutory Planning Arrangements**

The statutory framework within which Councils may become involved in the provision or maintenance of affordable housing within a local government area are not mandated by the Environmental Planning and Assessment Act. However there are references to affordable housing within the EP and A Act. There are also a number of State Environmental Planning Policies (SEPP) that have the objective of providing/ maintaining affordable housing. SEPP 70 – Affordable Housing (revised schemes) was gazetted in June 2002. This SEPP is not applicable to Penrith Local Government Area. SEPP 10 – Retention of Low Cost Rental Accommodation is applicable to the Penrith LGA. This SEPP seeks to maintain existing low cost rental accommodation and compliance with this SEPP is required when a Development Application is lodged that may threaten a supply of low cost rental accommodation.

Other ways in which Councils may utilise their planning powers to deliver affordable housing are canvassed in the Resource Paper “Levying developers for affordable housing” produced in April 2006 by Shelter. Shelter is a peak advocacy group for affordable housing. The following summarises opportunities identified within that paper.

There are three ways in which Council may pursue affordable housing outcomes through the development assessment process. These are through a) voluntary planning agreements, b) inclusionary zoning or c) incentives identified within development controls plans. These three approaches are discussed below:

#### *Voluntary Planning Agreements*

There is a common view expressed that traditional Section 94 contribution plans are not available as a means of levying developers for the provision of affordable housing as it is not defined as a ‘public amenity’, a ‘public service’ or ‘public infrastructure.’ Affordable housing is however, a valid ‘public purpose’ for which planning agreements may be entered into.

Recent amendments to the E P and A Act (Section 93F) now provide Council with a regulatory framework to establish voluntary planning agreements between local councils and developers to negotiate contributions for affordable housing outcomes. Voluntary planning agreements are most likely to be useful for developments that are large scale, have long time frames, are likely to be developed in stages and where the developer has a key interest in delivering public infrastructure. This procedure requires significant negotiation efforts on behalf of Council. However given these negotiations are based on a single site or development specific project, the result can potentially deliver ad-hoc decisions on affordable housing options across the LGA.

#### *Inclusionary Zoning*

This approach utilises Section 94F of the E P and A Act and allows Councils, where they satisfy the requirements of the Section, to require/ condition developers to provide a minimum proportion of affordable housing units in exchange for variations to development standards. There are a limited number of schemes utilising this approach due to the significant hurdles that exist within the statutory framework. Green Square and Ultimo-

Pyrmont are examples where this approach has been used successfully. Section 94F of the Act requires that an LGA be identified within a SEPP as having an affordable housing need. At this point a broadly applicable SEPP for Affordable Housing does not exist making the use of this approach impossible for Penrith. SEPP 70 – Affordable Housing (revised schemes) currently applies only to affordable housing schemes in the City of Sydney (Ultimo Pyrmont), former South Sydney Council (Green Square) and Willoughby Council.

Shelter advocates that Councils begin work on Affordable Housing Schemes in order to encourage and pre-empt the introduction of the application of the SEPP to a broader area. We will investigate opportunities to incorporate this work within the Residential Strategy Review due to commence in mid 2007. This work will be guided by the State Government's Affordable Housing Strategy due to be released later this year.

#### *Development Incentives*

Council may also consider the introduction of broad objectives within its Citywide Local Environmental Plan encouraging the provision of affordable housing. Further development controls encouraging affordable housing may then be iterated within Council's Citywide DCP. The application of this approach may be most appropriate within higher density areas. It is anticipated that this work may be undertaken at Stage 2 of the Local Plan process, due to commence in mid 2007.

#### **The NSW Metropolitan Strategy**

The NSW Metropolitan Strategy, *City of Cities: A Plan for Sydney's Future* was released by the Premier in December 2005. The Government recognises housing affordability is a concern for existing and future households in Sydney. The Strategy includes the release of additional lands to ensure limited supply does not further reduce affordability as well as specific actions to increase the amount of housing available for households with low to moderate income levels.

The Housing Strategy component of the Metro Strategy recognises housing affordability is a complex interrelated set of issues. In recognition of this complexity, the Government established an Interdepartmental Committee in September 2005 to advise on improving housing affordability in NSW. The Interdepartmental Committee will consider ways to:

- Improve the affordability of housing in general, which includes the cost of construction and the supply of serviced land;
- Build the capacity of not for profit affordable housing providers, including the community housing sector;
- Develop specific policy responses for special needs groups, including seniors and the disabled;
- Deliver a supply of land and dwellings to affordable housing providers for development and operation;
- Improve access to affordable housing (owned and rented) for moderate and lower income groups in addition to social housing
- Ensure Sydney remains an accessible place for young people and for families to live and work.

The Housing Strategy has the following aims and objectives for improving housing affordability:

- C4.1 Improve the affordability of housing.
- C4.2 Redevelop and regenerate Department of Housing stock.
- C4.3 Use planning mechanisms to provide affordable housing.

Set out below is an extract from the Metro Strategy relevant to this report:

***“Improving housing affordability”***

*Improving housing affordability will involve a range of policy responses and practical initiatives from all tiers of Government.*

*The underlying driver of the decline in affordability in Sydney is the strong demand for housing, driven by high levels of population and economic growth. The decline in housing affordability is more pronounced in Sydney than other Australian cities. One of the consequences of Sydney being a successful global city is a high demand for housing. Housing affordability has declined in all major cities of the world as they have become primary economic centres.*

*In recent years, house and unit prices have risen sharply. In part this stems from sustained economic growth, which has attracted skilled workers and inward investment, putting pressure on both house prices and rents. It is crucial for our continued economic strength and international competitiveness that we influence housing to provide opportunities for workers and families to be housed affordably.*

*The Productivity Commission noted that in Sydney between 1994 and 2002, the real median house price five kilometres from the city increased by more than 100 per cent, while at 40 kilometres it increased by less than 50 per cent. This trend is consistent with rising house prices being primarily due to the inherent scarcity value of land in established areas, which rose as demand has increased. Housing affordability affects our ability to maintain social diversity in our communities and the ability of essential service workers to live close to work. The NSW Government will continue to support households in the greatest need through public, community and Aboriginal housing systems.*

*There are two main aspects of affordability of concern to the Government. The first is the affordability of housing in general, which includes the cost of construction and the supply of serviced land as well as escalating land and house values. This affects a broad cross-section of society. The second is the need to encourage provision of housing for moderate and lower income groups in addition to social housing provided by the Department of Housing. It is important to understand the underlying factors that are reducing affordability and the extent to which the Government can intervene or have an effect on general housing affordability.*

*The main drivers of the decline in affordability are at a macro level beyond the control of the State Government:*

- *Strong demand tends to drive up prices in any market, however this has been exacerbated by taxation regimes and low inflation, in particular:*
  - *a long period of low interest rates which have encouraged borrowing and increased competition for some housing stock which has inflated prices;*
  - *increased investment activity, partly facilitated by negative gearing taxation*

- *policy, has increased the demand for housing; and*
- *current tax regimes (including capital gains tax exemptions on the principal property) encourage households to heavily invest in housing for wealth creation.*

*The more households choose to invest in their dwellings, the more the overall price of housing is driven up. This is evident in the Reserve Bank observation that 'much of this additional debt appears to have been taken on by mid-life households with relatively high incomes' This not only represents reinvestment in existing dwellings but also the domination of the new home market by 'mid-life' households. This represents a very significant difference from the 1960s when newly built houses on the fringe of the city were the primary source and choice of affordable housing for first home buyers. The data on First Home Owners Grants also shows the increase in apartment and multi-unit dwellings as the dwelling type of choice for first home owners.*

*The State Government can exert some influence on affordability through the supply of land for housing; however, the supply of land is not the main cause of the decrease in affordability nor will the supply of housing on the fringe meet the needs of first home buyers or those on lower incomes. The main effect of supply of land in greenfield areas will be to free up housing and sites in existing urban areas to help satisfy the total annual demand for additional housing which is expected to be over 23,000 dwellings a year.*

*The Productivity Commission's Inquiry into First Home Ownership (June 2004) noted: 'Even in a best practice supply chain, it can take several years to bring new land on-stream, to provide the associated infrastructure and to construct new dwellings. But even if this were not so, there would have been major price pressures in the recent cycle, because much of the surge in demand came from people seeking to upgrade their dwellings (mainly in established areas) in response to increased purchasing power. Even if only a small proportion of households attempt to buy a higher quality or better located home, the price of all housing is soon bid up'.*

*The Productivity Commission also noted that by improving land release and planning approval processes, there is scope to moderate price and affordability pressures over time. These findings are being addressed by the release of land in the growth centres previously outlined, and the Government's recent Planning Reforms which are streamlining planning systems and approvals.*

*However, given the macroeconomic factors that have the largest effect on affordability, it is clear that the planning system alone cannot solve Sydney's housing affordability problem.*

### ***Low and moderate income housing***

*For many households on higher incomes, the decision to buy a more expensive dwelling, or invest in home improvements, is a lifestyle choice or investment decision. The affordability of housing has its greatest impact on those living on lower incomes. Low and moderate income households make up more than half of Sydney's total.*

*The proportion of households that rent their home continues to grow and now exceeds the proportion of all households that are home purchasers. Rental affordability pressures in Sydney's housing markets are increasing. Rent growth continues for well located housing in the inner and middle rings of Sydney, due largely to their high levels of access and amenity.*

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*There is a long-term trend to declining amounts of low cost stock in the private rental market. This is creating more demand for social housing and other forms of housing assistance. Low cost housing stocks are declining and there has been a decrease in real terms in Commonwealth funding for the social housing sector.*

*Government policy will focus on households with an income of \$72,100 or less. This is 120 per cent of the median household income. It is estimated that 114,179 private renters and 58,898 purchasers with incomes less than the \$72,100 benchmark in Sydney are in housing stress. This indicates that 54 percent of all private renters and 39 percent of purchasers in the low to moderate income range are experiencing 'housing stress'. Housing stress is when these moderate to low income households spend more than 30 percent of their income on housing.*

*The State Government provides public housing for many lower income households, through the Commonwealth State Housing Agreement. The provision of housing through this and other dedicated programs recognises that the market is unlikely to be able to directly provide affordable housing to the most disadvantaged.*

*For the purpose of the NSW Government strategy, affordable housing includes housing schemes and other measures that aim to reduce housing cost stress for households that rent or are purchasing their homes, or combinations of both.*

*The NSW Government will focus on households with a gross income of up to 120 per cent of the median income, who are spending 30 per cent or more of their gross household income on housing. The measures to be considered by the Government will be designed to improve affordability for these households.*

*In addition to public housing the Government also supports a number of community housing providers. Housing is rented at below market rates to households with low to moderate incomes, with households paying no more than 30 per cent of their income on rent. The community housing sector is a relatively new provider of housing in NSW.*

*The best known example is the City West Housing Company which was established when the redevelopment of Ultimo-Pyrmont was being planned. The objective of the Company was to ensure a component of affordable housing remained available to existing local residents."*

Opportunities for affordable housing in Penrith City will most likely emerge in the City Centres, existing established urban areas, and in the new release program.

The next sections of this report will deal with each of these in turn.

### **Penrith City Centre and St Marys Town Centre**

Encouraging a variety of housing choice and mix use development, including affordable housing opportunities, is a key strategy identified in the City Centres Strategies (Penrith and St Marys) endorsed by Council at its Policy Review Meeting on 24 July 2006. In relation to Penrith the Strategy promotes city centre living within the early stages of implementation through the revision of planning controls within the Centre. Specifically, with regards to affordable housing, the Strategy proposes:

- Working with public housing providers to identify sites suitable for the provision, management and ongoing maintenance of low cost housing within the City Centre
- Investigating options for the provision of affordable housing within the City Centre as part of the city wide Residential Review
- Preparing planning controls which encourage variety and affordability of housing types to accommodate a broad range of housing groups including 'key worker' accommodation.

These actions will be taken in conjunction with the City Centres Regional Taskforce over the next 6 months.

Similarly to Penrith, revitalisation of the St Marys Town Centre will require a level of mixed-use development that is not currently evident in order to increase activity and vitality. The actions that seek to promote affordable housing within the St Marys Town Centre Strategy include:

- Working with public housing providers to identify opportunities for the provision, management and ongoing maintenance of low cost housing within the Town Centre
- Preparing planning controls which encourage variety and affordability of housing types to accommodate a broad range of housing groups including "key worker" accommodation
- Investigating options for the provision of affordable housing within the Town Centre as part of the city wide Residential review.

Further work developing planning controls for the St Marys town centre will be undertaken as part of Stage 1 of the Local Plan, which will be progressed over the next 6 months. The revised planning controls will seek to encourage redevelopment of St Marys to provide town centre housing.

In addition, the Department of Housing and Council are currently considering the master-planning and redevelopment of the Glossop Street precinct in response to an identified need to upgrade the existing public housing stock within the locality. As well as providing affordable housing opportunities, this project is also likely to contribute to the revitalisation of St Marys town centre.

### **Established Urban Areas**

The development of an affordable housing strategy for established areas will form part of Council's Residential Strategy Review which is due to commence mid 2007. Council's affordable housing strategy will be informed by the State Government's Affordable Housing Strategy, which is anticipated to be released in the next few months. The Department of Housing and the Centre for Affordable Housing is working with the State Government in the development of this Policy.

The Metropolitan Strategy's definition of 'affordable' will be considered, however, an understanding of what is 'locally affordable' in the context of local wages and local social / economic systems will be required. A comprehensive approach to Affordable Housing is required that deals with both affordable buying and affordable renting, and looks at the effects of processes such as gentrification and social polarisation as our City changes.

### **New Release Area Program**

Council adopted The Sustainability Blueprint for Urban Release Areas as a Policy in July 2005. Since the commencement of the Sustainability Blueprint, its principles have become paramount for the Council, developers, and other stakeholders in release area planning. The Sustainability Blueprint reinforces Council's values of sustainability by ensuring effective delivery of sustainable communities in the planning process, which is evident in release areas within ADI St Marys, Glenmore Park and Waterside.

The Sustainability Blueprint identifies 10 key sustainable design principles that guide planning for new urban release areas, and sets out the criteria and the design approach required to achieve each sustainability principle. Affordable Housing is one of the criteria within the Blueprint with its main objective being "*to provide affordable housing opportunities across the site*". To achieve this, the approach is that a minimum of 3% of all residential allotments are to be provided for affordable housing, with the opportunity in some instances to make a monetary contribution to enable housing units to be constructed elsewhere within the City of Penrith, although on-site provision is encouraged.

The Centre for Affordable Housing, on behalf of the State Government, is working with Delfin Lend Lease to deliver affordable housing on their site at St Marys. As part of a developer agreement, Delfin Lend Lease is required to provide three per cent (approximately 150) of the serviced lots for affordable housing. The project is expected to take 10-15 years to complete. The Centre is currently developing an affordable housing strategy for the site, including finance, delivery and management models.

At the recent meeting with Centre for Affordable Housing representatives, Council officers were informed that a formal announcement providing more detail on the State Government/Delfin Lend Lease approach is expected this year.

The Centre for Affordable Housing officers have also provided some preliminary advice to Council on provision of affordable housing in the Glenmore Park Southern Expansion Area. Further detail is provided below on opportunities for affordable housing provision in the City's new release areas.

In future release areas, there are opportunities for the provision of affordable housing, and this ensures that socially sustainable communities are developed. These opportunities are being pursued with landowner/ developer groups through the release area planning processes currently underway.

### **Summary**

As outlined in this report recent discussions with the NSW Centre for Affordable Housing were productive and some opportunities were identified for further partnership work. This is particularly so with the new release area program in the City but also in some of the established areas of the City. Council's Residential Strategy Review will explore these more thoroughly.

Council will also continue to engage with Landcom to enhance affordable housing opportunities through Council's existing partnership arrangements with this State agency. We will also continue to work with the release area landowner/ developer groups to explore opportunities to introduce affordable housing in those new communities.

Further information will be provided in reports to Council as the range of opportunities discussed above are explored and suitable approaches developed for delivering affordable housing in the City.

**RECOMMENDATION**

That the information contained in the report on Affordable Housing be received.

**ATTACHMENTS/APPENDICES**

There are no attachments for this report.

## **The City as a Social Place**

### **3 Castlereagh Cemetery and Crematorium Working Party**

**Compiled by:** Mary Thorne, Cemeteries Officer

**Authorised by:** Gary Dean, Facilities Operations Manager

**Strategic Program Term Achievement:** *Effective responses are made to the social impacts of growth, redevelopment and change.*

**Critical Action:** *Assess the social impacts of urban change in both new release and established areas and develop planned responses.*

#### **Purpose:**

*To inform Council of the outcome of the Councillor Working Party Meeting. The report recommends that Council endorse the agreed program of activities.*

#### **Background**

Council at its meeting of 31 October 2005 agreed to the establishment of the Castlereagh Cemetery and Crematorium Working Party. The proposed site was designated for cemetery purposes in 1903 and Penrith City Council became Trustee of the site in 1995.

The Working Party held its first meeting on 22 February 2006 the outcomes of which were reported to Council at the Policy Review Meeting on 22 May 2006.

A Councillor Field Inspection of this site was held on 29 July 2006.

#### **Working Party Meeting 31 July 2006**

The Working Party was advised on progress and the status of the various recommended actions as set out in the first meeting of the Working Party.

The project cost (\$4,330,000) presented in the 2005 Business Plan has been reviewed. The revised cost is now \$5,176,000. The revision takes into account design development, infrastructure and operational facilities.

Further discussions have taken place regarding various management options and with John Desmond who prepared the Business Plan. There is also the option of 'BOOT' (Build, Own, Operate, Transfer) being investigated.

It was also acknowledged that there will be a commercial risk and a comprehensive assessment will be required. The level of risk, possibly with a partner, was discussed. Council officers recommended that a limited number of architects be invited to provide designs so that a preferred architect can be selected. This could be by competition.

Possible community apprehension about environmental issues of the site was a significant issue that was considered by the Working Party.

It was agreed that Council should show leadership regarding conservation in this development. It was pointed out that only 20% of the site is to be developed.

Council's trusteeship of the site needs to be expanded to include a crematorium and its use by application to the Department of Lands. This should be a priority.

It is planned to engage the community in the process by holding comprehensive consultation with local residents. A funeral industry forum, is also planned. It is also intended to have Fact Sheets prepared and information available for all enquirers.

Advancing the project to Development Application stage was agreed. A Budget provision needs to be made (estimated \$250,000) in order to reach this milestone.

### **Proposed Actions**

It was agreed that

- Council should apply to the Minister for Lands to extend the purpose of the trusteeship to include a crematorium and its use
- Council's agreement be sought to fund the project to the Development Application stage
- The community engagement framework as described be endorsed
- A comprehensive risk assessment be undertaken.

### **Financial Services Manager's comment**

If funds are to be advanced to progress the proposal to DA stage an estimated \$250,000 is required. At this stage there is no identified funding source. The initial funds can be advanced from internal reserves until such time as a funding strategy for the project is endorsed by Council. A strategy will be brought to Council for consideration after the initial investigations. Funding from internal reserves places some pressure on one of the key financial indicators, the unrestricted current ratio, and should not be considered as a long term funding strategy.

### **RECOMMENDATION**

That:

1. The information contained in the report on Castlereagh Cemetery and Crematorium Working Party be received
2. Council apply to the Minister of Lands to extend the purpose of the trusteeship to include a crematorium and its use
3. Council advance funds from internal reserves as a temporary funding source for the project to Development Application Stage (\$250,000)
4. A community engagement framework including comprehensive consultation with local residents; a funeral industry forum, and fact sheets for enquiries be undertaken as part of the process
5. A comprehensive risk assessment be undertaken.

### **ATTACHMENTS/APPENDICES**

There are no attachments for this report.

## THE CITY IN ITS ENVIRONMENT

<b>Item</b>		<b>Page</b>
4	Further Groundwater Investigations in the Penrith City Area	32
5	Productivity Commission's Draft Report on Waste Management	35





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The City in its Environment

**4 Further Groundwater Investigations in the Penrith City Area**

**Compiled by:** Raphael Collins, Parks Construction & Maintenance Manager

**Authorised by:** Raphael Collins, Parks Construction & Maintenance Manager

**Strategic Program Term Achievement:** *Council leads our City by example and through advocacy by implementing sustainability initiatives.*

**Critical Action:** *Promote sustainable production and consumption and sustainable procurement.*

**Presenters:** Representatives from - The Sydney Catchment Authority -  
Groundwater Investigations

**Purpose:**

*To advise Council that the Sydney Catchment Authority (SCA) plans to undertake further groundwater investigations at five sites in the Penrith City area. Representatives from the SCA will be briefing Council at tonight's meeting about the operation. The report recommends that the information be received.*

**Background**

The 2004 Metropolitan Water Plan outlines measures for Sydney to achieve a sustainable and secure water supply system over the next 25 years. One of the strategies contained within the plan looks at the potential use of groundwater resources in the Sydney area that might be utilised during severe drought periods to supplement water supply.

The SCA is managing the groundwater program and have investigated the following seven priority sites in and around the Sydney metropolitan area:

1. Avon/Nepean Dams – unsuccessful
2. Upper Canal (near Appin) – unsuccessful
3. Kangaloon (upper Nepean Catchment) – successful
4. Megalong Valley – unsuccessful
5. Leonay (Western Sydney) – successful
6. Illawarra (Kembla Grange) – unsuccessful
7. Warragamba Wallacia – successful.

Leonay Oval was selected as one of the Western Sydney sites to be investigated because of its prospective geology and hydrogeology and distance from residential areas.

Early this year, four bores were drilled at Leonay Oval. The yields obtained during testing were encouraging. The water quality was found to be suitable as a source of raw water for municipal supply.

As a result of the encouraging results obtained during the initial investigation at Leonay, the SCA has decided to initiate a more detailed series of studies to quantify and characterise the resource identified at Leonay. The results of these studies will determine whether or not

borefield development in the area is feasible and sustainable. To undertake these studies, ten test boreholes (in addition to the four already drilled at Leonay Oval) are required to be constructed at the five sites listed below.

- Leonay Oval
- Reserve adjacent to Koloona Drive, Emu Heights
- River Road Reserve, Leonay
- Tench Reserve, Regentville
- Darcy Smith Oval, Emu Plains

### **Current Situation**

Under the SEPP (Sydney Metropolitan Water Supply) 2004, the SCA can undertake the groundwater investigations without Council Development Consent.

A Review of Environmental Factors (REF) is being prepared covering all of the test sites. This document will be forwarded to Penrith City Council for comment prior to the SCA finalising the Determination of Activity and Conditions of Consent. Consultation with residents adjacent to the proposed works will be undertaken prior to any work taking place and will involve the following:

- Face to face discussions with residents in close proximity to the proposed works. This will be undertaken on an individual basis through a door knock approach. Relevant printed material will be offered to all residents at this time. SCA contact information will be left with all residents who will be encouraged to contact SCA with any further queries they might have
- Information articles in the local newspapers
- Informative signage on the perimeter fencing at each site.

The SCA plans to commence pilot testing drilling operations in mid to late August and estimate drilling will require 2-4 weeks at each location. It is likely that two drilling rigs will operate concurrently at each site. Work hours will be confined to daytime hours on Monday through Friday unless special circumstances prevail.

Drilling will be undertaken at two different locations at each of Koloona Reserve, Darcy Smith Oval and River Road Reserve where boreholes will be drilled up to 300 metres below surface. One borehole up to 300 metres will also be drilled at Tench Reserve. At Leonay Oval, a single deep exploratory borehole will be drilled to approximately 450 metres at the north-western limit of the grounds at the same location where two boreholes were constructed during the initial investigation.

All drilling sites will be totally enclosed within a cyclone fence. Noise produced during drilling operations will be generated primarily by a compressor that will force air down the borehole that will drive the drill bit and remove rock cuttings from the hole. Noise mitigation measures will be undertaken. Two pits will be excavated near the drill rig at each drill site and will be used as sedimentation ponds. Surplus water from the site will be discharged into adjoining watercourses/drains after sediment has been removed from the water.

When each drilling operation is complete, all sites will be restored to their original condition. The boreholes will be completed at surface and fitted with a metal plate cover that will be

flush with the surrounding ground level.

A pumping test will be carried out at each location except at Tench Reserve. This will involve pumping groundwater from one borehole continuously for a 7-day period for 24 hours per day while water level and water quality data are collected for subsequent analysis. One of these pumping tests may run for 30 to 60 days. The pump will be located deep within the borehole and the only noise generated will originate from the running of a small generator, which will produce low level noise and will also be subject to noise mitigation measures.

### **Conclusion**

It is anticipated that the investigations of all the individual sites will be completed by the end of October 2006 (with the exception of the possible 30-60 day pumping test). The data analyses undertaken following the fieldwork will include a:

- Pumping test interpretation
- Hydrochemistry and environmental isotope studies
- Groundwater computer modelling
- Ecosystem evaluation and survey.

Copies of these reports will be made available to Council.

Should the pilot studies listed above indicate that borefield development is feasible, the Minister for the Environment may convene a Community Reference Group to seek the local community input for plans for borefield development. There will also be a formal planning approval process under Part 3a of the EP&A Act for any borefield construction program.

The SCA have recently released reports regarding the groundwater investigations that have been recently undertaken. Copies are available if further information is required.

### **RECOMMENDATION**

That the information contained in the report on Further Groundwater Investigations in the Penrith City Area be received.

### **ATTACHMENTS/APPENDICES**

There are no attachments for this report.

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The City in its Environment

5 Productivity Commission's Draft Report on Waste Management

**Compiled by:** Barry Ryan, Waste and Community Protection Manager; Peter Browne, Senior Corporate Accountant

**Authorised by:** Barry Ryan, Waste and Community Protection Manager

**Strategic Program Term Achievement:** *Waste to landfill and indiscriminate dumping are significantly reduced and resource recovery is optimised.*

**Critical Action:** *Develop and implement service systems to complement waste reduction strategies and satisfy community needs.*

**Purpose:**

*To inform Council of the Australian Government Productivity Commission's Draft Report on Waste Management. This report recommends that a submission be made to the Productivity Commission on the Draft Report on Waste Management. This report also recommends that a Motion be put to the Local Government Association Annual Conference and a request be forwarded to the Local Government Association to invite the Productivity Commissioner to that Conference to discuss the findings and recommendations of the Draft Report on Waste Management.*

**Background**

The Federal Treasurer, the Hon Peter Costello, has referred the issue of waste generation and resource efficiency to the Productivity Commission.

The Productivity Commission is the Australian Government's principal review and advisory body on microeconomic policy and regulation. The documents from the Productivity Commission are grounded in economic theory and it is clear that the fundamental basis of valuing anything is based on markets and trading. Where no market is available directly, they use economics and mathematics to estimate what a market outcome would be.

Reports by the Productivity Commission this year include Consumer Product Safety Standards across Australia, Pricing of Irrigation Water, Conservation of Historic Heritage Places, and Financial Performance of (State and Federal) Government Trading Enterprises. Last year's reports include the Smash Repair Industry, National Competition Policy, Australia's Health Workforce, Reform of Building Regulation, Financial Impacts of Changes in Medical Technology, and Energy Efficiency.

The Productivity Commission has now published a Draft Report on Waste Management in Australia. The final report will be produced on completion of a public consultation process.

The draft report concerns itself with the efficiency impacts of waste management policy. While the Commission is an independent body, the report should be seen in its context and bearing in mind its terms of reference. It is a report by a Federal Body concentrating on State policies and practices.

As an advisory body the Federal Government is not obliged to adopt all of the Commission's recommendations, however, it should be noted that it would not be unusual for the Federal Government to place pressure on the States to adopt key recommendations.

### **Current Situation**

The Productivity Commission has produced a draft report on waste generation and resource efficiency for public comment.

The document is quite large (443 pages) and covers a number of areas including regulation, government intervention, waste policies, the costs and benefits of waste management, and extended producer responsibility. The report starts from a philosophical/theoretical analysis and works its way down to practical outcomes.

The report highlights that the process of recycling consumes resources. At its most basic level, recycling assumes that the items collected are more valuable than the fuel used to run the collection trucks, the energy used to at the recycling centre and all the other resources that input into the recycling process. The Commission would suggest that it cannot be simply assumed that the value of recycling will always exceed its cost. The real question is whether or not we might be approaching this point in reality. The Commission's process for answering the question assumes that the market value of the resources used is the best way to measure the trade-off. In doing so it assumes the current market (plus adjustments for specific known problems) correctly values renewable and non-renewable resources. The Commission believes that some recycling activities already consume more resources than they recover, and action to increase recycling will make the situation worse.

The general conclusion of the report is that Waste Management (and in particular having a diversion from landfill target) is not an effective way of pursuing environmental outcomes. The view of the Productivity Commission is that policy should be directed to the inputs to the production process, not the outputs.

To use current market prices as the means of valuing all economic and environmental factors, at the same time recognising that the market is not properly pricing all inputs to production, must call the conclusions into question.

Most outcomes are qualified by terms such as "probable" and "likely", and methods of analysis are based on an "either/or" approach, suggesting that there does not appear to be any real confidence in these statements.

Whilst the report comments on triple bottom line issues, it appears to have a definite leaning towards the economic aspects at the expense of the environmental and social benefits of the implementation of waste avoidance practices. Perhaps a review of the report from a higher-level sustainability body such as the International Council for Local Environmental Initiatives (ICLEI) would be appropriate.

The document, at times, is ambiguous. Council Officers reading the Productivity Commission Draft Report have come to different conclusions about what they are saying in certain sections. That flows from the reader's assumptions about whether terms are being used in a precise or a casual way and from the reader's area of expertise. For instance, on page 33 "Local Government" is contrast against "Regional Bodies" so the reader has to form an

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opinion about what the Commission means by these terms. The Commission should be requested to be more precise in what it is saying and to ensure that correct terminology is being used.

The key points of the draft report are (page xxii):

- *“Waste management policy should be guided by best practice approaches to policy development, namely that objectives are clarified; all expected costs and benefits of different options are considered; and the policy selected that gives the best return to the community.*
- *The focus of waste management policy has recently shifted from disposal externalities to upstream environmental issues. A more effective and efficient way of addressing these issues would be through direct policy intervention.*
  - *Waste management policy should focus on the environmental and social externalities associated with waste disposal, not upstream issues.*
- *The Commission does not favour any one method of waste disposal over others. Waste policy should be about achieving the best possible outcomes for the community, not prescribing one technical solution at the expense of others.*
- *States and Territories have adopted a range of policies to minimise waste and maximise recycling. Some aspire to eliminate waste altogether. This is unrealistic and can lead to perverse outcomes if recycling is pursued at any cost.*
- *Residual levels of externalities from modern, fully complying landfills appear to be small. Any further tightening of regulation would need to be carefully assessed, and preceded by better enforcement of existing regulations.*
- *Greenhouse gas externalities from landfill should only be addressed within a broad national response to greenhouse gas abatement.*
- *Getting prices for waste disposal right will help to reduce waste generation and achieve an appropriate balance between disposal and recycling. Basic forms of ‘pay as you throw’ pricing for municipal waste, such as charging for larger bins or more frequent services, should be more widely adopted.*
- *The case for using landfill levies to address externalities is weak. They should not be used to drive the achievement of arbitrary recycling targets nor as revenue raising devices.*
- *Mandatory schemes designed to place more responsibility for end of life disposal on producers should only be introduced where inappropriate disposal is likely to cause substantial externalities and intervention will produce net benefits.*
- *In large urban centres, scale and planning issues suggest (just as with sewage and electricity) that local governments are no longer the most appropriate authority to be managing waste issues.*

- *Waste management policy in Australia needs to be refocused. Policy makers and community attitudes need to be guided by open rigorous analysis of costs, benefits and risks, if waste management measures are to best serve the community.”*

### **Specific Items**

There are several positives coming from the report including the recognition that landfill, as a means of waste disposal, is not inappropriate in all circumstances, and the recognition that there is insufficient accurate reporting data on waste disposal and recycling and more work needs to be done in this area.

The draft report makes comment on a wide variety of issues relating to waste management including the waste management hierarchy, wherein promotion of waste avoidance as a first method of minimising waste, followed by reuse, then recycling, recovery of energy and finally waste disposal is strongly criticised by the Commission.

*“The Commission considers that this approach is inconsistent with good policy principles. There is little evidence that such targets have been set using cost–benefit analysis, or that one option in the hierarchy is always better than another once all of the costs and benefits to the community have been considered. Some recycling has been a success, but most of the low hanging fruit has been picked meaning that it is getting increasingly costly to further increase recycling rates. Zero waste is neither technically nor economically sensible, and while such targets might be intended to be aspirational, they are simply not credible.”*

These comments appear to be an indication that the Commission has taken a narrow approach in the examination of waste management and focused on economic considerations rather than a holistic view, which includes the education of consumers.

Also, by indicating that zero waste is not feasible, the report ignores the community drive that may be gained by heading towards such a target. By dismissing the concept of a goal of zero waste, the potential to achieve more sustainable outcomes than would have been achieved with a lesser target has been lost.

*“Some local governments have introduced a modest degree of variability into their charging arrangements; the most simple of these involving an additional amount for the use of a larger than standard bin. Broader adoption of these approaches is warranted where it is cost effective to do so. More sophisticated ‘pay as you throw’ approaches involving weighing bins are possible, but as yet seem too costly to implement in Australia.”*

Such discussion appears to lack research into the application of such waste policies and practices provided by Local Government. The implementation of such systems, as suggested by the Commission, have been trialled, but have been found to be impractical to implement and monitor.

*“The Commission was asked to consider institutional, regulatory and other barriers to achieving more efficient waste management outcomes. Perhaps the most substantial of these concerns, the role of local government in waste management. One result of the technical, regulatory and policy developments of recent times is that waste management and recycling facilities in Australia’s larger urban centres are becoming much bigger and more sophisticated. This means that the practice of each local government having access to, or control over, its own facilities (whether through ownership or contract) is fast becoming outdated and uneconomical.”*

*“Local governments in urban areas are increasingly banding together to jointly negotiate with suppliers of waste services but this is not without its problems. Not the least of these is that it does nothing to resolve the tensions between local governments over where such facilities should be located. In some States, regional waste management boards have been adopted, but if these do not have appropriate expertise or capital backing, and are unable to address the ‘not-in-my-backyard’ reactions to planning issues, they might prove little more effective.”*

*“Traditionally, local government has been responsible for household waste collection services and much of the away-from-home services. It also has a role in planning issues. There are signs that local government is struggling with many of the emerging issues and growing community expectations. The increasing sophistication of the technologies needed for recycling and waste disposal has resulted in fewer, larger facilities. These are often well beyond the size needed for any one local government. In an era where it seems that nobody wants a waste management facility in their backyard, this in turn exacerbates planning issues.”*

It appears from the commentary that the Commission has considered all activities that may be allocated to Local Government in total. In NSW the State Government, in urban areas, has already assumed a significant proportion of these functions, while Councils retain collection and some planning responsibilities. The Commission seems to be unaware of instances where this model has been highly effective. Penrith Council has maintained a waste management service that is highly regarded by the community and cost effective in comparison to industry standards.

We have demonstrated through ongoing service delivery that the community is very satisfied with our service provision and, from a planning perspective, we have been required to and have the capacity to undertake a comprehensive approach to the issue of waste management proposals in the Local Government area, which can be demonstrated by the recent applications by Sita, to further develop their site on Elizabeth Drive, Kemps Creek.

A general theme of the report is that decisions on waste management and recycling should be made case by case, based on actual benefits rather than applying across the broad policy which implicitly assumes all situations are similar. It should be pointed out to the Commission that Local Government is in the best position to do this.

Removing the responsibility of waste collection from Local Government and transferring it to a state or regional level would result in a loss of local knowledge. Resolving and maintaining customer service issues by organisations that are detached from the local environment would therefore be a more difficult task.

The Commission does not appear to have considered the efficiencies that flow from having waste collection managed in the same organisation as that controlling land use and development. Local Councils already have databases necessary for their rating and land management functions, which facilitate domestic waste billing. If this was in a different organisation then an amount of duplication is unavoidable. The co-location of these functions also has a public health outcome. While all new homeowners will arrange electricity and water for their home, there is not the same certainty that they will automatically choose to pay for waste management. Putting waste in someone else's bin, onsite incineration and dumping are possibilities that are likely to increase if Local Councils do not manage waste collection, particularly if the system moves further towards a user pays philosophy.

In many areas the report is in conflict with the NSW *Waste Avoidance and Resource Recovery Strategy 2003*.

The Department of Environment & Conservation has provided a submission to the Productivity Commission in regard to the draft report. A full copy of this submission is attached to this report.

The Department of Environment & Conservation are quite critical of the report and open their submission as follows:

*“The Commission appears to have applied an extremely narrow approach in responding to the Inquiry’s Terms of Reference. The draft report opposes the basis and substance of the statutory and policy frameworks implemented by Governments to meet the community’s desire to reduce waste and recover more resources from waste. The majority of the draft report’s recommendations reject the current policy framework of all Australian States and Territories. In doing so, they also reject those of the majority of European nations and States in the United States of America.”*

The Department of Environment & Conservation also note in their submission the positive role of Local Government in waste management.

*“The draft report does not acknowledge the broad role of local councils in this area. Waste management and resource efficiency constitutes the core business of local government and directly affects local communities. Councils have been effective in increasing municipal recycling rates in their local government area. Providing householders with a good kerbside recycling collection system has tapped a widespread desire to take action to protect the environment, and has also encouraged participation in other environmental and waste minimisation related programs.”*

The longer-term impact of the report is difficult to assess and hence it is important that parts of the report, which are difficult to interpret, be improved and the advantages of Council management of waste collection are highlighted to the Commission.

The Australian Local Government Association (ALGA) made a submission to the inquiry when the commission first called for submissions. In discussions with staff from ALGA, Council staff were advised that a submission on the draft report would be provided, highlighting the important role of Local Government in Waste Management.

**RECOMMENDATION**

That:

1. The information contained in the report on Productivity Commission's Draft Report on Waste Management be received
2. A submission be made to the Productivity Commission on the Draft Report on Waste Management in the terms of this report
3. A Motion be put to the Local Government Association Annual Conference requesting that a submission be made by the Local Government Association responding to the Draft Report on Waste Management, and reinforcing Local Government's positive role in waste management
4. The Local Government Association be requested to invite the Productivity Commissioner to address the Local Government Association Annual Conference to discuss the findings and recommendations of the Draft Report on Waste Management.

**ATTACHMENTS/APPENDICES**

- |   |            |          |
|---|------------|----------|
| 1. NSW Government (Department of Environment & Conservation) Response to Productivity Commission's Draft Report on Waste Management | 3<br>Pages | Appendix |
|---|------------|----------|

**NSW Government Response to  
Productivity Commission Draft Report: Waste Management**

This submission has been prepared by the Department of Environment and Conservation (DEC), on behalf of the New South Wales Government, in response to the Productivity Commission's draft report *Waste Management*, released in May 2006.

The Commission may wish to consider DEC's previous input to the Inquiry's Terms of Reference, together with the supporting information that DEC presented at a public hearing. Rather than repeat that detail, this submission provides an overall response to the draft report.

The Commission appears to have applied an extremely narrow approach in responding to the Inquiry's Terms of Reference. The draft report opposes the basis and substance of the statutory and policy frameworks implemented by Governments to meet the community's desire to reduce waste and recover more resources from waste. The majority of the draft report's recommendations reject the current policy framework of all Australian States and Territories. In doing so, they also reject those of the majority of European nations and States in the United States of America.

***Community aspirations***

The draft report is out of step with community aspirations. The community clearly supports waste reduction and recycling, and has a right to demand these services from government and industry alike. The community wants to prevent the harmful impacts of waste on the environment, and to make better use of materials, so as not to deplete and pollute our forests, waters, atmosphere or stocks of non-renewable resources. The growth in recycling and resource recovery programs, particularly at the municipal level, has been predominately driven by community demands rather than the policy prescriptions of environmental agencies.

***Waste externalities***

The externalities of waste disposal are genuine. Waste can cause air and water pollution, land contamination and loss of land for future uses. Waste infrastructure is also a cause of concern within communities. Improving the methodology for calculating the environmental benefits and costs of waste disposal and resource recovery would be beneficial. However, rather than focusing on better approaches to measuring the impacts of waste disposal and resource recovery, the report rejects these impacts altogether.

***Resource issues***

Resource depletion does pose genuine challenges, and economies that use materials efficiently are more resilient. Therefore, there are sound economic bases for State Governments setting targets and sending economic signals to stimulate innovative approaches with respect to the efficient use of materials, resource recovery and waste reduction.

Resource issues are international, but currently there is no system of intergovernmental arrangements that would lead to the sustainable management of the major natural resource extractions. It is also unlikely that Australia could achieve action at the national level to adjust tax and price settings to incorporate local or overseas externalities. For these reasons, despite suggestions by the draft report, the prospect of intergovernmental arrangements successfully addressing resource issues at the extraction and emission points remains unlikely. At the same time, an inability or unwillingness to act at the Commonwealth level does not negate the need for action at the State level, and the New South Wales Government is using economic mechanisms at the disposal end as a means of achieving tangible progress on resource issues.

The draft report's dismissal of the ability of Governments, through their waste and resource recovery policies, to impact on economic outcomes ignores the growing body of research in New South Wales and other Australian jurisdictions that a waste and resource recovery focus is already delivering significant gains in resource management and efficiency. The ability for waste and resource recovery policies and frameworks to drive and deliver upstream improvements is supported by a substantial number of international examples, particularly in the European Union.

#### ***Current benefits and opportunities***

The draft report does not acknowledge the economic, environmental and social benefits that have already been delivered under current policy settings by a wide range of players across Australia. These include: the exercise of product stewardship by entire industry sectors; the provision of waste and resource recovery services by local Governments; the reduction of waste and the purchase of products with sound environmental credentials via State and Territory Government policies; and the implementation of corporate sustainability and cleaner production initiatives by business and industry.

The draft report has not focussed on the opportunities for greater product stewardship nor the role of the Commonwealth taxation and import powers in dealing with "free rider" obstacles to product stewardship initiatives.

There has been increasing public pressure on industry to take more responsibility for its products once the consumer has finished with them. The draft report does not, in the main, recognise and acknowledge the contribution and achievements of some industry sectors through producer responsibility initiatives. For instance, newspaper recycling has risen from 28% at the start of 1990 to 75.4% in 2005<sup>1</sup>.

A review of the Action Plans and Annual reports of 93 major NSW signatories under the previous National Packaging Covenant provides many examples of reduced resource use, increased efficiencies and reduced disposal costs, all of which provide economic and environmental benefits<sup>2</sup>.

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<sup>1</sup> Publishers National Environment Bureau 2005

<sup>2</sup> Previously cited in NSW WARR Progress Report (DEC 2004)

***Contribution of local Councils***

The draft report does not acknowledge the broad role of local councils in this area. Waste management and resource efficiency constitutes the core business of local Government and directly affects local communities. Councils have been effective in increasing municipal recycling rates in their local government area. Providing householders with a good kerbside recycling collection system has tapped a widespread desire to take action to protect the environment, and has also encouraged participation in other environmental and waste minimisation related programs.

There have recently been major improvements in waste recovery infrastructure. Many councils have improved their municipal waste management by adopting better practice in their collection systems and, in some cases, by pursuing a collaborative regional approach. Regional strategies often include regional processing arrangements, whereby a group of councils cooperatively agree to aggregate the waste and recyclable material they each collect as part of their domestic waste management service. An increasing number of these kinds of regional approaches is contributing to infrastructure improvements and consolidation, reduced environmental impacts, collection service efficiencies and savings through cost sharing, stabilised pricing and the provision of price certainty over the period of a contract, and increased processing capacity and capability.

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**THE CITY SUPPORTED BY INFRASTRUCTURE**

<b>Item</b>	<b>Page</b>
6 Emergency Management	48





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## The City Supported by Infrastructure

### 6 Emergency Management

**Compiled by:** Barry Ryan, Waste and Community Protection Manager

**Authorised by:** Barry Ryan, Waste and Community Protection Manager

**Requested By:** Councillor David Bradbury

**Strategic Program Term Achievement:** *Plans are developed and implemented in partnership with emergency service agencies to provide emergency services and facilities to the City.*

**Critical Action:** *Protocols for the City's response to fire, flood and other emergency conditions are established in partnership with the relevant agencies.*

**Presenters:** Representatives of - NSW Police, NSW Fire Brigades, NSW Rural Fire Service, and NSW State Emergency Services - Emergency Management

#### **Purpose:**

*To provide Council with information on the Emergency Management structure and operations in the Penrith LGA. The report recommends that the information be received.*

#### **Background**

Councillor Bradbury has requested a presentation to Council on the preparedness and response that can be provided should an emergency occur in the Penrith Local Government Area.

#### **Current Situation**

The Penrith Local Disaster Plan (DISPLAN) identifies significant hazards that may impact on the Local Government Area and assigns responsibilities to the following agencies to act as the combat agency to respond to such an event.

Emergencies and the responsible combat agencies identified in the DISPLAN include:

<b><i>Hazard</i></b>	<b><i>Combat Agency</i></b>
Bushfire	NSW Rural Fire Service
Hazardous Materials	NSW Fire Brigades
Flooding	NSW State Emergency Service
Storm & Tempest	NSW State Emergency Service
Animal Diseases	NSW Department of Primary Industries
Transport	LEOCon to control
Earthquake	LEOCon to control
Aviation	LEOCon to control

State emergency management arrangements provide for a co-ordinated approach to respond to such events.

Where an emergency occurs for which there is no specified combat agency, such as an earthquake (low risk of occurring), the Local Emergency Operations Controller (LEOCon) appointed by the NSW Police (Superintendent Ben Feszczuk) will assume control.

Local Government is required to, and has, played an important role in the response to emergencies by providing support such as staff resources, vehicles, general equipment, information and logistical support.

Recent events, both in Australia and overseas, have highlighted the need to be prepared for emergency events, and Emergency Services have been undergoing additional training and upgrading of equipment to prepare for such a response.

Representatives of the NSW Police, NSW Fire Brigades, NSW Rural Fire Service and the NSW State Emergency Service, as combat agencies for the abovementioned hazards, will make a presentation to the Policy Review Committee on emergency management arrangements relative to their organisation.

The presentations will provide a brief overview of the role of each agency (in respect of emergency management) and will explain some of the services' initiatives in enhancing their preparedness and response to such emergencies.

The District Emergency Management Officer (DEMO), Mr David Thompson will also be in attendance to answer questions on district emergency management arrangements, if required.

## **RECOMMENDATION**

That the information contained in the report on Emergency Management be received.

## **ATTACHMENTS/APPENDICES**

There are no attachments for this report.

## LEADERSHIP AND ORGANISATION

Item		Page
7	Service Specification Program	52





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## **Leadership and Organisation**

### **7 Service Specification Program**

**Compiled by:** Eric Shen, Service Specification Officer

**Authorised by:** Ross Kingsley, Corporate Development Manager

**Strategic Program Term Achievement:** *Services and programs that Council provides are determined based on equity, customer requirements, community benefits and best value.*

**Critical Action:** *All services are provided to adopted service levels.*

#### **Purpose:**

*To provide Council with the draft Drainage Maintenance Service Specification for its consideration. The report recommends that the service specification be adopted and that an amendment be made to budgetary policy regarding this service. Given the size of this document, copies have been provided separately to Councillors. Additional copies of this document can be obtained on request.*

#### **Background**

Council established the Service Specification Program in 2002-03 in order to:

1. Comprehensively analyse and document all services and the present level of service provided (stage 1 of the Program)
2. Enable Council in a fully informed manner to review and where appropriate adjust service levels to better meet the needs of the community and align to Council's strategy (stage 2).

Documentation of Council's 75 external and internal services is a major exercise with significant benefits to the efficient and effective management of the organisation. The program has seen the formal adoption to date of 44 Service Specifications with an additional specification presented tonight for Council's consideration. A large body of specifications is approaching completion and will be progressively reported to Council in coming months.

Stage 2 of the program, Review and Adjustment of Service Levels, has already been undertaken by Council in selected key areas. Important decisions have been taken by Council flowing from these reviews, which have been reflected in the 2005-06 and 2006-07 Management Plans. A more comprehensive review of service levels has commenced and further information on this will be brought to Council during the year.

#### **Assessment of Draft Service Specifications**

The draft Drainage Maintenance Service Specification (Asset Manager) is presented tonight for Council's consideration

Prior to their reporting to Council, all draft specifications undergo a rigorous process of validation and assessment, leading to approval by the Corporate Management Team. The aim is to ensure that each specification accurately communicates the existing levels of service and activities that the service provides in terms of quantity, quality and cost to Council. Once adopted by Council the specification will be used as the basis for testing service performance

and for service review, including any changes to services levels, calls for additional resourcing or for changes in priority setting within an existing service.

As previously determined by Council, all completed draft service specifications are reported to its Policy Review Committee for consideration and adoption. Where additional information or further consideration is required, resulting in a specification not being adopted at that meeting, the relevant specification would be referred to the Services Review Working Party. This working party would be scheduled to meet every quarter or as required. The recommendations of the Services Review Working Party would then be included in a business paper report to the next Ordinary or Policy Review Committee meeting for Council's consideration.

### **Summary of Key Information**

Service Specifications are very detailed documents, and in accordance with established practice, full documentation is provided under separate cover to all Councillors, and is available to the public on request. To assist in Council's consideration of the draft specification submitted tonight, an executive summary of the specification is provided in the appendices to this report.

The executive summary contains the:

- Service Description
- Link to Strategic Program
- Service Objectives
- Scope of Work
- Key Performance Indicators
- Service Funding
- Service Summary Chart.

### **Proposed Amendment to Budgetary Provision**

#### ***Comment by the Asset Manager and the Financial Services Manager:***

The development of this Service Specification identified that a major constraint on the level of service provided was the increase in the drainage network and its elements that were handed over to Council from new development. The annual maintenance budget was not increased in line with the increase in the size of the drainage network. For example the drainage network had the following asset growth between 2004/05 and 2005/06:

- 218 pits and headwalls
- 8 Gross Pollutant Traps (GPTs)
- 6.1 kilometres of pipeline
- Approximately 250 Pit Litter baskets

New work methods, including the use of Inductor trucks (both Council and contract) to clean pits and Gross Pollutant Traps (GPTs) replacing hand cleaning has absorbed some of the additional costs associated with the increase in drainage infrastructure. However the work loads have increased to the extent where additional maintenance resources need to be allocated each year maintain the additional drainage assets.

Based on the costs determined in the development of the Service Specification, the individual annual maintenance costs for the above assets, including inspections, cleaning, repairs and disposal of waste are:

- Pits and headwalls - \$17.80 each
- Gross Pollutant Traps - \$2,720 per kilometre
- Pipeline - \$127 each
- Pit Litter baskets - \$115 each

It is recommended that the annual budget for drainage maintenance be increased, commencing from the 2007-2008 Management Plan, by applying the above unit rates (CPI Indexed) to the increase in the asset base for each element referred to above.

### **RECOMMENDATION**

That:

1. The information contained in the report on the Service Specification Program be received
2. The specification for the Drainage Maintenance Service be adopted
3. The annual budget allocation for Drainage Maintenance be increased from 2007-2008 in line with the increase in the drainage asset base.

### **ATTACHMENTS/APPENDICES**

1. Executive Summary of Drainage Maintenance Services 2 Pages Appendix

## Appendix 1 – Executive Summary of Drainage Maintenance Service

Summary of the Drainage Maintenance Service Specification			
<b>1. Service Description</b>	<p>The Drainage Maintenance Service provides maintenance, repairs and cleaning to Council's storm water drainage systems in order to maintain flows to design capacity. The service includes planning, inspecting, cleaning and repair of:</p> <ul style="list-style-type: none"> <li>• Stormwater pipelines</li> <li>• Stormwater pits and headwalls</li> <li>• Gross pollutant traps (GPT's)</li> <li>• Pit litter baskets</li> <li>• Stormwater channels, both lined and unlined</li> <li>• Two (2) 'prescribed' dams under Council's responsibility</li> <li>• Waterways, wetlands and retention basins where the cleaning and/or maintenance work requires a boat to undertake the work</li> <li>• Maintenance and repairs to other stormwater drainage control structures (e.g. constructed basin spillways)</li> </ul>		
<b>2. Link to Strategic Program</b>	<b>Issue</b>	<b>Term Achievement</b>	<b>Critical Actions</b>
	Issue 26: Civil Infrastructure Management	TA 26.1 - An asset management strategy is in operation for civil infrastructure that optimises its use and maintains it to agreed standards fit for its contemporary purpose.	<p>CA26.1A - An Asset Management Strategy for Civil Assets is developed, maintained and implemented.</p> <p>CA26.1B - New drainage infrastructure is designed and constructed to meet agreed capacity standards.</p>
<b>3. Service Objectives</b>	<ul style="list-style-type: none"> <li>• Maintain Drainage Systems to design capacity</li> <li>• Maximise the design life of drainage systems through maintenance</li> <li>• Identify drainage systems requiring enhancement and/or additional GPT's</li> </ul>		
<b>4. Scope of Work</b>	<p>In 2005/2006 Drainage Maintenance undertook inspections, cleaning, repair and removal of debris from:</p> <ul style="list-style-type: none"> <li>• 20,009 pits in the LGA with approx 2,000 pits cleaned per annum</li> <li>• 48 GPT locations and approx 520 pit litter baskets</li> <li>• 583 km of pipes maintained</li> <li>• open drains both rural and urban - approx 474 culverts, 2009 headwalls, 71 Channels - 5.0km concrete, 4.1km earth</li> <li>• 15 sites including waterways, wetlands, prescribed dams and retention basins</li> </ul>		
<b>5. Key Performance Indicators (KPIs)</b>	<b>Indicator</b>	<b>2006-07 Target</b>	
	% of community satisfied with the maintenance of public drains with medium to high satisfaction in citywide customer survey (2003 survey = 76%, 2005 survey = 76%)	76%	
	Number of localised flooding complaints caused by blockages to Council's Drainage System (2004-05 = 25 complaints, 2005-06 = 10 complaints)	<10 p.a.	
	Flooding complaints responded to within 5 days (2005-06 Actual = 80%)	100%	

**6. Service Funding**

Service / Sub-Service	2005-2006 Budget
Salaries	\$ 327,040
Plant	\$ 120,436
Materials	\$ 16,703
Contract	\$ 254,978
Maintenance of Enhanced Environmental Program (EEP) construction assets	\$ 110,000
Road Infrastructure Maintenance Costs	\$ 13,000
Miscellaneous civic function support	\$ 91,000
<b>Subtotal</b>	<b>\$ 933,157</b>
Service Planning & Management Costs	\$ 105,000
Less EEP Funding	(\$ 110,000)
<b>Net Cost of Service</b>	<b>\$ 928,157</b>

**7. Service Summary Chart**

