

BUSINESS PAPER

ORDINARY MEETING

**Wednesday, 8 October, 2008
at 6:30 pm**

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QUESTION OF WHICH NOTICE HAS BEEN GIVEN

QUESTIONS WITHOUT NOTICE

AGENDA AND SUMMARY OF RECOMMENDATIONS

PRESENT

NATIONAL ANTHEM

OPENING PRAYER/S

ACKNOWLEDGEMENT OF RELIGIOUS DIVERSITY

Statement by the Chairperson:

"We recognise our Shire's rich cultural and religious diversity and we acknowledge and pay respect to the beliefs of all members of our community, regardless of creed or faith."

ABORIGINAL RECOGNITION

Statement by the Chairperson:

"We recognise the traditional inhabitants of the land we are meeting on tonight, the Darug and Guringai Aboriginal people, and respect is paid to their elders and their heritage."

AUDIO RECORDING OF COUNCIL MEETING

Statement by the Chairperson:

"I advise all present that tonight's meeting is being audio recorded for the purpose of assisting in the accuracy of the Minutes. The recordings may be accessed by members of the public once the Minutes have been finalised and speakers are requested to ensure their comments are relevant to the issue at hand and refrain from making personal comments or criticisms."

OATH OF OFFICE

Oath of Office – Statement by Mayor and Councillors:

"I, _____, having been elected a Councillor of the Hornsby Shire Council, do hereby declare that I will duly and faithfully fulfil the duties of the office according to the law and to the best of my judgement and ability".

APOLOGIES

PRESENTATIONS

The Mayor to present an award to Council's Library and Information Services Branch for winning the category of Community Services/Not-For-Profit section in the Northern District Times True Local Business Awards held on 27 August 2008.

DECLARATIONS OF INTEREST

Clause 52 of Council's Code of Meeting Practice (Section 451 of the Local Government Act, 1993) requires that a councillor or a member of a Council committee who has a pecuniary interest in a matter which is before the Council or committee and who is present at a meeting of the Council or committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable. The disclosure is also to be submitted in writing (on the form titled "Declaration of Interest").

The Councillor or member of a Council committee must not be present at, or in sight of, the meeting of the Council or committee:

- (a) at any time during which the matter is being considered or discussed by the Council or committee.*
- (b) at any time during which the Council or committee is voting on any question in relation to the matter.*

Clause 51A of Council's Code of Meeting Practice provides that a Councillor, Council officer, or a member of a Council committee who has a non pecuniary interest in any matter with which the Council is concerned and who is present at a meeting of the Council or committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable. The disclosure is also to be submitted in writing (on the form titled "Declaration of Interest").

If the non-pecuniary interest is significant, the Councillor must:

- (a) remove the source of conflict, by relinquishing or divesting the interest that creates the conflict, or reallocating the conflicting duties to another Council official.*

OR

- (b) have no involvement in the matter by absenting themselves from and not taking part in any debate or voting on the issue as if the provisions of Section 451(2) of the Act apply.*

If the non-pecuniary interest is non-significant, the Councillor must provide an explanation of why they consider that the interest does not require further action in the circumstances.

CONFIRMATION OF MINUTES

THAT the Minutes of the Ordinary Meeting 07/08 held on 13 August, 2008 be confirmed, a copy having been distributed to all members.

PETITIONS**MAYORAL MINUTES****NOTICES OF MOTION****RESCISSION MOTIONS****MATTERS OF URGENCY****ITEMS PASSED BY EXCEPTION / CALL FOR SPEAKERS ON AGENDA ITEMS**

Note:

Persons wishing to address Council on matters which are on the Agenda are permitted to speak, prior to the item being discussed, and their names will be recorded in the Minutes in respect of that particular item.

*Persons wishing to address Council on **non agenda matters**, are permitted to speak after all items on the agenda in respect of which there is a speaker from the public have been finalised by Council. Their names will be recorded in the Minutes under the heading "Public Forum for Non Agenda Items".*

GENERAL BUSINESS

- *Items for which there is a Public Forum Speaker*
- *Public Forum for non agenda items*
- *Balance of General Business items*

GENERAL MANAGER'S DIVISION

Nil

CORPORATE AND COMMUNITY DIVISION**Page Number 1****Item 1 CC86/08 ELECTION OF DEPUTY MAYOR**

THAT:

1. Council determine if it wishes to elect a Deputy Mayor.
2. If a Deputy Mayor is to be elected, Council:
 - a) Determine the period for which the Deputy Mayor is to be elected;
 - b) Determine if the election of the Deputy Mayor is to be by preferential ballot, ordinary ballot or open voting; and
 - c) Request the Returning Officer to conduct the election, using the election method determined in b) above.
3. If a Deputy Mayoral election is held, the ballot papers (if any) be destroyed following the declaration of the election.

Page Number 5**Item 2 CC85/08 COUNCILLOR REPRESENTATION ON COMMITTEES/WORKING PARTIES/TASK FORCES - OCTOBER 2008 TO SEPTEMBER 2009**

THAT Council:

1. Review the current list of Committees, Working Parties and Task Forces and determine which should continue to operate

2. Having regard to its decision in 1. above, determine Councillor representation on the continuing Committees, Working Parties and Task Forces for the period until September 2009.

Page Number 7**Item 3 CC87/08 LOCAL GOVERNMENT ASSOCIATION CONFERENCE 2008 - NOMINATIONS OF ATTENDEES AND VOTING DELEGATES/ELECTION OF EXECUTIVE COMMITTEE**

THAT Council:

1. Determine attendees and voting delegates for the 2008 Annual Conference of the Local Government Association of NSW.
2. Note the information provided in respect of election of the Executive Committee of the Local Government Association of NSW.

Page Number 10**Item 4 CC80/08 AUGUST 2008 INVESTMENT AND BORROWING REPORT**

THAT the contents of Executive Manager's Report No CC80/08 be received and noted.

Page Number 17**Item 5 CC81/08 JUNE 2008 MANAGEMENT PLAN AND BUDGET REVIEW**

THAT :

1. The June 2008 Review of the Management Plan, including performance indicators be received and noted.
2. The June 2008 Budget Review be adopted.

Page Number 21**Item 6 CC89/08 COUNCIL'S FINANCIAL REPORTS 2007/08**

THAT:

1. The Financial Reports distributed under separate cover be received, noted and referred for audit.
2. The Mayor and Deputy Mayor be authorised to sign the Statutory Statements in connection with these Reports.
3. The Reports be authorised for "presentation to the public" on receipt of the Auditor's Reports.
4. Council delegate to the General Manager the authority to fix the date at which the Reports are formally "presented to the public".

ENVIRONMENT DIVISION

Nil

PLANNING DIVISION

Nil

STRATEGY DIVISION

Nil

WORKS DIVISION

Page Number 24

**Item 7 WK58/08 TRANSPORT NEEDS OF SYDNEY'S NORTH-WEST
SECTOR - COUNCIL SUBMISSION TO PARLIAMENTARY
INQUIRY**

THAT the submission included as an Attachment to this report be endorsed and submitted to the Director, General Purpose Standing Committee Number 4.

Page Number 30

**Item 8 WK59/08 REQUEST FOR EXPRESSION OF INTEREST -
JOINTLY FUNDED NAVIGATION DREDGING PROJECTS**

THAT

1. Council determine whether it wishes to confirm Council's preliminary response to the Department's invitation and seek funding for these projects.
2. The projects be listed for consideration in a future works program.

SUPPLEMENTARY AGENDA

PUBLIC FORUM – NON AGENDA ITEMS

MAYOR'S NOTES

Page Number 33

Item 9 MN1/08 MAYOR'S NOTES FROM 1 TO 31 AUGUST 2008

QUESTION OF WHICH NOTICE HAS BEEN GIVEN

CONFIDENTIAL ITEMS

QUESTIONS WITHOUT NOTICE

1 ELECTION OF DEPUTY MAYOR

EXECUTIVE SUMMARY

In accordance with Section 231 of the Local Government Act, Councillors may elect a person from among their number to be the Deputy Mayor, with such term of office being either equal to that of the Mayoral term or for a shorter period. Prior to the March 2004 local government elections, Hornsby Council's Mayor was elected annually by the Councillors. It was also the practice to elect a Deputy Mayor whose term of office was the same as for the Mayor.

At the 2004 local government elections, the method of electing the Mayor for Hornsby Council changed to be by the residents/ratepayers across the Shire for the term of the elected Council, rather than by the elected Councillors on an annual basis.

Although Councillors no longer have the responsibility of electing the Mayor, it is still necessary for Council to decide whether or not to elect a Deputy Mayor and if so, to determine the period of the term to be served by the Deputy Mayor. Council's latest decision in this regard was at the Ordinary Meeting held on 12 March 2008, when it considered Report No CC20/08 and elected Councillor Steve Evans as Deputy Mayor for the period to September 2008.

PURPOSE/OBJECTIVE

The purpose of this Report is to provide Council with the opportunity to consider whether or not it wishes to elect a Deputy Mayor. If Council decides to elect a Deputy Mayor it will also need to:

- Determine the term for which the Deputy Mayor will serve
- Determine the method of voting to be used for electing the Deputy Mayor
- Ask the General Manager to conduct the election

DISCUSSION

The Role of the Deputy Mayor

The Deputy Mayor may exercise any function of the Mayor, at the request of the Mayor, if the Mayor is prevented by illness, absence or otherwise from exercising the function, or if there is a casual vacancy in the office of Mayor. It should be noted that if there was to be a casual vacancy in the office of Mayor, a by-election for the position of Mayor would need to be conducted by a NSW Electoral Commission appointed Returning Officer in accordance with a timetable set by Section 292 of the Local Government Act i.e. on a Saturday that falls not later than three months after the vacancy occurs.

Period of Election of the Deputy Mayor

Under Section 231 of the Local Government Act, Councillors may elect a Deputy Mayor for the same period as the Mayoral term or for a shorter period. As Council's Mayor is popularly elected, the current Mayoral term is until the next local government elections are held in September 2012. Council may, therefore, determine that a Deputy Mayor be elected for the period until September 2012 or for some shorter period e.g. 6 months, 12 months, 18 months, etc.

Method of election

If a Deputy Mayor is to be elected, the method of election is in accordance with Schedule 7 of the Local Government (General) Regulation 2005. A Councillor may be nominated without notice for election as Deputy Mayor provided the nomination is made in writing by two or more Councillors (one of whom may be the nominee) and the nominee consents to the nomination in writing. The nomination is to be delivered or sent to the Returning Officer. A nomination form for a Deputy Mayoral Election is included as an attachment to this Report.

If only one Councillor is nominated for election as Deputy Mayor, that Councillor is elected. If more than one Councillor is nominated, an election shall be held at which the General Manager (or his nominee) is the Returning Officer. The Council must resolve whether the election is to proceed by preferential ballot, by ordinary ballot or by open voting. To ensure probity of the election process, the counting of votes, where necessary, is undertaken in the presence of the Returning Officer and at least one other staff member.

It should be noted that any recommendation on the method of election (if any) is dependent to some extent on the number of candidates - see below.

Preferential ballot

Preferential ballot would only normally be used if there are three or more candidates. Under this system, Councillors indicate their order of preference for all candidates. If a candidate receives more than half the first preference votes (i.e. an absolute majority), he or she is declared elected. If no candidate has an absolute majority, the candidate with the lowest number of votes is excluded and his or her preferences are allocated to the other candidates and so on, until one candidate has more than half the votes. A preference for each candidate standing for election must be indicated on a ballot paper, or the ballot paper will be declared invalid.

Ordinary ballot

Ordinary ballot would normally apply where there are two or more candidates and Council decides to proceed by secret ballot. If there are only two candidates, the candidate with the higher number of votes is elected. If the two candidates are tied, the one elected is chosen by lot. If there are three or more candidates, the candidate with the lowest number of votes is excluded and fresh vote taken and so on, until there are only two candidates. A final vote between the two candidates is then taken and the candidate with the higher number of votes is declared elected. If at any stage during a count up until two candidates are remaining, there is a tie on the lowest number of votes, the one excluded is chosen by lot.

Open Voting

Open voting uses the same system as ordinary ballot, except that voting is by a show of hands or similar means and not by secret ballot.

Other Issues

Choosing by Lot

To choose a candidate by lot, the names of the candidates who have equal numbers of votes are written on similar slips of paper by the Returning Officer, folded, so as to prevent the names being seen, mixed and then drawn at random by the Returning Officer. The candidate whose name is on the drawn slip is chosen.

Appointment of Scrutineers and Inspection of Ballot Papers and Progress of Count

Following the Mayoral election held on 14 September, 2000 (which was conducted by preferential ballot) a number of Councillors sought permission to inspect the ballot papers and the progress of the count in respect of that election. Advice was sought from Abbott Tout Solicitors about the Councillors' requests and also about the ability of the candidates for election to appoint scrutineers. In summary, that advice was that the candidates were not entitled to appoint scrutineers; an inspection of the ballot papers should not be permitted; the progress of the count should not be revealed; and the ballot papers for the Mayoral and Deputy Mayoral election should be destroyed after the election has been declared.

BUDGET

There are no budgetary implications associated with this Report.

POLICY

There are no policy implications associated with this Report.

CONSULTATION

This Report has been prepared following consultation with the General Manager.

TRIPLE BOTTOM LINE SUMMARY

Triple Bottom Line is a framework for improving Council decisions by ensuring accountability and transparency on social, environmental and economic factors. It does this by reporting upon Council's strategic themes.

This Report provides information and proposes a standard procedural practice in accordance with the Local Government Act. It does not recommend any actions which require a sustainability assessment and, as such, no Triple Bottom Line considerations apply.

RESPONSIBLE OFFICER

The officers responsible for the preparation of this Report are the Manager, Administration Services Branch - Robyn Abicair, and the Administration Co-ordinator, Ruth Robins. They can be contacted on 9847 6608 and 9847 6011 respectively.

RECOMMENDATION

THAT:

1. Council determine if it wishes to elect a Deputy Mayor.
2. If a Deputy Mayor is to be elected, Council:
 - a) Determine the period for which the Deputy Mayor is to be elected;
 - b) Determine if the election of the Deputy Mayor is to be by preferential ballot, ordinary ballot or open voting; and
 - c) Request the Returning Officer to conduct the election, using the election method determined in b) above.
3. If a Deputy Mayoral election is held, the ballot papers (if any) be destroyed following the declaration of the election.

ROBYN ABICAIR
Manager - Administration Services
Corporate and Community Division

GARY BENSLEY
Executive Manager
Corporate and Community Division

Attachments:

1. Election- Nomination form - Deputy Mayor- October 2008

File Reference: F2004/07075
Document Number: D01002652

2 COUNCILLOR REPRESENTATION ON COMMITTEES/WORKING PARTIES/TASK FORCES - OCTOBER 2008 TO SEPTEMBER 2009

EXECUTIVE SUMMARY

Council determines the representation of Councillors on its various Committees, Working Parties and Task Forces annually. This Report provides details of the current Committees/Working Parties/Task Forces and seeks Council's determination about the continuation of each and the appointment of Councillors for the period to September 2009.

PURPOSE/OBJECTIVE

The purpose of this Report is to enable Council to review its existing Committees, Working Parties and Task Forces and appoint Councillors for the period October 2008 to September 2009.

DISCUSSION

Councillor representation on Committees, Working Parties and Task Forces is usually determined at the Ordinary Meeting in September each year, in conjunction with Council's consideration of its Schedule of Meetings and Order of Business for the forthcoming 12 months.

Prior to the local government elections, the previous Council considered Report No CC51/08 and adopted the Schedule of ordinary Council Meetings and Order of Business to be conducted at those Meetings for the period June 2008 to September 2009. The schedule of meeting dates had regard to the local government election being held on 13 September 2008 and the estimated timeframe of the election process.

As a consequence, only one Council Meeting was held in September 2008 (i.e. the Planning Meeting of 3 September 2008) with the next meeting being the first meeting of the new Council. The 8 October 2008 Ordinary Meeting is, therefore, the first opportunity to determine Councillor Representation on Committees, Working Parties and Task Forces for the period to September 2009.

The current list of Committees, Working Parties and Task Forces has been updated by each Division and is attached for information. To assist Council in its determination of Councillor representation, the 2007/08 Councillor representatives on each Committee/Working Party/Task Force are included in the column titled *Councillor Representation 2007/2008* and a blank column has been left in respect of *Councillor Representation 2008/2009*.

Council should note that the five Task Forces on the attached list were created by the previous Council to specifically address significant challenges and to deal with the amount of business being considered at the time. There was an intention, however, that the new Council would make a decision about their continued operation following the election. In this regard, continuing Councillors who were part of the Task Forces until September 2008 will be able to provide useful input for new Councillors to consider.

BUDGET

There are no budgetary implications associated with this Report.

POLICY

No Council policies are affected by this Report.

CONSULTATION

Consultation occurred with the General Manager and Executive Managers.

TRIPLE BOTTOM LINE SUMMARY

Triple Bottom Line is a framework for improving Council decisions by ensuring accountability and transparency on social, environmental and economic factors. It does this by reporting upon Council's strategic themes. As this Report simply provides Council with information and does not propose any actions which require a sustainability assessment, no Triple Bottom Line considerations apply.

RESPONSIBLE OFFICER

The officers responsible for the preparation of this Report are the Manager, Administration Services Branch - Robyn Abicair, and Council's Administration Coordinator – Ruth Robins. They can be contacted on 9847 6608 and 9847 6011 respectively.

RECOMMENDATION

THAT Council:

1. Review the current list of Committees, Working Parties and Task Forces and determine which should continue to operate
2. Having regard to its decision in 1. above, determine Councillor representation on the continuing Committees, Working Parties and Task Forces for the period until September 2009.

ROBYN ABICAIR
Manager - Administration Services
Corporate and Community Division

GARY BENSLEY
Executive Manager
Corporate and Community Division

Attachments:

1. Councillor Representation on Committees /Working Parties/Task Forces for the period October 2008 – September 2009

File Reference: F2004/07056
Document Number: D01002571

**3 LOCAL GOVERNMENT ASSOCIATION CONFERENCE 2008 -
NOMINATIONS OF ATTENDEES AND VOTING DELEGATES/ELECTION
OF EXECUTIVE COMMITTEE**

EXECUTIVE SUMMARY

The 2008 Annual Conference of the NSW Local Government Association (LGA) will be held in Broken Hill from 25 October to 29 October 2008. The Conference provides an opportunity for Council to submit motions for debate and decision by Conference delegates from member local governments across NSW.

This Report provides further information about the Conference, including that received from the Electoral Commission NSW regarding nominations for the Executive Committee of the LGA, and seeks determination of Council's voting delegates and attendees for the Conference.

PURPOSE/OBJECTIVE

The purpose of this Report is to:

- a) Determine Council's attendees and voting delegates for the LGA Annual Conference.
- b) Provide information to Councillors regarding nominations for the Executive Committee of the LGA

DISCUSSION

Council would normally determine its voting delegates for the LGA Annual Conference at the same time as adopting motions to be submitted for debate at the Conference. (N.B. The motions for the 2008 Conference were adopted following the previous Council's consideration of Report No CC44/08 at the Ordinary Meeting of 9 July 2008, and were subsequently submitted to the LGA for inclusion on the Conference agenda)

However, as the local government elections were scheduled for 13 September 2008, the Council decided that determination of attendees and voting delegates would occur at the first meeting of the new Council, i.e. this Ordinary Meeting of 8 October 2008. A copy of Report No CC44/08, which includes the motions adopted for submission to the Conference, is included as an attachment to this Report.

A copy of the LGA conference brochure is also attached for Council's information. The brochure advises that details of Council's voting delegates and registration of attendees need to be forwarded to the LGA by Monday 13 October 2008. As such, it will be necessary for Council to determine voting delegates and attendees at tonight's meeting.

Voting delegate entitlements for each council at the LGA Annual Conference are determined by population of the council area using Australian Bureau of Statistics figures. As Hornsby Shire Council's population is greater than 150,000, it is entitled to seven voting delegates.

The Electoral Commission NSW has distributed information to councils regarding the election of the Executive Committee of the LGA. The information includes the Election Notice, Nomination Form and Statutory Declaration and is also attached to this Report. Lodgement of nomination forms are the responsibility of the candidate, and must be received by the Returning Officer no later than noon, Friday 17 October 2008. The Electoral Commissioner for NSW is the Returning Officer for the election.

Voting for the Executive Committee will be conducted at the Conference, with voting for President, Vice-Presidents and Treasurer to take place on Monday 27 October 2008, and voting for the remainder of the Committee to take place on Tuesday 28 October 2008.

BUDGET

Funds have been allocated in the 2008/09 Budget for attendance at the LGA Annual Conference.

POLICY

Attendance at the Annual Conference will be in accordance with the Councillors' Expenses and Facilities Policy. There are no other policy implications other than those raised in the context of Local Government Association policy.

CONSULTATION

No consultation was necessary for the preparation of this Report.

TRIPLE BOTTOM LINE SUMMARY

Triple Bottom Line is a framework for improving Council decisions by ensuring accountability and transparency on social, environmental and economic factors. It does this by reporting upon Council's strategic themes.

As this Report simply provides Council with information and does not propose any actions which require a sustainability assessment, no Triple Bottom Line considerations apply.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Administration Coordinator - Ruth Robins who can be contacted on 9847 6011.

RECOMMENDATION

THAT Council:

1. Determine attendees and voting delegates for the 2008 Annual Conference of the Local Government Association of NSW.
2. Note the information provided in respect of election of the Executive Committee of the Local Government Association of NSW.

ROBYN ABICAIR
Manager - Administration Services
Corporate and Community Division

GARY BENSLEY
Executive Manager
Corporate and Community Division

Attachments:

1. Executive Managers Report CC44/08 - Local Government Association Conference 2008 - Submissions of Motions and Nominations of Voting Delegates Ordinary Meeting 09/07/2008.
2. Information booklet - Local Government Association Conference 2008
3. Information - Election of Executive Committee of LGA

File Reference: F2006/00861
Document Number: D01002677

4 AUGUST 2008 INVESTMENT AND BORROWING REPORT

EXECUTIVE SUMMARY

Council is provided with a monthly report summarising current general economic conditions which may have an impact on investment returns. The report includes a schedule detailing Council's investments and borrowings and also highlights the monthly and year to date performance of the investments. It should be noted investments are generally held for the medium to long term.

This Report indicates that the total investment income for the period ending 31 August 2008 is \$438,000 which compares to the year to date 2008/09 budgeted income of \$347,000. Of the year to date 2008/09 investment income earned, 44% relates to Section 94 funds held by Council and is required to be allocated to those funds.

Based on recent financial events in September, the credit rating of three of Council's CDOs may fall below the Ministerial Investment Order requirements. The Department of Local Government have advised in their Circular No 08-10 that "*when considering selling or restructuring current investments that fall below the requirements of the Ministerial Investment Order, councils should exercise due care and diligence. Councils should not rely solely on the advice from the issuer of the investment and should seek independent financial advice.*" In accordance with that Circular, Council officers are currently seeking independent advice about the matter.

From the information available to Council officers at this stage, none of Council's CDOs has exceeded their credit support which would lead to a loss of capital at maturity. The financial markets are extremely volatile and the ongoing effects are unknown. Council officers are in close contact with Council's Investment Advisors (Grove Research and Advisory Services) who are continuously monitoring these events and providing ongoing advice.

PURPOSE/OBJECTIVE

The purpose of this Report is to advise Council of funds invested in accordance with Section 625 of the Local Government Act and details as required by Clause 212(1) of the Local Government (General) Regulation 2005 and Council's Investment Policy and Strategy, most recently amended and adopted at the April 2007 Ordinary Meeting.

DISCUSSION

Council's Investment Performance - August 2008

- The Term Deposits achieved an annualised return of 7.96% for the month compared to the benchmark of 7.25%; and a financial year to date return of 8.03% compared to the benchmark of 7.25%.
- LGFS Fixed-Out Performance Cash fund achieved an annualised return for the month of 8.68% compared to the benchmark of 8.18%; and a financial year to date return of 8.68% compared to the benchmark of 8.18%. The fund is managed by the Local Government

Financial Services organisation. The product is provided with capital protection and pays a fixed return of 0.5% above the average monthly Bank Bill Index rate.

- NSW T-Corp Long Term Growth Facility achieved a marked to market return of 56.29% for the month compared to the benchmark of 54.24%; and financial year to date of 19.07% compared to the benchmark of 13.35%. This fund has a 70% allocation to growth assets. Short term performance is expected to be volatile and the investment should be viewed over the longer term.
- Direct investments in Collateralised Debt Obligations achieved an annualised return of 9.16% for the month compared to the benchmark of 8.15%. The financial year to date return at August is 9.18% compared to the benchmark of 8.15%.
- The Longreach Capital Protected - Property, Infrastructure and Utilities Fund pays a fixed coupon of 2% semi annually. The majority of returns for this investment are expected to come through growth, rather than income. Due to poor performance over recent months, the following Capital Protected Notes coupons (i.e. returns) have not been accrued - ANZ Averon, CBA Hedge Fund, Longreach I&U, Longreach Liquidity and Longreach Tri-sector.
- FRN are bonds that have a variable coupon equal to a money market reference rate. This Floating Rate Note investment achieved an annualised return of 10.04% for the month compared to the benchmark of 8.15%; and a financial year to date return of 10.04% compared to the benchmark of 8.15%.
- For total investments, the annualised return for the month is 8.30% compared to the benchmark of 8.96%; and a year to date return after fees is 7.51% compared to the benchmark of 8.03%, a shortfall of 0.52%.

CDO impact based on recent financial events in September

Recent and significant events in the world financial markets will have an impact on corporate linked CDOs in the following ways:

- Reduction in investment rating (the possible rating impact detailed in the table below).
- Reduction in investment rating below the Ministerial Investment Order. This may apply to the CDOs - PURE, QUARTZ and SCEPTRE. All retain investment grade status.
- Reduction in investment valuation. This will impact on a marked to market basis but not necessarily held to maturity.
- Increased risk levels as each credit event reduces the buffer Council has before principal is impacted. A credit event has occurred for the CDOs - PURE and SCEPTRE.
- Lehman Brothers was the arranger for the CDO - ENDEAVOUR. Whether, based on the bankruptcy of Lehman Brothers, there is to be an early termination of this product is being monitored by Grove Research and Advisory Services. They will advise Council when further information is available.

Based on recent financial events in September, the credit rating of three of Council's CDOs may fall below the Ministerial Investment Order requirements. The Department of Local Government have advised in their Circular No 08-10 that "*when considering selling or restructuring current investments that fall below the requirements of the Ministerial Investment Order, councils should exercise due care and diligence. Councils should not rely solely on the advice from the issuer of the investment and should seek independent financial advice.*"

"When determining the most practicable time to withdraw the funds, councils should consider, but not be limited by, the following factors:

- *Whether the downgrade of the rating is a short-term market fluctuation or long-term market correction*
- *The likelihood of the rating of the security changing*
- *The maturity date of the investment*
- *The preservation of capital if the investment was held to maturity*
- *The assessment of independent quotes for the market value of the investment*
- *The effect on interest received from the investment, and*
- *The capital loss incurred if the investment was sold."*

Council officers are currently seeking professional advice in respect of this matter. An assessment by Grove Research and Advisory Services of the possible credit ratings for Council's CDOs follows:

Name of CDO	Credit Rating for August Report	Possible Credit Rating Following Recent Events	Possible rating below Ministerial Order Requirements	Will coupons still be paid?
CARGO 11	AAA	AAA	N	Y
PURE	A+	BBB-	Y	Y
ENDEAVOUR	AAA	AAA	N	Y
ISOSCELES	AA	A+	N	Y
SAIL	AAA	AAA	N	Y
QUARTZ	A-	BBB-	Y	Y
SCEPTRE	A-	BBB-	Y	Y

At this stage, from the information available to Council officers, none of Council's CDOs has exceeded their credit support which would lead to a loss of capital at maturity. As Council would appreciate, the financial markets are extremely volatile and the ongoing effects of these events are unknown. Council officers are in close contact with Grove Research and Advisory Services who are continuously monitoring these events and providing ongoing advice.

Borrowings

In respect of borrowings, the weighted average interest rate payable on loans taken out from 1998 to 2008, based on the principal balances outstanding, is 6.55%. The loans taken out repay principal and interest over a 10 year period with a fixed interest rate. The Borrowings Schedule, as at 31 August 2008, is attached to this Report.

Economic/Financial condition

For Council's information, the comments below have been extracted from the New South Wales Treasury Corporation September 2008 market update.

“What has happened?”

1.1 Global Financial Crisis – recent events

- *The US Federal Reserve ('Fed') stepped in to support **Fannie Mae and Freddie Mac**, the two institutions that provide liquidity in the US mortgage market, the largest bond market in the world. This is an extremely positive move in indicating the support that the US authorities will provide to maintain financial stability.*
- ***Lehman Brothers**, a US investment bank, has filed for bankruptcy. The key reasons for their insolvency appear to be driven by a loss of confidence in them by their customers and lenders, arising from major losses from holdings of sub-prime mortgages. In itself, the bankruptcy of an investment bank is not fundamental. What is serious is the implication this may have on the wider financial markets as the various financial positions of Lehman are unwound.*
- ***Bank of America** offers to acquire **Merrill Lynch** at 70% above its current share price, but 70% below its highest share price achieved in 2007. This makes it the third of the big Wall Street investment banks to lose its independence.*
- ***AIG**, the big US Insurer, seeks funding from the Fed to remain solvent. This is critical as many of the financial deals in the US are guaranteed by insurers such as AIG. If AIG lost its standing, then these financial deals may have to be unwound with adverse implications. The US Federal Reserve Bank will lend up to US\$85 billion to AIG in its latest act to save the ailing US financial system.*

The loan has a two-year term and is expected to be repaid from the proceeds of the sale of the firm's assets. The US Government will receive a 79.9 per cent equity interest in AIG and has the right to veto the payment of dividends to common and preferred shareholders.

1.2 Australian conditions

- *The Australian dollar has fallen 17% from its peak against the US\$, and by lesser amounts compared to other currencies. This has a real impact on the wealth of Australians whose assets and income are in AUD.*
- *The Australian equity market is now 27% below its peak, driven in part by a 26% decline in the resources sector.*

2. What could happen from here?

Financial Crisis

The last of the out-workings of the sub-prime crisis is unlikely to be behind us. Several other US banks are already in the sights of closure. However, the Fed (in alliance with other central banks) has indicated an enormous resolve to ensure that markets do not collapse entirely and that the financial system has adequate liquidity to function. It is now widely expected that interest rates in the US will be further reduced, from their current low of 2%.

Economic Impact

We expect the following:

- *Further deleveraging. This means lower rates of borrowing, higher costs of capital and consequently slower rates of economic growth;*
- *Slower growth in consumer spending;*
- *Flow-on impacts to slower global growth, particularly in emerging markets;*
- *Lower interest rates;*
- *Further downward pressure on the US\$.*

Equity Markets

Around the world, equity markets will continue to be volatile. Equity markets delivered strong returns in August, only to give this back and more in September. The longer term outlook for earnings is not encouraging given that companies' cost of capital has increased, but at some price, even these lower earnings will be attractive. We note that the amount of cash waiting on the side lines in most markets has grown very significantly over the past 12 months.

Currency

The sudden decline in the AUD has been surprising. It just goes to remind us how unpredictable the currency markets can be. However, on a relative basis, the outlook for Australia looks a lot stronger than for the US and we expect that the AUD should recover in part.

3. How should investors react?

As dramatic and painful as the current episode is, investors need to remember that crises are a regular feature of the market landscape. They have occurred at a regular 6-7 year frequency over at least the past twenty years. There was the 1987 share market crash. The early 1990s saw the US savings and loan crisis. 1998 witnessed the triple whammy of the collapse of Long-Term Capital Management, the Asian economic crisis and the Russian bond crisis. There was the bursting of the Internet bubble and the corporate accounting scandals in 2002 and 2003. Equity markets have risen over time, despite these setbacks.

It is impossible to predict whether global markets have reached a bottom – this requires an understanding of psychology as much as finance and economics. To paraphrase John Maynard Keynes, investing is often about anticipating the anticipations of others. An emotional response to the market drama is the greatest danger for long-term investors.”

BUDGET

Total investment income for July and August 2008 was \$438,000. The budgeted income for this same period was \$347,000. Of the investment income, approximately 44% relates to Section 94 and is, therefore, restricted.

POLICY

All investments have been made in accordance with the Local Government Act, the Local Government (General) Regulation 2005 and Council's revised Investment Policy and Strategy. The Policy and Strategy were last revised by Council at the 11 April 2007 Ordinary Meeting.

Council's Investment Policy and Strategy is currently being reviewed by staff based on the release of a revised Ministerial Investment Order and will be finalised after consultation with Grove Research and Advisory Services (Council's independent investment adviser), prior to being submitted to Council for consideration and adoption

CONSULTATION

Initial investments and reallocation of funds are made where appropriate, after consultation with Council's financial investment services adviser and fund managers.

TRIPLE BOTTOM LINE SUMMARY

Triple Bottom Line is a framework for improving Council decisions by ensuring accountability and transparency on social, environmental and economic factors. It does this by reporting upon Council's strategic themes.

As this Report simply provides Council with information and does not propose any actions which require a sustainability assessment, no Triple Bottom Line considerations apply.

Council's Investment Strategy does recognise, however, the desirability of "ethical" or "socially responsible" investments and has invested in such products in the last year. These are referenced in the Investment Portfolio in Attachment 1.

Council will continue to review new products, subject to funds availability and asset allocation and credit quality parameters contained in the Strategy.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager, Financial Services - Glen Magus. He can be contacted on 9847 6635.

RECOMMENDATION

THAT the contents of Executive Manager's Report No CC80/08 be received and noted.

GLEN MAGUS
Manager - Financial Services
Corporate and Community Division

GARY BENSLEY
Executive Manager
Corporate and Community Division

Attachments:

1. HSC Borrowings Schedule as at 31 August 2008
2. August 2008 Council Investment report

File Reference: F2004/06987

Document Number: D00999330

5 JUNE 2008 MANAGEMENT PLAN AND BUDGET REVIEW

EXECUTIVE SUMMARY

The General Manager is required to report to Council each quarter as to Council's performance against its current Management Plan and Budget, including revised estimates of income and expenditure.

The Management Plan Quarterly Review for June 2008 is attached. It includes details on progress towards the achievement of corporate indicator targets, financial health check information and Divisional operational reports including financial performance against Budget.

The 2007/08 Original Budget forecast a surplus at 30 June 2008 of \$295K, however this forecast was amended at the March 2008 quarter to an expected surplus of \$22K. The June 2008 actual result is a surplus of \$128K. Major Budget variances by Division are explained in the attached quarterly review document.

While a positive result was achieved over the 2007/08 financial year by revenue inflows exceeding outflows, Council faced a number of financial challenges which may potentially continue into the 2008/09 financial year. These financial challenges include a depressed property market which has led to a significant decrease in revenue, rising fuel costs impacting Council's plant and machinery, declining interest from investments, cost shifting particularly by the State Government, increasing provisions for employee leave entitlements and construction and maintenance material costs well above the consumer price index (CPI).

The recommendation is that Council adopts the June 2008 Budget Review and receives and notes the Report.

PURPOSE/OBJECTIVE

The purpose of this Report is to enable Council to review its performance against the targets set in the Management Plan, and review actual and budgeted income and expenditure over the financial year.

DISCUSSION

On 13 June 2007, Council adopted its Management Plan 2007/08 - 2009/10 including the Budget for 2007/08 and Fees and Charges for 2007/08. The Management Plan sets out the manner in which Council intends to align its business goals in accordance with its intent of "Creating a Living Environment" and is divided into the following six strategic themes:

- Working with our community
- Conserving our natural environment
- Contributing to community development through sustainable facilities and services

- Fulfilling our community's vision in planning for the future of the Shire
- Supporting our diverse economy
- Maintaining sound corporate and financial management

In conjunction with these themes, corporate indicators and targets were identified and are included in the leading section of the Quarterly Review titled "Corporate Performance". This section also contains progress reports on the key issues identified by Councillors.

Reporting at the Divisional level is in the section titled "Operational Reports".

BUDGET

The 2007/08 Original Budget forecast a surplus at 30 June 2008 of \$295K. The September 2007 Quarter Review included negative changes of \$143K and the December 2007 Quarter Review included negative changes of \$130K. The March 2008 Quarter Review included budget changes that had no impact on the budgeted year end forecast, resulting in an estimated budget surplus at 30 June 2008 of \$22K.

This review includes the fourth quarter financial results for 2007/08, comparing actual expenditure and income to 30 June 2008 against Budget. The Net Operating and Capital result after internal funding movements at 30 June 2008 resulted in a favourable variance to budget of \$106K over the 2007/08 financial year i.e. a surplus of \$128K.

The March 2008 Quarter Budget changes were:

- \$300K - Decrease in budgeted investment income (refer Council Report No CC34/08)
- (\$150K) - Decrease in Section 94 transfer to restricted asset (due to lower than budgeted investment returns)
- (\$150K) - Decrease in organisation wide expenditure provisions managed by the Corporate and Community Division (to offset lower than budgeted investment returns)

The December 2007 Quarter Budget changes were:

- \$15K - Increased expenditure towards funding sustainable movie event (refer Council Report No EN43/07)
- \$500K - Decrease in budgeted investment income (refer Council Report No CC02/08)
- (\$250K) - Decrease in Section 94 transfer to restricted asset (due to lower than budgeted investment returns)
- (\$175K) - Decrease in organisation wide expenditure provisions managed by the Corporate and Community Division (to offset lower than budgeted investment returns)
- \$40K - Increase in contractor expense (verification of cadastre project)
- \$120K - Transfer from plant replacement reserve (towards Mt Ku-ring-gai Internal Loan)
- (\$120K) - Transfer to Mt Ku-ring-gai Internal Loan (finalisation of Mt Ku-ring-gai Internal Loan)

The September Quarter Budget changes were:

- \$31K - Increased salaries expense - (Community Development Officer contract extension - refer Council Report No CC90/07)
- \$50K - Increased land improvements expenditure - (Upgrade 2-4 Dangar Road, Brooklyn - refer Council Report No CC78/07)

- \$60K - Increased contract expenditure - (Greenway Park Stormwater Harvesting project, general fund allocation required. \$274K funding received)
- \$50K - Increased contract expenditure - (Open space rationalisation)
- (\$123K) - Increased rental income - (Beaumont Road)
- \$75K - Increased capital expenditure - (Grant Close Resurfacing)

As part of the March 2008 Quarterly Budget Review process, the General Manager asked each Division to review its expenditure on discretionary items over the remainder of the financial year, having regard to the provision of reasonable service levels and community expectations, in an attempt to restore as much of the Original Budget surplus as possible.

The Net Operating and Capital Result after internal and external funding for the 12 months to 30 June 2008 was a positive \$128K compared to a revised budgeted surplus of \$22K. This result is based on inflows and outflows of expenditure and revenue and does not reflect fair value accounting adjustments required to be reported in the 2007/08 financial statements. This result is satisfactory in maintaining working funds at current levels only.

While a positive result was achieved over the 2007/08 financial year by revenue inflows exceeding outflows, Council faced a number of financial challenges which may potentially continue into the 2008/09 financial year. These financial challenges include a depressed property market which has led to a significant decrease in revenue, rising fuel costs impacting Council's plant and machinery, declining interest from investments, cost shifting particularly by the State Government, increasing provisions for employee leave entitlements and construction and maintenance material costs well above CPI.

POLICY

There are no specific policy implications in respect of this Report.

CONSULTATION

All Divisions and appropriate staff have had input into this review.

TRIPLE BOTTOM LINE SUMMARY

Triple Bottom Line is a framework for improving Council's decisions by ensuring accountability and transparency on social, environmental and economic factors. It does this by reporting upon Council's strategic themes.

As this report does not propose any actions which require a sustainability assessment, no Triple Bottom Line considerations apply.

RESPONSIBLE OFFICER

The officers responsible for preparation of this Report are Julie Williams - Manager, Corporate Strategy and Glen Magus - Manager, Financial Services. They can be contacted on 9847-6790 and 9847-6635 respectively.

RECOMMENDATION

THAT :

1. The June 2008 Review of the Management Plan, including performance indicators be received and noted.
2. The June 2008 Budget Review be adopted.

GARY BENSLEY
Executive Manager
Corporate and Community Division

JULIE WILLIAMS
Manager, Corporate Strategy
Strategy Division

Attachments:

1. Management Plan 2007/08-2009/10 - 4th Quarter Review

File Reference: F2006/00490
Document Number: D00999909

6 COUNCIL'S FINANCIAL REPORTS 2007/08

EXECUTIVE SUMMARY

Council's General Purpose and Special Purpose Financial Reports for the year ended 30 June 2008 (the Reports) have been completed and are ready to be referred to PriceWaterhouseCoopers (Council's external auditors) for audit.

The audited Reports, which are expected to be provided for consideration at the 12 November 2008 Ordinary Meeting, will be made available to the public in accordance with Local Government Act requirements. It is expected that Denis Banicevic, from PriceWaterhouseCoopers, will be available to make a presentation on the audited Reports at the November 2008 Ordinary Meeting.

PURPOSE/OBJECTIVE

The purpose of this Report is for Council to:

- receive the unaudited Reports
- resolve to refer the Reports for audit
- resolve that the Reports be authorised for issue to the public on receipt of the Auditor's Report
- delegate authority to the General Manager to fix the date of the Meeting at which the audited Reports will be presented to the public

DISCUSSION

In accordance with the requirements of the Local Government Act, Council must prepare and have audited its Financial Reports within four months after the end of a financial year. The Reports for 2007/2008, which have recently been completed and are included under separate cover, are ready to be referred for audit.

Council is required to give notice as to the Meeting at which the Reports (including the Auditor's Reports) will be "presented to the public". The proposed date for this Meeting will be set as soon as possible after the Auditor's Reports have been received. In this regard, it is anticipated that the Reports will be "presented to the public" at the 12 November Ordinary Meeting. Council's external auditor, Denis Banicevic of PricewaterhouseCoopers, is expected to be available to make a presentation on the Reports at that Meeting.

Following presentation of the Reports to the public, any person may make a submission concerning the Reports within a period of seven days after the Meeting.

It should be noted the Reports are not for distribution to the public at this stage as they are unaudited. The audited Reports are those that will be made available to the public in accordance with Local Government Act requirements.

BUDGET

There are no implications on the 2008/09 Budget.

POLICY

Details of relevant policies are set out in Note 1 to the Reports.

CONSULTATION

Appropriate staff in all Divisions were requested to provide income and expenditure accruals where considered necessary in addition to information on internally and externally restricted assets.

TRIPLE BOTTOM LINE SUMMARY

Triple Bottom Line is a framework for improving Council decisions by ensuring accountability and transparency on social, environmental and economic factors. It does this by reporting upon council's strategic themes.

As this Report simply provides Council with information and does not propose any actions which require a sustainability assessment, no Triple Bottom Line considerations apply.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is Mr Glen Magus Manager, Financial Services. He may be contacted on 9847 6635.

RECOMMENDATION

THAT:

1. The Financial Reports distributed under separate cover be received, noted and referred for audit.
2. The Mayor and Deputy Mayor be authorised to sign the Statutory Statements in connection with these Reports.
3. The Reports be authorised for “presentation to the public” on receipt of the Auditor’s Reports.
4. Council delegate to the General Manager the authority to fix the date at which the Reports are formally “presented to the public”.

GLEN MAGUS
Manager - Financial Services
Corporate and Community Division

GARY BENSLEY
Executive Manager
Corporate and Community Division

Attachments:

There are no attachments for this report.

File Reference: F2008/00340

Document Number: D01006119

7 TRANSPORT NEEDS OF SYDNEY'S NORTH-WEST SECTOR - COUNCIL SUBMISSION TO PARLIAMENTARY INQUIRY

EXECUTIVE SUMMARY

The NSW Parliament's General Purpose Standing Committee Number 4 (Legislative Council) is conducting an inquiry into the transport needs of Sydney's North West Sector. The terms of reference are:

That GPSC4 inquire into and report on the integrated transport needs of Sydney North-West Sector and, in particular:

1. The requirements and plans for an integrated transport system in the North-West Sector, including road, rail and bus links,
2. The proposed funding of an integrated transport system for the North-West Sector, including the distribution of developer and State infrastructure levies,
3. The plans and funding for the North-West Metro and the decision not to proceed with the North-West Rail Link, and
4. Any other related matters.

The closing date for submissions is Friday 17 October 2008. At the Planning Meeting of 3 September 2008, Council resolved that a submission be forwarded to the Inquiry. Council's submission includes issues relating to problems currently experienced around Epping as a result of the station reconstruction and the works for the Epping Chatswood Rail Link, as well as concerns regarding delays to the delivery of a number of State Government infrastructure proposals. Council also has reservations regarding the change from heavy rail to metro style operation and the state government's public consultation process to date.

PURPOSE/OBJECTIVE

The purpose of this report is to advise Council of the issues previously considered and for Council to endorse the submission.

DISCUSSION

The Environmental Assessment

At the Ordinary Meeting of 14 February 2007, Council considered report WK08/07 regarding the Review of Environmental Assessment for the North West Rail Link. The initial proposal for the twin track 22 kilometre route involved an above ground rail line between Epping station and Cheltenham station with the tunnel commencing near Beecroft Village Green. The tunnel would have extended to Rouse Hill with Franklin Road, Cherrybrook, the only new station in the Shire. In its submission, Council objected to the above ground section of rail line between Epping and Beecroft due to the adverse impact on residential amenity, bushland vistas, heritage, flora and fauna and loss of commuter parking at Cheltenham Station. In relation to WK08/07 Council resolved that –

1. *Council indicate in-principle support for the NWRL.*
2. *Council adopt the officers' comments and not support the current proposal for an above ground section between Epping and Beecroft, as shown in the Environmental Assessment.*
3. *Council support the Epping to Franklin Road Tunnel Option as the preferred option.*
4. *Council request that comprehensive studies be prepared by TIDC addressing land use, transport, environmental and social impacts of the proposal, and that these studies address Council's concerns, to be detailed in its submission.*
5. *A formal Council submission outlining Officers' comments presented in Appendices of this report be forwarded to TIDC.*
6. *Representation be made to the Member for Castle Hill (Franklin Road Station), the Member for Epping (Franklin Road Station and Cheltenham Station) and Minister for Transport in support of Council's position.*

The Preferred Project Report

Subsequently the Transport Infrastructure Development Corporation (TIDC) developed a Preferred Project Report which included an amended route underground between Epping and Beecroft and addressed other issues raised in submissions received during the public exhibition of the Environmental Assessment.

At the Ordinary Meeting of 11 July 2007, Council considered report WK39/07 regarding the Preferred Project Report for the North West Rail Link. The Preferred Project Report considered two options developed by TIDC.

Green Option 1 is a relatively direct alignment which best meets TIDC's construction and operational requirements and is their preferred option.

Pink Option 2 is a less direct alignment which was developed by TIDC as a result of the public submissions to the Environmental Assessment earlier this year. Many submissions objecting to the above ground quadruplication requested an alternative tunnel alignment following Beecroft Road, the M2 Motorway and Pennant Hills Road as closely as possible.

In response to the Preferred Project Report, some residents considered the Pink Option 2 did not follow the road alignments closely enough and requested a "Yellow" or "Gold" alignment which more closely followed the existing road alignments. TIDC advised that Option 2 was TIDC's best attempt at meeting the "Yellow" alignment given their construction and operational requirements.

In relation to report WK39/07, Council resolved that -

1.
 - a) *Hornsby Council support an underground link for the North West Rail Link (NWRL) that maximises its use of existing infrastructure routes which are railway lines, main roads and the M2.*
 - b) *Council defer determination of the preferred tunnel option until after further investigations regarding tunnel depth, noise and vibration surveys are known.*

2. *Council call on the State Government to proceed with the NWRL to provide the Hills districts with much needed rail transport and in the process ease the traffic gridlock and parking difficulties affecting the suburbs of Thornleigh to Epping.*
3. *Council writes by 18 July 2007 to:*
 - a) *The Transport Infrastructure and Development Corporation (TIDC) and to the relevant Ministers requesting an extension for submissions until 5 October 2007 to allow affected residents and the community as a whole to present their submissions on the following options:*
 - * Option 1 - Green (TIDC)*
 - * Option 2 - Pink (TIDC)*
 - * Option 3 - Blue (TIDC)*
 - * Option 4 - Gold (Residents)*
 - * Option 5 - Red (Residents)*
 - b) *Express its concern at the lack of alternatives considered and attach other options that it believes should be investigated but not limited to TIDC options 1 to 3 listed above.*
 - c) *Request TIDC to conduct open public consultations with all parties affected in open forums adopting an integrated approach to this issue before the close of submissions.*
 - d) *The Premier - The Honourable Morris Iemma, the Opposition Leader - The Honourable Barry O'Farrell and all local State and Federal Members of Parliament, asking for their support to request TIDC to follow due process and listen to the concerns of all of the residents affected before a decision is made on a proposed underground link.*
4. *In due course, TIDC be invited to address Council at a Workshop Meeting regarding its preferred option.*

The Supplementary Submissions Report

At the Ordinary Meeting of 14 May 2008 Council considered report WK25/08 regarding the Supplementary Submissions Report (SSR) for the North West Rail Link. The state government had announced that the project would now be a Metro style operation however TIDC advised that essentially the proposal remained the same with relatively minor detail differences which did no warrant any change to the approval process. The green alignment remained as the approved route.

There was no provision for further public consultation in relation to the release of the SSR as the document is essentially a response to the issues raised during the public consultation for the Preferred Project Report. The SSR has been submitted to the Department of Planning seeking approval for the Concept Plan.

The Department of Planning will review all of the documents and prepare a report to enable the Minister for Planning to make a determination on the project. If the Concept Plan is approved, the work done to date would form part of planning for the recently announced

North West Metro, subject to further design development, approvals and consultation in respect of the new Metro project.

In relation to report WK25/08, Council resolved that -

1. *Council note the TIDC recommendation for the Green alignment option for the NWRL and request that TIDC address land use, transport, environmental and social impacts of the proposal to Council's satisfaction.*
2. *TIDC be requested to provide detailed information on the NWM, to enable a considered response by Council.*
3. *Representations be made to the Member for Castle Hill, the Member for Epping and Minister for Transport in support of Council's position, requesting that Council be consulted during planning for the NWM.*
4. *Council request confirmation from the Minister of Transport that funds are available to complete this project within the specified time frame.*

Stakeholder Engagement Briefing and Consultation

The North West Metro project team held a Stakeholder Engagement Briefing and Consultation conducted on Friday, 15 August. The project team needed further input from stakeholders prior to determining Product Definition Phase and Project Delivery Strategy.

Issues identified as outcomes of the forum included -

- The interaction between the North West Metro and current uses of Epping Railway Station, as well as the need for further involvement and partnering with local government in relation to the site.
- The opportunity for the Shadow Operator to develop a number of customer panels to further provide feedback during the Product Definition Phase.
- A greater focus upon relationships between Metro stations and local land use planning to deliver better 'liveability' solutions.
- Additional forums will be conducted in partnership with the Sydney Chamber of Commerce and other groups to further identify the needs of CBD building owners, tenants and major employers.

North-West Sydney Transport Inquiry

On the 29 August 2008, the Parliament of New South Wales State Legislative Council established an inquiry to report on the transport needs of Sydney's North West Sector. At the Planning Meeting of 3 September 2008, Council considered a Matter of Urgency relating to the inquiry and resolved that -

Council prepare and forward a submission to the North-west Sydney Sector Transport Inquiry, addressing the terms of reference, and highlighting the lack of transport integration throughout the North Western suburbs of Sydney.

Matters to be addressed should include, but not be limited to:

- *The redevelopment of Epping Station without supporting traffic flow planning and commuter parking facilities.*
- *The need for completion of the Epping to Parramatta rail line as being essential to cater for the continued growth of the North West. This will provide full access between Parramatta/ Castle Hill/ Hornsby/ the City/ Chatswood and Macquarie University/Business Park.*
- *That if the Metro option proceeds, (in contrast to the heavy rail originally proposed), the continuation and integration of this Metro Line must be made a priority.*
- *Any future/further development of Epping Station to accommodate the North-west Rail, regardless of the form it may take, must include meaningful community consultation.*
- *Sufficient "kiss and drop" facilities to be included at all stations along any proposed new rail lines, with other (bus etc) public transport linkages and parking facilities being provided where assessed (in consultation with the local community) to be appropriate.*
- *Reiteration of Council's support for a North-west Rail line to include a station under Carlingford Court Shopping Centre, referencing the proposed additional dwellings in the adjacent precinct within Baulkham Hills Council boundaries, which will have a severe impact on traffic and parking within Hornsby Shire.*

The attached submission has been prepared for Council's consideration. Since the inquiry was announced, and Council's resolution was adopted, changes within the state government have resulted in a new Premier and senior ministry, which has in turn resulted in intense media speculation as to whether major state infrastructure projects such as the North West Metro will now proceed. It is considered essential that, given the erratic nature of announcements from various governments at state and federal level, Council continue lobbying for progress in bringing the proposals to completion.

BUDGET

There are no budget implications in this report

POLICY

There are no policy implications in this report.

CONSULTATION

The Manager Town Planning Services, Manager Community Services, Manager Parks and Landscape and Manager Bushland and Biodiversity Team were consulted in the preparation of previous reports.

TRIPLE BOTTOM LINE SUMMARY

Triple Bottom Line is a framework for improving Council decisions by ensuring accountability and transparency on social, environmental and economic factors. It does this by reporting upon Council's strategic themes.

As this report simply provides Council with information and does not propose any actions which require a sustainability assessment, no Triple Bottom Line considerations apply.

RESPONSIBLE OFFICER

This report was prepared by Council's Manager Traffic and Road Safety, Mr Lawrence Nagy telephone 9847 6524.

RECOMMENDATION

THAT the submission included as an Attachment to this report be endorsed and submitted to the Director, General Purpose Standing Committee Number 4.

MAXWELL WOODWARD
Executive Manager
Works Division

Attachments:

1. Council Submission to General Purpose Standing Committee No. 4 - Transport needs of Sydney's North-West Sector (Inquiry).

File Reference: F2008/00492
Document Number: D01006369

8 REQUEST FOR EXPRESSION OF INTEREST - JOINTLY FUNDED NAVIGATION DREDGING PROJECTS

EXECUTIVE SUMMARY

Council has been invited to apply for funding for dredging projects under the Waterways Program. The invitation is reported to Council to determine whether it wishes to undertake such projects, and if so, to confirm the preliminary response that has been forwarded to the Department.

PURPOSE/OBJECTIVE

The purpose of this report is to advise Council that the Department of Lands has invited Councils in NSW to apply for funding for dredging projects under the State Government's Waterways Program, and for Council to determine whether it wishes to do so.

BACKGROUND

Council has received correspondence from the Department of Lands advising that the Minister has recently announced a major enhancement of funding under the NSW Government's Waterways Program for dredging projects which will make significant improvement to the navigability of waterways where they focus on recreational boating needs. Council has been invited to apply for funding under the program.

The Minister and the Department have received ongoing representations from Councils, boating groups and community organisations about the deterioration of boating access in many of the State's waterways, especially in regard to recreational vessels. Council has been advised that any projects should be compatible with any estuary management plans that have been prepared.

Funds will be made available for both preconstruction activities (including Environmental Assessments) and implementation, and will be for up to 50% of the approved cost of the work. Funding is conditional on Council agreeing to match the Department's contribution and to manage the project.

As this correspondence was received in mid August 2008, it was not possible to refer the matter to Council prior to the closing date of 26 September 2008, by which time Councils were requested to lodge initial responses to the invitation. Council has lodged a preliminary response to the invitation, indicating that the proposal would be reported to the first available Council meeting for consideration and determination.

DISCUSSION

Council staff have identified two potential projects that may qualify under this program:

1. Brooklyn Channel/Brooklyn Harbour

This project has been subject to a previous EIS which indicated that Council was in a position to proceed with the project should it so resolve. Council subsequently resolved not to proceed with this project. The EIS (or any other environmental assessment) would now require updating, as a significant change would be required to address the disposal of dredged material. Council will recall that the previous proposal was prepared in association with a project involving reclamation of part of the foreshore at McKell Park. This latter project was also not proceeded with, and current estuary management planning principles would preclude its consideration. Preparation of an updated proposal or estimate of costs has not been undertaken, but the project is considered to cost in the order of \$2 million.

2. Parsley Bay Harbour

This is a project of lesser cost, which is yet to be formally scoped or estimated, but is likely to be in the order of \$200,000 - \$250,000. Council staff are aware of a gradual build-up of material in the harbour. If continued, this material will inhibit the use of the harbour by vessels of more than minimal size. Council is also aware of issues in relation to the flotation of the pontoon at Parsley Bay, and has arranged for minimal dredging under a current maintenance program to ensure that this asset is able to function as intended.

The Brooklyn Estuary Management Plan has identified both sites as potentially requiring dredging works in order to ensure that they can function appropriately. Further investigations will be required to address such issues as safety and navigation concerns, as well as any potential benefit for commercial operators.

In the event that Council wishes to proceed with investigations of these projects, Council will need to have regard to the recently introduced State Environmental Planning Policy (Infrastructure) 2007. This regulation commenced on 1 January 2008, and aims to facilitate the effective delivery of infrastructure across the State, among other things establishing a consistent planning regime for infrastructure and the provision of services. This includes the identification of certain development of minimal environmental impact as exempt development. Either project is yet to be assessed. It is apparent that development (i.e. dredging) is permitted under the SEPP, however it is to be determined whether such development requires consent. (Division 13, Clauses 68 and 69 refer). On this basis, while Council will be required to undertake an environmental assessment of either project, the extent or detail of such assessment is yet to be determined.

FUNDING

These projects are currently not identified in a Management Plan or budget, and are not listed in a forward program of works. Council will note the requirement for 50% funding should it proceed with the projects, and any application for funding is successful. Having regard to the substantial funding available to the State Government from Waterways and other marine licensing activities which is not available to Local Government, it has been proposed to the Department that funding should on the basis of 75%/25%. Further, Council may wish to consider whether it should approach potential beneficiaries of such work, where same can be clearly identified, to request a contribution to the cost of the work. Council may wish to determine that it is prepared to fund 25% of the work, with the State or potential beneficiaries funding the remainder of the cost.

This matter is now reported to Council for consideration as to whether it wishes to confirm the preliminary response that has been made to the Department.

BUDGET

There are no adverse budget implications associated with this report.

POLICY

There are no policy implications arising from this report.

CONSULTATION

This report has been prepared in consultation with the General Manager and Executive Manager, Environment Division.

TRIPLE BOTTOM LINE SUMMARY

Triple Bottom Line is a framework for improving Council decisions by ensuring accountability and transparency on social, environmental and economic factors. It does this by reporting upon Council's strategic themes.

As this report simply provides Council with information and does not propose any actions which require a sustainability assessment, no Triple Bottom Line considerations apply.

RESPONSIBLE OFFICER

The responsible officer is the Executive Manager, Works Division, Mr Maxwell Woodward, who can be contacted on telephone 9847 6665.

RECOMMENDATION

THAT

1. Council determine whether it wishes to confirm Council's preliminary response to the Department's invitation and seek funding for these projects.
2. The projects be listed for consideration in a future works program.

MAXWELL WOODWARD
Executive Manager
Works Division

Attachments:

There are no attachments for this report.

File Reference: F2008/00209
Document Number: D01006504

9 MAYOR'S NOTES FROM 1 TO 31 AUGUST 2008

Friday 1 August – The Mayor attended the Knit-in at Hornsby Library.

Saturday 2 August – The Deputy Mayor, on behalf of the Mayor, attended a Service for the Commencement of Ministry of Rev Craig Schafer as Parish Minister of St Mark's Anglican Church at Pennant Hills. The Mayor attended the supper held afterwards.

Wednesday 6 August – The Mayor gave a Welcome Speech at the Over 55 Expo for residents of Epping and surrounding areas at The Epping Club.

Thursday 7 August – The Mayor, Councillor Findlay, Councillor Isaac and Councillor Browne attended a Pennant Hills District Civic Trust Meeting at Pennant Hills.

Saturday 9 August – The Mayor officiated at a Community Open Day to celebrate the completion of a new playground area at Fagan Park.

Saturday 9 August – The Mayor attended the 50th Jubilee celebrations and launch of a book on Carlingford Baptist Church's history at the Church in Carlingford.

Saturday 9 August – The Mayor and Mrs Berman attended the Benowie District Dinner to celebrate 100 years of Scouting in Australia at Hornsby RSL Club.

Sunday 10 August – The Mayor attended an Open Day to celebrate the centenary of Lilian Fraser's Birth at the Lilian Fraser Gardens in Pennant Hills.

Tuesday 12 August – The Mayor officiated at the Rural Fire Service National Medal and LSA Award Presentations at the Council Chambers.

Tuesday 12 August – The Mayor attended the Hills Rural Business Chamber Meeting at the Galston Club.

Friday 15 August – Councillor Findlay, on behalf of the Mayor, attended the North West Metro Briefing and Consultation at Crowne Plaza Norwest.

Sunday 17 August – The Mayor and Mrs Berman attended the Berowra RSL Sub-Branch end of the Second World War and Long Tan Day Commemoration Services at Berowra.

Sunday 17 August – The Mayor attended the Indian Seniors Group Hornsby celebration of Indian Independence Day at Asquith Community Centre.

Tuesday 19 August – The Mayor attended a Business Breakfast at Hornsby RSL Club.

Tuesday 19 August – The Mayor attended the Berowra Heights 40 km/h Launch at Berowra Heights.

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Thursday 21 August – The Mayor attended the official opening of Cheltenham Girls High School 2008 Visual Arts Exhibition at the School.

Friday 22 August – The Mayor drew Raffle Prizes for the Exodus Foundation at Dural Gallery.

Friday 22 August – The Mayor attended the Loreto Normanhurst Year 12 2008 Visual Arts and Design and Technology Exhibition at the School.

Friday 22 August – Councillor Findlay, on behalf of the Mayor, opened Section 1 of Hornsby Art Society's Art Award Exhibition at Hornsby Art Gallery.

Saturday 23 August – The Mayor presented Trophies at Ku-ring-gai and District Soccer Association's Junior Gala Day 2008 at Montview Oval, Hornsby Heights.

Saturday 23 August – The Mayor attended a Vigil Mass to celebrate 25 years of Priesthood of Fr Brian Moloney at the Parish Church of St Agatha at Pennant Hills.

Sunday 24 August – The Mayor attended a ceremony to celebrate the commencement of the construction of a new Fire Control Centre at Berowra.

Sunday 24 August – The Mayor officiated at the Camellia Gala Day to celebrate the 40th Anniversary of Lisgar Gardens, at the Gardens in Hornsby.

Monday 25 August – The Mayor hosted a Citizenship Ceremony at Pennant Hills Community Centre.

Monday 25 August – The Mayor, Councillor Findlay, Councillor Isaac and Councillor Browne attended a Beecroft Cheltenham Civic Trust Dinner at Pennant Hills.

Tuesday 26 August – The Mayor officiated at the Great Debate Finals at the Council Chambers.

Wednesday 27 August – The Mayor drew the winning entry in the Hornsby Mall Vibrant Task Group 2008 Winter in the Mall Promotion at Hornsby Mall.

Wednesday 27 August – The Mayor attended the Galston Rotary Club Meeting as Guest Speaker at The Galston Club.

Thursday 28 August – The Mayor visited St Agatha's School at Pennant Hills to receive a Petition for a School Crossing from the students.

Friday 29 August – The Mayor attended the Official Opening of Cheltenham Girls' High School 44th Annual Art & Craft Show 2008 at the School.

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Friday 29 August – The Mayor attended the Special Olympics Upper North Shore Variety Night Gala Dinner at Sydney Convention & Exhibition Centre.

Saturday 30 August – The Mayor presented Trophies at the KDSA Cup and Shield Final Day at Mills Park, Asquith.

Saturday 30 August – The Mayor presented Trophies at the Hills District Netball Association Junior and Senior Presentations at Pennant Hills Netball Courts.

Saturday 30 August – The Mayor attended the Normanhurst Boys' High School 50th Anniversary Gala Evening at the School.

Saturday 30 August – The Mayor and Mrs Berman attended the Kick a Goal for Kids Charity Dinner at Hornsby RSL Club.

Please note that these are the functions that the Mayor, or his representative, has attended in addition to the normal Council Meetings, Workshops, Mayoral Interviews and other Council Committee Meetings.

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