



EXTRAORDINARY MEETING

03 May 2016

LEICHHARDT MUNICIPAL COUNCIL

EXTRAORDINARY MEETING OF COUNCIL

NOTICE IS HEREBY GIVEN THAT AN **EXTRAORDINARY MEETING** OF THE LEICHHARDT MUNICIPAL COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, LEICHHARDT TOWN HALL, 107 NORTON STREET, LEICHHARDT, ON 03 May 2016 at 6:30 PM.

Mark Bonanno
ACTING GENERAL MANAGER

28 APRIL 2016

BUSINESS :

**** ACKNOWLEDGEMENT OF COUNTRY**

I acknowledge the Gadigal and Wangal people of the Eora nation on whose country we are meeting today, and their elders past and present.

**** APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE AND/OR CONDOLENCES**

**** DECLARATION OF PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS**

**** BUSINESS**

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	Management Strategy and Workforce Management Plan.
Recommendation	<p>That Council:</p> <ol style="list-style-type: none"> 1. Endorse the attached suite of Integrated Planning & Reporting documents, including the Draft Delivery Program 2014 -2018 (Year 3) & Operational Plan 2016-17 (including the Draft Budget 2016-17 and Statement of Revenue Policy) and Draft Resourcing Strategy 2014 – 2018 (Year 3), and supplementary information and agree to them being placed on public exhibition for a period of at least 28 days. 2. Note that the public exhibition period will commence on the 6th of May ending on 7th June 2016. 3. Note that a further report will be prepared following the public exhibition period outlining all of the submissions/feedback received during such time. This report will be presented to the Council for consideration prior to the adoption of the final Delivery Program 2014 - 2018 (Year 3) and Operational Plan 2016-17 and Resourcing Strategy at the Ordinary Council Meeting on 21 June 2016.
Notifications	Public Exhibition Notification
Attachments	<p><i>Attachments to be circulated separately and placed on Council's website and Councillor's iPads</i></p> <ol style="list-style-type: none"> 1. Part 1 - Draft Delivery Program 2014 - 2018 (Year 3) & Operational Plan 2016-17, Part 2 -Draft Budget 2016-17 and Part 3 - Statement of Revenue Policy (incorporating the Proposed Fees & Charges 2016-17) 2. Draft Resourcing Strategy 2014 - 2018 (incorporating the Asset Management Strategy, Long Term Financial Plan & Workforce Management Plan)

Purpose of Report

The purpose of this report is twofold:

1. To present to Council the Draft Delivery Program 2014 - 2018 (Year 3) & Operational Plan 2016-17 (including Draft Budget and Statement of Revenue Policy) and Draft Resourcing Strategy.
2. To seek approval to publicly exhibit the suite of documents from the 6th of May to the 7th of June 2016.

Recommendation

That Council:

1. Endorse the attached suite of Integrated Planning & Reporting documents, including the Draft Delivery Program 2014 -2018 (Year 3) & Operational Plan 2016-17 (including the Draft Budget 2016-17 and Statement of Revenue Policy) and Draft Resourcing Strategy 2014 – 2018 (Year 3), and supplementary information and agree to them being placed on public exhibition for a period of at least 28 days.
2. Note that the public exhibition period will commence on the 6th of May ending on 7th June 2016.
3. Note that a further report will be prepared following the public exhibition period outlining all of the submissions/feedback received during such time. This report will be presented to the Council for consideration prior to the adoption of the final Delivery Program 2014 - 2018 (Year 3) and Operational Plan 2016-17 and Resourcing Strategy at the Ordinary Council Meeting on 21 June 2016.

Background

In 2009, the NSW Government adopted a new Integrated Planning and Reporting Framework for local Councils, requiring each Council to develop a Community Strategic Plan, Delivery Program, Operational Plan and Resourcing Strategy.

Council's Integrated Planning & Reporting Framework is demonstrated in the diagram below.



The Integrated Planning & Reporting framework (IP&R) is designed to encourage an integrated approach to how Council plans and implements strategies and priorities in the future.

This suite of plans provides Year 3 of our four Year Delivery Program and supporting Operational Plan for 2016-17. In preparing this version of the Draft Delivery Program 2014 - 2018 (Year 3) and Operational Plan 2016-17, Council continued the transition from a Council Program reporting regime to realigning our existing initiatives/projects to six (6) key result areas identified in the Community Strategic Plan – **Leichhardt 2025+**.

Council is required to publicly exhibit these documents for 28 days. Section 705 of *Local Government Act 1993* allows Council to determine the form of public notice. Council in the past has placed an advertisement in the local newspaper as well as notices on noticeboards and in Council Facilities to fulfil this requirement and will do so again. The documents will be placed on exhibition for 32 days (6 May to 7 June 2016) to give the public more time to provide comment.

A further report will be provided at the Ordinary Council meeting on 21 June 2016 to adopt the Draft Delivery Program 2014 -2018 (Year 3) & Operational Plan 2016-17 (including the Draft Budget 2016-17 and Statement of Revenue Policy) and Draft Resourcing Strategy 2014 – 2018 (Year 3) and to make and levy the rates. If Council wished to adopt these documents prior to this date due to the possibility of Leichhardt Council being amalgamated then an Extraordinary Council meeting could be held no earlier than 14th June 2016.

Draft Delivery Program & Operational Plan

The Delivery Program and Operational Plan (the Plan) guides Council's direction, allocation of resources, and outlines the priorities Council will undertake during its term.

This edition of our Draft Delivery Program & Operational Plan is the third iteration. Our Plan addresses all of Council's operations and allocates responsibility for each activity. It also includes specific performance indicators to determine the effectiveness of the planned activities, Council's detailed Budget, Statement of Council's Revenue Policy (including the proposed schedule of fees and charges).

For ease of reference we have divided the Delivery Program into three (3) parts:

- Part 1 – Introduction to the Delivery Program and Operational Plan, overview of Leichhardt Council and its governance arrangements and details of Council priorities for 2016-17 , including performance indicators
- Part 2 – Draft Budget for 2016-17
- Part 3 – Statement of Revenue Policy (Proposed schedule of Fees and Charges 2016-17).

Parts 1, 2 and 3 are published individually.

Our draft Delivery Program 2014 - 2018 (Year 3) & Operational Plan 2016-17 is provided as **ATTACHMENT 1** to this report.

Draft Resourcing Strategy

A separate Resourcing Strategy (incorporating the Asset Management Strategy, Long Term Financial Plan and Workforce Management Plan) has also been prepared.

Council's associated Resourcing Strategy has also been reviewed and updated under the Integrated Planning and Reporting Framework with minor amendments from our previous version of our Plan. The review of the Resourcing Strategy includes a comprehensive update of the Asset Management Strategy, Long Term Financial Plan and the Workforce Management Plan. The Draft Resourcing Strategy will also be exhibited for a period of at least 28 days.

Our draft Resourcing Strategy is provided as **ATTACHMENT 2** to this report.

In the 2016-17 Budget, Council will deliver a solid financial result as demonstrated by:

- A balanced budget
- Good liquidity
- Appropriate expenditure to maintain and renew our buildings and infrastructure
- Adequate working funds and Reserves
- Affordable Debt Service Ratio.

Leichhardt Council is in good financial health and well positioned to meet an uncertain future. An overview of Council's revenue and expenditure for 2016-17 is provided below:

Revenue			Expenditure		
Category	\$million	%	Category	\$million	%
Rates and charges	\$51.9	57.5%	Employee costs	\$45.0	49.8%
Fees	\$25.3	28.0%	Materials contracts and	\$35.2	39.0%
Grants	\$6.6	7.3%	Plant purchases	\$1.7	1.9%
Interest	\$2.0	2.2%	Loan repayments	\$1.9	2.1%
Developer contributions	\$1.2	1.3%	Other	\$6.5	7.2%
Other	\$0.5	0.6%			
Borrowings	\$0.7	0.8%			
Transfer from reserves	\$2.1	2.3%			
Total revenue	\$90.3	100.0%		\$90.3	100.0%

Further information on the main components of Council's revenue and expenditure is provided in the 2016-17 Budget.

Summary details are provided below:

a. Revenue

- **Rates.** The Independent Pricing and Regulatory Tribunal (IPART) have approved a 2016-17 rate increase of 1.8 per cent. This is down from 2015-16 (2.4 per cent) and down from the average of the past ten years of around 3 per cent. The significant lowering of the rates will present Council with significant challenges to maintain current service levels.
- **Stormwater Management Charge:** This is to be maintained at current levels (Residential property being \$12.50 per annum (strata) or \$25 per annum (non-strata) and business property being \$25 per annum per 350m² land area.
- **Domestic Waste Charge:** This is to remain the same in 2016-17 as the previous year, with charges on a pay by bin size basis ranging from \$404 to \$496 per annum.
- **Other Fees and Charges:** Increases are generally at around 3 per cent (see Statement on Revenue Policy: Proposed Fees and Charges for more details). This is consistent with general cost increases across the Local Government sector.
- **Developer Contributions:** These are funds received as a charge on development works which occur in our community, where these developments would result in increased demand on community infrastructure such as open space or community facilities (i.e. through additional population). The developer will pay a contribution to Council so that Council can provide the additional amenity needed for the community. It is estimated that Council will receive \$1.2 million in developer contributions (s.94) in 2016-17.
- **Loan Funding:** Loan funding of \$0.7 million is proposed in 2016-17 for the adaptive reuse of the Fenwick Store at 2-8 Weston St, East Balmain.
- **Grants:** Council receives grants from the Australian and NSW Governments. Grants are forecast in 2016-17 to be around \$6.6 million. However, grants are either being frozen or reduced across the board. For example, the Federal financial assistance grants are frozen (Roads - \$0.42m; General \$1.18m; the Long Term Financial Plan (LTFP) estimated growth in Federal Grants in 2016-17 of \$0.57m and while there is uncertainty around Government grant funding for Disability services.
- **Parking Meters:** Parking meters were introduced in 2001 to assist with traffic and parking management while also delivering another important source of revenue to Council. This additional revenue has been quarantined for infrastructure funding. The budget is prepared on the basis that 30 minute free parking will be available at all main street meters. The 30 minute free parking represents a revenue loss of \$740,000 per annum or \$8.5 million over 10 years. The total gross revenue from meters in 2016-17 is estimated at \$3.3 million.

b. Expenditure

Key impacts on Council's expenditure for this budget include:

- **Employee Costs:** Employee costs are estimated at \$45 million in 201-17 (up by \$3 million from 2015-16) (NB: 2.8% award increase for 2016-17).

- **Superannuation:** Approx. 12% of staff are in a defined benefits super scheme. Poor investment performance of this fund during the GFC has meant Council's contributions have increased with an impact to Council of \$402K in 2016-17. The super guarantee levy was originally scheduled to increase gradually from the current 9.5% to 12% in 2019-20. This would add approx. \$8.3m to Council's budget over the next ten years if it is not absorbed into the usual Award pay rises. However, the Federal Government has since frozen the scheduled increases at 9.5% till 2017-18. Nil additional impact on the Budget in 2016-17 (NB: every 0.25% increases results in Council needing to find an additional \$90K).

- **Fire Levy:** Council contributes to the State Government for the fire brigade and SES. The fire levy has increased significantly over time (approx. 7% pa since 1995) and is estimated at \$1.2m in 2016-17.

- **Electricity and Street Lighting:** Costs have increased significantly in recent years (up 91% since 2008-09). However, the costs of electricity are forecast to decrease in 2016-17 due to the abolition of the carbon tax and negotiation of new contracts through SSROC. The 2016-17 Budget provides for a decrease in electricity and street lighting costs of around \$150K (from \$1.87m in 2015-16 to \$1.72m in 2016-17).

- **Borrowing costs:** Council has approximately \$7.2 million in loan borrowings, with new borrowings of \$0.7million in the 2016-17 draft Budget. The annual repayments on these loans amount to \$1.77m in 2016-17 (after LIRS rebate).

Long Term Financial Plan: Leichhardt Council remains financially sustainable

Leichhardt Council is in good financial shape and is projected to remain one of the State's top performing councils into the future. The Long Term Financial Plan (LTFP) is structured to ensure that Council is able to meet all the NSW Government's financial sustainability benchmarks as soon as practicable. The LTFP therefore models only one scenario – **financial sustainability**.

Our LTFP models the continuation of Council's services and the delivery of major capital works as specified in the current Delivery Program and Operational Plan over the next 4 years.

Importantly, Council meets all the NSW Governments financial sustainability benchmarks in 2016-17. This is achieved by Council using its own resources and is not reliant on increased borrowings, a special rate increase or any reduction in service levels/offers. Principally, the benchmarks will be achieved through a continued priority towards sustainable asset management along with a targeted internal efficiency program known as "Living within its means" initiated by Council in late 2013. This program is consistent with Council's Community Strategic Plan (*Leichhardt 2025+*) which has as

one of its objectives to ensure “Our staff, financial resources, business processes, services and assets are managed efficiently and effectively to ensure their sustainability.”

The forecast financial position of this scenario has been assessed in relation to the four financial sustainability principles outlined above. In summary, this scenario is financial sustainability in the following ways:

- Council achieves a fully funded operating position reflecting that it collects enough revenue to fund operational expenditure, repayment of debt and depreciation.
- Council will maintain sufficient cash reserves to ensure it can meet its short-term working capital requirements.
- The capital program is fully funded and the source of funding is identified and secured for both capital renewal and new capital works.
- Council will maintain its assets base by renewing ageing infrastructure and monies are set aside for the unidentified works.

In summary, the LTFP provides a sustainable approach to funding Council’s expenditure needs over the next 10 years. This will ensure that Leichhardt Council is able to satisfy all financial sustainability benchmarks and remain a stand-alone and independent Council into the future. This is a position that is overwhelmingly supported by our community.

Performance against financial sustainability benchmarks

The LTFP is financial sustainable when measured against the 7 financial sustainability benchmarks outlined by the NSW Government in its Fit For the Future reforms. Council’s performance against each of these benchmarks is outlined below. In accordance with the Fit for the Future documentation issued by the NSW Government, these 7 benchmarks are separated into 3 measures: Sustainability; Infrastructure and Service Management; and Efficiency.

Sustainability

Sustainability is measured by the following:

- Operating Performance Ratio: Total continuing operating revenue (excl. capital grants and contributions) less operating expenses divided by Total continuing operating revenue excl. capital grants and contributions)
- Own Source Revenue Ratio: Total continuing operating revenue less all grants and contributions divided by Total continuing operating revenue inclusive of capital grants and contributions
- Building and Asset Renewal Ratio: Asset renewals (building and infrastructure) divided by Depreciation, amortisation and impairment (building and infrastructure).

Council’s performance against these measures is shown in the table below:

Measure	Purpose and Benchmark	Leichhardt Council: 2016-17	Leichhardt Council: 2017-18	Leichhardt Council: 2018-19	Leichhardt Council: 2019-20
Sustainability					
Operating Performance Ratio	Core measure of financial sustainability - indicates council's capacity of meeting ongoing operating expenditure requirements. Benchmark: Greater than or equal to 0 - average over 3 years.	✓ 3.6%	✓ 2.4%	✓ 2.7%	✓ 3.0%
Own Source Revenue Ratio	Councils with higher own source revenue have greater ability to control their own operating performance and financial sustainability. Benchmark: Greater than 60% - average over 3 years.	✓ 89.6%	✓ 89.7%	✓ 91.0%	✓ 91.0%
Building and Infrastructure Asset Renewal Ratio	Measures whether council's assets are deteriorating faster than they are being renewed - indicator of whether council's infrastructure backlog is likely to increase. Benchmark: Greater than 100% - average over 3 years.	✓ 132.5%	✓ 156.1%	✓ 147.1%	✓ 143.5%
Infrastructure and Service Management					
Infrastructure Backlog Ratio	Measures how effectively councils are managing their infrastructure. Increasing backlogs may affect council's ability to provide services and remain sustainable. Benchmark: Less than 2%.	✓ 4.5%	✓ 3.1%	✓ 1.9%	✓ 1.7%
Asset Maintenance Ratio	Measures whether council is spending enough on maintaining its assets to avoid its infrastructure backlog. Benchmark: Greater than 100% - average over 3 years.	✓ 139.9%	✓ 138.4%	✓ 140.7%	✓ 138.0%
Debt Service Ratio	Indicates whether council is using debt wisely to share the life-long cost of assets and avoid excessive rate increases. Benchmark: Greater than 0% and less than or equal to 20% - average over 3 years.	✓ 2.1%	✓ 2.1%	✓ 2.1%	✓ 2.0%
Efficiency					
Real Operating Expenditure	Indicates how well councils are utilising economies of scale and managing service levels to achieve efficiencies. Benchmark: A decrease in Real Operating Expenditure per capita over time.	✓ 1.32	✓ 1.28	✓ 1.28	✓ 1.26

A tick (✓) means that Council satisfies this benchmarks

.Asset management and capital expenditure

Assets

Assets include land and buildings, infrastructure such as roads, footpaths, drains and seawalls, plant and equipment, furniture and fittings. These assets are referred to as non-current assets. There was a large increase in asset value in recent years due to a revaluation of infrastructure assets as required under accounting standards. Council has non-current assets valued at approximately \$483.2 million.

Asset Class	Current Replacement Cost (\$000)	Depreciated Replacement Cost (\$000)	Depreciation Expense for 2015 (\$000)
Bridges	\$5,435	\$2,799	\$96
Buildings (Specialised and Non-Specialised)	\$96,561	\$60,851	\$3,036
Open Space, including Parks and Pools	\$30,303	\$19,296	\$1,040
Other Structures	\$8,240	\$5,653	\$217
Seawalls	\$37,834	\$20,580	\$422
Stormwater Drainage	\$41,837	\$24,397	\$1,005
Transport (Roads, Carparks, Kerb and Footpath)	\$265,239	\$164,232	\$4,681
Wharves, Marine Structures	\$6,036	\$3,680	\$164
Land Improvements	\$725	\$509	\$55
Total All Assets	\$483,245	\$268,776	\$9,762

Source: Financial Statements 30 June 2015.

Specific details on the condition of each asset class are provided in the Asset Management Strategy (see Draft Resourcing Strategy).

Capital expenditure

Capital expenditure is spending to renew, improve and expand land and buildings, infrastructure such as roads, footpaths, drains and seawalls, plant and equipment, furniture and fittings. Capital expenditure in 2016-17 is estimated at more than \$18.4 million (excluding loan repayments).

In 2016-17 funding has been provided for the following major projects:

- Cohen Park Amenities Building
- 2-8 Weston Street, East Balmain (Adaptive Re-use works)
- Leichhardt Park Aquatic Centre (Masterplan, Olympic Pool and Other Pool Capital Works and enclosure of garden atrium)
- Ongoing restorations on Dawn Fraser Baths
- Leichhardt Oval (management, hill market area, hill safety and toilets (Stage 1 and Northern End Amenities and scoreboard)
- Leichhardt Park 2 (amenities upgrade and canteen)
- Leichhardt Park native regeneration
- Historical markers and interpretative signage
- Bike Plan works

- Mainstreets program
- Urban Renewal and Westconnex
- Integrated Transport Plan
- Environmental Sustainability Plan Actions
- Community and Cultural Plan Actions
- Construction of the Skate Park at Callan Park
- Domestic Waste Management Projects relating to litter reduction, bin audit and illegal dumping
- White Creek embellishment including BBQ in Community Orchard
- Tree maintenance across the local government area.

The capital expenditure program in 2016-17 is provided in more detail in the 2016-17 Budget.

Infrastructure expenditure

Infrastructure expenditure in the draft budget is summarised in the table below (infrastructure is a subset of the capital program). Note that these amounts include spending on new assets (expansion) as well as maintenance and renewal, and can vary from year to year due to planned one-off expenditure, and the level of grant funding received.

Project Description	Expenditure	Funding					Net Cost from General Revenue
		Parking	Fees & Grants	Loans, S94 & Reserves	Special Rates Increase	Stormwater Charge	
Major Program							
Bridges	180,000	34,660			106,000		39,340
Buildings	4,740,309	982,785		2,480,000	50,000		1,227,524
Car Parks	-	-					-
Drains	1,252,922	241,260				510,000	501,662
Footpaths	2,679,978	551,058	313,000	572,000	308,000		935,920
Kerb & Gutter	773,671	148,977	444,000		84,000		96,694
Parking Meter Replacement	26,000	-					26,000
Parks	1,484,246	285,803	131,930	636,570			429,943
Roads	2,916,274	501,552	338,000	478,000	1,579,500		19,222
Seawalls	100,000	19,256			63,000		17,744
Traffic Facilities	475,000	91,465		155,000	127,500		101,035
Wharves	98,000	8,871		43,000	44,000		2,129
Other Structures - Lighting	257,145	19,515	54,000		168,000		15,630
Other Structures - Other	186,600	35,931		45,600			105,069
Other Structures - Retaining Walls	30,000	5,777					24,223
Other Structures - Shade Structures	-	-					-
Other Structures - Street Furniture	14,000	2,696					11,304
	15,214,146	2,929,606	1,280,930	4,410,170	2,530,000	510,000	3,553,440

Leichhardt Council is financially sustainable

In January 2014, the NSW Government released the final report of the Independent Local Government Review Panel titled “Revitalising Local Government”. This report made a series of recommendations on local government reform. Most significantly for Leichhardt Council, it recommended that it merge with its neighbouring inner west councils including Ashfield, Burwood, Canada Bay, Marrickville and Strathfield Councils. The proposed mega inner west council would bring together a population of 342,000 residents - an average increase of around 300 per cent in the current populations of

each inner west Council area and would result in one of the largest local government populations in NSW by 2031.

On 10 September 2014, the NSW Government released its “Fit for the Future” (FFF) response to the Independent Local Government Review Panel’s report and in doing so supported the amalgamation of the 6 Inner West Councils. The NSW Government required that all councils submit either a “Council Merger proposal” or a “Council Improvement proposal” by 30 June 2015 to demonstrate how they meet the criteria of a “Fit for the Future” council – i.e. financially viable and sustainable in the long term.

Leichhardt Council responded to the FFF program with a proposal to remain a stand-alone entity. The proposal was based on Council’s superior financial performance to date and that projected over the next ten years. Council’s submission was assessed by the Independent Pricing and Regulatory Tribunal (IPART), and in late 2015 the Council was deemed as “unfit”. This assessment was made not on financial grounds or service delivery outcomes – for the Council was able to easily satisfy all the financial sustainability benchmarks and - but on the basis that the Council did not meet an arbitrary and undefined population target (i.e. Scale and Capacity).

On 6 January 2016, the Minister for Local Government, the Hon. Paul Toole MP, under section 218E (1) of the *Local Government Act 1993*, proposed the merger of the Ashfield, Leichhardt and Marrickville Councils. On the same day, the Minister referred this merger proposal to the Chief Executive of the Office of Local Government for examination and report under the *Local Government Act 1993*.

The Chief Executive then delegated the function of examining and reporting on the proposal to a Delegate. In examining and reporting on the merger proposal, the Delegate conducted a public meeting, called for written submissions, and prepared a report with due regard to the factors in section 263(3) of the Act. The factors in the Act include (but are not limited to) financial considerations, communities of interest, elected representation, employment of staff, provision of services and facilities, and the attitude of residents and ratepayers.

Council’s submission to the Delegate (dated 23 February 2016) is available on its website. In brief, the submission argued not that the proposed merger of Leichhardt, Ashfield and Marrickville Councils should proceed on (inter alia) a financial basis and the resulting loss of local representation. The submission stated that the stand-alone option remained the superior option for the Leichhardt community and the communities of Ashfield and Marrickville.

The Delegate completed her report to the Minister for Local Government and the Boundaries Commission in late March 2016. The Minister has indicated that the NSW Government will make a final decision of the merger proposal in mid-2016.

As stated, Leichhardt is in an excellent position to remain a stand-alone entity. Leichhardt Council meets the financial sustainability benchmarks of the Fit for the Future criteria. Recognised as one of NSW’s top Councils, TCorp confirmed Leichhardt Council as in the top 10 per cent of Councils in NSW for financial performance (TCorp 2013). The NSW Government also recognised Leichhardt’s strong asset management (Local Government Infrastructure Audit 2013) and strong performance in governance and organisational best practice (Promoting Better Practice Review 2015).

Importantly, Council meets all of the NSW Government’s financial sustainability benchmarks. This has been achieved by Council using its own resources and is not reliant on increased borrowings, a rate increase or any reduction in service levels/offerings. Principally, the benchmarks will be achieved and maintained through a targeted internal efficiency program known as “Living within its means” initiated by Council in late 2013. This program of continuous business improvement will deliver over \$2.4 million per annum to infrastructure renewal over the 10 year life of the LTFP from 2016-17 onwards (refer to 2014 -15 and 2015-16 Budgets for initiatives included in that Budget which carry-over to 2016-17 onwards).

The opportunities outlined in the table below have been incorporated into the 2016-17 Budget:

Efficiencies built into the 2016-17 Draft Budget

Initiatives	2016-17 Budget result (saving)
Leichhardt Oval Additional Income	\$30K
Out of Hours Customer Call Centre – new provider	\$10K
Electronic Business Papers	\$50K
Printing and Records rationalisation	\$96K
Library Technology Savings	\$63K
After School Care Contract	\$18K
Total	\$267K

2016-17 Draft Budget

In the 2016-17 Draft Budget, detailed budget information at an activity level is provided. This information is grouped according to the organisational structure of Council (i.e. Divisions) and then provided at a Program level.

Two years data is provided herein (i.e. Budget 2015-16 and Budget 2016-17) to enable the community to compare trends over time.

The summary by activity budget information is presented in the Part 2 - Draft Budget 2016-17.

2016-17 Draft Budget: What is funded?

The 2016-17 Draft Budget includes funding for the following:

- Continuation of current Services (Business as usual).
- Funding for critical emerging issues (e.g. Parramatta Road, WestConnex and Bays Precinct; and Housing) and significant items (e.g. Property Review Projects and the IT Strategic Plan).
- Major project funding – as detailed in the Major Projects Plan (see 2016-17).

Additional Council Resolutions for Public Exhibition

At the Ordinary Council Meeting on 26 April 2016, Council considered the Footpath Dining Program and Proposed Revisions to the Open Space and Recreation Developer Contributions Plan (2005) Works Schedule. It was resolved that both matters be publically exhibited with Council’s Draft 2016-17 Budget as supplementary information as part of Delivery Program & Operational Plan

Exhibition. Noting that both these will come back to the June 2016 Ordinary Council meeting for endorsement along with the Budget and Delivery Program exhibition.

ATTACHMENT 3 to this report, provides details of the resolutions pertaining to both items.

Councillors and Public Workshops (Public Engagement to Date)

In preparing the suite of documents for public exhibition a number of meetings with Councillors and members of the community were held including:

- *2 Councillor Workshops (held on 27th February & 9th April 2016)*
- *2 Public Workshops (held on 14th March & 18th April) with a further workshop to be held on 16th May 2016 at the Annandale Town Hall.*

Public Exhibition & Communication Strategy

As mentioned previously the legislation requires the draft plans to be publicly exhibited for at least 28 days.

Any submissions received must be considered by Council prior to the plan being adopted. The draft plans are being reported to Council to allow sufficient time for public exhibition, any amendments, and a final report to Council seeking adoption prior to 30 June, to ensure deadlines imposed by the *Local Government Act 1993* are adhered to.

Similar to previous years, our communication strategy to support the public exhibition of the documents will include:

- Placement of advertisements in the Inner West Courier
- Advertising via E News
- Advertising via Council's website (including the use of an online feedback form)
- Advertising via the Council's Customer Service and Libraries (including posters and feedback forms)
- Advertising via Council noticeboards
- Advice to Councillors and staff members.

Following the public exhibition of our suite of documents a further report will be presented to the June Ordinary Council Meeting advising of any submissions received with a recommendation to Council regarding the adoption of the Draft Delivery Program 2014 - 2018 & Operational Plan 2016-17 (Year 3 including Draft Budget 2016-17 and Statement of Revenue Policy) and Draft Resourcing Strategy.

Conclusions

It is therefore recommended that the Draft Delivery Program 2014 - 2018 & Operational Plan 2016-17 and Draft Resourcing Strategy be endorsed for public exhibition and that a further report be submitted following the public exhibition of all documents providing details of submission received.

Attachments - (To be circulated separately and placed on Council's website and Councillor's iPads)

1. Part 1 - Draft Delivery Program 2014 - 2018 & Operational Plan 2016-17, Part 2 -Draft Budget 2016-17 and Part 3 - Statement of Revenue Policy (incorporating the Proposed Fees & Charges 2016-17)
2. Draft Resourcing Strategy (incorporating the Asset Management Strategy, Long Term Financial Plan & Workforce Management Plan)
3. Council Resolutions pertaining to Footpath Dining Program and Proposed Revisions to the Open Space and Recreation Developer Contributions Plan (2005) Work Schedule.

ITEM 2

PARKING METERS - DRAFT BUDGET 2016-17

Division	Infrastructure and Service Delivery
Author	Traffic Manager and Traffic & Parking Engineer
Meeting date	3rd May 2016 Extraordinary Council Meeting
Strategic Plan Key Service Area	Accessibility Place where we live and work

SUMMARY AND ORGANISATIONAL IMPLICATIONS

Purpose of Report	To report back to the 3rd May Extraordinary Council meeting on parking meters and parking management prior to community consultation on the draft 2016/17 Budget.
Background	<p>Council at its Ordinary Meeting held on 26th April 2016 resolved:</p> <p><i>"That Council prepare costings and plans to consult with the community as part of the draft budget consultation process and report back to the May Policy Council Meeting on the following options:</i></p> <ol style="list-style-type: none"> 1. <i>On a plan to remove Council's dependence on Parking meter revenue and remove parking meters from across the municipality as soon as possible and within a financially responsible timeframe commencing in FY2016/17.</i> 2. <i>On reducing parking meter charges to rates similar to those currently in Glebe.</i> 3. <i>Turning parking meters off after 6pm."</i>
Current Status	The enclosed has been prepared by Council Officers for the consideration of Council.
Relationship to existing policy	Inconsistent. Council has supported the use of parking meters across the municipality and monies collected from the meters forms a critical part of our annual Budget and the Long Term Financial Plan.
Financial and Resources Implications	<p>The financial impacts of this proposal are significant both in the immediate and longer term.</p> <ul style="list-style-type: none"> • The LTFP impacts are on: <ul style="list-style-type: none"> ○ Non Infrastructure - Meters funds Economic Development Program – reduction of \$2.1 million over 10 years ○ Reduction in Efficiency Program of \$600,000 over 10 years – this would result in an additional decrease in the Infrastructure Program outlined in the report • Council's infrastructure renewals would decrease over the next 10 years by \$27.6

	<p>million.</p> <ul style="list-style-type: none"> • Council would not be Fit for the Future in any of the next 10 years, or beyond • It would not be financially responsible to remove parking meter revenue at any time, or reduce revenue over time, as the impact will always place Council in an unsustainable financial position. Unless of course, Council replaces the lost revenue with such measures as a rate rise. <p>There are a range of significant financial implications outlined in the "Overall Financial Impacts on proposed 2016/17 Budget" section of the report.</p> <p>Significant changes to parking meters would be in breach of the recent s23A Guidelines issued by the OLG in relation to financial expenditure.</p>
Recommendation	That Council receive and note the report.
Notifications	NIL
Attachments	NIL

Purpose of Report

To report back to the 3rd May Extraordinary Council meeting on parking meters and parking management prior to community consultation on the draft 2016/17 Budget.

Recommendation

That Council receive and note the report.

Background

Parking Meters were installed in the LGA in 2001 to address the parking shortfall within and near the main shopping precincts of Balmain, Rozelle and Leichhardt. Parking meters generate a turnover of spaces for customers and visitors and provide them with convenient access to shops.

The introduction of 30 minute free ticket parking costs Council \$600,000 per annum. Since the introduction of 30 minute free tickets, paid parking meter usage remains high and 30 minute free usage continues to increase. The 30 minute free parking on mainstreets has also allowed for short stay parking and increase of parking turnover.

Over the last 3 years the number of paid parking tickets has marginally decreased from 25,000 tickets to 21,500 paid tickets per month; whilst the number of 30 minute free tickets issued per month has increased from 80,000 to 110,000 tickets. This means that 84% of tickets issued from parking meters are free.

In October 2012, Council's parking consultant Parking & Traffic Consultants (PTC) undertook a comprehensive parking study of the main shopping centre precincts. Also, a follow up study was conducted in February 2013 following the introduction of a trial of 30 minute free ticket parking on some meters on the mainstreets.

The study's March 2013 report indicated that "*The main issue with regards to town centre parking strategy is that there are many more factors influencing the economic success of a Town centre than just the parking provision. In the first instance retail sales across Australia have slowed, which in itself makes the average consumer more discerning with regards to where they are going to spend their dollars. If they are time conscious and have a limited disposable income - they are going to make choices that save money and time and are relatively convenient.*"

The report went on to mention increasing internet sales, significant rise in shopping centre developments and that most consumers are now within a short distance of a major shopping hub.

These shopping centres have management teams to ensure there is a strong mix and diversity of tenants within the retail centre whereas the town centre does not have a centralised coordinator managing the retail spaces.

Council's parking surveys and analysis of parking meter data demonstrates that the demand for parking is high and the cost of parking is not deterring visitors.

Council at its Ordinary Meeting held on 26th April 2016 resolved:

"That Council prepare costings and plans to consult with the community as part of the draft budget consultation process and report back to the May Policy Council Meeting on the following options:

1. *On a plan to remove Council's dependence on Parking meter revenue and remove parking meters from across the municipality as soon as possible and within a financially responsible timeframe commencing in FY2016/17.*
2. *On reducing parking meter charges to rates similar to those currently in Glebe.*
3. *Turning parking meters off after 6pm."*

Report

LTFP impacts

The composition of Council's revenue sources is complex, has been built up over time and is quite sensitive to change. The alteration of a major funding source, such as parking meter funds, will have significant repercussions.

Parking Meter revenue forms an integral part of the financial health of Leichhardt Council. The repercussions of the removal of parking meter revenue would be (the following figures are based on the loss of net parking meter revenue only):

Infrastructure Impact:

- Council's infrastructure renewals would decrease over the next 10 years by \$27.6 million. Renewal projects in 2016-17 that would be affected include:
 - Roads
 - Leichhardt Oval
 - Footpaths
 - Main streets
 - Bikes
 - LPAC.
- If Council chose to reduce expansion projects instead of renewals, significant projects that this would impact include New Open Space, Weston Street, Greenhouse Gas Abatement Program and Roads.
- Council would not be Fit for the Future in any of the next 10 years, or beyond (see Table below).
- Council currently meets all 7 of the NSW Government's Fit for the Future benchmarks. The removal of Parking Meters would result in failing 3 key Fit for the Future benchmarks, namely:
 - Operating Performance – for 7 of the next 10 years – and continuing thereafter
 - Asset Renewals – for 5 of the next 10 years – and continuing thereafter
 - Infrastructure Backlog – for 10 of the next 10 years – and beyond.

- Council's infrastructure renewals would not only fail to reduce the backlog (previously the 10 year reduction was \$18.5 million) – but it would increase the backlog by a further \$7.6 million to an unsustainable \$35 million.

Non Infrastructure

- Apart from Infrastructure, Parking Meters fund the following:
 - Economic Development Program – reduction of \$2.1 million over 10 years
 - Reduction in Efficiency Program of \$600,000 over 10 years – this would result in an additional decrease in the Infrastructure Program to that outlined below.

Potential Offsets and summary of the financial implications

A decrease of this magnitude would render Council in a severely compromised financial position. A Special Rate Variation (estimated in the order of a 5%-8% increase) would be the most apparent measure to rectify a situation of this magnitude.

In summary, it would not be financially responsible to remove parking meter revenue at any time, or reduce revenue over time, as the impact will always place Council in an unsustainable financial position. Unless of course, Council replaces the lost revenue with such measures as a rate rise.

LEICHHARDT COUNCIL - FIT FOR THE FUTURE CRITERIA RESULTS

2016 / 2017

BENCHMARK	IPART ASSESSMENT	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
		Operating Performance Ratio (greater or equal to break-even average over 3 years)	Must meet within 5 years	✓ 2.6%	✓ 0.4%	✗ -0.2%	✓ 0.1%	✗ -0.4%	✗ -0.5%	✗ -0.7%	✗ -0.8%
Own Source Revenue Ratio (greater than 60% average over 3 years)	Must meet within 5 years	✓ 89.5%	✓ 89.1%	✓ 90.7%	✓ 90.7%	✓ 92.0%	✓ 92.0%	✓ 92.0%	✓ 92.0%	✓ 92.0%	✓ 92.0%
Buildings, Infrastructure & Other Asset Renewal Ratio (greater than 100% average over 3 years)	Meet or Improve within 5 years	✓ 124.5%	✓ 140.2%	✓ 123.4%	✓ 119.9%	✓ 101.0%	✗ 83.9%	✗ 81.9%	✗ 80.6%	✗ 79.3%	✗ 78.8%
Infrastructure Backlog Ratio (less than 2%)	Meet or Improve/ Inform within 5 years	✗ 5.0%	✗ 4.2%	✗ 3.41%	✗ 3.71%	✗ 4.11%	✗ 4.5%	✗ 5.0%	✗ 5.5%	✗ 6.0%	✗ 6.6%
Asset Maintenance Ratio (greater than 100% average over 3 years)	Meet or Improve/ Inform within 5 years	✓ 139.9%	✓ 138.4%	✓ 140.7%	✓ 138.0%	✓ 139.7%	✓ 139.1%	✓ 138.5%	✓ 137.9%	✓ 138.0%	✓ 138.1%
Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)	Meet within 5 years	✓ 2.2%	✓ 2.2%	✓ 2.2%	✓ 2.0%	✓ 1.9%	✓ 1.5%	✓ 1.4%	✓ 1.4%	✓ 1.2%	✓ 1.0%
A decrease in Real Operating Expenditure per capita over time	Decreasing	✓ 1.30	✓ 1.27	✓ 1.26	✓ 1.25	✓ 1.25	✓ 1.23	✓ 1.22	✓ 1.21	✓ 1.21	✓ 1.20

Parking Management

Council staff have reviewed previous parking studies and updated the financial information in this report based on the draft 2016/17 tariffs and current meter usage.

Turning meters off at 6PM

Switching off all the parking meters after 6pm will reduce parking turnover. As indicated above, recorded parking occupancies are already high and experience parking turnover because of the parking meters. Switching the meters off after 6pm would significantly impact on parking turnover and hence increase parking occupancy, making it difficult for motorists to find parking, forcing shoppers to park in side streets and impact on local businesses, including restaurant trade.

The cost to turn off the parking meters is as follows:

- After 6pm, \$1,344,000
- After 7pm, \$1,008,000
- After 8pm, \$672,000
- After 9pm, \$336,000

Switching all meters off

Removing the parking meters entirely would significantly impact on parking turnover and lead to high, if not 100% parking occupancies, for shoppers trying to find on-street parking. Higher traffic generation could occur as motorists hunt for parking in side streets. This could also lead to shopkeepers and staff parking on the mainstreets again taking away parking for shoppers and impact on resident parking.

Prior to parking meters being introduced, previous studies indicated that there was insufficient parking and shoppers could not find on-street parking in the mainstreets and there is strong evidence over many years since meters were introduced that indicated up to 40% parking turnover occurred in the mainstreets, thus creating parking for shoppers.

Loss of "Ticket" parking would impact on the enforcement of parking. "Ticket" parking eliminates the need for Council's parking officers to "chalk up" vehicles' tyres.

The total loss in revenue equates to approximately \$4,318,000. Council also introduced 30 minute free ticket parking on all mainstreets (with meters) in order to further provide an incentive to shoppers and visitors to the area without compromising on parking turnover.

Reducing Tariffs

Furthermore, surveys conducted by the parking consultant PTC have indicated that occupancy rates are high in the shopping precincts; therefore, indicating that the existing fees and restrictions are not deterring customers. It stated that the prevailing parking occupancy along its main streets as the strongest measure as to whether the correct pricing model is in place. This has more relevance in regard to setting parking fees than what is practiced by other Councils.

The study report (December 2012) recommended against reducing tariffs except where there were parking occupancies less than 70%. As the parking occupancies are high, there should be no reduction in the tariff fee. Additionally, Leichhardt Council's parking meter rate is comparable to other Councils near the city as shown below:

- Leichhardt Council – up to \$4.30 per hour
- Waverley Council – up to \$7.00 per hour
- City of Sydney Council – up to \$7.00 per hour
- North Sydney Council – up to \$7.00 per hour

Although there are some suburbs in other LGA's that have reduced parking rates at various times throughout the day, these have been introduced in areas which have a reduction in parking occupancy.

Reducing the cost of parking meters so that they align with neighbouring Council suburb Glebe which is \$2.70/hr (8AM-6PM MON-FRI) and \$1.50/hr (6PM-10PM MON-FRI & 8AM-10PM SAT & SUN) would incur a loss of \$1,588,000 in the proposed 2016/17 budget. Peak occupancies also occur in the evening.

Overall Financial Impacts on proposed 2016/17 Budget

- Removal of parking meters would incur a loss of \$4,318,000
- Reducing parking meter charges to rates similar to currently in Glebe would incur a loss of \$1,588,000
- Turning parking meters off after 6PM would incur a loss \$1,344,000.

The proposal is not consistent with the s23A Guidelines

In December 2015, the Office of Local Government issued Guidelines (*Council Decision Making During Proposal Periods*) under Section 23A of the *Local Government Act 1993*. All councils must consider these Guidelines when exercising their functions during the merger proposal period (i.e. now until the proclamation of the new council). The Guidelines impose significant expenditure controls on Council and these are summarised below:

- Councils should only expend monies in accordance with Council's adopted budget.
- Expenditure outside of a Council's adopted budget should be approved by the Council at a meeting that is open to the public. The resolution approving the

expenditure should disclose the reasons why the expenditure is required and warranted.

- Expenditure outside of a Council's adopted budget equal to or greater than \$250K or 1% of rates revenue in the preceding year (\$400k in our instance) needs to be advertised and public comments invited.
- Councils subject to the merger proposal should not make decisions that will impose a significant and/or ongoing financial commitment on a new council.

If Council were to proceed with any of the options outlined in Resolution C219/16, such a decision would be inconsistent with the s23A Guidelines issued by the OLG. Specifically, the requirement that "Councils the subject of merger proposals should not make decisions that will impose a significant and/or ongoing financial commitment on a new council."

In this matter, the ongoing financial commitment would consist of a significant loss of revenue for the proposed new council in both the short-term (2016/17) and over the next ten years. This would negatively impact on the new council's immediate and longer term financial sustainability.

Summary/Conclusions

The removal of the parking meters or turning off the meters after 6PM would significantly impact on:

- Council's ability to fund its infrastructure backlog and effect its Long Term Financial Plan (LTFP) and Council would no longer be Fit For The Future (FFTF) as it currently is.
- Parking management in the three main shopping precincts which would result in:
 - Loss of parking turnover leading to high parking occupancies up to 100%
 - Insufficient on-street parking, forcing shoppers to park in side streets
 - Lead to higher traffic generation as motorists hunt for parking in side streets
 - Impact on resident parking in side streets
 - Impact on local businesses, including restaurant trade after 6PM, as motorists would be deterred due to lack of on-street parking (no turnover of carspaces)
 - Could lead to businesses and staff parking on the mainstreets again taking away parking for shoppers
 - Loss of "Ticket" parking that currently assists the enforcement of parking and eliminates the need to "chalk up" vehicles' tyres.

The existing parking system has evolved in response to community needs. The 30 minute free parking that cost Council \$600,000 per year is well used with 84% of tickets issued from meters being 30 minute free.

Further, each of the three proposals is inconsistent with the s23A Guidelines issued by the Office of Local Government. Specifically, the requirement that "Councils subject to the merger proposal should not make decisions that will impose a significant and/or ongoing financial commitment on a new council."

	The 2016/17 draft program has been developed to build upon the progress that has been made over the first three years of EEDP implementation and identified priority actions and projects since its adoption.
Current Status	Year 4 implementation of the Employment and Economic Development Service Delivery Plan
Relationship to existing policy	Leichhardt Council Employment and Economic Development Plan Complements other Council strategic service plans and Leichhardt 2025+
Financial and Resources Implications	Allocation of funds for Council's Economic Development work program as part of the 2016/17 Draft Budget. This proposal is consistent with the recent s23A Guidelines issued by the OLG in relation to financial expenditure.
Recommendation	That Council receives and notes the draft 2016/17 Economic Development Program as included in the current 2016/17 Draft Delivery Program and Budget.
Notifications	NIL
Attachments	NIL

Purpose of Report

To advise Council on the 2016/17 Draft Economic Development Program as per Year 4 of the Employment and Economic Development Plan and as included in the 2016/17 Draft Budget.

Recommendation

That Council receives and notes the draft 2016/17 Economic Development Program as included in the current 2016/17 Draft Delivery Program and Budget.

Background

In June 2013 Council adopted its Employment and Economic Development Plan Strategy and four-year service delivery plan (EEDP). The outcomes of the plan at time of adoption were broad, reflecting the relative infancy of the Economic Development function however they remain current and highly representative of the key strategy areas for issues arising through consultation and engagement with our local economies and business community.

Actions in the Economic Development Program centre on the seven EEDP strategy areas:-

1. Make Place Matter
2. Meet People's Needs
3. Embrace the New Economy
4. Protect and Leverage Economic Assets
5. Make Business and Employment Easier
6. Communicate and Connect
7. Tell the World

While the EEDP sets Council's strategic direction for local economic development, employment growth and healthy vibrant commercial precincts, in order to achieve these goals, all areas of Council must and do continue work together across divisions making the LGA a better place for business.

The program outlined in this report outlines the budget and work program for the Economic Development Unit's contribution to the overall delivery of the EEDP in 2016/17.

The 2016/17 draft program has been developed to build upon the progress that has been made over the first three years of EEDP implementation and identified priority actions and projects since its adoption.

Report

1.0 Anticipated Carry Forwards from 2015/16

While the majority of the 2015/16 Economic Development Program will be completed by the end of the financial year, some carry forwards are anticipated.

At the time of reporting these carry forwards are estimates only and are subject to change by the time carry forwards are reported to Council in the first quarter of the new financial year.

From an overall 2015/16 work program budget of \$518,060, more than 83% of projects will have been completed by the end of the financial year.

An anticipated carry forward of \$90,000 will be required in the following areas;

1. Centralised Marketing Program (\$20,000)
2. Shopfront Improvement Program (\$40,000)
3. Digital Engagement and Precinct Development (\$20,000)
4. Small Business Incubator Development (\$5,000)
5. Home Based Business Network Development (\$5,000)

The projects associated with these carry forwards will likely be completed by the end of the first quarter 2016/17.

2.0 2016/17 EEDP Highlight Projects

A number of key projects have been delivered and some remain ongoing within the 2016/17 Draft Economic Development Program.

2.1 Live Music and Renew Leichhardt (total \$57,000)

Following Council's Resolution in March 2013, the development of the Parramatta Road/Live Music Precinct has been included in the Economic Development Program. Significant progress has occurred during 2015/16 with the part funding and recruitment of the Live Music Project Officer (in association with the City of Sydney and Marrickville Council) and the engagement of the Sydney Fringe to commence phase one delivery of the Off Broadway Strategy.

An allocation of \$47,000 is included in the 2016/17 program for the expansion and extension of Council's Renew Leichhardt Project Officer role for a further twelve months to assist with Off Broadway implementation in addition to continuation of the Renew Leichhardt project.

Further, an allocation of \$10,000 is included for Live Music on ground works to support and develop the precinct further particularly for wayfinding and signage.

2.2 Centralised Marketing Program (\$60,000)

As part of adopting the 2015/16 budget, Council resolved (C183/15P) to include \$80,000 for the Centralised Marketing Fund Pilot Program as a means of ongoing business support for the area.

In November 2015 a report was brought to Council investigating the ways and means an ongoing Centralised Marketing Fund could be resourced financially.

Three main options were presented that included:-

1. Mandatory contribution (Special Rate) from businesses
2. A dollar for dollar matched funding program between Council and businesses
3. Voluntary business membership and subscription to a new fund

In consideration of the options, the current political climate affecting local government Council resolved to consider, as part of developing the 2016/17 budget, sourcing recurrent funding of \$80,000 per annum into the Centralised Marketing Fund towards implementation of the Marketing and Promotion Strategy and to support businesses within the area.

An allocation of \$60,000 is made in the 2016/17 draft Economic Development Program for the ongoing Centralised Marketing Program in response to resolution C588/15. An anticipated carry forward of \$20,000 is expected from the 2015/16 program.

In December 2015, Council resolved to undertake a statistical evidence based research study into spending habits gleaned through credit and debit card transaction data of shoppers using the Balmain and Rozelle retail precincts. (This area was used as a pilot study area with the intention to investigate same in the Leichhardt and Annandale areas as a second stage.)

The study was funded through 2015/16 Centralised Marketing and Targeted Tenancy Programs within the EEDP.

A report is due to follow to the May 2016 Ordinary Meeting with the results of the credit card transaction study. This will provide key market insights into the strengths and weaknesses of the precinct, outlining market segmentation, expenditure via product sector and expenditure values amongst other key criteria.

The insights from the abovementioned study, in alignment with Council's 5 Year Marketing and Promotion Strategy, will be used to inform the marketing and promotional activities that will be developed for the 2016/17 program.

2.3 Tourism Development (\$72,900)

Tourism was identified as a key sector for development as part of the development and implementation of the EEDP. The EEDP particularly recognised the potential economic value to be gained from visitors arriving at the White Bay Cruise Terminal and the Temporary Exhibition Centre at Glebe Island.

In December 2015 Council resolved to enter into a Memorandum of Understanding (MOU) with the Ports Authority to fund on a 50:50 basis a cruise tour and shuttle bus service connecting international cruise visitors disembarking at White Bay to the Darling Street precinct.

The cruise tours have been overwhelmingly well received by the business community and the cruise industry that see this as an integral part of the Sydney tourism offer.

Given the short time from resolution in December 2015 to commencement of the service in mid-February 2016, the uptake has been very encouraging. Averages of 40 passengers per day were transferred from the White Bay terminal to the Darling Street Shopping precinct on the 11 days that the service operated.

Work has commenced on developing a greater depth of promotion through cruise operators, crew managers as well improved meet and greet facilities at the terminal in association with Destination NSW. With this increased lead time, significantly higher passenger and crew transfers are expected in the 2016/17 cruise season.

This project is a two-year MOU with Council's funding contribution in year two being \$72,900.

2.4 Balmain (Busking) Festival (\$30,000)

For some time the business community of Balmain and Rozelle had sought to introduce busking into the precinct as a means of activation and visitor attraction.

In 2015/16 unexpended funds from previous allocations to the local Chambers of Commerce were redirected to deliver the inaugural Busk Festival @ Balmain event.

While inclement weather throughout the duration of the festival weekend undoubtedly affected the success of the event it was well received by both business and the local community. Feedback following the event has been that the local business community would like to develop the concept further and continue with an annual festival in Balmain.

2.5 Leichhardt Long Lunch (\$30,000)

2016/17 will see the final year of funding commitment to the Leichhardt Annandale Chamber of Commerce to deliver the ongoing Leichhardt Long Lunch series of events.

As per Council Resolution C30/15 a final allocation of \$30,000 will be made to have the series run through until mid-2017.

To date, two Leichhardt Long Lunches have been produced the first in August 2015 and the second in February 2016. The event has shown strong signs of participation from local businesses and attracted visitors from both within and outside the LGA to the Town Hall/Marion Street event within the Norton Street precinct.

Events are schedule to take place in May and September 2016 and February and May 2017.

2.6 Mainstreet Christmas Promotions (\$15,000)

This is a new project within the Economic Develop program. In the lead up to Christmas 2015 a series of Christmas promotional activities were funded from within the Marketing Strategy and Mainstreet Programs. These included a Shop Local

Christmas card campaign across the whole LGA, Christmas roving entertainment across all precincts in the key shopping weeks up to Christmas and Christmas lighting installations at Leichhardt Town Hall, Loyalty Square and Rozelle Square.

In response to the positive feedback received from the resident and business community an allowance to develop our Christmas promotions has been included in the 2016/17 program.

3.0 2016/17 Draft Economic Development Program

The following table outlines the 2015/16 and draft 2016/17 Economic Development Work Programs as current within Council's Draft 2016/17 Delivery Program and Budget.

The draft program (exclusive of carry forwards) has increased from \$337,000 in 2015/16 to \$393,400 for 2016/17, an increase of \$57,400.

Every effort has been made to deliver identified year four actions from within the EEDP, however the increase in funding the draft 2016/17 program is largely a direct result of continuing the Balmain Busking Festival, Council's resolution to demonstrate leadership by funding a centralised marketing program and the Memorandum of Understanding with Ports Authority NSW to deliver the cruise visitor tours.

2016/2017 Economic Development Plan								
		2015/16			2016/17			
		2015/16 Revised Budget (Note incl \$100k from efficiencies)	Carryover from 14/15	Total Budget for 2015/16	2016/17 Budget Proposed	Anticipated Carryovers from 15/16	Total Budget	Comments
Norton Street Italian Festa	00612	50,000.00		50,000.00	50,000.00		50,000.00	Event scheduled for October 2016
Fair Trade	00623	6,000.00		6,000.00	1,500.00		1,500.00	Sponsorship of Fair Trade Fortnight promotion
Profile id	00728	31,000.00		31,000.00	31,000.00		31,000.00	Community profiles and maps, economy - employment, journey to work
Renew Leichhardt Project Officer	00748	47,000.00		47,000.00	47,000.00		47,000.00	Project coordinator / Off Broadway (3 days/week)
Centralised Marketing Fund	00749	40,000.00		40,000.00	60,000.00	20,000.00	80,000.00	Implementation activities to be informed by the outcomes of the credit card analysis study
Marketing Strategy	00731	10,000.00	12,675.00	22,675.00			-	
Shop Local Campaigns	00746	-		-	20,000.00		20,000.00	2 campaigns for shop & enter prize draws
Shopfront Improvement	00733	30,000.00	10,000.00	40,000.00		40,000.00	40,000.00	Proposed grant program deferred. Further consideration required following outcomes of credit card transaction study. Program TBA
Live Music/Off Broadway	00734	-	50,909.00	50,909.00	10,000.00		10,000.00	On going funding for Off Broadway - specifically way finding and signage
Targetted Tenancy Plan	00737	60,000.00	18,642.00	78,642.00	10,000.00		10,000.00	For targetted implementation following credit card analysis study outcomes
Digital Precinct	00738	10,000.00	10,000.00	20,000.00		20,000.00	20,000.00	Training and development strategy. Program TBA
Womens Program (Networking Breakfast)		-		-	5,000.00		5,000.00	Women in leadership breakfast and networking
Small Business Incubator Feasibility Study	00740	5,000.00		5,000.00		5,000.00	5,000.00	Feasibility Study to establish an incubator for start ups or co-working space
Inner West Business Expo	00621	1,000.00		1,000.00			-	
Inner West Business Awards	00741	2,000.00		2,000.00	2,000.00		2,000.00	Sponsorship of awards program showcasing and promoting local small businesses
Leichhardt Long Lunch	00742	30,000.00	21,320.00	51,320.00	30,000.00		30,000.00	Events scheduled for Sept 2016, Feb 2017 and May 21017
Home Based Business Network	00743	5,000.00		5,000.00	5,000.00	5,000.00	10,000.00	Small events and forums or partner with an existing network
Tourism Development	00744	5,000.00		5,000.00	72,900.00		72,900.00	Cruise ship tours (Discover Balmain Rozelle Cruise Tours in assoc with PANSW)
Balmain/Rozelle Chamber	13023	-	4,698.00	4,698.00			-	
Cruise Tours (Discover Balmain Rozelle PANSW)	00750	-	26,500.00	26,500.00			-	
Business Training and Development	00745	5,000.00		5,000.00	5,000.00		5,000.00	Targetted programs for business Eg. Small bars, Footpath Dining Trial, Mainstreet Wifi Rollout
Busking (Balmain) Festival	13026	-	26,316.00	26,316.00	30,000.00		30,000.00	Festival event scheduled for September 2016
Mainstreet Christmas Promotions	NEW	-		-	15,000.00		15,000.00	Lighting, promotional mail drop and festival lighting installations
Total		\$ 337,000	\$ 181,060	\$ 518,060	\$ 394,400	\$ 90,000	\$ 484,400	

Please note: The above table excludes Operating Expenditure (Labour)

4.0 Economic Development Programs in Neighbouring Council's

As has been the case with all work units of Leichhardt, Marrickville and Ashfield in recent weeks, the Economic Development Officers from the three Councils have met to discuss work programs for the coming financial year in consideration of the potential amalgamation.

All Councils are committed to developing local economic growth and jobs by supporting urban centres and precincts and business development.

All three Councils have resourced Economic Development units with Marrickville having two full time officers and Ashfield one full time EDO. Details of the financial and operational aspects of the other council programs have been submitted to Council as part of the 2016/17 Budget development process.

This proposal is consistent with the recent s23A Guidelines issued by the OLG in relation to financial expenditure