



## Agenda

### Ordinary Meeting

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

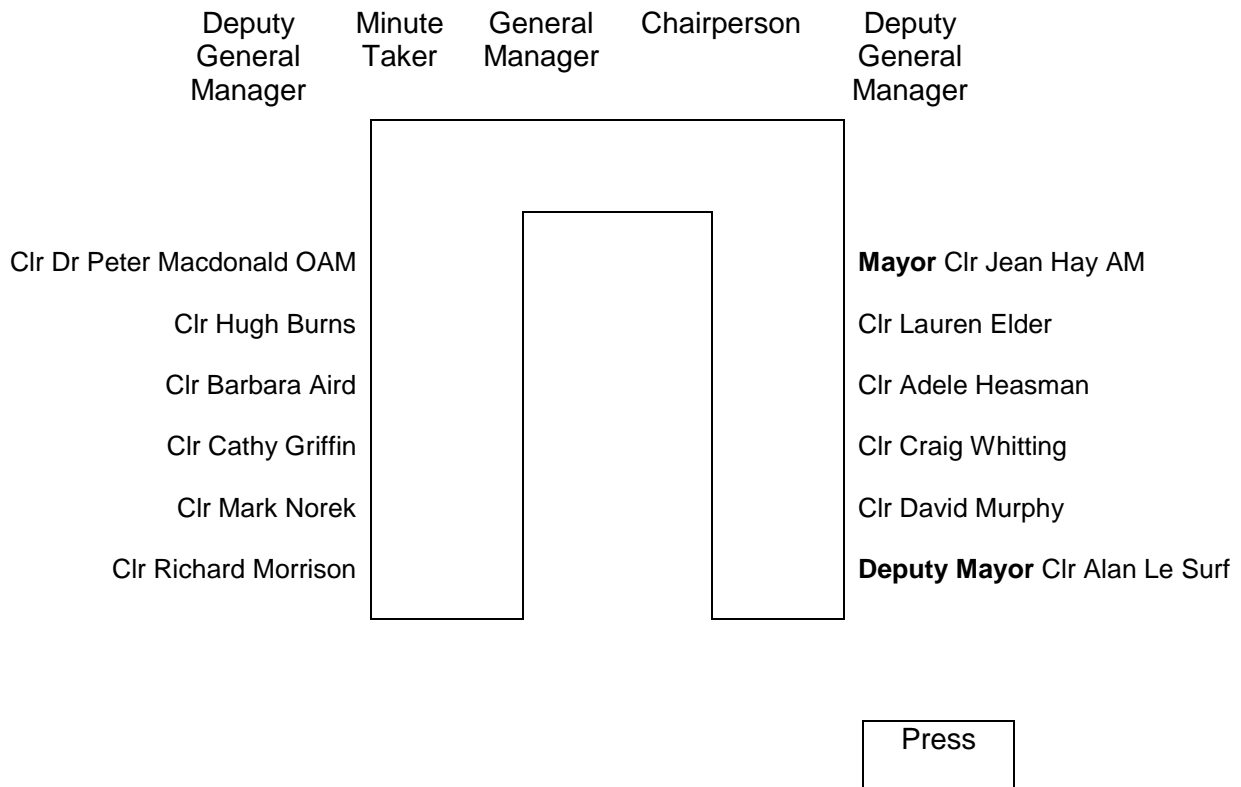
**Monday 14 November 2011**

Commencing at 7:30 PM 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 Services Counter 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



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Public  
Addresses

**Public Gallery**

**Chairperson:** The Mayor, Clr Jean Hay AM  
**Deputy Chairperson:** Deputy Mayor Clr Alan Le Surf

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(In accordance with Clause 66 in Council's Code of Meeting Practice, Public Forum is for a maximum of fifteen (15) minutes for <i>matters that are not listed on the Agenda</i> . A total of five (5) people may address Council for a maximum of three (3) minutes each.)	
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**QUESTIONS WITHOUT NOTICE**

**MATTERS OF URGENCY**

(In accordance with Clause 241 of the Local Government (General) Regulations, 2005)

**CLOSED SESSION**

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

**TO:** Ordinary Meeting - 14 November 2011  
**REPORT:** Mayoral Minute Report No. 12  
**SUBJECT:** North Head Sewage Treatment Plant  
**FILE NO:**

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### **Introduction**

The NSW Office of Environment and Heritage has granted Sydney Water license to pollute the marine environment just off Manly from its North Head Sewage Treatment Plant (STP) with heavy metals and other harmful pollutants.

### **Report**

On Sunday 23 October, the Sydney Sun-Herald published an article that alleged Sydney Water is the biggest polluter of mercury in this State, and that while it had breached its license to pollute more than 1,000 times in the past five years it had not yet been prosecuted.

According to the article, the North Head STP discharged 24 kilograms of mercury off Manly in 2009-10.

The North Head STP is the second largest ocean treatment plant in Sydney, receiving sewage from 1.1 million people in Sydney. It receives over 300 million litres per day of raw sewage, collected and pumped up to 45 kilometres from as far away as Seven Hills, Bankstown, and Parramatta to North Head.

The North Head STP is only a primary treatment plant, which means, raw sewage is discharged into the ocean for "treatment" after a basic screening to remove paper, cotton tips and plastics.

The license to pollute issued by NSW Office of Environment and Heritage permits the North Head STP to annually discharge into the ocean 60 kg of mercury; 51 thousand kg of zinc; 35 million kg of suspended solids; and 5.5 million kg of oil and grease.

While the North Head STP has remained in a "time warp", over the past two decades, sewage treatment plants around Australia and the world have been upgraded to meet environmental standards.

Manly Council has a long standing position lobbying for the STP's de-commissioning. On 28 October 2011, on behalf of Council, I called for the North Head STP to be taken out of action or a tighter screening regime for toxins introduced at the facility. On 2 November 2011, NSW Treasurer and Manly State MP Mike Baird called for Sydney Water's 'culture of secrecy' to end.

### **RECOMMENDATION**

#### **I Move:**

That Council requests the NSW Office of Environment and Heritage, which licenses the polluting discharges from the North Head Sewage Treatment Plant to immediately review the current operations of the North Head Sewage Treatment Plant against world best practice, and take action to reduce the overall quantities and permissible concentrations of harmful pollutants that are currently allowed to be discharged by the Plant into the marine environment off the Manly coastline.

### **ATTACHMENTS**

There are no attachments for this report.

OM141111MM\_1

\*\*\*\*\* End of Mayoral Minute Report No. 12 \*\*\*\*\*

**TO:** Ordinary Meeting - 14 November 2011

**REPORT:** Notice of Motion Report No. 30

**SUBJECT:** Traffic Management Report to improve traffic flow during Manly Tourism Events

**FILE NO:**

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**Councillor Craig Whitting will move:**

That Manly Council investigates and provides a Traffic Management Report that will improve the traffic flows in and around Manly's CBD during Major Manly Events i.e. Food & Wine and Jazz Festivals.

**Background:**

Manly residents and visitors are continually frustrated with the traffic grid lock problems they encounter when Manly Council holds major Tourism Events.

This is an ongoing problem that needs a strategic planning improvement solution. Our community respects that Manly is a large tourism destination, however, it is perceived that the traffic flows along arterial roads to and from Manly during Major Tourism Events should be reviewed and improved for the benefits of our residents and tourists.

**Attachments**

Photographs highlighting some traffic flows problems during the 2011 Jazz Festival.

**RECOMMENDATION**

That the Notice of Motion be submitted for consideration.

**ATTACHMENTS**

**AT- 1** Traffic photographs 4 Pages

OM141111NM\_1

\*\*\*\*\* End of Notice of Motion Report No. 30 \*\*\*\*\*

## ATTACHMENT 1

### Notice of Motion Report No. 30 - Traffic Management Report to improve traffic flow during Manly Tourism Events Traffic photographs





## ATTACHMENT 1

### Notice of Motion Report No. 30 - Traffic Management Report to improve traffic flow during Manly Tourism Events Traffic photographs





## ATTACHMENT 1

### Notice of Motion Report No. 30 - Traffic Management Report to improve traffic flow during Manly Tourism Events Traffic photographs



## ATTACHMENT 1

### Notice of Motion Report No. 30 - Traffic Management Report to improve traffic flow during Manly Tourism Events Traffic photographs



**TO:** Ordinary Meeting - 14 November 2011  
**REPORT:** Notice of Motion Report No. 31  
**SUBJECT:** Far West School  
**FILE NO:**

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**Councillor Hugh Burns will move:**

1. That Council writes to the NSW Minister of Education (The Right Honourable Adrian Piccoli MP), the NSW Premier and the local State Member to express Council's strong concerns over, and objection to, the possible transfer and demolition of existing Education department facilities to provide financial advantage to the Royal Far West Scheme (by means of a commercial hotel development on the existing school site), when the adjacent public infants school - Manly Village Public School - is in desperate need of expansion to cope with very high local demand for primary school places.
2. That Manly Council advertise and call a public meeting to discuss the proposed redevelopment of the Far West site and its impact on the Manly community, particularly including the needs of Manly Village Public School.

**Background**

Manly Village Public School currently needs more playground area and more classrooms, and is even reported to have an enrolment waiting list, due to excess of demand for places beyond its available facilities. The new Royal Far West Scheme seems to be basically a modern child developmental assessment centre that could be relocated almost anywhere in Sydney, as since a change in its mode of operation in 1999, it does not use the attributes of its current Manly seaside location.

The Council and the Manly Community calls on the NSW government to ensure both country and Manly community needs are properly met by any redevelopment of the current Royal Far West facility in Manly. Particularly the financial needs of the Royal Far West should not be met to the exclusion and at the expense of the Manly Community as regards the impact of any redevelopment on the Manly community, not only visually but blocking a much need expansion of a key educational facility that serves local residents.

**RECOMMENDATION**

That the Notice of Motion be submitted for consideration.

**ATTACHMENTS**

There are no attachments for this report.

OM141111NM\_2

\*\*\*\*\* End of Notice of Motion Report No. 31 \*\*\*\*\*

**TO:** Ordinary Meeting - 14 November 2011  
**REPORT:** Notice of Motion Report No. 32  
**SUBJECT:** Street Lighting  
**FILE NO:**

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**Councillor Hugh Burns will move:**

That Council produce a plan to be brought back to Council within two months to improve control of all street, reserve and plaza lighting, so as to ensure lights are not being operated in daylight. Such a plan is to include investigating the current controls in use, verifying their correct operation (function and light level settings), and if necessary upgrading them to a better more modern light level based control systems or converting to a central control that is based on light level. (Note due to changing sunset and sunrise times a clock based approach is not efficient.)

**Background**

An accidental audit of street lighting carried out in the Manly CBD last weekend has revealed that the streetlights are not being switched off promptly as the sun rises, and they continue to be left in operation in good early morning daylight. This applied to both streetlights under the control of Ausgrid (formerly Energy Australia) and those under the control of Manly Council.

Given Council is paying for the electricity and lamps, it would be in Council's financial and environmental interests to better control the hours of operation of the street, reserve and promenade lighting in its area.

**RECOMMENDATION**

That the Notice of Motion be submitted for consideration.

**ATTACHMENTS**

There are no attachments for this report

OM141111NM\_3

\*\*\*\*\* End of Notice of Motion Report No. 32 \*\*\*\*\*

**TO:** Ordinary Meeting - 14 November 2011

**REPORT:** Item For Brief Mention Report No. 18

**SUBJECT:** Items for Brief Mention

**FILE NO:**

**1. Complaints made to the General Manager as at October 2011**

Matter No.	Received	Nature of complaint	Outcome	Status
COMP2011-10-01	October	Complaint re compliance matter	Being assessed	Pending

**2. Notices of Motion status report.**

The following Notices of Motion are currently in progress.

Res No.	Meeting Date	Subject	Resolution	Status
154/11	12 Sept 2011	The Grove ("Freedom" Bike Track)	4. Council develop an unstructured recreational strategy and policy that provides guidance to recreational groups, such as dirt jump riders, that want to use parcels of public land.	Being drafted.

**3. Documents to be tabled**

Date	Author	Subject
04/11/11	Planning and Infrastructure (DLG)	Public exhibition of the Codes SEPP – Housekeeping Amendment Discussion Paper
04/11/11	Cr Keith Rhoades AFSM, President Local Government Association	Administration of the 2012 Local Government elections
03/11/11	Penny Sharpe MLC, Shadow Minister for Transport	Helmet Safety
03/11/11	Premier & Cabinet (DLG)	Circular: Council administered elections 2012
01/11/11	Scouts Australia	2010/2011 Annual Review

**RECOMMENDATION**

1. That the information be received and noted.
2. That the information be received and noted.
3. That the documents tabled at this meeting be received and noted.

**ATTACHMENTS**

There are no attachments for this report.

OM141111IBM\_1

\*\*\*\*\* End of Item For Brief Mention Report No. 18 \*\*\*\*\*

**TO:** Ordinary Meeting - 14 November 2011  
**REPORT:** Report Of Committees Report No. 50  
**SUBJECT:** Minutes for adoption by Council - Special Purpose Committees - without recommendations of a substantial nature.  
**FILE NO:**

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The minutes of the following Special Purpose Committee meeting is tabled at this meeting.

- i) Manly Local Environmental Plan and Development Control Plan Working Group - 20 September 2011
- ii) Harbour Foreshores Committee – 11 October 2011
- iii) Audit and Risk Committee – 11 October 2011
- iv) Surf Club Liaison Working Group – 18 October 2011
- v) Community Environment Committee – 19 October 2011

### **RECOMMENDATION**

That the minutes of the following Special Purpose Committee meeting be adopted:

- i) Manly Local Environmental Plan and Development Control Plan Working Group - 20 September 2011
- ii) Harbour Foreshores Committee – 11 October 2011
- iii) Audit and Risk Committee – 11 October 2011
- iv) Surf Club Liaison Working Group – 18 October 2011
- v) Community Environment Committee – 19 October 2011

### **ATTACHMENTS**

There are no attachments for this report.

OM141111RC\_1

\*\*\*\*\* End of Report Of Committees Report No. 50 \*\*\*\*\*



**TO:** Ordinary Meeting - 14 November 2011  
**REPORT:** Corporate Services Division Report No. 42  
**SUBJECT:** First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015  
**FILE NO:**

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## SUMMARY

This report provides an update on achievements and progress of Council's Four Year Delivery Program 2011-2015 and One Year Operational Plan 2011-2012 for the period 1 July 2011 to 30 September 2011, in accordance with the requirements of the *Local Government Act, 1993*. Attached is also a detailed matrix and graphs showing progress with the Delivery Program.

Quarterly Financial Review Reports for the period ending 30 September 2011, including variation recommendations is also discussed and detailed in the Attachments.

## REPORT

Section 404(5) of the *Local Government Act, 1993*, requires the General Manager to ensure that regular progress reports are provided to the council "with respect to the principal activities detailed in its Delivery Program. Progress reports must be provided at least every 6 months".

In June 2010, Council adopted the Community Strategic Plan Beyond 2021 and its various components, including the Four Year Delivery Program 2011-2015 and One Year Operational Plan 2011-2012. The Delivery Program establishes the principal activities to be undertaken by Council to implement the strategies established by the Community Strategic Plan within the resources available under the Resourcing Strategy. It replaces Council's previous Management Plan requirements.

Contained within the Delivery Program are the four main strategic directions undertaken by Council that provide a focus for the development of key goals and strategies arising from the adoption of the Community Strategic Plan. These are:

1. Social Priorities
2. Economic Priorities
3. Environmental Priorities
4. Governance Priorities

The attached spreadsheet (at Attachment 1) shows progress on the various 2011-2015 Delivery Program strategies and actions for the July to September 2011 quarter, and is circulated under separate cover, along with trend data on the key performance indicators. The graphs (at Attachment 2), displaying monthly data for the 2009, 2010 and 2011 calendar years for comparative analysis purposes, are also circulated under separate cover.

This Report provides for the requirement of statutory reporting on the Council's four Strategic directions in the Delivery Program for the period ending 30 September 2011.

Some of the key Delivery Program highlights for the second quarter, being July to September 2011 are as follows:

*Social achievements* include: Council is awaiting endorsement of the community safety plan with continued strategies to encourage alcohol free band nights for youth, continued community, civic and cultural events. For instance, Art Gallery included outdoor public art in the September Arts Festival, Lantern program took art outdoors for children and youth. The Community Garden has numerous young members and it is reported that they enjoy their time in the garden. LG Graham

**Corporate Services Division Report No. 42 (Cont'd)**

Masterplan was adopted by Council and will now progress to construction with tender and quotations.

*Economic achievements* include: Continued local programs and events that benefit local communities, and tourism management services provided at the Visitors Information Bureau and other areas of Council. As well, a review of previous tourism studies undertaken by University of Western Sydney's Robyn Bushell confirmed findings of 2010 community surveys and the direction of Council activities.

*Environmental achievements* include: The Natural Resources Branch continued to implement responsibilities under the Little Penguin Recovery Team and the Long-nosed Bandicoot Recovery Team as well as those arising from Council resolutions including:

- (1) Attending Recovery Team Meetings;
- (2) Replacement of the Seahorse habitat nets at Manly Cove was commenced;
- (3) Reviewed drafted revisions to the Little Penguin Recovery Plan;
- (4) Liaised with the Recovery Team in the reintroduction of the Native Bush Rat at North Head.

The Manly Lagoon sites 1 and 2 major dredging project has been completed. The total Cost was approximately \$1.92 million. The Manly Lagoon Flood Risk management study has commenced.

*Governance achievements* include: Council's internal computer, risk management and employment systems are being continuously improved to assist the efficient administration of Council, to manage risk and improve records retrieval and data management. This should continue with the purchase of a new records system (TRIM) and maintaining existing systems to ensure records systems.

**QUARTERLY FINANCIAL REPORT**

This Financial Report for the period ending 30 September 2011 for the 2011/2012 Financial Year has been prepared in accordance with the Clause 203(2) of the Local Government (General) Regulation, 2005. The Division of Local Government has also issued guidelines to councils regarding the requirements for the Quarterly Budget Review Statements (QBRS) reporting.

The QBRS are now required to be presented on an accrual basis, and include the following Statements:

1. Budget Review Statement by the Responsible Accounting Officer on Council's financial position
2. Income and Expenses Budget Review Statement (with recommended variations)
3. Capital Budget Review Statement
4. Cash and Investments Statement
5. Key Performance Indicators
6. Summary of Contracts entered into during the Quarter
7. Consultancy and Legal Expenses Statement.

Council's Budget as presented to Council has been prepared on a "Cash" basis, while the 4 Year Delivery Plan Budget and LTFP adopted by Council in June 2011 with the Community Strategic Plan is prepared on an "Accruals" basis.

**Corporate Services Division Report No. 42 (Cont'd)**

The following is a summary of Council's adopted Cash Budget for 2011/2012 and revised Budget Estimates as at 30 September 2011, following the adjustments included in this report.

	<b>Original Budget</b>	<b>Revised Budget At 30/09/2011</b>
Operating Income	-\$65,162,198	-\$65,194,598
Capital Income	-\$20,855,170	-\$18,722,628
Total Income	-\$86,017,368	-\$83,917,226
Operating Expenditure	\$64,589,968	\$64,435,368
Capital Expenditure	\$21,427,400	\$19,243,358
Total Expenditure	\$86,017,368	\$83,678,726
Net Surplus / (Deficit)	<b>\$0</b>	<b>\$238,500</b>

The Statements (listed above) setting out details of the variations to the Budget for the financial year ended 30 June 2012, as well as Council's Restricted Funds Balance (Reserves) are attached (at Attachment 3).

The September 2011 quarterly budget review reports a cash budget surplus for the financial year of \$238,500. However on an accrual basis the Quarterly Budget Review Statement forecasts a surplus of \$334,000 after capital and a surplus of \$232,000 before capital items.

**RECOMMENDATION****THAT**

1. The progress report with the Delivery Program 2011-2015 be received and noted.
2. The Financial Statement for the quarter ended 30 September 2011, including the revised estimates and recommended variations contained within the report, be adopted.

**ATTACHMENTS**

<b>AT- 1</b>	Delivery Program 2011-2015 - Quarterly Update	33 Pages	Circulated Separately
<b>AT- 2</b>	Delivery Program KPIs for the Quarter	12 Pages	Circulated Separately
<b>AT- 3</b>	Quarterly Budget Review	12 Pages	

OM141111CSD\_8

\*\*\*\*\* End of Corporate Services Division Report No. 42 \*\*\*\*\*

## ATTACHMENT 3

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### Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015

#### Quarterly Budget Review

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#### Quarterly Budget Review Statement

for the period 01/07/11 to 30/09/11

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## ATTACHMENT 3

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### Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015

#### Quarterly Budget Review

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#### Quarterly Budget Review Statement for the period 01/07/11 to 30/09/11

#### Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulation 2005.

It is my opinion that the Quarterly Budget Review Statement for the period 01/07/11 to 30/09/11 indicates that Council's projected financial position at 30 June 2012 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

This assessment is supported by Council's auditors Hills Roger Spencer Steer who described Council's financial position as satisfactory at 30 June 2011, having regard to its available working capital, unrestricted current ratio and debt servicing.

Signed : .



Date: 1-Nov-2011

Jenny Nascimben  
Responsible Accounting Officer

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# ATTACHMENT 3

## Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015 Quarterly Budget Review

Quarterly Budget Review Statement									
for the period 01/07/11 to 30/09/11									
Manly Council									
Income & Expenses Budget Review Statement									
Budget review for the quarter ended 30 September 2011									
(\$000's)	Original Budget 2011/12	Approved Changes		Revised Budget 2011/12	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures	
		Other than by a QBRS	Sep QBRS						Dec QBRS
Income									
Rates and Annual Charges	34,007			34,007			34,007	34,014	
User Charges and Fees	13,246			13,246			13,246	3,496	
Interest and Investment Revenues	899			899			899	226	
Other Revenues	5,863			5,863			5,863	1,191	
Grants & Contributions - Operating	3,547			3,547	4	1	3,551	793	
Grants & Contributions - Capital	840			840	102	2	942	88	
Net gain from disposal of assets				-			-		
Share of Interests in Joint Ventures				-			-		
Total Income from Continuing Operations	58,402	-	-	58,402	106		58,508	39,808	
Expenses									
Employee Costs	29,217			29,217			29,217	7,460	
Borrowing Costs	1,096			1,096	(239)	3	857	204	
Materials & Contracts	13,642			13,642	8	4	13,650	2,858	
Depreciation	6,799			6,799			6,799	2,074	
Legal Costs	506			506			506	151	
Consultants	362			362			362	100	
Other Expenses	5,197			5,197	3	5	5,200	2,318	
Interest & Investment Losses				-			-		
Net Loss from disposal of assets				-			-		
Share of interests in Joint Ventures				-			-		
Total Expenses from Continuing Operations	56,819	-	-	56,819	(228)		56,591	15,165	
Net Operating Result from Continuing Operations	1,583	-	-	1,583	334		1,917	24,643	
Discontinued Operations				-			-		
Net Operating Result from All Operations	1,583	-	-	1,583	334		1,917	24,643	
Net Operating Result before Capital Items	743	-	-	743	232		975	24,555	

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# ATTACHMENT 3

## Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015 Quarterly Budget Review

### Quarterly Budget Review Statement for the period 01/07/11 to 30/09/11

Manly Council

### Income & Expenses Budget Review Statement Recommended changes to revised budget

Budget Variations being recommended are as follows:

Notes Details

#### INCOME

1	Youth Services - "Beyond Blue Grant"	\$	4,400
2	Metropolitan Greenspace grant - Lagoon Playground	\$	102,000

#### EXPENDITURE

3	Reduction in borrowing costs (deferment of loan take up for Seaforth TAFE + Finance Lease savings)	-\$	239,000
4	Adolescent and Family Counsellor (funded from one-off grants from DOHS c/fwd from 2011)	\$	25,000
4	Youth Council YAPA and Beyond Blue grant funded	\$	7,400
4	Internal transfers - from operating expenditure to capital re Keirle Park Skate Ramp	-\$	24,000
5	Roads Safety program (NRMA Grant funds c/fwd)	\$	3,200

#### NET VARIATION

-\$ 333,800

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# ATTACHMENT 3

## Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015 Quarterly Budget Review

### Manly Council Quarterly Budget Review Statement for the period 01/07/11 to 30/09/11

#### Capital Budget Review Statement

Budget review for the quarter ended 30 September 2011

(\$'000's)	Original Budget 2011/12	Approved Changes		Revised Budget 2011/12	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Other than by a QBRS	Sep QBRS	Dec QBRS				
<b>Capital Expenditure</b>								
New Assets	500						500	147
- Plant & Equipment	4,460						4,460	
- Land & Buildings							-	
- Other								
Renewal Assets (Replacement)	2,525						2,525	113
- Plant & Equipment	165						165	
- Furniture & Fittings	777						777	
- Office Equipment								
- Land Improvements - Depreciable	1,090				107	1	1,197	13
- Land & Buildings	1,314						1,314	25
- Roads, Bridges, Footpaths	1,403						1,403	149
- Storm Water	542						542	11
- Other Structures	1,150				44	2	1,194	3
- Library Books	264						264	40
- Art Works & Other Heritage	34						34	
<b>Total Capital Expenditure</b>	<b>14,224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151</b>		<b>14,375</b>	<b>501</b>
<b>Capital Funding</b>								
Rates & Other United Funding	3,076						3,202	65
Rates - (Special Rates / Infrastructure Levy)	1,583				126	3	1,583	149
Storm Water Levy	402						402	11
Capital Grants & Contributions	840						840	16
Reserves:								
- External Restrictions/Reserves					25	4	25	
- Internal Restrictions/Reserves	250						250	
New Loans	6,500						6,500	89
Receipts from Sale of Assets								
- Plant & Equipment	1,573						1,573	171
- Land & Buildings							-	
<b>Total Capital Funding</b>	<b>14,224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151</b>		<b>14,375</b>	<b>501</b>
<b>Net Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>

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## ATTACHMENT 3

### Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015

#### Quarterly Budget Review

#### Quarterly Budget Review Statement for the period 01/07/11 to 30/09/11

Manly Council

#### Capital Budget Review Statement Recommended changes to revised budget

Budget Variations being recommended include the following material items:

**Notes Details**

#### CAPITAL EXPENDITURE

- 1 Lagoon Playground project (grant funding matched by Council funds)
- 1 Kangaroo St Playground (funded from unspent grants c/fwd )
- 2 Keirle Park Skate Bowl project (funded from unspent grants c/fwd )

\$	102,000
\$	5,458
\$	44,000
\$	<b>151,458</b>

#### CAPITAL FUNDING

- 3 Lagoon Park Playground - Greenspace Grant
- 3 Keirle Park - transfer funding from operational
- 4 Funding from unspent grants carried forward
- 4 Funding from unspent grants carried forward

\$	102,000
\$	24,000
\$	5,458
\$	20,000
\$	<b>151,458</b>

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# ATTACHMENT 3

## Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015

### Quarterly Budget Review

#### Manly Council

#### Quarterly Budget Review Statement

for the period 01/07/11 to 30/09/11

#### Cash & Investments Budget Review Statement

Budget review for the quarter ended 30 September 2011

(\$000's)	Closing Balance 2010/2011	Original Budget 2011/12	Approved Changes Other than by a QBRs	Approved Changes Sep QBRs	Dec QBRs	Revised Budget 2011/12	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
<b>Externally Restricted <sup>(1)</sup></b>										
Developer Contributions - General	4,664	4,588				4,588			4,588	
Specific Purpose Unexpended Grants	546	2,069				2,069			2,069	
Domestic Waste Management	-	(324)				(324)			(324)	
Other	720	720				720			720	
<b>Total Externally Restricted</b>	<b>5,930</b>	<b>7,053</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,053</b>	<b>-</b>		<b>7,053</b>	<b>-</b>
(1) Funds that must be spent for a specific purpose										
<b>Internally Restricted <sup>(2)</sup></b>										
Infrastructure Replacement	1,903	921				921	1,000	1	1,921	
Employees Leave Entitlement	1,210	1,610				1,610			1,610	
Deposits, Retentions & Bonds	1,588	1,597				1,597			1,597	
Balgowah Area Improvements	205	291				291			291	
Depot Redevelopment	158	101				101			101	
Environment Levy	-	-				-			-	
Manly Wharf Forecourt	50	50				50			50	
Manly Youth Council	6	6				6			6	
Meals on Wheels	306	256				256			256	
Rates Infrastructure	-	653				653			653	
Shelly Beach Improvements	9	9				9			9	
Unexpended Loans	1,003	2,000				2,000	(1,000)	1	1,000	
<b>Total Internally Restricted</b>	<b>6,438</b>	<b>7,494</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,494</b>	<b>-</b>		<b>7,494</b>	<b>-</b>
(2) Funds that Council has earmarked for a specific purpose										
<b>Unrestricted (ie. available after the above Restrictions)</b>	<b>1634</b>	<b>1,410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,410</b>	<b>-</b>		<b>1,410</b>	<b>-</b>
<b>Total Cash &amp; Investments</b>	<b>14,002</b>	<b>15,957</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,957</b>	<b>-</b>		<b>15,957</b>	<b>-</b>

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Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015  
Quarterly Budget Review

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Manly Council

**Quarterly Budget Review Statement**  
for the period 01/07/11 to 30/09/11

**Cash & Investments Budget Review Statement**

**Budget Variations and Comment on Cash & Investments Position**

Note 1: Adjustment for movement in Infrastructure Reserve

**Investments**

Investments have been invested in accordance with Council's Investment Policy and Section 625 of the Local Government Act 1993 and also the DLG Circular 11-01 - Ministerial Investment Order dated 12 January 2011 .

Council's Investment Portfolio report for the month of September 2011 shows a total market value of cash and investments held as at 30 September 2011 of \$16,362,124.

**Cash**

The value of Cash at Bank which has been included in the Cash & Investment Statement totals \$6,450,162  
This comprises of Council's General Bank Account \$110,273 and cash held at call of \$6,339,888.

Cash at Bank amount has been reconciled to Council's physical Bank Statements.  
The date of completion of this bank reconciliation is 05/10/11

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**Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015**  
**Quarterly Budget Review**

**Quarterly Budget Review Statement**  
for the period 01/07/11 to 30/09/11

Manly Council

**Key Performance Indicators Budget Review Statement**

Budget review for the quarter ended 30 September 2011

The Council monitors the following Key Performance Indicators:

**1. Unrestricted Current Ratio**

Current Assets less all External Restrictions

Current Liabilities less Specific Purpose Liabilities

**2. Debt Service Ratio**

Debt Service Cost

Income from Continuing Operations excluding Capital Items &  
Specific Purpose Grants/Contributions

**3. Rates & Annual Charges Outstanding Ratio**

Rates & Annual Charges

Income from Continuing Operations

**4. Building & Infrastructure Renewal Ratio**

Annual Renewals (Building & Infrastructure)

Depreciation, Amortisation & Impairment (Building &  
Infrastructure Assets)

Current Projection Indicator 11/12	Original Indicator 11/12	Actuals Prior Periods 10/11 09/10
--	--------------------------------	---

1.27	1.27	1.25 1.30
------	------	-----------

3.42	4.03	3.37 3.67
------	------	-----------

3.53	3.53	3.50 3.16
------	------	-----------

123.7	123.7	155.6 239.0
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# ATTACHMENT 3

## Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015 Quarterly Budget Review

Manly Council					
Quarterly Budget Review Statement for the period 01/07/11 to 30/09/11					
Contracts Budget Review Statement					
Budget review for the quarter ended 30 September 2011					
Part A - Contracts Listing - contracts entered into during the quarter with a value greater than \$50,000					
Contractor	Contract detail & purpose	Contract Value	Start Date	Finish Date	Budgeted (Y/N)
Licences					
Volhan Pty Ltd	Licence to Operate the Kiosk at Manly Swim Centre	90,000.00	01/09/2011	31/08/2014	Y
Manly Chamber Of Commerce	Licence to Operate an Arts, Craft & Farmers Market Manly	199,089.00	17/09/2011	31/08/2014	Y
Pedjuly Pty Ltd	Licence to Operate Learn to Swim Program at Manly Swim Centre	150,000.00	01/09/2011	30/06/2014	Y
Other					
University of NSW, Water Research Laboratory	Consultancy Services for Coastal Erosion Risk Areas	80,900.00	07/07/2011	11/11/2011	Y
Robert Owen Francis	Pool Repairs - 50 m Pool at Manly Swim Centre	74,350.00	07/07/2011	21/09/2011	Y
Frost Air Conditioning Pty Ltd	Supply and install Matsui 220kw chiller A/C - Manly Library	135,000.00	07/07/2011		Y
Synthetic Grass & Rubber Surfaces	Supply and installation of softfall surface - Lagoon Park playground	51,312.00	02/09/2011	04/10/2011	Y
Sensen Networks Pty Ltd	Mobile law enforcement system	54,800.00	07/09/2011	13/09/2011	Y
OAS Data Cabling Pty Ltd	Install Fibre Optic Cable - Town Hall to Depot	54,000.00	07/09/2011		Y

### Notes:

1. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
2. Contracts for employment are not required to be included.

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## ATTACHMENT 3

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### Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015

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#### Quarterly Budget Review

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Manly Council

**Quarterly Budget Review Statement**  
for the period 01/07/11 to 30/09/11

**Contracts Budget Review Statement**  
**Comments & Explanations relating to Contractors Listing**

#### Details

All contracts listed have been provided for within current budget allocations. If additional funding is required this will be reported in the following Quarter Budget Review.

Page 10

## ATTACHMENT 3

### Corporate Services Division Report No. 42 - First Quarterly Update on Four Year Delivery Program 2011 - 2015 and Quarterly Budget Review 2011 - 2015 Quarterly Budget Review

#### Manly Council

#### Quarterly Budget Review Statement

for the period 01/07/11 to 30/09/11

#### Consultancy & Legal Expenses Budget Review Statement

#### Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	100,179	Y
Legal Fees	139,321	Y

#### Definition of a consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

Legal Costs above include LEC Court related costs of \$118,767

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**TO:** Ordinary Meeting - 14 November 2011  
**REPORT:** Corporate Services Division Report No. 43  
**SUBJECT:** Report on Council Investments as at 30 September 2011  
**FILE NO:**

---

## **SUMMARY**

In accordance with clause 212 of the Local Government (General) Regulation 2005, a report setting out the details of money invested must be presented to Council on a monthly basis.

The report must also include certification as to whether or not the Investments have been made in accordance with the Act, the Regulations and Council's Investment Policy.

## **REPORT**

Council is required to report on a monthly basis, all invested funds which have been made in accordance with the Local Government Act 1993, The Local Government (General) Regulation 2005, and Council's Investment Policy.

Attached is the report of the bank balances and investment performance for September 2011.

## **Legislative & Policy Implications**

Manly Council Investment Policy  
Section 625 Local Government Act 1993  
Clause 212 Local Government (General) Regulation 2005  
DLG Circular 11-01 – Ministerial Investment Order dated 12 January 2011  
DLG Circular 10-11 – Investment Policy Guidelines

## **Certification – Responsible Accounting Officer**

I hereby certify that the investments listed in the attached report have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investment Policy.

The following securities held are currently rated less than the minimum required under the Ministerial Investment Order. Council is permitted to hold securities under the grandfathering clause in the Ministerial Investment Order dated 31 July 2008.

- Flinders CDO currently rated BB
- Parkes CDO currently rated CCC-
- Scarborough CDO currently rated CCC-
- Torquay CDO currently rated CC
- Coolangatta CDO – B+ (unwinding)
- Global Bank Note - B- (unwinding)

## **Investment Performance**

The Investment Report shows that Council has total Investments of \$17,720,040, comprising a combined Bank Balance of \$110,273; and Investment Holdings of \$15,059,766 directly managed and \$2,550,000 externally managed.

**Corporate Services Division Report No. 43 (Cont'd)**

Investments overall performed above the 90 day average Bank Bill Swap Rate (BBSW) for the month providing a return of 5.30% (*Council Benchmark = 4.81% - benchmark is 90 day average BBSW*)

The reduced interest returns for September are a result of several investments not paying interest coupons and initiating capital guarantee mechanisms to protect the investment. These include Emu Note (Dresdner Bank), ANZ Climate Change Trust, and Lehman Bros Zircon (Coolangatta) and Beryl (Global Bank Note).

The average rate of return for investments paying interest is 6.06%

**Lehman Brothers Australia (Grange) Portfolio Performance**

Return on Lehman Brothers Australia Limited (Grange) Managed Funds since inception was 2.68%, less than the benchmark UBSWA Index of 5.47% (for the month of September 2011 the monthly return was 1.39% above the benchmark UBSWA Index). Whilst the current market value of these investments (included in the report for information) shows a reduction in the value and the returns reported by Lehman Brothers Australia (Grange) indicate a return below benchmark, it is important to note that the Investments are recorded by Council at their original principal face value, and there would be no erosion of Council's initial capital investment if the investment continues to be held at the present time to maturity.

**Movements in Investments for the Month of September 2011****Investments Made**

<u>Issuer</u>	<u>Particulars</u>	<u>Face Value</u>
Police & Nurses Credit Society	Term Deposit	\$500,000.00
People's Choice Credit Union	Term Deposit	\$500,000.00
Citigroup Pty Ltd	Term Deposit	\$500,000.00
People's Choice Credit Union	Term Deposit	\$500,000.00
Members Equity Bank Pty Ltd	Term Deposit	\$500,000.00
People's Choice Credit Union	Term Deposit	\$500,000.00

**Investments Matured**

<u>Issuer</u>	<u>Particulars</u>	<u>Face Value</u>	<u>Redeemed Value</u>
AMP	Term Deposit	\$500,000.00	\$500,000.00
HSBC	Lehman Managed Fund	\$500,000.00	\$500,000.00

**RECOMMENDATION**

**That:** the statement of Bank Balances and Investment Holdings as at 30 September 2011 be received and noted.

**ATTACHMENTS**

**AT- 1** Investments Report 4 Pages

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\*\*\*\*\* End of Corporate Services Division Report No. 43 \*\*\*\*\*

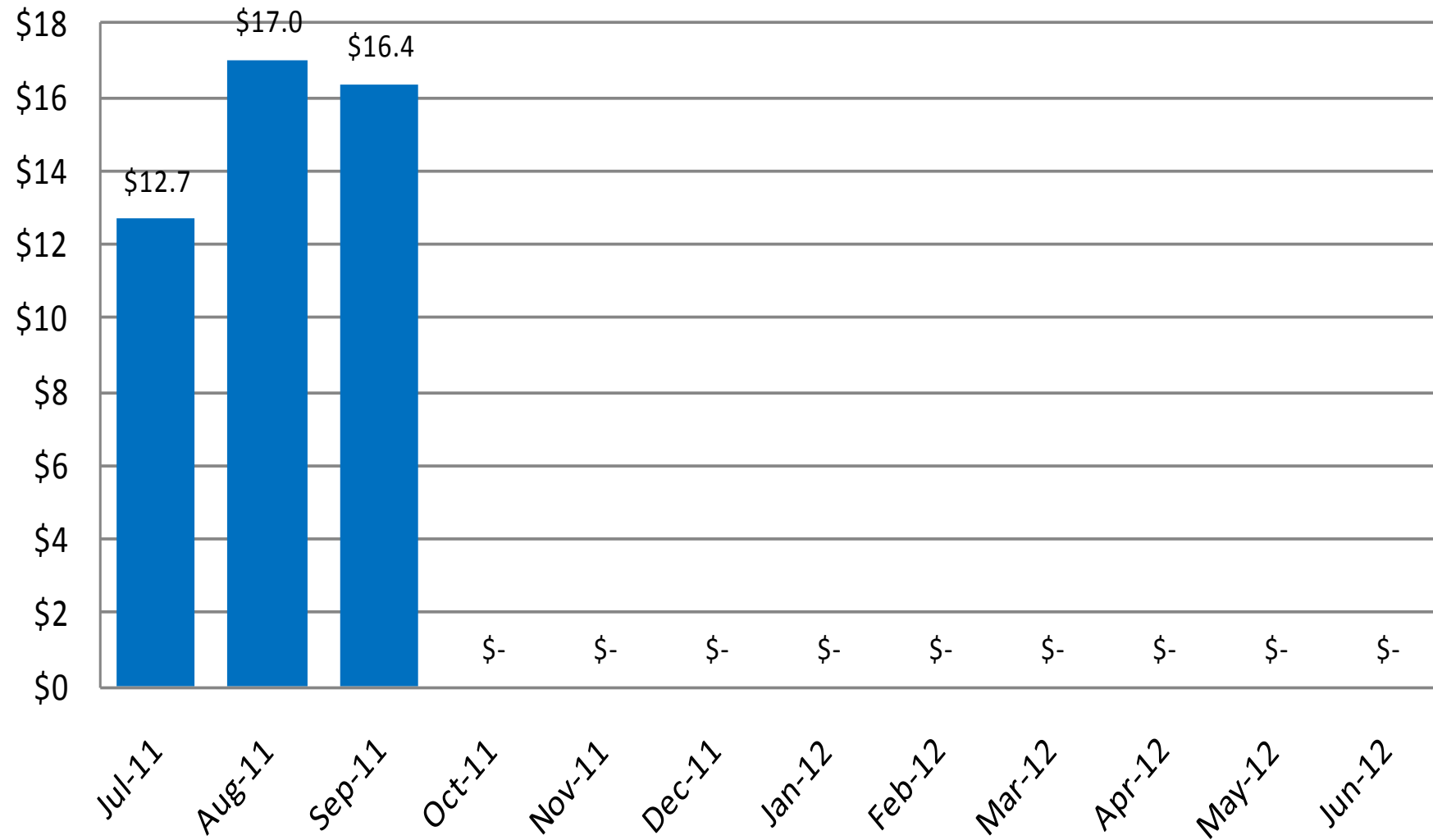
# ATTACHMENT 1

## Corporate Services Division Report No. 43 - Report on Council Investments as at 30 September 2011 Investments Report

MANLY COUNCIL INVESTMENT PORTFOLIO as at 30 September 2011										
	Form of Investment	Investment in AUS\$		Percentage of Portfolio	S & P Rating	Date Invested	Call/Maturity Date	Investment Returns Interest Rate	Interest Accrual YTD	Sept 2011
Directly Managed Funds										
Trading Account										
CBA Trading Account	Cash	110,273	Market Val 110,273	0.62%	AA-			3% <sup>(3)</sup>	\$ 10,152	\$ 3,546
Others										
Emu Note - Dresdner Bank	Structered Note	500,000	418,550	2.82%	AAA	25/10/2005	13/12/2012	0.00%	\$ -	\$ -
ANZ Climate Change Trust	Structured Note	500,000	455,297 <sup>(5)</sup>	2.82%	AA	21/12/2007	21/12/2013	0.00%	\$ -	\$ -
Railways Credit Union	Term Deposit	500,000	500,000	2.82%	Cr Union	4/07/2011	1/11/2011	6.25%	\$ 7,534	\$ 2,569
Suncorp-Metway Ltd	Term Deposit	1,000,000	1,000,000	5.64%	A+	5/07/2011	3/01/2012	6.24%	\$ 14,873	\$ 5,129
Bank of Queensland	Term Deposit	500,000	500,000	2.82%	BBB+	5/07/2011	5/01/2012	6.21%	\$ 7,401	\$ 2,552
B&E Ltd	Term Deposit	500,000	500,000	2.82%	Bld Society	5/07/2011	5/10/2011	6.06%	\$ 7,222	\$ 2,490
Members Equity Bank Pty Ltd	Term Deposit	500,000	500,000	2.82%	BBB	5/07/2011	4/07/2012	6.36%	\$ 7,580	\$ 2,614
RaboDirect Australia Limited	Term Deposit	719,877	719,877	4.06%	AAA	11/07/2011	29/06/2012	6.40%	\$ 10,224	\$ 3,787
Bank of Queensland	Term Deposit	1,000,000	1,000,000	5.64%	BBB+	8/08/2011	7/11/2011	6.01%	\$ 8,727	\$ 4,940
Police & Nurses Credit Society	Term Deposit	500,000	500,000	2.82%	Cr Union	1/09/2011	4/10/2011	5.63%	\$ 2,237	\$ 2,237
People's Choice Credit Union	Term Deposit	500,000	500,000	2.82%	Cr Union	1/09/2011	4/10/2011	5.68%	\$ 2,256	\$ 2,256
Citigroup Pty Ltd	Term Deposit	500,000	500,000	2.82%	A	1/09/2011	4/10/2011	5.57%	\$ 2,213	\$ 2,213
People's Choice Credit Union	Term Deposit	500,000	500,000	2.82%	Cr Union	9/09/2011	8/11/2011	5.76%	\$ 1,657	\$ 1,657
Members Equity Bank Pty Ltd	Term Deposit	500,000	500,000	2.82%	BBB	12/09/2011	12/12/2011	5.87%	\$ 1,447	\$ 1,447
People's Choice Credit Union	Term Deposit	500,000	500,000	2.82%	Cr Union	12/09/2011	12/12/2011	5.94%	\$ 1,465	\$ 1,465
Macquarie Cash Management Account	@ Call	223	223	0.00%	AAA	At call	At call	4.75%	\$ 3	\$ 1
AMP Limited	@ Call	4,703,162	4,703,162	26.54%	A	At call	At call	5.75%	\$ 77,303	\$ 21,758
Commonwealth Bank	@ Call	1,636,504	1,636,504	9.24%	AA-	At call	At call	4.00%	\$ 35,246	\$ 7,623
	Total	15,059,766	14,933,613	84.99%						
Total Directly Managed Funds		15,170,040	15,043,887							
Lehman Brothers Australia (Grange) Managed Funds (All in AUS\$)										
Interest Bearing Securities (Non Bank)			Market Val							
Magnolia (Flinders)	Floating Rate CDO	300,000	279,510	1.69%	BB	20/03/2007	20/03/2012	6.49%	\$ 4,923	\$ 1,692
MAS6-7 (Parkes IIA)	Floating Rate CDO	500,000	20,575	2.82%	CCC-	20/03/2007	20/06/2015	8.29%	\$ 4,955	\$ 1,959
Heli0308 (Scarborough)	Floating Rate CDO	250,000	2,703	1.41%	CCC-	21/06/2007	23/06/2014	6.83%	\$ 2,660	\$ 177
Corsair (Torquay)	Floating Rate CDO	500,000	5,450	2.82%	CC	20/03/2007	20/06/2013	6.64%	\$ 3,903	\$ 1,609
Zirccon (Coolangatta)	Floating Rate CDO	500,000	470,000	2.82%	B+	20/03/2007	20/09/2014	0.00%	\$ -	\$ -
Beryl (Global Bank Note)	Floating Rate Note	500,000	540,000	2.82%	B-	3/04/2007	20/09/2014	0.00%	\$ -	\$ -
Total Grange Managed Funds		2,550,000	1,318,238	14.39%						
Retired Investments									-\$ 7,251	\$ 2,381
TOTAL PORTFOLIO		17,720,040	16,362,124	100.00%				5.30%	\$ 206,730	\$ 68,610
BENCHMARK								4.81%		
Notes:										
1 Benchmark is 90 day Average BBSW										
2 CDO - Collateralised Debt Obligation										
3 Balances less than \$250,000 earn 3%, \$250,000 to \$499,999 earn 3.25%, \$500,000 to \$750,000 earn 3.5% & greater \$750,000 earn 3.75%										
4 CBA Trading & At Call account not included in the monthly portfolio return calculation										
5 Valuation as at 30 September 2011										
In 2008 Council's Portfolio was written down from Face Value to its Market Value by \$2.2million. Since then there has been partial recovery of some write downs with the overall written down value as at 30/06/2011 standing at \$1.4 million.										

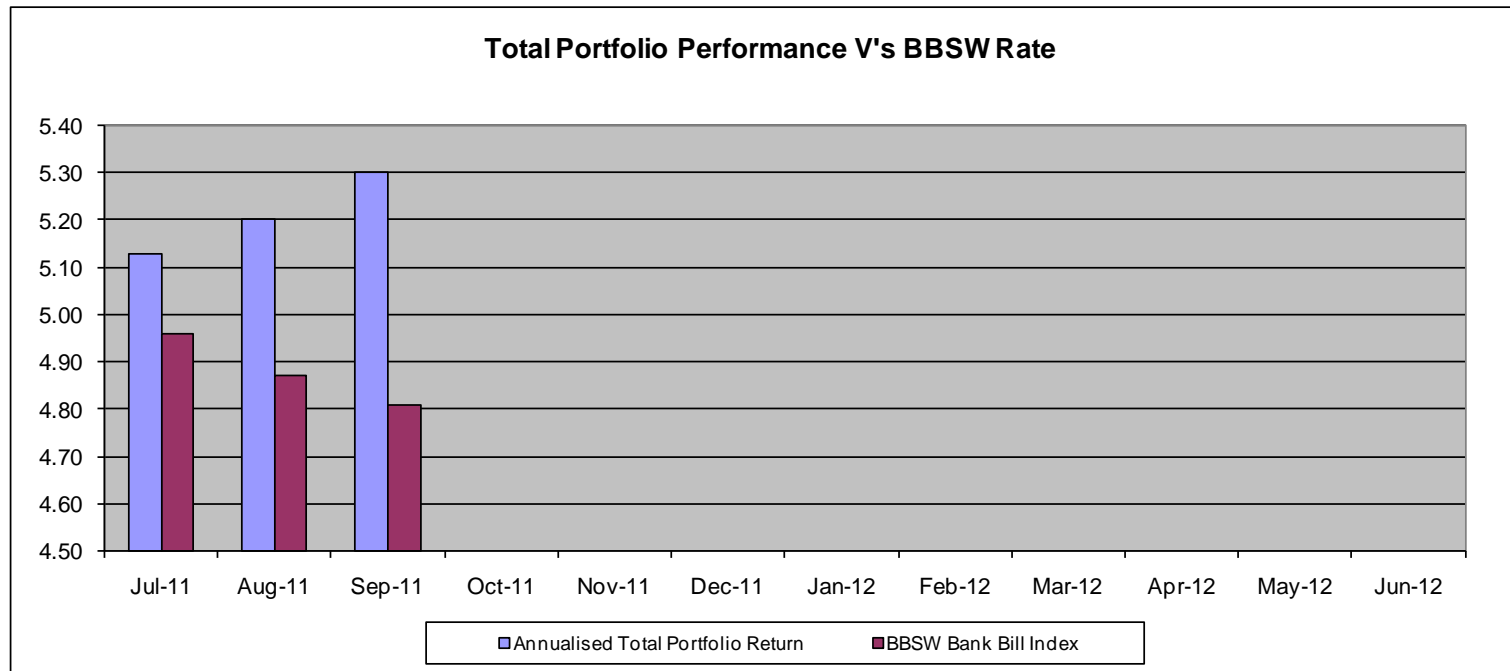


## Investment Value by Month - 2011/2012 (\$Million)

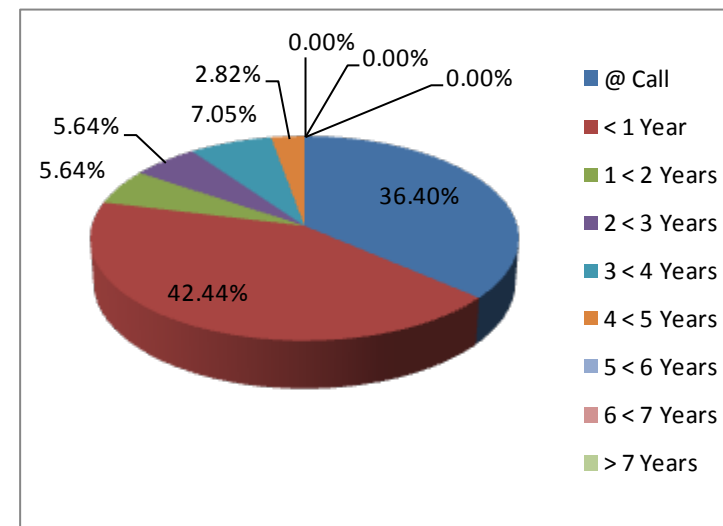


# ATTACHMENT 1

## Corporate Services Division Report No. 43 - Report on Council Investments as at 30 September 2011 Investments Report

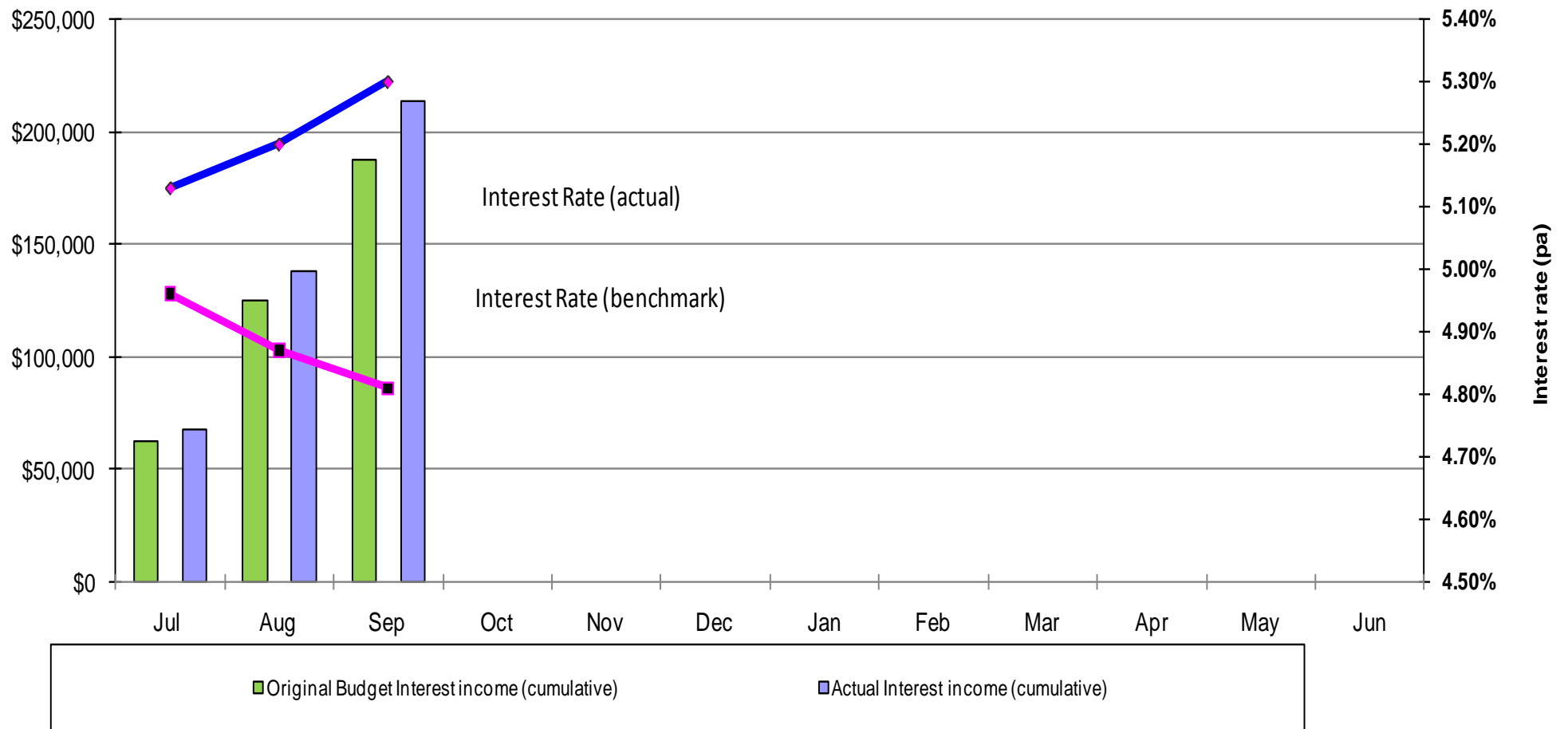


Summary by Credit Rating		No.
A+	5.64%	1
AAA	6.89%	3
AA	2.82%	1
A	29.36%	2
AA-	9.86%	2
BBB+	8.46%	2
B+	2.82%	1
BBB	5.64%	2
BB	1.69%	1
B-	2.82%	1
CC	2.82%	1
CCC-	4.23%	2
Building Society	2.82%	1
Credit Union	14.11%	5
	100.00%	25



Corporate Services Division Report No. 43 - Report on Council Investments as at 30 September 2011  
Investments Report

Interest Income and  
Interest Rate - 2011/12  
(budget vs actual)



**TO:** Ordinary Meeting - 14 November 2011  
**REPORT:** Corporate Services Division Report No. 44  
**SUBJECT:** 2012 Council Elections  
**FILE NO:**

---

## SUMMARY

To obtain Council approval to appoint the NSW Electoral Commission to conduct the 2012 elections for Manly Council.

## REPORT

The last two Council elections have been conducted by the NSW Electoral Commission with the Council paying all the costs involved.

This year the Local Government (Amendment) Elections Act 2011 was passed returning the responsibility for the conduct of Council elections, referenda and polls from the NSW Electoral Commissioner to the General Manager.

Despite having the overall responsibility for the elections neither the General Manager nor any employee of the Council can be appointed Returning Officer or substitute Returning Officer as they must be independent of Council.

The Department of Local Government has issued General Circular 11-11 that details the changes to the legislation. The supporting regulations and guidelines details the level of service and accountability required in the conduct of future elections. Circular is attached to this report.

The amendment to the legislation also provides Council with an alternative, by allowing, by resolution of the Council and without calling tenders, the appointment of the NSW Electoral Commissioner (NSWEC) to conduct the elections. The appointment however must be made by resolution of the Council and the NSWEC advised by 30 November, 2011. The appointment of the NSWEC would transfer the responsibility of conducting the elections from the General Manager to the NSWEC thus ensuring the complete independence of the administration process of the elections. In this case the NSWEC would be responsible for the appointment of staff including the Returning Officer and Substitute Returning Officer.

At the request of the NSWEC, representatives from the Commission met with Council staff to discuss appointing them to run the 2012 elections. At the meeting they indicated that they were both prepared and well qualified to run the election on Council's behalf on the clear understanding that they would be responsible for the whole process or nothing at all other than to produce the rolls.

The election process is a time consuming and exacting business with the whole process involving the appointment ,training and supervision and payment of the Returning Officer , Substitute Returning Officer and other electoral officials, the provision of forms, training manuals, returns ,reports, stationery, ballot papers, ballot boxes, voting screens, office accommodation, booking of polling places , waste removal, counting , reporting, etc. If Council does not appoint the NSWEC to conduct the 2012 election, they have advised that the Council would not have access to their staff for assistance/advice should an issue arise which needed clarification or any of their equipment or resources. The Council would not have access to their above the line voting software.

Unfortunately the NSWEC is not in a position to advise of the costs involved other than to say that they will be greater than 2008 elections due to anticipated rises in salaries of at least 17% and increase of other operational costs of approximately 12.8%. The costs of the 2008 elections was \$217,000 which based on the assumptions that costs for 2012 elections will be greater the 2012 election could cost as much as \$250,000. However the NSWEC will not provide an estimate for the 2012 elections as costs will be dependent on how many Councils will appoint them to run the elections and possible (as yet unsourced) cheaper printing costs.

The appointment of the NSWEC to undertake the 2012 Elections at a cost in excess of the threshold for requiring the calling of tenders is waived by the current legislation. However should Council wish to appoint

**Corporate Services Division Report No. 44 (Cont'd)**

an alternative provider to the NSWEC a formal tendering process will be required if the cost is anticipated to exceed the \$150,000 threshold.

An alternative provider named The Australian Election Company (AEC) has shown an interest in running the 2012 Elections for NSW Local Government Councils, however for it to do so, as it is expected that the cost will exceed \$150,000 formal tendering will be required. The AEC conducted Local Government Elections for several Councils in Queensland and for director positions in large Corporations. They claim they have the necessary software to handle above the line voting and have Public Liability and Professional Indemnity insurance to cover the conduct of elections. Within the present timeframe required by legislation there is insufficient time to prepare specifications, call and assess tenders and appoint a contractor such as AEC to conduct the elections on Council's behalf. In view of this situation, such an appointment does not present to be an option for the 2012 election unless the State Government amends the existing legislation. As an aside the NSWEC has indicated that they will not respond to any tenders.

To address these issues the Local Government and Shires Association Presidents met with the Premier of NSW in September in an endeavour to obtain some concessions from the Government through legislative amendments such as the extension of the deadline for the appointment of the Electoral Commissioner and to remove the requirement to go to tender to appoint another provider other than the Electoral Commissioner. The Associations have not received any response from the NSW Government to their representations as at the time of finalising this report.

Without the opportunity of a vigorous tendering process it is difficult to evaluate the cost benefit of conducting the elections in-house. The unavailability of above the line voting software, the possibility of reputational risk of an unsuccessful run election and to keep Council's administration at arms' length to the process, it is recommended that Council resolve to enter into a Contract with the NSW Electoral Commission to conduct the 2012 Election on behalf of Manly Council and the General Manager be authorised to execute the necessary agreement.

**RECOMMENDATION**

That the Council appoint the NSW Electoral Commission to conduct the 2012 election for Manly Council due in September 2012 and the General Manager be authorised to execute the necessary agreement.

**ATTACHMENTS**

**AT- 1** Circular to Councils 3 Pages

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\*\*\*\*\* End of Corporate Services Division Report No. 44 \*\*\*\*\*



Premier & Cabinet  
Division of Local Government

## Circular to Councils

Circular No. 11-11  
Date 29 June 2011  
Doc ID. A249154 (A)

Contact Helen Damaschin  
02 4428 4212  
helen.damaschin@dlg.nsw.gov.au

### CONDUCT OF ELECTIONS BY COUNCILS – AMENDMENTS TO THE LOCAL GOVERNMENT ACT 1993

The NSW Parliament has passed the *Local Government Amendment (Elections) Act 2011* (the Amending Act). The Amending Act was assented to by the Governor on 27 June 2011 and its provisions commenced on that date. The purpose of this circular is to advise councils of the resulting changes to the *Local Government Act 1993* (the Act) concerning the conduct of council elections.

A copy of the Amending Act can be found on the NSW Parliamentary Counsel's Office legislation website at [www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au).

Section 296 of the Act now provides that council elections (and, by operation of section 18 of the Act, constitutional referendums and polls) are to be administered by the general manager of the council concerned.

However, a council may, within 12 months after an ordinary election of councillors for the area, resolve that the council is to enter into a contract or make arrangements with the Electoral Commissioner for the NSW Electoral Commission to administer all elections for the council (other than elections of mayors and deputy mayors by councillors). If such a contract is entered into or such arrangements made, the Electoral Commissioner is to administer all the elections, constitutional referendums and polls of the council until the conclusion of the following ordinary election for councillors.

Section 55(3) of the Act now provides that a council need not invite tenders before entering into a contract with the Electoral Commissioner for the administration of the council's elections, constitutional referendums and polls.

Where a council decides to conduct its own elections, constitutional referendums and polls, section 296 of the Act makes it clear that the general manager is responsible for their conduct.

Section 296A of the Act provides that the responsibilities of the general manager include appointing a suitably qualified independent returning officer and a substitute returning officer for the council's area, appointing the polling places and determining the fees payable to the returning officer, substitute returning officer and electoral officials. The returning officer is to appoint one or more electoral officials.

Division of Local Government  
5 O'Keefe Avenue NOWRA NSW 2541  
Locked Bag 3015 NOWRA NSW 2541  
T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209  
E [dlg@dlg.nsw.gov.au](mailto:dlg@dlg.nsw.gov.au) W [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au) ABN 99 567 863 195

Importantly, section 296A provides that an employee of a council for an area cannot be appointed as a returning officer or substitute returning officer for that area. However, an electoral official may be an employee of the council.

Section 296A also provides that a general manager cannot be appointed as a returning officer, substitute returning officer or electoral official for any area.

The general manager will also be responsible for managing the relevant election costs and preparing a report for the Minister for Local Government on the conduct of each election. The report must disclose, among other things, full and transparent costings for that election. It is already the practice of the Electoral Commissioner to report to the NSW Government on the outcome of council ordinary elections.

While the latter requirement is not included in the Act, it is intended that it will form part of the new regulation and guidelines to be released by the Division of Local Government.

The guidelines will assist councils in understanding the level of service and accountability required of them so that they can make an informed choice whether to conduct their elections.

**It is vitally important that councils do not make a final decision on who is to conduct their 2012 ordinary elections until they have considered the new regulation and guidelines.**

For the purposes of the conduct of the September 2012 ordinary elections, Schedule 8 of the Act provides that a council may resolve, before 31 October 2011 (or such later date as may be prescribed by the regulation), to retain the Electoral Commissioner to administer its elections (other than elections of mayors and deputy mayors by councillors), constitutional referendums and polls until the conclusion of the 2012 ordinary election for councillors.

If a later date is prescribed, the Division will advise councils forthwith.

The Division is presently developing the necessary regulation and guidelines to complement these amendments. Councils will be notified as soon as the regulation and guidelines have been issued.

Section 434B of the Act provides that the Director General of the Department of Premier and Cabinet may recover the reasonable expenses incurred by the Director General in, or in respect of, the preparation of a Departmental representative's report under Division 1 (Inquiries and reviews) of Part 5 (Inquiries, reviews and surcharging) of Chapter 13 (How are councils made accountable for their actions?) of the Act that relates to the administration of an election by a general manager, including investigation expenses of the Director General or the Departmental representative.

**Note:** The later date of 30 November 2011 has now been prescribed by the Local Government (General) Amendment (Electoral Commissioner) Regulation 2011

## ATTACHMENT 1

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### Corporate Services Division Report No. 44 - 2012 Council Elections Circular to Councils

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It should be noted that the conduct of the Wollongong City Council and Shellharbour City Council fresh elections on 3 September 2011 are not affected by these changes.

Finally, the Amending Act has also made certain changes affecting councils' constitutional arrangements. Details of these changes are provided in Circular to Councils No 11-12.



**Ross Woodward**  
**Chief Executive, Local Government**  
**A Division of the Department of Premier and Cabinet**



**TO:** Ordinary Meeting - 14 November 2011  
**REPORT:** Corporate Services Division Report No. 45  
**SUBJECT:** Adoption of Draft Policy on Payment of Expenses and Provision of Facilities to Mayor and Councillors  
**FILE NO:**

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## SUMMARY

Council is required to adopt a Policy, following public exhibition, concerning payment of expenses and the provision of facilities to the Mayor and Councillors within five (5) months after the end of each year, and to forward a copy of the Policy to the Director General.

## REPORT

Council at its meeting held on 10 October 2011 considered a report on the annual review and adoption of the Policy on Payment of Expenses and Provision of Facilities to Mayor and Councillors in compliance with the Local Government Act and resolved that:

1. Pursuant to section 253 of the *Local Government Act 1993*, Council gives public notice of its intention to adopt the Policy on Payment of Expenses and Provision of Facilities to the Mayor and Councillors.
2. The Policy be public exhibited for at least 28 days to allow for public submissions to be received.
3. At the expiration of the exhibition period any submissions be considered and the Policy be submitted to Council for adoption.

The draft policy was placed on public exhibition on the Council's website, Townhall front counter and at Manly Library from 13 October 2011. Public notice was also given in the Manly Daily on 13 October advising of the public exhibition and that submissions would be accepted. At the close of the exhibition period on 10 November no submissions had been received. It is recommended that the draft Policy as placed on exhibition be adopted.

It is timely to remind Councillors that the Policy prohibits private benefit from travel bonuses such as frequent flyer schemes or any other such loyalty schemes while on Council funded business. Accordingly, the Mayor and Councillors should not collect frequent flyer points, loyalty points or customer points such as Flybuys and Everyday Rewards when purchasing goods or services to be paid for or reimbursed by Council, as doing so is obtaining a personal benefit from a Council expenditure.

Recommendation endorsed by Executive Officer, Corporate Services.

## RECOMMENDATION

That:

1. Pursuant to section 253 (3) of the Local Government Act 1993, the draft Policy on Payment of Expenses and Provision of Facilities to Mayor and Councillors as placed on public exhibition be adopted and the Policy Register be updated accordingly.
2. A copy of the Policy be forwarded to the Director General, Division of Local Government.

## ATTACHMENTS

**AT-1** Policy on Payment of Expenses and Provision of Facilities to Mayor and Councillors Tabled  
\*\*\*\*\* End of Corporate Services Division Report No. 45 \*\*\*\*\*