

8.2. Special Rate Variation - Progress Report

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ATTACHMENTS:

1. SRV Projects Completed in 2019-20 [8.2.1 - 20 pages]

PURPOSE:

To report to Council on the status of Special Rate Variation (SRV) funded projects for 2019/20 and to outline what projects and programs are SRV funded in 2020/21 financial year.

EXECUTIVE SUMMARY:

At its meeting of 29 October 2018, Council resolved its ‘intent’ to apply for combined special rate variation (SRV) and minimum rate increase under its preferred financial option of the North Sydney Council Resourcing Strategy 2018/19-2027/28, for a 7% increase per annum, for 5 years, inclusive of the annual rate peg.

On 13 May 2019, IPART approved a 7% increase per annum, for 3 years, inclusive of the annual rate peg, and noted that Council could make a further application to amend the approval or submit a new application at the end of the three-year period.

Subsequently there were twelve SRV projects funded in the 2019/20 financial year. These projects included the replacing of drainage infrastructure, seawalls, retaining walls, footpaths, and other infrastructure assets in poor to very poor condition. In addition, other SRV funded projects include the upgrade of the Sirius Street Reserve Playground at Cremorne Point and Public Domain upgrade works in the Military Road corridor between Neutral Bay and Cremorne. Photographs of these completed projects and associated costs are detailed in the Attachment 1 of this report.

The projects and programs to be funded through the SRV in the 2020/21 financial year are detailed in the body of this report.

This report should be read in conjunction with Item GF03, the Quarterly Budget Review – June 2020, reported in Item 7.1 Governance and Finance Committee - Minutes 10 August 2020. In future this information will be reported to the Governance and Finance Committee.

FINANCIAL IMPLICATIONS:

The total SRV funding allocated to capital works Projects in 2019/20 was \$2,604,277. The total amount of the allocated funds actually spent at the end of the 2019/20 financial year was \$1,701,285. Refer to the detail section of this report which explains why not all the allocated funds were spent last financial year.

RECOMMENDATION:

1. THAT this report on the status of Special Rate Variation (SRV) funded projects be received.

LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

2. Our Built Infrastructure

2.1 Infrastructure and assets meet community needs

BACKGROUND

At its meeting of 29 October 2018, Council resolved its 'intent' to apply for combined special rate variation (SRV) and minimum rate increase under its preferred financial option of the *North Sydney Council Resourcing Strategy 2018/19-2027/28*, for a 7% increase per annum, for 5 years, inclusive of the annual rate peg. Community engagement was undertaken in a program run between 1 November 2018 and 16 January 2019.

The community engagement outcomes were reported to Council at its meeting of 29 January 2019. Council resolved to proceed to submit a combined application to IPART. Council submitted its 2019/20 application for a combined SRV and minimum rate increase to IPART on 11 February 2019. On 13 May 2019, IPART partially approved a 7% increase per annum, for 3 years, inclusive of the annual rate peg, and noted that Council could make a further application to amend the approval or submit a new application at the end of the three-year period.

Subsequently there were twelve SRV projects funded in the 2019/20 financial year. These projects included the replacing of drainage infrastructure, seawalls, retaining walls, footpaths, and other infrastructure assets in poor to very poor condition. In addition, other SRV funded projects include the upgrade of the Sirius Street Reserve Playground at Cremorne Point and Public Domain upgrade works in the Military Road corridor between Neutral Bay and Cremorne. These projects and associated costs are detailed in Attachment 1 of this report.

CONSULTATION REQUIREMENTS

Community engagement on the special rate variation (SRV) was undertaken between 1 November 2018 and 16 January 2019.

The community engagement outcomes were reported to Council at its meeting of 29 January 2019. Council resolved to proceed to submit a combined application to IPART.

DETAIL

As outlined in Table 1, the total SRV budget for 2019/20 was \$2,604,277 and the actual expenditure is \$1,701,285. All SRV funded projects were completed last year except for the Marine Structures projects, Sawmillers Reserve and Hayes Street Boardwalk – Neutral Bay. Both these projects were tendered and commenced in the 2019/20 financial year, however there were delays in gaining authority approvals for the projects which resulted in the designs not being finalised until the 4th quarter.

Both these Marine structure projects are now well underway and are over 50% completed. Refer to the appendix of this report for progress photographs.

The unspent SRV funds totaling \$902,992 for Marine Structures has been carried forward into the 2020/21 financial year.

Table 1. Total SRV budget reconciliation for 2019/20 and proposed funding for 2020/21

Project Name	2019/20 Original Budget	2019/20 Revised Budget	2019/20 Actual	2020/21 Budget	2021/22 Budget
Drainage Capital Works Program	120,274	120,274	120,274	1,089,124	946,625
GPT Upgrade Program Capital	-	-	-	325,000	700,000
Footpath Reconstruction Program	75,000	75,000	75,000	-	340,950
Marine Structures Reconstruction Program	1,150,000	-	-	-	-
Sawmillers Reserve Wharf	-	697,298	71,349	625,949*	-
Hayes Street Boardwalk	-	340,000	62,957	277,043*	-
Retaining Wall Reconstruction Program	109,003	171,705	171,705	220,200	121,215
Roads Reconstruction Program	-	-	-	-	68,838
Seawall Reconstruction Program	450,000	500,000	500,000	600,000	435,115
Kirribilli & McMahons Point Village Centres	-	-	-	-	-
Neutral Bay & Cremorne Public Domain Masterplan Projects	500,000	500,000	500,000	500,000	500,000
Streetscape Lighting Upgrades - Village Centres	-	-	-	236,074	295,943
Gore Cove to Smoothey Park Walking Track Upgrade	-	-	-	-	90,000
Grasmere Children's Park Playground Upgrade	-	-	-	-	300,000
Primrose Park Walking Track Upgrade	-	-	-	90,000	-
Sirius Street Reserve Playground Upgrade	200,000	200,000	200,000	-	-
St Leonards Park - Landscape Masterplan Implementation	-	-	-	1,200,000	1,200,000
Total	2,604,277	2,604,277	1,701,285	5,163,390	4,998,686

* Unspent Marine Structures budget carried forward into 2020/21

Refer to Attachment 1 of this Report for photos of the completed SRV Projects for 2019/20.

Special Rate Variation Projects completed in 2019/2020

SUMMARY

Program	Project	SRV Budget 2019/20	Total Actual Project Expenditure 2019/20	Amount funded from SRV 2019/20
Drainage	Gerard Lane Cremorne		\$102,121	\$102,121
Drainage	Bennett Street, Cremorne		\$286,467	\$18,153
	Subtotal	\$120,274	\$388,588	\$120,274
Seawall	Hayes Street, Neutral Bay		\$300,102	\$180,000
Seawall	Quibaree Park, Lavender Bay (Seawall and Boat Ramp Project)		\$163,178	\$90,000
Seawall	Blues Point Reserve, McMahons Point		\$397,084	\$188,267
	Subtotal	\$500,000	\$860,364	\$500,000
Retaining Wall	Lodge Rd, Cremorne		\$123,487	\$123,487
Retaining Wall	Iredale Avenue, Cremorne Point		\$52,500	\$48,218
	Subtotal	\$171,705	\$175,987	\$171,705
Footpath	Cremorne Rd, Cremorne		\$75,000	\$75,000
	Subtotal	\$75,000	\$75,000	\$75,000
Neutral Bay & Cremorne Public Domain Masterplan	Military Rd, Cremorne		\$1,315,074	\$500,000
	Subtotal	\$500,000	\$1,315,074	\$500,000
Marine Structures	Hayes Street Jetty, Neutral Bay (2019/20 costs only)		\$62,957	\$62,957
Marine Structures	Sawmillers Reserve Wharf, McMahons Point (2019/20 costs only)		\$71,349	\$71,349
	Subtotal	\$1,037,298	\$134,306	\$134,306
Playgrounds	Sirius Street Reserve Playground Upgrade, Cremorne Point		\$200,000	\$200,000
	Subtotal	\$200,000	\$200,000	\$200,000
	TOTAL	\$2,604,277	\$3,149,319	\$1,701,285

Drainage Capital Works Program

Stormwater Drainage Project: Gerard Lane Cremorne, Benelong Road to Langley Avenue

Cost = \$102,121 (fully funded from SRV)

The existing stormwater drainage system at Gerard Lane, Cremorne, was in very poor condition and either replaced with new pipe or the existing pipe relined. In addition, some larger pipes and larger pit inlets were used to improve capacity and reduce flooding risk to neighbouring properties.

BEFORE



DURING



AFTER



Stormwater Drainage Project: Bennett Street, Cremorne, south side, from Wycombe Road to Burroway. Includes section in Burroway Street.

Cost = \$286,467 (\$18,153 funded from SRV)

Infrastructure improvement works have been completed on Bennett Street. The works have included the replacement of kerb & gutter, removal of gutter bridges and installation of Stormwater Drainage pipes. This work was necessary to minimise the risk of flooding to properties by installing storm water drainage where none previously existed. At the same time road levels were significantly improved and large “gutter bridges” removed. A number of incidents were previously reported to council where vehicles were getting stuck against old gutter bridges. Also, passenger side car doors could not be opened due to the severe road camber adjacent to the kerb. The works completed has addressed these issues.



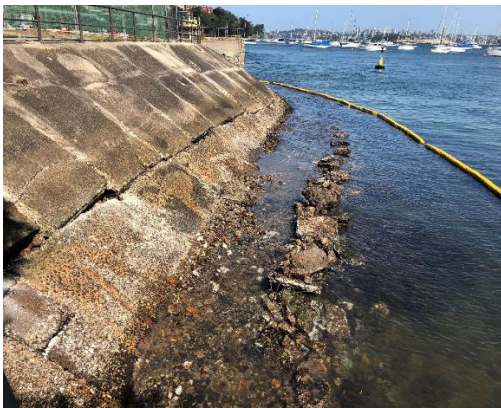


Seawall Capital Works Program

**Seawall Project: Hayes Street, Neutral Bay
Cost = \$300,102 (\$180,000 funded from SRV)**

The Hayes Street seawall was identified in a report from consultants Manly Hydraulics Laboratory as being in poor condition. The project included significant grout injection stabilisation works and the joints in the inclined wall were filled with reinforced concrete. A new concrete membrane was then applied to the face of the wall using 'low carbon' concrete. A colour oxide was mixed into the concrete to match the colour of the surrounding outcrop and then the face was moulded to mimic sandstone.

BEFORE



DURING



AFTER



**Seawall and Boat Ramp Project: Quibaree Park, Lavender Bay
Cost = \$163,178 (\$90,000 funded from SRV)**

The Lavender Bay seawall was identified in a report from consultants Manly Hydraulics Laboratory as being in poor condition. The project included significant grout injection stabilisation works. A total of 80 tonnes of grout has been injected behind the wall to fill in voids and 20 tonnes of rock armour has been installed at the toe of the wall along the seabed to prevent future scouring.

BEFORE



AFTER



BEFORE



AFTER



Lavender Bay Boat Ramp Reconstruction

The Lavender Bay Boat Ramp was carried out in conjunction with the seawall project. The existing boat ramp at Lavender Bay was in a dilapidated state. As part of this project the reconstruction of the ramp was built to comply with Australian design standards. Low carbon concrete was used in the construction of the ramp. The surface of the ramp was grooved to provide slip resistance for boat users.

BEFORE



AFTER

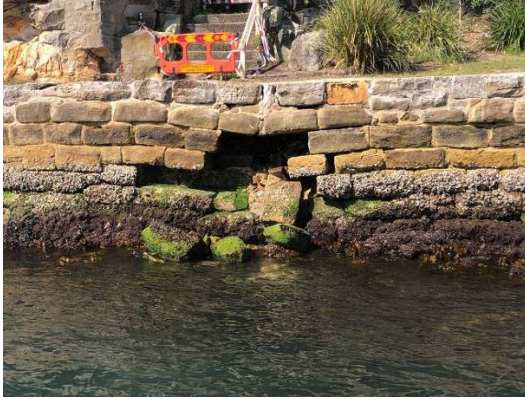


Seawall Project: Blues Point Reserve Seawall, McMahons Point Cost = \$397,084 (\$188,267 funded from SRV)

The Blues Point Reserve Seawall was identified in a report from consultants Manly Hydraulics Laboratory as being in poor condition. One section of wall towards the western end had already collapsed. As a result, the adjacent footway in the reserve was undermined and also at risk of collapse. The area immediately behind the collapsed seawall was barricaded and the footway temporarily closed due to public safety concerns until the rectification works were completed. The seawall is approximately 400m long. Due to erosion caused by wave actions, significant quantities of grout was injected behind the wall to fill in voids and stabilise any subsidence. The collapsed section of seawall was rebuilt and the footway restored. In addition 'habitat tiles' were installed as part of a trial in collaboration with the Sydney Institute of Marine Science (SIMS). In another section, the height of wall

was increased by one capping stone to minimise constant erosion of the footpath. Works were completed in time for the new year celebrations.

Blues Point Road Seawall collapse. Footway was barricaded and adjacent stairway closed to public.



New capping sandstone being laid



Retaining Wall Capital Works Program

**Retaining Wall Project: Lodge Rd, Cremorne
Cost = \$123,487 (\$123,487 funded from SRV)**

The retaining wall at Lodge Rd, Cremorne, was in poor condition. Due to its instability it was unable to be rehabilitated and was fully replaced.

BEFORE



AFTER



BEFORE



AFTER



Retaining Wall Project: Iredale Avenue, Cremorne Point

Cost = \$52,500 (\$48,218 funded from SRV)

The retaining wall at Iredale Avenue, Cremorne Point, was in poor condition and was reconstructed.



Footpath Capital Works Program

**Footpath Project: Cremorne Rd, Cremorne
Cost = \$75,000 (\$75,000 funded from SRV)**

The sandstone steps at Cremorne Rd, Cremorne, were in very poor condition and were temporarily barricaded off to the public due to the instability of the stairs and adjacent retaining wall. The works included replacing the existing sandstone steps with new sandstone, replacing a section of adjacent retaining wall, and new handrail.

BEFORE



AFTER



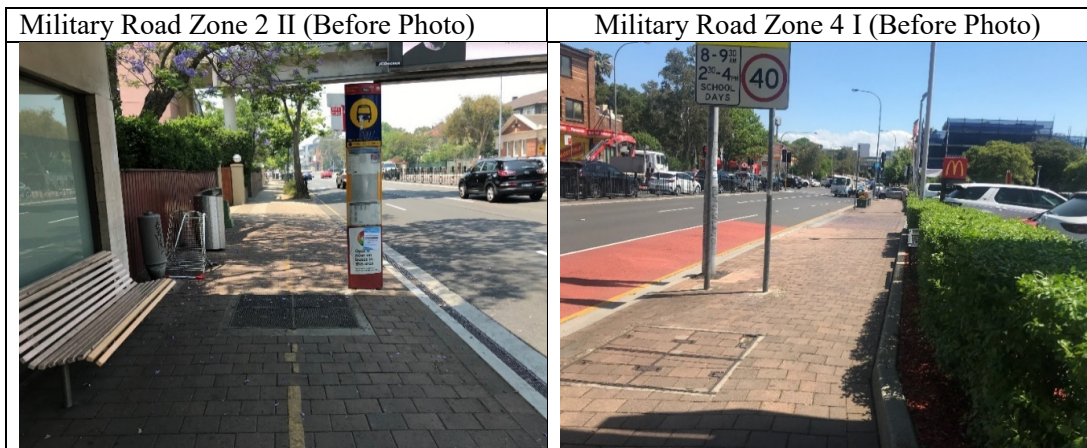
Neutral Bay & Cremorne Public Domain Masterplan

Streetscape Project: Military Rd, Cremorne
Cost = \$1,315,074 (\$500,000 funded from SRV)

Public Domain Streetscape works were carried out along both sides of Military Road, Cremorne, between Rangers Road and Spencer Road. The works in consisted of 1,823m2 of footing paving upgrade but also included new garden beds, new seats and bins, and new bicycle parking. This project complemented works funded under B-Line,

The locations of works are shown shaded in red in below.







Marine Structures Program

Jetty Project: Hayes Street, Neutral Bay

Original SRV Budget = \$340,000

Total Estimated Cost = \$255,231

Total Amount funded from SRV = \$255,231

Actual spent 2019/2020 = \$59,672

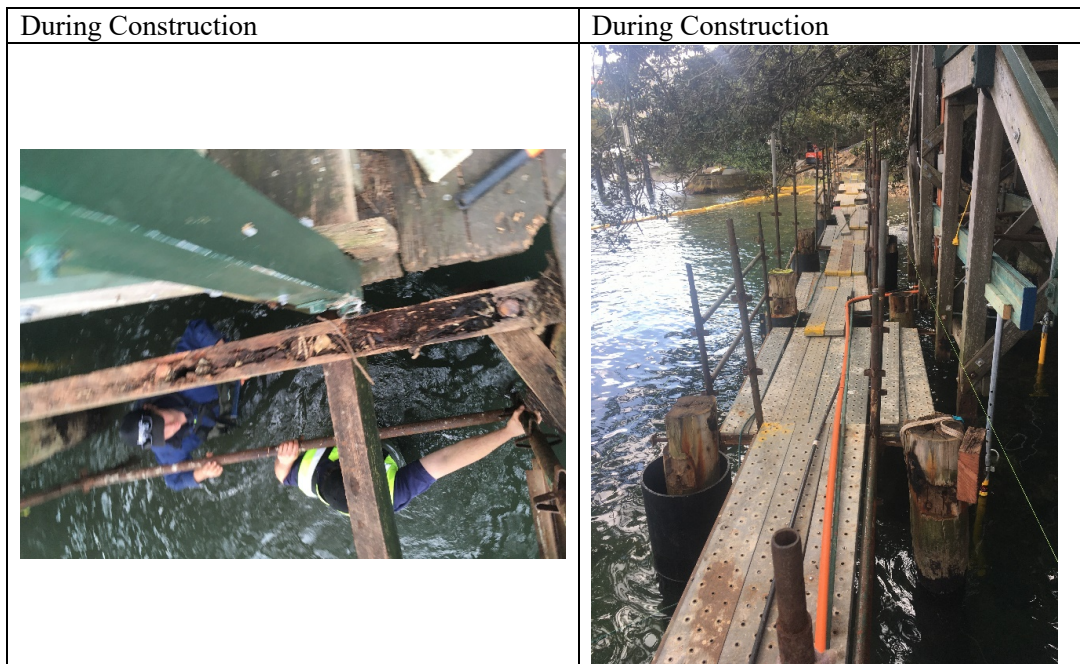
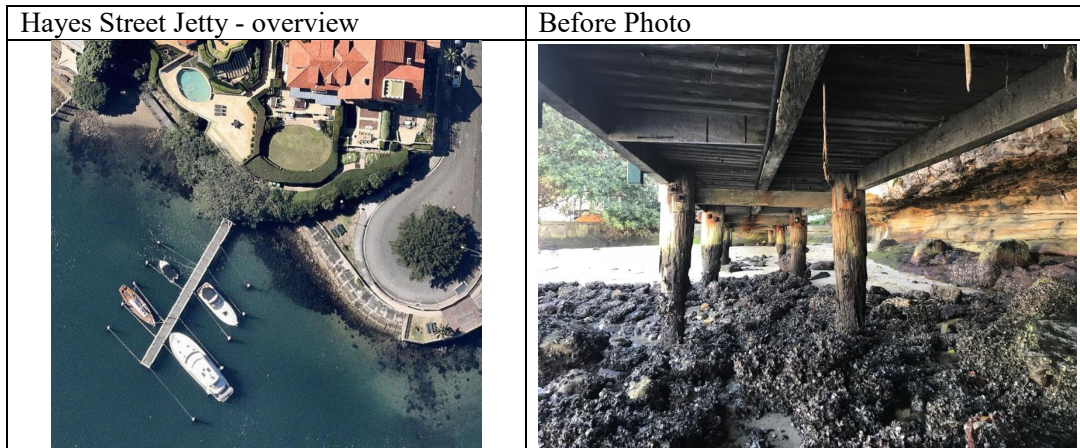
Amount funded from SRV, 2019/20 = \$59,672

The existing jetty at Hayes Street, Neutral Bay, was in very poor condition and sections of the structure were closed off for public safety reasons. Significant preliminary work and approvals were required prior to construction. Also there is a long lead time to obtain timber especially after bushfires earlier this year. The Tender process commenced on 6 April 2020. Tenders approved at Council meeting held on 18 May 2020. Construction commenced on 29 June 2020 and is expected to be completed in 9 weeks (mid-September 2020).

The works completed to date include:

- Asset condition assessment and report.
- Preliminary Design.
- Dive report to enable inspection of timber piles that are permanently below water level.
- Marine Habitat Report to determine if any aquatic flora and fauna affected by proposed works.

- Review of Environmental Effects (REF) prepared for the works and signed off by Council
- Detailed design prepared for public tender.
- Statutory approval of design plans and REF by Transport for NSW (Maritime) and Department of Primary Industries (Fisheries) prior to going to tender.



Marine Structures Program

Wharf Project: Sawmillers Reserve, Munro Street, McMahons Point

Original SRV Budget = \$697,298

Total Estimated Cost = \$694,124

Total Amount funded from SRV = \$694,124

Actual spent 2019/2020 = \$68,064

Amount funded from SRV, 2019/20 = \$68,064

The existing wharf at Sawmillers Reserve, Munro Street, McMahons Point was in very poor condition and sections of the structure were closed off for public safety reasons. Significant preliminary work and approvals were required prior to construction. Also there is a long lead time to obtain timber especially after bushfires earlier this year. The Tender process commenced on 6 April 2020. Tenders approved at Council meeting held on 18 May 2020. Construction commenced on 3 August 2020 and will take approximately 14 weeks to complete (mid-November 2020)

The works completed to date include:

- Asset condition assessment and report.
- Preliminary Design.
- Dive report to enable inspection of timber piles that are permanently below water level.
- Marine Habitat Report to determine if any aquatic flora and fauna affected by proposed works.
- Review of Environmental Effects (REF) prepared for the works and signed off by Council
- Detailed design prepared for public tender.
- Statutory approval of design plans and REF by Transport for NSW (Maritime) and Department of Primary Industries (Fisheries) prior to going to tender.

<p>Sawmillers Reserve Wharf, McMahons Point - overview</p>	<p>During Construction</p>
	



Playground Upgrade Program

Sirius Street Reserve Playground Upgrade, Cremorne Point.

Original SRV Budget = \$200,000

Cost = \$105,414 (fully funded from SRV)

The existing playground was approximately 20 years old and was in need of refurbishment.

The new playground was carefully designed to work in with the steep landform and to capitalise on the deeply shaded garden setting. A major focus of the new design was to increase accessibility which was quite a challenge on such a steep site. A new graded pathway leads from the street to the main level of the terraced play space. This accessible level has a durable rubber surface and a range of play equipment that caters to all levels of mobility including an all-access swing, a multi-person carriage rocker, a spinning cable pyramid and a custom designed cubby space with a talk-tube that connects with the lookout platform on the lower level.

The playground features extensive gardens and the natural landform is used to create stimulating play activities including a double width embankment slide and a challenging, sloped scramble-net. New sandstone steps with functional handrails provide easy access between the various play levels and connect the playground with the rest of the Reserve. The original playground had a maritime theme and in response to community suggestions,

Council has retained this theme; adding a beautiful sandstone pelican sculpture and genuine maritime elements including a ship's bollard and a re-purposed pier post.

With ample new seating, an accessible bubbler with bottle refill station and upgraded fencing, carers are afforded multiple vantage points across the playground, while children are offered a dramatically increased range of activities, all of which should encourage longer and more relaxed visits. Sirius Street Reserve Playground now offers a great new community focal point where local children and families can meet and socialise in a glorious, leafy outdoor setting.



