

## Agenda

### Extraordinary Meeting of Council

Notice is hereby given that a Extraordinary Meeting of Council of Council will be held at Council Chambers, 1 Belgrave Street, Manly, on:

**Monday 30 March 2015**

Commencing at 7.30pm for the purpose of considering items included on the Agenda.

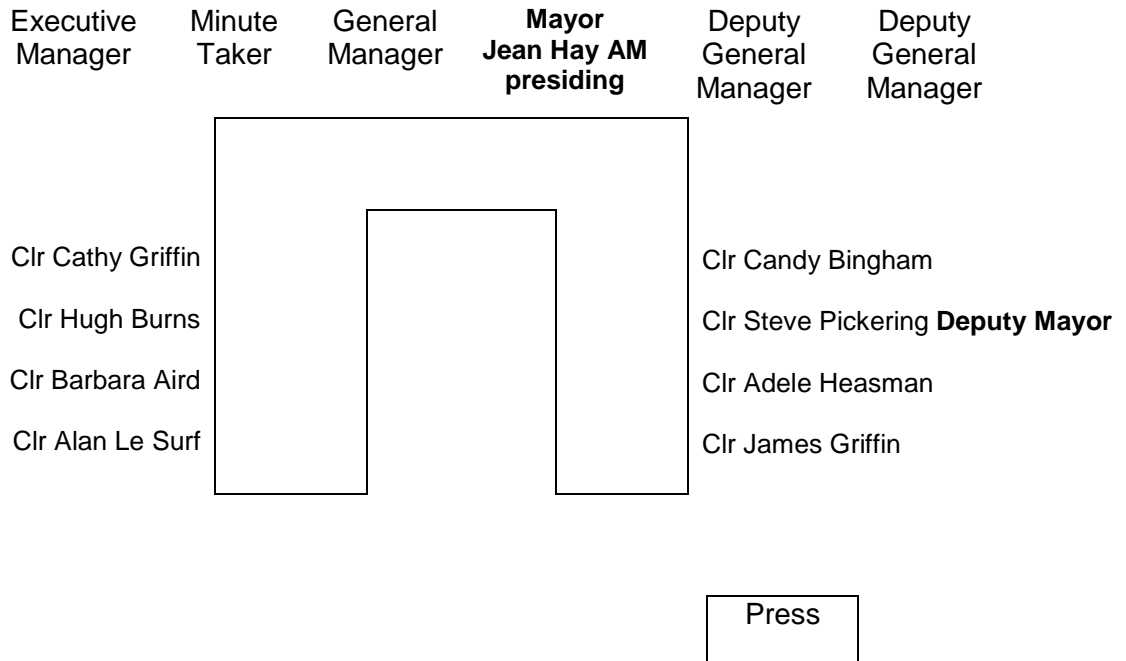
Persons in the gallery are advised that the proceedings of the meeting are being taped for the purpose of ensuring the accuracy of the Minutes. However, under the Local Government Act 1993, no other tape recording is permitted without the authority of the Council or Committee. Tape recording includes a video camera and any electronic device capable of recording speech.

*Copies of business papers are available at the Customer Service Counters at Manly Council, Manly Library and Seaforth Library and are available on Council's website:*

[www.manly.nsw.gov.au](http://www.manly.nsw.gov.au)



# Seating Arrangements for Meetings



---

Public Addresses
---------------------

## Public Gallery

**Chairperson:** The Mayor, Clr Jean Hay AM  
**Deputy Chairperson:** Clr Steve Pickering

**TABLE OF CONTENTS**

Item	Page No.
<b>APOLOGIES AND LEAVE OF ABSENCE</b>	
<b>DECLARATIONS OF INTEREST</b>	
<b>GENERAL MANAGERS DIVISION</b>	
<b>General Managers Division Report No.</b> Manly Council's Position on the NSW Government's Fit for the Future Program	2

**TO: Extraordinary Meeting of Council - 30 March 2015**  
**REPORT: General Managers Division Report No. 4**  
**SUBJECT: Manly Council's Position on the NSW Government's Fit for the Future Program**  
**FILE NO: MC/15/37564**

---

## SUMMARY

The NSW Minister for Local Government, the Honorable Mr Paul Toole, announced the Government's "*Fit for the Future*" (FFF) program on September 11<sup>th</sup> last year.

The FFF program assumes a number of quantitative and qualitative criteria to guide councils in their sustainability and strategic capacity assessments.

This Report affirms that Manly Council meets or exceeds the FFF sustainability and strategic capacity criteria.

In terms of the important "community of interest" test, it is a matter of record and historical fact that Manly is a cohesive community with a strong and vibrant community of interest that binds it to the geographic area its citizens proudly call home.

This historical attachment to the Manly community is one of the overarching reasons why Manly Council has consistently demonstrated its commitment to continuous improvements to anticipate and meet the changing needs and expectations of its residents and visitors. Council has achieved this by providing sound stewardship and strong leadership through the provision of Council services and infrastructure and in the protection of the environment.

Continuous improvement, service excellence and civic leadership are core corporate values that drive Manly Council.

It is the conclusion of this report that there is no reason, nor would it be in Manly residents' interest to suggest other structural options in Council's FFF response to the Minister.

## REPORT

### Introduction

Manly Council fully supports the State Government's 'No Forced Amalgamations Policy'.

In an independent survey of Manly residents conducted in November 2014 by Taverner Research, the majority of respondents rejected the proposition of a Manly merger with Pittwater and Warringah Councils to form one local government area that extends from the Middle Harbour to Palm Beach<sup>1</sup>. This result is consistent with and confirms the 2004 poll of 18,500 Manly constituents who overwhelmingly rejected boundary changes and amalgamation propositions.<sup>2</sup>

The 2013 TCorp Report and the 2014 Independent Local Government Review Panel's Report commissioned by the State Government, suggests that no change is not an option for some

---

<sup>1</sup> Do you support having one single council on the Northern Beaches incorporating Pittwater, Warringah, and Manly Councils? Results were Yes 43% to No 57%

<sup>2</sup> In March 2004 Manly Council carried out a poll of electors in conjunction with the local elections. The questions were:

- Do you support the amalgamation of the Council of Manly with any other local government area or areas? Results were Yes 25.7% to No 74.3%.
- Do you support any boundary adjustments involving the adjoining councils with the Council of Manly? Results were Yes 17.5% to No 82.5%.

**General Managers Division Report No. 4 (Cont'd)**

councils. It is therefore fair and reasonable that the Minister for Local Government asks that all NSW councils prepare a response to him on how they will become sustainable, provide effective and efficient services and have the scale and capacity needed to meet the needs of communities, and partner with the State.

The Minister added: " .... each council must examine itself and propose how it intends to become fit for the future."

Other than financial incentives offered to councils to reach a population size of 250,000 by 2036, population size itself appears not to be a criterion for FFF consideration<sup>3</sup>.

**Why structural change is not in the public nor democratic interest of Manly's residents****1. Localism and Community of Interest ✓**

Historically, Manly has clearly demonstrated that it is not only a cohesive community; it also has a strong and vibrant community of interest that binds it to the geographic area as defined by its present boundaries. The community has also consistently rejected any propositions for structural change to their local area.<sup>4</sup>

Manly also has a vibrant local democracy in which the Council delivers high quality and continually improving local services. Council also provides the community with strong, confident, and mature leadership.

Manly Council is regularly recognised by its peers for its high levels of achievement across many fronts including environmental and financial management that well surpass those of much larger councils.<sup>5</sup>

Outdated arguments claiming benefits from "economy of scale" are out of touch with reality as Manly Council achieves all those benefits through the use of advanced technology based systems and by nurturing its staff's skills to maintain its strategic capability as an organisation that residents can depend on and by its strategic use of collaborations, alliances, and partnerships.<sup>6</sup>

Through SHOROC, the four councils, Mosman, Manly, Warringah and Pittwater have put forward a strategic plan to government on regional transport and health that were not only adopted, they are being delivered. The four partner councils also have a well-established system of information, technology and plant sharing which achieves many advantages resulting from size while at the same time retains and protects the inherent exceptionality and independence of each area.

The view advocating for larger council areas with fewer councillors would pose a real threat to Manly residents' community of interest as it would result in our residents having far less opportunity to be heard reducing the likelihood of their expectations being achieved.

In addition to meeting our community's expectation, which is no less sophisticated or demanding than any other areas, Manly also makes welcome, on behalf of the nation and state, millions of visitors every year, by giving each exceptional and memorable experiences.

---

<sup>3</sup> Based on Mr Steve Orr, the Acting CEO, Office of Local Government advice to a workshop of Mayors and GMs held on 29 September 2014 - Macquarie Graduate School of Management

<sup>4</sup> Ditto footnotes 1&2

<sup>5</sup> Awarded the winner of the 2014 Sustainable City Award (NSW)

<sup>6</sup> Up to the Job? An analysis of the NSW Government's Fit for the Future Local Government Reform Policy Package: Prof Brian Dollery, and Graham Kelly, University of New England, Feb 2015

## General Managers Division Report No. 4 (Cont'd)

Therefore, balancing these demands and interests requires a Council with staff imbued with a service culture of delighting our customers<sup>7</sup>.

Over the years, Council has also demonstrated its total commitment to maintaining and protecting the rich and proud history and heritage of the area by its policies and priorities.

Therefore, successful and sustainable local councils that are also strongly supported by their local community, and with strong and unequivocal evidence of common purpose and community of interest, are councils of the people and by the people.

By any measure, Manly Council is one such Council.

## 2. Financial Sustainability ✓

Based on the 2013 TCorp assessment of local government financial sustainability, Manly Council was one of just 33 out of the 152 councils in NSW to be rated SOUND.

The Minister's FFF announcement was predicated on his concerns for the long term sustainability of councils in general, and particularly those councils found not to be sound.

Table 1 below shows how Manly Council meets or exceeds FFF sustainability criteria.

Measure	Key Indicators	Benchmark	Manly	
Financial sustainability	Operating performance ratio	0	3	✓
Financial sustainability	Own Source of operating revenue ratio	60	79	✓
Financial sustainability	Building and infrastructure asset renewals ratio	100	134.3	✓*
Efficiency	Expenditure per person (Average annual Change)	<0%	-1%	✓
Effective Infrastructure and service Management	Infrastructure backlog ratio	<2	0	✓
Effective Infrastructure and service Management	Asset maintenance ratio	>1	1	✓
Effective Infrastructure and service Management	Debt servicing ratio	<.2	0.03	✓

\*5 year average

**Table 1 – Assessments for Sustainability**

Manly Council has also achieved a strong track record and reputation for infrastructure delivery. Its forward plan is driven by a desire to future-proof Manly's social and economic prosperity for all its residents. This plan is both realistic and visionary, and Council has the means and knowhow to deliver it.

<sup>7</sup> Council's annual customer satisfaction surveys have consistently showed that respondents' satisfaction are consistently high in all delivery areas surveyed: Governance, Economics, People Services, Infrastructure, Environment, Leadership, and Community Safety; and that Council had also consistently met or exceeded respondents' expectations.

**General Managers Division Report No. 4 (Cont'd)****Strategic Capacity ✓**

According to Professor Graham Sansom, Chair of the State Government's Independent Local Government Review Panel, strategic capacity of a Council is a key ingredient that defines capable, successful and adaptive councils.

Manly is such a Council. The analysis below sets out why Manly Council more than meets the FFF indicators and objectives, and therefore satisfies the FFF strategic capacity considerations:

- ✓ **Finance:** Manly Council has an unambiguously strong track record in financial management with robust revenue sources, and discretionary spending; Council's audited statements show that Council consistently meets or exceeds OLG, TCORP and Accounting Code benchmarks.

Manly Council was rated as one of the top 33 sound Councils by TCorp's 2013 review of 152 Councils for its financial sustainability for all the right reasons. This is primarily because Council has the technical skills and experience to strategically use its adaptive capital structure to ensure there is intergenerational equity in the way, when and how infrastructure is acquired; Council also understands the strategic power of applying the correct capital structure to contemporaneously invest in enduring public assets for the benefits and enjoyment of both present and future generations of residents. And Council has the technical expertise to cost-effectively deliver infrastructure that is best fit for purpose.

Bringing its experience to bear, Council has confidently delivered a significant amount of new infrastructure in recent years including the 1.6km Ocean Beach promenade, Long Day Care Centres, the revitalisation of The Corso, seawall protection work on the Ocean Beach, a new SES complex in Balgowlah, a new depot complex for staff, the rehabilitation and leasing of the former Seaforth TAFE - just to name a few. All of these examples are multi-million dollar and multi-discipline projects that were delivered directly by Council's own design and construction staff.

- ✓ **Infrastructure:** Manly Council has made a long-term investment in our local capacity to deliver major capital works projects. Projects being planned or underway include the Manly Town Centre upgrade, Manly Oval car park, flood mitigation works, and the new Aquatic Centre.

Council understands the economic and social multiplier effects from investments in infrastructure, and uses this understanding to engender community pride, improve perceived community safety, and incentivise private investments to improve existing developments.

Council's list of existing public infrastructural assets that it provides and maintains is extensive and covers the whole of the local government area end-to-end.

More specifically, unlike most council areas, Manly Council has no infrastructure void or backlog and all existing assets are technically rated in a good serviceable condition.

- ✓ **Innovation:** Manly Council leads local government in technology infrastructure innovation and business systems. Many of the systems that are extensively used in councils in the country and internationally have their genesis at Manly. For example, Council's Knowledge Management Platform, online services, CCTV technology, crowd pattern recognition technology for use in

**General Managers Division Report No. 4 (Cont'd)**

public order management, number plate recognition and parking management / enforcement systems, online application tools.

Council also has experienced and highly qualified staff resources that are creative and innovative in the delivery of programs, infrastructure and activities across the quadruple bottom line, as demonstrated in its Annual Report achievements and ten year Community Strategic Plan. For example, the Burnt Bridge Creek water harvesting scheme, Manly Lagoon rehabilitation works using Manly Council designed dewatering and bulking up systems, Seawall toe protection works, the Litter-Guard, and other environmental programs.

- ✓ **Strategic Planning:** Council has highly qualified and experienced staff with advanced skills in financial management, professional engineering, eBusiness and digital media, legal, strategic planning and policy development. These in-house skills have enable council to develop a proven evidence-based approach for undertaking rigorous research and planning on the needs and goals of its community, developing strategies, and implementing services and actions over time.

Some of the programs and ideas that have been adopted by other levels government have had their initiation, proof of concepts, and delivery methodology developed at Manly. The Northern Beaches Bus Rapid Transit project announced by the State Government for example.

Additionally, many of the staff at Manly Council are recognised for their business analytical skills and strategic planning expertise that have transformed and strengthen local capacities of developing countries in our region.

- ✓ **Collaboration with neighbours:** Manly supported the establishment of SHOROC (partnership between Manly, Mosman, Pittwater and Warringah Councils) and its regional collaboration on lobbying, resource sharing and strategies. These are pursued on a variety of regional issues, providing advocacy, coordination and collaboration to achieve desired outcomes. In particular, Manly Council, working with Pittwater and Mosman Councils, has formed a strategic alliance on shared and purchasing services.
- ✓ **Local Community partnerships:** Council works with its stakeholders, volunteers, special purpose committees and local and regional partners, including Councils, to advocate and deliver a variety of services of importance to the Manly and Northern Beaches community. This includes the provision of a range of innovative local social, environmental, economic and governance services. For example, Street Tree Management Plan with the precincts, the Aboriginal Heritage Office, the Manly Hospital community engagement process, the Northern Beaches Hospital, and the Northern Beaches Transport Plan.
- ✓ **State partnerships:** Council has clearly demonstrated its capability to undertake important infrastructure and regeneration projects with a number of state and commonwealth government departments over the years. Highlights include protection of open space and environmental assets, childcare and SES facilities, revitalisation of lagoons and waterways, and the stabilisation of and improvements to the ocean beach front. Council also works with a range of state agencies and non-profit groups to deliver services, and advocates strongly when gaps appear in funding areas.



**General Managers Division Report No. 4 (Cont'd)**

- ✓ **Well resourced:** Council's services and operations benefit from the highly competent and skilled capabilities found in its staff resources. Not only are staff highly experienced and qualified, staff all share the same customer focussed ethos and an unbreakable "can do" attitude towards their work and in problem resolving.

Manly staff are committed to life-long learning and are provided with training, education and development opportunities to improve Council's inherent capability; Council grows its own talent pool by offering traineeships and internships, and by offering career articulation and mentoring opportunities to staff.

Financially, Council has access to monetary resources to acquit complex and unexpected change. While Council uses financial reserves to plan and anticipate future needs, it does not use such devices at the expense of core functions or service deliveries. Furthermore, Council has in-house experience to tackle complex and unusual capital budgeting decisions.

- ✓ **Highly skilled and experienced staff:** the work of Council is supported and enabled by a diverse range of staff (approximately 350 FTE) across a variety of skilled roles. Council aims to be an "Employer of First Choice".

Council also has exceptional quality in its political and managerial leadership with their collective experience spanning many hundreds of years. This experience is mobilised to enable Council to innovatively deliver services and apply resources adaptively to meet the needs of its 42,000 residents and 8 million visitors it welcomes annually.

It is highly evident from human resources statistics that staff at Manly Council are highly motivated by their work and enjoy working for council in their chosen careers.<sup>8</sup>

- ✓ **Strong community consultation:** Council undertakes continual improvements in community consultation and engagement, which is an important demonstrated component of strategic capacity in the local community.

Council undertakes Community Panel surveys as part of the preparation and review of its Community Strategic Plan using externally facilitated workshops and detailed community panel surveys to help develop its Community Strategic Plan, as well as the four year Delivery Program. This research is also utilised to capture the new council interests and priorities.

Council continues to record high levels of engagement and use of Council's website by the community.

Manly Council is one the first councils to establish an effective community precinct system through which it receives feedback on local development, and/or on area-wide issues. Precincts are also engaged in prioritising local infrastructural works and programs.

- ✓ **Strong record of community satisfaction** on Council services. Since 2003, Council has conducted annual surveys of a representative sample of households on the service Council provides to the community.

---

<sup>8</sup> 2014 Staff Climate Survey, Annual staff turnover is <8%

### General Managers Division Report No. 4 (Cont'd)

The 2014 results showed that Manly residents surveyed were again highly satisfied with the services they receive from their Council; and that the Council has also met or exceeded their expectations in all areas surveyed.<sup>9</sup>

Manly Council's inherently dynamic, nimble and adaptive strategic capacity is incontrovertible, and is only matched by its strong track record of acting with courage and resolve to achieve solutions. Manly Council is also defined by its resilience and adaptability.

In summary, there is no case for Manly Council to consider other structural options in its FFF response to the government.

### 3. The Sansom's Structural Option

While this report concludes that there is no case for Manly Council to consider other structural options, Council should formally reject the *Sansom* recommendation for Manly to merge with Pittwater and Warringah to form one council area that runs from Middle Harbour to Palm Beach. This option will disproportionately place a costly burden and adverse consequences on the Manly community, as well as diminishing its community of interest, geo-political representation and Manly localism.

Any rationalisation for the Sansom option based on analytics that cannot be sustained is not only very disappointing, it is also misguided.<sup>10</sup>

### RECOMMENDATION

That Council:

1. Receives and notes the report;
2. Affirms its support for the state government's no forced amalgamation policy;
3. Supports Manly community's long held position against structural change to their local area.
4. Advises the Minister for Local Government in Council's *Fit for the Future* response that Manly Council is and will continue to be a sustainable Council; that the Council has demonstrable strategic capacity to deliver services and infrastructure to the community into the future and that the Council has the civic leadership to plan and secure a prosperous future for the whole community.
5. Rejects the Sansom structural option for a single council on the Northern Beaches because this option is incapable of delivering prosperity to the residents of Manly, while, *inter alia*, will harm the community's democratic interests;
6. Affirms that it will not consider any structural option nor will it put forward any structural option in its *Fit for the Future* response, and
7. Informs the community of this resolution and seeks their support.

\*\*\*\*\* END OF AGENDA \*\*\*\*\*

<sup>9</sup> Scoring out of 10 - Economic (7.3), Social (8.5), Infrastructure (7.3); Environment (8.4); Leadership (7.4), Governance (7.4)

<sup>10</sup> An Assessment of SGS Report – Local Government Structural Change: Options Analysis: Prof. B Dollery, University of New England, 2013

