

# MINUTES

## WARRINGAH COUNCIL MEETING

held at the Civic Centre, Dee Why on

**TUESDAY 24 APRIL 2012**

(2012/04)

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Warringah Council

**Minutes of an Ordinary Meeting of Council****held on Tuesday 24 April 2012****at the Civic Centre, Dee Why****Commencing at 6.00pm****ATTENDANCE:****Members**

Councillor M Regan (Mayor), Councillor J Sutton (Deputy Mayor) and Councillors V De Luca OAM, J Falinski, R Giltinan, Dr C Harris, Dr C Kirsch, V Laugesen, M Ray and Dr H Wilkins

**Officers**

Rik Hart	General Manager
John Warburton	Deputy General Manager Community
Malcolm Ryan	Deputy General Manager Environment
Vivienne Ingram	Corporate Lawyer
Eskill Julliard	Legal Officer
Melissa Lee	Governance Manager
Anna Moore	Coordinator Governance
Fiona Stuart	Administration Officer Governance
Ximena Von Oven	Administration Officer Governance
David Walsh	Chief Financial Officer
Adam Vine	Group Manager Business & Risk
Peter Robinson	Group Manager Development Assessment & Compliance
Melodie Whiting	Group Manager Human Resources
Graham Middleton	Group Manager Marketing & Communications
Paul Trigg	Group Manager Procurement, Fleet & Plant
Kathryn Fadeev	A/Group Manager Strategic Planning
Craig Sawyer	Warringah Projects Manager
Colin Windleborn	Manager Property
Belinda Noble	Manager Media & Content
David Walsh	Chief Financial Officer

**NOTES**

The meeting commenced at 6:01pm, adjourned at 8:17pm, resumed at 8:24pm, moved into closed session at 8:32pm, resumed in open session at 9:53pm and concluded at 9:53pm.

## 1.0 APOLOGIES

Nil

## 2.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

### 2.1 MINUTES OF ORDINARY COUNCIL MEETING HELD 27 MARCH 2012

103/12 **RESOLVED**

***Cr Regan / Cr Sutton***

That the Minutes of the Ordinary Meeting of Council of 27 March 2012, copies of which were previously circulated to all Councillors, are hereby confirmed as a true and correct record of the proceedings of that meeting.

#### **VOTING**

**For the resolution:** Crs De Luca, Kirsch, Falinski, Giltinan, Wilkins, Harris, Ray, Laugesen, Sutton and Regan

**Against the resolution:** Nil

***CARRIED***

## 3.0 DECLARATION OF PECUNIARY AND CONFLICTS OF INTEREST

Councillor Giltinan declared a pecuniary interest in relation to Item 14.6, as he is the current manager of the District Park Tennis Club.

Councillor Wilkins declared a less than significant, non pecuniary interest in relation to Item 14.6, as she is a colleague of Councillor Giltinan. She stated that she did not believe that this affected her judgement to be objective in this case.

Councillor Harris declared a less than significant, non pecuniary interest in relation to Item 9.7, as she knows the people in the Two Hands and Take 3 projects quite well and is engaged in a waste avoidance campaign with them.

Councillor Ray declared a significant, non pecuniary conflict of interest in relation to Item 14.6, because the current lessee is a fellow councillor and colleague, Councillor Giltinan. She stated that she believed her impartiality was compromised in voting on this matter.

Councillor Laugesen declared a less than significant, non pecuniary interest in relation to Item 14.6, as she is a colleague of Councillor Giltinan.

Councillor Regan declared a less than significant, non pecuniary interest in relation to Item 14.3, as he is a casual employee of Manly Council.

Councillor De Luca declared a less than significant, non pecuniary conflict of interest in relation to Item 14.6, as he is a current elected representative with Councillor Giltinan. He stated that no further action was required as he doesn't associate with Councillor Giltinan outside of the Council Chambers and he hasn't received any hospitality from him nor provided any hospitality and therefore is not in any way conflicted.

Councillor Kirsch declared a less than significant, non pecuniary interest in relation to Item 14.6, as she is a colleague of Councillor Giltinan. She stated that this was not going to impact in any way on her judgement.

Councillor Kirsch declared a less than significant, non pecuniary interest in relation to Item 9.7, as she is involved in the same project as Councillor Harris.

Councillor Falinski declared a less than significant, non pecuniary interest in relation to Item 14.6, as he is an elected representative with Councillor Giltinan whom he sits next to in the Council Chambers.

Councillor Harris declared a less than significant, non pecuniary interest in relation to Item 14.6, as she is a colleague of Councillor Giltinan.

## **4.0 PUBLIC FORUM**

The Mayor requested each speaker to acknowledge they had been informed that the meeting was to be webcast live and that Council accepts no responsibility for any defamatory comments made.

### **4.1 Jack Tilburn asked the following question regarding Carbon Tax for Warringah LGA**

- a) Will the Council explain in detail to ratepayers and citizens how the carbon tax is to cost some \$650,000 to \$750,000 in the new financial year 2012-13?
- b) How can the Council go about reducing its carbon footprint to reduce its carbon tax?
- c) Is it necessary to involve its citizens in reducing its carbon footprint and what would be its methods?
- d) Will the Council's 3.6 per cent rate increase for the 2012-13 financial year be enough to cover the carbon tax and, if not, then why not?

#### **Answer:**

Deputy General Manager Environment, Malcolm Ryan provided the following responses:

- a) The report to the Council meeting on March 27, 2012 (agenda item 8.5) gives a breakdown of expected cost increases from the commencement of a carbon price on July 1 2012. These increases will mainly come from increased energy and landfill charges and general increases to the CPI (expected to be around 0.7%).
- b) Council has been reducing its carbon footprint for some years through a combination of energy efficiency measures, fuel switching to low carbon sources and the purchase of GreenPower. Council is now consuming the same amount of energy as it was in 2005/06 despite servicing an increased population.
- c) Reductions in carbon emissions at the community level require effective partnerships between Council, the Warringah residential and business communities and other level of governments. Council supports a number of environmental education programs to work with the local community to better understand ways to reduce carbon emissions.
- d) IPART's determination of the 2012/13 rate peg includes a carbon price advance of 0.4%. Our analysis of the IPART determination suggests that the 0.4% advance will not adequately compensate councils for expected cost increases from the carbon price.

**4.2 Ray Cox made a statement regarding deferring the decision on dogs on beaches**

*Councillor Julie Sutton left the meeting at 6:13pm*

*Councillor Julie Sutton returned to the meeting at 6:17pm*

**PROCEDURAL MOTION - PERMISSION TO ADDRESS COUNCIL**

104/12 **RESOLVED**

***Cr Dr Harris / Cr Giltinan***

That Ms Armstrong be granted permission to address Council.

**VOTING**

**For the resolution:** Crs Kirsch, Giltinan, Wilkins, Harris, Ray, Laugesen and Regan

**Against the resolution:** Crs De Luca, Falinski and Sutton

**CARRIED**

**4.3 Mary Armstrong representing Belrose Rural Community Association addressed Item 9.5, Mountain Biking in Warringah: Research and Directions Final Draft April 2012.****PROCEDURAL MOTION - EXTENSION OF TIME**

105/12 **RESOLVED**

***Cr Dr Kirsch / Cr Dr Harris***

That Ms Armstrong be granted an extension of 3 minutes to address Council.

**VOTING**

**For the resolution:** Crs Kirsch, Giltinan, Wilkins, Harris, Ray and Laugesen

**Against the resolution:** Crs De Luca, Falinski, Sutton and Regan

**CARRIED**

**PROCEDURAL MOTION - CHANGE TO ORDER OF BUSINESS**

106/12 **RESOLVED**

***Cr Falinski / Cr Giltinan***

That the Order of Business be changed so Items 6.1, 6.2 and 6.3 be moved and dealt with as the first Items under Item 11.0 – Notices of Motion.

**VOTING**

**For the resolution:** Crs Kirsch, Falinski, Giltinan, Wilkins, Sutton and Regan

**Against the resolution:** Crs De Luca, Harris, Ray and Laugesen

**CARRIED**

**PROCEDURAL MOTION - ITEMS MOVED BY EXCEPTION**

107/12 **RESOLVED**

**Cr Regan / Cr Dr Wilkins**

That the Order of Business be changed so Items 7.1, 8.2, 9.2, 9.3, 9.4, 9.6, 9.8, 9.11, 14.4 and 14.5 are dealt with by exception with the recommendations of the General Manager / Deputy General Managers being adopted.

**VOTING**

**For the resolution:** Crs De Luca, Kirsch, Falinski, Giltinan, Wilkins, Harris, Ray, Laugesen, Sutton and Regan

**Against the resolution:** Nil

**CARRIED**

**ITEMS RESOLVED BY EXCEPTION:****7.1 MONTHLY FUNDS MANAGEMENT REPORT MARCH 2012**

108/12 **RESOLVED**

**Cr Regan / Cr Dr Wilkins**

A. That the report indicating Council's Funds Management position be received and noted.

B. That the Certificate of the Responsible Accounting Officer be noted and the report adopted.

**RESOLVED BY EXCEPTION**

**8.2 WARRINGAH AQUATIC CENTRE - ADDITIONAL ROOF REMEDIAL WORKS**

109/12 **RESOLVED**

**Cr Regan / Cr Dr Wilkins**

That Council approves an additional contingency expenditure of up to \$50,000 (ex GST) for the additional roof repair works identified at Warringah Aquatic Centre, under RFT2011/122.

**RESOLVED BY EXCEPTION**

**9.2 APPROVAL OF THE WARRINGAH DEVELOPMENT CONTROL PLAN 2000 (NOTIFICATION)****110/12 RESOLVED*****Cr Regan / Cr Dr Wilkins***

- A. That Council approve the Warringah Development Control Plan 2000 (Notification) in accordance with the requirements of section 21 of the *Environmental Planning and Assessment Regulation 2000*.
- B. That Council give public notice of its decision in a local newspaper within 28 days after the decision is made.

**RESOLVED BY EXCEPTION****9.3 A COUNCIL SUBMISSION ON THE PROPOSED CHANGES TO THE WAY LOCAL ENVIRONMENTAL PLANS ARE MADE****111/12 RESOLVED*****Cr Regan / Cr Dr Wilkins***

- A. That Council send the draft submission, as attached to this report, to the Department of Planning and Infrastructure in support of the proposed changes with exception of the (pre-gateway) review timeframe which may prevent community consultation in the plan making process.

**RESOLVED BY EXCEPTION****9.4 REVIEW OF THE WARRINGAH SECTION 94A DEVELOPMENT CONTRIBUTIONS PLAN 2011****112/12 RESOLVED*****Cr Regan / Cr Dr Wilkins***

That Council resolves to commence a review of the works program under the Warringah Section 94A Development Contributions Plan 2011.

**RESOLVED BY EXCEPTION****9.6 POLICY - SOLAR DESIGN - COUNCIL ASSETS****113/12 RESOLVED*****Cr Regan / Cr Dr Wilkins***

That CS OMS 030 - Environmentally Sustainable Design and Management of Council's Built Assets is updated to reflect the latest energy and water rating tools.

**RESOLVED BY EXCEPTION**

**9.8 CHANGES TO POLITICAL DONATION LAWS****114/12 RESOLVED*****Cr Regan / Cr Dr Wilkins***

That the report be noted.

***RESOLVED BY EXCEPTION*****9.11 ALCOHOL FREE ZONES AND ALCOHOL PROHIBITED AREAS****115/12 RESOLVED*****Cr Regan / Cr Dr Wilkins***

That Council approve the public exhibition of the proposed Alcohol Free Zones and Alcohol Prohibited Areas for a period of 30 days.

***RESOLVED BY EXCEPTION*****14.4 ALTERNATIVE PROCUREMENT FOR DELIVERY OF ONGOING HIGH PERFORMANCE LEADERSHIP COACH PROGRAM****116/12 RESOLVED*****Cr Regan / Cr Dr Wilkins***

- A. That pursuant to Section 55 (3) (i) of the Local Government Act, Council resolves that a satisfactory result would not be achieved by inviting tenders for the provision of the High Performance Leadership Coach Program because of the following extenuating circumstances:
- i) Griffith Consulting Group has already successfully delivered the program to the Leadership Group and a number of Managers and it is highly desirable that all relevant staff receive consistent training and ongoing coaching to ensure the best return for Council.
- B. That Council delegate authority to the General Manager to negotiate a contract for an amount up to \$283,500 with Griffith Consulting Group for the provision of the High Performance Leadership Coach Program for the FYs 2013 to 2017.

***RESOLVED BY EXCEPTION*****14.5 RFT 2012/018 SUPPLY AND IMPLEMENTATION OF ON-LINE STAFF DEVELOPMENT SOFTWARE (INCLUDING MAINTENANCE)****117/12 RESOLVED*****Cr Regan / Cr Dr Wilkins***

- A. That Council decline to accept any of the tenders received.
- B. That Council decline to invite fresh tenders or applications as referred to in subclauses 178(3)(b)-(d) of the Local Government (General) Regulation 2005 as it is considered that a better outcome would not be achieved and would not result in an improved financial result for



Council.

- C. In accordance with clause 178 (3)(e) of the Local Government (General) Regulation 2005, that Council enter into negotiations with Cognology with a view to entering into a contract with Cognology in relation to the supply and implementation of On-line Staff Development Software because the tender submitted by Cognology achieved the highest score for compliance with Council's requirements and with further examination may satisfactorily meet Council's specific requirements.
- D. In the event that negotiations with Cognology as described in paragraph [C] fail to meet Council's requirements, that in accordance with clause 178 (3)(e) of the Local Government (General) Regulation 2005, Council enter into negotiations with other suitably qualified companies in the market place with a view to entering into a contract in relation to the supply and implementation of On-line Staff Development Software because this would allow Council to determine whether a solution suitable to council can be provided and, if so, procure such a solution.
- E. That Council delegate authority to the General Manager to enter into negotiations with Cognology and other suitably qualified companies in accordance with paragraphs C and D.
- F. That Council delegate authority to the General Manager to execute a negotiated contract on behalf of Council with Cognology or a suitably qualified company in relation to the identified services.

**RESOLVED BY EXCEPTION**

## **8.0 COMMUNITY DIVISION REPORTS**

### **8.1 TENDER FOR THE RETAIL CHARGING OF ELECTRICITY (CONTESTABLE SITES AND STREET LIGHTING)**

NOTE: The Deputy General Manager Community advised that an updated report and recommendation including the tender information was circulated to Councillors at the meeting. The updated report is attached to the Minutes.

118/12 **RESOLVED**

***Cr Regan / Cr Falinski***

That Council accepts the tender from AGL for both contestable sites and street lighting for a period of two years commencing on the 1st January 2013 and concluding on the 31<sup>st</sup> December 2014 in accordance of **subclauses** 178 (1)(a) of the *Local Government (General) Regulation 2005*.

#### **VOTING**

**For the resolution:** Crs De Luca, Kirsch, Falinski, Giltinan, Wilkins, Harris, Ray, Laugesen, Sutton and Regan

**Against the resolution:** Nil

**CARRIED**

**PROCEDURAL MOTION - MATTER OF URGENCY*****Cr Dr Harris / Cr Sutton***

That as a matter of urgency, Council considers the following motion:

That Council urges the State Government and the National Parks and Wildlife Service to take all necessary steps to facilitate that land at Utyana Place, Lot 8,9,10 and Bantry Bay Rd, Lot 11, Frenchs Forest, will be added to Garigal National Park.

**VOTING**

**For the resolution:** Crs De Luca, Kirsch, Falinski, Giltinan, Wilkins, Harris, Ray, Laugesen, Sutton and Regan

**Against the resolution:** Nil

**CARRIED**

The Chair subsequently ruled that the matter was one of urgency and that this item would be dealt with as the last item on the agenda.

**9.0 ENVIRONMENT DIVISION REPORTS****9.1 PROGRESSION OF HOUSING STRATEGY****119/12 RESOLVED*****Cr Falinski / Cr Dr Wilkins***

That Council:

- A. Agrees that the Deputy General Manager Environment continues discussions with the Minister for Planning and Infrastructure and the Department of Planning and Infrastructure in relation to dwelling capacities and infrastructure in Warringah and dwelling targets.
- B. Defers further consideration of the Housing Strategy pending the outcomes of the discussions identified in recommendation A.
- C. Responds to the Minister's correspondence of 14 February 2012 in terms of the above recommendations.

**VOTING**

**For the resolution:** Crs Kirsch, Falinski, Giltinan, Wilkins, Harris, Sutton and Regan

**Against the resolution:** Crs De Luca, Ray and Laugesen

**CARRIED**

*Councillor Jason Falinski left the meeting at 6:46pm*

**9.5 MOUNTAIN BIKING IN WARRINGAH: RESEARCH AND DIRECTIONS FINAL DRAFT  
APRIL 2012****120/12 RESOLVED*****Cr Dr Harris / Cr Dr Kirsch***

That Council:

- A. Note the summary of submissions received and associated Council responses.
- B. Adopt the *Mountain Biking in Warringah Research and Directions* paper.
- C. Actively and continuously lobby the State Government for the development of a mountain bike facility at the soon to be closed Belrose Waste Management landfill site.

*Councillor Jason Falinski returned to the meeting at 6.52pm***VOTING****For the resolution:** Crs Kirsch, Falinski, Harris, Ray, Laugesen and Regan**Against the resolution:** Crs De Luca, Giltinan, Wilkins and Sutton**CARRIED****9.7 BEACH CLEANING CAMPAIGN****121/12 RESOLVED*****Cr Dr Kirsch / Cr Regan***

That Item 9.7, Beach Cleaning Campaign be deferred to a Councillor Briefing.

**VOTING****For the resolution:** Crs De Luca, Kirsch, Falinski, Giltinan, Wilkins, Harris, Ray, Laugesen, Sutton and Regan**Against the resolution:** Nil**CARRIED****9.9 WASTE AVOIDANCE AND RESOURCE RECOVERY CONFERENCE 2012****122/12 RESOLVED*****Cr Dr Kirsch / Cr Dr Harris***

That Council nominate Councillor Harris to attend the Waste Avoidance and Resource Recovery Conference 2012 being held in Coffs Harbour from Tuesday 1 May to Thursday 3 May 2012 inclusive.

**VOTING**

**For the resolution:** Crs Kirsch, Falinski, Giltinan, Wilkins, Harris, Ray, Laugesen and Regan

**Against the resolution:** Crs De Luca and Sutton

**CARRIED**

**9.10 CHARITY CLOTHING BIN POLICY**

123/12 **RESOLVED**

**Cr Falinski / Cr Dr Wilkins**

That Council resolve to adopt the Draft Charity Clothing Bin Policy as amended.

**VOTING**

**For the resolution:** Crs De Luca, Kirsch, Falinski, Giltinan, Wilkins, Harris, Ray, Laugesen, Sutton and Regan

**Against the resolution:** Nil

**CARRIED**

**11.0 NOTICES OF MOTION**

**6.1 NOTICE OF MOTION NO 6/2012  
POLICY REVISION OF ANONYMOUS CODE OF CONDUCT COMPLAINT  
MANAGEMENT**

**Cr Laugesen / Cr Ray**

That Council:

- A. Notes that more than \$106,000 in reviewers' fees, plus additional in-house administration costs has been spent since September 2008 on councillor conduct investigations, including an unknown amount on anonymous complaints, where correspondents were unable to be contacted for interview or to be advised of investigation outcomes and
- B. in line with the Division of Local Government's complaint investigation and management procedures as per its Practice Note 'Complaints Assessment Policy and Guidelines', specifically on matters of 'credible evidence' and 'anonymity', dated 30 June 2010, inserts to the Warringah Council Code of Conduct, effective immediately, a clause at Section 12.9 as follows:
  - 'e) for anonymous complaints, the general manager is to decline to investigate or pursue the complaint without any preliminary enquiries being made.'**

**VOTING**

**For the motion:** Crs De Luca, Kirsch, Harris, Ray and Laugesen

**Against the motion:** Crs Falinski, Giltinan, Wilkins, Sutton and Regan

***There being an equal number of votes, the Mayor used his casting vote against the motion, which was declared LOST.***

**6.2 NOTICE OF MOTION NO 7/2012  
WARRINGAH COUNCIL CONSULTATION MATRIX: POSSIBLE ADJUSTMENTS TO  
REMEDY RESIDENT DISSATISFACTION**

***Cr Laugesen / Cr De Luca***

That Council:

- A. Notes the consultation concerns of Belrose North and Terrey Hills residents during 2011 and the resulting intervention by the NSW Minister for Planning & Infrastructure, largely about the absence of mailed letters to affected landowners during the E3 rezoning proposal, which resulted in formation of the Warringah Urban Fringe Association Incorporated; and the repeat of the same concerns in March 2012 by the same residents during the consultation and exhibition period on the Draft Biodiversity Report's exhibition; and
- B. Requests a brief report on ways council management might incorporate additional responsiveness in administering its Consultation Matrix to address occasions such as when the risk of negative perceptions about Warringah Council might be outweighed by taking preventative action based on prior experience and where a additional low-cost measures, such as mailing letters to potentially affected ratepayers, might benefit community relations, ie. when:
- a new community action group has formed against Council, in direct response to a perceived lack of consultation;
  - a new community action group or its members make repeated representations offering a solution to the consultation shortcomings of Warringah Council's consultation matrix;
  - a new community action group or its members alert council specifically that the local newspaper is not delivered door-to-door in their area, despite that advertising in that publication fulfils Council's 'consultation matrix' accountability requirements;
  - a new community group or its members specifically requests that potentially affected landholders are mailed personal notices of local consultation opportunities, where the cost for such actions as production of letters and local postage.
- C. If applicable, allows any such additional consultation measures that might prevent community dissent or reputation damage to Warringah Council be administered under delegation by the General Manager, such as in authorising funding for postage of direct letters to minority resident groups, as applicable, where such delegation proactively addresses any risk of undue delay to the elected body's decision-making and/or unnecessarily negative community sentiment;
- D. Receives the brief report for consideration at the May 2012 Council Meeting or sooner.

**VOTING**

**For the motion:** Crs De Luca, Giltinan, Ray and Laugesen

**Against the motion:** Crs Kirsch, Falinski, Wilkins, Harris, Sutton and Regan

**LOST**

**6.3 NOTICE OF MOTION NO 8/2012  
REDUCE SINGLE - USE PLASTIC BAG USE IN WARRINGAH LOCAL GOVERNMENT  
AREA**

124/12 **RESOLVED**

**Cr Dr Harris / Cr Dr Kirsch**

That Warringah Council:

1. Acknowledge the efforts taken by some local businesses, residents and environmental groups to reduce the number of single-use lightweight plastic shopping bags used throughout the municipality.
2. Acknowledge that single-use plastic bags in the waste stream cause pollution, lasting many hundreds of years as they photo degrade rather than biodegrade into ever smaller pieces and that they are a major litter problem in our parks, bush land and waterways and can result in the injury and death of many animal species such as turtles, Cetaceans, birds etc.
3. Write to the State and Federal Government ministers, urging them to introduce legislation that would ban or impose a levy on single-use lightweight plastic shopping bags, as a timely measure that:
  - a. shows solidarity with the stated position of the LGSA in supporting extended producer responsibility and waste reduction at the source;
  - b. notes that successful models exists and are showcased by national retailers, Target, Aldi, Bunnings, Officeworks, Thomas Dux and others;
  - c. notes that legislation to ban single use lightweight plastic bags was passed in the states of South Australia, Northern Territory and ACT and in towns such as Coles Bay (Tasmania) and Mogo (southern NSW) in 2003, and is planned by the council for the City of Fremantle this year.
4. Contact major local retailers to encourage them to collaborate with Council voluntarily in a staged approach to reduce and ultimately eliminate single use plastic shopping bags from the Warringah Council Local Government Area.
5. Engage with the Warringah community in a manner that is consistent with Council's approach to developing the Alternate Waste Facility at Kimbriki, in order to:
  - a. create awareness and education with regard to the degradation caused by plastic pollution;
  - b. encourage behaviour away from our throwaway, disposable, single use attitude;
  - c. create awareness of the mostly unnecessary and excessive plastic packaging of many products

*Councillor Helen Wilkins left the meeting at 7:32pm*

*Councillor Helen Wilkins returned to the meeting at 7:34pm*

#### **VOTING**

**For the resolution:** Crs Kirsch, Giltinan, Wilkins, Harris, Ray, Laugesen, Sutton and Regan

**Against the resolution:** Crs De Luca and Falinski

#### **CARRIED**

#### **11.1 NOTICE OF MOTION NO 9/2012 WARRINGAH COUNCIL RANGER CAPACITY FOR COMPLIANCE ENFORCEMENT OF DOGS ON CURL CURL BEACH AS ADDENDUM SUMMARY TO 'DOGS ON BEACHES' FINAL REPORT**

The mover advised that the motion had been WITHDRAWN

*Councillor Jason Falinski left the meeting at 7:42pm*

#### **11.2 NOTICE OF MOTION NO 10/2012 FENCING HINKLER RESERVE LEASH-FREE DOG PARK**

The mover advised that the motion had been WITHDRAWN

#### **11.3 NOTICE OF MOTION NO 11/2012 BUILDING ASSETS AUDIT UPDATE**

The mover advised that the motion had been WITHDRAWN

*Councillor Jason Falinski returned to the meeting at 7:45pm*

#### **11.4 NOTICE OF MOTION NO 12/2012 IMPACT OF E-WASTE INSPECTIONS ON WARRINGAH COUNCIL RANGERS' TRADITIONAL DUTIES**

#### ***Cr Laugesen / Cr Ray***

That Council, following up on the banning of e-waste from Warringah Council's council clean-up collections and in the absence of dedicated kerbside e-waste collections.

1. Receives a short report on the impact on rangers' workloads and availability to respond to traditional duties, such as dog control, property compliance and illegal parking, with the report including either estimates, averages or detail (if available) of:
  - i) the number of rangers, on average, reporting for duty during a shift;

- ii) what portion of compliance officers' time is spent inspecting dumped e-waste;
  - iii) the rate of successful e-waste infringement;
  - iv) the opportunity costs, if any, of e-waste compliance duties for rangers;
  - v) proposed remedy of Council's role with the coming National Television and Computer Recycling Scheme; and
  - vi) other brief information relevant to the impact on rangers' duties from the ban on e-waste collection, including any available information on environmental impacts
2. Notes that management advice received prior to submission of this motion confirmed that no funding source is required for a 'short report'.

*Councillor Jason Falinski left the meeting at 8:05pm*

*Councillor Jason Falinski returned to the meeting at 8:06pm*

## **AMENDMENT**

***Cr Dr Harris / Cr Dr Wilkins***

That Item 11.4, Notice of Motion No 12/2012 - Impact Of E-Waste Inspections On Warringah Council Ranger's Traditional Duties, be deferred to a Councillor Briefing Session.

## **VOTING**

**For the amendment:** Crs Kirsch, Falinski, Harris and Regan

**Against the amendment:** Crs De Luca, Giltinan, Wilkins, Ray, Laugesen and Sutton

***LOST***

## **SUBSTANTIVE MOTION**

***Cr Laugesen / Cr Ray***

That Council, following up on the banning of e-waste from Warringah Council's council clean-up collections and in the absence of dedicated kerbside e-waste collections.

1. Receives a short report on the impact on rangers' workloads and availability to respond to traditional duties, such as dog control, property compliance and illegal parking, with the report including either estimates, averages or detail (if available) of:
  - i) the number of rangers, on average, reporting for duty during a shift;
  - ii) what portion of compliance officers' time is spent inspecting dumped e-waste;
  - iii) the rate of successful e-waste infringement;
  - iv) the opportunity costs, if any, of e-waste compliance duties for rangers;
  - v) proposed remedy of Council's role with the coming National Television and Computer Recycling Scheme; and
  - vi) other brief information relevant to the impact on rangers' duties from the ban on e-waste collection, including any available information on environmental impacts
2. Notes that management advice received prior to submission of this motion confirmed that no



funding source is required for a 'short report'.

**VOTING**

**For the motion:** Crs De Luca, Wilkins, Ray and Laugesen

**Against the motion:** Crs Kirsch, Falinski, Giltinan, Harris, Sutton and Regan

**LOST**

*adjourned at 8:17pm. The meeting resumed at 8:24pm with the same Councillors present.*

**11.5 NOTICE OF MOTION NO 13/2012  
PRELIMINARY INVESTIGATION - COUNCIL MANAGEMENT OF CROWN LAND  
ADJACENT TO MANLY DAM**

125/12 **RESOLVED**

**Cr Dr Harris / Cr Dr Wilkins**

That Council staff undertake a preliminary investigation (short report) into the options for Council assuming the management of Crown land adjacent to Manly Dam for which Council does not have current management responsibility including two parcels of Crown Land being Lot 7370 DP 1165551 and Lot 7369 DP 1165551 and provide a report back to Council.

**VOTING**

**For the resolution:** Crs De Luca, Kirsch, Giltinan, Wilkins, Harris, Ray, Laugesen and Regan

**Against the resolution:** Crs Falinski and Sutton

**CARRIED**

**14.0 CONFIDENTIAL MATTERS – CLOSED SESSION**

126/12 **RESOLVED**

**Cr Falinski / Cr Dr Harris**

A. That, on the grounds and for the reasons stated below, the Council resolve into Closed Session to receive and consider the items identified as Confidential and listed on this Agenda as:

- |           |   |
|-----------|---|
| Item 14.1 | Response to Question On Notice No 8/2012<br>Reasons for Deputy Ombudsman's, Richard Bowron's Resignation                                  |
| Item 14.2 | Response to Question On Notice No 10/2012<br>Determining Benchmarks for Success on Warringah Council's Twitter and Facebook Participation |
| Item 14.3 | Kimbriki Resource Recovery Project  |
| Item 14.6 | EOI Options for the Future Use of District Park Tennis Courts   |

- Item 14.7 Question on Notice No 13/2012  
Council's Corporate Lawyer - Ms Vivienne Ingram

**Matters to be Discussed During Closed Session - Section 10D**

- Item 14.1 Response to Question On Notice No 8/2012  
Reasons for Deputy Ombudsman's, Richard Bowron's Resignation
- Item 14.2 Response to Question On Notice No 10/2012  
Determining Benchmarks for Success on Warringah Council's Twitter and Facebook Participation
- Item 14.3 Kimbriki Resource Recovery Project
- Item 14.6 EOI Options for the Future Use of District Park Tennis Courts
- Item 14.7 Question on Notice No 13/2012  
Council's Corporate Lawyer - Ms Vivienne Ingram

**Grounds on which Matter Should be Considered in Closed Session – Section 10A(2)**

- Item 14.1 10A(2)(a) personnel matters concerning particular individuals
- Item 14.2 10A(2)(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business
- Item 14.3 10A(2)(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business
- 10A(2)(d(i)) commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it
- 10A(2)(d(ii)) commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor of the council
- 10A(2)(d(iii)) commercial information of a confidential nature that would, if disclosed, reveal a trade secret
- 10A(2)(g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege
- Item 14.6 10A(2)(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business
- 10A(2)(d(i)) commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it
- 10A(2)(d(ii)) commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor of the council
- 10A(2)(d(iii)) commercial information of a confidential nature that would, if disclosed, reveal a trade secret
- Item 14.7 10A(2)(a) personnel matters concerning particular individuals

**Reason Why Matters are being considered in Closed Session – Section 10B**

To preserve the relevant confidentiality, privilege or security of such information.

- B. That pursuant to Section 10A Subsections 2 & 3 and 10B of the Local Government Act 1993 (as amended), the press and public be excluded from the proceedings of the Council in Closed Session on the basis that the items to be considered are of a confidential nature.

- C. That the closure of that part of the meeting for the receipt or discussion of the nominated item or information relating thereto is necessary to preserve the relevant confidentiality, privilege or security of such information.
- D. That the Minutes and Business Papers including any reports, correspondence, documentation or information relating to such matter be treated as Confidential and be withheld from access by the press and public, until such time as the reason for confidentiality has passed or become irrelevant because these documents relate to a matter specified in section 10A(2).
- E. That the resolutions made by the Council in Closed Session be made public after the conclusion of the Closed Session and such resolutions be recorded in the Minutes of the Council Meeting.

**VOTING**

**For the resolution:** Crs Kirsch, Falinski, Giltinan, Wilkins, Harris, Ray, Sutton and Regan

**Against the resolution:** Crs De Luca and Laugesen

**CARRIED**

*The meeting moved into closed session at 8:32pm*

*The meeting resumed in open session at 9:53pm*

**15.0 REPORT OF RESOLUTIONS PASSED IN CLOSED SESSION****14.3 KIMBRIKI RESOURCE RECOVERY PROJECT****127/12 RESOLVED – PROCEDURAL MOTION - PERMISSION TO ADDRESS COUNCIL**

**Cr Regan / Cr Dr Kirsch**

That Mr Aaron Hudson, Chief Executive Officer of Kimbriki Environmental Enterprises Pty Ltd be granted permission to address Council in order to answer questions in relation to this Item.

**VOTING**

**For the resolution:** Crs De Luca, Kirsch, Falinski, Giltinan, Wilkins, Harris, Ray, Laugesen, Sutton and Regan

**Against the resolution:** Nil

**CARRIED**

**128/12 RESOLVED**

**Cr Falinski / Cr Dr Kirsch**

- A. That Council endorses the Kimbriki Resource Recovery Project (Project), including the establishment of a resource recovery facility (RRF), materials recovery facility (MRF) and ancillary infrastructure (including roads and amenities).
- B. That, subject to compliance with the requirements of the *Local Government Act 1993* in

relation to public-private partnerships, Council resolves to:

- a) enter into the public-private partnership for the Project, and carry out the Project, with Kimbriki Environmental Enterprises Pty Ltd (KEE) and the selected Project Contractor/s; and
- b) without limiting a):
  - i) undertake the actions required to enter into the public-private partnership and carry out the Project, including:
    - the submission of information to the Division of Local Government (DLG) and/or the Project Review Committee (PRC) in accordance with the DLG's *Guidelines on the Procedures and Processes to be followed by Local Government in Public-Private Partnerships*;
    - the negotiation, finalisation and execution of all relevant documents including contracts;
    - to the extent necessary to implement the Project, the making of an application to the Minister for Local Government for consent under section 358(1)(a) of the *Local Government Act 1993*;
    - the disclosure of information to advise the community about the progress of the Project;
    - the creation of a Public Positive Covenant pursuant to section 88E of the *Conveyancing Act 1919* in respect of land at Kimbriki to ensure the long term conservation of biodiversity; and
    - by way of consent of Council as a shareholder in KEE, the approval of the agreements to be entered into by the KEE in connection with the Project as a significant investment for the purposes of clause 7.4(d) of the Shareholder Agreement; and
  - ii) to the extent necessary, authorise:
    - the carrying out of a tender process by KEE to select the Project Contractor/s; and
    - the selection of the Project Contractor/s by KEE following the tender process.

C. That pursuant to section 377(1) of the *Local Government Act 1993*, Council delegates to the General Manager the authority:

- a) to exercise all powers of the Council to give effect to A and B above; and
- b) to execute any documents to give effect to A and B above,

including, without limiting a) and b), the authority to:

- submit all requisite documents to the DLG and/or PRC;
- make any necessary applications on behalf of Council which are contemplated at B, including to the Minister for Local Government and the DLG;
- negotiate, finalise and execute all relevant documents including contracts and the Public Positive Covenant;

- disclose information to advise the community about the progress of the Project; and
- exercise all powers of the Council as a registered holder of shares and as a party to the Shareholder Agreement.

**VOTING**

**For the resolution:** Crs Kirsch, Falinski, Giltinan, Wilkins, Harris, Sutton and Regan

**Against the resolution:** Crs De Luca, Ray and Laugesen

**CARRIED**

Councillor Ray left the meeting due to a declared significant, non pecuniary interest.

**14.6 EOI OPTIONS FOR THE FUTURE USE OF DISTRICT PARK TENNIS COURTS****129/12 RESOLVED*****Cr Dr Harris / Cr Dr Wilkins***

- A. That Council not accept any of the EOI submissions therefore terminating the procurement process.
- B. That Council, under s178 3(f) of the Local Government Act, '...elect to carry out the requirements of the contract itself', as detailed in Option B in this report and engage an independent consultant to prepare a business case for Council consideration to confirm the viability of this option.
- C. If the business case does not support this option as viable, that Council implement Option A and call for a selective tender based on the original EOI as per Option A in this report.

**VOTING**

**For the resolution:** Crs Kirsch, Falinski, Wilkins, Harris, Sutton and Regan

**Against the resolution:** Crs De Luca and Laugesen

**CARRIED**

NOTE: Councillors Giltinan and Ray were not present for consideration of and voting on this item.

**MOTION OF URGENCY – LAND ADDED TO GARIGAL NATIONAL PARK****131/12 RESOLVED*****Cr Dr Harris / Cr Sutton***

That Council urges the State Government and the National Parks and Wildlife Service to take all necessary steps to facilitate that land at Utyana Place, Lot 8,9,10 and Bantry Bay Rd, Lot 11, Frenchs Forest, will be added to Garigal National Park.

**VOTING**

**For the resolution:** Crs De Luca, Kirsch, Falinski, Giltinan, Wilkins, Harris, Ray, Laugesen, Sutton and Regan

**Against the resolution:** Nil

**CARRIED**

*The meeting concluded at 9.58pm*

This is the final page of the Minutes comprising 22 pages numbered 1 to 22 of meeting 2012/04 of Warringah Council held on 24 April 2012 and confirmed on 22 May 2012.

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**Mayor**

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**General Manager**

**ATTACHMENT TO MINUTES:****ITEM 8.1 - TENDER FOR THE RETAIL CHARGING OF ELECTRICITY (CONTESTABLE SITES  
AND STREET LIGHTING) - REVISED VERSION**

The updated report and recommendation was circulated to Councillors at the meeting.

<b>ITEM 8.1</b>	<b>TENDER FOR THE RETAIL CHARGING OF ELECTRICITY (CONTESTABLE SITES AND STREET LIGHTING) - REVISED VERSION</b>
<b>REPORTING MANAGER</b>	<b>GROUP MANAGER PROCUREMENT, FLEET &amp; PLANT</b>
<b>TRIM FILE REF</b>	<b>2012/105280</b>
<b>ATTACHMENTS</b>	<b>NIL</b>

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### EXECUTIVE SUMMARY

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#### PURPOSE

To seek Council approval to accept the lowest priced complying tender for the Retail Charging of Electricity (Contestable Sites and Street Lighting).

#### SUMMARY

Warringah Councils' current contract for the retail charging of electricity expires on 31st December 2012.

The nature of the electricity market is such that there are a couple of times during the year where the best prices can be obtained; April is one such time.

Essential Utilities Corporation (EUC), on behalf of Warringah Council, issued a tender on 13th April 2012 for the Retail Charging of Electricity (Contestable Sites and Street Lighting). EUC are a company specialising in the negotiation of electricity, gas and telecommunications contracts.

Contestable sites are large sites with energy consumption exceeding 160,000 kWh per annum. Warringah has eight contestable sites - these are listed in the body of the report.

The tender was for the billing function only; there are no changes to infrastructure or the source of the electricity. The infrastructure and power generation remains with Ausgrid (Energy Australia).

The tender was advertised in The Sydney Morning Herald (10th April) and the Manly Daily (7th April) as required under the Local Government Act. Tenders will close on Friday 20th April.

Given the constant fluctuations in price, once closed the outcome of the tender must be accepted within 5-7 days, for this reason this report is submitted with general background information only. The report will be re-issued and provided to Council on Monday 23rd April – at this time it will have the recommendation including rates.

EUC recommend that we only accept the outcome of the tender if the rates are less than those under the current contract (excluding the impact of the carbon tax).

#### FINANCIAL IMPACT

A key point to note when considering the financial impact of the tender outcome is that the rates that are the subject of this tender are energy consumption charges only and exclude all regulatory charges.

In 2010/11 Warringah Council's energy expenditure was approximately \$270,000/year on Contestable Sites and \$250,000 on Street Lighting (**energy component only**).

The rates submitted by AGL for both contestable sites and street lighting based on a two (2) year contract as a result of this tender process will provide Council estimated savings (on the energy component) including the new carbon tax) of:



- \$ 124,351 over 2 years on Contestable Energy – or 16.7% reduction
- \$ 223,562 over 2 years on Street Lighting. – or 29% reduction
- This equates to a \$347,914. saving over the 24 month contract term, from January 1<sup>st</sup> 2013 to 31<sup>st</sup> December 2014. It is expected there will be a 10% increase in regulatory costs, eg Street lighting would equate to \$150,000 increase.

The energy component of the total electricity charges for the Contestable Sites and the Street Lighting is approximately 30% of the total value of the bill. The remainder of the bill is made up with regulatory costs – an additional eight line items on each bill – including network usage charges.

Also, with the Street Lighting there is an additional bill for infrastructure charges which in 2011 totalled a further \$1.5M.

These network usage charges and infrastructure charges are non-negotiable as they are charges from the distributors and a combination of federal and state government charges.

The carbon tax was projected to increase Council's electrical energy charges by 2.3c per KWh to all consumption from 1 July 2012. This was projected to increase Council's energy charges by approximately \$240,000 per annum.

This tender if approved would reduce our current energy costs including the new carbon tax by \$173,500 pa or \$347,000 over the full two year term of the contract.

#### Summary of the Tender Outcome

Below is a summary of the outcome, detailed analysis is provided in the confidential Evaluation Report attached.

Contestable Electricity: (the eight large sites)

#### Tru Energy Current Rate: Estimated cost over 24 Months - including Carbon Tax

	Estimated Total Usage KWh over 24 months	Current rate (c/KWh)	Estimated Carbon Tax (c/KWh)	Total rate (cKWh)	Estimated Cost (\$)	Estimated Carbon Tax (\$)	Estimated Cost + Carbon Tax (\$)
Off Peak consumption KWh	3,839,636.00	3.327	2.3	5.627	127,744.69	88,311.63	216,056.32
Shoulder Consumption KWh	3,584,878.92	7.977	2.3	10.277	285,965.79	82,452.22	368,418.01
Peak Consumption KWh	1,568,674.56	7.977	2.3	10.277	125,133.17	36,079.51	161,212.68
<b>TOTAL</b>	<b>8,993,189.48</b>				<b>538,843.65</b>	<b>206,843.36</b>	<b>745,687.01</b>

**AGL Tendered Rate: Estimated cost over 24 Months – including Carbon Tax**

	Estimated Total Usage KWh over 24 months	Tendered rate (c/KWh)	Tendered Carbon Tax (c/KWh)	Total rate (c/KWh)	Estimated Cost (\$)	Estimated Carbon Tax (\$)	Estimated Cost + Carbon Tax (\$)
Off Peak consumption KWh	3,839,636.00	3.1646	2.0946	5.2592	121,509.12	80,425.02	201,934.14
Shoulder Consumption KWh	3,584,878.92	6.0488	2.0946	8.1434	216,842.16	75,088.87	291,931.03
Peak Consumption KWh	1,568,674.56	6.0314	2.0946	8.126	94,613.04	32,857.46	127,470.49
<b>TOTAL</b>	<b>8,993,189.48</b>				<b>432,964.31</b>	<b>188,371.35</b>	<b>621,335.66</b>

**Estimated Cost Reduction over 24 months \$ 124,351**
**Street Lighting:**
**AGL Current Rate: Estimated cost over 24 Months - including Carbon Tax**

	Pittwater Road Estimated Total Usage over 24 months (KWh)	Monavale Road Estimated Total Usage over 24 months (KWh)	Current rate (c/KWh)	Estimated Carbon Tax (c/KWh)	Total Rate (c/KWh)	Estimated Cost (\$)	Estimated Carbon Tax (\$)	Estimated Cost + Carbon Tax (\$)
Off Peak consumption KWh	8,886,632	97,150	4.3	2.3	6.6	386,302.63	206,626.99	592,929.61
Shoulder Consumption KWh	1,104,124	30,374	4.3	2.3	6.6	48,783.41	26,093.45	74,876.87
Peak Consumption KWh	1,430,712	124,086	4.3	2.3	6.6	66,856.31	35,760.35	102,616.67
<b>TOTAL</b>	<b>11,421,468</b>	<b>251,610</b>				<b>501,942.35</b>	<b>268,480.79</b>	<b>770,423.15</b>

**AGL Tendered Rates: Estimated cost over 24 Months - including Carbon Tax**

	Pittwater Road Estimated Total Usage over 24 months (KWh)	Monavale Road Estimated Total Usage over 24 months (KWh)	Current rate (c/KWh)	Estimated Carbon Tax (c/KWh)	Total Rate (c/KWh)	Estimated Cost (\$)	Estimated Carbon Tax (\$)	Estimated Cost + Carbon Tax (\$)
Off Peak consumption KWh	8,886,632	97,150	2.5902	2.0946	4.6848	232,697.92	188,174.30	420,872.22
Shoulder Consumption KWh	1,104,124	30,374	2.5902	2.0946	4.6848	29,385.77	23,763.20	53,148.96
Peak Consumption KWh	1,430,712	124,086	2.5902	2.0946	4.6848	40,272.38	32,566.80	72,839.18
<b>TOTAL</b>	<b>11,421,468</b>	<b>251,610</b>				<b>302,356.07</b>	<b>244,504.29</b>	<b>546,860.36</b>

**Estimated Cost Reduction over 24 months \$ 223,562**

**Total Estimated Cost Reduction Over 24 Months by selecting AGL**

Site	Current Rate Included Carbon Tax	Tendered Rate Included Carbon Tax	Cost Reduction
Contestable Sites	\$ 745,687	\$ 621,335	\$ 124,351
Street Lighting (energy)	\$ 770,423	\$ 546,860	\$ 223,562
Total Cost Reduction			\$ 347,914

1. Peak: 7am to 9am and 5pm to 8pm on normal business days
2. Shoulder: 9am to 5pm and 8pm to 10pm on normal business days
3. Off Peak: Midnight to 7am and 10pm to midnight on normal business days and all day weekends and public holidays

**POLICY IMPACT**

Nil

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**RECOMMENDATION OF DEPUTY GENERAL MANAGER COMMUNITY**

That Council accepts the tender from AGL for both contestable sites and street lighting for a period of two years commencing on the 1st January 2013 and concluding on the 31<sup>st</sup> December 2014 in accordance of **subclauses** 178 (1)(a) of the *Local Government (General) Regulation 2005*.

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**REPORT**

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**BACKGROUND**

A tender for the retail charging of electricity for street lighting and contestable sites was issued on 13<sup>th</sup> April. The tender was for the billing function only; there will be no changes to infrastructure or the source of the electricity - infrastructure and power generation remains with Ausgrid (Energy Australia).

Contestable are large sites with energy consumption exceeding 160,000 kWh per annum. Warringah has eight contestable sites:

- Warringah Aquatic Centre
- Brookvale Oval
- Warringah Mall Library
- Cromer Administration Building
- Civic Centre, Dee Why
- Belrose Library
- Glenrose Centre, Glen Street
- Dee Why Library

The last tender process was undertaken in 2009 and Warringah Council entered into a contract with TruEnergy for the Contestable Sites and AGL for Street Lighting. These contracts expire on 31<sup>st</sup> December 2012.

The nature of the electricity market is such that there are a couple of times during the year where the best prices can be obtained; April is one such time.

**The Tender Process**

The tender process was managed by Essential Utilities Corporation (EUC) on behalf of Warringah Council. EUC are a company specialising in the negotiation of electricity, gas and telecommunications contracts.

The tender was advertised in The Sydney Morning Herald (10<sup>th</sup> April) and the Manly Daily (7<sup>th</sup> April) as required under the Local Government Act. It was issued on Friday 13<sup>th</sup> April and will close on Friday 20<sup>th</sup> April.

Once the tender closes the pricing is only fixed for a short time and the outcome must be accepted within 5-7 days.

**CONSULTATION**

Consultation was undertaken with key stakeholders including Facilities and Roads and Traffic.

**TIMING**

The tender closes on Friday 20<sup>th</sup> April 2012 and the report from EUC will be available by midday Monday 23<sup>rd</sup> April and distributed to Councillors.

**POLICY IMPACT**

Nil

## FINANCIAL IMPACT

### Financial Impact

A key point to note when considering the financial impact of the tender outcome is that the rates that are the subject of this tender are energy consumption charges only and exclude all regulatory charges.

In 2010/11 Warringah Council's energy expenditure was approximately \$270,000/year on Contestable Sites and \$250,000 on Street Lighting (**energy component only**).

The rates submitted by AGL for both contestable sites and street lighting based on a two (2) year contract as a result of this tender process will provide Council estimated savings (on the energy component) including the new carbon tax) of:

- \$ 124,351 over 2 years on Contestable Energy – or 16.7% reduction
- \$ 223,562 over 2 years on Street Lighting. – or 29% reduction
- This equates to a \$347,914. saving over the 24 month contract term, from January 1<sup>st</sup> 2013 to 31<sup>st</sup> December 2014. It is expected there will be a 10% increase in regulatory costs, eg Street lighting would equate to \$150,000 increase.

The energy component of the total electricity charges for the Contestable Sites and the Street Lighting is approximately 30% of the total value of the bill. The remainder of the bill is made up with regulatory costs – an additional eight line items on each bill – including network usage charges.

Also, with the Street Lighting there is an additional bill for infrastructure charges which in 2011 totalled a further \$1.5M.

These network usage charges and infrastructure charges are non-negotiable as they are charges from the distributors and a combination of federal and state government charges.

The carbon tax was projected to increase Council's electrical energy charges by 2.3c per KWh to all consumption from 1 July 2012. This was projected to increase Council's energy charges by approximately \$240,000 per annum.

This tender if approved would reduce our current energy costs including the new carbon tax by \$173,500 pa or \$347,000 over the full two year term of the contract.

### Summary of the Tender Outcome

Rates were sought over 12 months, 24 months and 36 months, the rates offered for 24 months provided the best value for money to Council and provides locked in costs over the introduction of the carbon tax.

The suppliers such as ERM and Origin would not provide rates where the carbon tax could be removed from the rate if the tax were to be altered or removed over the two year period, this was considered an unacceptable risk by the industry experts assisting Council.

- AGL's offer provides substantial savings over the other respondents for Street Lighting and is very close to all respondents on Contestable sites.
- Tru's offer was for Contestable sites and Street Lighting included and could not be separated. The Tru street lighting offer was not competitive.
- Origin provides a lower contestable site metering offer, however has provided a bundled pricing offer which does not separate out carbon pricing. When seeking clarification Origin has not been clear on the impact of changes to Carbon pricing

legislation to Warringah Council rates. Such if was lowered or abolished Warringah could remain on higher rates that required.

- ERM Power is higher for Contestable sites and did not provide an offer for Street Lighting.
- ERM Power Retail +CO2 Contestable site offer is the lowest (32k over 24 months) below AGL, however it is a bundled offer with no flexibility should Carbon pricing reduce or be removed. Such the council would be locked into higher than market pricing unnecessarily.

### Detailed analysis of AGL's Tendered Prices

#### Contestable Electricity: (the eight large sites)

#### Tru Energy Current Rate: Estimated cost over 24 Months - including Carbon Tax

	Estimated Total Usage KWh over 24 months	Current rate (c/KWh)	Estimated Carbon Tax (c/KWh)	Total rate (cKWh)	Estimated Cost (\$)	Estimated Carbon Tax (\$)	Estimated Cost + Carbon Tax (\$)
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#### AGL Tendered Rate: Estimated cost over 24 Months – including Carbon Tax

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**Estimated Cost Reduction over 24 months \$ 124,351**

### Street Lighting:

#### AGL Current Rate: Estimated cost over 24 Months - including Carbon Tax

	Pittwater Road Estimated Total Usage over 24 months (KWh)	Monavale Road Estimated Total Usage over 24 months (KWh)	Current rate (c/KWh)	Estimated Carbon Tax (c/KWh)	Total Rate (c/KWh)	Estimated Cost (\$)	Estimated Carbon Tax (\$)	Estimated Cost + Carbon Tax (\$)
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<b>TOTAL</b>	<b>11,421,468</b>	<b>251,610</b>				<b>501,942.35</b>	<b>268,480.79</b>	<b>770,423.15</b>

#### AGL Tendered Rates: Estimated cost over 24 Months - including Carbon Tax

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<b>TOTAL</b>	<b>11,421,468</b>	<b>251,610</b>				<b>302,356.07</b>	<b>244,504.29</b>	<b>546,860.36</b>

#### Estimated Cost Reduction over 24 months \$ 223,562

1. Peak: 7am to 9am and 5pm to 8pm on normal business days
2. Shoulder: 9am to 5pm and 8pm to 10pm on normal business days
3. Off Peak: Midnight to 7am and 10pm to midnight on normal business days and all day weekends and public holidays

#### Total Estimated Cost Reduction Over 24 Months by selecting AGL

Site	Current Rate Included Carbon Tax	Tendered Rate Included Carbon Tax	Cost Reduction
Contestable Sites	\$ 745,687	\$ 621,335	\$ 124,351
Street Lighting (energy)	\$ 770,423	\$ 546,860	\$ 223,562
Total Cost Reduction			\$ 347,914

**Green Power**

We currently pay a \$5000 per month premium for 25% Green Power on the eight contestable sites. Once the carbon tax is introduced in July 2012, the tax will apply to total KWh consumption irrespective of whether the source is green or black coal power. As a result the Green Energy market is changing and there are other options available that may offer better environmental outcomes for our money. Consequently, we will be considering market options for the Green Power component of the electricity bills in a separate process to be submitted to Council in the coming months.