



Hawkesbury City Council

ordinary meeting business paper

date of meeting: 23 February 2010

location: council chambers

time: 6:30 p.m.



mission statement

***“To create opportunities
for a variety of work
and lifestyle choices
in a healthy, natural
environment”***

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SECTION 4 - Reports for Determination

GENERAL MANAGER

Item: 22 GM - Defence White Paper 2009 and the Hawkesbury Area - (79351)

REPORT:

In 2008, the Federal Government announced that a new Defence White Paper would be put in place, to replace the former Defence White Paper that was developed more than a decade ago and at a time that could not have foreseen recent changes in the today's World.

The new Defence White Paper was released in 2009, and is the Defence public policy position for the next 30 years. The document title is: "*Defending Australia in the Asia Pacific Century*" *Force 2030 – Defence White Paper 2009*" (Defence White Paper).

The purpose of this report is to provide Council with a summary of the Defence White Paper to consider matters of relevance to the Hawkesbury local government area.

It should also be noted that the Government has also prepared a National Aviation Policy White Paper (Aviation White Paper), which was released on 16 December 2009. It addresses the civil or commercial aviation needs of the Country and airports are critical for the growth and development of the civil industry and to meet customers and traveller's needs.

The Defence White Paper and Aviation White Paper both have relevance to Hawkesbury local government area and should be considered concurrently, as there is some overlap in the documents in key areas of interest for our area and for RAAF Base Richmond.

Of note, there is scope within the Defence White Paper and the Aviation White Paper, and associated legislation, for Defence RAAF Bases to participate in the (commercial) aviation airport mix to help meet needs, demands and to make better use of infrastructure resources of the Country (ie. sustainability, location). Example of Defence RAAF bases that operate on a 'shared' facility basis are RAAF Base Avalon (trading as Avalon Airport) and RAAF Base Williamtown (trading as Newcastle Airport).

A report on the Aviation White Paper is also presented in this meeting's Business Paper.

Defence White Paper Process

Generally, the process for the Defence White Paper consisted of:

- The Government's decisions to prepare the White Paper,
- Undertaking the white paper procedure for preparing the document,
- Appointing Community Consultation Panel for the public consultation steps,
- Preparation of the Discussion Paper on "*Key Questions for Defence in the 21st Century*" to inform the white paper's preparation and for public consultation and public submissions (due September 2008). [Council made a submission to the Discussion Paper],
- Consideration of public consultation findings and public submissions; and preparation of "*Looking Over the Horizon: Australians Consider Defence*" (December 2008)

- Preparation of the White Paper,
- Briefing/ tabling the White Paper with the Government, and
- Public release of the White Paper.

The above process should then be followed by subsequent Government and Defence Force processes to implement the white paper - plans, resources, funds – to achieve a return on investment from Defence for the Country.

Defence White Paper Summary

The Defence White Paper is lengthy and provides in depth discussion about the complex issues that are encountered in the key program areas of Defence, which the Federal Government and the Defence Force must address in updating its Defence policy (including any investment in infrastructure, plant and human resources).

The Executive Summary of the Defence White Paper provides an overview of the Government's new approach and directions for Defence policy and is summarised below. See Attachment 1 for a copy of the Executive Summary. A copy of the full Defence White Paper can be obtained/viewed at , http://www.defence.gov.au/whitepaper/docs/defence_white_paper_2009.pdf .

The Executive Summary of the Defence White Paper (pages 11-14) indicates:

- How the Government plans to improve the foundations of Defence - the plans for the next few years, how they will be achieved, financed and measured,
- Government's policy is that the main role of the Australian Defence Force (ADF) is to have the ability to engage in conventional combat against other armed forces – a credible defence capability,
- The ADF is to continue to play a role in intra-state conflict and non-state global players – support domestic security and emergency response,
- It is a strategic risk outlook document and the Government has embraced the new **strategic risk-based approach** to defence planning in response to emerging issues,
- The strategic outlook is to be reviewed – mix and scale of capabilities - via the Government's intention to prepare Defence white papers at intervals no greater than five years (ie centrepiece of the strategic risk-based approach to defence planning)
- Defence policy must have clear strategic interests/ objectives (in order), being:
 1. Defence of the country against direct armed attack,
 2. Security, stability and cohesion of our nearby neighbour states in the Asia-Pacific region,
 3. Security, stability and cohesion of our further away neighbour states in the Asia-Pacific region; and extending to a stake in the maintenance of the Asia-Pacific regional security environment, and
 4. Preserving international order that restrains aggression of states against other states on the World scene - WMD, terrorism, state fragility/ failure, intra-state conflict, security impacts of climate change/ resource scarcity
- Defence policy to be founded on the principles of:
 - Self-reliance in the direct defence and in our strategic interests – Act independently,

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- Do more when required in our strategic interests we share with other states and within resource limits – Lead military coalitions/ Make tailored contributions,
- The principal tasks of the ADF (in order) are:
 1. Deter and defeat armed attacks on the Country,
 2. Contribute to stability and security in the South-Pacific and of East Timor,
 3. Contribute to military contingencies in the Asia-Pacific region, and
 4. Contribute to military contingencies in the rest of the World
- The ADF will need to be strengthened in key areas eg. maritime capability, air capability, intelligence and reconnaissance, cyber warfare
- Human resources considerations of the Defence Force, especially for deployments etc, will be addressed, and
- The Government has endorsed the Strategic Reform Program – to overhaul Defence enterprise to find savings and to address Defence's 'backbone' of facilities and infrastructure resources eg. Defence estate.

The key program areas addressed in the Defence White Paper are:

- Chapter 1 The Government's Approach to Defence Planning
- Chapter 2 Defence and National Security
- Chapter 3 Managing Strategic Risk Defence Planning
- Chapter 4 Australia's Strategic Outlook
- Chapter 5 Australia's Strategic Interest
- Chapter 6 Australia's Defence Policy
- Chapter 7 Principal Tasks for the ADF
- Chapter 8 The Future Development of the ADF
- Chapter 9 Capability Priorities for Force 2030
- Chapter 10 How Prepared Does the ADF Need to Be?
- Chapter 11 Alliances and International Defence Relationships
- Chapter 12 Defence Intelligence
- Chapter 13 Defence Management and Reform
- Chapter 14 People in Defence
- Chapter 15 Supporting the ADF
- Chapter 16 Procurement, Sustainability and Industry Support
- Chapter 17 Defence Science and Technology
- Chapter 18 The Government's Financial Plan for Defence

Defence White Paper - Key Points for the Hawkesbury Area

With Council's particular interest in RAAF Base Richmond, commentary in the Defence White Paper on Defence's 'backbone' of facilities and infrastructure resources has been investigated to ascertain the Government's position to gather any directions for RAAF Base Richmond's future. RAAF Base Richmond is not specifically mentioned in the Defence White Paper.

The only relevant point is:

- Chapter 15 Supporting the ADF/ **The Defence Estate** (page 121-122)

The Government's Strategic Bases principles are:

- (i) Defence base locations aligned with strategic requirements to ensure critical capabilities are suitably dispersed for security reasons,
- (ii) Defence to consolidate units into fewer, larger and sustainable multi-user bases aimed at increasing the alignment of functions at Joint and Service level and their capacity to support operations,
- (iii) Defence to group bases near strategic infrastructure and industry to promote knowledge sharing, innovation, and to maximise the effectiveness of industry support to the ADF;
- (iv) Defence to locate bases in 'family' friendly' areas which provide better employment, specialist medical and educational opportunities for families, and to reduce posting turbulence to improve staff retention,
- (v) Defence to maintain an urban and regional disposition to enable the continued provision of part-time capability into the future.

This section also indicates:

- o \$200 million will be invested in Defence Estate,
- o Defence will work with State and Local Government planning authorities to ensure the ongoing sustainability of Defence estate and manage the impacts on communities ie. urban encroachment issues
- o Sustainable environmental management practise to be used for Defence estate

Council's Standing Position on RAAF Base Richmond and Government correspondence

Council at its meeting held on 2 October 2008, in regard to RAAF Base Richmond, resolved:

"Council continue to support the need for the retention of the Richmond RAAF Base as both an important defence facility for the Nation and as an integral part of the local region's economy and community and the retention and continued operation of the Airlift Group out of RAAF Base Richmond."

In Council's submission to the Discussion Paper on "Key Questions for Defence in the 21st Century", a step in the Defence White Paper process, the following submission was made:

"Council requests that as an outcome of the National Aviation Policy White Paper that the Government ensures RAAF Base Richmond is not an option in any other policies of Government and is retained as a strategic Defence facility. "

The above Resolution was followed up with a Mayoral Minute on RAAF Base Richmond, at the Council meeting on 24 November 2009, where it was resolved (in part):

That:

Council once again make representations to the Prime Minister, Minister for Defence, Minister for Infrastructure, Transport, Regional Development and Local Government and Local State and Federal Members of Parliament (Greenway and Macquarie), requesting their continued support for Richmond to continue as a permanent operational facility for defence purposes in line with the commitment that was made prior to the last Federal election.

The above Mayoral Minute was actioned and Council's representations referenced the then Shadow Minister for Defence's advice on RAAF Base Richmond (26 September, 2007) being:

"Labour has no plans to alter the status of RAAF Base Richmond, and should we be elected to Government later this year Richmond will continue as a permanent operational facility."

A response to Council's representations was received from The Hon. Anthony Byrne MP, Parliamentary Secretary to the Prime Minister dated 18 January 2010 (amongst others) which states (in part):

"The government will continue to use the Airforce Base Richmond as a Defence operational facility, consistent with its pre-election commitment."

A copy of the above response is included as Attachment 2 to this report.

Conclusion

The Defence White Paper is geared towards the future needs of the Government's Defence policy and the ADF. It has dealt with a wide range of issues that are important for the defence (broader sense) of the Country. It is encouraging to see that the Government intends to continually review its Defence policy through its new strategic risk-based approach to track investment and measure returns and outcomes. It is also encouraging that the Government intends to work with State and Local Government planning authorities to consider the impact of Defence RAAF Bases on communities (especially urban areas), and vice versa, the impact of more urban development in proximity of Defence RAAF Bases.

The Defence White Paper is a big picture strategic policy document intended to guide investment (expenditure and future budgets) and the activities of the Government and the ADF. Defence estate is one component, and the Defence White Paper is not the place in which any decision about any base's future would be broadcast – whether retain, dispose or allow shared usage. Rather there are subsequent and internal Government and ADF processes that would guide decision-making about Defence estate in the context of the Government's other policy areas eg. National Aviation Policy, budgets.

The importance of 'family friendly' bases in communities and which provide access to/ for employees including full time defence and Reservists, appears to make RAAF Base Richmond special in the Defence Bases mix, being the only RAAF Base on the eastern seaboard with the best access to the Country's largest population. It is also the best placed base for ceremonial and Civic duties for Defence and for Federal and State Governments.

It is considered that Council should be equally more conscience of any change in operational decisions/ access to RAAF Base Richmond that might come from a 'shared' facility arrangement that the Government might consider on balance with its other policy portfolios eg. aviation policy/ Aviation White Paper, land use planning activities for Major Cities / Regional Development Australia - Sydney, financial considerations to offset Defence Bases operational costs.

It would be most appropriate for Council to continue to monitor the Government's Defence policy and to monitor the Defence White Paper's implementation, including associated process like Parliamentary Standing Committees on Public Works.

Also, Council should continue to advocate its position on RAAF Base Richmond when ever the opportunity arises and be part of any invited process/ committees to remind the Government of the impact of its decisions on local communities and on Council's Community Strategic Planning responsibilities.

Conformance to Hawkesbury Community Strategic Plan 2010 to 2030

The proposal is deemed to conform with the objectives set out in Council's Community Strategic Plan i.e.

Vision – *Shaping our Future Together*

Directions

"Maintain its independent identity and voice through strong local government and community institutions"

Strategies

"Have ongoing engagement and communication with our community, governments and industries."

Goals

"Other levels of government to deliver the services and infrastructure for which they are responsible."

Measures

"Levels of service provided to our community"

Milestones

"Seek from State and Federal government a fairer share of tax revenue and provision of infrastructure and services"

Funding

No expenditure anticipated and/ or all costs will be met from the approved 2009/ 2010 Budget.

RECOMMENDATION:

That:

1. The information concerning the Defence White Paper 2009 be received.
2. Council continue to advocate its position on RAAF Base Richmond when ever the opportunity arises and be part of any invited process/ committees to remind the Government of the impact of its decisions on local communities.

ATTACHMENTS:

- AT - 1** Defence White Paper 2009 - Executive Summary
AT - 2 Letter dated 18 January 2010 from The Hon. Anthony Byrne MP, Parliamentary Secretary to the Prime Minister

AT - 1 Defence White Paper 2009 - Executive Summary



Australian Government
Department of Defence

DEFENDING AUSTRALIA
IN THE ASIA PACIFIC CENTURY:
FORCE 2030



DEFENCE
WHITE
PAPER
2009

www.defence.gov.au

EXECUTIVE SUMMARY

Defence planning is, by its very nature, a complex and long-term business. Defence planning is one area of public policy where decisions taken in one decade have the potential to affect, for good or ill, Australia's sovereignty and freedom of action for decades to come. The Government must make careful judgements about Australia's long-term defence needs. Such judgements are even more important in times of fiscal or strategic uncertainty.

The global economic crisis is the most fundamental economic challenge facing this Government. At times such as these, the Government must be fiscally responsible. It would be reckless to commit substantial new resources to Defence while uncertainty surrounding the crisis remains.

This new Defence White Paper explains how the Government plans to strengthen the foundations of Australia's defence. It sets out the Government's plans for Defence for the next few years, and how it will achieve those plans. Most importantly, it provides an indication of the level of resources that the Government is planning to invest in Defence over coming years and what the Government, on behalf of the Australian people, expects in return from Defence.

Ultimately, armed forces exist to provide Governments with the option to use force. Maintaining a credible defence capability is a crucial contributor to our security, as it can serve to deter potential adversaries from using force against us or our allies, partners and neighbours. It is the Government's policy that the main role of the Australian Defence Force (ADF) should continue to be an ability to engage in conventional combat against other armed forces.

The ADF must also be prepared to play its part in dealing with intra-state conflict, an enduring feature, and assessed to be the most common form of conflict in the period to 2030. Australia's armed forces must also be able to contend with non-state global actors. Defence's vital role in supporting domestic security and emergency response efforts will continue, and Defence will support these areas of Commonwealth responsibility.

From the outset, we need to have a clear view of how much strategic risk Australia is prepared to bear, and hence how much military power we should seek to develop. The more Australia aspires to have greater strategic influence beyond our immediate neighbourhood - that is to say the ability to exert policy influence that is underpinned by military power - the greater the level of spending on defence we need to be prepared to undertake. If we want to back up strategic influence with military power, we have to be prepared to invest the resources required, and to be confident that the security benefits outweigh those costs.

As in other areas of public policy, the more balanced our portfolio of capabilities, the more we will be able to hedge and re-balance as required. The key issue is to have a solid foundation upon which to build, adapt and take advantage of opportunities. We need to review periodically and rigorously whether the mix and scale of our capabilities are appropriate to the emerging challenges in our strategic outlook. The Government intends to prepare a new Defence White Paper at intervals no greater than five years. This quinquennial White

Paper development process will be the centrepiece of the Government's new strategic risk-based approach to defence planning.

Defence policy must be based on clear objectives. Not all strategic risks necessarily require our full attention, while those that are the most remote might require our fullest attention because of their potential consequences. We have to be very clear about what matters most, so that we can provision against the right risks and do not waste resources.

Australia's most basic strategic interest remains the defence of Australia against direct armed attack. This includes armed attacks by other states and by non-state actors with the capacity to employ strategic capabilities, including weapons of mass destruction (WMD). This most basic strategic interest abides irrespective of the perceived intentions of others, and is a function of our geography and levels of current and future capability in the region around us. Before we attend to anything else, we must secure this strategic interest.

Our next most important strategic interest is the security, stability and cohesion of our immediate neighbourhood, which we share with Indonesia, Papua New Guinea, East Timor, New Zealand and the South Pacific island states. While we have a wide range of diplomatic, economic, cultural and other links with those countries, from a strategic point of view, what matters most is that they are not a source of threat to Australia, and that no major military power, that could challenge our control of the air and sea approaches to Australia, has access to bases in our neighbourhood from which to project force against us.

Beyond our immediate neighbourhood, Australia has an enduring strategic interest in the stability of the wider Asia-Pacific region, which stretches from North Asia to the Eastern Indian Ocean. In particular, we have a deep stake in the security of Southeast Asia. Strategically, our neighbours in Southeast Asia sit astride our northern approaches, through which hostile forces would have to operate in order to sustainably project force against Australia. A stable and cohesive Southeast Asia will mitigate any such threat and is in our strategic interests. More broadly, we have a deep stake in the maintenance of an Asia-Pacific regional security environment that is conducive to the peaceful resolution of problems between regional countries and can absorb the rise in strategic and military power of emerging major players.

Beyond our region, Australia cannot be secure in an insecure world. We have a strategic interest in preserving an international order that restrains aggression by states against each other, and can effectively manage other risks and threats, such as the proliferation of WMD, terrorism, state fragility and failure, intra-state conflict, and the security impacts of climate change and resource scarcity.

The Government has decided that Australia's defence policy should continue to be founded on the principle of self-reliance in the direct defence of Australia and in relation to our unique strategic interests, but with a capacity to do more when required, consistent with those strategic interests that we might share with others, and within the limits of our resources. This posture entails the maintenance of alliances and international defence relationships that enhance our own security and allows us to work with others when we need to pool our resources. In terms of military power, this defence policy means that we must have the capacity to:

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- **act independently** where we have unique strategic interests at stake, and in relation to which we would not wish to be reliant on the combat forces of any foreign power;
- **lead military coalitions** where we have shared strategic interests at stake with others, and in relation to which we would be willing to accept a leadership role, in part to compensate for the limited capacity or engagement of others; and
- **make tailored contributions** to military coalitions where we share wider strategic interests with others and are willing to accept a share of the burden in securing those interests.

The principal task for the ADF is to **deter and defeat armed attacks on Australia** by conducting independent military operations without relying on the combat or combat support forces of other countries. This means that the ADF has to be able to control our air and sea approaches against credible adversaries in the defence of Australia, to the extent required to safeguard our territory, critical sea lanes, population and infrastructure.

After ensuring the defence of Australia from direct attack, the second priority task for the ADF is to **contribute to stability and security in the South Pacific and East Timor**. This involves conducting military operations, in coalition with others as required, including in relation to protecting our nationals, providing disaster relief and humanitarian assistance and, on occasion, by way of stabilisation interventions.

The next most important priority task for the ADF is to **contribute to military contingencies in the Asia-Pacific region**, including in relation to assisting our Southeast Asian partners to meet external challenges, and to meeting our alliance obligations to the United States as determined by the Australian Government at the time. The strategic transformation of the region will mean that Australia should be prepared to make contributions - including potentially substantial ones - to such military contingencies in support of our strategic interests.

Finally, the ADF has to be prepared to **contribute to military contingencies in the rest of the world**, in support of efforts by the international community to uphold global security and a rules-based international order, where our interests align and where we have the capacity to do so.

As a result of these priorities, the ADF of 2030 will need to be a more potent force in certain areas, particularly undersea warfare and anti-submarine warfare (ASW), surface maritime warfare (including air defence at sea), air superiority, strategic strike, special forces, Intelligence Surveillance and Reconnaissance (ISR), and cyber warfare. It is the Government's judgement that these are the crucial areas which require particular attention to secure our unique strategic interests.

The major new direction that has emerged through consideration of current and future requirements is a significant focus on enhancing our maritime capabilities. By the mid-2030s, we will have a more potent and heavier maritime force. The Government intends to replace and expand the current fleet of six Collins class with a more capable class of submarine, replace the current Anzac class frigate with a more capable Future Frigate optimised for ASW; and enhance our capability for offshore maritime warfare, border protection and mine countermeasures.

While focusing on building our maritime capabilities, the Government has also been able to make provision for the enhancement of other key elements of the ADF, including our air combat capability (by proceeding with the acquisition of fifth-generation multirole combat fighters); strike capability (through the acquisition of long-range, land-attack strike missiles); the Army's fleet of heavy protected vehicles and other land force capabilities; the capabilities of our special forces; and in the emerging area of cyber warfare.

In addition, the Government has made provision for remediation of the current and projected force, by addressing crucial deficiencies and gaps that might limit the size and duration of deployments, or create unacceptable risks in some more demanding scenarios in which the weight, reach and relative combat power of major capabilities would make a crucial difference.

Finally, the Government has also made provision for remediating Defence's critical 'backbone', such as facilities and infrastructure, information and communications technology (ICT) systems, and warehousing and distribution system. To give effect to this remediation and reform, the Government has endorsed a Strategic Reform Program comprising a comprehensive set of reforms that will fundamentally overhaul the entire Defence enterprise, producing efficiencies and creating savings of about \$20 billion. The Strategic Reform Program will deliver Australia a genuinely strategic national advantage: savings will be reinvested in capability and Defence's call on national resources will be constrained.

The Strategic Reform Program will drive efficiencies without compromising effectiveness. It draws on detailed analysis of almost every aspect of the Defence enterprise. Through the Strategic Reform Program, the Government will improve the development, procurement, maintenance and management of: military capability; ICT; the Defence estate; science and technology support; and general goods and services. Enterprise support services will be centralised, standardised and simplified. And through the introduction of an integrated workforce management system, Defence will make better use of the taxpayers' dollar by better matching the skills and competencies of its people to the jobs that need to be done.

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**AT - 2 Letter dated 18 January 2010 from
The Hon. Anthony Byrne MP, Parliamentary Secretary to the Prime Minister**



Hawkesbury City Council

22 JAN 2010

THE HON ANTHONY BYRNE MP
PARLIAMENTARY SECRETARY
TO THE PRIME MINISTER
CANBERRA

Reference: C09/59205

Mr Peter Jackson
General Manager
Hawkesbury City Council
PO Box 146
WINDSOR NSW 2756

18 JAN 2010

Dear Mr Jackson

Thank you for your letter of 3 December 2009 to the Prime Minister regarding the operations of the Richmond RAAF Base. The Prime Minister has asked me to reply on his behalf.

On 16 December 2009, the Australian Government released the National Aviation Policy White Paper. The White Paper sets out the Government's commitment to a continuation of Australia's excellent aviation safety record and to strengthen aviation security systems, while providing a policy framework for the development of the aviation industry at all levels.

Several initiatives are set out in the White Paper to ensure better planning and integrated development on and around airports, and to lessen the adverse effects of aviation activity on the environment and communities. One of these initiatives is for the Australian Government to work with the NSW Government to develop an Aviation Strategic Plan for the Sydney region, which among other things will identify strategies and locations to meet the aviation infrastructure needs of the Sydney region. This Plan is due for completion in 2011.

I note you are concerned over the comments expressed by the Board of Airline Representatives of Australia, about preferred options for a second Sydney airport. The Board of Airline Representatives of Australia does not represent the Australian Government in an official capacity, and it is premature for the Government to speculate about the outcomes of the Aviation Strategic Plan before it is completed. The Government will continue to use the Air Force Base Richmond as a Defence operational facility, consistent with its pre-election commitment.



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Thank you once again for bringing this matter to the Prime Minister's attention.

Yours sincerely



Anthony Byrne

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oooO END OF REPORT Oooo

Item: 23 GM - Aviation White Paper 2009 and the Hawkesbury Area - (79351)

REPORT:

In 2008, the Federal Government announced that an Aviation White Paper would be developed to bring together, for the first time, all aspects of the Government's aviation policy into one document.

The Aviation White Paper was released on 16 December 2009, and is the Government's Aviation public policy position for the next 30 years (long-term). The document title is: "*Flight Path to the Future, National Aviation Policy White Paper 2009*" (Aviation White Paper).

The purpose of this report is to provide Council with a summary of the Aviation White Paper to consider matters of relevance to the Hawkesbury local government area.

It should also be noted that the Government has also prepared a new Defence White Paper (Defence White Paper), which was also released in 2009. The Defence White Paper addresses Defence policy and Australian Defence Force needs of the Country. Defence RAAF Bases (airports) are part of Defence estate addressed in the Defence White Paper. Some Defence RAAF Bases are also used for National Aviation on shared facility's basis to supplement the market presence of civil airports and meet passenger destination needs. Example of a Defence RAAF bases that operate on a 'shared' facility basis are RAAF Base Avalon (trading as Avalon Airport) and RAAF Base Willamtown (trading as Newcastle Airport).

The Aviation White Paper and Defence White Paper both have relevance to Hawkesbury local government area and should be considered concurrently, as there is some overlap in the documents in key areas of interest for our area and for RAAF Base Richmond.

In referring to airports in the aviation policy, the Government is referring generally to airports identified in the Airports Act, 1996, the civil airports run by commercial operators with long term leases for sites, and Defence airports.

A separate report on the Defence White Paper is also presented in this meeting's Business Paper.

Aviation White Paper Process

Generally, the process for the Aviation White Paper consisted of:

- The Government's decisions to prepare the White Paper,
- Undertaking the White Paper procedure for preparing the document,
- Preparation of the "*National Aviation Policy Green Paper*" to inform the White Paper's preparation and for public consultation and public submissions (due February 2009). [Council made a submission to the Discussion Paper],
- Preparation of the White Paper,
- Briefing/ tabling the White Paper with the Government, and
- Public release of the White Paper (16 December 2009).

The above process should then be followed by subsequent Government and the Department of Infrastructure, Transport, Regional Development and Local Government processes to implement the White Paper.

Aviation White Paper Summary

The Aviation White Paper is lengthy and provides in depth discussion about the complex issues that are encountered in the aviation industry. The Government has recognised that the past approach to policy is no longer sustainable and therefore there needs to be a more strategic approach to policy and decision making (and probably negotiations).

The Executive Summary of the Defence White Paper provides an overview of the Government's new approach and directions for Aviation policy and is summarised below along with the Government initiatives to be undertaken – which address a range of layers of arrangements and negotiations. See Attachment 1 for a copy of the Executive Summary and the Summary of Government initiatives. A copy of the full Defence White Paper can be obtained/viewed at http://www.infrastructure.gov.au/aviation/nap/files_white_paper/091215_Full.pdf.

The Executive Summary of the Aviation White Paper (pages 6-12) indicates:

- The first priority of the Government is the safety and security of the travelling public,
- The document is a long term policy, planning and regulatory framework to support and facilitate the development of the aviation industry (and investment),
- The document is focused on the long term future of the aviation sector – 30 years and beyond,
- The pressures to contain industry costs, investment in airports and to reduce the impact of aviation activity on communities and the environment, and the sustainability of services to locations with declining populations and recruiting employees is acknowledge by the Government, and
- The Government's objectives are to:
 - (i) Give industry the certainty and incentive to plan and invest for the long-term,
 - (ii) Maintain and improve the Country's excellent safety record,
 - (iii) Give proper consideration to the interests of travelers and user of airports, and
 - (iv) Better manage the impact of aviation activity on communities and the environment,

The key program areas addressed in the Aviation White Paper are listed below. The Chapters include the policy goal, a background, policy issues, conclusions.

- Section 1 Aviation and economic development
 - Chapter 1 International Aviation
 - Chapter 2 Domestic and Regional Aviation
 - Chapter 3 General Aviation
 - Chapter 4 Industry Skills and Productivity
 - Chapter 5 Consumer Protection
- Section 2 Safety and Security – the highest priorities
 - Chapter 6 Aviation Safety Regulation and Investigation
 - Chapter 7 Air Traffic Management
 - Chapter 8 Aviation Security

- Section 3 Aviation infrastructure
 - Chapter 9 Airport Planning and Development
 - Chapter 10 Economic Regulation of Airports
 - Chapter 11 Other Airport Infrastructure
 - Chapter 12 Future Aviation Needs for the Sydney Region
- Section 4 Aviation and Sustainability
 - Chapter 13 Aviation's Role in reducing Global Carbon Emissions
 - Chapter 14 Minimising the Impact of Aircraft Noise

Aviation White Paper - Key Points for the Hawkesbury Area

With Council's particular interest in RAAF Base Richmond, as an airport facility and in regard to its proximity to the Country's largest population base and as an economic driver, commentary in the Aviation White Paper that has relevance to the Base has been identified to ascertain the Government's interest in Defence RAAF Bases generally and to understand any Government policy direction. RAAF Base Richmond is not specifically mentioned in the Aviation White Paper, but there is commentary about Defence RAAF Bases (airports).

From a Western Sydney view, the Aviation White Paper does comment on the formerly proposed Second Sydney Airport site of Badgery's Creek (Airports Act, 1996).

The relevant points from the following chapters of the Aviation White Paper are:

- Chapter 11 Other Airport Infrastructure (page 184-189)

In this chapter the use of Defence Airports (Defence RAAF Bases) by civil aviation is discussed.

- Goal *Ensure Defence and joint-user airports are adequately resourced to meet future military and, as appropriate, civil aviation demands.*
- Issue Defence airport facilities and services must, in the first instance, meet national security and Defence Force capability requirements.

The Government will complete a review of civil aviation usage of Defence airports in 2010, that is, civil access is compatible with current and future military needs.

Comment

The chapter mainly talks about aviation operational systems and cost recovery from civil usage of Defence airports. The Government's position that Defence and military are the priority at Defence airports and that Defence airports need to be adequately resourced, is supported. This policy goal will need to be centre front in the Sydney Aviation Strategic Plan (see Chapter 12 below) to be prepared by the Federal and State Governments; and also translated into the Defence White Paper and associated implementation processes – to ensure the balanced approach to policy and decision making advocated in the Defence White Paper and the Aviation White Paper.

- Chapter 12 Future Aviation Needs for the Sydney Region (page 193-195)

In this chapter discuss how the future needs of the Sydney Region are to be met.

- Goal *Met through the provisions of additional aviation capacity, effectively integrated with future land transport, other infrastructure developments, and State land use planning.*

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- Issue Better integrated planning. It is stated the Government:
 - ⇒ in addressing aviation capacity for Sydney, future aviation requirements will need to be integrated with the NSW land use and infrastructure planning regime.
 - ⇒ in planning for any major airport developments it cannot be done in isolation but must have regard to surrounding land use planning and with effective land transport networks.
 - ⇒ will work with the State Government to develop a **Sydney Aviation Strategic Plan** for the Sydney Region and is to be completed in 2011, as part of a new integrated transport strategy. In developing the Sydney Aviation Strategic Plan, the Governments will have regard to:
 - > the views of stakeholders – aircraft and airport operators, airport users, local councils and other Federal Government agencies eg. Customs, Immigration, Quarantine.
 - > the likely impacts of airport operations on surrounding communities.

A **steering committee** will oversee the Sydney Aviation Strategic Plan preparation – aviation, planning and investment ‘experts’.
- Issue Impact on Sydney Kingsford Smith Airport. It is stated the Government:
 - ⇒ is cognisant of **agreements in place** with airport lessees, should the Government wish to proceed with the development of a second Sydney airport within 100kms of Sydney CBD; and provisions in the Airports Act, 1996 for a Sydney West airport need to be considered (currently referring to the Badgery’s Creek site).
 - ⇒ [and] the **agreements do not preclude the development of a strategic plan for future airport capacity** in the Sydney region.
- Issues Possible Airport Sites and Badgery’s Creek. It is stated the Government:
 - ⇒ **does not support the Badgery’s Creek site for a second Sydney airport and is no longer an option.** It is indicated the site has been overtaken by urban growth in the area/ region and would not be suitable in the Sydney land use planning regime.
 - ⇒ **Is working with the State Government to optimise the future use of the Badgery’s Creek site** as part of work in development of a strategic plan for future airport capacity.
 - ⇒ will not speculate on any locations/ sites for additional aviation capacity. Locations will be considered/ identified in the preparation of the **Sydney Aviation Strategic Plan.**

Comment

The chapter provides insight into the approach of the Government to the complex and perplexing question about the existing and future airport capacity within the Sydney Region; and the likely demand for flights for travellers and cargo. The Aviation White Paper and the associated green paper forecasts an on average increase of 4% per annum (absolute) in passengers/movements for some time.

It is also clear in the words that are stated and perhaps not stated that the Government is keeping its options open about how it might meet the required airport capability of the region. The matter is approached by talking about the 'capability of airports' being assessed by reviewing existing aviation assets serving the region via the Sydney Aviation Strategic Plan process. This is to be done with the State Government.

It is indicated the review will consider the capacity and investment strategies of the both civil airports and Defence airports, whether they are used on a shared facilities basis to supplement civil aviation, eg. RAAF Base Willamtown, or not used in the current capacity, but might be in the future eg. RAAF Base Richmond. In taking this approach it would be more favourable to involve local government in the process (rather than just consult), those councils that have experience with airports in their areas to provide a local view on matters.

Of relevance to Council is correspondence dated 18 January 2010 received from The Hon. Anthony Byrne MP, Parliamentary Secretary to the Prime Minister, in response to Council's representations regarding the continued use of the RAAF Base Richmond as an operational defence facility which, in part, states:

"The government will continue to use the Airforce Base Richmond as a Defence operational facility, consistent with its pre-election commitment."

A copy of this letter is included as Attachment 2 to this report. The reference to the pre-election commitment is in reference to the letter received (26 September, 2007) by Council from the then Shadow Minister for Defence, Mr J Fitzgibbon MP advising:

"Labour has no plans to alter the status of RAAF Base Richmond, and should we be elected to Government later this year Richmond will continue as a permanent operational facility."

The Sydney Aviation Strategic Plan Steering Committee needs to be aware of the Government's stated position on RAAF Base Richmond.

It is likely the Steering Committee will consider RAAF Base Richmond in the aviation airport mix in terms of a shared facility that might supplement Sydney Kingsford Smith (International) airport. There is the possibility that such discussion would not be part of an integrated planning approach, as the matter could be addressed by commercial negotiations. In this regard, Council should have a key stakeholder relationships with the Minister's and their departments and be involved in any processes (not just consulted).

In terms of the Government keeping its options open for a second Sydney Airport, Council should continue to seek confirmation that RAAF Base Richmond is not on the radar (as an alternative) and that the Government is taking a broader view of the definition of the Sydney Region as does the State Government in land use planning, defining the Sydney Region from Newcastle to Wollongong. This approach provides a greater scope for considering possible second Sydney airport sites inline with future population and industries locations.

Conclusion

The Aviation White Paper is geared towards the future needs of the Government's Aviation policy and the civil aviation industry. Aviation issues are complex and underlying them are the commercial negotiations that are fundamental to the mix, when the Government is also the lessor of all the civil airports. It is encouraging that the Government is committed to taking a more strategic and integrated approach to National aviation planning, but it should not restrict its relationship to the state governments, and involve the council that have airport assets in their areas or operate them. Airports have an impact on communities, especially if there is any increase in operations or capacity.

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It is considered that Council should continue to:

- monitor the Government's Aviation policy,
- monitor the Aviation White Paper's implementation, including the Sydney Aviation Strategic Plan and any views on RAAF Base Richmond,
- when established, communicate with Sydney Aviation Strategic Plan Steering Committee to inform it of the Government's position on RAAF Base Richmond (as in the Aviation White Paper and the Defence White Paper) and Council's position,
- request that the Government include Council on the Sydney Aviation Strategic Plan Steering Committee as a key stakeholder who can contribute local planning/ investment/ economic development advice,
- request that the Government include mandatory positions on the Sydney Aviation Strategic Plan Steering Committee for local government to provide local input to ensure the plan's process is integrated,
- communicate with the Department of Infrastructure, Transport, Regional Development and Local Government to ascertain when it will seek the views of councils in preparing the Sydney Aviation Strategic Plan by 2011, and
- advocate its position on RAAF Base Richmond when ever the opportunity arises and be part of any invited process/ committees to remind the Government of the impact of its decisions on local communities and on Council's Community Strategic Planning responsibilities.

Conformance to Hawkesbury Community Strategic Plan 2010 to 2030

The proposal is deemed to conform with the objectives set out in Council's Community Strategic Plan i.e.

Vision – *Shaping our Future Together*

Directions

"Maintain its independent identity and voice through strong local government and community institutions"

Strategies

"Have ongoing engagement and communication with our community, governments and industries."

Goals

"Other levels of government to deliver the services and infrastructure for which they are responsible."

Measures

"Levels of service provided to our community"

Milestones

"Seek from State and Federal government a fairer share of tax revenue and provision of infrastructure and services"

Funding

No expenditure anticipated and/ or all costs will be met from the approved 2009/ 2010 Budget.

RECOMMENDATION:

That:

1. The information concerning the Aviation White Paper 2009 be received.
2. Council continue to advocate its position on RAAF Base Richmond when ever the opportunity arises and be part of any invited process/committees to remind the Government of the impact of its decisions on local communities.
3. Council request the Federal and State Governments to include mandatory positions on the Sydney Aviation Strategic Plan Steering Committee for local government to provide local input to ensure the plan's process is integrated and to include Hawkesbury City Council on the Committee as a key stakeholder who can contribute local planning, investment and economic development advice.

ATTACHMENTS:

- AT - 1** Aviation White Paper 2009 - Executive Summary and Summary of Government initiatives -
(distributed under separate cover)
- AT - 2** Letter dated 18 January 2010 from The Hon. Anthony Byrne MP, Parliamentary Secretary to the Prime Minister

ORDINARY MEETING

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AT - 2 Letter dated 18 January 2010 from The Hon. Anthony Byrne MP, Parliamentary Secretary to the Prime Minister



Hawkesbury City Council

22 JAN 2010

THE HON ANTHONY BYRNE MP
PARLIAMENTARY SECRETARY
TO THE PRIME MINISTER
CANBERRA

Reference: C09/59205

Mr Peter Jackson
General Manager
Hawkesbury City Council
PO Box 146
WINDSOR NSW 2756

18 JAN 2010

Dear Mr Jackson

Thank you for your letter of 3 December 2009 to the Prime Minister regarding the operations of the Richmond RAAF Base. The Prime Minister has asked me to reply on his behalf.

On 16 December 2009, the Australian Government released the National Aviation Policy White Paper. The White Paper sets out the Government's commitment to a continuation of Australia's excellent aviation safety record and to strengthen aviation security systems, while providing a policy framework for the development of the aviation industry at all levels.

Several initiatives are set out in the White Paper to ensure better planning and integrated development on and around airports, and to lessen the adverse effects of aviation activity on the environment and communities. One of these initiatives is for the Australian Government to work with the NSW Government to develop an Aviation Strategic Plan for the Sydney region, which among other things will identify strategies and locations to meet the aviation infrastructure needs of the Sydney region. This Plan is due for completion in 2011.

I note you are concerned over the comments expressed by the Board of Airline Representatives of Australia, about preferred options for a second Sydney airport. The Board of Airline Representatives of Australia does not represent the Australian Government in an official capacity, and it is premature for the Government to speculate about the outcomes of the Aviation Strategic Plan before it is completed. The Government will continue to use the Air Force Base Richmond as a Defence operational facility, consistent with its pre-election commitment.

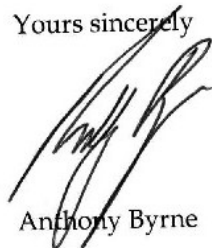


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Thank you once again for bringing this matter to the Prime Minister's attention.

Yours sincerely



Anthony Byrne

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oooO END OF REPORT Oooo

ORDINARY MEETING
Reports of Committees

Item: 24 **GM - Co-Generation Plant - (79351, 95495)**

Previous Item: 10, Ordinary (2 February 2010)
 184, Ordinary (8 September 2009)
 32, Ordinary (26 February 2008)

REPORT:

Background

At the meeting of Council held on 2 February 2010 a report was submitted to the Confidential Session of Council in respect of the above matter. Subsequently, the Council resolved:

"That this matter be deferred to the meeting on 23 February 2010 and that the report be resubmitted on the basis of separate reports to open Council and Confidential Session as appropriate."

In accordance with Council's resolution the report has now been separated into two parts, namely this report dealing with matters which it appears could be dealt with in open Council and a separate report (see separate report included as a later item in this Business Paper) dealing with that aspects of the matter which it is considered should be dealt with by Council in Confidential Session.

Report

At the meeting of Council held on 8 September 2009 a report by the Director Infrastructure Services in relation to the Council's Co-Generation Plant was considered. A copy of this report is included as Attachment 1 to this report.

Subsequently, the Council resolved:

"That:

- 1. Financial modeling in respect of the Tri-Generation Plant be updated as recommended by Council's Auditors and further reported to Council.*
- 2. Advice be sought in relation to the cost to assist in the management of the Tri-Generation Plant from appropriately skilled external sources and in the mean time the main generator be turned off whenever possible.*
- 3. Investigation be undertaken to connect other Council buildings and specifically the Administration Building to the Plant, and the cost/benefit of any proposal be reported as part of the review of the financial model for the Plant.*
- 4. Council's Solicitors be requested to advise on any action which may be taken to recoup costs in relation to the rebuilding of the generator motor and the manner in which the installation of the Tri-Generation Plant was conducted.*
- 5. The General Manager prepare a report to Council addressing the following items:*
 - (a) The design, purchase and installation of the plant.*
 - (b) The absence of any contract or warranties for the purchase and installation.*
 - (c) The apparent inability of Council to redeem the costs associated with the failure of the plant.*

- (d) *The absence of any contract for the sale of surplus electricity generated by the plant and sold back into the grid."*

Action is being taken in respect of parts 1, 2 and 3 of the above resolution and will be the subject of a separate report to Council at the appropriate time. A financial modelling process was commenced by the Council's former Chief Financial Officer, however, with the recent departure of that officer it will need to be continued by the new incumbent to the position. The purpose of this report is to address parts 4 and 5 of Council's resolution.

Background

In brief, the history of the Cultural Precinct on the site of the Old Hawkesbury Hospital commenced with Council purchasing the site from the State Government in 1998 at a cost of \$1,000,000. It was subsequently resolved to allocate \$13M to redevelop the former Hawkesbury Hospital site for a library, museum/art gallery, refreshment rooms and commercial offices. Following expressions of interest, four architects were commissioned to submit proposals for redevelopment and restoration works at a cost of \$5,000 each.

Architects Pont Williams + Leroy were appointed to undertake the design, to include specific requirements resolved by Council, to provide separate art gallery facilities, with an exhibition space of not less than 350m², and be fitted out to regional art gallery standards. Council subsequently resolved to undertake additions to the existing museum and construct a building that combined both a library and art gallery at a cost of \$15.56M. A grant of \$1.15M was received from the State Government for the museum development.

The original proposal by Pont Williams + Leroy included a basement carpark (100 vehicles), with a library at the ground level and incorporating first floor commercial space. The design featured a void over the centre of the library, providing a large display area in the centre of the roof. The design further proposed solar thermal energy collection and conversion units, that the architects indicated should be able to reduce the buildings operating emissions to zero. Their proposal had additional capital cost, which they indicated would be recovered within a 5–7 year period and dramatically reduce the annual operating costs. Pont Williams + Leroy appointed MPI Consultants to carry out the ESD Engineering designs.

MPI Consulting proposed a co-generation plant estimated to cost \$1,483,440 ***"with modeling predicting an internal rate of return of at least 15% (based on being able to sell electricity back to Integral Energy for only half the rate of the purchase price at times when we are generating more than we are using). This estimate is conservative and we expect that negotiations with Integral shall result in a better export rate, resulting in an IRR of around 17%. Our model also assumes that the cost of electricity and gas shall both follow an inflation rate of 4.5% p.a. when in reality we expect the cost of gas to drop whilst the cost of electricity shall continue to rise, hence increasing the benefit of this co-generation plant."*** MPI also recommended that the project be implemented using their "Turnkey Construction Management Process".

Pont Williams + Leroy, in June 2002, suggested the possibility of further exploration into including the old hospital building (located adjacent to the proposed new facilities) within the co-generation system. This idea was based on a recommendation by MPI relating to further environmental benefits and economies to be achieved by including that building. MPI investigated the expansion of the proposed co-generation system to serve the adjacent hospital building by undertaking a revised feasibility study and concluded that the expansion of the co-generation system to cater for the inclusion of the Hospital Building **will increase the financial return to Council.**

On the recommendation of the architects, MPI consultants were appointed to carry out preliminary design work for the co-generation system. On 30 August 2002, MPI suggested to the architects the possibility of an external funding option for the plant.

It is noted that the Councillors were briefed about the overall project, including the co-generation plant at a briefing session held on Tuesday, 6 August 2002.

ORDINARY MEETING
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MPI were engaged by correspondence of 16 December 2002 to undertake the following actions:

1. The entire co-generation system be designed and documented in sufficient detail to permit the development of a Fixed Sum Construction Price to be provided to the project owner.
2. Agreements for construction, operation, maintenance, gas and electricity be prepared ready for novation to the project owner.
3. A competitive tender process be prepared to allow offers from various potential project owners to be considered by Council.

On 14 March 2003, MPI advised, amongst other things, that they were in discussions with AGL and Integral Energy to agree on energy contracts.

Council at its meeting held on 8 April 2003 resolved, in part, to engage MPI Consultants Pty Ltd to proceed with Expressions of Interest on Councils behalf for a 'Construct, Own and Operate' co-generation facility. The project cost identified within the report was shown as \$2.4M.

MPI confirmed within correspondence dated 21 May 2003, that they were continuing negotiations with interested owners, finished preliminary negotiations with AGL with an agreed gas rate of \$7.02/GJ, and Integral Energy with agreed rates, which included 3.0c/kWh Export during peak/shoulder.

Tenders were called for the Ownership, Operation and Maintenance of the proposed Co-generation System at the proposed Library/Art Gallery Development on 22 July 2003.

In a report to Council on 9 September 2003 three options were outlined to Council regarding ownership of the co-generation plant. Option 1 was third party ownership indicating a saving to Council of \$4.2M over 25 years, Option 2 was 100% Council owned indicating a saving to Council of \$12.5M over 25 years, and Option 3 was joint ownership between Council and a developer indicating a saving to Council of \$5.9M dollars over 25 years. These figures were based on information from MPI and Council resolved to proceed on the basis of a Council owned Co-generation plant and did not proceed with the tender to "Construct, Own and Operate" the co-generation facility. The previous report on this matter (included as Attachment 1 to this report) deals with the financial assessment of this project and the review ultimately undertaken by Council's External Auditor, PricewaterhouseCoopers.

Tenders for the Design, Construction Management and Commissioning of the co-generation plant were called on 7 October 2003, with 5 tenderers responding, including MPI who had the best tendered price. MPI's tender was accepted by Council at its meeting of 14 October 2003. The tender, included (MPI letter of 25 September 2003) Construction management, including on-site management of subcontractors, co-ordination with Building Contractor, detailed technical supervision, technical certification, approvals and the like, acceptance, setting to work and hand-over.

With MPI's assistance, tenders for the co-generation facility components were called and accepted by Council on 9 December 2003 and were subsequently assigned to MPI to allow them to complete the co-generation plant (Deed of Novation). It is suggested that the actual installation of the equipment comprising the plant is not an issue (as it appears to have been installed appropriately by the tenderers for the individual components as per specification) but rather the specifications prepared by MPI, particularly in relation to an apparent "design issue" that appears to have resulted in the failure of the diesel electrical generator in May 2007.

An MPI email (Craig Andrews) dated 9 November 2004 still indicated an internal rate of return of 14.55%. This was also confirmed at a Council briefing session held on 5 April 2005, following Councillors requests for further information about the co-generation plant operation. At the time of the writing of this report MPI's website advocates Council's Co-generation Plant as an accomplishment costing \$3.7m with an internal rate of return of 14.57% (see <http://www.mpigroup.com.au/html/r2.htm>).

Since the completion of the co-generation plant there have been continuing issues relating to its operation and staff have been working constantly to address these issues in an endeavour to achieve the outcomes expected from the facility.

During May 2007, the gas fired generator failed evidently due to corrosion from the cooling water. The repairs to the generator cost in the order of \$116,000 and were not claimable from insurance. In addition, approximately \$20,000 was expended to isolate the generator from the cooling towers to rectify the apparent "design issue" that resulted in the damage.

There was also a problem with the accuracy of the electricity metering within the buildings, which did not give adequate confidence to provide accurate accounts to tenants. Whilst the metering issue has now been rectified to allow charging (and back charging) tenants for electricity consumed, there were also issues in relation to metering hot and cold water that is being utilised throughout the buildings which has been rectified to allow charges to be issued accordingly.

In relation to the plant not achieving the forecast financial return, MPI have indicated that this has resulted from the plant not reaching the design load, which has resulted in under utilisation of gas and thus higher gas price and also the fact that there is no income being derived from the sale of excess power generated and being returned to the grid.

Council's Resolution of 8 September 2009

In respect of the four elements of part 5 of Council's resolution of 8 September 2009 calling for a report on a number of issues the following comments are now provided:

(a) *The design, purchase and installation of the plant.*

The previous section of this report dealt with as the "Background" was effectively intended to address this element of Council's resolution

(b) *The absence of any contract or warranties for the purchase and installation.*

It is suggested that the significant "contract" in relation to this matter is the one between MPI and the Council as the "fault" issue that appears to have resulted resulting in the damage to the plant in May 2007 would fall within this area. The management of other tenders for the actual installation of the equipment components as designed were novated to MPI. As suggested earlier in this report these specific works do not appear to be an issue as the work was satisfactorily undertaken by the various component tenderers in accordance with the specifications prepared by MPI.

As indicated previously, Council accepted the Tender of MPI for the "design, construction management and commissioning of a co-generation project" at its meeting on 14 October, 2003. A copy of the tender specifications upon which MPI's tender was basis is available as is also MPI's tender submission.

MPI were advised of the acceptance of their tender by letter dated 24 October, 2003 and this letter makes reference to contract documents being prepared for subsequent signing. A further letter to MPI dated 17 December, 2003 makes reference, in part on page 2, to a meeting at 11:30am on Monday 19 January, 2003 (obviously should be 2004) at the Council Offices for the signing of the "Contract".

Notwithstanding extensive searching and research, a signed copy of the contract has not been located. However, a copy of a document, which may be an initial draft of the proposed contract, has been located and has been referred to Council's solicitor (see separate confidential report dealing with legal advice sought) to clarify Council's position.

Council has recently contacted MPI in an endeavour to obtain a copy of the contract without success. MPI have not denied the existence of a contract and has indicated that MPI have moved offices recently and "evidently" can not locate MPI's copy.

The legal advice sought and addressed later in the separate confidential report suggests that, effectively, an "implied contract" still exists.

Warranties for the "*purchase and installation*" of the actual equipment did exist and were effective for 12 months from completion of installation. However, one of the issues related to the actual damage to the co-

generation plant which came to light in May 2007, well outside the warranty period even if the warranty had applied to the damage, is that the damage appears to have resulted from a design issue as distinct from an actual fault in the operation of the equipment or its installation. As this damage was a “design issue” rather than an “equipment issue”, as concluded by the insurance assessors, it is doubtful if it would have been covered by a warranty if it were still applicable and was not covered by Council’s insurances.

This aspect is considered further in the separate confidential report dealing with the legal advice sought in accordance with Council’s resolution.

(c) *The apparent inability of Council to redeem the costs associated with the failure of the plant.*

As indicated, the damage to the gas fired generator plant appears to have occurred outside the warranty period and is unlikely to have been coverable by the warranty if it had occurred within the period as it appears to be due to an apparent “design issue”, as concluded by the insurance assessors, rather than an equipment fault.

A claim was also made against the relevant Council insurance policy that covers damage to equipment such as this, with such claim being ultimately declined, again due to the fact that the damage resulted from an apparent “design issue” rather than an equipment fault.

This aspect is considered further in the separate confidential report dealing with the legal advice sought in accordance with Council’s resolution.

(d) *The absence of any contract for the sale of surplus electricity generated by the plant and sold back into the grid.”*

As indicated previously in this report MPI confirmed within correspondence dated 21 May 2003, that they were continuing negotiations with interested owners, finished preliminary negotiations with AGL with an agreed gas rate of \$7.02/GJ, and Integral Energy with agreed rates, which included 3.0c/kWh Export during peak/shoulder.

In the same letter, MPI also indicated that they had “*discussions with Integral Energy Network and came to an agreement on the connection and metering details. Integral have agreed to relocate the existing supply to existing buildings so that the new meters measure the sum of energy to the new and existing supplies. This means that there is now a larger electrical load that the genset can supply and shall significantly reduce the amount of energy which shall be exported into the Integral Network. This works in favour of the co-generation plant as the cost of imported energy displaced is four times the cost of energy exported*”.

Whilst MPI undertook certain actions in relation to this aspect it does not appear to have extended these endeavours beyond the completion of the co-generation plant nor do any of the documents for the various stages of the project which they undertook appear to detail this aspect as a requirement. Much of their work in this regard appears to have been undertaken in association with their assessment of the feasibility of the project. This aspect is considered further in the separate confidential report dealing with the legal advice sought in accordance with Council’s resolution.

The co-generation plant was initially commissioned in mid 2005, however, a full power load for the building and operation of the plant was not achieved until the first quarter of 2006 when all tenancies were operational. At that time Council’s contract for the supply of power was due for renewal on 1 July 2006. Prior to this, in December 2005 discussions were held with representatives from Energy Action, a widely utilised Energy Brokerage firm, as part of the renewal of Council’s large sites energy contract. It was indicated that Council’s co-generation plant did not, at the time, have a large enough energy export to warrant consideration. Subsequently, Council renewed its large sites energy contract with Energy Australia for a two year period, with a one year option under the State Contracts Control Board Contract and discussions with the Board confirmed that, as a “standard contract”, this did not include buy back provisions.

In July 2008, prior to the expiry of the above contract, Council officers meet with representatives of Integral Energy to further discuss the issue of the purchase of electricity from the co-generation plant. Whilst this meeting did not achieve positive results in relation to the purchase of power put back into the grid Council

ORDINARY MEETING
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was offered a Load Curtailment Payment Agreement for running the co-generation plant. This agreement provided for the plant to run between 1300 hours and 1800 hours on working days in the summer period for the years 2008/09, 2009/10 and 2010/11 when temperatures exceed 35 degrees. In return Integral Energy undertook to pay Council \$30,196 per year. A penalty of \$1,900 per day or part thereof would be reduced from the payment if the plant fails to run on days where the temperature exceeds 35 degrees. Council has been receiving these payments from Integral Energy representing a total possible income of \$90,588 over the term of the agreement.

In addition, from this meeting an Incentive Demand Reduction Program was offered with Council accepting this for the installation of power factor correction equipment at the Deerubbin Centre, Oasis Swimming Centre and South Windsor Treatment Works. The incentive payment from Integral Energy was \$13,614 and the cost of installation on the three sites was \$30,990. Council's costs were \$17,376 and savings per year are expected to be \$11,609 with a simple payback period of 1.5 years

In September 2008 further discussions were held with senior executives of Integral Energy regarding this issue. At this time Integral Energy indicated that they were not in a position to offer any payments for the exported energy.

With the pending expiry of the existing contract in 2009 TTEG (an Energy Brokerage firm) who was conducting a tender for the supply of electricity for large sites on behalf of WSROC, as a "regional" tender, was requested to include in the tender provision for the purchase of electricity exported from the co-generation plant and also the gas purchase for the site. Subsequently, no offer was received for that part of the tender as the electrical generation in kWh was considered too small. In relation to this TTEG commented as follows:

"Electricity sales to the grid

- 1 *Renewable Energy Certificates (RECs). Unfortunately electricity generated from natural gas does not enable you to sell the REC.*
- 2 *The purchase by a Retailer of generated electricity. You generate ~ 120 MWh p.a. which is well below a "marketable" parcel based on advice we have from retailers, including TRUenergy, Simply Energy, Country Energy and Energy Australia.*
- 3 *We have also investigated the potential for incorporating in the "NSW solar bonus scheme" which came in to effect 1 January 2010 but this cannot be done.*

Just to let you know, even if we conservatively allowed a maximum of \$40 to \$50 /MWh for the generated electricity we are looking at a maximum of ~ \$4,800 to \$6,000 p.a."

It would appear, from discussion with relevant energy sources, that the significant issue in Council not being able to achieve a return for the power returned to the grid is that the amount of power involved is insufficient to enable a contract to be formulated. As indicated previously, due to lower than anticipate demand factors in the complex gas consumption (in order to achieve lower rates) and energy production has not achieved anticipated levels. This aspect will be further reviewed in association with action in respect of parts 1 and 3 of Council's resolution of 8 September 2009 which could ultimately result in an improvement to this situation in the event of further facilities being connected.

It will be recalled that MPI suggested a purchase rate of 3.0c/kWh for power exported to the grid. Based on this amount and the amount of power exported to the grid since the commissioning of the plant the following "potential revenue" appears to be involved:

Year	kWh Exported	3.0c/kWh
Prior to August 2006	85,920	\$2,577.60
2006/2007	32,627	\$978.81
2007/2008	504,258	\$15,127.74
2008/2009	146,127	\$4,383.81
2009/2010 (31/12/09)	40,406	\$1,212.18

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It should be noted that in the 2007/2008 year the running hours of the co-generation plant were extended to try to increase the gas usage to above 10TJ p.a. This test resulted in a gas consumption rate of 9.5TJ being reached with the plant not running in July and August 2007 due to equipment failure. This test indicated that with an increase in running hours or use of gas for some other use a consumption rate of 10 TJ could be achieved resulting in a possible significant reduction in the cost of the gas.

Having regard to the above figures it would appear that the significant issue is not the possible revenue from exporting power back to the grid, which does not appear to be major having regard to the resources that have been involved in attempting to achieve a "buy back" result, but rather increasing the Council's use of the power produced by the co-generation plant which at the correct levels of production would be more economical than the purchase of power from the grid. The ultimate implementation of parts 1 to 3 of Council's resolution of 8 September 2009 may allow the plant to achieve more positive results.

Legal Advice

Issues relating to the legal advice obtained in accordance with part 4 of Council's resolution of 8 September 2009 and as referred to earlier in this report are considered further in the separate confidential report to this meeting.

RECOMMENDATION:

That the information in connection with part 5 of Council's resolution of 8 September 2009 in connection with the Council's Co-Generation plant be noted in view of the fact that other aspects of the matter are to also be considered by Council under a separate item to the Confidential Session of this meeting.

ATTACHMENTS:

There are no supporting documents for this report.

AT - 1 Report to the meeting of Council held on 8 September 2009.

ORDINARY MEETING
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AT - 1 Report to the meeting of Council held on 8 September 2009.

ITEM: 184 **IS - Co-Generation Plant - (95495)**

Previous Item: 32, Ordinary (26 February 2008)

REPORT:

Council has requested a number of reports in relation to the installation, operation and maintenance of the Co-generation (tri-generation) Plant located at the Deerubbin Centre. The reports included installation and maintenance from Caterpillar, investigation by Council's Auditor regarding the installation costs and cost of operation and a report on the future of the Plant and its operation. Whilst the Plant has previously been referred to as a Co-Generation Plant, it should be correctly known as a Tri-Generation Plant due to its capability to produce electricity as well as hot and cold water.

The Tri-Generation Plant consists of a gas fuelled generator which produces electricity when required. When the generator is operating the heat from the generator radiator water and exhaust gas produces both heat (directly) and chilled water through an absorption chiller to provide both heating and cooling to those buildings connected to the system. There is also a separate gas fuelled boiler for heating and an electric chiller for cooling. The heating and cooling system is currently connected to the Deerubbin Centre (Gallery, Curves, Dept. of Community Services, Cafe, and Library) and the Old Hospital Building. Electricity generated from the plant services the Deerubbin Centre, Old Hospital Building, Peppercorn Place and the Old Johnson Wing (Action Insurance Brokers).

In terms of the reports requested, a work report is attached from Westrac (Caterpillar subsidiary) in relation to the investigation into the engine turbo failure and subsequent reconditioning of the engine due to water damage. As indicated to Council at its Briefing Session in relation to this matter, Westrac were requested on numerous occasions to provide a report on the installation and maintenance of the Plant and they ultimately advised that the cost to carry out an audit on the installation of the generator set would be \$14,361 (GST Inclusive). As it was indicated at the Briefing that Council did not wish to incur the additional cost, the report was not requested.

Council's Auditors, PricewaterhouseCoopers have undertaken a review of the Tri-Generation Plant and their report is attached (A copy of this report was previously provided to Councillors). The conclusions outlined from the report cover financial information relating to the original proposal and financial modeling, actual capital and operating costs of the plant and problems encountered in the operation of the plant and recommendations in relation to all of these matters.

In relation to the financial modeling originally carried out, the report recommends that the financial modeling should be updated to reflect current information available to establish the actual financial position of the project. The report acknowledges that the Plant is complex to operate, monitor and maintain and suggests independent expert advice be sought on how to best overcome these problems and also consider options for external management of the Plant. The report also identifies that an agreement for the sale of excess electricity back to the grid needs to be finalised and also an examination as to whether other Council buildings could be connected to the Plant to increase its utilisation.

A further report was commissioned to assess the viability of the Plant from Gridx Power, a licensed electricity utility business experienced in tri-generation and distribution assets. A copy of this is attached to this report. Gridx has identified that the current usage of the Plant is such that the cost of gas utilised to produce power does not make it competitive in relation to power purchased from the grid. The company identified that increased running time of the Plant would be required to reach a threshold where the price to supply gas would reduce thus making the Plant more viable. There would however be an increase in the maintenance of the Plant due to the extended operating hours.

Gridx has identified some benefits of a power purchase agreement with a utility including the fact that the Plant currently removes 350 kW of electrical peak requirements (off the grid) from generation and a further 90kW from utilising absorption chilling, instead of electrical chilling, and compensation for this embedded generation should be provided from the incumbent energy provider. This matter has been pursued and Council is currently receiving an amount of \$30,000 pa, for a three year period at this stage, to ensure that electricity is being generated at identified peak periods when temperatures exceed 35 degrees.

Gridx also identified that energy generated through a gas fired reciprocating engine produces approximately 30% less greenhouse gas emissions compared to conventional power supplied to the grid. The company did give an indication that they could operate and maintain the gas fired generation system and facilities to supply a portion of the electrical needs and the total thermal energy needs on the Cultural Precinct based on agreed tariffs and an upfront contribution of \$100,000 pa.

The obvious questions that need to be addressed are firstly, if the Plant is not operating in an economically viable manner, what would be the implications of removing the gas fuelled generator. As indicated previously, a gas fuelled boiler and electrical chiller currently exists within the plant room which have sufficient capacity when operated integrally with the generator to provide heating and cooling for the buildings currently connected to the system including periods of extreme temperatures. It would appear that the capacity to heat and cool during extremes would be marginal if the generator motor was not in operation.

Mr Banicevic, from PricewaterhouseCoopers, at Council's Briefing Session indicated that the Sydney City Council is currently calling tenders for the construction of tri-generation plants to be strategically located throughout the Sydney CBD to reduce the city's reliance on coal generated electricity, and that it may be appropriate to discuss the management of Council's Plant with the successful tenderer in that process to determine a way forward. The PricewaterhouseCoopers report also indicated that connection to other Council buildings should be investigated to take up the additional capacity within the total Plant with a view to reducing the unit rate to produce energy and thus increase the Plant's viability. Council may be aware that the air-conditioning within the Administration Building is currently being upgraded and in accordance with the previously mentioned recommendation it is felt that the cost and benefits of connection of the Administration Building to the Plant should be further investigated as part of the process.

There was also an issue in relation to the cause of the failure of the generator motor and whether some action could be taken to recoup any of the costs incurred in the major overhaul that was subsequently required. It does appear from the report commissioned by Council's Insurers that the cooling system should have been a closed system rather than being connected to the cooling tower of the building. It is suggested that advice from Council's Solicitors should be sought in this regard.

Conformance to Strategic Plan

The proposal is deemed to conform with the objectives set out in Council's Strategic Plan i.e:

"Strategic Direction: Establish a framework to define and equitably manage the infrastructure demands of the City."

Funding

Nil impact as a result of the report.

RECOMMENDATION:

That:

1. Financial modeling in respect of the Tri-Generation Plant be updated as recommended by Council's Auditors and further reported to Council.

ORDINARY MEETING
Reports of Committees

2. Advice be sought in relation to the cost to assist in the management of the Tri-Generation Plant from appropriately skilled external sources.
3. Investigation be undertaken to connect other Council buildings and specifically the Administration Building to the Plant, and the cost/benefit of any proposal be reported as part of the review of the financial model for the Plant.
4. Council's Solicitors be requested to advise on any action which may be taken to recoup costs in relation to the rebuilding of the generator motor.

ATTACHMENTS:

- AT - 1** Report from WesTrac (Caterpillar Subdivision), dated 11 August 2007, in relation to engine turbo failure.
- AT - 2** Report from Council's Auditors, PricewaterhouseCoopers, dated 23 June 2009, reviewing the Tri-Generation Plant.
- AT - 3** Report from Gridx Power, dated 8 July 2008, regarding the viability of the Plant.

ORDINARY MEETING

Reports of Committees

AT - 1 Report from WesTrac (Caterpillar Subdivision), dated 11 August 2007, in relation to engine turbo failure (Meeting 8 September 2009)



Work Report

Marine / Industrial

WesTrac NSW / ACT
Head Office:
26 - 28 Frank Street
Wetherill Park
2154
(02) 9609 8979 tel
(02) 9732 8979 fax
Central mailing address: Locked Bag 91, Wetherill Park BC, NSW 1851
1300 88 10 64 toll for your nearest branch

DATE : 11th August, 2007
WORK ORDER : SC09302 on site investigation / SA18763 overhauling & dyno test / SC10360 on site test / delivery after repair
CUSTOMER : Hawkesbury City Council
LOCATION : Windsor
MODEL : G3412 Genset
SERIAL NO : KAP00238 Genset
SMU : 1788 hrs.

WHAT WAS THE CUSTOMERS REQUEST:

Investigation into engine turbocharger failure (engine serial number CTP02333)

ADDITIONAL COMMENTS ON CAUSE OF FAILURE:

Inspection on site revealed turbocharger (part no 201-4237) failure caused by failure of after-cooler core (part no 100-5552) leaking coolant through the crack. Further diagnostic tests / trouble shootings clearly verified the extent of the damage: cylinder liners (part no 197-9322) were full of water marks indicating presence of water all around the internal parts of engine, recommend complete reconditioning of engine.

WHAT WAS THE RESULTANT DAMAGE:

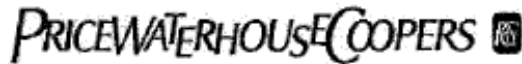
Excessive damage on internal parts caused by presence of water.

DISCRIPTION OF WORK CARRIED OUT:

Onsite investigation, complete disassembly, assembly and dyno test of engine as per Caterpillar specification in WesTrac workshop, (onsite after repair test yet to be completed).

ORDINARY MEETING
Reports of Committees

AT - 2 Report from Council's Auditors, PriceWaterhouseCoopers, dated 23 June 2009, reviewing the Tri-Generation Plant (Meeting 8 September 2009)



Private and Confidential
The General Manager
Hawkesbury City Council
DX 8601
WINDSOR

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 0000
www.pwc.com/au

23 June 2009

Dear Sir

Review of Co-Generation Plant

In accordance with your request we have undertaken a review of financial aspects of Council's Co-Generation Plant (the Plant). Specifically we have examined:

- The financial information presented to Council before it made its decision to construct the Plant.
- Whether that financial information was complete and accurate.
- How that financial information compares to the actual results experienced by Council.
- The reasons for any significant differences.

Our Review is based on documentation made available to us and discussions held with Council officers and other parties associated with the Plant. We have not attempted to substantiate the content of this information except to the extent of investigating apparent inconsistencies or errors.

Our findings are summarised below.

Finding 1

The purpose of the Plant is to provide certain energy needs of buildings on the old Hospital site. These include the Café, Deerubbin, Peppercom, Old Hospital and Johnson Buildings. The Plant uses gas to produce electricity for these buildings and the heat generated from this process is converted into hot and chilled water for air-conditioning of the Deerubbin, Old Hospital and Café buildings.

Finding 2

The logic for using Co-generation is that energy is cheaper to produce and carbon dioxide emissions lower than other energy alternatives. These benefits are considered to outweigh the higher capital costs associated with establishing a Co-Generation Plant.

Liability limited by a scheme approved under Professional Standards Legislation



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Finding 3

Council's architects for the old Hospital site – Pont, Williams and Leroy (PWL) – engaged MPI Consultants (MPI) to examine energy options for the library and gallery that were to be constructed on the site. MPI produced a Report in May 2002 which explored 5 options:

Option	Name	Capital cost \$	Lifecycle costs (NPV 25) \$
1	Electric Chillers – Instantaneous	410,000	1,338,815
2	Gas Chillers – Instantaneous	472,000	1,261,715
3	Electric Co-generation/Electric Chillers – Instantaneous	817,500	3,457,925
4	Electric Co-generation/Gas Chillers – Instantaneous	1,017,000	3,540,845
5	Geothermal Heat Pumps	1,295,000	2,726,000

The Co-generation options (3 and 4) were calculated to be more expensive than the more traditional options (1 and 2) in both capital cost and life cycle costs. However, MPI stated that Options 3 and 4 provided the opportunity to generate electricity for use on the site or export to the grid and, when this was factored in, the life cycle costs of Options 3 and 4 fell to \$1.6 million and \$1.9 million respectively – making Co-Generation more financially viable.

Finding 4

In June and July 2002, MPI revised their financial modelling on the basis that they had not been aware that energy could be provided to other buildings on the old Hospital site in addition to the library and gallery. They suggested that an expanded Co-Generation Plant (based on Option 3 above) to include the Old Hospital building could improve the financial outcome for Council as follows:

- Revised Capital cost \$1.95 million
- Cost savings over 25 years \$7.1 million
- Pay-back period 6 years
- Internal Rate of Return 17-18%

Finding 5

Council were briefed on these issues in August 2002. At this point it appears that the notion of a third party owning, operating and maintaining the Co-Generation Plant was the preferred solution. MPI correspondence refers to meetings held with Council and PWL where the following advantages of third party ownership were put forward:

- Project delivered at zero net cost to Council.
- Council's capital expenditure in the old Hospital site is reduced.

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- Delivers the lowest recurrent cost.
- Delivers substantial environmental benefits.
- Provides substantial life cycle energy cost savings over the life at the Plant.

Finding 6

A Report to Council's Ordinary Meeting of 8 April 2003 stated:

"Co-generation as an alternative was originally suggested with an expected capital cost of \$2.4 million and risks returns over a 15-17 year period. Subsequent market testing and financial appraisal has led to an expectation that energy can be provided with a construct, own and operate arrangement that generates environmental benefits without capital exposure and market risk.

Through Council's architects, Pont, Williams & Leroy, MPI Consultants Pty Ltd have been engaged to initiate market availability and have indicated a positive feedback for this method of providing energy. The diagram in Attachment 1 illustrates the process and relationship of the co-generation proposal.

To advance the gas to electricity trade-off through co-generation, it is recommended that MPI be engaged by Council to undertake an expression of interest or tendering procedure.

At this meeting Council resolved that:

"MPI Consultants Pty Ltd be engaged to proceed with Expression of Interest on Council's behalf for a Construct, Own and Operate co-generation facility."

Finding 7

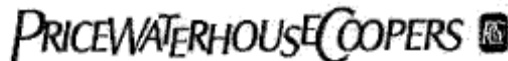
MPI reported on the outcomes of the Expression of Interest process on 14 July 2003. Their letter to architects PWL advises the following:

- Four EOIs were invited and two responses were received.
- The responses received were from CIT Group and Energex.
- The annual costs to Council under each offer were:

	\$
CIT	557,378
Energex	732,090

- When the CIT offer is compared to a 'Base Case' – a conventional technical solution funded by Council – the following financial outcomes are projected:
 - Cost savings of \$6.3 million over 25 years where Council funds the Plant Room

(3)



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- Cost savings of \$5.7 million over 25 years where CIT funds the Plant Room
- Greenhouse Gas Savings of 16,000 tonnes of CO₂ over 25 years.
- Council should enter into negotiations with CIT with a view to executing a contract in accordance with the proposed Project Program.

However, Council did not pursue the offer in CIT's Expression of Interest.

Finding 8

After a briefing to councillors on 5 August 2003, a Report to Council's Ordinary Meeting of 9 September 2003 advised the following:

"As previously outlined to Council, generation of power to the precinct utilising a Co-Generation Plant can provide environmental benefits of around 1,000 tonnes of CO₂ per annum and also a financial saving to Council.

Three options in relation to the provision of this plant were outlined:

Option 1

100% Third Party Ownership

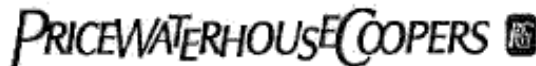
- *This option is cashflow neutral to Council.*
- *Environmental benefits are achieved.*
- *Energy payments are required 12 (twelve) months in advance.*
- *Return on investment to developer is 19% per annum over 20 (twenty) years.*
- *Savings to Council is \$4.2m (four million, two hundred thousand dollars) over 25 (twenty five) years.*

Option 2

100% Ownership by Council

- *\$2.9m (two million, nine hundred thousand dollars) Capital Investment which includes the construction of the Plant Room.*
- *Council's cost of funding the project is 6% per annum.*
- *Environmental benefits are achieved.*
- *Energy payments are one month in arrears.*
- *Savings to Council is \$12.5m (twelve million, five hundred thousand dollars) over 25 (twenty five) years.*

(4)



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Option 3

Joint ownership by Council and a developer

- \$600,000.00 (six hundred thousand dollars) investment by Council (based on 20% participation).
- Council's cost of funds is 6% per annum.
- Environmental benefits are achieved.
- Energy payments required 12 (twelve) months in advance.
- Savings to Council is \$5.9m (five million, nine hundred thousand dollars) over 25 (twenty five) years.

The preferred option is Option 2 where Council has 100% ownership of the Plant, providing the best financial results all out though requires an initial capital investment. This option will be recommended for adoption by Council."

At this meeting Council resolved that:

"The principal of a Council owned Co-Generation Plant be adopted and tenders be called for the supply and installation of the necessary components of the Plant."

We have been unable to obtain financial details supporting the Options reported to Council. The 'Savings' reported are against a 'Base Case' – presumably a conventional technical solution funded by Council as in Finding 7. The 'Savings' appear to be undiscounted numbers which do not take into account the time value of money.

In our view Council should have been provided with the net present value of the 'Savings' under each Option. It is probable the 'Savings' reported would have been significantly lower on a net present value basis and this may have influenced the decision Council took.

Finding 9

A Report to Council's Ordinary Meeting of 14 October 2003 recommended that MPI be engaged to design, construction manage and commission the Co-Generation Plant for a fee of \$135,000. Council adopted this recommendation.

MPI advised Council on 29 November 2003 of the tenders received for construction of the Plant. The value of the recommended tenders amounted to \$2.734 million. This did not include the Plant Room and some components for which tenders had not been responded to.

A Report to Council's Ordinary Meeting of 9 December 2003 provided details of the tenders received and recommended that the preferred tenders advised by MPI be accepted. Also, that funding for the Project be provided by internal loans. The Report identified the total Construction Cost at this time as \$3.438 million. This was the MPI advised value above of \$2.734 million plus:

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	\$'000
Plant Room	498
Contingency	30
MPI fees	135
Tender not responded to	41

Council resolved to fund the Project by means of internal loans and accepted the preferred tenders for construction of the Project recommended by MPI.

Finding 10

Construction of the Co-Generation Plant commenced in early 2004 and was completed in mid 2005. A Briefing Session to councillors on 5 April 2005 included the following financial analysis of the Project from MPI. This appears to be the last analysis that MPI did of the Project.

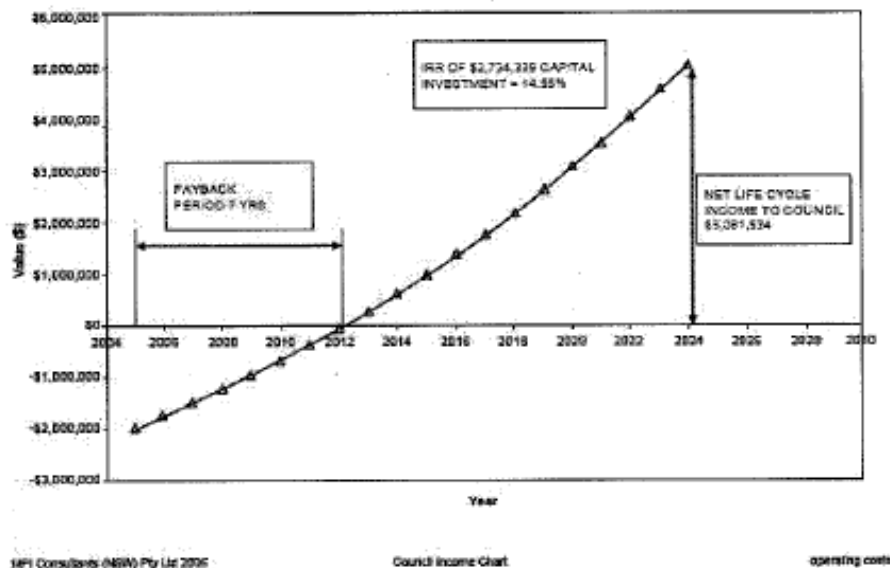
Costs without COGEN (Base Case)	
Capital investment	\$500,000
Annual gas costs	\$15,241
Annual electricity costs	\$350,589
Total annual energy costs	\$365,830
Annual maintenance costs	\$19,072
Total annual running costs	\$384,902
Total life cycle cost (20 years)	\$6,014,974
COGEN Case	
Capital investment	\$2,734,339
Annual gas costs	\$83,524
Annual electricity costs	\$13,332
Total annual energy costs	\$96,857
Annual maintenance costs	\$54,845
Total annual running costs	\$151,701
Total life cycle cost (20 years)	\$4,907,947
Cost comparison (COGEN vs Base Case)	
Additional capital cost	\$2,234,339
Annual savings in running costs	\$233,201
Total life cycle savings (20 years)	\$5,081,534
Internal Rate of Return (based on additional capital cost of \$2,234,339)	14.55%
COGEN business for Council	
Annual income from chilled water	\$214,193
Annual income from heating hot water	\$26,414
Annual income from electricity generated during peak	\$44,459
Annual income from electricity generated during shoulder	\$99,837
Total annual income	\$384,903

(6)



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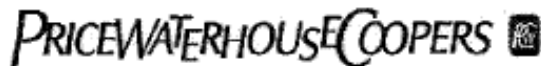
COGEN Option – Council Income Cashflow



The critical points derived from this analysis are:

- The net present value of savings from the Co-Generation Plant against the 'Base Case' are \$1.1 million over the life of the Plant.
- The undiscounted cash flow savings from Co-Generation against the 'Base Case' are \$5.1 million.
- The Internal Rate of Return is 14.55%. MPI have advised that this is the effective interest rate which discounts the cash flow savings of \$5.1 million back to the additional capital investment required for Co-Generation (\$2,234 million). Effectively, Council achieves savings equivalent to a 14.55% return on the Co-Generation investment.
- The annual operating costs for Co-Generation are estimated at \$152,000 compared to \$385,000 for the Base Case – a saving of \$233,000 per annum.
- The Pay-back Period – being the period after which the cumulative cash flow savings from Co-Generation are positive – was 7 years.
- CO₂ savings of 570 tonnes per annum were predicted.

(7)



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We are of the view that these are the most reliable projections put forward for the Project and use these in later comparisons against actual costs. At this point the project was expected to deliver a favourable financial outcome for Council.

Finding 11

The following are the Actual Capital and Operating Costs of the Co-Generation Plant as extracted from Council's financial systems:

Capital Costs \$'000

Projected Base Case (Finding 10)	Projected Co-Gen (Finding 10)	Actual Co-Generation
500	2,734	3,682

Actual capital costs are around \$450,000 higher than the MPI projections in Finding 10 after the Plant Room costs (\$498,000) are factored in. MPI exclude the Plant room for the purpose of their analysis as it is common to both the options they consider. The Actual capital costs do not include any internal charges such as staff hours devoted to the Project and so are likely to be even higher.

Operating Costs \$'000

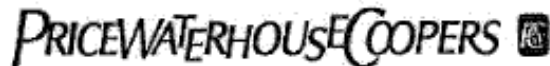
	Projected Base Case (Finding 10)	Projected Co-Gen (Finding 10)	Actual 05/06	Actual 06/07	Actual 07/08	Actual (YTD) 08/09
Gas	15	84	76	26	132	41
Electricity	351	13	125	183	157	99
Maintenance	19	55	10	48	133	59
Other	-	-	4	5	5	5
Total	385	152	216	262	427	204

1. Include rebuilding of the generator \$120,000.

Actual operating costs above are significantly higher than the MPI projections in Finding 10. In 2007/08, they also exceed the 'Base Case'. The actual operating costs do not include any internal charges, costs of funds or depreciation (estimated at \$100,000 per annum) and so are likely to be even higher than shown here.

The combined effect of higher capital costs and higher operating costs reduces the potential financial benefits Council can derive from Co-Generation. It would be prudent for Council to update its financial modelling to reflect the most current financial information available. This will assist in any future decisions that may need to be made about the Plant.

(8)



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Finding 12

There are a number of issues we have identified which impact on the higher operating costs being experienced in the Co-Generation process:

- The plant appears to be significantly larger than the energy needs of the site demand. MPI make the following comment in a letter to Council in May 2006:

"As the building is now fully tenanted and has been for a number of months, MPI has undertaken a preliminary analysis of the actual thermal load requirement and these loads are significantly lower than estimates provided to us by the mechanical consultant engaged by Council and subsequently used in all our financial models. As such, these lower than expected thermal loads are having a detrimental effect on the financial outcomes predicted for the project".

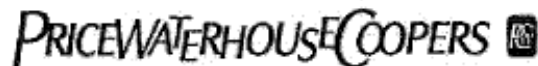
This appears to be supported in a report on the plant undertaken by GRIDX Power P/L (GRIDX) in July 2008. That report identified that the cost of producing electricity through Council's Co-Generation plant in the 2007 calendar year was actually higher than what it could be purchased for from the grid – even before maintenance and depreciation were factored in.

To make the plant more financially viable they suggested:

- Increasing utilisation from the 1,200 hours recorded in 2007 to 2,800 hours.
- That higher utilisation will increase the consumption of gas to a level where a more favourable tariff can be negotiated (10 TS).
- That additional power generated from this strategy (263 Mwh) can be exported to the grid at a negotiated price.

It is clear from these comments that the Co-Generation Plant will not produce financial benefits unless the utilisation is significantly increased. As an alternative to exporting power to the grid, Council could consider connecting additional sites to the Co-Generation Plant.

- The Co-Generation system is a complex system that requires a high degree of skill and experience to run. Council officers, GRIDX and MPI have all indicated that Council would benefit from an expert either running, or assisting Council to run the System more effectively and efficiently. It is possible that the significant costs of repairing the generator (\$120,000) may have been avoided, for example, if an expert had been monitoring the water treatment. As a minimum, Council staff need to be better trained and advised in the proper operation, monitoring and maintenance of the system. Both GRIDX and MPI have offered services along these lines. However, in the case of MPI, Council officers appear to have lost confidence in their ability to deliver solutions to these problems.



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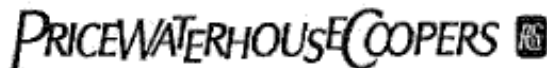
Examples of problems experienced in running the system were listed in an Internal Council memorandum and included:

- Co-Generation unit not running full working week.
- Unable to charge tenants for energy used that can be justified and is acceptable by the tenants.
- Unable to calculate electrical energy used or produced by co-generation unit (meter still not commissioned correctly).
- No metering on Gas used by co-generation unit.
- Unable to cost the running of the plant.
- Unable to obtain gas contract prices that were used in consultant's figures.
- Unable to sell excess energy to energy companies that is excess to requirements (free energy to energy authorities).
- Problems with the installation of actuators. Some of the units had to be removed and refitted so that locking screws could be fitted.
- No alarms outside plant when equipment fails or stops.
- Due to the co-generation system not running every day there are problems with the cooling tower health.
- Council has not been effective in recouping the cost of energy created by Co-Generation. Meters to measure the electricity and hot/chilled water consumption by the users have not been reliable. In some cases they have had to be replaced. This has meant that Council has not always been able to charge the users for the energy they have consumed – resulting in a loss of income. It is clear that Council will need to accurately measure the energy consumed as a sound basis for charging the internal and external users.

Income from Co-Generation \$'000

	MPI Projected Co-Gen Finding 10	Actual (YTD) 05/06	Actual (YTD) 06/07	Actual (YTD) 07/08	Actual (YTD) 08/09
Chilled Water	214	-	-	-	} 27
Heating Water	26	-	-	-	
Peak Electricity	45	} 159	} 25	} 166	} 103
Shoulder Electricity	100				
	385	159	25	166	130

(10)



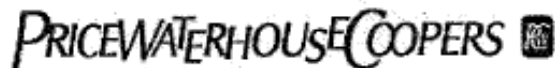
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- Electricity produced by the system is generally consumed by the users but at times it can exceed demand. The electricity cannot be stored and is transferred to the electricity grid. Council has not been given credit for this electricity or been paid for it in any way. An agreement for the sale of this electricity should be negotiated.

Conclusions

- The financial information presented to Council at the time it made its decision to construct the Co-Generation Plant was not, in our opinion, entirely reliable. The Report to Council discussed in Finding 8 described substantial savings from Co-Generation under different ownership options. These 'savings' were undiscounted numbers which do not take into account the time value of money and therefore presented an exaggerated level of savings. As a minimum the net present value of these 'savings' should have been calculated and presented. It is possible that Council may have made a different decision if this information had been presented.
- The latest financial modelling for the Project was done by MPI in early 2005 and projects a favourable financial outcome for Council over the life of the Plant. These projections are set out in Finding 10 and present far more modest savings than those advised to Council at the time it made its decision to construct the Plant. Even these more modest savings are questionable because the thermal loads they have been based on are significantly overstated.
- The actual capital and operating costs of the Plant have been higher than envisaged in the MPI modelling above. The substantially higher operating costs, in particular, raise some doubt as to whether the additional capital cost of Co-Generation is justified. There is some evidence to suggest that Co-generation has produced no savings for Council up to the present time. Council should update its financial modelling to reflect current information available and establish the actual financial position of this Project.
- Council has experienced some significant problems in running the Plant which have contributed to the higher than anticipated operating costs. The Plant appears to be over-sized for the energy needs of the site and its consequent under-utilisation has a detrimental financial impact – MPI's modelling was apparently based on more than double the current utilisation. It is also complex to operate, monitor and maintain. Council should seek independent expert advice on how to best overcome these problems and also consider options for external management of the Plant.
- Council has also experienced problems in recouping the cost of energy produced for the site from both the internal and external users. Metering of the energy produced and consumed has been poor or non-existent resulting in further losses to Council. An agreement for the sale of surplus electricity back to the grid also needs to be negotiated. Council has made some progress in resolving these issues but they need to be finalised.

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Hawkesbury City Council
23 June 2009

- The Co-Generation Plant appears to be meeting the energy needs of the buildings it services. The Plant also appears to run best and most efficiently when fully utilised. It is therefore in Council's best interests to examine whether other Council buildings could be connected to the Plant to increase that utilisation.
- The actual amount of CO₂ savings from Co-Generation is difficult to determine. Projections in Finding 7 (640 tonnes per annum), Finding 8 (1,000 tonnes) and Finding 10 (570 tonnes) appear to be over-stated. GRIDX estimates based on 2007 data calculated savings of around 160 tonnes per annum from electricity generation with possible increases to 350 tonnes with higher utilisation of the Plant. The GRIDX figures appear to be the most reliable.

General

Please contact Dennis Banicevic on 8266 5213 if you require further information.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D. B.', followed by a horizontal line.

Dennis Banicevic
Director

AT - 3 Report from Gridx Power, dated 8 July 2008, regarding the viability of the Plant (Meeting 8 September 2009)

Exporting to the Grid.

July 8
2008

The impact of exportation of power
from the Hawkesbury City Council
Cultural Precinct Tri-generation plant
into the National Electrical Network

www.GridXPower.com

Introduction

This article is used to describe the issues and benefits that would result from the increase of exported power from the Hawkesbury Councils Tri-generation plant. The council is investigating ways of increasing the viability of the continued operation of its installation. Two opportunities have been proposed. Increase the operating hours of the plant and the amount of gas consumed, allowing the council to negotiate a better gas tariff. Additionally, negotiate the sale of the power that is being exported to the local distribution network.

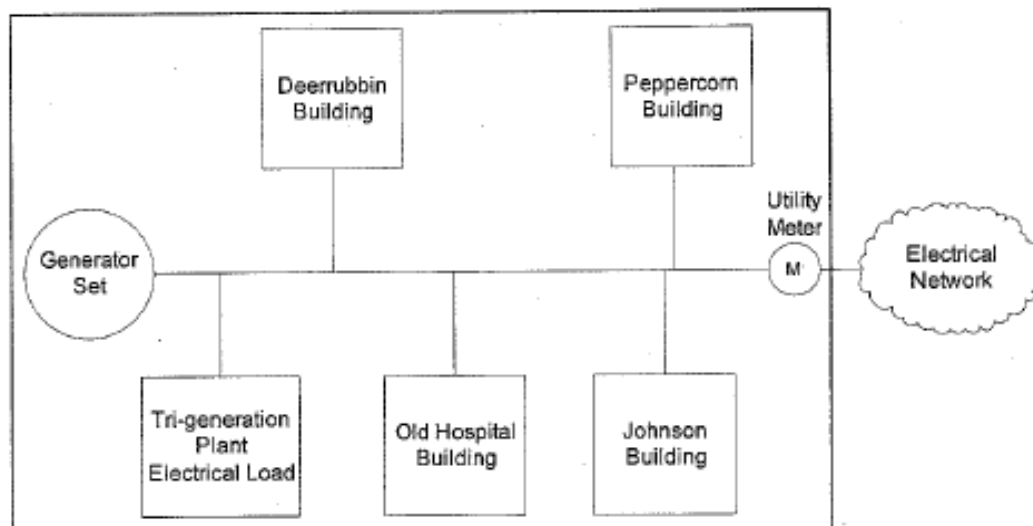
Installation

Hawkesbury Council has installed a Tri-generation plant at its Windsor campus. The major equipment used is;

- Caterpillar G3412 360 kW gas fired engine
- Thermax LT10S 348 kW Hot water single stage absorption chiller
- Power pax PPW760-3 760 kW turbo core chiller
- Hunt TN-AR930 870 kW hot water boiler

This facility services the site by providing electrical power and thermal energy in the form of chilled and hot water. The plant has been operated successfully for 3 years and has had no adverse affect of the surrounding electrical distribution network.

The plants electrical augmentation can be abbreviated into the following.



Hawkesbury City Council
Cultural Precinct

GridX Power Pty Ltd

Present operation

The electrical chiller and the gas boiler operate to meet the sites thermal load. Once a predetermined thermal load (160 kW_{th}) is reached the generator set becomes active. The engine's heat output is used to "fire" the absorption chiller which in turn provides chilled water to the centralised thermal energy network. The engines heat output is also used to service the sites space heating requirement.

The engine's controls synchronise the generators output with the grid supply and the site is serviced from both sources. When the generator set produces more power than required on site the excess is exported to the grid.

In 2007 the plant operated for approximately 1200 hours, producing 420 MWh. Of this amount approximately 12% or 51 MWh was exported to the grid. At the present there is no revenue generated from this exported amount.

Gas

The gas consumption for the year of 2007 was measured at 6.3 TJ. This quantity of gas means that the price paid was set at 1.3 c/MJ. Based on the engines electrical efficiency of 35% the cost of the power generated is

$$\frac{\text{Gas Price} \times 3.6 \frac{\text{MJ}}{\text{kWh}}}{\text{Electrical efficiency}} = 13.37 \frac{\text{c}}{\text{kWh}}$$

This cost is higher than the price that is available from power that is purchased from the utility. Cost such as maintenance and plant depreciation can not be recuperated from generating electricity.

A proposal to increase gas consumption above 10 TJ has been presented. This would allow Hawkesbury Council to go out to a gas wholesales and negotiate a competitive gas contract. After reviewing several quotations it is estimated that the delivered cost of gas would be approximately 0.85c/MJ. So the generated cost of electricity would be 8.7 ¢/kWh. This would allow a levy of 3.4 ¢/kWh for maintenance and depreciation giving a total price of 12.1 ¢/kWh for the supply of power.

Exported power

The exported power from the site for 2007 was 51 MWh. To increase the gas consumption above 10TJ it is estimated that the plant should run for 2,778 hour p.a. generating 972.3 MWh of which 263 MWh will be exported to the grid.

With the reduced cost per MJ the total cost of gas per annum will increase due to the increase in consumption. There will also be an increase in maintenance of the plant due to the extended operating hours. It is proposed that the electrical utility be approached to determine level of interest in purchasing the electricity that is exported to the grid.

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Benefits of an Power Purchase Agreement (PPA)

There are several opportunities that can be realised through a PPA that would benefit Hawkesbury council, the electrical utility and the greater public. Some are listed below.

1. The saving that are generated by utilising the waste heat from the engine in the Tri-generation process do not cover the cost of generating electricity at 13.37 c/kWh and the maintenance cost of the plant. A more viable O&M plan must be found or the plant will be decommissioned. The plants operation removes 350kW of electrical peak requirements (of the grid) from generation and a further 90kW from utilising absorption chilling instead of electrical. The Ministerial Council on Energy (MCE) has presented embedded generation as an option to reduce peak electrical requirements. Hawkesbury Council should be able to secure compensation for this from the incumbent energy provider. Additionally, the continued successful operation of this plant in the Sydney Basin will act as a catalyst for more installations that will provide relief for constrained networks.
2. The electrical energy that is generated through a gas fired reciprocating engine produces approximately 30% less green house gas emissions as power supplied from the grid. The utilisation of the waste heat for heating and chilling can also make significant reductions in associated green house gas emissions. These benefits were the driving force behind the council's endeavours to install a Tri-generation plant. The plants present operation offsets approximately 161¹ tonnes p.a. of carbon emissions from its electrical generation alone. With the increase in generation this will lift to 350 tonnes p.a.
3. The electricity that is exported from the site is a real product that services the surrounding distribution network. Therefore the power has a genuine value. Also the locality of the installation means that transmission losses are negligible. Hawkesbury council is requesting a return on the power that reflects its worth.

Conclusion

To sustain the Hawkesbury Councils Tri-generation installation changes will need to be made to return the plant to a fiscally viable operation. This can be achieved through competitive purchasing of gas and generating a return from the exported power from the site. The co-operation of an environmentally aware and community focused power utility will make this possible through the negotiation of a PPA with the Council. Such an arrangement will benefit both parties through the continued carbon emissions reduction and the operation of a peak load shaving installation.

¹ Based on IPART's 2007 pool coefficient and the AGO Emission Factors and Methods Workbook 2006 (direct / point source EF for combustion emissions)

oooO END OF REPORT Oooo

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CITY PLANNING

Item: 26 **CP - Development Application - Wholesale Produce Store - 88 Whitmore Road, Maraylya - Conversion of three existing poultry sheds for use as a produce store - (DA0451/09, 29595, 29596, 95498)**

Development Information

File Number: DA0451/09
Property Address: 88 Whitmore Road MARAYLYA NSW 2765
Applicant: PGH Environmental Planning
Owner: Mr SN Gatt & Mrs R Gatt
Proposal: Wholesale produce store - conversion of three existing poultry sheds for use as a produce store
Zoning: Rural Living
Date Received: 3/08/2009
Estimated Cost: \$5,000
Exhibition Dates: 25/09/2009 - 9/10/2009
Submissions: 13

Key Issues:

- ◆ Loss of amenity due to noise, dust, odour, vermin
- ◆ Traffic generation

Recommendation: Refusal

REPORT:

Executive Summary

The application proposes the conversion of three existing poultry sheds to be used as a wholesale produce store. The property is currently being used as a poultry farm comprising five poultry sheds.

Assessment of the proposal, including matters raised in public submissions, highlight the following relevant issues for consideration in the determination of the application:

- Loss of amenity due to noise, dust, odour, vermin
- Traffic generation

This matter is being reported to Council due to the number of submissions received as a result of the public exhibition of the application and the history of the site. The purpose of this report is to detail the proposal, the current statutory situation and provide an assessment of the application in accordance with Section 79C (1) of the Environmental Planning and Assessment Act 1979.

The premise of the application is that the proposal will result in reduced impacts arising from the conversion of three out of the five existing poultry sheds to use as a produce store, thereby reducing the number of birds and associated impacts.

Whilst it can be predicted that some impacts may well be reduced, the produce store component may result in an increase in other impacts. The application does not provide adequate information to determine the impacts of noise, dust, odour, vermin and increased traffic or the cumulative impacts of the produce store being operated alongside the poultry farm.

For these reasons it is recommended that the application be refused.

Description of Proposal

The development application seeks approval for the partial conversion of the existing poultry farm to a wholesale produce store. The site currently has five sheds which are approved for poultry.

The proposal is to convert existing Sheds 1 (1,952m²), 2 (1,952m²) and 3 (1,488m²) into a wholesale produce store. These sheds have a combined floor area of 5,392m². The remaining two sheds, i.e., (Sheds 4 and 5) will continue to be used for poultry. It is proposed to stage the conversion, starting with Shed 1 and with the conversion of Sheds 2 and 3 as demand increases. Hence Sheds 2 and 3 could remain as poultry sheds indefinitely.

The proposed activity involves the handling, delivery and distribution of produce to other retailers and trade customers. Products proposed to be distributed are:

- Hay and hay products,
- Pasture seeds
- Feed grade seeds; and
- Bedding hay and like produce.

The proposed wholesale produce store will employ a maximum of 4 persons (including on-site manager). The proposed hours of operation are as follows:

- Monday to Saturday - 7.00am to 5.30pm
- Sunday (Public Holidays) - 9.00am to 3.00pm

In addition, the application also seeks flexibility in the hours of operation for a delivery truck to depart the store at around 6.00am and return to the property around 7.30pm. Deliveries of produce to the site will be limited to normal business hours.

Access to the site is from the existing driveway off Whitmore Road. Goods are to be loaded and unloaded with a fork lift. Deliveries made to and from the site will involve a large rigid truck and a 2 tonne utility.

A carparking area is to be constructed between Shed Nos. 1 and 2. This carpark will cater for fifteen vehicles.

Background

Development Consent DA309/94 was issued on 14 July 1995 for the extension of the poultry farm. The consent permitted the construction of two additional sheds.

The poultry farm consists of 4.835 hectares of land containing 2 houses and 5 poultry sheds. The sheds have the capacity to accommodate 140,000 (one hundred and forty thousand) birds.

Since construction and the commencement of the use of the sheds, there have been numerous complaints received. The complaints include spillage of light, noise, dust, odour, traffic and the direction trucks take when either entering or leaving the property. Complaints have been received from adjoining and nearby property owners.

Development Application DA 814/07 for the conversion of 2 of the poultry sheds on the subject land to a produce store was reported to Council at its Meeting of 24 June 2008. At this Meeting Council resolved *“that the application be deferred pending submission by the applicant of a report from a suitably qualified consultant to examine any risk of transmission of avian disease created by the proposal.”* The application was withdrawn on 2 June 2009.

During the processing of DA 814/07, Council was advised in January 2008 that the produce business had commenced operations. A Notice of Intention to Issue Orders were served to the owners on 3 July 2008. The owners ceased use of the property as a produce store.

More recently, and in response to continued complaints in respect to noise and odour, Council requested that the managers of the property provide a site specific Environmental Management Plan. An Environmental Management Plan is yet to be received despite numerous requests in writing and meetings with the operator. Furthermore Council received written notification from the operator's agent that an increase of 8,000 birds would occur on 30 December 2009. Accordingly a Prevention Notice under Protection of the Environment Operations Act 1997 was issued on 24 December 2009 to Gatco Poultry Pty Limited. On 14 January 2010 Gatco Poultry P/L lodged an appeal with the Land and Environment Court in respect to this Prevention Notice.

History of Current Application

3 August 2009	DA 451/09 received for a partial conversion to a Wholesale produce store.
21 August 2009	Application notified 21 August 2009 to 4 September 2009, and then extended to 9 October 2009.
15 October 2009	Letter to applicant requesting additional information in respect to the operation of the produce store, the Environmental Management Plan for the site, the produce capacity of the sheds and quantities of produce within each shed, size of trucks, acoustic report, odour assessment report, assessment of potential dust nuisance, and response to matters raised in submissions.
12 November 2009	Applicant advised that additional information would be submitted within two weeks.
14 December 2009	No response received. Second request to applicant to provide the additional information.
20 January 2010	Applicant advised by email to submit the requested additional information within seven days.
29 January 2010	Additional information received however does not adequately address all matters or provide assessment reports in respect to noise, odour or dust relating to the produce store proposal.

Issues Relevant to the Decision - In Point Form

- Loss of amenity due to noise, dust, odour, vermin
- Traffic generation

Council Policies, Procedures and Codes to Which the Matter Relates

Sydney Regional Environmental Plan No 20 – Hawkesbury Nepean River
State Environmental Planning Policy No. 44 – Koala Habitat
State Environmental Planning Policy No. 55 – Remediation of Land
State Environmental Planning Policy No. 64 – Advertising Signs
Hawkesbury Local Environmental Plan 1989
Draft Hawkesbury Local Environmental Plan 2009
Hawkesbury Development Control Plan

Section 79C Matters for Consideration

In determining the application, Council is required to take into consideration the following matters as are relevant to the development that apply to the land to which the development application relates:

a. The provisions (where applicable) of any:

i. Environmental Planning Instrument:

The relevant Environmental Planning Instruments are considered below:

Sydney Regional Environmental Planning Policy No. 20 (No. 2 – 1997) – Hawkesbury – Nepean River (SREP No. 20)

It is considered that the proposed development will not significantly impact on the environment of the Hawkesbury-Nepean River either in a local or regional context and that the development is not inconsistent with the general and specific aims, planning considerations, planning policies and recommended strategies.

State Environmental Planning Policy No. 44 – Koala habitat Protection

The proposed development does not require the removal of native vegetation and will therefore not disturb habitat areas within the site. Consequently, an investigation into whether or not the land is a potential koala habitat is not required for the development.

State Environmental Planning Policy No. 55 – Remediation of Land

Where a proposed development involves a change in the use of the land, this Policy requires consideration as to whether the land is potentially contaminated. Agricultural uses are listed as potentially contaminating land uses under the Contaminated Land Planning Guidelines. This is due to the potential use of pesticides, herbicides, fungicides and insecticides. Given the use of the land as a poultry farm, and the likely use of these chemicals is low, it is considered unlikely that the land is contaminated. In addition, the use of a produce store is comparable to the poultry farm use in respect to the likely use of pesticides. It is therefore considered that the land is suitable for the proposed development and that a Preliminary Site Investigation is not required.

State Environmental Planning Policy No. 64. – Advertising Signs

In accordance with this Policy only 'building identification signs' and business identification signs' are permissible on the land. The application proposes a 'business identification sign', however has not provided any details in respect to location, size, height or content. Whilst any consent can be conditioned that only a 'business identification sign' be erected to comply with the requirements of this Policy, these details are required to ensure compliance with Hawkesbury Development Control Plan and to enable an assessment of the signage.

Hawkesbury Local Environmental Plan 1989 (HLEP 1989)

The subject land is within the Rural Living zone. The proposed development is defined as 'produce store' under the provisions of Hawkesbury Local Environmental Plan 1989. 'Produce store' means "*a building or place used for the sale by wholesale or retail of stockfeeds, grains, seeds, fertilizers, veterinary supplies and the like*". 'Produce store' is permissible with development consent within the Rural Living zone.

There is no limit in the maximum size of a produce store. However, there are some concerns with the scale of this proposal that have not been adequately addressed in the application.

Clause 9A states that consent shall not be granted for a development unless, in the opinion of Council, the carrying out of the development is consistent with the objectives of the zone. It is considered that the proposed development is inconsistent with Objective (c), which seeks "*to minimise conflict with rural living land uses*", as the proposal has the potential to generate impacts that will conflict with the use for properties in the locality used for rural residential purposes.

In addition to the above, the following relevant clauses of Hawkesbury Local Environmental Plan 1989 were taken into consideration:

- Clause 2 - Aims and objectives etc
- Clause 18 - Provision of water, sewerage etc services
- Clause 25 - Development of flood liable land
- Clause 27 - Heritage items
- Clause 28 - Development in the vicinity of heritage items
- Clause 37A - Development on land identified on Acid Sulfate Soils Planning Map

The proposed development is considered to be consistent with these clauses of Hawkesbury Local Environmental Plan 1989.

ii. Draft Environmental Planning Instrument that is or has been placed on exhibition and details of which have been notified to Council:

Draft Hawkesbury Local Environmental Plan 2009 applies to the proposal. This draft Plan is being exhibited 5 February 2010 to 12 April 2010. Under this Plan the subject land is proposed to be zoned RU4 Rural Small Holdings and the proposed development is defined as 'rural supplies'. 'Rural supplies' are permissible within the RU4 zone.

iii. Development Control Plan applying to the land:

An assessment of the proposal against the relevant provisions of this Plan follows:

Notification Chapter

The application was publicly exhibited from 21 August 2009 to 9 October 2009. A total of 13 individual submissions were received. The matters raised in the submissions will be discussed further in this report.

Car Parking and Access

This chapter has no specific standard for the number of car spaces to be provided for a produce store. The closest land use characterisation is Industry which requires car parking at the following rate:

4 car parking spaces for all development up to 300m² of GFA 1 car space for each 90m² of GFA or part thereof, in excess of 300m²

The subject site contains 5 sheds with a total floor area of 7,839m². There is no formal parking available for the existing poultry farm business. However, informal parking is available on the site for employees and visitors.

Sheds 1, 2 and 3 have a combined floor area of 5,392m². Based on the rates for industrial developments, a total of 61 car parking spaces are required.

A total of fifteen on-site car spaces including three for employees and twelve for visitors is proposed. The application seeks a variation to the car parking requirement on the basis that the proposal is for a wholesale produce store and car parking is limited to that generated by site employees. The application justifies the provision of fifteen spaces:

"It is considered (and supported by our traffic consultant) that the use of Sheds 1, 2 and 3 as wholesale business will not generate traffic that would require 61 car parking spaces. It should be noted that sufficient area exists to provide the required number of spaces however we seek Council's support in allowing the nominated number of spaces as indicated on the development plans.

The existing poultry farm has up to 2 staff members including the site manager who resides on the property. The proposed produce store is anticipated to require a maximum of 2 employees. The maximum car parking required for employees is anticipated to be 3 spaces.

In regards to customers car parking the traffic assessment report submitted with the application states that both the poultry farm and the produce store will only generate sporadic visitor parking demand and such demand is not anticipated to exceed a maximum of 2 visitors per day. On that basis the report argues that the proposed 12 visitor car parking spaces is considered adequate.

The objective behind the car parking standards is to ensure adequate off street parking facilities are provided for all vehicles generated by the new development to avoid any impacts on existing car parking in the area. The proposed car parking for 15 vehicles is considered adequate for the following reasons:

- No formal parking is available on site for the existing use;

- The proposal is to use the existing sheds with no additional floor area proposed;
- The use is to be carried out on a wholesale basis with less likelihood of customers coming to the site; and
- The site is large enough to accommodate any overspill car parking on an informal basis.

Aisle widths and the driveway location demonstrate satisfactory compliance with the acceptable design solutions and vehicles will be able to enter and exit the site in a forward direction. Assessment of the application has concluded that there is sufficient area on site to allow for service vehicles to manoeuvre. The two driveways as well as the circulation driveways servicing Heavy Rigid Vehicles are not in a good condition and upgrading to a suitable standard with a sealed pavement is required should this development be approved. In regards to the remainder of parking and manoeuvring areas, these can be all weather surface.

The traffic generation by the proposed produce store is discussed in the subsequent sections of this report.

Signs Chapter

The application does not provide any details in respect to the proposed signage.

Effluent Disposal

The existing staff toilet facilities are to be used for the employees and customers of the produce store. The applicant has not provided any evidence from an appropriately qualified and experienced expert to demonstrate that the existing on-site effluent disposal system is adequate to support the future demands. Whilst it is acknowledged that the additional waste water load to be created by proposed produce store is expected to be minimal, it is recommended that the adequacy of the existing system and any need for repair/augmentation can be addressed by a condition of consent.

iv. Planning agreement that has been entered into under section 93F, or any draft planning agreement that a developer has offered to enter into under section 93F:

There has been no planning agreement or draft planning agreement entered into under Section 93F of the Environmental Planning and Assessment Act, 1979.

v. Matters prescribed by the Regulations:

There are no matters prescribed in the Environmental Planning and Assessment Regulations which would affect the proposal.

b. The likely impacts of that development, including environmental impacts on both the natural and built environments and the social and economic impacts in the locality:

Context & Setting

Surrounding properties are primarily used for rural residential purposes and animal establishments. The site currently has five existing sheds which are used as a poultry farm. It is proposed to use Sheds 1,2 and 3 as a wholesale produce store. The remaining sheds will continue to be used for the poultry farm business. It is proposed to provide car parking for 15 vehicles.

The proposal would result in the introduction of a new activity and an incremental reduction in the scale of the existing poultry farm use. However, the application does not provide adequate detail to determine the likely impacts of the proposal, including the cumulative impact of the produce store being operated in conjunction with the poultry farm. Therefore an assessment as to whether or not the proposal is compatible with adjoining land uses, or whether or not the amenity of surrounding properties will be significantly or unreasonably impacted upon in terms of loss of visual or acoustic privacy; noise, odour, dust generation; increase in traffic, increase in vermin, cannot be reasonably determined.

c. Suitability of the site for the development:

Due to the scale of the development and given that adjoining land is used predominantly for rural residential purposes, the proposed development is potentially unsuitable on the land.

d. Any submissions made in accordance with the Act or the Regulations:

The application was publicly exhibited for the period 21 August 2009 to 9 October 2009. A total of thirteen submissions were received. The matters raised in the submissions are addressed below:

1. Traffic generation; increase in heavy vehicle movements
2. Whitmore Road unsuitable for additional truck movements
3. Traffic safety, including risk to young/school children
4. Damage to roads from trucks

Applicants Response:

A traffic and parking assessment has been undertaken. The conclusion from the report has been included below in response to submissions received.

- *The proposed access arrangements provide for safe and efficiency site access manoeuvres for all vehicles expected to access the subject site;*
- *The existing on-site parking provision is adequate to accommodate the projected peak demand with respect to the existing and projected peak operational capacity of the subject site;*
- *The internal roadways and parking areas provide for efficient and safe internal circulation and manoeuvrability;*
- *The surrounding road network currently operates with a good level of safety and efficiency;*
- *The subject proposal has been estimated to generate an average of 4 additional vehicular movements to and from the site per day; and*
- *The surrounding road network is considered to be capable of accommodating the traffic generated by the subject development in a safe and efficient manner.*

We consider that the Traffic Impact Statement demonstrates that traffic impacts are acceptable and the report satisfactorily addresses the concerns raised by residents.

Comment: The Traffic Impact Statement advises that the proposed produce store will result in a total of six additional vehicle movements per day, including four passenger vehicle movements and two Heavy Rigid Vehicle movements. There will also be a reduction of two semi-trailer vehicle movements per day associated with the poultry farm.

Given the size and capacity of Sheds No. 1, 2 and 3 (total area of 5,392m²) it can be reasonably predicted that the produce store activity would require more than two trucks (four truck movements) per day.

Submissions from the public have indicated that, during 2007 when the produce store operated for many months without approval, truck movements were in excess of those stipulated within this application.

5. Signage

Applicants Response:

"There is currently no proposed signage. However, in rural areas a sign is permitted indicating the purpose for which the land is used. This is required to be 2.5m above ground level, maximum area of 0.75m² and may be double sided where appropriate. Any signage would meet this size requirement."

Comment: Whilst it is agreed that a business identification sign can be considered for the proposed activity, the application does not provide any details in respect to signage. As a result, should the application be approved, conditions of consent need to be included advising that signage is not approved as part of the consent and that separate development consent for signs is to be sought.

6. Loss of amenity, including

- Loss of privacy
- Vermin control
- Dust generation
- Odour
- Hours of operation
- External lighting
- Erection of additional colourbond fencing
- Noise, including trucks, forklifts
- Cumulative impact of proposal with existing poultry use

Applicants Response:

"As addressed previously the Environmental Management Plan includes provision for managing potential impacts such as dust, odour and noise. The proposal utilises the existing sheds and involves decreasing the volume of poultry on the site and it could be argued that it will result in an improved amenity for the neighbouring residents."

"All storage of products is restricted to the existing sheds and there are no proposed works that would impact on the privacy of surrounding residents."

"There are no proposed changes to existing external lighting."

"There is no additional fencing or amendments to fencing proposed".

Comment: The Environmental Management Plan dated 31 May 2007 relates to the operation of the poultry farm. It does not identify any increase in impacts or new impacts resulting from the additional produce store activity, or measures to mitigate these impacts. It is recognised that some of the operational procedures within the Environmental Management Plan could be used in relation to the produce store. However the 2007 Environmental Management Plan does not reflect current poultry farm operation.

The application, including the Environmental Management Plan, does not provide any evidence to demonstrate there would be an improved amenity through a reduction in noise, odour, dust or vermin. For example, the produce store may result in an increase in noise due to increased truck movements, use of forklifts etc; Storage of increased amounts of seeds and hay may result in an increased vermin and/or dust nuisance.

7. Out of character with the locality

Applicants Response:

The applicant did not provide a response.

Comment: Produce stores are permissible with consent within the Rural Living zone. However, whilst a particular land use may generally be considered appropriate within a zone, an assessment of the potential impacts of specific proposals are required to ascertain as to whether or not the activity is appropriate within a particular locality and compatible with adjoining land uses. In this case, as previously discussed, the application does not provide sufficient information to make a determination as to the likely impacts of the proposal and whether the proposal is compatible with the rural residential character of the area.

The application seeks approval for 'proposed wholesale produce store (change of use of three existing poultry sheds)'. The conversion of the shed will change the land use of Sheds 1, 2 and 3 and thus will not permit Sheds 1, 2 and 3 to alternate between use as a poultry farm and use as a produce store. Separate development consent will be required to convert back to the use of poultry farm within these sheds.

The application is contradictory in that it indicates that the operators of the farm wish to use the sheds for either purpose or a combination of the two uses. However, as explained above, the application does not seek approval to do this, and does not provide any details in respect to the likely impacts resulting from the various combinations of poultry farm and produce store uses.

8. Impacts on Longneck Lagoon

Applicants Response:

The applicant did not provide a response.

Comment: The site slopes to the rear and the majority of the runoff is directed towards a dam in the south western corner of the site. The works required as part of the proposed produce store activity is limited to the sealing of the driveway will create some additional impervious area which will also be directed to the dam.

The Long Neck Lagoon is located in excess of 700m north-west of the subject site. Since the subject land slopes to the rear, the proposed works and the use of the land are likely to have no significant adverse impacts on the lagoon.

9. Loss of property value

Applicants Response:

The applicant did not provide a response.

Comment: The proposed land use is permitted within the zone with Council consent and, subject to meeting relevant requirements, could be operated without detriment to the value of neighbouring properties.

10. Inconsistent with Rural Living zone objectives

Applicants Response:

"In our opinion objectives (a), (b), (c), (d), (g) and (i) of the zone objectives are relevant to the proposal and are considered to be satisfactory. Our assessment indicates that the proposal will not have significant adverse environmental effects or conflict with other land uses in the locality."

Comment: As discussed previously, It is considered that the proposed development is not consistent with Objective (c), which seeks "to minimise conflict with rural living land uses", as the proposed produce store operation has the potential to generate impacts that will conflict with the use for properties in the locality used for rural residential purposes.

11. Bio-security

Applicants Response:

"We enclose a copy of the correspondence received from the Department of Primary Industries (dated 30 June 2008) which related to the previous proposal for continuing operation of the poultry farm and use of two sheds as a wholesale produce store, however it contains a preliminary assessment of the bio-security risk for the proposed business.

In further discussions with the Department of Primary Industries we have been advised (by email dated 6th November 2009) that "there is no reason to suspect that the change in use will increase the poultry production biosecurity risk for the farm, with the decrease in sheds and bird numbers it is more likely that there is a decrease in the poultry production biosecurity risk."

The poultry farm presently operates a self administered bio-security system as part of the Environmental Management Plan and we are advised that similar operations will continue."

Comment: The Department of Primary Industries letter of 30 June 2008 provides the following advice:

"There is no technical justification regarding the perception of an increase in bird flu risk at the site as bird flu is not present in Australian poultry flocks and if incursion would occur the farm and the proposed enterprise would be quarantined. Bearing in mind that the site is an approved poultry farm, there is no increased risk of bird flu as a result of the new proposal for a produce store.

Although there is some risk that drift of dust carrying micro-organisms (virus and other contaminants) from the poultry sheds to the proposed development and the level of traffic into the farm may have an impact on the biosecurity aspects of the farm in terms of increasing the risk of disease incursion these risks can be mitigated through:

- *Tunnel ventilated poultry sheds air exits are not directed towards the proposed development.*
- *During depopulation and clean-out of the sheds between the batches dust carrying organisms are limited by the proximity, operational care, structure of the storage sheds, number of windows, doors etc and the ability to close openings when required.*
- *The level of contamination and survival time of contaminants on the fodder stored on the farm is beyond the present scope of the assessment. The presence of micro-organisms may carry some risk (degree remains to be assessed but is not likely to be high) to animals exposed to contaminated hay. However, there are currently no standards in NSW for the levels of bacteria or viruses allowed in hay either by bedding or stockfeed.*
- *Any increased traffic could be mitigated to a degree if the proposed development is appropriately fenced off and proper signage to prevent human traffic reaching the poultry sheds. The location of any parking areas is relevant.*

A review of the above comments from the NSW DPI indicates that there is no technical justification for an "increase in any risk" of generation and transmission of avian diseases as a result of the proposed dual use of the site for poultry farm and produce store and that the new use of the site for a produce store will not increase the risk of bird flu or impact on biosecurity for neighbours.

The advice further states that there is some risk of disease incursion as a result of drift of dust carrying organisms from the poultry shed to sheds used for produce store and also due to increased human traffic into the farm. However, the risk is not necessarily any greater as a result of the produce store. These risks can be mitigated by adopting different operational and management practices.

The application, as discussed, does not adequately detail proposed operational and management practices for the dual operation.

12. Statement of Environmental Effects is not detailed enough. The proposal does not reflect conditions experienced when the activity was operating without approval

Applicants Response:

The applicant did not provide a response.

Comment: It is agreed that inadequate details have been provided with the application to determine the likely impacts of the proposal in respect to noise, odour, dust, vermin and traffic generation.

e. The Public Interest:

In view of the insufficient information in respect to the impacts, both individual and cumulative, of the development, a proper assessment of the suitability of the activity cannot be undertaken. For this reason, it is considered that the impact of the proposal on the public interest cannot be adequately assessed at this time.

Conclusion:

Given the scale of the proposed produce store, the application fails to provide detailed information to enable an assessment of the likely impacts of the activity on the locality. In addition the cumulative impacts of the development being carried out simultaneously with the poultry farm (albeit on a reduced level) have not been demonstrated. It is therefore considered that the proposal has the potential to create land use conflicts with adjoining properties used for rural residential purposes, and therefore appears not to be in the public interest.

Planning Decision

As this matter is covered by the definition of a “planning decision” under Section 375A of the Local Government Act 1993, details of those Councillors supporting or opposing a decision on the matter must be recorded in a register. For this purpose a division must be called when a motion in relation to the matter is put to the meeting. This will enable the names of those Councillors voting for or against the motion to be recorded in the minutes of the meeting and subsequently included in the required register.

RECOMMENDATION:

That development application DA0451/09 at Lot 410 DP 862539, 88 Whitmore Road, Maraylya for Wholesale produce store - conversion of three existing poultry sheds be refused for the following reasons:

1. The development application does not demonstrate that the produce store proposal in conjunction with the existing poultry operations will not unreasonably impact on adjoining properties.
2. The proposed development is likely to have an adverse impact on the amenity of residents in the immediate locality.
3. The development application contains insufficient information to carry out a proper assessment of the likely impacts of the proposed development in terms of Section 79C of the Environmental Planning and Assessment Act, 1979. In particular, there is insufficient information in respect of noise, dust, odour, vermin control, traffic generation and the cumulative impacts of the development operating in conjunction with the poultry farm.

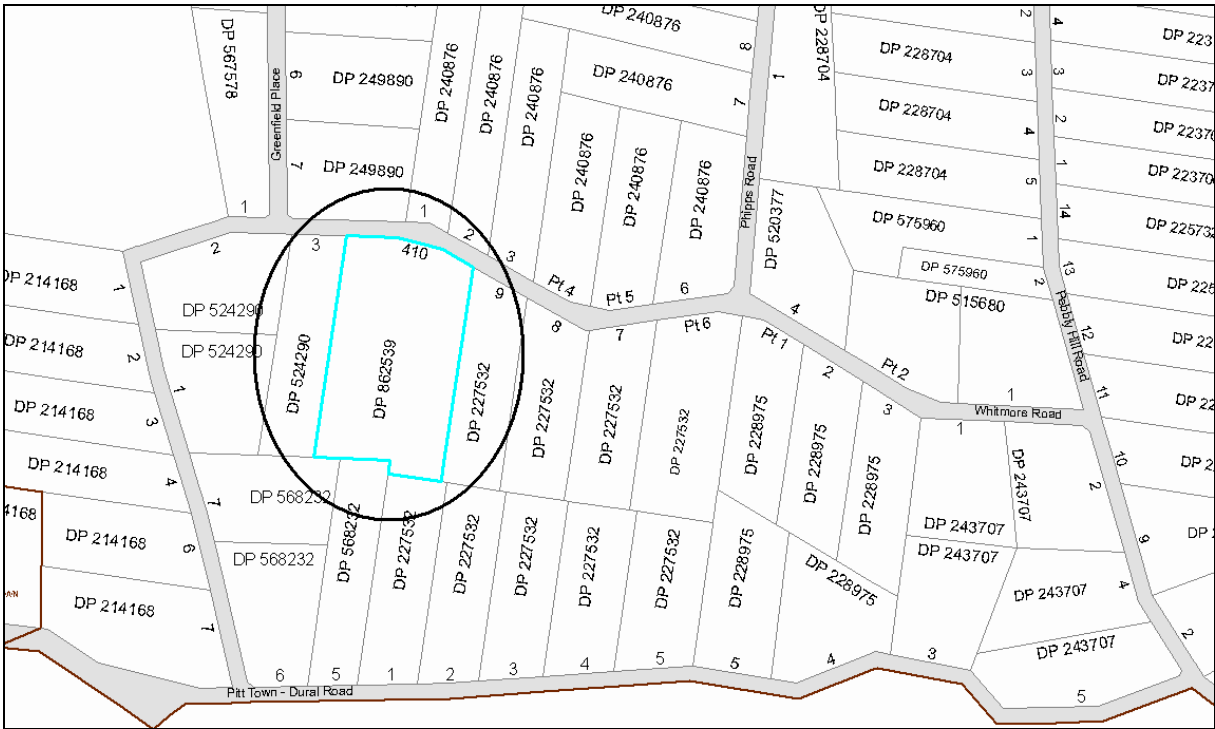
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ATTACHMENTS:

- AT - 1** Locality Plan - Lot 410 DP 862539, No. 88 Whitmore Road, Maraylya
AT - 2 Site Plan

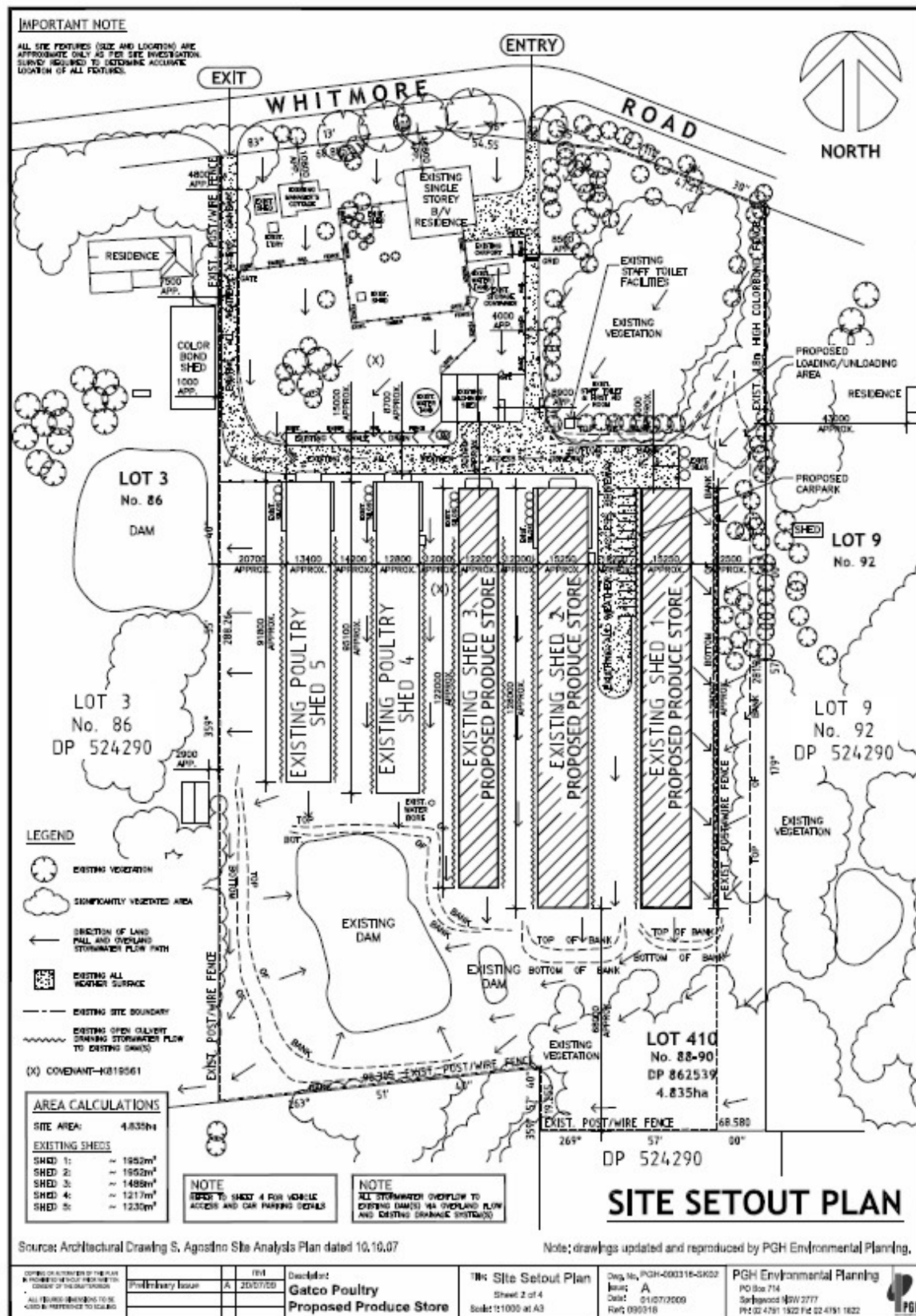
<p align="center">ORDINARY MEETING</p> <p align="center">Reports of Committees</p>

AT - 1 Locality Plan - Lot 410 DP 862539, No. 88 Whitmore Road, Maraylya



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AT - 2 Site Plan



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Item: 27 **CP - Modification to Development Consent - Shed greater than 170m², Lot 1 DP 733243, 457 East Kurrajong Road, East Kurrajong - (MA1305/01B, 17250, 17251, 95498)**

Previous Item: 256, Ordinary (27 November 2007)

Development Information

Applicant: Mr RG Hromek and Ms MM Langham
Owner: Mr RG Hromek and Ms MM Langham
Property: 457 East Kurrajong Road, East Kurrajong NSW 2758, Lot 1 DP 733243
Current Zoning: Rural Living under Hawkesbury Local Environmental Plan 1989
Draft Zoning: RU4: Rural Small Holdings under Hawkesbury Local Environmental Plan 2009
Exhibition: 21/01/2010 – 09/02/2010
Submissions: One

Recommendation: Approval

REPORT:

Executive Summary

Development Consent MA 1305/01 approved the erection of a shed on 457 East Kurrajong Road, East Kurrajong. The shed that has been constructed on the property is not consistent with the Development Consent. S.96 Modification Application (MA 1305/01B) seeks retrospective approval for the unauthorised works which have been carried out.

S.96 Modification Application MA 1305/01A, which previously sought approval for these unauthorised works, was refused by Council at its Meeting of 27 November 2007.

The application is being reported to Council in accordance with Council Policy, which requires that for any applications determined by Council, subsequent applications to amend the development are also to be determined by Council.

The purpose of this report is to detail the proposal, the current statutory situation and provide an assessment of the application in accordance with Section 79C (1) of the Environmental Planning and Assessment Act 1979.

Following assessment of the modified development, including consideration of the matters raised in public submission, it is recommended that the modification application be approved.

Description of Proposal

The application seeks to modify Development Consent MA 1305/01, which gave approval for the construction of a rural shed on the subject land.

The Section 96 modification seeks retrospective approval for works which have already been carried out, that include the following:

1. The enclosure of area indicated as 'open awning area' on the approved plans on the northern side of the shed.
2. Substitution of the external colours of the building as indicated in the table below:-

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APPROVED	SECTION 96
Walls - Rivergum Green	Beige
Doors- Beige	Grey
Roof - Beige	Grey

3. Addition of an awning to the front (eastern elevation) of the shed.
4. Addition of a shower room internally on the western side of the shed.

Background

At Council's General Purpose Committee Meeting held on 22 October 2002, Council considered a development application for a rural shed on the subject land. The proposed shed was to have an enclosed floor area of 216m² (18m by 12m), a 6m wide side awning and a 3m wide awning along the front elevation. Including the awnings, the shed would have a building footprint of 24m by 15m. The proposed shed was to have a maximum height of 5m. The Report to Council recommended that the application be refused, as the proposed shed did not comply with the requirements of Hawkesbury Development Control Plan and would have an adverse impact on neighbouring properties. At this meeting Council resolved as follows:

"that a meeting be arranged between the applicant and staff before the Ordinary meeting (12 November 2002) to discuss a reduction in size and to explore options for location of the shed on the property."

A meeting between the applicant and Council Officers took place on 28 October 2002. Following this discussion, the applicant submitted amended plans which:

- Reduced the size of the proposed shed to 144m² with a side awning 72m² in size. The dimensions of the shed and awning were 12m by 12m and 6m by 12m respectively;
- Relocated the shed to have a setback of 10m from the shared boundary with the adjacent property to the south (No. 453 East Kurrajong Road);
- Reduced the amount of cut to 1.3m, and included 300mm of fill.

The amended plans were approved at Council's Ordinary Meeting of 12 November 2002.

The owners engaged a Private Certifier to issue of a Construction Certificate and compliance certificates. During construction a number of complaints were received by Council about non compliance with conditions of consent and the approved plans. The non compliances included the following:

- Construction works were carried out outside of the approved hours
- Erosion and sedimentation control not in place;
- The cut and fill area larger than approved and the depth of fill approximately 1.3m;
- The northern end of the shed is enclosed (not an awning area as approved);
- The colour of the shed is 'cream', and not the approved 'rivergum' colour
- An additional awning has been constructed on the front (eastern) elevation of the shed.

On 18 September 2006 Council received a S96 Modification application in relation to the shed and unapproved building works. Council considered the application at its Ordinary Meeting held on 27 November 2007 where it resolved as follows:

1. *That the application to amend the development consent for the erection of a shed at Lot 1 DP 733243, 457 East Kurrajong Road, East Kurrajong is refused for the following reasons:*
 - (a) *The proposed modification will have an adverse impact on the neighbouring property in terms of amenity and privacy.*
 - (b) *The proposed modification will have an unacceptable impact on the visual quality on the area.*

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- (c) *The proposed modification is inconsistent with the aims and objectives of the Hawkesbury Development Control Plan.*
 - (d) *The proposed modification does not comply with the requirements of the Hawkesbury Development Control Plan, in particular Part D Chapter 8 - Rural Sheds.*
 - (e) *Approval of the modified development would not be in the public interest.*
2. *That a demolition order be issued on the parts of the existing development that do not comply with the development consent conditions issued for DA1305/01, on 11 December 2002.*
3. *That staff investigate whether there is a need to lodge a formal complaint about the Private Certifier with the Department of Planning.*

In response to Council's resolution a Notice of Intention to Issue an Order was forwarded to the owners of the subject land on 24 January 2008 seeking compliance with Development Consent No. MA 1305/01. The Notice identified the following non-compliances with the approval that were required to be addressed:

- 1. *The use of unapproved fill material to create a raised platform for the shed, altering the height of the shed.*
- 2. *The open awning on the side of the shed has been enclosed with colour bond sheeting and a roller door.*
- 3. *The shed walls have been constructed in a cream colour material, the approved colour is river gum green.*
- 4. *The roof of the shed has been constructed in a reflective zinc alum material.*
- 5. *An awning has been constructed across the front of the shed.*
- 6. *The landscaping for the shed is not in accordance with the approved plans.*

On 14 March 2008 representations were received from Urbanesque planning (a consultant acting for the owners of 457 East Kurrajong Road) in relation to the matters raised in the Notice. Following receipt of the correspondence Council sought legal advice regarding a number of concerns that needed to be clarified and considered prior to proceeding further with this matter.

A report to Council was subsequently prepared in respect to an amendment to Council's resolution made on 27 November 2007. This report was considered at Council's Ordinary Meeting held on 28 July 2009 where it was resolved to

- 1. *Part 2 only of the Council's Resolution of 27 November 2007 (Minute No. 431) regarding the erection of a shed at Lot 1, DP 733243, 457 East Kurrajong Road, East Kurrajong be amended by deleting that part and replacing it with the following:*
 - "2. *An Order under Section 121B of the Environmental Planning and Assessment Act, 1979 be issued requiring the removal of all unauthorised building works, except in relation to the cut and fill, and the carrying out of works in accordance with the stamped approved plans dated 11.12.2002, Sheets 1 to 5 inclusive in accordance with Development Consent MA1305/01.*"
- 2. *All other parts of the Council's Resolution of 27 November 2007 (Minute No. 431) in this regard to remain unchanged.*

Following Council's consideration of the amended resolution a new Notice of Intention to Issue an Order was forwarded to the owners of the subject land on 28 September 2009 requiring compliance with Development Consent No. MA 1305/01. The requirements contained in this order are detailed as follows:

- 1 *Remove the roller door, fixtures for the roller door and colour bond sheeting and restore as an open awning area the northern portion of the shed as shown on sheet 1 of 5 in the approved plans MA1305/01 dated 11 December 2002.*

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- 2 *Paint the shed in accordance with the approved colour scheme noted on sheet 5 of 5 in the approved plans MA1305/01 dated 11 December 2002 as follows:
Walls – rivergum green
Doors – beige
Roof – beige*
- 3 *Paint, treat or replace the existing zinc alum roof such that is of a low reflective quality in compliance with condition 5 in the development consent.
Note – Painting Roof Beige in 2 above may achieve compliance with Condition 5.*
- 4 *Remove the unapproved awning on the front (eastern elevation) of the shed which was not approved in the development consent MA1305/01 dated 11 December 2002.*
- 5 *Complete the landscaping as depicted and specified on sheets 2, 3, 4 and 5 of the approved plans in the development consent MA1305/01 dated 11 December 2002.*

On 13 October 2009 an Order made Under Section 121B of the Environmental Planning and Assessment Act 1979 was issued in relation to the non-compliances with Development Consent No. MA 1305/01.

In response correspondence was received from McKees Lawyers, dated 18 November 2009, detailing that an error had occurred in the lodgement of an Appeal to the Land and Environment Court against the Order issued by Council in that the period in which the right of appeal had lapsed. This letter provided that it is intended to take the following course of action:

1. *"Hromek to lodge a Class 1 Appeal in relation to the Order.*
2. *Hromek lodge a S96 application with the Council seeking retrospective approval for the unauthorised works/structures.*
3. *Council process that application with a view to reporting it to Council in February 2010.*
4. *Council consider reissuing the Order in the event Council refuse the S96 application.
This being one of the recommendations put to the Council for determination at the February meeting.*
5. *Graham McKee would attend the Council meeting to make submission why the Council should and why in our experience the Land and Environment Court will approve the s96 application.*
6. *If approved, legal costs avoided. If refused, the applicant will appeal the refusal of the s96 and the Order to ensure that the Land and Environment Court can determine all matters at an onsite S34 conference."*

Comment: An appeal against the Order was required to be lodged within 28 days of the date of the issue of the Order. The applicant failed to lodge an appeal within the required timeframe, and, as a result, has lodged this s.96 application for consideration. The application seeks approval for the works previously carried out without approval, and previously considered and refused by Council at their Meeting of 27 November 2007.

The purpose of the current s.96 Modification Application (MA 1305/01B) is to provide the applicant, upon determination, the opportunity to either appeal Councils decision, or if an Order is required to be issued, to appeal that order.

ASSESSMENT OF SECTION 96(2)

The application is to be determined under the provisions of s96 (2) - *Other Modifications* - of the EPA & A Act, 1979.

s.96 (2)

A consent authority may, on application being made by the applicant or any other person entitled to act on a consent granted by the consent authority and subject to and in accordance with the regulations, modify the consent if:

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- (a) *it is satisfied that the development to which the consent as modified relates is substantially the same development for which consent was originally granted and before that consent as originally granted was modified (if at all) under this section, and*

Comment: It is considered that the development as modified is substantially the same as the approved development.

- (b) *it has consulted with the relevant Minister, public authority or approval body (within the meaning of Division 5) in respect of a condition imposed as a requirement of a concurrence to the consent or in accordance with the general terms of an approval proposed to be granted by the approval body and that Minister, authority or body has not, within 21 days after being consulted, objected to the modification of that consent, and*

Comment: No approvals are required by a Minister, public authority or approval body.

- (c) *it has notified the application in accordance with:*

- (i) *the regulations, if the regulations so require, or*
- (ii) *a development control plan, if the consent authority is a council that has made a development control plan under section 72 that requires the notification or advertising of applications for modification of a development consent, and*

Comment: The application was notified in accordance with Hawkesbury Development Control Plan.

- (d) *it has considered any submissions made concerning the proposed modification within the period prescribed by the regulations or provided by the development control plan, as the case may be.*

Comment: One submission was received. The matters raised in this submission are addressed further in this Report.

s.96(3)

In determining an application for modification of a consent under this section, the consent authority must take into consideration such of the matters referred to in section 79c(1) as are of relevance to the development the subject of the application

Comment: The relevant matters for consideration under s.79C (1) of the EP&A Act are discussed below.

s.96(4)

Modification of development consent in accordance with this section is not to be construed as the granting of a development consent under this Part but a reference in this or any other Act to a development consent is a reference to the development consent so modified.

Comment: The application is for the modification of development consent MA 1305/01.

s.96(5)

Development consent of the kind referred to in section 79B(3) is not to be modified unless the requirements of section 79B(3)-(7) have been complied with in relation to the proposed modification as if the proposed modification were an application for development consent.

Comment: The proposed modification is not located on land that is, or is a part of, critical habitat, or is likely to significantly affect a threatened species, population, or ecological community, or its habitat. Therefore section 79B (3) - (7) do not apply.

Matters for consideration under Section 79(c) of the Environmental Planning and Assessment Act 1979.

Environmental Planning and Assessment Act 1979 and Regulations 2000

a) the provisions of:

i) any environmental planning instrument (i.e. LEPs, REPs & SEPPs)

The relevant environmental planning instruments are:

NSW Housing Code - Exempt & Complying Development: SEPP (Exempt & Complying Development Codes) 2008

A letter from solicitors acting on behalf of the applicant identifies that "*the new SEPP (Exempt and Complying development) 2008 in Clause 3.11 permits as complying development, an outbuilding of 200m² if for agricultural purposes.*"

In this respect, The SEPP provides the following:

3.11 Maximum floor area for outbuildings

(1) The floor area of an outbuilding on a lot in Zone RU1, RU2, and RU3or RU4 must not be more than:

(a) 200m², if the only purpose of the outbuilding is for agricultural use, or

(b). 60m² in any other case.

(2) The floor area of an outbuilding on a lot in Zone R1, R2, R3, R4, R5 or RU5 must not be more than 40m².

(3) For the purpose of calculating the floor area in sub-clause (1): floor area means the sum of the areas of each storey of the outbuilding, measured at a height of 1.4m above each floor level, where the area of each storey is taken to be the area within the outer face of: enclosed, and

(b) the supporting columns or posts of the outbuilding if it is not enclosed, but excluding any of the following:

(a) any part of an awning, blind or canopy that is outside the outer wall of a building,

(b) an eave,

(c) a stairway.

Comment: This Policy commenced on 27 February 2009. The SEPP only allows a 200m² shed if it is for an agricultural use and meets some other criteria, including setbacks. Also there has not been evidence provided to demonstrate an agricultural use of the shed. It remains that the size of the shed exceeds the maximum size permitted under Hawkesbury Local Environmental Plan 1989.

Hawkesbury Local Environmental Plan 1989 (HLEP 1989)

General Provisions of HLEP 1989

Clause 2 - Aims, objectives etc,

The proposed modified development is considered to be consistent with the general aims and objectives as outlined in Clause 2 of the Hawkesbury LEP 1989.

Clause 5 - Definitions

The proposed modified development is defined as 'rural shed', which means:

"a building or structure used for the storage of the property of the occupiers of the subject land or property associated with an agricultural use or other permissible land use conducted on the same parcel of land, but does not include a building or structure elsewhere specifically defined in this clause or a building or structure used for a purpose elsewhere specifically defined in this clause."

Clause 9 - Carrying out development

The subject land is zoned Rural Living under the provisions of Hawkesbury Local Environmental Plan 1989.

'Rural shed' is permissible within the Rural Living zone.

Clause 9A - Zone objectives

Clause 9A states that consent shall not be granted for a development unless, in the opinion of Council, the carrying out of the development is consistent with the objectives of the zone.

The objectives of the Rural Living zone are:

- (a) *to provide primarily for a rural residential lifestyle,*
- (b) *to enable identified agricultural land uses to continue in operation,*
- (c) *to minimise conflict with rural living land uses,*
- (d) *to ensure that agricultural activity is sustainable,*
- (e) *to provide for rural residential development on former agricultural land if the land has been remediated,*
- (f) *to preserve the rural landscape character of the area by controlling the choice and colour of building materials and the position of buildings, access roads and landscaping,*
- (g) *to allow for agricultural land uses that are ancillary to an approved rural residential land use that will not have significant adverse environmental effects or conflicts with other land uses in the locality,*
- (h) *to ensure that development occurs in a manner:*
 - i. *that does not have a significant adverse effect on water catchments, including surface and groundwater quality and flows, land surface conditions and important ecosystems such as streams and wetlands, and*
 - ii. *that satisfies best practice guidelines and best management practices,*
- (i) *to prevent the establishment of traffic generating development along main and arterial roads,*
- (j) *to ensure that development does not create unreasonable economic demands for the provision or extension of public amenities or services.*

Specific Provisions of HLEP 1989

Clause 18 - Provision of water, sewerage etc. services

Clause 18(1) states that development consent will not be granted unless satisfactory arrangements have been made for the provision of water, sewerage, drainage and electricity to the land.

Comment: Services to the property exist and are considered adequate for the proposal.

Conclusion

The proposed modified development is consistent with Hawkesbury Local Environmental Plan 1989 including the Rural Living zone objectives.

Sydney Regional Environmental Planning Policy 20. (No.2 - 1997) - Hawkesbury - Nepean River (SREP No. 20).

It is considered that the proposed modified development will not significantly impact on the environment of the Hawkesbury-Nepean River, either in a local or regional context and that the development is not inconsistent with the general or specific aims, planning considerations, planning policies, recommended strategies and development controls.

ii) any draft environmental planning instrument that is or has been placed on public exhibition and details of which have been notified to the consent authority

Draft Hawkesbury Local Environmental Plan 2009 applies to the proposal. This draft Plan is being exhibited 5 February 2010 to 12 April 2010. Under this Plan the subject land is proposed to be zoned RU4 Rural Small Holdings. The proposed modified development is ancillary to the residential use of the land and therefore is permissible with development consent under this draft Plan.

The objectives of the RU4 zone are:

1. *To enable sustainable primary industry and other compatible land uses.*
2. *To maintain the rural and scenic character of the land.*
3. *To ensure that development does not unreasonably increase the demand for public services or public facilities.*
4. *To minimise conflict between land uses within the zone and land uses within adjoining zones.*
5. *To enable identified agricultural land uses to continue in operation.*
6. *To ensure that agricultural activity is sustainable.*
7. *To ensure that agricultural activities occur in a manner that do not have a significant adverse effect on water catchments, including surface and groundwater quality and flows; land surface conditions and important ecosystems such as streams and wetlands.*
8. *To prevent the establishment of traffic generating development along classified roads.*
9. *To encourage tourism related development that will not have significant adverse environmental effects or conflict with other land uses in the locality.*

Comment: It is considered that the proposed modified development is not inconsistent with the above objectives.

iii) any development control plan applying to the land

Hawkesbury Development Control Plan.

The Hawkesbury Development Control Plan applies to the proposal. An assessment of the proposal against the relevant provisions of this Plan follows:

General Information Chapter

This Chapter provides an explanation of the development application process and provides the requirements for lodging a development application for different land uses.

It is considered the subject application provides adequate information for the assessment of the proposal and therefore is consistent with this Chapter.

Notification Chapter

The aim of this Chapter is to identify under what circumstances development proposals will need to be advertised and the means by which it will be advertised to provide for public participation.

Comment: The application was notified as per the requirements of this Chapter. As a result, one (1) submission was received. The matters raised in this submission are discussed below.

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Rural Sheds Chapter

The aim of this Chapter is to enable the erection of sheds on rural properties in a manner, which complements the rural character of the landscape and has minimal impact on the scenic qualities of an area and to provide design principles for the construction of these buildings.

The following is an assessment of the proposed modified shed against these design principles:

Design Principles	The Proposal	Compliance
<p>Siting Cut and fill shall be limited to 2m of cut and 900mm of fill</p> <p>Sheds shall be located no closer to the road than the existing dwelling house.</p> <p>Sheds are not to be erected on land which has a slope in excess of 10%</p>	<p>Development Consent MA 1305/01 approved 1.3m cut and 300mm fill as per stamped approved plan sheet 2 of 5.</p> <p>The shed will be located further from the road than the proposed dwelling house</p> <p>The slope of the site is 10.9%</p>	<p>No The shed has been built on a level platform constructed using approximately 1.3m fill.</p> <p>Yes</p> <p>In the assessment of the original application, the variation to the slope requirement was supported for the following reasons:</p> <ul style="list-style-type: none"> • the variation is of a minor nature; • the use of 1.3m of cut and 300mm of fill to create a level building platform is consistent with the requirements of the DCP; • the location of the proposed shed is considered appropriate as: <ul style="list-style-type: none"> – it provides a satisfactory setback from the boundary of 453 East Kurrajong Road to minimise any impacts in terms of privacy, overshadowing and loss of views; – minimal cut and fill and land disturbance is required; – the removal of native vegetation will not be required.
<p>The erection of rural sheds should involve minimal disturbance to native vegetation.</p>	<p>The proposal will not involve disturbance to native vegetation.</p>	<p>Yes</p>

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Design Principles	The Proposal	Compliance
<p>Size</p> <p>The maximum size of sheds in the 1(c) and 1(c1) areas shall not exceed 150m². The cumulative total of all outbuildings shall not exceed 150m² on any one property in these zones.</p> <p>In zones 1(a), 1(b), 7(d), 7(d1), 7(e), the applicant will need to justify the size of any shed exceeding 150m² in terms of the use of the shed and the land, as well as measures taken to minimise the impact on neighbours and the general area.</p>	<p>The proposed modified shed has an enclosed area of approximately 216m².</p> <p>The land is zoned Rural Living.</p>	<p>No</p> <p>At the time of consideration of the development the maximum size for shed in the zoning was 150m². This maximum size has subsequently been increased to 170m².</p> <p>N/A</p>
<p>Height</p> <p>The total height of a rural shed erected in Rural 1(c) and 1(c1) zones shall be no more than 5m or no higher than the height of the ridgeline of the dwelling house on the same property, whichever is less.</p> <p>In other zones the total height of a rural shed exceeding 5m shall be justified in terms of the use of the shed and the visual impact of the development.</p> <p>The total height of 'barn style' sheds may exceed 5m based on individual merit.</p>	<p>The total height of the shed is 5m</p>	<p>Yes</p> <p>N/A</p> <p>N/A</p>
<p>Form</p> <p>Rural sheds with standard roof form will be limited to rectangular shapes.</p> <p>Sheds of other roof forms, for example barn style, will be encouraged.</p>	<p>The shed has dimensions of 12m by 18m.</p>	<p>Yes</p> <p>N/A</p>

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Design Principles	The Proposal	Compliance
<p>Colour</p> <p>The colour of a rural shed will match or blend in with those of existing buildings.</p> <p>On vacant land the colour for rural sheds shall be taken from the natural environment.</p>	<p>Development Consent MA 1305/01 approved:</p> <p>Walls - 'rivergum'</p> <p>Doors - Beige</p> <p>Roof - Beige</p> <p>as per stamped approved plan sheet 3 of 5.</p>	<p>Yes</p> <p>Colour of walls and doors of modified shed considered acceptable, however roof is not pre-painted and is reflective. See comment below.</p>
<p>Type of Building Materials</p> <p>Building materials used in the construction of rural sheds are to be new, pre-painted and non-reflective.</p> <p>The use of corrugated iron will be considered subject to the size, height, design and location of the rural shed.</p> <p>Any part of a building below the 1-in-100 year flood level is to be constructed of flood compatible materials.</p>	<p>The building materials are new and are pre-painted.</p>	<p>No</p> <p>The roof is zincalume which is not pre-painted and is reflective.</p> <p>N/A</p> <p>N/A</p>
<p>Landscaping</p> <p>Plantings are to be a mix of trees, shrubs and ground cover.</p> <p>Trees shall include species that at maturity have a height above the ridgeline of the shed.</p> <p>Shrub mass shall provide adequate screening.</p> <p>Plants endemic to the area are to be chosen.</p>	<p>Landscaping plan approved with issue of the Construction Certificate. Landscaping has not been fully carried out.</p>	<p>No</p>

Size

Enclosing of the 6m by 12m awning area on the northern side of the shed.

Applicants' justification:

- Environmental impact on the rest of the shed. Natural elements like wind, rain and debris can enter the entire shed from these openings. The entire security of the shed is compromised from these openings. The structural stability of the shed is compromised by wind being able to pressurise the structure.*
- There is no impact on any surrounding properties as the changes to be made are on the backside of the structure. It would be visually no different to the neighbours.*

3. *By closing in these walls the shed would comply with the councils DCP in visual aspects. (The current DCP does not allow for sheds that are built like a square. This change would enhance the shed visual appearance from the premises.*
4. *There are several shed structures in close vicinity that are much larger.*
5. *The current DCP allows sheds up to 170 square metres.*
6. *The current shed size is 144 square metres.*
7. *The changes would be more aligned with the current shed DCP in terms of rectangular appearance.*
8. *The shed has been cut into the ground to reduce any potential impact to neighbours.*
9. *Comprehensive landscaping has been approved to address screening of the entire structure.*
10. *The structure itself is set back from the road over 50 metres.*
11. *The original D.A. allowed for the back of the shed to be closed and this was agreed by council before the original approval.*

Comment: The approved shed comprised of a 12m by 12m (144m²) enclosed area with an adjoining 6m wide x 12m (72m²) awning. If constructed to the approved plans, wind, rain and debris could not affect the enclosed area of the shed through this awning. Likewise, it is considered that the awning does not compromise the security of the enclosed shed area. As the approved shed included an awning area, the design should have incorporated measures to ensure structural stability.

The enclosing of the awning area has resulted in a shed 216m² in size, with dimensions of 18m by 12m.

It is considered that the enclosed awning area has no adverse impact on adjoining properties in terms of the existing scenic quality or overshadowing of the building, due to distance from the dwelling house on the property to the west and due to the orientation of the enclosed area in respect to the property to the south.

The proposed modified shed is not inconsistent with the aims and objectives of Clause 8.2.2. Size of the Erection of Rural Sheds Chapter of the Development Control Plan, as the structure is not considered to be visually dominating in the landscape and the size is appropriate in relation to the size of the property.

Additional 3m awning along front (eastern) elevation

Applicants' Justification:

1. *In its original state the shed did not allow for any protection to the contents inside the shed while the roller doors are raised.*
2. *The 3 metre awning gives the contents of the shed protection from the elements.*
3. *There is no impact on any surrounding properties as the changes to be made are screened by native vegetation, heavily landscaped raised mound and a colour bond fence.*
4. *The addition does not compromise any visual aspect for the neighbours.*
5. *The change would make the shed structure more visually appealing from the front view and would add substantial character to the building.*
6. *The contents would be protected from the environmental elements.*

7. *The current DCP allows for awnings to be build under the conforming development scheme of up to 40 squares the awning proposed is 54 square metres.*

Comment: It is considered that the proposed awning along the eastern elevation of the shed has no adverse visual impact on the locality.

Additional Non Compliances

In respect to the construction of the existing shed, it is noted that:

- The shed has been built on a level platform constructed using approximately 1.3m fill.
- The colour of the shed is 'Beige', and the roof is 'zincume'.
- The landscaping has not been fully carried out.

The major concern with the initial application was the location of the shed adjacent to the rear boundary of an adjoining property and the resulting loss of visual and acoustic privacy, and loss of scenic amenity. However, alterations to the cut and fill component of the development would require the removal of the shed in order to carry out works and this is not practicable. The shed has been located in accordance with the directive of Condition 6, thereby resulting in some uncertainty as to the approved finished floor level and the extent of the cut and fill permitted.

It remains that the amount of fill used (approximately 1.3m) is inconsistent with the requirements of Hawkesbury Development Control Plan, which only permits a maximum of 900mm fill. However, the imposition of Condition 6 effectively deemed the cut and fill to be a variation of the Development Control Plan.

The 'cream' colour of the shed is considered satisfactory, however, the roof is zincalume and therefore reflective. It is considered reasonable to require the roof to be painted to match the existing shed and reduce its reflectivity.

It is considered that the completion of the landscaping would assist in reducing the existing visual impacts of the shed in respect of privacy and visual amenity. Once the landscaping is completed and established there will be no visual link between the adjoining house and the shed.

The relevant matters for consideration under Section 79C of the EP & A Act follow:

b) the likely impacts the development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality.

The development will not impact upon critical habitats and threatened species, populations, ecological communities and habitats.

CONTEXT AND SETTING

Surrounding development consists predominantly of rural residential uses.

The scale and design of the proposed amended building is typical of rural sheds in the locality. Surrounding properties will not be further impacted upon in terms of sunlight access, overshadowing, loss of visual and acoustic privacy, loss of views and vistas as the result of the modification. The impacts of the existing shed on the adjoining property to the south, in terms of loss of privacy and views, could be mitigated, with the completion of the landscaping.

c) the suitability of the site for the development

There are no constraints from surrounding land uses that would make this development prohibitive. It is therefore concluded that the site is suitable for the proposed development as modified.

d) any submissions made in accordance with the EPA Act or Regulations (Include public submissions and other government authority submissions.)

Following notification of the s.96 application, one submission was received. The matters raised in this submission are addressed as follows:

The Council has no Power to Consent

"It is our client's first submission that the council does not have the power to determine the current modification application other than by refusal. The council has already considered the application, and has exercised its power under s96 of the EP&A Act in respect of it. Further, the only way in which the current modification application could be approved the council would be required to rescind the resolution passed at the meeting on 27 November 2007, as amended at the meeting on 28 July 2009." The modification is not of minimal environmental impact: shed size and position of awning; colour, use of the shed and landscaping issues.

Comment: The modified development application was filed under s96 (2) and can be assessed under s.96 (2) of the Environmental Planning and Assessment Act 1979, the application was notified between 25 January to 9 February 2010. The application is considered to be substantially the same development. Whilst the modified shed will not comply with the requirements of the Shed Chapter of Hawkesbury Development Control Plan in respect of size, the variation is considered to be consistent with the aims and objectives of this Chapter as previously discussed and therefore can be supported.

The applicant has provided justification for the modification, and the variations from the Development Control Plan are supported as discussed above.

Contrary to the Public Interest

"The Council has previously resolved that all unauthorised building works within No. 457, comprising the parts of the shed that were not covered by the development consent, should be removed and that an order to this effect should be issued by the Council".

Comment: Council has previously issued an order to rectify unauthorised works. If this modification of consent is not granted then Council would proceed to enforce the Order. However, should the modification be supported the current Order would then be redundant. Regardless, Council would be acting in the public interest by enforcing the Act and Regulations ie either to enforce the order or to approve the modification.

e) the public interest

The proposal is not prohibited development and it is considered that the modified shed will have no increased impacts on surrounding properties or the locality in general, subject to the completion of landscaping and the painting of the shed roof.

For the above reasons it considered that the proposal is not contrary to public interest.

Conclusion:

The proposed modification is consistent with the provisions of Hawkesbury Local Environmental Plan 1989, Draft Hawkesbury Local Environmental Plan 2009 and the aims and objectives of the Rural Sheds Chapter of Hawkesbury Development Control Plan.

It is considered that the modified shed is satisfactory subject to the completion of the landscaping, and the painting of the roof of the shed to reduce the existing visual impacts of the shed to an acceptable level.

The modifications to the shed have been previously refused by Council, and currently there is an Order in place requiring works to be carried out to render the shed compliant with the Development Consent.

Planning Decision

As this matter is covered by the definition of a “planning decision” under Section 375A of the Local Government Act 1993, details of those Councillors supporting or opposing a decision on the matter must be recorded in a register. For this purpose a division must be called when a motion in relation to the matter is put to the meeting. This will enable the names of those Councillors voting for or against the motion to be recorded in the minutes of the meeting and subsequently included in the required register.

RECOMMENDATION:

That Development Consent DA 1305/01 be amended in the following manner:

Condition 1 be amended to read:

1. To confirm and clarify the terms of this approval, the development shall take place in accordance with the plans and documentations submitted with s.96 Modification Application MA 1305/01B excepting as modified by these further conditions.

Insert new condition:

- 18a. The approved landscaping shall be completed within two months of the approval date of the s.96 modification application.

Insert new condition:

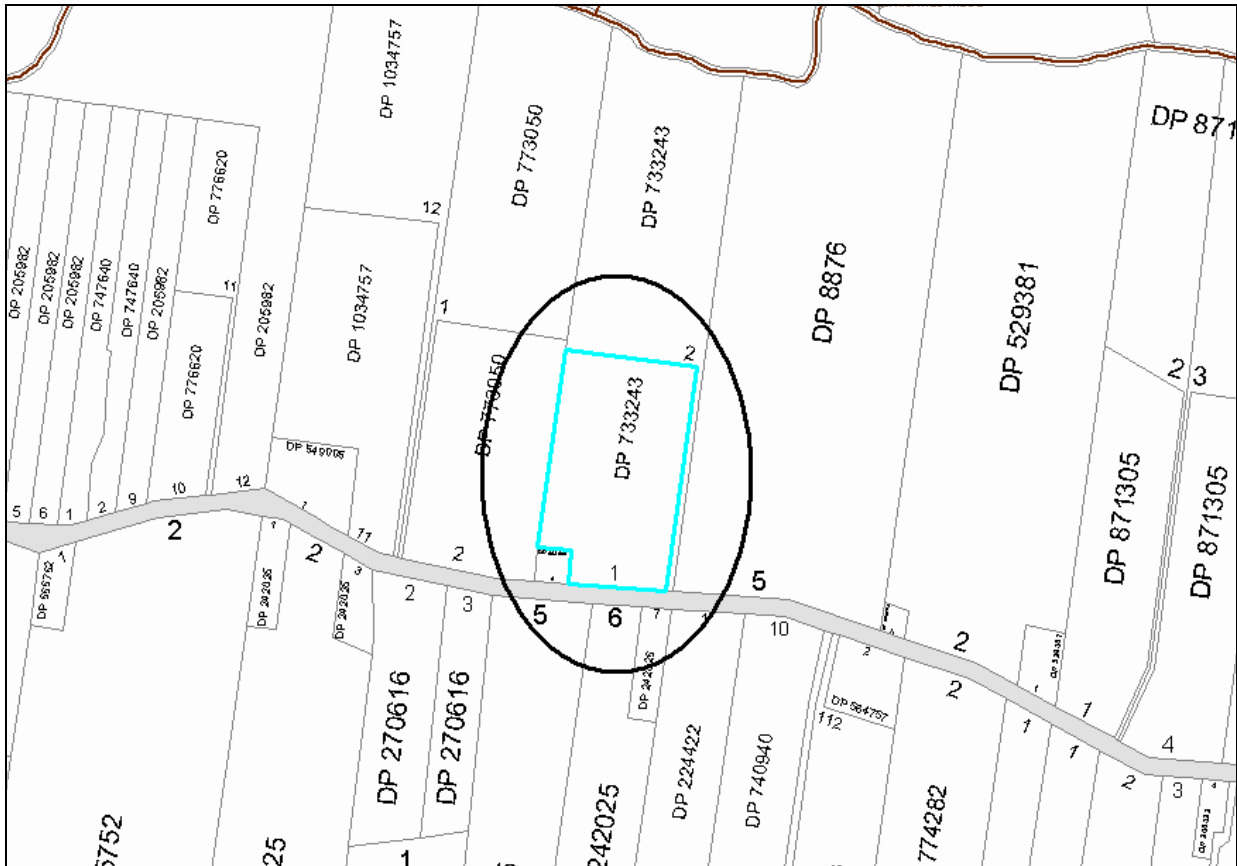
- 18b. The external roof of the shed shall be painted to match the existing colour of the shed walls within two months of the approval date of this s.96 modification application.

ATTACHMENTS:

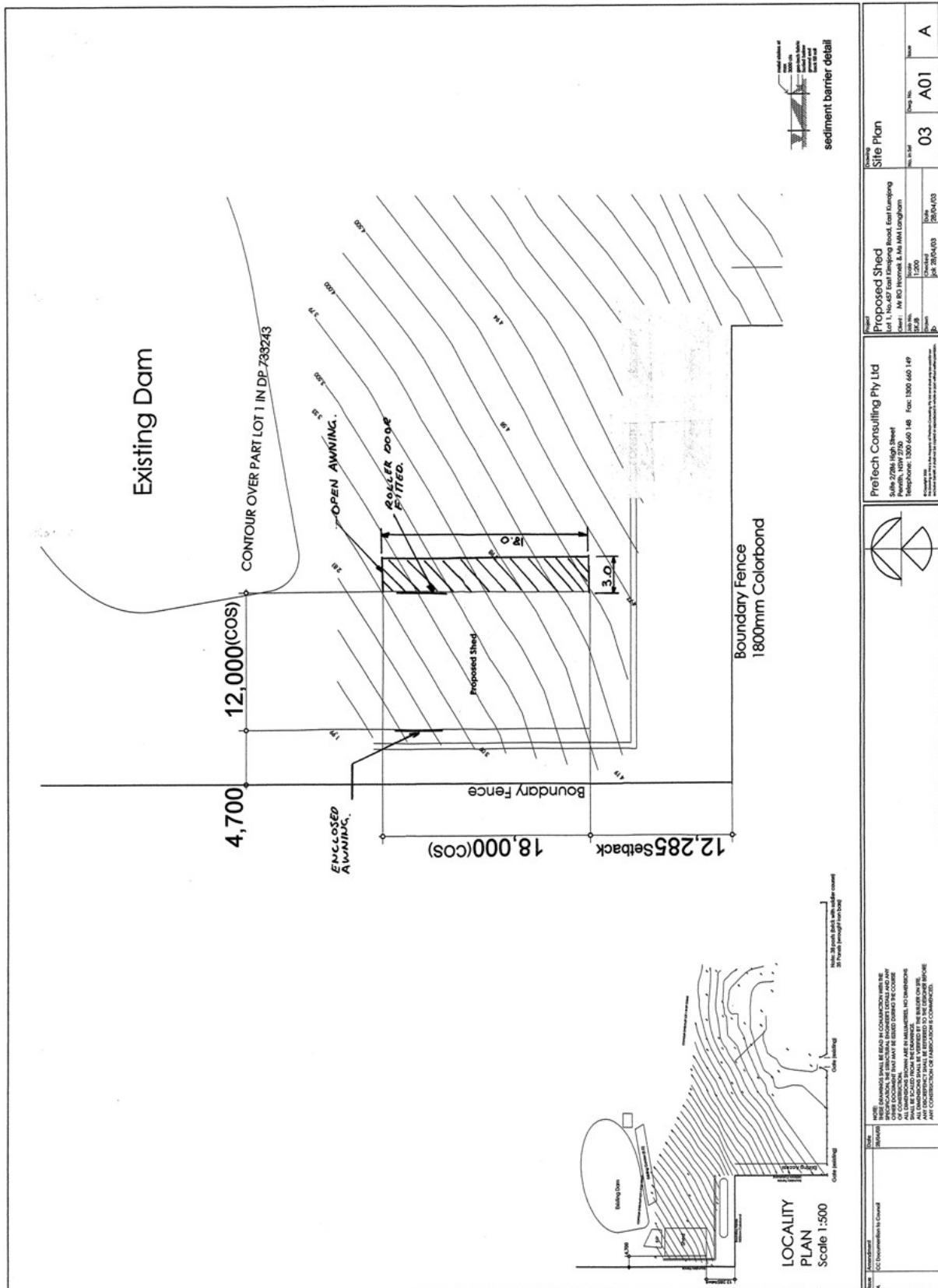
- AT - 1** Locality Plan
- AT - 2** Site Plan
- AT - 3** Elevation Plan

<p style="text-align: center;">ORDINARY MEETING</p> <p style="text-align: center;">Reports of Committees</p>

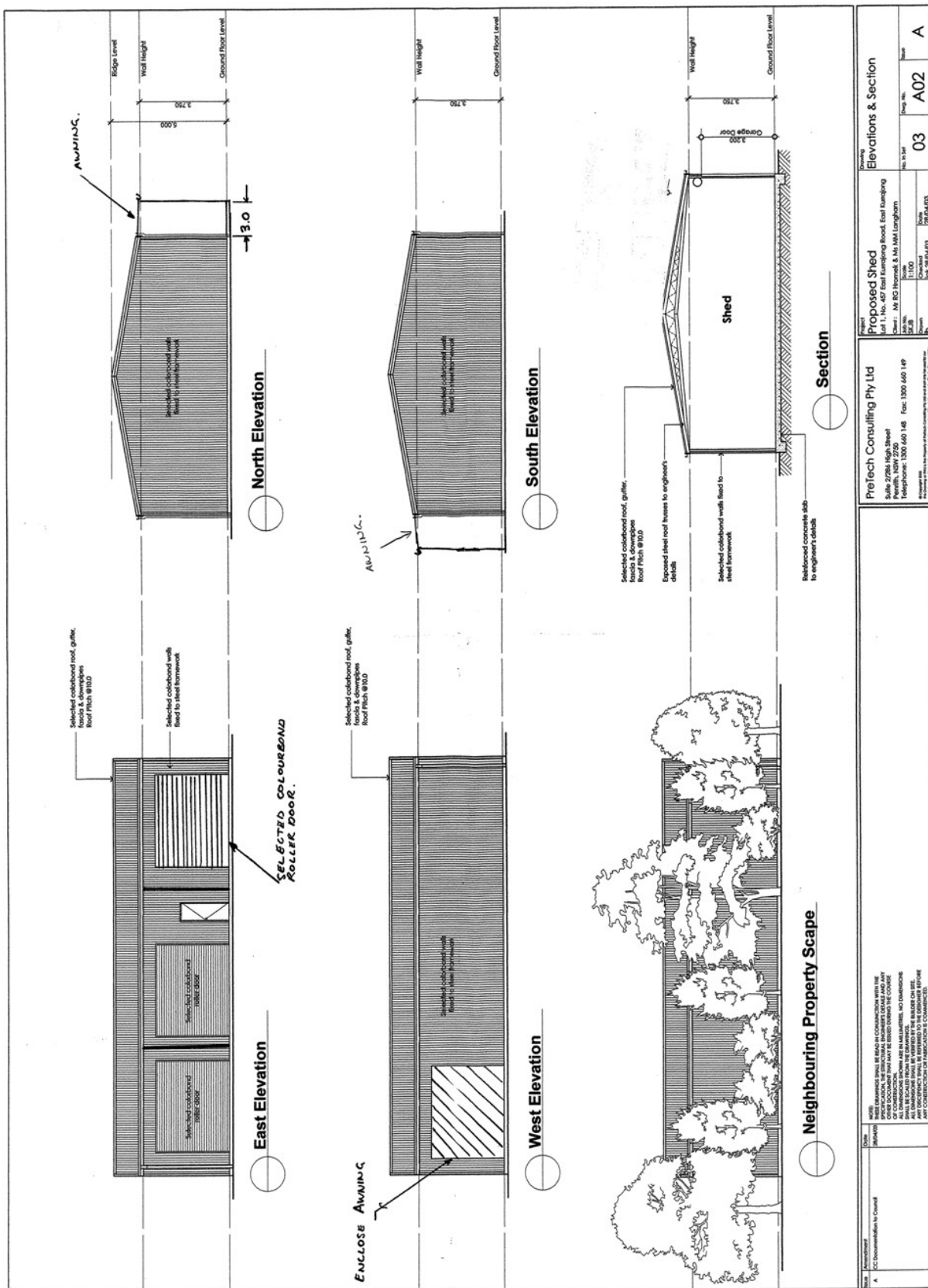
AT - 1 Locality Plan



AT - 2 Site Plan



AT - 3 Elevation Plan



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ORDINARY MEETING
Reports of Committees



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