



BUSINESS PAPER

WORKSHOP MEETING

**Wednesday 28 June 2023
at 6:30PM**



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AGENDA AND SUMMARY OF RECOMMENDATIONS

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."

PRESENT

NATIONAL ANTHEM

OPENING PRAYER/S

ACKNOWLEDGEMENT OF RELIGIOUS DIVERSITY

Statement by the Chairperson:

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

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

Councillors are reminded of their Oath or Affirmation of Office made under section 233A of the Act and their obligations under the Council's Code of Conduct to disclose and appropriately manage conflicts 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.*

PETITIONS**PRESENTATIONS****RESCISSION MOTIONS****MAYORAL MINUTES****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 1**

Item 1 GM20/23 ADOPTION OF COUNCIL'S 2023-2026 DELIVERY PROGRAM INCLUDING THE OPERATIONAL PLAN 2023/24 (INCORPORATING THE BUDGET, RATING STRUCTURE AND FEES AND CHARGES FOR 2023/24)

RECOMMENDATION

THAT:

1. Council note the responses provided in Table 1A to the public submissions received during the exhibition of the draft 2023-2026 Delivery Program and draft 2023/24 Operational Plan (which incorporates the Budget, Fees and Charges and Rating Structure for 2023/24).
2. Subject to incorporation of the recommendations detailed in the Budget section, Table 1A and Table 1B attachments and marked up in Attachment 1 to General Manager's Report No. GM20/23, Council adopt the 2023-2026 Delivery Program and 2023/24 Operational Plan (incorporating the Budget and Fees and Charges for 2023/24).
3. Council make and levy the 2023/24 Ordinary Rates on all rateable land in the Shire in accordance with Table 2 of General Manager's Report No. GM20/23.

4. Council make and levy the 2023/24 Catchments Remediation Rate on all rateable land in the Shire in accordance with Table 3 of General Manager's Report No. GM20/23.
5. Council adopt the revised Hardship Policy attached to General Manager's Report No. GM20/23.
6. Council voluntarily increase its rate reduction for eligible pensioners from \$250 per annum to \$300 per annum commencing from 2023/24.
7. An informal briefing be held in the lead up to the preparation of the September 2023 Quarterly Review of the 2023/24 Budget to discuss options for project substitution or reallocation of resources to progress Vegetation Mapping; the creation of a fixed term, identified Aboriginal or Torres Strait Islander position to facilitate the development and implementation of an Aboriginal Engagement Strategy/Reconciliation Action Plan; and to progress the Rural Lands Study.
8. Council write to those who have made submissions in respect of the 2023-2026 Delivery Program and 2023/24 Operational Plan thanking them for their feedback.

Page Number 18**Item 2 GM28/23 DRAFT PROPERTY STRATEGY - POST EXHIBITION****RECOMMENDATION**

THAT:

1. Council adopt the amended draft Property Strategy as attached to the General Manager's Report GM 28/23.
2. All respondents to the public exhibition be thanked for providing their submission and advised of Council's decision.

CORPORATE SUPPORT DIVISION

Nil

COMMUNITY AND ENVIRONMENT DIVISION

Nil

PLANNING AND COMPLIANCE DIVISION

Nil

INFRASTRUCTURE AND MAJOR PROJECTS DIVISION

Nil

PUBLIC FORUM – NON AGENDA ITEMS

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MATTERS OF URGENCY

1 ADOPTION OF COUNCIL'S 2023-2026 DELIVERY PROGRAM INCLUDING THE OPERATIONAL PLAN 2023/24 (INCORPORATING THE BUDGET, RATING STRUCTURE AND FEES AND CHARGES FOR 2023/24)

EXECUTIVE SUMMARY

- Council's draft 2023-2026 Delivery Program and draft 2023/24 Operational Plan (which incorporates the Budget, Fees and Charges and Rating Structure for 2023/24) were adopted for public exhibition at the 12 April 2023 General Meeting. The documents were publicly exhibited from 13 April to 15 May 2023 and sixty-seven (67) submissions were received. Each was reviewed by Council staff and discussed with Councillors at a workshop on 24 May 2023.
- Table 1A summarises all the submissions received and the staff feedback on each. Table 1B summarises administrative changes requested by internal Divisions of Council. It is proposed that the recommendations detailed in the Budget Section and the attached Tables 1A and 1B (further shown in the marked-up document in Attachment 1) be adopted by Council.
- The draft documents incorporated two rating scenarios for 2023/24 – the first aligned with the Independent Pricing and Regulatory Tribunal's (IPART's) rate increase approval for NSW councils (i.e., a 3.7% rate increase for 2023/24); and the second aligned with Council's application to IPART for a Special Rate Variation (SRV) over four years (2023/24 to 2026/27) of 31.05% cumulative with an 8.5% increase (including rate peg) in the first year, 2023/24.
- Advice was received from IPART on 14 June 2023 that it had approved Council's SRV application in full. Having obtained such approval, it is fiscally responsible for Council to apply the full 8.5% increase in the first year of the SRV to Ordinary and Catchments Remediation rates as the SRV is required to rebalance Council's future financial capacity within acceptable levels. Without the SRV, Council's Long-Term Financial Plan forecasts the commencement of deficits in future years that increase in size year on year to \$8.8 million by the end of the Plan.
- In order to provide assistance to those who may struggle with an 8.5% rate increase in 2023/24, Council indicated that it would amend its Hardship Policy (by specifying the available types of assistance for ratepayers suffering financial hardship because of a range of special circumstances, including those with a disability, with forms of relief available for both eligible pensioners and ratepayers who do not meet the requirements to receive a statutory pensioner rebate); and to increase its rate reduction for eligible pensioners by \$50 to \$300 per annum.
- Having regard to all of the above, this Report proposes that Council adopt the 2023-2026 Delivery Program and 2023/24 Operational Plan; make and levy the 2023/24 Ordinary Rates and 2023/24 Catchments Remediation Rates in accordance with Tables 2 and 3; adopt the revised Hardship Policy; increase its rate reduction for eligible pensioners from \$250 per annum to \$300 per annum; and that an informal briefing be held to discuss options for project substitution or reallocation of resources to progress Vegetation Mapping, the creation of a fixed term, identified Aboriginal or Torres Strait Islander position and to progress the Rural Lands Study.

RECOMMENDATION

THAT:

1. Council note the responses provided in Table 1A to the public submissions received during the exhibition of the draft 2023-2026 Delivery Program and draft 2023/24 Operational Plan (which incorporates the Budget, Fees and Charges and Rating Structure for 2023/24).
2. Subject to incorporation of the recommendations detailed in the Budget section, Table 1A and Table 1B attachments and marked up in Attachment 1 to General Manager's Report No. GM20/23, Council adopt the 2023-2026 Delivery Program and 2023/24 Operational Plan (incorporating the Budget and Fees and Charges for 2023/24).
3. Council make and levy the 2023/24 Ordinary Rates on all rateable land in the Shire in accordance with Table 2 of General Manager's Report No. GM20/23.
4. Council make and levy the 2023/24 Catchments Remediation Rate on all rateable land in the Shire in accordance with Table 3 of General Manager's Report No. GM20/23.
5. Council adopt the revised Hardship Policy attached to General Manager's Report No. GM20/23.
6. Council voluntarily increase its rate reduction for eligible pensioners from \$250 per annum to \$300 per annum commencing from 2023/24.
7. An informal briefing be held in the lead up to the preparation of the September 2023 Quarterly Review of the 2023/24 Budget to discuss options for project substitution or reallocation of resources to progress Vegetation Mapping; the creation of a fixed term, identified Aboriginal or Torres Strait Islander position to facilitate the development and implementation of an Aboriginal Engagement Strategy/Reconciliation Action Plan; and to progress the Rural Lands Study.
8. Council write to those who have made submissions in respect of the 2023-2026 Delivery Program and 2023/24 Operational Plan thanking them for their feedback.

PURPOSE

The purpose of this Report is to provide Council with information and recommendations regarding the submissions received in the public exhibition of the 2023-2026 Delivery Program and 2023/24 Operational Plan (which incorporates the Budget, Fees and Charges and Rating Structure for 2023/24).

BACKGROUND

By 30 June in the year following local government elections, all councils are required to develop a ten-year Community Strategic Plan, a four-year Delivery Program and a one-year Operational Plan, as well as a Resourcing Strategy aligned to an integrated planning and reporting (IP&R) framework mandated by the Office of Local Government. The purpose is to identify the main priorities and aspirations for the future of the area and the resources required to move to the preferred future. The IP&R framework allows NSW councils to draw their various plans together, to understand how they interact and inform each other, to get the maximum benefit by planning holistically for the future. The Delivery Program and Operational Plan are required to be reviewed on an annual basis.

Your Vision | Your Future 2032, Hornsby Shire's Community Strategic Plan (CSP), a ten-year vision developed collaboratively with the community and our highest-level plan, was endorsed on 8 June 2022. As well as identifying the main priorities and aspirations for the future of Hornsby Shire, it sets the strategic direction for where the people of Hornsby Shire want to be in 2032. Every project led by Council is guided by the Community Strategic Plan, however working towards the vision for 2032 is the responsibility of many partners including state agencies, community groups and private enterprise.

While there is a direct link from the CSP to the Delivery Program and Operational Plan, they must be informed and supported by long-term financial, asset and workforce planning undertaken to form the Resourcing Strategy. The draft 2023-2026 Delivery Program and 2023/24 Operational Plan outline Council's response to the Community Strategic Plan, its commitment to the community for its term of office and a plan of action to address the community's long-term objectives.

At the 23 November 2022 Workshop Meeting, Council considered General Manager's Report No. GM34/22 - Adoption of a Long-Term Financial Plan for 2023/24 – 2032/33 and Progression of a Special Rate Variation Application for 2023/24 – and resolved that:

1. *The contents of General Manager's Report No. GM34/22 and Morrison Low's Community Engagement Outcomes Report, which provide details of the outcome of the public exhibition process conducted between 4 October 2022 and 8 November 2022 in respect of Council's draft Long Term Financial Plan (LTFP) for 2023/24 to 2032/33 and Council's intention to make application for a Special Rate Variation (SRV) for the 2023/24 financial year, be received and noted.*
2. *Council advise the Independent Pricing and Regulatory Tribunal (IPART) by 25 November 2022 of its intention to make application for an SRV in respect of the 2023/24 financial year. The SRV would be spread across the first four years of the LTFP for 2023/24 to 2032/33 in the following manner:*
 - *An 8.5% increase for 2023/24 (inclusive of the 3.7% rate peg determined by IPART for that year)*
 - *A 7.5% increase for 2024/25 (inclusive of the forecast rate peg of 3.5% for that year)*

- A 6.5% increase for 2025/26 (inclusive of the forecast rate peg of 3.0% for that year)
 - A 5.5% increase for 2026/27 (inclusive of the forecast rate peg of 2.5% for that year)
3. Council adopt the LTFP for 2023/24 to 2032/33.
 4. Council note the purpose of the SRV is to address the ongoing resilience of Council's capacity to support its community through the continuation of current services (financial sustainability), long term sustainable management of community assets and the implementation of several strategic initiatives.
 5. Council progress its SRV application such that it is completed and submitted to IPART by the due date of 3 February 2023.
 6. Subject to the approval of the SRV application by IPART, Council increase its pensioner rate concession by \$50, to \$300 per annum, commencing from the 2023/24 financial year.
 7. Council undertake a comprehensive review of its Hardship Policy in accordance with both the guidelines provided by the Office of Local Government and current industry best practice. This review is to include consideration of pensioner ratepayers such as those on a disability or other pension that are not eligible to receive the existing or proposed increase to the pensioner rate concession and to be completed and reported prior to the adoption of the 2023/24 Delivery Program and Budget. Following adoption of the Policy, Council develop a comprehensive communication policy to ensure that our community is aware of options for support provided within this revised Policy.

On 24 November 2022, the General Manager wrote to IPART and provided them with a copy of the above resolution. In the letter, the General Manager advised of Council's intention to make application for a cumulative SRV of 31.05% over a four-year period commencing in 2023/24 and that the purpose of the SRV was to:

- Address Council's projected operating deficits over the next 10 years to ensure the continuation of current services.
- Allow Council to maintain and renew assets in line with its Asset Management Strategy and Plans.
- Deliver currently unfunded strategic initiatives to address actions in 35 adopted Council strategies.

Council formally submitted its SRV application to IPART on 3 February 2023 and has been corresponding with representatives of IPART in the period since to answer questions about the application and provide further information as necessary. To keep the community informed, the following messaging has been maintained on Council's website whilst IPART has been undertaking its assessment of Council' SRV application:

The people of Hornsby Shire have been clear and consistent in expressing their vision for our beautiful Shire. We know they want to secure a positive future for our coming generations that is liveable, sustainable, productive and collaborative. To do this, it is essential that we have sound financial foundations and as responsible stewards, we must continue to spend only within our means.

"We have recently reviewed our Long Term Financial Plan, which identified that we need to take a number of actions to secure long term financial stability, maintain our assets and fund the high priority initiatives that the community has told us are important. Among the high

priority actions, we have identified is a need to consider applying to IPART for a Special Rate Variation,” said Hornsby Shire Council General Manager, Steven Head.

“We are consulting the community about this potential rise in rates which would allow us to maintain the high levels of service that the community has come to expect and resource projects to address what people have told us are their long-term priorities.”

Hornsby Shire Council is well regarded for our careful and prudent financial management. The decision to consult with the community about this SRV has been taken following careful consideration and financial modelling, which is outlined in our revised Long Term Financial Plan. The additional rates would be in parallel with a range of other actions we have already undertaken, and will continue to take, to ensure that our proud record of financial sustainability continues into the coming decades.

A Special Rate Variation is a common mechanism for local government which allows for councils to respond to, and satisfy, future needs through a variation in the rates that residents and businesses pay.

The last time Hornsby Shire Council applied for a Special Rate Variation was over ten years ago.

“We are proud to have provided excellent services and infrastructure for the community for the past decade without the need to apply for a further SRV. However, like many other organisations, a range of internal and external factors have emerged, putting us under financial pressure and making it necessary to secure our future through an SRV,” Mr Head continued.

In addition to maintaining financial stability and ensuring ongoing funding for the maintenance of current assets and services, a Special Rate Variation will allow us to deliver what the community has said is important to them in order to maintain their quality of life, including:

- Building a sustainable and resilient community that is well prepared for future shocks including climate change and bush fires, and is socially connected*
- Planning for the future, including developing a masterplan to revive Pennant Hills Town Centre*
- Upgrading your community infrastructure, including public toilets, community centres, sportsgrounds and stormwater systems*
- Delivering a connected network of footpaths, cycleways and trails with improved accessibility*
- Managing our assets to better protect our bushland and improve open spaces*
- Improving our technology to provide better customer service, including enhanced cyber security*

“Our forecasted calculations show that even with IPART’s annual Rate Peg increase, it will not be sufficient to achieve our collective objectives. While we understand that everyone is under pressure with rising costs, we too are navigating these same issues and we have a duty of care to manage Council’s budget responsibly,” Mr Head said.

“Rates would rise by 8.5% in 2023/24, 7.5% in 2024/25, 6.5% in 2025/26 and 5.5% in 2026/27, which represents an increase of 31.05% (cumulative) staged over four years, including the annual rate peg set by IPART.

“For residents currently paying our average rate, this would mean an increase of \$2.07 a week in the first year. For business ratepayers, the weekly increase on the average rate would be \$3.97 in the first year.”

Residents in the Hornsby Shire local government area traditionally pay lower rates than the average rates of other councils in the Northern Sydney region and less than councils in the same category as ours.

Council will be engaging extensively with the community about the SRV from 4 October. To find out more, register to attend a community forum, take a short survey or provide a formal submission visit yoursay.hornsby.nsw.gov.au

(N.B. IPART’s public exhibition process in respect of Council’s SRV application opened on 13 April 2023 and closed on 5 May 2023. Such process allowed for IPART to make a decision on Council’s application by mid-June 2023 and for a report to be submitted for Council’s consideration at this Meeting.)

At the 12 April 2023 General Meeting, Council considered General Manager’s Report No. GM10/23 - Draft 2023-2026 Delivery Program including the Operational Plan, Budget and Fees and Charges 2023/24 - Adoption for Public Exhibition – and resolved that:

- 1. Council adopt for public exhibition the draft 2023-2026 Delivery Program and Operational Plan 2023/24 which includes the draft Budget, Fees and Charges and Rating Structures for 2023/24 and make available for public comment from 13 April to 15 May 2023.*
- 2. Council note that an Informal Councillor Briefing(s) be held during the exhibition period to discuss options for project substitution or reallocation of resources to progress Vegetation Mapping, the creation of a fixed term, identified Aboriginal or Torres Strait Islander position to facilitate the development and implementation of an Aboriginal Engagement Strategy/Reconciliation Action Plan and the Rural Lands Study in the final Delivery Program.*
- 3. Council note the rating information contained in the draft 2023-2026 Delivery Program and Operational Plan 2023/24 that aligns with the Independent Pricing and Regulatory Tribunal’s (IPART’s) rate increase approval for NSW councils (i.e., a 3.7% rate increase for 2023/24).*
- 4. Council note the alternative rating information contained in the draft 2023-2026 Delivery Program and Operational Plan 2023/24 based on an application to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation over four years (2023/24 to 2026/27) of 31.05% cumulative with an 8.5% increase (including rate peg) in the first year, 2023/24.*
- 5. Following public exhibition, after consideration of all submissions and pending the decision by IPART on the application for a Special Rate Variation, the 2023-2026 Delivery Program and Operational Plan 2023/24, including Budget, Fees and Charges and Rating Structure, be referred to Council for further consideration and adoption before 30 June 2023.*

DISCUSSION

Consultation on the Documents

During the public exhibition period from 13 April 2023 to 15 May 2023, the draft 2023-2026 Delivery Program, draft 2023/24 Operational Plan and draft 2023/24 Fees and Charges 2023/24 were on display at Council's four libraries and in the reception area in the Council Chambers. They were also available electronically on the 'Have Your Say' page of Council's website. Advertisements advising of the public exhibition of the documents were placed in the Council Column of four local newspapers, on the digital footbridge, in the weekly community engagement e-newsletter, on social media and in the May monthly e-newsletter sent to approximately 20,000 subscribers.

Submissions

Sixty-seven (67) submissions were received in respect of the documents, including six that were received after the closing date of 15 May. A summary of key issues raised in the submissions is shown below, noting that some submissions highlighted multiple issues.

Relating to	Issues	Number of submissions received
Rural Lands Study (RLS)	Disappointed the RLS Stage 2 is not progressing	17
Rural Lands Study (RLS)	Support the draft Delivery Program and Operational Plan and prefer not to progress the long-term actions in the RLS	15
Fees and Charges	<ul style="list-style-type: none"> • Against car park fees at Wisemans Ferry boat ramp (4) • Against increasing the community centre fees (3) • Photography and filming fees too high for low impact users (1) • Car share fees too high (1) • Fagan Park Car Parking fees – disappointed that local ratepayers have to pay a fee to access Fagan Park (1) 	10
Glenorie	Advocating for infrastructure improvements in Glenorie	9
Vegetation mapping	Supporting vegetation mapping as per Report considered at 12 April 2023 Council Meeting	5
Aboriginal or Torres Strait Islander position in Council	Supporting an identified Aboriginal or Torres Strait Islander position, as per Report considered at 12 April 2023 Council Meeting	4
Galston Village	Advocating for future planning in Galston Village	3
Pennant Hills	Supporting the Pennant Hills Road Corridor Review and would like to bring it forward	2

Relating to	Issues	Number of submissions received
Westleigh Park	Do not support the Westleigh Park development	2

A full list of issues and summary of submissions is included in the attached Table 1A together with staff recommendations/feedback. Table 1B contains a summary of administrative changes requested by internal Divisions of Council. It is noted that during the exhibition period there were further minor administrative changes made to improve the clarity of the information contained in the Delivery Program and Operational Plan documents and update the document with the announcement of the SRV.

The proposed final versions of the 2023-2026 Delivery Program and 2023/24 Operational Plan are included as Attachment 1, noting that the recommended changes to the draft documents are in red text. The proposed final version of the 2023/24 Fees and Charges is included as Attachment 2.

Capital Projects

Council has prioritisation criteria in place for developing its capital works program for local roads which incorporates a weighting system across many categories such as traffic volume, drainage, condition and strength, maintenance matters, kerb and gutter, resident requests and cost estimates. The following amendments are proposed to original draft 2023/24 Local Road Improvement Program: the deletion of Crawford Road, Mount Kuring-gai – Stage 2 - Fairview Place to end (as this was bought forward into the 2022/23 program); and the addition of Low Street, Mount Kuring-gai – Harwood Avenue to High Street.

Program scheduling for the Galston Public Domain has also been reviewed during the public exhibition period to forecast more realistically the costings, timing of project roll out and engagement with Transport for NSW in respect of Galston Road. Based on the review, the budget of \$7.1 million for this project has now been distributed over the next three financial years in the following manner - \$500k for 2023/24, \$4.5 million for 2024/25 and \$2.1 million for 2025/26.

Key Initiatives

Many of the Key Initiatives in the 2023-2026 Delivery Program are identified in strategies and technical documents that have been adopted by Council. These include:

- Sustainable Hornsby 2040 strategies - incorporating Biodiversity Conservation Strategy 2021, Water Sensitive Hornsby Strategy 2021, Climate Wise Hornsby Plan 2021, Urban Forest Strategy 2021 and Waste Matters Strategy 2020
- Comprehensive Heritage Study
- Local Strategic Planning Statement 2020
- Local Housing Strategy 2020
- Community and Cultural Facilities Strategic Plan 2021
- Economic Development and Tourism Strategy 2021
- Car Parking Management Study 2020
- Disability Inclusion Action Plan 2021- 2025

- Healthy Ageing Hornsby 2022-2026
- Emergency Management Plan (internal document)
- Discussion Paper Brooklyn Place Planning
- Technology and Transformation Strategy 2020-2023 (internal document)
- Communications and Engagement Strategies 2019 (internal document)
- Workforce Management Plan 2022
- Rural Lands Study 2022
- Integrated Land use and Transport Strategy 2004
- Draft Property Strategy

One hundred and twenty-four (124) of the 193 Key Initiatives included have been identified through these recently adopted strategies and technical documents.

Having regard to the additional program of works that will be required from the approval of the SRV, along with the extent of recurrent key initiatives and capital works, a review of the existing scale and capacity of resources within the organisation to ensure the most efficient delivery of these outcomes will be necessary. It should also be noted that an internal governance process is being established prior to the release of funds raised from SRV monies.

Rates Structure

Two sets of rating information were disclosed in the publicly exhibited draft 2023/24 Operational Plan – the first aligned with IPART's rate increase approval for all NSW councils (i.e., a 3.7% rate increase for 2023/24); and the second aligned with Council's application to IPART for a SRV over four years (2023/24 to 2026/27) of 31.05% cumulative with an 8.5% increase (including rate peg) in the first year, 2023/24.

Now that IPART has approved Council's SRV application in full, it is fiscally responsible for Council to apply the full 8.5% increase in the first year of the SRV to Ordinary and Catchments Remediation rates as the SRV is required to rebalance Council's future financial capacity within acceptable levels. Without the SRV, Council's Long-Term Financial Plan forecasts the commencement of deficits in future years that increase in size year on year to \$8.8 million by the end of the Plan

The Ordinary and Catchments Remediation Rates tables (Tables 2 and Table 3 below) are based on an 8.5% rate increase and reflect adjustments due to re-categorisation of properties and supplementary rates received since exhibition of the draft documents. This has affected the 'Rate in the \$ (based on land value)', '% of Total Rate', 'Yield \$' columns and the overall totals, increasing the total rates to be levied to \$82,439,059.

Table 2 – Ordinary Rates - based on an 8.5% increase

Category	Rate in the \$ (based on land value)	Minimum Rate (\$)	Base Amount (\$)	Base Amount (%)	% of Total Rate	Yield (\$)
Residential	0.067441		\$646	49%	87.16%	68,432,359
Farmland	0.054881		\$646	29%	0.88%	690,918
Business	0.271625	\$678			6.75%	5,299,649

Business (Hornsby CBD)	0.417061	\$678			3.44%	2,700,860
Business (Shopping Centre)	1.481210				1.77%	1,389,686
Total						78,513,472

Table 3 – Catchments Remediation Rate - based on an 8.5% increase

(N.B. There are no minimum or base amounts in respect of this rate)

Category	Rate in the \$ (based on land value)	Yield (\$)
Residential	0.006639	3,421,537
Farmland	0.003869	34,545
Business	0.014630	264,976
Business (Hornsby CBD)	0.021017	135,045
Business (Shopping Centre)	0.074060	69,484
Total		3,925,587

Total Rates to be levied on an 8.5% increase: \$82,439,059.

IPART's SRV Approval Instrument

The Instrument of Approval issued by Ms Carmel Donnelly (IPART's Chair - as the delegate of the Minister for Local Government) in respect of Council's SRV application was made under section 508A of the Local Government Act. The Instrument states that:

1. *The percentage by which Hornsby Shire Council (Council) may increase its general income for the period from Year 2023-24 to Year 2026-27 (inclusive) is 31.05%, consisting of annual increases as set out in the table below:*

- *Year 2023-24 8.5% (annual increase) 8.50% (cumulative increase)*
- *Year 2024-25 7.5% (annual increase) 16.64% (cumulative increase)*
- *Year 2025-26 6.5% (annual increase) 24.22% (cumulative increase)*
- *Year 2026-27 5.5% (annual increase) 31.05% (cumulative increase)*

(Note: The Council is required to reduce its income in accordance with the conditions of any previous special variation instrument before it increases its general income in accordance with clause 1.)

2. *The percentage increase set out in clause 1 is subject to the following conditions:*

- a) The Council use the Additional Income for the purpose of funding the Proposed Program.*
- b) The Council report in its annual report for each Year from Year 2023-24 to Year 2027-28 (inclusive):*

- i The program of expenditure that was actually funded by the Additional Income, and any differences between this program and the Proposed Program.*
 - ii Any significant differences between the Council's actual revenues, expenses and operating balance and the projected revenues, expenses and operating balance as outlined in its Long-Term Financial Plan, and the reasons for those differences.*
 - iii The outcomes achieved as a result of the Additional Income.*
 - iv The productivity savings and cost containment measures the Council has in place, the annual savings achieved through these measures, and what these savings equate to as a proportion of the Council's total annual expenditure.*
 - v Whether or not the Council has implemented the productivity improvements identified in its application, and if not, the rationale for not implementing them.*
3. *In this instrument:*
- a) Additional Income means:*
 - i The additional general income raised in accordance with clause 1, less.*
 - ii The additional general income that would otherwise have been available to the Council under section 506 of the Act.*
 - b) Long Term Financial Plan means the long term financial plan of the Council summarised in Appendix B of the Report.*
 - c) Proposed Program means the proposed program of expenditure set out in Appendix B of the Report.*
 - d) Report means IPART's report entitled 'Hornsby Shire Council – Special Variation Application for 2023-24 – Final Report'.*
 - e) Year means the period from 1 July to the following 30 June.*

As the conditions attached to Council's 2023/24 SRV approval are similar to those attached to a previous Council SRV approval given by IPART in 2011/12, Council staff have experience with, and are aware of the systems that will need to be in place, to ensure the relevant SRV reporting requirements in Council's Annual Reports are met for the 2023/24 to 2027/28 financial years.

Rate Reductions for Eligible Pensioners

Eligible pensioners across NSW are entitled by legislation to a \$250 reduction in their ordinary rates and domestic waste management services from their council. Council indicated that it would voluntarily increase this reduction by a further \$50 per annum to \$300 per annum commencing from 2023/24 if its SRV application was approved. Details are available in the Rating Information section of the 2023-2026 Delivery Program and 2023/24 Operational Plan.

Review of Hardship Policy

When Council supported the progression of an SRV application to IPART at its 23 November 2022 Workshop Meeting, point 7 of its resolution was that:

Council undertake a comprehensive review of its Hardship Policy in accordance with both the guidelines provided by the Office of Local Government and current industry best practice.

This review is to include consideration of pensioner ratepayers such as those on a disability or other pension that are not eligible to receive the existing or proposed increase to the pensioner rate concession and to be completed and reported prior to the adoption of the 2023/24 Delivery Program and Budget. Following adoption of the Policy, Council develop a comprehensive communication policy to ensure that our community is aware of options for support provided within this revised Policy.

Council officers have reviewed the existing Policy against the relevant policies of other councils as well as comparing it to the various hardship relief provisions which are permissible under the Local Government Act. A revised draft Policy has been prepared that specifies the available types of assistance for ratepayers suffering financial hardship because of a range of special circumstances, including those with a disability, with forms of relief available for both eligible pensioners and ratepayers who do not meet the requirements to receive a pensioner rebate specified within the Act. The revised draft was discussed with Councillors during a workshop in May 2023.

Special Circumstances

The revised draft Policy recognises that due to special circumstances, ratepayers may at times encounter financial hardship, making it difficult for them to pay their rates and charges as they fall due, or adhere to a regular payment arrangement. To ensure that all circumstances were covered, a benchmarking exercise against other councils was undertaken together with a review of historic hardship cases at Hornsby Council. This led to the Special Circumstances section of the Policy being broadened to include (but not limited to) such matters as loss of employment, loss of income, illness, separation or divorce or recent bereavement, mental health, disability, family violence, carer responsibilities, impacts of natural disasters and other such unforeseeable events, significant changes to rates and charges related to legislative and regulatory changes, or impacts following a general revaluation of land by the Valuer General (should the impact cause substantial hardship).

Types of Assistance

The types of financial assistance available to ratepayers suffering from financial hardship are stipulated within the Act and are included in the revised draft Policy. They include, at Council's discretion:

- Deferral of rates and charges for eligible pensioners with unpaid rates and charges to be claimed against the estate on death or property sale.
- Temporary deferral of rates and charges for non-pensioners subject to recommencing a payment arrangement in the future.
- The creation of a payment arrangement with Council, with the size and frequency of repayments tailored to the specific circumstances of the hardship case.
- Writing-off accrued interest and costs.
- The extension of the pensioner rebate to a non-pensioner in circumstances where a ratepayer is liable for an eligible pensioner.
- Provision of relief to offset an increase in rates and charges following a land revaluation by the NSW Valuer General when the increase causes significant financial hardship.

In addition to the types of assistance available within the Act, Council's Financial Services Branch and Home Modification Section communicate regularly on cases of hardship to ensure that ratepayers who may benefit from home modification services are aware of the services available.

Provision of Information

Information about the hardship relief available for residents experiencing financial difficulties and how to complete an application will accompany the 2023/24 Annual Rates Assessment Notices. Residents will also receive a brochure providing information on the land revaluation by the NSW Valuer General and details of hardship relief for residents impacted by the valuation. Information will also be available on Council's website, and Council's Revenue Team can be contacted during business hours from Monday to Friday to discuss the relief available.

A copy of the revised Policy is attached and recommended for adoption (Attachment 5).

Domestic Waste Charges

It should be noted that in 2023/24, there will be no increase to the 2022/23 Domestic Waste Charges for all ratepayers.

Project Substitution or Reallocation of Resources

When Council decided to place the draft 2023/24 Operational Plan on public exhibition at its 12 April 2023 General Meeting, it resolved that Informal Councillor Briefing(s) be held during the exhibition period to discuss options for project substitution or reallocation of resources to progress Vegetation Mapping; the creation of a fixed term, identified Aboriginal or Torres Strait Islander position to facilitate the development and implementation of an Aboriginal Engagement Strategy/Reconciliation Action Plan; and the Rural Lands Study in the final Delivery Program.

The details discussed and the outcomes from those Briefings are provided below:

- Councillors noted that the three initiatives were currently unfunded and that project substitutions or reallocation of resources would be required in order to progress the initiatives. Funding required for each initiative includes:
 - \$200k to progress Stage 1 of Vegetation Mapping Update being the technical work to produce a new and accurate map for the Shire. This work is anticipated to take up to 12 months to complete. Subsequent stages would then be required to exhibit and endorse the Map, followed by a Planning Proposal to incorporate the Maps into the LEP. These stages are estimated to take a further six months and \$50k, and 12 months and \$150k respectively and would be addressed in the development of future budgets.
 - \$390k (\$150k in year 1 and \$120k in each of years 2 and 3) to proceed with the recruitment of a fixed term, identified Aboriginal or Torres Strait Islander position and the development of a Reconciliation Action Plan/Aboriginal Engagement Strategy.
 - Approximately \$300k for consultant input to progress each of the village investigation areas. If these projects were to be included as additional projects in the Strategic Planning Program, an additional planning officer would also be required to coordinate the project at a cost of \$150k per year over two consecutive years.

- A review by staff of actions in the draft 2023-2026 Delivery Program and 2023/24 Operational Plan have identified the following possible projects as substitutions for the above:
 - Annual footpath construction budget - \$500k
 - Galston Public Domain - \$7.1 million
 - Wallarobba improvements - \$500k
- Alternatively, Council could look at a reduction in services in the following areas:
 - Sportsgrounds and parks – a reduction in maintenance
 - Libraries – a reduction in library opening hours
 - Asset operations – move building maintenance from planned to reactive
 - Communication – reduce expenditure on flags, mesh fencing and advertising
 - Closure of underutilised community facilities
- A range of views were expressed by Councillors during informal workshops in respect of the three unfunded initiatives above regarding what projects should be progressed or what projects should be substituted in the draft 2023-2026 Delivery Program or 2023/24 Operational Plan. No budget adjustments associated with these projects are currently being proposed within this report. What is proposed is that further discussion will be undertaken in forthcoming budget quarterly reviews in 2023/24 to resolve this matter.

CONSULTATION

Council engaged its community in reviewing the Community Strategic Plan in 2021/22 and subsequently, Hornsby Shire's Community Strategic Plan 2032, Your vision | Your future 2032 was endorsed by Council on 8 June 2022.

The 2023-2026 Delivery Program and 2023/24 Operational Plan (incorporating the Budget, Fees and Charges and Rating Structure for 2023/24) responds to the Community Strategic Plan, Your Vision | Your Future 2032, as well as a significant number of new strategies and technical documents adopted by Council over the last two years.

These integrated planning documents have been prepared after consideration by Council and public exhibition of draft proposals from 13 April to 15 May 2023. Councillors were further briefed in respect of the draft documents on 26 April 2023 and 24 May 2023.

BUDGET

The publicly displayed 2023/24 Operational Plan included a Baseline Budget (a budget prepared based on the rate peg approved for 2023/24 of 3.7%) and a SRV Budget (a budget based on a proposed SRV applied to IPART with a rate peg being sought in 2023/24 of 8.5%). Now that Council has received advice from IPART that its SRV application has been approved in full, the recommendations in this Report are based on an 8.5% rate increase for the 2023/24 financial year.

It is noted that the SRV Budget included an estimated deficit of \$2 million, which is greater than the deficit forecast in the LTFP of \$0.9 million – this is attributable to contractual cost increases that have increased greater than forecast CPI of 3.5%, including the renewal of workers compensation insurance (58% increase), the renewal of other required insurances such as for motor vehicles and public liabilities (14% increase), software licence price increases of 10% to 25% and a 44% price increase for grass cutting services.

Since the budget was placed on exhibition, Council has received notification of two further increases for statutory costs that require funding in 2023/24 and has reviewed budgeted investment income having regard to a higher base rate set by the Reserve Bank of Australia (RBA) – see below:

- **\$510K Emergency Services Levy (ESL) increase** – The ESL, payable to the NSW State Government has increased by \$632K (18%) to \$4.1 million in 2023/24, which is \$510K greater than the increase of \$122K (3.5%) that was provided for in the draft budget based on forecast CPI.
- **\$860K Salaries and Wages increase** – Local Government Award negotiations indicate a likely increase in salaries and wages of 4.5% next year, which is greater than the increase of 3.8% included within the draft budget. Additionally, the finalised Award is likely to entitle permanent staff to an additional \$1,000 payment as a form of cost-of-living relief next year. The Award is also expected to prescribe future year increases of 3.5% in 2024/25 and 3.0% in 2025/26 as well as the continuation of the \$1,000 additional payment in 2024/25. Comparably, Council's LTFP forecast an increase to salaries and wages of 3.5% in 2024/25 and 3.1% in 2025/26, which will likely provide less than required by the Award.
- **(\$860K) Additional investment income** – The base rate set by the RBA has increased higher and faster than originally forecast and is expected to result in additional investment income. Budgeted investment income has been increased to offset the additional salaries and wages expenditure expected and the budget for investment income will continue to be reviewed throughout the year with returns reported to Council on a monthly basis.

(N.B. The next version of Council's LTFP will be updated to account for these higher costs and the likely impact on future forecast surpluses.)

After inclusion of the changes listed above, the SRV Budget forecasts an estimated deficit of \$2.5 million at 30 June 2024. It should be noted that a deficit was forecast in the first year of the SRV Budget because of the temporary cashflow timing of SRV income compared to projected expenditure in the first year of the SRV. To address this cashflow timing in the first year, a transfer of \$2.5 million from Council's Debt Retirement and Capital Projects Restricted Asset account has been allocated to balance the budget to a forecast surplus of \$40K at 30 June 2024. The amount borrowed will be repaid from cash surpluses forecast in 2024/25 and 2025/26 in the SRV scenario of Council's LTFP, noting that the SRV is forecast to provide sufficient operating capacity into the future.

POLICY

The Delivery Program is Council's principal instruction to the organisation and the underlying annual Operational Plans allocate resources and contain the detail on what will be done to implement the Delivery Program.

CONCLUSION

The draft 2023-2026 Delivery Program and 2023/24 Operational Plan (incorporating the Budget, Fees and Charges and rating Structure for 2023/24) encompass the Key Initiatives and the levels of service to be provided to the community in a prudent and financially viable manner. The draft documents were publicly exhibited from 13 April to 15 May 2023 and sixty-seven (67) submissions were received. Each submission was reviewed by Council staff and discussed with Councillors at a workshop on 24 May 2023 to determine if any amendments should be made to the draft documents prior to adoption.

Two rating scenarios for 2023/24 were included in the draft documents – the first aligned with IPART's rate increase approval for NSW councils (i.e., a 3.7% rate increase for 2023/24); and the second

aligned with Council's application to IPART for a SRV over four years (2023/24 to 2026/27) of 31.05% cumulative with an 8.5% increase (including rate peg) in the first year, 2023/24.

Having obtained an approval from IPART for its SRV application, it is fiscally responsible for Council to apply the full 8.5% increase in the first year of the SRV to Ordinary and Catchments Remediation rates as the SRV is required to rebalance Council's future financial capacity within acceptable levels. Without the SRV, Council's Long-Term Financial Plan forecasts the commencement of deficits in future years that increase in size year on year to \$8.8 million by the end of the Plan.

As such, this Report recommends that:

- Subject to incorporation of the recommendations detailed in the Report and attachments, Council adopt the 2023-2026 Delivery Program and 2023/24 Operational Plan.
- Council make and levy the 2023/24 Ordinary Rates and 2023/24 Catchments Remediation Rates in accordance with Tables 2 and 3 of the Report.
- Council adopt the revised Hardship Policy attached to the Report.
- Council increase its rate reduction for eligible pensioners from \$250 per annum to \$300 per annum commencing from 2023/24.
- An informal briefing be held in the lead up to the preparation of the September 2023 Quarterly Review of the 2023/24 Budget to discuss options for project substitution or reallocation of resources to progress Vegetation Mapping; the creation of a fixed term, identified Aboriginal or Torres Strait Islander position to facilitate the development and implementation of an Aboriginal Engagement Strategy/Reconciliation Action Plan; and to progress the Rural Lands Study.
- Council thank those who made submissions in respect of the 2023-2026 Delivery Program and 2023/24 Operational Plan.


RESPONSIBLE OFFICER





The officers responsible for the preparation of this Report are the Chief Financial Officer – Duncan Chell and the Manager, Strategy and Place – 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.  2023-2026 Delivery Program including the Operational Plan 2023/24

2.  Fees & Charges 2023/24
3.  Table 1A DPOP Submissions and Feedback
4.  Table 1B DPOP Staff Amendments
5.  Revised Hardship Policy

File Reference: F2023/00012

Document Number: D08641503

ITEM 1

2 DRAFT PROPERTY STRATEGY - POST EXHIBITION

EXECUTIVE SUMMARY

- A report was considered by Council in relation to the draft Property Strategy at its meeting of 10 May 2023.
- Council resolved to publicly exhibit the draft Property Strategy for 28 days seeking community feedback.
- The exhibition period commenced Tuesday 16 May and concluded on Tuesday 13 June 2023.
- Three written submissions were received during the exhibition period, one submission was received following the close of the exhibition and one verbal submission was provided at the Council meeting of 10 May 2023.
- Based on the feedback received from respondents some minor amendments are proposed to the draft Property Strategy to provide greater clarity around Council's intentions regarding the Property Strategy and its property portfolio, along with options for delivery of housing affordability within any future residential development.
- It is recommended that Council approve the minor amendments proposed and adopt the Property Strategy.

RECOMMENDATION

THAT:

1. Council adopt the amended draft Property Strategy as attached to the General Manager's Report GM 28/23.
2. All respondents to the public exhibition be thanked for providing their submission and advised of Council's decision.

PURPOSE

The purpose of this Report is to provide Council with information on the submissions received during the public exhibition of the draft Property Strategy and adopt the Property Strategy with the minor amendments identified within this report.

BACKGROUND

At the 10 May 2023 Ordinary Meeting, Council considered General Manager's Report No.14/23 and resolved that:

1. Council publicly exhibit the draft Property Strategy for a period of 28 days.
2. A further report be presented to Council following the public exhibition considering any comments received.

DISCUSSION

The public exhibition of the draft Property Strategy commenced on 16 May 2023 and concluded on 13 June 2023.

Three written submissions were received during the public exhibition. A further written submission was received following the close of the exhibition and one verbal submission was provided by a public speaker at the Council meeting of 10 May 2023, both submissions have been considered within this report. The details of each submission are listed below along with a comment regarding the items raised within each submission and followed by a recommendation whether to amend the draft Property Strategy as a result.

Submissions Received During Public Exhibition

Submission 1

This submission was provided by Berowra Lions Club and relates to the Berowra District Hall and their management of the facility. The Club have asked to be contacted should Council be considering the building as part of the Property Strategy.

Comment

The Berowra District Hall (41X Berowra Waters Road, Berowra) is located on Crown Land (R76234) for which Council is Land Manager. In the 1950's Council was transferred the building, which was originally built in 1898 and used as a school building. Under a management agreement executed in 1984 Berowra Lions Club have management rights for the building to make it available for community use and maintain the building in accordance with requirements as a locally listed heritage item.

The Berowra District Hall is not proposed for further review within the Property Strategy at this time, however contact will be made with the respondent to advise them and discuss the existing management arrangement with Council.

Recommendation

That no amendment be made to the draft Property Strategy based on Submission 1.

Submission 2

This submission sought to understand the percentage of residential housing that is proposed to be dedicated to affordable housing from development of Council assets, and where the housing would be provided.

Comment

The Hornsby Town Centre will be the location where affordable housing will be targeted by Council for provision within the Hornsby Shire consistent with the draft Hornsby Town Centre Masterplan. The suburb of Hornsby has been identified as a Strategic Centre within the North District Plan, which is a twenty (20) year plan prepared by the Greater Sydney Commission.

The North District Plan provides targets for additional dwellings for Council's in the north region from 2016 to 2036. In the medium term (2021-2026) the North District Plan identifies Hornsby providing an additional 3,800 to 4,200 dwellings.

Council's Hornsby Town Centre draft Masterplan recommends that a minimum provision of 5 per cent of new dwellings are provided as affordable housing on private landholdings. For publicly owned land, the draft Masterplan recommends exploring an increase in supply of affordable housing. It recommends that Council itself provide close to 10 per cent of the total number of affordable housing dwellings, which equates to approximately 40 dwellings.

With Council's desire to provide greater options for housing affordability and achieve a net zero carbon precinct within the Hornsby Town Centre, economic feasibility is likely to determine the timing of delivery of those dwellings.

Recommendation

That no amendment be made to the draft Property Strategy based on Submission 2.

Submission 3

This submission was provided by the Pennant Hills Civic Trust and raised various matters.

These include:

- Requiring clarification of the term 'Property' and whether it means land, buildings or both.
- Reviewing what aspects 'Best Value for Money' may include. At present it includes financial, social and environmental. It is argued that it should also include sustainability.
- Highlighting aesthetic impacts associated with the lease of Council property. It suggests that tenants on short term leases should be required to make improvements only in line with neighbouring properties and not for their own commercial benefit.
- Consider proceeds from divestment of property assets to be used to sustain the long term needs of local residents, instead of going into a black hole.
- Reconsider prioritisation of building maintenance works from commercial tenants to facilities where use may be higher, and those users may be more impacted by a lack of maintenance.
- Reconsider approach to rent reviews for leases/licences on Community land. Consider the impact of rent reviews and include other factors into the consideration including social aspects and a wider view of Council's objectives, rather than rent reviews that involve consumer price index or set increases.
- Raises concerns over advertising on Council land specifically the difficulty of controlling advertising content that may not be considered appropriate.

Comment

Following are comments in relation to the items raised within the submission above.

The term 'Property' is used to describe land and all improvements on the land, which includes buildings.

The term 'Best Value for Money' currently includes consideration of environmental, social and financial aspects. Sustainability is implicit and explicit across financial, social and environmental aspects.

Lease terms, which include maintenance and building upgrades, are negotiated by Council prior to occupation of a building and with the assets lifecycle condition and cost closely considered. Tenant maintenance works to Council buildings are normally sympathetic to the local environment however where it is appropriate, Council does consider reasonable requests from commercial tenants where there is a desire to make the business operating from a Council property more marketable.

The draft Property Strategy identifies that proceeds from divestment of Council property should be re-invested into Council property to improve long term financial sustainability for the entire community.

Responsibility for maintenance works within leases of Council property are negotiated with many factors in mind, the proposed use of the property, term of the lease, net return to Council after considering responsibility for outgoings, maintenance and capital works to name a few. Commercial tenants usually require a higher level of maintenance to operate their business and this is reflected in the return provided to Council.

Rent reviews or mechanisms to increase rent for leases and licences of Community Land will be further explored within the current review of community groups occupying Council land and buildings.

Any agreement for advertising on Council land includes specific terms controlling content of the advertising in accordance with relevant codes of conduct administered by the Advertising Standards Board.

Officers have further discussed the matters raised in this submission with the Pennant Hills District Civic Trust who authored the submission, who have indicated they generally support the strategy and would value the opportunity for further discussion with officers.

Recommendation

That Council officers meet with the Pennant Hills Civic trust to discuss their submission further with relation to the Property Strategy.

That no amendment be made to the draft Property Strategy based on Submission 3.

Submission 4 (received following the close of the exhibition period)

This submission related to setting goals within the Property Strategy for the provision of Affordable Housing from underutilised Council property.

Comment

The provision of affordable housing on Council property is possible where zoning permits residential uses.

The Hornsby Town Centre is proposed to accommodate the majority of new dwellings within Hornsby Shire in the next twenty years to meet targets set by the State government. Within the Hornsby Town Centre draft Masterplan, it is recommended that Council provide approximately forty dwellings on its land where uplift in planning controls is proposed.

With Councils desire to provide greater options for housing affordability and achieve a net zero carbon precinct within the Hornsby Town Centre, economic feasibility is likely to determine the timing of delivery of those dwellings.

Recommendation

Include content within section 4.6 'Development and Investment Activities' of the Property Strategy requiring consideration of options to address housing affordability within residential developments on Council land consistent with the outcomes of Councils various strategies relating to the provision of housing.

Submission 5 - Public Speaker at Council Meeting of 10 May 2023

At the Council meeting of 10 May 2023, a member of the community spoke in public forum mainly about the objectives of the draft Property Strategy.

The speaker raised concern with the Objectives and how they related to Council's management of Crown Land, specifically maximising returns, optimising the value of land, achieving highest and best use and identifying underutilised land. The concern was that the Objectives were not consistent with the purpose for Crown Land, which the speaker identified has been for conservation in the past.

There were further comments in relation reclassification of land and the potential for Crown Land to be reclassified and then divested.

The speaker concluded by asking Council to fine tune the Strategy so that it does not put Crown Lands in Hornsby Shire at risk of commercialisation or divestment.

Comment

The intention of the Property Strategy is to ensure that Council's property, and property under its management, is well utilised and provides best value to the community. The focus is proposed for Council's Operational Land portfolio, with a view to increase asset value, ongoing returns and to assist in the delivery of strategic outcomes sought by the community through the Community Strategic Plan.

Council, as Land Manager for Crown Lands charges user fees for use of Crown Land which helps to offset the considerable cost of maintaining and upgrading Crown Land and improvements on it for the benefit of the community.

As Land Manager, Council is responsible for ensuring that Crown Land is used for the purpose for which it was originally created. Crown Land is set aside on behalf of the community for a wide range of public purposes, including environmental and heritage protection, recreation and sport, open space, community halls, special events and government services. The draft Property Strategy does not intend to alter the identified purpose for Crown Land under management.

To reclassify a parcel of Council or Crown land from community to operational a planning proposal is required. The planning proposal process includes both community consultation and a public hearing be undertaken. To divest of any parcel of Crown Land, where Council is Land Manager, approval of the minister is required. There are no proposals to divest Crown Land by Council as part of the Property Strategy.

Recommendation

To address the items raised in Submission 5 (verbal submission) regarding Crown Land under Councils management, it is proposed to make minor amendments to wording within the 'Introduction' and 'Section 1.3 – Objectives' sections of the draft Property Strategy. The amendments relate to including reference to 'Operational' land and property where mention is made of Council's property portfolio or assets, to clarify the intention of the Property Strategy regarding Council's Operational Land portfolio.

The amendments proposed to the draft Property Strategy are provided below with changes highlighted in bold:

1. Introduction (page 4)

“The intention of the Strategy is to identify opportunities to optimise the value and use of Council’s **Operational** property portfolio, through improved commercial arrangements and by realising development opportunities. Consideration toward divestment, development and consolidation of Council property to optimise use and return will assist with contributing to Council’s long term financial sustainability.”

2. Objectives (section.1.3 on page 6)

“The main objectives of the Property Strategy are as follows:

- To align the Property Portfolio with the long-term vision of Council and the community within Your Vision, Your Future 2032 and other relevant adopted strategic documents.
- To optimise the value of the Property Portfolio for the benefit of the community and Council.
- To assist with achieving Councils Long Term Financial Plan goals and objectives by investing proceeds from property divestment and creating new opportunities for additional recurring income streams.
- To achieve highest and best use from the existing **Operational** property **within the** Portfolio to maximise return and minimise all related costs to Council.
- To identify key operational properties within the Property Portfolio and set short and long-term recommendations for future use.
- To identify underutilised/underperforming **Operational** property assets within the existing Property Portfolio and consider them for potential divestment or further investment opportunities.
- To consider acquisition of other strategically located property for future development and investment purposes or to assist in the achievement of community and Council priorities.”

With the public exhibition period concluded, it is recommended that the amendments as proposed and outlined relating to Submissions 4 & 5 above, be incorporated into the draft Property Strategy.

The draft Property Strategy with the amendments proposed above is attached to this report as Attachment 1.

Following adoption of the strategy staff will then have a basis to finalise a review of all properties and land that are subject to the strategy which will form the basis of further engagement with Council to determine where resources should be focused in support of the aims and objectives of the strategy.

CONSULTATION

The draft Property Strategy was posted on Council’s website on the public engagement platform, the ‘Your Say’ page. The opportunity to provide comment on the draft Strategy was further highlighted to the community through social media on 24 May 2023.

BUDGET

There are no budgetary implications associated with this Report. Any proposals requiring the allocation of funds will be undertaken through the normal budget processes of Council

POLICY

The Property Strategy is a strategic document of Council rather than a Policy. It should however be published on Council's website for public viewing.

CONCLUSION

The draft Property Strategy was exhibited from 16 May to 13 June 2023 seeking community feedback. Three written submissions were received during the exhibition period, one submission was received following the conclusion of the exhibition with one verbal submission which was provided at the Council meeting in May 2023. Minor amendments to the draft Property Strategy are being proposed as a result of the submissions received.

It is recommended that Council adopt the amended Property Strategy as attached to this report.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Property Asset Manager (Strategy) – Kent Walton - who can be contacted on 9847-6234.

STEVEN HEAD

General Manager

Office of the General Manager

Attachments:

1.  Attachment 1 - Amended Draft Property Strategy

File Reference: F2022/00307

Document Number: D08669321