



BUSINESS PAPER

GENERAL MEETING

**Wednesday 10 April 2024
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.

CONFIRMATION OF MINUTES

THAT the Minutes of the General Meeting held on 13 March, 2024 be confirmed; a copy having been distributed to all Councillors.

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 GM10/24 DRAFT 2024-2027 DELIVERY PROGRAM INCLUDING THE 2024/25 OPERATIONAL PLAN, BUDGET AND FEES AND CHARGES - ADOPTION FOR PUBLIC EXHIBITION

RECOMMENDATION

THAT:

1. Council adopt for public exhibition the draft 2024-2027 Delivery Program and 2024/25 Operational Plan which includes the draft Budget, Fees and Charges and Rating Structures for 2024/25 and make available for public comment from 11 April to 13 May 2024.

2. Council note the rating information contained in the draft 2024-2027 Delivery Program and 2024/25 Operational Plan that aligns with Year 2 of the Independent Pricing and Regulatory Tribunal's (IPART's) Special Rate Variation approval for Hornsby Shire Council (i.e., a 7.5% rate increase for 2024/25).
3. Following public exhibition, after consideration of all submissions, the 2024-2027 Delivery Program and 2024/25 Operational Plan, including Budget, Fees and Charges and Rating Structure, be referred to Council for further consideration and adoption before 30 June 2024.

CORPORATE SUPPORT DIVISION

Page Number 10

Item 2 CS10/24 INVESTMENTS AND BORROWINGS FOR 2023/2024 - STATUS FOR THE PERIOD ENDING 29 FEBRUARY 2024

RECOMMENDATION

THAT the contents of Director's Report No. CS10/24 be received and noted.

Page Number 13

Item 3 CS11/24 CLASSIFICATION OF PUBLIC LAND AT GLORIA CLOSE, MOUNT COLAH

RECOMMENDATION

THAT pursuant to Section 31 of the Local Government Act 1993, Lot 13 DP 259243 being 3 Gloria Close, Mount Colah be classified as "Operational Land".

Page Number 16

Item 4 CS12/24 CLASSIFICATION OF PUBLIC LAND AT DURAL

RECOMMENDATION

THAT pursuant to Section 31 of the Local Government Act 1993, Lot 51 DP 135610 being 529 Galston Road, Dural be classified as "Operational Land".

COMMUNITY AND ENVIRONMENT DIVISION

Nil

PLANNING AND COMPLIANCE DIVISION

Page Number 20

Item 5 PC5/24 DRAFT PLANNING AGREEMENTS POLICY 2024

RECOMMENDATION

THAT

1. The draft Planning Agreements Policy 2024 and supporting documents attached to Director's Report No. PC5/24 be placed on public exhibition for a period of at least 28 days in accordance with Council's Community Engagement Plan.
2. Following exhibition, a report on submissions be presented to Council for consideration.

Page Number 25**Item 6 PC6/24 HORNSBY DEVELOPMENT CONTROL PLAN AMENDMENTS - ALL ELECTRIC RESIDENTIAL BUILDINGS****RECOMMENDATION**

THAT

1. The draft all electric residential buildings amendments to the Hornsby Development Control Plan 2013 attached to Director's Report No. PC6/24 be placed on public exhibition for a period of 28 days.
2. Following exhibition, a report on submissions be presented to Council for consideration.
3. Further research be undertaken on the use of gas in commercial buildings and outdoor residential water heaters for presentation to an Informal Councillor Briefing.
4. Educational material on the health effects of gas emissions be developed for distribution to residents and Council continue its transition from use of gas in Council-owned buildings.
5. A submission be sent to the NSW Government requesting a State-wide ban on new gas connections.

INFRASTRUCTURE AND MAJOR PROJECTS DIVISION

Nil

PUBLIC FORUM – NON AGENDA ITEMS**QUESTIONS WITH NOTICE****MAYOR'S NOTES****Page Number 32****Item 7 MN3/24 MAYOR'S NOTES 01 MARCH 2024 TO 31 MARCH 2024****NOTICES OF MOTION**

SUPPLEMENTARY AGENDA

MATTERS OF URGENCY

1 DRAFT 2024-2027 DELIVERY PROGRAM INCLUDING THE 2024/25 OPERATIONAL PLAN, BUDGET AND FEES AND CHARGES - ADOPTION FOR PUBLIC EXHIBITION

EXECUTIVE SUMMARY

- The Draft 2024-2027 Delivery Program including the 2024/25 Operational Plan 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 2024/25 are included in a separate document.
- The draft documents are predicated on Council maintaining current levels of service in 2024/25 as well as capital expenditure of \$67.3 million. Also included are 145 key initiatives in total, which includes 93 actions identified through the adoption of strategy and technical documents.
- The draft 2024/25 Annual Budget is based on a 7.5% rate increase approved by IPART in the second year of Council's Special Rate Variation, and provides for a budget surplus of \$1.983 million based on a Net Operating and Capital Result after Funding.
- The surplus forecasted for 2024/25 is \$1.983 million and it would be financially prudent to retain this surplus to respond to unforeseen budget shocks that can occur throughout the year. Council committed to adopting a balanced budget each year as part of the justification for the Special Rate Variation, which includes achieving an end of year result that meets the financial performance measures set by the Office of Local Government. This requires commencing the year with a forecast surplus.

RECOMMENDATION

THAT:

1. Council adopt for public exhibition the draft 2024-2027 Delivery Program and 2024/25 Operational Plan which includes the draft Budget, Fees and Charges and Rating Structures for 2024/25 and make available for public comment from 11 April to 13 May 2024.
2. Council note the rating information contained in the draft 2024-2027 Delivery Program and 2024/25 Operational Plan that aligns with Year 2 of the Independent Pricing and Regulatory Tribunal's (IPART's) Special Rate Variation approval for Hornsby Shire Council (i.e., a 7.5% rate increase for 2024/25).
3. Following public exhibition, after consideration of all submissions, the 2024-2027 Delivery Program and 2024/25 Operational Plan, including Budget, Fees and Charges and Rating Structure, be referred to Council for further consideration and adoption before 30 June 2024.

PURPOSE

The purpose of this Report is to present to Council for adoption the draft 2024-2027 Delivery Program and 2024/25 Operational Plan (incorporating the Budget, Fees and Charges and Rating Structure for 2024/25), such that the draft documents can be publicly exhibited from Thursday 11 April to Monday 13 May prior to being reconsidered for final adoption by Council in June 2024.

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 Community Strategic Plan, *Your vision | Your future 2032*, was endorsed by Council in June 2022 (GM20/22 – 8 June 2022).

DISCUSSION

Draft 2024-2027 Delivery Program including the 2024/25 Operational Plan (Attachment 1)

The draft 2024-2027 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, known as Focus Areas which are broad groupings that cover Council operations. The 16 Focus Areas are aligned to the Strategic Directions and Long-Term Goals in *Your vision | Your future 2032* and bring together a program of Key Initiatives, Ongoing Activities and Capital Projects which will be reviewed yearly against the annual budget.

The draft Operational Plan for 2024/25 is contained within the Delivery Program. As well as outlining the Key Initiatives, Ongoing Activities and Capital Projects that will be undertaken during 2024/25, it includes Council's detailed annual budget and Statement of Revenue Policy which includes the proposed rates, fees and charges.

Council undertook 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. A further Community Satisfaction telephone survey of 300 residents was undertaken in February 2023. Council is currently reviewing the results of an extensive survey regarding liveability of the shire undertaken in late 2023 to understand how to further support the aspirations of the community.

Key initiatives outlined in the draft 2024-2027 Delivery Program including the 2024/25 Operational Plan are in response to the findings and priorities voiced by the community. Across the four Themes of Liveable, Sustainable, Productive and Collaborative there are 145 Key Initiatives, 93 of which are

actions identified through the adoption of strategies and technical documents. These Key Initiatives include:

LIVEABLE

- Developing an Arts and Cultural Plan
- Developing a Social Plan
- Preparing a new Hornsby Development Control Plan 2024

SUSTAINABLE

- Developing asset inspection condition data across all asset classes
- Finalising Hornsby Floodplain Risk Management Study and Plan
- Updating vegetation mapping
- Preparing an Urban Unstructured Recreation Strategy
- Developing an ongoing, sustainable and funded street tree planting program

PRODUCTIVE

- Establishing a place-based framework for the prioritisation and coordination of actions for Hornsby Centre that progresses Council's vision for the Hornsby precinct including the town centre and Hornsby Park
- Undertaking construction of the Galston Village public domain project
- Developing an Active Transport Plan

COLLABORATIVE

- Developing an urban tree management policy that standardises decision making processes against clear Council objectives for all elements of street and park tree management
- Considering the preparation of an affordable rental housing scheme under SEPP 70
- Preparing a Local Seniors Housing Strategy.

Research undertaken in 2020 found that 96% of residents believe they have a good to excellent quality of life. Research undertaken by Place Score for the 2023 Australian Liveability Census found that 83% of our community is satisfied with liveability in their local neighbourhood. 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 five 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 \$12.7 million allocated for 2024/25
- Westleigh Park redevelopment – with \$11.8 million allocated for 2024/25
- Public Domain
 - Asquith to Mount Colah – with \$2.4 million allocated for 2024/25

- Galston village centre– with \$4.5 million allocated for 2024/25
- Kangaroo Point to Brooklyn boardwalk and shared path – with \$2 million allocated for 2024/25
- Hornsby Town Centre Review – to meet the future housing and employment needs of Hornsby Town Centre. The draft Delivery Program and Operational Plan highlights a number of key actions for the Hornsby Town centre. Given the ambitious vision outlined in the adopted masterplan, the Executive leadership team are currently developing a governance process to ensure the successful integration of the myriad of activities that will contribute to the long-term success and rejuvenation of the centre including regular reporting to Council.

In total, there are \$67.3 million worth of capital projects proposed in the draft 2024/25 Operational Plan, of which \$1.7 million is funded by grants, \$26 million is funded by Restricted Assets, \$19 million is funded by section 7.11 / section 7.12 development contributions and \$4.8 million is funded by the Special Rate Variation. As well as the five transformational projects mentioned above, other capital projects proposed for 2024/25 include:

- Local road and traffic improvements worth more than \$5.6 million
- As well as Kangaroo Point to Brooklyn boardwalk and shared path, local footpath improvements and new shared paths worth over \$2.7 million
- \$12.6 million to improve various parks and sporting facilities including Mark Taylor Oval, Waitara; Brickpit Park, Thornleigh; Beecroft Village Green; Edward Bennett Oval, Cherrybrook; Mills Park, Asquith and Foxglove Oval, Mount Colah
- \$800,000 on bushland recreational improvements, including walking track upgrades to the New Farm Road bushland at West Pennant Hills; Larool Creek Bridge, Thornleigh and Devlins Creek Track to Lyne Road at Cheltenham
- Over \$1.5 million on Catchment Remediation Rate projects including installation of gross pollutant traps at Lambie Place bushland, Cherrybrook; Nanowie Reserve, Normanhurst and Montview Oval, Hornsby Heights.
- \$1 million to renew and upgrade ageing playgrounds. A prioritised renewal program, informed by the Play Plan, will be developed by Council in time for the adoption of the final budget for 2024/25 in June 2024.

Housing Reforms

In response to the Department of Planning, Housing and Infrastructure's Explanation of Intended Effect: Changes to create low and mid-rise housing, Council has made a submission outlining concerns and recommendations. Council's submission notes the density of development proposed under the state-wide approach to deliver housing will impact the character of the Shire's suburbs, heritage, environment, tree canopy and infrastructure. It will also risk over-development in areas prone to floods, bushfires and parts of the Shire without adequate supply of wastewater infrastructure or on escarpments.

Accordingly, Council has requested an exemption from the proposed changes to progress a local medium density housing strategy. Council officers have participated in discussions with Department representatives concerning the proposed reforms and reinforced Council's position that councils should be able to plan locally to assist address the housing crisis based on clear targets and timeframes. Should Council be provided with the opportunity to progress a local strategy for medium

density housing as requested, such a project would require adjustment to projects under the Delivery Program to accommodate the preparation of a local strategy as a priority.

The Draft 2024/25 Budget

Council staff commenced the preparation of the draft 2024/25 Budget in November 2023. 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 2024/25 budget parameters included:

- Alignment with the parameters and projects identified within the baseline scenario in the Long-Term Financial Plan (LTFP) adopted by Council at the 23 November 2022 General Meeting.
- Initiatives agreed to in successive versions of the LTFP for inclusion in the 2024/25 budget including new footpath construction of \$500K.
- A general rate increase of 7.5% for 2024/25, representing the second-year increase in the Special Rate Variation approved by IPART.
- Additional funding for the renewal and maintenance of Council's asset base of \$2.07 million as noted in the Asset Management Strategy at the 28 September 2022 General Meeting of Council, funded by the Special Rate Variation.
- Allocations totalling \$6.59 million for Strategic Initiatives funded by the Special Rate Variation that align with Council's application to IPART for the SRV. Funding is to be directed towards high priority actions to upgrade community infrastructure, protect bushland and improve open space, construct connected walking and cycling paths, improve cyber security technology and progress community development and climate change adaptation programs.
- Zero external loan borrowing and the continuation of prudent financial management.
- A nil increase to non-contractual Divisional expenditure (net of direct labour) – price increases for non-contractual expenditure have been required to be offset by productivity improvements or reviewing service provision.
- Contractual cost increases that have risen at a greater rate than forecast CPI including the cost of the upcoming Council Election (22% increase), and the renewal of required insurances such as for motor vehicles and public liabilities (increases between 10% and 25%).
- Direct salaries and wages based on the Local Government (State) Award increase of 3.5% and calculated on a 50 pay week year. The two-week reduction from a full year represents organisational savings which occur because 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 11% to 11.5% in line with statutory requirements, estimated at \$277K in the LTFP.

The draft 2024/25 cash surplus in the Baseline Budget after applying the parameters above is a cash surplus of \$1.983 million, which is less than the surplus forecast in the LTFP of \$2.761 million. This is due to a range of cost increases that have occurred since the LTFP was adopted, including contractual increases for grass cutting, workers compensation and general insurances, an increase in

the Emergency Services Levy in 2023/24 and salary and wage increases prescribed by the Local Government Award that are greater than the level forecast in the LTFFP.

Council committed to adopting a balanced budget each year as part of the justification for the Special Rate Variation, which includes achieving an end of year result that meets the financial performance measures set by the Office of Local Government. This requires commencing the year with a forecast surplus to enable Council to respond in a timely manner towards infrastructure assets that may fail, the impact of natural disasters on local service provision and clean-up costs, or cost shifting from other tiers of government. It is therefore financially prudent to commence the year with the forecast surplus of \$1.983 million to respond to events of this nature without affecting the normal continuance of service provision throughout the year.

Capital Works Program

The total capital works budget for 2024/25 is \$67.3 million which is largely funded from external reserves such as grants and development contributions.

Capital budgets have been provided by Project Managers and include budget estimates for large projects, with work scheduled to take place over several financial years. For these projects, the completion of works planned in 2024/25 is dependent upon the delivery of earlier stages currently programmed for delivery in the 2023/24 financial year.

As mentioned in previous reports to Council the construction industry is continuing to be impacted by external factors that can lead to delays. These include rising construction prices resulting in changes to the scope of planned work to minimise costs and remain within allocated budgets, significant delays and shortages in the supply chain of materials and labour and an ongoing risk of natural disasters in the Hornsby Local Government Area. These factors may increase the likelihood of changes to the draft 2024/25 Capital Works Program, which will be reviewed on an ongoing basis throughout 2024/25. Any budget adjustment required to the capital works program will be referred to Council at a future Quarterly Budget Review.

It should be noted that the General Manager in considering the above factors has requested Capital Project Managers to review the likely completion of the 2023/24 capital program. This information will be used to evaluate any impact on the proposed delivery on both the 2023/24 and 2024/25 capital works program. Any required budget changes will be reported to Council at the appropriate Quarterly Budget Review.

Special Rate Variation (SRV) – Budget Allocations

The 2024/25 draft budget includes \$6.59 million of SRV funding for Strategic Initiatives that aligns with Council's original application to IPART.

As noted in General Manager's Report GM3/24, December 2023 Performance Report on the 2023-26 Delivery Program and Quarterly Budget Review Statement to the 14 February 2024 General Meeting, Council Officers have developed an internal governance process to ensure that SRV funds can only be allocated in accordance with the program of works included in Council's application, and to ensure that the detailed program of works included in the budget commences with the highest priority projects out of all available options for each strategic initiative. Council's Executive Leadership Team (ELT) are responsible for the endorsement of projects and SRV funds are only released after this endorsement has been received.

Of the \$6.59 million budget allocated in 2024/25, funding for \$1.23 million has been endorsed by the ELT and released. The remaining \$5.36 million, including \$3.83 million of capital works expenditure is

subject to approval by the ELT to ensure compliance with the determination issued by IPART. The preparation of business cases will be accelerated over the next two quarters to improve the allocation of SRV funding towards individual projects.

Funding from the SRV of \$2.07 million for the renewal and maintenance of Council's asset base has also been included in the draft budget in accordance with the adopted LTFFP, Council's Asset Management Strategy and the determination issued by IPART. Council's Asset Management Governance Committee meet quarterly to ensure that expenditure is in accordance with the Asset Management Plans that underpinned Council's application for the Special Rate Variation.

Fees and Charges

The proposed Fees and Charges for 2024/25 (Attachment 2) have been reviewed and increased by 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 2024/25, most fees and charges have been increased by the rate of CPI forecast by independent economists, Oxford Economics of 3.3%.

In respect to the Domestic Waste Management charge, an 8% increase has been applied to the draft 2024/25 Fees and Charges and draft 2024/25 Annual Budget. The increase is required to contribute to the cost of historic landfill remediation works at Foxglove Oval, as well as funding contractual cost increases for waste collection and disposal services.

As noted in successive Quarterly Review reports to Council, there is a risk that the future cost of landfill remediation works at Foxglove Oval will exceed the balance on hand in Council's Domestic Waste Management externally restricted asset reserve of approximately \$3.1 million.

If this situation occurs it would be financially prudent to borrow funds from Council's Capital Projects restricted asset account, with the amount borrowed to be repaid over future years from Domestic Waste Annual Charges. In this regard it is noted that Council is in a stable financial position with sufficient working funds to cover an internal loan of this nature.

The relevant Director and Project Manager are currently obtaining quotes for the works required and the total estimated cost together with the details. Any necessary internal loan arrangement will be reported back at a future Quarterly Review.

More broadly there are significant longer term risks facing communities in the provision of waste services that include:

- Fuel and Labour costs that are the major rise and fall components in current collection contracts that have been increasing at rates well above CPI.
- Disposal, Processing and Collection Contracts are long term contracts and on renewal a step change increase in cost well above CPI is most likely.
- Planning for mandatory introduction of new food organics services by 2030 and seeking to ensure that these costs are phased in over time to avoid bill shock.
- Lack of market competition in waste transfer and processing facilities
- Addressing legacy landfill issues

It is highly likely that ongoing cost increases to the Domestic Waste Management Charge above the CPI are likely to be a feature of future budget years and impact resident rate notices.

Key risks to projects and delivery of initiatives

The preparation of the Delivery Program and Operational Plan is based on best estimates on a range of factors currently known and forecasted to occur. It should be noted that Council operates in a changing political, regulatory and financial environment, that comes potentially with various levels of uncertainty and risks that Council and the community need to be aware of. This includes matters such as responding to short term housing requirements from the NSW State Government, contaminated land, continuing cost escalation on significant projects and the increasing demand on waste services are some of the risks that have been identified. Council will therefore remain flexible and agile to respond to changing circumstances as appropriate with any changes reported through quarterly financial reviews to Council.

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 2024/25. 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 2022. These values have been used for the 2024/25 financial year and will continue to be used in 2025/26.

The rating information is in line with the 7.5% Special Rate Variation increase approved by IPART for 2024/25. The base amount for ordinary, residential and farmland rates will increase from \$646 in 2023/24 to \$694 in 2024/25.

As resolved at the 23 November 2022 General Meeting Hornsby Shire Council currently provides a rebate of \$300 per annum to eligible pensioners, which is greater than the statutory requirement set by the NSW State Government that provides a reduction of up to \$250 in the ordinary rates and domestic waste management services that are payable to their councils in respect of their properties.

CONSULTATION

The exhibition of the draft 2024-2027 Delivery Program including the 2024/25 Operational Plan and draft 2024/25 Fees and Charges falls into the Inform and Consult engagement levels, as outlined in Council's Community Engagement Plan. The formal exhibition period for these draft documents is scheduled from Thursday 11 April to Monday 13 May 2024.

The community will be informed about the draft 2024-2027 Delivery Program including the 2024/25 Operational Plan, and draft 2024/25 Fees and Charges through the following channels:

- Advertisement on Council's website – Your Say Hornsby
- Council's eNews – May edition
- Social Media (Facebook).
- Advertising and Mayor's message – Bush Telegraph, Galston Glenorie Hills District Rural News, Dooral Roundup, Hornsby-Kuringai Post and Living Heritage

- Digital footbridge (Hornsby Station)
- Media release
- Email notifications to community and resident groups, sporting, CALD and disability groups, neighbouring councils, Members of Parliament and NSW Government stakeholders.

Comments received during the formal exhibition period will be considered and reported to Council prior to adoption of the final 2024-2026 Delivery Program including the 2024/25 Operational Plan and 2024/25 Fees and Charges in June 2024.

BUDGET

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

POLICY

The draft 2024-2027 Delivery Program including the 2024/25 Operational Plan 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 2024-2027 Delivery Program including 2024/25 Operational Plan (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 few years. That feedback will be considered by Council prior to final adoption of the documents in June 2024.




RESPONSIBLE OFFICER

The officers responsible for the preparation of this Report are the Chief Financial Officer – Duncan Chell and the 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.  Attachment 1 - Draft 2024-2027 Delivery Program including the 2024/25 Operational Plan
2.  Attachment 2 - Draft 2024/25 Fees and Charges
3.  Draft 2024/25 Consolidated Result

File Reference: F2024/00060
Document Number: D08832805

2 INVESTMENTS AND BORROWINGS FOR 2023/2024 - STATUS FOR THE PERIOD ENDING 29 FEBRUARY 2024

EXECUTIVE SUMMARY

- This Report provides details of Council's investment performance for the period ending 29 February 2024 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 an annualised return for February 2024 of 5.41% which includes a positive yield of 12.75% from TCorp Managed Funds. On a financial year to date basis the portfolio achieved an annualised return of 4.99% which includes a positive yield of 8.81% from TCorp Managed Funds.

RECOMMENDATION

THAT the contents of Director's Report No. CS10/24 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 29 February 2024 is detailed in the attached document. In summary, the portfolio achieved an annualised return for February 2024 of 5.41%. On a financial year to date basis the portfolio achieved an annualised return of 4.99% which includes a positive yield of 8.81% from TCorp Managed Funds.

The Borrowings Schedule as at 29 February 2024 is attached for Council's information, noting that Council became debt free on 1 July 2023 with no loans entered into since. Therefore, the Borrowings Schedule only discloses future lease repayments for various items of plant and equipment.

BUDGET

Budgeted investment income for the year is \$9,823,719 with an average budgeted monthly income of \$818,643. Net investment income for the month ended 29 February 2024 was \$1,229,051, which includes an unrealised gain of \$224,012 from TCorp Managed Funds.

Budgeted investment income year to date at 29 February 2024 was \$6,549,153. Total investment income year to date at 29 February 2024 was \$9,812,475 which includes a year-to-date unrealised net gain of \$1,295,373 from TCorp Managed Funds.

Approximately 49.87% 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 can experience significant market volatility due to external 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 29 February 2024 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 Investments Summary Report February 2024
2.  HSC Borrowings Summary Report February 2024

File Reference: F2004/06987-02
Document Number: D08842131

3 CLASSIFICATION OF PUBLIC LAND AT GLORIA CLOSE, MOUNT COLAH

EXECUTIVE SUMMARY

- On 14 December 2022 Council approved the purchase of 3 Gloria Close, Mount Colah
- The property adjoins Foxglove Oval which is located on the site of a former rubbish depot.
- It was necessary for the residence to be vacated while contamination of parts of the backyard by methane gas was monitored and remediated.
- The sale to Council was subject to a twelve-month delayed completion until March 2024.
- The property has been incorporated into Council's Residential Property Rental Portfolio and, in the future, may be sold. Classification as "Operational Land" is required to permit any sale.
- On 14 December 2022, Council also approved a public notice of the intention to classify the property as "Operational Land".
- The required public notice has been exhibited and no objections were received.
- Council is requested to approve the classification.

RECOMMENDATION

THAT pursuant to Section 31 of the Local Government Act 1993, Lot 13 DP 259243 being 3 Gloria Close, Mount Colah be classified as "Operational Land".

PURPOSE

The purpose of this Report is to seek Council approval to the classification of a residential property at 3 Gloria Close, Mount Colah as “Operational Land”.

BACKGROUND

At the 14 December 2022 Ordinary Meeting, Council considered Confidential Director’s Report No. CS99/22 detailing commercial terms negotiated for the acquisition of 3 Gloria Close, Mount Colah.

Part of the backyard of the property has been contaminated by methane gas from a former rubbish depot located on the adjoining land. The contamination has been remediated and is being monitored.

Council approved the purchase and also authorised a public notice of Council’s intention to classify the property as “Operational Land”.

DISCUSSION

The Local Government Act 1993 requires that, apart from public roads which are held under the Roads Act, all land owned by Council must be classified as either “Community” or “Operational” Land.

“Community Land” is typically public parks, sportsgrounds, drainage reserves and natural bushland held by Council on behalf of the residents and ratepayers. There are restrictions preventing Council from selling these properties or entering leases longer than 5 years without public consultation.

By comparison, these matters need not be considered by Council when dealing with “Operational Land” which is typically properties held for future strategic development such as business/retail sites and car parks. Subject to authorising resolutions, Council is able to sell or lease these properties.

Section 31(2) of the Local Government Act 1993 requires Council to classify land within three months of purchase or the property is deemed to be “Community Land”.

This property has been incorporated into Council’s Residential Property Rental Portfolio and may eventually be sold. Classification as “Operational Land” is required to permit any future sale.

Section 34 of the Act requires Council to give at least 28 days public notice of a proposed resolution to classify a property “Operational Land”. The required public notice was given on Council’s website to comply with this requirement. Plans of the land were also on public exhibition during this period.

Two submissions were received. One suggested that the property could be incorporated into Foxglove Oval which is an option that Council could consider in the future. The other requested additional information which was provided.

No objections were received, and Council is now able to classify the property as “Operational Land”.

BUDGET

There are no budgetary implications associated with this Report.

POLICY

There are no policy implications associated with this Report.

CONCLUSION

Classification of the property as “Operational Land” enables Council to both rent the residence and/or sell the property without restrictions.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Property Asset Manager, Stewart Bates who can be contacted on 9847-6725

STEWART BATES
Property Asset Manager - Land and Property
Services
Corporate Support Division

GLEN MAGUS
Director - Corporate Support
Corporate Support Division

Attachments:

There are no attachments for this report.

File Reference: F2021/00191

Document Number: D08845965

4 CLASSIFICATION OF PUBLIC LAND AT DURAL

EXECUTIVE SUMMARY

- Ownership of 529 Galston Road, Dural transferred to Council on 22 February 2024.
- This followed from Bequests contained in the Will of the Late Melvin Richard MacNutt.
- Mr MacNutt died on 14 August 2021 and the NSW Trustee & Guardian was Executor.
- On 13 April 2022 Council authorised the General Manager to accept the Bequests.
- There was a delay in transferring the Title and the Estate is still to be finalised by the Executor.
- Mr MacNutt made requests concerning future use of the family home and the natural bushland.
- While none of the requests are binding, they are to be assessed for determination by Council.
- Up to the time of this report, Council's access to the property and residence has been limited.
- Repairs are needed to the very long driveway access so that it is trafficable for vehicles.
- To ensure that Council is not constrained in future potential uses of property, Council's resolution on 13 April 2022 approved Notice of a proposed classification as "Operational Land".
- The proposed Classification has been exhibited for public comment and an objection received.
- Council must make a decision on the classification within 3 months of the Transfer of ownership.

RECOMMENDATION

THAT pursuant to Section 31 of the Local Government Act 1993, Lot 51 DP 135610 being 529 Galston Road, Dural be classified as "Operational Land".

PURPOSE

The purpose of this Report is to seek Council approval to the classification of a rural residential property at 529 Galston Road, Dural as “Operational Land”.

BACKGROUND

At the 13 April 2022 Ordinary Meeting, Council considered Confidential Director’s Report No. CS23/22 and authorised the General Manager to accept Bequests made in the Will of Melvin Richard MacNutt who died on 14 August 2021.

After other Bequests in the Will, Mr MacNutt left the residue of his Estate to Council.

This included ownership of 529 Galston Road, Dural, a rural-residential property with an area of approximately 4.3hectares. In his Will, Mr MacNutt made non-binding requests that, if possible:

- *The house be heritage listed and retained as a museum for the Dural area; and*
- *the surrounding land be used for a scenic or recreational park.*

These requests are still to be assessed and the feasibility of the proposed uses determined by Council.

Access to the property is via a one-way 3.66 metres wide Right-of-Way which also benefits three other properties. The driveway is approximately 500 metres long and, for the last 100 metres closest to the house, requires works to make it suitable for other than 4-wheel drive vehicles.

Until the transfer of ownership, Council has had very limited access to the house which has been vacant for almost 3 years and requires significant maintenance & repair to make it habitable. Costs of the works to facilitate occupation for rental and/ conversion to a museum are still to be determined.

DISCUSSION

The Local Government Act 1993 requires that, apart from public roads which are held under the Roads Act, all land owned by Council must be classified as either “Community” or “Operational” Land.

“Community Land” is typically public parks, sportsgrounds, drainage reserves and natural bushland held by Council on behalf of the residents and ratepayers. There are restrictions preventing Council from selling these properties or entering leases longer than 5 years without public consultation.

By comparison, these matters need not be considered by Council when dealing with “Operational Land” which is typically properties held for future strategic development such as business/retail sites and car parks. Subject to authorising resolutions, Council is able to sell or lease these properties.

Section 31(2) of the Local Government Act 1993 requires Council to classify land within three months of purchase or the property is deemed to be “Community Land”.

If, after assessment, the requests in Mr MacNutt’s Will are not considered to be feasible by Council, then the property may be incorporated into Council’s Residential Property Rental Portfolio and may eventually be sold. Classification as “Operational Land” is required to permit these options.

Section 34 of the Act requires Council to give at least 28 days public notice of a proposed resolution to classify a property “Operational Land”. The required public notice was given on Council’s website to comply with this requirement. Plans of the land were also on public exhibition during this period.

Four submissions were received.

One suggested a rezoning so that the property could be developed for medium density town houses. The current zonings of part RU2 Rural Landscape & part C3 Environmental Management are considered appropriate for environmentally sensitive land.

Two others complimented Mr MacNutt for his generosity and agreed with the proposed classification. Purchase of an adjoining property and then considering them with the Dural Village Centre DCP was included with the comments.

Another submission is a formal objection to the classification and is reproduced below:

“The classification of this land as operational land seems to go against the intent of the benefactor who obviously wanted the land to remain as a council asset for future generations. Operational lands can be sold by council as can any council asset thereby allowing money driven councillors to turn this land into cash at some stage. Whilst I can see that there will be costs to council to keep this land as a natural feature I can also see that with ongoing development for the Sydney sprawl could make this land a valuable environment and recreational asset for future residents. If the house is not of historical value, then rather than spending large sums of money to fix and maintain it as a residential rental property then council should take a one off hit and demolish it.

I am against the classification of this land from protected community land to operational land.”

As previously reported to Council, prior to making the Bequest, Mr MacNutt approached Council and members from the Property and Natural Resources Teams met with him on-site on 21 February 2018

While it was agreed that public ownership could protect and conserve natural bushland, the bequest was also to be subject to conditions for future use of the home as a community centre or museum which would have establishment and ongoing financial costs for Council.

On that basis, Mr MacNutt was informed that the financial implications of the proposed bequest would need to be considered. The following day Mr MacNutt advised that he had changed his mind.

The Bequest to Council of the residue of his Estate, including the property, was therefore unexpected.

His Will dated 5 May 2020, included the conditions discussed on-site in 2018 as “if possible” requests.

A classification as “Operational Land” does not prevent Council from agreeing to either or both of the requests but also provides the option for Council to deal with the property without restrictions.

After considering the objection, Council is still able to classify the property as “Operational Land”.

BUDGET

Council has previously decided to hold funds received from the closure of Mr MacNutt’s bank accounts and/or sale of the share portfolio will be held in a restricted asset account created for the property. The NSW Trustee & Guardian is still to finalise the Estate.

POLICY

There are no policy implications associated with this Report.

CONCLUSION

The bequest of the residue of his estate to Council by Mr MacNutt was not expected but was gratefully accepted. Requests that the house be Heritage Listed and retained for a local Museum as well as creation of a scenic or recreational park may not be possible for a number of reasons including physical constraints over the land (For example, a long one-way, shared driveway access, steep slopes, creek, natural bushland etc).

These uses will be assessed and reported to Council for a decision on the property. A classification as “*Operational Land*” will permit Council to deal with the property without restrictions.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Property Asset Manager, Stewart Bates who can be contacted on 9847-6725

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GLEN MAGUS
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Attachments:

There are no attachments for this report.

File Reference: F2022/00043
Document Number: D08846561

5 DRAFT PLANNING AGREEMENTS POLICY 2024

EXECUTIVE SUMMARY

- A planning agreement is a voluntary agreement between a proponent and a planning authority, under which the proponent is required to contribute to public purposes and public facilities. Planning agreements are governed by the Environmental Planning and Assessment Act 1979 and the Environmental Planning and Assessment Regulation 2021.
- The Hornsby Shire Council Policy on Planning Agreements (Planning Agreements Policy 2007) sets out Council's policy and procedures relating to planning agreements under the Environmental Planning and Assessments Act 1979.
- During the preparation of recent planning agreements for 90-92 Franklin Road, Cherrybrook and 7 City View Road, Pennant Hills, opportunities have been identified to bring it in line with current best practice and assist the preparation and assessment of planning agreements.
- A draft Planning Agreements Policy 2024 has been prepared and is supported by new draft template documents that would assist in the preparation of agreements that meet Council and community expectations, streamline processes and maintain a clear framework.
- The draft Policy is presented in plain English, with the aim of making it easily understood by all stakeholders, including developers and the community and places an emphasis on the use of template documents by proponents.
- It is recommended the draft Planning Agreements Policy 2024 and supporting documents attached to this report be endorsed for public exhibition.

RECOMMENDATION

THAT

1. The draft Planning Agreements Policy 2024 and supporting documents attached to Director's Report No. PC5/24 be placed on public exhibition for a period of at least 28 days in accordance with Council's Community Engagement Plan.
2. Following exhibition, a report on submissions be presented to Council for consideration.

PURPOSE

The purpose of this report is to seek Council endorsement to exhibit the draft Planning Agreements Policy 2024 and supporting templates for letters of offer, planning agreements and explanatory notes.

BACKGROUND

Council's current Policy on Planning Agreements became effective on 1 November 2007 (attached). It guides the preparation, negotiation, assessment and implementation of planning agreements associated with development applications or planning proposals. It has most recently been used to prepare planning agreements for a development application at Nos. 90-92 Franklin Road, Cherrybrook and a planning proposal for No. 7 City View Road, Pennant Hills. These planning agreements were reviewed and endorsed by Council at its 9 August 2023 and 13 December 2023 meetings, respectively.

During the preparation of these planning agreements, Council officers and legal team identified that a review of the Policy would be beneficial to create a more user-friendly document and to bring it in line with current best practice.

As part of this review, opportunities have been identified to update the Policy to reflect current legislation and prepare guidelines to aid the preparation and assessment of planning agreements. The outcomes of this review are discussed in this report.

DISCUSSION

A planning agreement is a voluntary agreement between a proponent and a planning authority, under which the proponent is required to contribute to public purposes and public facilities. Planning agreements are governed by the Environmental Planning and Assessment Act 1979 and the Environmental Planning and Assessment Regulation 2021.

The contribution can be a monetary amount, the dedication of land free of cost, other material benefit, or any combination. In its most recent endorsed planning agreement associated with the No. 7 City View Road Planning Proposal, the developer will contribute four apartments to Council for affordable housing, a monetary contribution towards works in the Pennant Hills Town Centre and an easement across a portion of the site for pedestrians.

The NSW Government encourages councils to publish policies and procedures to govern the preparation and use of planning agreements, as outlined in its Planning Agreements Practice Note, published February 2021 by the (then) Department of Planning, Industry and Environment.

The current Policy on Planning Agreements 2007 was developed to provide guidance for Council based on best practice at the time. Best practice has evolved over time, along with updates to NSW Government guidelines. In response, a planning consultant that specialises in the field (GLN Planning) was engaged to assist prepare an updated policy and supporting documents that meet current legislative requirements and guidelines. This has resulted in the following draft documents (attached):

- Draft Planning Agreement Policy 2024
- Draft Template for Planning Agreements
- Draft Preparation instructions
- Draft Template Explanatory Notes
- Draft Template for Letters of Offer.

Key changes to the Planning Agreements Policy

The draft Planning Agreements Policy 2024 has been prepared as a new policy that would supersede the 2007 Policy.

Although planning agreements were introduced into the NSW planning system almost two decades ago, they remain poorly understood. They are often written in legal language as they are a contract between planning authorities and proponents. However, this can mean it is difficult for the layperson to understand. However, planning agreements are important for providing valuable community benefits.

The draft Policy aims to:

- provide clear explanations of the steps involved in preparing a planning agreement;
- set out obligations of the key individuals participating in the process; and
- provide specific details regarding the mandatory use of template letters of offer and template planning agreements in Hornsby Shire.

The content of the draft Policy is presented in plain English, with the goal of making it easily understood by all stakeholders, including proponents and the community. It places an emphasis on the use of template documents by developers, streamlining processes, enhancing efficiency and maintaining a clear framework so that agreements meet Council and community expectations.

The key improvements to the Policy include:

- Flowchart of the planning agreement process, with Council decision points identified.
- Identification of expectations for all parties, including proponents, Councillors and Council staff
- Removal of duplicated excerpts from guidelines to reduce the risk of outdated information and ensure that relevant guidelines are clearly identified and accessible.

It is anticipated that these changes will streamline the process for the preparation and assessment of planning agreements, while also setting clearly identifying expectations for all parties.

Supporting template documents

The existing Planning Agreements Policy includes templates for planning agreements and explanatory notes. As with the Policy itself, these templates were prepared based on best practice at the time. In the intervening years, professional standards for planning agreements have progressed, necessitating new templates. The draft supporting template documents have been prepared by GLN Planning and Council's legal team with input from Council officers.

The draft Planning Agreement Policy 2024 states that use of the templates is mandatory. The purpose of each supporting document is summarised below.

Draft Template for Planning Agreements

The draft Template reflects the requirements of the EP&A Act and sets out Council's expectations for how and when community benefits would be delivered. Proponents may elect to use a different format than the template, but changes would be required to be tracked and justified.

Draft Preparation instructions

The draft Preparation Instructions are a resource for understanding the intent of the draft Template for Planning Agreements and directions if, or when, a developer is required to provide information when drafting an agreement.

Draft Template for Explanatory Notes

The draft Template for Explanatory Notes serves as summary document that outlines how community benefits are to be described and how the planning agreement meets the requirements of relevant guidelines.

Draft Template for Letters of Offer

The draft Template for Letters of Offer seeks to standardise how proponents should make their initial approach to commence the planning agreement process. It sets out the matters that must be considered and communicated in the letter, establishing a baseline for understanding the initial offer.

CONSULTATION

The draft Planning Agreements Policy 2024 and supporting templates would be exhibited for at least 28 days, in accordance with Council's Community Engagement Plan. The consultation would include:

- Advertisement in the Hornsby Ku-ring-gai Post, Bush Telegraph, Galston Glenorie Community News and Dooral Roundup
- Advertisement on Council's 'Your Say Hornsby' website
- Advertisement in Council's electronic newsletter
- Displays at the Hornsby and Pennant Hills local libraries.

BUDGET

The preparation of the draft Planning Agreements Policy 2024 and supporting documents has been accounted for in the Strategic Land Use Planning operational budget.

POLICY

The draft Planning Agreements Policy 2024 aligns with current legislation and guidelines relating to planning agreements.

If adopted, the draft Planning Agreements Policy 2024 would supersede the Policy on Planning Agreements 2007 and provide the framework for the preparation, negotiation and entering into planning agreements related to future development applications and planning agreements.

CONCLUSION

The draft Planning Agreements Policy 2024 is an update to Council's current Planning Agreement Policy, bringing it in line with current legislation and guidelines.

It is recommended that Council place the Planning Agreement Policy and supporting documents, attached to Director's Report No. PC 5/24, on public exhibition for at least 28 days in accordance with Council's Community Engagement Plan and report the outcomes of the public exhibition to Council.







RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager of Strategic Land Use Planning – Katherine Vickery - who can be contacted on 9847 6744.

KATHERINE VICKERY
Manager - Strategic Landuse Planning
Planning and Compliance Division

JAMES FARRINGTON
Director - Planning and Compliance
Planning and Compliance Division

Attachments:

1.  Hornsby Council PA Policy - Draft for exhibition
2.  Hornsby Council PA Template - Draft for exhibition
3.  Hornsby Council PA Template Guide - Draft for exhibition
4.  Hornsby Council PA Explanatory Note Template - Draft for exhibition
5.  Hornsby Council Letter of Offer Template - Draft for exhibition
6.  Policy on Planning Agreements 2007

File Reference: F2023/00172

Document Number: D08844334

6 HORNSBY DEVELOPMENT CONTROL PLAN AMENDMENTS - ALL ELECTRIC RESIDENTIAL BUILDINGS

EXECUTIVE SUMMARY

- At its meeting on 13 September 2023, Council resolved that discussions be held with Councillors concerning the process, implications, and timeframes for preparing potential amendments to relevant Council development controls to require new residential and non-residential developments to be electric and gas-free.
- With the assistance of a suitably qualified consultant, a review has been undertaken of the environmental, health and economic benefits of banning gas, including a review of the planning implications of amendments to the Hornsby Development Control Plan 2013 (Hornsby DCP).
- The review notes there is an evidentiary basis for requiring all electric residential buildings due to health concerns with gas emissions from indoor heating and cooking. In addition, there are environmental and financial benefits to requiring all electric residential buildings.
- It is recommended the draft Hornsby DCP amendments attached to this report requiring new residential developments to use electricity for indoor energy requirements, be exhibited. The amendments would effectively ban indoor gas appliances in new dwellings, where the development requires development approval.
- The changes would not apply to complying development. They would also not apply to commercial, industrial or outdoor residential development at this stage as further research is required to understand health impacts in these environments.

RECOMMENDATION

THAT

1. The draft all electric residential buildings amendments to the Hornsby Development Control Plan 2013 attached to Director's Report No. PC6/24 be placed on public exhibition for a period of 28 days.
2. Following exhibition, a report on submissions be presented to Council for consideration.
3. Further research be undertaken on the use of gas in commercial buildings and outdoor residential water heaters for presentation to an Informal Councillor Briefing.
4. Educational material on the health effects of gas emissions be developed for distribution to residents and Council continue its transition from use of gas in Council-owned buildings.
5. A submission be sent to the NSW Government requesting a State-wide ban on new gas connections.

PURPOSE

The purpose of this report is to present draft amendments to the Hornsby DCP that seek to introduce development controls to encourage electric rather than indoor gas usage in new residential buildings.

BACKGROUND

At its meeting on 13 September 2023, Council considered Mayoral Minute (MM5/23) on the review of gas connections in new buildings. The Mayoral Minute noted that the arguments in support of banning gas are widely documented and include health, economic and environmental benefits. However, at this stage, the NSW Premier has ruled out a state-wide ban on new gas connections. Therefore, it would be appropriate that Council review the environmental, health and economic benefits of banning gas.

In considering the Mayoral Minute, Council resolved that “*an Informal Councillor Briefing be conducted with Councillors to discuss the process, implications, and timeframes for preparing potential amendments to relevant Hornsby Shire Council development controls which would require new residential and non-residential developments to be electric and gas-free.*”

In accordance with Council's resolution, the process and implications of gas-free development controls were investigated and discussed at an informal Councillor workshop in March. The findings are outlined in this report.

DISCUSSION

Recently, there has been significant media coverage on the environmental, financial and health benefits of limiting the use of gas in new developments. Jurisdictions outside of NSW are beginning to announce limitations on gas, with the Victorian State Government announcing a statewide ban of gas connections to new homes from 1 January 2024 and the ACT government phasing out gas connections for certain new developments including residential and commercial from 2024.

In the absence of a statewide response on the issue, Lane Cove, Waverley and the City of Parramatta Councils have introduced Development Control Plan provisions that require the use of electricity for new buildings and other councils are considering similar DCP amendments. A number of other councils are also at various stages of consideration and investigation of the introduction of controls. A charity-based climate change movement (350 Australia) is also encouraging councils across NSW to become part of the movement to ban gas through its Electrify Your Council campaign.

The process and implications of introducing gas-free controls in the Hornsby DCP are discussed below.

1. Planning Considerations

The *Environmental Planning and Assessment Act 1979* allows Council to prepare a development control plan to give effect to the aims of any environmental planning instrument, as long as the development control plan does not conflict with existing legislation.

The Sustainable Buildings State Environmental Planning Policy (SEPP) includes gas as an option for an energy efficient system in BASIX scoring. The SEPP outlines that a competing provision of a development control plan (such as banning gas) is of no effect where the provision aims to reduce greenhouse gas emissions.

However, advice from the Environmental Defenders Office and Council's legal team has confirmed it would be arguable that a provision to ban gas could lawfully be included in Council's DCP where it is

demonstrated there is a substantiated and reasonable evidentiary basis that limiting new development to the use of electricity would provide social (such as health) benefits.

2. Health Considerations

There is a significant volume of literature on the adverse health impacts of emissions from gas appliances. Council commissioned Associate Professor Sue Reed, Occupational Hygienist, to prepare a Literature Review on the potential health effects of exposure to gas emissions in new developments. The report (copy attached) summarises the literature on emissions from gas heating and cooking in residential premises and gas cooking in commercial premises.

The report notes that the level of emissions from gas heaters and cooktops operating indoors are sufficient to cause health impacts. The combustion of gas releases Carbon monoxide (CO), nitrogen dioxide (NO₂), and formaldehyde (HCHO) which have the potential to climb to levels identified as harmful to human health in indoor settings, especially in new well-built and insulated homes. These pollutants irritate airways in the respiratory system and can, in extreme instances, develop to fatal levels without any obvious signs beforehand. This health concern is exacerbated for children in particular, with evidence suggesting that gas cooking in the home is responsible for up to 12% of childhood asthma in Australia.

The pollutants formed as a result of the combustion of natural gas are accelerated when appliances are poorly maintained or incorrectly fitted. Indoors, pollutants can accumulate due to insufficient ventilation, faulty equipment, and lack of appropriate monitoring devices such as carbon monoxide sensors. For gas cooking, this might occur if the range hood is either not in use or lacks the necessary power to effectively ventilate indoor spaces. For gas heating, unflued heaters, which lack a vent or chimney to expel combustion gases outside, can significantly contribute to indoor buildup of pollutants.

Conversely, the use of electric cooktops and ovens as well as electric heating does not degrade indoor air quality and as such, there are clear health benefits to only utilising electric devices in residential settings.

3. Other benefits

In addition to the substantiated health benefits, there are also environmental and financial benefits to banning gas in new residential developments.

Environmental

The *Climate Wise Hornsby Plan* includes an ambitious goal to reduce overall emissions to net zero by 2050 and notes that gas contributed 3.2% of the Shire's total emissions and 7% of Council's own emissions in the fiscal year 2016/17. Additionally, Council's Local Strategic Planning Statement, includes a Sustainable Priority (SP13) to reduce carbon emissions and air pollution. A strategic reduction of gas usage could significantly contribute to the Shire's net zero goals. Council is committed to leading by example, aiming to significantly reduce its own gas consumption and inspire residents and businesses to do the same.

Financial

The Electrify your Council website provides a summary list of studies demonstrating that all-electric homes are cheaper to run than those connected to gas. Most of the studies consider the wholesale price of energy (gas vs electricity), the cost of purchasing new appliances and the cost of running those appliances over a year or a life cycle. Preliminary data from a soon to be released report

prepared for 350 Australia indicates that economic costs savings for households would be \$625 per year on average over 40 years.

4. Challenges to all electric buildings

Whilst the benefits that arise from banning gas are numerous, there are potential downsides to changing the existing planning rules.

Increased vulnerabilities to electricity outages and grid failure

In the event of an outage or electrical grid failure, gas would not be available as an alternate fuel source for cooking and heating. This issue would be most acute in circumstances where there are widespread lengthy outages, such as during an adverse weather event.

Community perception

There is potential for community angst from residents about Council seeking to prevent the use of a legal energy source. Further, some consider gas as a superior fuel source, especially for cooking on stove tops.

Inconsistent approval pathways

As mentioned in this report, controls in the Hornsby DCP only apply to development applications. As a result, complying development pathways would be unaffected by the proposed change and it would be open to landowners to install indoor gas appliances. This inconsistent approach may be seen as unfairly impacting proponents where a development application is required.

To address some of the challenges associated with this change, it is recommended that Council write to the State Government to lobby for a consistent statewide approach to banning gas, as well as prepare educational material for the community to outline the benefits of the change.

5. Implementation

The Literature Review by Associate Professor Sue Reed (discussed above) includes a number of recommendations, which are outlined below along with how Council could implement them.

1. Review planning rules and building regulations to encourage the installation of non-gas-powered heating and cooking in all new homes.

Implementation: Introduce DCP controls the subject of this report.

2. Develop a health promotion program on the importance of all households, who currently have gas heaters and/or gas stoves, installing CO monitors in the homes, similar to the requirements for smoke alarms.

Implementation: Develop educational material for future distribution.

3. Transition away from the use of gas by switching council-owned buildings to alternatives like reverse cycle air conditioning and heat pumps.

Implementation: Continue the transition currently underway in accordance with Climate Wise Hornsby Plan

4. Lobby the NSW state government to investigate:
 - a. removal of rules that restrict local governments from banning gas connections in new residential developments;

- b. provision of incentives for homes, schools and businesses to switch to electric appliances, including subsidies for low-income households; and
- c. acceleration of the replacement of unflued gas heaters in NSW public schools with zero emission heating.

Implementation: Prepare submission to the State Government.

5. Until such times as gas installations in homes are banned, no installations should be approved by councils that do not meet Australian Standards.

Implementation: No action required. The Gas and Electricity (Consumer Safety) Act 2017 prescribes the requirements for gasfitting. AS/NZS 5601.1:2022 and AS/NZS 1596:2014 are enforced for gas installations and appliances in NSW under the Gas and Electricity (Consumer Safety) Regulation 2018.

Amendments to the DCP to encourage all electric residential buildings would give effect to the social health and economic aims of Hornsby LEP and goal G2.3 of Council's Community Strategic Plan to foster an 'active and healthy community'.

Part 1C.2.6 Air Quality of the Hornsby DCP provides planning controls to ensure that development is designed and managed to minimise air quality impacts on the occupants of residential dwellings and other sensitive land uses.

Accordingly, it is recommended that a new development control be added to Part 1C.2.6 to encourage the use of electricity over gas. The control would apply Shire-wide to heating and cooking inside new residential development.

It is also recommended that Council develop educational material about health effects of gas emissions, continue with its transition away from the use of gas in council-owned buildings and a submission be forwarded to the NSW Government requesting a State-wide ban on new gas connections.

Further Review

The proposed control would not apply to any commercial, industrial, business or outdoor residential uses. The Literature Review notes that existing academic literature into the health impacts of gas has largely been concentrated on indoor residential settings, with limited data on the health impacts of gas in commercial, industrial, business or outdoor residential settings. It is recommended that further research be undertaken into the health effects of gas in these settings to ascertain whether air quality controls for gas usage are required. A future informal Councillor Workshop would be held to discuss any recommended changes to improve health and social outcomes.

CONSULTATION

In considering the process and implications for requiring new developments to be electric and gas-free, discussions were held with representatives from Lane Cove Council who have recently implemented DCP changes. These discussions assisted with an understanding of potential angst from residents in applying the DCP controls and the inability to apply the controls to Complying Development

A meeting was held with a representative from 350 Australia to assist understand the Electrify Your Council movement, gain an overview of other Council positions, the framework for local planning changes and quantification of the potential economic benefits.

Public Exhibition

The Hornsby Community Engagement Plan (CEP) prescribes that draft DCPs should be exhibited to the community for a minimum period of 28 days. The CEP also prescribes that the consultation strategy for any strategic planning policy or plan will vary depending on the urgency, scale and nature of the project and anticipated level of community interest.

It is recommended that the draft DCP amendments attached to this report be placed on public exhibition for 28 days through advertisement on Council's 'Your Say Hornsby' website.

BUDGET

There are no budgetary implications from the exhibition of the draft amendments to the Hornsby DCP. Costs associated with the preparation of the amended Hornsby DCP and public exhibition are covered by the Strategic Land Use Planning operational budget.

POLICY

The draft Hornsby DCP controls would give effect to the social health and economic aims of the Hornsby LEP and the CSP. They are not founded upon an objective of reducing greenhouse gas emissions and as such, are compatible with BASIX and Sustainable Buildings SEPP requirements.

Following the exhibition of the draft Hornsby DCP amendments, a report would be presented to Council for consideration of submissions. Subject to Council endorsement, the draft amendments would be incorporated into the Hornsby DCP and come into force when published on Council's website.

It should be noted that State Planning Legislation allows for development to be undertaken as exempt or complying, where it meets the requirements of the SEPP (Exempt and Complying Development) 2008. The Hornsby DCP only applies to development applications received by Council and as such, the new controls would not apply to any exempt or complying development which would continue to be able to introduce indoor gas appliances.

CONCLUSION

This report seeks Council endorsement to publicly exhibit amendments to the Hornsby DCP that would introduce development controls encouraging the use of electricity over indoor gas in new residential development. It is recommended that the draft amendments to the Hornsby DCP be exhibited on Council's website for 28 days. Following exhibition, a report on submissions will be presented to Council.

This report also recommends that Council develop educational material about health effects of gas emissions, continue with its transition away from the use of gas in council-owned buildings and that a submission be sent to the NSW Government requesting a State-wide ban on new gas connections.

RESPONSIBLE OFFICER



The officer responsible for the preparation of this Report is the Manager of Strategic Land Use Planning – Katherine Vickery - who can be contacted on 9847 6744.

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ITEM 6

Attachments:

1.  Hornsby DCP - Draft Air Quality Amendment
2.  Literature Review - Health Effects of Gas Exposure in New Development

File Reference: F2021/00318

Document Number: D08844388

7 MAYOR'S NOTES 01 MARCH 2024 TO 31 MARCH 2024

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.

Friday 1st March 2024 – The Mayor attended the International Women's Day Lunch with Hornsby Ku-ring-gai Women's Shelter at Roseville Golf Club.

Friday 1st March 2024 – The Mayor attended the Food Truck Friday Event at Pennant Hills Library.

Saturday 2nd March 2024 – The Mayor attended the opening event of Art North at Grace Cossington Smith Gallery Wahroonga.

Saturday 2nd March 2024 – The Mayor attended the Tiny Home Solutions Grand Opening at Waitara.

Wednesday 6 March 2024 - The Mayor hosted two Citizenship Ceremonies in the Council Chambers at Hornsby Shire Council in Hornsby.

Thursday 7th March 2024 – On behalf of the Mayor, Councillor Waddell attended the Art Exhibition Inside/Out: Maide and Chris Welch, at Wallarobba Arts and Cultural Centre.

Friday 8th March 2024 – The Mayor attended the Asquith Girls high School – International Women's Day Breakfast in Asquith.

Sunday 10th March 2024 – The Mayor attended the Yarra Foundation fundraiser event in the Hornsby Mall.

Wednesday 13th March 2024 – The Mayor attended the International Women's Day hosted by "Women's Shed Hornsby Ku-ring-gai" (WSHK) at the PCYC, Waitara.

Wednesday 14th March 2024 – The Mayor attended the Hello Hornsby Seniors Week Concert at Magpies, Waitara.

Thursday 15th March 2024 – The Mayor attended the Bishop's Breakfast with the Most Reverend Anthony Randazzo DD JDL at the Epping Club, Epping.

Saturday 23rd March 2024 – The Mayor attended the Hornsby Shire Cub at Asquith Recreation and Bowling club.

Sunday 24th March 2024 – The Mayor attended the Bobbin Head Cycle Classic Event at Karuah Oval Turramurra.

Sunday 24th March 2024 – The Mayor attended the Beecroft Youth Awards at Beecroft Community Centre, Beecroft.

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