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Reference: JH:TOG  
Enquiries: 9976 1501

Mr Michael Bullen  
Delegate  
Council Boundary Review

Dear Mr Bullen

While Manly Council supports the consideration of the proposed merger between itself, Mosman Municipal Council and part of Warringah Council by the Office of Local Government, and Boundaries Commission, its first preference is to remain independent.

Manly Council has a long proud history and was incorporated as a local government body on 6 January 1877. At that time it was well known as a sea side resort, and 'seven miles' from Sydney. Today it is a place 'where the natural environment and heritage sustain and complement a vibrant cosmopolitan and community lifestyle'.

Manly is distinguished internationally for its heritage, culture and environment, it will always draw people from around the world to its shores.

Manly Council supports the proper consideration of the Merger Proposal, including this community consultation. We will ensure that any structural change is in the best interests of the future Manly community.

NSW Government policy is to reduce the number of councils in Metropolitan Sydney - from 43 to 25. We have no alternative but to consider this proposal.

This Proposal is in line with Manly Council's preferences for the future of its community and financial research undertaken to date.

We understand that if the Merger Proposal is successful, and a new council proclaimed for the new area, to be defined, that Manly, Mosman and Warringah Councils will cease to be.

#### Background

Manly Council's adopted Fit for the Future position was resolved at its Extraordinary Meeting of Monday 22nd June 2015 and was to:-

- i) remain Independent;
- ii) reject the recommendation of the Independent Local Government Review Panel for one 'mega' council on the Northern Beaches;
- iii) submit Council's improvement proposal and Business Case to remain a standalone Manly Council;



MANLY COUNCIL

- iv) provide IPART with a test case for two councils of equal size on the Northern Beaches, and ask the government to demonstrate and prove to the community of Manly how such an option will result in an overall reduction in rates in the long term, improve local infrastructure and council services, enhance environmental management and most important of all how it will advance the democratic and community of interest of Manly's residents.

We agree that reform of local government particularly financing and funding is long overdue, and Fit for the Future reforms proposed generally are sensible.

Manly Council continues to prove that it punches above its weight.

- It is financially sustainable – unlike many NSW councils.
- It delivers on capital and community projects for its community and has never had to apply for a special rate variation to do what is needed.
- TCorp in 2013 found that Manly Council had a sound financial sustainability ratio (within the top 23% of councils), and had a neutral outlook.

Indeed, IPART's October 2015 report found that Manly Council was financially sustainable and fit! According to IPART though, we lack 'scale' and 'strategic capacity' and in this regard we have questioned IPART's methodology, rationale and reporting.

The regional collaboration through SHOROC during the last 20 years has been outstanding. It has delivered on health, infrastructure, the environment, regional projects, and working with the state government.

We do not lack scale, we work with our regional neighbours, and we will continue to work together in the future. We can further enhance this region's ability to provide housing and employment opportunities for our community. Whether we are merged together, or not!

Since IPART's report, there have been the following developments:

- Manly Council was required to consider a merger and provide an obligatory 50 word on-line submission to the Office of Local Government on 18 November 2015 stating its three merger proposal preferences; and
- Minister Paul Toole's announced on 18 December 2015 a merger proposal between Manly, Mosman and the southern part of Warringah councils.
- We are now considering this as is required.
- We do not propose any changes to the merger proposal.
- We believe that the proposal if transitioned properly will deliver benefits for our community. These include financial, environmental, community services and infrastructure delivery.

We raise the following points in this submission:

1. Manly Council has comprehensively assessed all possible amalgamation options with neighbouring councils as part of the State Government's Fit for the Future program.
2. As part of this process, Council, together with industry experts KPMG, meticulously looked at every financial, social, strategic and practical implication a council merger might have on our bottom line and our community.
3. While Manly Council is 'fit for the future' (and financially sustainable in all ratios and performance measures) without needing to merge, and Council decided that remaining independent was the best outcome for the community, this is not an option at present for the NSW Government.
4. This Merger Proposal is in line with our submissions to date to the NSW Government and research undertaken with the community.
5. Manly has considered and consulted its community on two possible options as part of its Fit for the Future processes.  
These were the one single council on the Northern Beaches and two councils of similar population size.
6. During this consultation, Council found that the Manly community's clear preference out of the two forced merger options was to have two councils of equal population.
7. The current Merger Proposal, while inferior to remaining independent, is consistent with Council's Fit for the Future submission, and KPMG Report of April 2015.
8. The current Merger Proposal is consistent with Council's third preference submitted to the Office of Local Government as required on 18 November 2015. However, Council's first preference was No Merger.
9. Sydney's Northern Beaches region is home to over 250,000 people across an area of 163 km<sup>2</sup>. We enjoy a relaxed yet prosperous lifestyle.  
However, the demographics show that the 'communities of interests' of residents in the south are measurably different to those in the north.
10. There may be many benefits of merging Manly with Mosman and the southern part of Warringah Council. However, the community will need time to understand and be properly consulted about the implications of the merger and what this will mean for services that they rely, and we deliver. These include childcare, aged services, transport, environmental protection, garbage, cleansing and infrastructure services.
11. It is critically important that change is transitioned gradually to ensure stable corporate and workforce services.
12. The Merger Proposal as prepared by the NSW Government and KPMG supporting documentation states that some of the future benefits are as follows:-
  - Estimated \$72 million net financial benefits over a 20 year period that will deliver better community services, enhanced infrastructure and lower rates.
  - Possible \$47 million in net financial savings over 20 years.
  - Possible Council performance improvements - by 38 per cent in annual operating terms within 10 years.
  - Similar communities of interest.
  - Complementary demographics in each area.
  - Greater local potential control of environmental assets.

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- Greater opportunities for regional political leadership and representation to the NSW and federal governments.
  - Opportunities for savings in back office functions of Councils, potential better management of council operations;
  - Sustainable financial ratios and operations; and
  - Well-managed assets with lower infrastructure backlogs.
13. This report and research accords with Manly Council's track record as demonstrated in its TCorp reports, IPART assessment, Annual Reports and KPMG research as part of Council's Fit For the Future submission.
  14. There are substantial financial and community of interest future benefits and savings from the creation of a new council.
  15. However, despite all the benefits, we understand that the *new council* will comprise a *new region* and that the existing councils, including Manly, will cease to be and disappear.
  16. The loss of these councils, their proud history, and independence is required by the NSW Government to enable forward strategic and coordinated regional planning for future Metropolitan Sydney.

Yours sincerely

Jean Hay AM  
**Mayor**

Date: 2 February 2016