

Date Thursday, 17 August 2017
Time 6:00 pm for 6:30 pm
Venue Inner West Council
Address Level 6
 260 Liverpool Road
ASHFIELD

Parking: free 3-hour parking on adjoining rooftop of Ashfield Mall. Vehicular access to the rooftop of the Mall is via express lanes only. The roof can be accessed via Holden Street (only in a northerly direction as there is a median strip if you are driving south) or Norton Street (this is a one-way street going from east to west). Access to the building from the rooftop is via a pedestrian ramp on the northerly side of the car park that leads to the council building on Level 2, then catch the lift to Level 6. Parking on other levels of the Mall is **paid** parking.

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Section 10	General Business	
Section 11	Next Meeting Next meeting is set for Thursday, 16 November 2017 (Ordinary and Annual General Meeting), scheduled to be hosted by Georges River Council.	



Councillor Sally Betts (Waverley), SSROC President, welcomed attendees and declared the SSROC Ordinary Meeting of 18 May 2017 open at 6.30 pm.

Councillor Betts thanked Bayside Council for hosting the meeting.

IN ATTENDANCE

Bayside Council

Mr Greg Wright (Administrator)
Mr Bill Saravinovski

City of Canada Bay

Councillor Michael Megna

Canterbury-Bankstown Council

Mr Richard Colley (Administrator)

City of Sydney

Councillor Jess Miller

Georges River Council

Mr John Rayner (Administrator)
Mr Philip Sansom

Inner West Council

Ms Rosana Tyler

Randwick City Council

Councillor Greg Moore

Sutherland Shire Council

Councillor Daniel Nicholls

Waverley Council

Councillor Sally Betts (Mayor) (Chair)
Councillor Bill Mouroukas

Woollahra Council

Councillor Toni Zeltzer (Mayor)
Councillor Katherine O'Regan

ALSO IN ATTENDANCE

Bayside Council

Ms Meredith Wallace (Interim General Manager)

Canterbury-Bankstown Council

Mr Matthew Stewart (Interim General Manager)

SSROC

Ms Namoi Dougall (General Manager)

Ms Helen Sloan (Program Manager)

Dr Vincent Ogu (Manager Strategic Planning)

Ms Kate Toohey (Program and Advocacy Officer)

Ms Natasha Anderson (Office Manager)

Ms Colleen Stretton (Executive Assistant)

1. PRESENTATIONS

1.1 SGS – Liveability Indicators and Mapping Project

Ms Alison Holloway, SGS Economics & Planning presented a demonstration of the liveability indicators mapping tool and discussed some of background to the tool, findings and individual indicators through the tool and the implications for strategic planning.

Ms Holloway then answered questions from Delegates.

A copy of the presentation will be sent to Delegates.

1.2 Liveability Indicators Mapping report

Resolved that Delegates:

1. Receive and note the report
 2. Endorse the *Liveability Indicators and Mapping* report.
-

2. APOLOGIES

Bayside Council

Mr George Glinatsis

Mr Brian Troy

Burwood Council

Councillor John Faker (Mayor)

Councillor George Mannah (Deputy Mayor)

Councillor Justin Taunton

Councillor Sally Deans

City of Canada Bay

Councillor Helen McCaffrey (Mayor)
Councillor Tony Fasanella (Deputy Mayor)
Councillor Pauline Tyrrell

Canterbury-Bankstown Council

Mr Khal Asfour
Mr Brian Robson
Mr Toan Nguyen

City of Sydney

Councillor Christine Forster
Councillor Robert Kok
Councillor Craig Chung

Georges River Council

Mr Stephen Agius

Inner West Council

Mr Richard Pearson (Administrator)
Ms Lucille McKenna
Mr Alex Lofts

Randwick City Council

Councillor Noel D'Souza (Mayor)
Councillor Anthony Andrews
Councillor Harry Stavrinou

Sutherland Shire Council

Councillor Kent Johns
Councillor Ray Plibersek
Councillor Jack Boyd

Waverley Council

Councillor Tony Kay (Deputy Mayor)
Councillor Angela Burrill

Woollahra Council

Councillor Susan Wynne (Deputy Mayor)

OTHER APOLOGIES

Burwood Council

Mr Bruce Macdonnell (Acting General Manager)

City of Canada Bay

Mr Gary Sawyer (General Manager)

City of Sydney

Ms Monica Barone (Chief Executive Officer)

Georges River Council

Ms Gail Connolly (Interim General Manager)

Inner West Council

Mr Rik Hart (Interim General Manager)

Randwick City Council

Mr Ray Brownlee (General Manager)

Sutherland Shire Council

Mr Scott Phillips (General Manager)

Waverley Council

Ms Cathy Henderson (Acting General Manager)

Woollahra Council

Mr Gary James (General Manager)

SSROC resolved to accept the apologies, as submitted.

3. CONFLICT OF INTEREST

No conflicts of interest were noted.

4. CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

Resolved that Delegates:

1. Adopt the minutes of the Ordinary Meeting held on Thursday, 16 February 2017 held at Canterbury-Bankstown Council Chambers.
-

5. SSROC CONSTITUTIONAL CHANGE

5.1 Amendment to the SSROC Constitution – Payroll Tax Exemption

Resolved that Delegates:

1. Receive and note the report.
2. Approve the motion to amend SSROC's Constitution as previously notified and as follows:

That the Constitution of Southern Sydney Regional Organisation of Councils (SSROC) Incorporated be amended so to add a new clause 29 as follows:

29. Payroll Tax

The Organisation (being a wholly-owned subsidiary of 2 or more councils) may, at the discretion of the member Councils, pay the member Councils an amount approximately equivalent to the amount of tax that would be payable by the Organisation under the Payroll Tax Act 2007 (NSW) but for the exemption set out in section 59 of that Act.

6. ADVOCACY AND ISSUES MANAGEMENT

6.1 Affordable Housing Forum

Resolved that Delegates:

1. Receive and note the report.

6.2 Recent Submissions

Resolved that Delegates:

1. Receive and note the report.

6.3 Submissions under Consideration

Resolved that Delegates:

1. Receive and note the report.

6.4 District Planning Update

Attention was drawn to the fact that, in the SSROC submission on the draft Central and South District Plans and *Towards our Greater Sydney 2056*, made to the Greater Sydney Commission on 31 March 2017, there was no recommendation for Item 6.5 The Green Grid. Ms Helen Sloan (SSROC) acknowledged that this was an oversight, and noted that support for The Green Grid was clearly stated within the submission.

Resolved that Delegates:

1. Receive and note the report.
-

7. ADMINISTRATIVE MATTERS

7.1 Transition to a Company Limited by Guarantee

Resolved that Delegates:

- 1.Receive and note the report.

7.2 SSROC Workspace Hub Update

Resolved that Delegates:

- 1.Receive and note the report.

7.3 Update on Changes to the Financial Institution for SSROC

Resolved that Delegates:

- 1.Receive and note the report.

7.4 SSROC News

Ms Kate Toohey, who is responsible for the compilation of SSROC News was welcomed by President, Councillor Betts.

Resolved that Delegates:

- 1.Receive and note the report.

7.5 SSROC Staff Update

Resolved that Delegates:

- 1.Receive and note the report.
-

8. JOINT ACTIVITIES WITHIN SSROC

8.1 Shared Services Update

Resolved that Delegates:

- 1.Receive and note the report.

8.2 Projects Update

Ms Sloan advised that SSROC has not received any options for funding for the next four years from the NSW EPA at this stage, so point 2 in the Recommendation in the report is not relevant.

Resolved that Delegates:

1. Receive and note the report (amended as noted above).

8.3 Community Energy Service

Resolved that Delegates:

1. Receive and note the report.

8.4 Procurement Activity

Resolved that Delegates:

1. Receive and note the report.

8.5 Procurement Activity - Energy

Resolved that Delegates:

1. Receive and note the report.
-

9. EXTERNALLY FUNDED PROJECTS

9.1 Street Lighting Improvement Program

Resolved that Delegates:

1. Receive and note the report.

9.2 Regional Waste and Resource Recovery Strategy

Resolved that Delegates:

1. Receive and note the report.
-

9. NEXT MEETING

The next meeting date is scheduled for Thursday, 17 August 2017 to be hosted by Inner West Council. Councillor Betts noted that this date was within a few weeks of council elections for some councils scheduled for Saturday, 9 September 2017.

Councillor Betts again thanked Bayside Council for hosting and thanked all in attendance.

MEETING CLOSE

The meeting closed at 7.24 pm.

SECTION 6. ADVOCACY AND ISSUES MANAGEMENT

ITEM 6.1 Recent Submissions

RECOMMENDATION:

That SSROC Delegates:

1. Receive and note the report.

Purpose of the report:	To inform Delegates of recent submissions by SSROC.
Background	<p>Since the last meeting, the following submissions have been made:</p> <ul style="list-style-type: none">• 12 May 2017 – submission to Independent Pricing and Regulatory Tribunal (IPART) on Review of Rent Models for Social and Affordable Housing.• 26 May 2017 – submission to Portfolio Committee No 6 – Planning and Environment, Legislative Council, NSW Parliament on Parliamentary Enquiry into the role of ‘energy from waste’ technology for NSW.• 27 May 2017 – submission to Independent Pricing and Regulatory Tribunal (IPART) on Solar Feed-in Tariffs 2017/18.• 21 June 2017 – submission to Office of Environment and Heritage on Land Management and Biodiversity Conservation Reforms.• 27 July 2017 – on-line submission to RSPCA on RSPCA Cat Management Discussion Paper Consultation.• 31 July 2017 – submission on NSW EPA Draft Illegal Dumping Strategy, 2017-20.• 31 July 2017 – submission on NSW EPA Draft Litter Strategy, 2017-20.
Current Status:	<p>These submissions have already been made. To download these submissions, go to: http://www.ssroc.nsw.gov.au/submissions</p>

SECTION 6. ADVOCACY AND ISSUES MANAGEMENT

ITEM 6.2 Submissions for Consideration

RECOMMENDATION:

That SSROC Delegates:

1. Receive and note the report.
2. Offer any comments in relation to the consultation.

Purpose of the report:	To identify submissions currently being developed, and provide an opportunity for Delegates to offer comments.
Background:	SSROC Secretariat develops submissions in relation to priority issues as resources permit, usually to a deadline imposed externally. Whenever the deadline allows, Delegates' views on the submissions are sought.
Current Status:	<p>The following submission(s) are currently being developed and expected to be submitted prior to the submission deadlines, where applicable:</p> <ul style="list-style-type: none">• Australian Government on its National Cities Performance Framework Interim Report, under the Smart Cities Plan, due 18 August 2017. Available: https://cities.dpmc.gov.au/performance-framework.• Sydney Water on its draft Environment strategy, due 31 August 2017. Available: https://www.sydneywater.com.au/SW/water-the-environment/what-we-re-doing/environmentalprotection/index.htm.• Sydenham to Bankstown Urban Renewal Corridor Strategy, due 3 September 2017. Available: Part 1: http://www.planning.nsw.gov.au/~media/Files/DPE/Plans-and-policies/sydenham-to-bankstown-urban-renewal-corridor-strategy-2017-06-part-1.ashx. Part 2: http://www.planning.nsw.gov.au/~media/Files/DPE/Plans-and-policies/sydenham-to-bankstown-urban-renewal-corridor-strategy-2017-06-part-2.ashx.

SECTION 6. ADVOCACY AND ISSUES MANAGEMENT

ITEM 6.3 Affordable Housing Forum Update

RECOMMENDATION:

That SSROC Delegates:

1. Receive and note the report.

Purpose of the report:	To provide an update to Delegates on the Affordable Housing Forum held on 24 July 2017 that was organised by SSROC in partnership with the Planning Institute Australia and in collaboration with Community Housing Providers.
Background:	<p>During council workshops on strategic priorities for the Central and the South District Plans, and at the SSROC Housing, Strategy and Advocacy Session earlier in 2016, affordable housing was identified as a key priority. The General Managers Forum approved the establishment of an Affordable Housing Working Group (AHWG) and granted approval for the group to proceed with a proposed Affordable Housing Forum in October 2016.</p> <p>The AHWG led the Affordable Housing Forum, in partnership with the Planning Institute Australia and in collaboration with leading Community Housing Providers (CHPs).</p>
Current Status:	<p>The Affordable Housing Forum</p> <ul style="list-style-type: none"> • The Affordable Housing Forum took place on Monday, 24 July 2017 at the Aerial Function Centre, University of Technology Sydney, from 8.30am to 4.30pm. • The Hon Anthony Roberts MP, Minister for Housing, Minister for Planning and Special Minister of State was the Special Guest and represented the NSW Premier. • A total of 198 people registered for the forum and 182 attended. Council officers from across metropolitan Sydney, NSW and interstate attended. • Keynote and sessional speakers from local government, state agency, development industry, community housing sector, and urban development and housing professionals and experts participated. Among the speakers were: the Social Commissioner, Greater Sydney Commission, Heather Nesbitt; the CEO of Urban Development Institute Australia, a peak development industry body, Steven Mann; Acting CEO of Urban Growth NSW, Steve Driscoll; Director Urban Renewal, Department of Planning and Environment, Ann-Maree Carruthers; and the Principal, SGS Economics and Planning, Dr Marcus Spiller. • SSROC President, Cr Sally Betts, some General Managers and Councillors attended the forum. The President used her opening speech to highlight SSROC's affordable housing position to the Minister. • A pre-event video was played during the SSROC President's speech. Which can be viewed at: https://www.youtube.com/watch?v=_vYZc500h3g&feature=em-upload_owner#action=share • A brief (5 minutes) advocacy video will be produced following the forum. • Six organisations sponsored the forum, five CHPs and one local council. • The sponsorships are \$19,000 in total. SSROC expects \$12,000 profit share after reconciling costs with the Planning Institute Australia, our partner for the forum. <p>Forum Outcomes</p> <ul style="list-style-type: none"> • A forum communique will be sent to the NSW Government, the Greater Sydney

Commission and other key players in housing policy and strategy. A draft is attached and a copy of the final version will be sent to SSROC Delegates and GMs out of session (Attachment A).

- The participation of all sectors, and the presence of the Hon Anthony Roberts MP who is looking forward to the outcome of the forum and made a commitment to consider the recommendations of the forum participants, is expected to complement and strengthen SSROC's advocacy positions on affordable housing.
- The forum and collaboration enabled SSROC to broaden its engagement with stakeholders in furthering advocacy for policy, strategy and delivery solutions to affordable housing.
- Following up on some of the key issues progressed projects such as Housing SEPPs and affordable housing in Central and South Districts.
- Evaluation of the forum has been overwhelmingly positive.

What Next?

1. The Affordable Housing Forum communique to Hon Anthony Roberts MP and relevant key agencies.
2. AHWG will consider possible housing advocacy priorities following the forum.



AFFORDABLE HOUSING FORUM

An initiative of SSROC, Planning Institute of Australia & Community Housing Providers

Aerial Function Centre, UTS - 24 July 2017, 8.30am to 5.00pm

Communique from the Affordable Housing Forum held at the University of Technology Sydney

The Affordable Housing Forum organised by the Southern Sydney Regional Organisation of Councils (SSROC) and the Planning Institute Australia in collaboration with the NSW Federation of Housing Associations was held on Monday, 24 July, 2017.

Following the Forum that was attended by presenters and participants from the State and Local Government sectors, the development industry, community housing providers, non-government organisations, research and planning, housing and urban development professionals and consultants, the Communique below were issued.

NEED FOR AFFORDABLE HOUSING

Quantum gap and market failure

- Housing is a key issue for Sydney. In the next two decades, 725,000 new homes will be needed in Sydney metropolitan area (36,250 new homes each year).
- More than 5,000 per year of social and affordable housing is required and currently only 10,000 is planned for the next 20 years. A volume solution is needed to turn this around.
- Well aligned housing policy, land use strategy and planning mechanisms supported by clear targets, funding and leadership at all levels of government and industry is needed to support quantum increase in social and affordable housing.
- The market is not delivering sufficient affordable housing stock for low and moderate income households across much of Sydney – notwithstanding record approvals and completions.

Essential Infrastructure

- Recognise and approach affordable housing as essential infrastructure for a sustainable, fair and productive city.

Affordable housing as approach to housing affordability

- Housing affordability is a serious issue facing greater Sydney, and enabling provision of affordable housing to low and moderate income earners provides a critical piece of the overall solution to the housing crisis.

Affordable housing and economic competitiveness

- Affordable housing enhances the economic competitiveness of Sydney and benefits households who need to live and work in here which otherwise would be unaffordable.
- Essential workers on low to moderate incomes cannot afford to live in Sydney.

AFFORDABLE HOUSING POLICY AND STRATEGY

The following policy and strategy measures are crucial to sustainable affordable housing in NSW:

- The Federal, NSW and local governments need to identify unused and underutilised land that may be suitable for affordable housing.
- A NSW housing policy that identifies the planning, funding and delivery of affordable housing, alongside measures to improve housing affordability.
- A NSW housing policy that defines affordable housing and uses the accepted 'very low to moderate income' definition universally.
- Scope the quantity and nature of housing needed and require affordable housing targets to be addressed in metropolitan, district and regional plans.
- District, Precinct and Local Council's Community Strategic Plans should state affordable housing targets and housing mix for a diverse community.
- State-Council collaborative approach and guidance on achieving the right balance between State Infrastructure Contributions / Affordable Housing Contributions / s94 Local Infrastructure Contributions.
- Establish a single statutory planning policy framework (Model Code) for the application of inclusionary zoning measures, density bonuses and compensatory measures for affordable housing, including consolidating relevant SEPP70 and ARHSEPP provisions.

PLANNING MECHANISMS AND AFFORDABLE HOUSING

State and planning mechanisms

- Transparent criteria are required for councils to apply (opt-in) inclusionary zoning model code.
- Investigate options for flexible development standards for affordable housing.
- Concessions should be permissible for s94 in exchange for affordable housing.
- Need to include affordable housing as an object in the EP&A Act.
- Review SEPP 70 and update SEPP Codes to include Affordable housing with the ability for councils to insert specific ratios or parameters based on Local Housing Needs study.
- Enable councils to include a mandatory requirement for affordable housing in their LEPs where there is land value uplift to support its application, including in government land.

Councils and planning mechanisms

- Provide enabling mechanisms and require all Councils to adopt, monitor and report against need based strategies and Affordable Housing Target as part of their annual reporting requirements.
- Facilitate planning agreement process that is streamlined to provide guidance on land value uplift capture and on the use of planning agreement for affordable housing.
- Faster approvals for DAs that include affordable housing, supported by improved assessment resources and officers.

Role for the Community Housing Providers sector

- ensure that the affordable rental accommodation created in accordance with affordable housing targets are dedicated as affordable rental housing in perpetuity, and managed by a Community Housing Provider.
- use state land to create affordable housing as part of mixed tenure developments, developed and managed in partnerships with Registered Community Housing Providers.

URBAN RENEWAL AND AFFORDABLE HOUSING

Affordable housing targets

- Affordable housing targets for a local government area should be justified by an adopted local housing strategy, including housing needs assessment.
- Common demand modelling / feasibility testing methodologies should be used for justifying targets
- Evidence based affordable housing targets should be set for urban renewal precincts / LGAs and higher targets on government owned land, especially where there is a Growth Infrastructure Compact or relevant City Deal.
- Set affordable housing targets of 5-15% in new large developments and precincts and higher targets for state owned lands (up to 20%).
- The target could also be applicable across the board in jurisdictions where there is identified severe affordable housing need.
- Transparent modelling and methodologies should be the basis for housing targets.

Growth Infrastructure Compacts

- There is need for State-Council collaborative 'Growth Infrastructure Compact' for large redevelopment and urban renewal precincts, including affordable housing targets and community engagement protocols.
- Identify urban renewal precincts where VPAs can better deliver affordable housing, especially through dedication of land or dwellings.

Sydenham-Bankstown Corridor

- Recognise Sydenham-Bankstown Corridor as priority target for affordable housing in the Central and South Districts and should be subject to Growth Infrastructure Compact agreement.

FINANCING AND FUNDING

Affordable housing as part of infrastructure funding mix

- Recognise affordable housing as a component of infrastructure to be funded for sustainable cities. Mechanism needed to ensure affordable housing funding should be part of the infrastructure mix identified in growth infrastructure plans.
- Open and transparent affordable housing contribution costs and embedded in land price.

Bond aggregator

- Bond aggregator is supported to enable access to lower cost finance at scale.

Value capture

- Jurisdictions should adopt consistent value capture policy.
- Recognise that there is a legitimate basis for value capture mechanisms as 'development licencing fees'.
- Adopt consensus position capturing 50% of value uplift as 'development' licence fee' disbursed according to a growth area 'compact' agreement.
- Value capture framework for jurisdictions, example, a district, could be tailored to local parameters.
- The details of value capture scheme should be available early or phased-in to reduce impact on feasibility.
- Feasibility testing for value capture should be completed upfront at the strategic study stage to determine an appropriate value capture rate. This approach ensures that a value capture policy and approach is transparent and that developers do not build a case at the assessment stage of unviability because they have already paid too much for the land.

Contributions

- Contributions obligation need to be made known at the very time growth area structure plans are released.
- Contributions should be preferably land or dwellings – rather than cash in lieu due to high cost of land for affordable housing.

Affordable housing models

- Promote 'Build to rent' options.
- Promote small dwelling affordable housing and with measures to maintain design quality.
- Promote multi-family housing options.
- Develop shared equity programs with the NSW Federation of Housing Associations to provide affordable housing purchase products accessible to low income and moderate income households with children.
- The Federal Government should support an affordable housing growth fund (tax credits, grants) matched by states to replace the National Rental Affordability Scheme.
- Affordable housing rents are insufficient to fully cover operating costs or fund new supply and ongoing subsidy is needed for funding gap.
- Support for building standards that minimise energy and ongoing maintenance needs.

The Missing Middle

- New approach needed for the “missing middle” - the vast parts of Sydney zoned for low density housing with good access to public transport and existing social infrastructure, particularly the established middle ring suburbs.
- Intergenerational housing forms needs to be considered. This could be in form of a new zone category for “un-subdividable build to rent multi family home”. Alternatively, the “Manor house” approach could be adopted.
- A Manor house could be defined as a permissible use in the development control table for R2 zones and could contain up to 4 separate dwellings. No changes to the development standards, FSR, height, setbacks and landscape requirements are required. This form of housing will promote the idea of small dwellings, maximise use of existing underutilised infrastructure, provide intergenerational housing, increase the potential for affordable housing rental options and allow for greater housing diversity.

Funding and delivery approaches

- Consistent inclusionary zoning (density bonus) model code – enabled by District Plan and the parameters set in a local housing strategy.
- Incentivise occupancy for rental investment properties.
- Support for programs to transition from affordable housing to rental market or purchase.
- Increase promotion of affordable housing and of eligibility requirements - community education about affordable housing.
- Endorse the key role for Community Housing Providers to manage affordable housing in perpetuity
- Increased State and Commonwealth Government investment in social housing - alongside affordable housing delivery.



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SECTION 6. ADVOCACY AND ISSUES MANAGEMENT

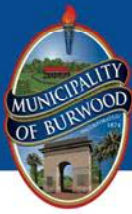
ITEM 6.4 Request from Burwood Council for Support for Burwood to be included in the Sydney Metro West Project

RECOMMENDATION:

That SSROC Delegates:

1. Receive and note the report.
2. Write to the relevant stakeholders listed by Burwood Council in support of Council's request for Burwood to be included in the Sydney Metro West Project.

Purpose of the report:	To advise Delegates of the position of Burwood Council on the Sydney Metro West Project.
Background:	At its meeting of 23 May 2017, Burwood Council considered its position in relation to its desire for Burwood to be included on the list of proposed stations for the new Western Metro Rail.
Current Status:	<p>Council resolved, in summary:</p> <ul style="list-style-type: none">• That Burwood Council write to the Premier, the Hon Gladys Berejiklian MP, Minister for Transport and Infrastructure, the Hon Andrew Constance MP, the Greater Sydney Planning Commission Chief Commissioner, Lucy Turnbull and the Central District Commissioner, Marie Atkins, Local Government NSW, SSROC and the Urban Taskforce requesting urgent meetings to seek their support and commitment to include Burwood on the list of proposed stations for the new Western Metro Rail• That Council seek broader support from both the Southern Sydney Regional Organisation of Councils (SSROC) and the Western Sydney Regional Organisation of Councils (WSROC) for its campaign• That Council write to industry and professional associations such as the Sydney and NSW Business Chambers, the Urban Development Institute of Australia (UDIA NSW), the Property Council, Western Sydney University and any other association or groups who may be of assistance, to highlight the need for and to seek their public support and assistance to help council's campaign to secure a commitment for Burwood to be included in the list of stations along the proposed corridor of the new rail line. <p>A copy of the letter forwarded by Burwood Council to The Hon Gladys Berejiklian MP is attached for Delegates' information.</p>



The Hon Gladys Berejiklian MP
Premier of New South Wales
280 Willoughby Road
NAREMBURN NSW 2065

TRIM No: 17/34663
25 July 2017

Dear Premier

SYDNEY METRO WEST PROJECT

I refer to the recently announced Sydney Metro West project between Parramatta and the Sydney CBD.

The announcement of the project in November 2016 stated that the proposed new metro is planned to service key growth precincts of Parramatta, Sydney Olympic Park, the Bays Precinct and Sydney CBD.

Burwood has not been identified in the announcement, however, in the State Government's own planning documents such as The Department of Planning "Plan for Sydney 2036" and the Greater Sydney Planning Commission "Draft Sydney Plan", Burwood is listed as a Strategic Centre and District Centre.

It is noted that the above categorisations mean that Burwood is the only Centre in the Inner West that has been identified as a Strategic Centre with the need to maximise capacity for both population and employment targets.

One of the key reasons for constructing the new Western Metro Line is the need to ease pressure on the main Western Rail Line, which is heavily used and expected to reach capacity within the next 15 years.

The existing Burwood Train Station is about the eleventh busiest station on the existing Sydney Rail Network and with increased movements expected due to Burwood being a Strategic Centre, the need for better transport options has never been greater.

Despite sharing the same status with Sydney Olympic Park as a Strategic Centre, Burwood has not been listed in the announcement as a place that the new Metro West Rail Line would service.

Burwood Council, at its meeting of 23 May 2017, considered the matter and resolved inter alia:

- *That Burwood Council write to the Premier, the Hon Gladys Berejiklian MP, Minister for Transport and Infrastructure, the Hon Andrew Constance MP, the Greater Sydney Planning Commission Chief Commissioner, Lucy Turnbull and the Central District Commissioner, Marie Atkins, Local Government NSW, SSROC and the Urban Taskforce requesting urgent meetings to seek their support and commitment to include Burwood on the list of proposed stations for the new Western Metro Rail*

- *That Council seek broader support from both the Southern Sydney Regional Organisation of Councils (SSROC) and the Western Sydney Regional Organisation of Councils (WSROC) for our campaign*
- *That Council write to industry and professional associations such as the Sydney and NSW Business Chambers, the Urban Development Institute of Australia (UDIA NSW), the Property Council, Western Sydney University and any other association or groups who may be of assistance, to highlight the need for and to seek their public support and assistance to help councils campaign to secure a commitment for Burwood to be included in the list of stations along the proposed corridor of the new rail line.*

I understand that consultation has begun on this project including online surveys and community information sessions. I welcome an opportunity to meet and discuss with you Burwood Council's objective to ensure inclusion as part of this historic project and to seek your support and commitment to include Burwood on the list of proposed stations for the new Sydney Metro West project.

If you have any enquiries, please do not hesitate to contact me on 9911 9880.

Yours sincerely



BRUCE MACDONNELL
DEPUTY GENERAL MANAGER
LAND INFRASTRUCTURE AND ENVIRONMENT

cc The Minister for Transport & Infrastructure
 The Chief Commissioner of the Greater Sydney Commission
 The Central District Commissioner of the Greater Sydney Commission
 Local Government NSW Southern Sydney Regional Organisation of Councils
 Local Government NSW Western Sydney Regional Organisation of Councils
 NSW Business Chambers
 The Urban Development Institute of Australia (NSW)
 The Property Council
 Western Sydney University

SECTION 7. ADMINISTRATIVE MATTERS

ITEM 7.1 SSROC News

RECOMMENDATION:

That SSROC Delegates:

1. Receive and note the report.

Purpose of the report:	To advise Delegates of the latest update that is being provided to councils and other stakeholders.
Background:	SSROC issues a periodic update of its activities to councils and other stakeholders for information. It is included here so that Delegates are aware of what is communicated about our work to a broader stakeholder group.
Current Status:	The current update is attached.



SSROC NEWS

August 2017

This newsletter is an update of SSROC's current work

Welcome

Dear SSROC Delegates, General Managers, staff, and subscribers

It has been a very busy quarter, with the State Government providing certainty pre-council elections that the local government mergers under contention will no longer be forced to go ahead.

We have also had the successful launch of Our Energy Future and the roll out of a number of council launches of the OEF program, the Affordable Housing Forum with close to 200 registered delegates, and the upcoming launch of the Veolia Woodlawn waste processing facility.

SSROC is responding to the power price challenge with the Program for Energy & Environmental Risk Solutions (PEERS), running two information sessions in mid-August to inform potential participants about the program. To find out more please review the proposal [HERE](#).

Our General Manager was invited to speak to the State Government Committee Hearing on the Waste from Energy Inquiry earlier this month, shortly after being invited to present to a Western Australian Local Government conference about our leading-edge street lighting project.

I am pleased to invite you to continue reading below, to find out in more detail about the excellent work the SSROC team has been undertaking on behalf of our member councils.

Warm regards,

SSROC President
Councillor Sally Betts
Mayor, Waverley Council

SSROC Executive



SSROC President
Councillor Sally Betts
Mayor, Waverley Council



SSROC Senior Vice President
Mr Khal Asfour
Canterbury-Bankstown Council



SSROC Junior Vice President
Councillor Kent Johns
Sutherland Shire Council

Planning and Advocacy



#ahf2017



The Affordable Housing Forum held on Monday, 24 July 2017, coordinated by SSROC and partners the [Planning Institute of Australia \(PIA\)](#) and the [NSW Federation of Housing Associations](#), was an unmitigated success with 198 registered delegates.

Of the initial feedback received, all was positive or neutral, with the most common written feedback being praise for an excellent event, informative speakers, and anticipation of the communicate as a useful outcome and tool.

Please keep an eye out for the official communicate to be sent out shortly. [View the Introduction Video HERE](#)

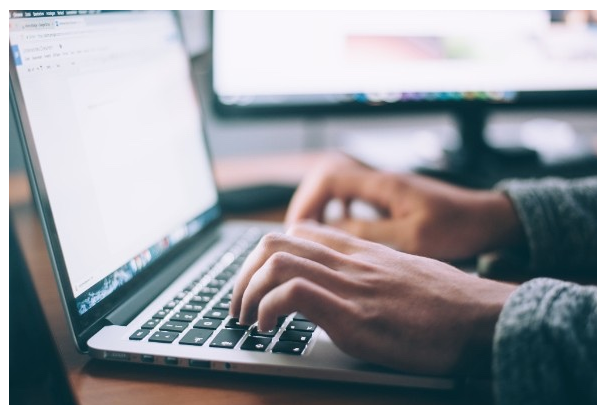
The Forum provided a wealth of information, resources, networks, and ideas. The ideas generated from the Forum conclusions will be developed into a communicate which will be distributed shortly. This will result in several advocacy projects and ongoing advocacy work for SSROC, specifically in relation to value capture.

The outcomes for SSROC were manifold, with media coverage, social media engagement, valuable contacts and networks established, and wide promotion of the work that SSROC undertakes on behalf of its member councils.

Call for Expressions of Interest

UTS PhD Scholarship Vulnerability, Health and Environmental Risk

There is growing interest in how vulnerable populations deal with environmental risk, particularly in terms of contaminated lands. NSW alone has an estimated 30,000 contaminated sites. An estimated 1,600 of these sites pose significant risks that require intervention to limit danger to human health and the environment. Vulnerable populations are particularly prone to contaminant risk.



The Institute for Sustainable Futures and Faculty of Health, University of Technology Sydney are seeking a PhD student (Australian citizen or permanent resident) to undertake collaborative research on 'how vulnerable populations deal with environmental risk'. The project is associated with a Category I NSW Environmental Trust Grant. Further details of the project are attached. A 3-year scholarship of \$26,682 (AUD) p.a. (indexed) plus fees is available.

For further information please contact either Associate Professor Jason Prior: jason.prior@uts.edu.au or Dr Dena Fam dena.fam@uts.edu.au

Closing date: 31 August 2017

[To find out more CLICK HERE.](#)

Waste Avoidance and Resource Recovery

The WARR team at SSROC has been working hard on a number of important projects in line with the SSROC Waste and Resource Recovery Strategy and regional priority projects. The [SSROC Waste and Resource Recovery Strategy](#) is currently being revised and updated to ensure the Strategy is current and is in line with regional priorities.

Veolia Advanced Waste Treatment Services



Woodlawn waste processing facility

After more than 8 years of hard work, savvy negotiations and representation on behalf of our councils, SSROC is pleased to advise the official opening of the Veolia Woodlawn mechanical and biological treatment facility has been announced for 8 September 2017, with formal invitations being sent early August.

The Opening will be attended by the Hon Gabrielle Upton, Minister for Environment, Local Government and Heritage; the Hon Pru Goward, Minister for Family and Community Services, Social Housing and for the Prevention of Domestic Violence and Sexual Assault, and State Member for Goulburn; and the Hon Angus Taylor, Assistant Minister for Cities and Digital Transformation and Federal Member for Hume.

Waste from 6 councils is being processed at Woodlawn instead of being landfilled. With 50 to 60% diversion of general waste (red-lid bin) from landfill, saving councils millions of dollars in waste levy and increasing those councils overall diversion to around 70%. The facility is generating compost for use in mine-site rehabilitation, with metals and plastics extracted and recycled.



Surplus heat generated will be used for aquaculture in a water-neutral process.

The waste is moved by rail from the Banksmeadow Transfer Station, reducing truck movements by around 30,000. More than 50 jobs have been created at Banksmeadow, in Bayside LGA, and Woodlawn in regional NSW.

To see the Woodlawn Facility up close, watch [this VIDEO](#).

Waste Less Recycle More Education Project



Concord English as a Second Language group at a recent community education workshop.

The community waste educators program concluded its first year, holding 131 workshops for more than 2,200 participants from 78 different community groups. Seventy-five percent of workshops were delivered to culturally and linguistically diverse audiences (CALD).



The impact of the program was evaluated, with 1,588 (94%) participants committing to an action to reduce waste, measured through self-reports and text messages. One month after workshops the participants who had provided mobile contacts were asked if they had undertaken their action, with 44% responding and of those, 80% said they had successfully completed their action.

SSROC is pleased to advise that this very successful program has been extended through 17/18.

Stop Bus Stop Litter

SSROC has acquitted our Stop Bus Stop Litter grant, which was rolled out across three councils. This project conducted observational research and infrastructure upgrades at bus stop litter hotspots. On average, there has been over 80% success in measured litter counts because of each intervention.



Improving Recycling & Reducing Contamination in Multi Unit Dwellings & ROCovering Organics Environmental Trust Grant

Both the ROCovering Organics Environmental Trust Grant and the Improving recycling and reducing contamination in multi-unit dwellings (MUDs) projects are now concluding. Roger Bramble, one of our Regional Strategic Coordinators will also be finishing up alongside these projects as his position's EPA funding is concluding. We wish Roger all the very best for his future.



Key achievements of the projects:

- Sales of organics infrastructure in June reached over 1,000 units - the highest ever throughout the grant period.
- Final reporting on the MUDs project is due in late August which will inform councils on evidence based waste reduction and materials separation interventions at multi-unit dwellings.



Growing the Community Reuse & Recycling Sector in Greater Sydney

SSROC is taking a leading role to link ROCs, Joint Organisations and NSW EPA to support the Community Recycling (and Reuse) Network of Australia (CRNA) to conduct focused and sustained operations on behalf of its enterprises, from Hunter to Illawarra and west to the Blue Mountains, in the greater Sydney local government area.

Did you know [The Bower](#) is an example of an enterprise that could get involved in this project?

The CRN-Sydney network will be launched shortly, keep an eye out for updates.

Waste Avoidance and Resource Recovery (WARR) updates

The WARR team has been holding consultation workshops with member councils as part of their three-yearly updating of the SSROC regional waste avoidance and resource recovery strategy. They have an August workshop focusing on scoping on the more complex projects for the coming 4 years.

We are thrilled to advise that the Bower reuse and rehoming services have had their contracted extended for a final 12 months, with councils entering the final year of this contract. **It is exciting to note that there has been a 24% increase in participating households.**

SSROC General Manager, Namoi Dougall, and WARR Regional Strategic Coordinator, Hazel Storey, were invited to present at NSW Parliamentary Enquiry into waste management and the Energy from Waste Inquiry. It is excellent that

SSROC is being recognised for our expertise regarding energy from waste, and broader waste issues including reuse.

The Sydney RID Squad contract has been extended for another 12 months, comprising eight SSROC councils. We facilitate program inputs for the RID program, including research, analysis, and evaluation, and we currently chair the regional RID meetings.



Procurement

The SSROC Procurement team has been delivering excellent results to our members, with SSROC procuring goods and services in excess of \$100 million in the 2015-16 Financial Year. It is estimated that through careful negotiations and competitive tendering, SSROC has been able to deliver savings of more than \$19 million to member councils.



We are pleased to advise that we expect excellent results for our 2016-17 financial year, with our Procurement team continuing to deliver value-for-money on joint procurement of regional contracts and shared services.

During the 2016-2017 financial year, SSROC will undertake numerous re-tenders of existing regional contracts, with over 20 planned sourcing activities covering the procurement of goods and services including temporary staff hire, ready mixed concrete, mattress collection and processing, and code of conduct advisory services.

[CLICK HERE](#) to view a listing of our current contracts. For information about these and other contracts contact ssroc@ssroc.nsw.gov.au.

Program for Energy & Environmental Risk Solutions (PEERS)



The joint regional PEERS Program is designed to help councils mitigate rapidly escalating and increasingly volatile prices for electricity and gas while also helping them meet their environmental goals in an integrated manner. It will do this through an integrated program involving large-scale aggregated buying of electricity and gas, energy efficiency services and potentially, a renewable power purchase agreement.

The National Electricity Market and natural gas supply situation have changed markedly in recent years in ways that are now having dramatic impacts on prices and creating an urgent need for councils to adapt and respond to energy cost risk.

The current electricity contract is the largest and most successful electricity tender for councils in NSW, achieving some of the lowest pricing available

through a very large collective procurement. It expires on 30 June 2018. With this next procurement, we aim to mitigate the risk of councils' electricity and gas costs increasing by 200-300% through some innovative approaches, which will also help lower greenhouse gas emissions.

PEERS is starting now, so that we get the benefits from our strategies next year. Find out more by reading the [PEERS Proposal HERE](#).

Internal Audit and Business Consulting Service (IABCS)

The SSROC Internal Audit and Business Consulting Service (IABCS) is a unique shared service offered **exclusively** to our **member councils** and has been operating successfully since 2010. Our team of highly skilled and experienced consultants, which currently comprises two full-time and one-part time employee.

They are all **degree qualified** and members of **professional accounting and/or internal audit associations** (i.e. CPA, CA, IIA). They have **extensive experience** working not only in local government, but also in state government and the corporate environment.



This diverse experience provides a unique outlook which makes our IABCS team adaptable to any situation or culture. Their versatility, empathy and attentiveness gives our IABCS team a distinct advantage over other consultants, not only understanding the individual needs of management but also in delivering an exceptional service in line with management expectations.

Success is when management and consultants are working in close collaboration to achieve a collective goal.

Over the last seven years our consultants have provided internal audit services to 10 of our SSROC member councils and continue to provide exceptional services to councils that have recently amalgamated.

In addition to the core shared service (internal audit), the SSROC IABCS team has also supported councils in providing specialist professional services including:

- Executive placement (temporary fill-in positions)
- Probity advisory service
- Compliance reviews
- Business improvement and;
- Special reviews

The SSROC IABCS have an **outstanding track record** with member councils, and have delivered affordable, flexible and objective professional services **at a competitive cost**. The inherent goodwill and flexible shared service arrangement, complemented by a **solid relationship with management** will see SSROC continuing to provide exceptional business and professional services to its member councils.

To find out more, call SSROC on 02 8396 3800 to get in touch with our IABCS staff.

Community Energy Services - Our Energy Future



The official launch was held at the end of June at the lovely 107 Projects rooftop garden, celebrating the start of Our Energy Future. Our Energy Future (OEF) provides energy advice and free quotes for local residents on renewable energy and energy efficiency.



It was wonderful to see so many council representatives at the launch and it was great to recognise the hard work that has gone into getting the program started. The launch generated a lot of interest from other councils which is continuing, and we hope to expand and increase our impact soon.

[Read more here...](#)

The OEF team is pleased to announce that Waverley and Woollahra Councils have joined the program and we are now providing 1,000,000 residents with free energy advice and quotes.

Before any campaigns or information sessions had commenced, OEF had already installed over 50kw of solar in local residents homes. We have a target of 1.2 MW for the year.

Recently OEF has been out and about, helping the residents of Parramatta on National Tree Day to reduce their energy bills. It was a great turn-out and stunning weather.

We also went out to help the residents of Canterbury Bankstown reduce their energy bills at the famous Bankstown Bites Festival. There was a great attendance at the OEF staff and it was definitely helped by fantastic weather!



Photo: Environmental Policy Officer Lawrence Kurdi talking to a resident about OEF. Taken by Ashleigh Milton, Canterbury Bankstown City Council.

SSROC in the News

Below are links to news and mentions of SSROC and our work:

St George & Sutherland Shire Leader: [Councils to save millions in levy charges under new waste processing arrangements](#)

Editorial coverage of the new Veolia Woodlawn waste processing facility.

Local Government Focus: [New solar initiative marks World Environment Day](#)

Coverage of the Our Energy Future Launch, quoting SSROC President Cr Betts.

Radio Skid Row: [Louie Leung from SSROC talks about recycling food and saving the land fill.](#)

Radio interview with SSROC's Waste and Resource Recovery Community Educator, Louie Leung.



Radio Skid Row: [Rob Kyle from Our Energy Future talks about saving money on your electricity bill using solar power and more.](#)

Radio interview with Our Energy Future Program Lead, Rob Kyle.

Government News: [Around the councils: Digital Marketplace open for smart cities; Response to NSW housing reforms](#)

Coverage of the Our Energy Future Launch, quoting SSROC President Cr Betts and General Manager Namoi Dougall.

Inner West Times: [Second hand store trading now online](#)

Print media and e-news article regarding the launch of the Bower's Online Store, quoting SSROC's Hazel Storey.

St George and Sutherland Leader: [The Bower Reuse & Repair Centre puts second-hand first](#)

Print media and e-news article regarding the launch of the Bower's Online Store, quoting SSROC's Hazel Storey.



Working Groups

SSROC's 12 working groups assist in developing the skills and capabilities of the officers who participate and are often the source of ideas for regional procurement and for the delivery of projects. Read more [HERE](#).

Councils' elected Delegates and Committee Members provide ideas for collaboration and future projects, as well as developing the range of position statements that form the basis of our advocacy work, strengthening councils' influence at a State Government level.

SSROC has two Committees, the Program Delivery Committee and the Sustainability Program Committee. Find out more [HERE](#).

About SSROC

The Southern Sydney Regional Organisation of Councils (SSROC) is an association of 11 councils spanning Sydney's southern suburbs, eastern suburbs, CBD, and inner west and covering a third of the Greater Sydney's population, or 1.7m people.



SSROC provides a forum through which our member councils can interact, exchange ideas and work collaboratively to solve regional issues and contribute to the future sustainability of the region. We advocate on behalf of our region to ensure that the major issues are addressed by all levels of government, including:

- Advocating for regional interests at all levels of government in areas such as planning and urban development, environment, waste management, and renewable energy
- Developing regional policies and positions on issues facing our member councils now and into the future

We work to deliver shared services, contracts and procurement to reduce the cost to council of delivering vital community services.

As the level of government that is closest to the community, member councils aim to keep the “local” in local government, while fully utilising the benefits of regional cooperation through SSROC.

Our President is Waverley Mayor, Cr Sally Betts; Canterbury Bankstown Council delegate Mr Khal Asfour is Senior Vice President; and our Junior Vice President is Sutherland Cr Kent Johns. All member councils have elected representatives on the Board.

SSROC member councils are: Bayside, Burwood, Canada Bay, Canterbury Bankstown, Georges River, Inner West, Randwick, Sutherland Shire, Sydney, Waverley and Woollahra.

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SECTION 8. JOINT ACTIVITIES WITHIN SSROC

ITEM 8.1 Shared Services Update

RECOMMENDATION:

That SSROC Delegates:

1. Receive and note the report.

Purpose of the report:	To advise Delegates of the current status of SSROC shared services.
Background:	SSROC provides shared services, to participating Councils as required. Currently these are internal audit services and strategic procurement coordination.
Current Status:	<p>Procurement and Contracts Manager, Sarah Nguyen, has extended her maternity leave to mid-October. With a significant current and forward procurement workload, Frank Tambosis has been appointed to cover the position, and will stay on as Strategic Procurement Coordinator thereafter to assist with multiple major procurement projects that are scheduled over the next six months.</p> <p>Jennifer Revell, who previously covered Sarah's positions, will return in September to provide temporary additional procurement support, particularly taking over the overall coordination of the PEERS program.</p>

SECTION 8. JOINT ACTIVITIES WITHIN SSROC

ITEM 8.2 Projects Update

RECOMMENDATION:

That SSROC Delegates:

1. Receive and note the report.

Purpose of the report:	To advise Delegates of progress on major SSROC projects.
Background:	SSROC plans, manages and delivers a range of projects in response to the needs of member councils. These may be initiated by the ROC Committees, General Managers, officers in working groups, or in response to opportunities that arise.
Current status:	<p>Veolia AWT Services Contract – Deeds of Amendment have been executed by all participating councils except Georges River and Bayside; most of their required changes have been accepted by Veolia, and their suggestions for resolving the few remaining issues are with Bayside for review. Financial and quality controls are being reviewed by SSROC's internal auditor and by our independent technical adviser.</p> <p>A formal launch at Woodlawn is planned for 8 September 2017 (Woodlawn is near Tarago, 250km south-west of Sydney).</p> <p>Regional Waste and Resource Recovery Strategy The allocation of the regional Better Waste and Recycling funding of \$391,000 (previously \$464,413) has been agreed by the Strategy Steering Committee and approved by SSROC General Managers (see Attachment 1). The strategy review and update project continues, due for completion by October 2017.</p> <p>Implementation Coordination Work continues on: supporting the Sydney RID Squad, developing the reuse sector, clean-up tender(s), mattress recycling tender, advocacy, regional bin audit, litter bin placement guidelines, container deposit scheme implications analysis, and waste education.</p> <p>Connected Corridors for Biodiversity Sufficient funds remain in the project budget to develop and deliver seven community workshops. To date Bayside, Canterbury-Bankstown, Inner West, Sutherland and Sydney have agreed to host workshops, so two further workshops are available.</p>

Regional Waste and Resource Recovery Strategy Implementation

Allocation of Regional Better Waste and Recycling Funds

10 August 2017

Southern Sydney Regional Organisation of Councils

The Strategy Steering Committee has agreed the following allocation of the \$391,000 from the EPA's Better Waste and Recycling Fund.

Project Area	Description	Allocation
Regional Support	0.6 FTE Project Officer to support the Regional Coordinators.	\$75,000
Regional Support	1 FTE Regional Community Educator, continuing targeted education and sharing good practice, approaches.	\$164,000
Resource Recovery in multi-unit dwellings (MUDs)	Desk top research to document case studies of best practice on the provision of resource recovery access, designs, sizes, systems and services in MUDs. For EPA to disseminate with its guidelines for increased recovery in MUDs, particularly for developers working in growth corridors. Includes learnings from 2016/17 MUDs pilots.	\$14,000
Resource Recovery in multi-unit dwellings	Professional development workshops on DCPs and managing onsite issues with MUDs	\$8,000
Reducing Waste (Reuse Business Case)	Work in partnership with Sydney CRNA members to develop dataset of weights and sale price points for items in the reuse economy.	\$15,000
Reducing Waste (Reuse Business Case)	Provide Councils with financial modelling to demonstrate the costs and benefits of different kerbside collection practices to enable reuseable larger household items to be collected and re-used rather than compacted and landfilled.	\$20,000
Reducing Waste (avoidance & reuse)	Literature review to inform key messages for communications campaign to encourage waste avoidance and promote the reuse market.	\$5,000
Reducing Waste (avoidance & reuse)	Develop communications material about waste avoidance and reuse (continues in Year 2).	\$80,000*
Problem Waste	Support for Councils to respond to the contractual implications of the Container Deposit Scheme.	\$5,000
Responsible Citizens	Support to Councils and Sydney RID Squad in addressing illegal dumping.	\$5,000
		\$391,000

* of which \$60,000 is expected to be spent in 2018/19.

SECTION 8. JOINT ACTIVITIES WITHIN SSROC

ITEM 8.3 Community Energy Service

RECOMMENDATION:

That SSROC Delegates:

1. Receive and note the report.

Purpose of the report:	To inform Delegates of a new Community Energy Service that will be provided to residents under the regional Renewable Energy Master Plan: Our Energy Future.
Background:	<p>One of the actions identified in Our Energy Future was the establishment of a Community Energy Service, to help residents and local businesses to make informed decisions about energy efficiency actions and renewable energy.</p> <p>Following the appointment of Positive Charge as the preferred supplier of this service for a pilot project, a launch was held on 21 June 2017. The event attracted very good attendance including Councillors, council officers, officers from the Office of Environment and Heritage, and from the Renewable Energy Advocate.</p>
Current status:	<p>The pilot is now fully operational. A report has been delivered to each Council showing performance during the set-up months of the pilot. Across the participating councils from April to June 2017 there were 57 registrations, 8 solar PV installations totalling 29kW. This is equivalent to 807 tonnes of CO₂-e abated, and cost savings of \$6,882 p.a.</p> <p>A range of marketing campaigns and other services have been scheduled and are being delivered. If the pilot is successful, then Councils will be able to continue to subscribe annually, and Positive Charge will open the service to more Councils.</p> <p>Participating Councils: Bayside, Canada Bay, Georges River, Canterbury-Bankstown, Inner West, Parramatta, City of Sydney, Randwick, Waverley and Woollahra.</p>

SECTION 8. JOINT ACTIVITIES WITHIN SSROC

ITEM 8.4 Procurement Activity

RECOMMENDATION:

That SSROC Delegates:

1. Receive and note the report.

Purpose of the report:

To advise Delegates of progress to major SSROC procurement activity.

Background:

SSROC maintains approximately thirty (30) regional contracts on behalf of member Councils and aims to continuously improve its offer through better value, business alignment and service improvement.

Current status:

SSROC Contracts

Table 1 (attached) lists current regional contracts available to member councils. Table 2 shows the participation of Councils in various contracts.

Current Sourcing Activity

The following procurement was released to open market:

Program for Energy and Environmental Risk (PEERS)

The energy efficiency stream of the PEERS program consists of three separate Requests for Quotations (RFQs):

Category	RFQ Open	RFQ Close
HVAC (Air Conditioning) Consulting	14 July	27 July
Sub-metering and analytics	14 July	2 August*
Lighting (indoor) assessment and advisory services	21 July	4 August

*extended

The aim is to create expert panels through preferred supplier agreements, members of which can provide independent advice to Councils on efficiency measures that will result in reduced energy usage. (See further information on PEERS in item 8.5).

The following procurements are currently being evaluated and finalised:

Hardware

This tender was released to the open market on 4 July and closed on 27 July. Submissions are currently being evaluated. The scope of the goods required has been reviewed and expanded by councils. Randwick Council is hosting the tender on behalf of SSROC. All member councils are participating in this tender.

Plants and Trees

This tender for the supply of plants and trees was released to the open market on 20 June and closed on 11 July. Sutherland Shire Council hosted the tender on behalf of SSROC. Nine (9) councils are participating in this process. The submissions have been evaluated

and a tender recommendation report with the recommended composition of the supplier panel will be provided to the participating Councils.

Temporary Staff

This tender was released to the market on 30 May and closed on 20 June. Twenty-eight companies (28) have responded to the tender. The evaluation has been completed and the tender recommendation report accepted by the nine (9) member councils. Preferred Supplier Management Agreements (PSMAs) have been sent out to be signed by each supplier.

The following procurement projects have been cancelled:

Council Owned Lighting Tender (COLT) Category 4 – Outdoor Control Systems

Sixteen (16) Councils from SSROC and outside the area participated in the tender. All tenders were rejected as detailed in the Tender Recommendation Report:

All suppliers were rejected from this category as the cost to councils, as an individual entity, of setting up a communications network were too great and would require years to replace lighting to complete the network

Negotiations with the tenderers commenced and it became clear that there was a latent demand in Councils to use smart controllers not just for outdoor lighting, but for other infrastructure as well, such as garbage bins and parking spaces. But Councils do not uniformly know exactly what assets they want to control, or how they want to deploy such technology. This scope increase, while providing exciting new opportunities, was not part of the initial tender proposal. With the technology itself also evolving rapidly, the negotiation panel agreed that it was best to cease negotiations, and go out to tender with revised scope in 12-18 months. This will give SSROC and Councils time to firm up what assets, smart controllers should be used for. This information will be used together with the lessons and valuable market information gained from this tender.

Heating, Ventilation and Air-conditioning (HVAC) – Install and Maintain

It was not considered appropriate to continue with the tender process yet. The better option is to complete the PEERS HVAC process first to give Councils access to independent advice and an opportunity to review their HVAC systems. Then this HVAC installation and maintenance tender could be run on a more informed basis.

The following procurements are work in progress and have not yet been released to market:

Mattress Collection and Disposal

The specifications for this tender are currently being developed by the working group. The working group requires more time due to the uncertainties of the mergers and also bringing the Mattress RFT and the Clean Up RFT into alignment. It is expected that this tender will go to the open market in the first week of December, closing at the end of January. Ten (10) member councils are participating.

Clean Up (kerbside waste resource recovery and recycling)

The specifications for this tender are currently being developed by the working group. Georges River Council will host this tender. A market sounding meeting was held on 19 July 2017 after advertising in the Sydney Morning Herald. Major suppliers responded to set questions, which will inform the future tender process. In terms of procurement, key

issues for consideration by SSROC and member councils are:

Risk sharing, in particular waste volumes, and partnership arrangements

Shorter term contracts due to large number of variables

New market players are looking for opportunities and more open to innovation

Bush Regeneration

Specifications for this tender are currently being developed.

Joint Council Energy Procurement

The SSROC energy contract expires on 30 June 2018. Due to the high level of volatility in the market, it has been decided to move on this procurement much earlier than anticipated. (See separate report at item 8.5).

Architect/Design and Construct

Development of the specification for this has not yet begun. Council procurement officers have been requested to discuss their design requirements with their councils however most have indicated that they do not require this service.

Contracts for Re-tender in 2017

During the second half of 2017, following the approval of the Supply Management Group the following RFT's will be developed for re-tendering in early 2018:

- Phone and Communication Systems
- Parking Infringement Papers

SSROC CONTRACTS, AUGUST 2017

No.	CONTRACTS	START	END	OPTIONS AVAILABLE	OPTIONS END
1	Advanced Waste Treatment	1/03/2016	28/02/2026	+5	28/02/2031
2	Agricultural Products	1/07/2016	30/06/2019	1+1	30/06/2021
3	Asbestos (Response & Disposal of Illegally Dumped Asbestos)	1/11/2016	31/10/2018	1+1	31/10/2020
4	Asphalt Road Making and Associated Services (LGP Collaboration)	1/03/2014	28/02/2018	1+1	28/02/2020
5	Banking Services	1/07/2015	30/06/2018	N/A	N/A
6	Carbon Management	28/02/2011	28/02/2015	+4	27/02/2019
7	Code of Conduct	17/06/2013	16/06/2017	0	N/A
8	Code of Conduct	17/06/2017	16/06/2020	1+1	16/06/2021
9	Copy Paper	31/01/2013	30/01/2018	1+1	NEW TENDER
10	Council Owned Lighting Tender - CAT.1 Outdoor Lighting Design	1/06/2017	31/05/2019	N/A	N/A
11	Council Owned Lighting Tender - CAT.2 Electrical Design	1/06/2017	31/05/2019	N/A	N/A
12	Council Owned Lighting Tender - CAT.3 Luminaire Supply	1/06/2017	31/05/2019	N/A	N/A
13	Council Owned Lighting Tender - CAT.5 Columns	1/06/2017	31/05/2019	N/A	N/A
14	Council Owned Lighting Tender - CAT.6 Installation & Maintenance	1/06/2017	31/05/2019	N/A	N/A
15	Electricity (PA Collaboration)	1/07/2015	30/06/2018	N/A	N/A
16	Fire Services	19/05/2014	18/05/2018	1+1	18/05/2019
17	Gross Pollutant Traps (Stormwater Decontamination Systems)	1/12/2013	30/11/2017	1+1	30/11/2018
18	Hardware	13/08/2012	12/08/2017	1+1	NEW TENDER
19	Hardware (OUT TO MARKET)	TBA	TBA	TBA	TBA
20	HVAC Heat, Ventilation & Air Conditioning (EOI)	17/08/2012	16/08/2017	1+1	NEW TENDER
21	HVAC Heat, Ventilation & Air Conditioning (OUT TO MARKET)	TBA	TBA	TBA	TBA
22	Industrial Footwear	1/09/2016	31/08/2019	1+1	31/08/2021
23	Linemarking	1/07/2017	30/06/2020	1+1	30/06/2022
24	Mattress Collection and Processing Service	25/09/2012	24/09/2017	1+1	NEW TENDER
25	Parking Infringement Papers	27/03/2013	26/03/2018	1+1	NEW TENDER
26	Pest Control Services	19/11/2014	18/11/2017	1+1	18/11/2019
27	Phone and Communication Systems	21/02/2013	20/02/2018	1+1	20/02/2020
28	Plant and Equipment Wet Hire (PA Collaboration)	1/07/2014	30/06/2017	1+1	30/06/2019
29	Plants and Trees	16/08/2012	15/08/2017	1+1	NEW TENDER
30	Plants and Trees (OUT TO MARKET)	TBA	TBA	TBA	TBA
31	Print	23/03/2016	22/03/2019	1+1	22/03/2021
32	Ready Mixed Concrete	1/10/2011	30/09/2014	1+1	30/09/2006
33	Ready Mixed Concrete	1/11/2016	31/10/2019	1+1	31/10/2021
34	Road Signs and Traffic Control Equipment	1/09/2014	31/08/2017	1+1	31/08/2019
35	Road Vehicle Brooms, Brushes and Spare Parts	1/08/2014	31/07/2017	1+1	31/08/2019
36	Sodium Hypochlorite (Bulk Liquid Chlorine)	12/08/2016	11/08/2019	1+1	11/08/2021
37	Stationery and Associated Products	10/08/2015	9/08/2018	1+1	9/08/2020
38	Temporary Staff	14/08/2012	13/08/2017	1+1	NEW TENDER
39	Temporary Staff (OUT TO MARKET)	TBA	TBA	TBA	TBA
40	Tree Pruning Services	23/07/2016	22/07/2018	1+1	22/07/2020
41	Tyre Supply (PA Collaboration)	1/08/2015	31/07/2018	1+1	31/07/2018

Table 1 Council Participation in SSROC Procurement Activity June 2017

Council Participation in SSROC Procurement Activity		Council (or proposed Merged Council)	Canterbury Bankstown		Georges River		Inner West			Burwood, Canada Bay, Strathfield			Bayside		Randwick, Waverley- Woollahra			Sutherland	City of Sydney
Current Sourcing Activity	Status	(Former Council)	Bankstown	Canterbury	Hurstville	Kogarah	Ashfield	Leichhardt	Marrickville	Burwood	Canada Bay	-	Botany	Rockdale	Randwick	Waverley	Woollahra	Sutherland	City of Sydney
SSROC T2016-09 Council Owned Lighting Tender	Last category (four), post tender negotiations ended.	Participating in RFT	Yes		No		Yes			Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SSROC Q2017-05 HVAC Consulting	Submissions close 3/8/17	Expressed Interest	Yes		Yes		Yes			Yes	Yes	TBA	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SSROC Q2017-06 Sub- metering	Submissions close 2/8/17	Expressed Interest	Yes		Yes		Yes			Yes	Yes	TBA	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SSROC Q2017-07 Lighting (indoor) consulting	Submissions close 4/8/17	Expressed Interest	Yes		Yes		Yes			Yes	Yes	TBA	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SSROC T2017-03 Temporary Staff	Participating Councils have approved Tender Recommendation Report. Suppliers to return PSMAs	Expressed Interest	Yes		Yes		Yes	Yes	Yes	Yes	No	TBA	Yes	Yes	Yes	Yes	Yes	Yes	No
T2017-04 Plants and Trees	Tenders are currently being evaluated	Expressed Interest	No		Yes		Yes			Yes		TBA	Yes		Yes	Yes	Yes	Yes	No
T2017-05 HVAC	RFT to be reissued pending discussions with Councils	Expressed Interest	No		Yes		Yes			Yes	No	TBA	Yes		Yes	Yes	Yes	Yes	No
T2017-06 Hardware	Tenders are currently being evaluated	Expressed Interest	Yes		Yes		Yes			Yes	Yes	TBA	Yes		Yes	Yes	Yes	Yes	No
Sourcing Activity in the Pipeline																			

Participation of Member Councils in SSROC Contracts

Table 2. Participation of Member Councils in SSROC Contracts

Table 2. Participation of Member Councils in SSROC Contracts	Participating Councils																
	Bayside					Canterbury-Bankstown		Georges River		Inner West							
	Former Botany Bay	Former Rockdale	Burwood	Canada Bay	Strathfield	Former Bankstown	Former Canterbury	Former Hurstville	Former Kogarah	Former Ashfield	Former Leichhardt	Former Marrickville	Sutherland	City of Sydney	Randwick	Waverley	Woollahra
Contract Name																	
Advanced Waste Treatment Services	✓	✓	✓	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗	✗	✓	✓
Asphalt Road Making and Associated Services (LGP managed)	✓	✓	✓	✓	✗	✗	✓	✗	✓	✓	✓	✓	✓	✗	✗	✓	✓
Banking Services	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Carbon Management	✗	✗	✗	✓	✗	✓	✓	✗	✗	✗	✓	✓	✗	✗	✗	✗	✗
Copy Paper	✓	✗	✗	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Electricity	✓	✓	✗	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Fire Services	✓	✗	✓	✗	✗	✗	✓	✗	✗	✗	✗	✓	✓	✗	✓	✗	✓
Gross Pollutant Traps (Stormwater Decontamination Systems)	✗	✓	✗	✓	✗	✗	✓	✓	✓	✗	✓	✓	✓	✗	✗	✓	✓
Heavy Plant and Equipment Hire Wet Hire (PA Collaboration)	✓	✗	✓	✗	✗	✗	✓	✗	✗	✓	✗	✓	✓	✗	✓	✗	✓
Landfill Waste	✗	✗	✓	✗	✗	✗	✗	✗	✓	✓	✓	✓	✗	✗	✗	✓	✓
Parking Infringement Papers	✗	✓	✓	✗	✗	✗	✓	✓	✗	✗	✗	✗	✓	✗	✓	✓	✗
Pest Control Services	✓	✓	✓	✗	✗	✗	✗	✓	✗	✗	✓	✗	✓	✗	✓	✗	✓
Phone and Communication Systems (EOI/Pre Qual Panel)	✗	✗	✗	✗	✗	✗	✗	✓	✗	✓	✓	✗	✗	✗	✓	✗	✗
Print, Associated Products and Services	✓	✗	✓	✓	✗	✗	✓	✓	✓	✗	✓	✓	✓	✗	✓	✓	✗
Ready Mix Concrete	✗	✓	✓	✓	✗	✗	✓	✗	✓	✓	✗	✓	✗	✗	✓	✓	✓
Road Signs and Traffic Control Equipment	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Road Vehicle Brooms, Brushes and Spare Parts	✓	✓	✓	✓	✗	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Stationery and Associated Products	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Agricultural Products	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sodium Hypochlorite (Pool Chlorine)	✓	✗	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✗
Industrial Footwear	✓	✓	✗	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
2017 New Contracts and Renewals																	
Tree Pruning Services	✓	✗	✗	✗	✗	✓	✓	✗	✗	✓	✓	✓	✗	✗	✗	✓	✓
Mattress Collection and Processing Service	✓	✓	✓	✓	✗	✗	✗	✗	✓	✓	✓	✗	✓	✓	✓	✓	✓
Plants and Trees	✓	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓
Temporary Staff	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
HVAC Heat, Ventilation and Air Conditioning (EOI/Pre Qual Panel)	✓	✗	✓	✗	✗	✗	✓	✗	✗	✗	✗	✗	✓	✗	✗	✗	✗
Code of Conduct (EOI/Pre Qual Panel)	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hardware	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Architect/Design and Construct	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Clean Up Contract	✓	✓	✓	✗	✗	✗	✗	✓	✓	✓	✓	✓	✗	✗	✗	✓	✗
Linemarking	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗	✓

SECTION 8. JOINT ACTIVITIES WITHIN SSROC

ITEM 8.5 Program for Energy and Environmental Risk Solutions (PEERS)

RECOMMENDATION:

That SSROC Delegates:

1. Receive and note the report.

Purpose of the report:

To advise Delegates of this new major SSROC initiative.

Background:

With the escalating prices of electricity and gas, we anticipate that the next electricity supply procurement would deliver prices more than double those that councils currently pay. We have therefore developed the Program for Energy and Environmental Risk Solutions (PEERS) to mitigate the risk of those likely price increases through four interconnected streams of work:

1. Bulk procurement of grid electricity, to include large sites, street-lighting and small sites as the current contract does;
2. Enabling energy efficiency through the establishment of panel contracts for expert advice on air-conditioning and lighting, and for sub-metering and analysis, which will facilitate councils reducing their demand for electricity;
3. Increasing renewable energy consumption through a renewable energy power purchase agreement: with costs of wind and solar generation falling, this could prove a lower cost source of a proportion of electricity, as well as helping councils to achieve their sustainability targets;
4. Bulk procurement of gas supply.

The aims of the project are to:

Save Money

Aggregating electricity sites across the state will result in increased buying power and reduced prices for Electricity and, if viable, Gas.

Receive Better Service

Large aggregate procurement will place the group into the top tiers of energy buyers which will mean access to dedicated account managers and better service from the supplier.

Minimise Risk

In a volatile energy market which has seen electricity and gas costs more than double, we aim to manage risk through an innovative approach using a renewable energy PPA and strategically timing our entry and exit into the market.

Lower Greenhouse Gas emissions

This will be achieved by helping councils reduce the energy they need and through a renewable energy PPA. The project will also have expert panels set-up that Councils can access for advice and services for efficiency gains relating to Air-conditioning, Indoor Lighting, and Smart Metering

Build on Past Success for the Future

Our current electricity contract is one of the largest and most successful electricity tenders for councils in NSW that resulted in a combined \$7million saving for participants this year alone. We can leverage this experience to continue to generate savings and efficiencies for all Councils through this tender process and into the future.

Current status:

The proposal for councils to participate in the each of the four streams of this program (Attachment 1) has been developed and distributed to potential participants.

Two forums are scheduled for 14 August 2017 to provide information to interested councils.

A commitment to participate will take the form of a memorandum of understanding and a contribution to the up-front costs of the program.



Program for Energy & Environmental Risk Solutions (PEERS)

Buy Together, Buy Smarter, Buy Better

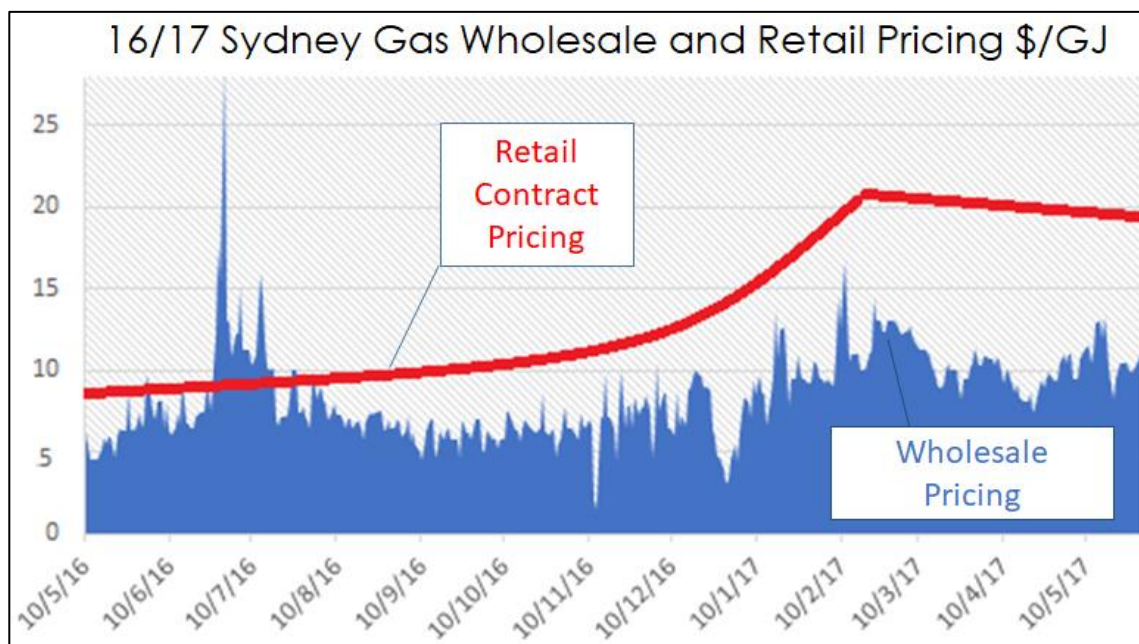
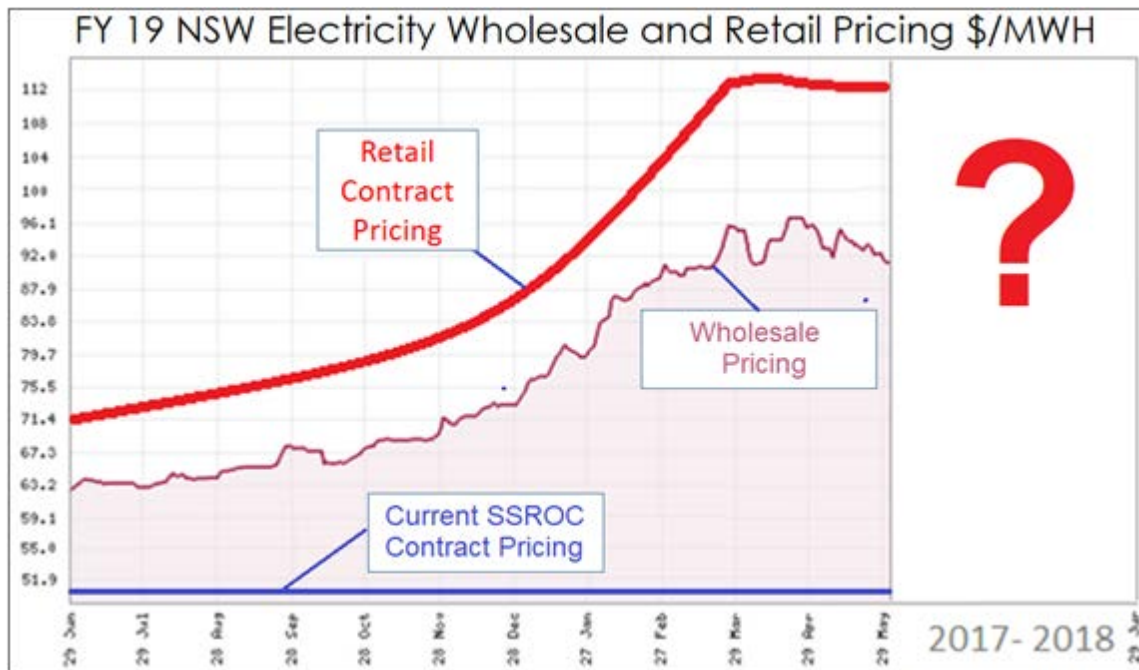
Introduction

The joint regional PEERS Program is designed to help councils mitigate rapidly escalating and increasingly volatile prices for electricity and gas while also helping them meet their environmental goals in an integrated manner. It will do this through an integrated program involving large-scale aggregated buying of electricity and gas, energy efficiency services and potentially, a renewable power purchase agreement.

The National Electricity Market and natural gas supply situation have changed markedly in recent years in ways that are now having dramatic impacts on prices and creating an urgent need for councils to adapt and respond to energy cost risk. Of particular note are three key developments:

- The closure of some older coal-fired generators in the National Electricity Market and the continuing uncertainty about national greenhouse gas emissions policy has resulted in fewer new energy generating plants being built in recent years. This has led to a progressive tightening of electricity supply, higher prices and increased volatility in what was a previously an over-supplied electricity market for much of the past two decades.
- Increased natural gas exports and resulting tighter domestic gas supplies has occurred at a time when gas-fired electricity generation is playing an ever-greater role in meeting peak electricity demand. The gas and electricity markets are therefore increasingly inter-related. Because of this greater inter-relationship, tightening of supplies in one market is having a price effect in the other.
- There has been a progressive reduction in the costs of renewable energy and battery technologies to a point where, for the first time, wholesale renewable Power Purchase Agreements (PPAs) have been available at lower cost than wholesale electricity costs in the National Electricity Market.

The graphs below illustrate the price impact at a wholesale and retail level that has made energy pricing and policy a front-page story in recent months.



To help councils mitigate the impact of these developments, the PEERS Program integrates the following four streams which are further described in this PEERS Program overview:

1. **ELECTRICITY** – Joint tender for electricity (Large Sites, Small Sites, GreenPower)
2. **GAS** – Joint tender for natural gas (Large, Medium & Small Sites)
3. **ENERGY EFFICIENCY** – Joint RFQs for panels able to supply electricity sub-metering and analytics, HVAC specialists and lighting specialists
4. **RENEWABLE ENERGY PPA** – Joint tender for one or more electricity off-take agreement(s) for renewable energy and environmental certificates (LGCs)

1) Electricity Procurement

Introduction

Over three successive tenders, Southern Sydney Regional Organisation of Councils Inc. (SSROC) has consistently achieved some of the lowest electricity pricing for NSW councils because of the inherently sound economic design of its tender process. The process features: 1) large group aggregation of buying power with council contract dates aligned and on the same terms; 2) a full open market tender targeting all licensed NSW electricity retailers, not just a limited tender panel of retailers; and 3) seeking expert advice from a panel of independent consultants.



Overall, the estimated benefit for councils in aggregated buying is at 2-5% and importantly, at or above the volume being procured under the PEERS process, savings are not only at the upper end of this range but this volume opens up negotiations on standard terms and conditions. Market timing can also be a highly significant factor in savings. While other councils are facing dramatic electricity price increases this year, SSROC's current electricity contract was signed at a low point in the market for the maximum duration possible. In this year alone, the savings for 17 participating councils are in the order of \$7 million compared to current pricing. With dramatically higher prices in the market, large group buying and expert advice on the timing to market and contract duration is the best possible approach to keeping future price increases to a minimum.

Summary of Approach

- Joint open market tender to all licenced NSW electricity retailers seeking one, two and three-year pricing for large sites, small sites and GreenPower
- Will take into consideration renewable PPA input (see Stream 4) and energy efficiency forecasts (see Stream 3)
- Aligned procurement dates wherever possible (17 councils totalling ~100,000 MWhr/yr already on 1 July 2018 start date with flexibility to accommodate other start dates)
- Panel of two to three independent expert advisers to advise on forecasting of load, specification development, timing to market, contract duration and assistance in negotiation of terms with finalists

Costs

Councils will be charged fixed fees of \$12,500 + GST (50% payable on signing MOU and 50% on release of tender) and on-going fees of 0.5% of retail energy costs will be charged to the winning tenderer. These fees are a maximum based on the number of councils in the existing SSROC contract. They will be reduced if more councils join. SSROC has chosen to charge up-front fees for transparency, and a small trailing commission so that overall fees reflect actual volume purchased by each council. The fees are below typical costs of each council staging a medium-sized tender.

2) Natural Gas Procurement

Introduction

Like electricity prices, natural gas prices have doubled in the past 12 months and councils are likely to benefit from aggregated buying of gas, particularly for their main building, recreation centres and other facilities that have appreciable gas consumption. SSROC is proposing to apply a gas procurement methodology similar to that which it has successfully used for electricity procurement. The process will feature: 1) large group aggregation of buying power for natural gas with council contract dates progressively aligned and on the same terms; 2) a full open market tender targeting all licensed NSW gas retailers; and 3) seeking expert advice from a panel of independent consultants.



With dramatically higher prices and significant volatility in the gas market, large group buying and expert advice on the timing to market and contract duration is the best possible approach to keeping future price increases to a minimum.

Summary of Approach

- Joint open market tender to all licenced NSW gas retailers seeking pricing for all small (sub-1 TJ p.a.), medium (1-10 TJ p.a.) and large (10 TJ+p.a.) sites
- Progressively align procurement dates wherever possible
- Panel of two-three independent expert advisers to advise on forecasting of load, flexibility, specification development, timing to market, contract duration and assistance in negotiation of terms with finalists

Costs

Councils will be charged fixed fees of \$12,500 + GST (50% payable on signing MOU and 50% on release of tender) and on-going fees of 0.5% of retail energy costs will be charged to the winning tenderer. These fees are a maximum based on the number of councils in the existing SSROC contract. They will be reduced if more councils join. SSROC has chosen to charge up-front fees for transparency, and a small trailing commission so that overall fees reflect actual volume purchased by each council. The fees are below typical costs of each council staging a medium-sized tender.

3) Energy Efficiency Services Procurement

Introduction

Cutting electricity consumption is one of the most effective strategies that councils can adopt to cut costs and reduce their exposure to volatile electricity prices. While most councils have already undertaken a range of energy efficiency initiatives, many opportunities need to be revisited and more steps need to be taken in the context of a doubling of prevailing electricity prices.



Based on advice, PEERS focuses on assisting councils to implement more aggressive energy efficiency through three proven strategies: deployment of sub-metering and data analytics; securing a panel of independent expert HVAC consultants; and securing a panel of independent expert lighting consultants.

Summary of Approach

- Through an RFQ process, provide councils with a panel of sub-metering / data analytics suppliers that are able to implement sub-metering solutions in councils' largest sites to:
 - quantify energy usage of major systems;
 - provide on-going near real-time monitoring of consumption; and
 - implementing software that can accept data feeds from sub-meters, provide trend analysis, threshold monitoring, alarm outputs and help identify energy efficiency opportunities and produce action-oriented recommendations for reducing consumption.
- Through an RFQ process, provide councils with a panel of independent expert HVAC consultants that can assess HVAC operations across a portfolio of sites to identify opportunities for improvement in either the operation of existing systems or make recommendations for the cost-effective upgrade or replacement of existing systems.
- Through an RFQ process, provide councils with a panel of independent expert lighting consultants that can assess lighting systems across a portfolio of sites to identify opportunities for improvement in either the operation of existing systems or make recommendations for the cost-effective upgrade or replacement of existing systems.

Costs

Councils will be charged an up-front fee of \$1500 + GST to cover the costs of the three RFQs and there will be no on-going fees for councils or suppliers under these panels.

4) Renewables Power Purchase Agreement

Introduction

In recent months, wholesale contracts for renewably-generated electricity have been offered at lower costs than regular grid electricity (as much as \$30-\$50/MWh below total delivered energy costs under a standard retail contract). SSROC aims to help PEERS participants take full advantage of this by aggregating load, to again improve on buying power compared to that of individual councils, and approach the market for the best renewable energy rates available.



A request for proposals (RFP) will seek pricing for electricity and renewable energy certificates for a portion of up to 50% of council loads. Targeted for release in September 2017, the RFP will clearly stipulate that pricing must be cheaper than regular grid energy or councils will not proceed. Importantly, this renewables procurement process is happening **before** the PEERS electricity tender (Stream 1), allowing for any renewable electricity purchased to be deducted from the electricity load to be procured in the regular retail market. This approach is in keeping with the strategy being adopted by many large commercial and industrial customers in response to the current market conditions.

Renewably-generated electricity will likely be offered under a Power Purchase Agreement (PPA), whereby all the costs of the renewable generator are rolled up into a single rate per kilowatt hour. The PPA would have a longer term than a typical retail electricity contract as this allows the generator's costs to be spread over a longer period, reducing the rate per kilowatt hour. This could provide councils with significant price stability benefits for part of their load in a highly volatile market.

Renewable energy generators and new project developers are currently highly motivated vendors as they wish to secure long-term contracts in the current energy market and are ready to negotiate with creditworthy counterparties such as councils.

Summary of Approach

- Joint open market RFP to renewable energy generators and new project developers using any renewable energy technology (wind, solar or other)
- Approach the market early to ensure that generation can begin within the next regular electricity contract period (and be accounted for in those contracts)
- Retain the ability for councils to opt out prior to commencement, should pricing be more expensive than grid power

Costs

Councils will be charged fixed fees of \$15,000 + GST (50% payable on signing MOU and 50% on release of tender). On-going fees of 0.5% of retail energy costs will be charged to the winning tenderer. These fees are a maximum based on the number of councils in the existing SSROC contract. They will be reduced if more councils join. SSROC has chosen to charge up-front fees for transparency, and a small trailing commission so that overall fees reflect actual volume purchased by each council. The fees are below typical costs of each council staging a medium-sized tender.

Next Steps for Councils and Timetable

Commercial Arrangements

Councils seeking to participate may choose to be involved in any and all PEERS Streams on the commercial terms for each Stream outlined above. Councils do not need to participate in the whole program but must clearly commit, through the signing of an MOU with SSROC, to the Streams in which they wish to participate. Deadlines for confirming participation in each Stream are as follows:

- | | |
|-------------------------------------------|--------------------------|
| 1. Electricity Procurement | 15 September 2017 |
| 2. Gas Procurement | 15 September 2017 |
| 3. Energy Efficiency Services Procurement | 25 August 2017 |
| 4. Renewables Power Purchase Agreement | 25 August 2017 |

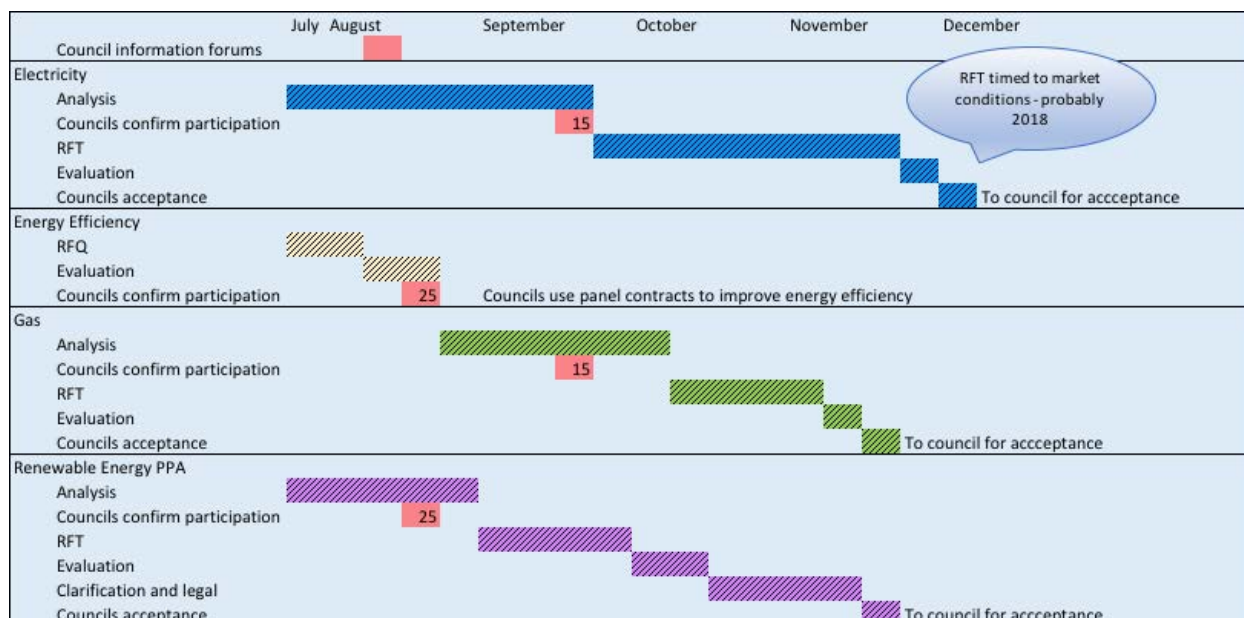
Next Steps for Councils Seeking to Participate

1. Provide an initial indication of interest to SSROC and nominate a primary contact
2. Sign an MOU with SSROC for each Stream in which council wishes to participate
3. Provide details of all electricity/gas accounts, consumption information and authorisation for SSROC and its advisers to access account details to validate data

Integrated Timetable

The overall aim of PEERS is to help councils reduce what they need to buy through the adoption of well-proven energy efficiency services, and readily available, secure direct agreements with one or more renewable energy suppliers – if it can be demonstrated to be lower cost than the prevailing rates in the regular retail market – and then procure electricity in the regular market to meet the remaining load (which may well be a declining load over time for many councils). These three electricity-related Streams are therefore closely linked and this is reflected in the timetable below.

With regards to gas, the overall aim of PEERS is to bring the same disciplined process and structure to gas procurement that has been so successful for councils with electricity. The timetable for this process recognises that there is a range of current gas procurement arrangements within councils at present and that information gathering and validation may take somewhat longer.



Questions?

To confirm your council's participation, or for more information on PEERS please contact Frank Tambosis or Jennifer Revell on 02 8396 3800 or ssroc@ssroc.nsw.gov.au.

SECTION 9. EXTERNALLY FUNDED PROJECTS

ITEM 9.1 Street Lighting Improvement Program Update

RECOMMENDATION:

That SSROC Delegates:

1. Receive and note the report.

Purpose of the report:

To inform Delegates of progress and to highlight issues arising

Current status:

The SSROC SLI Program, numbering 30 councils and 95% of the street lights in the Ausgrid region, has been involved in several on-going street lighting activities in recent months. The status of these is as follows:

Accelerated Replacements Negotiations Nearing Conclusion

With agreement on LED pricing earlier this year, SSROC's top priority has shifted to negotiating a program of accelerated replacements of old street lighting on residential roads with LEDs. Under discussion is the replacement of 101,000 street lights on residential roads could be replaced over the next three years. This is about 40% of the lighting for each council. The SSROC SLI Program is awaiting one final input from Ausgrid to finalise the jointly developed business case modelling. Ausgrid is expected to soon invite all councils to a joint meeting to present this as a proposal. SSROC will be providing supporting material laying out the business case for accelerated replacements. SSROC has, in parallel with Ausgrid negotiations, held further discussions with the Office of Environment & Heritage about the potential for funding support and with the Clean Energy Finance Corporation (CEFC) about the potential to improve the business case for councils by using external capital instead of Ausgrid financing. The CEFC has now provided indicative costs for this approach.

Main Road LED and Smart Controls Trials

Many councils submitted proposed main road LED trial sites earlier this year and nine have been selected. Some 600 LEDs are expected to be deployed on main roads in the coming weeks in conjunction with a recently agreed trial of smart controls. Ausgrid is expected to tender for main road LEDs in the next few months with the objective of adopting LEDs as the standard lights for main roads later this year and potentially adopting smart controls for main roads as well. SSROC is working with Ausgrid to progress these trials as quickly as possible and has requested a copy of Ausgrid's specification to be able to undertake a review on behalf of councils and to initiate discussions with the RMS to ensure their support.

AER 2019-2024 Pricing Review

The next Australian Energy Regulator's review of electricity distribution pricing for 2019-2024 has commenced. SSROC's preliminary submission strongly advocating for continued regulatory oversight of street lighting in the review was accepted. SSROC intends to play an active role in the street lighting aspects of the review. Councils have collectively pushed back Ausgrid pricing by more than \$20 million in each of the last three pricing reviews by working together through the SSROC SLI Program.

Federal Court Decision

On 24 May, the Australian Federal Court made a decision about Ausgrid's appeal of

2015-19 electricity charges. Ausgrid won its lengthy appeal on most counts. The Australian Energy Regulator has expressed its strong disappointment with the decision and is considering an appeal. Higher prices for electricity distribution charges for all council's electricity accounts, including street lighting, will eventuate over the coming years if the decision holds. The timing of any revised pricing does not appear likely to be implemented until 2018-19. There will be no backdated charges as a result of this decision but it may have a marked impact on 2019-2024 pricing. SSROC will continue to monitor the impacts of this important case in the context of the current AER pricing review of 2019-2024 pricing.