



## Agenda

### Extraordinary Meeting of Council

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

**Wednesday 4 May 2011**

Commencing at 9:00 PM or at the conclusion of the Councillor Workshop for the purpose of considering items included on the Agenda.

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

*Copies of business papers are available at the Customer Services Counter at Manly Council, Manly Library and Seaforth Library and are available on Council's website:  
[www.manly.nsw.gov.au](http://www.manly.nsw.gov.au)*

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**TO:** Extraordinary Meeting of Council - 4 May 2011  
**REPORT:** General Managers Division Report No. 5  
**SUBJECT:** Draft Manly Community Strategic Plan Beyond 2021 incorporating Resourcing Strategy, Four Year Delivery Program (2011-2015) and One Year Operational Plan (2011- 2012) – Public Exhibition  
**FILE NO:**

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## SUMMARY

The Draft *Manly Community Strategic Plan 2010-2013 Beyond 2021* is presented to Council for Exhibition in three parts being:

- Part One: Manly Community Strategic Plan Beyond 2021 – Highlights key issues and strategies to improve the livability of Manly over the next ten plus years.
- Part Two: Resourcing Strategy (Incorporating Ten Year Financial Plan, Workforce Plan and Asset Management Plan)
- Part Three: Four Year Delivery Program and One Year Operational Plan

The document has been produced following an extensive community engagement process, and are circulated separately.

## REPORT

### Legislative Framework

Manly Council is required under the NSW Local Government Act 1993 to establish and implement a Community Strategic Plan that engages the community via a strategy based on social justice principles and identifies the community's main priorities and aspiration for the future.

Council was directed by the NSW Department of Local Government that the Community Strategic Plan must be adopted by Council by June 2011, and be consistent with the November 2009 amendments to the Local Government Act 1993 as part of the Integrated Planning and Reporting Framework.

According to section 402 of the Local Government Act, the essential requirements of a Community Strategic Plan for the Manly area are as follows [Reference: NSW Department of Local Government (DLG), Planning and Reporting Guidelines for local government in NSW, 2010]:

- That it has been developed and endorsed by the council.
- That it is to identify the main priorities and aspirations for the future of the local government area.
- That it must cover a minimum timeframe of 10 years.
- That it must establish strategic objectives together with strategies to achieve those objectives.
- That it must address social, environmental, economic and civic leadership issues in an integrated manner.
- That it must ensure the Community Strategic Plan is adequately informed by relevant information relating to social, environmental, economic and civic leadership issues.
- That it must be based on the social justice principles of equity, access, participation and rights.
- That it must give due regard to the State Plan and other relevant state and regional plans.
- That council must prepare and implement a Community Engagement Strategy based on social justice principles for engagement with the local community in developing the Community Strategic Plan.
- Council is required to provide the Deputy Director General (Local Government) with a copy of the Community Strategic Plan and any amendment of the plan, within 28 days of the plan (or amendment) being endorsed.

## General Managers Division Report No. 5 (Cont'd)

**Manly Community Strategic Plan Beyond 2021** is about the future of the whole Manly community. It represents the aspirations of the people who live, visit and work in the Manly area. It is a 10 year plus strategy that has been developed as a collaborative effort between the community and Council.

**Manly Community Strategic Plan Beyond 2021** defines a sustainable direction for the Manly local government area and sets out the strategic direction which Council will follow in achieving the needs of our community for the next 10 years to 2021.

The **Manly Community Strategic Plan Beyond 2021** has been developed so that it can be delivered as a partnership between Council, state agencies, community groups and individuals. It addresses a broad range of issues that are relevant to the whole community.

The **Manly Community Strategic Plan Beyond 2021** is designed to address four questions for the community:

- Where are we now?
- Where do we want to be in 10 years time?
- How will we get there?
- How will we know when we've arrived?

To achieve this direction, Council has:

- Developed a resourcing strategy to plan Council's use of its community assets and infrastructure, staff and finances to deliver the objectives of the plan;
- Aligned Council programs and services with the key themes and directions of this plan;
- Assessed our success through the achievement of set targets and performance measures;
- Reviewed who Council can partner with to achieve the key vision and objectives of this plan, including NSW and Commonwealth state agencies, non-government organizations and local community groups; and
- Responded to issues arising from the community engagement process involving external consultants Elton Consulting previously reported and noted by Council in November 2010.

## Financials

The Chief Financial Officer (CFO) in his report provides a comprehensive look at the Council's global budget for the coming year.

The draft 2011/2012 Budget as presented provides for a balanced budgeted with anticipated revenues (operating and capital) totalling \$86,017,368 operating expenditure of \$64,589,968 and capital expenditure \$21,427,400

## Budget Hi-lights

- **Seaforth TAFE** \$5,500,000 has been provided for the acquisition of the Seaforth TAFE site
- **Manly Art Gallery & Museum** \$127,000 – upgrade of air-conditioning and CCTV.
- **Sandy Bay Reserve** \$110,000 for implementation Stage 2 - Sandy Bay Landscape Master plan
- **L M Graham Reserve** \$410,000 provided for commencement of the L M Graham Reserve Master plan
- **Tania Park** \$145,000 provided for erosion and sediment control at Tania Park (landscaping and car park resurfacing)
- **Manly 2015** Provision for commencement of Laneway Strategy – Short Street Plaza / Raglan Street.

**General Managers Division Report No. 5 (Cont'd)****Long Term Financial Plan**

The Asset Management Plan indicates that over the next 10 years there is a funding gap of around \$2.8 million in infrastructure renewal funding per annum.

In order to provide Council with a fiscally responsible Budget in a climate where households are already facing increases in mortgage costs and rising utility charges, the 10 Year - Long Term Financial Plan presents to Council three (3) different scenarios to address Council's infrastructure needs.

These include the recommended or planned scenario (Scenario 1) which will over the medium to long term go some way to address this funding shortfall, and give Council time to investigate and consider additional funding sources. However any new infrastructure would require alternative funding sources.

If it was the wish of Council to fully fund the infrastructure funding shortfall in the short to medium term, Scenario 3 is presented. This would require Council to seek a special rate variation which would result in an annual rate increase in the order of 6% per annum over seven years.

**Trade Waste**

I refer to the report from the Deputy General Manager of Landuse and Sustainability which recommends divestment of the trade waste service as it continues to operate at a financial loss and it is not in the overall public interest to continue with this non core business, with other private operators offering the same service and better able to wear the commercial risks.

**Some highlights of upcoming actions of note during the next financial year include:**

- Implementing the NSW planning reforms including exhibiting a new LEP and undertaking a consolidation of Council's various Development Control Plans;
- Progressing a new Master Plan for the Manly CBD called the *Manly 2015* in accordance with community needs and aspirations;
- Working with key stakeholders such as Manly Police, the Chambers of Commerce and Manly Liquor Licensing Accord and Precincts to improve community safety and reduce alcohol related violence throughout the Manly area, especially at night;
- Progressing various key environmental projects such as removal of Victoria parade steps, Manly Lagoon restoration project, and the removal of the North Steyne ocean pipe;
- Looking at ways to improve our waste management techniques in consultation with other SHOROC councils, in particular fully utilising the facility at KIMBRIKI.
- Commencing implementation of a specific carbon reduction strategy at Council and rolling this out community wide over time; and
- Continuing to provide, and enhance the quality of, our core service delivery areas across the quadruple bottom line in human services, cultural services, civic and urban services & environmental and planning services.

As in previous years Council continues to dedicate much of its expenditure of the period of the Four Year Delivery Program and Annual operating report in the provision of:

- Important community and cultural services and facilities aimed at providing equitable access to important services for all age groups in Manly;
- Civic and Urban Services aim to provide, maintain and improve our key infrastructure in the public domain;

**General Managers Division Report No. 5 (Cont'd)**

- Environmental Services aimed at preserving our beautiful natural environment remain a key focus as does ensuring smart planning and controlling development in the interests of the broader community.
- A focus on providing leadership, good governance and transparent and accountable operations at Council.

**RECOMMENDATION**

1. That in accordance with NSW Local Government Act 1993 Council place on public exhibition The Draft **Manly Community Strategic Plan 2010-2013 Beyond 2021** in three parts being:

Part One: Manly Community Strategic Plan Beyond 2021

Part Two: Resourcing Strategy (Incorporating Ten Year Financial Plan, Workforce Plan and Asset Management Plan)

Part Three: Four Year Delivery Program and One Year Operational Plan

2. That Council receive a further report back following the Exhibition Period in June 2010, summarizing public submissions with a final draft document for endorsement.

**ATTACHMENTS**

<b>AT-1</b>	Manly Community Strategic Plan Beyond 2021 Parts one, Two and Three	250 Pages	Circulated Separately
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\*\*\*\*\* End of General Managers Division Report No. 5 \*\*\*\*\*

**TO: Extraordinary Meeting of Council - 4 May 2011**  
**REPORT: Corporate Services Division Report No. 15**  
**SUBJECT: Adoption of the draft 2011-2012 Budget**  
**FILE NO:**

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## **SUMMARY**

The draft Manly Community Strategic Plan (10 + years), the Delivery Plan (4 years), and Operational Plan (1 year) incorporating the draft 2011-2012 Budget and the Long Term Financial Plan along with the proposed Fees and Charges, are presented to Council with a recommendation that they be adopted and placed on public exhibition.

## **REPORT**

### **Executive Summary**

The draft 2011-2012 Budget is the first budget prepared in line with the new requirement for a 10 Year - Long Term Financial Plan.

### **Budget Summary**

A four year Budget has been prepared in line with the requirement for Council to prepare a four year delivery plan, using Council's normal format and arranged in program areas that reflect Council's activities. The document contains explanatory notes that describe the activities covered by each of the programs.

The 2011-2012 Budget has been prepared on the basis of Council not applying for a special rate variation, and on the basis of applying the principle of achieving a balanced budget in cash terms.

The draft Budget as presented provides for a balanced budgeted with anticipated revenues (operating and capital) totaling \$86,017,368; operating expenditure of \$64,589,968 and capital expenditure \$21,427,400. The Budget has been summarised and incorporated into the Delivery Program to reflect the full costs of providing the principal Programs.

On a AAS 27 Accrual Accounting basis, Council's operating budget is in surplus by \$1.582 Million. After capital grants and contributions a surplus of \$743,000 is anticipated.

This has only been achieved by critically reviewing all of Council's services; combining some positions thus achieving savings in staff costs, and reviewing the use of casual staff. At the same time Managers have been asked to monitor areas where they are responsible for receiving income, to ensure that Council receives all income it is entitled to.

### **Budget Parameters**

The following parameters have been applied in preparing the 2011/2012 Budget:

- Permissible rate pegging increase of 2.8%;
- Wages and salaries award increase– 2.15% from 1 July 2011 then 3.25% for next 2 years;
- Contracts and leases varied by December 2010 weighted average All groups Consumer Price Index (CPI) of 2.7%;
- Fees and charges increased generally in line with CPI, however market pricing to be applied where appropriate ;
- Slight recovery in interest from investments;

**Corporate Services Division Report No. 15 (Cont'd)**

- Increased utility charges – such as street lighting and general electricity prices which are expected to increase by up to 20% over the next 3 years;
- Continuing Council's commitment to purchase 100% Greenpower for street lighting;
- Continuing Council's commitment to purchase 10% Greenpower for Council buildings and facilities;
- Statutory superannuation contributions of \$225,000 to be funded through reduction in employee costs and overheads over the next 8 years, reviewed annually;
- Continual increase in the NSW Fire Brigades Levy;

**Budget Revenue - Rate Levy**

Under the "rate pegging" legislation, the Independent Pricing and Regulatory Tribunal (IPART) is responsible for the setting of the annual "rate peg". IPART have set the general rate variation increase for 2011/2012 at 2.8%, based on a Local Government cost index of 3% less a productivity factor of 0.2%.

A 2.8% rate peg increase equates to an increase in general rates revenue of approximately \$667,000. (Total estimated general rate revenue for 2011/2012 is \$24,527,000).

The rate increase is a substantial reduction on previous years and is barely meets inflation. A 2.8% increase will possibly not meet increases in contractors and materials costs, wages increases and government statutory charges. Thus the need for Council to critically review its services.

Income from Rates accounts for 55% of Councils operating revenues, whilst wages and other employee on-costs account for around 50% of operating expenditure. Other cost increases including contractors and materials expenses such as bitumen, concrete and steel, which are increasing at rates much higher than the CPI, will place added pressure on the provision of Council services. State Government charges such as the NSW Fire Brigade and State Emergency Service Levy, Valuer General Fees, and Planning NSW, have been increasing at rates much higher than that permitted under the State Government rate pegging.

Council is also facing a substantial increase in street lighting charges following the Australian Energy Regulator (AER) approval to increase capital and maintenance charges for general public lighting.

The draft Budget has been prepared based on adoption of the 2.8% rate cap.

**Particulars of Proposed Rates and Amount Proposed to be Levied.****General Purpose (Ordinary) Rates:**

Council proposes to levy three Ordinary Rates and two Special Purpose Rates:

- |      |                |   |   |
|------|----------------|---|---|
| (i)  | Ordinary Rates | - | Residential                             |
|      |                | - | Business - Manly Business Centre        |
|      |                | - | Business - Other                        |
| (ii) | Special Rates  | - | Manly Business Centre Improvements      |
|      |                | - | Balgowlah Business Centre Improvements; |

The structure of these Rates will be an ad valorem (rate in the dollar) amount in accordance with Section 497(a) of the Local Government Act 1993 and a Minimum Rate (\$548 Local Government Act) which will be specified for each category of Rate, levied in respect of any separate parcel of land, including strata title lots and land under company title.

**Corporate Services Division Report No. 15 (Cont'd)**

Particulars of the Ordinary Rates to be made for the year 2011/2012 are as follows.

Ordinary Residential Rate

An Ordinary Residential Rate of **0.174088** cents in the dollar on the Land Value of all Rateable Land categorized as Residential in accordance with S.516 of the Local Government Act, with a minimum Rate of **\$701.60**. The estimated yield from Residential Rates is \$19,751,106.

Business Rate – Manly Business Centre

An Ordinary Business Rate – Manly of **0.839003** cents in the dollar on the Land Value of all Rateable Land categorised in accordance with S.516 of the Local Government Act as Manly Business Centre being all rateable non-residential land within the Manly Central Business District as previously adopted by Council and delineated in Plan Number 1/280B, with a minimum amount of **\$916.90**. The Estimated Yield from Business Rate - Manly is \$3,371,319.

Business Rate – Other

An Ordinary Business Rate – Other of **0.449140** cents in the dollar on the Land Value of all Rateable Land categorised in accordance with S.516 of the Local Government Act as Other Business being all rateable non-residential land within Manly other than that land within the centre of population as defined in (a) above, with a minimum amount of **\$916.90**. The Estimated Yield from Business Rate - Other is \$1,385,771.

**Special Purpose Rates:**

Council proposes to levy two Special Purpose Rates. Particulars of the Special Purpose Rates to be made for the year 2011/2012 are as follows:

Manly Business Centre and Ocean Beach Front Improvements

Council, being of the opinion that works related to the provision of ongoing and proposed capital and maintenance works, including the Manly Business Centre, The Corso and Ocean Beach Front improvements, provide services, facilities and activities of specific benefit to the area delineated on Plan Number 1/280A, and are of special benefit to that portion of Manly as previously defined and adopted by Council, and whereas Council proposes to adopt the draft Budget 2011/2012, incorporating the estimates of Income and Expenditure for the Manly Business Centre and Ocean Beach Front Improvements Programme, Council proposes to levy a Special Rate – Manly Business Centre and Ocean Beach Front Improvements on all rateable land within the defined area.

The Special Rate – Manly Business Centre and Ocean Beach Front Improvements will be an ad valorem rate of **0.280607** cents in the dollar. Estimated yield from the Rate is \$1,094,310 with a minimum amount of Nil.

Balgowlah Business Centre Improvements

Council, being of the opinion that works related to the provision of ongoing and proposed capital and maintenance works, including the off-street car parks in Condamine Street, provide services, facilities and activities of specific benefit to the area, and are of special benefit to that portion of Balgowlah delineated on Plan Number 5/005B, and whereas Council proposes to adopt draft Budget 2011/2012, incorporating the estimates of Income and Expenditure for the Balgowlah Business Centre Improvements Programme, Council proposes to levy a Special Rate – Balgowlah Business Centre Improvements on all rateable land within the defined area.

**Corporate Services Division Report No. 15 (Cont'd)**

The Special Rate – Balgowlah Business Centre Improvements will be an ad valorem rate of **0.201023** cents in the dollar. Estimated yield from the Rate is \$82,497 with a minimum amount of Nil.

A map showing the properties to which the various rate categories apply, and which is required to be placed on public display by Section 405 of the Act, will be available for inspection at Council and on Council's web-site.

**Valuation Base**

Rates for 2011/2012 will be levied on the 1 July 2008 Base Date Land Valuations issued by the Valuer General.

**Environmental Works Program**

Council continues to undertake a Program of critical environmental works in 2011/2012. The net proceeds of the Environment Levy of approximately \$975,000 after pensioner rebates and including interest is to be expended on priority works which:-

- include visible environmental improvements (particularly water quality);
- achieve significant outcomes in each 12 month period;
- provide environmental benefits across/throughout the whole Manly Council area.

Further, Council has added an additional criterion addressing ongoing maintenance liabilities, in terms:-

“That ongoing maintenance of new environment levy capital works projects be recognised as a legitimate charge against the levy and that up to 10% of the levy revenue be allocated for this purpose annually.”

**Infrastructure Levy**

Council successfully applied to the Minister for Local Government in 2007/2008 for an increase in the General Rates to fund Infrastructure of approximately 2.2% to raise an additional \$475,000 in revenue which in combination with annual borrowings, section 94 funds and other revenue sources will provide up to \$2 million each year over the next 10 years specifically for infrastructural works.

**Interest Charges**

Interest is to be charged on overdue Rates and domestic waste management charges in accordance with section 566(3) of the Act. The maximum rate of interest payable on overdue rates and charges is set by the Minister for Local Government, and is currently 9.0%.

**Domestic Waste Management Charges**

Domestic Waste Management (DWM) Services are rendered by Council to all residential properties (including flats and strata) in the Manly municipality. DWM does not include waste services rendered to business rated properties.

The Minister has not notified of any limitations to amounts raised for domestic waste services for the rating year commencing 1 July 2011. As provided for in the Local Government Act the “reasonable cost” of DWM is fully recoverable and is reflected in the recommended charge for Domestic Waste Management in the Operational Plan.

**Corporate Services Division Report No. 15 (Cont'd)**

The operation of the domestic waste service is as follows:

1. One (1) x 80 litre MGB garbage bin emptied each week (residents' bins).
2. Fortnightly recycling service with paper and cardboard one week and glass, aluminium, steel cans and PET plastics the alternate week. (Council supplied 120 litre bin or crate system.)
3. Monthly "Green Waste Bin" service.
4. Two (2) "General" kerb-side cleanup collections per year.
5. Two (2) e-Waste collections per year.

The proposed Domestic Waste Management Charge for 2011/2012 is **\$475.00**. Charges for other related waste services are contained in the draft Schedule of Fees and Charges.

**Stormwater Management Charge**

The Stormwater Management Service Charge is made in accordance with legislation allowing Councils to charge a Stormwater Management Services Charge - (Local Government Amendment (Stormwater) Act 2005 and amendments to Local Government (General) Regulation 2005).

The proposed Stormwater Management Charges for 2011/2012 are as follows:

Land categorised as Residential:	\$25.00	for a single residential dwelling
Residential strata lots:	\$12.50	for each strata unit
Residential flats, community title, tenants-in-common residential units:	\$12.50	for each flat or strata unit
Land categorised as Business	\$25.00	Plus an additional \$25.00 for each 350 square metres or part of 350 square metres by which the area of the parcel of land exceeds 350 square metres up to a maximum charge of \$200.00

All funds raised through the stormwater management charge must be used for stormwater management projects including flood mitigation works; stormwater drains and pipes; managing stormwater quality.

Estimated income from the charge is \$350,000.

Further information regarding Stormwater Management including how the Levy will be spent can be found in the 2010/2011 Management Plan.

**Statement of the amounts of any proposed borrowings**

Council proposes to make an application to the Minister for Local Government for Loan Borrowing to undertake the following works in 2011/2012:

<b>Description of Works</b>	<b>Amount</b>
Property Acquisition	\$5,500,000
Public Works Infrastructure	\$1,000,000
<b>Total amount to be borrowed:</b>	<b>\$6,500,000</b>

**Corporate Services Division Report No. 15 (Cont'd)**

The Loan will be secured over the income of the Council in accordance with Clause 229 of the Local Government (General) Regulation 2005.

**Charges under Section 611**

AGL possesses, occupies or enjoys structures located on public land in the Manly local government area. These structures include pipes.

Other gas and oil companies may possess, occupy or enjoy structures located on public land in the Manly local Government area.

**It is proposed that** in relation to persons who have laid, erected, suspended, constructed or placed on, under or over public places pipes, wires, poles, cables, tunnels or structures for the purpose of gas and oil supplies, a charge equal to 0.75% of average sales for 5 years plus a mains apportionment calculated according to the percentage of mains within Manly assessed in accordance with the judgement by Justice Pike (AGL v. Glebe Municipal Council); such charge to be calculated using the independent audited figures prepared for the Local Government Association of New South Wales ("LGA") and the apportionment determined by the LGA.

**Fees and Charges**

Council may charge and recover an approved fee for any service it provides, other than a service provided for, or proposed to be provided, on an annual basis for which it may make an annual charge. Services for which an approved fee may be charged include the following:-

- Supplying a service, product or commodity.
- Giving of information.
- Providing a service in connection with the exercise of the Council's regulatory functions - including receiving an application for approval, granting an approval, making an inspection and issuing a certificate.
- Allowing admission to any building or enclosure.

Section 610(F) prohibits a Council from determining a fee until it has given public notice of its draft Operational Plan for the year in which the fee is to be made and has considered any submissions received. Council then fixes its fees and charges by resolution.

Council proposes to levy certain charges and charge certain fees for 2011/2012. A statement with respect to each charge proposed to be levied and the types of fees proposed to be charged and the amounts of such fees are contained in Council's Schedule of Fees and Charges included in the Delivery Plan.

**GST**

Council's Pricing Policy includes a statement that Council will pass on the full impact of the GST to all appropriate fees and charges under the GST legislation and the Federal Treasurer's Division 81 determinations remains appropriate.

The elements of the policy are cross-referenced to the Fees and Charges Schedule and in that way, the Council is able to disclose what their Pricing Policy is in respect of the particular good or service provided.

**Corporate Services Division Report No. 15 (Cont'd)****Precinct Community Forum Bids**

The Manly Precinct Community Forums were invited to make submissions for projects within their respective precinct, for up to three (3) projects. Council received submissions for 18 projects totaling \$532,000 from the Precincts. The majority of Precinct submissions are for projects which can in most instances be funded from existing programs. A copy of the Precincts submissions with comments, is attached.

All project requests were assessed based on Council's priorities over the next 12 months; community / public demand; funding being available; community safety and welfare; whether the project was a Council responsibility; whether the project may already have been included elsewhere in Council's Program of Works; and whether the request related to maintenance and could be incorporated in Council's regular maintenance program.

Projects that matched Council's adopted priorities over the next 12 months included footpaths, drainage, tidal pools and public toilets, and funding has been provided in the draft Management Plan for these where possible. Items regarded as "maintenance issues" will be referred to the responsible manager for inclusion in Council's maintenance programs. Other Projects requiring further investigation or additional information and if deemed appropriate may be listed for consideration in forward Budgets.

**Councillors Bids**

Councillors were also asked to nominate their preferred projects for possible inclusion in the Budget. Particulars are as follows:

Councillor	Program Initiative	Cost Estimate	Comment
Clr Adele Heaseman	Manly Cemetery – conservation of graves.	\$30,000	Funded.
Clr Cathy Griffin	Street Planting in Addison Road	\$-	Referred to Parks to incorporate into street tree planting
Mayor Jean Hay	Manly Oval – Sound system / speakers	\$18,000	Funded

**RECOMMENDATION THAT**

1. Council adopt for the purposes of public exhibition the draft 2011/2015 Budget and the draft Schedule of Fees and Charges for 2011/2012;
2. Council adopt the draft Revenue Policy including the adoption of the general rates variation of 2.8% and the making of the proposed Rates;
3. For the purpose of public exhibition Council adopt in principle the draft Long Term Financial Plan
4. Council's proposed loan borrowing for 2011/2012 is:

Property Acquisition	-	\$5,500,000
Public Works Infrastructure	-	\$1,000,000

**ATTACHMENTS**

**AT- 1** Precinct Budget Bids 2011-12 3 Pages

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\*\*\*\*\* End of Corporate Services Division Report No. 15 \*\*\*\*\*

**ATTACHMENT 1**

**Corporate Services Division Report No. 15 - Adoption of the draft 2011-2012 Budget  
Precinct Budget Bids 2011-12**

Precinct	No of Bids	Precinct Budget Submissions - 2011/2012	Precinct Bid/ Other Estimate	Revised Cost Estimate	Staff Comments	Budget Allocation
<u>Balgowlah</u>		No Submission				
<u>Balgowlah Heights</u>		Not Active				
<u>Clontarf</u>	1	<b>Clontarf Reserve Upgrade</b> - To improve the enjoyment of the Reserve. To restore deteriorated areas a) re-turfing other grass areas that have not been so far budgetted for. b) Mulching in deteriorated areas under all trees not done so far (including fig trees near childrens' playground). c) re-location of storm water drain from pool enclosure to main channel. d) Replace park furniture with new wood and aluminium designs as discussed with Parks Manager at site meeting in Feb, 2011. To provide new attractive services	20,000	20,000	Continuation or work already commenced at Clontarf Reserve and subject to further investigation & design works to be undertaken in consultation with Precinct	Yes
	2	Sandy Bay Improvement Plan			Precinct support for implementation of the Sandy Bay Landscape Management Plan Stage 2	Yes
	3	<b>Restoration of Manly Scenic Walk between The Spit and Sandy Bay</b> - Re-surface deteriorated areas of track. Replace seat with a back on the Promontory overlooking the Middle Harbour and Fishers Bay. Remove the hard metal grid and find a softer more attractive and suitable covering for the Midden that has been identified in the area. Add a handrail along the dangerous, slippery when wet, wooden walkway situated at the eastern end of Fisher Bay.	57,500	30,000		Yes
<u>Fairlight</u>	1	Returbsh/improve toilet/shower block at Fairlight Beach. Indicative cost \$75,000 (Nth Harbour CMP) improve the amenity of the surrounding area. Indicative cost of \$20,000.	200,000			No
	2	Improve accessibility of Fairlight pool for the elderly, inform and those with young children. Indicative cost \$20,000. Construct a graduated entry from the beach adjacent to the paddle pool.	20,000	20,000		Yes ??
	3	Create a bush garden with zigzag path (eg for kids) at the bottom of Margaret Street above the Scenic Walkway. This project also includes testing other landscape master plan initiatives. Indicative total cost \$22.5,000 including \$2.5,000 provision for consultation expenses re master plan testing. Note: This project was approved in 2010/11 but not substantially started and is re-submitted unchanged except for increased testing expenses.	22,500	22,500	This was submitted by the precinct last year and was approved subject to LMUD committee approval and assessment.	Yes

**ATTACHMENT 1**

**Corporate Services Division Report No. 15 - Adoption of the draft 2011-2012 Budget  
Precinct Budget Bids 2011-12**

Precinct	No of Bids	Precinct Budget Submissions - 2011/2012	Precinct Bid/ Other Estimate	Revised Cost Estimate	Staff Comments	Budget Allocation
<b>Fairy Bower</b>	1	Upgrade BBQ Area at Shelly Beach 2. Improve the landscaping and public furniture in the back part of Shelly Beach 3. Remove hessian fencing that delineates the sand and grass areas of the beach.	30,000	10,000		Yes
	2	Prevent Water Dragon being stolen from their habitat 2. Increase awareness of the need to protect and preserve our natural environment. 3. Provide preventative measures such as CCTV and signage.			Council has already addressed this matter previously.	No
	3	(1) Cliff Face rehabilitation beside stairs from Surf Club up to Bower St & Reddall St. (2) Shelly Beach Toilet/Shower block re-furbishment (3) Noxious weed eradication from cliff face. Section from Bower Swimming Pool to Shelly Beach car park.	10,000	10,000		Yes
<b>Ivanhoe Park</b>	1	Construct New Toilet Facilities & Water Bubblers/Refill Station at Cemetery Park (Cnr Harland St & Sprigg St Fairlight)	30,000	5,000	Toilets can be freshened up within the facilities vote. Water bubbler / refill station to be installed.	Yes
	2	Concrete path in south east corner of Ivanhoe Park to connect steps from Sydney Rd (behind Grandstand) to the gate to Manly Oval	6,000	6,000		Yes
	3	Concave Traffic Mirror in Sheridan Place Fairlight			Subject to referral to Traffic Engineer	Yes
<b>Little Manly</b>	1	Improvement of Nth-East corner East Esplanade Reserve Stage 2 - various items below  Installation of new facilities & upgrading of existing facilities to capture levels of detritus in Manly Cove East by: a) A boom/netting device to catch wind blown rubbish b) Improve stormwater capturing & cleaning of GPTs c) Eliminator of open drains near club houses & capture rubbish outflow	50,000	30,000	<b>This was submitted by precinct last year and partially approved subject to further investigation by staff.</b>	Yes
	2	An ongoing grass recovery program	6,000	6,000	Referred to Parks Maintenance	Yes
	3	More nightly patrols by rangers				No
<b>North Harbour</b>		No Submission				
<b>Ocean Beach</b>		Not Active				

**ATTACHMENT 1**

**Corporate Services Division Report No. 15 - Adoption of the draft 2011-2012 Budget  
Precinct Budget Bids 2011-12**

Precinct	No of Bids	Precinct Budget Submissions - 2011/2012	Precinct Bid/ Other Estimate	Revised Cost Estimate	Staff Comments	Budget Allocation
<u>Seaforth</u>		<i>Not Active</i>				
<u>Seaforth North</u>	1	Construction of footpath in/on streets not yet having formed & stable footpaths		0	Works will be undertaken as part of Council's ongoing footpath upgrade program in consultation with the Precinct.	Yes
	2	Replace/renew the chain wire fence on the Northern side of Seaforth Oval	10,000	10,000		Yes
	3	Construction of a skate board facility at Seaforth Oval	100,000	30,000	Work will be undertaken in consultation with the Precinct and other special interest groups.	Yes
<u>The Corso</u>		<i>Do not wish to make submission</i>				
<b>TOTAL</b>			<b>\$562,000</b>	<b>\$199,500</b>		

**TO:** Extraordinary Meeting of Council - 4 May 2011  
**REPORT:** Environmental Services Division Report No. 11  
**SUBJECT:** Draft Waste Services Budget for 2011/2012 and Future Arrangements for Trade Waste Services  
**FILE NO:**

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## SUMMARY

This report details two matters, the first relating to the Draft Waste Services Budget for 2011/2012 including all disposal and levy increases. The second part of the report deals with the ongoing viability of Council's commercial Trade Waste Service and recommends a change in how the service is managed in the future.

## REPORT

### Part 1 - Domestic Waste Services

The *Local Government Act 1993* requires Council to prepare a Domestic Waste Services Rate taking into account the true cost of providing a comprehensive waste collection service to all residents in the Municipality.

#### Domestic Waste Services Budget

The 2011/2012 Waste Services Budget has been prepared in accordance with the *Local Government Act 1993*.

Domestic Waste Management (DWM) is *rendered* by Council to all residential properties including Residential Flat Buildings and non-rateable properties in the Municipality. The DWM charge does not include Waste Services *rendered* to business *rated* properties.

The Minister has notified that the Waste Levy for 2011/2012 will increase from \$79.90/tonne to \$82.00/tonne, commencing 1 July, 2011. A reasonable cost calculation based on the cost of delivering the waste services including increases to the disposal costs by WSN Environmental Solutions and Kimbriki Enterprises has been undertaken.

The operation of the Domestic Waste Services is as follows:

1. One (1) x Eighty (80) litre MGB Garbage Bin
2. Fortnightly recycling service with paper and cardboard one week and glass, aluminium, steel cans and PET plastic the alternate week
3. Monthly 'Green Waste' kerbside collection
4. Two (2) general household collection each year
5. Two (2) e-Waste collections per house hold each year

Council's Draft Waste Budget as presented has provided for the combination of the Waste Education Program as part of the Council's ongoing commitment to waste minimisation and waste avoidance.

#### Table of Fees

	Existing Charge	Proposed Charge
Belrose Transfer Station	\$143.43 / tonne	\$156.94 / tonne
Kimbriki Landfill - Vegetation	\$100.00 / tonne	\$107.50 / tonne
Kimbriki Landfill - General Clean-Up	\$170.00 / tonne	\$180.00 / tonne
Kimbriki e-Waste Disposal	\$890.00 / tonne	\$979.00 / tonne

**Environmental Services Division Report No. 11 (Cont'd)**

All of the above charges (except for recycling) include the NSW State Government Waste Levy of \$82.00/tonne.

In order to maintain an appropriate surplus which will assist with funding of new vehicles as well as the State Government Waste Levy for disposal, the proposed Domestic Waste Management charge for 2011/2012 is \$475.00 per residential property.

**Part 2 - Trade Waste Services**

For many years Council has operated a trade waste service in conjunction with its domestic waste service and in direct competition with other providers in the market place. The objective of Council's commercial waste service is to provide a quality waste removal service for Manly's commercial operators at a competitive market price which provides a reasonable return on capital to Council whilst at the same time demonstrating a commitment to environmentally sound waste collection and more importantly waste recycling practices.

**The specific program objectives of this service as stated in the current Management Plan 2010-2013 are as follows:**

- To provide a competitive Trade Waste Service for local business in the region
- To offer a commercial recycling service to minimise waste from the business sector to landfill.
- To offer information and support to local business to encourage waste minimisation and discourage wasteful practices
- Ideally the program should be cost neutral, and be self funding through the charging of collection fees to local businesses (as per Council pricing policy).

**The performance indicators are as follows:**

- Tonnage of garbage vs. tonnage of recycling i.e. diversion rate
- Market share of local businesses service
- Commercial Viability of Service

**Financial Performance**

The financial performance of the business over the past ten years is included as in a confidential attachment circulated under separate cover.

**Waste Minimisation**

Diversion rates for trade waste i.e. tonnages of waste versus tonnages of paper, comingling and be tidy bins have remained at just under 50 % comparable to domestic waste diversion rates.

**Market Share**

The number of customers has remained fairly consistent in a range of 680 rising to 710 in 2006-8 and is currently 684. However some major larger clients were lost to competitors due to predatory pricing which has further impacted on profitability.

Other considerations are as follows:

Council's capacity to operate such a service in a competitive environment. There are many other operators willing and able to provide the service to local businesses and in the region.

This service is not mandated and is not core business of a Local Authority.

Manly is predominantly a residential area with some commercial and Industrial land use (less than 2%) and therefore has limited opportunities for business growth within its borders .Beyond Manly, the market is dominated by entrenched competitors (at least five).

**Environmental Services Division Report No. 11 (Cont'd)**

Operating and collocating these twin services has allowed some synergies with our domestic waste services and arguably provided higher levels of trade waste diversion rates than otherwise might occur as some commercial trade waste companies do not offer recycling services.

However even without operating a trade waste business, Council is still able to offer advice to businesses regarding responsible recycling options and also to implement Development Consent conditions relating to waste minimisation objectives within commercial waste operations.

For the above reasons and on balance, it is considered that continuing to operate the current trade waste service at a loss is not in the overall public interest.

**RECOMMENDATION**

1. That the Draft Domestic Waste Management / Commercial Waste Management charge of \$475.00 for residential property be adopted for the 2011/2012 budget.
2. That expressions of interest be called for the operation of Council's trade waste Service including related trucks, plant and equipment.
3. That existing trade waste staff be retained and incorporated into the domestic waste service.

**ATTACHMENTS**

**AT- 1** Financial Performance Manly Council Trade Waste Service 1 Page

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\*\*\*\*\* End of Environmental Services Division Report No. 11 \*\*\*\*\*

## ATTACHMENT 1

### Environmental Services Division Report No. 11 - Draft Waste Services Budget for 2011/2012 and Future Arrangements for Trade Waste Services Financial Performance Manly Council Trade Waste Service

#### Financial Performance Manly Council Trade Waste Service

The financial performance of the business over the past ten years is as follows and includes all labour, plant and corporate overheads.

2010 /11	605k loss as at 14/4/11
2009/10	743k loss
2008/9	611k loss
2007/8	325k loss
2006/7	234k loss
2005/6	383k loss
2004/5	385k loss
2003/4	371k loss
2002/3	28k loss
2001/2	59k profit

#### Comments on Profitability of Service

The business has been operating at a loss for many years now and in a zero sum environment, losses incurred in one part of Council's budget have a direct impact on the ability to meet quality core service commitments in another. Continuing to operate the business at a loss will be an ongoing drain on Councils overall financial viability. Council is currently operating a budget deficit in excess of \$500,000 this financial year.

Despite the best efforts of staff now and in the past, the business has lost market share over time to other competitors (mainly the larger and more profitable customers). In part this is due to the price sensitivity of the service and bigger garbage operators being better able to sustain and subsidise losses in one part of their operation in order to increase market share in another ,thereby putting pressure and "squeezing " the margins of competitors .

Input costs such as labour, tipping fees, fuel and maintenance continue to increase without the ability to fully commercially offset them. Continuing to operate the trade waste business also means that inherent business risk rests with Council and this would normally be borne by the private sector.