



# **BUSINESS PAPER**

## **GENERAL MEETING**

**Wednesday 13 April 2022  
at 6:30PM**



---

## TABLE OF CONTENTS

### AGENDA AND SUMMARY OF RECOMMENDATIONS

### RESCISSION MOTIONS

### MAYORAL MINUTES

- Item 1 MM6/22 The Passing of Mr Edward David (Ted) Angelo ..... 1

### ITEMS PASSED BY EXCEPTION / CALL FOR SPEAKERS ON AGENDA ITEMS

#### GENERAL BUSINESS

##### Office of the General Manager

- Item 2 GM9/22 Councillor Representation On External And Internal Committees ..... 3
- Item 3 GM13/22 Draft 2022-2026 Delivery Program including the Operational Plan,  
Budget and Fees and Charges 2022/23 - Adoption for Public Exhibition ..... 9

##### Corporate Support Division

- Item 4 CS22/22 Investments and Borrowings for 2021/2022 - Status for Period  
Ending 28 February 2022 ..... 19
- Item 5 CS24/22 Pecuniary Interest and Other Matters Returns - Disclosures by  
Councillors and Designated Persons ..... 22

##### Community and Environment Division

- Item 6 CE4/22 Draft Dual Naming and/or Renaming of Council Facilities Policy ..... 25
- Item 7 CE5/22 Disability Inclusion Action Plan (Social Inclusion Hornsby) ..... 29
- Item 8 CE6/22 IPART Domestic Waste Management Charge Review ..... 35

##### Planning and Compliance Division

Nil

##### Infrastructure and Major Projects Division

Nil

### CONFIDENTIAL ITEMS

- Item 9 CS23/22 Bequest of Property at Dural

### PUBLIC FORUM – NON AGENDA ITEMS

### QUESTIONS WITH NOTICE

### MAYOR'S NOTES

Item 10 MN2/22 Mayor's Notes from 01 March 2022 to 31 March 2022..... 44

**NOTICES OF MOTION**

**SUPPLEMENTARY AGENDA**

**MATTERS OF URGENCY**

---

## **AGENDA AND SUMMARY OF RECOMMENDATIONS**

### **PRESENT**

### **NATIONAL ANTHEM**

### **OPENING PRAYER/S**

Pastor Andrew Starr, of Viva Church Hornsby will open the meeting in prayer.

### **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."*

### **ACKNOWLEDGEMENT OF COUNTRY**

Statement by the Chairperson:

*"Council recognises the Traditional Owners of the lands of Hornsby Shire, the Darug and GuriNgai peoples, and pays respect to their Ancestors and Elders past and present and to their Heritage. We acknowledge and uphold their intrinsic connections and continuing relationships to Country."*

### **VIDEO AND AUDIO RECORDING OF COUNCIL MEETING**

Statement by the Chairperson:

*"I advise all present that tonight's meeting is being video streamed live via Council's website and also audio recorded for the purposes of providing a record of public comment at the meeting, supporting the democratic process, broadening knowledge and participation in community affairs, and demonstrating Council's commitment to openness and accountability. The audio and video recordings of the non-confidential parts of the meeting will be made available on Council's website once the Minutes have been finalised. All speakers are requested to ensure their comments are relevant to the issue at hand and to refrain from making personal comments or criticisms. No other persons are permitted to record the Meeting, unless specifically authorised by Council to do so."*

### **APOLOGIES / LEAVE OF ABSENCE**

### **POLITICAL DONATIONS DISCLOSURE**

Statement by the Chairperson:

*"In accordance with Section 10.4 of the Environmental Planning and Assessment Act 1979, any person or organisation who has made a relevant planning application or a submission in respect of a relevant planning application which is on tonight's agenda, and who has made a reportable political*

---

*donation or gift to a Councillor or employee of the Council, must make a Political Donations Disclosure Statement.*

*If a Councillor or employee has received a reportable political donation or gift from a person or organisation who has made a relevant planning application or a submission in respect of a relevant planning application which is on tonight's agenda, they must declare a non-pecuniary conflict of interests to the meeting, disclose the nature of the interest and manage the conflict of interests in accordance with Council's Code of Conduct."*

## **DECLARATIONS OF INTEREST**

*Clause 4.16 and 4.17 of Council's Code of Conduct for Councillors 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").*

*4.16 A councillor who has a 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.*

*4.17 The councillor 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, or*
- b) at any time during which the council or committee is voting on any question in relation to the matter.*

*Clause 5.10 and 5.11 of Council's Code of Conduct for Councillors requires that a councillor or a member of a Council committee who has a non 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").*

*5.10 Significant non-pecuniary conflict of interests must be managed in one of two ways:*

- a) by not participating in consideration of, or decision making in relation to, the matter in which you have the significant non-pecuniary conflict of interest and the matter being allocated to another person for consideration or determination, or*
- b) if the significant non-pecuniary conflict of interest arises in relation to a matter under consideration at a council or committee meeting, by managing the conflict of interest as if you had a pecuniary interest in the matter by complying with clauses 4.16 and 4.17.*

*5.11 If you determine that you have a non-pecuniary conflict of interest in a matter that is not significant and does not require further action, when disclosing the interest you must also explain in writing why you consider that the non-pecuniary conflict of interest is not significant and does not require further action in the circumstances.*

**CONFIRMATION OF MINUTES**

THAT the Minutes of the General Meeting held on 9 March, 2022 be confirmed; a copy having been distributed to all Councillors.

**PETITIONS****PRESENTATIONS****RESCISSION MOTIONS****MAYORAL MINUTES****Page Number 1****Item 1 MM6/22 THE PASSING OF MR EDWARD DAVID (TED) ANGELO****RECOMMENDATION**

THAT Council offers its sincere condolences to the family and friends of Edward David (Ted) Angelo, whose contribution to community was significant.

**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*

**OFFICE OF THE GENERAL MANAGER****Page Number 3****Item 2 GM9/22 COUNCILLOR REPRESENTATION ON EXTERNAL AND INTERNAL COMMITTEES**

**RECOMMENDATION**

THAT:

1. Council review the list of External Committees included in Attachment 1 to General Manager's Report No. GM9/22 and determine Councillor representation as appropriate for the period April 2022 to September 2022.
2. Council determine Councillor representation (maximum 6) on the Hornsby Aboriginal & Torres Strait Island Consultative Committee.
3. Council determine Councillor representation (maximum 4) on the Hornsby Shire Heritage Advisory Committee.
4. Advertise for expressions of interest for community representatives to become members of the Hornsby Aboriginal & Torres Strait Islander Consultative Committee, and the Hornsby Shire Heritage Advisory Committee for this term of Council.
5. Undertake a further informal workshop to develop criteria for new Council advisory groups and an indicative timeframe for their establishment.

**Page Number 9****Item 3 GM13/22 DRAFT 2022-2026 DELIVERY PROGRAM INCLUDING THE OPERATIONAL PLAN, BUDGET AND FEES AND CHARGES 2022/23 - ADOPTION FOR PUBLIC EXHIBITION****RECOMMENDATION**

THAT:

1. Council adopt for public exhibition the draft 2022-2026 Delivery Program and Operational Plan 2022/23 which includes the draft Budget, Fees and Charges and Rating Structure for 2022/23 and make available for public comment from 14 April to 16 May 2022.
2. Council note the rating information contained in the draft 2022-2026 Delivery Program and Operational Plan 2022/26 aligns with the Independent Pricing and Regulatory Tribunal's (IPART's) rate increase approval for NSW councils (i.e. a 0.7% rate increase for 2022/23).
3. In line with recently published IPART Guidelines, Council apply for a permanent Additional Special Variation (ASV) to General Income (i.e. from 0.7% to 2.28% for 2022/23) on the following basis:
  - a) The additional general income to be received by Council for the 2022/23 financial year as a result of such an ASV would be \$1.1 million.
  - b) The additional income is required to ensure the financial sustainability of Council's services and projects as detailed in General Manager's Report No. GM13/22 and Council's Long Term Financial Plan.
  - c) Council has considered the impact of an ASV on ratepayers and the community in 2022/23 and future years and considers such impact to be reasonable in the circumstances.

4. Following public exhibition, and before 30 June 2022, a report be prepared which outlines any submissions received and recommends the adoption of the 2022-2026 Delivery Program and Operational Plan 2022/23, including Budget, Fees and Charges and Rating Structure which takes into account IPART's decision in respect of Council's ASV application.

#### **CORPORATE SUPPORT DIVISION**

##### **Page Number 19**

#### **Item 4 CS22/22 INVESTMENTS AND BORROWINGS FOR 2021/2022 - STATUS FOR PERIOD ENDING 28 FEBRUARY 2022**

#### **RECOMMENDATION**

That the contents of Director's Report No. CS22/22 be received and noted.

##### **Page Number 22**

#### **Item 5 CS24/22 PECUNIARY INTEREST AND OTHER MATTERS RETURNS - DISCLOSURES BY COUNCILLORS AND DESIGNATED PERSONS**

#### **RECOMMENDATION**

THAT Council note the Written Returns of Interest recently lodged with the General Manager have been tabled as required by the Local Government Act.

#### **COMMUNITY AND ENVIRONMENT DIVISION**

##### **Page Number 25**

#### **Item 6 CE4/22 DRAFT DUAL NAMING AND/OR RENAMING OF COUNCIL FACILITIES POLICY**

#### **RECOMMENDATION**

THAT Council adopt the draft Dual Naming and/or Renaming of Council Facilities Policy attached to the Director's Report No. CE4/22.

##### **Page Number 29**

#### **Item 7 CE5/22 DISABILITY INCLUSION ACTION PLAN (SOCIAL INCLUSION HORNSBY)**

#### **RECOMMENDATION**

THAT:



1. The draft Disability Inclusion Action Plan (Social Inclusion Hornsby) attached to Director's Report No. CE5/22 be placed on public exhibition for a period of 28 days.
2. Following exhibition, a report on submissions be presented to Council for its consideration.

**Page Number 35****Item 8 CE6/22 IPART DOMESTIC WASTE MANAGEMENT CHARGE REVIEW****RECOMMENDATION**

THAT Council:

1. Note that IPART propose to regulate NSW councils' Domestic Waste Management Charges where individual councils exceed the "waste peg" and IPART do not accept a council's justification for the DWMC increase.
2. Note the significant ongoing adverse impacts the IPART draft decisions are likely to have on Council's domestic waste management services and other waste services.
3. Note the budget impact of cost shifting approximately \$2.3M for transferring corporate overheads and other waste services to the general fund budget under an SRV.
4. Endorse the submission to IPART provided at Attachment 1 to Director's Report No. CE6/22, raising concerns about their Draft Decisions including the proposed introduction of a "waste peg" and incremental cost methodology for corporate overheads.
5. Provide a copy of its IPART submission to the NSW Government, local Members of Parliament, the Treasurer, Minister for Local Government and other relevant stakeholders.
6. Call on the NSW Government and Minister for Local Government to undertake a review of the Local Government Act 1993 - Section 496 and OLG Rates and Revenue Raising Manual, 2007 to modernise the scope of DWM Services to include contemporary waste services in consultation with local government.

**PLANNING AND COMPLIANCE DIVISION**

Nil

**INFRASTRUCTURE AND MAJOR PROJECTS DIVISION**

Nil

**CONFIDENTIAL ITEMS****Item 9 CS23/22 BEQUEST OF PROPERTY AT DURAL**

*This report should be dealt with in confidential session, under Section 10A (2) (c) of the Local Government Act, 1993. This report contains information that would, if*

*disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.*

**PUBLIC FORUM – NON AGENDA ITEMS**

**QUESTIONS WITH NOTICE**

**MAYOR'S NOTES**

**Page Number 44**

**Item 10 MN2/22 MAYOR'S NOTES FROM 01 MARCH 2022 TO 31 MARCH 2022**

**NOTICES OF MOTION**

**SUPPLEMENTARY AGENDA**

**MATTERS OF URGENCY**

## **1 THE PASSING OF MR EDWARD DAVID (TED) ANGELO**

---

Hornsby Shire Council joins with many people in celebrating the life of Edward David (Ted) Angelo who passed away on 20 March at the age of 88.

Mr Angelo was a well-respected local historian and author, descended on his mother Sarah's side from the Hornsby pioneering family, the Higgins family, who settled in Old Mans Valley.

Thomas Edward Higgins (1800–1865), son of two Second Fleet convicts, was the earliest known permanent European settler in the vicinity of modern Hornsby. He was granted land in Old Mans Valley in 1824, with the grant confirmed in 1836.

Because of his direct link to Thomas Edward Higgins, Mr Angelo was a passionate advocate for the preservation of the Old Mans Valley Cemetery where a number of his ancestors are buried. For many years he led the working bee which restored the cemetery.

Mr Angelo grew up in the area and worked to record and preserve much of the history of the site. He was the author of *Memories of Old Mans Valley* and created and compiled a DVD, *Memories of Old Mans Valley Revisited*.

Old Mans Valley Cemetery has considerable social importance and is listed as a place of local heritage significance by Hornsby Shire Council.

Mr Angelo was instrumental in the cemetery achieving State Heritage listing. Due to his efforts, in 2006 the Old Mans Valley Cemetery was approved by the State Heritage Register to be an item of heritage significance to the people of New South Wales for its rarity as one of the few fully conserved family cemeteries in the State.

The cemetery contains many examples of late-nineteenth and early-twentieth-century monumental masonry and provides a record of the design and skills of that era, while the inscriptions and motifs recorded on the headstones there are good examples of the traditions for cemeteries and monuments during that period.

Much of what we know about the Old Mans Valley colonial-era history is due to Mr Angelo's devoted research into accounts of the Higgins family and other members of the settler community there.

Mr Angelo was a long-term volunteer at the Warada Ngurang Community Nursery in Britannia Street, Pennant Hills and was influential in having the dual name of the nursery – a combination of Darug and GuriNgai language words meaning 'Place of Waratah' - formally adopted as a policy of Council. He is remembered there for his love of nature and enjoyment of photography, as a keen gardener, and for being generous with the garden's produce.

We acknowledge Mr Angelo's valuable contribution to preserving the history of Old Mans Valley and convey our most heartfelt condolences to his family and his many friends.

**RECOMMENDATION**

THAT Council offers its sincere condolences to the family and friends of Edward David (Ted) Angelo, whose contribution to community was significant.

**ITEM 1**

The Honourable Cr PHILIP RUDDOCK

Mayor

**Attachments:**

There are no attachments for this report.

File Reference: F2004/05878

Document Number: D08380784

## **2 COUNCILLOR REPRESENTATION ON EXTERNAL AND INTERNAL COMMITTEES**

---

### **EXECUTIVE SUMMARY**

- The establishment of the new Council allows for the review of membership of external committees and consideration of what internal committees will be appropriate for this term of Council.
- A proposed approach to the establishment of future advisory groups is outlined in this Report, this approach involves the transition from ongoing advisory committees, established by the previous Councils, to strategically focused advisory groups. The criteria for new Council advisory groups and an indicative timeframe for their establishment is to be proposed at an informal workshop in May.
- This Report provides the opportunity for Council to review Councillor representation on external committees, and two internal committees - Hornsby Aboriginal & Torres Strait Islander Consultative Committee, and the Hornsby Shire Heritage Advisory Committee.
- To align with the next local government election (September 2024) the period of Councillor appointment on external and internal committees is suggested to be April 2022 to September 2022. This will allow subsequent Councillor committee appointments to be for 12 months

### **RECOMMENDATION**

#### **THAT:**

1. Council review the list of External Committees included in Attachment 1 to General Manager's Report No. GM9/22 and determine Councillor representation as appropriate for the period April 2022 to September 2022.
2. Council determine Councillor representation (maximum 6) on the Hornsby Aboriginal & Torres Strait Island Consultative Committee.
3. Council determine Councillor representation (maximum 4) on the Hornsby Shire Heritage Advisory Committee.
4. Advertise for expressions of interest for community representatives to become members of the Hornsby Aboriginal & Torres Strait Islander Consultative Committee, and the Hornsby Shire Heritage Advisory Committee for this term of Council.
5. Undertake a further informal workshop to develop criteria for new Council advisory groups and an indicative timeframe for their establishment.

## PURPOSE

The purpose of this Report is to:

1. Propose a way forward for further Council consideration on the identification of future Council advisory groups. Extensive strategic planning was completed over the previous term of Council, providing a solid vision and roadmap to deliver on the community's future priorities. The revised Community Strategic Plan will once again be asking the community for its future priorities for Hornsby Shire. These priorities will inform the development of Council's draft 4-year Delivery Program and 1-year Operational Plan, providing a clear indication of future strategic projects. It is proposed that some of these strategic projects would benefit from the establishment of an advisory group to inform Council on key community / stakeholder perspectives.
2. Progress the re-establishment of the Hornsby Aboriginal & Torres Strait Islander Consultative Committee, and the Hornsby Shire Heritage Advisory Committee, through the identification of Councillor representation, and the calling of expressions of interest for community representatives.
3. Provide the opportunity for Council to review Councillor representation on external committees.

## BACKGROUND

Council has traditionally involved the community in its decision making through a variety of means. In July 2021 Council adopted its Community Engagement Policy and Plan, to guide resources and efforts in supporting an open, transparent decision-making approach, that directly considers the views of those who are interested, and those who are impacted by Council decisions.

In support of this approach previous Councils have maintained a number of long-standing community committees. These relatively informal committees provided input into Council activities. Additionally, Council either convenes or is a member of other external committees, working parties and other relevant groups.

Councillor representation on all committees expired at the local government election held on 4 December 2021. At this time, Council wrote to community members on its informal committees thanking them for their valuable contribution and advised that the new Council will be reviewing and determining the structure and focus of future informal committees.

## DISCUSSION

### Internal Committees

The establishment of the new Council allows for the review of membership of committees and consideration of what internal advisory committees will be appropriate for this term of Council. Council has clearly outlined its commitment in its Community Engagement Policy and Plan to build open, transparent, and active relationships with the community. As a consequence, community and stakeholder engagement has been integrated into numerous organisational activities. It is expected that this approach will continue to grow, refine, and mature over time.

It could therefore be concluded to a certain extent that other forms of community and stakeholder engagement have overtaken the need for Council informal committees. However, Council committees, still offer an opportunity to further develop constructive relationships with the community and stakeholders; promote an understanding of a range of perspectives; provide a forum for constructively resolving issues and facilitate an effective information channel.

For this to be achieved, a Council advisory committee should have a clear sense of purpose, it should be structured to facilitate participant capacity building and group development and provide an opportunity for participants to work together to achieve a defined outcome.

It should be noted however, that informal committees cannot substitute for broader public involvement and therefore should be identified as one of a range of engagement tools to provide Council with relevant information/advice to assist with decision making. Parallel community engagement processes are necessary to provide an opportunity for the broader public to participate in decisions to be made on specific issues.

Council has undertaken extensive strategic planning to provide a solid vision and roadmap to deliver on the community's and stakeholders future priorities. These strategies have included community, stakeholder, and Council internal committee's input. Adopted strategies include the Play Plan; Walking and Cycling Strategy; Dog Off Leash Strategy; Local Strategic Planning Statement; Community and Cultural Facilities Strategy; Comprehensive Heritage Study; Sustainable Hornsby 2040; Biodiversity Conservation Strategy; Climate Wise Hornsby Plan; Urban Forest Strategy; Water Sensitive Hornsby Strategy; Waste Matters Strategy; Economic Development and Tourism Strategy; Employment Land Use Study; Rural Lands Study and Car Parking Management Study.

Outlined within these strategic plans/studies are numerous priority actions, some of these are operational in nature, but some require further strategic studies. Therefore, it is proposed that when Council is developing the Community Engagement Framework for key strategic projects that amongst other engagement tools, consideration be given to the establishment of a dedicated Council advisory group. Council advisory groups would be project specific, i.e., not ongoing, involving various community/stakeholder members with differing skills and diverse perspectives. Their establishment would coincide with the development of the key strategic project Engagement Framework, and wind-up at the completion of the strategic project. For example, a Council advisory group may be established for the development of an Active Transport Plan, expressions of interest may be called from different user ability groups i.e., restricted/limited, social, active, leisure to provide input into the draft Active Transport Plan, and at the adoption of the Active Transport Plan by Council the advisory group would cease.

Table 1 below, outlines a suggested way forward for the active internal committees that were established by the previous Council. It is recommended that this proposed approach, which requires a transition from ongoing Council advisory committees (though not in all cases) towards strategically focused advisory groups, which have a clear scope, deliverable outcome, and limited duration be further explored with Councillors at a future informal workshop in May 2022.

**TABLE 1: Suggested Way Forward**

Previous Council Active Internal Committees	Suggested Way Forward
Bushland Management Advisory Committee	Transition to a Natural Areas Advisory Group – incorporating Natural Areas Recreational Strategy and key sustainability actions where the community can support the development of strategic responses to issues and threats
Environmental Sustainability Advisory Committee	Transition to project focussed advisory groups – the development of the Active Transport Plan,

	community resilience
Hornsby Aboriginal & Torres Strait Islander Consultative Committee	Continue to provide a consultative / advisory function
Hornsby Shire Heritage Advisory Committee	Continue to provide a consultative / advisory function
Catchments Remediation Rate (CRR) Expenditure Review Committee	The Committee to cease, with a yearly report on CRR expenditure provided to Council's newly formed Audit, Risk & Improvement Committee (ARIC). Program prioritisation would be included where appropriate through a Natural Areas Advisory Group
Hornsby Art Prize Project	Transition to an Art and Culture Advisory Group– to assist with amongst other matters the development of an Arts and Culture Strategy
Lower Hawkesbury Coastal Management Committee	Continue to provide a consultative / advisory function, with revised Terms of Reference to address the development of the Coastal Management Plan

**ITEM 2**

As identified above, some Council Committees are proposed to continue to provide a focused consultative / advisory function, namely the Hornsby Aboriginal & Torres Strait Islander Consultative Committee and Hornsby Shire Heritage Advisory Committee.

The Hornsby Aboriginal & Torres Strait Islander Consultative Committee provides a vital link between Hornsby Shire Council and the Aboriginal and Torres Strait Islander peoples in the Hornsby local government area. The Committee provides ongoing advice, input and feedback in Council's business and affairs relating to Aboriginal and Torres Strait Islander people and works to promote an increased knowledge and understanding of Aboriginal and Torres Strait Islander culture and society in the wider community. This report recommends its re-establishment for the current term of Council.

In the previous term of Council, the Hornsby Shire Heritage Advisory Committee has been focused on the overview of the Comprehensive Heritage Study. The Committee has been valuable in providing diverse perspectives and advise on the development and oversight of this ongoing Study. It is recommended that this Committee be re-established with a focus on the Comprehensive Heritage Study, and the Committees' Terms of Reference be reviewed when the Comprehensive Heritage Study has been completed.

A further Council report will be prepared following the proposed informal workshop to explore the criteria for establishing strategically focused advisory groups, and the indicative timeframe for their establishment. In the interim letters have been written to all members of previous Council committees to provide an update on the re-establishment of the Hornsby Aboriginal & Torres Strait Islander Consultative Committee and Hornsby Shire Heritage Advisory Committee, and the proposal for the establishment of new advisory groups, as well as the listing of this report on the agenda for the April 2022 ordinary meeting of Council.



### **External Committees**

Council either convenes or is a member of other external committees, often this representation is a statutory and / or constitutional requirement.

These committees include the following:

- Hornsby Ku-ring-gai Bush Fire Management Committee
- Hornsby Ku-ring-gai Rural Fire Service Liaison Committee
- Hornsby Shire Local Traffic Committee
- Northern Sydney Regional Organisation of Councils (NSROC)
- NSW Public Libraries Association

Council has already appointed Councillor delegates to NSROC, please refer Council Workshop Meeting, 23 February 2022, Director's Report No. CS14/22. It should also be noted that the previous Council had representatives on the Hornsby Ku-ring-gai Police & Community Youth Club. Council representation however is not included in the redefined Club Community Engagement Committee Terms of Reference.

To assist Council in determining Councillor representation on external committees, a table is provided in Attachment 1, the column titled "No. of Councillors" details the number of Councillor representatives (including alternates) for each committee and a blank column has been left in respect to "Councillor Representation 2022". Also included for further information is a column describing the purpose of each committee.

### **BUDGET**

There are no budgetary implications associated with this Report, however staff and financial resources will need to be considered by Council in the establishment and management of any future advisory groups.

### **POLICY**

There are no policy implications associated with this Report.

### **CONCLUSION**

It is proposed that Council progress a two-stage approach to the formation and membership of committees.

Stage one will allow Council to determine Councillor representation on external and or formal committees, the Hornsby Aboriginal & Torres Strait Islander Consultative Committee, and the Hornsby Shire Heritage Advisory Committee for the period April 2022 to September 2022. This will also include the calling for Expressions of Interest for community membership on the Hornsby Aboriginal & Torres Strait Islander Consultative Committee, and the Hornsby Shire Heritage Advisory Committee.

To align with the next local government election (September 2024) the period of Councillor appointment is suggested to be April 2022 to September 2022. This will allow subsequent Councillor committee appointments to be for 12 months.


While stage two will allow Council to further explore at a future Councillor informal workshop the proposed transition from ongoing advisory committees to strategically focused advisory groups.

**RESPONSIBLE OFFICER**

The officer responsible for the preparation of this Report is the Acting Manager Strategy and Place – Julie Ryland - who can be contacted on 9847 6773.

STEVEN HEAD  
General Manager  
Office of the General Manager

**Attachments:**

1.  Internal and External Committees

File Reference: F2004/07056

Document Number: D08349663

**3 DRAFT 2022-2026 DELIVERY PROGRAM INCLUDING THE OPERATIONAL PLAN, BUDGET AND FEES AND CHARGES 2022/23 - ADOPTION FOR PUBLIC EXHIBITION**

---

**EXECUTIVE SUMMARY**

- A draft 2022-2026 Delivery Program including the Operational Plan 2022/23 has been developed and includes budget information, the rates proposed to be charged to ratepayers and the fees to be charged for the domestic waste service. Other fees and charges proposed for 2022/23 are included in a separate document.
- The draft documents are predicated on Council maintaining current levels of service in 2022/23 as well as capital expenditure of \$66 million. Also included are 176 key initiatives in total, which includes 113 actions identified through the adoption of strategy and technical documents. While the forecasted budget surplus for 2022/23 has been set at \$1.8 million, further consideration will be required in respect to a range of budget challenges that may erode this surplus.
- The Minister for Local Government, in response to financial sustainability concerns raised by the Local Government sector from the 0.7% rate peg, has announced a one-off opportunity for Council's to apply for an additional special variation to increase the rate base to the percentage increase forecast in Council's adopted LTFP.
- Having regard to the multitude of budgetary issues for Council outlined in this Report for the 2022/23 financial year and beyond; taking into account medium to long term financial sustainability issues discussed in Council's Long Term Financial Plan; and having regard to the Guidelines recently released by the Independent Pricing and Regulatory Tribunal; it is considered to be fiscally responsible for Council to apply for the additional special rate variation which the NSW Government has announced is currently available for 2022/23 and beyond..

**RECOMMENDATION**

THAT:

1. Council adopt for public exhibition the draft 2022-2026 Delivery Program and Operational Plan 2022/23 which includes the draft Budget, Fees and Charges and Rating Structure for 2022/23 and make available for public comment from 14 April to 16 May 2022.
2. Council note the rating information contained in the draft 2022-2026 Delivery Program and Operational Plan 2022/26 aligns with the Independent Pricing and Regulatory Tribunal's (IPART's) rate increase approval for NSW councils (i.e. a 0.7% rate increase for 2022/23).
3. In line with recently published IPART Guidelines, Council apply for a permanent Additional Special Variation (ASV) to General Income (i.e. from 0.7% to 2.28% for 2022/23) on the following basis:
  - a) The additional general income to be received by Council for the 2022/23 financial year as a result of such an ASV would be \$1.1 million.
  - b) The additional income is required to ensure the financial sustainability of Council's services and projects as detailed in General Manager's Report No. GM13/22 and Council's Long Term Financial Plan.
  - c) Council has considered the impact of an ASV on ratepayers and the community in 2022/23 and future years and considers such impact to be reasonable in the circumstances.
4. Following public exhibition, and before 30 June 2022, a report be prepared which outlines any submissions received and recommends the adoption of the 2022-2026 Delivery Program and Operational Plan 2022/23, including Budget, Fees and Charges and Rating Structure which takes into account IPART's decision in respect of Council's ASV application.

## PURPOSE

The purpose of this Report is to present to Council for adoption the draft 2022-2026 Delivery Program and Operational Plan 2022/23 (incorporating the Budget, Fees and Charges and Rating Structure for 2022/23), such that the draft documents can be publicly exhibited from Thursday 14 April to Monday 16 May prior to being reconsidered for final adoption by Council in June 2022.

## BACKGROUND

By 30 June in the year following local government elections, all councils are required to develop a ten-year Community Strategic Plan (CSP), a four-year Delivery Program and a one-year Operational Plan, as well as a Resourcing Strategy aligned to an integrated planning and reporting framework mandated by the Office of Local Government. The framework requires that the community is engaged to identify the main priorities and aspirations for the future of the area and the key issues and challenges facing the Shire so they can have deliberative input into how Council, other government agencies and the community themselves will respond to those issues and challenges. The planning process should also consider the level of resources that will realistically be available to achieve the community's aspirations and priorities. Council's draft Community Strategic Plan, *Your vision | Your future 2032*, was on public exhibition from 10 March to 11 April 2022 (GM8/22 – 9 March 2022).

## DISCUSSION

### **Draft 2022-2026 Delivery Program including the Operational Plan 2022/23 (Attachment 1)**

The draft 2022-2026 Delivery Program, Council's response to the draft Community Strategic Plan, *Your vision | Your future 2032* and its commitment to the community for its term of office, outlines Council's plan of action to address the community's long-term goals. It outlines the principal activities to be undertaken, which in this new Delivery Program are known as Focus Areas – broad groupings that cover Council operations. The 16 Focus Areas are aligned to the Strategic Directions and Goals in *Your vision | Your future 2032* and bring together a four-year program of Key Initiatives, Ongoing Activities and Capital Projects which will be reviewed yearly against the annual budget.

The draft Operational Plan for 2022/23 is encapsulated within the Delivery Program. As well as outlining the Key Initiatives, Ongoing Activities and Capital Projects that will be undertaken during 2022/23, it includes Council's detailed annual budget and Statement of Revenue Policy which includes the proposed rates, fees and charges.

Council has undertaken significant community engagement over the three-year period 2018-2021 which involved over 15,000 stakeholders across a wide range of demographics. Much of the engagement was to gain community feedback to allow Council to develop strategies and technical documents for the long-term future of the Shire. Information about what is important to the community has also been gathered and analysed through the Community Strategic Plan Review online survey (October 2021), a Community Satisfaction telephone survey (April 2021), three Asset Management workshops (November 2020) and a Quality of Life and Asset Management telephone survey (March 2020). These consultation activities alone involved 3,072 participants or respondents.

Key initiatives outlined in the draft 2022-2026 Delivery Program including the Operational Plan 2022/23 are in response to the findings and priorities voiced by the community. Across the four Themes of Liveable, Sustainable, Productive and Collaborative there are 176 Key Initiatives, 113 of which are actions identified through the adoption of strategies and technical documents. These Key Initiatives include:

### LIVEABLE

- Hornsby Park redevelopment
- Development of Westleigh Park
- Develop an Arts and Cultural Plan
- Develop a Social Plan for the Shire
- Develop design brief for a new regional central Hornsby Library and Multipurpose Community Centre
- Prepare a site master plan for an expanded Pennant Hills Library and Community Centre
- Undertake feasibility analysis for preferred location for proposed new Cherrybrook Library and Community Centre
- Galston Aquatic Centre – complete the roof replacement and associated works
- Implement paid parking at Wisemans Ferry Boat Ramp
- Prepare a Heritage Interpretation Strategy

#### SUSTAINABLE

- Incorporate carbon zero processes into the design, development and ongoing use of town centres (i.e., Hornsby Town Centre), e.g. building materials, waste generation and disposal, energy production on scale
- Prepare a vulnerability assessment to determine future impact of climate change on biodiversity values
- Establish a Waste Volunteer Program
- Develop species planting guidelines – Identify species for private landscaping with consideration for public/private habitat and amenity linkages, locational characteristics, tree growth and canopy spread and maintenance

#### PRODUCTIVE

- Hornsby Town Centre review
- Public Domain - Review and adopt Galston Village concept design following community engagement
- Develop a Destination Management Plan for rural and river communities with industry partners
- Finalise Brooklyn Place Plan
- Establish night time economy strategy in Hornsby

#### COLLABORATIVE

- Review organisational structure
- Develop a Digital Strategy, outlining how Council will use technology to transform the digital customer experience and become 'digital on the inside'
- Undertake community education on emission reduction and uptake of solar
- Prepare a Natural Areas Recreational Strategy

- Assess the financial position on Council owned commercial holdings and implement outcomes
- Establish and embed an Application and Data Governance Program

Research undertaken in 2020 found that 96% of residents believe they have a good to excellent quality of life. In essence, Hornsby Shire is a community that has high expectations for the quality of life and services enjoyed by residents, businesses and visitors. These expectations can best be met by Council if it continues to provide services at the levels provided in the past, including a strong focus on capital projects.

There are currently four large scale projects underway which will transform the Hornsby CBD, the economy, sporting and recreation facilities and quality of life for residents of our area. These projects are:

- Hornsby Park redevelopment – with \$21.9 million allocated for 2022/23
- Westleigh Park redevelopment – with \$1.7 million allocated for 2022/23
- Public Domain, Asquith to Mount Colah – with \$3.5 million allocated for 2022/23
- Hornsby Town Centre Review – to meet the future housing and employment needs of Hornsby Town Centre

In total, there are \$66 million worth of capital projects proposed in the Operational Plan 2022/23, of which \$38.5 million is funded by grants and \$14.8 million is funded by section 7.11 / section 7.12 development contributions. As well as the four transformational projects mentioned above, other capital projects proposed for 2022/23 include:

- Local road improvements worth more than \$3.8 million
- \$18.3 million to improve various parks and sporting facilities including Mark Taylor Oval, Waitara; Brooklyn Foreshore; Edward Bennett Park, Cherrybrook; Ruddock Park, Westleigh; Brickpit Park, Thornleigh
- Over \$600,000 on bushland recreational improvements, including walking track upgrades to the Great North Walk at Thornleigh Oval; Rofe Park Bushland, Hornsby; Berowra Waters and Pyes Creek, Dural
- Over \$1 million on Catchment Remediation Rate projects including installation of a gross pollutant trap at Albert and Waters Streets, Hornsby and biofiltration basins at Erlestoke Park, Castle Hill and Edward Bennett Park, Cherrybrook

### **The draft 2022/23 Budget**

Council staff commenced the preparation of the draft 2022/23 Budget in December 2021. To minimise some of the financial constraints and considerations impacting local government generally and Council specifically, and to avoid excessive bids for funding which could not be met, the draft 2022/23 budget parameters included:

- Alignment with the parameters and projects identified in the Long-Term Financial Plan (LTFP) adopted by Council at the 13 March 2019 General Meeting. Further revisions of this LTFP have been endorsed by Councillors at various briefing workshops held during November 2020, February 2021, and March 2022. These briefing workshops were held to advise Councillors of revisions required to the LTFP due to changed economic conditions impacting

- Council's financial position, reaffirm priorities, provide updated asset management requirements and to plan for any necessary budget adjustments in future annual budgets.
- The adopted LTFP underpins the development of the Operational Plan each year and is the minimum needed to maintain service delivery. It is artificially set lower to reflect IPART's usual approach, not specifically set to deliver the full suite of community expectations. Given the critical need to maintain Council's financial position any other course of action would have been inappropriate.
  - Subsequent revenue declines over the last three years (predominantly due to COVID) and the IPART determined maximum rate pegs restricting our capacity to deliver projects and initiatives that meet community expectations has resulted in a number of projects and initiatives have had to be postponed or cancelled.
  - The main LTFP projects for inclusion in the annual 2022/23 budget include: Asquith to Mount Colah public domain of \$3.5 million (part allocation) funded from development contributions, Footpath budget of \$500K and Heritage Planning Study of \$425K funded from general funds and major project budget allocations for 2022/23 (part allocations) of Hornsby Park Redevelopment at \$21.9 million, Westleigh Park Redevelopment at \$1.7 million and Mark Taylor Redevelopment of \$4.5 million funded from external grants from the NSW State Government.
  - A general rate peg increase of 0.7% for 2022/23 – i.e., the allowable percentage approved by the IPART that a Council can increase its rate revenue. The rate peg has increased the base amount of Council's general income from rates by \$500K, which is less than Council's forecast labour cost increase for the 2022/23 financial year let alone other non-labour related expenses. It is noted that this general rate peg increase issued by the IPART for 2022/23 is significantly below the 10-year historical average that was determined in the LTFP at 2.28%.
  - Zero external loan borrowing and the continuation of prudent financial management.
  - A nil increase to Divisional expenditure (net of direct labour) for material and contract expenditure – this is despite substantial price increases, particularly for construction materials. Any increase has been required to be offset by productivity improvements or reviewing service provision.
  - Direct salaries and wages to include provision for the Local Government (State) Award increase of 2% calculated on 50 pay weeks. The two-week reduction from a full year represents organisational savings which occur as a result of the average delay in replacing staff members who retire/resign/etc. and/or productivity improvements that are required.
  - The use of Council staff where possible to undertake grant funded projects and Section 7.11 and 7.12 Development Contributions projects.
  - An increase in superannuation from 10% to 10.5% in line with statutory requirements which is estimated at \$300K.
  - Allowable insurance premium increase ranging from 9% to 15% based on quotes received.
  - Following discussions with Councillors during an informal workshop in March 2022 a project to develop a master plan for Beecroft Village Green was included for 2022/23. The aim of the Masterplan is to provide a vision for the Village Green, assess existing trees (and planned replacements), illustrate an appropriate renewal of the play space, public toilets and consider



suggestions from the community. The masterplan is expected to cost \$30K which is proposed to be funded from the internally restricted asset referred to as 179 Beecroft Road.

The draft 2022/23 budgeted cash surplus after applying the parameters above and priorities identified in the revised LTFP is \$1.8 million. Whilst this forecasted surplus is a satisfactory amount for Council to respond to budget shocks (such as storm events, infrastructure failure and/or capital projects increases) that may occur over the financial year, there are several significant challenges that may place pressure on this surplus. Some of these challenges are not fully known at the time of writing this report and are explained below in more detail.

#### Budget Challenges

- Revised Asset Management Plans have been determined on current service levels provided to the community for each of Council's major asset classes being Roads, Drainage, Buildings and Open Space. An external independent assessment was undertaken in determining the condition of the assets and the resulting ten-year forecast requirements for maintenance and renewal expenditure compared to existing budgets. Based on this latest assessment it indicates that there is an average funding gap of \$3 million per year over the next ten years. This asset management funding gap has not been included in the draft 2022/23 forecast surplus which is insufficient to address this requirement. This matter will be considered by Councillors during an upcoming informal workshop on Council's Revised LTFP in April 2022 including discussion around meeting critical infrastructure requirements.
- The Independent Pricing and Regulatory Tribunal (IPART) have released a draft report into the review of Domestic Waste Management services particularly in respect to pricing and expenses included in this service. The consequence of these potential changes, if approved, may result in a significant financial impost on Council's budget estimated at \$2.3 million. The current forecasted 2022/23 surplus does not have the capacity to fund these proposed changes. This issue is subject to a separate report at this General Meeting of 13 April 2022 as noted in Director's Report CE6/22 – IPART Domestic Waste Management Charge Review.
- Capital projects detailed in the Operational Plan 2022/23 total \$66 million and are largely funded from external grants and development contributions. There is a level of unavoidable financial risk from major capital expenditure budgets of this size and the use of general funds may be required if unexpected cost escalations occur that cannot be offset through project scope reductions or funded from external sources. Current external economic forecasts indicate that the cost of raw materials and contracts will increase in line with rising inflation this year, which will place pressure on these budgets. It is noted that due to supply chain issues being experienced in the construction sector has seen material costs rising by at least 15%.
- The Hornsby Shire Local Government Area has been impacted by multiple severe weather events that were declared Natural Disasters by the NSW State Government between 2018 and 2022. Each of these events typically costs Council several hundred thousand dollars in clean-up costs that are not always able to be recouped from the NSW State Government. A cost estimate to rectify damaged Council Infrastructure (i.e. roads) from the February 2022 floods is currently being prepared, which is expected to be larger in cost than the previous years' events, and which will require funding in the 2022/23 Annual Budget. The funding requirements from the most recent event as well as the possibility of further disasters in 2022/23 is a risk to the budget.

- Council's LTFP had forecast a rate peg of 2.28% for the 2022/23 Annual Budget that was based on the average 10-year historical rate peg. A 2.28% rate increase would have provided in total \$1.6 million in income from rates, which is \$1.1 million more than the increase provided by the 0.7% rate peg of \$500K in 2022/23. The significance of the 0.7% rate peg set by the IPART for the 2022/23 budget year will have an ongoing financial detriment estimated at \$11 million over the next 10 years exclusive of the compound effect of further rate peg increases. This has been reflected in the draft LTFP which will be considered by Council at its May 2022 General Meeting. It is noted that this most likely will result in budget deficits in 5 out of the 10 years in the LTFP exclusive of the asset management funding gap and IPART proposed Domestic Waste Service changes.

The identified budget challenges above demonstrate the need for prudent financial management over the 2020/23 financial year and the financial risk to the forecasted surplus from a natural disaster, changes to the Domestic Waste Management arrangements by the IPART, project cost escalation above planned increases and revised asset management plan requirements need to be addressed. A number of Councillor requests were unable to be funded due to the likelihood of some of the constraints stated above.

#### Additional Special Rate Variation

The Minister for Local Government in response to financial sustainability concerns raised by the Local Government sector from this historical low rate-peg has announced a one-off opportunity for the 2022/23 financial year. This opportunity is an additional special rate variation for 2022/23 which:

- Is the lower of 2.5% or what is in a Council's published LTFP (inclusive of the 0.7% rate peg)
- Can be applied to the 2022/23 rate base then reversed in 2023/24
- Can be applied to the 2022/23 rate base and remain as a permanent increase

Council as part of this process will have to be able to demonstrate financial need such that, in the absence of a special variation, Council would not have sufficient funds to meet its obligations as identified in its LTFP as and when they fall due in 2022-23 and beyond if seeking a permanent retention to its rate base. The challenges section above clearly demonstrates this financial need and the fact that over the next 10 years in the LTFP it has been estimated that Council will be in deficit 50% of the time. It is noted that this is before considering the financial impact of asset management plan requirements and IPART changes to the Domestic Waste Management service on the operating budget result.

Given the financial deterioration in Council's financial capacity from the challenges identified above it would be fiscally responsible to apply for the additional special rate variation at 2.28% as listed in Council's published LTFP as a permanent increase. Applications are due to be submitted to the IPART by 29 April 2022 and should Council's application be successful the average residential rate will increase by \$19.64 from \$1,252.31 (inclusive of the 0.7% rate peg) to \$1,271.95 with a 2.28% total rate increase (also inclusive of the 0.7% rate peg).

#### **Fees and Charges**

The proposed Fees and Charges for 2022/23 (Attachment 2) have been reviewed and increased by the CPI or by an amount which has regard to market conditions and the appropriate cost recovery level. Opportunities to recover administrative and overhead costs in respect of business activities have also been investigated and implemented where appropriate. Where applicable, the final price

includes GST which does not contribute revenue to Council but is forwarded to the Federal Government.

For 2022/23, most fees and charges have been increased by a CPI forecast of 2.1%. In respect to the Domestic Waste Management charge, an average increase of 16% is required due to the need to fund forecast contractual cost increases for waste disposal and collection, to provide funding for remediation works of the former landfill site at Foxglove Oval and to implement initiatives within Council's Waste Strategy including increasing Council's resource recovery rate to meet targets set by the NSW Environment Protection Authority.

### **Rating Structure**

Council reviewed its rating structure at the April 2006 Ordinary Meeting when it considered Executive Manager's Report No. CC20/06. That structure has applied in respect of the calculation of the rates since that time and it is recommended that the same rating structure continue in 2022/23. Details of the rate types and yields, rating categories, base amounts, minimum rates for business properties, ad valorem amounts, and other statutory rating information are set out in the draft Operational Plan document.

The Valuer General supplied Council with new land values for properties across the Shire as at 1 July 2019. These values have been used for the 2022/23 financial year and will continue to be used for the 2022/23 financial year. Two sets of rating information have been disclosed within the Operational Plan to provide for the 0.7% increase approved by IPART for 2022/23 and for a 2.28% increase should Council make a successful application to the IPART for an additional rate variation. The base amount for ordinary, residential and farmland rates will increase from \$582 in 2021/22 to \$586 in 2022/23 if a 0.7% increase is applied. The base amounts will increase to \$595 in 2022/23 if a 2.28% increase is applied.

### **CONSULTATION**

The formal exhibition period for the draft 2022-2026 Delivery Program including the Operational Plan 2022/23 and draft Fees and Charges 2022/23, is scheduled from Thursday 14 April to Monday 16 May 2022. The methods of consultation proposed for exhibition are outlined in the Plan on a Page (Attachment 3). Comments received during the formal exhibition period will be considered and reported to Council prior to adoption of the final 2022-2026 Delivery Program including the Operational Plan 2022/23 and Fees and Charges 2022/23 in June 2022.

### **BUDGET**

Any budget implications have been included in the Discussion section of this Report.

### **POLICY**

The draft 2022-2026 Delivery Program including the Operational Plan 2022/23 is Council's principal instruction to the organisation and describes Council's commitment to the community during its term of office and beyond.

### **CONCLUSION**

The draft 2022-2026 Delivery Program including Operational Plan 2022/23 (including the Budget, Fees and Charges and Rating Structure) encompasses Council's prudent and financially viable response to the community's priorities and expected levels of service. Public exhibition of these documents provides an opportunity for the community to give feedback on any proposed initiative or activity over the next four years. That feedback will be considered by Council prior to final adoption of the suite of integrated planning and reporting documents in June 2022.




**RESPONSIBLE OFFICER**

The officers responsible for the preparation of this Report are the Chief Financial Officer – Duncan Chell and the Acting Manager, Strategy and Place Unit – Julie Ryland, who can be contacted on 9847 6822 and 9847 6773 respectively.

GLEN MAGUS  
Director - Corporate Support  
Corporate Support Division

STEVEN HEAD  
General Manager  
Office of the General Manager

**Attachments:**

1. Draft 2022-2026 Delivery Program including the Operational Plan, Budget and Fees and  
 Charges 2022/23 - Adoption for Public Exhibition
2. Draft Fees and Charges 2022/23  

3. Plan on a Page - Methods of Consultation  


File Reference: F2022/00059

Document Number: D08369542

**4 INVESTMENTS AND BORROWINGS FOR 2021/2022 - STATUS FOR PERIOD ENDING 28 FEBRUARY 2022**

---

**EXECUTIVE SUMMARY**

- This Report provides details of Council's investment performance for the period ending 28 February 2022 as well as the extent of its borrowings at the end of the same period.
- Council invests funds that are not, for the time being, required for any other purpose. The investments must be made in accordance with relevant legislative requirements and Council's policies and the Chief Financial Officer must report monthly to Council on the details of funds invested.
- All of Council's investments have been made in accordance with the requirements of the Local Government Act, the Local Government (General) Regulation and Council's Investment of Surplus Funds Policy and Investment Strategy.
- In respect of Council's cash and term deposit investments, the portfolio achieved a negative annualised return for February 2022 of -1.07% which includes a yield of -21.29% from TCorp Managed Funds. On a financial year to date basis the portfolio achieved an annualised return of 0.67% which includes a yield -0.66% from TCorp Managed Funds.

**RECOMMENDATION**

That the contents of Director's Report No. CS22/22 be received and noted.

**PURPOSE**

The purpose of this Report is to advise Council of funds invested in accordance with Section 625 of the Local Government Act; to provide details as required by Clause 212(1) of the Local Government (General) Regulation and Council's Investment of Surplus Funds Policy; and to advise on the extent of Council's current borrowings.

**BACKGROUND**

Legislation requires that a report be submitted for Council's consideration each month detailing Council's investments and borrowings and highlighting the monthly and year to date performance of the investments. Initial investments and reallocation of funds are made, where appropriate, after consultation with Council's financial investment adviser and fund managers.

**DISCUSSION**

Council invests funds which are not, for the time being, required for any other purpose. Such investment must be in accordance with relevant legislative requirements and Council Policies, and the Chief Financial Officer must report monthly to Council on the details of the funds invested.

Council's investment performance for the month ending 28 February 2022 is detailed in the attached document. In summary, the portfolio achieved a negative annualised return for February 2022 of -1.07%. On a financial year to date basis the portfolio achieved an annualised return of 0.67% which includes a yield of -0.66% from TCorp Managed Funds. In respect of Council borrowings, the interest rate payable on the outstanding loan taken out in June 2013 (the last time that Council borrowed), based on the principal balances outstanding, is 5.89%. The Borrowings Schedule as of 28 February 2022 is also attached for Council's information.

**BUDGET**

Budgeted investment income for the year is \$3,855,180 with an average budgeted monthly income of \$321,265. Net investment loss for the month ended 28 February 2022 was \$197,769 which includes an unrealised loss of -\$414,800 from TCorp Managed Funds.

Budgeted investment income year to date as of 28 February 2022 was \$2,570,120. Total investment income year to date as 28 February 2022 is \$1,750,405 which includes a year-to-date net loss of \$98,336 from TCorp Managed Funds.

Approximately 53% of the investment income received by Council relates to externally restricted funds (e.g. Stronger Communities Grant funding and Section 7.11 and Section 7.12 development contribution funds) and is required to be allocated to those funds. All investments have been made in accordance with the Local Government Act, the Local Government (General) Regulation and Council's Investment of Surplus Funds Policy and Investment Strategy.

The returns from TCorp Managed Funds are presently experiencing significant market volatility due to uncertainty over the COVID-19 Pandemic on economic conditions. It is noted that this product has a 7-year investment horizon and will, therefore, reflect marked to market valuations monthly. Advice provided by Council's independent investment advisor, Prudential Investment Services, is to hold this investment for the 7-year timeframe originally planned. This is due to the anticipated net positive performance returns that will be gained over the long term for this investment.

**CONCLUSION**

The investment of Council funds and the extent of its borrowings as of 28 February 2022 is detailed in the documents attached to this Report. Council's consideration of the Report and its attachments

ensures that the relevant legislative requirements and Council protocols have been met in respect of those investments and borrowings.



**RESPONSIBLE OFFICER**

The officer responsible for the preparation of this Report is the Chief Financial Officer – Duncan Chell - who can be contacted on 9847 6822.

DUNCAN CHELL  
Chief Financial Officer  
Corporate Support Division

GLEN MAGUS  
Director - Corporate Support  
Corporate Support Division

**Attachments:**

1.  HSC Investment Summary Report February 2022
2.  HSC Borrowings Schedule February 2022

File Reference: F2004/06987-02  
Document Number: D08360416

**5 PECUNIARY INTEREST AND OTHER MATTERS RETURNS - DISCLOSURES BY COUNCILLORS AND DESIGNATED PERSONS**

---

**EXECUTIVE SUMMARY**

- Section 440AAB (1) of the Local Government Act (the Act) advises of the requirement for lodgement of Written Returns of Interest in accordance with a council's Code of Conduct.
- Clauses 4.18 - 4.24 of Council's Code of Conduct for Staff provides details in respect of the lodgement of these Returns by Designated Persons.
- Clauses 4.9 - 4.15 of Council's Code of Conduct for Councillors provides details in respect of the lodgement of these Returns by Councillors.
- Section 440AAB (2) of the Act requires that Returns lodged under Section 440AAB (1) are to be tabled at the next available Council meeting.
- In line with Section 440AAB (2) of the Act and the relevant Clauses of Council's Code of Conduct for Staff and Code of Conduct for Councillors this Report seeks to table the Return/s recently lodged with the General Manager.

**RECOMMENDATION**

THAT Council note the Written Returns of Interest recently lodged with the General Manager have been tabled as required by the Local Government Act.



## PURPOSE

The purpose of this Report is to table the Written Returns of Interests submitted by Councillors who have been elected to Council following the 2021 Local Government Elections.

## BACKGROUND

Section 440AAB (1) of the Act advises of the requirement for lodgement of Written Returns of Interest under a Code of Conduct. Relevantly, Clauses 4.18 - 4.24 of Council's Code of Conduct for Staff and Clauses 4.9 – 4.15 of Council's Code of Conduct for Councillors outline these requirements.

(NB: The requirements are the same for Designated Staff as they are for Councillors however, as Council has a separate Code of Conduct for Staff and Code of Conduct for Councillors, the relevant Clause references vary. For ease of interpretation in this Report, reference has been made to Designated Persons and specific clauses in only the Code of Conduct for Staff, noting that the same requirements apply to the corresponding Clauses in the Code of Conduct for Councillors.).

Clause 4.18 a) of Council's Code of Conduct for Staff requires a Designated Person to complete and lodge with the General Manager a Written Return of Interest within three months after becoming a Designated Person. Clause 4.18 b) requires a Designated Person holding that position at 30 June in any year to complete and lodge with the General Manager a Return within three months after that date. Clause 4.18 c) of Council's Code of Conduct for Staff requires a Designated Person to complete and lodge with the General Manager a Written Return of Interest within three months of the designated person becoming aware of an interest they are required to disclose under schedule 1 that has not been previously disclosed in a return lodged under paragraphs a) or b).

Section 440AAB (2) of the Act requires that Returns lodged under Section 440AAB (1) are to be tabled at a meeting of Council. Clause 4.22 of the Code requires that Returns lodged under Clause 4.18 a) and 4.18 b) of the Code are to be tabled at the first meeting held after the last day for lodgement under those Clauses. Clause 4.23 of the Code requires that Returns lodged under Clause 4.18 c) are to be tabled at the first meeting after their lodgement.

Council's procedures in respect of the disclosing of interests have been developed to cater for the election/appointment/employment/retirement/resignation/etc of Councillors or Designated Persons. These procedures:

- Require all Councillors and Designated Persons who hold that position at 30 June in any year to submit Returns to the General Manager by 30 September in that year. These Returns are generally tabled at Council's October General Meeting for that year.
- Require newly elected Councillors or newly appointed Designated Persons to lodge Returns to the General Manager within three months of their election/appointment. These Returns are tabled at the next available General Meeting of Council.
- Require those Councillors or Designated Persons who are leaving Council (because of retirement, resignation, etc) to lodge Returns to the General Manager by their last day with Council. These Returns are tabled at the next available General Meeting of Council.

## DISCUSSION

### Returns Lodged in Accordance with Council's Code of Conduct for Staff, Code of Conduct for Councillors, and Procedures

In respect of Clause 4.18 a) of Council's Code of Conduct - a Designated Person to complete and lodge with the General Manager a Written Return of Interest within three months after becoming a

Designated Person. The 2021 local Government Election results were declared on the 23 December 2021 resulting in five new Councillors being elected to Council. All five newly elected Councillors (Councillors; Ball, Greenwood, McClelland, Pillamarri and Salitra) have now lodged their Written Return of Interest with the General Manager.

In respect of Clause 4.18 b) of Council's Code of Conduct – a Designated Person holding that position at 30 June in any year – and Clause 4.18 c) – lodgement of a Return after becoming aware of an interest not previously disclosed – no Returns are to be tabled in this regard.

All Pecuniary Interest and Other Matters Returns in respect of the above requirement have been lodged with the General Manager are now tabled as required by the Local Government Act.

#### **BUDGET**

There are no budgetary implications associated with this Report.

#### **POLICY**

There are no policy implications associated with this Report.

#### **CONCLUSION**

Council's consideration of this Report satisfies the requirements of the Act regarding the lodgement of Written Returns of Interest in accordance with its Codes of Conduct.

#### **RESPONSIBLE OFFICER**

The officer responsible for the preparation of this Report is the Acting Manager, Governance and Customer Service – Stephen Colburt, who can be contacted on 9847 6761.

STEPHEN COLBURT  
Manager - Governance and Customer Service  
Corporate Support Division

GLEN MAGUS  
Director - Corporate Support  
Corporate Support Division

#### **Attachments:**

There are no attachments for this report.

File Reference: F2021/00034  
Document Number: D08369822

**6 DRAFT DUAL NAMING AND/OR RENAMING OF COUNCIL FACILITIES POLICY**

---

**EXECUTIVE SUMMARY**

- The draft Dual Naming and/or Renaming of Council Facilities Policy articulates how Council will consider dual naming and/or renaming requests. In summary, upon receipt of such requests Council will seek the advice of local Traditional Owners and the Hornsby Aboriginal and Torres Strait Islander Consultative Committee (HATSICC) before determining a position regarding the request.
- The draft Policy was endorsed for public exhibition by Council at its 11 August 2021 meeting and placed on exhibition from 23 August till 24 September 2021.
- A total of four submissions were received from the community during the public exhibition process. All submissions supported the draft Policy.
- Following analysis of the submissions no amendments are recommended to the policy.
- It is recommended that Council adopt the Dual Naming and/or Renaming of Council Facilities Policy attached to Directors Report No. CE4/22.

**RECOMMENDATION**

THAT Council adopt the draft Dual Naming and/or Renaming of Council Facilities Policy attached to Director's Report No. CE4/22.

## PURPOSE

The purpose of this Report is to provide Council with a summary of the community feedback received in respect of the draft Dual Naming and/or Renaming of Council Facilities Policy and to seek the adoption of the plan.

## BACKGROUND

At the August 2021 General Meeting, Council considered Director's Report No. CE19/21 and resolved that:

1. *Council adopt the draft 'Dual Naming and/or Renaming of Council Facilities Policy for the purposes of public exhibition.'*

The Plan was placed on exhibition from 23 August 2021 to 24 September 2021. During the exhibition period 4 submissions were received.

This report considers the feedback received during the exhibition period and makes no recommendations in respect to changes to the draft policy.

## DISCUSSION

Hornsby Shire Council acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners of the land, and specifically the Darug and GuriNgai peoples as the Traditional Owners of this place we now call Hornsby Shire.

Following Council's consideration of Notice of Motion 14/20 regarding Dual Naming of Existing Council Sites, Council officers worked with the Hornsby Aboriginal and Torres Strait Islander Consultative Committee (HATSICC) to develop a draft Dual Naming and/or Renaming Policy (the draft Policy).

When considering a naming/dual naming request, the draft Policy gives consideration, but not exclusively, to a name or word, from the Darug or GuriNgai Language Groups that recognises or describes:

- The historic flora or fauna of the area.
- A generic term for a geographical feature or landmark, an event, gesture or occupation of historical or contemporary relevance to place.
- A name that recognises an Aboriginal, or historic community event or connection.

The draft Policy also sets the process that Council will follow in considering dual naming and/or renaming requests that are received in writing with supporting documentation.

In summary, upon receipt of such requests Council will seek the advice of local Traditional Owners and HATSICC before determining a position regarding the request.

The draft Policy outlines that Council will not consider names that:

- Have similar spelling or sound or are already in use within Hornsby Shire and within 5 km in a neighbouring LGA as this may pose a risk to public safety and service delivery by emergency services providers.
- Relate to localities, towns, districts and suburbs or constructed features such as roads, streets, highways or bridges etc as these are governed by other authorities such as the NSW Geographical Names Board.

- Relate to Council facilities that are deemed war memorials.

The policy will be reviewed as required and revised accordingly and be aligned to the latest update of the Geographical Names Board Policy - Place Naming.

The draft Policy was reported to the August 2021 General Meeting where it was endorsed for public exhibition.

The draft Policy was subsequently exhibited between 23 August 2021 to 24 September 2021 through the following channels:

- HATSIC Committee (Working Party or Advisory Group)
- Advertisement on Council's website – Have Your Say
- Online and written feedback / submissions
- Social Media (Facebook)
- Email – tile in eNews

At the conclusion of the exhibition period, Council had received four submissions, supportive of the draft Policy. Further detail (as appropriate) regarding the submissions are noted in the table below.

Submission	Comment
Fully support the draft Policy	Noted.
A request that when considering renaming proposals for existing and commonly accessed facilities, that Council keep in mind those with lower literacy levels – particularly where it relates to signage and wayfinding of renamed facilities.	Noted. It is considered that this principle can be dealt with at an operational level without the need to further amend the draft Policy.
Expressed general support for the draft Policy and would like to see a greater emphasis on renaming as opposed to dual naming.	Noted. The draft Policy provides Council with flexibility in this regard and would be guided by the views of Traditional Owners and HATSICC. This was evidenced by the recent renaming of the Pennant Hills Community Nursery to Warada Ngurang Community Nursery.
Support for the draft Policy and a suggestion that Council consider a dual name for the Council Chambers.	Noted. In line with the draft Policy it is proposed that this suggestion be referred to Traditional Owners and HATSICC.

## BUDGET

There are no budgetary implications associated with this Report.

## POLICY

This Report presents a Policy for Council's consideration, which if adopted would establish a policy position for Council regarding dual and/or renaming requests.

**CONCLUSION**

The draft Dual Naming and/or Renaming Policy was prepared with the support and assistance of local Traditional Owners and HATSICC and highlights Council's ongoing commitment to the acknowledgement of the Shire's Aboriginal Heritage, intrinsic connections, and continuing relationships to Country.

The draft Policy provides a framework where these links may be strengthened through dual naming and/or renaming of Council facilities.

Council publicly exhibited the draft Policy throughout August and September 2021 and a total of four public submissions were received. All submissions were supportive of the draft Policy.

It is recommended that Council adopt the Policy.

**RESPONSIBLE OFFICER**

The officer responsible for the preparation of this Report is the Acting Manager Community & Cultural Development – Neil Chippendale, who can be contacted on 9847 6523.

CHERYL ETHERIDGE  
Manager - Library and Community Services  
Community and Environment Division

STEPHEN FEDOROW  
Director - Community and Environment  
Community and Environment Division

**Attachments:**

1.  Draft Dual Naming and/or Renaming of Council Facilities Policy

File Reference: F2005/01147-002

Document Number: D08354625

## **7 DISABILITY INCLUSION ACTION PLAN (SOCIAL INCLUSION HORNSBY)**

---

### **EXECUTIVE SUMMARY**

- Council has a legislative requirement under the NSW Disability Inclusion Act 2014 to produce a Disability Inclusion Action Plan (DIAP) because it is seen that as the first tier of government, local Councils in NSW have a unique central role in supporting social inclusion.
- DIAP's are designed to outline how Council will make mainstream services and community facilities more accessible to people with a disability, helping to build a more inclusive community in the Shire across all areas enabling people living with disability and their carers to participate in community life.
- DIAP's are reviewed every four years to see how Council is progressing with its objectives and to establish whether there are any new objectives to be considered to support inclusion.
- The draft DIAP (Social Inclusion Hornsby) has been produced following extensive community consultation around four themes of developing positive community attitudes and behaviours, creating liveable communities, supporting access to meaningful employment, and improving access to mainstream services through systems and processes.
- This Report seeks Council's approval to place the draft DIAP (Social Inclusion Hornsby) on public exhibition for a period of 28 days.

### **RECOMMENDATION**

THAT:

1. The draft Disability Inclusion Action Plan (Social Inclusion Hornsby) attached to the Director's Report No. CE5/22 be placed on public exhibition for a period of 28 days.
2. Following exhibition, a report on submissions be presented to Council for its consideration.

## PURPOSE

The purpose of this Report is to seek Council's endorsement to place the draft Disability Inclusion Action Plan (Social Inclusion Hornsby) on public exhibition.

## BACKGROUND

The NSW Disability Inclusion Act 2014 requires key organisations in the State, including local government bodies, to produce a Disability Inclusion Action Plan. The aim of a DIAP is to make our community more inclusive for people with a disability.

Inclusion is defined as a situation whereby all people, irrespective of their disability status, can participate completely in all aspects of an activity, service, or location, in the same way as any other member of the community.

Within Hornsby Shire, 11.7% of people are living with a disability and 14,208 people provide unpaid assistance.

## DISCUSSION

In line with its requirements under the NSW Disability Inclusion Act 2014 and with the assistance of ARTD Consulting, Council has reviewed and produced a draft DIAP (Social Inclusion Hornsby) 2021-2015 (Attachment 1).

As part of the review process, Council consulted widely with the community during 2021, holding six public forums, a pop-up event, a public survey and a staff survey. Paper copies of the survey were available, and it was translated into Chinese and Korean languages. Electronic copies of the survey were distributed to community language, social and care organisations.

Council also established an Advisory Panel consisting of local people with disability, family and carers, local service providers, community groups and local health professionals to support the review, and preparation of the draft DIAP (Social Inclusion Hornsby).

### Public and Staff consultations

1439 responses were received through the public and staff surveys which have informed the development of the draft DIAP (Social Inclusion Hornsby).

Of the respondents 144 were living with a disability, 148 were family members or support workers and 33 submissions were received from disability support organisations.

The draft DIAP (Social Inclusion Hornsby) was promoted and consulted through:

- An online survey
- A paper survey available through Council facilities and delivered to aged care homes
- Contacting Council directly via phone or email.
- Local papers
- Social media
- Face to face consultations
- Online public consultation
- Council website
- Council's email list



Feedback from the survey showed that most respondents found Council facilities were “OK” except for council car parking, drop off and pick up areas, footpaths, and public toilets. Respondents highlighted that more work needs to be done in these areas.

As part of the process, ARTD reviewed the Disability Inclusion Action Plan, 2017 – 2020. Areas that were identified as priorities and still needed to be completed were included in the draft DIAP (Social Inclusion Hornsby).

The subsequent draft DIAP (Social Inclusion Hornsby) has been developed following the consultation and is structured around four areas:

These areas are:

1. Developing positive community attitudes and behaviours.
2. Creating liveable communities.
3. Supporting access to meaningful employment.
4. Improving access to mainstream services through better systems and processes.

Under these four themes and sub-themes, a number of high-level actions have been identified including:

### 1. Developing Positive Community Attitudes and Behaviours

Theme	Sub-Theme
Contribute to developing an inclusive community by promoting inclusion awareness and inclusive activities across Hornsby Shire.	Ensure inclusive communications are accessible.
	Deliver community education on appropriate language and respectful behaviours towards people with disability.
Create a workplace culture in Hornsby Shire Council that is aware of inclusion and has the skills to implement the improvements to inclusion suggested by people with disability.	Monitor and update the DIAP every 12 months.
	Increase staff training and awareness of disability.

### 2. Creating Liveable Communities

Theme	Sub-Theme
Provide and maintain accessible paths, kerb ramps, crossings and toilets to support independent travel across Hornsby Shire	Review and maintain footpaths so they are accessible and safe for all people.
	Increase and improve accessible parking spots, ensuring they are suitable and located close to venues.
	Work with transport organisations and state government to make transport infrastructure more accessible.
	Ensure all toilets due for refurbishment meet existing disability

Theme	Sub-Theme
	codes.
Improve the accessibility of buildings and public spaces across Hornsby Shire	Complete audits and upgrades so buildings and public spaces are accessible and safe for people with disability.
	Ensure parks and playgrounds are inclusive of people with disability.
	Develop standards and guidelines to maintain safe pathways and buildings that reflect universal design.
Increase the number of accessible and inclusive workshops, programs and events in Hornsby Shire	Encourage people with disability to attend council events, by ensuring they are accessible
	Provide programs and activities that are inclusive of CALD communities.

### 3. Supporting Access to Meaningful Employment

Theme	Sub-Theme
Provide greater access for people with disability to employment opportunities with Council	Review Council recruitment processes to ensure they are accessible.
	Promote work experience, traineeships, volunteering and paid employment opportunities
	Bring together NGO's, disability service providers, schools, local businesses and people with disability.
	Educate employers around employing people with disability.

### 4. Improving Access to Services Through Better Systems and Processes

Theme	Sub-Theme
Provide Council information in an easy-to-understand style, available in accessible formats, using a variety of media	Provide Council information in different formats and languages.
	Update guidelines and templates so communications are easy to read.
Increase opportunities for people with disability to be involved in the design and/or implementation of built environments, Council systems, processes and/or services	Engage in ongoing consultation with people with disability in ways that are accessible and inclusive and encourage their participation.
Improve the accessibility of Council processes, and use feedback and complaints data to continually enhance access	Provide more training for our staff in assisting people with disability to meet their needs.
	Create a central contact point for people with disability around

Theme	Sub-Theme
and inclusion	issues and questions relating to accessibility.
Continue to advocate for the local community by informing other agencies and levels of government about local access and inclusion needs	Work with other levels of government and organisations to improve services for people with disability.

Further information on specific actions, responsibilities, timeframes and indicators are provided in the draft DIAP (Social Inclusion Hornsby) includes as Attachment 1 to Director's Report No. CE5/22.

### **CONSULTATION**

In the preparation of this Report there was consultation with the community of Hornsby, staff from Hornsby Shire Council and disability support organisations. This Report seeks Council's endorsement to publicly exhibit the draft DIAP (Social Inclusion Hornsby) for a period of 28 days.

### **BUDGET**

The draft DIAP (Social Inclusion Hornsby) 2021-2025, identifies a range of actions and tasks for Council to implement over the coming three years. Many of the actions included in the draft DIAP (Social Inclusion Hornsby) are things that Council is already doing and will continue to do, some actions will be developed as part of existing programs and will also not require additional resources. Other actions will require additional resources to be identified, whether through Council's budgetary process, grants or State or Federal programs.

In this way, overall implementation of the draft DIAP (Social Inclusion Hornsby) will be subject to the strategic priorities of Council, and the availability and allocation of resources by Council.

To accelerate delivery of the actions, Council will seek alternative funding pathways such as applying for grants and working in collaboration with partners. Formal adoption of strategies is often a precursor to successful funding applications from providers such as the NSW and Australian government.

### **POLICY**

Placing the DIAP on public consultation is consistent with Council's legislative responsibilities under the NSW Disability Inclusion Act 2014.

### **CONCLUSION**

This Report has been prepared in response to the legislative responsibilities under the NSW Disability Inclusion Act 2014 and the production of the draft DIAP (Social Inclusion Hornsby).

The draft DIAP (Social Inclusion Hornsby) was prepared in consultation the community of Hornsby, disability support organisations, and Council staff. It provides a framework whereby Council can build a more inclusive community in the Shire across all areas enabling people living with disability and their carers to participate in community life.

It is recommended that Council adopt the draft DIAP (Social Inclusion Hornsby) for the purposes of public exhibition.

---

**RESPONSIBLE OFFICER**

The officer responsible for the preparation of this Report is the Acting Manager Community and Cultural Development – Neil Chippendale - who can be contacted on 9847 6523

**ITEM 7**

CHERYL ETHERIDGE  
Manager - Library and Community Services  
Community and Environment Division

STEPHEN FEDOROW  
Director - Community and Environment  
Community and Environment Division

**Attachments:**

1.  DIAP Strategy Report Final 04.04.2022

File Reference: F2021/00196  
Document Number: D08374832

## **8 IPART DOMESTIC WASTE MANAGEMENT CHARGE REVIEW**

---

### **EXECUTIVE SUMMARY**

- In 2010, the Independent Pricing and Regulatory Tribunal (IPART) was provided a delegation to regulate NSW Local Government Domestic Waste Management Charges (DWMC). For the past decade IPART chose not to exercise this delegation noting that the Office of Local Government was auditing NSW council DWMC's.
- In 2019 the Office of Local Government ceased auditing council DWMC's and as a result IPART commenced a review into the DWMC releasing a Discussion Paper in August 2020. A Draft Report was released December 2021 with IPART Draft Decisions and a call for stakeholder submissions. The IPART Draft Decisions have the potential to have significant ongoing adverse implications for Council's Domestic Waste Management Services.
- IPART have proposed the establishment of a non-binding benchmark "waste peg", set at 1.1% for 2022-23, with councils exceeding the "waste peg" having to report justifications for exceedances to IPART. While IPART have stated they will not be regulating the DWMC, where IPART does not accept a council's justifications for exceeding the "waste peg", they propose to regulate individual councils on a case-by-case basis.
- IPART is also proposing four (4) DWM Service Pricing Principles to assist councils set their DWMC. If adopted the pricing principles will require Council to transfer around \$0.66M of current corporate overheads charged to the DWMC and around \$1.6M of other waste service costs (\$2.3M in total) to the general fund budget under a one-off Special Rate Variation (SRV).
- A draft submission raising concerns about the likely impact to Council of the IPART DWM Charge Review - Draft Report should the recommendations proceed in their current form, is provided for Council's consideration and endorsement at **Attachment 1**.

**RECOMMENDATION**

THAT Council:

1. Note that IPART propose to regulate NSW councils' Domestic Waste Management Charges where individual councils exceed the "waste peg" and IPART do not accept a council's justification for the DWMC increase.
2. Note the significant ongoing adverse impacts the IPART draft decisions are likely to have on Council's domestic waste management services and other waste services.
3. Note the budget impact of cost shifting approximately \$2.3M for transferring corporate overheads and other waste services to the general fund budget under an SRV.
4. Endorse the submission to IPART provided at Attachment 1 to Director's Report No. CE6/22, raising concerns about their Draft Decisions including the proposed introduction of a "waste peg" and incremental cost methodology for corporate overheads.
5. Provide a copy of its IPART submission to the NSW Government, local Members of Parliament, the Treasurer, Minister for Local Government and other relevant stakeholders.
6. Call on the NSW Government and Minister for Local Government to undertake a review of the Local Government Act 1993 - Section 496 and OLG Rates and Revenue Raising Manual, 2007 to modernise the scope of DWM Services to include contemporary waste services in consultation with local government.

## PURPOSE

The purpose of this Report is to inform Council on IPART's Domestic Waste Management Charge (DWMC) Review – Draft Report and outline the implications of the draft decisions on Council's domestic waste management services. The Report also seeks Council's endorsement for a formal submission to IPART opposing a number of their draft decisions, noting the serious ongoing adverse implications IPART's draft decisions are likely to have on NSW councils' domestic waste management services.

## BACKGROUND

In 2010, IPART were given delegation to regulate the Local Government Act 1993, Section 496 - Domestic Waste Management Charge, by way of setting a DWM charge limit or establishing a waste peg. For the past decade IPART chose not to exercise this delegation noting that the Office of Local Government was auditing council DWMC's. In 2019, the Office of Local Government (OLG) informed IPART it was ceasing its conduct of DWMC audits and as a result IPART decided to commence a DWMC review.

In August 2020, IPART released a Discussion Paper detailing the findings of their review including:

- DWM charges had large increases over recent years - 4.5% average DWMC increase, compared to 1.9% CPI or 2.1% rate peg average increases over the last 5 years.
- Concerns that DWM charges are increasing at double the rate of inflation and that some councils are over allocating corporate overheads to the DWM.
- Concerns regarding DWM charges varying significantly across councils and between similar councils.

In response, the discussion paper proposed a non-regulatory benchmarking approach that focused on publishing DMW charges and the DWM services rate payers received under the annual charge to promote transparency and accountability. Most councils supported the bench marking and public reporting proposal. IPART also proposed pricing principles including an incremental cost methodology to apportion corporate overheads to the DWMC and that the pensioner rebate should not be costed to the DWMC.

## DISCUSSION

### IPART Draft Report

The IPART Review of Domestic Waste Management Charges Draft Report was released in December 2021 with stakeholders provided with a further opportunity to make submissions on the Draft IPART Decisions closing 29 April 2022.

IPART's Draft Decisions include:

1. IPART proposes to publish annually a benchmark 'waste peg' to assist councils in setting their domestic waste management charges. IPART will publish the benchmark waste peg at the same time they publish the rate peg to assist councils set charges from 1 July each year. The proposed benchmark waste peg for 2022–23 is 1.1%. Councils exceeding the waste peg would be required to explain the reasons for the exceedance, and where IPART does not accept a council's justifications for exceeding the waste peg, IPART may regulate individual councils on a case-by-case basis.
2. IPART proposes to publish annually a report on the extent to which councils' annual domestic waste management charges increase more than the benchmark waste peg each year.

3. IPART proposes recommending that the Office of Local Government publish pricing principles to guide councils on how they should recover the costs of providing domestic waste management services.

IPART's proposed Price Principles are:

1. DWM revenue should equal the efficient incremental cost of providing the DWM service covering:
  - Applying an incremental cost methodology to apportioning corporate overheads to the DWMC
  - Specifying the services councils can fund through the DWM charges
2. Councils should publish details of all the DWM services they provide, the size of the bin, the frequency of the collection and the individual charges for each service
3. Within a council area, customers that are:
  - Imposing similar costs for a particular service should pay the same DWM charge
  - Paying the same DWM charge for a particular service should get the same level of service
4. Any capital costs of providing DWM services should be recovered over the life of the asset to minimise price volatility.

It is noted that IPART have now dropped the proposed removal of the Pensioner Rebate apportionment to the DWMC and state that a separate targeted review would be best placed to examine the matter.

#### **The 'Waste Peg'**

The annual IPART waste peg percentage (i.e., 1.1%) will be determined through an IPART newly developed Waste Cost Index (WCI), comprising a basket of 26 DWM cost items and developed using data from Local Government Cost Index Survey (LGCI). The waste peg will be equal to the annual change in the WCI. There are concerns regarding the WCI methodology and the waste data integrity from the LGCI, meaning the WCI is considered not fit for purpose. The proposed methodology utilises ABS Indices that will not reflect council waste contract rise and fall conditions, creating a disparity between actual contract costs and IPART's WCI that will in effect erode council waste budgets overtime. The LGCI Survey does not capture adequate waste expenses data to provide a meaningful or reliable basis to determine forward facing waste cost increases as proposed under the WCI methodology.

IPART's proposed waste peg approach is trying to facilitate councils holding DWM charge increases to a CPI or inflation type approach based on a basket of waste cost items that do not have any direct relationship to each council's individual cost structures and pressures for the coming year.

It is important to note that the concept of a 'waste peg' was not included in IPART's August 2020 Discussion Paper which stated a preference for a non-regulatory approach through benchmarking and public reporting of DWM charges and services to promote transparency and accountability. The waste peg has only surfaced at a later stage of the review, contained within the Draft Report released December 2021, putting many councils offside and creating concerns that IPART has intentions to move towards a binding 'waste peg' in a staged manner.



IPART has proposed the establishment of a so-called non-binding benchmark “waste peg”, set at 1.1% for 2022-23, with councils exceeding the “waste peg” having to report their justification for the exceedance to IPART.

While IPART have stated they will not be regulating the DWMC, where IPART does not accept a council’s justifications for exceeding the “waste peg”, they state they may regulate individual councils on a case-by-case basis. It is considered that in practice IPART is likely to regulate outlying council DWM charges where IPART forms a view the council justifications are not acceptable. This may be highly problematic for NSW councils where DWM charge increases are resulting from the direct cost of outsourced essential waste service contracts.

IPART have noted the cost drivers that are resulting in increased DWM charges above inflation levels and the reasons why charges vary between councils, however IPART maintain “there is not sufficient evidence to explain DWM charge increases and variations”. There is significant concern from Council that IPART does not seem to have a detailed appreciation for the complex cost drivers that individual councils encounter and how these affect DWM charges.

Further, IPART have not provided any guidance on what they may consider reasonable justifications for exceeding the ‘waste peg’ or if councils will have any rights of appeal should a council and IPART have a difference of opinion. IPART will publish an annual benchmark ‘waste peg’ report identifying those councils that exceed the ‘waste peg’ and their justification for exceedances. It would be of concern to Council that the annual benchmark ‘waste peg’ report may act as a damaging naming and shaming exercise (even where adequate justification has been provided), as it will not be possible to hold DWM charges under the inflationary levels IPART seem to be targeting -1.1% in 2022-23, when over the past five years average DWM increases across NSW have been 4.5%.

In addition, the introduction of the ‘waste peg’ approach may compromise council’s ability to fund its legal and contractual obligations under outsourced essential waste service contracts (83% of HSC DWM costs are direct contract costs), stifle resource recovery progress and service improvements, and create an unfair and unreasonable public expectation and negative sentiments that councils should hold DWM charges in line with the ‘waste peg’. It may also hinder the environmental management and remediation of historical landfills and the replacement of waste assets, such as \$10M in bin stock.

The following 2022-23 Hornsby Shire Council example demonstrates how IPART’s proposed ‘waste peg’, be it non-binding or otherwise, is disconnected from local government realities and would create an untenable situation for Council.

- 1.1% ‘waste peg’ represents additional DWMC revenues of only \$310,000.
- Waste Collection Contract estimated annualised rise and fall is approximately \$515,000 for 2022-23 (noting Council concern of rapidly rising fuel prices in 2022-23 that will likely further increase this estimate).
- Acceptance of Recyclables Contract rates are increasing under a scheduled contractor phase up post China Sword/National Waste Export Ban requiring an additional \$242,000 in 2022-23 (with similar increases in 2023-24 and 2024-25).
- Green Waste Processing Contract rise and fall is estimated to require \$58,000 additional funds in 2022-23 (noting Council is currently tendering services and may get a step increase in rates well above this R&F level).

- Waste Disposal Services Contract rise and fall is estimated at \$245,000 (with no allowances for POEO Section 88 Waste Levy increases which would further increase this funding requirement).
- Based on the above estimated domestic waste service contract cost increases of approximately \$1,060,000 (or a 4.40% increase in contract expenses) in 2022-23, it is clear a 1.1% 'waste peg' only deriving \$310,000 of additional revenue would not come close to servicing legally binding contractual expenses. Such a situation for Council would not be tenable.
- It is noted that the above example does not include any provisions for increased waste generation rates and the costs to manage this additional waste. The significance of waste generation rates as a cost driver can be seen from the following example:
- Council's waste to landfill increased by 2,322 tonnes between 2019-20 and 2020-21 at an additional cost of \$545,670 to the waste budget; and Council's green waste for composting increased by 1,148 tonnes between 2019-20 and 2020-21 at an additional cost of \$145,000 to the waste budget. Again, on waste generation rates alone, IPART's 1.1% or \$310,000 in increased revenues fails to meet Council's legal and contractual obligations of \$690,000 for managing the reasonable cost of our community's waste.
- Council is currently responding to the recent NSW Government's mandate for all NSW councils to implement Food Organics Garden Organics (FOGO) services by 2030 including collections, processing and extensive community engagement and education campaigns. Noting our local community's strong endorsement to improve our diversion of waste from landfill and being prepared to pay more for this in the Waste Matters Strategy, Council is looking to implement FOGO within 3-4 years (subject to Council's endorsement of an updated Waste Matters Strategy). At a pre-tender stage this is estimated to cost an additional \$7M pa from commencement. In line with OLG Rates and Revenue Raising Manual's recommended approach, a reasonable gradualisation methodology has been proposed with a DWM charge increase of \$2.33M pa planned over the next three years to avoid a major price shock to rate payers on introduction of a FOGO service. Adding this FOGO increase each year, combined with the above contract cost increases, would far exceed the 1.1% 'waste peg' and place Council in a position as an outlier for a 3-year period. It is noted the FOGO \$7m estimate excludes any costs associated with the need for a Council or contractor owned and operated primary processing (decontamination and shredding), bulking and transfer facility which could be substantial.
- Using the IPART DWMC "Change in the weighted average price" methodology required to be utilised to report DWMC increases to IPART, the proposed draft 2022-23 HSC DWM Charges increase is 16.47% which is well above IPART's proposed 1.1% 'waste peg'.
- Council's 2022-23 Delivery Program and Operations Plan will be issued with a revised Domestic Waste Management Charge Section providing additional details than previous years, including a new column showing DWMC dollar and percentage increases and an explanation why the DWMC has increased. For 2022-23 the DWMC proposed increases are due to increased contract costs, increased waste generation rates, increased costs for environmental management and remediation of historical landfills within the Shire and preparing for a transition to Food Organics and Garden Organics (FOGO) collection and processing services through staged gradualisation increases to avoid a shock step increase.

The Domestic Waste Management Charge Section of Council's 2022-23 Delivery Program and Operations Plan is at **Attachment 2**.

### Price Principles

There are two main concerns that officers have identified with IPART's four pricing principles detailed below.

#### **Incremental cost methodology for apportioning corporate overheads**

Council currently utilises the average cost methodology to apportion \$1.06M of corporate overheads to the DWM charge for the various corporate support services provided of finance, human resources, information technology, records management and other internal services. IPART are proposing that an incremental cost method be adopted, based on only apportioning those costs that would disappear or be avoided should Council cease providing DWM services.

For example, if Council stopped providing DWM services, the number of finance staff (or proportion thereof) that would not be required as a result, is the incremental cost. Changing to an incremental cost methodology would reduce the apportionment of corporate overheads to the DWM to approximately \$400,000. The \$660,000 reduction in corporate overheads to the DWM charge would need to be transferred to the general fund budget. IPART have suggested one off arrangements for a Special Rate Variation to facilitate this transition.

It is recommended that Council oppose the incremental cost method and advocate for the adoption of an average cost methodology, which Council utilises for apportioning corporate overheads across all other business areas.

#### **An out-of-date scope of waste services, that can be funded through the DWM charge**

DWM Services are defined in the Local Government Act 1993 as

***“Domestic waste management services*** means services comprising the periodic collection of domestic waste from individual parcels of rateable land and services that are associated with those services”.

The Office of Local Government, Rates and Revenue Raising Manual, 2007 (Rates Manual) provides further detailed guidance on domestic waste management services and outlines what waste services can be attributed to a 496 DWMC and what should be excluded and recovered via other waste related charges or covered by general rate funds.

In short, the LG Act and OLG Rates Manual guidance means that only costs for waste and recycling collections **to the property**, the management and treatment of the waste removed, education services only related to these specific services and other direct operating expenses (e.g., contract management, Waste Hotline) associated with those services can be charged to DWM.

Some councils have been including public litter bin collections, street sweeping services, illegal dumping clean-ups and litter reduction campaigns in DWM charge expenses contrary to the strict definition provided above. It is noted however that industry research has demonstrated that in many councils a high percentage of illegal dumping is dumped household bulky waste which relates directly to managing the waste of domestic properties and therefore providing a nexus for illegal dumping costs being attributed to DWMC.

Most councils in NSW are charging other waste services (not strict domestic waste management services), including Waste Strategy programs and initiatives, to their DWM budgets under the *“and services that are associated with those services”* within the DWM Service definition. These waste

services may include community recycling centres, drop-off events for e-waste, household chemicals and community mulching days, clothing swaps, garage sale programs etc. They also cover initiatives such as repair cafes, workshops on home composting/worm farming, avoiding plastics, smart shopping and the like.

IPART is proposing all councils review and remove the costs of any strictly non-complying “domestic waste management services” from their DWM charge and rebalance these expenses to general rate funds. For HSC this would involve transferring around \$1.6M of waste services not directly “provided to the rateable property” and a broad range of Waste Strategy initiatives.

Having regard to the above, it is recommended Council calls on the NSW Government and Minister of Local Government to initiate a review of both the Local Government Act – Section 496 and the OLG Rates and Revenue Raising Manual, 2007 to broaden the scope of DWM Services to include contemporary DWM Services “*to the benefit of the property*”, rather than services delivered directly to the property only, on a restrictive basis. DWM Services should be redefined to cover activities related to “*managing waste generated from domestic properties*” to allow councils to maintain efficient and effective waste services sought by their communities.

It is considered that not all DWM Services need to be delivered directly to the property, residents also have reasonable expectations to be able to access central waste services they can utilise that are away from the property, but still for managing waste they generate at the property. Councils should be permitted to consult with their communities to determine the domestic waste management services their residents need and demand, that are documented within formal Waste Strategy’s placed on public exhibition and subject to Council resolutions, to fall under a redefined DWM Service scope.

### **Lobbying and Advocacy Actions**

Given the significant ongoing adverse impacts the IPART draft decisions would have on local government’s waste management services across NSW, there is an urgent and important need to undertake a united and coordinated advocacy campaign with other stakeholders, to oppose the draft decisions. It is recommended Council call on IPART to return to the original benchmarking and public reporting approach detailed in their August 2020 Discussion Paper.

### **CONSULTATION**

Council Officers are actively engaged with other Sydney Metro Councils, NSROC, SSROC, WSROC, NSW EPA and OLG in the analysis of IPART’s Draft Report, to determine impacts on Local Government waste services and to identify common concerns and advocacy approaches to raising these concerns.

### **BUDGET**

The proposed IPART Draft Decisions, if adopted would have a general fund budget impact of around \$2.3M pa.

### **POLICY**

There are no policy implications associated with this Report.

### **CONCLUSION**

IPART’s Draft Report containing Draft Decisions, if adopted by the NSW Government, will have significant ongoing adverse impacts on Council’s domestic waste management services and general fund budget.

The introduction of a 'waste peg' may compromise council's ability to meet its legal and contractual obligations under outsourced essential waste service contracts, stifle resource recovery progress and limit any service improvements, hinder environmental management and remediation of historical landfills and restrict waste asset replacements.

The adoption of incremental cost methodology for apportioning corporate overheads is an unnecessary state-wide cost shifting exercise that is not warranted and does not reduce rate payers' actual financial contributions.

Limiting the scope of domestic waste management services has the potential for most councils to reduce their waste services and waste strategy programs to their respective communities and impede councils implementing Federal and State waste policy.

It is considered that the IPART proposed Draft Report Decisions would significantly impede Council's ability to deliver contemporary and progressive domestic waste management services expected by the community and will have significant budgetary implications.

As such this Report recommends that Council endorses the draft submission to IPART included at **Attachment 1** to Directors Report No. CE6/22, and provides a copy of its submission to the NSW Government, local Members of Parliament, the Treasurer, Minister for Local Government and other relevant stakeholders.

#### **RESPONSIBLE OFFICER**

The officer responsible for the preparation of this Report is the Manager, Waste Management – Christopher Horsey- who can be contacted on 9847 4816.

CHRIS HORSEY  
Manager - Waste Management  
Community and Environment Division

STEPHEN FEDOROW  
Director - Community and Environment  
Community and Environment Division

#### **Attachments:**

1.  Draft Submission to IPART
2.  Draft Domestic Waste Management Charge Increase Justification

File Reference: F2013/00751  
Document Number: D08377266

**10 MAYOR'S NOTES FROM 01 MARCH 2022 TO 31 MARCH 2022**

---

*Note: 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.*

Thursday 3<sup>rd</sup> March 2022 – The Mayor hosted an online Citizenship Ceremony via Zoom.

Tuesday 8<sup>th</sup> March 2022 – The Mayor attended International Women's Day Morning Tea and Local History Talk at Wallarobba House in Hornsby.

Wednesday 9<sup>th</sup> March 2022 – The Mayor attended the Women's Shed Hornsby & Kuring Gai - International Women's Day – 'Break the Bias's' event at PCYC, Waitara.

Monday 14<sup>th</sup> March 2022 – The Mayor attended the Pennant Hills Rotary Club Australia Day Merit Dinner & 62nd Birthday of the Club at Pennant Hills Golf Club in Beecroft.

Wednesday 16<sup>th</sup> March 2022 – The Mayor hosted four Citizenship Ceremonies at Hornsby Shire Council Chambers in Hornsby.

Thursday 17<sup>th</sup> March 2022 – The Mayor attended Australia Chinese Youth Elite Club Harmony Week Celebrations at Pennant Hills Community Centre in Pennant Hills.

Thursday 17<sup>th</sup> March 2022 – The Mayor attended the India Club "Snack and Chat Session" celebrations for Harmony Day and International Women's Day at West Pennant Hills Valley Community Centre in West Pennant Hills.

Saturday 19<sup>th</sup> March 2022 - The Mayor attended the inaugural Berowra Fauna Fair at Berowra District Hall in Berowra.

Tuesday 22<sup>nd</sup> March 2022 – The Mayor attended the Hornsby Village Hub Seniors Launch Event at Storey Park in Asquith.

Thursday 24<sup>th</sup> March 2022 – The Mayor attended the 2022 Hornsby/Ku-ring-gai District RFS Medal Presentation Ceremony at Hornsby / Ku-rung-gai Fire Control Centre, 1049 Pacific Highway, Cowan.

Thursday 24<sup>th</sup> March 2022 – The Mayor attended the Beecroft / Cheltenham Civic Trust AGM at the Presbyterian Hall in Beecroft.

Sunday 27<sup>th</sup> March 2022 – The Mayor attended the World Hindi Day celebrations at Thornleigh West Public School in Thornleigh.

File Reference: F2004/07053  
Document Number: D08380637