

Agenda

Council Meeting

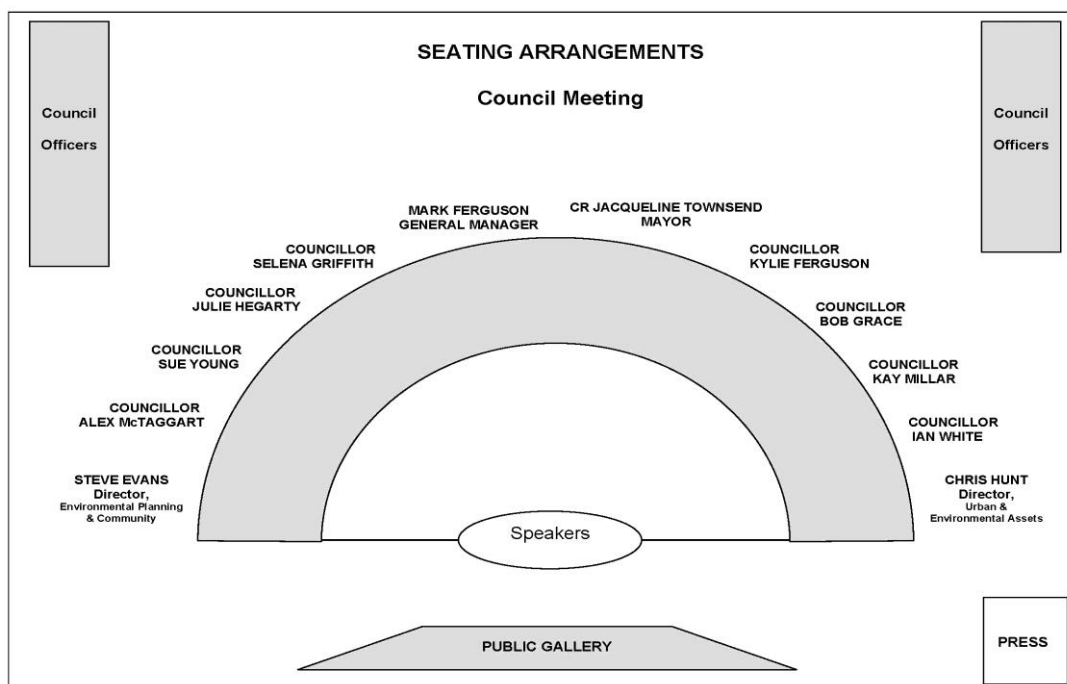
Notice is hereby given that a Council Meeting of Pittwater Council will be held at Mona Vale Memorial Hall on

16 November 2015

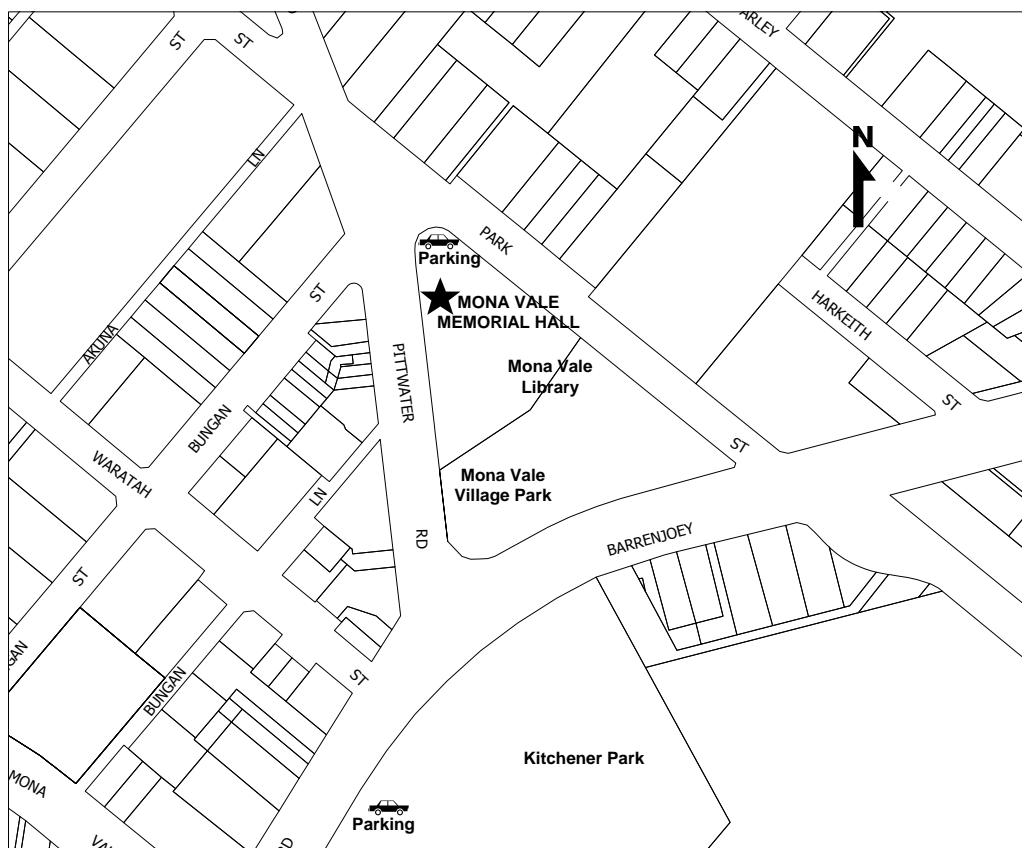
Commencing at 6.30pm for the purpose of considering the items included on the Agenda.

Mark Ferguson
GENERAL MANAGER

Seating Arrangements



Meeting Location



All Pittwater Council's Agenda and Minutes are available on the Pittwater website at www.pittwater.nsw.gov.au

Acknowledgement of Country

**Pittwater Council honours and respects the spirits of the
Guringai people.**

**Council acknowledges their traditional custodianship of
the Pittwater area.**

Statement of Respect

**Pittwater Council promotes and strives to achieve a climate of respect
for all and endeavours to inspire in our community shared civic pride by
valuing and protecting our unique environment, both natural and built,
for current and future generations.**

**We, the elected members and staff of Pittwater Council, undertake to
act with honesty and integrity, to conduct ourselves in a way that
engenders trust and confidence in the decisions we make on behalf
of the Pittwater Community.**

IMPORTANT NOTE FOR COUNCILLORS

The Council has received Confidential Advice in relation to the matters listed below which is attached as **Appendix 1 to Councillor's Agenda on yellow paper**. It is important that Councillors read these documents prior to determining the matters. Should the Council wish to consider the Confidential Advice during the course of the meeting, the following procedure should be followed:

1. Any persons wishing to address the Council are invited to address the Council in Open Session, so that the general (non-confidential) issues relating to the matter are debated in Open Session.
2. Should the Council wish to consider the Confidential Advice at any time during the debate, the Council should resolve into Committee of the Whole in Closed Session in accordance with Section 10A(2)(d) of the Local Government Act 1993, and debate the Confidential Advice and any related issues in a Closed Forum, with the Press and Public excluded. The Council does not have to make any resolution whilst in Committee of the Whole in Closed Session.
3. Following conclusion of the Confidential discussion concerning the Confidential Advice the Council should resolve back into Open Session to continue the debate as required, excluding any reference to the Confidential Advice. Once again it is noted that the debate in Open Session should centre around the general (non-confidential) issues associated with the matter.
4. The Council should then determine the matter in Open Session.

The Reports on the items below are listed in Open Session in the Agenda:

Item No	Item	Page No
C12.6	Tender T04/15 SHOROC - Provision of Road Construction Services and Materials	298

Mark Ferguson
GENERAL MANAGER

Council Meeting

TABLE OF CONTENTS

Item No	Item	Page No
Council Meeting		
1.0	Public Forum	7
2.0	Resident Questions	8
3.0	Apologies	8
4.0	Declarations of Pecuniary and Conflict of Interest including any Political Donations and Gifts	9
5.0	Confirmation of Minutes	9
6.0	Public Addresses	10
7.0	Councillor Questions with Notice	10
8.0	Mayoral Minutes	11
9.0	Business by Exception	11
10.0	Council Meeting Business	11
C10.1	Response to NSW Government on Pittwater Council's Final Position on Local Government Reform	12
C10.2	Notice of Motion – Exempt from any Boundary Change	13
C10.3	Annual Report 2014-2015	47
Leading and Learning Committee		
11.0	Leading and Learning Committee Business	56
C11.1	Investment Balances as at 31 October 2015	57
C11.2	Financial Report for the Period Ending 30 September 2015	46
C11.3	Councillor Expenses Policy No. 145	96
C11.4	Outcomes of Exhibition of Draft Property Management Policy	114
C11.5	Minutes of the Dog Control Policy No 30 Review Working Group - 29 September	128
C11.6	Report on Conference Attendance - LG NSW 2015 - Cr Julie Hegarty	134

Item No	Item	Page No
Sustainable Towns and Villages Committee		
12.0	Sustainable Towns and Villages Committee Business	139
C12.1	Greater Sydney Commission	140
C12.2	N0201/15 - 66 Shearwater Drive Warriewood - Proposed home office addition above existing garage and replace existing pergola	181
C12.3	39 Robertson Rd Scotland Island - Drainage Easement	209
C12.4	316 Hudson Parade, Clareville - Renewal of expired lease	220
C12.5	Mona Vale Golf Course Lease Renewal	225
C12.6	Tender T04/15 SHOROC - Provision of Road Construction Services and Materials	298
Council Meeting		302
13.0	Adoption of Leading and Learning Committee Recommendations	302
14.0	Adoption of Sustainable Towns and Villages Committee Recommendations	302
Appendix 1 – Confidential Advice		

CONFIDENTIAL CLAUSE

*This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d) of the Local Government Act 1993, which permits the Council to close the meeting to the public for business relating to the following: -*

- (d) Commercial information of a confidential nature that would, if disclosed:-*
 - prejudice the commercial position of the person who supplied it; or*
 - confer a commercial advantage on a competitor of the Council; or*
 - reveal a trade secret.*

CONFIDENTIAL - Tender T04/15SHOROC - Provision of Road Construction Services and Materials

**The Senior Management Team
has approved the inclusion of
all reports in this agenda.**

Council Meeting

1.0 Public Forum

GUIDELINES FOR RESIDENTS - PUBLIC FORUM

Objective

The purpose of the Public Forum is to gain information or suggestions from the community on new and positive initiatives that Council can consider in order to better serve the Pittwater community.

- The Public Forum is not a decision making forum for the Council;
- Residents should not use the Public Forum to raise routine matters or complaints. Such matters should be forwarded in writing to Council's Customer Service Centres at Mona Vale or Avalon where they will be responded to by appropriate Council Officers;
- There will be no debate or questions with, or by, Councillors during/following a resident submission;
- Council's general meeting procedures apply to Public Forums, in particular, no insults or inferences of improper behaviour in relation to any other person/s is permitted;
- No defamatory or slanderous comments will be permitted. Should a resident make such a comment, their submission will be immediately terminated by the Chair of the Meeting;
- Up to 20 minutes is allocated to the Public Forum;
- A maximum of 1 submission per person per meeting is permitted, with a maximum of 4 submissions in total per meeting;
- A maximum of 5 minutes is allocated to each submission;
- Public submissions will not be permitted in relation to the following matters:
 - Matters involving current dealings with Council (eg. development applications, contractual matters, tenders, legal matters, Council matters under investigation, etc);
 - Items on the current Council Meeting agenda;
- The subject matter of a submission is not to be repeated by a subsequent submission on the same topic by the same person within a 3 month period;
- Participants are not permitted to use Council's audio visual or computer equipment as part of their submission. However, photographs, documents etc may be circulated to Councillors as part of the submission;
- Any requests to participate in the Public Forum shall be lodged with Council staff by 12 noon on the day of the Council Meeting. To register a request for a submission, please contact Warwick Lawrence, phone 9970 1112.

Mark Ferguson
GENERAL MANAGER

2.0 Resident Questions

RESIDENT QUESTION TIME

Objective

The purpose of Resident Question Time is to provide the community with a forum to ask questions of the elected Council on matters that concern or interest individual members of the community.

The following guidelines apply to any person addressing a Council / Committee meeting in relation to a Resident Question:

- 1. Residents Question Time is conducted at the commencement of the second Council Meeting of the month and prior to the handling of General Business.*
- 2. A maximum of 10 minutes is allocated to Residents Question Time.*
- 3. Each Resident is restricted to two (2) questions per meeting.*
- 4. All questions are to be in writing or made electronically and lodged with the General Manager no later than 6.15pm on the day of the Council meeting at which it is to be considered.*
- 5. Questions must be precise and succinct and free of ambiguity and not contain any comments that may be offensive, defamatory or slanderous in any way.*
- 6. A brief preamble may accompany the question to clarify the issue however only the actual question will be included in the minutes of the Council meeting.*
- 7. Responses to residents questions made at the meeting will also be included in the minutes of the Council meeting.*
- 8. Resident's questions taken on notice shall be the subject of a report to Council setting out both the question and response and shall be included in the agenda at the second meeting of the month following the resident's question.*
- 9. There will be no debate or questions with, or by, Councillors during / following a resident question and response.*

3.0 Apologies

Apologies must be received and accepted from absent Members and leave of absence from the Council Meeting must be granted.

4.0 Declarations of Pecuniary and Conflict of Interest including any Political Donations and Gifts

Councillors are advised of the following definitions of a "pecuniary" or "conflict" of interest for their assistance:

* Section 442 of the Local Government Act, 1993 states that a "pecuniary" interest is as follows:

- "(1) [**Pecuniary interest**] A Pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.
- (2) [**Remoteness**] A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to the matter."

Councillors should reference the Local Government Act, 1993 for detailed provisions relating to pecuniary interests.

* Council's Code of Conduct states that a "conflict of interest" exists when you could be influenced, or a reasonable person would perceive that you could be influenced by a personal interest when carrying out your public duty.

Councillors are also reminded of their responsibility to declare any Political donation or Gift in relation to the Local Government & Planning Legislation Amendment (Political Donations) Act 2008.

* A reportable political donation is a donation of:

- \$1,000 or more made to or for the benefit of the party, elected member, group or candidate; or
- \$1,000 or more made by a major political donor to or for the benefit of a party, elected member, group or candidate, or made to the major political donor; or
- Less than \$1,000 if the aggregated total of the donations made by the entity or person to the same party, elected member, group, candidate or person within the same financial year (ending 30 June) is \$1,000 or more.

5.0 Confirmation of Minutes

"Councillors are advised that when the confirmation of minutes is being considered, the only question that can arise is whether they faithfully record the proceedings at the meeting referred to. A member of a council who votes for the confirmation of the minutes does not thereby make himself a party to the resolutions recorded: **Re Lands Allotment Co (1894) 1 Ch 616, 63 LJ Ch 291.**"

Minutes of the Council Meeting held on 2 November 2015.

6.0 Public Addresses

The following guidelines apply to any person addressing a Council / Committee meeting in relation to an item on the Council / Committee meeting agenda:

1. *A member of the public may be granted leave to address a meeting of Council or a Committee, where such a request is received by the General Manager no later than 3.00pm on the day of the meeting. This is subject to:*
 - (a) *A maximum of up to six speakers may address on any one item, with a maximum of three speakers in support of the recommendation in the report, and three speakers in opposition.*
 - (b) *A limitation of three minutes is allowed for any one speaker, with no extensions.*
 - (c) *An objector/s to a development application is to speak first with the applicant always being given the right to reply.*

Exceptions to these requirements may apply where:

- (a) *The Meeting specifically requests that a person be interviewed at a meeting.*
 - (b) *The Meeting resolves that a person be heard at the meeting without having given prior notice to the General Manager*
2. *Once a public/resident speaker has completed their submission and responded to any Councillor questions, they are to return to their seat in the public gallery prior to the formal debate commencing.*
3. *No defamatory or slanderous comments will be permitted. Should a resident make such a comment, their address will be immediately terminated by the Chair of the meeting.*
4. *Council's general meeting procedures apply to Public Addresses, in particular, no insults or inferences of improper behaviour in relation to any other person is permitted.*
5. *Residents are not permitted to use Council's audio visual or computer equipment as part of their address. However, photographs, documents etc may be circulated to Councillors as part of their address.*

7.0 Councillor Questions with Notice

Question 1 – Cr Millar

When will the pump at the Whale Beach pool be repaired?

Response:

Contractors are this week laying cables from the power box to the pump well. Installation of the pump and pole is programmed for 20 November. The pump should be fully operational by the end of November.

Question 2 – Cr Millar

Can Council inspect the creekline corridor behind the complex on the eastern corner of Macpherson Street and Ponderosa Parade? Residents feel that there is a bushfire hazard as growth is reaching close to their fences.

Response:

Referred to RFS for assessment and if they recommend any vegetation trimming or removal, Council will implement immediately.

Question 3 – Cr Millar

Does Council have a schedule of works for maintaining the creekline corridors in Warriewood Valley? They are overgrown and possibly inhibiting flow.

Response:

Council has engaged contractors to treat the weeds within the creekline and trim back vegetation adjacent to the pathway.

Council's Manager of Catchment Management & Climate Change advised that the vegetation will flatten in periods of high velocity and believes the creekline would not be impeded.

8.0 Mayoral Minutes

Nil.

9.0 Business by Exception

Items that are dealt with by exception are items where the recommendations contained in the reports in the Agenda are adopted without discussion.

10.0 Council Meeting Business

C10.1	Response to NSW Government on Pittwater Council's Final Position on Local Government Reform
--------------	--

Meeting: Council

Date: 16 November 2015

COMMUNITY STRATEGIC PLAN STRATEGY: Corporate Management

COMMUNITY STRATEGIC PLAN OBJECTIVE: To ensure local democratic representation.

DELIVERY PROGRAM ACTION: To ensure Council's financial sustainability.
To ensure local democratic representation.

1. EXECUTIVE SUMMARY

This Local Government structural reform process has now been active for over three years. During this time council has actively participated through the preparation of evidence based submissions to strongly argue council's and the community's position with respect to the future Local Government structure for this area. The council has also actively engaged its community through several channels to inform the community and seek opinions on the options going forward.

The position that has been strongly advocated through the submissions is that Pittwater is 'Fit for the Future' and that it wishes to retain the status quo providing local government services on its current boundaries.

This position has not been supported by either the Independent Local Government Review Panel (ILGRP) nor the Independent Pricing and Regulatory Tribunal (IPART). More recently with IPART determining that Pittwater council is Not Fit as a consequence of its failure to satisfy the Scale and Capacity Criteria. All other financial and efficiency criteria were achieved.

During the council's engagement and data gathering a 2 council model was promulgated and canvassed with the community. Based on the recent figures it yielded an estimated Net Present Value Benefit of \$43 million over 20 years. Whilst this is not as high as the \$103 million for the 'mega council', the savings are not the primary concern for the community in seeking strong local planning, governance and environmental custodianship for the area.

The community when canvassed on options overwhelmingly preferred to retain the status quo (88%) on the existing boundaries. There was however equally strong support for a Greater Pittwater (89%) as a second preference. A strong majority (80%) are opposed to the one council model for the northern beaches.

The NSW Government has now sought from councils final submission on its preference moving forward. It is becoming evident that the status quo option is highly unlikely and the consequences of council not submitting a preference and expressing its community position to the Government on the best outcome for its residents and staff may lead to one council model being the preferred outcome. The consequences would be significant to the community and staff.

The Government intention to date, has been to move forward with the agreement of the councils on the amalgamation process. That has not been forthcoming by many councils, whilst some have agreed and others have unsuccessfully sought agreement of their neighbouring councils. Therefore the government has indicated that it will seek to proceed either through legislative change and/or following the Boundaries Commission process following this process.

The likelihood of the government gaining agreement in the Upper House for major legislative change is unknown. Whilst the current processes of the Boundaries Commission require a public inquiry and notification, with the community opinion canvassed. It is unknown what streamlining of this process will occur in the current legislative changes proposed.

Discussions have been undertaken with Manly, Mosman and Warringah Councils on the preference options. It is probable that three of those four councils will be submitting preferences. There was no agreement particularly with Warringah Council on a way forward. Therefore it is important for Pittwater to have its position clearly articulated.

It is submitted that the preferences proposed are not considered a compromise but rather an improvement on the current governance arrangements for the Northern Beaches/SHOROC region.

It will provide two more equally balanced, specialised, capable councils to deliver services to our community with the redefined Pittwater having an estimated 2031 resident population of 168,000 (the southern Council resident population would be comparable). This will deliver more effective catchment and economic management, expand the community of interest whilst retaining the local character and identity. The population density per square kilometre would remain the same.

Two more equitable councils providing joint services and working collaboratively will deliver stronger representative advocacy for the area. It will unify the important waste management function and enable a stronger role in delivering public health outcomes and access and public transport outcome for the area. The addition of Mosman in Preference 2 further enhances that relationship.

The two preferences would also satisfy the IPART criteria with the exception of the scale and capacity criteria. That criteria is not a threshold question in the context of this process. The lodging of preferences will be taken as agreement to the government proceeding with the preferences submitted.

2.0 RECOMMENDATION

**2.1 That whilst Pittwater councils position is the status quo with an independent Pittwater council providing local representation and delivery of local services to the people of Pittwater on its current boundaries;
Council provide the following merger preferences:-**

(a) Preference One - Warringah Council

(Explanation: Redefining Pittwater Council and achieving two Councils on the Northern Beaches.)

(b) Preference Two- Warringah Council

(Explanation: Redefining Pittwater Council and achieving two Councils in the SHOROC region.)

(d) Complete the box for Comments on Preferences as follows:-

Preference 1: merge 3 councils into 2, with relocation of Pittwater's boundary including: TerreyHills, Narrabeen, Collaroy, CollaroyPlateau, Cromer, OxfordFalls, FrenchsForest, DuffysForrest, Belrose, Davidson with understanding that the remaining suburbs of Warringah would merge with Manly. If not acceptable Preference 2 on same basis merging 4 SHOROC councils into 2 Councils by adding Mosman.

2.3 *That Council provide the feedback as outlined in Attachment 1 in relation to IPART's assessment of Council's Fit for the Future submission.*

2.4 *That a copy of this resolution and report be sent to the following:-*

2.6.1 *Premier of NSW, Hon Mike Baird*

2.6.2 *Local Member Hon. Rob Stokes*

2.6.3 *Minister for Local Government, Hon Paul Toole*

3.0 BACKGROUND

3.1 PURPOSE OF THIS REPORT

The purpose of this report is to outline the findings of the IPART report and current process and to recommend a response to the NSW Government's final period of consultation in relation to Local Government reform.

3.2 CONTEXT

The NSW Government has been discussing Local Government Reform over the last few years. Last September in response to the Independent Local Government Review Panel's (ILGRP) Report, the Government announced its Fit for the Future (FFTF) Program.

A detailed report on the FFTF Program was considered by Council on 7 April, 2015.

Council at its meeting on 15 June, 2015 resolved that it:-

"remains committed to a strong, independent Pittwater Council providing local representation and delivery of local services to the people of Pittwater on the existing boundaries."

At this meeting, Council also resolved to submit only Template 2 - Council Improvement Proposal to IPART for review. A complete copy of the Council resolution of 15 June, 2015 is included at **Attachment 3**.

Council received IPART's final report on 20 October which deemed Pittwater Council to be 'unfit' as it does not meet the Fit for the Future's scale and capacity criteria due to its population size (refer **Attachment 4** - IPART Summary (as related to Metropolitan Councils) including details for each of the four SHOROC Councils). All other criteria were deemed to be satisfactory or fit. In particular, Council was 'fit' as Council met every other financial criterion incorporating sustainability, infrastructure and efficiency measures.

Immediately after the release of the IPART report, the Council received correspondence from the Premier and Minister for Local Government (**Attachment 5**) and the Secretary of Premier and Cabinet (**Attachment 6**).

This correspondence to all Council's outlined that the State Government was providing a final period of consultation until 18 November, 2015 to inform the Government position on Local Government Reform.

The consultation is an opportunity to inform the Government's position on Local Government Reform and states:-

“Should you wish to participate in this consultation:-

- please provide any comments you wish to make in relation to IPART’s findings on your Council’s submission; and*
- if your Council’s submission was found by IPART to be “not fit” as it did not meet scale and capacity, or if your Council adjoins a Council that did not meet scale and capacity, please advise of any preferences your Council may have regarding merging partners.”*

Council in response to the Government’s announcement of this final period of consultation resolved at its meeting of 2 November, 2015 as follows:-

- “1. That it be noted that the Mayor and General Manager will hold further discussions with other Councils and the local community to assist with Pittwater’s preference selection moving forward.*
- 2. That a Public Meeting and a Community Leaders Forum be held in November prior to 16 November, 2015.*
- 3. That a further report be brought to Council to consider Council’s structural reform preference.*
- 4. That Council invite The Honourable Rob Stokes, MP, to the Public Meeting and the Community Leaders Forum.”*

3.3 POLICY IMPLICATIONS

Nil.

3.4 RELATED LEGISLATION

- *NSW IPART Act 1992.*
- *NSW Local Government Act 1993.*

3.5 FINANCIAL ISSUES

As indicated in the last report to Council on the 2 November 2015, The Government has offered a conditional financial package under the name of ‘The Stronger Communities Fund’ with up to \$25 million to councils, so long as certain conditions are met. These conditions are:

- \$10 million available to merging councils where all parties (including government) agree by 18 November 2016;
- \$10 million available for infrastructure
- \$5 million available for mergers of three or more councils

Further, to the above transitional funding packages, IPART’s independent economic consultants Ernst and Young undertook an analysis to estimate all Council’s Net Present Value of Benefits over a 20 year period. As indicated on page 10 of the Review of Business Case Estimates Ernst and Young’s adjusted NPV estimate for a merger of all three Council’s amounted to \$103m over 20 years and was consistent with Pittwater Council’s KPMG analysis, as per their Report. In addition, Ernst & Young on an adjusted basis over a 20 year period indicated that a two Council option of Greater Pittwater and Greater Manly may also derive an estimated NPV (at 7% discount rate) of \$43.4 Million over the same timeframe, a lower figure however still positive.

It must be noted that while the NSW Governments financial package and both NPV financial benefits seem attractive they are heavily conditioned. Councils must agree; preferences must be submitted by the 18/11/15; government must agree. Based on discussion it is unlikely agreement will be reached with Warringah council.

4.0 KEY ISSUES

4.1 Pittwater Councils Submission to IPART 25 June 2015 – A strong independent Pittwater

4.1.1 Pittwater Councils submission to IPART on 29 June 2015 - A Strong Independent Pittwater

Pittwater is a community that is strongly engaged, well informed, organised and demonstrates clear-cut and distinct values that seek to preserve the unique character of the area both physically and environmentally.

Located at the north east corner of Sydney's coast, Pittwater could be easily mistaken for a "dormitory" suburb of Greater Sydney. It is clearly much more than that to its residents and people who visit the region who value the natural environment and a sense of community.

The area itself could be considered isolated: it's completely bounded by the natural environment that includes National Parks and waterways. It encompasses a land area of 125 square kilometres, nearly half is National Park, bushland or reserves, including coastal foreshores, beaches, island and waterways.

The submission was based on Pittwater Council's ability to demonstrate the following:

- is financially fit against the prescribed financial metrics
- has a connected community
- is a sustainable land manager and strong protector of the marine estate
- remains committed to participation in Shore Regional Organisation of Councils (SHOROC) for regional planning, advocacy and purchasing partnerships
- can demonstrate strategic capacity based on outcomes achieved by Council to date.
- has undertaken an evidence based approach to test structural reform options including the Independent Local Government Review Panel's (ILGRP) recommendation
- has undertaken extensive community engagement on the process exploring options.

Within Councils submission it argued a case for both strategic capacity and a reason for exemption from amalgamation. This case centred on all of the above as well as the unique characteristics of the area; bounded by two national parks, significant coastline, the custodianship over a unique waterway and lower density development in-keeping with its natural environment and heritage.

4.2 IPART Findings

The NSW Government engaged IPART to perform the role of the Expert Advisory Panel to assess how council proposals met the Fit for the Future criteria. On the 20th October 2015, IPART released its findings into NSW Council's proposals. IPART's Report Card indicated that 60% of NSW Councils are not fit and potential merger benefits of \$2 billion dollars could be realised if mergers based on their analysis went ahead.

Pittwater was deemed Not Fit by IPART solely on the basis that it did not meet the ill-defined and theoretical "scale and capacity" criteria. **Pittwater successfully met all other assessment criteria.**

IPART's assessment of Pittwater Council is outlined below:

Pittwater Council has been deemed NOT FIT on the basis that:

- The council does not satisfy the scale and capacity criterion.
- The council satisfies the financial criteria overall. It satisfies the sustainability, infrastructure and service management and efficiency criteria.
- **Scale and capacity is a threshold criterion which councils must satisfy to be Fit for the Future (FFTF), therefore the council is not fit.**

Scale and capacity – does not satisfy

- The council did not demonstrate its improvement proposal was at least as good as the ILGRP merger option (Pittwater, Warringah and Manly Council's combined). The efficiency improvements in the council's proposal can be realised under the merger option. In addition the merger option would provide significant further benefits.
- The council's population is forecast to be 77,600 by 2031 compared with the forecast merger population of 307,000. Our analysis suggests the council does not have sufficient scale to partner effectively with governments compared to the merger.

Sustainability – satisfies

- The council satisfies the criterion for sustainability based on its forecast to meet the benchmarks for the operating performance ratio, the own source revenue ratio and the building and infrastructure asset renewal ratio by 2019-20.

Infrastructure and service management – satisfies

- The council satisfies the criterion for infrastructure and service management based on its forecast to meet the benchmarks for the infrastructure backlog ratio, the asset maintenance ratio and the debt service ratio by 2019-20.

Efficiency – satisfies

- The council satisfies the criterion for efficiency based on a decline in real operating expenditure per capita over the outlook period to 2019-20.

Further to the above criteria assessment, IPART's independent economic consultants Ernst and Young estimated net benefits from the merger of around \$103m over 20 years using publically available data (not including the Government grant). This was consistent with Council's economic consultants KPMG analysis.

4.3 Current legislative framework by which amalgamations and boundary changes can be achieved

The legislative framework as it currently stands permits the Government to force an amalgamation or boundary change and does not require the consent of the Council.

However as prescribed within the Local Government Act 1993 there is a detailed procedure to undertake such changes, in summary;

- 4.4.1 A referral to the Boundaries Commission – a proposal must be initiated, publically notified and provide opportunity for representations.
- 4.4.2 Minister for Local Government has powers to recommend amalgamation or boundary change.
- 4.4.3 The Governor by proclamation may amalgamate areas but the Minister may not recommend such change until there has been a public inquiry.

4.4 Community Engagement

4.4.1 Summary of Community's Feedback to date

Council undertook comprehensive community engagement to provide an opportunity for the community to have a say on the options for structural reform and to provide evidence to IPART as part of Council's submission about the level of support and preferences for each of the options canvassed with the community.

Two streams of results arose from the community engagement undertaken prior to forwarding Council's submission to IPART. These included:

1. A random sample telephone survey was conducted by Micromex Research with a statistically valid sample of Pittwater residents.
2. Paper and online surveys were completed using the telephone survey tool and incorporated surveys completed at market days, through displays and by young people from the local high school.

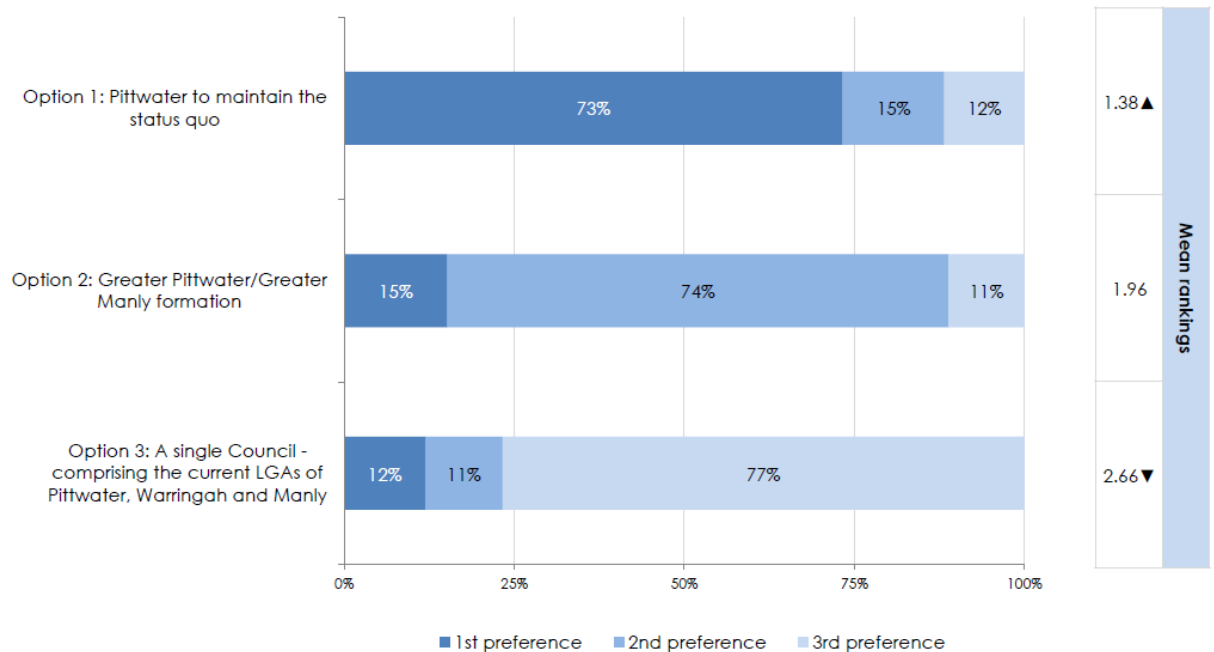
The results of this research indicated the following:

The random sample telephone survey asked 405 participants about their preferences in relation to the options as can be seen from the table below:

1. Pittwater overwhelmingly preferred to retain the status quo on the existing boundaries
2. There was equally strong support for a Greater Pittwater as a second preference.
3. A majority of residents are opposed to one Council for the northern beaches.

Preferred Option – All Rankings

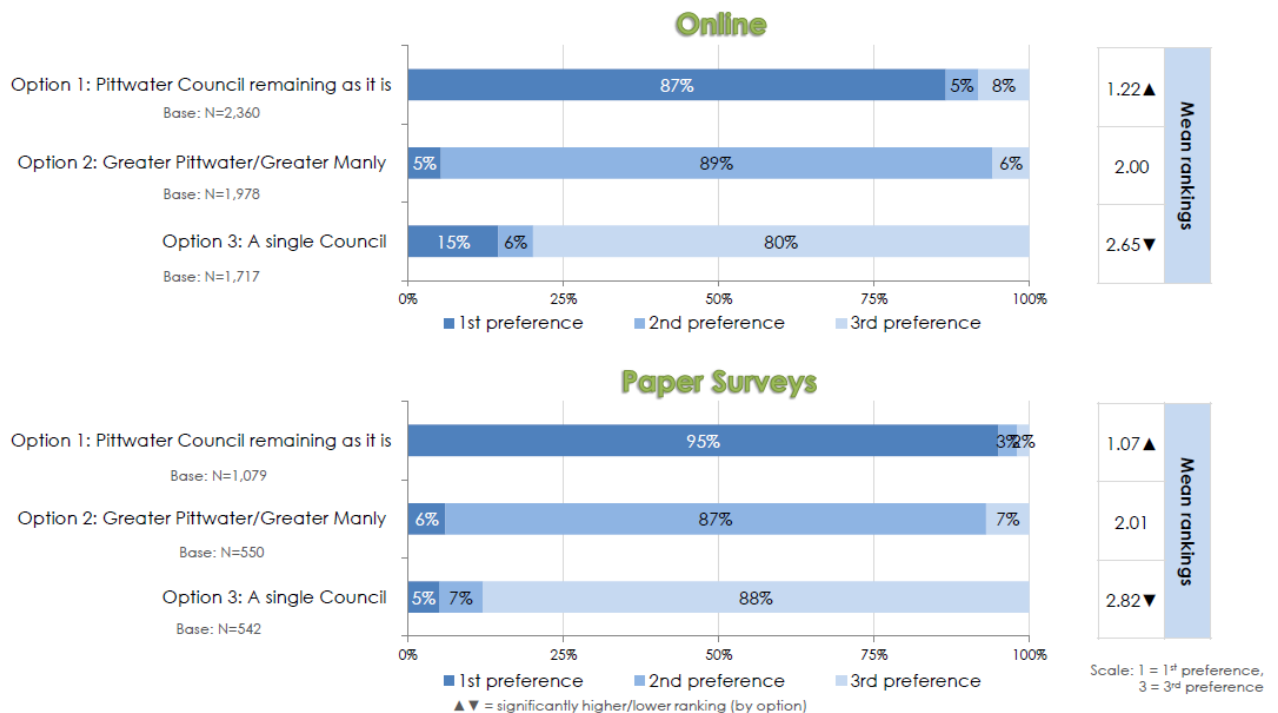
Q8a. Thinking about the options we have just discussed, which is your preferred option? Second preference?



A similar trend was revealed when combining the results from the paper and online surveys (total sample size 3 598) which indicated the following:

Preferred Option – All Rankings

Q. Thinking about the options we have just discussed, which is your preferred option? Second preference?



In summary these results highlight that the community are consistent in their preferences related to the options:

In addition to the survey research a public meeting was held with approximately 350 members from the community with an overwhelming majority of participants in a show of hands supporting remaining as we are on the existing boundaries.

4.4.2 Feedback from the Recent Community Leaders Forum and Public Meeting held 7 November 2015.

Community Leaders Forum

On 7 November 2015, a third community leader's forum of over 50 representatives from Pittwater's community groups, resident associations and sporting groups. The purpose of this meeting was:

- To inform the community on the process resulting from IPART findings.
- To listen and consider issues raised by the community in relation to the next step.
- To consider Pittwater's preference options moving forward.
- A briefing by Hon Rob Stokes on the current status

Local Member Hon. Rob Stokes presented to the meeting the State Government's expectations of Council. The process is about change and how to manage change, with one major issue being the mismatch in size of Councils and Government's intention to establish Councils of similar power and skill sets.

- Ideally Councils and communities will make the decision themselves, however if they are unable to reach an acceptable outcome, the State Government will likely have to impose solutions.
- Given the findings of the Independent local Government Review Panel and IPART, it will be very difficult to argue for retaining the status quo. In the absence of any other proposal, the Government will likely support the recommendation of the ILGRP and the findings of IPART for one Northern Beaches Council.
- Due to the above the local member supports the model of two Councils on the Northern Beaches and redefining Pittwater. He believes this model could be successfully advocated within Government if supported by Council and the community.
- Based on the two Council preference, a redefined Pittwater could extend to include the Narrabeen Lagoon catchment and would be based on suburb boundaries that include:
 - Collaroy
 - Collaroy plateau
 - Cromer
 - Oxford Falls
 - Davidson
 - Frenchs Forest
 - Duffys Forrest

- Belrose

Public Meeting

A public meeting was held on Saturday 7 November at Mona Vale Memorial Hall. The purpose of this meeting was to

- To inform the community on the process resulting from IPART findings.
- To listen and consider issues raised by the community in relation to the next step.
- To consider Pittwater's preference options moving forward.
- Provide an overview of key points discussed at Community Leaders meeting prior.

Approximately 200 people attended this meeting with over 25 people expressing their views on the reform process, community desires and concerns regarding selecting a merge option.

4.5 Proposed Council Position

- 4.5.1 Based on the feedback from the community it is clear there is strong desire for Pittwater to remain independent on its current boundaries. There is also an equally strong opposition to any forced amalgamation and creation of one Northern Beaches Council.
- 4.5.2 During Council's community engagement there was also a strong preference for two councils on the Northern Beaches if retaining the status quo was not possible.
- 4.5.3 Based on the analysis of the current situation facing Council as outline in this report and the recent comments from the Local Member, the Hon Rob Stokes MP it is proposed the following should be Council's response to the State Governments invitation to inform them on Council's position on local government reform:

(a) **Preference One** - Warringah Council

(Explanation: Redefining Pittwater Council and achieving two Councils on the Northern Beaches.)

(b) **Preference Two** - Warringah Council

(Explanation: Redefining Pittwater Council and achieving two Councils in the SHOROC region.)

(d) **Complete the box for Comments on Preferences as follows:**

Council's position is the status quo - No Merger. Preference One is merging 3 councils into 2, seeking a relocation of Pittwater's boundary by the inclusion of the following suburbs: Terrey Hills, Narrabeen, Collaroy, Collaroy Plateau, Cromer, Oxford Falls, Frenchs Forest, Duffys Forrest, Belrose and Davidson on the understanding that the remaining suburbs of Warringah would merge with Manly. If this is not acceptable Preference two is merging on the same basis with the remaining Warringah suburbs merging with Manly and Mosman to establish the 4 SHOROC councils into two.

5. ATTACHMENTS / TABLED DOCUMENTS

1. Council feedback in relation to IPART's Assessment of Council's Fit for the Future Submission.
 2. Copy of online Template hosted on the Department of Premier and Cabinet's website.
 3. Council resolution of 15 June, 2015.
 4. IPART Summary (as related to Metropolitan Councils) including details for each of the four SHOROC Councils).
 5. Correspondence from the Premier and Minister for Local Government.
 6. Correspondence from the Secretary of Premier and Cabinet.
-

6. SUSTAINABILITY ASSESSMENT

6.1 GOVERNANCE & RISK

6.1.1 Community Engagement

Pittwater Council has undertaken expansive community engagement over a number of years in response to the Independent Local Government Review Panel process, Fit for the Future submission phase and as a consequence of the most recent Independent Pricing and Regulatory Tribunal assessment process. Diverse activities to reach the broadest cross section of the community were undertaken to inform decision making.

To ensure that decisions were based on clear evidence and research, Council also sought independent advice, with initial research undertaken by Professor Brian Dollery and more recently by KPMG. The evidence presented by KPMG provided Council with comprehensive analysis of the options and identified important factors to take into consideration in determining the best course of action to take.

This comprehensive research, combined with a series of innovative community engagement strategies undertaken with the community represents a solid foundation for decision making. The primary aim throughout this transparent process was to ensure a holistic strategy of which the community remained fully informed, and that balanced information about the options available were accessible for consideration.

6.1.2 Risk Management

Any business whether in its current position or subject to reform will have a level of economic, social and political risk attached to it. Under the reforms placed on NSW Local Government, the assessment of risk and what Option possess the least/most risk is hard to quantify and measure. Examples of Risk that could be associated with the Reform process may include:-

- Councils that remain "Status Quo" and small in scale may no longer have as much political power within a regional, metro and state context.

- Any new local government entities will be subject to implementation challenges within themselves bringing a significant level of risk to ensure economic, social and political promises will be delivered.
- To date, evidence has suggested that any Local Government reform is challenging and holds inherent risks on an economic, social and political level. At this stage of the reform process it is difficult to quantify such levels of risk but should be acknowledged in the reform process moving forward.

6.2 ENVIRONMENT

6.2.1 Environmental Impact

Retaining a strong, locally focused, sustainable Pittwater Council provides the best opportunity to continue to protect Pittwater's natural environmental heritage. Pittwater has 25% of the Sydney coastline with its 9 ocean beaches and dominant headlands; the Pittwater waterway is the same size as Sydney Harbour north of the Harbour Bridge and contains a large part of Ku-ring-gai Chase National Park. Over the past 21 years Pittwater Council has also acquired and hence added over 140 hectares (1,400,000 sqm) of environmentally significant and recreational open space lands including:

- Warriewood Wetlands (35 Ha), Ingleside Chase Reserve (additional 65ha), Winnererremy Bay foreshore (12 ha), Currawong (20 ha) Warriewood Valley ovals and creekline corridors (15 hectares).
- Coastal Management Plans, Coastal Zone Management and Estuary Mapping of Sea Level Rise Impacts specific to the needs of Pittwater are prepared based on unique needs.

It could be argued that aligning catchment boundaries may strengthen environmental management of these natural assets.

6.3 SOCIAL

6.3.1 Community Needs and Aspirations

Retaining a strong, locally focused, sustainable Pittwater Council provides the ability to directly respond to community aspirations and demographic profile outlined within the Pittwater Social Plan and Community Strategic Plan. The planned provision of services that respond to a growing youth demographic and new communities that are part of our land release areas are a priority for Pittwater.

Pittwater Council has successfully advocated for the retention of Mona Vale Hospital, has provided new and upgraded community centres and libraries, upgraded sporting facilities including additional turf ovals, a synthetic multi-use oval as well as assisting the Northern Beaches Indoor Sports Centre. Pittwater Council has embarked on an innovative strategy to 'enliven' its town and village centres to further showcase the areas cultural and artistic talents.

6.4 **ECONOMIC**

6.4.1 **Economic Development**

Retaining a strong, locally focused, sustainable Pittwater Council provides the best opportunity to address local employment opportunities in the context of Town and Village centres, niche industries / services and technology. The Pittwater Economic Plan maps out the challenges and opportunities in the Pittwater and regional context. Specific to the progress of Economic and Development Plan activities are the partnerships. Pittwater works closely with its Chambers of Commerce and the business community. Progressive upgrades to the Mona Vale Town Centre along with Newport Mainstreet upgrade are examples of local economic stimulus.

Report prepared by

Mark Ferguson
GENERAL MANAGER

Response to IPART Report

It is the opinion of Council, that the threshold criteria of scale and capacity for making assessments about the future of local councils should have been more clearly defined, objective, measurable and verifiable, particularly as these assessments may lead to widespread structural reforms. As the scale and capacity criterion does not satisfy these parameters it is not an appropriate criterion to include in the Fit for the Future assessment criteria or at very least it should not be deemed as the threshold criteria.

The numerical analysis therefore became a one dimensional approach to Council's performance, whereas a multi-dimensional approach incorporating Planning, Policy, Community and Environmental Management would have provided a much better assessment of Council's Fitness.

SCREEN SHOT

..... YES OPTUS 4:47 PM 48%

Council Name: Pittwater Council General Manager: Mr Mark Ferguson Email Address: mferguson@pittwater.nsw.gov.au
 What is your council's feedback on IPART's assessment of your council's Fit for the Future submission? If you have no feedback, please leave blank.

If your council's submission was assessed not fit due to scale and capacity, or your council neighbours a council who was assessed as not fit due to scale and capacity, please identify your council's merger preferences using the fields. Please note you can enter up to three preferred mergers, which can include one or more merging partners. You are not required to use all the preferences. If you have no preference, please leave blank.

Preference One:
Please use the drop down boxes to identify your preferred merging partner/s.

Albury City Council

Choose a council

Preference Two:
Please use the drop down boxes to identify your second preferred merging partner/s.

Choose a council

Choose a council

Preference Three:
Please use the drop down boxes to identify your third preferred merging partner/s.

Choose a council

Choose a council

Do you have any comments on the above preferences?
Max. 50 words

Submit



C10.1	Pittwater Council Submission - NSW Government's Fit For The Future Local Government Reform
--------------	---

Meeting: Council

Date: 15 June 2015

COUNCIL DECISION

- 1 That Council notes the following results from the recent Community Engagement process:-
 - 1.1 Rejection of a single Council combining Manly, Warringah and Pittwater (Option 3).
 - 1.2 Strong support for No Mergers (Option 1).
- 2 That based on comprehensive research, including independent evidence and extensive engagement with the community, Council confirms its position as follows:-
 - 2.1 Council remains committed to a strong, independent Pittwater Council providing local representation and delivery of local services to the people of Pittwater on the existing boundaries.
 - 2.2 Council is opposed to any proposed merger of Manly, Warringah and Pittwater into one Council.
- 3 That in keeping with the NSW Government's requirements, Council submit the following to IPART by 30 June 2015:-
 - 3.1 Template 2 - Council Improvement Proposal and Supporting Business Case and documentation for Pittwater Council to maintain the status quo and remain as we are without any boundary changes.
 - 3.2 That no Supplementary Business Case be submitted.
 - 3.3 That on 29 June 2015 an Extraordinary Council Meeting be called to consider Council's submission to IPART.

(Cr Griffith / Cr Hegarty)

Summary

The NSW Government has asked IPART to undertake the role of the Expert Advisory Panel in assessing local government Fit for the Future (FFTF) proposals.¹ The FFTF reforms aim to improve the strength and effectiveness of local government in providing services and infrastructure that communities need.²

This report sets out our assessment of whether local councils are fit or not fit for the future based on the proposals submitted. In undertaking the assessments we have used the Independent Local Government Review Panel's (ILGRP's) options for reform as a starting point for our analysis.

The NSW Government has announced that councils which are assessed as fit will have access to a range of benefits including a streamlined rate variation process, a State Government borrowing facility, priority for other government funding and grants, and eligibility for additional devolved planning powers.³ Funding will also be provided by the NSW Government to assist with the transitional costs of merging, establishing regional Joint Organisations (JO), and assisting regional and rural councils.⁴

The assessments will now be considered by the NSW Government in determining the next stage of the reform process.

Key findings

We received 139 local council proposals from 144 councils including:

- ▼ four Merger Proposals (involving nine councils)
- ▼ 115 Council Improvement Proposals, and
- ▼ 20 Rural Council Proposals.⁵

¹ The NSW Government's terms of reference for the review is at Appendix A.

² Office of Local Government (OLG), *Fit for the Future – A roadmap for Stronger, Smarter Councils*, September 2014, p 15.

³ OLG, *Fit for the Future – A roadmap for Stronger, Smarter Councils*, September 2014, pp 14-15.

⁴ Ibid.

⁵ Council proposals can be found on the IPART website at www.ipart.nsw.gov.au

We assessed 52 proposals as being fit for the future, which represents 37% of the proposals received.⁶ To be assessed as fit, councils must have demonstrated they have sufficient scale and capacity and are financially sustainable.

All four Merger Proposals we received were assessed as fit because they:

- ▼ would deliver substantial benefits to their local communities when compared to the councils standing alone, and
- ▼ were generally the best available options for the relevant councils as neighbouring councils did not elect to join the Merger Proposals.

We assessed 87 proposals as not being fit for the future, which represents 63% of the proposals received.

Of the 87 proposals assessed as not fit:

- ▼ 60 were assessed as not having sufficient scale and capacity, but did meet the financial criteria
- ▼ 18 were assessed as having sufficient scale and capacity, but did not meet the financial criteria, and
- ▼ 9 were assessed as not having sufficient scale and capacity and not meeting the financial criteria.

The main reasons for councils being assessed as not having sufficient scale and capacity were because:

- ▼ A merged entity would have greater scale and strategic capacity to better partner with other levels of government in providing key infrastructure and social services.
- ▼ A merged entity could better integrate planning and development, resulting in improved planning decisions and enhanced economic growth.
- ▼ The merger option and the business case for the merger commissioned by the council showed substantial gains. Despite this, most councils did not submit a Merger Proposal.
- ▼ Our analysis and the analysis undertaken by our independent economic consultants, Ernst & Young, indicated the merger option would provide large net benefits to the local communities.
- ▼ The council's proposal to remain a stand-alone council was not at least as good as the preferred merger option.
- ▼ The efficiency improvements in the council's proposal could be realised under the merger option, and the merger option could provide significant further benefits to residents.

⁶ Details of the assessment for each council can be found in Chapter 2 and Appendix C.

In addition to these reasons, in non-metropolitan areas, a number of councils were assessed as not having sufficient scale and capacity because the council's population is declining or static and is forecast to be below 10,000 by 2031. A population of this size would be likely to affect a council's efficiency and strategic capacity to meet the future needs of its community.

For both Metropolitan Sydney and non-metropolitan councils, the main reason councils did not meet the financial criteria was generally because they forecast an operating deficit throughout the period, including in the benchmark year of 2019-20, and other factors suggest the council has a weak financial position.⁷

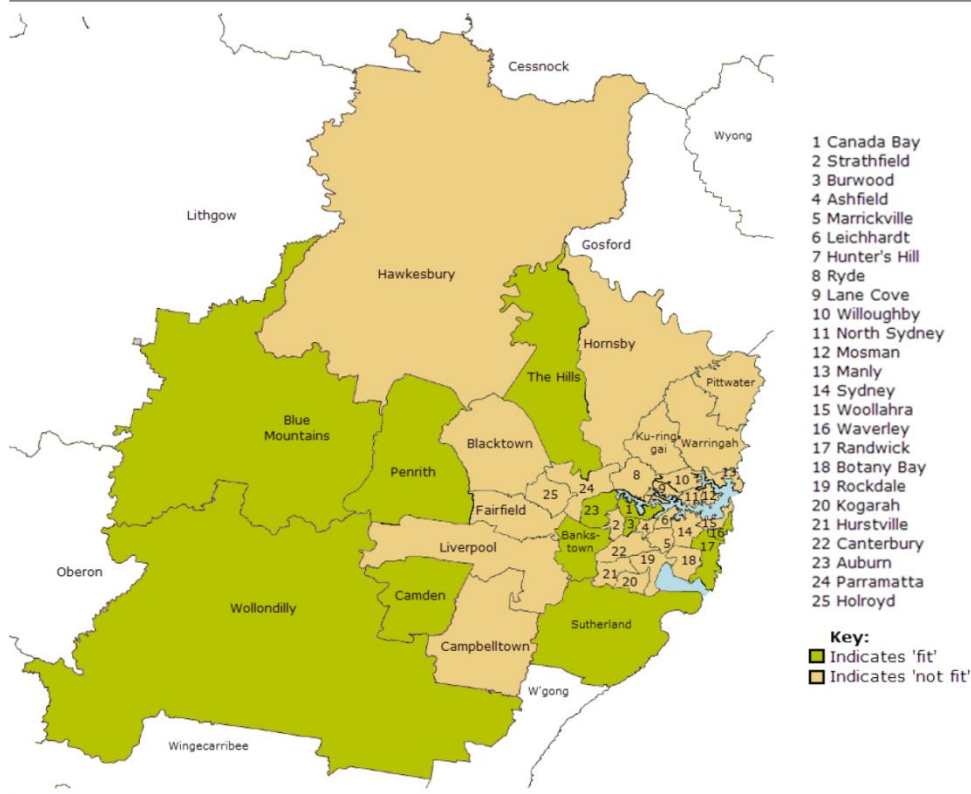
As discussed further below, most Metropolitan Sydney councils were assessed as not fit because they did not demonstrate they had sufficient scale and capacity. In contrast, in non-metropolitan areas, a number of councils were assessed as not fit as they did not meet the financial criteria.

The assessment for each council can be found in Tables 1 to 7 below.

Metropolitan Sydney

In Metropolitan Sydney, we received 38 proposals, which included two Merger Proposals and 36 Council Improvement Proposals. As set out in Figure 1 below, we assessed 9 proposals as fit and 29 proposals as not fit in Metropolitan Sydney.

⁷ For rural councils (councils in OLG Groups 8 to 11 and those choosing to submit a Rural Council Proposal) the benchmark year for the operating performance ratio was 2024-25. However, for all other measures and councils the benchmark year was 2019-20.

Figure 1 Metropolitan Sydney assessments

Metropolitan Sydney: Merger Proposals

We received Merger Proposals from:

- ▼ Randwick City Council (Randwick) and Waverley Council (Waverley), and
- ▼ Auburn City Council (Auburn), Burwood Council (Burwood) and City of Canada Bay Council (Canada Bay).

We have assessed the merger of Randwick and Waverley as fit because the merger:

- ▼ Would deliver substantial benefits to their local communities when compared to the councils standing alone.
- ▼ Does not preclude the ILGRP's preferred option of a Global City Council should this merger be adopted. However, we note Waverley and Randwick have indicated they do not support a merger with the Council of the City of Sydney (City of Sydney).

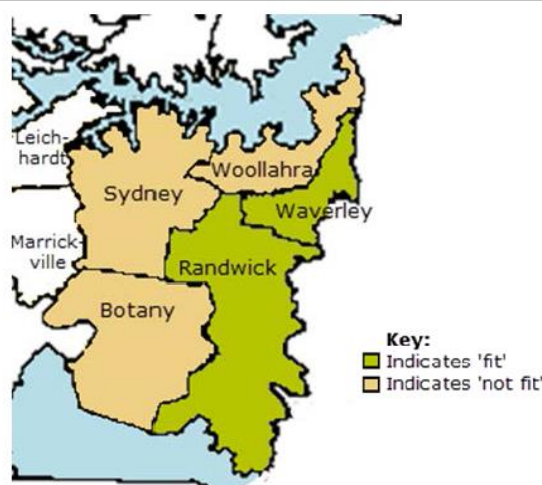
- ▼ Was the best available option for these councils given neighbouring councils did not elect to join the Merger Proposal.
- ▼ Builds on existing collaborations between Waverley and Randwick, which share communities of interest and similar geography.

Nonetheless, we observe that greater benefits would be realised from including the other neighbouring councils in this merger, including Woollahra Municipal Council (Woollahra), City of Botany Bay Council (Botany Bay), and the City of Sydney, should the Government adopt the Global City Council option.

Over a 20-year timeframe, Ernst & Young's analysis suggests:

- ▼ a merger of Randwick and Waverley could provide net present value (NPV) benefits of \$99 million
- ▼ a merger of Randwick, Waverley, Woollahra and Botany Bay could provide NPV benefits of \$218 million, while
- ▼ a merger of Randwick, Waverley, Woollahra, Botany Bay and City of Sydney to form a Global City Council could provide NPV benefits of \$283 million.

Figure 2 Global City Council



We have also assessed the Merger Proposal from Auburn, Burwood and Canada Bay as fit because the merger:

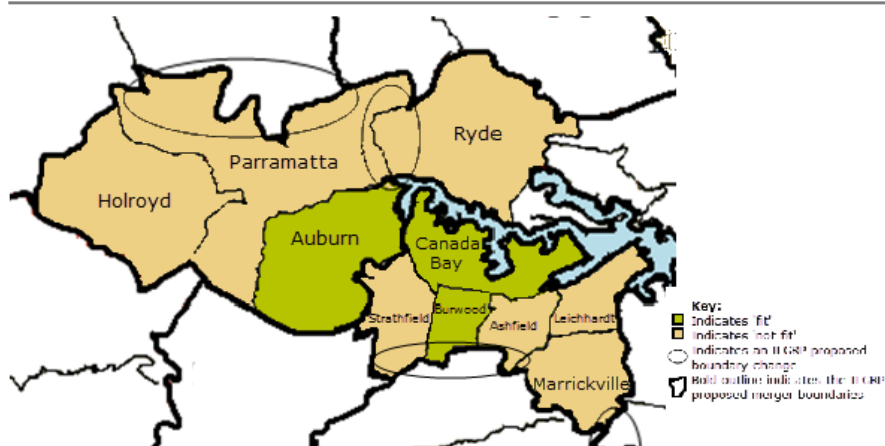
- ▼ Would deliver substantial benefits to their local communities when compared to the councils standing alone.
- ▼ Is forecast to improve the operating performance of the councils compared with each council standing alone, and in the absence of rate increases.
- ▼ Was the best available option for these councils given neighbouring councils did not elect to join the Merger Proposal.

This merger is consistent with the NSW Government's *Fit for the Future – A roadmap for Stronger, Smarter Councils*, which identifies voluntary mergers as an option to become FFTE.⁸ As noted above, the Government is also providing incentives and support to enable councils to pursue voluntary mergers.⁹

We understand Auburn, Burwood and Canada Bay consider the Merger Proposal would result in better outcomes for the community with Strathfield Municipal Council (Strathfield) included and they are advocating for its inclusion in the merger.

Over a 20-year timeframe, our analysis, using information provided by the councils, suggests a merger of Auburn, Burwood and Canada Bay could provide NPV benefits of \$114 million. A merger which includes Strathfield is likely to yield additional benefits.

Figure 3 Auburn, Burwood and Canada Bay merger proposal



⁸ OLG, *Fit for the Future – A roadmap for Stronger, Smarter Councils*, September 2014, p 10.

⁹ Ibid.

Metropolitan Sydney: City of Sydney

City of Sydney submitted a Council Improvement Proposal to remain a stand-alone council. City of Sydney meets the financial criteria overall as a stand-alone council and its current and projected financial performance is strong. It also demonstrated it has the ability to proactively partner with the government to undertake significant infrastructure and urban renewal projects, such as the Green Square development.

However, we have assessed City of Sydney as not meeting the scale and capacity criterion against the Global City Council option, and therefore as not fit.

A Global City Council may better integrate planning and development across the eastern suburbs and central Sydney as the central business district (CBD) expands. It would also provide for better partnering with other levels of government for key infrastructure, such as the Sydney Light Rail Project and the second Sydney Harbour rail crossing.

Should the Government adopt the Global City Council option, the following issues might require consideration:

- ▼ The extent to which the Global City Council should be given control over key infrastructure such as the Sydney Opera House, Barangaroo, Port Botany, Circular Quay and Darling Harbour to enable it to operate effectively as a Global City Council, as this infrastructure is currently administered by bodies separate to local councils.
- ▼ How to ensure the development and growth of the CBD and surrounding areas continues. This may require changes and enhancements to the *City of Sydney Act 1988*. In addition, the implications for business voting within the Global City Council may need to be considered, as the *City of Sydney Act 1988* will allocate two votes to businesses in local council elections in the City of Sydney from 2016.
- ▼ Measures to ensure the significant council revenues generated from businesses in the Sydney CBD are spent efficiently to realise the key objectives of the Global City Council.

If the Global City Council option is not adopted, City of Sydney has sufficient scale and capacity to stand alone and would be fit as a stand-alone council.

Metropolitan Sydney: Council Improvement Proposals

Of the 36 Council Improvement Proposals we received in Metropolitan Sydney (including City of Sydney), we assessed seven as fit and 29 as not fit.

Councils assessed as fit

We assessed seven Council Improvement Proposals as fit in Metropolitan Sydney. All of these councils are in Outer Metropolitan Sydney, other than Bankstown City Council. These councils include:

- ▼ Bankstown City Council
- ▼ Blue Mountains City Council
- ▼ Camden Council
- ▼ The Hills Shire Council
- ▼ Penrith City Council
- ▼ Sutherland Shire Council, and
- ▼ Wollondilly Shire Council.

These councils were assessed as fit because:

- ▼ remaining a stand-alone council was consistent with the ILGRP's preferred option, or
- ▼ our analysis did not identify a merger alternative that was better than remaining a stand-alone council, and
- ▼ they met the financial criteria overall.

In the case of Blue Mountains City Council and Wollondilly Shire Council, whilst their current financial performance is poor, their projected financial performance shows significant improvement. This is due primarily to recently approved large special variations which increased the general income Blue Mountains City Council and Wollondilly Shire Council can collect from their communities, by 28.5% and 38.8% respectively above the rate peg, over the next few years.

In the case of Camden Council, the council is managing large increases in its population which has adversely affected its short term financial performance. We have taken this into account in undertaking the assessment against the financial criteria and have assessed it as meeting the financial criteria overall.

Councils assessed as not fit due to insufficient scale and capacity

We assessed all Inner Metropolitan Sydney councils that had a preferred merger option, but submitted a stand-alone proposal, as not fit, as they did not meet the scale and capacity criterion. As outlined in Table 2 below, we assessed 26 of the 36 Council Improvement Proposals in Metropolitan Sydney as not fit, because the alternative merger option identified and considered in business cases by the councils showed substantial gains that were greater than each council remaining a stand-alone council. For these councils, it is likely that structural changes would be required to enable these councils to be assessed as meeting the scale and capacity criterion.

The ILGRP's preferred mergers could provide a range of benefits to the community including:

- ▼ more effective and efficient service delivery
- ▼ improved delivery of major infrastructure
- ▼ more integrated strategic planning and policy development
- ▼ more effective partnering with government, and
- ▼ stronger advocacy for local communities.

In addition to these benefits, our indicative analysis suggests \$1.8 billion to \$2.0 billion in NPV benefits could be realised over 20 years if the ILGRP's preferred Metropolitan Sydney mergers occurred. This analysis was undertaken by using the merger business cases provided by councils and estimating the NPV benefits using a consistent 20-year timeframe and discount rate.¹⁰

We have also commissioned Ernst & Young to develop its own estimates of the potential financial benefits of the Metropolitan Sydney mergers. This analysis indicated \$1.3 billion in NPV benefits could be realised over 20 years. The differences between IPART's estimates and Ernst & Young's estimates represent differences in the assumptions and methodologies used by the councils' consultants and Ernst & Young. However, both estimates suggest substantial net financial gains are likely to arise from these mergers.

Some councils, such as Hornsby Shire Council and Warringah Council, supported the ILGRP's proposed reforms, but were unable to submit a Merger Proposal as they could not reach agreement with neighbouring councils to merge.

¹⁰ A discount rate of 9.5% nominal (7% real) was used in the IPART estimates, with an assumption that the merger takes effect from 2016-17. We note the merger business cases commissioned by councils, which formed the basis of the IPART estimates, have been undertaken by a range of different consultants, using different assumptions, methodologies and timeframes. As a result, our estimates have recalculated the NPVs for these business cases using a consistent 20-year timeframe and discount rate.

A number of councils commissioned business cases of alternative merger options and structural changes to those identified by the ILGRP. Some of these alternative merger options showed there could be substantial benefits from these options. However, despite these potential gains, most Metropolitan Sydney councils did not submit a Merger Proposal.

Hunter's Hill Council, Lane Cove Municipal Council and City of Ryde Council submitted a proposal for a Joint Regional Authority (JRA) as an alternative to a merger. Under the proposed JRA, the councils would share services and centralise planning and development. Our analysis suggests the preferred merger, which would also include Mosman Municipal Council, North Sydney Council and Willoughby City Council, would improve the capacity of the relevant councils to partner effectively with government and undertake strategic planning and development for the Lower North Shore region. The JRA is also likely to provide a lower level of efficiency savings compared to the large gains available from the preferred merger of \$280 million over 20 years on a NPV basis.¹¹ As we assessed standing alone in the proposed JRA would not be as good as, or better than, the preferred merger, we assessed Hunter's Hill Council, Lane Cove Municipal Council and City of Ryde Council as not meeting the scale and capacity criterion, and not fit.

Councils assessed as not fit due to not meeting the financial criteria

We assessed three Council Improvement Proposals in Metropolitan Sydney as not fit because they did not demonstrate they met the financial criteria overall. These councils are all in Outer Metropolitan Sydney and include:

- ▼ Blacktown City Council
- ▼ Campbelltown City Council, and
- ▼ Hawkesbury City Council.

As these councils were assessed as satisfying the scale and capacity criterion, strategies to improve their financial performance should enable them to become fit. This could include measures to promote financial sustainability, by reducing costs and increasing revenues. However, the strategies that could be adopted will depend on each council's circumstances and the Government's priorities.

In general, most Metropolitan Sydney councils demonstrated their current and forecast financial performance was relatively strong.

¹¹ This analysis was based on a business case jointly commissioned by Lane Cove Municipal Council, Hunter's Hill Council, City of Ryde Council, Mosman Municipal Council and Willoughby City Council. North Sydney Council was also part of the preferred ILGRP merger, but was not involved in the commissioning of this business case.

Assessment of councils: Metropolitan Sydney councils

Table 1 Metropolitan Sydney Merger Proposals

Councils	ILGRP preferred option	Assessment
Randwick City and Waverley	Merge to form a Global Sydney council	Fit
Auburn City Burwood City of Canada Bay	Auburn to merge with Holroyd, Parramatta, Ryde (part) and The Hills (part); Burwood and Canada Bay to merge with Ashfield, Leichhardt, Marrickville and Strathfield	Fit

Note: Bold indicates an ILGRP preferred option.

Table 2 Inner Metropolitan Sydney Councils

Region	ILGRP preferred option	Councils	Assessment
Global City	Amalgamate with Randwick City and Waverley Council	City of Botany Bay City of Sydney Woollahra Municipal	Not fit Not fit as a Global City Council Not fit
Inner West	Amalgamate with City of Canada Bay and Burwood	Ashfield Leichhardt Municipal Marrickville Strathfield	Not fit Not fit Not fit Not fit
West Central	Amalgamate with Auburn, City of Ryde (part) and The Hills (part)	Holroyd City Parramatta City	Not fit Not fit
Lower North Shore	Amalgamate	Hunter's Hill Lane Cove Mosman Municipal North Sydney City of Ryde Willoughby City	Not fit Not fit Not fit Not fit Not fit Not fit
Northern Suburbs	Amalgamate	Hornsby Shire Ku-ring-gai	Not fit Not fit
Northern Beaches	Amalgamate	Manly Pittwater Warringah	Not fit Not fit Not fit
South West	Amalgamate	Fairfield City Liverpool City	Not fit Not fit
Southern	Amalgamate	City of Canterbury Hurstville City Kogarah City Rockdale City	Not fit Not fit Not fit Not fit
Bankstown	No change	Bankstown City	Fit

Note: Bold indicates an ILGRP preferred option.

Table 3 Outer Metropolitan Sydney Councils

Council	ILGRP preferred option	Assessment
Blacktown City	No change	Not fit
Blue Mountains City	No change	Fit
Camden	No change	Fit
Campbelltown City	No change	Not fit
Hawkesbury	No change	Not fit
Penrith City	No change	Fit
Sutherland Shire	No change	Fit
The Hills Shire	No change	Fit
Wollondilly Shire	No change	Fit

Note: Bold indicates an ILGRP preferred option.

Assessment of councils: Non- metropolitan councils

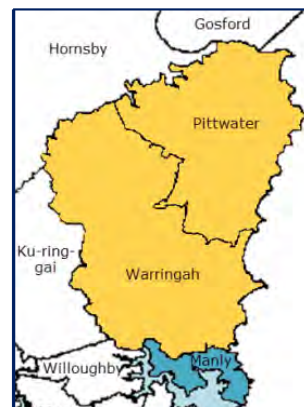
Table 4 Non- metropolitan Merger Proposals

Councils	ILGRP preferred option	Assessment
Young Shire and Boorowa	Merge with Boorowa, Harden and Young	Fit
Cootamundra Shire and Harden Shire*	Merge with Boorowa and Young	Fit

Notes: Bold indicates an ILGRP preferred option. *The ILGRP did not have a preferred option for Cootamundra.

MANLY COUNCIL – CIP

NOT FIT				
Area (km ²)	14.4	Population 2011	42,800	
OLG Group	2	(2031)	53,600	
ILGRP Group	Sydney Metro	Merger 2011	251,650	
		(2031)	307,000	
Operating revenue (2013-14)	\$61.6m	TCorp assessment	Sound FSR	Neutral Outlook
ILGRP options (preference in bold)	Merge with Pittwater and Warringah Councils (yellow) or combine as a strong JO with Pittwater and Warringah councils.			
Assessment summary	Scale and capacity		Does not satisfy	
	Financial criteria:		Satisfies overall	
	• Sustainability		Satisfies	
	• Infrastructure and service management		Satisfies	
	• Efficiency		Satisfies	



Fit for the Future – NOT FIT

- The council does not satisfy the scale and capacity criterion.
- The council satisfies the financial criteria overall. It satisfies the sustainability, infrastructure and service management and efficiency criteria.
- Scale and capacity is a threshold criterion which councils must satisfy to be Fit for the Future (FFTF), therefore the council is not fit.

Scale and capacity – does not satisfy

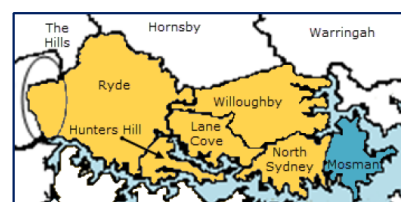
- Manly Council did not demonstrate its improvement proposal was at least as good as the ILGRP merger option. The efficiency improvements in the council's proposal can be realised under the merger option. In addition the merger option would provide significant further benefits.
- The council's population is forecast to be 53,600 by 2031 compared with the forecast merger population of 307,000. Our analysis suggests that the council does not have sufficient scale to partner effectively with governments compared to the merger.
- Manly Council and Pittwater Council jointly commissioned a business case which showed a merger of Manly, Pittwater and Warringah produces net benefits. Based on this model, our analysis suggests the merger could produce net benefits of \$116m over 20 years.
- Warringah Council also commissioned a separate business case of the merger. Based on this model, our analysis suggests the merger would produce net benefits of \$265m over 20 years (including the Government grant).
- In addition, our independent economic consultants Ernst and Young estimated net benefits from the merger of around \$116m over 20 years using publically available data (not including the Government grant).
- All analyses showed large net benefits to the local community from the merger. Variances in calculations result from different inputs and underlying methodologies.
- Manly Council noted its preference is the creation of two new councils (Greater Manly and Greater Pittwater) from the existing three councils if a merger was forced. Warringah Council does not support this alternative proposal.
- Community consultation by Manly and Pittwater Councils indicated opposition to the ILGRP merger. Warringah's community consultation, which was undertaken across the three LGAs, indicated almost 70% of responses supported the ILGRP merger.
- Our analysis is consistent with the ILGRP's preferred option for Manly to merge with neighbouring councils.

Sustainability – satisfies

- The council satisfies the criterion for sustainability based on its forecast to meet the benchmarks for the operating performance ratio, the own source revenue ratio and the building and infrastructure asset renewal ratio by 2019-20.
- In its proposal, the council relies on the successful application for and adoption of a special variation in 2017-18 of 4.7% cumulative (2.2% above the rate peg).

MOSMAN MUNICIPAL COUNCIL - CIP

NOT FIT				
Area (km ²)	9	Population 2011	29,350	
OLG Group	2	(2031)	35,350	
ILGRP Group	Sydney Metro	Merger 2011	286,867	
		(2031)	376,150	
Operating revenue (\$2013-14)	\$41.3m	TCorp assessment	Weak FSR, Positive Outlook	
ILGRP options (preference in bold)	Merge with Hunter's Hill, Lane Cove, North Sydney, Ryde (part), Willoughby (yellow) or combine as a JO.			
Assessment summary	Scale and capacity		Does not satisfy	



Fit for the Future – NOT FIT

- The council does not satisfy the scale and capacity criterion.
- The council satisfies the financial criteria overall. It satisfies the sustainability, infrastructure and service management and efficiency criteria.
- Scale and capacity is a threshold criterion which councils must satisfy to be Fit for the Future (FFTF), therefore the council is not fit.

Scale and capacity - does not satisfy

- The council did not demonstrate its proposal to stand alone would be as good as or better than the ILGRP preferred merger. The efficiency improvements in the council's proposal can be realised under the merger option. In addition the merger option would provide significant further benefits.
- The council's population is forecast to be 45,250 by 2031 compared with the forecast merger population of 376,150. Our analysis suggests the council does not have sufficient scale to partner effectively with governments compared to the merger option.
- The City of Ryde Council, Hunter's Hill City Council and Lane Cove City Council submitted a business case which showed that a merger of Lane Cove, Hunter's Hill, Mosman, North Sydney, Willoughby and part of Ryde produces net benefits. Based on this model, our analysis suggests the merger could produce net benefits of \$280 million over 20 years (including the Government grant).
- In addition, our independent consultants Ernst & Young estimated net benefits from the merger of around \$187m over 20 years using publically available data (not including the Government grant).
- These analyses showed large net benefits to the local community from the merger. Variances in calculations result from different inputs and underlying methodologies.
- Our analysis is consistent with the ILGRP's preferred option for Mosman to merge with neighbouring councils.

Sustainability - satisfies

- The council meets the criteria for sustainability as it is forecast to meet the benchmarks for the operating performance, own source and building and infrastructure asset renewals ratios by 2019-20.

Infrastructure and service management - satisfies

- The council meets the criteria for infrastructure and service management as it forecasts meeting the benchmarks for the infrastructure backlog ratio and debt service ratio by 2019-20.
- The council forecasts its asset maintenance ratio will be 100% by 2019-20 which is close to the benchmark of 'greater than' 100%.

Efficiency - satisfies

- The council meets the criterion for efficiency based on a forecast decline in real opex per capita from 2014-15 to 2019-20.

PITTWATER COUNCIL – CIP

NOT FIT				
Area (km ²)	90	Population 2011	60,450	
OLG Group	2	(2031)	(77,600)	
ILGRP Group	Sydney Metro	Merger 2011	251,650	
		(2031)	(307,000)	
Operating revenue (2013-14)	\$72.8m	TCorp assessment	Sound FSR	Neutral Outlook
ILGRP options (preference in bold)	Merge with Manly and Warringah Councils (yellow) or combine as a strong JO with Manly and Warringah Councils.			
Assessment summary	Scale and capacity		Does not satisfy	
	Financial criteria:		Satisfies overall	
	• Sustainability		Satisfies	
	• Infrastructure and service management		Satisfies	
	• Efficiency		Satisfies	



Fit for the Future – NOT FIT

- The council does not satisfy the scale and capacity criterion.
- The council satisfies the financial criteria overall. It satisfies the sustainability, infrastructure and service management and efficiency criteria.
- Scale and capacity is a threshold criterion which councils must satisfy to be Fit for the Future (FFTF), therefore the council is not fit.

Scale and capacity – does not satisfy

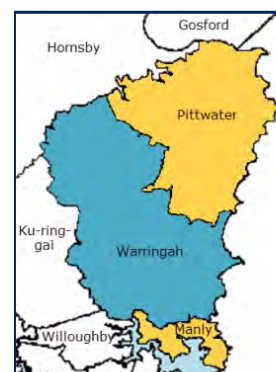
- The council did not demonstrate its improvement proposal was at least as good as the ILGRP merger option. The efficiency improvements in the council's proposal can be realised under the merger option. In addition the merger option would provide significant further benefits.
- The council's population is forecast to be 77,600 by 2031 compared with the forecast merger population of 307,000. Our analysis suggests the council does not have sufficient scale to partner effectively with governments compared to the merger.
- Manly Council and Pittwater Council jointly commissioned a business case which showed that a merger of Manly, Pittwater and Warringah produces net benefits. Based on this model, our analysis suggests the merger could produce net benefits of \$116 million over 20 years (including the Government grant).
- Warringah Council also commissioned a separate business case of the merger. Based on this model, our analysis suggests the merger would produce net benefits of \$265 million over 20 years (including the Government grant).
- In addition, our independent economic consultants Ernst and Young estimated net benefits from the merger of around \$116m over 20 years using publically available data (not including the Government grant).
- All analyses showed large net benefits to the local community from the merger. Variances in calculations result from different inputs and underlying methodologies.
- Pittwater Council notes it held merger discussions with Manly and Warringah Councils but resolved to stand-alone because it considered it has strategic capacity. It also decided to not pursue a merger due to community opposition, the diverse socio-economic profiles of the merger councils, and concern that local priorities and financial sustainability would not be improved under a merger.
- We note community consultation undertaken by Pittwater and Manly councils indicated opposition to the ILGRP merger. However, Warringah's community consultation, which was undertaken across the three LGAs, indicated almost 70% of responses supported the ILGRP merger.
- Our analysis is consistent with the ILGRP's preferred option for Pittwater to merge with neighbouring councils.

Sustainability – satisfies

- The council satisfies the criterion for sustainability based on its forecast to meet the benchmarks for the operating performance ratio, the own source revenue ratio and the building and infrastructure asset renewal ratio by 2019-20.

WARRINGAH COUNCIL – CIP

NOT FIT				
Area (km ²)	149	Population 2011	148,400	
OLG Group	3	(2031)	179,600	
ILGRP Group	Sydney Metro	Merger 2011	251,650	
		(2031)	310,800	
Operating revenue (2013-14)	\$156m	TCorp assessment	Sound FSR	
			Positive Outlook	
ILGRP options (preference in bold)	Merge with Pittwater and Manly Councils (yellow) or combine as a strong JO with Pittwater and Manly Councils.			
Assessment summary	Scale and capacity		Does not satisfy	
	Financial criteria:		Satisfies overall	
	• Sustainability		Satisfies	
	• Infrastructure and service management		Satisfies	
	• Efficiency		Satisfies	



Fit for the Future – NOT FIT

- The council does not satisfy the scale and capacity criterion.
- The council satisfies the sustainability criterion as a result of its operating performance ratio being above the benchmark.
- The council also satisfies the infrastructure and service management and efficiency criteria.
- Scale and capacity is a threshold criterion which councils must satisfy to be Fit for the Future (FFTF).

Scale and capacity – does not satisfy

- The council did not demonstrate its improvement proposal was at least as good as the ILGRP merger option. The efficiency improvements in the council's proposal can be realised under the merger option. In addition the merger option would provide significant further benefits.
- The council's population is forecast to be 179,600 by 2031 compared with the forecast merger population of 307,000. Our analysis suggests that the council does not have sufficient scale to partner effectively with the government compared to the merger.
- Manly Council and Pittwater Council jointly commissioned a business case which showed a merger of Manly, Pittwater and Warringah produces net benefits. Based on this model, our analysis suggests the merger could produce net benefits of \$116 million over 20 years (including the Government grant).
- Warringah Council also commissioned a separate business case of the merger. Based on this model, our analysis suggests the merger could produce net benefits of \$265 million over 20 years.
- In addition, our independent economic consultants Ernst and Young estimated net benefits from the merger of around \$116m over 20 years using publically available data.
- All analyses showed large net benefits to the local community from the merger. Variances in calculations result from different inputs and underlying methodologies.
- Warringah Council notes the ILGRP merger is its preferred option and it sought to reach an agreement with Pittwater and Manly Councils to merge via a number of forums. However, it says these councils did not support this merger.
- We note community consultation undertaken by Pittwater and Manly councils indicated opposition to the ILGRP merger. However, Warringah's community consultation, which was undertaken across the three LGAs, indicated almost 70% of responses supported the ILGRP merger.
- Our analysis is consistent with the ILGRP's preferred option for Warringah to merge with neighbouring councils.

Sustainability – satisfies

- The council satisfies the criterion for sustainability based on its forecast to meet the benchmarks for the operating performance ratio, the own source revenue ratio and the building and infrastructure asset renewal ratio by 2019-20.



The Hon Paul Toole MP
Minister for Local Government

20 OCT 2015

Dear Mayor

As you are aware, the NSW Government received the Independent Pricing and Regulatory Tribunal (IPART) Assessment of Council Fit for the Future Proposals on Friday 16 October.

After four years of partnership and consultation with councils, the NSW Government is providing councils with a final 30 day consultation opportunity to inform the Government's position on local government reform and respond to the IPART findings.

We would like to thank those councils that have used the Fit for the Future process as an opportunity to improve services and infrastructure and ensure value for money for the community. In particular we would like to thank the councils that have shown leadership in putting forward options for structural change.

The IPART report has however confirmed that the system of local government in NSW is not working as well as it should be. It has also confirmed that there are real benefits for the communities of NSW as a result of merging.

The IPART report has found reducing waste and red tape through local government mergers could free up to \$2 billion over the next 20 years for NSW ratepayers.

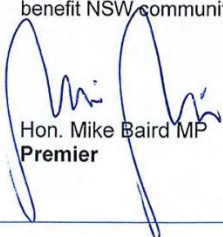
The IPART report has also shown a real improvement in the financial position of councils, following a number of years of operating deficits and growing infrastructure backlogs. The Government will closely monitor councils' delivery against the ambitious plans they have set. Councils that have not met the criteria are encouraged to consider what steps need to be taken.

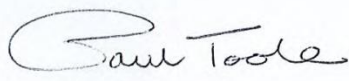
For many councils the next 30 days are a final opportunity to do the right thing for the future of communities, which in many cases may include merging with neighbouring councils.

To support councils and communities, the NSW Government today announced the new Stronger Communities Fund, providing each new council up to \$15 million to invest in community infrastructure projects such as sporting fields, libraries, and parks. Funding of up to \$10 million for each new council will also be available to ensure ratepayers do not pay for the up-front costs of merging. This funding will be available to those mergers agreed to by councils and the NSW Government. More information is available at www.fitforthefuture.nsw.gov.au.

You will receive a letter from the Secretary of the Department of Premier & Cabinet outlining the process for feedback from councils by 18 November 2015 and eligibility for the Stronger Communities Fund.

We encourage you to take advantage of this final opportunity to support the changes that will benefit NSW communities.


Hon. Mike Baird MP
Premier


Hon. Paul Toole MP
Minister for Local Government

GPO Box 5341, Sydney NSW 2001
Phone: (02) 8574 7000 Fax: (02) 9339 5552 Email: office@toole.minister.nsw.gov.au



Premier & Cabinet

Reference: A1372057

Mr Mark Ferguson
General Manager
Pittwater Council
PO Box 882
MONA VALE NSW 1660

Email: mjferguson@pittwater.nsw.gov.au

Dear Mr Ferguson

The Premier, the Hon Mike Baird MP and the Minister for Local Government, the Hon Paul Toole MP, have written to your Mayor about the Independent Pricing and Regulatory Tribunal's (IPART) assessment of your council's "Fit for the Future" submission.

The NSW Government has announced a final period of consultation, which will close on Wednesday 18 November 2015. The consultation is an opportunity to inform the Government's position on local government reform, and its response to IPART's findings.

Should you wish to participate in this consultation:

- please provide any comments you wish to make in relation to IPART's findings on your council's submission; and
- if your council's submission was found by IPART to be "not fit" as it did not meet scale and capacity, or if your council adjoins a council that did not meet scale and capacity, please advise of any preferences your council may have regarding merging partners.

To provide advice, please use the online template hosted on the Department of Premier and Cabinet's website. Details will be provided separately on how to access this template.

A significant funding package is available for council mergers that are:

- supported by the merging partners; and
- supported by the Government.

Details of this package are available at www.olg.nsw.gov.au. If you have any questions in relation to this letter, please contact John Clark, Executive Director on (02) 9228 3570 or Steve Orr, Executive Director on (02) 9228 5518.

Yours sincerely

Blair Comley PSM
Secretary

21 October 2015

GPO Box 5341 Sydney NSW 2001
Tel: (02) 9228 5555 ■ www.dpc.nsw.gov.au

C10.2	Notice of Motion - Exemption from any Boundary Change - (Motion submitted by Cr Grace)
--------------	---

Meeting: Council

Date: 16 November 2015

NOTICE OF MOTION

BACKGROUND:

Nil.

Motion:

1. That Pittwater be granted a special exception from any forced amalgamation or boundary change on inter alia the following reasons
 - a. The recent secession from Warringah only 23 years ago
 - b. The specialist role the Council plays in managing the unique and important nature of Pittwater
 - c. The exceptional strength of the local Pittwater Community of interest
2. That this resolution be sent to the Premier, the Minister for Pittwater, the Cabinet and the Government seeking their support.

Cr Bob Grace

C10.3 Annual Report 2014-2015

Meeting: Council

Date: 16 November 2015

COMMUNITY STRATEGIC PLAN STRATEGY: Corporate Management

COMMUNITY STRATEGIC PLAN OBJECTIVE:

- To provide leadership through ethical, accountable and legislative decision-making processes.

DELIVERY PROGRAM ACTION:

- Pittwater Council's 2014-2015 Annual Report.
-

1.0 SUMMARY

1.1 EXECUTIVE SUMMARY

Pittwater Council's Annual Report for the 2014-2015 year was developed in accordance with Section 402, 403 & specifically 404 of the Local Government Act 1993. Pittwater Council's 2014-2015 Annual Report provides the community with progress of projects and activities undertaken as part of the 12 strategies contained in Pittwater's 2025 Community Strategic Plan.

Council's commitment is to continue to undertake the activities described in the Community Strategic Planning process based on the social, economic, environmental and cultural wellbeing factors, to adequately service the needs of the growing population and inform future sustainable development in the area.

Pittwater Council's Annual Report 2014-2015 demonstrates its commitment to the service it delivers to residents and the infrastructure built to sustain the development and growth of the community. Council has achieved this by applying continuous improvement innovation and resilience. Council applied new functions such as place planning to respond and provide services which draw-upon the unique characteristics of the Pittwater community and quality of life.

Over the 14/15 period Council completed a number of large scale projects, which along with the continued provision of maintenance to roads, footpaths and wharves has emphasised Council's commitment to the upgrade of a broad range of infrastructure. Projects such as the Avalon Beach Surf Life Saving Club, Palm Beach Wharf and the multi-level car park at Bungan Lane are examples of projects achieved within the integrating our built environment strategy.

1.2 FINANCIAL SUMMARY

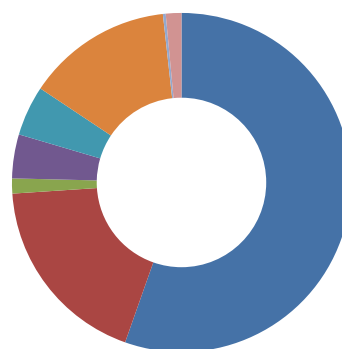
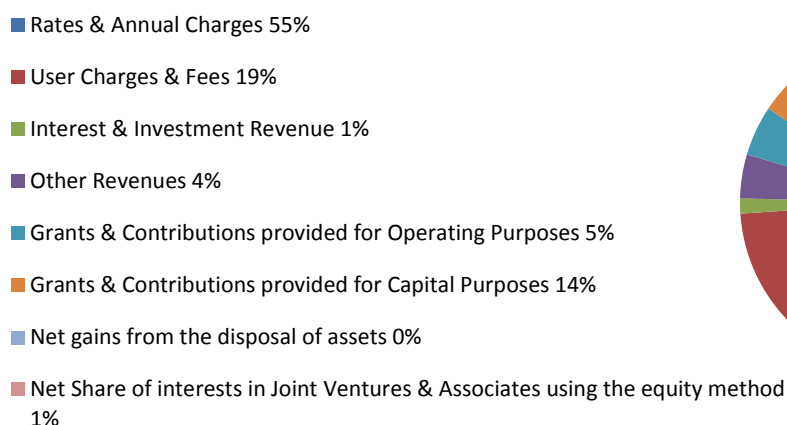
Pittwater Council's Income Statement for the financial year ended 30 June 2015 provides a positive Operating Surplus before Grants and Contributions provided for Capital Purposes of \$1.711 million. This position is reflective of Council's sound financial and management practices. Council's finances constitute income received from various sources, intern expended on multiple areas. A breakdown of income and expenditure is provided on the next page.

Income from Continuing Operations

Revenue:

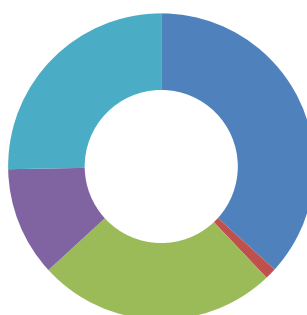
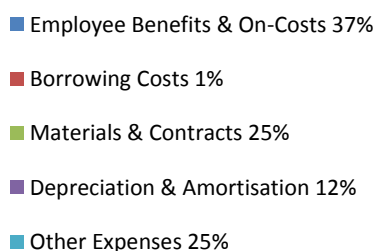
Rates & Annual Charges	51,152
User Charges & Fees	17,133
Interest & Investment Revenue	1,323
Other Revenues	3,871
Grants & Contributions provided for Operating Purposes	4,411
Grants & Contributions provided for Capital Purposes	12,830
Net gains from the disposal of assets	248
Net Share of interests in Joint Ventures & Associates using the equity method	1372
Total Income from Continuing Operations	92,340

(The exclusion of Grants contributions for Capital Purpose amounting to \$12.830 million results in Council's net operating surplus of \$1.711 million)



Expenses from Continuing Operations

Employee Benefits & On-Costs	28,578
Borrowing Costs	936
Materials & Contracts	19,642
Depreciation & Amortisation	8,974
Other Expenses	19,669
Total Expenses from Continuing Operations	77,799
Operating Result from Continuing Operations	14,541



2.0 RECOMMENDATION

That Pittwater Council's 2014-2015 Annual Report be noted.

3.0 BACKGROUND

Pittwater Council's 2014-2015 Annual Report provides the community with comprehensive detail about the progress of its 12 strategies contained in Pittwater's 2025 Community Strategic Plan. Council's commitment is to continue to undertake activities based on the social, economic, environmental and cultural wellbeing factors to service the needs of the growing population and inform future sustainable development in the area.

3.1 PURPOSE

Under the Local Government Act 1993 and the Local Government (General) Regulation 2005 Council undertakes a suite of planning and reporting activities which operate as part of the organisation's strategic and reporting framework.

Council undertakes an integrated planning and reporting approach to ensure strategic focus and responsiveness to key priority areas of the Pittwater 2025; Community Strategic Plan are delivered sustainably and resourced effectively within the time-frame allocated. The purpose of the Annual Report is to showcase to the community the progress and achievements Council has made over the year.

Pittwater Council's 2014-2015 Annual Report is produced in line with the Pittwater 2025 Community Strategic Plan where actions and budget are outlined according to the strategic plan's key directions and associated strategies. An introductory section is provided from the Mayor and General Manager and includes an Executive Summary which highlights the nature of activities guiding the planned period.

Pittwater Council's 2014-2015 Annual Report and is set out in five sections as follows:

Section 1 Our Year: Provides a snapshot of Council's structure, the achievements made through strong decision making and the effective processes which drive Council's sound corporate and financial performance.

Section 2 Pittwater's Community: Provides contextual information of Pittwater 2025; Community Strategic Plan and the corresponding strategies which underpin and drive Council's progress. In addition, this section provides demographic information of the age and gender structure of Pittwater's community.

Section 3 Our Results: This section is structured based on the five Key Directions from Pittwater 2025. Each key direction provides a detailed list of the key achievements and projects undertaken within the 2014-2015 period.

Section 4 Our Reports: Provided in this section are details to Council's statutory statements, as described in Section 402, 403 & specifically 404 of the Local Government Act 1993 Local Government Act 1993.

Section 5 Our Finances: Specifies financial information with all relevant budget details and financial statements, cash flows for the current and future years.

Appendix Delivery Program Actions: This section is structured based on corresponding strategies which set-out the planned areas of action as outlined in the Delivery Program and Budget and details progress specific to each action area.

3.2 POLICY IMPLICATIONS

In accordance with our community engagement policy Council has articulated through a consultation process to inform and engage the community.

3.3 RELATED LEGISLATION

Council accordingly, in line with the Integrated Planning and Reporting Framework, under Section 403 of the Local Government Act, 1993 provides a Resourcing Strategy to outline its long term strategies for the provision of the resources required to implement the strategies established by the community strategic plan that the council is responsible for.

The resourcing strategy is to include long-term financial planning, workforce management planning and asset management planning.

4.0 TABLED DOCUMENTS

2014-2015 Annual Report will be distributed separately.

5.0 KEY ISSUES

5.1 Annual Report 2014-2015 key features:

- 5.1.1 As a part of Council's Strategic Framework, the Annual Report is developed to provide the community with feedback of progress outlined in the Delivery Program and Budget. This year's Annual Report accounts specific activity developed from a continuous improvement and strategic innovation approach which resulted in broader participation from the community and stakeholder partnerships.
- 5.1.2 Added to the existing format of financial information is the income and expenditure snapshot located in the introductory section 1: Our Year of the report.
- 5.1.3 Another new feature added to the introductory section 1 Our Year: are the performance indicators. These are set-out by key direction to demonstrate the level of progress the organisation has reached.
- 5.1.4 Along with the existing format of Statutory Statements, Council have voluntarily provided additional information specific to; Public Access to Information (GIPA); Public Interest Disclosures (PID); Privacy and Personal Information Management (PIPPA).

6.0 SUSTAINABILITY ASSESSMENT

The following assessment framework contains prompts that should be considered in any Sustainability Assessment. These are consistent with questions contained within the Business Case section of the Project Management database.

Summary:

- Pittwater Council was awarded for the Sustainability assessment tool. The sustainability tool ensures the quadruple bottom line criteria is applied to assess projects and enables staff to track and report progress based these specific sustainability measures. It has resulted in broader adaption of sustainability within our everyday operations.

- Council completed a Branding refresh, of which four x 3 minute mini films – ‘Bush’, ‘Beach’, ‘Water’, and ‘Community’, were used to promote the Pittwater Council brand. Results of 2320 views, 59 shares and a reach of 8280 were recorded for the first day. The total reach for the mini films exceeded 96,700 views and Council succeeded to reach the difficult target audience of younger residents (aged 25-44) who were recorded to have the highest levels of engagement.

6.1 GOVERNANCE & RISK

6.1.1 Community Engagement

Council’s commitment to its residents concerning community engagement is based on the following social justice principles:

Equity – providing the broadest cross-section of residents with opportunities to be involved in consultation activities and ensuring that a fair and equitable process is in place.

Access – employing strategies that will ensure that individuals are not excluded from the consultation process.

Participation – encouraging resident participation in a range of methodologies including face to face meetings, written publications, on-line and social media technology as well as committee and reference group formats.

Rights – Council respects the right of each resident to have their voice heard and be informed about the decision making process.

Council continues to work with our four reference groups and promotes community participation in all engagement activities. We strive to keep the community informed throughout each consultation process and provide feedback about community input.

Summary:

- Utilising an innovative approach, Mona Vale Place Plan held four different themed public forums which included panels of specialist speakers, Q&A sessions, followed by community drop-in sessions and pop-up events. Feedback collected brought together a broad range of ideas to inform the place planning process. Results indicated a need for Active Travel, housing choice and affordability, improved public art events and encouraging the night time economy.

6.1.2 Risk Management

Council has developed and implemented supportive mechanisms which set-out to achieve strong functional systems. Business improvement processes aim to ensure that Council remains an effective and sustainable organisation.

Summary:

- Council reviewed its risk management framework to enable better risk management in all its activities. An Enterprise Risk Management Policy Statement and Plan were developed and endorsed by the Audit and Risk Committee.
- Council implement the Workforce Planning Strategy Council and remain committed to providing effective workforce planning and cost effective workforce management.
- Council continued to monitor compliance with the Customer Service Charter to provide effective customer service, this ensured

6.2 ENVIRONMENT

6.2.1 Environmental Impact

Outcomes achieved in the 2014-2015 Annual Report reflect the values and care taken to address the needs of Pittwater's natural environment. A number of protective measures were undertaken to ensure Pittwater's natural environment remains restored and protected.

Summary:

- Energy efficient lighting was retrofitted at Pittwater Golf Centre driving range, alongwith LED lighting installed along Narrabeen Creek walkway and at the Avalon Recreation Centre. Further solar Lighting was also installed at Paterson's Lane and Palm Beach Wharf. Rainwater reuse schemes and water tanks were installed at Currawong to help decrease energy use across the organisation.
- With funding support from Environmental Trust (NSW EPA's 'Waste Less, Recycle More') garden organic bin's roll-out saw more than 20,000 new bins for Pittwater's mainland residents. Service frequency was also increased from 8 to 26 times per year. The results show that the new collection system reduces the number of trucks on the roads as well as the time required to service a waste zone.
- Findings from the disability audit resulted in bicycle racks installed at Avalon Beach reserve. The bicycle racks enhance access to infrastructure while also supporting Council's desire to promote Active Travel in the community.
- The Business Partnership Program concluded with results in water savings across businesses. A submission was also provided to Sydney Water's Review of Sydney Water's sewage treatment Environment Protection Licenses (EPLs).
- Council was successful to implement a large and diverse bushland management program of which noxious and environmental weed control was a core restoration component. A total of 69 contracts were managed and completed, including those major reserves, habitat management, maintenance sites, wildlife corridors, wetlands and riparian areas and bushland upgrade projects.

6.2.2 Mitigation Measures

- Approximately 16,000 bookings were made to community centres in the 14/15 period and usage numbers remaining high Council implemented a risk management framework to ensure adequate support to the 250 user groups' diverse range of needs, abilities and interests.
- Along with community consultation, staff reviewed the draft Pittwater Estuary Mapping of Sea Level Rise Impacts. Following the release of the NSW Planning Circular, s149 notation was also further reviewed. Announcements specific to NSW Coastal Reforms occurred November 2014 and the preparation of the Coastal Zone Management Plan undertaken;
- The draft Coastal Zone Management Plan for Bilgola Beach and Basin Beach (Mona Vale) was brought forward and prepared in accordance with State Government Priorities. Also conducted were beach erosion inspections as required following significant storm/tidal events.

6.3 SOCIAL

6.3.1 Address Community Need & Aspirations

Improvements were made to better integrate the use of Pittwater's built environment. Work to involve the community was heightened during this period, particularly related to land release and Master Planning. Maintenance and development of infrastructure also proved a success and a series of activation points at village centres were optimal at engaging the community.

Summary:

- Ingleside Land Release project was undertaken in partnership with Planning and Environment NSW and Urban Growth to assess the development potential of Ingleside. It takes into account the environment, economic viability, social impacts, recreation, housing types and infrastructure needs. A series of workshops which involved over 300 residents were conducted to gather feedback for the draft structure plan and released in November 2014.
- Pittwater received its award in the Preston Rowe Patterson Local Government category for their conservation work on the historic Midholme homestead at Currawong. Council staff consulted with the Office of Environment and Heritage to ensure that best practice in conservation principles were adhered to. The project came about through the generosity of the Friends of Currawong and Pittwater Environmental Foundation who funded the project.
- A Currawong Trust Board was appointed and a Management Plan complete. Council have proceeded with the process of developing a Masterplan for the whole site.
- Council responded to the community's request of having more arts and cultural activities and applied innovative ways to provide more widely accessible cultural spaces with the commission of Suzanne Davey's suspended artwork "Groundswell". Council also moved to a more coordinated approach to enable community-driven participatory events. Advice and support provided to the Avalon Chamber of Commerce Arts Committee toward the development of "the Art Carnival" which included site visits and financial support through Enliven Pittwater. It resulted in a range of support including 'art rails' in Mona Vale Library which help with the mounting and display of exhibitions in this space.
- Council implemented Worldshare Management Services, which is an innovative cloud-based system freeing-up reliance on Council servers and features collections from world libraries. The result has increased the availability and access of digital services for the community.

6.3.2 Strengthening local community

Council had undertaken a number of activities in the 14/15 period which strengthened the planned provision of services and resulted in greater connectivity and a more accessible serviced community.

Summary:

- Following the completion of the Youth and Families Issue Paper was the establishment of a Key Partnership Group, which was formed with representatives from local services and the community sector. Council staff, young people, parents were encouraged to work with the Australian Centre for Social Innovation toward identifying an appropriate service model for the Youth and Families Team. Recommendations continue to be supported and recruitment to build the team commenced May 2015.

- A range of social and community development initiatives were delivered to the community including the 24/7 Youth Film Festival, the KALOF Youth App, Youth Week, Seniors Week, Body Brain Balance dementia awareness and fall prevention training, the Mayors Morning Tea; linking retirement village residents to community transport, the Northern Beaches Project addressing youth homelessness and the Youth Mental Health Forum.
- Staff were successful to lobby for the continuation of funding to the Burdekin Association and the Bringa Women's Refuge. Council recognises the importance of community safety and have continued to ensure staff provided representation at the Community Drug Action Team and the Northern Beaches Domestic Violence Network meetings supported by the ongoing Annual White Ribbon Day Breakfast.
- Over 140 volunteers attended Pittwater's reception for volunteers event, with wide representation from community, emergency services and environmental groups. Additionally, a thank-you evening was organised to acknowledge the efforts of emergency service volunteers who assisted in the 2015 April Storms emergency disaster and recovery.

6.4 ECONOMIC

6.4.1 Economic Development

A suite of achievements are outlined in the 2014-2015 Annual Report which have enhanced our working and learning throughout the planned period further progressing the Community Education & Learning and Economic Development Strategies. Specific to this progress are Economic Development Plan activities which are aimed at developing programs to assist local business and stimulate the local economy. In addition to this are Pittwater's community education programs, which provided a range of learning opportunities to ensure the community had access to information to further enhance their interactions in Pittwater.

Summary:

- A number of business events were delivered over the past 12 months which include the Village Economies Summit, Visual Merchandising, Designing a Business, Place Making, Exporting and Doing Business with Hong Kong.
- Enliven Pittwater brought a series of pop-up 'out of the box' activation events designed to bring cultural and economic vibrancy to Pittwater's town's and villages. Over 16,000 participants attended and created the success of a variety of markets and pop-up-bars, a family focussed Christmas shopping event and grant writing workshops with local artists;
- Activity in Mona Vale proved a huge success with the Mona Vale Long Lunch held in Bungan Lane as part of the Village Economies Summit. Alongwith Pittwater's wide-variety of Markets, Mona Vale annual market day was held in conjunction with with the Mona Vale Chamber of Commerce and attracted over 8000 visitors.
- Council finalised the Development of Tourism in Pittwater-Emerging Issues paper which looks at the potential of both marine and creative industries and their role in tourism.
- Council continued to support initiatives which encouraged businesses and education and training providers to promote opportunities for a range of career and training pathways. Staff engaged education providers such as NSI TAFENSW to grow key worker local employment in relevant sectors such as trades and services. Opportunities for work/event experience provided TAFE students support for the Village Economies Summit.

- Council continued to investigate potential subregional employment opportunities through the SHOROC working group and NSW Chamber of Business whilst continuing to seek funding opportunities from relevant NSW and Federal Government agencies which support employment growth of local Small Medium Enterprises to undertake collaborative business seminars / workshops series with key business stakeholders such as Pittwater Business Ltd and Chambers of Commerce.

Report prepared by
Tanja Ianosevici, Corporate Planner

Mark Jones
CHIEF FINANCIAL OFFICER

Leading and Learning Committee

11.0 Leading and Learning Committee Business

C11.1 Investment Balances as at 31 October 2015

Meeting: Leading and Learning Committee

Date: 16 November 2015

COMMUNITY STRATEGIC PLAN STRATEGY: Corporate Management

COMMUNITY STRATEGIC PLAN OBJECTIVE:

- To Ensure Council's Future Financial Sustainability

DELIVERY PROGRAM ACTION:

- To Provide Effective Investment of Council's Funds
-

1.0 EXECUTIVE SUMMARY

1.1 SUMMARY

- The net investment return as at 31 October 2015 is \$354,513.
 - All investments have been made in accordance with the NSW Local Government Act, 1993, the Local Government (General) Regulations and Council's Investment Policy.
-

2.0 RECOMMENDATION

That the information provided in the report be noted.

3.0 BACKGROUND

3.1 PURPOSE

To provide Council and the Community with information concerning Council's monetary investments.

3.2 BACKGROUND

As provided for in Regulation 212 of the Local Government (General) Regulation, 2005, a report listing Council's investments must be presented.

3.3 POLICY IMPLICATIONS

Council's Investment Policy (No 143)

3.4 RELATED LEGISLATION

Regulation 212 of the Local Government (General) Regulation, 2005, states that a report listing Council's investments must be presented. The responsible Accounting Officer certifies that all investments have been made in accordance with Section 625 of the NSW Local Government Act, 1993, the Local Government (General) Regulations and Council's Investment Policy (No 143).

3.5 FINANCIAL ISSUES

3.5.1 Budget

- The net investment return as at 31 October 2015 is \$354,513
- The projected investment return budget for the financial year (subject to quarterly budget review) is \$1,119,938

3.5.2 Resources Implications

Nil Implication

4.0 KEY ISSUES

4.1 MONTHLY RETURN

Investment return for the month of October 2015:	
Term deposits interest income:	\$93,544
Net investment return for October 2015:	\$93,544

YEAR TO DATE RETURN

Investment return year to date October 2015:	
Term deposits interest income:	\$354,513
Net investment return year to date:	\$354,513

Projected investment return budget for financial year: \$1,119,938

4.2 PERFORMANCE OF COUNCIL'S PORTFOLIO FOR THE LAST FIVE YEARS

Annual return of Council's portfolio for the last five years:

Year to	Net Return	Return on average funds invested
June 2012	\$1,679,693	6.4%
June 2013	\$1,656,908	4.8%
June 2014	\$1,227,105	3.8%
June 2015	\$1,150,799	3.3%
October 2015	\$354,513	2.9%
Projected Budget	\$1,119,938	2.9%

5.0 ATTACHMENTS / TABLED DOCUMENTS

Attachment 1: Investment Balance Table and Associated Graphs

6.0 SUSTAINABILITY ASSESSMENT

6.1 GOVERNANCE & RISK

6.1.1 Community Engagement

Not Applicable

6.1.2 Risk Management

Investments and Interest Income form a part of Council's 2015/16 Budget. Investment risk is mitigated by Council's conservative portfolio structure and compliance with associated legislation and regulations.

6.2 ENVIRONMENT

6.2.1 Environmental Impact

Not Applicable

6.2.2 Mitigation Measures

Not Applicable

6.3 SOCIAL

6.3.1 Address Community Need & Aspirations

Not Applicable

6.3.2 Strengthening Local community

Not Applicable

6.4 ECONOMIC

6.4.1 Economic Development

Investments and Interest Income form a part of Council's 2015/16 Budget.

Report prepared by
Renae Wilde, Senior Project Accountant

Mark Jones
CHIEF FINANCIAL OFFICER



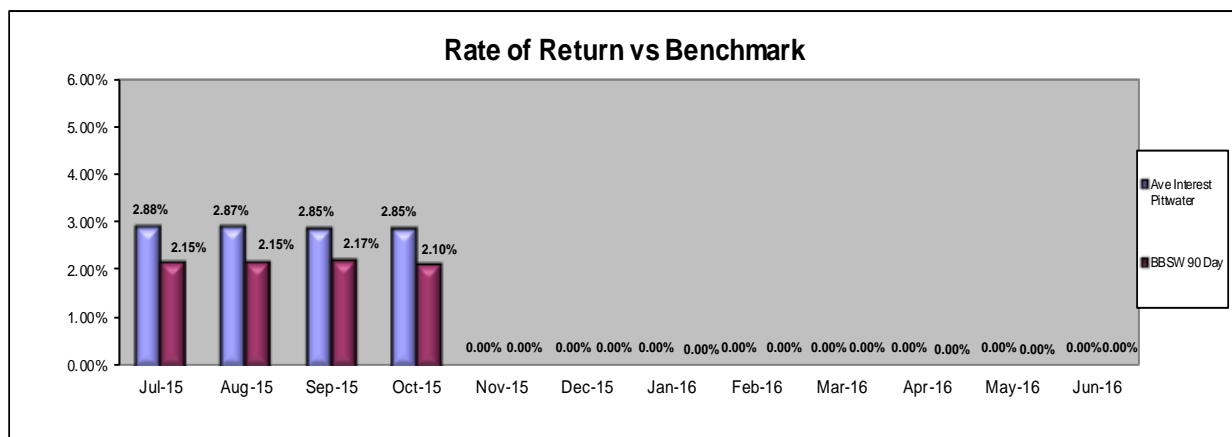
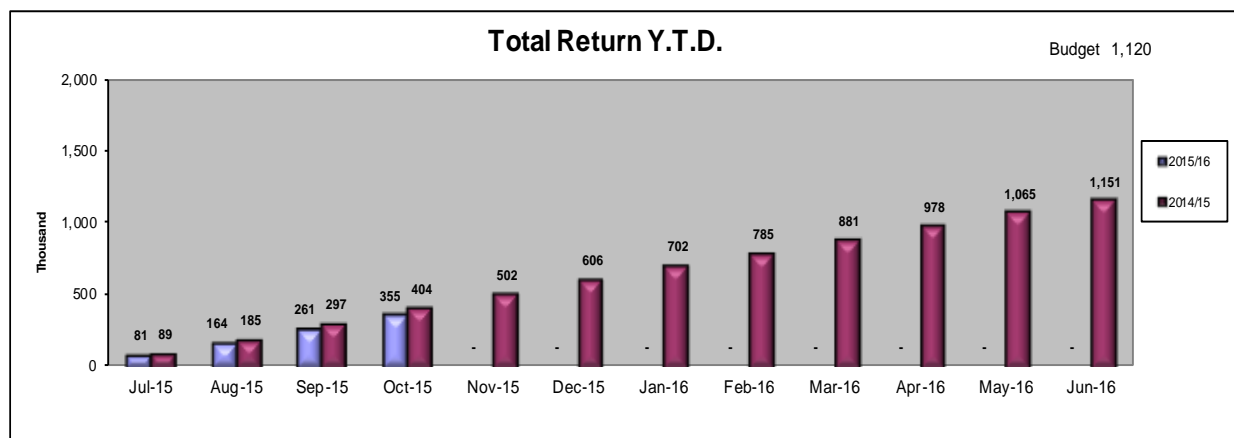
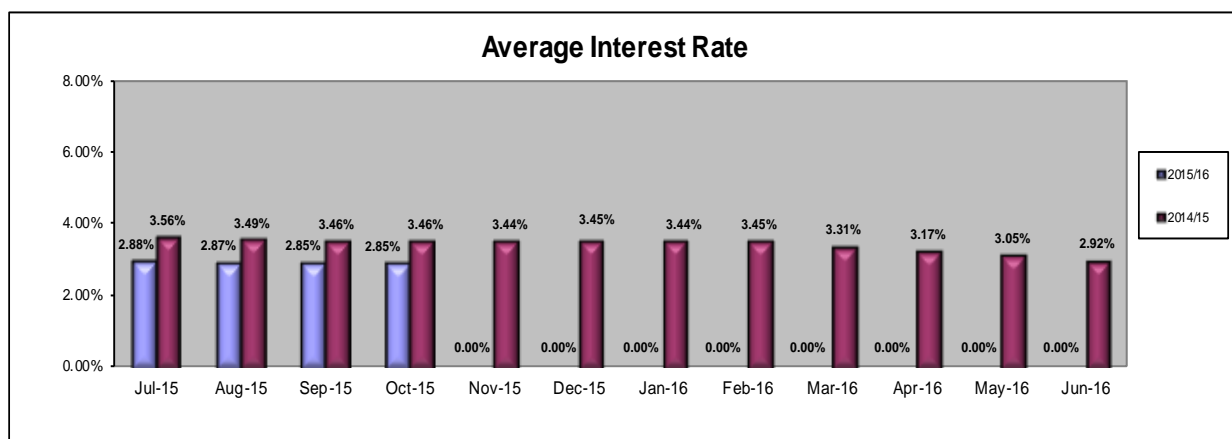
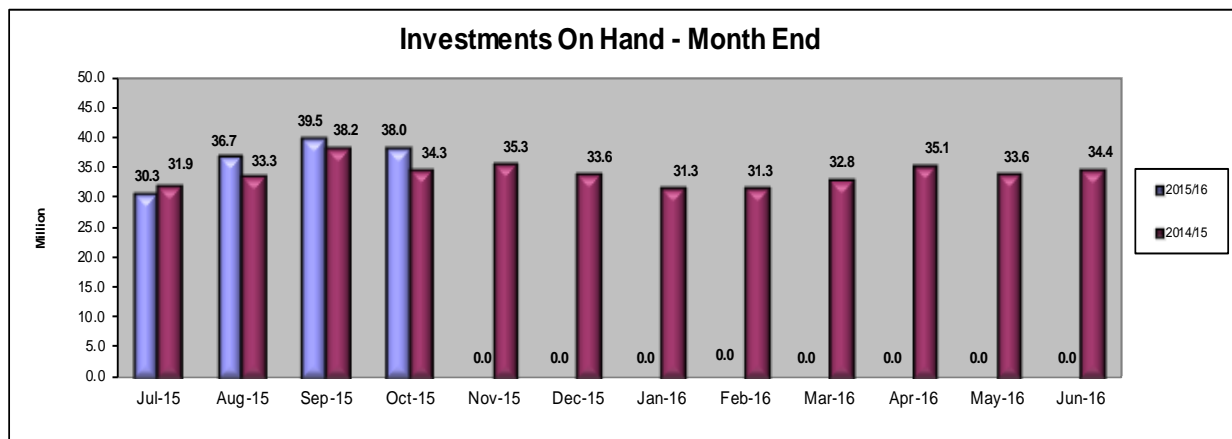
PITTWATER COUNCIL

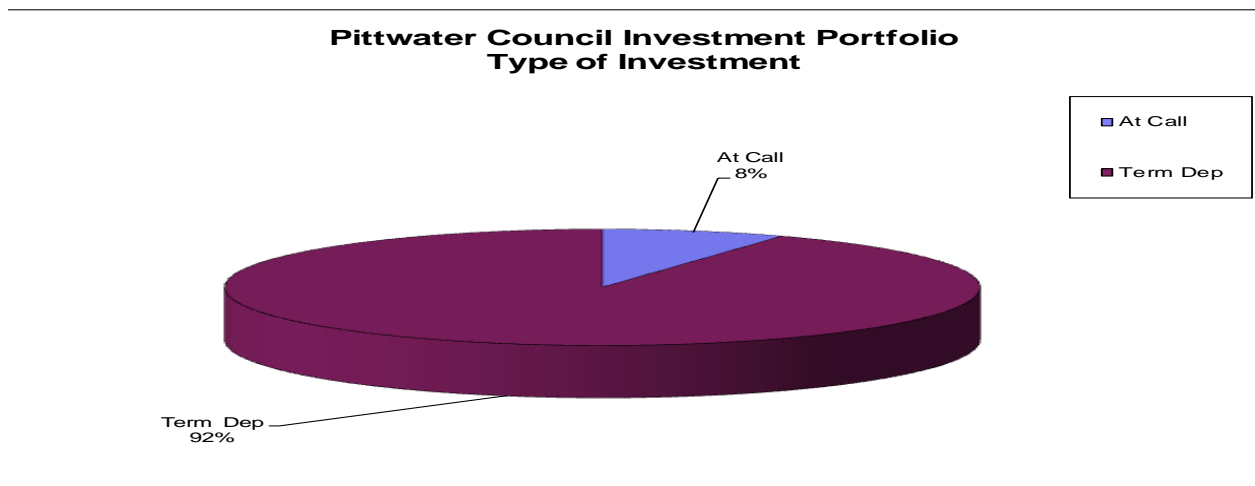
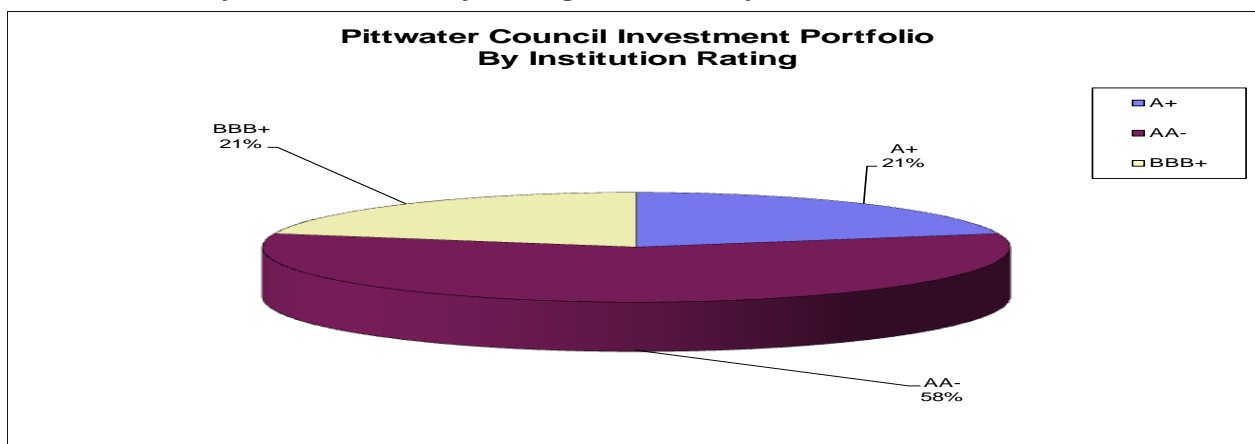
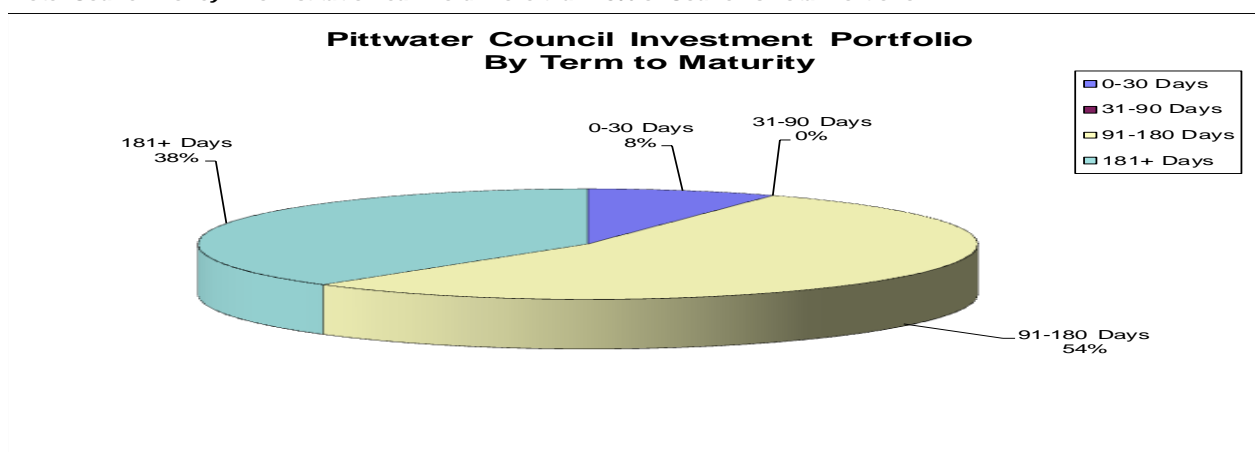
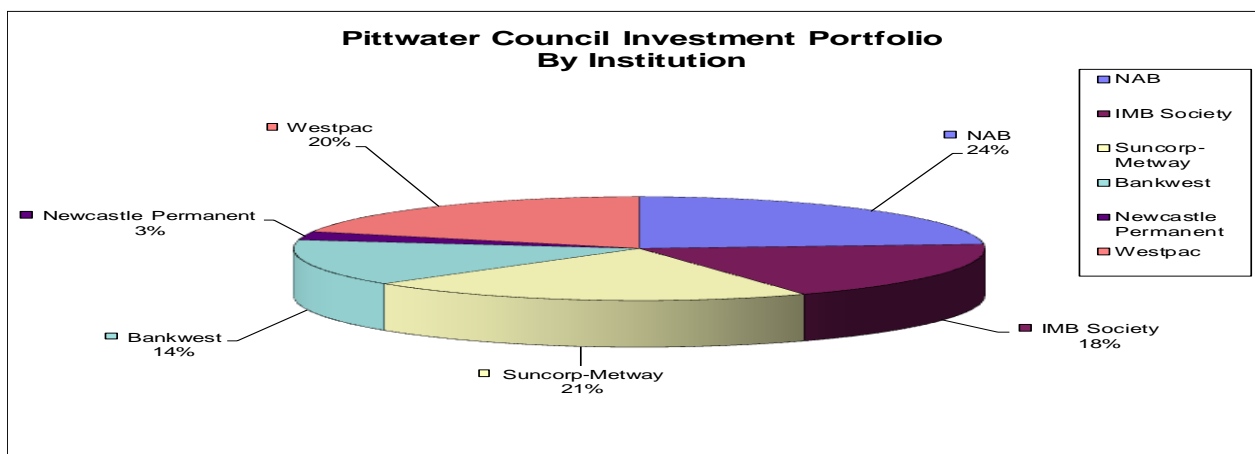
INVESTMENT BALANCES

As at 31st October 2015

TYPE	INSTITUTION	Rating	AMOUNT \$	DATE INVESTED	MATURITY DATE	TERM (DAYS)	INTEREST RATE
At Call	NAB	AA-	3,000,000.00 *	At Call	At Call	1	2.50%
At Call Total			3,000,000.00				
Term Dep	IMB Society	BBB+	1,000,000.00	4-Aug-15	1-Feb-16	181	2.85%
Term Dep	IMB Society	BBB+	1,000,000.00	10-Aug-15	25-Jan-16	168	2.78%
Term Dep	IMB Society	BBB+	500,000.00	24-Aug-15	18-Jan-16	147	2.75%
Term Dep	IMB Society	BBB+	1,000,000.00	31-Aug-15	29-Feb-16	182	2.80%
Term Dep	IMB Society	BBB+	1,000,000.00	2-Sep-15	7-Mar-16	187	2.80%
Term Dep	IMB Society	BBB+	1,000,000.00	2-Sep-15	4-Apr-16	215	2.80%
Term Dep	IMB Society	BBB+	500,000.00	8-Sep-15	29-Mar-16	203	2.80%
Term Dep	IMB Society	BBB+	1,000,000.00	6-Oct-15	18-Apr-16	195	2.80%
Investee Total			7,000,000.00				
Term Dep	Suncorp-Metway	A+	750,000.00	25-May-15	23-Nov-15	182	2.90%
Term Dep	Suncorp-Metway	A+	1,000,000.00	4-Jun-15	30-Nov-15	179	2.95%
Term Dep	Suncorp-Metway	A+	500,000.00	15-Jun-15	14-Dec-15	182	2.95%
Term Dep	Suncorp-Metway	A+	1,000,000.00	29-Jun-15	21-Dec-15	175	3.00%
Term Dep	Suncorp-Metway	A+	1,000,000.00	10-Aug-15	8-Feb-16	182	2.81%
Term Dep	Suncorp-Metway	A+	1,000,000.00	13-Aug-15	15-Feb-16	186	2.87%
Term Dep	Suncorp-Metway	A+	750,000.00	20-Aug-15	22-Feb-16	186	2.90%
Term Dep	Suncorp-Metway	A+	500,000.00	2-Sep-15	7-Mar-16	187	2.84%
Term Dep	Suncorp-Metway	A+	500,000.00	8-Sep-15	29-Mar-16	203	2.90%
Term Dep	Suncorp-Metway	A+	1,000,000.00	14-Sep-15	11-Apr-16	210	2.85%
Investee Total			8,000,000.00				
Term Dep	Bankwest	AA-	1,000,000.00	22-Jun-15	16-Nov-15	147	3.00%
Term Dep	Bankwest	AA-	1,000,000.00	31-Aug-15	4-Jan-16	126	2.75%
Term Dep	Bankwest	AA-	1,000,000.00	8-Sep-15	21-Mar-16	195	2.80%
Term Dep	Bankwest	AA-	500,000.00	21-Sep-15	1-Feb-16	133	2.85%
Term Dep	Bankwest	AA-	1,000,000.00	13-Oct-15	8-Feb-16	118	2.90%
Term Dep	Bankwest	AA-	1,000,000.00	26-Oct-15	21-Mar-16	147	2.85%
Investee Total			5,500,000.00				
Term Dep	Newcastle Permanent	BBB+	1,000,000.00	8-Jul-15	4-Jan-16	180	2.90%
Investee Total			1,000,000.00				
Term Dep	Westpac	AA-	1,000,000.00	29-Jun-15	2-Nov-15	126	2.88%
Term Dep	Westpac	AA-	1,000,000.00	13-Jul-15	23-Nov-15	133	2.89%
Term Dep	Westpac	AA-	750,000.00	27-Jul-15	2-Nov-15	98	2.88%
Term Dep	Westpac	AA-	1,000,000.00	4-Aug-15	16-Nov-15	104	2.90%
Term Dep	Westpac	AA-	750,000.00	7-Aug-15	21-Dec-15	136	2.90%
Term Dep	Westpac	AA-	750,000.00	10-Aug-15	14-Dec-15	126	2.89%
Term Dep	Westpac	AA-	1,000,000.00	17-Aug-15	11-Jan-16	147	2.88%
Term Dep	Westpac	AA-	750,000.00	31-Aug-15	18-Jan-16	140	2.87%
Term Dep	Westpac	AA-	500,000.00	2-Sep-15	25-Jan-16	145	2.85%
Investee Total			7,500,000.00				
Term Dep	NAB	AA-	1,000,000.00	6-Jul-15	9-Nov-15	126	2.95%
Term Dep	NAB	AA-	1,000,000.00	20-Jul-15	7-Dec-15	140	2.91%
Term Dep	NAB	AA-	1,000,000.00	27-Jul-15	14-Dec-15	140	2.90%
Term Dep	NAB	AA-	500,000.00	7-Aug-15	7-Dec-15	122	2.91%
Term Dep	NAB	AA-	500,000.00	17-Aug-15	11-Jan-16	147	2.90%
Term Dep	NAB	AA-	1,000,000.00	24-Aug-15	22-Feb-16	182	2.90%
Term Dep	NAB	AA-	1,000,000.00	2-Sep-15	14-Mar-16	194	2.88%
Investee Total			6,000,000.00				
				;	Oct BBSW Close		2.10%
TOTAL INVESTMENTS			\$38,000,000.00				

Note: Investments denoted with an * are held in Cash and Cash Equivalents in Council's Balance Sheet along with Cash at Bank and Floats.
All other investments are held as Investment Securities in Council's Balance Sheet





Investment Information:

Types of Investments -

At Call refers to funds held at a financial institution and can be recalled by Council either same day or on an overnight basis.

A **Term Deposit** is a short term deposit held at a financial institution for a fixed term and attracting interest at a deemed rate.

Credit Rating Information -

Credit ratings are generally a statement as to the institutions credit quality.

Ratings ranging from BBB- to AAA (long term) are considered investment grade.

A general guide as to the meaning of each credit rating is as follows:

AAA	<i>Extremely strong capacity to meet financial commitments (highest rating)</i>
AA	<i>Very strong capacity to meet financial commitments</i>
A	<i>Strong capacity to meet financial commitments, but somewhat more susceptible to adverse economic conditions and changes in circumstances</i>
BBB	<i>Adequate capacity to meet financial commitments with adverse economic conditions or changing circumstances more likely to lead to a weakened capacity of the obligor to meet its financial commitments</i>
BB	<i>Less vulnerable in the near term, but faces major ongoing uncertainties and exposures to adverse business, financial, and economic conditions</i>
B	<i>More vulnerable to non-payment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation</i>
CCC	<i>Currently vulnerable, and is dependent upon favourable business, financial, and economic conditions to meet its financial commitments</i>
CC	<i>Currently highly vulnerable</i>
C	<i>Highly likely to default</i>
D	<i>Defaulted</i>

The **Bank Bill Swap Rate (BBSW)** is the average mid-rate, for Australian Dollar bills of exchange, accepted by an approved bank, having regard to a designated maturity.

C11.2	Quarterly Budget Review Statement for the Quarter Ending 30 September 2015
--------------	---

Meeting: Leading and Learning

Date: 16 November 2015

COMMUNITY STRATEGIC PLAN STRATEGY: Corporate Management

COMMUNITY STRATEGIC PLAN OBJECTIVE:

- To ensure Council's future financial sustainability

DELIVERY PROGRAM ACTION:

Effectively manage Council's financial services.

1.0 EXECUTIVE SUMMARY

SUMMARY

To provide Council with the financial results for the quarter ending 30 September 2015 of the 2015/2016 Financial Year, as per Local Government (General) Regulations Clause 203. A summary of the results are as follows;

- The Projected Consolidated financial result for the year ending 30 June 2016 is a surplus of Council funds of \$55,000. Compared to the previously adopted budget of \$50,000 this amounts to an increase of \$5,000.
 - The Projected Operating result before capital for the year ending 30 June 2016 is a surplus of \$1.060 million. Compared to the previously adopted budget of \$1.178 million surplus this amounts to a decrease of \$118,000.
 - The Projected Total Capital Expenditure (including loan principal repayments) stands at \$34.960 million for 2015/16. Compared to the previously adopted budget figure of \$33.679 million this amounts to an increase of \$1.281 million.
 - The Projected cash and investment position at 30 June 2016 is \$40.977 million. Compared to the previously adopted budget figure of \$41.517 million this amounts to a decrease of \$540,000.
-

2.0 RECOMMENDATION

- 1. That the financial results for the period ending 30 June 2016 be noted.**
 - 2. That the Projected Budget incorporating all amendments as detailed in this report be adopted.**
-

3.0 BACKGROUND

3.1 PURPOSE

To provide Council with the financial results for the quarter ending 30 September 2015 of the 2015/2016 Financial Year.

3.2 BACKGROUND

The Integrated Planning and Reporting Framework as developed by the Division of Local Government requires Council to use a minimum standard of reporting that will assist in adequately disclosing its overall financial position and additionally provide sufficient information to enable informed decision making while ensuring transparency.

This reporting requirement, known as the Quarterly Budget Review Statement (QBRs) will facilitate progress reporting against the original and revised budgets at the end of a quarter. They will also provide explanations for major variations that result in budgetary changes and enable the Responsible Accounting Officer (RAO) to indicate whether the Council will be in a satisfactory financial position at the end of the Financial Year.

For the information of Council and the Community, the Original 2015/2016 Budget was adopted by Council as part of the 2015-2019 Delivery Program & Budget on 15 June 2015. The Revised 2015/16 Budget was adopted by Council on 17 August 2015, and has been transferred to the Revised Budget column in this report.

Council's reporting structure undertakes a dual format of both financial and strategic information which includes:

- Budget Review Statement
- Performance Indicators
- Summary of Financial Statements
- Financial Statements (Consolidated, Operating, Cash flow, Reserve Balance, Balance Sheet),
- Total Works Program (Including Capital Budget Review Statement)
- Loan Projections
- Special Rates Variation and Stormwater Management Service Charge
- Developer Contribution Plans
- Consultancy and Legal Expenses
- Key Directions and Associated Strategies

3.3 POLICY IMPLICATIONS

As part of Council's 2015/16 Budget Process.

3.4 RELATED LEGISLATION

To provide Council with the financial results for the quarter ending 30 September 2015 of the 2015/2016 Financial Year, as per Local Government (General) Regulations Clause 203. These Reports are to be produced and reported, *"No later than 2 months after the end of each quarter (except the June quarter), and the Responsible Accounting Officer of a Council must prepare and submit to the council a budget review statement."*

3.5 FINANCIAL ISSUES

4.5.1 Budget

The financial results for the period ending 30 September 2015 are as follows:

- The Projected Consolidated financial result for the year ending 30 June 2016 is a surplus of Council funds of \$55,000. Compared to the previously adopted budget of \$50,000 this amounts to an increase of \$5,000.

- The Projected Operating result before capital for the year ending 30 June 2016 is a surplus of \$1.060 million. Compared to the previously adopted budget of \$1.178 million surplus this amounts to a decrease of \$118,000.
- The Projected Total Capital Expenditure (including loan principal repayments) stands at \$34.960 million for 2015/16. Compared to the previously adopted budget figure of \$33.679 million this amounts to an increase of \$1.281 million
- The Projected cash and investment position at 30 June 2016 is \$40.977 million. Compared to the previously adopted budget figure of \$41.517 million this amounts to a decrease of \$540,000.

Details relating to the above results are contained within this report.

4.5.2 Resources Implications

The September 2015 Quarterly Budget Review incorporates all known resourcing issues including staffing, materials & contracts requirements, professional services requirements etc.

4.0 KEY ISSUES

4.1 Responsible Accounting Officer (RAO) Budget Review Statement

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

“It is my opinion as the Chief Financial Officer that the Quarterly Budget Review for Pittwater Council for the quarter ended 30/09/15 indicates that Council’s financial position at 30/09/15 is sound.”

Mark Jones - Chief Financial Officer (3/11/15)

“This position is summarised in the performance indicators of 4.2 of this report.”

Investment Statement

The Responsible Accounting Officer (ROA) certifies that all funds including those under restriction (such as S94, grants, internally restricted) have been invested in accordance with Section 625 of the Local Government Act, 1993 the Local Government (General) Regulations, and Council’s Investment Policy (No 143).

Such restricted funds amount to \$27.852 million and form part of Council's total funds invested that amount to \$40.017 million as at 30th September 2015 (as per Council's September Investment Report).

Cash (Bank) Statement

The Responsible Accounting Officer (ROA) certifies that Council's Bank Statement has been reconciled up to and including the 30th September 2015 and the closing balance of cash of \$40.017 million forms part of Council's Current Assets on Council's Balance Sheet.

Reconciliation Statement

The Responsible Accounting Officer (ROA) certifies that the Year to Date (YTD) Cash and Investments (as per Council's Balance Sheet) have been reconciled with funds invested and those held at cash at bank. The table below outlines Council's Cash and Investment reconciliation.

Cash & Investment Reconciliation as at 30th September 2015

Total Cash on Hand	11,164
Council's Bank Account Ledger	505,847
Investments	39,500,000
Total Cash & Investments	40,017,011

4.2 Performance Indicators

In assessing an organisations financial position, there are a number of performance indicators that can assist to easily identify whether or not an organisation is financially sound. These indicators and their associated benchmarks, as stipulated by the Local Government Association of NSW and Shires Association of NSW are set out below.

#	Performance Indicator	2015/16 Sept Projected	2014/15 Actual	2013/14 Actual	2012/13 Actual	Local Government Bench Mark
1	Operating Result (before Capital amounts)	\$1.060m Surplus	\$1.711m Surplus	\$872,000 Surplus	\$2.407m Surplus	Surplus
2	Consolidated Result	\$55,000 Surplus	\$210,000 Surplus	\$309,751 Surplus	\$383,618 Surplus	N/A
3	Operating Performance Ratio	0.32%	0.12%	0.54%	1.42%	>0%
4	Own Source Operating Revenue Ratio	76.72%	81.00%	91.24%	78.84%	>60%
5	Unrestricted Current Ratio	1.84:1	2.12:1	2.31:1	3.24:1	>1.50:1
6	Debt Service Ratio	3.74	2.87	3.08	2.39	>2.00
7	Rates, Annual Charges, Interest & Extra charges outstanding ratio	5.00%	4.45%	4.54%	5.26%	<5%
8	Cash Expense Cover Ratio	6.92	5.91	5.32	6.26	>3.00
9	Building and Infrastructure Renewals Ratio	131.21%	113.90%	129.16%	81.60%	>100%

***Note:** these indicators are new as per the requirements under the Local Government code of Accounting practice.

1. Operating Result (before Capital Contributions)

The Operating result is the Profit or Loss that Council makes from normal Operations (Excluding expenditure on Capital items). A Surplus is a positive financial indicator.

2. Consolidated Result

The Consolidated Result is the increase or call on Council funds which shows the source and application of both Operating and Capital Income and Expenditure along with transfers to and from Reserves applicable to those activities. A Surplus is a positive financial indicator.

3. Operating Performance Ratio

This ratio measures Council's overall net operating result and whether operating expenditure is contained within operating revenues. A ratio greater than zero is a positive financial indicator.

4. Own Source Operating Revenue Ratio

This is a measure of the proportion of Council's own source of revenue such as rates, fee and charges, interest income etc. as compared to total revenue which includes grants and contributions. This ratio measures financial flexibility and Council's degree of reliance on external funding. A higher ratio is a positive financial indicator.

5. Unrestricted Current Ratio

The Unrestricted Current ratio is the ratio of Unrestricted Cash Assets held that are available to meet any current liabilities. The above ratio indicates that Council currently projects to have \$1.84 (excluding externally restricted funds such as S94 and grant monies) available to service every \$1 of debt as it falls due at the end of the financial year. A ratio greater than one is a positive financial indicator.

6. Debt Service Ratio

This ratio measures the availability of operating cash (excluding capital items, interest and depreciation) to service debt including principal and interest repayments. A lower ratio is a positive financial indicator.

7. Rates, Annual Charges, Interest & Extra Charges Outstanding Ratio

This ratio measures the amount of rates and annual charges outstanding as a percentage of total rates and annual charges. This ratio indicates the dependency of Rates and Annual charges over Council's total Revenue from continuing operations. A lower ratio is a positive financial indicator.

8. Cash Expense Cover Ratio

This ratio is a measure of cash liquidity available to pay for operations and financing activities. It indicates the amount of months that council can pay its immediate expenses without any additional cashflow. A higher ratio is a positive financial indicator.

9. Building and Infrastructure Renewal Ratio

This ratio indicates the rate of renewal/replacement of existing assets as against the depreciation of the same category of Assets. A ratio greater than one is a positive financial indicator.

4.3 Summary of Financial Statements

2015-16 Statement of Consolidated Financial Position

Consolidated Statement shows the source and application of both Capital & Operating Income and Expenditure along with the movements in Reserves.

	(\$ '000)
Total direct income (Operating & Capital)	110,018
Total transfer from Reserves	27,696
Total income	137,714
Total direct Expenditure (Operating & Capital Expenditure)	115,460
Total transfers to Reserves	31,216
Total Expenditure	146,676
Add Back Depreciation - Non Cash	9,017
Increase in Council Funds (Includes Operating Results before Capital of \$1.060 million)	55

2015-16 Income Statement

Income statement shows the extent to which community equity has changed by net result of ordinary activities during year.

	(\$ '000)
Operating Income	81,802
Operating Expenditure	80,742
Operating Results before Capital	1,060
Capital Income (Grants and Contributions)	18,966
Changes in Net Assets – Resulting from Operations	20,026

2015-16 Statement of Cashflows

The statement of cash flows shows the nature and amount of council's cash inflows and outflows for all activities.

	(\$ '000)
Cash inflows	109,285
Cash outflows	104,311
NET Inflows/(Outflows)	4,974
Funds Carried Forward from Prior year	36,003
Total General Fund	40,977

2015-16 Balance Sheet

The Balance sheet shows council's assets & liabilities which make up community equity.

	(\$ '000)
Current Assets (Includes Cash Assets of \$40,977)	45,700
Non Current Assets	1,093,506
Total Assets	1,139,206
Current Liabilities	18,925
Non Current Liabilities	20,476
Total Liabilities	39,401
Net Community Assets	1,099,805
Balance at Beginning of the year	1,079,779
Net results	20,026
TOTAL COMMUNITY EQUITY	1,099,805

4.4 Consolidated Financial Statement

Pittwater Council Budget Review for the quarter ended - 30 September 2015 Consolidated Statement						
	\$000's					
	Original Budget	Approved Changes	Revised Budget	*Sept 2015 Variations	Projected Budget	Sept 2015 Actual
Direct Income						
User Fees	15,723	0	15,723	63	15,786	3,920
Regulatory Fees	1,671	0	1,671	39	1,710	590
Regulatory Fines	3,194	0	3,194	-5	3,189	403
Operating Grant Transfers	2,938	0	2,938	505	3,443	1,422
Capital Grant Transfers	3,412	0	3,412	719	4,131	508
Capital Contributions	23,635	0	23,635	0	23,635	225
Operating Contributions	698	0	698	142	840	70
Rates Income	39,578	0	39,578	0	39,578	9,498
Domestic Waste Charges	14,346	0	14,346	0	14,346	3,584
Return on Investments & Other Interest Income	1,287	0	1,287	0	1,287	296
Rebates Income	280	0	280	0	280	-
Other Income	543	0	543	178	721	310
Capital Sales	763	0	763	310	1,073	359
Total Direct Income	108,068	0	108,068	1,950	110,018	21,184
Reserve Transfer						
Transfer From Reserve-S94	8,250	647	8,897	373	9,270	587
Transfer From Reserve-Other	16,011	1,659	17,669	757	18,426	1,676
Total Transfer From Reserves	24,260	2,306	26,566	1,130	27,696	2,264
Direct Expenditure						
Salaries & Wages	24,358	0	24,358	-229	24,129	5,861
Other Employee Costs	7,915	0	7,915	-45	7,870	1,882
Materials	1,873	0	1,873	-82	1,791	573
Stores	152	0	152	0	152	52
Minor Plant Purchases	30	0	30	0	30	9
Plant & Equipment	2,349	0	2,349	33	2,383	685
Contract Services External	35,408	2,146	37,553	2,004	39,558	4,880
Depreciation Expense	9,017	0	9,017	0	9,017	2,239
Interest Expense	1,059	0	1,059	0	1,059	229
Professional Expenses	6,545	0	6,545	520	7,066	1,145
Legal Expenses	925	0	925	0	925	214
Bad & Doubtful Debts	345	0	345	0	345	37
Leases/Rentals/Hire/Licences	579	0	579	0	579	163
Public Utilities	2,196	0	2,196	-32	2,164	495
Communications	750	0	750	30	780	208
Advertising	377	0	377	0	377	92
Insurance	1,077	0	1,077	5	1,082	286
Banking	222	0	222	0	222	57
Other Expenses	732	0	732	0	732	157
Office Expenses	409	0	409	20	429	159
Sundry Services/Waste Disposal	6,930	0	6,930	40	6,970	1,415
Memberships	116	0	116	0	116	123
Levies/Contributions/Subsidies	2,957	0	2,957	14	2,971	663
Capital Purchases/Payments	4,512	160	4,673	43	4,716	793
Total Direct Expenditure	110,832	2,306	113,138	2,322	115,460	22,418
Reserve Transfer						
Transfer To Reserve-S94	15,409	0	15,409	0	15,409	176
Transfer To Reserve-Other	15,055	0	15,055	753	15,808	1,636
Total Transfer to Reserves	30,463	0	30,463	753	31,216	1,812
Increase/(call) on Council Funds(inc Dep'n)	-8,967	0	-8,967	5	-8,962	-782
Add back Depreciation - Non Cash	9,017	0	9,017	0	9,017	2,239
Increase/(call) on Council Funds	50	0	50	5	55	1,457

As indicated in the above columns:

1. The "Original" Budget (+/-) the "Approved" Changes equals the "Revised" Budget
2. The "Revised" Budget (+/-) the "Quarterly Variations" equals the "Projected" Year End Budget.
3. * Recommended changes to Councils Revised budget are shown below

Consolidated Financial Statement Variance analysis

As a result of the September Quarterly review, the projected financial position shows a surplus in uncommitted funds of \$55,000, an increase of \$5,000 from the previously adopted budget of \$50,000.

The variance from Revised Budget to SEPT Projected Budget can be mainly attributed to: -

Budgeted Consolidated Result (Adopted Budget) Year Ending 30 June 2016 - Increase of Council Funds	\$	50
Recommended Changes to Revised Budget	\$000's	
INCOME		
Increased User Fees mainly relating to an increase in Income from Venue Hire & Advertising	\$	63
Increased Regulatory Fees mainly relating to DA Income	\$	39
Increased Operating Grant Transfers mainly relating to additional grant allocations and works associated with Avalon to Palm Beach Floodplain Risk Study, Currawong Septic Waste Management System, Pittwater Coastal Headland & Bilgola Creek Biodiversity Protection Program works	\$	505
Increased Capital Grant Transfers mainly relating to additional grant allocations and works at Bilarong Multi trail, Barrenjoey Off Road Path Newport	\$	719
Increased Operating Contributions Income mainly relating to the funds received from Council's Natural disaster storm infrastructure claim (works mainly associated with Scotland Island Road Rehabilitation)	\$	142
Increased Capital Sales mainly relating to the land sale at Orchard Street North Narrabeen	\$	310
Increased Other Income mainly relating to recoveries from Insurance and Legal Costs	\$	178
EXPENDITURE		
Reduced Salaries/Wages mainly relating to current existing budgeted vacancies	\$	229
Additional Materials & Contract Services External mainly relating to works associated with Warriewood Beach Amenities, Bilarong Reserve Multi Trail, Barrenjoey Off Road Path Newport, Careel Bay Estuary & Coastline works and Mona Vale Surf Club Geotech survey	-\$	1,955
Additional Professional Expenditure mainly relating to Flood studies, Flying Fox Dispersal Management, Mona Vale Transport Study and Bilgola Creek Biodiversity Protection Program works	-\$	520
Additional Other Expenditure mainly relating to an increase in Communications, Waste disposal and Printing & Stationary	-\$	82
RESERVE MOVEMENTS		
Increased Transfers from Reserve - S94 mainly relating to the refurbishment of Council Libraries & Loan repayments relating to S94 Plan 18 (Community Services) & Plan 19 (Village Streetscape)	\$	373
Increased Transfers from Reserve - Other mainly relating to Careel Bay Estuary & Coastline works, Warriewood Beach Amenities & Wharf refurbishment works	\$	757
Increased Transfers to Reserve - Other mainly relating to an increase in income associated with Orchard Street Land Sale with a corresponding Transfer of funds to Strategic Property Rationalisation Reserve (SPRP) & Transfer to General Reserve	-\$	753
September Review - NET Changes	\$	5
Projected Budget Consolidated Result Year Ending 30 June 2016 - Increase of Council Funds	\$	55

4.5 Operating Statement

Pittwater Council Budget Review for the quarter ended - 30 September 2015 Operating Statement						
	Annual Budget - \$000's					
	Original Budget	Approved Changes	Revised Budget	Sept 2015 Variations	Projected Budget	Sept 2015 Actual
Direct Income						
User Fees	15,723	0	15,723	63	15,786	3,920
Regulatory Fees	1,671	0	1,671	39	1,710	590
Regulatory Fines	3,194	0	3,194	-5	3,189	403
Operating Grant Income	2,938	0	2,938	505	3,443	1,462
Operating Contributions	698	0	698	142	840	70
Rates Income	39,578	0	39,578	0	39,578	9,498
Domestic Waste Charges	14,346	0	14,346	0	14,346	3,584
Return on Investments & Other Interest Income	1,287	0	1,287	0	1,287	296
Other Income	543	0	543	178	721	279
Profit / (Loss) on Sale of Assets	170	0	170	0	170	23
Gain from Joint Venture Assets	630	0	630	0	630	0
Total Direct Income	80,778	0	80,778	921	81,699	20,125
Internal Income						
Plant Hire/Service Agreement - Capital Works	103	0	103	0	103	48
Total Internal Income	103	0	103	0	103	48
Direct Expenditure						
Salaries & Wages	23,630	0	23,630	-229	23,401	5,691
Other Employee Costs	7,666	0	7,666	-45	7,622	1,828
Materials	889	0	889	108	997	321
Stores	152	0	152	0	152	47
Minor Plant Purchases	30	0	30	0	30	9
Plant & Equipment	2,349	0	2,349	33	2,383	681
Contract Services External	12,356	22	12,378	575	12,953	2,979
Depreciation Expense & Ammortisation	9,158	0	9,158	0	9,158	2,274
Interest Expense	1,059	0	1,059	0	1,059	229
Professional Expenses	4,777	0	4,777	520	5,297	1,086
Legal Expenses	925	0	925	0	925	207
Bad & Doubtful Debts	345	0	345	0	345	37
Leases/Rentals/Hire/Licences	579	0	579	0	579	137
Public Utilities	2,196	0	2,196	-32	2,164	493
Communications	750	0	750	30	780	208
Advertising	377	0	377	0	377	92
Insurance	1,077	0	1,077	5	1,082	293
Banking	222	0	222	0	222	57
Other Expenses	732	0	732	0	732	156
Office Expenses	409	0	409	20	429	158
Sundry Services/Waste Disposal	6,930	0	6,930	40	6,970	1,414
Memberships	116	0	116	0	116	123
Levies/Contributions/Subsidies	2,957	0	2,957	14	2,971	663
Total Direct Expenditure	79,680	22	79,703	1,039	80,742	19,184
Operating Results before Capital	1,201	-22	1,178	-118	1,060	989
Grants & Contributions - Capital	18,247	0	18,247	719	18,966	859
Material Public Benefits - S94	0	0	0	0	0	0
Change in Net Assets - from Operations	19,448	-22	19,426	600	20,026	1,848

As indicated in the above columns:

1. The "Original" Budget (+/-) the "Approved" Changes equals the "Revised" Budget
2. The "Revised" Budget (+/-) the "Quarterly Variations" equals the "Projected" Year End Budget.
3. * Recommended changes to Councils Revised budget are shown below

4.6 Operating Financial Statement Variance analysis

The Projected Operating Result before Capital for the financial year 2015/2016 is a surplus of \$1.060 million, a decrease of \$118,000 compared to the previously adopted budget of \$1.178 million.

The variance from Revised Budget to SEPT Projected Budget can be mainly attributed to -

Budgeted Operating Results before Capital (Adopted Budget) for the Year Ending 30 June 2016	\$ 1,178
Recommended Changes to Revised Budget	\$000's
INCOME	
Increased User Fees mainly relating to an increase in Income from Venue Hire & Advertising	\$ 63
Increased Regulatory Fees mainly relating to DA Income	\$ 29
Increased Operating Grant Transfers mainly relating to additional grant allocations and works associated with Avalon to Palm Beach Floodplain Risk study, Currawong Septic Waste Management System, Pittwater Coastal Headland & Bilgola Creek Biodiversity Protection Program works	\$ 505
Increased Operating Contributions Income mainly relating to the funds received from Council's Natural disaster storm infrastructure claim (works mainly associated with Scotland Island Road Rehabilitation)	\$ 142
Increased Other Income mainly relating to recoveries from Insurance and Legal Costs	\$ 178
EXPENDITURE	
Reduced Salaries/Wages mainly relating to current existing budgeted vacancies	\$ 229
Additional Materials & Contract Services External mainly relating to works associated with the Natural disaster storm infrastructure, Currawong Septic Waste Management system, Biodiversity Program and Restoring coastal headland	-\$ 716
Additional Professional Expenditure mainly relating to Flood studies, Flying Fox Dispersal Management, and Mona Vale Transport Study	-\$ 520
Additional Other Expenditure mainly relating to an increase in Communications, Waste disposal, and Printing & Stationary	-\$ 28
September Review - NET Changes	-\$ 118
Projected Operating Results before Capital for the Year Ending 30 June 2016	\$ 1,060

4.7 Cash Flow Statement and Reserves Balances

The Projected total General Fund for the year ended 30 June 2016 stands at \$40.977 million. Compared to the previously adopted budget this amount is a decrease of \$540,000 million. This decrease is mainly associated with additional works associated with Bilarong Reserve Multi Trail, Barrenjoey Off Road Path Newport, Flying Fox Dispersal Management and Mona Vale Transport Study.

Pittwater Council Budget review for the quarter ended - 30 September 2015 Cash Flow Statement						
	\$000's					
	Original Budget	Approved Changes	Revised Budget	*Sept 2015 Variations	Projected Budget	Sept 2015 Actual
Cash Inflows						
Rates & Domestic Waste	53,799	0	53,799	0	53,799	21,095
Grants	6,050	0	6,050	1,055	7,105	1,995
User Charges	15,641	0	15,641	63	15,704	4,355
Regulatory Fees & Fines	4,806	0	4,806	34	4,840	1,238
Contributions & Donations	422	0	422	142	564	120
Return on Investments & Other Interest Income	1,287	0	1,287	0	1,287	278
Sale of Assets (Excluding Land)	763	0	763	310	1,073	159
Sale of Land	0	0	0	0	0	200
Other	823	0	823	178	1,001	178
S94 Contributions Received	15,112	0	15,112	0	15,112	176
Proceeds from loan	8,800	0	8,800	0	8,800	0
GST Net Inflow	0	0	0	0	0	611
Total Inflows	107,503	0	107,503	1,782	109,285	30,405
Cash Outflows						
Employee Salary & Wages	24,358	0	24,358	-229	24,129	6,420
Employee Other Costs	7,381	0	7,381	-45	7,336	1,889
Insurance Claims/Premiums	1,077	0	1,077	5	1,082	863
Levies & Contributions	2,957	0	2,957	14	2,971	746
Materials/Stores/Contracts	57,414	2,145	59,559	2,534	62,093	15,403
Legal Expenses	925	0	925	0	925	214
Loan Interest Repayments	1,059	0	1,059	0	1,059	152
Loan Principal Repayments	1,745	0	1,745	0	1,745	277
Purchase Of Assets	2,768	160	2,928	43	2,971	428
Total Outflows	99,684	2,305	101,989	2,322	104,311	26,392
Net Inflows/(Outflows)	7,819	-2,305	5,514	-540	4,974	4,014
Funds Carried Forward from Prior Year	34,786	0	36,003	0	36,003	36,003
*Opening Balance Adjustment as per year end Audited Accounts		1,217				
Total General Fund	42,605	-1,088	41,517	-540	40,977	40,017
Less Restricted Assets	23,705	-1,232	22,473	-375	22,098	15,491
Less Unexpended Grants	800	0	800	0	800	698
Less Internal Reserves	8,913	119	9,032	-3	9,029	11,665
Increase/(call) on Council Funds	9,187	25	9,212	-162	9,050	12,163

The above Total Projected General Fund Results for the financial year ending 30 June 2016 are made up of Externally Restricted, Internally Restricted and Available Cash as outlined in the Reserve Balances (Cash & Investments Budget Review Statement) below:

Pittwater Council
Budget review for the quarter ended - 30 September 2015
Reserve Balances
(Cash & Investments Budget Review Statement)

	Original Budget	Approved Changes	Revised Budget	*Sept 2015 Variations	Projected Budget	Sept 2015 Actual
Externally Restricted						
Section 94	21,083	-1,058	20,025	-373	19,652	13,103
Domestic Waste Management	2,543	-144	2,399	0	2,399	2,248
Stormwater Levy	79	-31	48	0	48	139
Grants	800	0	800	0	800	698
Total Externally Restricted	24,505	-1,233	23,272	-373	22,898	16,188
Internally Restricted						
Capital Works Reserve	0	0	0	0	0	14
Caravan Park Capital Works	0	13	13	0	13	183
Cemetery Reserve	2,880	-185	2,695	0	2,695	2,894
Church Point Carpark	0	144	144	0	144	1,038
Commercial Centres Outdoor Seating	0	79	79	0	79	213
Community Centre Trusts	9	60	69	0	69	64
Election Reserve	225	0	225	0	225	150
Employee Leave Entitlement	1,569	27	1,596	0	1,596	1,596
Environmental Infrastructure Levy	104	11	115	0	115	339
Environmental Levy (Escarpment)	159	15	174	0	174	174
General Reserve	1,567	-455	1,112	-217	895	1,294
Governor Phillip Park Dunes Rest	10	84	94	0	94	66
Narrabeen Synthetic Sports Field	183	44	227	0	227	227
Lagoon Entrance Clearing	0	110	110	0	110	110
Marine Infrastructure	320	-68	252	-97	155	144
Other	620	205	825	0	825	1,016
RMS Contribution	302	0	302	0	302	180
Road Reserve	152	11	163	0	163	181
Special Rates Variation	6	6	12	0	12	953
Strategic Property Rationalisation Reserve	0	0	0	310	310	0
Tennis Liason Trust Fund	259	10	269	0	269	228
Trust and Bonds (eg. Tree and Footpath)	547	9	556	0	556	602
Total Internally Restricted	8,913	120	9,032	-3	9,029	11,665
Total Restricted	33,418	-1,113	32,304	-377	31,927	27,852
Available Cash	9,187	0	9,213	-163	9,050	12,165
Total General Fund (Cash Flow Statement)	42,605	-1,088	41,517	-540	40,977	40,017

As indicated in the above columns:

1. The "Original" Budget (+/-) the "Approved" Changes equals the "Revised" Budget
2. The "Revised" Budget (+/-) the "Quarterly Variations" equals the "Projected" Year End Budget.
3. * Recommended changes to Councils Revised budget are shown below

Revised Restricted Reserve Balance for the year ending 30 June 2016	\$	32,304
Recommended Changes to Revised Budget	\$000's	
Reduced Externally Restricted Reserve - S94 mainly relating to the refurbishment of Council Libraries & Loan repayments relating to S94 Plan 18 (Community Services) & Plan 19 (Village Streetscape)	-\$	373
Reduced Internally Restricted Reserves - General mainly relating to the additional works on Bilarong Reserve Multi Trail, Barrenjoey Off Road Path Newport & Mona Vale Traffic Study	-\$	217
Reduced Internally Restricted Reserves - Marine Infrastructure mainly relating to Careel Bay Estuary & Coastline works	-\$	97
Additional Internally Restricted Reserves - SPRP mainly relating to Orchard St Narrabeen land sale and corresponding transfers to Council's Strategic Property Rationalisation Reserve	\$	310
Projected Restricted Reserve Balance for the year ending 30 June 2016	\$	31,927

4.8 Balance Sheet

Council's projected increase in equity for the year ending 30 June 2016 is \$20.026 million (net change in assets resulting from operations). This increase will see Councils Total Equity amount to \$1.1 billion at year end.

Pittwater Council Balance Sheet Budget Review for quarter ended 30 September 2015			
Actual 30/09/2015 \$'000's		Projected 30/06/2016 \$'000	Actual 30/06/2015 \$'000
CURRENT ASSETS			
3,517	Cash Assets	1,477	5,503
36,500	Investments	39,500	30,500
4,070	Receivables	3,879	5,057
50	Inventories	125	125
1,112	Other	719	719
0	Non Current Assets held for sale	0	0
<u>45,249</u>	TOTAL CURRENT ASSETS	<u>45,700</u>	<u>41,904</u>
NON-CURRENT ASSETS			
0	Investments	0	0
0	Receivables	770	1,065
0	Inventories	0	0
1,057,311	Infrastructure Property, Plant and Equipment	1,081,610	1,058,313
6,756	Investments Accounted for using the Equity Method	6,756	6,756
1,840	Investment Property	1,840	1,840
2,636	Intangible Assets	2,530	2,672
<u>1,068,543</u>	TOTAL NON-CURRENT ASSETS	<u>1,093,506</u>	<u>1,070,646</u>
<u>1,113,792</u>	TOTAL ASSETS	<u>1,139,206</u>	<u>1,112,550</u>
CURRENT LIABILITIES			
1,942	Payables	8,121	9,127
6,844	Rates & DWM Paid in Advance	0	0
1,211	Interest Bearing Liabilities	2,321	1,488
7,839	Provisions	8,483	7,787
<u>17,836</u>	TOTAL CURRENT LIABILITIES	<u>18,925</u>	<u>18,402</u>
NON-CURRENT LIABILITIES			
0	Payables	0	0
14,174	Interest Bearing Liabilities	20,241	14,174
155	Provisions	235	195
<u>14,329</u>	TOTAL NON-CURRENT LIABILITIES	<u>20,476</u>	<u>14,369</u>
<u>32,165</u>	TOTAL LIABILITIES	<u>39,401</u>	<u>32,771</u>
<u>1,081,627</u>	NET ASSETS	<u>1,099,805</u>	<u>1,079,779</u>
EQUITY			
1,081,627	Accumulated Surplus/ (Deficit)	1,099,805	1,079,779
	Asset Revaluation Reserve		
<u>1,081,627</u>	TOTAL EQUITY	<u>1,099,805</u>	<u>1,079,779</u>

4.9 Total Works Program Including Capital Budget Review Statement

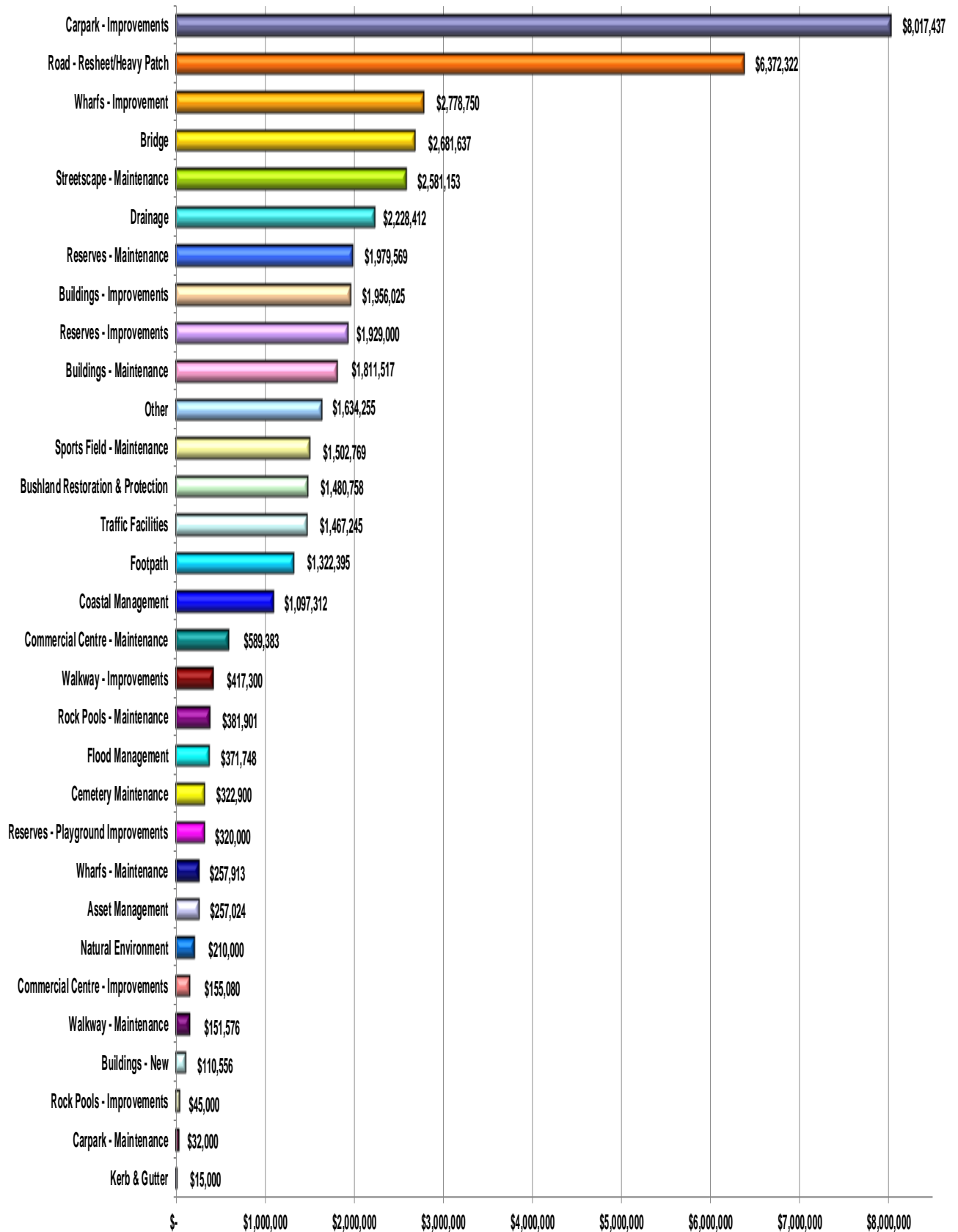
Council's Total Works Program including Maintenance and Capital (Renewals, Upgrades & New) expenditure amounts to \$44.478 million for the 2015-16 financial year. This expenditure has been categorised in the tables and graphs below to outline budgeted expenditure by *Type, Funding, Strategy* and *Key Direction*.

Pittwater Council Total Major Works Program - By Type of Expenditure 2015/16 September Review Budget

Carpark - Improvements	\$	8,017,437	18.0%
Road - Resheet/Heavy Patch	\$	6,372,322	14.3%
Wharfs - Improvement	\$	2,778,750	6.2%
Bridge	\$	2,681,637	6.0%
Streetscape - Maintenance	\$	2,581,153	5.8%
Drainage	\$	2,228,412	5.0%
Reserves - Maintenance	\$	1,979,569	4.5%
Buildings - Improvements	\$	1,956,025	4.4%
Reserves - Improvements	\$	1,929,000	4.3%
Buildings - Maintenance	\$	1,811,517	4.1%
Other	\$	1,634,255	3.7%
Sports Field - Maintenance	\$	1,502,769	3.4%
Bushland Restoration & Protection	\$	1,480,758	3.3%
Traffic Facilities	\$	1,467,245	3.3%
Footpath	\$	1,322,395	3.0%
Coastal Management	\$	1,097,312	2.5%
Commercial Centre - Maintenance	\$	589,383	1.3%
Walkway - Improvements	\$	417,300	0.9%
Rock Pools - Maintenance	\$	381,901	0.9%
Flood Management	\$	371,748	0.8%
Cemetery Maintenance	\$	322,900	0.7%
Reserves - Playground Improvements	\$	320,000	0.7%
Wharfs - Maintenance	\$	257,913	0.6%
Asset Management	\$	257,024	0.6%
Natural Environment	\$	210,000	0.5%
Commercial Centre - Improvements	\$	155,080	0.3%
Walkway - Maintenance	\$	151,576	0.3%
Buildings - New	\$	110,556	0.2%
Rock Pools - Improvements	\$	45,000	0.1%
Carpark - Maintenance	\$	32,000	0.1%
Kerb & Gutter	\$	15,000	0.1%
Total	\$	44,477,937	100%

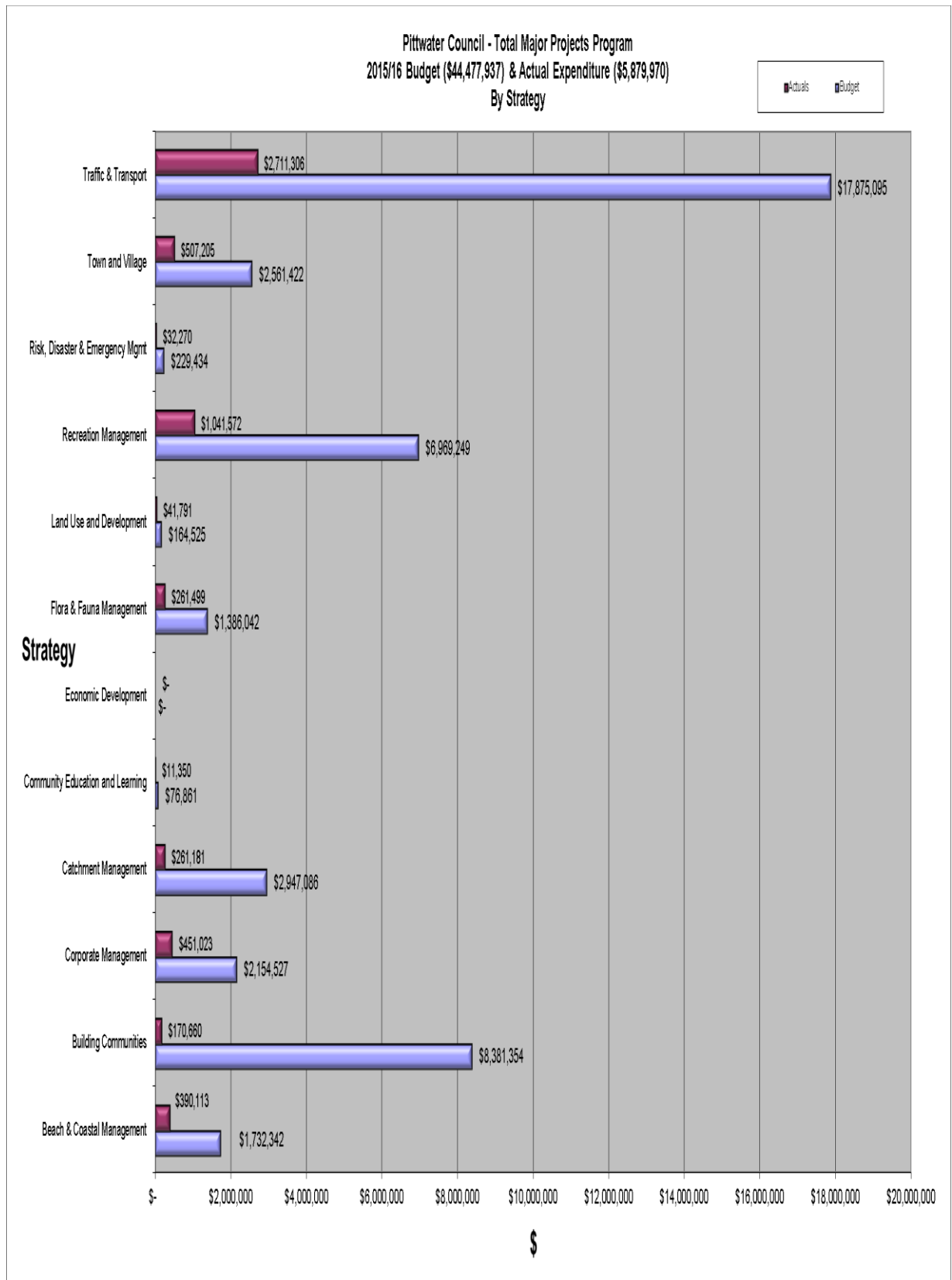
2015/16 Budget Expenditure - By Major Categories			
Infrastructure Based		Recreational/Environmental/Education Based	
Roads & Carparks	\$ 15,989,679	Natural Environment	\$ 2,259,634
Commercial Centres	\$ 3,325,616	Reserves & Sportsfields	\$ 6,054,238
Drainage & Flooding	\$ 2,685,835	Coastal	\$ 1,524,213
Buildings	\$ 6,645,410	Wharfs	\$ 3,036,663
Footpaths	\$ 1,322,395	Other	\$ -
Other	\$ 1,634,255		
Total	\$ 31,603,189	Total	\$ 12,874,748

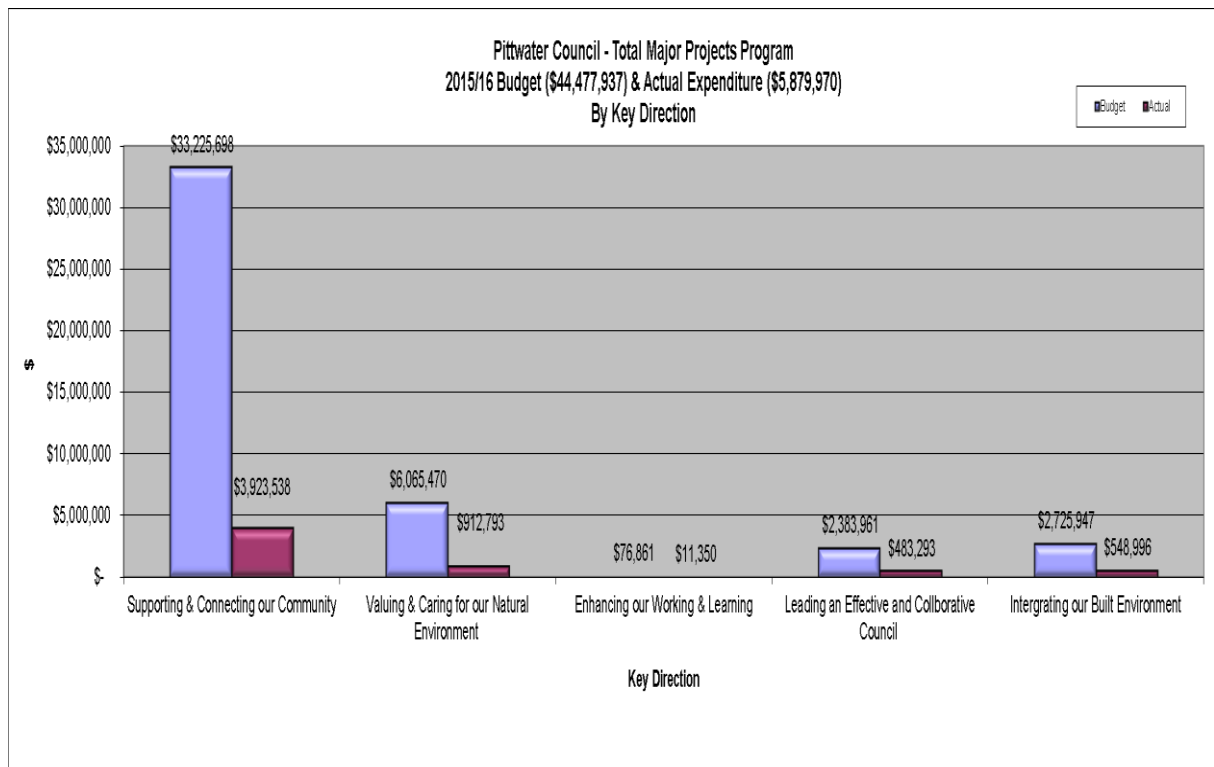
Pittwater Council - Total Major Projects Program 2015/16 Budget Expenditure (\$44,477,937) by Type



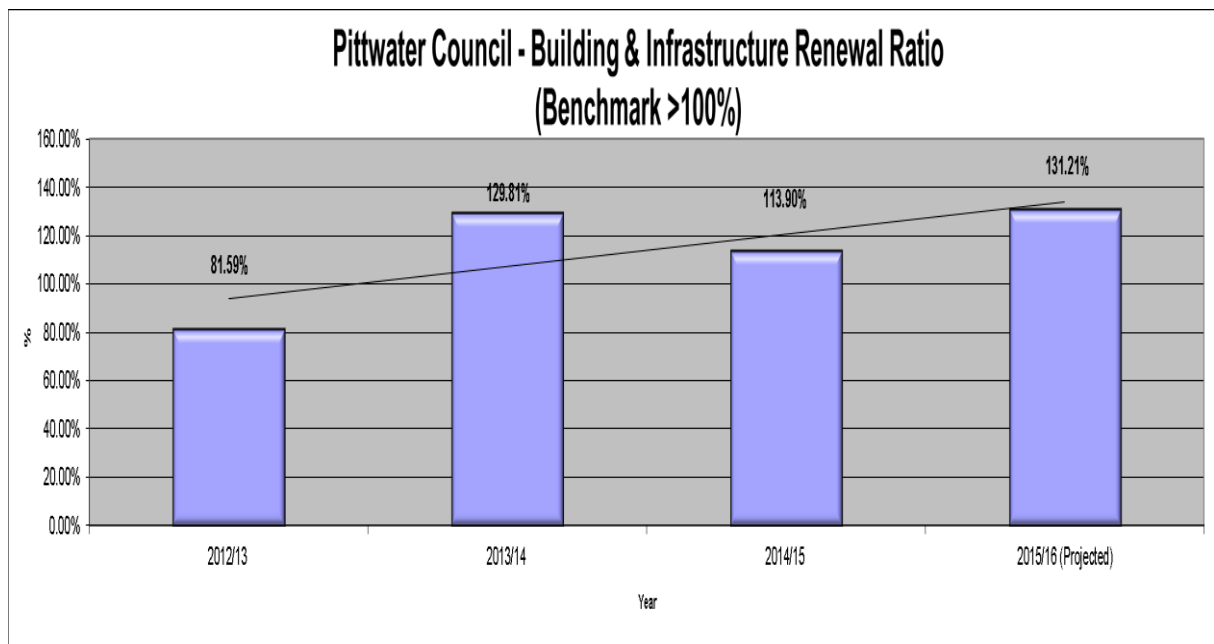
Total Major Projects Program has been categorised below by budgeted and actual expenditure in *Strategies*.

Total Major Projects Program Summary by Strategy





As a part of Council's Major Projects Program it has been recognised that more funds are required to be spent in the area of Building and Infrastructure Renewal in order for Council to achieve and maintain the industry benchmark of 100%. This benchmark reflects that for every \$1 of depreciation associated with Buildings and Infrastructure, Council's should be spending at least \$1 in renewals. With the injection of funds raised via the Special Rate Variation into the area of Building and Infrastructure renewal this ratio has improved and is now being maintained marginally above the industry benchmark at financial year end.



Pittwater Council
Budget review for the quarter ended - 30 September 2015
Capital Budget Review Statement

	Original Budget	Approved Changes	Revised Budget	*Sept 2015 Variations	Projected Budget	Sept 2015 Actual
Capital Funding						
Rates & Other Untied Funding	4,017	0	4,018	-97	3,920	266
Capital Grants & Contributions	3,412	0	3,412	719	4,131	508
Reserves:						
- External Restrictions/Reserves	7,677	647	8,324	80	8,404	562
- Internal Restrictions/Reserves	6,726	1,636	8,362	270	8,631	1,630
New Loans	8,800	0	8,800	0	8,800	0
Receipts from Sale of Assets						
- Plant & Equipment	763	0	763	0	763	158
- Land & Buildings	0	0	0	310	310	200
Other Funding	0	0	0	0	0	0
Total Capital Funding	31,395	2,283	33,679	1,282	34,960	3,324
Capital Expenditure						
New Assets						
- Plant & Equipment	0	0	0	0	0	0
- Land & Buildings	0	111	111	0	111	68
- Roads	4,204	0	4,204	0	4,204	0
- Footpaths	875	0	875	122	997	239
- Drainage	530	0	530	0	530	0
- Foreshore Assets	0	0	0	0	0	0
- Bridges	2,300	382	2,682	0	2,682	1
- Recreational Assets	1,895	0	1,895	60	1,955	32
- Carpark	7,400	0	7,400	0	7,400	23
- Other	87	0	87	0	87	15
Renewal & Upgrades of Assets						
- Land & Buildings	1,240	591	1,831	125	1,956	297
- Roads	2,618	69	2,687	-65	2,622	1,143
- Footpaths	195	0	195	216	411	156
- Drainage	1,255	10	1,265	0	1,265	100
- Foreshore Assets	3,034	749	3,783	298	4,081	252
- Natural Assets	490	51	541	0	541	45
- Recreational Assets	510	0	510	342	852	79
- Carpark	0	0	0	0	0	0
- Other	250	162	412	140	552	81
Total Capital Works	26,883	2,123	29,006	1,239	30,245	2,531
Other						
- Plant & Equipment Replacement	2,768	160	2,928	43	2,971	516
Loan Repayments (Principal)	1,745	0	1,745	0	1,745	277
Other Capital Expenditure	0	0	0	0	0	0
Total Capital Expenditure	31,395	2,283	33,679	1,281	34,960	3,324

As indicated in the above columns:

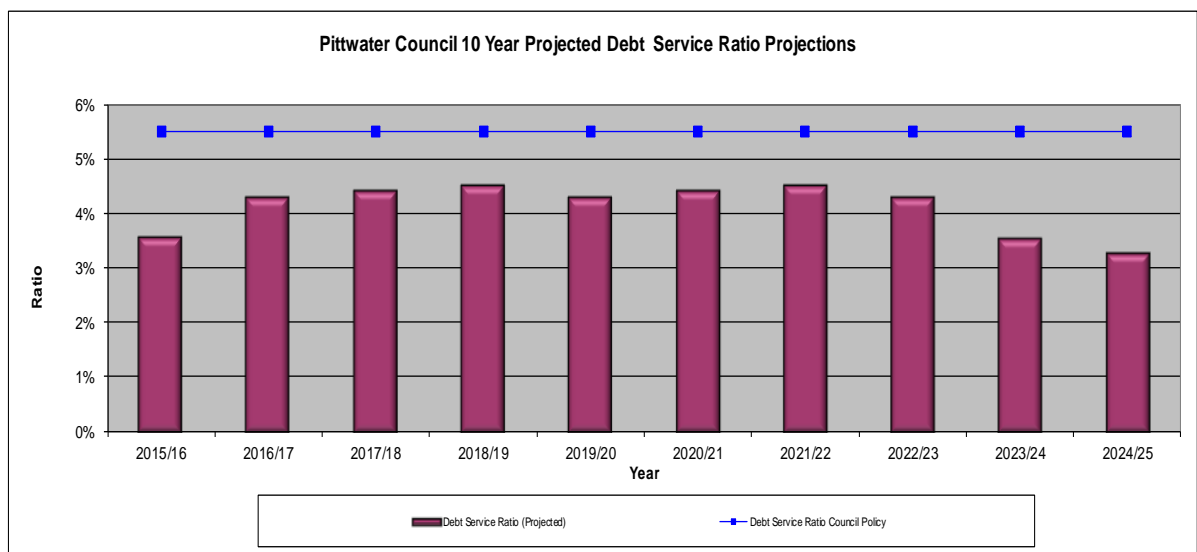
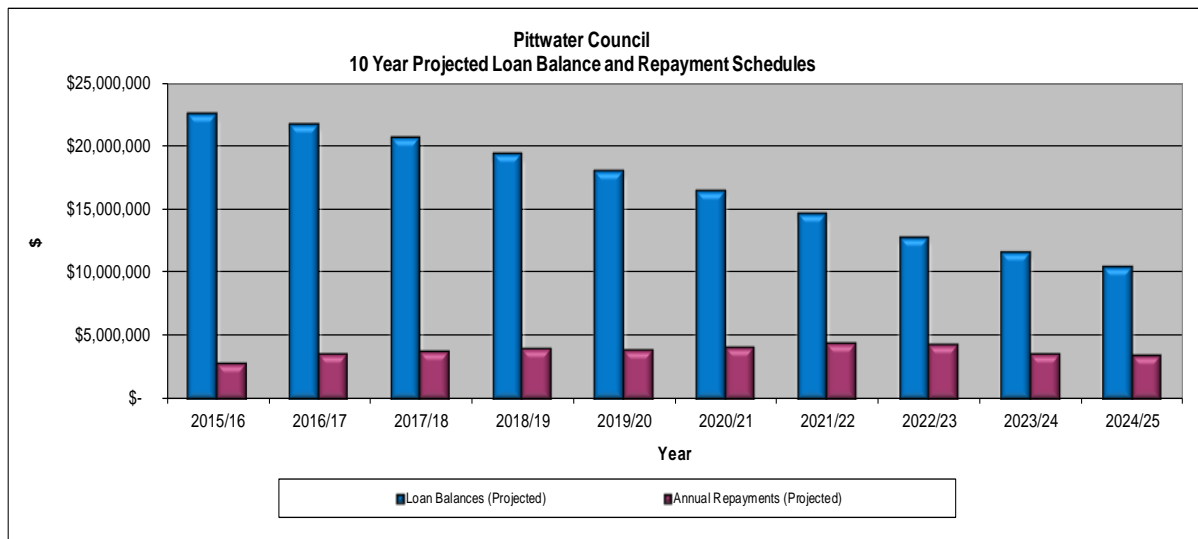
1. The "Original" Budget (+/-) the "Approved" Changes equals the "Revised" Budget
2. The "Revised" Budget (+/-) the "Quarterly Variations" equals the "Projected" Year End Budget.
3. * Recommended changes to Councils Revised budget are shown below

Budgeted Capital Expenditure as per Adopted Budget for the Year Ending 30 June 2016	\$ 33,679
Recommended Changes to Revised Budget	\$000's
Increased Capital Expenditure (New) on Footpath Assets mainly relating to works at Parkland Rd Mona Vale	\$ 122
Increased Capital Expenditure (Renewal & Upgrades) on Building Assets mainly relating to works at Mona Vale Surf Club	\$ 125
Increased Capital Expenditure (Renewal & Upgrades) on Footpath Assets mainly relating to works at Barrenjoey Off Road Path Newport	\$ 216
Increased Capital Expenditure (Renewal) on Foreshore Assets mainly relating to works at Careel Bay Estuary & Coastline and North Palm Beach dune rehabilitation	\$ 298
Increased Capital Expenditure (Renewal) on Recreational Assets mainly relating to works at Bilarong Reserve	\$ 342
Increased Capital Expenditure (Renewal) on Other Assets mainly relating to Better Waste & Recycle Funded works	\$ 178
Projected Capital Expenditure for the Year Ending 30 June 2016	\$ 34,960

4.10 Loan Projections

Council's estimated loan balances, principal and interest repayments and debt service coverage ratio (measuring the availability of operating cash to service debt) are demonstrated below for the next ten years. As indicated, Council's Loan program is increasing in order to support Council's infrastructure renewal needs and commercial opportunities. Council monitors its indebtedness via its debt service ratio policy, which measures debt service costs against total revenue. At 3.55% for 2015/16, Council's indebtedness falls within the policies maximum range of 5.5%.

Period	Year	New Loan Borrowings	Loan Balance at Financial Year End	Projected Principal Repayments	Projected Interest Repayments	Projected Repayment Annually	Debt Service Ratio
1	2015/16	\$ 8,800,000	\$ 22,562,830	\$ 1,748,580	\$ 1,053,896	\$ 2,802,476	3.55%
2	2016/17	\$ 1,500,000	\$ 21,739,271	\$ 2,323,559	\$ 1,231,641	\$ 3,555,200	4.29%
3	2017/18	\$ 1,500,000	\$ 20,668,614	\$ 2,570,657	\$ 1,187,124	\$ 3,757,781	4.40%
4	2018/19	\$ 1,500,000	\$ 19,335,814	\$ 2,832,800	\$ 1,124,768	\$ 3,957,568	4.50%
5	2019/20	\$ 1,500,000	\$ 18,036,357	\$ 2,799,456	\$ 1,079,734	\$ 3,879,190	4.29%
6	2020/21	\$ 1,500,000	\$ 16,472,789	\$ 3,063,568	\$ 1,030,544	\$ 4,094,111	4.41%
7	2021/22	\$ 1,500,000	\$ 14,631,071	\$ 3,341,719	\$ 967,317	\$ 4,309,036	4.51%
8	2022/23	\$ 1,500,000	\$ 12,812,556	\$ 3,318,515	\$ 889,920	\$ 4,208,435	4.29%
9	2023/24	\$ 1,500,000	\$ 11,565,544	\$ 2,747,014	\$ 818,943	\$ 3,565,957	3.53%
10	2024/25	\$ 1,500,000	\$ 10,448,155	\$ 2,617,389	\$ 771,154	\$ 3,388,543	3.27%



4.11 Special Rates Variation Levy

In order for Pittwater Council to remain a strong, independent and sustainable Council in 2011 an application was submitted to IPART for a Special Variation to Council's rates. Council's Special Rate Variation (SRV) will provide funds for a wide range of Infrastructure Works and Environmental Programs that will progressively improve both our 'urban' and 'natural' environment. The schedule of works and programs will be overseen through the Special Rate Variation (SRV) Advisory Committee.

The 2015/16 list of funds and SRV works are shown below.

Opening Reserve Balance as at 01/07/15	1,146,109
Budget Income 2015/2016	4,127,540
Budget Expenditure 2015/2016 (as shown below)	5,261,330
Projected Budget Balance for the year ended 30 June 2016 (restricted)	12,319

Special Rates Variation Works	Type of Works	Budget	YTD Actuals
Darley Road Mona Vale Road Rehabilitation	Road - Resheet/Heavy Patch	73,925	73,925
Bungan Lane Mona Vale Road Rehabilitation	Road - Resheet/Heavy Patch	32,000	32,000
Irrubel Road Newport Road Rehabilitation	Road - Resheet/Heavy Patch	184,571	58,223
Kalinya Street Newport Road Rehabilitation	Road - Resheet/Heavy Patch	72,459	72,459
Robertson Road Newport road Rehabilitation	Road - Resheet/Heavy Patch	28,955	28,955
Riviera Avenue Avalon Road Rehabilitation	Road - Resheet/Heavy Patch	42,671	42,671
Parkland Road Mona Vale Road Rehabilitation	Road - Resheet/Heavy Patch	156,084	156,084
Nullaburra Road Newport Road Rehabilitation	Road - Resheet/Heavy Patch	87,180	87,180
Bike Infrastructure Works	Footpath	50,000	76,629
Parkland Road Maxwell Street to Samuel Street Mona Vale Footpath	Footpath	220,988	-
Garden Street Jacksons Road to Natuna Street North Narrabeen Footp	Footpath	101,167	101,167
Grandview Drive Sybil Street Newport Footpath	Footpath	150,000	-
Narroy Avenue Nareen Creek North Narrabeen Footpath	Footpath	100,000	61,337
Oliver Way Wangara St to Mona Vale Rd Mona Vale	Footpath	50,000	-
Net Road Avalon Drainage	Drainage	22,000	-
Kevin Avenue Avalon Drainage	Drainage	40,000	-
Snapperman Lane Palm Beach Drainage Outlet	Drainage	18,000	-
Narrabeen Lagoon Entrance Clearance	Drainage	70,000	-
Scotland Island Robertson Road Drainage	Drainage	40,000	-
Scotland Island Richard Road Drainage	Drainage	65,000	-
Scotland Island Project Surveys	Drainage	10,000	184
Sportsfield and Open Space Improvements Drainage Kitchener Park	Reserves - Improvements	50,000	3,337
Carpark & Access Improvement Program - Bilarong	Carpark - Improvements	100,000	-
Carpark & Access Improvement Program - Clareville Beach Carpark	Carpark - Improvements	68,983	36,718
Facilities and Services at Beaches (Dune Restoration)	Coastal Management	130,482	4,171
Pittwater Estuary and Coastline Rehabilitation McCarrs Creek Reserve	Coastal Management	120,000	-
Mona Vale Beach Pittwater Estuary and Coastline Rehabilitation	Coastal Management	70,996	-
Cleanliness of Beaches and Ocean Pools Narrabeen	Rock Pools - Improvements	45,000	26,369
Bushland Risk Management	Coastal Management	109,434	12,949
Bushland Reserves Restoration of Major Reserves	Bushland Restoration & Protection	240,000	9,610
Regeneration & Enhancement of Wildlife Corridors	Bushland Restoration & Protection	39,224	266
Managing Natural Hazards	Natural Environment	90,000	22,750
Managing and protecting Creeks & Waterways	Natural Environment	120,000	-
Bushland Reserves Restoration of Minor Reserves	Bushland Restoration & Protection	22,120	5,265
Bells Wharf Upgrade	Wharfs - Improvement	180,000	-
Carols Wharf Upgrade	Wharfs - Improvement	236,470	-
Mackeral Beach Wharf Upgrade	Wharfs - Improvement	162,280	28,821
Church Point Commuter Wharf Upgrade	Wharfs - Improvement	100,000	-
North Narrabeen Rock Pool Public Amenities Improvement	Buildings - Improvements	193,569	455
Warriewood Beach Amenities - ARW	Buildings - Improvements	250,000	105,639
Energy Saving Initiatives and Retrofits SRV	Other	99,165	12,144
Ausgrid Meter Consolidation SRV	Other	15,000	10,250
Water Saving and Re-use Initiatives	Other	20,000	16,767
Mona Vale SLSC Designs	Buildings - Improvements	52,456	8,284
Refurbishment of Library	Buildings - Improvements	60,000	-
Church Point Precinct Improvements	Carpark - Improvements	223,857	23,444
Mona Vale Village Park Improvements	Reserves - Improvements	154,000	609
Mona Vale Village Park Improvements	Traffic Facilities	221,000	-
Mona Vale Village Park Improvements	Footpath	125,000	-
Keeping Villages and Surrounding Areas Beautiful	Commercial Centre - Maintenance	117,294	15,600
Facilities and Services at Beaches (Extension of Lifeguard Services)	Other	115,000	-
Protecting Native Plants and Animals	Bushland Restoration & Protection	60,000	14,156
Noxious and Environmental Weed Eradication	Bushland Restoration & Protection	35,000	1,342
Community Bushcare Program	Bushland Restoration & Protection	20,000	7,889
Total Special Rates Variation Works		5,261,330	1,157,649

4.12 Stormwater Management Service Charge

The Stormwater Management Service Charge Program (based on Section 496A to the Local Government Act 1993 made by the Local Government Amendment (Stormwater) Act 2005 and in accordance with clauses 125A, 125AA, 200A and 217 of the Local Government (General) Regulation 2005) is levied on rateable urban land that is categorised for rating purposes as residential or business (excludes vacant land – see definition in the Act). The charge levied is:

- \$25 for land categorised as residential
- \$12.50 per residential strata lot
- \$25 per 350 square metres (or part thereof) for land categorised as business
- Pro-rata apportionment for business strata complexes.

The purpose of the service charge is to fund both capital projects and recurrent expenditure relating to new or additional stormwater management services to eligible land within the 23 sub-catchments within Pittwater by taking a 'global' approach to stormwater services and ensuring a reasonable equitable distribution of Stormwater Management Services over time.

The Stormwater Management Service Charge Annual Works Program is set out below;

Opening Reserve Balance as at 01/07/15	49,686
Budget Income 2015/2016	528,046
Budget Expenditure 2015/2016 (as shown below)	530,000
Projected Budget Reserve Balance for the year ended 30 June 2016 (restricted)	47,732

Stormwater Management Service Charge	Budget	YTD Actuals
S/W Infrastructure Improvements Minor Catchments	70,000	6,727
S/W McKay Reserve Drainage	15,000	-
S/W Wiltshire Park Palm Beach Open Channel Improvements	20,000	-
S/W Asset Management - CCTV condition assessment inspection	35,000	-
S/W Capital Works & Emergency Program	140,000	-
S/W System Impact Assessment	40,000	-
S/W Mapping	15,000	-
Community & Industry S/W Pollution Education	25,000	7,195
S/W Quality Treatment Device Improvements	160,000	85,559
S/W Crystal Street Newport Drainage Outlet	10,000	-
Total Stormwater Management Service Charge	530,000	99,481

4.13 Developer Contribution Plans

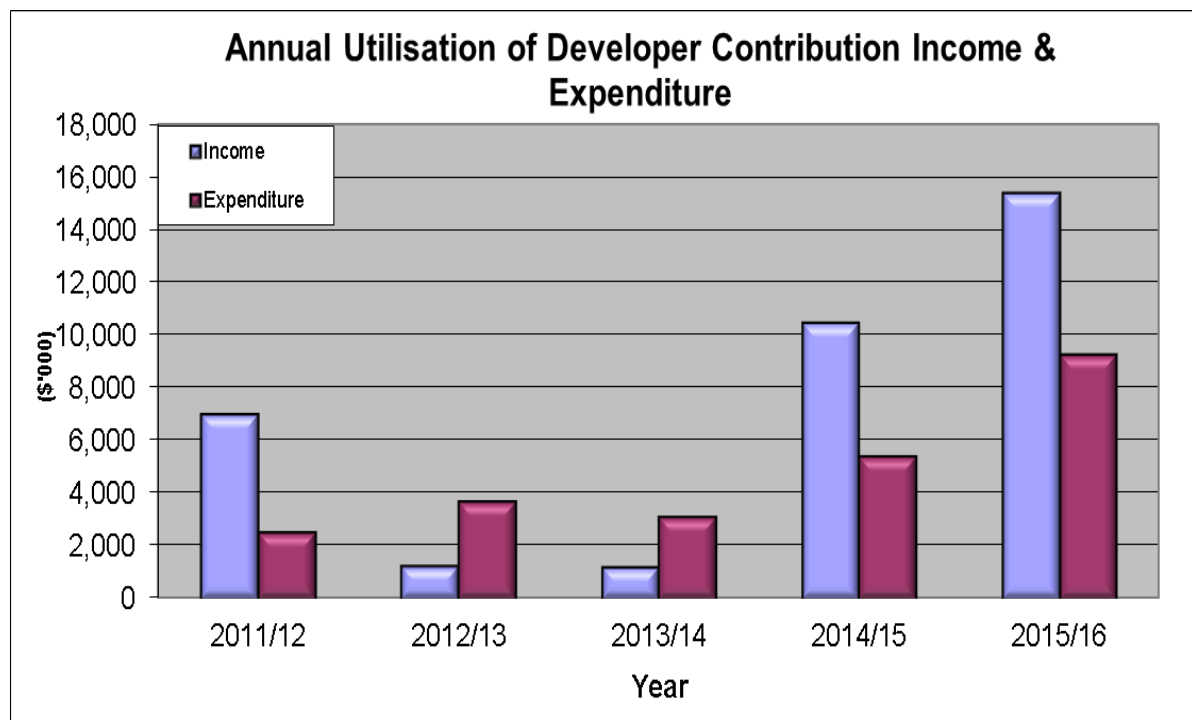
Developer Contributions are monetary contribution levied on developers at the development applications stage to pay for a proposed increase in demand for public services, such as roads and parks.

Council has a number of contribution plans, each containing income projections and work programs, enabling a financial strategy to efficiently and equitably administer the funds. A summary detailing the balances and projected income and expenditure for the current year of the various plans is contained within the table below:

DEVELOPER CONTRIBUTION PLANS	Budget				Actual
	Plan Balance as at 30/06/15	Expenditure for 2015/16	Income for 2015/16	Plan Balance as at 30/06/16	Plan Balance as at 30/09/15
Community Service Facilities	\$ -	\$ 166,512	\$ 200,547	\$ 34,035	\$ 11,348
Newport Car Parking	\$ 1,433	\$ -	\$ 22	\$ 1,455	\$ 1,433
Open Space	\$ 310,738	\$ 390,000	\$ 404,921	\$ 325,659	\$ 283,644
Village Streetscape	\$ 233,320	\$ 501,593	\$ 300,520	\$ 32,247	\$ 123,240
Public Libraries	\$ 264,790	\$ 200,000	\$ 102,528	\$ 167,318	\$ 232,790
Warriewood Valley	\$ 12,702,831	\$ 8,011,878	\$ 14,400,186	\$ 19,091,139	\$ 12,428,645
Totals	\$ 13,513,112	\$ 9,269,983	\$ 15,408,724	\$ 19,651,853	\$ 13,081,101

Council is required to undertake financial management of developer contributions as the authority responsible for most of the communities' infrastructure and regional facilities. The timing of the capital expenditure is heavily dependent upon the levels of development and contributions received.

To demonstrate Pittwater Council's financial management of developer contributions, a comparison of income (contributions received) versus expenditure for the provision of community facilities is shown in the graph below.



4.14 Consultancy and Legal Expenses

As a part of Council's Quarterly Budget Review Statement, expenditure associated with Consultancies and Legal Expenses are to be disclosed. Accordingly, YTD expenditure associated with Consultancies and Legal Fees are as follows:

Expenditure	Expenditure YTD	Budgeted (Y/N)
Consultancies	\$1,144,965	Yes – Budget \$7,065,613
Legal Fees	\$214,128	Yes – Budget \$925,000

An increase in the September Quarterly Budget Review associated with Consultancies has occurred. The budget has been increased from \$6,545,424 to \$7,065,613 which is mainly attributed to Floodplain Risk Studies and Mona Vale transport study

No change in the September Quarterly Budget Review associated with Legal Fees.

Contracts and Other Expenses

As a part of Council's Quarterly Budget Review Statement, a list of Contracts that **exceed \$50,000** and that have been entered into during the September 2015 Quarter and have yet to be fully performed are to be disclosed (*excluding contracts selected from Council's preferred supplier list and those associated with employment*). Accordingly, a list of such Contractors is as follows:

Contracts entered into in the September 2015 Quarter (exceeding \$50,000)

Contractor	Detail & Purpose	Contract Value	Start	Duration	Budget (Y/N)
NIL					

In determining Council's Original Budget and subsequent Budget Reviews an overall budget is assigned to functions of Council that incorporate a number of contracts to fulfil to projected works associated with that function of Council. Contracts that are undertaken throughout the year that give rise to an increase in the overall contractors budget assigned to a function of Council are required to be separately disclosed. Accordingly, a list of Contracts associated with a budgetary increase is listed below (*note: if no contracts are listed below, all contracts let during the Quarter have not given rise to a budgetary increase and have been facilitated with the Original or previous Quarterly Budgetary Reviews*):

Contracts entered into in the September 2015 Quarter that gave rise to an increase in the Budget.

Contractor	Detail & Purpose	Contract Value	Start	Duration	Budget (Y/N)
NIL					

4.15 Council Key Directions and Associated Strategies

Over the last two years Pittwater Council, in collaboration with the Local Community, developed Pittwater 2020, the first of its kind. This strategic plan provides an overarching framework to proactively respond to the community aspirations and desires.

The Strategic Plan articulates the community vision for what Pittwater should be like in 2020 and outlines five interlinked and independent key directions and their associated strategies under which all planning will occur. The 12 key strategies have been developed providing the operational mechanism – vision, objectives, initiatives and measures – to achieve the inspirational goals and targets.

Accordingly, in an effort to assist Council's Strategic Plan and associated vision the 2015/16 budget, in addition to traditional financial reporting formats, has been broken down based upon the key five directions and their 12 associated strategies.

For information for the community the net consolidated position of each key direction and strategies are outlined below:

4.15.1 Supporting & Connecting our Community (Social)

The net impact of the 2015/16 Budget for this key direction is a cost of \$12.670 million.

This net cost includes:	
Operating Expenditure	\$20.094 million
Capital Expenditure	\$22.306 million
Income	(\$17.124) million
Transfer from Reserve*	(\$25.157) million
Transfer to Reserve*	\$12.581 million
Net Cost to Council	\$12.670 million

4.15.2 Valuing & Caring for our Natural Environment (Environmental)

The net impact of the 2015/16 Budget for this key direction is a cost of \$4.522 million.

This net cost includes:	
Operating Expenditure	\$6.391 million
Capital Expenditure	\$5.845 million
Income	(\$5.412) million
Transfer from Reserve*	(\$4.776) million
Transfer to Reserve*	\$2.474 million
Net Cost to Council	\$4.522 million

4.15.3 Enhancing our Working & Learning (Economic)

The net impact of the 2015/16 Budget for this key direction is a cost of \$2.682 million.

This net cost includes:	
Operating Expenditure	\$3.250 million
Capital Expenditure	\$316,000
Income	(\$763,000)
Transfer from Reserve*	(\$422,000)
Transfer to Reserve*	\$300,000
Net Cost to Council	\$2.682 million

4.15.4 Leading an effective & Collaborative Council (Governance)

The net impact of the 2015/16 Budget for this key direction is income of \$20.768 million.

This net income includes:	
Operating Expenditure	\$28.485 million
Capital Expenditure	\$4.705 million
Income	(\$64.169) million
Transfer from Reserve*	(\$4.098) million
Transfer to Reserve*	\$14.310 million
Net Income to Council	(\$20.768) million

4.15.5 Integrating our Built environment (Infrastructure)

The net impact of the 2015/16 Budget for this key direction is a cost of \$810,000.

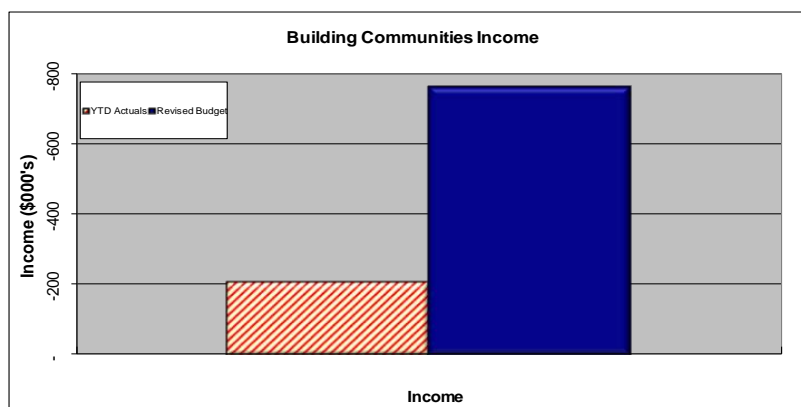
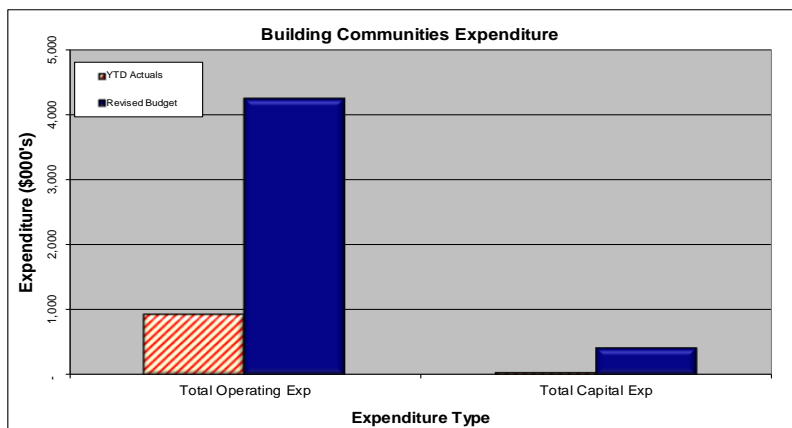
This net cost includes:	
Operating Expenditure	\$22.570 million
Capital Expenditure	\$1.790 million
Income	(\$22.550) million
Transfer from Reserve*	(\$2.108) million
Transfer to Reserve*	\$1.107 million
Net Cost to Council	\$810,000

**Note: Transfers to and from Reserve represent funds acquired in the current and/or prior financial years but are utilised or placed into reserve in the current financial year.*

12 Strategies - Net Budget Position: BUILDING COMMUNITIES

STRATEGY Building Communities		
Operating Expenditure	YTD Actuals -\$000's	Total Projected Budget -\$000's
Salaries and Wages	405	2,021
Other Employee Costs	120	649
Materials and Contracts	235	1,035
Depreciation	0	0
Interest	0	0
Other Costs	145	524
Total Operating Exp	905	4,229
Capital Expenditure		
Capital Asset Acquisitions	1	70
Capital Works Programs	23	331
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	24	401
Income (Op & Cap)		
User Fees	(189)	(681)
Fees and Charges	(8)	(25)
Grant Transfers	0	(54)
Contributions	0	0
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(8)	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(205)	(760)
Transfers from Reserves	0	(501)
Transfers to Reserves	0	0
Net Cost* / (Income)	725	3,369

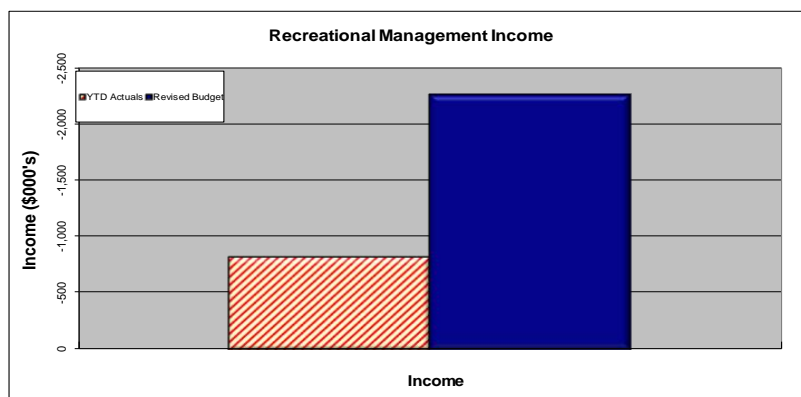
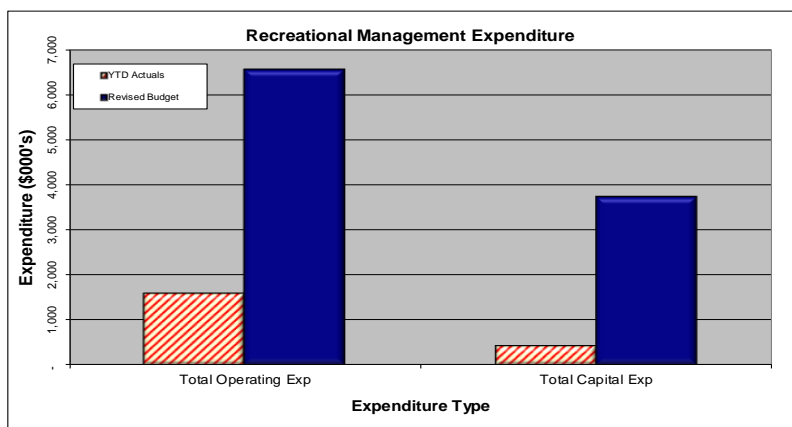
* Net Cost Funded By Rates



RECREATIONAL MANAGEMENT

STRATEGY Recreational Management		
Operating Expenditure	YTD Actuals -\$000's	Total Projected Budget -\$000's
Salaries and Wages	534	2,367
Other Employee Costs	175	792
Materials and Contracts	405	1,708
Depreciation	336	1,228
Interest	0	0
Other Costs	105	448
Total Operating Exp	1,556	6,543
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	420	3,723
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	420	3,723
Income (Op & Cap)		
User Fees	(600)	(1,340)
Fees and Charges	(17)	0
Grant Transfers	(1)	(271)
Contributions	(141)	(490)
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(54)	(150)
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(813)	(2,251)
Transfers from Reserves	(213)	(2,823)
Transfers to Reserves	123	608
Net Cost* / (Income)	1,074	5,799

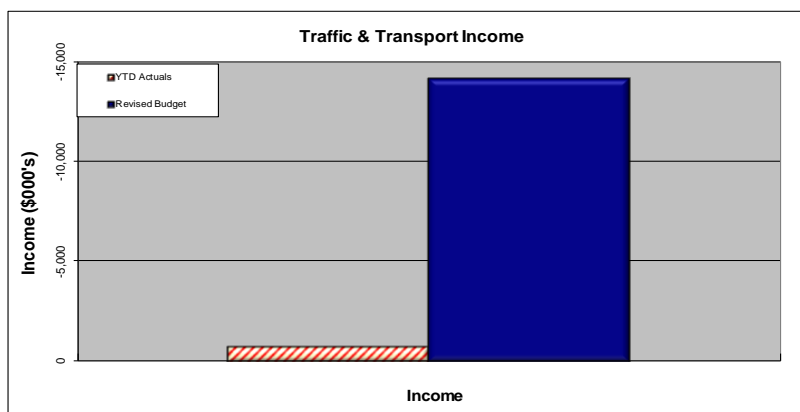
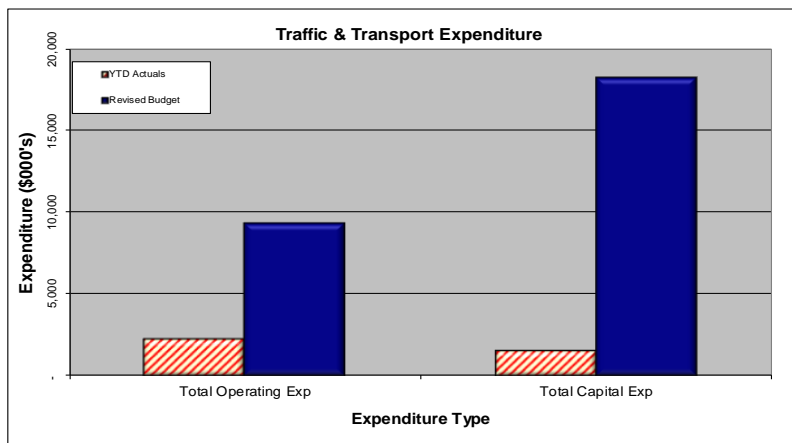
* Net Cost Funded By Rates



TRAFFIC AND TRANSPORT

STRATEGY Transport & Traffic		
Operating Expenditure	YTD Actuals -\$000's	Total Projected Budget -\$000's
Salaries and Wages	397	1,964
Other Employee Costs	132	651
Materials and Contracts	361	1,263
Depreciation	966	3,982
Interest	0	0
Other Costs	327	1,463
Total Operating Exp	2,183	9,323
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	1,466	18,182
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	1,466	18,182
Income (Op & Cap)		
User Fees	(165)	(470)
Fees and Charges	(98)	(250)
Grant Transfers	(433)	(1,589)
Contributions	(11)	(11,804)
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(4)	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(710)	(14,112)
Transfers from Reserves	(3,282)	(21,834)
Transfers to Reserves	123	11,974
Net Cost* / (Income)	(220)	3,533

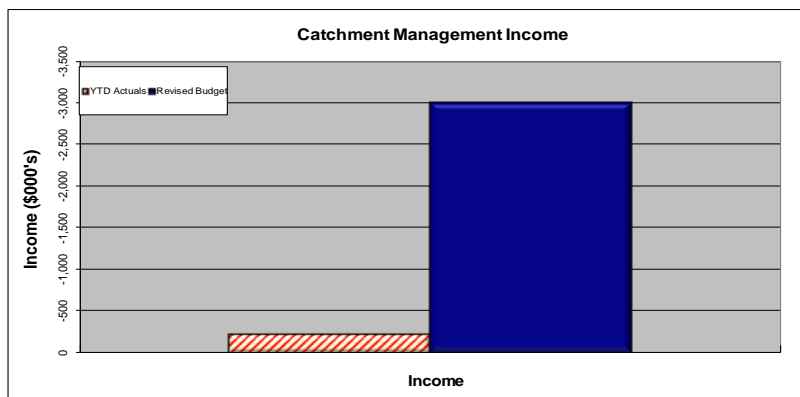
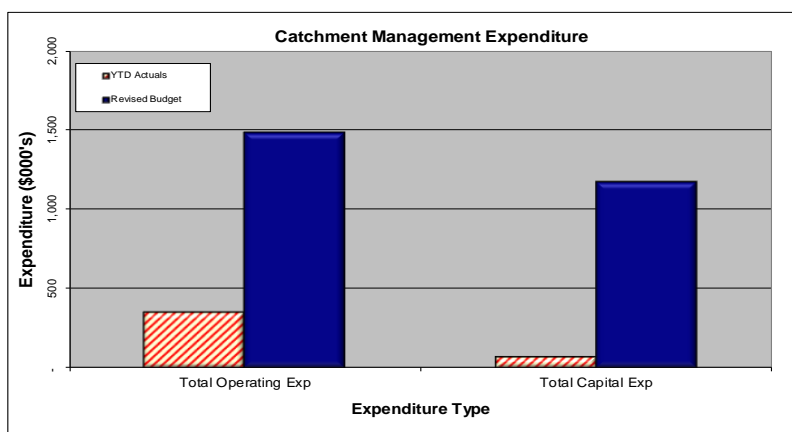
* Net Cost Funded By Rates



CATCHMENT MANAGEMENT

STRATEGY Catchment Management		
Operating Expenditure	YTD Actuals -\$000's	Total Projected Budget -\$000's
Salaries and Wages	194	590
Other Employee Costs	69	215
Materials and Contracts	27	225
Depreciation	0	0
Interest	0	0
Other Costs	58	451
Total Operating Exp	348	1,481
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	68	1,170
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	68	1,170
Income (Op & Cap)		
User Fees	(8)	(25)
Fees and Charges	0	0
Grant Transfers	(18)	(498)
Contributions	(49)	(1,946)
Rates Income	(133)	(528)
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	0	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(208)	(2,997)
Transfers from Reserves	(43)	(890)
Transfers to Reserves	132	2,474
Net Cost* / (Income)	297	1,238

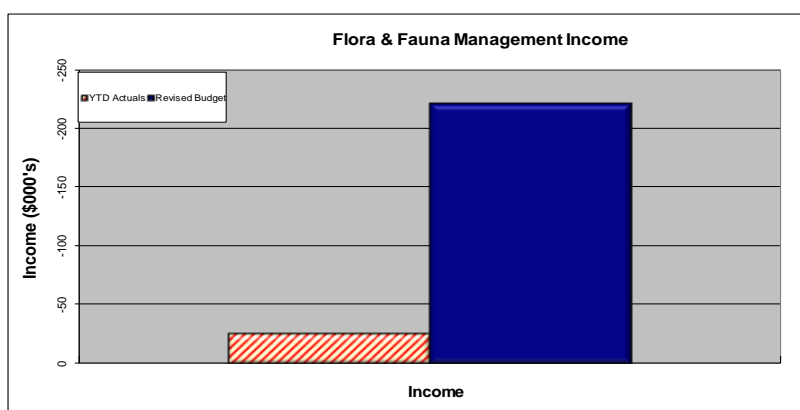
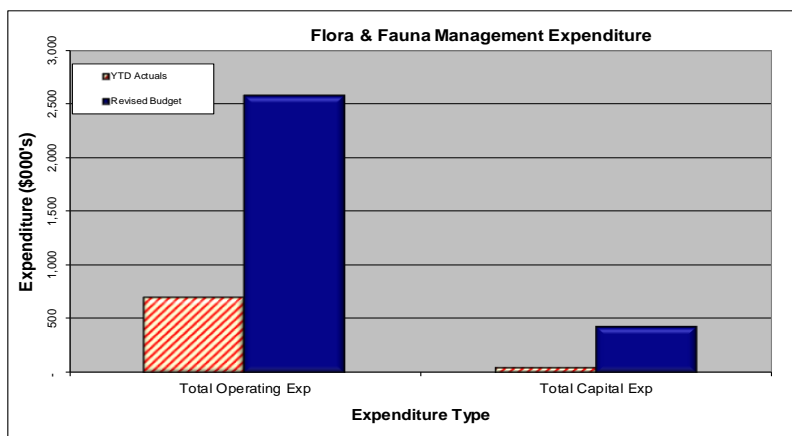
* Net Cost Funded By Rates



FLORA AND FAUNA MANAGEMENT

STRATEGY Flora & Fauna Management		
Operating Expenditure	YTD Actuals -\$000's	Total Projected Budget -\$000's
Salaries and Wages	252	921
Other Employee Costs	69	270
Materials and Contracts	271	976
Depreciation	0	0
Interest	0	0
Other Costs	94	404
Total Operating Exp	686	2,571
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	45	421
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	45	421
Income (Op & Cap)		
User Fees	0	0
Fees and Charges	(17)	(50)
Grant Transfers	(8)	(150)
Contributions	0	0
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	0	(20)
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(25)	(220)
Transfers from Reserves	(133)	(1,614)
Transfers to Reserves	0	0
Net Cost* / (Income)	573	1,158

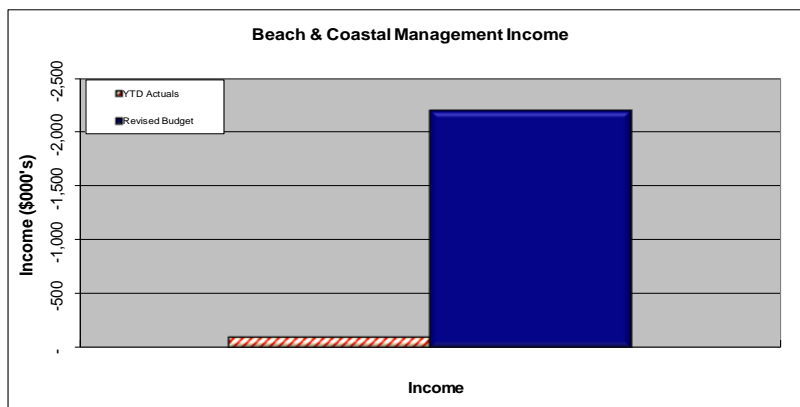
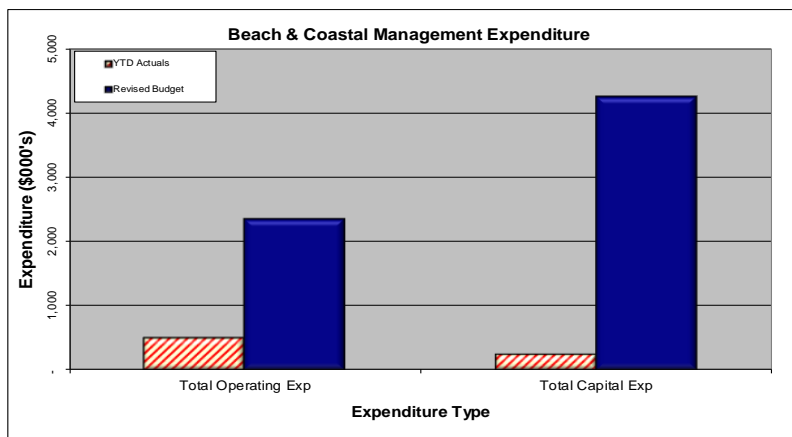
* Net Cost Funded By Rates



BEACH AND COASTAL MANAGEMENT

STRATEGY Beach & Coastal Management		
Operating Expenditure	YTD Actuals -\$000's	Total Projected Budget -\$000's
Salaries and Wages	114	483
Other Employee Costs	38	163
Materials and Contracts	275	1,237
Depreciation	0	0
Interest	0	0
Other Costs	58	456
Total Operating Exp	485	2,339
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	226	4,253
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	226	4,253
Income (Op & Cap)		
User Fees	0	0
Fees and Charges	0	0
Grant Transfers	(82)	(2,184)
Contributions	0	0
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(8)	(10)
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(90)	(2,194)
Transfers from Reserves	(222)	(2,272)
Transfers to Reserves	0	0
Net Cost* / (Income)	398	2,126

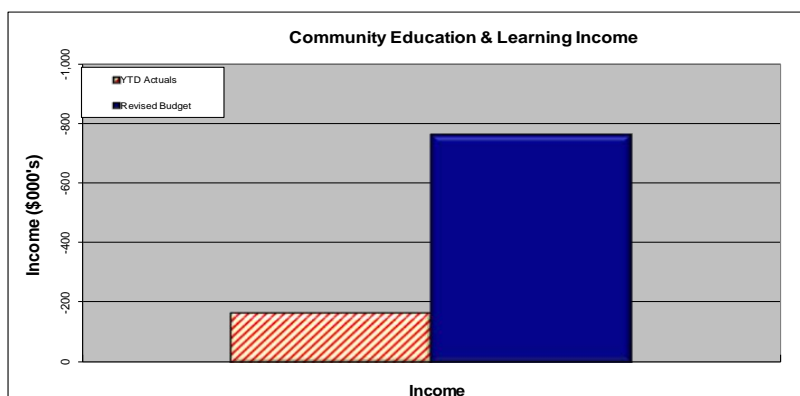
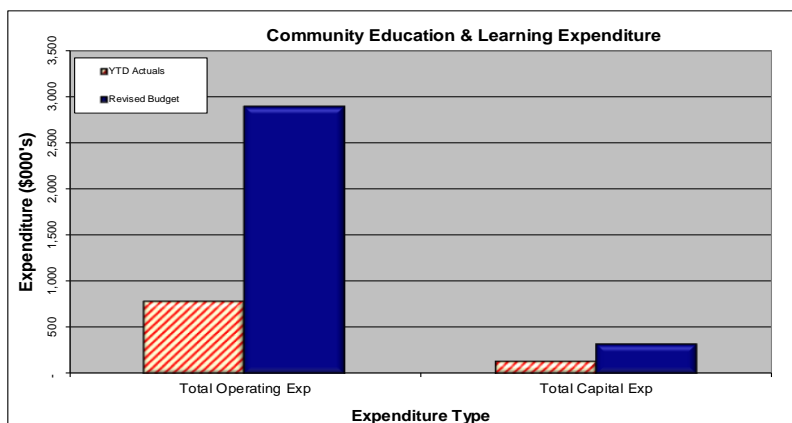
* Net Cost Funded By Rates



COMMUNITY EDUCATION AND LEARNING

STRATEGY		
Community Education & Learning		
Operating Expenditure	YTD	Total
	Actuals	Projected
	-\$000's	Budget
		-\$000's
Salaries and Wages	450	1,660
Other Employee Costs	120	463
Materials and Contracts	30	152
Depreciation	57	184
Interest	0	0
Other Costs	110	423
Total Operating Exp	768	2,883
Capital Expenditure		
Capital Asset Acquisitions	129	316
Capital Works Programs	0	0
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	129	316
Income (Op & Cap)		
User Fees	(46)	(159)
Fees and Charges	(5)	(20)
Grant Transfers	(61)	(284)
Contributions	(50)	(300)
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	0	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(162)	(763)
Transfers from Reserves	(50)	(234)
Transfers to Reserves	50	300
Net Cost* / (Income)	735	2,502

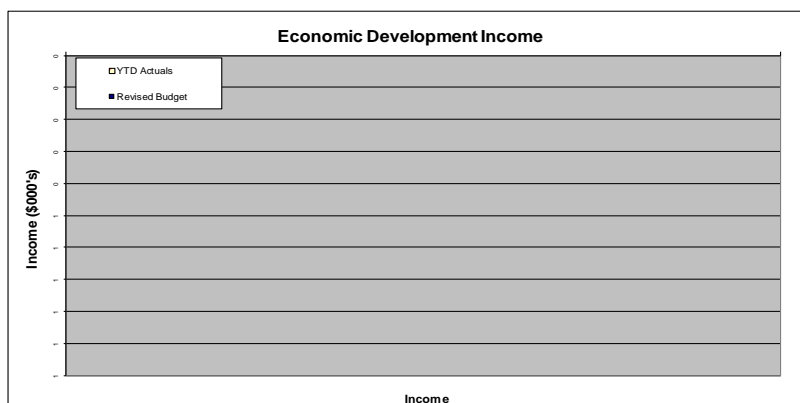
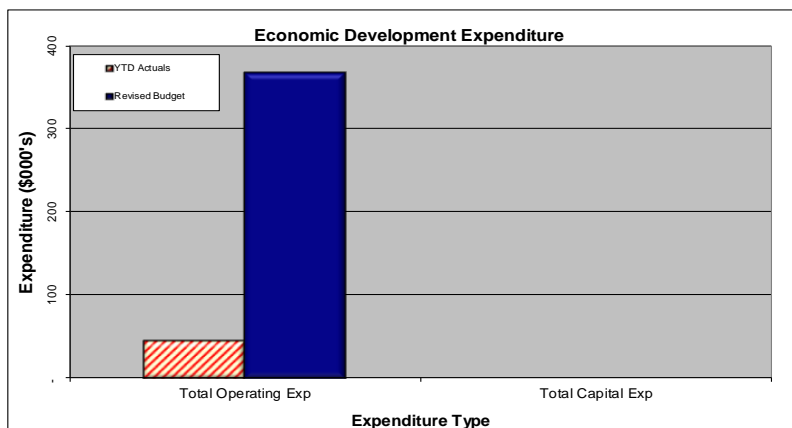
* Net Cost Funded By Rates



ECONOMIC DEVELOPMENT

STRATEGY		
Economic Development		
Operating Expenditure	YTD	Total
	Actuals	Projected
	-\$000's	Budget
		-\$000's
Salaries and Wages	34	162
Other Employee Costs	9	45
Materials and Contracts	0	20
Depreciation	0	0
Interest	0	0
Other Costs	1	140
Total Operating Exp	44	367
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	0	0
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	0	0
Income (Op & Cap)		
User Fees	0	0
Fees and Charges	0	0
Grant Transfers	0	0
Contributions	0	0
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	0	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	0	0
Transfers from Reserves	0	(188)
Transfers to Reserves	0	0
Net Cost* / (Income)	44	179

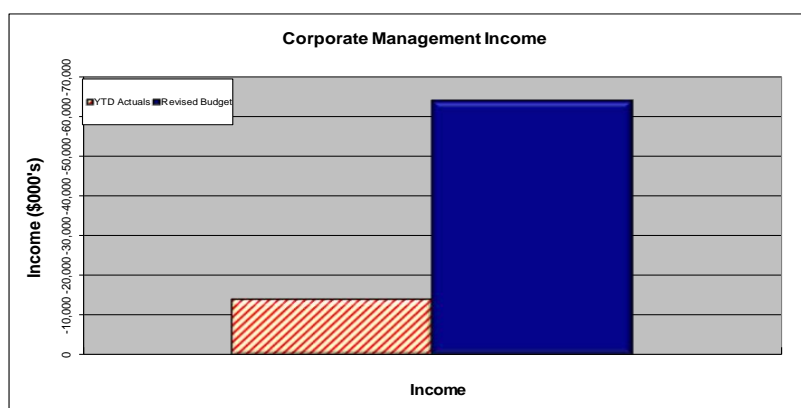
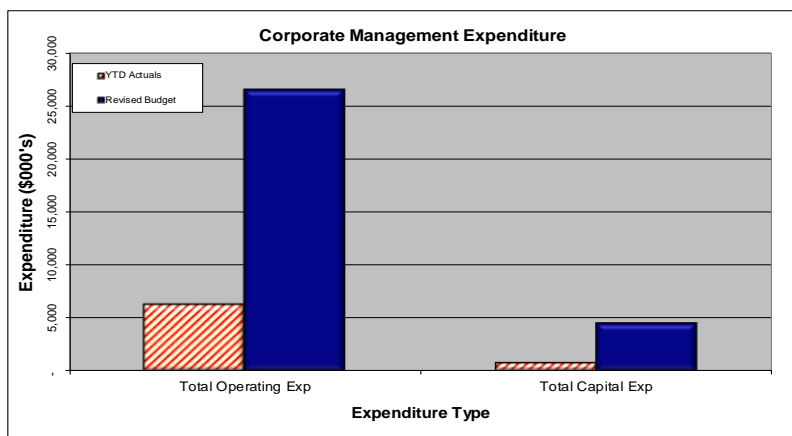
* Net Cost Funded By Rates



CORPORATE MANAGEMENT

STRATEGY		
Corporate Management		
Operating Expenditure	YTD	Total
	Actuals	Projected
	-\$000's	Budget
		-\$000's
Salaries and Wages	1,888	7,840
Other Employee Costs	685	2,965
Materials and Contracts	540	2,613
Depreciation	894	3,676
Interest	229	1,059
Other Costs	1,976	8,297
Total Operating Exp	6,212	26,450
Capital Expenditure		
Capital Asset Acquisitions	385	2,585
Capital Works Programs	50	169
Capital Material Public Benefits	0	0
Loan Repayments	277	1,745
Total Capital Exp	713	4,499
Income (Op & Cap)		
User Fees	(2,232)	(9,946)
Fees and Charges	(121)	(153)
Grant Transfers	(1,279)	(2,342)
Contributions	0	(9,299)
Rates Income	(9,366)	(39,050)
Domestic Waste Charge	0	0
Return on Investments & Other	(296)	(1,287)
Other Income	(90)	(683)
Capital Assets Disposals	(359)	(1,073)
Total Income (Op & Cap)	(13,742)	(63,833)
Transfers from Reserves	(213)	(3,955)
Transfers to Reserves	1,384	14,225
Net Cost* / (Income)	(5,646)	(22,614)

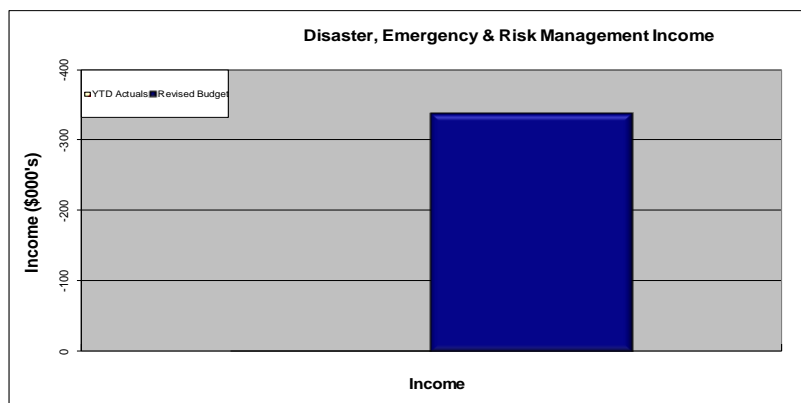
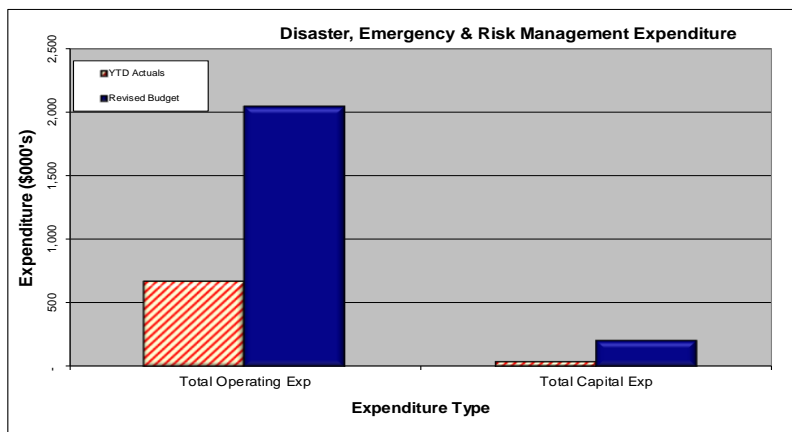
* Net Cost Funded By Rates



DISASTER, EMERGENCY AND RISK MANAGEMENT

STRATEGY		
Disaster, Emergency & Risk Management		
Operating Expenditure	YTD	Total
	Actuals	Projected
	-\$000's	Budget
		-\$000's
Salaries and Wages	92	114
Other Employee Costs	26	32
Materials and Contracts	123	246
Depreciation	0	0
Interest	0	0
Other Costs	418	1,643
Total Operating Exp	659	2,034
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	33	206
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	33	206
Income (Op & Cap)		
User Fees	0	0
Fees and Charges	0	0
Grant Transfers	(0)	0
Contributions	0	(337)
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(0)	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(0)	(337)
Transfers from Reserves	(53)	(143)
Transfers to Reserves	0	86
Net Cost* / (Income)	638	1,846

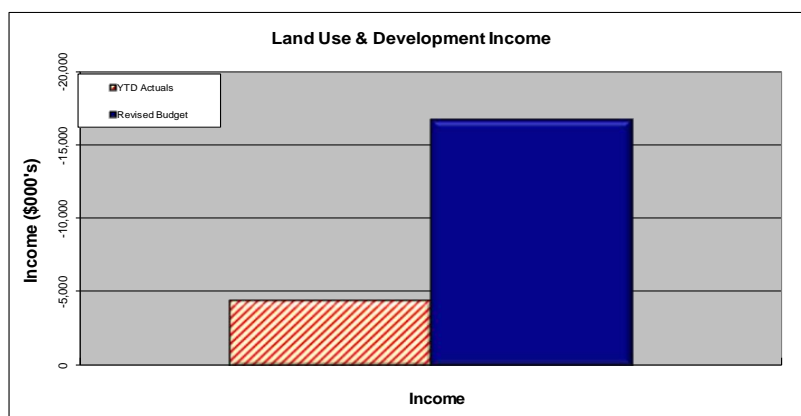
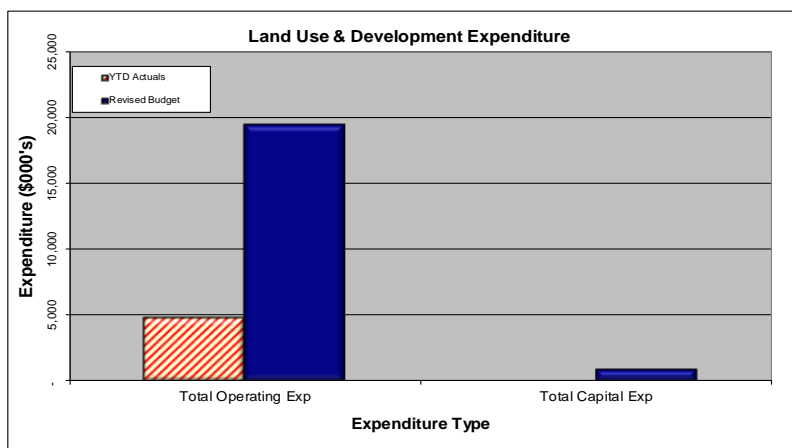
* Net Cost Funded By Rates



LAND USE AND DEVELOPMENT

STRATEGY Land Use & Development		
Operating Expenditure	YTD Actuals -\$000's	Total Projected Budget -\$000's
Salaries and Wages	1,036	4,012
Other Employee Costs	297	1,155
Materials and Contracts	1,608	6,393
Depreciation	0	0
Interest	0	0
Other Costs	1,819	7,831
Total Operating Exp	4,760	19,392
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	43	866
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	43	866
Income (Op & Cap)		
User Fees	(289)	(802)
Fees and Charges	(322)	(1,197)
Grant Transfers	(47)	(200)
Contributions	0	0
Rates Income	0	0
Domestic Waste Charge	(3,584)	(14,346)
Return on Investments & Other	0	0
Other Income	(109)	(138)
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(4,351)	(16,683)
Transfers from Reserves	(88)	(978)
Transfers to Reserves	0	621
Net Cost* / (Income)	365	3,218

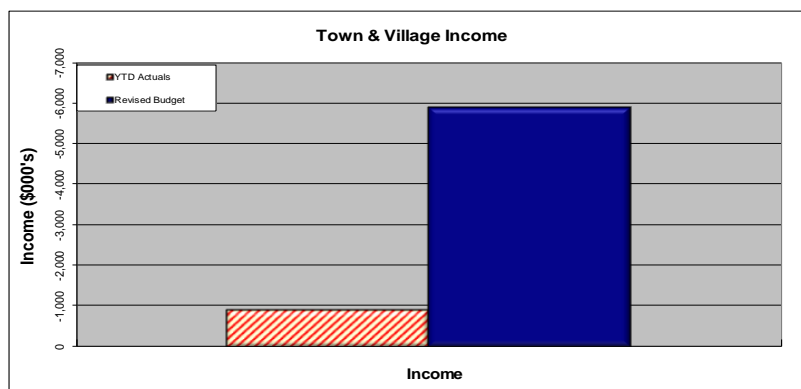
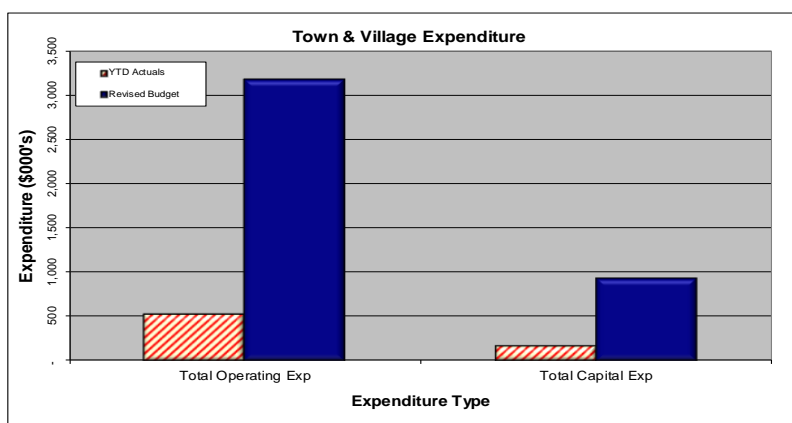
* Net Cost Funded By Rates



TOWN AND VILLAGE

STRATEGY Town & Village		
Operating Expenditure	YTD Actuals -\$000's	Total Projected Budget -\$000's
Salaries and Wages	295	1,266
Other Employee Costs	88	372
Materials and Contracts	118	545
Depreciation	20	88
Interest	0	0
Other Costs	0	907
Total Operating Exp	522	3,178
Capital Expenditure		
Capital Asset Acquisitions	0	0
Capital Works Programs	158	924
Capital Material Public Benefits	0	0
Loan Repayments	0	0
Total Capital Exp	158	924
Income (Op & Cap)		
User Fees	(391)	(2,363)
Fees and Charges	(405)	(3,204)
Grant Transfers	0	0
Contributions	(45)	(300)
Rates Income	0	0
Domestic Waste Charge	0	0
Return on Investments & Other	0	0
Other Income	(38)	0
Capital Assets Disposals	0	0
Total Income (Op & Cap)	(879)	(5,867)
Transfers from Reserves	(240)	(1,129)
Transfers to Reserves	0	486
Net Cost* / (Income)	(439)	(2,409)

* Net Cost Funded By Rates



5.0 ATTACHMENTS / TABLED DOCUMENTS

Nil attachments

6.0 SUSTAINABILITY ASSESSMENT

6.1 GOVERNANCE & RISK

7.1.1 Community Engagement

- Not Applicable

7.1.2 Risk Management

- As a part of Council's 2015/16 budget process, quarterly reviews are undertaken to mitigate financial risk. The September 2015 budget review has incorporated all known financial amendments to ensure financial sustainability, risk mitigation and that community needs are met within Council's available resources.

6.2 ENVIRONMENT

7.2.1 Environmental Impact

- As per Risk Statement

7.2.2 Mitigation Measures

- Not Applicable

6.3 SOCIAL

7.3.1 Address Community Need & Aspirations

- As per Risk Statement

7.3.2 Strengthening Local community

- Not Applicable

6.4 ECONOMIC

7.4.1 Economic Development

- As per Risk Statement

Report prepared by
Myles Thana, Management Accountant

Mark Jones
CHIEF FINANCIAL OFFICER

C11.3 Councillor Expenses Policy No. 145

Meeting: Leading and Learning Committee

Date: 16 November 2015

COMMUNITY STRATEGIC PLAN STRATEGY: Corporate Management

COMMUNITY STRATEGIC PLAN OBJECTIVE:

- To provide leadership through ethical, accountable and legislative decision-making processes

–

DELIVERY PROGRAM ACTION:

- To effectively manage Council's corporate governance responsibilities
-

1.0 EXECUTIVE SUMMARY

1.1 SUMMARY

Section 252 of the Local Government Act 1993, requires Council to annually review and adopt a Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors within 5 months of the end of each year for submission to the NSW Office of Local Government.

The proposed policy must be placed on public exhibition for a minimum of 28 days, regardless of whether amendments are required, to provide the public an opportunity for comment. Any public submissions received during this period are reported back to Council for consideration.

The draft policy was placed on public exhibition from 28 September to 30 October 2015.

At the close of the exhibition period no comments or submissions were received in relation to the draft policy.

2.0 RECOMMENDATION

That the Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors (Policy No. 145) at Attachment 1 be adopted.

3.0 BACKGROUND

3.1 PURPOSE

To consider any submissions received during the public exhibition of the Draft Policy No. 145 - Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors.

3.2 BACKGROUND

At the 21 September 2015 Council meeting the Council resolved to make minor amendments to the “*Procedures for processing of expenses incurred*” section within the Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy (No 145) – **Attachment 1**.

The Council resolved to place the draft policy on public exhibition.

The draft policy was placed on public exhibition from Monday 28 September to Friday 30 October 2015.

No comments or submissions were received in relation to the draft policy during this period.

3.3 POLICY IMPLICATIONS

This report relates to the annual review of Policy No 145 – Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors.

3.4 RELATED LEGISLATION

Local Government Act 1993, section 252

3.5 FINANCIAL ISSUES

3.5.1 Budget

There are no budget implications in relation to the review of this policy.

3.5.2 Resources Implications

There are no resourcing implications in relation to the review of this policy.

4.0 KEY ISSUES

Section 252 of the Local Government Act 1993 requires Council to annually review and adopt a Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors within 5 months of the end of each year for submission to the NSW Office of Local Government.

In making this policy, Council has taken into consideration the requirements of the amended “Model Code of Conduct for Local Councils in NSW, Department of Local Government – June 2008”.

Council last adopted this policy at its 1 December 2014 meeting with some minor amendments to the “Local travel arrangements and expenses” section in the policy.

Council is required to place the draft policy on public exhibition prior to adoption regardless of whether there are recommended changes or not.

At the close of the exhibition period (28 September to 30 October 2015) no comments or submissions were received in relation to this draft policy.

The amended wording which Council resolved to include in the draft policy, at the 21 September 2015 Council meeting, appears in red in **Attachment 1** and was incorporated into the draft policy prior to being placed on public exhibition.

5.0 ATTACHMENTS

Attachment 1 – Policy No 145: Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy

6.0 SUSTAINABILITY ASSESSMENT

6.1 GOVERNANCE & RISK

6.1.1 Community Engagement

The policy is required to be placed on public exhibition for a period of 28 days after which time a report is presented to Council on any submissions received

6.1.2 Risk Management

- This policy sets out those expenses which Councillors can claim and the facilities which Council makes available to them as a consequence of carrying out their civic responsibilities.
- Claims made outside this policy will be refused as a breach of this policy and may have serious legal and/or reputational risk implications.

6.2 ENVIRONMENT

6.2.1 Environmental Impact

- This report has no environmental impact.

6.3 SOCIAL

6.3.1 Strengthening local community

- Providing the public an opportunity to comment on this policy promotes an environment of openness and transparency in the way the policy is reviewed.

6.4 ECONOMIC

6.4.1 Economic Development

- This report has no impact on economic development.

Report prepared by
Sonya Gallery, Principal Officer – Governance

Warwick Lawrence
MANAGER, ADMINISTRATION & GOVERNANCE

Council Policy – No 145 Version: 19	Adopted:	OM04.07.94
	Amended	OM17.10.94, OM24.07.95, OM25.11.96, OM07.04.97, OM08.09.97, OM23.10.00, OM14.04.03, OM21.06.04, OM09.08.04, OM13.12.04, OM14.02.05, OM09.10.06, OM20.11.06, OM07.04.08 OM15.12.08, 21.09.09 OM06.12.10, OM17.10.11 OM03.12.12, OM01.12.14 OM16.11.2015

TITLE: **POLICY FOR THE PAYMENT OF EXPENSES AND PROVISION OF FACILITIES TO THE MAYOR, DEPUTY MAYOR AND COUNCILLORS**

STRATEGY: **Corporate Management**

BUSINESS UNIT: **Administration and Governance**

RELEVANT LEGISLATION: **Local Government Act 1993 (Section 252)**

RELATED POLICIES: **None**

Objective

To ensure that the details and range of benefits provided to Councillors by the Council is clearly stated and fully transparent and acceptable to the local community.

Policy Statement

The purpose of this Policy is to ensure accountability and transparency in the reimbursement of expenses incurred by councillors and that the facilities provided to assist councillors to carry out their civic duties are reasonable.

TABLE OF PROVISIONS

PART 1 – INTRODUCTION

- Title, commencement of the Policy**
- Purpose of the Policy**
- Objectives and coverage of the Policy**
- Making and adoption of the Policy**
- Reporting requirements**
- Reporting of equipment and facilities costs**
- Legislative provisions**
- Other Government Policy Provisions**
- Approval arrangements**

PART 2 – PAYMENT OF EXPENSES

GENERAL PROVISIONS

Payment of expenses generally

- Allowances and Expenses
- Reimbursements and Reconciliation of Expenses
- Payment in Advance

Establishment of monetary limits and standards

Spouse and partner expenses

Payment of annual Councillor fee into a complying superannuation fund

SPECIFIC EXPENSES FOR MAYORS AND COUNCILLORS

Attendance at seminars and conferences

- Who May Attend Conferences
- What Conferences May Be Attended
- Registration
- Categories of Payment or Reimbursement

Training and educational expenses

Local travel arrangements and expenses

- Travel Outside the LGA Including Interstate Travel
- Telephone Costs and Expenses
- Internet
- Care and Other Related Expenses
- Insurance Expenses and Obligations
- Legal Expenses and Obligations

PART 3 – PROVISION OF FACILITIES

GENERAL PROVISIONS

- Provision of Facilities and Equipment for Councillors
- Private Use of Equipment and Facilities

PROVISION OF ADDITIONAL EQUIPMENT AND FACILITIES FOR MAYOR

PART 4 – OTHER MATTERS

- Acquisition and Returning of Facilities and Equipment by Councillors
- Payment of Councillor Fees Into a Complying Superannuation Fund
- Status of the Policy

PART 1 – INTRODUCTION

- **Title, commencement of the Policy**

The title of this policy is “Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors”. This policy takes effect from 4 December 2006.

- **Purpose of the Policy**

The purpose of this policy is to ensure that there is accountability and transparency in the reimbursement of expenses incurred or to be incurred by councillors. This policy also ensures that the facilities provided to assist councillors to carry out their civic duties are reasonable.

- **Objectives and coverage of the Policy**

The objective of this policy is to ensure that the details and range of benefits provided to Councillors by the Council is clearly stated and fully transparent and acceptable to the local community.

This policy covers the specific expenses for which Councillors are entitled to receive reimbursement. Councillors can only receive reimbursement for expenses when the expense is identified in this policy.

- **Making and adoption of the Policy**

This policy is made in accordance with the requirements of the Local Government Act 1993 and as adopted by Pittwater Council. Any substantial amendments to this policy will not take effect unless the proposed amendment has been placed on public notice and at least 28 days provided for public submissions. Before adopting or amending the policy, the Council will consider any submission made within the time allowed for submissions and make any appropriate changes to the draft policy or amendment.

- **Reporting requirements**

Section 428 of the Local Government Act 1993 requires councils to include in their annual report:

- The council's policy on the provision of facilities for, and the payment of expenses to, mayors and councillors.
- The total amount of money expended during the year on providing those facilities and paying those expenses
- Additional information as required by the Local Government (General) Regulation 2005.

Clause 217 of the Local Government (General) Regulation 2005 requires councils to include additional reporting information in their annual reports.

The additional reporting information required is for the purposes of transparency and accountability and should not be seen as a disincentive for the payment of appropriate expenses to councillors.

Councils are required to report separately on:

- the total cost of expenses and the provision of facilities for the mayor and all councillors, as well as:

- **Expenses**

- the cost of phone calls including mobiles, home located landlines, facsimile and internet services.
- Spouse/ partner/ accompanying person expenses
- Conference and seminar expenses
- Training and skill development expenses
- Interstate travel expenses
- Overseas travel expenses
- Care and other related expenses

- **Provision of facilities**

- The cost of the provision, including rental, of dedicated office equipment allocated to councillors on a personal basis such as laptop computers, mobile phones, telephones and facsimile machines and internet installed in the councillors' homes. This item does not include the costs of using this equipment, such as calls.

- **Reporting of equipment and facilities costs**

In addition to the statutory reporting requirements, Council will report other costs where these are significant. For example, the cost of the provision of facilities and equipment where such provision is above what would normally be required for the day-to-day running of the council.

- **Legislative provisions**

Provisions under the *Local Government Act 1993*

Recent changes to sections 252(5) and 253 of the *Local Government Act 1993*, made by the *Local Government Amendment Act 2005*, require councils to make and submit their expenses and provision of facilities policies annually to the Department of Local Government.

Section 252 of the *Local Government Act 1993* requires councils to adopt or amend a policy annually for the payment of expenses and the provision of facilities to mayors, deputy mayors and other councillors. Mayors and councillors can only be reimbursed for expenses and provided with facilities in accordance with this policy.

Section 252 also makes provision for a council to reduce the amount payable to mayors and councillors (under sections 248-251 of the *Local Government Act 1993*) by the amount representing any private benefit of a facility provided by the council to them. It also requires that the policy be made under the provisions of this Act, the Local Government (General) Regulation and any relevant guidelines issued under section 23A of the Act.

Section 252 states:

- (1) *Within 5 months after the end of each year, a council must adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor (if there is one) and the other councillors in relation to discharging the functions of civic office.*

- (2) *The policy may provide for fees payable under this Division to be reduced by an amount representing the private benefit to the mayor or a councillor of a facility provided by the council to the mayor or councillor.*
- (3) *A council must not pay any expenses incurred or to be incurred by, or provide any facilities to, the mayor, the deputy mayor (if there is one) or a councillor otherwise than in accordance with a policy under this section.*
- (4) *A council may from time to time amend a policy under this section.*
- (5) *A policy under this section must comply with the provisions of this Act, the regulations and any relevant guidelines issued under section 23A.*

Section 253 specifies actions that council must undertake before a policy concerning expenses and facilities can be adopted or amended.

Section 253 states:

- (1) *A council must give public notice of its intention to adopt or amend a policy for the payment of expenses or provision of facilities allowing at least 28 days for the making of public submissions.*
- (2) *Before adopting or amending the policy, the council must consider any submissions made within the time allowed for submissions and make any appropriate changes to the draft policy or amendment.*
- (3) *Despite subsections (1) and (2), a council need not give public notice of a proposed amendment to its policy for the payment of expenses or provision of facilities if the council is of the opinion that the proposed amendment is not substantial.*
- (4) *Within 28 days after adopting a policy or making an amendment to a policy for which public notice is required to be given under this section, a council is to forward to the Director-General:*
 - (a) *a copy of the policy or amendment together with details of all submissions received in accordance with subsection (1), and*
 - (b) *a statement setting out, for each submission, the council's response to the submission and the reasons for the council's response, and*
 - (c) *a copy of the notice given under subsection (1).*
- (5) *A council must comply with this section when proposing to adopt a policy each year in accordance with section 252 (1) even if the council proposes to adopt a policy that is the same as its existing policy.*

Section 254 requires that a part of a council or committee meeting which considers the adopting or amending of such a policy must not be closed to the public.

The public is able to inspect during office hours at the council, and at no charge, the current version and the immediately preceding version of the council's expenses and facilities policy. The public are also entitled to a copy of the policy either free of charge or on payment of a reasonable copying charge.

Section 23A makes provision for the Director-General of the Department of Local Government to prepare, adopt or vary guidelines that relate to the exercise by a council of any of its functions. It also requires that a council must take the relevant guidelines into consideration before exercising any of its functions.

Section 428(2) (f) requires a council to include in its annual report:

The total amount of money expended during the year on mayoral fees and councillor fees, the council's policy on the provision of facilities for use by councillors and the payment of councillors' expenses, together with a statement of the total amount of money expended during the year on the provision of such facilities and the payment of such expenses.

In addition Section 428 (r) requires that councils must report on any other information required by the regulations.

Provisions under the *Local Government (General) Regulation 2005*

Note that changed reporting requirements are to be made under an amendment to clause 217 of the above regulation to allow different reporting arrangements in the annual report.

Clause 217 (Additional information for inclusion in annual reports) states in part:

(1) For the purposes of section 428(2) (r) of the Act, an annual report of a council is to include the following information:

(a) Details (including the purpose) of overseas visits undertaken during the year by councillors, council staff or other persons representing the council (including visits sponsored by other organisations),

Clause 403 (Payment of expenses and provision of facilities) states:

A policy under section 252 of the Local Government Act 1993 must not include any provision enabling a council:

(a) to pay any councillor an allowance in the nature of a general expense allowance, or

(b) to make a motor vehicle owned or leased by the council available for the exclusive or primary use or disposition of a particular councillor other than a mayor.

• Other Government Policy Provisions

Department of Local Government Guidelines

As noted above under section 252(5) of the *Local Government Act 1993* the council expenses policy must comply with these guidelines issued under section 23A of the Act.

Department of Local Government Circulars to Councils

The policy must take into account the following Circulars.

- Circular 05/08 *Legal assistance for councillors and council employees.*
- Circular 02/34 *Unauthorised use of council resources.*

The Model Code of Conduct for Local Councils in NSW

The policy should be consistent with the *Model Code of Conduct for Local Councils in NSW, Department of Local Government – June 2008*. The following parts of the code are particularly relevant to s252 policies:

Use of Council Resources (Pages 20-21)

- 10.12 *You must use council resources ethically, effectively, efficiently and carefully in the course of your official duties, and must not use them for private purposes (except when supplied as part of a contract of employment) unless this use is lawfully authorised and proper payment is made where appropriate.*
- 10.14 *You must be scrupulous in your use of council property including intellectual property, official services and facilities and should not permit their misuse by any other person or body.*
- 10.15. *You must avoid any action or situation which could create the appearance that council property, official services or public facilities are being improperly used for your own benefit or the benefit of any other person or body.*
- 10.16 *the interests of a councillor in their re-election is considered to be a private interest and as such the reimbursement of travel expenses incurred on election matters is not appropriate. You must not use Council letterhead, council crests and other information that could give the impression it is official council material for these purposes.*
- 10.17 *You must not convert any property of the council to your own use unless properly authorised.*
- 10.18 *You must not use council's computer resources to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature.*

ICAC Publication – No Excuse for Misuse, Preventing the Misuse of Council Resources

Councils should also be aware of and take account of the Independent Commission against corruption (ICAC) publication *No Excuse for Misuse, Preventing the Misuse of Council Resources (Guidelines 2)* November 2002. This publication is available on the ICAC website in at www.icac.nsw.gov.au.

• Approval arrangements

The following delegation of authority approval arrangements apply to the Mayor for the attendance by Councillors at conferences, seminars and meetings:

- (i) With the General Manager, authorise attendance at conferences which either have been included in Council's annual program of Conferences or for which attendance by Councillors has been authorised by resolution of Council.
- (ii) With the General Manager, authorise attendance on a study tour involving domestic travel where the study forms part of a task force / project plan and funds are available in the Task Force / Budget Project.
- (iii) With the General Manager, authorise attendance at day long industry seminars or workshops as the need arises subject to the availability of funds and only where local or domestic travel is involved.

(OM 13.12.04)

PART 2 – PAYMENT OF EXPENSES

GENERAL PROVISIONS

- **Payment of expenses generally**

- **ALLOWANCES AND EXPENSES**

- No provision will be made for the payment of an allowance in the nature of a general expense allowance.

- **REIMBURSEMENTS AND RECONCILIATION OF EXPENSES**

- This policy only authorises payment or reimbursement of actual expenses incurred by Councillors in carrying out their civic duties. It is not appropriate or lawful to pay a general allowance unrelated to actual expenses incurred or designed to supplement Councillors' annual fees payable under the Local Government Act 1993.

- **PAYMENT IN ADVANCE**

- Councillors may request payment in advance in anticipation of expenses to be incurred in attending conferences, seminars and training away from home. Councillors may also request an advanced payment for the cost of any other service or facility covered by this policy. However, Councillors must fully reconcile all expenses against the costs of the advance when they return within 10 days of the close of the conference, seminar or training etc.

- **Establishment of monetary limits and standards**

- This policy identifies and publishes monetary limits and standards applicable to the payment of various expenses to Councillors. This allows members of the public to know the expected cost of providing services to Councillors and to make comment during the public consultation phase of making or amending the policy. It also avoids situations where Councillors incur costs that are unforeseen or considered unreasonable by other Councillors and the public.

- **Spouse and partner expenses**

- Where the attendee is accompanied by his or her spouse/partner to a conference, seminar or training course, the Council will not reimburse any expenses incurred by the spouse/partner.
(OM14.02.05)

- **Payment of annual Councillor fee into a complying superannuation fund**

- "In accordance with the Australian Taxation Office Interpretive Decision 2007/205, Council may enter into an agreement with a Councillor under which the Councillor agrees to forgo all or part of their annual Councillor fee in exchange for the Council making contributions to a complying superannuation fund on their behalf. Requests to enter into such an agreement must be in writing and contributions to a complying superannuation fund will not be made retrospectively".*

- (OM04.02.08)**

- **Procedure for processing of expenses incurred**

- Claim forms will be supplied by the Executive Assistant to the Mayor and Councillors on a monthly basis.
 - Forms must be submitted to the Manager, Administration and Governance, for checking and approval.
 - All supporting documentation for your claim should be attached.
 - Claims must be made within 3 months of the expense being incurred.

- (OM05.11.15)**

- **Dispute resolution**

In the event of a Councillor disagreeing with a decision of the Principal Officer, Administration regarding a claim lodged, the Councillor may seek a review of the decision by the General Manager. Such a review must be sought within 20 working days of the claim being rejected. (OM03.12.12)

SPECIFIC EXPENSES FOR MAYORS AND COUNCILLORS

- **Attendance at seminars and conferences**

In this part Conference means conferences, seminars, congresses, forums, workshops, courses, meetings, deputations, information and training sessions, events, etc. related to the industry of local government.

- WHO MAY ATTEND CONFERENCES:

Councillors may be nominated to attend conferences by:

- ✓ the Council, by resolution duly taken;
- ✓ the Mayor and General Manager acting within his/her delegated authority.

In addition the Mayor may nominate a substitute Councillor in his or her absence to attend functions within the Council area or general Sydney Metropolitan Area on those occasions where the Mayor is unable to be in attendance.

- WHAT CONFERENCES MAY BE ATTENDED:

The conferences to which this policy applies shall generally be confined to:-

- ✓ Local Government Association (LGA) and Australian Local Government Association (ALGA) Conferences.
- ✓ Special "one-off" conferences called or sponsored by the LGA and/or ALGA on important issues.
- ✓ Annual conferences of the major Professions in Local Government.
- ✓ Australian Sister Cities Conferences.
- ✓ Regional Organisation of Councils Conferences.
- ✓ Annual Coastal Conference.
- ✓ Conferences, which further training and development efforts of the Council and of Councillors, or which relate to or impact upon the Council's functions.
- ✓ Any Meetings or Conferences of organisations or bodies on which a Councillor of the Council may be elected, or appointed to be, a delegate or member of the Council or the L.G.A.

- REGISTRATION:

The Council will pay all normal registration costs which are charged by organisers, including the costs of related official luncheons, dinners and tours which are relevant to the interests of the Council or assist Councillors to discharge the functions of their civic office.

- CATEGORIES OF PAYMENT OR REIMBURSEMENT:

Travel:

All reasonable travel costs will be met by the Council. Where appropriate, travel will be provided by air (economy class). Depending upon the circumstances, it may be more appropriate for travel to be undertaken by car or train.

Councillors using private vehicles will be paid the kilometre allowance at the then current rate set by the appropriate Local Government Industrial Award from time to time, but subject to any such payment not exceeding economy class air fares to and from the particular destination.

Costs of vehicle hire and/or taxi fares which are reasonably incurred while attending conferences will be reimbursed by the Council.

Payment or reimbursement of travel expenses incurred or to be incurred shall be subject to the requirements that:

- (a) travel expenses relate to travel that is on Council business;
- (b) the travel is undertaken with all due expedition, and by the shortest practicable route;
- (c) any time occupied or travel incurred in other than Council business is not included in the calculation of expenses to be paid; and
- (d) the claim is made not later than three (3) months after the expenses were incurred, and upon copies of all relevant dockets, receipts and the like being attached to a written claim for payment/reimbursement.

Accommodation:

Reasonable accommodation costs (including meals), including the night before and/or after the conference where this is necessary, will be met by the Council.

Out-of-Pocket Expenses:

Reasonable out-of-pocket or incidental expenses will be reimbursed upon the presentation of official receipts and the completion of the necessary claim forms for costs associated with attending the conference, seminars or training courses, excluding expenses of a normal private nature. Incidental expenses are taken to include items such as:

- (i) refreshments;
- (ii) telephone, internet or facsimile charges;
- (iii) laundry and dry cleaning;
- (iv) taxi fares and parking fees;
- (v) newspapers.

In addition, the cost of meals not included in the registration fees for conferences or similar functions may be reimbursed after reconciliation up to a daily limit of \$100.

Conference Reporting:

Following attendance at a Conference authorised under this Policy, the relevant Councillor/s is required to submit a report of approximately one page in length to the community via the Council's Agenda papers on the outcomes of the Conference, with particular emphasis as to any outcomes affecting Pittwater. **(OM13.12.04)**

- **Training and educational expenses**

Provision is made in the Council's budget for training and educational expenses incurred by Councillors. These expenses support and encourage an active learning process and skills development in addition to attending seminars and conferences related to Council functions. Payment of these expenses must be directly related to the Councillors civic functions and responsibilities.

- **Local travel arrangements and expenses**

Mayor and Councillors:

1. Councillors may claim kilometre allowance for use of private vehicles when used to travel (including return) between their place of residence within Pittwater* and:
 - (a) to attend Council or Committee meetings and appointments involving Council business;
 - (b) inspections within the Council's area undertaken in compliance with a resolution of the Council;
 - (c) attending public meetings convened by Council.
 - (d) *attending a local event, dinners/luncheon or meeting by any local sporting, charitable or community organisation after receiving an official invitation as a Councillor to attend or as a result of a request to attend on behalf of the Mayor. (OM01.12.2014)*

Note: The official invitation addressed to you as a Councillor must accompany any claim for reimbursement of travel as identified in section 1 (d) above.

The maximum allowance payable for any one travel event shall be capped at \$100.00.

**Councillors whose place of residence is outside the Pittwater Local Government area, may claim a kilometre allowance for use of private vehicles under this clause, as follows:*

- (a) *from the nearest road boundary of the Pittwater Local Government area, to the location of the meeting, appointment, inspection etc held within the Pittwater area;*
- (b) *for meetings, appointments etc held outside the Pittwater Local Government area, the maximum kilometre claim per meeting, appointment etc shall be 60 kilometres (including return).*

Kilometre rates for such travel will be paid at the rate set by the appropriate Local Government Industrial Award, as at the date of travel.

Payment is subject to a formal claim form being lodged not later than three (3) months after the travel occurred. **(OM14.04.2003)**

2. Councillors may claim reimbursement for Public Transport fares to and from official Council meetings/ functions/offices and taxi fares for meetings that conclude after 8.30pm. **(OM09.08.04)**

- TRAVEL OUTSIDE THE LGA INCLUDING INTERSTATE TRAVEL

Interstate Travel:

The prior approval of the elected Council is required for interstate travel on Council business. The application for approval should include full details of the travel, including itinerary, costs and reasons for the travel.

Overseas Travel:

Councillors should avoid international visits unless direct and tangible benefits can be established for the Council and the local community.

Overseas travel must be approved by a meeting of the full Council prior to a Councillor undertaking a trip. Travel must be approved on an individual trip basis. Council will not allow the retrospective reimbursement of overseas travel expenses unless prior authorisation of the travel has been obtained. Travel proposals shall be included in the Council business papers.

After returning from overseas, Councillors, must provide a detailed written account to Council on the aspects of the trip relevant to Council business and/or the local community.

Details of overseas travel must also be included in the Council's Annual Report.

- TELEPHONE COSTS AND EXPENSES

- The cost of telephone rental and all calls associated with duties as a Councillor at each Councillors principal place of residence will be paid for by council subject to a maximum reimbursement of \$250/month and such calls being identified on the Councillor's telephone account **(OM14.02.05)**.
- Reimbursement of all mobile telephone calls associated with their duties as a councillor will be made subject to a maximum reimbursement of \$200/month or 50% of the contract cap fee per month and such calls being identified on the Councillor's mobile telephone account. **(OM15.12.08)**.

- INTERNET

The Council will provide Internet access/broadband communication line / wireless connection at each Councillor's principal place of residence upon request. The use of the Internet shall be in accordance with the Council's email guidelines and protocols on the use of email and Internet facilities.

- CARE AND OTHER RELATED EXPENSES

The Council will provide for reimbursement of reasonable dependent care expenses incurred as a result of undertaking official scheduled Council inspections and attending ordinary meetings of Council. The maximum entitlement for such expenses is \$2,400.00 per annum per Councillor **(OM15.12.08)**

- INSURANCE EXPENSES AND OBLIGATIONS

Councillors are to receive the benefit of insurance cover for:

(a) Personal injury

Personal injury whilst ever on Council business, worldwide covering bodily injury caused by accidental, violent, external and visible means up to a sub-limit for death of \$500,000. Such insurance shall also cover permanent disablement, temporary total disability and temporary partial disability. The cover includes medical expenses not covered by Medicare or any private health fund. Full details of Council's personal accident insurance are set out in Council's Insurance Policy. **(OM15.12.2008)**

(b) Professional Indemnity

For matters arising out of Councillors' performance of civic duties or exercise of their functions as Councillors, provided the performance or exercise of the relevant civic duty or function is in the opinion of Council, bona fide and/or proper. This provision is subject to any limitations or conditions as set out in the Council's policy of insurance.

(c) Public Liability

For matters arising out of Councillors' performance of civic duties or exercise of their functions as Councillors, subject to any limitations or conditions as set out in the Council's policy of insurance. **(OM17.10.94)**

- LEGAL EXPENSES AND OBLIGATIONS

In the event of:

1. An enquiry, investigation or hearing by any of:

- The Independent Commission Against Corruption;
- The Office of the Ombudsman;
- Department of Local Government;
- The Police;
- The Director of Public Prosecutions; or
- The Local Government Pecuniary Interest Tribunal;
- Other legally constituted investigatory bodies having proper jurisdiction.

into the conduct of a Councillor, or

2. Legal proceedings being taken against a Councillor, arising out of or in connection with the Councillor's performance of his or her civic duties or exercise of his or her functions as a Councillor, Council shall determine whether or not it will reimburse such Councillor, prior to the commencement of the enquiry, investigation, hearing or proceeding, for legal expenses properly and reasonably incurred, given the nature of the enquiry, investigation, hearing or proceeding, on a solicitor/client basis provided that:

- (a) the amount of such reimbursement shall be reduced by the amount of any moneys that may be or are recouped by the Councillor on any basis, and
- (b) the Councillor's performance or exercise of the civic duty or function was in the opinion of Council bona fide and/or proper, and
- (c) the amount of such reimbursement be limited to the extent that only fees charged at a rate equivalent to the hourly rate then being charged by Council's Solicitors will be paid, i.e. any portion of the expenses representing any hourly charge rate higher than the hourly charge rate of Council's Solicitors will not be reimbursed.
- (d) Any payment for reimbursement of any legal expenses properly incurred is subject to the approval of the Governance Committee and the Council prior to payment.
- (e) The Council may at its discretion, set a limit to the total amount of reimbursement it is prepared to approve in respect of any enquiry, investigation, hearing or proceedings being taken against a Councillor(s). **(OM15.12.08)**

PART 3 – PROVISION OF FACILITIES

GENERAL PROVISIONS

Unless otherwise provided, the facilities which may be provided to the Mayor, Deputy Mayor and Councillors under this policy shall be provided without reduction of the annual fees payable to the Mayor and Councillors, as determined by the Council, under Sections 248-254 inclusive of the Local Government Act.

The Councillors, including the Mayor and Deputy Mayor, to assist them in carrying out the duties of their office, are if they request such, entitled to receive the benefit of the following facilities, without reduction (unless otherwise stated) of the fees payable under Section 248 of the Act:-

PROVISION OF FACILITIES AND EQUIPMENT FOR COUNCILLORS

The Council will provide the following facilities to all Councillors for Council related business purposes only:

- Furnished Councillors office;
- One only dedicated parking space at Council's Warriewood offices.
- Typing of official correspondence; including supply of Dictaphone if required. **(OM21.06.04)**
- Postage of official correspondence – all mail is to be directed through the Council's own mailing system. Reimbursement of expenses will only be made where expenses can be verified;
- Meals on evenings of Council and Principal Committee Meetings and Briefings;
- Secretarial service including typing, photocopying, printing and postage for the following purposes:-
 - (a) Initiating correspondence to, and answering correspondence received from, residents/ratepayers, Members of Parliament, Government Departments, statutory authorities/bodies, other local authorities, other Councillors, local government related bodies and organisations, the media or the general public in relation to the business of the Council or local government;
 - (b) Replying to invitations to attend functions/gatherings received in their capacity as a Councillor;
 - (c) Communications to Councillors and Council's staff on official business; provided that under no circumstances will the Council permit the facilities provided to be used for the initiation or issue of circular type letters or election material/ letters.
- Personal Computer at place of residence (laptop, PC or equivalent) which shall include Internet access / Broadband communication line / wireless connection; **(OM21.06.04)**
- Access to a printer at place of residence; **(OM09.08.04)**
- Four (4) shelf bookcase;
- Four (4) drawer filing cabinet;
- Telephone answering machine/facsimile machine in place of residence; **(OM21.06.04)**
- Councillor business cards.
- Christmas cards subject to a maximum of \$50 per annum **(OM25.11.96)**.
- Mobile phone and hands free car kit **(OM15.12.08)**.
- I-Pad with mobile internet access **(OM06.12.10)**.

PRIVATE USE OF EQUIPMENT AND FACILITIES

Councillors must use Council resources ethically, effectively, efficiently and carefully in the course of their public and civic duties, and must not use them for private purposes.

Councillors must be scrupulous in the use of Council property including intellectual property, official services and facilities and should not permit their misuse by any other person or body.

Councillors must avoid any action or situation which could create the impression that Council property, official services or public facilities are being improperly used for their own private benefit or gain.

The interests of a Councillor in their re-election is considered to be a personal interest and as such the reimbursement of travel expenses incurred on election matters is not appropriate. Council letterhead and other information that could give the impression that it is official Council material must not be used for these purposes.

PROVISION OF ADDITIONAL EQUIPMENT AND FACILITIES FOR MAYOR

The Mayor shall, in carrying out the duties of that office, be entitled to receive the benefit of the following additional equipment and facilities without reduction of the fees payable under Section 248 and/or 249 of the Act.

- Suitable furnished office accommodation within Council's Warriewood offices.
- A dedicated car parking space at Council's Warriewood offices.
- A mobile telephone, including all charges for calls, etc. associated therewith, subject to a maximum reimbursement of \$200/month. **(OM14.02.05)**

PART 4 – OTHER MATTERS

ACQUISITION AND RETURNING OF FACILITIES AND EQUIPMENT BY COUNCILLORS

Councillors must return all equipment and other facilities to the Council after the completion of their term of office, extended leave of absence or at the cessation of their civic duties.

The Council will consider the sale of such items to the Councillor at the cessation of their civic duties at an agreed fair market price or written down value. The General Manager is authorised to approve all such requests.

PAYMENT OF COUNCILLOR FEES INTO A COMPLYING SUPERANNUATION FUND

In accordance with the Australian Taxation Office Interpretive Decision 2007/205, Council may enter into an agreement with a Councillor under which the Councillor agrees to forgo all or part of their annual Councillor fee in exchange for the Council making contributions to a complying superannuation fund on their behalf. Requests to enter into such an agreement must be in writing and contributions to a complying superannuation fund will not be made retrospectively. **(OM07.04.08)**

STATUS OF THE POLICY

This policy is current and is scheduled for further review in September 2015.

C11.4	Outcomes of Exhibition of Draft Property Management Policy
--------------	---

Meeting: Leading & Learning Committee

Date: 16 November 2015

COMMUNITY STRATEGIC PLAN STRATEGY: Corporate Management Strategy

COMMUNITY STRATEGIC PLAN OBJECTIVE: To create, acquire, maintain, enhance and manage assets in line with best practice

DELIVERY PROGRAM ACTION: Nil

1.0 EXECUTIVE SUMMARY

1.1 SUMMARY

This report informs Council of the outcomes of the public exhibition of the Draft Property Management Policy.

The Draft Property Management Policy is intended to replace the existing Policy 195 Leases over Council owned or Controlled Land.

The Property Management Policy covers the following:

- Policy Statement
- Policy Objectives
- Statutory Obligations
- Principles in Property Activities
- Asset Management Approach
- Professional Services
- Property Strategy
- Property Transaction Types

The draft Property Management Policy was exhibited from 18 August to 30 September 2015. During this period, two submissions were received.

This report recommends Council adopt the Property Management Policy.

2.0 RECOMMENDATION

- 1. *That the Property Management Policy be adopted.***
- 2. *That all submitters be notified in writing of Council's decision on this matter.***
- 3. *That Policy 195 Leases over Council owned or Controlled Land be revoked.***

3.0 BACKGROUND

3.1 PURPOSE

The purpose of this report is to inform Council of the outcomes of the public exhibition of the Property Management Policy and seek adoption of this policy.

3.2 BACKGROUND

At its meeting of 6 August 2014, the Audit & Risk Committee requested that a *“Policy in relation to the sale of road reserves to be brought to the Committee for review prior to adoption.”*

In light of this recommendation, Commercial Property & Projects conducted an internal review of all Council property activities and dealings and determined that a holistic Property Management Policy was required with the sale of road reserves being one component of this Policy.

On 17 August 2015 Council endorsed the exhibition of the Draft Property Management Policy for a period of 28 days.

The draft Property Management Policy was exhibited from 18 August to 30 September 2015. During this period, two submissions were received.

3.3 POLICY IMPLICATIONS

Policy 195 Leases over Council owned or Controlled Land is to be revoked as this is now included in the Property Management Policy.

3.4 RELATED LEGISLATION

The Policy complies with all relevant legislations as outlined on Page 1 of the Policy.

3.5 FINANCIAL ISSUES

3.5.1 Budget

Fees & Charges have now been included in the Draft 2015-19 Delivery Program for the following:

- Road closure establishment fee
- Road closure processing fee
- Non compulsory creation/ modification/ release of easement/ covenant/ right of way/ caveat initial investigation for granting owner's consent fee
- Non compulsory creation / modification/ release of easement/ covenant/ right of way/ caveat processing fee

3.5.2 Resources Implications

The Property Management Policy and framework will enable Council to more effectively manage Council's property assets.

4.0 KEY ISSUES

4.1 Public Exhibition Process

On 17 August 2015 Council endorsed the exhibition of the Draft Property Management Policy. It was exhibited between 18 August to 30 September 2015.

In accordance with Councils Community Engagement Policy, a public notice was placed in the Manly Daily on the community notice board on 29th August 2015. The draft Property Management Policy and all supporting documents were also made available electronically on Council's website and in hard copy at Mona Vale and Avalon Customer Service Centres and libraries.

4.2 Submissions Received

Two submissions were received during the exhibition period.

A summary of the submissions and Councils response is summarised below in Table 1.

4.3 Workflow Guidelines

Workflow guidelines have been developed to complement policy and guide the land dealing process to ensure the best outcome for the community.

Table 1: Submission summary and response table

Submission	Point of Concern	Response
Warriewood Residents Association	Recommend clause to be amended to: <i>The purpose of the Property Management Policy is to establish the principles for the effective management of all Councils property to achieve the best outcome for the people of Pittwater.</i>	Policy Statement has been amended to ' <i>The purpose of the Property Management Policy is to establish the principles for effective management of all Council's property activities and dealings to achieve the best outcome for the Pittwater community</i> '.
	Policy Statement- Councillors should authorise, in every case, the spending of funds before any property activities are undertaken.	A Council resolution is required for all property activities except the issue of the 12 month annual facility agreement.
	Statutory Obligations- Recommend the GIPA Act be included in this section of the report.	The GIPA Act has now been included in the Policy under the heading Statutory Obligations.
	Professional Services- Request for the policy to be amended to allow for two Valuations for properties valued at over \$10,000. Concerned of potential conflict of interest if internal staff conduct a peer review of the valuation. The costs associated with obtaining two valuations should be shared with the proponent. Recommends the Manager should determine whether a third Valuation is required.	Council staff supports the one valuation report approach for the following reasons: <ul style="list-style-type: none">• The Valuation panel will be formed by fully qualified Valuers of a high professional standard and will be determined through Councils tender process.• Valuation reports generally provide a Value range which provides a sound base for negotiations.• Two valuation reports may weaken Councils negotiation position as there is a broad range of values. This does not show confidence in Councils position.• Two valuations will attract higher costs to all transactions and may not be required. Average costs associated with each valuation is approx. \$3,000.• Council encourage the other party to obtain their own Valuation report.

		<ul style="list-style-type: none"> • A second valuation can be obtained at the discretion of Senior Management or Council. This can be assessed on a case by case basis. • Valuation is a professional service. We do not require two surveys, two heritage reports, or two contamination reports.
	Request that the phrase 'other specialised Valuations' be removed because the expertise should be clearly specified in the tender document when forming the panel.	Specialised Valuation is a category of Valuation. It includes a broad range of specialist properties such as service stations, child care centres, nursing homes, universities etc.
	Property Strategy- questions this section of the report is required at all.	This section of the report provides further clarification on the diverse range of properties managed by Council and was included as a recommended by the Audit and Risk Committee.
	Recommends the Policy have an independent legal review.	The Draft Policy has been reviewed by the Office of Local Government whose recommendations were incorporated into the report prior to going to Council on 17 August 2015. Further review by Councils Solicitor is not considered to be necessary.
Newport Bowling Club	The club is concerned about its allocation in the Sporting Clubs- Commercial Category in the Draft Property Management Policy. The submission notes the Club is primarily a non-profit sporting Club and provides community benefit. Suggests a more appropriate category to be Sporting Clubs- Non Commercial.	<p>Under existing Policy 195 Leases over Council owned or Controlled Land the Club is classified under Sporting Clubs- Commercial category. A copy of the Policy has been provided to the Club for their reference. Therefore the new Policy will not result in any change to categories.</p> <p>Council staff have considered this submission and are of the opinion the current category of Sporting Clubs- Commercial is suitable for the Clubs operations as they currently derive income.</p>

4.3 Post exhibition amendments

The policy statement has been updated and now reads as follows: *'The purpose of the Property Management Policy is to establish the principles for effective management of all Council's property activities and dealings to achieve the best outcome for the Pittwater community'*.

The Government Information (Public Access) Act 2009 has now been included in the Policy under the heading Statutory Obligations.

Professional services- Valuations has been amended and now includes the following "A second valuation can be obtained at the discretion of Senior Management or Council. This can be assessed on a case by case basis".

Following recommendations from Community & Library Services, the Not for Profit community groups section of the Policy has been amended slightly as well as the fees and changes applicable to the community based services groups. These changes are based on the need to negotiate on individual circumstances due to the varying nature of the facility and users in this category.

5.0 ATTACHMENTS

Attachment 1: Policy

6.0 SUSTAINABILITY ASSESSMENT

6.1 GOVERNANCE & RISK

6.1.1 Community Engagement

The exhibition of the Draft Property Management Policy was undertaken in accordance with Councils Community Engagement Policy.

The new policy and workflow guidelines form a very clear overview for the community on all property dealings undertaken by Council.

6.1.2 Risk Management

The workflow guidelines provide a clear framework in which each property dealing will be dealt. In this way the community and council can be assured that the process is followed correctly as stipulated.

The workflows will remain a working document and will be updated by Council staff to ensure the content is kept relevant and up to date with any changes to Legislation.

6.2 ENVIRONMENT

6.2.1 Environmental Impact

Nil

6.2.2 Mitigation Measures

Nil

6.3 SOCIAL

6.3.1 Address Community Need & Aspirations

The purpose of the Property Management Policy is to establish the principles for effective management of all Council's property activities and dealings to achieve the best outcome for the Pittwater community.

6.3.2 Strengthening local community

Nil

6.4 ECONOMIC

6.4.1 Economic Development

Nil

Report prepared by

Simonne Johnston

MANAGER, CORPORATE DEVELOPMENT & COMMERCIAL

Council Policy – No Version:	Adopted:	
	Amended	

TITLE: PROPERTY MANAGEMENT POLICY

STRATEGY: To create, acquire, maintain, enhance and manage assets in line with best practice

BUSINESS UNIT: Corporate Development & Commercial

RELEVANT LEGISLATION:

Council's property activities will be managed within the legislative parameters of the:

- Local Government Act, 1993
- Valuation of Land Act, 1916
- Environmental Planning and Assessment Act, 1979
- Residential Tenancies Act, 2010
- Land Acquisition (Just Terms Compensation) Act, 1991
- Roads Act, 1993
- Retail Lease Act, 1994
- Crown Lands Act, 1989
- Environment Protection and Biodiversity Conservation Act, 2000
- National Parks and Wildlife Conservation Act, 1975
- Telecommunications Act, 1997
- Real Property Act, 1900
- Conveyancing Act, 1919
- Residential Parks Act, 1998
- Strata Scheme Management Act, 1996
- Government Information (Public Access) Act 2009
- Any other legislation applicable in a matter.

RELATED POLICIES: *Leases over Council Owned or Controlled Land (Policy 195)*

1) Objective

The objective of this policy is to:

- Respond to the Community Strategic Plan of providing effective property and land management
- Facilitate effective management of Council's property assets.
- Establish the underpinning principles of equity and transparency in Council's property dealings.
- Ensure that all dealings in property matters relating to Council owned property or property acquisitions by Council are handled within legislative requirements.

- Support the objective of using Councils property portfolio to create additional forms of income that would support on-ground works into the future for the benefit of the community
- Facilitate local business activity where appropriate.
- That the community would be consulted with when dealing with Council property using councils Community Engagement Framework

2) Policy Statement

The purpose of the Property Management Policy is to establish the principles for effective management of all Council's property activities and dealings to achieve the best outcome for the Pittwater community.

3) Statutory Obligations

Council's property activities will be managed within the legislative parameters of the:

- Local Government Act, 1993
- Valuation of Land Act, 1916
- Environmental Planning and Assessment Act, 1979
- Residential Tenancies Act, 2010
- Land Acquisition (Just Terms Compensation) Act, 1991
- Roads Act, 1993
- Retail Lease Act, 1994
- Crown Lands Act, 1989
- Environment Protection and Biodiversity Conservation Act, 2000
- National Parks and Wildlife Conservation Act, 1975
- Telecommunications Act, 1997
- Real Property Act, 1900
- Conveyancing Act, 1919
- Residential Parks Act, 1998
- Strata Scheme Management Act, 1996
- Government Information (Public Access) Act 2009
- Any other legislation applicable in a matter.

4) Property Activities

In the context of this policy, corporate property activities include:

1. Reclassification of Council land – Community
2. Sale of Council land – Operational
3. Acquisition of property for Council purposes
4. Sale of Council Road Reserve
5. Addition, modification or removal of encumbrances on Council owned land- Community
6. Addition, modification or removal of encumbrances on Council owned land- Operational
7. Addition, modification or removal of Council encumbrance on privately owned land
8. Lease & Licence on Council owned/managed property/building - Community
9. Lease & Licence on Council owned/managed property/building - Crown
10. Lease & Licence on Council owned/managed property/building - Operational
11. Management Agreements on Council owned/managed property/building
12. Annual Facility Licence Agreements.

The above Property Activities, numbers 1 to 12 will have a flow diagram (workflow) outlining the procedure Council Officers will follow to manage each of these property dealings. These workflow diagrams will be reviewed and updated by Council Officers on a regular basis to ensure procedures are kept up to date.

5) **Asset Management Approach**

In managing its land and property asset portfolio, Council's challenge is to determine whether its asset portfolio meets the strategic objectives of the organisation.

Council's portfolio will be reviewed and assessed on a regular basis to ensure the highest and best use of the facility is being achieved.

The objective of this approach is to minimise cost and maximise usage of its assets so that Council's asset portfolio is managed and maintained to a standard that benefits the whole community now and into the future.

6) **6. Professional Services**

i) **Valuations** – In the case of acquisitions and disposals or where a valuation report is required, Council Officers will engage a registered Valuer from its tendered panel to ensure accuracy and transparency. Valuers will be fully qualified and have experience in the following areas: commercial & residential property valuation; rental determinations; easement valuations, statutory valuation; asset valuation; compulsory acquisition as well as other specialised valuations. Valuations directed by Council remain the property of Council and are commercial in confidence. A second valuation can be obtained at the discretion of Senior Management or Council. This can be assessed on a case by case basis.

ii) **Legal Services** – Council Officers will engage legal services from its tendered panel when required to ensure Council's interests are protected. The panel will be fully qualified and have experience in sales, acquisition, leasing and licensing transactions as well as complex land dealings.

7) **7. Property Strategy**

Under this Policy, all property owned by the Council will fall into one of the following three classes which describe the primary purpose for which the property is held. Properties within each class will not necessarily be static and may be re-classified following a review by the Council. Any dealings will need to be resolved by Council.

(i) Held for Community Purposes

This class includes property held for administration, operations, recreation, and/or infrastructure usage. Where appropriate, consideration will be given to leasing improvements to not-for-profit community groups at a subsidised rental (e.g. community halls, clubrooms, community centres, libraries, toilets/change rooms, drainage sites, and parks/public open spaces etc.). Property held for *Community Purposes* will generally not be considered available for liquidation. However, there may be some instances where property held in this class may be transacted for a greater community benefit.

(ii) Held for Capital Appreciation

This class includes property which is either undeveloped or underdeveloped, but which is not held for *Community Purposes*. Property held for *Capital Appreciation* will be developed for income when market conditions are favorable and the development risk is considered to be acceptable.

Alternatively, these properties will be liquidated to take advantage when market conditions are favourable. In general, income from any improvements should be maximised and property in this category will not be made available for community usage (e.g. vacant lots, underdeveloped sites etc.).

(iii) Held for Income Generation

This class includes property where the maximisation of the income stream is considered to be the primary objective. Property held for *Income Generation* will be developed to the highest and best use of the site. Leases and agreements will be set by reference to market levels, with regular reviews, depending on the circumstances.

In general, subsidised rentals will not be considered for properties within this class (e.g. car parks, commercial buildings etc.).

It should be noted that whilst these classifications are intended to capture all property owned and managed by the Council, it is recognised that not all property will fit exactly within these classes. Appropriate discretion therefore, will be used by Council when dealing with any such property activities (including hiring, leasing/licensing, liquidating etc.).

8) Property Transaction Types

(i) Sale of Council Owned Land (Figures 1&2)

Council owned land must be classified as, "Operational" or "Community". In accordance with the provisions of the *Local Government Act, 1993* land classified, as "Operational" is saleable; however, "Community" land cannot be sold without first being reclassified and rezoned following a resolution of Council. The reclassification of community land is achieved by an amending LEP.

Property sales may include sale of Council surplus land and property, airspace and stratum. To be able to strategically manage its land sales activities, it is necessary for Council to establish a Property Disposal and Investment Program (PDIP). The key principles guiding a decision to sell a property asset is that Council will only consider a sale under the following circumstances:

- If the property is not being used for the purpose intended at the time of Council's purchase (subject to acquisition notice being approved by the Governor).
- If the property is not serving an operational or community need.
- If the property is not facilitating Council's service delivery objectives.
- If the property disposal would result in better outcomes for the local community.

If the property does not provide the expected return and represents a risk to Council, the key principles in disposal of these assets are:

- Council will dispose of property assets using a process that is transparent and equitable to all interested parties.
- Generally Council will not sell property which has future development potential for community facilities or commercial return.
- Council will identify the most appropriate marketing strategy for each sale on a case by case basis.

(ii) Acquisition of Land or Property (Figure 3)

Council may decide to purchase land and property for statutory, public or investment/redevelopment purposes. For example, Council could acquire land for road widening, road opening, recreational and sporting facilities, parks and reserves, bushland and environmental conservation, investment, redevelopment, subdivision and resale, or development of community facilities purposes.

The key principles in the acquisition of land and property are:

- After identifying a property for acquisition for a council function and public purpose, Council will:
 - Firstly make its best endeavours to negotiate with the owner a fair and reasonable price in accordance with the directive of Office of Local Government.
 - Only if agreement cannot be reached will Council pursue compulsory acquisition (under Section 187 of *Local Government Act 1993*) if the acquisition has strategic importance or is very important for the local community.

- Where Council decides to purchase operational land at auction, it will be resolved in a closed Council meeting so the decision and proposed purchase price will not be publicised prior to auction.

Land Swaps

Under certain circumstances Council may enter into Land Swap transactions with landowners to achieve a broad community benefit. Pittwater Council has many examples of this form of transaction, contributing positively to Council's existing land holding (e.g. Ingleside Escarpment).

The following principles will always be taken into account;

- There will be no net disadvantage to Council in the transaction in relation to the area of open space acquired or sold.
- Independent valuations will be undertaken in all instances.
- Council may receive land swap proposals from landowners or may be the proposer of such transaction.
- In some instances there may be a need for financial settlement in addition to the actual land being swapped.

(iii) Sale of Council Road Reserves (Figure 4)

Road Reserve enquiries regarding closure of a public road/or portion of a public road are typically made by a land owner/s, or may be identified through a development application.

As the local road authority, Council will consider all applications within the following principles:

- Status of Road Reserve (e.g. Crown or Local Road, made or unmade) will need to be determined by a Council Officer as some are not suitable for sale.
- All adjoining property owners and relevant authorities will be notified by Council following receipt of application.
- Management of an application for road closure benefiting an individual or company will be cost neutral to Council. Application fees and charges applied by Council will be based on full cost recovery.
- The market rate will be determined by an independent Valuer and will provide the basis of the sale price of a public road/portion of public road.

It is important to note that Council is required to submit a formal application to the New South Wales Trade and Investment Crown Lands for road closure approval, registration and gazettal. Once this has taken place, Council will be in a position to sell the land via a contract for sale to the applicant.

(iv) Encumbrances - Rights of Way & Easements etc. (Figures 5,6,7)

Council may add, modify or removal an easement over its land in favour of a private land owner. Council may also require easements over private land. Encumbrances can be for different purposes such as rights of way, drainage, sewerage, electricity, utility and any other specific purposes. The addition, modification or removal of easements or rights of way may be initiated through scenarios including but not limited to:

- A conditional DA approval on Council owned land.
- A proposed development adjoining Council land.
- Council's proposed drainage system.
- Council's existing pipes under the surface of the land.

The key principles in effective management of encumbrances are:

- Council will advise and negotiate (if required) with the private landowners affected by Council's proposed works.
- Council will negotiate a fair and reasonable package with the private landowner(s) who seek to create an easement over Council owned land provided that the proposed easement would not detrimentally affect the objectives of the land and the applicant agrees to fairly and reasonably compensate Council.
- Council will relinquish encumbrances if:
 - The encumbrance is no longer required or serving Council's objectives.
 - All associated costs are paid for by the other party.
 - Council's interests are protected.

(v) Tenure Arrangements – Lease, Licence & Management Agreements (Figures 8-12)

Under this Policy, standard tenure arrangements will apply to lease, licence and management agreements granted by Council for Council owned and managed properties. This will be done in accordance with sections 46, 46A & 47 of the Local Government Act 1993.

An annual facility licence agreement will be issued on a case by case basis, where there is no current agreement in place. This is considered to be a short term arrangement to ensure both parties' responsibilities are clearly outlined and interests are protected.

For lease, licence and management agreements on Crown Land where Pittwater Council acts as Trust Manager, prior approval will be obtained from NSW Trade & Investment Crown Lands, in accordance with the *Crown Lands Act 1989*.

1) Tenure Guidelines - Legal Framework

The following key principles will guide Council's approach to tenure arrangements;

- Council acknowledges its obligation to provide and maintain its properties to meet community needs for present and future generations.
- Council recognise and support the contribution made by community groups in achieving an active and sustainable community.
- Council encourages the use of its properties by organisations that provide a community benefit.
- Council promotes tenure arrangements that are consistent, transparent and equitable.
- Council promotes tenure arrangements which allow access to the property by the wider community.
- Council promotes tenure arrangements that contribute to the financial viability of Council.

2) Tenure Guidelines - Groups

The following tenure guidelines are intended to apply to leases and licenses for all groups within each category. It is recognised however, that some groups (especially *Not-for-Profit Community Groups*) may be constrained by specific circumstances and Council will apply appropriate discretion in determining tenure arrangements for these groups.

- **Commercial Organisations**

In general, *Commercial Organisations* will be permitted to lease or license facilities which are located on property held for *Capital Appreciation* or property held for *Income Generation* or in certain circumstances on *Community Land*.

As such, income received from the lease or license should be maximised. Subsidised rental should not be considered.

If on community land, Council is obliged to undertake tenders for the leasing or licensing for terms over 5 years where dealing with a for profit lessee in accordance with Section 46A of Local Government Act 1993.

Rental will be based on a market rate, determined with the guidance from a licensed Valuer selected from Councils tendered panel or a market appraisal obtained from a local agent. Rents will be reviewed every 12 months in line with the terms of the lease/licence agreement.

These can be broken up into further sub categories:

- a) Commercial Operations - Restaurants, Kiosks and any other fully commercial enterprise run for commercial gain on operational land.

However, if the commercial operations are located on Community land, it must comply with the provisions of section 46, 46A and 47 of the Local Government Act 1993.

COMMERCIAL OPERATIONS

ANNUAL LEASE/LICENCE FEE	At commercial rates determined by market valuation.
MAXIMUM TERM	Twenty Years (10 + 10)
OTHER COSTS	All outgoings, including but not limited to telephone, water usage, electricity (where separately metered), cleaning, repairs and maintenance to the interior part of the tenancy including hard wired electrical appliances.
BUILDING INSURANCE	Lessor
CONTENTS INSURANCE	Lessee
PUBLIC LIABILITY INSURANCE	Lessee
WHS LIABILITY & WORKERS COMPENSATION	Lessee
LEGAL COSTS	Lessee

- b) Sporting Clubs – Commercial – Examples include Golf Clubs, Bowling Clubs etc.

These clubs are in receipt of membership fees, green fees, poker machine income and income from sale of alcohol and catering.

SPORTING CLUBS – COMMERCIAL

ANNUAL RENT	At commercial valuation based on comparable rents paid by similar clubs in the Sydney metropolitan region.
MAXIMUM TERM	Ten years (5 + 5) however terms greater than ten years can be sought with the provision of a business plan that demonstrates capital expenditure that may need to be amortised over a period greater than ten years.
OTHER COSTS	All outgoings, including but not limited to telephone, water usage (if applicable), electricity (where separately metered), cleaning, repairs and maintenance to the interior part of the tenancy including hard wired electrical appliances.
BUILDING INSURANCE	Lessor
CONTENTS INSURANCE	Lessee
PUBLIC LIABILITY INSURANCE	Lessee
WHS LIABILITY & WORKERS COMPENSATION	Lessee
LEGAL COSTS	Lessee

- **Commercial Telecommunication Carriers**

Although considered to be carrying out commercial activities, *Telecommunications Carriers* are differentiated from *Commercial Organisations* due to their unique powers under the *Telecommunications Act 1997* (as detailed in 'Council's role and statutory obligations' above). The *Telecommunications Act 1997* does provide for an entitlement to compensation. For this purpose, carriers generally negotiate to pay a form of 'rental' and occupy their sites under a lease or license agreement. Due to the nature of the *Telecommunications Act 1997*, carriers are permitted to lease/license land located on property held for Community Purposes, Capital Appreciation or Income Generation. Tenure arrangements for Telecommunications Carriers therefore will be determined on a case-by-case basis and Council will seek an access fee from Carriers requesting co-location of another carrier.

- **Government Departments/Agencies**

Leases and licenses held by *Government Departments/Agencies* can range from neighborhood child health centres to large departmental offices. Consequently, depending on the purpose for which the lease/license is to be used, *Government Departments/Agencies* may be permitted to lease or license facilities which are located on property held for *Community Purposes*. In general, *Government Departments/Agencies* will be treated in the same manner as *Commercial Organisations*; however, subsidised rental may be granted on a case-by-case basis depending on the purpose for which the property is to be used. In addition, other formal agreements, memorandums-of-understanding or past obligations etc. may necessitate special tenure arrangements.

- **Not-for-Profit Community Groups**

Not-for-Profit Community Groups are those whose charter, constitution, articles of association or equivalent identify the purpose of the organisation as being not-for-profit and perform activities within Pittwater Council. In general, Not-for-Profit Community Groups will only be permitted to lease or license facilities held for Community Purposes that have a perceived benefit to the Pittwater community. As such, where appropriate, these organisations will be granted a lease or license at a subsidised rate in recognition of their perceived benefit to the community.

These can be broken up into a further two sub categories:

1. **Community Based Services-** Examples include Surf Clubs, KU Kindergarten, Scout and Guide organisations etc.
2. **Sporting Clubs- Non Commercial -** Examples include Football clubs (all codes), Equestrian, Swimming etc.

1. COMMUNITY BASED SERVICES

RENT	Subject to negotiation
MAXIMUM TERM	Twenty One Years
OTHER COSTS	The tenant is responsible for all outgoings, including but not limited to telephone, electricity (where separately metered), cleaning, repairs and maintenance to the interior part of the tenancy including hard wired electrical appliances.
BUILDING INSURANCE	Lessor
CONTENTS INSURANCE	Lessee
PUBLICLIABILITY INSURANCE	Lessee
WHS LIABILITY & WORKERS COMPENSATION	Lessee
LEGAL COSTS	Each party to bear their own legal costs.

This group will receive the greatest discount or subsidy and will include community groups that service the local community.

In the case of approved commercial operations within community based service leased areas, Council will receive a minimum 20% of the gross income from the operator to be utilised by Council for the maintenance of the associated reserve and infrastructure.

At the date of adoption of this policy clubs running commercial facilities without prior formal Council approval shall, at Council's discretion, be required to either cease the operation or enter into an Agreement with Council to return 20% of the income received from the facility to Council as above.

2. SPORTING CLUBS – NON COMMERCIAL

ANNUAL RENT	As per Council's Fees & Charges
MAXIMUM TERM	Ten years (5 + 5) however terms greater than ten years can be sought with the provision of a business plan that demonstrates capital expenditure that may need to be amortised over a period greater than ten years.
OTHER COSTS	All outgoings, including but not limited to telephone, electricity (where separately metered), water usage (where applicable), cleaning, repairs and maintenance to the interior part of the tenancy including hard wired electrical appliances.
BUILDING INSURANCE	Lessor
CONTENTS INSURANCE	Lessee
PUBLIC LIABILITY INSURANCE	Lessee
WHS LIABILITY & WORKERS COMPENSATION	Lessee
LEGAL COSTS	Each party to bear their own legal costs.

This group will pay a nominal fee, as per Council's Fees and Charges, subject to annual CPI increases to partially offset the cost of ongoing lease administration and includes recreational or community groups that provide a service to the community but non-the-less have fund raising potential and are not reliant solely on grant income or subsidisation.

C11.5	Minutes of the Dog Control Policy No 30 Review Working Group - 29 September
--------------	--

Meeting: Leading and Learning Committee

Date: 16 November 2015

COMMUNITY STRATEGIC PLAN STRATEGY: Recreation Management

COMMUNITY STRATEGIC PLAN OBJECTIVE:

- To provide a diverse range of accessible recreational opportunities and associated facilities for a broad range of ages, abilities and interests

DELIVERY PROGRAM ACTION:

- Provide planning, design, investigation and management of recreational facilities
-

1.0 EXECUTIVE SUMMARY

1.1 SUMMARY

In December 2014 Council resolved to form a Dog Control Policy Review Working Group (The Working Group) to undertake an in-depth review of Council's current Dog Control Policy No 30 in accordance with its objective "To provide effective dog control in leashed and unleashed areas in the Pittwater Local Government Area" in accordance with the Companion Animals Act 1998.

The Working Group is to consider including in the policy effective education measures, compliance control, asset maintenance, signage and the adequacies of all the current dog areas in Pittwater LGA to meet the current and future dog population.

This report presents the minutes of the Dog Policy Review Working party meeting of 29 September 2015.

2.0 RECOMMENDATION

That the Minutes of the Dog Control Policy Review Working Group meeting from 29 September 2015 be noted.

3.0 BACKGROUND

3.1 PURPOSE

To advise Council of the Minutes of the Dog Control Policy Review Working Group meeting held on 29 September 2015.

3.2 BACKGROUND

Council, at its meeting of 1 December 2014 resolved to form a Working Group with the purpose of reviewing Council Dog Control Policy No.30 in accordance with its objective.

After an extensive EOI process the Working Group was established with the first meeting being held on Wednesday 15 April 2015. Meetings have been held every six weeks, with the last meeting held 29 September 2015. Part of the accepted Charter was the requirement for meeting minutes to be presented to Council as required.

3.3 POLICY IMPLICATIONS

The Working Group was established to review Dog Control Policy No 30.

3.4 RELATED LEGISLATION

This report has not been prompted by a legislative requirement.

3.5 FINANCIAL ISSUES

3.5.1 Budget

- Staffing and venue hire costs for the Dog Control Policy Review Working Group are absorbed in existing operational budgets.
- Recommendations from the Dog Control Policy Review Working Group, if adopted by Council, may have a financial impact on Council's budget and would need to be considered as part of Council's Delivery Plan and budget process.

3.5.2 Resources Implications

- Three Councillors and four Council staff representatives participate in each working group meeting.

4.0 KEY ISSUES

Review of Ocean Beaches

The Working Group (WG) has been reviewing an expanded list of reserves and beaches to be considered as unleashed dog exercise areas. At the September meeting the WG further discussed suitability of ocean beaches by noting opportunities and constraints of locations that were not discussed in full detail at the previous meeting.

The WG commenced arranging the list of previously reviewed reserves and beaches in order of least constrained locations to most constrained locations, this process will be continued at the next meeting.

Approach to Policy amendments

The WG has been reviewing a variety of issues and topics associated with dog control at each meeting. To bring these discussions together, and form a framework to apply when preparing proposed amendments to the Policy, the following headings were suggested to separate issues:

- Education
- Website
- Places; current facilities, pocket parks, general
- Other

5.0 ATTACHMENTS / TABLED DOCUMENTS

Draft Minutes – Dog Control Policy Review Working Group Meeting – 29 September 2015
(Refer Attachment 1)

6.0 SUSTAINABILITY ASSESSMENT

A sustainability assessment is not required for the minutes of the subject meeting.

Report prepared by
Jessica Brealey – Reserves and Recreation Officer

Steve Lawler
A/MANAGER, RESERVES & RECREATION

DRAFT MINUTES

DOG CONTROL POLICY REVIEW WORKING GROUP MEETING

Date / Time:	Tuesday 29th September 2015 commencing at 4.05pm
Attendees:	Cr Ian White (Chairperson & Central Ward); Cr Kay Millar (South Ward); Martin McCallum; Nick Savage; Penny Dalzell; Robyn Hughes(stand in for Marita Macrae); Sherry Martin; Mr Matthew Hansen (stand in for Mark Beharrell); Les Munn; Darren Greenow (stand in for Jeff Lofts)
Absent:	Cr Selena Griffith (North Ward), Marita Macrae, Mark Beharrell, Jeff Lofts, Aisling McDermott and Jennifer Pang
Minuted By:	Jessica Brealey

Agenda Item	Action
1.0 Apologies	
Apologies have been received from Mark Beharrell, Jeff Lofts, Marita Macrae and Jennifer Pang	Noted
2.0 Confirmation of Previous Minutes	
Accepted	All
3.0 Matters arising from previous minutes	
3.1 Dog tags – JL to inform Rangers that dog naming collars are an acceptable identification method. Pittwater Animal Hospital also to be made aware. 3.2 Online database for Pittwater dog owners – Cr Griffith to investigate potential online database including contact details for education and informative updates. 3.3 Amendments to Walking Pittwater App – Cr Griffith to investigate changes to the Walking Pittwater App, to include dog friendly walks and potentially other animal related information.	DG to follow up. Both items (3.2 and 3.3) to be carried over to November meeting
4.0 Incoming correspondence	
<ul style="list-style-type: none"> Council have received thirteen items of incoming correspondence from residents of Pittwater in response to minutes that have been published on the Council website mainly regarding proposed unleashed dog exercise areas. The incoming correspondence was noted but not read out (all contact details were removed). Martin McCallum advised that community group Pittwater Unleashed they have received close to 5000 signatures in support of change to the current Dog Control Policy since its commencement in August 2014. Pittwater Unleashed petition details can be forwarded to Council to be noted. 	MMc to forward to JB
5.0 WORKSHOP ITEM 1 – Review of Reserves and Beaches	
5.1 Matthew Hansen presented a series of maps to the WG, demonstrating records of sightings of natural species within Pittwater. Data is collated from the Office of Environment and Heritage Atlas in conjunction with Council's Natural Environment and Education data. The WG requested that for next meeting the same maps be presented for headlands and rock platforms, but noting the following species only: <ul style="list-style-type: none"> Nesting species Migratory species Species that tidal feed 	Council's NEE team to collate amended species list

5.2 General discussion

- It was suggested that the policy update could include options for Council to close UDEAs on beaches in the instance of a natural emergency such as beached whale or seal.
- The WG briefly compared on lead vs off lead opportunities; suggesting that there may be more opportunities for on lead areas only due to the greater control achieved by this.

5.3 Continued review of beaches not discussed in detail previously

Avalon Beach

- Northern end only would be best option
- Plans for bush care regeneration work in the North Avalon dunes area

Bilgola Beach

- Existing trial tie-up dog area on walk to rock pool

Bungan Beach

Constraints

- Poor access, both vehicle and pedestrian
- Environmental issues such as dense vegetation and unique literal rainforest
- Birdlife
- Could receive complaints from residents in the area

Opportunities

- Poor access may be a deterrent for large crowds and users

Bongin Bongin Beach (North Mona Vale Basin)

Constraints

- Heavily used beach
- Close to housing, densely populated
- Active coastal zone(erosion prevalent at beach)
- Can get steep at high tide

Opportunities

- Walking distance for many people
- Access via already existing public path
- Rock platform could be natural barrier

South Mona Vale Beach, south of beach access walkway

Constraints

- Easy for out of area users to access

Opportunities

- Attached to existing UDEA
- Easiest option to extend current UDEA
- Natural barrier with headland between South Mona Vale and Warriewood

Warriewood Beach

Constraints

- Heavily utilised
- Environmental constraints, such as dense vegetation areas
- Smaller beach

Turimetta Beach and headland

Constraints

- Wildlife Protection Area on headland
- Abundance of protected, endangered and local species, particularly at rock platforms

Opportunities

- Less utilised beach

<p>McCarrs Creek Reserve</p> <ul style="list-style-type: none"> • The UDEA could be moved to the eastern end of the reserve, away from the National Park. Area to the right of road, as you enter the reserve. • There is a dense area of Casuarina trees, but also a large open space. <p>Wimbledon Reserve, North Narrabeen</p> <ul style="list-style-type: none"> • Request was made that Warringah Council (Narrabeen Lagoon water use is managed by Warringah Council) be approached to comment on water access for dogs off Wimbledon Reserve. Note: discussion of opportunities and constraints of this reserve has occurred at previous meetings. 	<p>LM to contact Warringah Council.</p>
<p>6.0 Pittwater Unleashed Education Plan</p>	
<ul style="list-style-type: none"> • The education plan was provided to the WG at the August meeting; it has been distributed electronically for consideration. Pittwater Unleashed did not wish to present the document to the WG in further detail, however request that it be read and noted by WG members. • Pittwater Natural Heritage Association (PNHA) feel that education cannot be solely relied on for control, enforcement is also a vital aspect, based on their experiences. • Martin referred to a report written by Virginia Jackson, which discusses how compliance is improved when people are educated and understand the background to restrictions. The report will be distributed to WG members. The report is titled <i>Compliance Theory: How To Improve Companion Animals By Managing People Better, 2004</i> • It was also suggested that there could be a limit to the number of dogs people can walk at once, with the intention that owners would have more control if walking fewer dogs. 	<p>MMc to send to JB for distribution</p>
<p>7.0 General Business</p>	
<p>7.1 Moving forward the Councillors suggested a format to collate items from the meetings to start the process of putting discussions into more concrete policy amendment proposals. Headings would be as follows:</p> <ul style="list-style-type: none"> • Education • Website • Places; current facilities, pocket parks, general • Other <p>7.2 Ordering of reserves in least constrained to most constrained</p> <p>The WG commenced ordering of least constrained locations to most constrained locations, this process will be continued at the next meeting.</p>	

Meeting closed at 6.00pm
Next Meeting 10th November 2015 4.00pm

C11.6	Report on Conference Attendance - LG NSW 2015, Cr Julie Hegarty
--------------	--

Meeting: Leading and Learning Committee

Date: 16 November 2015

COMMUNITY STRATEGIC PLAN STRATEGY: Corporate Management

COMMUNITY STRATEGIC PLAN OBJECTIVE:

- To provide leadership through ethical, accountable and legislative decision-making processes
- To ensure local democratic representation
- To engage proactively with the community in a way that is consistent, appropriate and effective
- To ensure effective and cooperative management by providing equitable and transparent business processes
- To facilitate timely, legible and accurate information to the public
- To ensure Council's future financial sustainability
- To foster shared resourcing through regional partnerships

DELIVERY PROGRAM ACTION:

- Leading an Effective and Collaborative Council and Enhancing our Working & Learning
-

1.0 EXECUTIVE SUMMARY

SUMMARY

Council's Policy No 145 – Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors – provides that following attendance at a Conference authorised under this Policy the relevant Councillor is required to submit a report of approximately one page in length to the community via the Council's Agenda papers on the outcomes of the Conference, with particular emphasis as to any outcomes affecting Pittwater.

Councillor Hegarty's report on behalf of Councillor McTaggart, Councillor White, *Councillor Millar, Councillor Griffith and Councillor Grace following their attendance at the Local Government NSW 2015 Conference, held in Sydney from Sunday 11 October to Tuesday 13 October 2015 is attached (refer **Attachment 1**) for Council's information. *NB Cr Millar was an apology and Cr Young attended on the 12th October in her place.

2.0 RECOMMENDATION

That the information provided in the report be noted.

3.0 BACKGROUND

3.1 PURPOSE

To advise Council of Councillor Hegarty's report on behalf of Councillor McTaggart, Councillor White, Councillor Young, Councillor Griffith and Councillor Grace following their attendance at the Local Government NSW 2015 Conference, held in Sydney from Sunday 11 October to Tuesday 13 October 2015.

3.2 BACKGROUND

Council's Policy No 145 – Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors provides that:

'Conference Reporting:

Following attendance at a Conference authorised under this Policy, the relevant Councillor is required to submit a report of approximately one page in length to the community via the Council's Agenda papers on the outcomes of the Conference, with particular emphasis as to any outcomes affecting Pittwater.'

On 3 August 2015 by Council Decision that Councillor Griffith, Councillor McTaggart, Councillor Young, Councillor White and Councillor Grace attend the Local Government NSW 2015 Conference.

Councillor Hegarty's report on behalf of all Councillors that attended is attached.

3.3 POLICY IMPLICATIONS

Policy No 145 – Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors.

3.4 RELATED LEGISLATION

Local Government Act 1993

3.5 FINANCIAL ISSUES

3.5.1 Budget

Sufficient monies were available in the current budget for the Councillors' attendance.

3.5.2 Resources Implications

Nil implications

4.0 KEY ISSUES

This report is in response to Council's Policy 145 – Policy for the Payment of Expenses and Provision of Facilities to the Mayor and Councillors – Conference Reporting.

5.0 ATTACHMENTS / TABLED DOCUMENTS

Attachment 1 - Councillor Hegarty's report on behalf of Councillor McTaggart, Councillor White, Councillor Young, Councillor Griffith and Councillor Grace following their attendance at the Local Government NSW 2015 Conference, held in Sydney from Sunday 11 October to Tuesday 13 October 2015.

6.0 SUSTAINABILITY ASSESSMENT

No sustainability assessment is required for this report.

Report prepared by
Anna Power, Executive Assistant to Mayor & Councillors

Warwick Lawrence
MANAGER, ADMINISTRATION & GOVERNANCE

**LOCAL GOVERNMENT NSW ANNUAL CONFERENCE 2015
11-13 OCTOBER 2015 SYDNEY**

The 2015 Local Government Conference was held at Rosehill Racecourse, which is a great venue for an event that has approximately 500 delegates in attendance. The venue allowed for plenty of space for the Trade Stalls, Conference meeting room and of course the AEC Election of Directors. I again stood for the position of Director Metro/Urban at Local Government NSW, a position I have held since 2002, and am happy to say that I was successful in my re-election. I would like to say thank you to my fellow Councillors for their support and encouragement. I believe that my position on this Board has allowed me to raise issues directly affecting Pittwater Council area and also raise the profile of Pittwater Council in this sector.

The conference kicked off on Sunday evening with the official opening and Welcome to Country by Auntie Kerrie Kenton from the Darug Nation. Cr Keith Rhoades AFSM as President of LGNSW and the Lord Mayor of Parramatta followed with their own welcome to delegates.

Monday morning saw business begin at 9am with an address from the Hon Mike Baird MP, Premier of NSW. He was greeted at the door by a small but vocal group from Save Our Councils Coalition, and we thank them for their continuous support. His address was focussed around the Fit For the Future submissions being currently considered by IPART, and of course was regularly heckled by the crowd. The two new pieces of information I took away from his address was that 1) our communities would get another opportunity to be consulted and 2) we will know by Christmas. Not sure that's necessarily positive, but at least we have some direction and movement.

The remainder of the day was taken up with conference business, which are motions as submitted by Councils across the state. It was fantastic that Pittwater Council had 6 elected Councillors representing its community and speaking to motions that may have had an effect on our community. It was very re-assuring to see that conference maintained a quorum for the entire business sessions and managed to deal with all but 8 conference motions. Some motions of particular interest to Pittwater, and its community were around the Review of the Rating System by IPART including removal of rate pegging and linking any charges to the Land; concern regarding the non-indexation of capped Section 94 plans; Including community buildings in section 94 plans, allocation of infrastructure funding to take into consideration tourist influxes; of course there is always a couple on cost shifting; reclassification of FAGS; a lot of discussion regarding "Free Camping" which could impact parts of Pittwater negatively; road maintenance funding; the consideration of Natural Disaster Funding to allow for betterment of rebuilds; Amendments to the Rural Fires Act; Amendments to the 10/50 code (which was lost as the impacts for Metro are quite different to those affecting Rural, Pittwater submitted an matter of urgency to separate the two issues, but we ran out of time to consider it-this will be considered by the Board); Short term rental issues; private certifiers; exempt and complying developments; affordable housing strategies; our motion regarding "Management of Flying Fox Colonies" was also supported by conference.

Day two of the conference began with a Q&A style panel facilitated by Ellen Fanning. All sides of politics were represented on the panel, even including Rik Hart, GM of Warringah Council! The questions put to the panel had all been submitted by individual Councils previously which allowed a really good discussion on many different topics, both Metro and Rural centric – a very well put together and hosted event. After morning tea the conference had an address by Minister Paul Toole, that was after he dodged through the protesters against the FFF process who had gathered outside! A big thank you to several members of our own Pittwater Community who travelled all the way to voice their concerns. Minister Toole spoke well, although most of the conference did not really like what he had to say! He certainly didn't give anything from the IPART report away and spent most of his address being heckled! Following this was the announcement of the Bluett Award winners and all Pittwater Councillors and the General Manager were very proud to receive a commendation award on behalf of our Councillors, community and staff.

After lunch we had a very interesting discussion about constitutional recognition both of Local Government Federally and also of Aboriginal and Torres Strait Islander Peoples. Another address was from the Association of Mining Related Councils. Not really relevant to Pittwater, but important to be an informed local Government leader. The conference was then officially closed by Cr Keith Rhodes who was successfully re-elected to the position of President.

Cr Julie Hegarty

Sustainable Towns and Villages Committee

12.0 Sustainable Towns and Villages Committee Business

C12.1 Greater Sydney Commission

Meeting: Sustainable Towns & Villages Committee **Date:** 16 November 2015

COMMUNITY STRATEGIC PLAN STRATEGY: Land Use & Development

COMMUNITY STRATEGIC PLAN OBJECTIVE:

- To effectively respond to state and regional planning initiatives

DELIVERY PROGRAM ACTION:

- Monitor legislation and regulatory reforms relating to land use planning and respond and advocate on behalf of Council.
-

1.0 EXECUTIVE SUMMARY

1.1 SUMMARY

This report introduces the Greater Sydney Commission and outlines its structure, role and function.

The NSW Government is establishing the independent Greater Sydney Commission (the Commission) which is a statutory body reporting directly to the Minister for Planning. The Commission will be responsible for metropolitan planning in partnership between the State and local government with a focus on delivering the Government's vision by implementing *A Plan for Growing Sydney*.

The Commission will consist of 13 appointees, including:

- The Chair;
- Independent Environment Commissioner;
- Independent Economic Commissioner;
- Independent Social Commissioner;
- Six District Commissioners – nominated by Sydney councils to advocate their needs;
- Three key government heads from the Department of Planning and Environment, Transport for NSW and NSW Treasury

The Commission will be supported by a Finance and Governance Committee, Infrastructure Delivery Committee, Strategic Planning Committee and Sydney Planning Panel.

The Sydney Planning Panel will take on the functions of the current Sydney Joint Regional Planning Panels.

The Commission will also be supported by a CEO and small staff agency (refer to Attachment 1 for structure and governance arrangements of the Commission).

The Greater Sydney Commission Bill 2015 was introduced into parliament in late October 2015.

The purpose of the Bill is:

- to constitute the Greater Sydney Commission as a NSW Government agency having functions relating to planning and development in the Greater Sydney Region;

- to provide for the constitution of Sydney planning panels for the Greater Sydney Region which will operate as joint regional planning panels under the *Environmental Planning and Assessment Act 1979*
- to amend the *Environmental planning and Assessment Act 1979* to authorise the Commission to make local environmental plans under the Act for the Greater Sydney Region and to establish a scheme for strategic planning in the Greater Sydney Region.

The principal objectives of the Commission in exercising its functions are as follows:

- (a) to lead metropolitan planning for the Greater Sydney Region,
- (b) to promote orderly development in the Greater Sydney Region, integrating social, economic and environmental considerations with regard to the principles of ecologically sustainable development contained in section 6(2) of the *Protection of the Environment Administration Act 1991*,
- (c) to promote the alignment of Government infrastructure decision-making with land use planning,
- (d) to promote the supply of housing, including affordable housing,
- (e) to encourage development that is resilient and takes into account natural hazards,
- (f) to support ongoing improvement in productivity, liveability and environmental quality.

These objectives are laudable and will guide the provision of long overdue leadership, vision and direction for Metropolitan Sydney. However, as with most new legislation, some uncertainty exists in how the practical reality of the requirements of this Act will play out and impact on Council and the Pittwater community

2.0 RECOMMENDATION

1. *The Report be noted; and*
2. *Council write to the Department of Planning and Environment confirming Council's general support for the principal objectives of the Commission, whilst raising uncertainty and concerns associated with the following:*
 - *Section 20 provision of council staff and facilities as required'*
 - *Power to direct councils to prepare LEPs to give effect to District Plans only works if council in agreement with content of District Plan*
 - *Reduction in Councils autonomy in relation to independent local strategic planning*

3.0 BACKGROUND

3.1 PURPOSE

The purpose of this report is to inform Council of the Greater Sydney Commission (the Commission) and outline the Commissions structure, role and function.

3.2 HISTORY

In December 2014, the NSW Government released its new Metropolitan Strategy titled *A Plan For Growing Sydney* (2014 Metro Strategy), which replaces the 2010 Metropolitan Strategy titled Metropolitan Plan for Sydney 2036.

The Government's vision for Sydney is: a strong economy, a great place to live.

To achieve this vision, the Government has set down goals that Sydney will be:

- a competitive economy with world-class services and transport;
- a city of housing choice, with homes that meet our needs and lifestyles;
- a great place to live with communities that are strong, healthy and well connected; a
- a sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and resources.

The 2014 Metro Strategy divides Sydney into 6 subregions; Central, West Central, West, North, South West and South. Pittwater is included in the North subregion together with Hornsby, Hunters Hill, Ku-Ring-Gai, Lane Cove, Manly, Mosman, North Sydney, Ryde, Warringah and Willoughby councils.

The 2014 Metro Strategy sets out the State Government's priorities for Sydney with the population forecast being the main driver for change. It is estimated that Sydney's population will grow by 1.6 million people between 2011 and 2031. Housing and employment targets for Sydney are set out in the 2014 Metro Strategy, with 664,000 new homes and 689,000 additional jobs needed by 2031.

As a component of the 2014 Metro Strategy, Government identified the need to introduce a new government body, the Greater Sydney Commission, to drive the implementation of the *Plan for Growing Sydney*. The intention of the new independent body is to take ownership of the plan and help coordinate and drive the delivery of the 2014 Metro Strategy, in conjunction with local governments and state agencies.

In September 2015, the Government announced the establishment of the independent Greater Sydney Commission, which will be charged with the responsibility for metropolitan planning in a partnership between State and local government.

3.3 POLICY IMPLICATIONS

The establishment of the Greater Sydney Commission introduces a statutory body that will have the power to override council policy.

3.4 RELATED LEGISLATION

Greater Sydney Commission Bill 2015 and Environmental Planning and Assessment Act 1979.

3.5 FINANCIAL ISSUES

3.5.1 Budget

The Delivery Program incorporates two actions relevant to the implementation of the Greater Sydney Commission, being to 'Monitor legislative and regulatory reforms relating to land use planning and respond and advocate on behalf of Council' and 'Work with Department of Planning and Environment in preparation of Northern Subregional Strategy'. Work associated with the review of the Greater Sydney Commission and the continuation of support to the Department of Planning and Environment in the preparation of the Northern District Plan will be incorporated within the existing Planning and Assessment budget.

Ongoing costs associated with the future administration of the Commissions function in relation to the determination of development applications of district and metropolitan importance (currently undertaken by the JRPP) and implementation of District Plans into Pittwater Local Environmental Plan 2014 is not clearly known at this point. The associated Regulation provisions, once prepared and circulated, will provide additional information and clarity.

Section 20 of the *Greater Sydney Commission Bill 2015* (the Bill) requires Council “to provide the Commission with such staff and facilities, or such other assistance, as may be required to assist the Commission in exercising its functions”. This requirement has the potential to have resourcing and budget implications.

3.5.2 Resources Implications

- The Commission may potentially impact on future costs to Council, similar to the establishment of the JRPP. The cost could potentially occur in the administrative requirements associated with the Commissions function in relation to the determination of development applications. There will also be resourcing implications associated with the implementation of District Plans into Pittwater Local Environmental Plan 2014. As outlined above, there are potential budget and resource implications.
- The establishment of the Commission will not provide future revenue raising opportunities for Council.

4.0 KEY ISSUES

4.1 Greater Sydney Commission- Overview

In September 2015, the Government announced the establishment of the independent Greater Sydney Commission, which will be charged with the responsibility for metropolitan planning in a partnership between State and local government.

The Commission is a statutory body reporting directly to the Minister for Planning and Environment. The *Greater Sydney Commission Bill 2015* is the vehicle that constitutes the Commission and the Sydney planning panels and amends the *Environmental Planning and Assessment Act 1979* to authorise the Commission to direct councils to make. The particulars of the Greater Sydney Commission Bill 2015 will be discussed in section 4.3

The Commission will focus on the Government’s vision for Sydney by implementing *A Plan for Growing Sydney*.

The Commission will consist of 13 appointees, including:

- The Chair;
- Independent Environment Commissioner;
- Independent Economic Commissioner;
- Independent Social Commissioner;
- Six District Commissioners – nominated by Sydney councils to advocate their needs;
- Three key government heads from the Department of Planning and Environment, Transport for NSW and NSW Treasury

The Commission will be supported by a Finance and Governance Committee, Infrastructure Delivery Committee, Strategic Planning Committee and Sydney Planning Panel.

The Sydney Planning Panel will take on the functions of the current Sydney Joint Regional Planning Panels.

The Commission will also be supported by a CEO and small staff agency (refer to **Attachment 1 for structure and governance arrangements of the Commission**).

The role and functions of the Commission are:

- Lead the dialogue on the economic, environmental and social future of Sydney;
- Advise on issues of district and metropolitan planning significance;
- Promote the alignment of Government infrastructure decision-making with land use planning;
- Encourage development that is resilient and takes into account natural hazards;
- Prepare, implement, monitor and review strategic plans, including *A Plan for Growing Sydney* and the District Plans;
- Administer grants and awards;
- Undertake development application functions of the existing Sydney East and Sydney West Joint Regional Planning Panels;
- Carry out all decision-making on planning proposals including pre-gateway reviews, issuing gateway determinations and making plans.

4.1.1 **Sydney Planning Panel**

The Sydney Planning Panel will replace the Joint Regional Planning Panel for the purposes of the Environmental Planning and Assessment Act 1979.

The membership of the Sydney Planning Panel consists of:

- District Commissioner to Chair the Panel;
- Two local government members selected by the relevant council;
- Two other State representatives with relevant skills and experience;

The *Greater Sydney Commission Bill 2015* (the Bill) sets out the requirements of the Sydney planning panels under Part 3, section 18 and Schedule 3.

The District Commissioners will be appointed following a nomination process led by Councils in the relevant district. For Pittwater, this means that we must collaborate with the other Councils in the Northern District to select a Commissioner for our District. This process is explained in detail in section 4.2.4 of this report.

In relation to the two local government members, Schedule 3 of the sets out that each council is to nominate 2 persons as council nominees, the nominees remain eligible for a period as specified (not exceeding 4 years) and are eligible for re-nomination. In accordance with Schedule 3 section 2(3) of the Bill “At least one of the council nominees of a Sydney planning panel is to be a person who has experience in at least one area of planning, architecture, heritage, the environment, urban design, land economics, traffic and transport, law, engineering or tourism”

The functions of the Sydney Planning Panel are:

- Undertake all LEP making functions including pre-gateway review, issuing gateway determinations and making plans as the Commission’s delegate;
- Determine development applications of district and metropolitan importance (currently undertaken by the JRPP Sydney East and West);

4.1.2 **Finance and Governance Committee**

The membership of the Finance and Governance Committee include:

- Independent Chair
- Economic Commissioner
- Environment Commissioner
- Social Communitiser

The Bill sets out the requirements of the Finance and Governance Committee under Part 2, Division 3 Committees, Section 12.

The functions of the Finance and Governance Committee are:

- Develop clear reporting requirements for reporting on:
 - Environmental performance
 - Social performance
 - Economic performance
- Administer planning excellence awards and grants programs in the Planning and Environment division

4.1.3 Infrastructure Delivery Committee

The membership of the Infrastructure Delivery Committee includes:

- Independent Chair
- Economic Commissioner
- Environment Commissioner
- Social Communer
- Delegates:
 - Secretary of Planning and Environment
 - Secretary of Transport
 - Treasury Secretary

The Bill sets out the requirements of the Infrastructure Delivery Committee under Part 2, Division 3 Committees, Section 14.

The functions of the Infrastructure Delivery Committee are:

- Prepare Infrastructure Delivery plans for priority growth areas;
- Prepare annual Infrastructure Priority Lists to support housing supply and job growth

4.1.4 Strategic Planning Committee

The membership of the Strategic Planning Committee includes:

- Independent Chair
- Economic Commissioner
- Environment Commissioner
- Social Communer
- Relevant District Commissioner for matters in their district

The Bill sets out the requirements of the Strategic Planning Committee under Part 2, Division 3 Committees, Section 13.

The functions of the Strategic Planning Committee are:

- Prepare a District Plan for each of the six districts, as well as updates and revisions;
- Prepare updates and revisions to A Plan for Growing Sydney
- Monitor implementation of plans and provide annual reporting to Commission

4.2 Roles under the Commission

4.2.1 CEO, Greater Sydney Commission

The Chief Executive Officer (CEO) will provide direction and strategic leadership advice to implement the Government's vision of building Sydney as a strong global city and great place to live.

The role will guide a whole-of-government approach to delivering planning outcomes for Metropolitan Sydney and responsibility for the day to day management of the affairs of the Commission.

The Bill sets out the role of the CEO under Part 2, Division 1, Section 7.

4.2.2 Chief Commissioner

The Chief Commissioner is appointed by the Minister for Planning and Environment. The Bill sets out details relating to members of Commission under Part 2, Division 1, Section 6.

4.2.3 Social, Economic and Environment Commissioners

There are three Commissioners, one for each of the following areas:

- Social
- Economic
- Environment

The Commissioners will provide strong leadership and independent advice to deliver the government's vision of keeping Sydney sustainable as it grows.

Each Commissioner will be a recognised leader in their field.

4.2.4 District Commissioners

There will be 6 District Commissioners covering each district in Greater Sydney. The District Commissioners will be appointed on the basis of a nomination process led by councils and supported by the Department and a recruitment company. Councils within each District will need to decide upon their preferred appointment. The final appointment will be a Ministerial appointment based on the advice of the councils.

The Department in consultation with the Office of Local Government has developed a model for the appointment process which is outlined briefly below.

- Step 1: Panel of Mayors/ Council nominees (selection panels) established in each District. Each council nominates a person to represent it on the recruitment selection panel.
- Step 2: Expressions of Interest
Interested candidates invited to apply during the Expression of Interest period.

Recruitment company will receive and collate Expressions of Interest.

- Step 3: Selection Process
The selection panel will review candidate information provided and interview a short-list of candidates. The short-list is determined by the selection panel.

Each panel is to select a preferred candidate for their District, including an eligibility list (2 additional candidates).

The decision on the preferred candidates lies solely with the council nominees with no Department or recruitment company representatives on the panel.

If no consensus decision is made by the selection panel, the Government will determine a proportional voting system, based on the relative population sizes of councils.

- Step 4: Ministerial appointment

The Minister for Planning will review the recommendations to ensure that preferred candidates comply with the relevant eligibility criteria. Once the Minister is satisfied that the eligibility criteria are met, the Minister will appoint the candidate as a District Commissioner.

The role of the District Commissioner has advisory and decision making functions as part of the Commission and the committees that support the work of the Commission.

The District Commissioners will chair the Sydney Planning Panels on a rotating basis and will be members of the Strategic Planning Committee, representing local government priorities at the district and metropolitan level. Whereas the makeup of the current JRPPs is weighted in favour of the government, being 3 state and 2 council nominees, the Sydney Planning Panels will be made up of 1 District Commissioner, which councils have a direct role in selecting and 2 council nominees. This arguably sees a shift in power to local councils.

4.3 Greater Sydney Commission Bill 2015

The *Greater Sydney Commission Bill 2015* (the Bill) was introduced into Parliament in late October 2015 (refer to **Attachment 2 for copy of Greater Sydney Commission Bill 2015**)

The purpose of the Bill is:

- to constitute the Greater Sydney Commission as a NSW Government agency having functions relating to planning and development in the Greater Sydney Region;
- to provide for the constitution of Sydney planning panels for the Greater Sydney Region which will operate as joint regional planning panels under the Environmental Planning and Assessment Act 1979
- to amend the Environmental planning and Assessment Act 1979 to authorise the Commission to make local environmental plans under the Act for the Greater Sydney Region and to establish a scheme for strategic planning in the Greater Sydney Region.

The Bill is broken into a number of Parts and these are outlined below:

- Part 1 relates to interpretation
- Part 2 of the Bill relates directly to the formation and function of the Greater Sydney Commission, including the relevant Committees,
- Part 3 deals directly with the formation and functions of the Sydney planning panels.
- Part 4 of the Bill deals with miscellaneous provisions, including the following:
 - Act to bind the Crown in its dealing;
 - co-operation of local councils; and
 - Annual report to include certain matters
- Schedules, including:
 - Schedule 1 – map showing the Greater Sydney Region
 - Schedule 2 – details specific to members and procedure of Commission
 - Schedule 3 – details relating to the Sydney planning panels
 - Schedule 4 – Savings, transitional and other provisions
 - Schedule 5 – Amendment of Environmental Planning and Assessment Act 1979 No 23

Schedule 5 details the amendments to the *Environmental Planning and Assessment Act 1979*.

In addition to the procedural amendments required to give effect to the Commission and clarify its role in relation to actions under the Environmental Planning and Assessment Act 1979 (the Planning Act), such as extending the definition of consent authority and Joint Regional Planning Panel, it proposes a new section, Part 3B, to be inserted before Part 4 of the Planning Act.

Part 3B Strategic planning provides interpretation of new terms related to the Greater Sydney Commission, including 'district', 'District Plan', 'regional plan' and 'strategic plan'. It provides the context for the preparation and content of Regional plans and District Plans including the making, review and mandatory exhibition requirements of both.

Generally the implications of the Bill affect Council's ability to undertake its strategic planning independently.

Given the new direction and potential implications of Part 3B Strategic planning for Council, the sections of concern have been incorporated into the table below.

– Section	– Details	– Implications
<ul style="list-style-type: none"> – 75AA Interpretation 	<ul style="list-style-type: none"> – This section provides interpretation for 'district plan', 'regional plan' and 'strategic plan' 	<ul style="list-style-type: none"> – Defining the terms 'district plan' and 'regional plan' is straight forward, however the term 'strategic plan' appears to be a higher level collective term that refers to both 'district plan' and 'regional plan'. – The use of the collective term throughout the remainder of Part 3B creates confusion.
<ul style="list-style-type: none"> – 75AB – Declaration of regions and districts 	<ul style="list-style-type: none"> – Minister has the power to declare (by order published on NSW planning portal) another part of the State to be a region for the purpose of Part 3B and change the boundaries of the region or districts. 	<ul style="list-style-type: none"> – The power to declare a new region or change the boundary of the Greater Sydney Region is provided in isolation without any requirement for consultation with councils or formal exhibition.
<ul style="list-style-type: none"> – 75AD District Plans – preparation and content 	<ul style="list-style-type: none"> – Subsection (2) provides that the public exhibition of draft District Plans commences within 12 months after district is declared. – Subsection (3) and (4) outline the preparation and content of a District Plan including matters that the plan must include or identify and have regard to. 	<ul style="list-style-type: none"> – This section provides the context for preparation of District Plans and more specifically a timeframe for which draft District Plans are to be placed on public exhibition. – Prescribing the contents and matters that must be included in District Plans creates certainty to the strategic plan preparation process.

<ul style="list-style-type: none"> – 75AE Making and review of regional plans 	<ul style="list-style-type: none"> – This section provides the Minister with power to direct the preparation of a regional plan. Furthermore it provides the Minister the power to make the plan, modify the plan or not make the plan. – Subsection (3) confirms that <i>A plan for Growing Sydney</i> is taken to be a regional plan. – Subsections (4) outlines the review periods applicable to regional plans, being before the end of 2017 and a subsequent period of 5 years 	
<ul style="list-style-type: none"> – 75AH Mandatory public exhibition requirements 	<ul style="list-style-type: none"> – This section sets out the public exhibition period requirements for strategic plans as 45 days. – Furthermore subsection (2) requires before a proposed strategic plan is prepared a public notice is to be given outlining how the community can participate in the preparation of the draft plan. 	<ul style="list-style-type: none"> – Setting the exhibition period for strategic plans at 45 days provides appropriate opportunity for the broader community to review and comment on the draft plans.
<ul style="list-style-type: none"> – 75AI Implementation of strategic plans 	<ul style="list-style-type: none"> – This section sets out the general requirements of how the strategic plans will be implemented. – Subsection (2) requires planning proposals give effect to any district plan applying to the local government area and if there is no district plan applying, the regional plan. – Subsection (3) requires Council to review its LEP and prepare planning proposals to give effect to the district plan – Subsection (4) requires Council to prepare a report to the Greater Sydney Commission on: <ul style="list-style-type: none"> – (a) Council's review of its LEP in relation to subsection (3); and – (b) on the preparation of planning proposals to give effect to the district plan 	<ul style="list-style-type: none"> – The section requires Council to undertake a number of specific tasks related to implementing the outcomes of the District Plan into Council's LEP. Furthermore this section sets out specific reporting requirements to the Greater Sydney Commission. This will have the effect of directing and overriding councils strategic planning powers.
<ul style="list-style-type: none"> – 75AK Legal proceedings relating to strategic planning 	<ul style="list-style-type: none"> – This section specifies the time frame of 3 months for which legal proceedings challenging the validity of strategic plan can be made. – Subsection (3) confirms that the only mandatory requirement in making a strategic plan under this Part of the Planning Act is the public exhibition for a period of 45 days. 	<ul style="list-style-type: none"> – This section effectively limits challenges to the validity of a strategic plan to only matters relating to public exhibition. – This is a substantial departure from the requirements under Section 35 validity of instruments and Section 123 Restraint etc of breaches to the Act.

4.4 Where to From Here?

The State government has commenced the recruitment process for the various roles identified in the Greater Sydney Commission structure. It is unknown at this point when the recruitment and selection process will progress, especially in relation to the District Commissioners which local government will play a pivotal role on the selection panel.

Given the implications identified with the *Greater Sydney Commission Bill 2015*, specifically Schedule 5 Amendment of Environmental Planning and Assessment Act 1979 No 23, it is recommended that Council write to the Department of Planning and Environment confirming general support for the principal objectives of the Commission but uncertainty and concerns with the following areas:

- Section 20 requiring the provision of council staff and facilities as required,
- Power to direct councils to prepare LEPs to give effect to District Plans will only work if council is in agreement with the content of District Plans
- Reduction in Councils autonomy in relation to independent local strategic planning

5.0 ATTACHMENTS

- **Attachment 1** - Structure and Governance arrangements of the Commission
- **Attachment 2** - Greater Sydney Commission Bill 2015
- **Attachment 3** – Council letter to Department of Planning and Environment

There are no Tabled Documents relevant to this report.

6.0 SUSTAINABILITY ASSESSMENT

6.1 GOVERNANCE & RISK

6.1.1 Community Engagement

The establishment of the Greater Sydney Commission and Greater Sydney Commission Bill 2015 are State government initiatives which have been publicised through various media channels and briefing sessions hosted by the Department of Planning and Environment.

6.1.2 Risk Management

The establishment of the Greater Sydney Commission has no direct risks for Council, other than the implications associated with the proposed amendments to the *Environmental Planning and Assessment Act 1979* under the proposed Part 3B.

6.2 ENVIRONMENT

6.2.1 Environmental Impact

- The establishment of the Greater Sydney Commission will not directly affect flora and fauna.
- The establishment of the Greater Sydney Commission will not directly affect levels of pollution (air, noise, water, soils etc.).

6.2.2 Mitigation Measures

- The establishment of the Greater Sydney Commission will not be affected by climate change impacts. The Greater Sydney Commission will as part of its role and function consider the impacts of climate change on the Greater Sydney Region.

- The establishment of the Greater Sydney Commission will not have direct impacts on energy use and green-house gas emissions.
- The establishment of the Greater Sydney Commission will not impact resource and waste management.

6.3 **SOCIAL**

6.3.1 **Address Community Need & Aspirations**

- The establishment of the Greater Sydney Commission will not directly affect the quality of cultural, community or recreational services available to the community.
- The establishment of the Greater Sydney Commission will not directly affect the health, safety and well-being of residents.
- The establishment of the Greater Sydney Commission will not directly affect the services of our community.
- The establishment of the Greater Sydney Commission will not directly affect the mobility of residents.

6.3.2 **Strengthening local community**

- The establishment of the Greater Sydney Commission will not directly affect the community feeling of connectedness.
- The establishment of the Greater Sydney Commission will not directly affect the liveability of our villages.
- The establishment of the Greater Sydney Commission will not promote education and knowledge generation.

6.3 **ECONOMIC**

6.4.1 **Economic Development**

- The establishment of the Greater Sydney Commission will not create or support opportunities for local economic growth.

Report prepared by
Anne-Maree Newbery, Principal Planner (Strategic)

Andrew Pigott
MANAGER, PLANNING & ASSESSMENT

Structure and Governance arrangements of the Commission

