



northern
beaches
council

AGENDA

Notice is hereby given that a Ordinary Northern Beaches Council Meeting will be held in the Council Chambers at the Civic Centre, Dee Why on

Tuesday 12 November 2024

Beginning at 6.00pm for the purpose of considering and determining matters included in this agenda.

Scott Phillips
Chief Executive Officer

OUR VISION

Delivering the highest quality service valued and trusted by our community

OUR VALUES

Trust Teamwork Respect Integrity Service Leadership

OUR OBLIGATIONS

I swear/solemnly and sincerely declare and affirm that I will undertake the duties of the office of councillor in the best interests of the people of the Northern Beaches and the Northern Beaches Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgement.

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1.0 ACKNOWLEDGEMENT OF COUNTRY

As a sign of respect, Northern Beaches Council acknowledges the traditional custodians of these lands on which we gather and pays respect to Elders past and present.

2.0 APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE AND REMOTE ATTENDANCE

In accordance with Part 6 of the Code of Meeting Practice, Council will consider apologies, requests for leave of absence, and requests to attend meetings remotely via audio-visual link.

3.0 CONFIRMATION OF MINUTES

3.1 MINUTES OF THE ORDINARY NORTHERN BEACHES COUNCIL MEETING HELD ON 15 OCTOBER 2024

RECOMMENDATION

That the minutes of the Ordinary Northern Beaches Council Meeting held on 15 October 2024, copies of which were previously circulated, be confirmed as a true and correct record of the proceedings of that meeting.

4.0 DISCLOSURES OF INTEREST

In accordance with Part 17 of the Code of Meeting Practice, all Councillors must disclose and manage any conflicts of interest they may have in matters being considered at the meeting.

A Councillor who has a **pecuniary interest** in any matter with which Council is concerned, and who is present at a meeting of Council at which the matter is being considered, must disclose the nature of the interest to the meeting as soon as practicable.

The Councillor must not be present at, or in sight of, the meeting:

- a. at any time during which the matter is being considered or discussed, or
- b. at any time during which Council is voting on any question in relation to the matter.

A Councillor who has a **significant non-pecuniary** conflict of interest in a matter under consideration at a Council meeting, must manage the conflict of interest as if they had a pecuniary interest in the matter.

A Councillor who determines that they have a non-pecuniary conflict of interest in a matter that is **not significant** and does not require further action, when disclosing the interest must also explain why the conflict is not significant and does not require further action in the circumstances.

5.0 PUBLIC FORUM AND PUBLIC ADDRESS

In accordance with Part 5 of the Code of Meeting Practice, residents, ratepayers, applicants or other persons may request to address Council in relation to any one matter related to the general business of Council but not the subject of a report on the agenda (Public Forum) and no more than two matters listed for consideration on the agenda (Public Address).

6.0 ITEMS RESOLVED BY EXCEPTION

In accordance with Part 14 of the Code of Meeting Practice, items that are dealt with by exception are items where the recommendations contained in the staff reports in the agenda are adopted without discussion.

9.0 CORPORATE SERVICES DIVISION REPORTS

ITEM 9.1 ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

PURPOSE

The purpose of this report is to table the Annual Report 2023/24 and present Council's audited Financial Statements for the financial year ended 30 June 2024.

EXECUTIVE SUMMARY

- The Annual Report 2023/24 details Council's achievements towards the objectives and performance targets contained in the Delivery Program 2023-2027 as well as providing legislative information required under the *Local Government Act 1993* and other acts and regulations as part of the statutory returns.
- Some of the highlights for the year included a new Northern Beaches Waste and Circular Economy Strategy 2040 which provides a blue print for transforming waste management; our first Multicultural Inclusion Plan 2024-2029 to champion diversity; designation of Palm Beach Headland as the first Urban Night Sky Place in Australia by DarkSky International and investing \$73.5 million in improving community infrastructure and assets.
- The Audit Office of NSW has conducted its audit of the Financial Statements for the financial year ended 30 June 2024 and provided the Auditor's reports, which state that Council's accounting records have been kept in accordance with the Act and the Financial Statements present fairly the financial position and performance of the Council in accordance with Australian Accounting Standards.
- The Council's Net Operating Result for the 2023/24 financial year is a \$44.1 million surplus, reducing to a surplus of \$14.9 million when capital grants and contributions are excluded.
- In 2023/24, Council spent \$5.0 million on electricity charges for Council facilities and streetlights from its 100% renewable energy agreement, with cumulative savings since 2021 of \$2.52 million exceeding the projected savings of \$1.9 million in just the first 4 years of the 7-year contract.
- Council met the 6 financial performance benchmarks set by the Office of Local Government, but did not achieve 2 of the infrastructure benchmarks due to insufficient expenditure on the renewal and maintenance of infrastructure assets.
- In recent years the cost to maintain assets has increased by more than double the increase in rates income, meaning Council no longer has the ability to meet the infrastructure performance benchmarks. Strengthening the underlying position in the future is essential to addressing long-term financial sustainability and asset deterioration concerns and is the subject of a separate report to this meeting.
- The State of our Region 2021-2024 will be appended to the Annual Report 2023/24, and the Annual Report will then be posted on the Council's website and provided to the Minister for Local Government by 30 November 2024.
- Public notice was provided that the 2023/24 Financial Statements will be presented to Council at this meeting. Submissions on the auditor's reports and the audited Financial Statements may be made by any person and the submission period closes on 19 November 2024, 7 days after this meeting in accordance with the Act. Any submissions received will be referred to the auditor as required under the Act.

RECOMMENDATION

That:

1. The Annual Report 2023/24 including the audited Financial Statements and the auditor's reports be noted and posted on Council's website and provided to the Minister for Local Government.
2. The audited Financial Statements and the auditor's reports for the 2023/24 financial year are hereby received.

BACKGROUND

Requirements

Section 428 of the *Local Government Act 1993* relevantly provides that:

- A council is to prepare its annual report within 5 months after the end of each year to report on its achievements in implementing its delivery program.
- The annual report must contain:
 - a copy of the council's audited financial reports
 - a statement of the action taken by the council in relation to any issue raised by the Anti-slavery Commissioner during the year
 - a statement of steps taken to ensure that goods and services procured were not the product of modern slavery.
- A copy of the council's annual report must be posted on the council's website and provided to the Minister for Local Government.

Section 217 of the Local Government (General) Regulation 2021 details legislative information that needs to be included in the annual report. This information is contained in the Statutory Returns Section of the Annual Report 2023/24.

Financial Statements

At the Ordinary Council meeting held on 15 October 2024, Council relevantly resolved, in part, (Resolution 255/24) that:

3. The Financial Statements for the year ended 30 June 2024 be referred to Council's Auditor for audit.
4. Council hereby delegate to the Chief Executive Officer authority, upon receipt of the Auditor's reports, to arrange for public notice to be given, in the required format on Council's website, of the Council Meeting for presentation of the audited 2023/24 Financial Statements.

The Audit Office of NSW, Council's auditor, has finalised its audit of the 2023/24 Financial Statements. The auditor expressed an 'unmodified opinion' on the Financial Statements, meaning it concluded that the Financial Statements are presented fairly in all material respects, in accordance with the requirements of the *Local Government Act 1993* (Act), Council's accounting records and Australian Accounting Standards.

The Auditor's reports along with the 'Report on the Conduct of the Audit' are contained within the final 2023/24 Financial Statements appended to the Annual Report 2023/24.

Public Notice

Public notice of the date of the Council Meeting for presentation of the audited Financial Statements was placed on Council's website on 1 November 2024. The audited Financial Statements have also been available for public inspection at Council's customer service centres and libraries along with the website since this date.

In accordance with section 420 of the Act, any person may make a submission on the Financial Statements. Submissions must be in writing and lodged with Council within 7 days after the public meeting at which the Financial Statements are presented. Therefore, submissions on the auditor's reports and the audited Financial Statements will close on 19 November 2024. Any submissions received will be referred to the auditor in accordance with the Act.

Financial Position and Performance as at 30 June 2024

The draft Financial Statements for the year ended 30 June 2024 were reported to the Council on 15 October 2024. The Financial Statements have since been confirmed following the completion of the audit.

The principal features of the Financial Statements for 2023/24 (and prior years for comparison) are as follows:

Income Statement	2024	2023	2022	2021
Income	\$441.7m	\$425.4m	\$408.1m	\$365.8m
Operating expenses	\$397.6m	\$373.8m	\$346.4m	\$365.7m
Net operating result for the year	\$44.1m	\$51.7m	\$61.6m	\$0.1m
Result excl capital grants & contributions	\$14.9m	\$17.8m	\$17.7m	(\$26.5m)
Capital expenditure	2024	2023	2022	2021
New capital works	\$29.9m	\$41.7m	\$44.2m	\$33.8m
Capital renewal works	\$43.4m	\$40.4m	\$32.7m	\$39.3m
Non-cash asset dedications	\$0.2m	\$0.8m	-	\$0.8m
Total capital expenditure	\$73.5m	\$82.9m	\$76.9m	\$73.9m
Loan repayments	2024	2023	2022	2021
Total loan repayments	\$3.4m	\$4.8m	\$5.0m	\$5.1m
Cash and investments	2024	2023	2022	2021
Externally restricted	\$62.0m	\$53.1m	\$41.5m	\$30.8m
Internally allocated	\$88.6m	\$90.8m	\$80.2m	\$83.4m
Unrestricted	\$49.7m	\$38.9m	\$36.4m	\$33.0m
Total cash and investments	\$200.2m	\$182.9m	\$158.1m	\$147.2m
Cashflows	2024	2023	2022	2021
Net cash from operating activities	\$92.8m	\$110.7m	\$90.2m	\$70.0m
Net cash from investing activities*	(\$70.8m)	(\$79.8m)	(\$73.0m)	(\$70.6m)
Net cash from financing activities	(\$4.7m)	(\$6.1m)	(\$6.3m)	(\$6.5m)
Net increase / (decrease) in cash & investments	\$17.3m	\$24.8m	\$10.9m	(\$7.1m)
* Excludes purchase and sale of investments				
Financial Position	2024	2023	2022	2021
Total assets	\$5,888.9m	\$5,636.4m	\$5,421.0m	\$5,245.2m
Total liabilities	\$186.5m	\$187.3m	\$184.5m	\$198.6m
Net assets	\$5,702.4m	\$5,449.2m	\$5,236.5m	\$5,046.6m

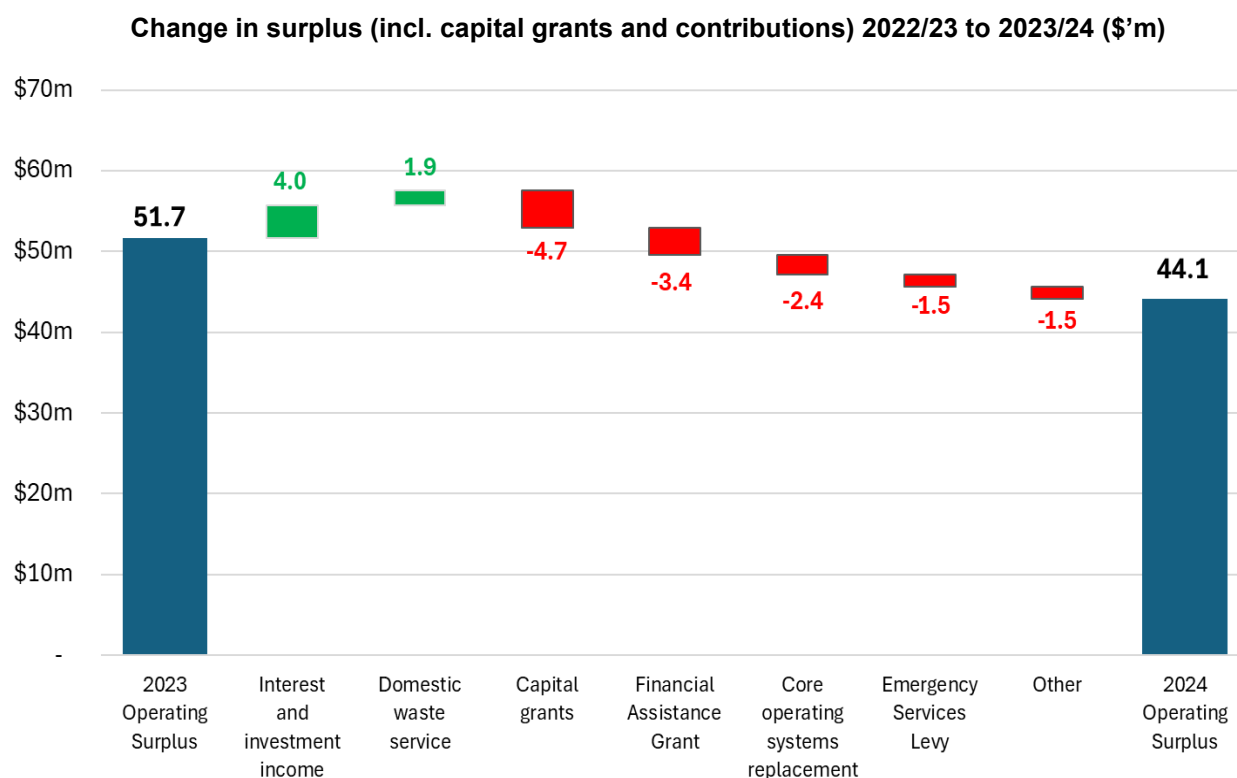
Financial performance indicators	2024	2023	2022	2021
Operating performance	3.73%	4.46%	4.53%	(7.32)%
Own source operating revenue	87.37%	84.61%	82.52%	87.42%
Unrestricted current ratio	2.18x	1.92x	1.90x	1.69x
Debt service cover ratio	6.85x	7.65x	7.25x	2.81x
Rates and annual charges outstanding percentage	3.83%	3.57%	3.63%	3.92%
Cash expense cover ratio	6.40 months	6.13 months	5.59 months	5.13 months

Asset performance indicators	2024	2023	2022	2021
Building and infrastructure renewals	94.55%	130.77%	112.67%	117.19%
Infrastructure backlog ratio	1.52%	1.49%	1.53%	1.50%
Asset maintenance ratio	98.11%	109.69%	100.55%	106.52%
Cost to bring assets to agreed service level	1.17%	1.22%	1.26%	1.24%

Green font indicates performance indicator has achieved the Office of Local Government (OLG) benchmark
 The OLG set benchmarks for all indicators, apart from the 'Cost to bring assets to agreed service level'.

Operating Result from Continuing Operations – 2023/24 compared to prior year

The Operating Result from Continuing Operations for the 2023/24 financial year is \$44.1 million surplus (2022/23 \$51.7 million).



The primary differences between the two financial years being:

- **Interest and investment income:** was \$4.0 million higher than the previous financial year as a result of increasing interest rates (half of the returns on investments relate to restricted funds).

- **Domestic waste service:** the net cost of the domestic waste service was \$1.9 million lower than the previous financial year primarily due to lower waste disposal costs than anticipated due a delay in the EPA waste levy increase and rephasing of several waste projects.
- **Capital grants and contributions:** Capital grants and contributions decreased by \$4.7 million in 2024. The 2023 year included several large grant funded projects including Safer Schools Infrastructure (\$2.6 million) and Duffys Forest RFS (\$2.2 million).
- **Financial Assistance Grant:** was \$3.4 million lower than the prior year due to the Commonwealth Government's practice of prepaying this grant. In 2024, 85% of the 2025 grant was prepaid. While in the prior year, 100% of the 2024 grant was paid in advance along with 25% of the 2023 grant.
- **Core operating systems replacement:** Council is currently replacing its core operating systems. The implementation of new software is now classified as an operating expense (previously the accounting treatment of a project such as this would have been capital expenditure).
- **Emergency Services Levy:** the net cost of the levy was \$1.5 million higher in 2024. The levy increased from \$7.8 million to \$9.3 million (and the \$1.6 million subsidy that had been provided for in the past was discontinued with the last payment in June 2022 (for the 2023 year)).
- **Other:** includes the cost to undertake the biennial clearance of Narrabeen Lagoon, higher costs for insurance and workers compensation claims due to an increase in the complexity and duration of claims, offset by funding recovered from disaster claims that occurred in prior years.

DISCUSSION

Highlights 2023/24

Over the last 12 months Council continued to remain focused on delivering services, protecting our extraordinary natural environment and supporting our community.

We have invested in replacing and renewing community infrastructure - starting work on the new community centre for Warriewood, completing a new memorial shelter at Manly Warringah Memorial Park, delivering new amenities for Shelly Beach and Little Manly, improving accessibility for Rowland Reserve amenities and upgrading the outdoor facilities at Warriewood Surf Life Saving Club.

We have also continued to invest in improving our roads and footpaths, investing \$12.6 million to complete 9.4km of road resurfacing and 5km of new footpaths.

One of the most exciting projects of the year was the development of the Northern Beaches Waste and Circular Economy Strategy 2040 - Rethink. Reduce. Reuse. The strategy will transform waste and litter management services away from a 'take, make and dispose' model to one which provides for a cleaner, more sustainable future.

With the use of e-bikes on the rise and growing concerns about rider behaviour, Council took the lead this year on e-bike safety, investing in a multi-channel e-bike safety education campaign. The 'Know the Code' education and behaviour change campaign targeted younger e-bike riders and their parents across the Northern Beaches and included digital, social and outdoor channels, with signage on shared paths outlining the simple code. The campaign was also rolled out in schools and bike shops and attracted significant media coverage.

In an Australian first this year, the Palm Beach Headland was designated as an Urban Night Sky Place (UNSP) by DarkSky International. This prestigious designation was made possible by the significant efforts of our staff, our partners, such as NPWS, and a dedicated community working group.

It was also another good year for awards with Long Reef Surf Club winning in the Local Government Excellence Awards (projects over \$1.5 million) and Frank Grey Oval being awarded Cricket NSW’s Suburban Cricket Ground of the Year.

Our early learning centres continued to provide high quality services to our community and our dedicated educators at Belrose Children’s Centre were recognised as going above and beyond, receiving the highest level of ‘excellent’ in the national scheme. There were only 29 centres who reached this level out of more than 17,000 centres across Australia, squarely positioning our educators as among the best in the country.

To support and celebrate our diverse community, Council adopted its first Multicultural Inclusion Plan – Championing Diversity 2024-2029 in May 2024 which sets out five years of actions to provide direction and guidance to Council to ensure systems and processes can support the unique needs of those who speak community languages. The plan was developed in close co-operation with more than 500 community members, who told Council about their experiences living, working or visiting the Northern Beaches.

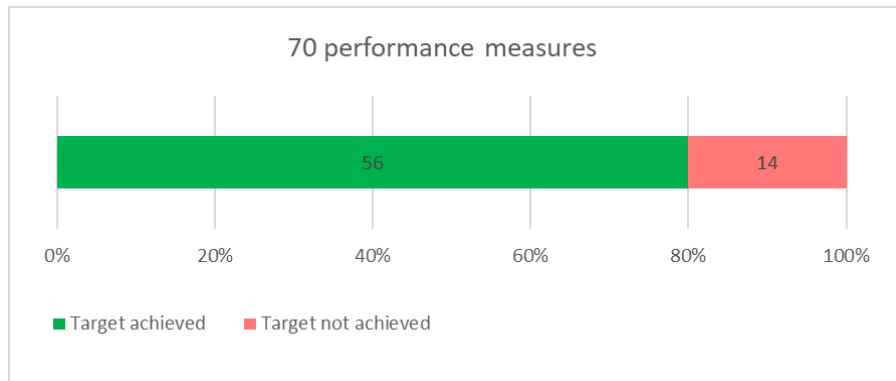
Progress summary 2023/24

Below is an overview of progress against measures and the delivery of operational and capital projects.

Performance measures:

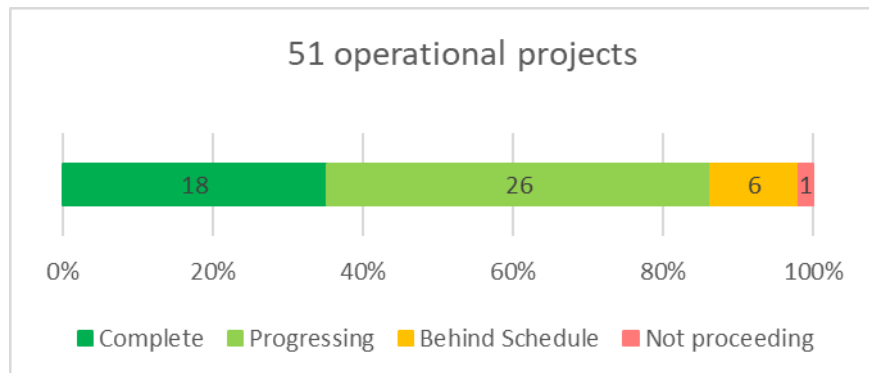
The Delivery Program 2023-2027 has 70 annual measures. The target was achieved for 80% of the measures.

Factors impacting on the achievement of the targets included weather impacts, resources (staff and budget) and third-party delays.



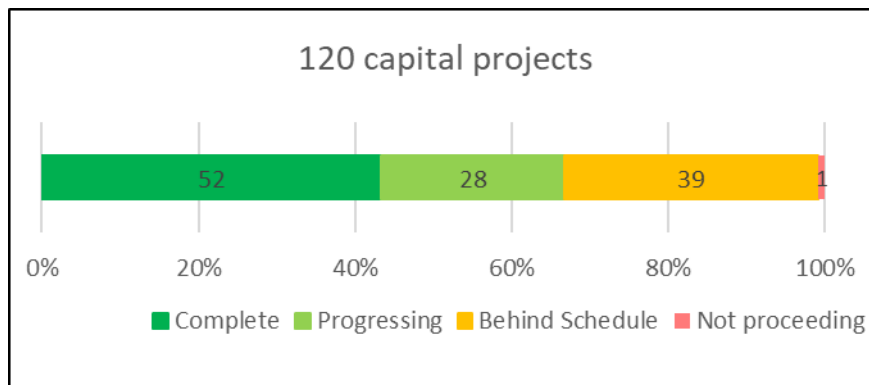
Operational projects:

There are 59 operational projects, 93% are complete or progressing on schedule. The target is 80% of projects complete or on schedule.



Capital projects:

There are 120 capital projects, 67% are complete or progressing on schedule. This is below the target of 80% of projects complete or on schedule.



Factors impacting on delivery included weather impacts, contractor

availability, design requirements/changes, cost escalations, supply chain issues and extended engagement.

State of our Region 2021-2024

The State of our Region 2021-2024 report is a progress report on the implementation of the Community Strategic Plan 2040. The report was endorsed by Council at its meeting on 15 October 2024.

The Office of Local Government's *Integrated Planning and Reporting, Guidelines for Local Government in NSW September 2021* requires the State of Our Region report be appended to the Annual Report. This will occur following this meeting.

Annual Electricity Charges 2023/24

At its meeting of 23 July 2019, Council resolved (in part) that:

Staff report to Council each year for noting its annual electricity charges year on year.

Council entered into a power purchasing agreement (PPA) for 100% renewable energy for its facilities and streetlights in 2021. In the 2023/24 financial year Council spent \$5,022,443 on electricity charges. This was a decrease of \$19,902 or less than 1% on last financial year's costs, despite CPI of 3.8% (Sydney All Groups CPI June 2024).

The cumulative savings against the Long-Term Financial Plan since the PPA began are now \$2.52 million, exceeding the projected \$1.9 million savings in just the first 4 years of the 7-year contract. The purchase of 100% renewable electricity through the PPA results in an annual reduction in overall corporate carbon emissions by approximately 20,000 tonnes.

CONSULTATION

Council's external auditor has conducted audit procedures during the year and at year end.

The draft Financial Statements for the year ended 30 June 2024 were reported to the Audit, Risk and Improvement Committee on 10 September 2024. The Committee considered them suitable for presentation to Council with minor amendments. These amendments were reflected in the draft Financial Statements considered by Council at its meeting on 15 October 2024.

Public notice of the date of this Council meeting for presentation of the audited Financial Statements was placed on Council's website on 1 November 2024. These audited Financial Statements have been available for public inspection at Council's customer service centres and libraries along with the website. They are now presented to Council in accordance with section 419(1) of the Act.

The period for submissions on the auditor's reports and the audited Financial Statements closes on 19 November 2024, 7 days after this Council meeting in accordance with the Act. Any submissions received will be referred to the auditor.

TIMING

The Annual Report must be posted on the Council's website and provided to the Minister for Local Government by 30 November 2024.

Council's Financial Statements for a year must be prepared and audited in accordance with the Act, i.e., within four months after the end of the year concerned. This requirement has been satisfied. The other timings referred to in this report are in accordance with the Act.

FINANCIAL CONSIDERATIONS

The Financial Statements (appended to Attachment 1, Annual Report 2023/24) fairly present Council’s operating result and financial position for the financial year 1 July 2023 to 30 June 2024 and accord with relevant accounting records.

The operating result for the year was a surplus of \$44.1 million (\$14.9 million surplus after excluding grants and contributions received for capital purposes). There are several restrictions on funds within this operating result. When these are removed, the underlying operating result was a surplus of \$1.5 million.

Council met all financial performance ratios and working capital is sufficient to meet the Council’s short-term operating requirements. However, 2 of the asset performance ratios did not meet the OLG’s benchmark, indicating that Council did not invest sufficient funding in the maintenance and renewal of infrastructure assets in the year, as the cost to maintain assets has increased by more than double the increase in rates income in recent years. Strengthening the underlying position in the future is essential to addressing long-term financial sustainability and asset deterioration concerns and is the subject of a separate report to this meeting.

The preparation, compilation and audit of Council’s Financial Statements have been provided for in Council’s annual budget.

GOVERNANCE AND RISK CONSIDERATIONS

The Annual Report records Council’s achievements against objectives and performance targets set out in the Delivery Program 2023-2027, as well as outlining Council’s financial position. It has been prepared in accordance with the *Local Government Act 1993* and the Local Government (General) Regulation 2021, Circular No 24-07 of 29 May 2024 and other relevant legislation and guidelines.

The draft Financial Statements for the year ended 30 June 2024 were reported to the Audit, Risk and Improvement Committee. The Committee considered them suitable for presentation to Council with minor amendments which have been made. The Financial Statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting.

The Financial Statements and audit reports for the year ended 30 June 2024 are appended in the Annual Report.

ENVIRONMENTAL CONSIDERATIONS

The subject of this report includes environmental initiatives and projects undertaken in the financial year ended 30 June 2024. There are no adverse environmental impacts arising from the recommendations of this report.

SOCIAL CONSIDERATIONS

The subject of this report includes social initiatives and projects funded and undertaken in the financial year ended 30 June 2024. There are no adverse social impacts arising from the recommendations of this report.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcome and Goal:

- Good governance - Goal 19 Our Council is transparent and trusted to make decisions that reflect the values of the community.

Reporting team	Strategy & Performance
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TRIM file ref	2024/661159
Attachments	⇒ 1 Annual report 2023-24 with Financial Statements (Included In Attachments Booklet)

ITEM 9.2 QUARTERLY REVIEW - SEPTEMBER 2024

PURPOSE

The purpose of this report is to present financial and service performance results for the period ended 30 September 2024 and provide a progress report on the expenditure from the \$36.1 million Stronger Communities Fund (SCF) provided by the NSW Government.

EXECUTIVE SUMMARY

- The operating result (including capital grants and contributions) for the financial year is forecast to increase by \$6.7 million to a surplus of \$34.3 million.
- The operating result (excluding capital grants and contributions) for the financial year is forecast to improve by \$4.5 million to a deficit of \$5.3 million, primarily due to natural disaster funding received for storms in 2021 and 2022.
- As previously reported, Council is still not anticipated to meet all the Office of Local Government's financial and asset performance benchmarks due to the deficit operating result and the rising costs of maintaining and renewing assets compared with the available funding to complete this work.
- Strengthening the underlying position in the future is essential to addressing long-term financial sustainability concerns and is the subject of a separate report to this meeting.
- Capital expenditure is forecast to increase by \$6.0 million to \$113.8 million for the full financial year, primarily due to additional grant funded projects and additional funding required for Warriewood Community Centre.
- Of the 146 actions relating to operational and capital projects in Council's 2024/25 Operational Plan, the majority (91%) are progressing on schedule including 5 completed, while 78% of the 36 performance measures have met or are approaching their targets.
- Work is continuing on Council's remaining SCF projects (being Wakehurst Parkway flood mitigation and Connecting Northern Beaches Coast Walk pathway).

RECOMMENDATION

That Council:

1. Note the Quarterly Report on Service Performance for the period ended September 2024.
2. Note the September 2024 Quarterly Budget Review Statement.
3. Approve the changes to the Current Forecast in the September 2024 Quarterly Budget Review Statement, including:
 - a. an increase in the forecast surplus from continuing operations, which includes capital grants and contributions, of \$6.661 million to \$34.317 million.
 - b. an increase in Capital Expenditure of \$6.030 million to \$113.788 million.
4. Note the Quarterly Report on expenditure of funds from the Stronger Communities Fund for the period ended September 2024.

BACKGROUND

Northern Beaches Council's Operational Plan 2024/25 was adopted on 25 June 2024. The Operational Plan is for the period 1 July 2024 to 30 June 2025.

The Quarterly Budget Review Statement is a regular progress report against the Operational Plan 2024/25. It has been prepared in accordance with the requirements of the Local Government (General) Regulation 2021 (section 203) and essential element 4.9 of the Integrated Planning and Reporting Guidelines (September 2021), namely that the Responsible Accounting Officer report quarterly on a budget review statement and the Chief Executive Officer report at least every 6 months on the principal activities.

The Quarterly Budget Review Statement provides reporting to adequately disclose Council's overall financial position as well as provide sufficient information to enable informed decision making while ensuring transparency.

The Quarterly Report on Service Performance discloses the progress of key services in the delivery of projects and against performance measures.

This report includes updates for the period ended 30 September 2024 on:

- service performance
- financial performance and position, contracts and recommended changes to the budget
- the outcomes delivered from the \$36.1 million Stronger Communities Fund.

At the Council Meeting held on the 25 June 2024, when considering the adoption of the Operational Plan 2024/25, Council resolved in part to:

12. Receive a report and recommendations on options to improve the 2024/25 operating results as part of the September 2024 quarterly budget review.

The September Quarterly Budget Review includes several adjustments which have improved the forecast operating result for the 2024/25 financial year. While opportunities are continuously sought, these measures alone have been unable to fully offset the impact of recent high inflation levels. A deficit operating result remains forecast for the year.

Through the preparation of each annual budget and budget reviews throughout the year, the Council is continuously seeking opportunities to provide services efficiently and cost effectively as possible to our community. A separate report tabled to this meeting outlines improvements and efficiencies achieved and initiatives planned over the next 3 years.

DISCUSSION

Overview of service performance

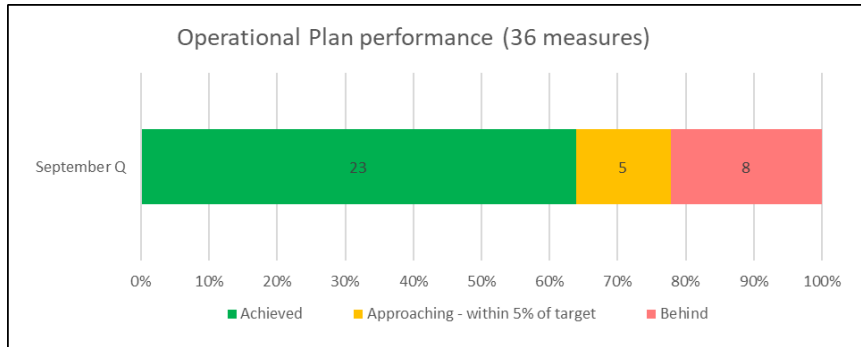
A report on Council's service performance is provided at Attachment 1. This is a comprehensive report on Council's 146 operational and capital projects, 36 service performance measures, 7 workload measures and service highlights across our 16 key services.

Council is making good progress towards achieving its performance targets and delivering operational and capital projects.

A summary of our performance is outlined below.

Performance measures

Overall 78% of Council’s 36 performance measures met or were approaching the target. For measures tracking behind, availability of staff resources (2), reviews being undertaken (2), market conditions (3) and complex applications were the causes of delay.

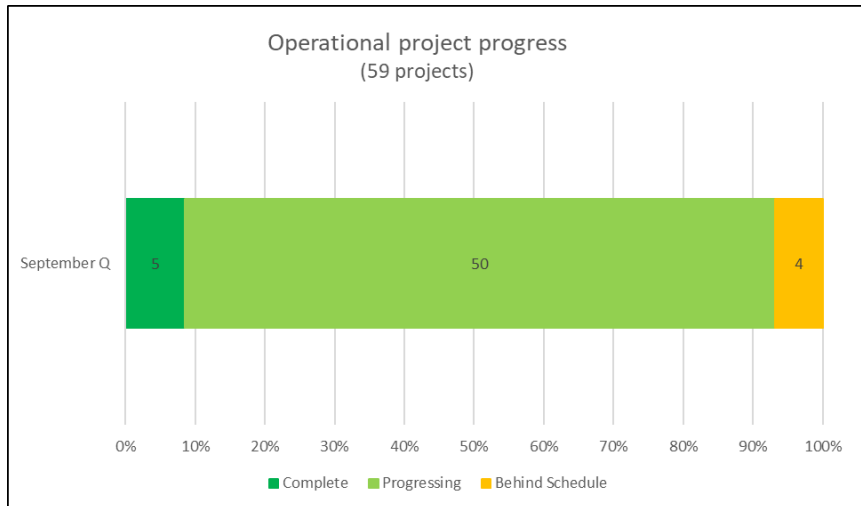


Operational project progress

Of the 59 operational projects, 93% are complete or progressing on schedule.

For the 4 projects behind schedule there were delays caused by complexities of the project, third-party influences and delays in approvals.

Target: 80% complete/on schedule as at 30 June 2025



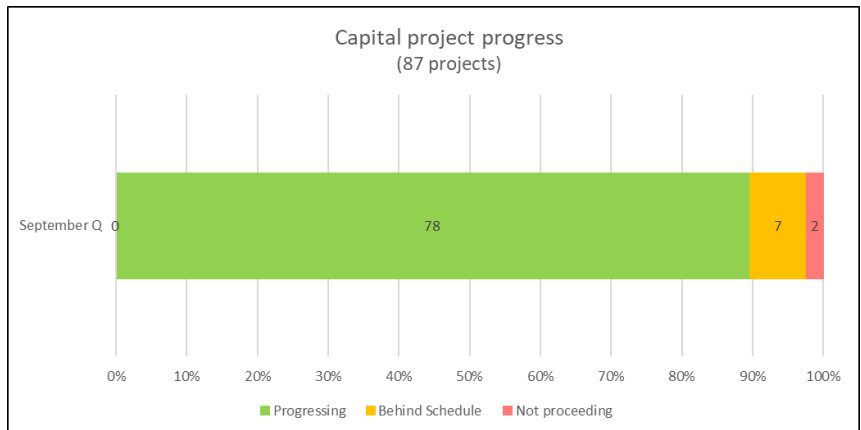
The completed projects included supporting the local government elections, the regional and local roads repair program, finalising a place plan for Manly and a service review of Community Engagement Service

Capital project progress

Of the 87 capital projects, 90% are progressing on schedule.

For the 9 projects behind schedule the complexity of the project (4), the cost of the works exceeding the budget (1), funds being diverted to urgent works (1), failed procurement process (1), extended community engagement (1) and third-party delays (1) were the causes of delay.

Target: 80% complete/on schedule as at 30 June 2025



Stronger Communities Fund (SCF)

Attachment 3 outlines the progress of projects funded by the NSW Government's SCF. Work is continuing on the remaining projects being Wakehurst Parkway flood mitigation and Connecting Northern Beaches Coast Walk pathway.

Overview of Financial Performance

Responsible Accounting Officer Budget Review Statement

The following statement is made in accordance with section 203(2) of the Local Government (General) Regulation 2021:

It is my opinion that the Budget Review Statement for Northern Beaches Council for the period ending 30 September 2024 indicates that Council's projected financial position at 30 June 2025 will be satisfactory, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Caroline Foley, Chief Financial Officer, Northern Beaches Council.

Income Statement – progress and forecast changes

The attached Quarterly Budget Review Statement (QBRs) provides an overview of Council's progress against the annual budget at the end of the September 2024 quarter and provides explanations for major variations that result in recommendations for budget changes.

For the 3 months to 30 September 2024, the operating result (including capital grants and contributions) is \$14.4 million ahead of budget.

Income is \$9.8 million ahead of budget while operating expenditure is \$4.6 million less than budget. Grants and contributions income and user charges and fees are ahead of budget. Expenditure on the domestic waste service was less than budget due to lower waste disposal costs and expenditure was delayed on some projects, including a number funded by grants.

The operating result (including capital grants and contributions) for the financial year is forecast to increase by \$6.7 million to \$34.3 million for the full year. Income is forecast to increase by \$9.6 million while operating expenses will increase \$3.0 million (primarily due to a number of capital and operating grant funded projects added to the current financial year).

The operating result (excluding capital grants and contributions) for the financial year is forecast to improve by \$4.5 million to a \$5.3 million deficit. This is primarily due to receipt of natural disaster claims with expenditure in prior years - \$3.2m, re-forecasts for Kimbriki – \$0.6m, Domestic Waste - \$1.2m and road permit and hoarding fees income – \$0.7m.

These overall movements are summarised in the table below, under the 'Recommended Changes' column.

Operating budget as at 30 September 2024 – annual budget and actual result to date summary

\$'000	Annual*				Year to date			
	ORIGINAL Budget	REVISED Budget	Recommended changes	CURRENT Forecast	Actual	YTD Budget	Variance	
Income	452,085	454,388	9,641	464,029	308,088	298,271	9,816	3%
Operating expenses	(424,886)	(426,732)	(2,981)	(429,713)	(95,684)	(100,304)	4,620	5%
Surplus / (Deficit)	27,219	27,656	6,660	34,317	212,403	197,967	14,436	7%
Surplus / (Deficit) before Capital Grants & Contri	(5,125)	(9,763)	4,485	(5,278)	205,863	193,240	12,622	7%

* Original Budget (adopted June 2024), Revised Budget (adopted October 2024) and Current Forecast (proposed for adoption in this report)

Attachment 2 'Quarterly Budget Review Statement - September 2024' provides further information on the proposed variations to the budget.

Income Year to Date (YTD) Analysis

Total income at the end of September 2024 is \$308.1 million which is \$9.8 million above the forecast. The principal reasons for this variance are outlined in the following table.

Income as at 30 September 2024 – Variance to Approved YTD Budget

YTD Variance \$'000	Details – Favourable / (Unfavourable)
571	Rates and Annual Charges
1,919	User Charges & Fees <ul style="list-style-type: none"> • Stronger than anticipated income: <ul style="list-style-type: none"> ○ Planning and building regulatory \$1.1m ○ Kimbriki waste and recycling centre \$0.8m ○ Aquatic centres \$0.2m • Lower than anticipated income: <ul style="list-style-type: none"> ○ Sydney Lakeside \$0.2m
541	Investment Fees and Revenues <ul style="list-style-type: none"> • Higher returns on investments
462	Other Revenue <ul style="list-style-type: none"> • Higher income including: <ul style="list-style-type: none"> ○ Parking fines \$0.4m ○ Kimbriki revenue \$0.1m
4,065	Grants and Contributions – Operating Purposes <ul style="list-style-type: none"> • Timing of revenue recognition of grants to match expenditure of funds including Rural Fire Service Local Government Program, accelerated streetlight replacement program, Currawong Environmental project, Collaroy-Narrabeen coastal protection private works.
1,814	Grants and Contributions – Capital Purposes <ul style="list-style-type: none"> • Development contributions are higher than expected \$0.3m • Timing of revenue recognition of grants to match expenditure of funds including: <ul style="list-style-type: none"> ○ New footpaths (\$1.6m) ○ Manly Dam boardwalk (\$0.8m) ○ Safer schools (\$0.3m) ○ Oxford Falls Road West flood mitigation (\$0.3m)
269	Other Income <ul style="list-style-type: none"> • Development contributions are higher than expected \$0.3m
176	Gain on disposal of assets <ul style="list-style-type: none"> • Timing of proceeds on sale of plant & equipment
9,816	TOTAL INCOME VARIANCE – YTD ACTUALS WITH YTD BUDGET

Operating Expenses Year to Date (YTD) Analysis

Total operating expenses at the end of September 2024 are \$95.7 million, which is \$4.6 million less than forecast. The principal variances include:

Operating expenses as at 30 September 2024 – Variance to Approved YTD Budget

YTD Variance \$'000	Details – Favourable / (Unfavourable)
353	Employee Benefits and Oncosts Primarily due to higher utilisation of casual staff within Childrens Services offset with vacancies in Property & Facilities, Library and Environment & Sustainability Services.
32	Borrowing Costs
4,354	Materials and Services <ul style="list-style-type: none"> • Timing of works: <ul style="list-style-type: none"> ○ IT and communications \$1.2m ○ Environment and floodplain \$0.4m (incl grant funded projects) ○ Utilities \$0.3m ○ Bush regeneration (RFS Local Govt Program) \$0.4m ○ Land use planning \$0.2m • Lower than anticipated expenditure: <ul style="list-style-type: none"> ○ Waste disposal & processing costs \$1.1m
(213)	Depreciation and Amortisation <ul style="list-style-type: none"> • Higher depreciation costs due to higher unit costs following the recent asset revaluations.
93	Other Expenses <ul style="list-style-type: none"> • Timing of Collaroy-Narrabeen coastal protection private works \$0.3m • Timing of Surf Lifesaving subsidies (\$0.1m)
4,620	TOTAL OPERATING EXPENSES VARIANCE - YTD ACTUALS WITH YTD BUDGET

Capital Budget Statement

Capital expenditure is forecast to increase by \$6.0 million to \$113.8 million.

Capital budget as at 30 September 2024 – annual budget and actual result to date summary

\$'000	Annual*				Year to date			
	ORIGINAL Budget	REVISED Budget	Recommended changes	CURRENT Forecast	Actual	YTD Budget	Variance	
Renewal Works	56,405	63,642	8,207	71,849	8,097	6,777	1,320	19%
New Works	42,858	44,116	(2,177)	41,939	8,420	6,474	1,946	30%
Total Capital Expenditure	99,263	107,758	6,030	113,788	16,517	13,251	3,266	25%

* Original Budget (adopted June 2024), Revised Budget (adopted October 2024), Current Forecast (proposed for adoption in this report)

Proposed variations to the capital expenditure budget are outlined in Attachment 2 'Quarterly Budget Review Statement - September 2024' and include:

- \$2.7m Land acquisition for Frenchs Forest town centre plan

- \$1.9m Warriewood Valley Community Centre – Additional funding required due to latent conditions encountered during construction
- \$1.9m Frenchs Forest precinct park upgrades – Project construction phase progressing ahead of schedule.

Capital Expenditure Year to Date (YTD) Analysis

Expenditure on capital works for the 3 months ended 30 September 2024 is \$16.5 million against a year-to-date budget of \$13.3 million.

The principal variances in expenditure versus the year-to-date budget are as follows:

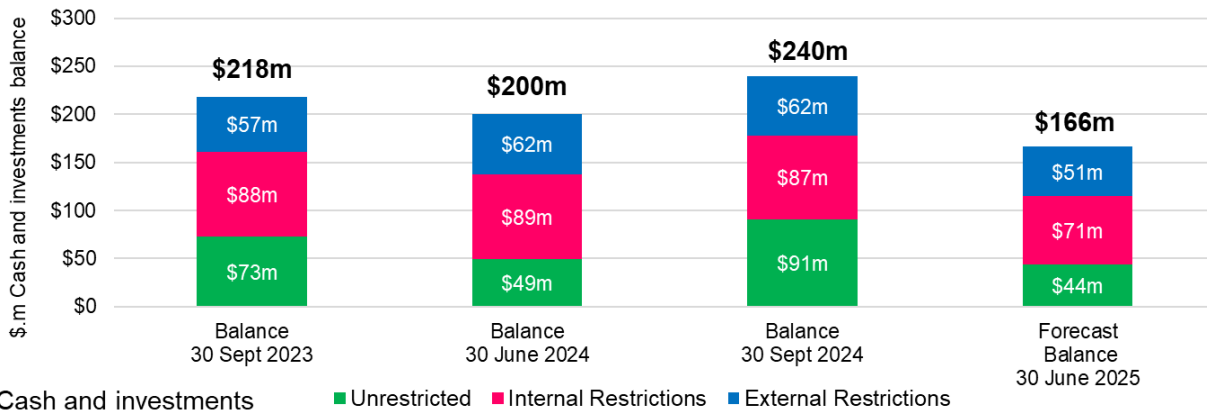
YTD Variance \$'000	Details – Favourable / (Unfavourable) YTD Variance
1,320	Capital Expenditure – New Projects <ul style="list-style-type: none"> • Primarily due to projects ahead of schedule including Warriewood Community Centre \$1.4m, Queenscliff Headland access ramp \$0.5m and new traffic facilities \$0.5m.
1,946	Capital Expenditure – Renewal Projects <ul style="list-style-type: none"> • Primarily due to projects ahead of schedule including Glen Street Theatre works \$0.5m, light fleet renewals \$0.4m, kerb and gutter renewal works \$0.4m and IT infrastructure and device replacements program \$0.3m.
3,266	TOTAL CAPITAL EXPENDITURE VARIANCE – YTD ACTUALS WITH YTD BUDGET

Further information on the progress of capital projects is available within Attachment 2 ‘Quarterly Report on Service Performance’.

Cash and Investments

The balance of cash and investments as at 30 September 2024 was \$240 million. The projected balance on 30 June 2025 is \$166 million.

Cash and investments – as at 30 September 2024



Further information is available on cash and investments within Attachment 2 ‘Quarterly Budget Review Statement - September 2024’ to this report.

Financial Performance Measures

The financial performance measures indicate that Council will not meet all of the Office of Local Government benchmarks.

	Forecast result 30/6/2025	Forecast indicator 30/6/2025	Benchmark
\$ '000 1. Operating Performance			

Total continuing operating revenue ¹ excluding capital grants and contributions less operating expenses	(5,589)	-1.32%	X	>0%
Total continuing operating revenue ¹ excluding capital grants and contributions	424,043			

¹ Excludes fair value adjustments, reversal of revaluation decrements and net gain on sale of assets.

This ratio measures Council's ability to contain operating expenditure within operating revenue. It is important to distinguish that this ratio focuses on operating performance and hence capital grants and contributions, fair value adjustments, net gain on sale of assets and reversal of revaluation decrements are excluded.

For the 2024/25 financial year, the forecast result is below the benchmark, due to the deficit operating result.

	Forecast result	Forecast indicator	Benchmark
\$ '000	30/6/2025	30/6/2025	
2. Unrestricted Current Ratio			
Current assets less all external restrictions	139,669	2.31x	✓
Current liabilities less specific purpose liabilities	60,441		>1.5x

The Unrestricted Current Ratio is specific to local government and is designed to represent a Council's ability to meet short term obligations as they fall due. Restrictions placed on various funding sources (e.g., development contributions and domestic waste income) complicate the traditional current ratio used to assess liquidity of businesses as cash allocated to specific projects is restricted and cannot be used to meet a Council's other operating and borrowing costs – these funding sources are removed from this ratio.

For the 2024/25 financial year, the forecast result will continue to meet the benchmark.

TIMING

The Quarterly Budget Review Statement meets the requirements of the *Local Government Act 1993* and Local Government (General) Regulation 2021 (section 203), namely that Council report quarterly on a budget review statement, and at least every 6 months on the principal activities of its Operational Plan.

FINANCIAL CONSIDERATIONS

The operating surplus (which includes capital grants and contributions) for the financial year is forecast to increase by \$6.7 million to a surplus of \$34.3 million. Excluding capital grants and contributions the result for the year is forecast to improve by \$4.5 million, from a deficit of \$9.8 million, to a deficit of \$5.3 million.

There are several restrictions on funds within the operating result. When these are removed, the underlying operating result is forecast to be a deficit of \$6.8 million.

	<u>\$m</u>
Underlying result	
Surplus / (deficit) excluding capital grants and contributions	(5.3)
Less:	
Interest on restricted Council funds	(2.7)
Domestic Waste net depreciation	(0.9)
Stormwater Charge net opex	(2.0)
Special Rates	(0.1)
Externally restricted grants (net)	0.6
Kimbriki (less dividend)	0.1
Mona Vale Cemetery	0.1
Gain on the disposal of assets	(0.4)

Projects rephased from 2023/24 & early payment of Financial Assistance Grant	6.2
Developer contribution funded operating projects	0.7
Recovery of natural disaster expenditure incurred in prior years	(3.2)
Underlying surplus / (deficit)	
excluding restricted funds, rollovers and disaster funding for prior years	(6.8)

Capital expenditure is forecast to increase by \$6.0 million to \$113.8 million.

Council does not have sufficient funding available to meet key financial and asset performance benchmarks this financial year. The Operating Performance Ratio fails the benchmark due to the operating deficit forecast and both the asset renewal and maintenance ratios will not meet the benchmark as infrastructure cost increases have significantly outpaced growth in income. Strengthening this position in the future is the subject of a separate report on this agenda.

GOVERNANCE AND RISK CONSIDERATIONS

The Quarterly Budget Review Statement meets the statutory reporting requirements for progress at the end of the quarter, i.e. implementation of the Operational Plan and Council’s overall financial position. It is provided to enable informed decision making while also ensuring transparency on Council’s governance.

ENVIRONMENTAL CONSIDERATIONS

The report provides progress on implementing the Operational Plan which includes a range of projects to protect and enhance our natural environment including by managing our coast, bush and biodiversity; implementing catchment management initiatives; and a variety of on-ground works and education in our urban and natural settings.

SOCIAL CONSIDERATIONS

The report discloses progress on implementing the Operational Plan. This includes the continued delivery of services and capital works that support our community and economy. These initiatives will have a positive social and economic impact on the community.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcome and Goal:

- Good governance - Goal 19 Our Council is transparent and trusted to make decisions that reflect the values of the community.

Reporting team	Finance
TRIM file ref	2024/739584
Attachments	⇒1 Quarterly Report on Service Performance - September 2024 (Included In Attachments Booklet) ⇒2 Quarterly Budget Review Statement - September 2024 (Included In Attachments Booklet) ⇒3 Stronger Communities Funds - September 2024 (Included In Attachments Booklet)

ITEM 9.3	SPECIAL VARIATION TO RATES - COMMUNITY ENGAGEMENT
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PURPOSE

The purpose of this report is to provide a further update on Council's long term financial sustainability, the cost containment strategies undertaken to date and future potential cost improvements; and in considering the current financial position, to seek Council approval to undertake community engagement on options for a Special Variation (SV) to rates that will improve Council's financial sustainability and infrastructure investment.

EXECUTIVE SUMMARY

- Significant events such as the COVID-19 pandemic, storms, flooding and bushfire threats have significantly impacted Council's financial sustainability over recent years.
- Cost shifting continues from other tiers of government further increasing Council's expenditure obligations. In 2023/24 the Emergency Services Levy alone increased by \$3 million to \$9 million, equivalent to a \$30 increase per ratepayer.
- High inflation and price volatility, combined with the historical lag in the rate peg, continues to see a growing divergence between costs and rates income. Inflation on infrastructure increased by 23.7% over the last 4 years – more than double the 11.1% increase in rates income, which is equivalent to an accumulative ongoing gap of \$23.6 million in rates income.
- Council's Asset Management Strategy and Asset Management Plans have identified an ever-increasing trend in the decline of asset condition across the asset portfolios. To address this, additional maintenance is required, and a greater level of asset investment to renew existing assets to provide the required level of service.
- Since its creation, Council has consistently produced a high level of productivity improvements and cost containment initiatives that has provided the community of the Northern Beaches with a cost efficient and effective Council. While these initiatives have assisted Council's financial sustainability to date, they are not of a scale that can ensure its financial security long term.
- In order to remain financially sustainable without service level reductions, it is recommended that Council should take steps towards making an application to IPART for a Special Variation to rates to take effect from the 2025/26 financial year.
- Before making an application to IPART, Council is required to engage with the community on the potential options for a Special Variation to rates. Four options are proposed in this report, namely option 1 – Reduce service (no SV), Option 2 – Maintain service, Option 3 – Increase service and Option 4 – Improve service.
- Community engagement will include establishing a Your Say web page that will offer clear and easy to understand resources such as fact sheets, a video explainer, frequently asked questions, and webinars. Other communication tools include print advertising in local publications, a letter sent directly to all ratepayers, and information stations at Council customer service contact points and key locations including our libraries. Council has a highly engaged customer database on email and updates will be regularly sent to promote the engagement through the weekly Council electronic direct mail (EDM).
- Following community engagement, a report will be tabled to Council in late January to consider if Council should proceed to submit an application to IPART for a Special Variation to rates of one of the options consulted on. Without the adoption of Option 3 or 4, projects like the Warringah Aquatic Centre or Manly Life Saving Club will not be possible.

RECOMMENDATION

That Council:

1. Approve community engagement to be undertaken between mid-November 2024 and mid-January 2025 on proposed options for a Special Variation to rates.
2. Endorse community engagement on the below options for a Special Variation to rates:
 - a. Option 1 Reduce service - Rate peg only (current path)
 - b. Option 2 Maintain service - Rate peg + 6% pa over 3 years
 - c. Option 3 Improve service - Rate peg + 8.3% pa over 2 years and 8.4% in year 3
 - d. Option 4 Increase service - Rate peg + 10% pa over 3 years.
3. Endorse the Community Engagement Plan.
4. Endorse the Delivery Program 2024-2028 and Operational Plan 2024/25 draft Addendums for options of a Special Variation to rates and revised Long-Term Financial Plan 2024-2034 for public exhibition during the community engagement period.
5. Note that the outcomes of the community engagement process will be reported to Council at an extraordinary meeting to be held in January 2025, with Council to determine whether an application should be submitted to IPART to apply for a Special Variation to rates to support Council's financial sustainability.

BACKGROUND

Like many councils in NSW, Council is facing growing pressure to its financial sustainability as increases in income, under the NSW rate peg system, have not reflected the rising costs of materials, contracts, and construction, with Sydney's inflation over the 4 years to 30 June 2024 being almost double the increase in rates income.

On 28 June 2022, Council resolved to adopt the draft Community Strategic Plan 2022-2032, Resourcing Strategy, Delivery Program 2022-2026, Operational Plan 2022/23 and the Pricing Policy. The Council report emphasised the need to rebuild working capital funds:

Following significant events in recent years including storms, bushfire threats and the COVID-19 pandemic, restoration of working capital funds is a priority over the four years of the Delivery Program. Working capital provides funding to respond to unexpected events, invest in new opportunities, and ensure a financially sustainable position into the future.

On 27 June 2023, Council resolved to adopt the draft Delivery Program 2023-2027, Operational Plan 2023/24 (including the Budget and Fees and Charges), Long-Term Financial Plan 2023-2033 (LTFP) and Asset Management Plans 2023-2033. The LTFP identified that Council is facing challenges in its ability to fund the current levels of service without long term financial intervention. The LTFP stated that:

While the 2023/24 budget is balanced and financial performance benchmarks met a number of key factors may challenge our ability to continue to sustain the same level of service....to deliver the funding needed to progress these projects funding options will need to be explored with the community.

At its 25 June 2024 meeting, Council resolved to adopt the draft Delivery Program 2024-2028, Operational Plan 2024/25 (including the Budget and Fees and Charges), Long-Term Financial Plan 2024-2034 (LTFP) and Asset Management Plans 2024-2034. In debating the budget report, Council's financial sustainability was considered. Amongst other things, an application for a special variation to rates was discussed as well as the need to continue to identify opportunities to improve Council's financial sustainability.

Council's LTFP stated a Special Variation (SV) was needed to ensure Council would remain financially sustainable and was able to deliver the asset maintenance and renewal, community services and plan for future natural disaster costs envisaged in the Council's Community Strategic Plan, Asset Management Plans and Delivery Program 2024-2028.

Councillors serving in the previous and current terms have been briefed on the Council's financial sustainability, looking at the current and projected financial position over the next 10 years, cost containment strategies to date and opportunities for future improvement. Councillors have been advised that without a reduction in services, Council's long term financial sustainability including responsible management of over \$3.9 billion in infrastructure assets will continue to deteriorate.

A Special Variation to rates will be required if Council intends to continue to meet community expectations and deliver existing services and service levels as well as ensure availability of funding for new and upgraded assets, environmental outcomes, loans and unforeseen events such as storm events, to be financially sustainable in the long-term.

DISCUSSION

Improvement journey

In an effort to reduce the burden on rates, the Northern Beaches Council has been on an improvement journey since its inception in 2016 and remains committed to continuing saving initiatives as part of its whole of organisation improvement plan.

Council's organisational improvement plan seeks to focus on cost containment strategies, service reviews, process and productivity improvements and funding opportunities as well as instilling a culture of improvement within Council employees.

An analysis in 2019/20, indicated that the newly formed Council more than doubled the NSW State Government's \$76.3 million estimated net present value (NPV) savings from amalgamation, with an estimated \$161.6 million (NPV) in savings over ten years.

Additionally, Council has:

- reduced its loan liability from \$90 million in 2016 to \$18 million in 2025 (forecast).
- invested more than \$80 million annually (average) in capital projects, some \$20 million in excess of the former three Councils
- realised a budget savings in 2019/20 of \$2.75 million from savings from a review of positions that were considered surplus to the organisation's efficient delivery of service and infrastructure to the community
- realised a productivity efficiency dividend in 2020/21 of \$2.75 million from savings in agency personnel costs, bank fees, insurance costs, fuel and employee costs
- developed and implemented a service review program in 2020 that has led to over 230 service improvements
- facilitated continuous improvement training to over 1,000 staff and encouraged staff to self-assess and record their own continuous improvement initiatives with some 700 improvements registered since its inception in 2020
- continually reviewed and improved organisational design to ensure Council's workforce is rationalised and cost effective and has an optimal structure to deliver efficient community service and infrastructure (with decreases in back office operating costs to support increases in some community facing services, and a net decrease overall in the workforce by approximately 2% since amalgamation)
- reviewed its energy consumption strategies undertaking numerous efficiency upgrades that has saved in the following areas: sports field lighting (\$460,000 annual savings), solar panels on council buildings (\$80,000 annual savings) and entering a 100% renewable energy contract (\$2.52 million since 2021)
- maintained a workers compensation self-insurance model that continues to save Council on average an estimated \$1.5 million a year in premium costs
- facilitated waste reduction practices has led to high landfill diversion rates of household waste seeing diversion rates increase from 49% in 2019 to 65% in 2022, thus extending the useful life of Council's waste facility and in turn keeping long term costs associated with domestic waste management contained
- undertaken several re-financing reviews of its loan portfolio seeing an interest saving of \$95,000 (loan life) achieved in 2024.

Since amalgamation, Council has consistently produced a high level of productivity improvements and cost containment initiatives that has provided the community of the Northern Beaches with a cost efficient and effective Council. Refer to the attached Preliminary Productivity and Efficiency 2024 report (Attachment 4), being prepared as part of the IPART submission requirements for SV applications. This position was recognised in 2022 with Council being awarded the AR Bluett Memorial Award by Local Government NSW as the most progressive metropolitan council in NSW. While these above initiatives have assisted Council's financial sustainability to date, they are not of a scale that can ensure its financial security long term. Financial sustainability and required asset investment is currently at risk.

Council's commitment to ongoing improvement and long-term financial sustainability

Further to savings made to date, at the Council Meeting held on the 25 June 2024, with respect to item, 9.1 'Outcome of Public Exhibition – Draft Delivery Program 2024-2028, Operational Plan 2024/25, Long-term Financial Plan 2024-2034 and Asset Management Plans 2024-2034', Council resolved in part to:

11. Address its financial sustainability through the preparation of the next Community Strategic Plan and Resourcing Strategy, with the intent that Council's future operating expenses growth is better aligned with future operating income.
12. Receive a report and recommendations on options to improve the 2024/25 operating results as part of the September 2024 quarterly budget review.
13. Receive a report and recommendations on options to improve the long-term financial plan 2024-2034, aligned with our community's strategic plan priorities, to reduce the need for a Special Rate Variation and rate increases above inflation.

Council staff have been addressing each of the actions as detailed below.

A review of the Community Strategic Plan and Resourcing Strategy is now underway. This will include an updated Long-Term Financial Plan with scenarios to strengthen the Council's position in the future and address the funding gap for the renewal and maintenance of existing assets.

In relation to improving the 2024/25 operating results, through the preparation of each annual budget and budget reviews throughout the year, Council is continuously seeking opportunities to provide our services efficiently to our community.

The September Quarter Review as tabled to this meeting earlier, included several adjustments which have improved the forecast operating result for the 2024/25 financial year. However, a deficit result remains forecast for the year.

Without changes to service levels provided to the community, adjustments are primarily limited to once off favorable items such as the additional income received through the payment of long outstanding natural disaster recovery claims from events in past years.

Council is committed to undertaking ongoing reviews of its practices and processes to ensure the organisation operates as efficiently and cost effectively as possible. These will include, but are not limited to, the following cost containment strategies and efficiency initiatives over the next 3 years and beyond.

It is noted that the items identified for improvement include areas previously debated at the June 2024 council meeting when the 2024/25 budget was considered and adopted.

- **Service Delivery to the Community – Optimisation through Service Review**

Council is committed to the ongoing review of its services to efficiently meet the needs of its community as identified in the CSP. On an annual basis service reviews are determined as a part of Council's Delivery Plan development process and once complete are reported to Council's independent Audit Risk and Improvement Committee and ultimately in its Annual Report.

- **Efficient Workforce Management**

The Northern Beaches Council is the 4th largest in NSW and one of the most complex metropolitan local government areas to manage. With this complexity in mind, Council continues to focus on workforce efficiency in the same manner that it has done to date.

Within any organisation, to ensure a sustainable level of efficiency is achieved, a balance between the strategic focus (management) and service delivery (workforce) must be optimised, including employee layers, direct reports and overall organisational design.

To date, Council has:

- been able to reduce its overall establishment FTE positions since amalgamation in 2016, from a level of 1,315 FTE in 2016 to 1,287 (FTE) in 2025. This net decrease of 2% is attributable to reductions in Council's corporate operations offset by increases in a number of community facing services.

- maintained a workforce layering (6 layers) and a span of control (5 to 6 including casuals) consistent within the Australian Public Service Commission's ranges contained in its paper on *Optimal Management Structures Guidance 2023*
- maintained its workforce operating expenditure as a percentage of total operating expenditure (39.1%) in line with the industry average of 39.12% (2022/23) for very large urban councils
- Reviewed the number of divisions and business unit teams, reducing executive management positions, and
- remains on par with industry with respect to ratios relating to FTE approved positions and per head of population.

Council will continue to review and where required improve its organisational design to ensure it is cost effective, and appropriately resourced to focus and deliver efficient community services and infrastructure in line with the Community Strategic Plan while at the same time responding to natural attrition, innovation, and process improvements. Reductions in staff numbers would require amendments to the resourcing strategy, impacting on service delivery and service levels.

- **Service and Associated Cost Rationalisation Plan**

Council will continue to focus on the rationalisation of discretionary services with a view to adjust the level of some services to meet both the community's priorities as detailed in the Community Strategic Plan and organisational financial sustainability.

- **Property Rationalisation Plan**

Council will continue to focus on the rationalisation of its property portfolio to realise a transfer of assets from property to cash over the next 3 years, where a net benefit to the community can be realised. Such cash injections would be one-off, however funds could be re-directed into either renewals, new capital requirements or to support emerging community needs.

- **Fleet Optimisation Plan**

Council will continue to focus on the rationalisation of its vehicle fleet whilst supporting operational needs, and where possible undertake a net cost containment plan that will realise a reduction in fleet numbers and associated costs, through whole-of-life value assessment and a move to novated leasing for staff where practical.

- **Workers Compensation Self Insurance Continuation**

Council will continue to manage workers compensation under its own self insurance licence to maintain significant annual savings in premium costs.

- **Energy Efficiency Plan**

Council will continue to focus on its energy efficiency and solar opportunities including:

- additional solar panels on Council facilities to save on energy costs
- energy efficiency works such as sports field lighting upgrades
- an energy efficient heat pump upgrade at Manly Andrew 'Boy' Charlton Aquatic Centre to save on energy costs as well as over 1,600 tonnes in greenhouse gas emissions each year.
- additional transition from gas/electrification projects, including energy efficient electric hot water systems, gas cooking and heating upgrades, again expected to save on energy costs as well as over 180 tonnes in greenhouse gas emissions each year.

- **Innovation and Information & Technology Investment**

Council will continue to focus on the efficient provision of its enterprise resource platform (ERP) and associated infrastructure, software and cyber protection systems. This platform will enable Council to operate in a protected cloud base environment, rather than on premise, and to drive optimisation of processes and practices.

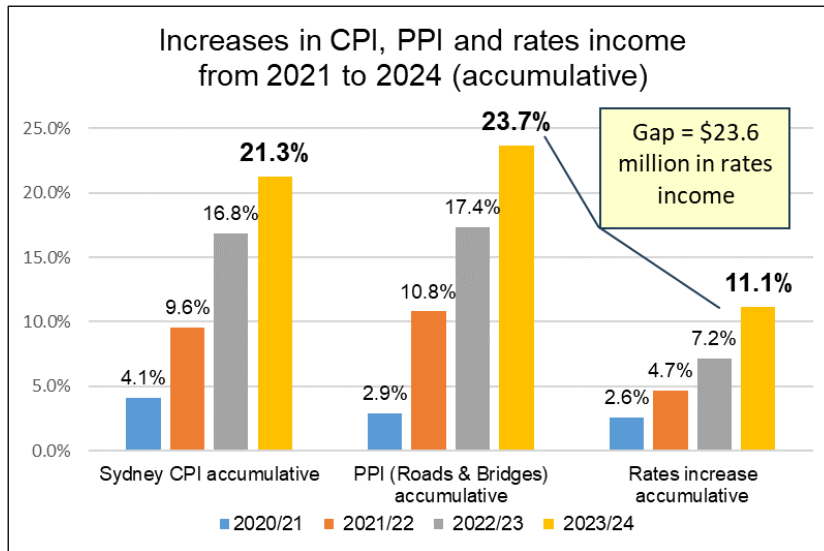
While Council will continue to promote effective budget principles and focus internally for productivity and cost containment initiatives it is recognised that these initiatives alone cannot deliver anywhere near enough to ensure financial sustainability of the Council now and into the future. In relative terms, a \$1 million savings through service reductions would only amount to a 2% improvement in Council's asset backlog needs.

Historical gap between rates income and inflation

Council's financial sustainability is at risk. The LTFP highlighted that high inflation, severe weather events, the COVID-19 pandemic and significant increases in costs like the Emergency Services Levy, insurance and gas, alongside constraints on rates income is placing significant pressure on Council's ability to maintain infrastructure and services at the required level.

Council has undertaken a number of measures to assist in offsetting cost pressures in recent years including fee reviews, achieving efficiency gains and cost savings. This includes \$0.4 million in the development of the 2024/25 budget along with over \$2 million in the previous two financial years. While opportunities are continuously sought, these measures alone are unable to fully offset the impact of recent high inflation levels.

Sydney's inflation over the 4 years to 30 June 2024 was almost double the increase in rates income, which is equivalent to an accumulative variance of 10.2%, or \$19.1 million in rates income. When rates income is compared to the cost of infrastructure indicated by the Producer Price Index for Roads and Bridge Construction, the gap grows to \$23.6 million (12.6%) over the same period. This gap is now built into Council's ongoing rates income, meaning the rate base will be permanently lower without intervention.



The Asset Management Plans require an additional investment of \$15.1 million per year to maintain and renew existing assets, along with \$10.4 million per year to uplift service levels and provide high priority new assets required by the community.

The Council's Long-Term Financial Plan (LTFP) is revised each year as a rolling 10-year projection of income and expenditure, assets, and liabilities and cashflow. Updates have been made and include revised assumptions and indexation along with financial modelling for scenarios. The LTFP shows income levels are no longer sufficient to fund operating expenses, invest in the ongoing renewal of infrastructure assets required by the Asset Management Plans and provide the necessary working capital to manage unexpected events, a scenario which is not sustainable and without intervention will continue to reduce services to the community.

The LTFP explores alternative scenarios to strengthen our position in the future and address the funding gap for the renewal and maintenance of existing assets along with options to improve services through a special variation to rates.

Rates are local taxes that are levied on the basis of property (land) values, issued by the Valuer General. They are Council's main source of income, currently being 44% of total revenue.

Each year the NSW Government (through IPART) determine the percentage figure by which councils can increase their general rate income – this is called the rate peg.

The rate peg is mostly based on the change in the Base Cost index – like a CPI for local government. However historically it has not reflected the rising costs of Council's materials, contracts, and construction. Over the past 4 years to 30 June 2024, Sydney's CPI has been almost double the increase in rates income meaning the Base Cost index is not a reliable measure of Council's actual costs.

To assist with Council's rising costs, service demands, upkeep of assets and to meet ongoing financial sustainability needs, Council can apply to IPART for an SV to increase rates above the pegged annual increase. The basis of this report is to discuss these issues with the community.

Financial sustainability

Council has a legislated obligation to maintain financial sustainability, including achieving intergenerational equity. This requires Council to take such decisions as are necessary to achieve financial sustainability.

Council's financial results over the past four financial years reflect the impact of COVID-19 pandemic restrictions on operations, the support measures in place for the community and the recovery process. The net cost to Council of the COVID-19 pandemic was \$41 million.

Other significant events placing pressure on Council include storms, flooding, and bushfire threats. In the past 6 years the Northern Beaches experienced 7 natural disasters at a cost of \$15 million, of which \$7 million has been recovered (to 30 June 2024) from the Federal Government Disaster Recovery Funding Arrangements.

In 2023/24 the Emergency Services Levy alone increased by \$3 million to \$9 million, equivalent to a \$30 increase per ratepayer. Council was required to reduce infrastructure spending by \$3 million per year to fund this cost increase.

High inflation and price volatility, combined with the historical lag in the rate peg, are resulting in a growing divergence between costs and rates income. Over the last 4 years the gap between rising infrastructure costs and rates income growth represents \$23.6 million (12.6%) lost from the rates base going forward. This reduces Council's capacity to address unfunded elements of the Asset Management Plans.

Key financial and asset management performance ratios are weakening. Income levels are no longer sufficient to fund operating expenses, invest in the ongoing renewal of infrastructure assets required by the Asset Management Plans and provide the necessary working capital to manage unexpected events.

Council has made positive and sound financial management decisions over many years which enabled Council to deliver significant projects, support the community during the COVID-19 pandemic and several natural disasters and invest merger savings into improved services and infrastructure to meet the needs of our community and improve their quality of life.

However, with infrastructure inflation outpacing growth in rates income by 12.6% in 4 years and no mechanism in the IPART rate peg to adjust for this, income levels are not sufficient to meet future operating costs and maintain infrastructure at the level required.

The Annual Report 2023/24 shows that Council did not invest sufficient funding in the maintenance and renewal of infrastructure assets in that year and as a result did not meet 2 of the asset performance benchmarks set by the Office of Local Government. It is anticipated that Council will

not achieve these assets performance benchmarks in 2024/25 due to the current level of funding of assets.

Decline in asset conditions and maintenance requirements

Council manages \$2.5 billion of land assets, \$3.9 billion of infrastructure assets and \$0.1 billion of others such as IT equipment, plant, and fleet. Council's infrastructure assets include the stormwater network, transport network (local roads, paths, cycleways, bus shelters, wharves, bridges, retaining walls), sports fields and other parks and recreation assets, some foreshore and coastal protection structures and a wide range of buildings and public amenities. Each year Council plans ahead to understand investment levels required to ensure our assets meet the needs of our changing community, are well maintained, accessible, safe and operational, and upgraded when needed.

Council's Asset Management Strategy and Asset Management Plans have identified an ever-increasing trend in the decline of asset condition and the need for greater levels of asset maintenance. The Asset Management Plans identify infrastructure challenges that will require an additional investment of \$15.1 million per year to renew and maintain existing assets along with an additional \$10.4 million per year to invest in service uplifts and new assets.

Over the last four years, the 'infrastructure backlog' as reported in the annual Financial Statements has been growing as a result of insufficient funding available to maintain and renew assets at the required levels. This means that the number of assets in poor or very poor condition is continuing to grow, creating an escalating financial liability for Council and the community.

Should asset renewals continue to be deferred due to insufficient renewal funding, asset condition will continue to deteriorate, leading to more reactive maintenance, until the point of asset failure and significant disruption to service delivery. This type of deferral and reactive approach can only be sustained for a short period of time before the cumulative effects result in significantly more expensive asset renewals to be undertaken. If unfunded, this cumulative impact could mean that assets will need to be decommissioned, as they would be unable to safely and effectively provide services to the community.

Further to this, asset management ratios are weakening seeing the Building and Infrastructure Renewals Ratio not being met, meaning Council is unable to invest in the renewal of assets at the rate at which they are depreciating. Additionally, the Asset Maintenance Ratios are also in decline. These ratios are required to be reported in the annual Financial Statements and are a measure of the health of our ability to invest in asset renewal and maintenance. Stated simply, an asset renewal ratio of less than 100% means that the assets are being renewed (i.e. replacing or refurbishing an existing asset to restore it to its original level of service or performance) at a rate that is not keeping up with their deterioration, leading to an ongoing decline in asset condition and functionality.

The declining Asset Maintenance Ratio is a measure showing that the actual maintenance spend is less than the required level of maintenance identified in the Asset Management Plans. Should this continue to decline, the level of service delivered to the community will be less than their desired level of service.

Council is an asset-centric business with the assets being the platform for service delivery to the community. When combined, these two ratios highlight the need of a strategic review of the current level of funding available for asset renewal and asset maintenance. If left unchecked, asset condition will continue to deteriorate at an increasing rate, which will require a significantly level of renewal investment in future years to replace these assets or remove them from service delivery.

The following asset ratio tables indicate the deterioration in Council's assets, with the Building and Infrastructure Renewals ratios and Asset Maintenance ratios failing to meet Office of Local Government benchmarks.

Asset Management Ratios 2021/22 to 2033/34

OLG Benchmark	Result	Result	Result	Forecast	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
Asset Management														
Building and Infrastructure Renewals Ratio <i>assesses the rate at which these assets are being renewed against the rate at which they are depreciating.</i>	> 100%	112.7%	130.8%	94.6%	95.1%	101.2%	94.0%	90.8%	91.9%	90.8%	88.8%	89.0%	87.2%	86.4%
		✓	✓	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗
Infrastructure Backlog Ratio <i>ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.</i>	< 2%	1.53%	1.49%	1.52%	1.61%	1.62%	1.63%	1.65%	1.66%	1.68%	1.70%	1.72%	1.73%	1.74%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset Maintenance Ratio <i>ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.</i>	> 100%	100.6%	109.7%	98.1%	92.5%	92.5%	92.6%	92.6%	92.6%	92.7%	92.7%	92.7%	92.7%	92.7%
		✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Cost to bring assets to agreed service level <i>ratio shows what proportion the infrastructure backlog is against the total gross replacement cost of a council's infrastructure.</i>		1.26%	1.22%	1.17%	1.34%	1.35%	1.36%	1.38%	1.40%	1.41%	1.43%	1.44%	1.46%	1.47%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Climate change and associated natural disaster impacts and costs

Changes in the climate system have become larger in direct relation to increasing global warming. They include increases in the frequency and intensity of hot extremes, marine heatwaves, and heavy precipitation, agricultural and ecological droughts in some regions, and proportion of intense tropical cyclones.

As a coastal community with low lying areas, coastal lagoons and steep escarpments, the Northern Beaches is vulnerable to the effects and impacts of natural hazards. Climate change, with associated extreme weather events, is anticipated to exacerbate current natural hazards. The coastline and flood-prone areas are particularly vulnerable to climate change because of increased storm activity and sea level rise, as well as increased erosion activity and cliff instability. Climate change and consequential sea level rise will have a substantial impact on our infrastructure assets that are in coastal and low-lying areas (such as wharves, jetties, buildings, and road infrastructure).

These changing conditions create unique challenges for our asset, with continued innovation and development required to ensure the best outcome for our infrastructure assets as environmental conditions continue to change.

In the past number of years, the occurrences of natural disaster events on the Northern Beaches have increased. These occurrences have significantly impacted our community and their assets alike. To re-iterate. In the past 6 years the Northern Beaches has experienced 7 natural disasters at a cost of \$15 million with only \$7 million being recovered from the Federal Government Disaster Recovery Funding Arrangements (to 30 June 2024). This net annual cost to Council is an average of \$1.3 million per year. To ensure Council continues to be ready financially for such events, dedicated funds need to be set aside for natural disasters relief and restoration.

Sensitivity scenario analysis

As outlined above, Council is facing many financial pressures and in some instances the ability to plan for these events is significantly difficult. The impact that an unexpected significant event could have on the financial performance and position of Council, if no adjustment was made to fund the event is tested through the LTFP. Given the operating deficit forecast in 2024/25, a situation such as a \$5 million storm event, inflation on contracts at 10% or a \$10 million unfavourable income shock would result in a higher operating deficit. Key performance and liquidity ratios would be weaker, with the Operating Performance Ratio remaining below the industry benchmark.

Special Variation to rates and how it works

As outlined above, rates are Council's main source of income being 44% on total revenue.

Each year the NSW Government (through IPART) determine the percentage figure by which councils can increase their general rate income (rate peg). Historically, the rate peg has not

reflected the rising costs of Councils materials, contracts, and construction. Sydney's inflation over the past 4 years to 30 June 2024, has been almost double the increase in rates income.

IPART acknowledge this imbalance in Council's ability to generate sufficient income to meet its current and future needs in service delivery and asset management. Accordingly, to assist with Council's rising costs, service demands, upkeep of assets and to meet ongoing financial sustainability needs, Councils can apply to IPART for an SV to increase rates above the pegged annual increase. IPART, as indicated in their Final Report on Rate Peg Methodology in 2023, stated that:

In certain years, councils may need to raise their rates income by more than the rate peg.
p.26

Increasing income through SVs, supplementary valuations and applying for government funding are separate processes that we cannot influence directly as part of this review. However, we recognise these processes are other important means, in addition to the rate peg, through which councils may increase their income to fund the provision of local government services and achieve financial sustainability. p.26

Council's SV applications are assessed against criteria listed in the Office of Local Government's Guidelines. The Guidelines include undertaking long term financial planning, ensuring community awareness of the need and extent of the proposed increase in rates, and consideration of the impact on ratepayers as well as the community's capacity and willingness to pay. In addition, Councils are required to demonstrate historical productivity improvements.

Even other State Agencies (for example, Sydney Water) must apply to IPART for a variation to pricing/funding models. In October 2024, Sydney Water submitted its draft pricing proposal to IPART. Sydney Water's proposal sets out the investments it needs to make to support a growing city, strengthen its resilience in a changing climate and ensure its existing infrastructure continues to be fit for purpose. IPART will consider its proposal, along with feedback it receives through a public consultation process, to determine the price Sydney Water can charge for its services over the next 5 years.

An SV to rates is a normal process in the Local Government funding model with 57 out of 128 NSW Council's successfully receiving approval from IPART for an SV ranging from 2.5% to 94.9% in recent years. They are an important mechanism for Council to support long term financial sustainability, ultimately supporting Council with:

- addressing inflationary gaps between inflation and the local government industry's cap on rates (peg)
- budget and key financial performance benchmarks
- mitigation of risk associated with a decline in asset condition and maintenance requirements
- being able to prudently plan for unexpected significant natural disaster events.

Special Variation to Rates - Legislative framework

Under the *Local Government Act 1993* (the Act) any increase in a Council's rates revenue must be approved by the Minister for Local Government. The Minister has delegated this approval function to IPART.

Councils are entitled to automatically increase rates in line with IPART's annual rate peg and if they choose, also apply to IPART for a SV above this rate peg amount under Section 508A of the Act.

Any SV to rates application must be made in accordance with the Office of Local Government Guidelines released in 2020. These guidelines are supported by information papers published by IPART to help guide the Council SV process.

There are two critical dates if Council proceeds with an SV application for it to be included in rates notices from 1 July 2025:

- 29 November 2024 – Notification to IPART of Council’s intention to apply for an SV to rates (this intention letter is non-binding – that is, Council may determine not to submit an application following the community engagement process)
- 3 February 2025 – IPART deadline for Councils to make a submission to apply for an SV to rates

It is proposed that following the process of community engagement, Council will consider a further report in late January 2025 to proceed with the submission of an application to IPART for a SV to rates including its preferred option.

Special Variation to Rates – Options

Four options will be presented to the community for consultation which will include an option for the fixed rate peg increase only and no additional SV, along with three options proposing additional increases to rates. The SV options are each proposed to be implemented over a period of 3 years, as a staged approach to achieving the required increase in rates income. Some Councils may decide to implement a Special Variation to rates to be applied all in one year.

The LTFFP sets out the extent of the rate rise under each option for the average ratepayer by each of the major rating categories. Options 2, 3 and 4 provide the annual and cumulative SV and the resulting average increase for ratepayers that each option will provide in addition to the rate peg increase, should it be approved by IPART.

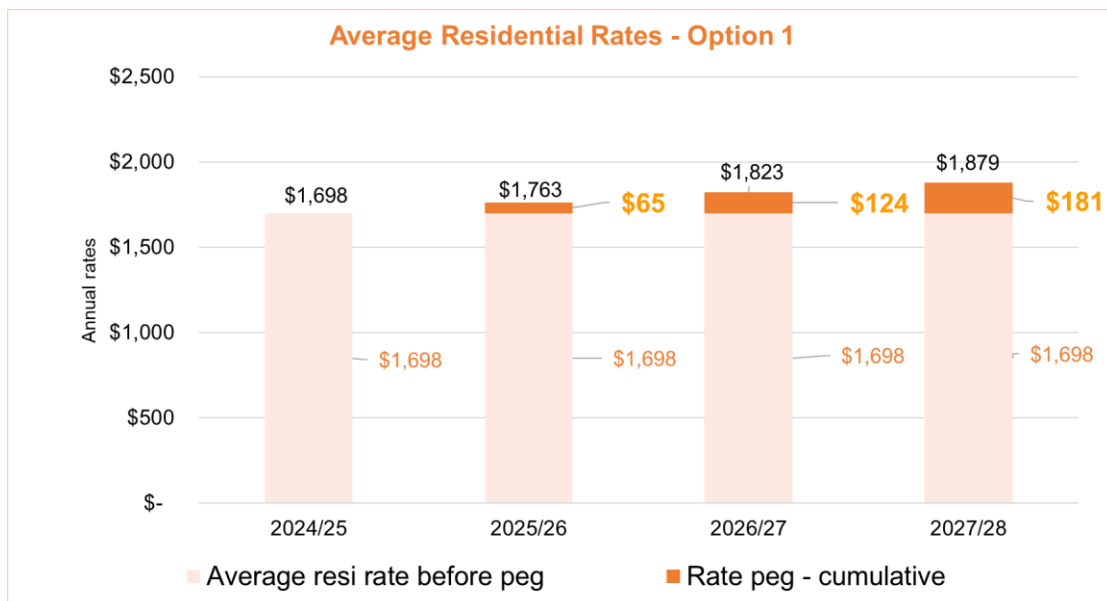
Option 1 - Reduce service: Rate peg only (current path) – No Special Variation, Fixed Rate Peg (3.8% 2025/26) increase only. This option would include ongoing deficits and involve Council undertaking widespread assessment of its services to reduce services to balance its budget.

Option 1: Reduce service – impact on rates - residential

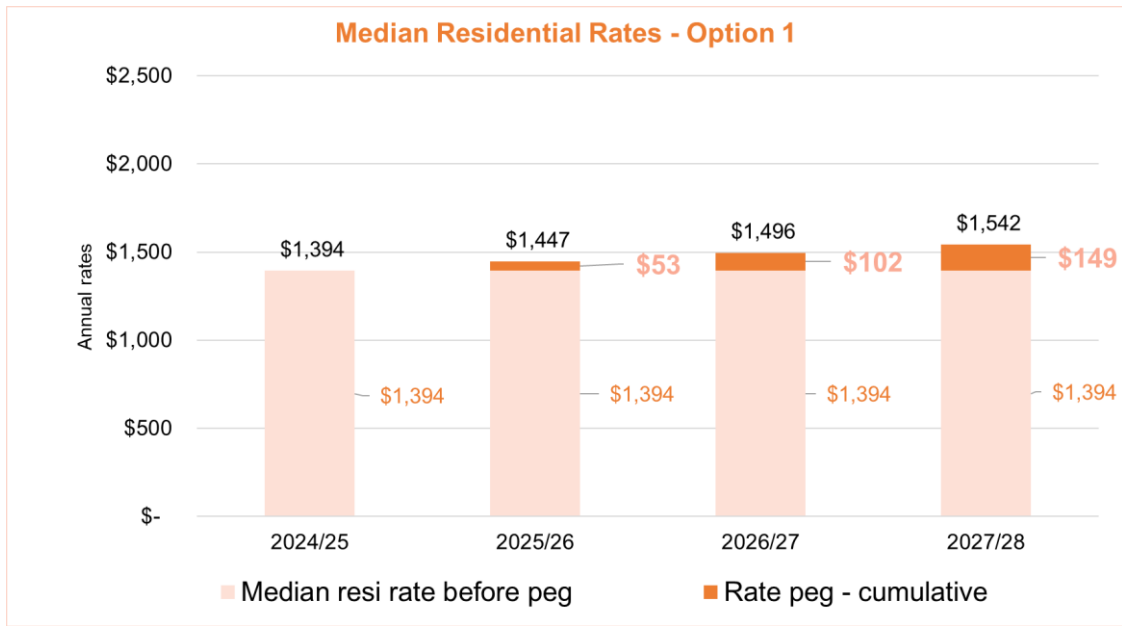
Impact on average residential rates of the rate peg of 3.8% in year 1, 3.4% in year 2 and 3.1% in year 3 (10.7% in 3 years)

	Base year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average residential rate under assumed rate peg	\$1,698	\$1,763	\$1,823	\$1,879	\$181
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Cumulative impact of rate peg above base year level		\$65	\$124	\$181	

Numbers presented may not sum precisely to the total due to rounding



Average - based on residential rates income divided by residential properties (96,354) – it is the equivalent of rates based on a land value of \$1.63 million.



Median - based on the median (midpoint) residential land value of \$1.34 million – the median is a closer reflection of the average ratepayer.

Option 2 – Maintain Service: proposes an SV of a 6% increase in addition to the rate peg each year for 3 years. The additional cumulative increase will amount to 20.4% over 3 years and raise an additional \$40 million in rates income per year by year 3 to primarily address the asset renewal and maintenance gap and support environmental and natural risk reduction programs. The proposed total rate increase (Peg + SV) will be as follows:

- The total annual increases will amount to 9.8%, 9.4% and 9.1% applied over 3 years
- The total cumulative increase will amount to 31.1% over 3 years

Option 2: Maintain service – additional income and expenditure

	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	10 year total
Option 2: Maintain service	\$'mil	\$'mil	\$'mil	\$'mil

Additional rates income	\$11.8	\$25.1	\$40.0	\$393.0
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Expenditure program:

Maintain existing assets	\$7.0	\$13.7	\$20.0	\$217.0
Uplift in service	\$3.4	\$6.6	\$10.5	\$94.9
Build and maintain new assets	\$0.8	\$3.6	\$7.7	\$67.9
Rebuild working capital	\$0.4	\$0.9	\$1.3	\$13.1
Option 2 program total	\$11.7	\$24.9	\$39.5	\$392.9

Total expenditure program*	\$11.7	\$24.9	\$39.5	\$392.9
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Closing balance of future works fund	\$0.1	\$0.3	\$0.8	\$0.1
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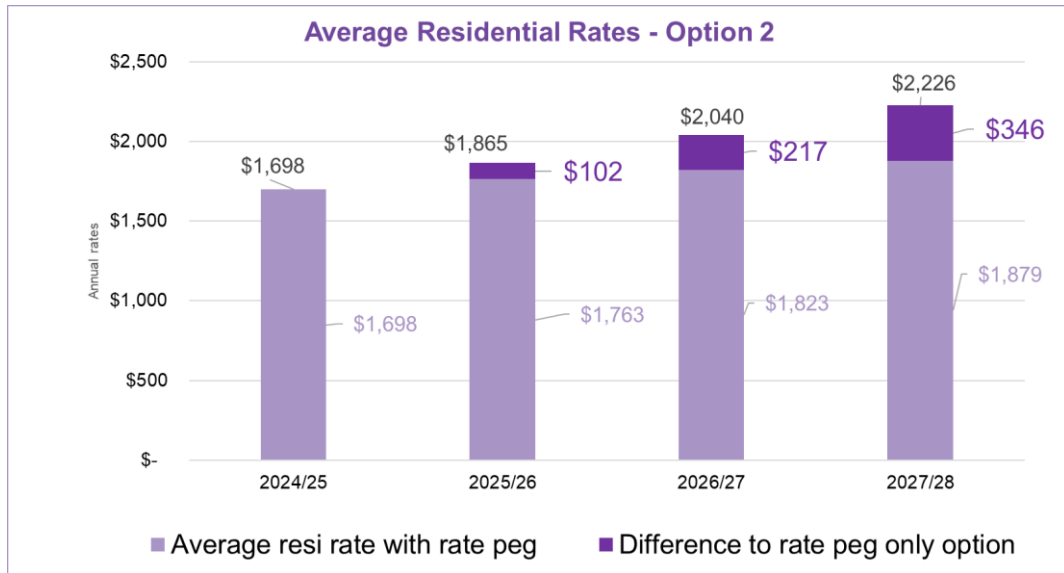
* See the Delivery Program addendum in the attachments for the detailed expenditure program across Council's 16 key services

Option 2: Maintain service – impact on rates - residential

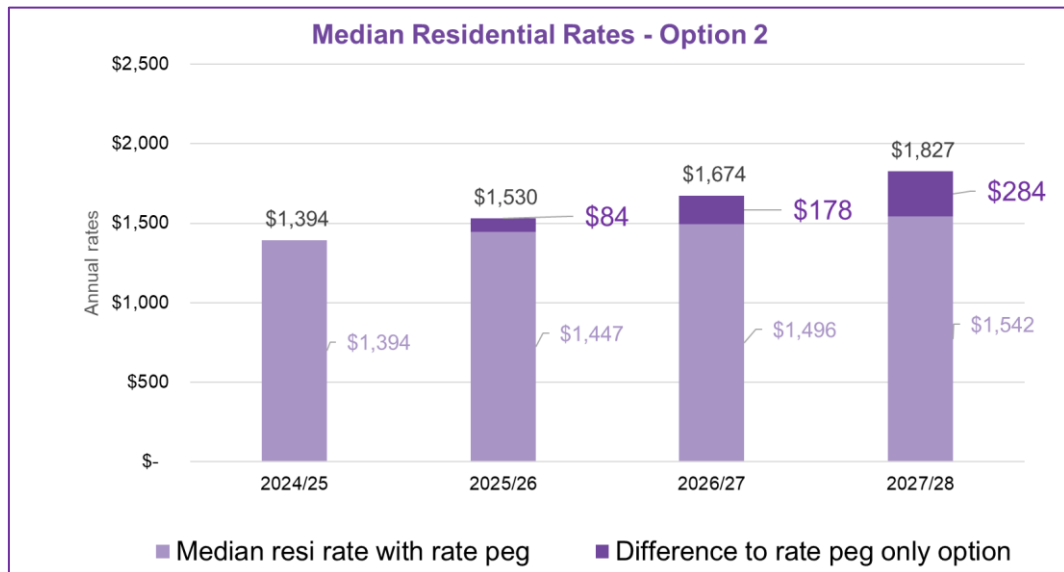
Impact on average residential rates of a permanent SV of 9.8% in year 1, 9.4% in year 2 and 9.1% in year 3 (31.1% SV)

	Base year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average residential rate under assumed rate peg	\$1,698	\$1,763	\$1,823	\$1,879	\$181
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$1,698	\$1,865	\$2,040	\$2,226	\$527
Annual increase with SV		9.8%	9.4%	9.1%	31.1%
Cumulative impact of SV above base year level		\$166	\$342	\$527	
Difference between SV and rate peg only scenarios		\$102	\$217	\$346	

Numbers presented may not sum precisely to the total due to rounding



Average - based on residential rates income divided by residential properties (96,354) – it is the equivalent of rates based on a land value of \$1.63 million.



Median - based on the median (midpoint) residential land value of \$1.34 million – the median is a closer reflection of the average ratepayer.

Option 3 – Increase service proposes a SV of an 8.3% increase in addition to the rate peg each year for 2 years and 8.4% in year 3. The additional cumulative increase will amount to 29.0% over 3 years.

In this Option, Council would seek to continue all existing services, address the asset renewal and maintenance gap and support environmental and natural risk reduction programs, as well as provide the opportunity to deliver larger renewal projects in future years such as the renewal of the Warringah Aquatic Centre.

The proposed total rate increase (Peg + SV) will be as follows:

- The total annual increases will amount to 12.1%, 11.7% and 11.5% applied over 3 years
- The total cumulative increase will amount to 39.6% over 3 years

Option 3: Improve service – additional income and expenditure

	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	10 year total
Option 3: Improve service	\$'mil	\$'mil	\$'mil	\$'mil

Additional rates income	\$16.3	\$35.1	\$56.8	\$557.0
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Expenditure program:

Option 2 program total	\$11.7	\$24.9	\$39.5	\$392.9
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Maintain existing assets	-	-	\$0.6	\$110.9
Uplift in service	-	-	-	\$1.8
Build and maintain new assets	-	\$0.5	\$1.4	\$51.4
Option 3 program total	-	\$0.5	\$2.0	\$164.0

Total expenditure program*	\$11.7	\$25.4	\$41.5	\$556.9
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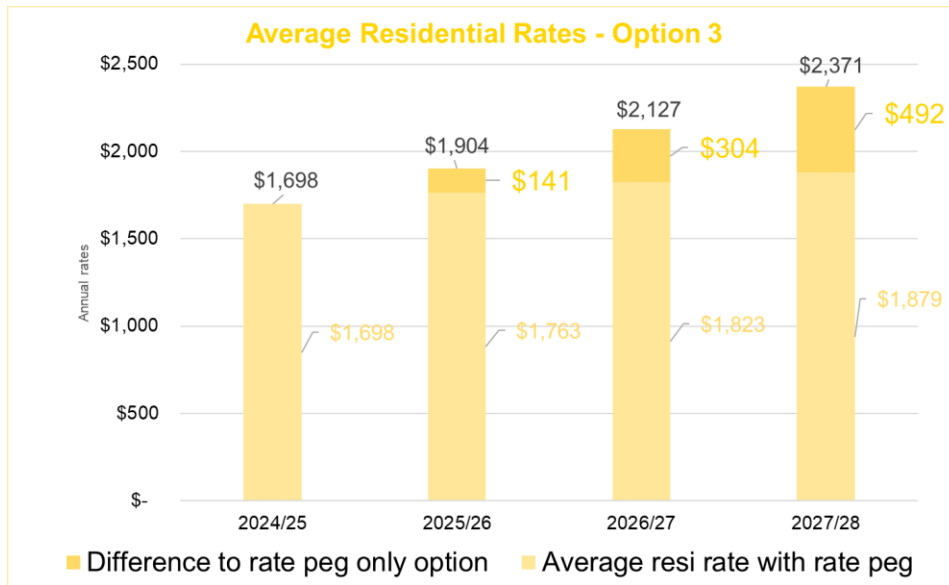
Closing balance of future works fund	\$4.6	\$14.3	\$29.6	\$0.1
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* See the Delivery Program addendum in the attachments for the detailed expenditure program across Council's 16 key services

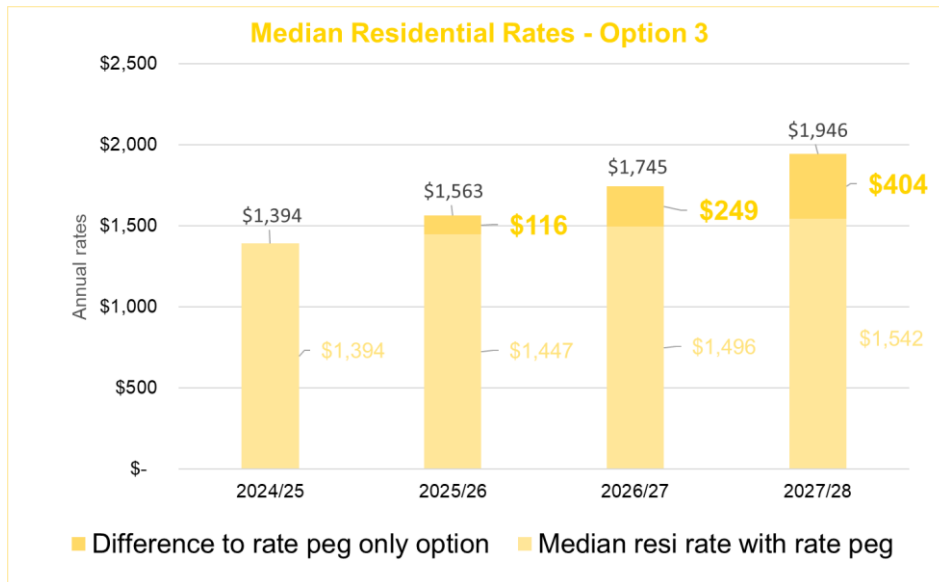
Option 3: Improve service – impact on rates - residential

Impact on average residential rates of a permanent SV of 12.1% in year 1, 11.7% in year 2 and 11.5% in year 3 (39.6% SV)

	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average residential rate under assumed rate peg	\$1,698	\$1,763	\$1,823	\$1,879	\$181
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$1,698	\$1,904	\$2,127	\$2,371	\$673
Annual increase with SV		12.1%	11.7%	11.5%	39.6%
Cumulative impact of SV above base year level		\$205	\$428	\$673	
Difference between SV and rate peg only scenarios		\$141	\$304	\$492	



Average - based on residential rates income divided by residential properties (96,354) – it is the equivalent of rates based on a land value of \$1.63 million.



Median - based on the median (midpoint) residential land value of \$1.34 million – the median is a closer reflection of the average ratepayer.

Option 4 – Increase service proposes a SV of an 10% increase in addition to the rate peg each year for 3 years. The additional cumulative increase will amount to 35.3% over 3 years.

In this Option, Council would seek to continue all existing services, address the asset renewal and maintenance gap and support environmental and natural risk reduction programs, build up a major renewal fund for future works, as well as provide the opportunity to accelerate the delivery of infrastructure and increase services in areas such as additional community grants, more footpaths, a fit for purpose lifeguard headquarters and improvements to sporting facilities and amenities buildings.

The proposed total rate increase (Peg + SV) will be as follows:

- Total annual increases will amount to 13.8%, 13.4% and 13.1% applied over 3 years
- Total cumulative increase will amount to 46% over 3 years

Option 4: Increase service – additional income and expenditure

	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	10 year total
Option 4: Increase service	\$'mil	\$'mil	\$'mil	\$'mil

Additional rates income	\$19.6	\$42.6	\$69.2	\$678.6
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Expenditure program:

Option 2 program total	\$11.7	\$24.9	\$39.5	\$392.9
Option 3 program total	-	\$0.5	\$2.0	\$164.0

Maintain existing assets	\$1.1	\$2.2	\$3.4	\$65.9
Uplift in service	\$0.2	\$0.5	\$0.8	\$7.4
Build and maintain new assets	\$1.3	\$4.2	\$5.2	\$48.3
Option 4 program total	\$2.6	\$6.8	\$9.3	\$121.6

Total expenditure program*	\$14.3	\$32.2	\$50.7	\$678.5
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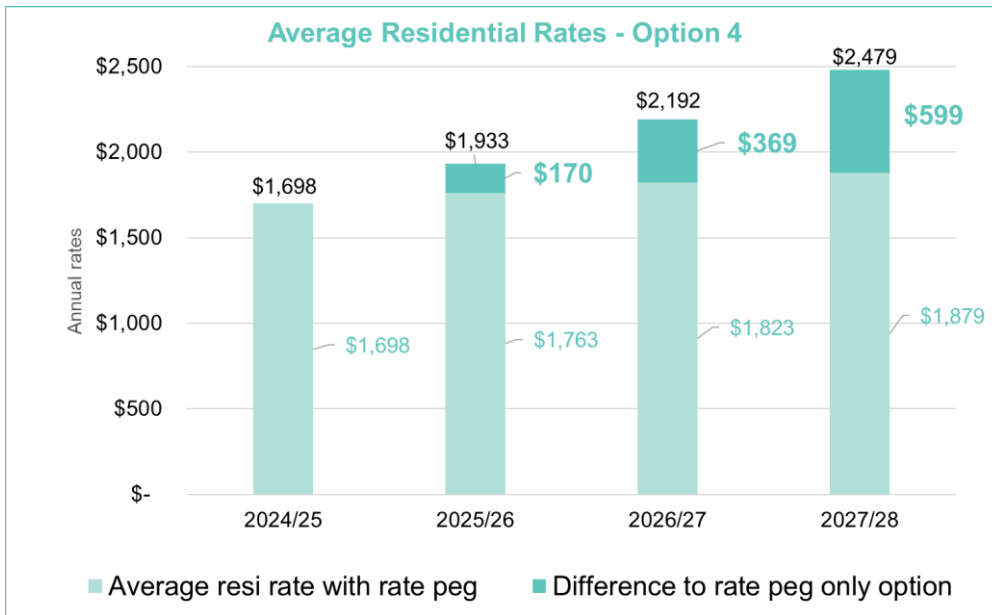
Closing balance of future works fund	\$5.3	\$15.7	\$34.2	\$0.1
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* See the Delivery Program addendum in the attachments for the detailed expenditure program across Council's 16 key services

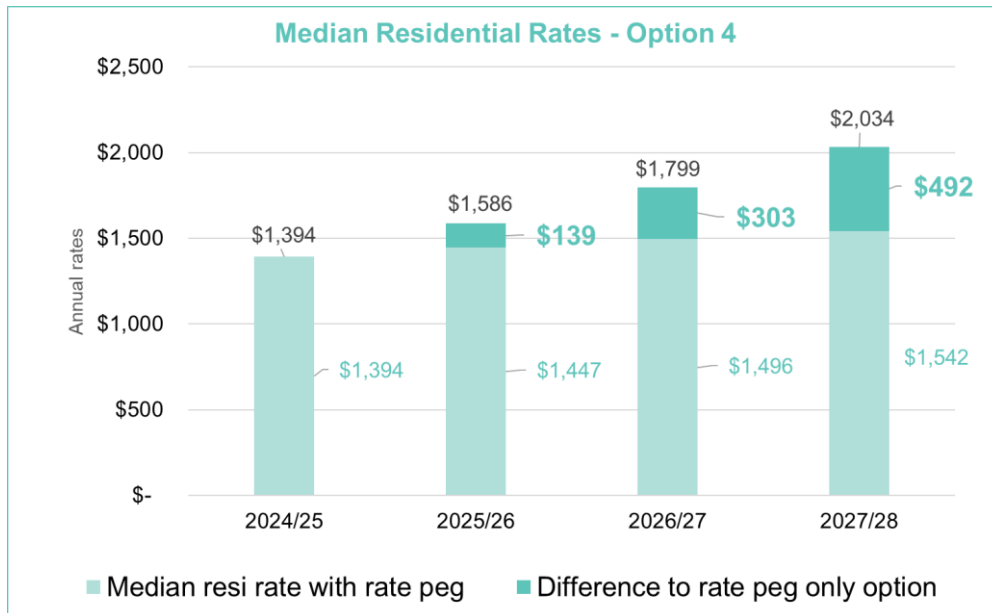
Option 4: Increase service – impact on rates - residential

Impact on average residential rates of a permanent SV of 13.8% in year 1, 13.4% in year 2 and 13.1% in year 3 (46.0% SV)

	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average residential rate under assumed rate peg	\$1,698	\$1,763	\$1,823	\$1,879	\$181
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$1,698	\$1,933	\$2,192	\$2,479	\$780
Annual increase with SV		13.8%	13.4%	13.1%	46.0%
Cumulative impact of SV above base year levels		\$234	\$493	\$780	
Difference between SV and rate peg only scenarios		\$170	\$369	\$599	



Average - based on residential rates income divided by residential properties (96,354) – it is the equivalent of rates based on a land value of \$1.63 million.



Median - based on the median (midpoint) residential land value of \$1.34 million – the median is a closer reflection of the average ratepayer.

Integrated Planning and Reporting

As a part of the SV application process, the OLG and IPART require Council’s IP&R documents to include any SV proposals and require that they have been publicly exhibited, feedback considered and adopted by Council. Accordingly, as Council’s adopted its Delivery Program 2024-2028, Operational Plan 2024/25 (including the Budget and Fees and Charges), Long-Term Financial Plan 2024-2034 (LTFP) and Asset Management Plans 2024-2034 at the 25 June 2024 council meeting, an addendum including the details of the SV Options and programs of work associated with each option is required. Post exhibition, these addendums will be presented to Council for adoption at an extraordinary meeting to be held in late January 2025 and would form part of Council’s Delivery Program 2024-2028, Operational Plan 2024/25 and LTFP 2024-2034.

Council’s draft addendums to the Delivery Program 2024-2028, Operational Plan 2024/25 and LTFP 2024-2034 are contained in the attachments to this report.

CONSULTATION

Community Satisfaction Survey

Council on a periodic basis undertakes community satisfaction surveys to better understand the current priorities and concerns of the community.

In August 2024, Council commissioned Micromex Research to conduct a random telephone survey of residents living in the Northern Beaches to identify community priorities, overall level of satisfaction with Council performance, residents' satisfaction with the services and facilities, their experience of contact with Council as well as the support for paying more to improve the level of services, facilities and infrastructure. Again, Council is successfully meeting the needs of its residents as outlined in the headline results as follows:

- Overall, 86% of residents are at least somewhat satisfied with the performance of Council over the last 12 months.
- 78% of residents are at least somewhat satisfied with the performance of Staff in dealing with the enquiries.
- 98% of residents rate their quality of life as 'good' to 'excellent' in the Northern Beaches LGA.
- The top 5 priority areas for Council to focus on are roads, development and planning, environment and sustainability, traffic management/road safety and improve/maintain services and facilities

In addition to priorities and satisfaction, Council also surveyed the Community as to its support to pay more for improvements in the environment, facilities, infrastructure, user services and maintenance. Over 60% of residents surveyed indicated that they are at least somewhat supportive of paying more for such improvements demonstrating that a level of capacity and willingness exists in the community to fund improvements moving forward.

Community Engagement Plan

As part of the process of considering whether to submit an application for a Special Variation to rates, to increase above the fixed rate peg issued by IPART, Council will engage with our community across the Northern Beaches.

A comprehensive community engagement plan (Attachment A) has been developed and includes a variety of consultation methods and communication tools to ensure our ratepayers and residents understand the financial problem and the alternative solutions (options) being proposed to address the shortfall and provide financial sustainability to the Council for future years.

Council's intention is to ensure that information shared with our community across all its channels is written in a way that all people can easily understand it. The key messages for our community will clearly communicate what the proposed SV options are, outline where further information can be obtained and encourage participation. Significant effort will be made to effectively promote the proposed SV, using a wide range of communication tools to drive awareness in the community and to inform the community about how they can participate and provide feedback.

A summary of the community engagement activities that will be supported using a range of communications tool, is as follows:

Community Engagement summary

- Creation of "Your Say" webpage with links to a variety of information as shown below, and the ability to complete an online survey:
 - Rates calculator
 - Video explainer

Communications tools summary

- Letter box mailout to all ratepayers in our community
- Emails to our community members on subscriber distribution lists
- Email project updates to subscribers on the Your Say webpage

- Webinar recording
 - Fact sheets – Your options explained
 - Snapshot
 - Frequently Asked Questions
 - Support services – including Translation and Accessibility
 - Contact information for more help
 - Submission form/survey (with postcode capture)
- Drop-in sessions across the Council area for community members to view information about the SV and ask questions. We will hold two sessions in each ward, covering both a weekday and weekend to maximise opportunity for attendance.
 - Media Release and news stories
 - Media briefing
 - Webinars for community members to listen online to staff providing financial information and to ask questions
 - Print advertising in local media, to help ensure awareness and access across all demographics in our community
 - Outdoor advertising (where available on bus shelters/EV charging stations) at highly trafficked sites
 - Community/ resident association meetings to be provided with information to make local residents aware of the opportunity to provide feedback on the options
 - Social media posts, reels
 - Digital advertising on Council website and across all customer services TV screens
 - Information stations to be set up a key Council contact points with the community to enable staff to easily direct questions and enquires (pull up banners including QR codes to quickly link community members to the Your Say information).

The key messages the engagement will deliver in an accessible way is what the current problem is and the proposed solutions in the form of 4 options. The materials will provide information on the ‘what’ and ‘why’ and of most importance, what it means for our community, how much it will cost and what would be gained under the four options.

To help Councillors and staff respond to questions and enquires from the community, Council will provide a range of support materials, including:

- Internal face to face information sessions (at least 3 delivered in person across key staff workplaces)
- Team meeting updates/ information sheets
- Staff newsletters
- News stories on the Intranet
- Information stations in key lunchroom areas (pull up and postcards with QR codes).

Planning is underway to ensure all customer facing roles across the organization are supported and have access to information that can be readily shared with customers. This will be continually monitored, and we will respond quickly to areas that need additional support materials.

If a formal SV application is made by Council to IPART, a secondary consultation phase will be conducted by IPART as part of their assessment process providing further opportunity for the community to provide feedback on the proposal.

TIMING

IPART requests councils provide a non-binding notice of their intention to apply for an SV by 29 November 2024 (Council is not obliged to continue through the process to submit an application for a Special Variation to rates). It is proposed that a further report will be tabled to an extraordinary meeting of Council in late January 2025 following the community engagement process, for Council to determine whether to proceed with an application to IPART.

Community consultation is planned to commence immediately (mid November 2024) with an extended consultation period running through to mid-January. The required 28-day consultation period will be completed in mid-December. Notwithstanding the minimum obligatory requirements, it is proposed to extend the community engagement period through to mid-January, to provide additional time for the community to understand the options being proposed.

The timing is inflexible due to the deadline set by IPART for any council wishing to apply for a Special Variation to rates, with all applications having to be made to IPART by 3 February 2025.

FINANCIAL CONSIDERATIONS

Council's financial sustainability is at risk. High inflation, severe weather events, the COVID-19 pandemic and significant increases in costs like the Emergency Services Levy, insurance and gas, alongside constraints on rates income is placing significant pressure on Council's ability to maintain infrastructure and services at the required level.

In order to remain financially sustainable without service level reductions, Council should seek to make an application to IPART for a Special Variation to rates to take effect from the 2025/26 financial year.

The Special Variation project will be resourced primarily by existing staff under a Project Steering Group (PSG). This PSG, combined with assistance from other staff and support by expert consultants will facilitate all necessary work for the community engagement and SV application process.

The SV project is a significant undertaking and will require a budget allocation to cover costs such as mailouts to all ratepayers, surveys, translation requirements, media, advertising and engagement of a consultant to assess resident's capacity to pay. A budget of \$204,000 has been allocated in the September 2024/25 Quarterly Budget Review to cover this estimated expenditure.

A breakdown of the estimate of the total costs for the SV community consultation and preparation works are outlined below.

Estimation of Costs Associated with SV Community Consultation and Analysis

Mailout to all ratepayers	\$ 140,000
Videos, print advertising and digital media	\$ 30,000
Outdoor advertising various Town Centres	\$ 4,000
Printing and distribution of factsheets/postcards/letters/posters/story boards to stakeholders	\$ 6,000
Social media promotions	\$ 2,000
Other costs associated with engagement and community analysis	\$ 22,000
Total Estimated Costs	\$ 204,000

GOVERNANCE AND RISK CONSIDERATIONS

Under the Local Government Act, 1993 (Section 8B – Sound Financial Management) the following principles of sound financial management apply to councils:

(a) Council spending should be responsible and sustainable, aligning general revenue and expenses.

(b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.

(c) Councils should have effective financial and asset management, including sound policies and processes for the following:

(i) performance management and reporting,

(ii) asset maintenance and enhancement,

(iii) funding decisions,

(iv) risk management practices.

(d) Councils should have regard to achieving intergenerational equity, including ensuring the following:

(i) policy decisions are made after considering their financial effects on future generations,

(ii) the current generation funds the cost of its services.

Further to this, the guidelines of the NSW Integrated, Planning and Reporting Framework (IP&R), stipulate that Council has a duty to set appropriate rates, fees and charges and monitor the council's progress in delivering priorities, projects and services through the Operational Plan.

Accordingly, to maintain sound governance principles and mitigate risk, a transparent process to discuss Council's financial sustainability with the community is required. Should Council resolve not to commence engagement on its financial sustainability and SV options, Council will be required to reduce the current levels of service and/or defer essential maintenance and capital projects identified to produce future balanced budgets.

ENVIRONMENTAL CONSIDERATIONS

The proposed actions in this report are expected to result in an improved environmental outcome as it is proposed that SV funds will be directed towards a number of environmental programs as well as future risk reduction management programs.

SOCIAL CONSIDERATIONS

The proposed actions in this report while not directly impacting our social initiatives may result in a beneficial social outcome as it is proposed that SV funds will be directed towards future projects that will improve the liveability and wellbeing of our community.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcomes and Goals:

- Good governance - Goal 20 Our Council is proactive, and efficiently and effectively responds to, and delivers on, the evolving needs of the community.
- Partnership and participation - Goal 21 Our community is engaged in decision making processes.

Reporting team	Finance
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TRIM file ref	2024/717211
Attachments	<ul style="list-style-type: none">⇒1 Community Engagement Plan - Proposed Special Variation to rates (Included In Attachments Booklet)⇒2 Draft addendum to Delivery Program 2024-2028 and Operational Plan 2024/25 - Special variation rate options (Included In Attachments Booklet)⇒3 Draft revised Long-Term Financial Plan 2024-2034 (Included In Attachments Booklet)⇒4 Preliminary Productivity Journey and Improvement Plan 2024 (Included In Attachments Booklet)

ITEM 9.4 MONTHLY INVESTMENT REPORT - SEPTEMBER 2024

PURPOSE

The purpose of this report is to provide details of all money that Council has invested under section 625 of the *Local Government Act 1993* (Act).

EXECUTIVE SUMMARY

- In accordance with section 212 of the Local Government (General) Regulation 2021 (Regulation), the Responsible Accounting Officer must provide Council with a written report on a monthly basis setting out details of all money that Council has invested under section 625 of the Act.
- The Responsible Accounting Officer has certified that the investments listed in the report have been made in accordance with the Act, the Regulation and Council’s Investment Policy.
- As at 30 September 2024, Council had total cash and investments of \$240,942,090 comprising:

Trading Accounts	\$2,681,453
Investments	\$238,260,637

- The portfolio achieved a return of 0.396% for the month of September, which was 0.036% above the benchmark AusBond Bank Bill Index return of 0.36%.
- The weighted average interest rate of the portfolio at month end is 5.01% compared to 5.06% for the prior month.
- Total investment income for September was \$1,037,737 compared to budgeted income for the month of \$846,801. Year to date income is \$2,776,771 compared to budget of \$2,256,303 principally as a result of both a higher than anticipated level of investments and higher investment interest rates.

RECOMMENDATION

That Council note the Investment Report as at 30 September 2024, including the certification by the Responsible Accounting Officer.

BACKGROUND

In accordance with section 212 of the Local Government (General) Regulation 2021 (Regulation), a report setting out the details of money invested must be presented to Council on a monthly basis.

The report must also include certification as to whether or not the investments have been made in accordance with the *Local Government Act 1993*, the Regulation and Council's Investment Policy.

The details of the report (the key aspects of which are in the Executive Summary) are set out below, together with the Responsible Accounting Officer's certification.

CERTIFICATION – RESPONSIBLE ACCOUNTING OFFICER

I hereby certify that the investments listed in this report have been made in accordance with section 625 of the *Local Government Act 1993*, section 212 of the Local Government (General) Regulation 2021 and existing Investment Policies – *Caroline Foley, Chief Financial Officer*.

INVESTMENT REPORT

Investment Balances

INVESTMENT BALANCES					
As at 30-Sep-2024					
INSTITUTION	RATING	AMOUNT \$	DATE INVESTED	MATURITY DATE	INTEREST RATE
Trading Accounts					
Commonwealth Bank of Australia Ltd	A1+	908,796			4.40%
National Australia Bank Ltd	A1+	4,635			4.35%
		913,431			
At Call Accounts					
Commonwealth Bank of Australia Ltd	A1+	5,622,130		At Call	4.45%
		5,622,130			
Mortgage Backed Securities					
Emerald Series 2006-1 Class A	A*	532,422	17-Jul-06	21-Aug-51	5.7293%
		532,422			
Term Deposits					
Judo Bank	A2	2,000,000	30-Nov-23	01-Oct-24	5.45%
Bank of Queensland Ltd	A2	2,000,000	05-Dec-23	03-Oct-24	5.36%
Credit Union Australia Ltd	A2	3,000,000	05-Dec-23	08-Oct-24	5.38%
Suncorp Bank	A1+	2,000,000	01-Feb-24	08-Oct-24	5.14%
Suncorp Bank	A1+	2,000,000	25-Jan-24	10-Oct-24	5.20%
Suncorp Bank	A1+	2,000,000	25-Jan-24	15-Oct-24	5.20%
Suncorp Bank	A1+	2,000,000	01-Feb-24	17-Oct-24	5.14%
Suncorp Bank	A1+	2,000,000	08-Feb-24	22-Oct-24	5.20%
Suncorp Bank	A1+	3,000,000	30-Jan-24	22-Oct-24	5.18%
Suncorp Bank	A1+	2,000,000	08-Feb-24	24-Oct-24	5.20%
Bank of Queensland Ltd	A2	2,000,000	22-Feb-24	29-Oct-24	5.10%
Bank of Queensland Ltd	A2	2,000,000	22-Feb-24	31-Oct-24	5.10%
Bank of Queensland Ltd	A2	1,000,000	22-Feb-24	05-Nov-24	5.10%
National Australia Bank Ltd	A1+	3,000,000	13-Feb-24	05-Nov-24	5.15%
National Australia Bank Ltd	A1+	2,000,000	27-Feb-24	07-Nov-24	5.10%
National Australia Bank Ltd	A1+	2,000,000	27-Feb-24	12-Nov-24	5.10%
National Australia Bank Ltd	A1+	2,000,000	29-Feb-24	14-Nov-24	5.10%
National Australia Bank Ltd	A1+	2,000,000	29-Feb-24	19-Nov-24	5.10%
National Australia Bank Ltd	A1+	3,000,000	27-Feb-24	19-Nov-24	5.10%
National Australia Bank Ltd	A1+	2,000,000	29-Feb-24	21-Nov-24	5.10%
National Australia Bank Ltd	A1+	2,000,000	29-Feb-24	26-Nov-24	5.10%
National Australia Bank Ltd	A1+	3,000,000	29-Feb-24	03-Dec-24	5.10%
Suncorp Bank	A1+	2,000,000	07-Mar-24	10-Dec-24	5.17%
Suncorp Bank	A1+	2,000,000	07-Mar-24	12-Dec-24	5.17%
National Australia Bank Ltd	A1+	1,000,000	11-Apr-24	17-Dec-24	5.05%
Suncorp Bank	A1+	3,000,000	07-Mar-24	17-Dec-24	5.17%

ITEM 9.4 NORTHERN BEACHES COUNCIL MEETING - 12 NOVEMBER 2024

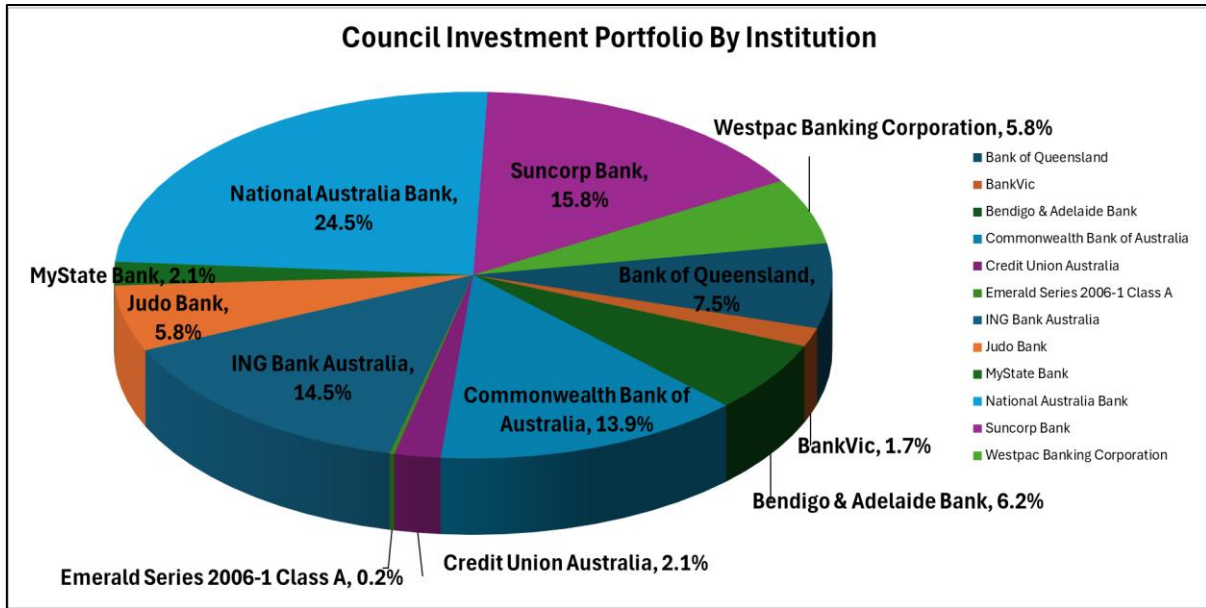
INVESTMENT BALANCES					
As at 30-Sep-2024					
INSTITUTION	RATING	AMOUNT \$	DATE INVESTED	MATURITY DATE	INTEREST RATE
Term Deposits (continued)					
Judo Bank	A2	2,000,000	11-Apr-24	19-Dec-24	5.10%
National Australia Bank Ltd	A1+	3,000,000	27-Jun-24	23-Dec-24	5.35%
Judo Bank	A2	2,000,000	11-Apr-24	23-Dec-24	5.10%
National Australia Bank Ltd	A1+	2,000,000	30-Apr-24	02-Jan-25	5.20%
National Australia Bank Ltd	A1+	2,000,000	11-Apr-24	07-Jan-25	5.05%
National Australia Bank Ltd	A1+	2,000,000	30-Apr-24	09-Jan-25	5.20%
Judo Bank	A2	4,000,000	09-May-24	14-Jan-25	5.20%
Bank of Queensland Ltd	A2	2,000,000	16-May-24	16-Jan-25	5.10%
Bank of Queensland Ltd	A2	2,000,000	16-May-24	21-Jan-25	5.10%
National Australia Bank Ltd	A1+	2,000,000	31-May-24	23-Jan-25	5.15%
National Australia Bank Ltd	A1+	2,000,000	27-Jun-24	28-Jan-25	5.35%
National Australia Bank Ltd	A1+	3,000,000	02-May-24	28-Jan-25	5.20%
MyState Bank Ltd	A2	2,000,000	30-May-24	30-Jan-25	5.15%
National Australia Bank Ltd	A1+	2,000,000	31-May-24	04-Feb-25	5.15%
National Australia Bank Ltd	A1+	2,000,000	31-May-24	06-Feb-25	5.15%
Judo Bank	A2	4,000,000	23-May-24	11-Feb-25	5.15%
Bank of Queensland Ltd	A2	2,000,000	02-Jul-24	13-Feb-25	5.32%
Bank of Queensland Ltd	A2	2,000,000	02-Jul-24	18-Feb-25	5.32%
National Australia Bank Ltd	A1+	2,000,000	25-Jul-24	20-Feb-25	5.30%
MyState Bank Ltd	A2	3,000,000	30-May-24	25-Feb-25	5.20%
National Australia Bank Ltd	A1+	2,000,000	25-Jul-24	27-Feb-25	5.30%
National Australia Bank Ltd	A1+	2,000,000	30-Jul-24	04-Mar-25	5.30%
National Australia Bank Ltd	A1+	2,000,000	30-Jul-24	06-Mar-25	5.30%
National Australia Bank Ltd	A1+	1,000,000	30-Jul-24	11-Mar-25	5.30%
Bank of Queensland Ltd	A2	3,000,000	28-Jun-24	11-Mar-25	5.30%
Credit Union Australia Ltd	A2	2,000,000	06-Aug-24	13-Mar-25	5.05%
ING Bank Australia Limited	A1	2,000,000	08-Aug-24	18-Mar-25	5.00%
ING Bank Australia Limited	A1	2,000,000	08-Aug-24	20-Mar-25	5.00%
National Australia Bank Ltd	A1+	3,000,000	02-Jul-24	25-Mar-25	5.37%
ING Bank Australia Limited	A1	2,000,000	13-Aug-24	27-Mar-25	4.96%
ING Bank Australia Limited	A1	2,000,000	13-Aug-24	01-Apr-25	4.96%
ING Bank Australia Limited	A1	2,000,000	15-Aug-24	03-Apr-25	4.96%
ING Bank Australia Limited	A1	4,000,000	08-Aug-24	08-Apr-25	5.00%
Suncorp Bank	A1+	2,000,000	16-Aug-24	10-Apr-25	4.83%
Suncorp Bank	A1+	2,000,000	16-Aug-24	15-Apr-25	4.83%
BankVic	A2	2,000,000	20-Aug-24	17-Apr-25	4.95%
Bendigo & Adelaide Bank Ltd	A2	1,000,000	26-Aug-24	22-Apr-25	4.75%
ING Bank Australia Limited	A1	3,000,000	15-Aug-24	22-Apr-25	4.96%

ITEM 9.4 NORTHERN BEACHES COUNCIL MEETING - 12 NOVEMBER 2024

INVESTMENT BALANCES					
As at 30-Sep-2024					
INSTITUTION	RATING	AMOUNT \$	DATE INVESTED	MATURITY DATE	INTEREST RATE
Term Deposits (continued)					
Bendigo & Adelaide Bank Ltd	A2	2,000,000	22-Aug-24	24-Apr-25	4.80%
Bendigo & Adelaide Bank Ltd	A2	2,000,000	26-Aug-24	29-Apr-25	4.75%
Bendigo & Adelaide Bank Ltd	A2	2,000,000	20-Aug-24	01-May-25	4.88%
Bendigo & Adelaide Bank Ltd	A2	4,000,000	26-Aug-24	06-May-25	4.75%
Suncorp Bank	A1+	2,000,000	27-Aug-24	08-May-25	4.83%
Suncorp Bank	A1+	2,000,000	27-Aug-24	13-May-25	4.83%
Suncorp Bank	A1+	2,000,000	27-Aug-24	15-May-25	4.82%
Bendigo & Adelaide Bank Ltd	A2	4,000,000	22-Aug-24	20-May-25	4.80%
Suncorp Bank	A1+	2,000,000	29-Aug-24	22-May-25	4.85%
Suncorp Bank	A1+	2,000,000	29-Aug-24	03-Jun-25	4.84%
Suncorp Bank	A1+	2,000,000	29-Aug-24	05-Jun-25	4.84%
Westpac Banking Corporation Ltd	A1+	2,000,000	03-Sep-24	10-Jun-25	4.89%
Westpac Banking Corporation Ltd	A1+	2,000,000	30-Aug-24	10-Jun-25	4.90%
Westpac Banking Corporation Ltd	A1+	2,000,000	03-Sep-24	12-Jun-25	4.89%
Westpac Banking Corporation Ltd	A1+	2,000,000	30-Aug-24	12-Jun-25	4.90%
Westpac Banking Corporation Ltd	A1+	2,000,000	03-Sep-24	17-Jun-25	4.89%
BankVic	A2	2,000,000	22-Aug-24	17-Jun-25	4.95%
National Australia Bank Ltd	A1+	3,000,000	13-Jun-24	17-Jun-25	5.25%
Westpac Banking Corporation Ltd	A1+	2,000,000	03-Sep-24	19-Jun-25	4.89%
Westpac Banking Corporation Ltd	A1+	2,000,000	03-Sep-24	24-Jun-25	4.89%
ING Bank Australia Limited	A1	4,000,000	03-Sep-24	01-Jul-25	4.91%
ING Bank Australia Limited	A1	2,000,000	05-Sep-24	03-Jul-25	4.91%
ING Bank Australia Limited	A1	2,000,000	10-Sep-24	08-Jul-25	4.90%
ING Bank Australia Limited	A1	2,000,000	10-Sep-24	10-Jul-25	4.90%
ING Bank Australia Limited	A1	4,000,000	17-Sep-24	15-Jul-25	4.89%
ING Bank Australia Limited	A1	4,000,000	31-Jul-24	29-Jul-25	5.29%
		207,000,000			
Kimbriki Environmental Enterprises Pty Ltd					
Trading Accounts					
Commonwealth Bank of Australia Ltd	A1+	1,768,022			4.30%
		1,768,022			
At Call Accounts					
Commonwealth Bank of Australia Ltd	A1+	140,186		At Call	4.35%
Commonwealth Bank of Australia Ltd	A1+	2,342,236		At Call	4.35%
		2,482,423			
Term Deposits					
Commonwealth Bank of Australia Ltd	A1+	1,000,000	09-Aug-24	09-Oct-24	4.54%
Commonwealth Bank of Australia Ltd	A1+	2,000,000	11-Sep-24	11-Oct-24	4.42%
Commonwealth Bank of Australia Ltd	A1+	1,000,000	19-Aug-24	19-Nov-24	4.69%
Commonwealth Bank of Australia Ltd	A1+	18,623,662	28-Aug-24	24-Feb-25	4.73%
		22,623,662			
Total Cash and Investments		240,942,090			

*Rating is based on a private rating advised by the issuer to Council's Investment Advisors.

Portfolio Analysis



Institutional Credit Framework – Compliance with Investment Policy Requirements

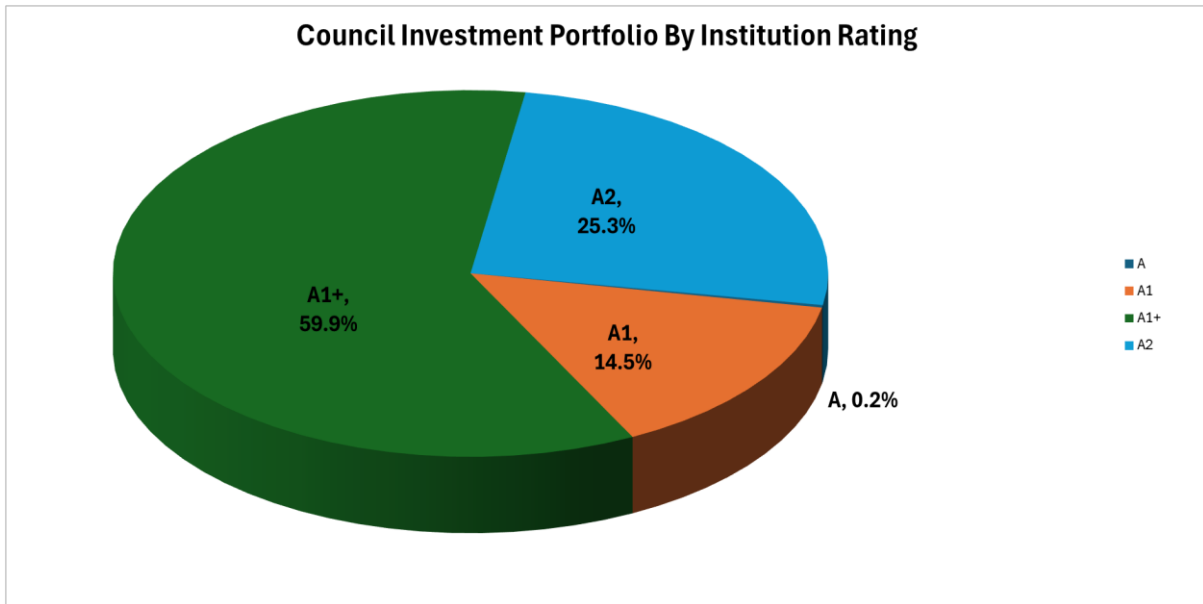
Clause 4.2.2 of Council’s Investment Policy requires that the exposure to an individual institution be restricted by their credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Long Term Rating*	S&P Short Term Rating*	Maximum %	Portfolio Complies with Policy?
AAA (incl. government guaranteed deposits)	A-1+	50%	Yes
AA+			
AA			
AA-			
A+	A-1	40%	Yes
A			
A-			
BBB+	A-2	30%	Yes
BBB			
BBB-	A-3	10%	Yes
Unrated**TCorp Funds	Unrated**	5%	Yes (\$Nil)
Unrated***ADIs	Unrated***	\$250,000	Yes (\$Nil)

* Or Moody’s / Fitch equivalents

** Unrated Category is restricted to eligible managed funds such as the NSW Treasury Corporation Hour Glass Facilities

*** Unrated ADIs Category is restricted to those ADIs that are under the Australian government guarantee scheme and limited to maximum \$250,000 per unrated ADI.



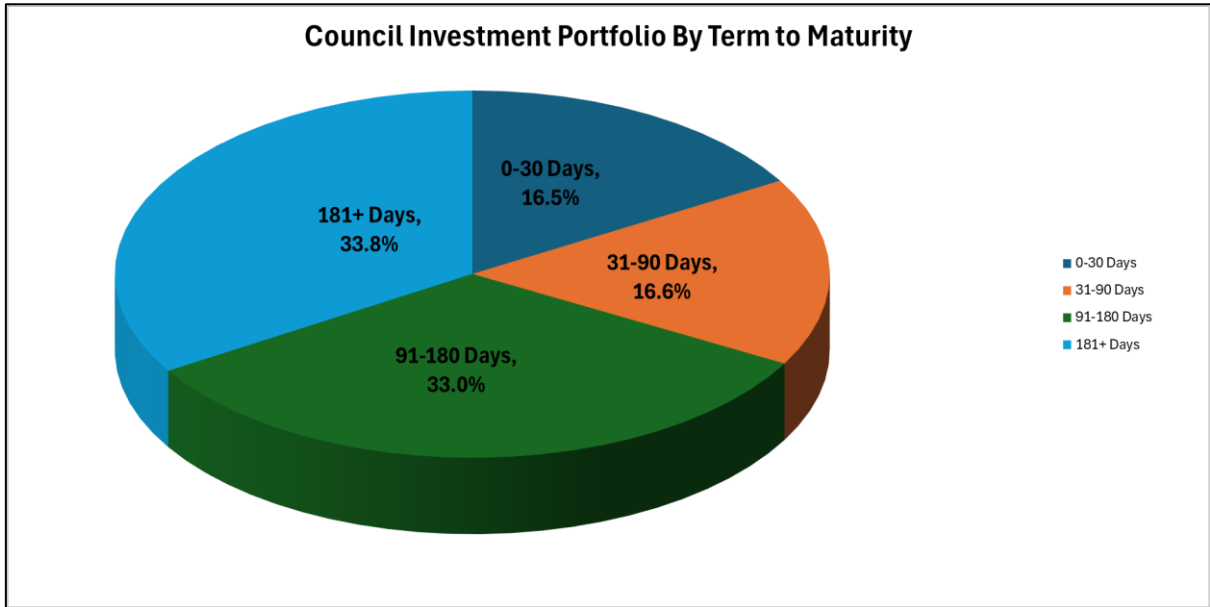
Overall Portfolio Credit Framework – Compliance with Investment Policy Requirements

Clause 4.2.1 of Council’s Investment Policy requires that the total percentage exposure within the market to any particular credit rating category be limited, as detailed in the table below:

S&P Long Term Rating*	S&P Short Term Rating*	Maximum %	Portfolio Complies with Policy?
AAA (incl. government guaranteed deposits)	A-1+	100%	Yes
AA+			
AA			
AA-			
A+	A-1	100%	Yes
A			
A-			
BBB+	A-2	80%	Yes
BBB			
BBB-	A-3	30%	Yes
Unrated**	Unrated**	5%	Yes (\$Nil)

* Or Moody’s / Fitch equivalents

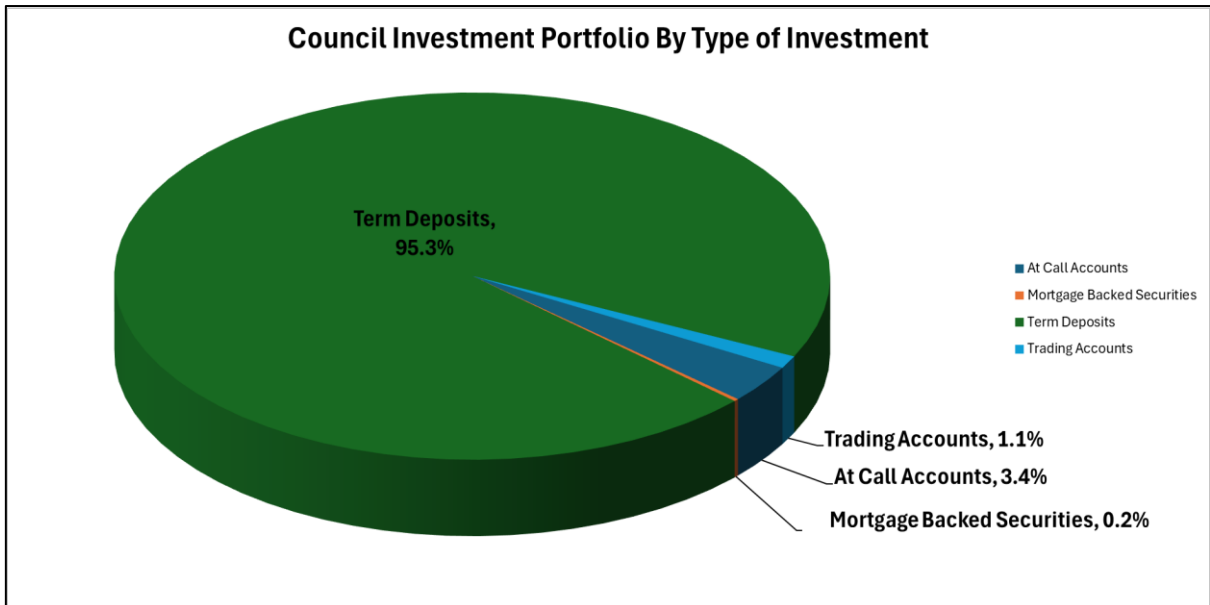
** Unrated Category is restricted to eligible managed funds such as the NSW Treasury Corporation Hour Glass Facilities and ADIs covered by the government guarantee scheme.



Term to Maturity Framework – Compliance with Investment Policy Requirements

Clause 4.2.4 of Council’s Investment Policy requires Council’s investment portfolio is to be invested within the following maturity constraints:

Overall Portfolio Term to Maturity Limits			Portfolio Complies with Policy?
Portfolio % <1 year	Min 40%	Max 100%	Yes
Portfolio % >1 year ≤3 year	Min 0%	Max 60%	Yes
Portfolio % >3 year ≤5 year	Min 0%	Max 30%	Yes



Investment Performance vs Benchmark

a) Portfolio Return vs Benchmark

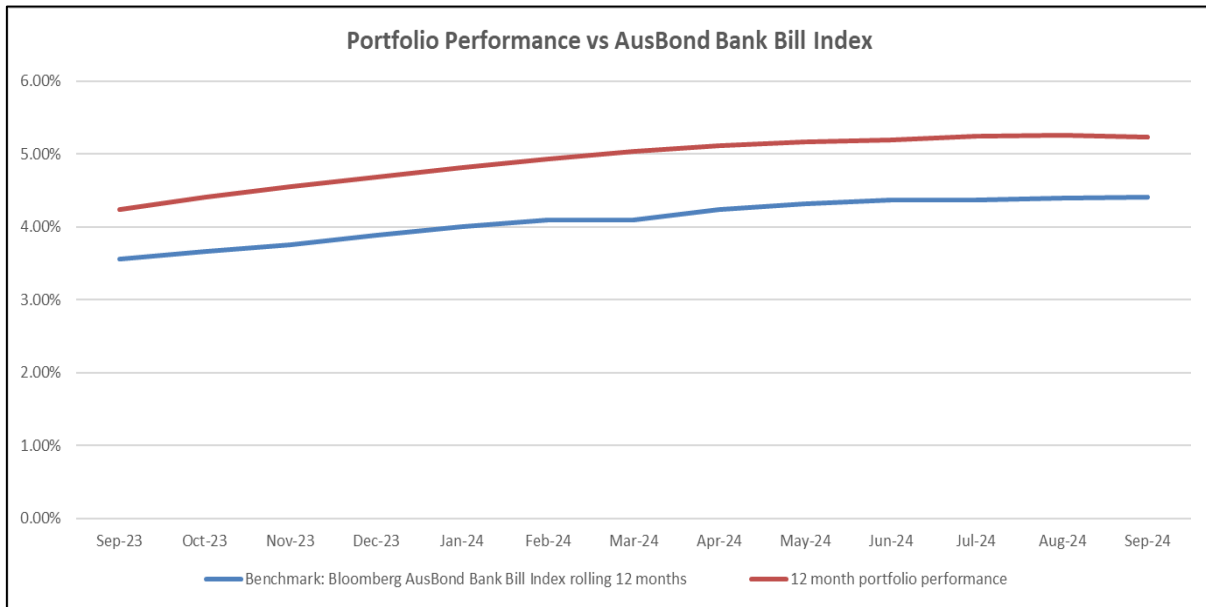
	Investment Portfolio Return *	Benchmark: AusBond Bank Bill Index
1 Month	0.396%	0.36%
3 Months	1.247%	1.11%
FYTD	1.247%	1.11%
12 Months	5.238%	4.41%

* Excludes trading account balances
 Council's Investment Advisors have stated this form of portfolio reporting conforms to global investment performance standards and that these standards say that periods below 12 months should not be annualised.

The above table shows a comparison of Council's investment portfolio return to the benchmark. Council's Investment Advisor, Laminar Capital, has created an accumulation index for the portfolio which increases each month by the portfolio internal rate of return to enable meaningful comparison to the benchmark AusBond Bank Bill index, which is an accumulation index.

The Bloomberg AusBond Bank Bill Index is engineered to measure the Australian money market by representing a passively managed short term money market portfolio. This index is comprised of 13 synthetic instruments defined by rates interpolated from the RBA 24-hour cash rate, 1M BBSW, and 3M BBSW.

The portfolio achieved a return of 0.396% for the month of September which was 0.036% above the benchmark AusBond Bank Bill Index return of 0.36%. For the past 12 months the portfolio achieved a return of 5.238% which was 0.828% above the benchmark AusBond Bank Bill Index return of 4.41%.



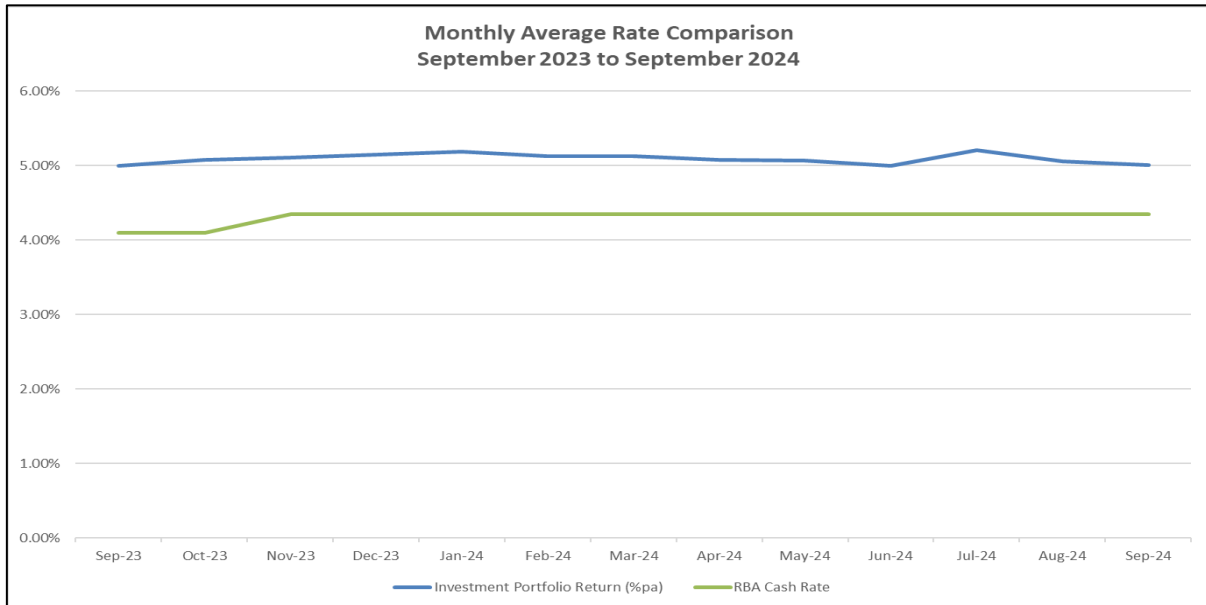
b) Portfolio Interest Rate vs Benchmark

	Weighted Average Portfolio Interest Rate (%pa) *	Average RBA Cash Rate
1 Month	5.01%	4.35%
3 Months	5.09%	4.35%
6 Months	5.07%	4.35%
FYTD	5.09%	4.35%
12 Months	5.10%	4.33%

* Excludes trading account balances

The above table shows the weighted average interest rate of the portfolio as at month end. This is an average of all the interest rates that each term deposit is earning. It is the current earning rate of the portfolio, and this information is useful as it shows how the earning rate is changing each month in line with changes in market interest rates. Each time a term deposit matures during the month it is being reinvested at current interest rates. To facilitate meaningful comparison, the weighted average interest rate of the portfolio is compared to the average Reserve Bank of Australia Cash Rate for the same period.

The weighted average interest rate of the portfolio is 5.01% compared to prior month's rate of 5.06%. For the past 12 months the weighted average interest rate of the portfolio was 5.10% compared to the average Reserve Bank of Australia Cash Rate of 4.33%.

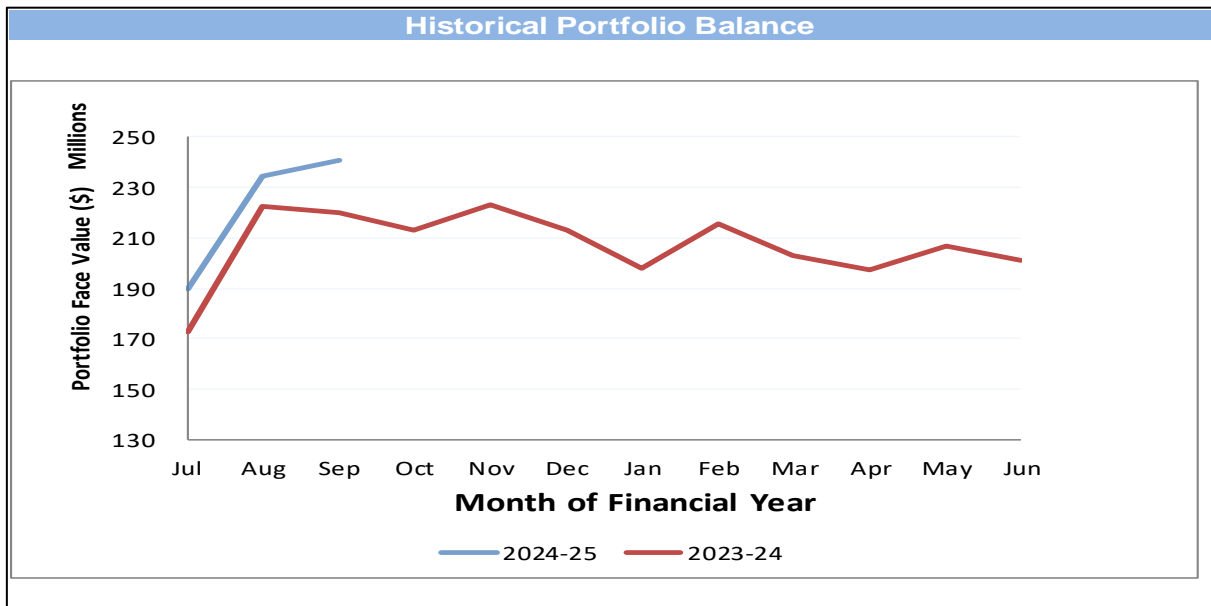


Monthly Investment Income* vs Budget

	Sep 2024 \$	Year to Date \$
Investment Income	1,037,736	2,765,643
Adjustment for Fair Value	1	11,128
Total Investment Income	1,037,737	2,776,771
Budgeted Income	846,801	2,256,303

*Includes all cash and investment holdings

Historical Portfolio Balance		
	2024-25	2023-24
Jul	189,719,694	172,792,796
Aug	234,725,032	222,700,387
Sep	240,942,090	220,000,804
Oct		213,097,673
Nov		223,142,220
Dec		213,002,977
Jan		197,991,561
Feb		215,827,161
Mar		202,989,895
Apr		197,263,664
May		206,476,518
Jun		200,996,910
Average Portfolio Balance	221,795,605	207,190,214



Statement of Compliance

Portfolio Performance vs Bank Bill Index over 12-month period.	✓	Council's investment performance did exceed benchmark.
Monthly Income vs Budget	✓	Council's income from investments did exceed monthly budget.

Investment Policy Compliance

Legislative Requirements	✓	Fully compliant
Portfolio Credit Rating Limit	✓	Fully compliant
Institutional Exposure Limits	✓	Fully compliant
Term to Maturity Limits	✓	Fully compliant

Restricted cash, cash equivalents and investments

At the end of September 2024 total cash & investments were \$240,942,090 and were made up of the following reserve allocations.

Allocation of Funds	Amount (\$)	Percentage
Externally Restricted	63,069,103	26.18%
Internally Restricted	87,274,639	36.22%
Total Restricted	150,343,742	62.40%
Unrestricted	90,598,348	37.60%
Total	240,942,090	100.00%

FINANCIAL CONSIDERATIONS

Actual investment income for the period from 1 July 2024 to date was \$2,776,771 compared to budgeted income of \$2,256,303, a positive variance of \$520,468 principally as a result of both a higher than anticipated level of investments and higher investment interest rates.

GOVERNANCE AND RISK CONSIDERATIONS

A revised Investment Policy was adopted by Council at its meeting on 26 July 2022. The Policy is reviewed annually by the Audit, Risk and Improvement Committee. It was reviewed by the Committee at its meeting in December 2023, and no changes to the Policy were proposed.

Council's Investment Policy and Strategy was reviewed in September 2024 by Council's Investment Advisors, Laminar Capital Pty Ltd, who confirmed that the current policy "remains consistent with the Ministerial Investment Order and guidelines issued by the Chief Executive (Local Government), Department of Premier and Cabinet" and that they "do not recommend any changes to the list of approved investments or credit limit frameworks".

ENVIRONMENTAL CONSIDERATIONS

Council's investments are managed in accordance with Council's Investment Policy. Council's Investment Policy requires consideration of environmental responsibility when making investment decisions.

SOCIAL CONSIDERATIONS

Council’s investments are managed in accordance with Council’s Investment Policy. Council’s Investment Policy requires consideration of social responsibility when making investment decisions.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcome and Goal:

- Good governance - Goal 19 Our Council is transparent and trusted to make decisions that reflect the values of the community.

Reporting team	Finance
TRIM file ref	2024/743040
Attachments	Nil

ITEM 9.5 REVIEW AND REVOCATION OF VARIOUS POLICIES

PURPOSE

The purpose of this report is to seek the adoption of 3 Northern Beaches Council policies; and the revocation of 5 policies.

EXECUTIVE SUMMARY

- Council's Policy Framework (Framework) outlines the strategic principles for certain corporate documents including Council policies.
- Council is progressively reviewing all corporate documents covered by the Framework.
- The draft Complaints Resolution Policy, Internal Audit Charter and Outdoor Dining and Footpath Merchandise Policy have been reviewed and are recommended to be adopted with minor changes.
- Council proposes to revoke 5 policies (being 3 from Northern Beaches Council and 2 from the former Councils) which have been identified as no longer being required and not consistent with the Framework principles.

RECOMMENDATION

That Council:

1. Adopt the draft Complaints Resolution Policy
2. Adopt the draft Internal Audit Charter
3. Adopt the Outdoor Dining and Footpath Merchandise Policy
4. Revoke the:
 - a. Development / Construction Security Deposit Policy
 - b. Placing of Hoardings and Scaffolding at Construction or Demolition Sites Policy
 - c. Beach and Rockpool Management Policy (former Pittwater)
 - d. Commercial use of Beaches, Reserves and Buildings/Facilities in Warringah Policy (former Warringah)
 - e. Moveable Heritage Management Policy

BACKGROUND

Council adopted a Policy Framework (Framework) at the Ordinary Council meeting held on 28 November 2023. The Framework provides the strategic principles for all Council policies and sets out the governance arrangements for the establishment and review of Council policies and other internal facing corporate documents.

All existing Council policies and other relevant internal corporate documents are progressively being reviewed in accordance with the settings of the Framework which provide that Council policies:

- provide high level strategic direction, are linked to Council's Community Strategic Plan (CSP) and/or are required by relevant legislation and have community focus and/or significant public interest
- will, where appropriate, adopt and implement relevant model NSW Government policies which have been prepared for local government, rather than establish discrete Council policies on the same topic
- will not simply duplicate or re-state legislative requirements but, where appropriate, may expand on Council's application of legislation.

The Framework provides that Tier 1 documents (Council policies) are governed by resolution of the elected Council, and the management of Tier 2 and 3 documents are the operational responsibility of the Chief Executive Officer.

DISCUSSION

Complaints Resolution Policy

A Complaints Management Policy was adopted by Council in 2018. The Policy sets out the approach that Council takes to ensuring that all customers are given the opportunity to make a complaint about issues they may have regarding Council services and potentially inappropriate, unethical or unfair behaviours or practices by Council Officials (including staff, councillors, contractors and volunteers).

Council understands the NSW Ombudsman intends to release a new Model Complaints Policy. However, a recent communication from the NSW Ombudsman indicated that the model policy is unlikely to be released this year. In the meantime, until the model policy is released, the Complaints Resolution team has reviewed and refreshed the existing policy (Attachment 1) as part of its scheduled review. It is not proposed that the draft policy be placed on public exhibition as there are no substantive proposed changes. Minor edits are highlighted in track changes throughout the document for ease of reference. When the NSW Ombudsman releases its new Model Complaints Policy, a further review will be undertaken.

Internal Audit Charter

Council has an established internal audit function as a key component of Council's governance and assurance framework, in compliance with the Local Government (General) Regulation 2021 and the Office of Local Government's Guidelines for risk management and internal audit for Local Government in NSW. The Internal Audit Charter (Charter) follows the Model charter contained within the Guidelines for risk management and internal audit. The Internal Audit Charter (Charter) is a Tier 1 document and is accordingly adopted by Council resolution. The Charter provides the framework for the conduct of the internal audit function in Council and was approved by Council in February 2023.

Following a scheduled review process, including a review by the Audit, Risk and Improvement Committee at its June 2024 meeting, some minor changes are proposed to the Charter (Attachment 2). The Charter is not proposed to be placed on public exhibition as there are no substantive changes to the document. Minor edits are highlighted in track changes throughout the document.

Outdoor Dining and Footpath Merchandise Policy

The Outdoor Dining and Footpath Merchandise Policy has been in effect since July 2019. The policy outlines the principles that govern outdoor dining and footpath merchandise in the Northern Beaches area for both businesses and the local community.

Following a scheduled review process, staff are proposing some minor updates to the policy to clarify the scope and application of the policy (Attachment 3). The proposed changes are highlighted in the attachment for ease of reference. The intent of the policy will continue to support a vibrant, safe, and welcoming streetscape in the local government area.

The policy is supported by Guidelines (Tier 3 document under the framework) which continue to remain effective for staff implementing the policy.

As the proposed changes are minor and do not affect or materially alter the policy position, a formal 28-day public exhibition is not proposed.

Development / Construction Security Deposit Policy

The policy originated from a former Warringah Council policy and was expanded with changes to the Northern Beaches local government area in 2021. The policy intent is to give force to Council's Development/Construction Security Deposit Policy Guidelines which serve to streamline the administration process to handle the security deposit.

Following a scheduled review in accordance with the Council's Policy Framework, it is proposed that the policy is now no longer required. This policy (provided at Attachment 4) duplicates legislative requirements including those that govern the imposition of security deposits under the *Environmental Planning and Assessment Act 1979*, the *Roads Act 1993* and the *Local Government Act 1993*.

The policy simply provides a single source of information for all the relevant legislation that applies to security deposits held against damage to Council infrastructure as a result of construction works. It makes no additional provisions beyond existing legislation. This information is already on Council's website.

The legislation (*Environmental Planning and Assessment Act 1979*, the *Roads Act 1993* and the *Local Government Act 1993*) contain all the necessary controls for administering security deposits.

Issues will be managed by using powers under the relevant Acts to draw on securities held when damage occurs and/or where the applicant fails to repair damage as and when required.

Placing of Hoardings and Scaffolding at Construction or Demolition Sites Policy

The policy originated from a former Manly Council policy and was expanded with changes to the Northern Beaches local government area in 2021. The policy intent is to give force to the hoardings guidelines which are contained on the Hoarding Permit Application Form and used by customers as part of the application process. This serves to ensure minimal impact to pedestrians and road users in relation to the erection of hoardings.

Following a scheduled review in accordance with the Council's Policy Framework, it is proposed that the policy is now no longer required. This policy (provided at Attachment 5) duplicates legislative requirements including those that govern the erection of hoardings and scaffolding on public land under the *Roads Act 1993* and the *Local Government Act 1993*.

The policy simply provides a single source of information for all the relevant legislation that applies to hoarding applications. It makes no additional provisions beyond existing legislation.

The legislation (*Local Government Act 1993* and the *Roads Act 1993*) contain all the necessary controls for administering hoardings.

Council's business as usual processes will continue to manage any relevant issues by utilising the powers under the relevant Acts to enforce and/or revoke any approvals made in relation to

Hoardings. Customers make applications via Council's normal processes. This information is on Council's website.

Beach and Rockpool Management Policy (former Pittwater)

The Policy required formal groups to book in advance for the use of beaches and rockpools and for the activities to be in line with the relevant Plan of Management. As both points are a requirement of the *Local Government Act 1993* and relevant Plans of Management the Policy is redundant and can be rescinded.

Commercial use of Beaches, Reserves and Buildings/Facilities in Warringah Policy (former Warringah)

This policy is related to use of open space - such use is guided by the *Local Government Act 1993* and regulations, relevant Plans of Management and Council's strategies and does not by legislation require a separate Council policy.

The policy was first adopted in 2006 to provide the parameters for what commercial activities can be approved on reserves, beaches and facilities within the former Warringah Local Government Area. The settings in the policy are provided for within Council's procedures for open space requests.

Council receives a large number of commercial booking applications every year. To effectively manage the risks associated with each booking, conditions are applied to manage the risk for a specific activity. If the requested space is not appropriate then the request is denied, and alternative sites are provided to the customer for consideration. Authority to approve a booking is through the *Local Government Act 1993* and Council's booking processes. As such, it is considered the policy is no longer required and can be rescinded.

Moveable Heritage Management Policy

The policy was adopted in 2019 to establish a Moveable Heritage Register to record objects of moveable heritage (including paper based and 3D objects) in the Northern Beaches. An object of moveable heritage is not a heritage item identified in Local Environmental Plans.

Following a scheduled review of the Policy, in accordance with Council's Policy Framework, it is proposed that the policy is now no longer required.

In 2020, Council launched The History Hub, an online portal that captures the library's local history collections in one place. This includes over 30,000 digital historical items relevant to the Northern Beaches, including from the former Manly, Warringah and Pittwater Councils.

The establishment of a separate Moveable Heritage Register would require resources and budget to meet the policy's intent, is no longer a strategic priority and no funds have been allocated to support this work in Council's long term financial plan.

The Library Local Studies team currently accepts donations of historical significance to the Northern Beaches, for potential inclusion on the History Hub.

CONSULTATION

While Council's [Policy Framework](#) encourages involvement by the community in developing and reviewing its policies, it acknowledges that consultation may not be required in all circumstances, such as where a policy is to be re-adopted or is consistent with a model policy provided by the NSW Government.

Noting the revised changes to the Complaints Resolution Policy, Internal Audit Charter and Outdoor Dining and Footpath Merchandise Policy are administrative and do not materially change their policy position or intent, a formal 28-day exhibition process is not considered necessary to support Council in their consideration of the re-adoption of these policies. No public exhibition is considered necessary in relation to the policies proposed for revocation.

FINANCIAL CONSIDERATIONS

The recommendations of this report do not result in any change to the existing Council budget.

GOVERNANCE AND RISK CONSIDERATIONS

The recommendations of this report are in line with Council’s Policy Framework. The Framework provides for an improved governance outcome for the management of Council policies.

The Framework provides for an improved governance outcome for the management of Council policies. There are no adverse risks associated with the revocation of these policies, as the policy impact areas continue to be managed under legislative provisions and in accordance with operational and procedural guidance.

Council has been progressively harmonising its policy environment. The Local Government (Council Amalgamations) Proclamation 2016 operates so that the policies of the 3 former councils (Manly, Warringah and Pittwater) remain in effect until Council adopts a new policy or the former policy is revoked.

ENVIRONMENTAL CONSIDERATIONS

There are no environmental impacts to consider in respect of policies which are proposed to be revoked as the policy impact areas will continue to be addressed through existing operational guidance or relevant legislation.

SOCIAL CONSIDERATIONS

Policies are an important tool for Council to communicate its strategic direction to the community and provide visibility of the governance framework in line with Council’s key Community Strategic Plan outcome of Good Governance.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcome and Goal:

- Good governance - Goal 19 Our Council is transparent and trusted to make decisions that reflect the values of the community.

Reporting team	Governance & Risk
TRIM file ref	2024/709674
Attachments	<ul style="list-style-type: none"> ⇒1 Draft Complaints Resolution Policy (Included In Attachments Booklet) ⇒2 Draft Internal Audit Charter (Included In Attachments Booklet) ⇒3 Draft Outdoor Dining and Footpath Merchandise Policy (Included In Attachments Booklet) ⇒4 Development / Construction Security Deposit Policy (Included In Attachments Booklet) ⇒5 Placing of Hoardings and Scaffolding at Construction or Demolition Sites Policy (Included In Attachments Booklet) ⇒6 Beach and Rockpool Management Policy - former Pittwater (Included In Attachments Booklet) ⇒7 Commercial Use of Beaches, Reserves and Buildings/Facilities in Warringah Policy - former Warringah (Included In Attachments Booklet) ⇒8 Moveable Heritage Management Policy (Included In Attachments Booklet)

ITEM 9.6 DELEGATED AUTHORITY TO MAYOR OVER CHRISTMAS AND NEW YEAR RECESS 2024-25

PURPOSE

The purpose of this report is to consider the arrangements for delegated authority of the Council over the 2024-25 Christmas and New Year recess.

EXECUTIVE SUMMARY

- Council may consider delegating its functions over the Christmas and New Year recess to facilitate decisions, in the Council’s absence, which may be required during this time.
- It is proposed that this delegation be granted to the Mayor for the 2024-25 recess from 11 December 2024 (being the day after the December Council meeting) to 26 January 2025 inclusive.
- It is proposed that a report outlining how the delegated authority was exercised during the period will be provided to Council at the February 2025 Ordinary Council meeting.
- A delegation has been granted each year by Northern Beaches Council to the Mayor during the Christmas and New Year recess since 2017.
- Council will be operating with some reduced hours over this period to accommodate public holidays and align with demand for services during this time of year however essential operational services will continue as usual.

RECOMMENDATION

That:

1. Council, pursuant to section 377 of the *Local Government Act 1993*, delegate to the Mayor, the functions of Council during the 2024-25 Christmas and New Year recess (being 11 December 2024 to 26 January 2025 inclusive), subject to the limitation that the functions may only be exercised by the Mayor following consultation with the Chief Executive Officer.
2. A report be provided to the February 2025 Ordinary Council meeting outlining how the delegated authority was exercised.

BACKGROUND

Council may consider delegating authority over the Christmas and New Year recess to facilitate decisions of a critical or urgent nature in the Council's absence where required.

For reasons of practicality, as the governing body of Council may be unavailable over the 2024-25 recess, Council's functions may be delegated to the Mayor during this period in the event that matters arise which are required to be dealt with during this time.

A delegation has been granted each year by Northern Beaches Council to the Mayor during the Christmas and New Year recess since 2017.

These delegations are consistent with the provisions of section 226 of the *Local Government Act 1993* which provides that the role of the Mayor is 'to exercise, in cases of necessity, the policy-making functions of the governing body of the council between meetings of the council'.

The following functions of Council do not form part of the proposed delegation as under section 377 of the *Local Government Act 1993* they can only be exercised by resolution of Council:

- the appointment of a general manager
- the making of a rate
- a determination under section 549 as to the levying of a rate
- the making of a charge
- the fixing of a fee
- the borrowing of money
- the voting of money for expenditure on its works, services or operations
- the compulsory acquisition, purchase, sale, exchange or surrender of any land or other property (but not including the sale of items of plant or equipment)
- the acceptance of tenders to provide services currently provided by members of staff of the council
- the adoption of an operational plan under section 405
- the adoption of a financial statement included in an annual financial report
- a decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6
- the fixing of an amount or rate for the carrying out by the council of work on private land
- the decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work
- the review of a determination made by the council, and not by a delegate of the Council, of an application for approval or an application that may be reviewed under section 82A of the *Environmental Planning and Assessment Act 1979*
- the power of the Council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194
- a decision under section 356 to contribute money or otherwise grant financial assistance to persons
- a decision under section 234 to grant leave of absence to the holder of a civic office
- the making of an application, or the giving of a notice, to the Governor or Minister
- this power of delegation
- any function under this or any other Act that is expressly required to be exercised by resolution of the council.

DISCUSSION

Delegated authority

It is proposed that a delegation be granted to the Mayor for the 2024-25 recess from 11 December 2024 (being the day after the December Council meeting) to 26 January 2025 inclusive. A report outlining how the delegated authority was exercised during the period will be provided to Council at the February 2025 Ordinary Council meeting.

Operating hours

Council will be operating with some reduced hours over this period to accommodate public holidays and align with demand for services during this time of year. Council will operate with skeleton staff at some times during this period. Essential operational services will continue as per usual including waste services, rangers and cleansing/maintenance crews.

Council's after hours call centre service will continue to operate at all times including weekends and public holidays to deal with emergency matters. The table below outlines the various services opening hours, consistent with last year.

Customer Service Centres	
Monday 23 December - Tuesday 24 December 2024	Open as normal
Wednesday 25 December 2024 (Public Holiday)	Closed - phones with after hours call centre
Thursday 26 December 2024 (Public Holiday)	Closed - phones with after hours call centre
Friday 27 December - Tuesday 31 December 2024	Dee Why open - all other branches closed
Wednesday 1 January 2025 (Public Holiday)	Closed - phones with after hours call centre
Thursday 2 January - Friday 3 January 2025	Open as normal
Aquatic Centres Warringah Aquatic Centre (WAC) & Manly Andrew Boy Charlton (MABC)	
Monday 23 December – Tuesday 24 December 2024	Open as normal
Wednesday 25 December 2024 (Public Holiday)	Closed
Thursday 26 December 2024 (Public Holiday)	Open Public holiday hours
Friday 27 December - Tuesday 31 December 2024	Open as normal
Wednesday 1 January 2025 (Public Holiday)	Open Public holiday hours
Thursday 2 January - Friday 3 January 2025	Open as normal
Library Services	
Monday 23 December 2024	Manly & Mona Vale Libraries open reduced hours 9-5pm. All other branches closed. Forestville Library 24/7 available.
Tuesday 24 December 2024	Manly & Mona Vale Libraries open reduced hours 9-5pm. All other branches closed. Forestville Library 24/7 available.
Wednesday 25 December 2024 (Public Holiday)	Closed. Forestville Library 24/7 available.
Thursday 26 December 2024 (Public Holiday)	Closed. Forestville Library 24/7 available.
Friday 27 December 2024	Manly & Mona Vale Libraries open reduced hours 9-5pm. All other branches closed. Forestville Library 24/7 available.

ITEM 9.6 NORTHERN BEACHES COUNCIL MEETING - 12 NOVEMBER 2024

Saturday 28 December 2024	Manly & Mona Vale Libraries open 10-4pm. All other branches closed. Forestville Library 24/7 available.
Sunday 29 December 2024	Manly Library open 11-4pm & Mona Vale Library open 1-4pm. All other branches closed. Forestville Library 24/7 available.
Monday 30 December - Tuesday 31 December 2024	Manly & Mona Vale Libraries open reduced hours 9-5pm. All other branches closed. Forestville Library 24/7 available.
Wednesday 1 January 2025 (Public Holiday)	Closed. Forestville Library 24/7 available.
Thursday 2 January 2025 - Friday 3 January 2025	Manly & Mona Vale Libraries open reduced hours 9-5pm. All other branches closed. Forestville Library 24/7 available.
Saturday 4 January 2025	Manly & Mona Vale Libraries open 10-4pm. All other branches closed. Forestville Library 24/7 available.
Sunday 5 January 2025	Manly Library open 11-4pm & Mona Vale Library open 1-4pm. All other branches closed. Forestville Library 24/7 available.
Monday 6 January 2025	Resume normal hours
Early Learning	
Monday 23 December 2024	Family Day Care operating. Cromer Vacation Care operating. All other Early Learning Centres closed
Tuesday 24 December 2024	Family Day Care operating. All other Early Learning Centres closed
Wednesday 25 December 2024 (Public Holiday)	Closed
Thursday 26 December 2024 (Public Holiday)	Closed
Friday 27 December - Tuesday 31 December 2024	Family Day Care operating. All other Early Learning Centres closed
Wednesday 1 January 2025 (Public Holiday)	Closed
Thursday 2 January - Friday 3 January 2025	Family Day Care operating. All other Early Learning Centres closed
Glen Street Theatre	
Monday 23 December - Tuesday 24 December 2024	Open - normal hours - 10am - 4pm
Wednesday 25 December 2024 (Public Holiday)	Closed
Thursday 26 December 2024 (Public Holiday)	Closed
Friday 27 December 2024 – Sunday 5 January 2025	Closed
Monday 6 January 2025	Resume normal hours
Manly Art Gallery & Museum	
Monday 23 December - Tuesday 24 December 2024	Closed

Wednesday 25 December 2024 (Public Holiday)	Closed
Thursday 26 December 2024 (Public Holiday)	Closed
Friday 27 December - Sunday 29 December 2024	Open - normal hours - 10am - 5pm
Monday 30 December - Tuesday 31 December 2024	Closed
Wednesday 1 January 2025 (Public Holiday)	Closed
Thursday 2 January 2025	Resume normal hours
Community Centres *all centres open for hire including public holidays	
Monday 23 December - Tuesday 24 December 2024	Open 9am -4.30pm
Wednesday 25 December 2024 (Public Holiday)	Closed
Thursday 26 December 2024 (Public Holiday)	Closed
Friday 27 December - Tuesday 31 December 2024	Closed
Wednesday 1 January 2025 (Public Holiday)	Closed
Thursday 2 January - Friday 3 January 2025	Open 9am -4.30pm
Meals on Wheels - Social Planning	
Monday 23 December - Tuesday 24 December 2024	Open 9am -4.30pm
Wednesday 25 December 2024 (Public Holiday)	Closed
Thursday 26 December 2024 (Public Holiday)	Closed
Friday 27 December - Sunday 29 December 2024	Closed
Monday 30 December - Tuesday 31 December 2024	Open 9am -4.30pm
Wednesday 1 January 2025 (Public Holiday)	Closed
Thursday 2 January - Friday 3 January 2025	Open 9am -4.30pm
Adolescent and Family Counselling - Social Planning	
Monday 23 December 2024 - Friday 3 January 2025	Closed

TIMING

This report relates to the Christmas / New Year recess period of 11 December 2024 to 26 January 2025.

FINANCIAL CONSIDERATIONS

Decisions which are made using delegated functions of Council during this period may have financial considerations and will be considered on an individual basis as appropriate. Financial considerations will be advised in the report to Council (in February 2025) outlining any exercise of the delegated functions during the period. There are no financial impacts as the proposed operational hours, incorporating public holidays, as outlined in this report is included in existing budgets.

GOVERNANCE AND RISK CONSIDERATIONS

It is considered a prudent practice for Council’s functions to be delegated over the Christmas and New Year recess in the event of a critical or urgent matter arising. The Mayor will be required to consult with the Chief Executive Officer before exercising any delegated functions.

Decisions which are made by the holder of the delegated functions (i.e. the Mayor) during this period may have governance and risk considerations and will be considered on an individual basis. Governance and risk considerations will be advised in the report to Council (in February 2025) outlining any exercise of the delegated functions during the period.

ENVIRONMENTAL CONSIDERATIONS

Decisions made using delegated functions of Council during this period may have environmental considerations and will be considered on an individual basis. Environmental considerations will be advised in the report to Council (in February 2025) outlining any exercise of the delegated functions during the period.

SOCIAL CONSIDERATIONS

Decisions made using delegated functions of Council during this period may have social considerations and will be considered on an individual basis. Social considerations will be advised in the report to Council (in February 2025) outlining any exercise of the delegated functions during the period.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcome and Goal:

- Good governance - Goal 19 Our Council is transparent and trusted to make decisions that reflect the values of the community.

Reporting team	Governance & Risk
TRIM file ref	2024/305174
Attachments	Nil

ITEM 9.7 SUBMISSION TO OFFICE OF LOCAL GOVERNMENT ON COUNCILLOR CONDUCT AND MEETING PRACTICES

PURPOSE

The purpose of this report is for Council to consider a draft submission regarding the Office of Local Government (OLG) discussion paper 'Councillor conduct and meeting practices' September 2024.

EXECUTIVE SUMMARY

- The Office of Local Government (OLG) has released a [discussion paper](#) and is inviting comments until 15 November 2024.
- The paper proposes a number of changes to the approach to both the Councillor conduct framework and meeting practices, however there are no changes proposed to the conduct settings for Council staff.
- Council resolved at its 15 August 2024 Council meeting to submit a motion to the Local Government NSW Annual Conference seeking advocacy support against the NSW Government's proposed changes to briefing sessions.
- A draft submission has been prepared and it is recommended Council endorse the draft submission provided at Attachment 1 to be provided to the OLG.

RECOMMENDATION

That Council endorse the submission provided at Attachment 1 for provision to the Office of Local Government by 15 November 2024.

BACKGROUND

The Office of Local Government (OLG) has released a [discussion paper](#) and is inviting comments until 15 November 2024.

The discussion paper proposes a new approach to both the Councillor conduct framework and meeting practices.

An extract from the paper states that “the proposals are to:

- Make OLG directly responsible for dealing with pecuniary interest and significant non-pecuniary conflicts of interest, with sanctions (suspensions and loss of pay) being determined by an appropriate tribunal or body.
- Refer behavioural based concerns about Councillor conduct to a State-wide panel of experienced Councillors to judge their peers.
- Reset the Code of Conduct to be similar to Parliamentary Codes, making it clear the expected patterns of Councillor behaviour.
- Ensure the community can observe local democratic processes by banning closed to the public briefing sessions, while at the same time restoring the dignity and prestige of the council chamber.”

The changes are only proposed for Councillors and there is no change proposed for the Code of Conduct for Local Government staff.

At its 15 October 2024 meeting Council resolved (Resolution 254/24):

That Council endorse the following motion for inclusion in the business paper of the Local Government NSW Annual Conference:

1. *That Local Government NSW advocates against the planned banning of briefing sessions within the Office of Local Government’s proposal for councillor conduct and meeting practice reforms.*

The motion will be considered at the conference which is to be held from 17 - 19 November 2024.

DISCUSSION

A draft submission to the OLG has been prepared by staff (Attachment 1) and is proposed to be submitted to the OLG in response to the discussion paper.

The draft submission is consistent with Council’s position above regarding briefing sessions and provides some further feedback and observations in relation to the role and powers of the Mayor and implications regarding managing two different modes of Code of Conduct.

Council understands the draft submission is broadly consistent with feedback from other councils as well as Local Government NSW and Local Government Professionals who are also both producing sector-wide submissions.

TIMING

Submissions are due to the OLG by 15 November 2024.

FINANCIAL CONSIDERATIONS

There are no financial considerations relating to this report. The preparation of the submission has been done with existing resources.

GOVERNANCE AND RISK CONSIDERATIONS

The OLG proposal provides only high-level information. This makes its challenging to consider and comment in detail on the operational implications of the proposed new framework.

ENVIRONMENTAL CONSIDERATIONS

There are no significant environmental considerations relating to this report.

SOCIAL CONSIDERATIONS

There is benefit in Council engaging in industry and sector wide consultations.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcome and Goal:

- Good governance - Goal 19 Our Council is transparent and trusted to make decisions that reflect the values of the community.

Reporting team	Governance & Risk
TRIM file ref	2024/762794
Attachments	⇒ 1 Draft submission to Office of Local Government (Included In Attachments Booklet)

ITEM 9.8 CODE OF CONDUCT COMPLAINT STATISTICS**PURPOSE**

The purpose of this report is to provide Council with Code of Conduct complaint statistics, which relate to any Code of Conduct complaints made about Councillors or the Chief Executive Officer (CEO), for the period 1 September 2023 to 31 August 2024.

EXECUTIVE SUMMARY

- Code of Conduct Complaint statistics are reported to Council and then to the Office of Local Government (OLG) by 31 December 2024.
- In the reporting period 1 September 2023 to 31 August 2024 one Code of Conduct complaint was received. A Preliminary Assessment, conducted by an external conduct reviewer (from Council's approved Conduct Review Panel) determined that the complaint should not proceed to Investigation.
- Two Code of Conduct Complaints received in the previous reporting period (1 September 2022 to 31 August 2023) were finalised with no breaches found.
- The total cost (including staff and external conduct reviewer costs) for this reporting (2023/2024) period is \$36,733.

RECOMMENDATION

That Council note the Code of Conduct complaint statistics for the period 1 September 2023 to 31 August 2024 in accordance with the Procedures for the Administration of the Northern Beaches Council Code of Conduct.

BACKGROUND

Council is required to report each year on Code of Conduct Complaint statistics (that relate to Councillors or the CEO) to Council and then to the Office of Local Government (OLG) by 31 December 2024.

Part 11 - Reporting statistics on code of conduct complaints about councillors and the CEO - of the Procedures for the Administration of the Northern Beaches Council Code of Conduct sets out the following requirements:

‘11.1 The complaints coordinator must arrange for the following statistics to be reported to Council within 3 months of the end of September of each year:

- a) the total number of code of conduct complaints made about councillors and the CEO under the code of conduct in the year to September (the reporting period)
- b) the number of code of conduct complaints referred to a conduct reviewer during the reporting period
- c) the number of code of conduct complaints finalised by a conduct reviewer at the preliminary assessment stage during the reporting period and the outcome of those complaints
- d) the number of code of conduct complaints investigated by a conduct reviewer during the reporting period
- e) without identifying particular matters, the outcome of investigations completed under these procedures during the reporting period
- f) the number of matters reviewed by the Office during the reporting period and, without identifying particular matters, the outcome of the reviews, and
- g) the total cost of dealing with code of conduct complaints made about councillors and the CEO during the reporting period, including staff costs.

11.2 Council is to provide the Office with a report containing the statistics referred to in clause 11.1 within 3 months of the end of September each year.’

The following table outlines the Code of Conduct complaint statistics that relate to Councillor or CEO complaints for the period 1 September 2023 to 31 August 2024, using the OLG template:

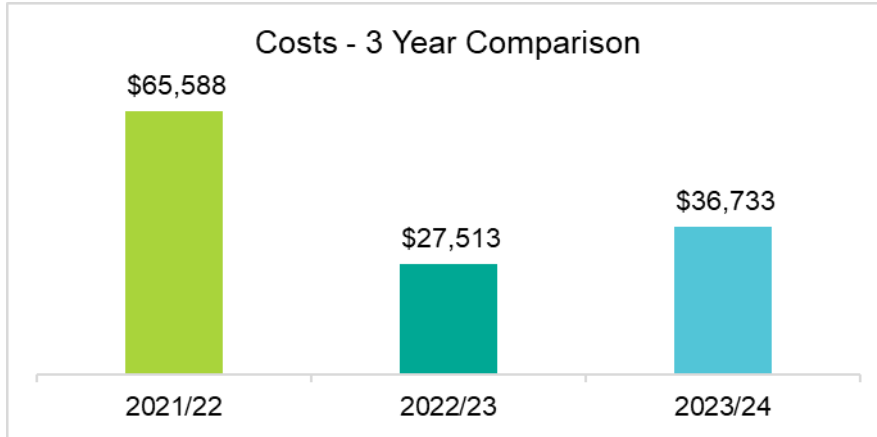
Number of complaints		
1	The total number of complaints received in the reporting period about councillors and the General Manager (GM) under the code of conduct from the following sources:	
i	Community	1
ii	Other Councillors	0
iii	General Manager	0
iv	Other Council Staff	0
2	The total number of complaints finalised about councillors and the GM under the code of conduct in the following periods:	
i	3 Months	1
ii	6 Months	1
iii	9 Months	0
iv	12 Months	1
v	Over 12 months	0

Overview of complaints and cost			
3	a	The number of complaints finalised at the outset by alternative means by the GM or Mayor	0
	b	The number of complaints referred to the Office of Local Government (OLG) under a special complaints management arrangement	0
	c	The number of code of conduct complaints referred to a conduct reviewer	1
	d	The number of code of conduct complaints finalised at preliminary assessment by conduct reviewer	0
	e	The number of code of conduct complaints referred back to GM or Mayor for resolution after preliminary assessment by conduct reviewer	1
	f	The number of finalised code of conduct complaints investigated by a conduct reviewer	2
	g	Cost of dealing with code of conduct complaints via preliminary assessment	\$16,967
	h	Progressed to full investigation by a conduct reviewer	0
	i	The number of finalised complaints investigated where there was found to be no breach	2
	j	The number of finalised complaints investigated where there was found to be a breach	0
	k	The number of complaints referred by the GM or Mayor to another agency or body such as the ICAC, the NSW Ombudsman, OLG or the Police	
	i	ICAC	0
	ii	NSW Ombudsman	0
	iii	OLG	0
	iv	Police	0
	v	Other Agency (please specify)	0
		N/A	
	l	The number of complaints being investigated that are not yet finalised	0
	m	The total cost of dealing with code of conduct complaints within the period made about councillors and the GM including staff costs	\$36,733
Preliminary assessment statistics			
4		The number of complaints determined by the conduct reviewer at the preliminary assessment stage by each of the following actions:	
	a	To take no action (clause 6.13(a) of the 2020 Procedures)	0
	b	To resolve the complaint by alternative and appropriate strategies (clause 6.13(b) of the 2020 Procedures)	0
	c	To refer the matter back to the GM or the Mayor, for resolution by alternative and appropriate strategies (clause 6.13(c) of the 2020 Procedures)	1
	d	To refer the matter to another agency or body such as the ICAC, the NSW Ombudsman, OLG or the Police (clause 6.13(d) of the 2020 Procedures)	0
	e	To investigate the matter (clause 6.13(e) of the 2020 Procedures)	0
	f	Other action (please specify)	0
		N/A	

Investigation statistics		
5	The number of investigated complaints resulting in a determination that there was no breach , in which the following recommendations were made:	
a	That the council revise its policies or procedures	0
b	That a person or persons undertake training or other education (clause 7.40 of the 2020 Procedures)	0
6	The number of investigated complaints resulting in a determination that there was a breach in which the following recommendations were made:	
a	That the council revise any of its policies or procedures (clause 7.39 of the 2020 Procedures)	0
b	In the case of a breach by the GM, that action be taken under the GM's contract for the breach (clause 7.37(a) of the 2020 Procedures)	0
c	In the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the Local Government Act 1993 (clause 7.37(b) of the 2020 Procedures)	0
d	In the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the Local Government Act 1993 and that the matter be referred to OLG for further action (clause 7.37(c) of the 2020 Procedures)	0
7	Matter referred or resolved after commencement of an investigation (clause 7.20 of the 2020 Procedures)	0
Categories of misconduct		
8	The number of investigated complaints resulting in a determination that there was a breach with respect to each of the following categories of conduct:	
a	General conduct (Part 3)	0
b	Non-pecuniary conflict of interest (Part 5)	0
c	Personal benefit (Part 6)	0
d	Relationship between council officials (Part 7)	0
e	Access to information and resources (Part 8)	0
Outcome of determinations		
9	The number of investigated complaints resulting in a determination that there was a breach in which the council:	
a	Adopted the independent conduct reviewers recommendation	0
b	Failed to adopt the independent conduct reviewers recommendation	0
10	The number of investigated complaints resulting in a determination where:	
a	The external conduct reviewers decision was overturned by OLG	0
b	Council's response to the external conduct reviewers recommendation was overturned by OLG	0
11	Date Code of Conduct data was presented to council	12/11/2024

In total, one Code of Conduct complaint was received in the reporting period. The complaint did not proceed to investigation. Two investigations received in the previous reporting period (2022/2023) were finalised with no breaches found.

The total cost (including staff and external conduct reviewer costs) for this reporting (2023/2024) period is \$36,733. A comparison of the current and previous two years' costs is provided in the chart below.



FINANCIAL CONSIDERATIONS

Funding for the investigation of Code of Conduct complaints is included in the existing budget.

GOVERNANCE AND RISK CONSIDERATIONS

The Code of Conduct sets the minimum standards of conduct for all Council officials as prescribed by regulation. Reporting statistics on Code of Conduct complaints is a requirement under Part 11 of the Procedures.

ENVIRONMENTAL CONSIDERATIONS

There are no environmental impacts in relation to this report.

SOCIAL CONSIDERATIONS

There are no social impacts in relation to this report.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcome and Goal:

- Good governance - Goal 19 Our Council is transparent and trusted to make decisions that reflect the values of the community.

Reporting team	Internal Audit & Complaints Resolution
TRIM file ref	2024/653709
Attachments	Nil

**ITEM 9.9 AUDIT RISK AND IMPROVEMENT COMMITTEE CONFIRMED
MINUTES - 11 JUNE 2024**

PURPOSE

The purpose of this report is to provide the confirmed minutes of the Audit, Risk and Improvement Committee (ARIC) ordinary meeting held on 11 June 2024.

EXECUTIVE SUMMARY

- The ARIC plays a pivotal role providing Council with independent assurance and advice.
- All councils are required to have an ARIC.
- In accordance with Council's requirements, the confirmed minutes of ARIC meetings are reported to Council.

RECOMMENDATION

That Council note the confirmed minutes of the Audit, Risk and Improvement Committee meeting held on 11 June 2024.

BACKGROUND

The Audit, Risk and Improvement Committee (ARIC) plays a pivotal role providing Council with independent assurance and advice in the areas of internal audit, financial management, risk management, compliance and control, and organisational performance and improvement, along with external accountability responsibilities.

Amendments made to the Local Government (General) Regulation 2021 (Regulation) commenced on 1 July 2024 and set out new requirements for ARICs. The Office of Local Government’s [Guidelines for Risk Management and Internal Audit for Local Government in NSW](#) (Guidelines) support and guide the operation of ARICs. Council adopted new ARIC Terms of Reference which are consistent with the Office of Local Government’s model terms of reference, applicable from 1 July 2024.

DISCUSSION

In accordance with Council’s requirements, the confirmed minutes of ARIC’s meeting held on 11 June 2024 are provided at Attachment 1. The minutes are also published on Council’s website.

FINANCIAL CONSIDERATIONS

The recommendations of this report do not result in any change to the existing Council budget.

GOVERNANCE AND RISK CONSIDERATIONS

Councils are required to have an ARIC in accordance with section 428A of the *Local Government Act 1993*.

ENVIRONMENTAL CONSIDERATIONS

There are no adverse environmental impacts arising from this report.

SOCIAL CONSIDERATIONS

The recommendations in this report maintain social outcomes for the community. The ARIC’s oversight aims to ensure that appropriate controls are in place for risk exposures as they relate to the strategic objectives of Council, and to satisfy itself that Council is taking a fully informed risk-based approach.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcome and Goal:

- Good governance - Goal 19 Our Council is transparent and trusted to make decisions that reflect the values of the community.

Reporting team	Governance & Risk
TRIM file ref	2024/753695
Attachments	⇒ 1 Minutes - ARIC Ordinary Meeting - 11 June 2024 (Included In Attachments Booklet)

10.0 COMMUNITY AND RECREATION DIVISION REPORTS

ITEM 10.1 RESPONSE TO NOTICE OF MOTION NO 8/2024 - GRAFFITI TASKFORCE/WORKING GROUP

PURPOSE

The purpose of this report is to provide a response to a Council Resolution in respect of Notice of Motion No 8/2024 on establishing a Graffiti Taskforce or Working Group.

EXECUTIVE SUMMARY

- Council's current approach to graffiti management is principally through application of a 'rapid removal' approach.
- Council provides proactive inspections to remove graffiti from known hotspots and has coordinated street art and murals with local young people at key locations to reduce the incidence of graffiti in public spaces.
- As main roads and sound walls are state owned and managed assets it is the responsibility of Transport for NSW to manage graffiti on these assets.
- A review of the current approach of other councils regarding graffiti management has been undertaken to inform this report.
- Some larger city councils and state bodies have established taskforces or working groups in recent years and while varying in scope and focus, the effectiveness of these groups has varied and relied on engagement of key stakeholders (including state agencies) and provision of dedicated resources.
- The coordination of a specialised graffiti taskforce or working group would require Council to reprioritise projects to enable the allocation of required resources and funding.

RECOMMENDATION

That Council note the report.

BACKGROUND

At the 28 May 2024 Ordinary Council meeting, in respect of Notice of Motion 8/2024, Council resolved (Resolution 073/24):

That:

1. Council note:
 - a. Council's graffiti removal program operates under a contract provision model, where costs are determined by a lump sum based on the number of contractor staff provided and the terms of the contract. Despite any rise in graffiti incidents, there is no corresponding increase in cost to Council throughout the contract period. As a result, accurately quantifying the costs of graffiti removal for each ward is not feasible. Council budgets over \$500,000 for graffiti removal each year. Currently Cleansing Services is undergoing contract negotiation with service provider UMS to establish a new combined graffiti and bus shelter cleaning contract.
 - b. Council currently lacks specific policies addressing graffiti. At the March 2020 Ordinary Council meeting, it was resolved to revoke the 3 graffiti policies previously held by the former Manly, Warringah and Pittwater Councils. These policies were deemed obsolete, as the identification, removal, and reporting of graffiti are now managed through Council's operational and procedural processes.
 - c. Under the service provision, reported graffiti incidents are to be inspected and removed and the database updated within 5 days of lodgement. Approximately 90% of graffiti is removed within 2 days. Offensive graffiti must be removed within 24 hours from the time of reporting.
 - d. Council's responsibility solely encompasses graffiti removal from assets owned by Council itself, excluding private property, state, or crown-owned assets. These include public transport facilities, sound barrier walls, fences adjoining public land, footbridges over state-designated roads, hoardings, abandoned buildings, shopfronts, utility assets such as AUSGRID poles, green kiosks, and Transport for NSW signal boxes, etc. Given that these are under the authority of their respective owners and not maintained by Council, reports concerning them are forwarded on to the respective owners and stakeholders, via the owner's reporting mechanism. Additionally, the number and frequency of reports are high which limits the ability of Council to follow up on all reports, and many asset owners do not have direct customer facing mechanism to follow up on reports.
 - e. Engaging in graffiti, whether through damaging or defacing property, constitutes an offense under the Graffiti Control Act 2008. While Council assumes responsibility for removing graffiti from council property and assets, enforcement and prosecution related to graffiti offenses fall under the jurisdiction of the NSW Police. Crime statistics typically do not separate graffiti as an individual category; instead, it is grouped under 'malicious damage to property.' Consequently, there is no distinct data specifically attributed to graffiti incidents of vandalism.
2. Council receive a report outlining the opportunities to establish a specialised taskforce or working group within 6 months, inclusive of essential community stakeholders such as a Councillor from each ward, local Members of Parliament, representatives from the local area command, residents' associations, local schools, sporting groups, youth organisations, chambers of commerce, local businesses, property owners, and individual community representatives. This collaborative initiative is dedicated to formulating pragmatic solutions for the various graffiti-related challenges. The goal is to develop a comprehensive graffiti mitigation strategy and action plan that addresses the distinct needs of each ward and the broader Local Government Area (LGA).

This report outlines current graffiti management approaches on the Northern Beaches and a review of approaches across the local government sector and other agencies. Options are

presented for consideration regarding the establishment of a taskforce or working group, including relevant staffing and operational resourcing impacts and considerations.

Community engagement identified graffiti as an important issue in the development of Council's Community Safety Plan 2021 – 2026. This Plan identifies Council's commitment to continue to implement our Rapid Graffiti Removal Program and the use of public art to discourage graffiti and improve the community's feeling of safety.

DISCUSSION

Understanding graffiti

Graffiti vandalism is the damaging or defacing of property, by means of chalk, scratching, paint, felt tip markers or other materials, including the unauthorised placement of billboards, posters, notices and stickers. It is illegal and an offence under the *Graffiti Control Act 2008*.

Visible graffiti impacts negatively on Council and the community. In public places it lends itself to a perception of poor safety, and impacts negatively on social, environmental and financial outcomes. Public areas being free from illegal graffiti vandalism therefore supports Council's vision of 'a safe, diverse, inclusive and connected community that lives in balance with our extraordinary coastal and bushland environment.'

Research undertaken by the NSW Government (Department of Justice) indicates that graffiti vandalism and tagging is most frequently done by young people under 18 years. However, there is evidence that people into their 20s and 30s can still have an appetite to undertake the application of illegal graffiti. This generally comes in the form of tagging, stencilling, throw-ups (between tagging and murals) and un-commissioned murals.

It is a widespread issue that has proven hard for local government to prevent and minimise. In public places it tends to lend itself to a perception of poor safety and has financial impact, with expenditure on preventative initiatives and ongoing maintenance programs to manage and remove graffiti vandalism. It is widely recognised by NSW Police and other NSW Councils that a multi-faceted and collaborative approach needs to be employed to effectively combat this issue.

Current approach to graffiti management

The Graffiti Management Policies of the former Pittwater, Manly and Warringah Councils were rescinded in March 2020. At that time, Council's cleansing principles were incorporated into operational processes and community development and street art components included in the Public Art Policy, adopted 2019. This approach supports effective operational management of graffiti removal and youth engagement projects.

Graffiti removal

Council routinely removes graffiti from its assets and reserves as part of public cleansing services. Council provides a reactive, 'rapid removal' approach widely regarded as an effective prevention strategy. An online graffiti removal request form is available on Council's website, with requests fulfilled within 5 business days, or 1 business day if offensive.

Graffiti incidence data is used to schedule proactive inspections to remove graffiti from around 10 known graffiti hotspots across the local government area.

Graffiti may also be removed by Council from adjoining private property that is visible and accessible from a public place under Council's graffiti removal contract and consistent with section 12 of the *Graffiti Control Act 2008*. The 2024/25 operational budget for the graffiti removal service is approximately \$600,000.

Graffiti that is visible but not accessible from a public place is out of the scope of Council's contracted graffiti removal service. Whilst Council has certain rights to remove graffiti from land which is visible from a public space or with agreement of the owner of the land, Council cannot force another property owner to remove graffiti from their property. This includes equipment owned by Ausgrid, Telstra, Sydney Water, Electric Vehicle charging stations and certain Transport for

NSW infrastructure such as sound walls and footbridges. These agencies have their own graffiti removal services in place and procedures for receiving and actioning graffiti removal requests from customers. Council routinely relays requests on to the relevant agency on the customer's behalf.

Council's graffiti removal services were consolidated across the Northern Beaches Council area in November 2018. Service data below shows the total number of graffiti removals recorded as completed 2020-2024.

Graffiti Removal Jobs Completed 2020-2024*					
	2020	2021	2022	2023	2024
January	452	556	570	730	321
February	394	456	725	733	245
March	439	467	575	834	195
April	393	596	663	600	200
May	369	596	1053	618	235
June	470	493	1490	329	207
July	433	652	793	393	340
August	408	551	888	291	257
September	703	560	810	357	285
October	678	590	671	362	
November	573	787	909	343	
December	454	519	781	311	
Total (CY)	5766	6823	9928	5901	
Average/Month	481	569	827	492	254

*As with any request-based data, variability occurs due to the volume, nature and scope of requests. A request management system change in May 2023 improved data quality and substantially reduced the number of duplicated records, which is reflected in the table above in the blue highlighted sections.

Over the past 12 months, Council has received about 2,500 customer requests to remove graffiti. Combined with around 1,400 incidents of graffiti located and cleaned through proactive graffiti patrols, this results in the removal of an average between 1,000 to 2,500 m2 of graffiti each month. About 5 to 9% of graffiti removal requests relate to private property.

Customers that report graffiti to Council are highly satisfied with the service (4.1/5). Low satisfaction often relates to third party issues, especially Snap Send Solve and Transport for NSW.

Other strategies

Council also uses a number of other strategies to prevent graffiti, particularly in identified areas of concern. Crime Prevention through Environmental Design (CPED) principles are applied to new spaces or buildings, as well as making changes to existing susceptible spots to reduce the occurrence of graffiti.

Public art, particularly murals, are also effective in preventing graffiti in susceptible spaces or locations including laneways and objects such as signal boxes. These make locations less attractive for graffiti and can be given protective coatings to ease removal of illegal graffiti.

In 2020, Council facilitated a large mural at Bungan Lane, Mona Vale funded by the Crime Prevention Division of the NSW Department of Communities and Justice to reduce the levels of anti-social behaviour and damage in public spaces around Mona Vale and Newport. Since installation, there have been no reports of graffiti on the painted mural surfaces.

In 2023, Council facilitated four murals at identified locations in Curl Curl, Manly and Mona Vale, funded by a \$71,500 Graffiti Management Grant from the Department of Communities and Justice. Through this funding Council engaged local young people to participate in skills development alongside the contracted artist as these programs can be effective when involving young people who are engaging in anti-social or illegal behaviour.

In response to these murals and youth engagement activities, instances of graffiti and tagging have reduced. Since completing the murals there has been a reduction of 39% in incidents and 72% in square metres of graffiti removal in Park Street, Mona Vale and a reduction of 63% in incidents and 91% in square metres of graffiti removal in Village Park Reserve, Mona Vale.

Programs like this typically range from \$5,000 to \$20,000 per mural, depending on the size, surface and location and require up to 100 staff hours to manage the project. Crime Prevention Division NSW announced the closure of graffiti management grants in 2023.

Council also works with local businesses to identify areas of concern on private property and develop prevention approaches including activation of spaces, vegetation or other prevention strategies. Activation of spaces can also include outdoor dining, busking, street performers, events, lighting and pedestrian zones.

There are also five Council managed legal graffiti walls in the Northern Beaches Council area located in Allambie Heights, Manly Vale (two), Collaroy, and Belrose that seek to provide a legal opportunity for creative expression for young artists.

Graffiti management across Local Government Sector and relevant agencies

Local councils typically have graffiti removal as a part of facilities and infrastructure maintenance or public place cleansing services, and opt for a rapid removal as a key strategy in ongoing prevention of graffiti. They may also elect to remove graffiti which is visible from a public place from land if it can be carried out from a public place, in accordance with the *Graffiti Control Act 2008*, Part 4.

A survey and research reviewing approaches taken by 13 other Councils was undertaken, with the following an overview of the main approaches:

- Many councils have a graffiti policy however only a few have a specific graffiti management strategy or plan outlining graffiti prevention initiatives.
- None of the responding councils have or have had a previous graffiti taskforce or working group.
- Councils are typically adopting a rapid removal strategy, attending to graffiti on council property within 2 to 7 days of it being reported, or 1 to 2 days if the graffiti is offensive.
- Councils vary in their approach to graffiti on private property, with several removing graffiti from private property when it is accessible from a public place, and others only for when it is offensive or after obtaining prior agreement/indemnification from the property owner.
- Two councils offer graffiti removal kits targeted at encouraging graffiti removal by private property owner/occupiers, and most offer advice online about preventing graffiti and signposting to the Police Assistance Line for reporting graffiti vandalism on private property.

- Most councils have details on their website of how community members can report graffiti so it can be removed quickly. The NSW Graffiti Hotline receives reports from members of the public and refers to the appropriate agency.
- Reports of graffiti on assets or property owned by other bodies such as State Government or Utility companies is passed on to the appropriate organisation for response and usually take longer for removal.
- Several programs engage community volunteers in removing graffiti to support rapid removal, often on non-council assets, however these rely on having committed community members to sustain them and can be difficult to recruit volunteers to participate.

Specialised taskforce and / or working groups

Some larger CBD city councils and State bodies have established graffiti taskforces or working groups in recent years, identified through desktop research.

In 2006, the NSW Government established the Anti-Graffiti Action Team led by the Department of Justice and Attorney General, with representation State agencies. The focus of this initiative was increasing the use of Community Service Orders to make offenders repair the damage caused by graffiti vandalism. This program was discontinued with a change of government in 2011 and there is no available information on the outcomes of this initiative.

Brisbane City Council established a Taskforce Against Graffiti in 2008 as a joint initiative between Queensland Police and Brisbane City Council. The Taskforce has a focus on identifying and charging offenders and provides graffiti education in schools and work with community groups, residents, and small businesses to help reduce the impact of graffiti in the community. Council committed \$6M over four years for this taskforce. A media article in 2016 reported that graffiti had almost halved over the first 8 years since the group had been started. Over that time, it was responsible for identifying 754 offenders and more than 28,000 charges being laid.

The Western Australian (WA) Government established a State Graffiti Taskforce in 2010. Led by the WA Police Force it has high level multi-agency representation including several State government departments. Their strategies included establishing a juvenile clean-up referral program, a graffiti unit within WA Police and in every metropolitan policing district; and \$2.45 million in funding to local governments and non-profit organisations for graffiti removal and reduction strategies. In 2017 it was reported that the State Graffiti Taskforce had reduced graffiti by 55 per cent from 2011-2017 and a 65% success rate in preventing re-offending.

Options for consideration

The following options are presented for consideration and either of these could achieve Council's role outlined in adopted strategic documents to varying degrees.

Option 1: Status Quo

This option will include the following:

- Continue to employ rapid removal approaches, in partnership with contracted agencies and other stakeholders.
- Seek grant funding to provide targeted skills developed opportunities for at risk young people, in partnership with NSW Police and specialist youth services.
- Address any ongoing safety issues as they arise via Council's Community Safety Advisory Committee.
- Continue to work with Transport for NSW and other State agencies/landowners to identify strategies to minimise graffiti through reducing access to State owned assets.

There is no additional funding required for this option as the activities are currently included in existing project workplans and would not require the formation of a specialised taskforce or working group.

Option 1 will be achieved if Council supports the recommendation and resolves to note the report.

Option 2: Establish a Graffiti Management Working Group

Council establishes a Graffiti Management Working Group made up of key stakeholders to develop a graffiti management strategy that identifies key challenges and actions required to address graffiti related challenges on the Northern Beaches.

Key stakeholders that could be considered to participate in the Working Group include:

- local businesses, chambers of commerce
- private property owners
- representatives of key agencies with assets targeted by graffiti, such as Australia Post, Energy companies and Transport for NSW
- Police local area command
- Youth Justice (NSW Department of Communities and Justice)
- local Members of State and Federal Parliament
- young people (through Youth Advisory Group, youth services, organisations and schools)
- community groups and associations
- individual community members
- representatives of relevant Council teams (in an advisory capacity)

A clear scope, purpose and Terms of Reference would be required to guide the Working Group which should include developing a comprehensive understanding of the challenges related to management of illegal graffiti in the Northern Beaches. It would identify stakeholders required to implement solutions and collaboratively develop a set of strategies and actions to address the challenges through a graffiti management strategy.

This approach would require staff resources to coordinate the Working Group and manage the development of a graffiti management strategy and actions. Once a strategy or action plan is endorsed it would require ongoing resources to oversee the implementation of the actions. This will require re-allocation of resources and de-prioritisation of other services and initiatives.

The group would be very large and similar in resourcing to the existing Community Safety Advisory Committee, requiring operational budget of \$50,000 per annum and a one-off project budget of up to \$100,000 for expert consultants to develop a strategy and action plan in consultation with the Graffiti Management Working Group.

To fund a working group, a reallocation of a discretionary program budget will be required. There are numerous areas across Council’s business where funding could be reallocated with the following motion providing only a small number of options.

Should Council seek to adopt Option 2, an appropriate motion would be:

That Council:

1. Establish a Graffiti Management Working Group to advise on draft strategies and action plans.
2. Reallocate \$150,000 from one or more of the following programs for FY2024/25 and FY2025/26, with funding used for graffiti management activities:

- a. Community Grants Program reduced by \$150,000 to \$70,000 for both the Arts and Creativity and Community Development streams. (\$150,000 per annum)
- b. Defer the 2025/26 Environmental Grants program to later years (\$100,000 per annum)
- c. Defer the 2025/26 Eco Schools Grants to later years (\$10,000 per annum)
- d. Youth programs and activities, with Youth Week and the Youth Advisory Group not delivered. (\$150,000*)
- e. Seniors and community development activities, with Seniors Week and It takes a Village program not delivered. (\$150,000*)
- f. Defer the 2025/26 Sporting and Recreation Infrastructure Grant Program to later years (\$100,000 per annum).

* Note items (d) and (e) above would also include staff costs.

CONSULTATION

The detail in this report incorporates feedback from five councils across NSW through a survey conducted through the Local Government Community Safety and Crime Prevention Network (LGCSCP) in July 2024. It also includes desktop research of eight Sydney Metro Councils and research at a national level.

TIMING

Option 1 will continue as business as usual.

If Council approves the reallocation of funding in the December 2024 Quarterly Review to implement Option 2, the implementation of this option will commence in early 2025.

It is expected that the process will include approximately 6 months to establish the Working Group, and up to 18 months to develop pragmatic solutions and test their efficacy. Long term commitment to this approach should only be considered after a review of the efficacy of these strategies.

FINANCIAL CONSIDERATIONS

Funding to support Option 1 is included in the existing budget.

The funding for Option 2, establishment of a Working Group, will require the allocation and reprioritisation of funds. The initial required funding includes an operational budget of \$50,000 per annum for staff resources to establish and manage the Working Group and up to \$100,000 one-off project budget for expert consultants to develop a strategy and action plan.

The ongoing financial impact is uncertain and dependent on the scale of actions and strategies identified through the strategy. Staff from several areas across Council would be required to effectively deliver the agreed outputs of the Working Group. This would require reprioritisation of existing workplans and resourcing and will require Council to identify projects to be delayed or deferred to enable delivery of identified actions and strategies.

GOVERNANCE AND RISK CONSIDERATIONS

If Option 2 were implemented, the expectations of the Graffiti Management Working Group members on the role, functions, and outputs of both the Group and Council staff is a key consideration. This will be required to be managed with appropriate resourcing and governance from Council. The Terms of Reference would clearly articulate that the function is advisory only and not directly involved in making decisions of Council, with meeting minutes to be published on Council's website.

ENVIRONMENTAL CONSIDERATIONS

The effective management of graffiti increases perceptions of safety and has a positive impact on environmental outcomes and general public amenity. WHS and environmental procedures, including the use of non-toxic chemicals in graffiti removal, mitigate any potential environmental risks.

SOCIAL CONSIDERATIONS

Graffiti removal has the potential to deliver enhanced social outcomes for the community. Identification of additional strategies may result in improved public amenity and sense of safety and wellbeing. Strategies that engage young people in creative projects can provide important mentoring and skills development opportunities, and an increased sense of belonging and respect for local public amenity.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcomes and Goals:

- Community and belonging - Goal 8 Our community feels safe and supported.
- Housing, places and spaces - Goal 12 Our community has access to spaces that enable healthy and active living and allow for a broad range of creative, sporting and recreational opportunities to be enjoyed.
- Vibrant local economy - Goal 13 Our businesses are resilient, well-connected and thrive in an environment that supports innovation, entrepreneurialism and economic growth.

Reporting team	Community Development
TRIM file ref	2024/541562
Attachments	Nil

12.0 PLANNING AND PLACE DIVISION REPORTS

ITEM 12.1 RESPONSE TO NOTICE OF MOTION NO 23/2024 - BOAT AND TRAILER PARKING IN RESIDENTIAL AND INDUSTRIAL STREETS

PURPOSE

The purpose of this report is to provide the information requested in Council's resolution in respect of Notice of Motion No 23/2024 – Boat and Trailer Parking in Residential and Industrial Streets.

EXECUTIVE SUMMARY

- There are approximately 17,000 registered boat trailers, box trailers and caravan trailers in the Northern Beaches Local Government Area (LGA).
- In the past 12 months, Council received approximately 288 customer requests related to the parking of boats, trailers and other large vehicles in on-street locations across the LGA.
- During this same 12 month period, Council also received approximately 137 requests for signage to be installed or modified to manage unattached trailers.
- Current control measures available to Council to prevent boat trailers, box trailers and caravan trailers from being parked for long periods in on-street locations include the installation of regulatory signage, and ongoing enforcement of this signage.
- Any increase in compliance action related to boat and trailer parking would take considerable resources and would need to be the subject of a future report detailing financial considerations.

RECOMMENDATION

That Council note the report.

BACKGROUND

Council at its meeting on 30 July 2024 resolved the following (Resolution 187/24):

That Council:

1. *Staff provide a detailed report to a Council meeting within 4 months on measures to prevent boats, trailers and other large vehicles from parking in residential and industrial streets including various types of signage. The report is to include:*
 - a. *a summary of the powers currently available to Council for preventing boats, trailers and other large vehicles parking for long periods of time without movement on local roads*
 - b. *the possibility of designated parking areas for boats, trailers and other large vehicles*
 - c. *an assessment of the impact of boat, trailer and other large vehicles parking on residential and industrial streets on residents and businesses, including safety, traffic flow and amenity considerations, including the impact of reduced parking for residents.*
2. *Consider after the report to write to all State Members of Parliament on the Northern Beaches to lobby the State Government for legislative changes to allow Council to develop and enforce rules consistent with its residents' needs.*

DISCUSSION

Complaints received in 2023/24

At present, there are approximately 17,000 boat trailers, box trailers and caravan trailers registered within the Northern Beaches Local Government Area (LGA). Each year Council receives complaints from residents claiming that boat trailers, caravans and unattached trailers are causing parking, road safety, residential and visual amenity issues.

In 2023/24 Council received approximately 288 complaints related to trailer parking in on-street locations across the LGA. Investigations by Rangers resulted in 10 boat trailers (with boats attached) and 14 trailers being impounded. A large majority of the trailers impounded did not have number plates affixed and were in a state of disrepair, likely to have been 'dumped' as they were not in a road worthy state.

During 2023/24 Council also issued 43 penalty infringement notices (monetary penalties) for offences related to abandoned vehicles/trailers and 240 penalty infringement notices for offences related to unregistered trailers.

All other matters investigated were found to be either registered and being attended to by the owner or had been removed from the location of where it was last observed.

There are several known hotspot areas within the LGA where complaints are frequently received such as Bayview and North Manly, as these areas either have easy access to water or there is on-street parking available in non-residential streets.

Regulatory Powers

In recent years, following extensive lobbying from the Local Government Sector, new legislative measures to help address trailer parking in on-street locations have come into effect:

Public Spaces (Unattended Property) Act 2021 commenced on 1 November 2022. This legislation puts a greater obligation on property owners to take responsibility to manage their own vehicles, including boat trailers, box trailers and caravans, which are placed within public spaces. When owners take no action after a formal notification period by Council has ended, Council may relocate a vehicle that is causing a safety risk or obstruction or take possession of a vehicle moving it to a place of storage, and/or issue a fine.

State Environmental Planning Policy (Industry and Employment) 2021 commenced on 1 March 2022 and prohibits the display of advertisements on a trailer parked on a road or road related area, prohibits the display of advertisements on a trailer parked on other land visible from the road or road related area without consent from a consent authority and council has the power to issue fines.

Current management strategies

At present, on-street parking of trailer vehicles is managed in a number of ways:

1. Enforcement of signage installed in accordance with the Road Rules 2014 (NSW) to impose timed parking restrictions; or
2. Enforcement of restrictions on certain vehicles from parking in a location, for example “No parking, motor vehicles excepted”.
3. For areas that are not signposted, powers available under the *Public Spaces (Unattended Property) Act 2021*. This is a statutory framework for the management of items such as motor vehicles and includes caravans, boat trailers or other trailers which are left unattended in public places.

How does the Public Spaces (Unattended Property) Act work?

Under this legislation council can notify a vehicle owner that their vehicle is causing a safety risk or an obstruction or has been left ‘unattended’ in one place for too long. ‘Unattended’ means where the vehicle is not under direct control or supervision of the owner or responsible person.

Once notified, the owner must respond and move the vehicles within the following risk-based timeframes:

- Immediately, if causing an obstruction or safety risk.
- Three days if unregistered or registered but unable to be legally driven and left unattended in one place for more than 15 days.
- Fifteen days if registered and left unattended in one place for more than 28 days.

If these timeframes are not met, Council may:

- remove the vehicle causing a safety risk or an obstruction to a safer place in the same general area; or
- take possession of the vehicle and move the vehicles to a place of storage; and
- issue a fine.

Where a registered vehicle is parked in the same location for over 28 days, or which is unattended and interfering with amenity investigations for prospective removal can be conducted, however Council officers exercise their discretion and are likely to only remove vehicles that are posing a risk to traffic or pedestrian safety and less likely to remove those which are safely parked and not creating a public safety risk.

The owner of a vehicle taken into possession by Council is given 28 days to reclaim the vehicle if it is valued over \$1500. If not reclaimed, Council may sell or dispose of the vehicle. Vehicles valued under \$1500 may be sold or disposed of sooner.

Parking Restrictions

The Road Rules 2014 (NSW) enable local authorities to impose parking signage to demarcate permissible parking periods e.g. 8P 7am-7pm, which indicates that a driver of a vehicle can only park in the location as signposted. Timed parking restrictions deter the parking of boat trailers, other trailers and caravans due to the obligation on the driver to comply with the permitted parking timed period. Breaches to signposted time restrictions are enforced by Council Rangers.

Parking control signage can also specify the particular types of vehicles to which they apply, to the exclusion of other vehicle types. For example, commonly used permissive parking sign reads 'No parking, motor vehicles excepted', which would exclude boat trailers, other trailers and caravans at any time, with effective enforcement of breaches by Rangers.

Over the past year, Council has received approximately 137 requests from members of the public to investigate timed or restrictive vehicle parking controls in relation to the long-term storage of these types of vehicles.

Of the 137 requests received, 5 resulted in the installation of 'No Parking - Motor Vehicles Excepted' signage. At a further 4 locations timed parking restrictions were installed as the most appropriate treatment as the locations required parking turnover as well as trailer management.

It is noted that these types of controls were introduced in 2018 as part of a trial to preclude unattached trailers from parking in certain locations. During the trial most trailers were moved in response to the signage, however 80% were observed as having been moved into nearby streets within the following 3 months.

This signage is now only used in areas where there is a significant impact on local parking as a result of the long-term parking of trailers, or where there are potential safety impacts from trailers being parked at a particular location.

Other solutions

Given the large number of trailers registered on the Northern Beaches and the relatively small number of complaints received, most owners of boat trailers, caravans and trailers are storing these vehicles in an appropriate manner, and when stored on-street are not currently resulting in significant numbers of complaints to Council.

Notwithstanding, there are a range of other solutions that are outlined below:

1. **Commercial storage facilities** – there are a number of commercial facilities across the LGA that provide off-street storage for boats, caravans, trailers. These facilities charge a fee for the storage of vehicles, generally monthly. Depending on the size of the vehicle the monthly storage costs range from \$250 to \$450 (as of October 2024).
2. **Designated parking areas** – There are existing trailer parking areas (attached to vehicles) at Little Manly, Long Reef, Rowland Reserve, and Woorak Reserve. Provision of additional dedicated parking for unattached trailers would need to be carefully considered as they may become a significant liability for Council – this is not a recommended direction.
3. **Seasonal multiuse parking spaces** (e.g. temporary signage) – Flip signage or multi-panel signs can be used for parking restrictions that are seasonal. This solution may not be viable in an area like the Northern Beaches where vehicles of this nature may be present on the roads year-round, with locations close to the beaches/waterways experiencing only a minor increase over summer - this is not a recommended direction.
4. **Community Parking lots** - To provide a facility that could potentially meet the needs of the community would require a suitable parcel of land to be identified, as well as the allocation of capital for the cost of construction as well as ongoing costs for management of a facility – this is not a recommended direction.
5. **Other forms of parking permits** – similar to the Manly Parking Permit Framework, areas could be quarantined through the restriction on parking to permit holders only, however, this would require an extensive rollout of new signage program in order for any new permit system to be enforced. This is not viable without additional funding (which could be partially generated through a paid permit scheme for residents) – this is not a recommended direction.

6. **Education campaigns** – Dedicated education campaigns could be undertaken, particularly within hotspot areas, to supplement patrols by Council Rangers – this could be carried out with existing staff within existing operational budgets.

CONSULTATION

No community consultation was required to prepare the response to the notice of motion.

TIMING

There are no timing issues.

FINANCIAL CONSIDERATIONS

There are no financial issues associated with the report recommendation. Any increase in compliance action related to boat and trailer parking would take considerable resources and would need to be the subject of a future report detailing financial considerations.

GOVERNANCE AND RISK CONSIDERATIONS

There are no governance or risk issues.

ENVIRONMENTAL CONSIDERATIONS

There are no environmental issues.

SOCIAL CONSIDERATIONS

There are no social issues.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcomes and Goals:

- Community and belonging - Goal 8 Our community feels safe and supported.
- Transport, technology and connectivity - Goal 17 Our community can safely and efficiently travel within and beyond the Northern Beaches.

Reporting team	Environmental Compliance
TRIM file ref	2024/611775
Attachments	Nil

ITEM 12.2 PLANNING PROPOSAL FOR 29-31 MOORE ROAD & 64 UNDERCLIFF ROAD, FRESHWATER (PEX2024/0005)

PURPOSE

The purpose of this report is to seek endorsement to submit a planning proposal for land at 29-31 Moore Road and 64 Undercliff Road, Freshwater to the Department of Planning, Housing and Infrastructure (Department) for a Gateway Determination.

EXECUTIVE SUMMARY

- On 18 July 2024, Council received a planning proposal application from Boston Blyth Fleming Pty Ltd (the applicant) for land at 29-31 Moore Road (Harbord Hotel) and 64 Undercliff Road, Freshwater.
- The intended outcomes of the proposal are amend the *Warringah Local Environmental Plan 2011* (WLEP 2011) to facilitate the development of a hotel accommodation building with 37 rooms on the south-eastern portion of the site, including basement carparking to be shared with the existing pub and bottle shop.
- Public exhibition of the proposal took place from 9 August to 19 September 2024 in accordance with Council's Community Participation Plan, with 96 submissions received.
- The proposal has been assessed in accordance with section 3.33 of the *Environmental Planning and Assessment Act 1979* and the Department's *Local Environmental Plan Making Guideline* (August 2023). The assessment is that the proposal is considered to have strategic and site specific merit.
- The Northern Beaches Local Planning Panel (the Panel) considered the proposal at its meeting held on 16 October 2024 and recommended that Council progress the planning proposal; that a draft site-specific Development Control Plan (DCP) be prepared; and that the additional permitted use of hotel or motel accommodation also be permitted on Lot 13.
- Council staff have subsequently updated the proposal in accordance with the Panel's recommendations (Attachment 1).
- Further public exhibition of the planning proposal (as well as a site-specific DCP) will take place following any Gateway Determination, subject to the Department's advice and conditions.

RECOMMENDATION

That Council:

1. Endorse the planning proposal for 29-31 Moore Road (Harbord Hotel) and 64 Undercliff Road, Freshwater at Attachment 1 to this Report (Planning Proposal) for forwarding to the Department of Planning, Housing and Infrastructure for a Gateway Determination under section 3.34 of the *Environmental Planning and Assessment Act 1979*.
2. Develop a site-specific development control plan for 29-31 Moore Road (Harbord Hotel) and 64 Undercliff Road, Freshwater (DCP).
3. Publicly exhibit the Planning Proposal in accordance with any Gateway Determination.
4. Publicly exhibit the draft DCP with the Planning Proposal.
5. Submitters to the consultation of the Planning Proposal be advised of Council's decision.

BACKGROUND

Site Description

The subject site is located at 29-31 Moore Road and 64 Undercliff Road, Freshwater and comprises 7 separate allotments (Lots 1-6 and 13, Section 1, DP 7022). The site has an overall area of approximately 3,041m², with a 54m wide frontage to Moore Road (north-east), a 56m wide frontage to Charles Street (north-west) and a 54m wide frontage to Undercliff Road (south-west).

Currently, development at:

- 29-31 Moore Road comprises the Harbord Hotel, a drive-through bottle-shop and an at-grade car park, with vehicular access from both Charles Street and Moore Road
- 64 Undercliff Road comprises a three-storey residential flat building consisting of 3 dwellings, with vehicular access along Undercliff Road.

The south-east adjoining properties comprise a two-storey dwelling fronting Undercliff Road and a two-storey dual occupancy development fronting Moore Road.

An aerial image of the site is provided at Figure 1, with the subject site outlined in red.



a. Figure 1 Aerial image of the site

Planning Controls

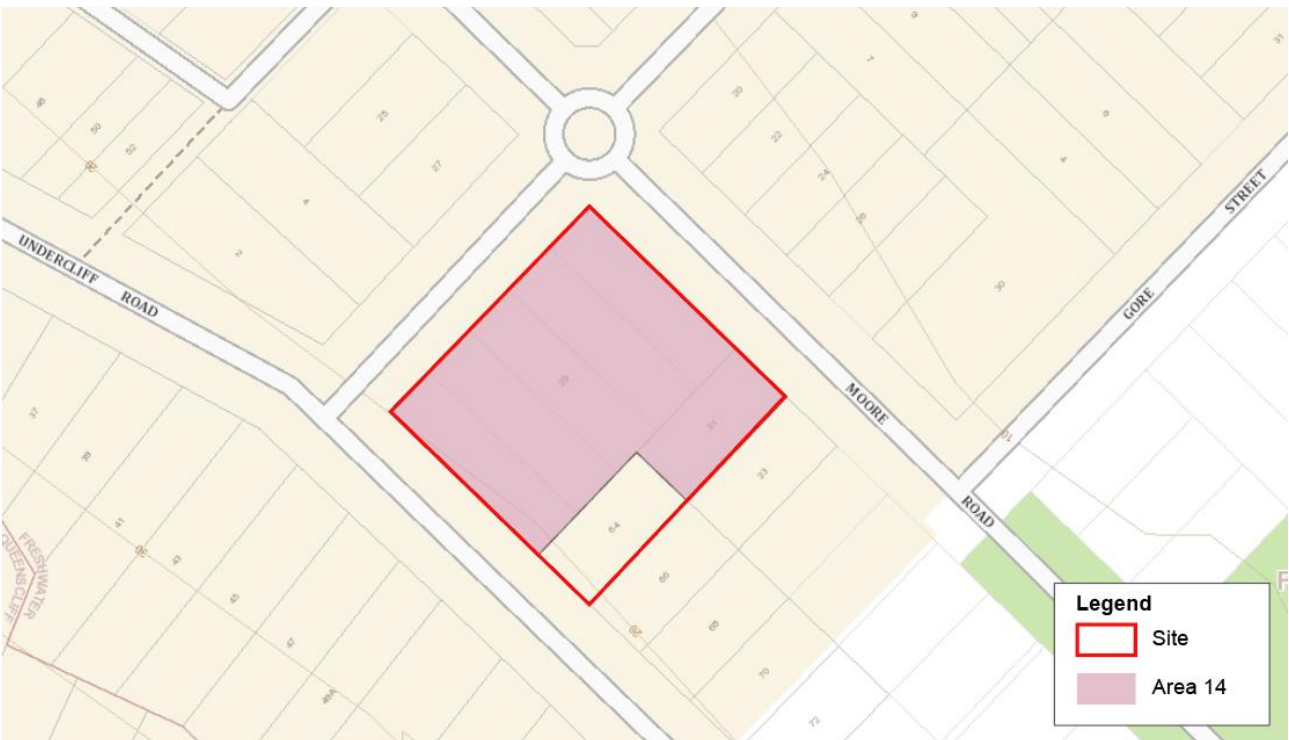
Warringah Local Environmental Plan 2011 (WLEP 2011)

The site is zoned R2 Low Density Residential under WLEP 2011, as shown in Figure 2 below.



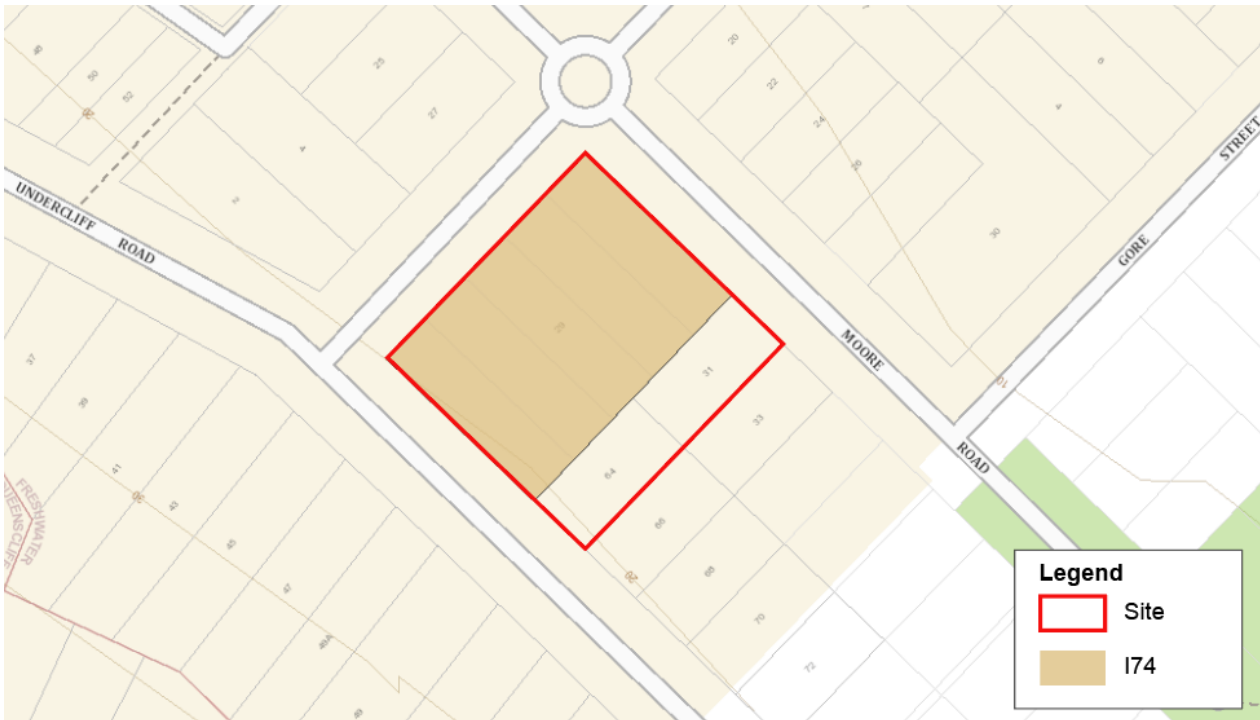
b. *Figure 2 Site aerial with WLEP 2011 Land Zoning Map overlay*

The majority of the site, being 29-31 Moore Road (Lots 1-5 and 13, Section 1, DP 7022), is identified as Area 14 on the Additional Permitted Uses Map, as shown in Figure 3 below, which permits pubs as an additional permitted use.



c. *Figure 3 Site aerial with WLEP 2011 Additional Permitted Use Map overlay*

The Harbord Hotel located on part of the site is a local heritage item, listed in Schedule 5 of WLEP 2011 (item no. I74). Refer to Figure 4 below.



d. Figure 4 Site aerial with WLEP 2011 Heritage Map overlay

Other development standards that apply to the site include the following:

- maximum building height of 8.5m
- minimum lot size of 450m².

There is no floor space ratio control applying to the site under the WLEP 2011.

Pre-lodgement Meeting

On 30 September 2020, a pre-lodgement meeting (PLM2020/0221) was held between the applicant, their client (owners of the land and operators of the Harbord Hotel), a consultant architect, and Council staff to discuss the proposal.

On 2 November 2020, formal notes were issued specifying the requirements to be addressed in the event a planning proposal was to be submitted for the proposed hotel use at the site.

Applicant's Proposal

On 18 July 2024, a planning proposal application was submitted by Boston Blythe Fleming Pty Ltd (the applicant) on behalf of Harbord Hotel Operations Pty Ltd (the owners) via the NSW Government Planning Portal. Supporting technical studies were submitted with the application.

The application seeks to amend Schedule 1 of WLEP 2011 for land at 29-31 Moore Road and 64 Undercliff Road, Freshwater, to:

- permit 'hotel or motel accommodation' as an additional permitted use for the whole site
- extend the existing additional permitted use of 'pubs' to one additional lot being 64 Undercliff Road (Lot 6 Sec 1 DP 7022).



Existing Additional Permitted Uses map

Proposed Additional Permitted Uses map

e. Figure 5 Proposed changes to the WLEP2011 Additional Permitted Uses map

The application states that the proposed hotel accommodation development is intended to:

- include a three-storey hotel in the southern portion of the site, comprising 37 hotel rooms, reception/lobby, guest lounge, gym and swimming pool
- include basement carparking with 72 car parking spaces, inclusive of the 33 spaces associated with the existing Harbord Hotel and 39 spaces associated with the proposed hotel accommodation
- be integrated with and managed as part of the existing Harbord Hotel.

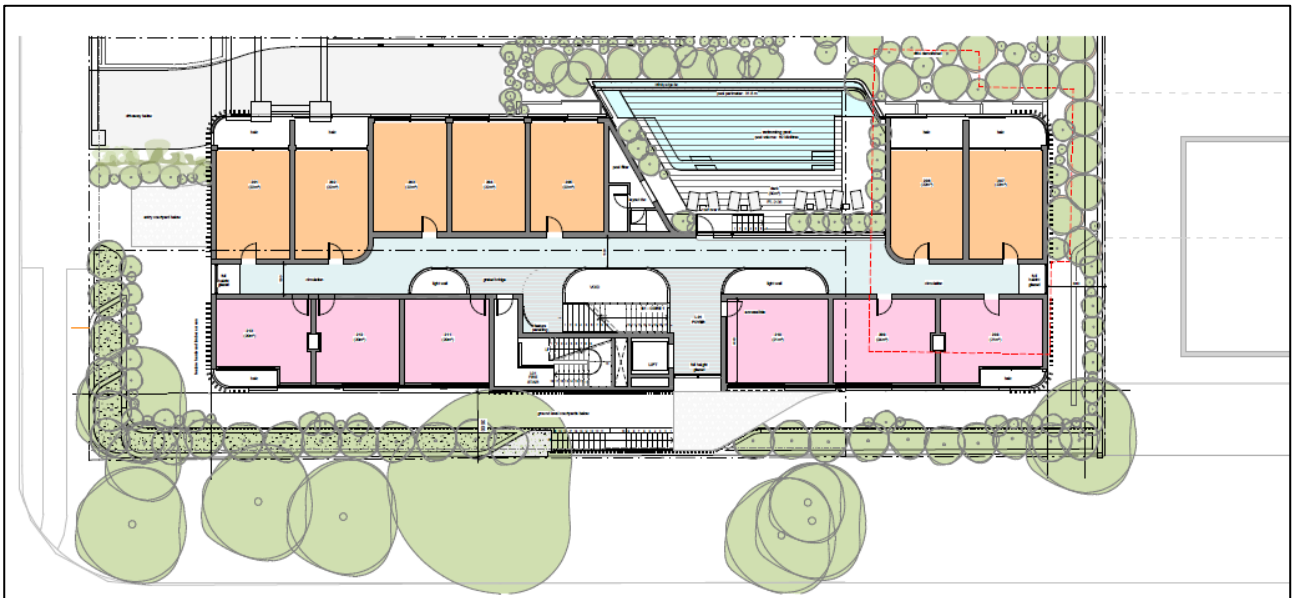
Refer to excerpts from the Concept Architectural Plans prepared by Hot House Architects in Figures 6-10 below.



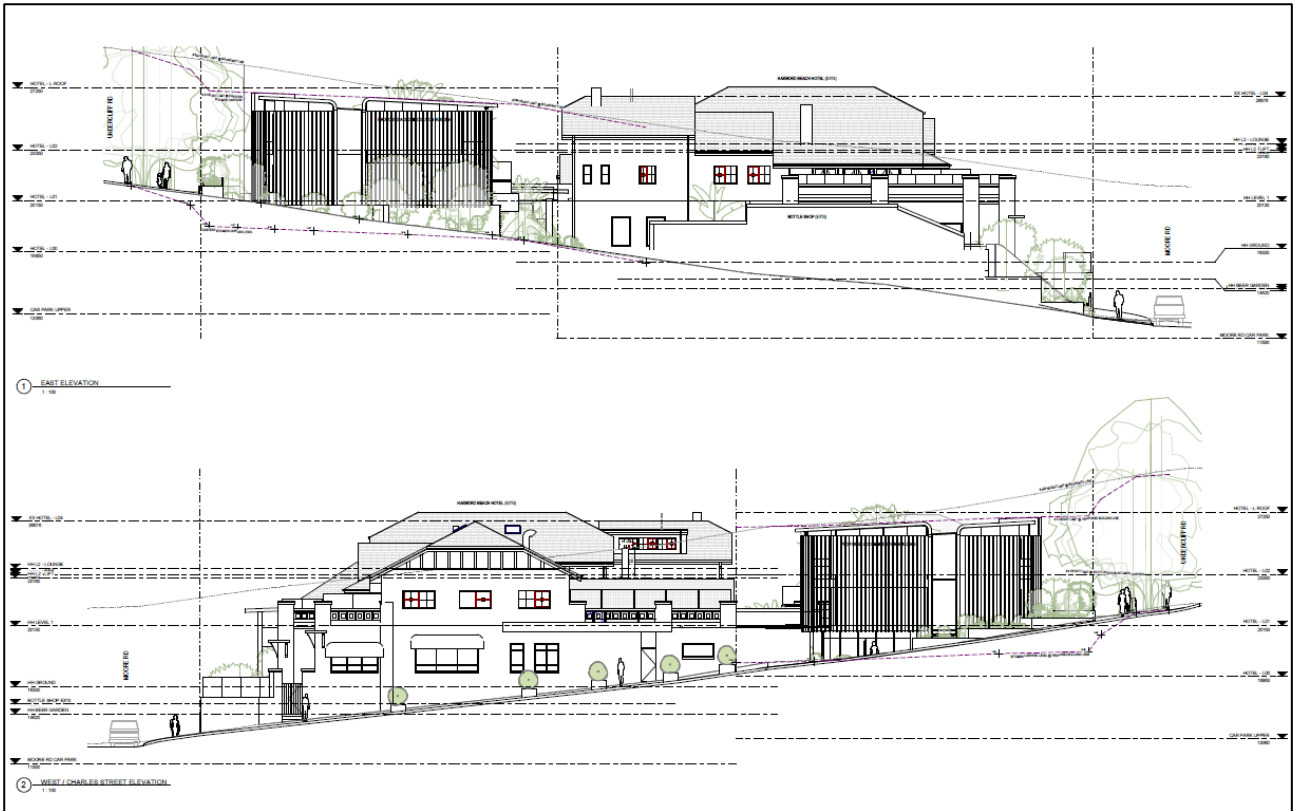
f. Figure 6 Perspective of proposed development from the intersection of Charles Street and Undercliff Road.



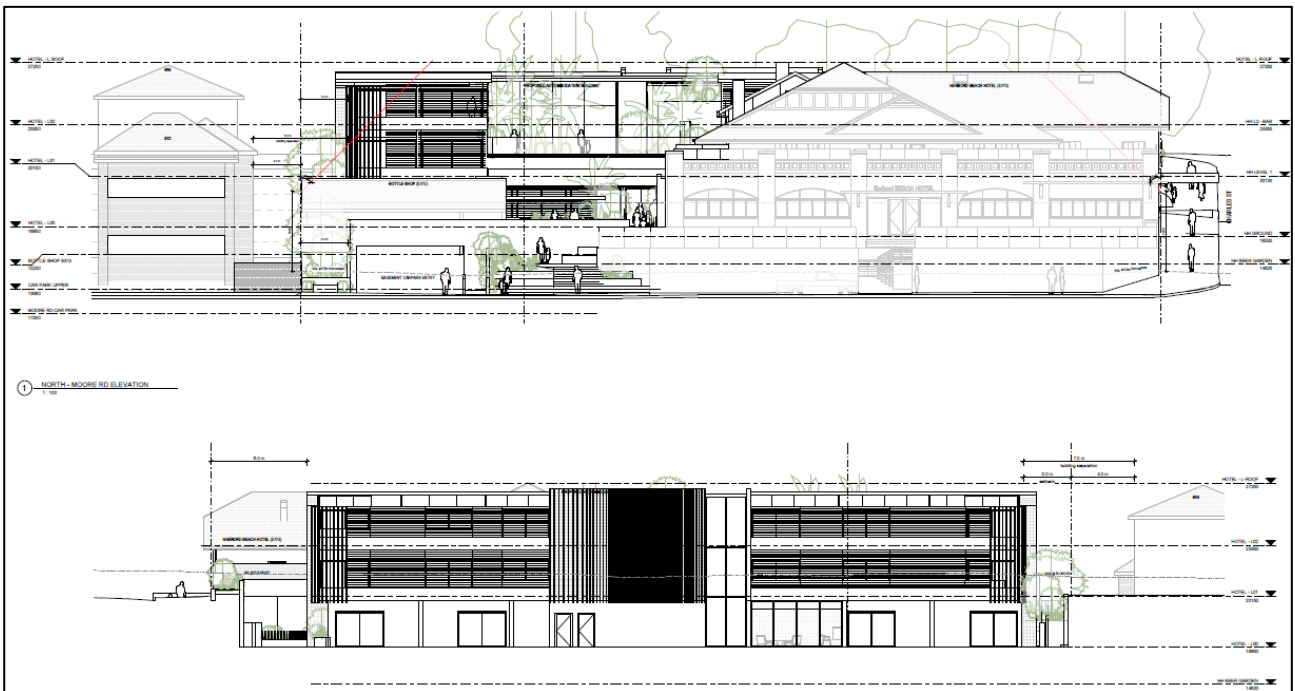
g. Figure 7 Excerpt from architectural plans; Indicative ground floor plan.



h. Figure 8 Excerpt from architectural plans; Indicative level 01 and 02 floor plan.



i. Figure 9 Excerpt from architectural plans; Indicative east and west elevations.



j. Figure 10 Excerpt from architectural plans; Indicative north and south elevations.

Northern Beaches Local Planning Panel Recommendation

At its meeting on 16 October 2024, the Panel considered the applicant’s planning proposal. The Council staff assessment report submitted to the Panel is at Attachment 2 to this report. The recommendation of the Panel was as follows:

That the Northern Beaches Local Planning Panel recommends that Council progress the Planning Proposal set out in Attachment 1 to the Council Assessment Report to the Local Planning Panel to amend the Warringah Local Environmental Plan 2011 to allow hotel or motel accommodation, as an additional permitted use on part of the site on 29 Moore Road (Lot 1 and 2, Section 1, DP 7002) and

64 Undercliff Road, (Lot 6, Section 1, DP 7002), Freshwater for the reasons presented in the Assessment Report, with the following additional recommendations:

1. The additional permitted use of hotel or motel accommodation be extended to Lot 13, Section 1, DP 7022.
2. An additional permitted use of pub related car parking and associated access at a basement level be permissible over Lot 6, Section 1, DP 7022.
3. An additional permitted use of hotel and motel accommodation related car parking, waste storage, plant and associated access at a basement level be permissible over Lots 3, 4 and 5, Section 1, DP 7002.
4. The Panel strongly supports the rapid development of the draft built form controls in the form of a DCP amendment for the site.
5. The draft built form controls in the form of a DCP amendment be exhibited at the same time as the Planning Proposal.

REASONS FOR RECOMMENDATION

The Panel agrees generally with the Assessment Report. The Panel is of the view that the inclusion in the Planning Proposal of hotel or motel accommodation as an additional permitted use on Lot 13 allows for additional design flexibility and increases the potential buffer from the pub to residential areas.

The Panel is also of the view that additional flexibility needs to be provided at a basement level so that a practical outcome can be achieved, which is why some limited additional uses are being recommended at that level.

The Panel believes that the built form controls included in a draft DCP will assist in increasing, understanding of the Planning Proposal and in delivering more certainty in relation to an acceptable development outcome. This is why the Panel recommends the concurrent exhibition of the draft DCP and Planning Proposal.

The Panel’s recommendations have been considered in the section ‘Assessment of Applicant’s Proposal’ below.

Assessment of Applicant’s Proposal

The following assessment is set out in accordance with the NSW Government *Local Environmental Plan Making Guideline* (August 2023) and takes into consideration the Panel’s recommendation from the meeting held on 16 October 2024.

Part 1 - Objectives or Intended outcomes

The applicant has stated that the objective of the proposal is to amend WLEP 2011 to permit hotel accommodation on the site, and that the intended outcomes of the proposal are to:

Applicant’s intended outcomes	Council response
<ul style="list-style-type: none"> • enable the orderly and economic use and development of the land 	<p>Staff are satisfied that the proposal would “enable the orderly and economic use and development of the land” through the facilitation of compatible land uses adjacently sited and sharing access to the proposed underground parking. Considering the historical use of the Harbord Hotel site as a pub with associated accommodation rooms, the proposed hotel accommodation is complementary to the pub and suitably located next to a popular beach and the Freshwater local centre.</p>

Applicant's intended outcomes	Council response
<ul style="list-style-type: none"> provide hotel accommodation on a site that is ideally suited for such use 	<p>Staff also considers the proposed hotel accommodation on the south-eastern portion of the site as a desirable transitional use between the existing Harbord Hotel and associated bottle shop buildings and neighbouring residential properties on Undercliff Rd.</p>
<ul style="list-style-type: none"> enable the lodgement of a separate development application, seeking consent for the construction of hotel accommodation in the southern portion of the site, to be integrated and managed in association with the existing Harbord Hotel and bottle shop. 	<p>The applicant is proposing to construct the proposed hotel accommodation on the south-eastern portion of the site, being Lots 1, 2 and 6, Section 1, DP 7022. As illustrated in the supporting Architectural Concept Plans (Figures 6-10), the existing pub and bottle shop, and future hotel accommodation building will share underground parking facilities.</p>

Part 2 – Explanation of Provisions

The applicant's report states the proposed amendments to WLEP 2011 seek to:

- amend Schedule 1 Clause 14 of WLEP 2011
- amend the Additional Permitted Uses Map of WLEP 2011 to include the land at 64 Undercliffe Road, Freshwater.

The applicant has stated that:

A portion of the site, being 29-31 Moore Road, is identified within Area 14 on the Additional Permitted Uses Map of WLEP 2011 which facilitates the ongoing use of the existing "pub" at the R2 Low Density Residential zoned site. Clause 14 of Schedule 1 of WLEP 2011 currently reads:

14 Use of certain land at 29 Moore Road, Freshwater

- This clause applies to land at 29 Moore Road, Freshwater, being Lots 1–5, Section 1, DP 7022 and Lot 13, Section 1, DP 7022, shown as "Area 14" on the Additional Permitted Uses Map.
- Development for the purposes of pubs is permitted with consent.

This Planning Proposal seeks to amend Clause 14 of Schedule 1 of WLEP 2011, to read:

15 Use of certain land at Moore Road and Undercliffe Road, Freshwater

- This clause applies to the following land identified as "Area 14" on the Additional Permitted Uses Map:
 - 29 Moore Road, Freshwater, being Lots 1–5, Section 1, DP 7022
 - 31 Moore Road, Freshwater, being Lot 13, Section 1, DP 7022, and 64 Undercliffe Road, Freshwater, being Lot 6, Section 1, DP7022.
- Development for the purposes of pubs and hotel accommodation is permitted with consent.

The intent of the amendments is to enable the orderly and economic use and development of the site. The inclusion of "hotel accommodation" in clause 14 of Schedule 1 provides for the lodgement of a future development application for the construction of hotel accommodation at the site. The inclusion of the land at 64 Undercliffe Road allows for a more functional building area for the future hotel, and for the site to be managed as one entity, such that the basement carpark can be shared by users of both the existing "pub" and the proposed hotel accommodation.

The future development application for the hotel accommodation building will rely upon the existing provisions of WLEP 2011 and Warringah Development Control Plan 2011 (WDCP

2011) for buildings within the R2 Low Density Residential zone, which remain applicable despite the land use proposed.

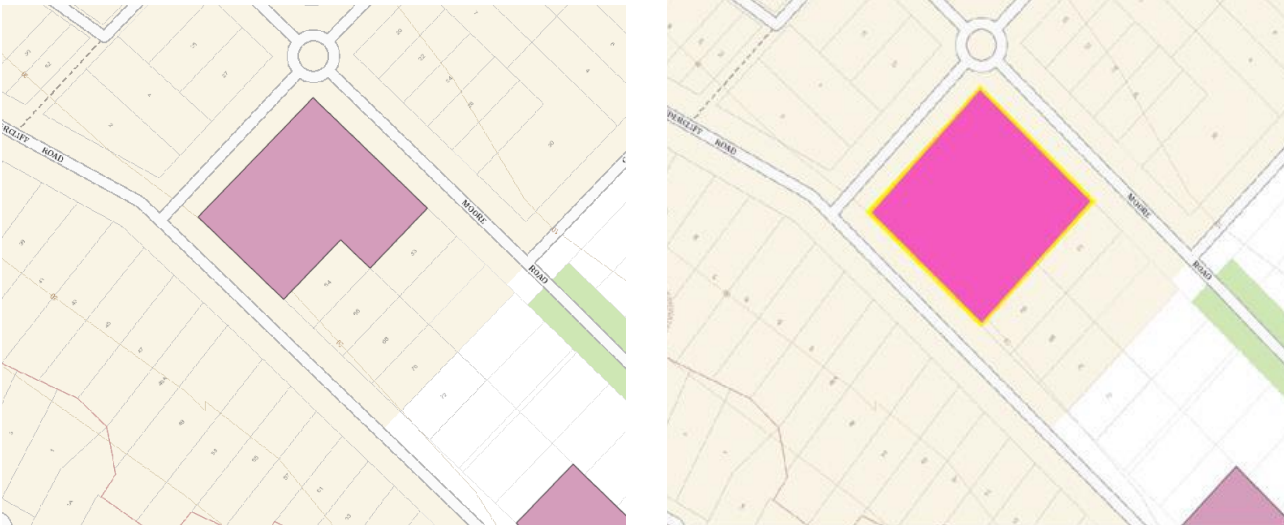


Figure 11 Existing (left) and proposed (right) WLEP 2011 Additional Permitted Uses Map

Council Staff Response

'Pub' is an additional permissible use for part of this site under Schedule 1 of the WLEP 2011, and is a land use that is defined as follows:

'pub' means licensed premises under the *Liquor Act 2007* the principal purpose of which is the retail sale of liquor for consumption on the premises, whether or not the premises include hotel or motel accommodation and whether or not food is sold or entertainment is provided on the premises.'

Currently 'hotel or motel accommodation' is a prohibited use in the R2 zone under WLEP 2011 and is not included as an additional permitted use in Schedule 1 of WLEP 2011. As a land use, 'hotel or motel accommodation' is defined under WLEP 2011 as follows:

'hotel or motel accommodation' means a building or place (whether or not licensed premises under the *Liquor Act 2007*) that provides temporary or short-term accommodation on a commercial basis and that—

- (a) comprises rooms or self-contained suites, and
- (b) may provide meals to guests or the general public and facilities for the parking of guests' vehicles,

but does not include backpackers' accommodation, a boarding house, bed and breakfast accommodation or farm stay accommodation.

No existing use rights related to hotel accommodation apply to the site. It is therefore necessary to amend Schedule 1 of WLEP 2011 to allow 'hotel or motel accommodation' on the site to meet the proposal's objectives.

Notwithstanding, the following matters consider the extent of the hotel use on the site, namely:

- The accompanying Concept Architectural Plans (see Figures 6-10) demonstrate that the proposed hotel accommodation is constrained to the south-eastern portion of the site (Lots 1, 2 and 6 in Section 1, DP 7022), and that although the hotel accommodation building would share access to shared underground parking across the whole site, the proposed accommodation is not integrated with nor ancillary to the existing 'pub' use.
- As the proposed hotel building is separate to the 'pub' use and constrained to the south-eastern portion of the site, Council staff do not accept that it is necessary for 'hotel or motel accommodation' to be added as an additional permitted use on Lots 4, 5 and 13, Section DP 7022 to achieve the intended outcome of providing hotel accommodation on the site.

- Additionally, it is not necessary for 'pub' use to be added as an additional permitted use on 64 Undercliff Road, Freshwater (Lot 6, Section 1, DP 7022).
- There are benefits to constraining the hotel accommodation use to the south-eastern portion of the site and to retain the existing boundary of the 'pub' use, including the establishment of a buffer between the impacts of the pub operations on residential amenity on Undercliff Rd. This also addresses concerns raised in the submissions received during the public consultation period, related to noise impacts from the existing pub operations. See the Consultation section of this report for further discussion.
- The Panel recommended the 'hotel or motel accommodation' additional permitted use to be extended to the bottle shop site on 31 Moore Road (Lot 13, Section 1, DP 7022) to 'allow for additional design flexibility and increase the potential buffer from the pub to residential areas'.
- The Panel recommended to add 'an additional permitted use of pub related car parking and associated access at a basement level be permissible over Lot 6, Section 1, DP 7022, and an additional permitted use of hotel and motel accommodation related car parking, waste storage, plant and associated access at a basement level be permissible over Lots 3, 4 and 5, Section 1, DP 7002'. This would provide certainty that carparking and associated servicing and access facilities can be shared between the hotel and pub uses.

With consideration to the above matters, Council staff have incorporated the following amendments to the applicant's original proposal:

- Add 'hotel or motel accommodation' as an additional permitted use on Lots 1-2, 6 and 13, Section 1, DP 7022 only.
- Retain the extent of the area where 'pub' is allowed under the existing WLEP 2011.
- Permit basement carparking, waste storage, plant and access associated with both the pub and hotel accommodation across the whole site.

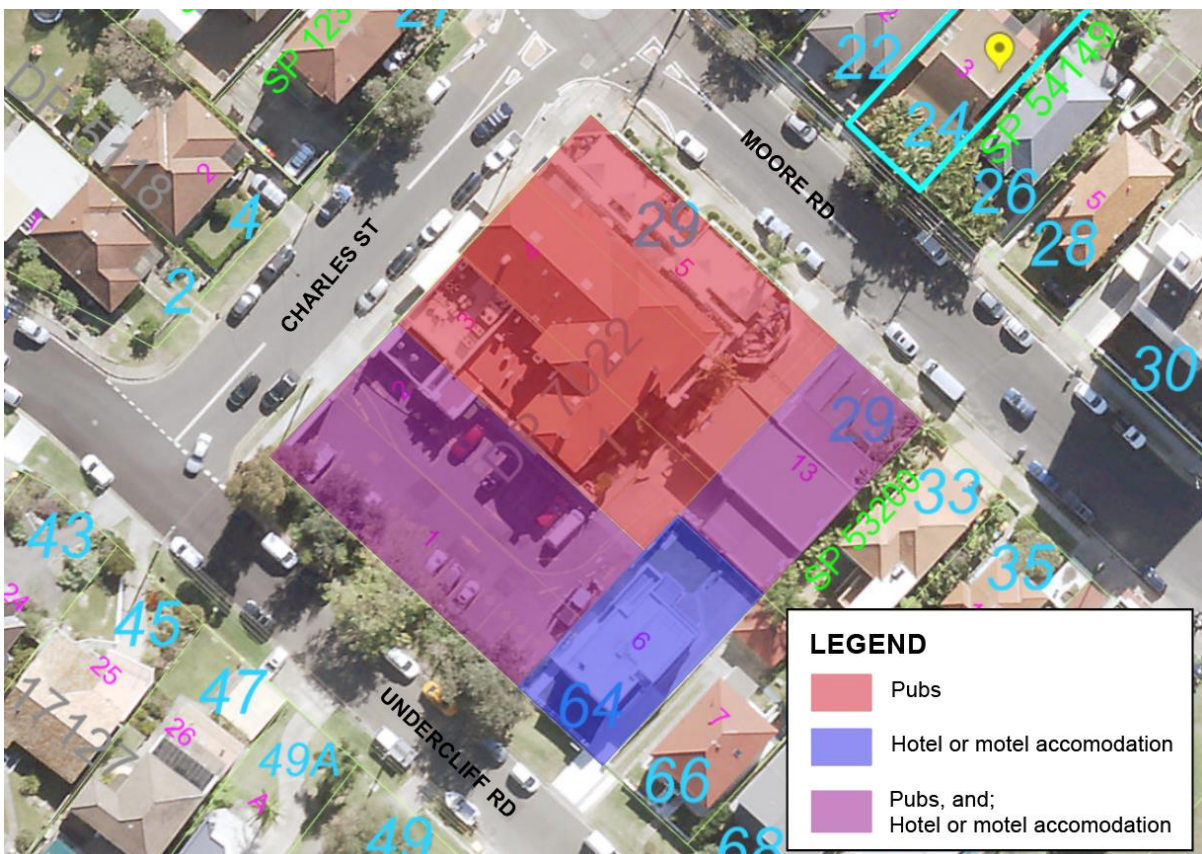


Figure 12 Council's recommended amendment to Schedule 1 Additional Permitted Uses in WLEP2011

The above changes to the applicant's proposal are reflected in Council's planning proposal to be submitted to the Department (Attachment 1). It achieves the applicant's intended outcomes for the proposal and:

- prevents the unnecessary extension of 'pub' as an additional permitted use to 64 Undercliff Road
- limits the proposed hotel accommodation use where it can act as a buffer between neighbouring residential properties and the existing pub use.

Part 3 - Justification - Strategic Merit

Section A – Need for the Planning Proposal

Q1. Is the planning proposal a result of an endorsed Local Strategic Planning Statement (LSPS), strategic study or report?

Applicant's response	Council assessment
<p>The proposal is not the result of an endorsed LSPS, strategic study or report, however, is consistent with relevant provisions of the:</p> <ul style="list-style-type: none"> • Greater Sydney Region Plan – A Metropolis of Three Cities - Connecting People, • North District Plan, • Northern Beaches Local Strategic Planning Statement – Beyond 2040, • Shape 2028 Northern Beaches Community Strategic Plan, and • Northern Beaches Destination Management Plan. 	<p>The planning proposal is not the result of any endorsed LSPS, strategic study or report.</p>

Q2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Applicant's response	Council assessment
<p>The proposed amendments to the Additional Permitted Uses provisions of WLEP 2011 is the best means of achieving the intended outcomes.</p> <p>The alternate would be to rezone the site to a zone that permits pubs and hotel accommodation, such as the E1 Local Centre Zone. However, this would facilitate alternate land uses well beyond those currently permitted on the site and would alter the applicable built form controls under WDCP 2011.</p> <p>The proposed amendment to the Additional Permitted Uses provisions maintains the current R2 Low Density Residential zoning and applicable built form controls, whilst permitting one additional type of development that is appropriate in light of the existing use of the land and the context of the site.</p>	<p>Amending Schedule 1 of WLEP2011 is the best means to achieve the proposal's intended outcomes so long as:</p> <ul style="list-style-type: none"> • 'pub' is limited to Lots 1-5 and 13, Section 1, DP 7022 • 'hotel or motel accommodation' is limited to 29 Moore Road, Freshwater, being Lots 1-2, 6 and 13, Section 1, DP 7022, and • basement carparking, waste storage, plant and access associated with both the pub and hotel accommodation is permitted across the whole site.

Section B – Relationship to Strategic Planning Framework

Q3. Will the planning proposal give effect to the objectives and actions of the applicable regional, or district plan or strategy?

Applicant’s response	Council assessment
Greater Sydney Region Plan – A Metropolis of Three Cities	
<p>The provision of hotel accommodation in conjunction with the existing pub (Harbord Hotel) is consistent with the following objectives and strategies of this Plan:</p> <ul style="list-style-type: none"> • Objective 9: Celebrate the arts and celebrate creative industries and innovation, in so far as the proposed hotel accommodation aims to meet the social and recreational needs of tourists and visitors to the existing hotel and to the wider Freshwater area, and to stimulate the night-time economy. • Objective 12: Great places that bring people together, in so far as the proposed hotel accommodation will provide much needed accommodation within Freshwater for tourists and visitors to the existing hotel and to the wider Freshwater area. • Strategy 24.2: Tourism, in so far as the proposed hotel accommodation aligns with the strategies that seek to encourage the development of well-designed and located tourism facilities, enhance town centres, support the development of places for artistic and cultural activities and the growth of the night-time economy. 	<p>The proposed use on the site would provide well-designed accommodation in a suitable location within walkable distance to public recreation, Freshwater centre and amenities, contributing to a more diverse tourism economy. The hotel accommodation building can also be designed to respect the heritage significance of the existing Harbord Hotel building and would create local jobs.</p> <p>The proposal is consistent with the following objectives of the <i>Greater Sydney Region Plan</i>:</p> <ul style="list-style-type: none"> - Objective 12: Great places that bring people together - Objective 13: Environmental heritage is identified, conserved and enhanced. - Objective 24: Economic sectors are targeted for success.
North District Plan	
<p>The North District Plan identified Freshwater as a Local Centre. The provision of hotel accommodation at the site is consistent with the following priorities and actions of this plan:</p> <ul style="list-style-type: none"> • Planning Priority N13: Supporting growth of targeted industry sectors, in so far as the proposed hotel accommodation is consistent with the expressed need to plan for tourism and visitation activities. • Action 59, in so far as the proposed hotel accommodation will enhance tourist and visitor economy in the Freshwater Local Centre, with a specific coordinated approach that integrates the proposed accommodation with the existing pub (Harbord Hotel) which hosts events and activities. 	<p>The proposal is consistent with the <i>North District Plan</i> and would:</p> <ul style="list-style-type: none"> - be required to incorporate a building design that suitably responds to the heritage significance of the site and be consistent with Planning Priority N6: Creating And renewing great places and local centres and respecting the District’s heritage. - provide well-located accommodation, consistent with Planning Priority N13: Supporting growth of targeted industry sectors.

Q4. Is the planning proposal consistent with a council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?

Applicant's response	Council assessment
Northern Beaches Local Strategic Planning Statement – Towards 2040	
<p>The provision of hotel accommodation at the site is consistent with:</p> <ul style="list-style-type: none"> • Priority 29: A thriving, sustainable tourism economy of the LSPS which seeks to diversify tourist offerings beyond Manly and Palm Beach. In particular, the proposal is consistent with the Principles of this Priority, which seek to: <ul style="list-style-type: none"> ○ Enable a strong tourism economy while maintaining quality of life and protecting the environment. ○ Ensure a range of well-designed tourist accommodation in appropriate locations. ○ Promote and integrate coastal walks with centres, transport and accommodation. <p>The stimulation of the night-time economy and the direct integration of the existing pub (Harbord Hotel) is also consistent with:</p> <ul style="list-style-type: none"> • Priority 7 – A low carbon community, with high energy, water and waste efficiency (sustainability through building design), in so far as the new building will be energy, water and waste efficient and designed to support smart technology. • Priority 14 – A community enriched through the arts and connected through creativity, in so far as the proposed hotel accommodation serves as an extension of the existing hotel that provides a performance space and promotes local musicians • Priority 17 – Centres and neighbourhoods designed to reflect local character, lifestyle and demographic changes, in so far as the proposed hotel serves to promote night-time activity in Freshwater and as the development as a whole appropriately recognises the heritage and cultural significance of the site. • Priority 18 – Protected, conserved and celebrated heritage, in so far as the proposed development recognises and appropriately responds to the heritage and cultural significance of the site. • Priority 22 – Jobs that match the skills and needs of the community, in so far as the proposed hotel will increase local job opportunities in Freshwater. • Priority 30 – A diverse night-time economy, in so far as the proposed development will 	<p>The proposal is consistent with Towards 2040 and would:</p> <ul style="list-style-type: none"> - allow for future buildings on the site to be used and designed to respect and enhance local character, consistent with Priority 17: Centres and neighbourhoods designed to reflect local character, lifestyle and demographic changes. - allow for future buildings on the site to be designed to respect the heritage significance of the site, consistent with Priority 18 - protected, conserved and celebrated heritage. - create jobs for the local community consistent with Priority 22: Jobs that match the skills and needs of the community. - contribute to the diversity of accommodation offerings on the Northern Beaches close to amenities and attractions such as the Coast Walk, consistent with Priority 29: A thriving, sustainable tourism economy.

Applicant's response	Council assessment
<p>broaden the range of night-time activities in Freshwater and foster a diverse live music culture (as the proposed accommodation serves as an extension of the existing hotel that provides a performance space and promotes local musicians)</p> <p>Further, Council can be satisfied that the proposed development is not inconsistent with any of the 30 Priorities of the LSPS, or any of the specific principles.</p>	
Northern Beaches Destination Management Plan - Destination Northern Beaches	
<p>The planning proposal is consistent with the Goals and Focus Areas of Destination Northern Beaches, specifically in relation to:</p> <ul style="list-style-type: none"> • Goal 1, in so far as the proposed hotel accommodation will increase visitor expenditure in the Freshwater Local Centre and the wider Northern Beaches area, and that it provides the opportunity to convert domestic day trippers to overnight visitors. 	<p>The proposal is consistent with Destination Northern Beaches as it would support economic challenges identified in the Destination Northern Beaches, as domestic and international visitor overnight stays are currently lagging significantly behind Greater Sydney and provides additional accommodation on the Northern Beaches which is expected to increase visitor spend.</p>
Northern Beaches Economic Development Strategy – Business on the Beaches	
No response.	<p>The proposal would increase the number of jobs and leverage a strong visitor economy to support business growth, consistent with the directions in Business on the Beaches.</p>

Q5. Is the planning proposal consistent with any other applicable State and regional studies or strategies?

Applicant's response	Council assessment
NSW 2021: A Plan to Make NSW Number One	
<p>The planning proposal is consistent with the Goals and of NSW 2021, specifically in relation to:</p> <ul style="list-style-type: none"> • Goal 1, insofar as the proposed hotel will positively contribute to the NSW economy, as supported by the Economic Impact Assessment prepared by HillPDA. In particular, the proposed hotel will contribute to the provision of tourist accommodation, which is targeted for a significant increase. • Goal 27, insofar as the proposed hotel will enhance cultural, creative and recreation opportunities. 	<p>The proposal would create jobs and positively contribute to the NSW economy, supporting the tourism and hospitality sectors, consistent with <i>A Plan to Make NSW Number One</i>.</p>
NSW Visitor Economy Strategy 2030	
<p>The planning proposal is consistent with the vision for the NSW Visitor Economy to 2030 as expressed in the NSW Visitor Economy Strategy, specifically in relation to:</p>	<p>The proposal would provide accommodation in a well-serviced location close to iconic attractions including Freshwater Beach and the Coast Walk,</p>

Applicant's response	Council assessment
<ul style="list-style-type: none"> Strategic Pillar 3: Showcase our Strengths, in so far as the site is ideally suited to showcase the beauty of the Northern Beaches and the soul of Freshwater, with direct integration with music and live performance provided at the existing hotel. Strategic Pillar 5: Facilitate Growth, in so far as the proposed hotel will provide much needed visitor infrastructure which is identified as having a higher impact on the visitor economy. 	<p>consistent with the <i>NSW Visitor Economy Strategy 2030</i>.</p>
NSW 2040 Economic Blueprint	
<p>The planning proposal is consistent with the direction of the NSW 2040 Economic Blueprint, in so far as it is consistent with the intent to strengthen tourism, which is identified as a strong industry that is vital to the success of the NSW economy.</p>	<p>The proposal would contribute to the number of jobs in the NSW economy and increase access to a wider range of jobs for the local community, consistent with the <i>NSW 2040 Economic Blueprint</i>.</p>
NSW 24-hour Economy Strategy	
<p>The planning proposal is consistent with the intent of the NSW 24-hour Economy Strategy, in so far as hotel accommodation is identified as a key supporting business for core night-time businesses.</p>	<p>The proposal would contribute to and support the diversity of the 24-hour economy and provide visitor accommodation in a well-located position close to amenities and attractions, consistent with the <i>NSW 24-hour Economy Strategy</i>.</p>

Q6. Is the planning proposal consistent with applicable SEPPs?

Applicant's response	Council assessment
<p>SEPP (Biodiversity and Conservation) 2021 Consistent</p> <ul style="list-style-type: none"> Chapter 2: Vegetation in non-rural areas - No tree removal is anticipated in association with the proposed development. Nonetheless, development consent for tree removal can be obtained via any future development application for the building works. 	<p>Consistent - The site has limited existing biodiversity values and potential impacts on surrounding biodiversity. Therefore, the proposal is unlikely to have impacts on flora or fauna.</p>
<p>SEPP (Exempt and Complying Development Codes) 2008 N/A</p>	<p>Consistent - The proposal to permit 'hotel or motel accommodation' on the site does not contravene the provisions of the SEPP.</p>
<p>SEPP (Housing) 2021 N/A</p>	<p>Consistent - The proposal is consistent with the principles of the policy. No new housing is proposed, and the proposal is not associated with any loss of existing affordable rental housing. The proposal does not involve the loss of any residential land, as it does not seek to prohibit any residential uses on the site.</p>

Applicant's response	Council assessment
SEPP (Industry and Employment) 2021 N/A	The SEPP is not relevant to the proposal.
SEPP (Planning Systems) 2021 N/A	The SEPP is not relevant to the proposal.
SEPP (Precincts – Central River City) 2021 N/A	This SEPP is not relevant to the proposal.
SEPP (Precincts – Eastern Harbour City) 2021 N/A	This SEPP is not relevant to the proposal.
SEPP (Precincts –Regional) 2021 N/A	This SEPP is not relevant to the proposal.
SEPP (Precincts – Western Parkland City) 2021 N/A	This SEPP is not relevant to the proposal.
SEPP (Primary Production) 2021 N/A	This SEPP is not relevant to the proposal.
SEPP (Resilience and Hazards) 2021 Consistent <ul style="list-style-type: none"> Chapter 2: Coastal Management - The site is located within the Coastal Environment Area, as identified on the Coastal Environment Area Map of this policy. The planning proposal will not result in any adverse impacts upon the matters prescribed by clause 2.10 of this policy. Chapter 4: Remediation of Land - The site is not identified as a contaminated site on the NSW EPA's list of notified sites, nor is it in the vicinity of any listed sites. However, this can be addressed in further detail as part of any future development application. 	Consistent - The site is located in the 'Coastal Use Area' and 'Coastal Environment' maps under the <i>SEPP (Resilience & Hazards) 2021</i> . Council's Coast & Catchments team confirms that the proposal is consistent with clauses 2.10, 2.11 and 2.12 of the SEPP.
SEPP (Resources and Energy) 2021 This policy commences on 1 October 2023 and will be applicable in relation to the proposed hotel accommodation building. Any future development application for the building will need to demonstrate the obtainment of a 4-star NABERS energy rating.	Consistent - The site is not related to the management or development of mineral, petroleum or extractive material resources and the proposal does not contravene any provisions in the SEPP.
SEPP (Sustainable Buildings) 2022 N/A	Consistent - The proposal would not affect the ability for new development on the site to be designed in accordance with SEPP (Sustainable Buildings) 2022.
SEPP (Transport and Infrastructure) 2021 N/A	This SEPP is not relevant to the proposal.

Q7. Is the planning proposal consistent with applicable Ministerial Directions (s.9.1 directions)?

The table below is based on the latest version of the Ministerial Directions issued on 1 August 2024.

Applicant's response	Council assessment
Focus Area 1: Planning Systems	
<p><i>1.1 Implementation of Regional Plans</i> Consistent</p> <p>The planning proposal is consistent with the Greater Sydney Region Plan, as identified in Part 3.3.1 of the document.</p>	<p>Consistent – the proposal is consistent with the <i>Greater Sydney Region Plan</i>.</p>
<p><i>1.2 Development of Aboriginal Land Council land</i></p> <p>No response.</p>	<p>The direction is not applicable to the site.</p>
<p><i>1.3 Approval and Referral Requirements</i> Consistent</p> <p>The Planning Proposal is substantially consistent with the terms of this direction.</p>	<p>Consistent – The proposal does not include provisions that require concurrence, consultation or referral of a Minister or public authority, nor identify the development as designated development.</p>
<p><i>1.4 Site Specific Provisions</i> Consistent</p> <p>The planning proposal is consistent with the terms of this direction, in that it will allow particular development to be carried out without imposing development standards or requirements in addition to those already contained in WLEP 2011. Further, it does not contain or refer to drawings that show details of the proposed development.</p>	<p>Consistent - The proposal allows particular land uses on the relevant land without imposing any development standards or requirements in addition to those already contained in the WLEP 2011.</p> <p>It does not contain or refer to drawings that show details of the proposed development.</p>
<p><i>1.4A Exclusion of Development Standards from Variation</i> No response.</p>	<p>The direction is not applicable to the site.</p>
<p>Focus area 1: Planning Systems – Place-based Directions 1.5 – 1.22 are not applicable to the site.</p>	
<p>Focus area 2: Design and Place This focus area was blank when the directions were made.</p>	
<p>Focus area 3: Biodiversity and Conservation</p>	
<p><i>3.1 Conservation Zones</i> N/A</p>	<p>Consistent - The proposal does not impact on environmentally sensitive areas, conservation zones or land otherwise identified for environment conservation/protection purposes in a LEP.</p>
<p><i>3.2 Heritage Conservation</i> Consistent</p>	<p>Consistent – The heritage significance of the item can be conserved by the existing provisions in the WLEP 2011.</p>
<p><i>3.3 Sydney Drinking Water Catchments</i> N/A</p>	<p>The direction is not applicable to the site.</p>
<p><i>3.4 Application of C2 and C3 Zones and Environmental Overlays in Far North Coast LEPs</i> N/A</p>	<p>The direction is not applicable to the site.</p>

Applicant's response	Council assessment
3.5 Recreation Vehicle Areas N/A	Consistent - The proposal does not relate to land to be developed for the purpose of a recreation vehicle area.
3.6 Strategic Conservation Planning N/A	The direction is not applicable to the site.
3.7 Public Bushland N/A	Consistent – The subject site has limited biodiversity values, and the proposal is unlikely to impact on the preservation of bushland and biodiversity.
3.8 Willandra Lakes Region N/A	The direction is not applicable to the site.
3.9 Sydney Harbour Foreshores and Waterways Area N/A	The direction is not applicable to the site.
3.10 Water Catchment Protection N/A	The direction is not applicable to the site.
Focus area 4: Resilience and Hazards	
4.1 Flooding N/A	The direction is not applicable to the site.
4.2 Coastal Management Consistent The planning proposal does not detract from the application of the <i>Coastal Management Act 2016</i> or the provisions of Chapter 2 of SEPP (Resilience and Hazards) 2021 and does not seek to amend the site's inclusion on the Coastal Environment Area Map of this policy.	Consistent - The subject site has been identified as being within the coastal zone under the <i>Coastal Management Act 2016</i> . The proposal does not propose any rezoning and is consistent with the objects of the <i>Coastal Management Act 2016</i> , the <i>NSW Coastal Management Manual</i> and associated Toolkit, section 3.2 of the <i>NSW Coastal Design Guidelines 2023</i> and any relevant Coastal Management Programs.
4.3 Planning for Bushfire Protection N/A	The direction is not applicable to the site.
4.4 Remediation of Contaminated Land Consistent The planning proposal does not relate to land within an investigation area or land that is known/identified as being contaminated. Further, the planning proposal does not seek to rezone land or to carry out development.	The direction is not applicable to the site.
4.5 Acid Sulfate Soils N/A	The direction is not applicable to the site.
4.6 Mine Subsidence and Unstable Land N/A	The direction is not applicable to the site.
Focus area 5: Transport and Infrastructure	

Applicant's response	Council assessment
5.1 <i>Integrating Land Use and Transport</i> N/A	The direction is not applicable to the site
5.2 <i>Reserving Land for Public Purposes</i> N/A	Consistent - The proposal does not involve the creation, alteration or reduction of land reserved for public purposes.
5.3 <i>Development Near Regulated Airports and Defence Airfields</i> N/A	The direction is not applicable to the site.
5.4 <i>Shooting Ranges</i> N/A	The direction is not applicable to the site.
5.5 High pressure dangerous goods pipelines No response.	The direction is not applicable to the site.
Focus area 6: Housing	
6.1 Residential Zones Consistent. The planning proposal will make efficient use of existing infrastructure and services and will be of good design. Further, the planning proposal does not contain provisions which will reduce the permissible residential density of land.	Consistent - This direction applies as the planning proposal affects land within an existing residential zone.
6.2 Caravan Parks and Manufactured Home Estates N/A	Consistent - This direction does not relate to caravan parks and/or manufactured home estates.
Focus area 7: Industry and Employment	
7.1 Employment Zones	The direction is not applicable to the site.
7.2 Reduction in non-hosted short-term rental accommodation period	The direction is not applicable to the site.
7.3 Commercial and Retail Development along the Pacific Highway, North Coast	The direction is not applicable to the site.
Focus area 8: Resources and Energy Direction 8.1 is not applicable to the site.	
Focus area 9: Primary Production Directions 9.1 – 9.4 are not applicable to the site.	

Section C – Environmental, Social and Economic Impact

Q8. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected because of the proposal?

Applicant's response	Council assessment
<p>The site does not contain critical habitat or threatened species, populations or ecological communities.</p>	<p>The site has limited biodiversity values, and the proposal is not likely to adversely impact on critical habitat, threatened species, populations, or ecological communities.</p>

Q9. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

Applicant's response	Council assessment
<p><i>Stormwater</i></p> <p>The site is bisected by a stormwater pipe and an associated easement. The planning proposal is supported by a Stormwater and Overland Flow Assessment by Stellen Consulting, which recommends the relocation of the stormwater pipe to the adjacent road reserve for better maintenance access and to upgrade the pipes and pits to carry anticipated flows and to accommodate appropriate blockage factors. Further detail can be provided to accompany the future development application for the physical works.</p>	<p>Council's Development Engineering team advised that the proposed 2 options to divert Council's stormwater line around the site are not supported and provided the following comments:</p> <ul style="list-style-type: none"> - Option one diverts the current stormwater system to a different catchment/downstream stormwater system overloading the current council stormwater system. This is not in accordance with section 6.1 of Council's Water Management for Development Policy. Also there is unacceptable impacts including construction and potential damage to Council's road and footpath infrastructure in Undercliff Road. There also will be impacts with existing utility services which will be very costly and may be impossible to move. - Option two is not supported because of the unacceptable impacts including construction impacts and potential damage to Council's road and footpath infrastructure in Undercliff Road, Moore and Charles Roads. There also will be impacts with existing utility services which will be very costly and may be impossible to move. <p>Notwithstanding the above, Council's Senior Development Engineer has since advised that for a development application to proceed:</p> <p style="padding-left: 40px;">'...Council's stormwater infrastructure located within the site can be upgraded and or rediverted within the subject site to facilitate future development if required in accordance with Councils Water Management for Development Policy.'</p> <p>As this is required at the Development application stage, rather than for the planning proposal, it is appropriate the applicant be advised of this requirement associated with the redevelopment of the site in the future.</p>
<p><i>Traffic</i></p> <p>The planning proposal is supported by a Transport Study by Colston Budd Rogers & Kafes which considers the potential traffic impacts associated with hotel accommodation on the site, comprising</p>	<p>Council's Traffic Engineering team advises that the application and accompanying Transport Study adequately addresses the potential traffic and parking impacts of the proposed use on the site.</p> <p style="padding-left: 40px;">The 37 hotel accommodation rooms would generate approx. 15 additional evening peak</p>

Applicant's response	Council assessment
<p>up to 37 rooms and associated facilities. The Transport Study confirms that:</p> <ul style="list-style-type: none"> the site can accommodate sufficient off-street parking, consistent with the requirements of WDCP 2011, access, internal circulation and layout can be provided in accordance with Australian Standards, <p>Traffic generation would be very low, and such low traffic generation would not have noticeable effects on the operation of the surrounding road network.</p>	<p>hour vehicle trips and approximately 111 vehicle trips per day if it were a standalone development (using rates from the TfNSW guide to traffic generating developments for a motel). As some of those staying at the hotel would also be pub patrons these numbers would be slightly lower although the 5-10 trips in peak periods as quoted in the Transport impact report is probably lower than I'd anticipate. Compared to the traffic generation arising from the pub traffic generation from the hotel rooms is not a significant concern.</p> <p>There are existing traffic and parking congestion issues in summer peak periods and additional traffic volumes will add to that congestion, but I don't believe this is of sufficient magnitude to warrant refusal of any DA. Similarly provided the parking demands are accommodated off-street in line with DCP requirements (including off-street loading facilities) I don't see parking as a reason for refusal either.</p> <p>A future development application for this proposal would need to address improvements to walking and cycling facilities, make adequate provision for safe access to/from the site and parking in compliance with DCP requirements.</p>
<p><i>Noise</i></p> <p>The hotel accommodation use, specifically the individual hotel rooms, are not considered to result in any adverse acoustic impacts within the existing residential setting. Nonetheless, the hotel accommodation building can be designed to mitigate any impacts that may arise through skillful design techniques and by minimising openings adjacent to residential buildings.</p> <p>If anything, the incorporation of a building at the rear of the site and the undergrounding of the carpark and loading zone should reduce acoustic impacts associated with the existing use of the site as a pub, as the proposed building will act as a buffer to residential receivers to the south of the site and as noises associated with carparking and loading will be internalised.</p> <p>Any future development application will be accompanied by an acoustic report.</p>	<p>Council's Environmental Health team supports the proposal as described. It is accepted that any noise or acoustic impacts from the additional permitted use of hotel accommodation on the south-eastern portion of the site can be managed in the development application stage.</p>
<p><i>Visual Impact</i></p> <p>The planning proposal is supported by Architectural Plans by Hot House Architects that demonstrate a high-quality development that integrates with and complements the existing development at the site. The planning proposal does not seek to alter the built form controls applicable to the site, and as such, the future building will be assessed against the controls that currently apply to the R2 Low</p>	<p>The proposal does not seek a change to the existing height control. Issues such as bulk and scale, overshadowing and view loss can be addressed at the development application stage. Council's Urban Designer advised as follows:</p> <p>No objections to the proposal and that due to the site's low topography, there is minimal</p>

Applicant's response	Council assessment
<p>Density Residential site to ensure consistency with the desired character of the locality.</p> <p>In this regard, we note that the concept architectural plans provide for a building which is compliant with the applicable 8.5 metre building height standard and which will be compatible in a streetscape and broader urban built form context.</p> <p>Future development will be subject to the submission and approval of a development application.</p>	<p>risk of view loss or overshadowing for neighboring properties.</p> <p>Although no built form controls are proposed to be changed under the WLEP 2011, concern is raised that the future hotel use will be subject to setback and building envelope controls developed specifically for a residential development. The applicable setback controls (controls B5, B7 and B9 of WDCP 2011) are as follows:</p> <ul style="list-style-type: none"> • Front: 6m • Side 0.9m • Rear: 6m <p>The building envelope is 5m (control B3 under WDCP 2011).</p> <p>To better integrate the future non-residential development with the surrounding low-density residential context, it is prudent for the setback and building envelope controls to be examined specifically for the site. As such, site-specific built form controls will be developed by Council and will assist to:</p> <ul style="list-style-type: none"> - address concerns raised in the submissions regarding privacy and the built form - provide an adequate buffer between the proposed hotel accommodation use and neighbouring residential properties - provide certainty to the community regarding the design of future development on the site. <p>These new site-specific built form controls will be an amendment to WDCP 2011 and is anticipated to be exhibited with the planning proposal following receipt of a Gateway Determination.</p>
<p><i>Heritage Impact</i></p> <p>The planning proposal is supported by a Heritage Impact Statement by Weir Phillips which confirms that the architectural, historic and/or social significance of the Harbord Hotel will not be impacted upon by the proposed amendments to WLEP 2011. Rather, it identifies that the Hotel previously provided accommodation on the site and as such, the proposal is in keeping with the original and historical use of the site.</p> <p>The Heritage Impact Statement also confirms that the proposed amendments to WLEP 2011 and the use of the site for hotel accommodation will not impacts upon other heritage items in the vicinity of the site.</p>	<p>Council's Heritage team generally supports the additional use being permitted on the site insofar as the concept submitted, and have advised that potential bulk and scale, materiality and curtilage issues will need to be addressed. See below for advice:</p> <ul style="list-style-type: none"> - Heritage recommends that the built form of the future hotel accommodation be amended before being presented to Council to implement the guidelines in "Better Placed: An integrated design policy for the built environment of New South Wales" by the Office of the NSW Government Architect. Whilst a future new design in this heritage context can accommodate a rich variety of interpretation and architectural expression, considerations should be given to a sympathetic scale and built-form with articulated façade treatment that reflects the street subdivision patterns and setbacks, and use of sympathetic materials and colour scheme. Respectfully combining history and

Applicant's response	Council assessment
	<p>heritage with modern design achieves an urban environment that demonstrates shared values and contributes to a sense of place and identity.</p> <p>The advice regarding amending the building design is noted. The Concept Architectural Plans submitted with the application are indicative only and demonstrate how an additional use (in this case, a hotel) can be developed on the land in terms of a development footprint. As this concept plan will not be referred to in the proposed amended WLEP 2011 provisions, there is no need to require amended concept plans for the planning proposal to be progressed.</p> <p>The applicant will be advised that the design of the future development on the site will need to consider the heritage significance and built form fabric, at the development application phase.</p>
<p><i>Aboriginal Heritage Impact</i></p> <p>The planning proposal is supported by an Aboriginal Heritage Due Diligence Assessment prepared by Extent Heritage with such report concluding that the potential for Aboriginal objects to be present in the study area is low.</p>	<p>It is accepted that the proposal's potential impacts to Aboriginal Heritage are adequately addressed. The Aboriginal Heritage Office (AHO) agreed with the following recommendations outlined in the Aboriginal Heritage Due Diligence Assessment:</p> <ul style="list-style-type: none"> - Development work in the study area proceed, subject to relevant personnel being advised of their obligations under the <i>National Parks and Wildlife Act 1974</i> (NPW Act) - If unexpected Aboriginal objects are discovered during development, all works in the vicinity of the discovery site should cease and the services of an archaeologist obtained. The archaeologist will advise on the necessary process, which may include a permit application. There are severe penalties for the disturbance or destruction of an Aboriginal object or place. - If human skeletal material less than 100 years old is discovered, the <i>Coroners Act 2009</i> requires that all works should cease and the NSW Police and the NSW Coroner's Office should be contacted. Traditional Aboriginal burials (older than 100 years) are protected under the NPW Act and must not be disturbed. Interpreting the age and nature of skeletal remains is a specialist field, and therefore, an appropriately skilled archaeologist or physical anthropologist should be contacted to inspect the discovery site and recommend an appropriate course of action. Aboriginal ancestral human remains must be managed according to strict protocols. If any were encountered during the development, the services of an experienced heritage practitioner should be engaged to advise on the process, including

Applicant's response	Council assessment
	<p>the involvement of relevant Aboriginal parties.</p> <p>The AHO also advises that under the NPW Act all Aboriginal objects are protected. Should any Aboriginal Cultural Heritage items be uncovered during earthworks, works should cease in the area and the Aboriginal Heritage Office assess the finds. Under Section 89a of the NPW Act, should the objects be found to be Aboriginal, Heritage NSW and the Metropolitan Local Aboriginal Land Council (MLALC) should be contacted.</p> <p>The above advice is noted and more relevant for when the site is the subject of a development application.</p>

Q10. Has the planning proposal adequately addressed any social and economic effects?

Applicant's response	Council assessment
<p>The planning proposal is supported by an Economic Impact Assessment by SGS Economics & Planning which confirms that the construction of hotel accommodation at the site will:</p> <ul style="list-style-type: none"> • Directly support approximately 28 full-time equivalent jobs in the Northern Beaches economy, and • When flow-on effects are incorporated, the development will support approximately 64 jobs in the Northern Beaches economy, and the local region will gain \$12 million in value-added from this construction activity. • Further, the on-going operation of the site (inclusive of the pub, bottle shop and hotel accommodation) will: • Directly support approximately 59 full-time equivalent jobs in the Northern Beaches local economy by attracting new tourists to the LGA. • When flow-on effects are incorporated, the development will support approximately 117 jobs in the Northern Beaches economy, and the local region will gain \$11.9 million in value-added per annum from accommodation, food and retail service. 	<p>Council's Place and Economic Development team advised that the proposal meets the following strategic vision and key outcomes of Council's Economic Development Strategy – 'Business on the Beaches' and the Destination Management Plan – 'Destination Northern Beaches'.</p> <p>Council is satisfied that the proposal will result in positive economic flow-on effects for the local area by creating more local jobs, attracting new visitors to the area, increasing visitor spending and diversifying the accommodation offerings on the Northern Beaches.</p>
<p><i>Social impact</i> No response</p>	<p>Council is satisfied that the proposal will create social benefits for the community including:</p> <ul style="list-style-type: none"> - facilitating a non-alcohol related use on the site. - providing a buffer between the pub operations and neighbouring residential properties. - preserving the heritage significance of the site and allowing more people to appreciate it's history.

Applicant's response	Council assessment
	- providing a form of small-scale accommodation that allows for social interaction and access to the area's recreational attractions.

Section D – Infrastructure (Local, State and Commonwealth)

Q11. Is there adequate public infrastructure for the planning proposal?

Applicant's response	Council assessment
<p>The site has access to all essential services.</p> <p>The accompanying Transport Study by Colston Budd Rogers & Kafes confirms that traffic generation would not have noticeable effects on the operation of the surrounding road network. The site is serviced by a regular bus service, with bus stops within 40m of the site. The site is also located in close proximity to a number of public carparks, with sufficient on-site parking also provided.</p> <p>The site is in immediate proximity to Freshwater Local Centre and Freshwater Beach, with footpaths on both sides of Moore Road. The site is also within comfortable walking distance from Manly Town Centre.</p>	<p>The site is in an existing residential, well serviced area including a regular bus service.</p> <p>Any increase in demand for utility services and additional transport arrangements generated by a development on this site is subject to consideration at the development application phase.</p>

Section E - State and Commonwealth Interests

Q12. What are the views of state and federal public authorities and government agencies consulted in order to inform the Gateway determination?

Applicant's response	Council assessment
<p>Relevant public authorities will be consulted following the Gateway determination.</p>	<p>During the non-statutory consultation phase, the application was not forwarded to any public authorities or government agencies for comment.</p> <p>Council will consult with relevant agencies as part of the statutory public exhibition subject to any Gateway Determination.</p>

Part 4 Maps

The proposed changes to the applicant's original proposal are illustrated in Figure 12 of this report and a map of the existing WLEP 2011 Additional Permitted Uses overlay over the site is found in Figure 3 of this report.

Part 5 Community Consultation

A non-statutory (pre-gateway) public exhibition of the proposal was undertaken from 9 to 25 August 2024 for 17 days in accordance with Council's Community Participation Plan.

Notification included:

- a notice in Council's weekly email newsletter on 9, 16 and 23 August 2024

- letters to landowners and occupiers adjacent to and across the road from the property (see Figure 13 below for map of notified properties)
- electronic copies of the exhibition material on Council's website.

This consultation period was then extended in response to requests from the community. The extension of the consultation period included a broader area being invited to comment via letter drop on 4 September 2024. Council advised that submissions would be received until 19 September 2024. A map of the consultation area is illustrated in the figure below.

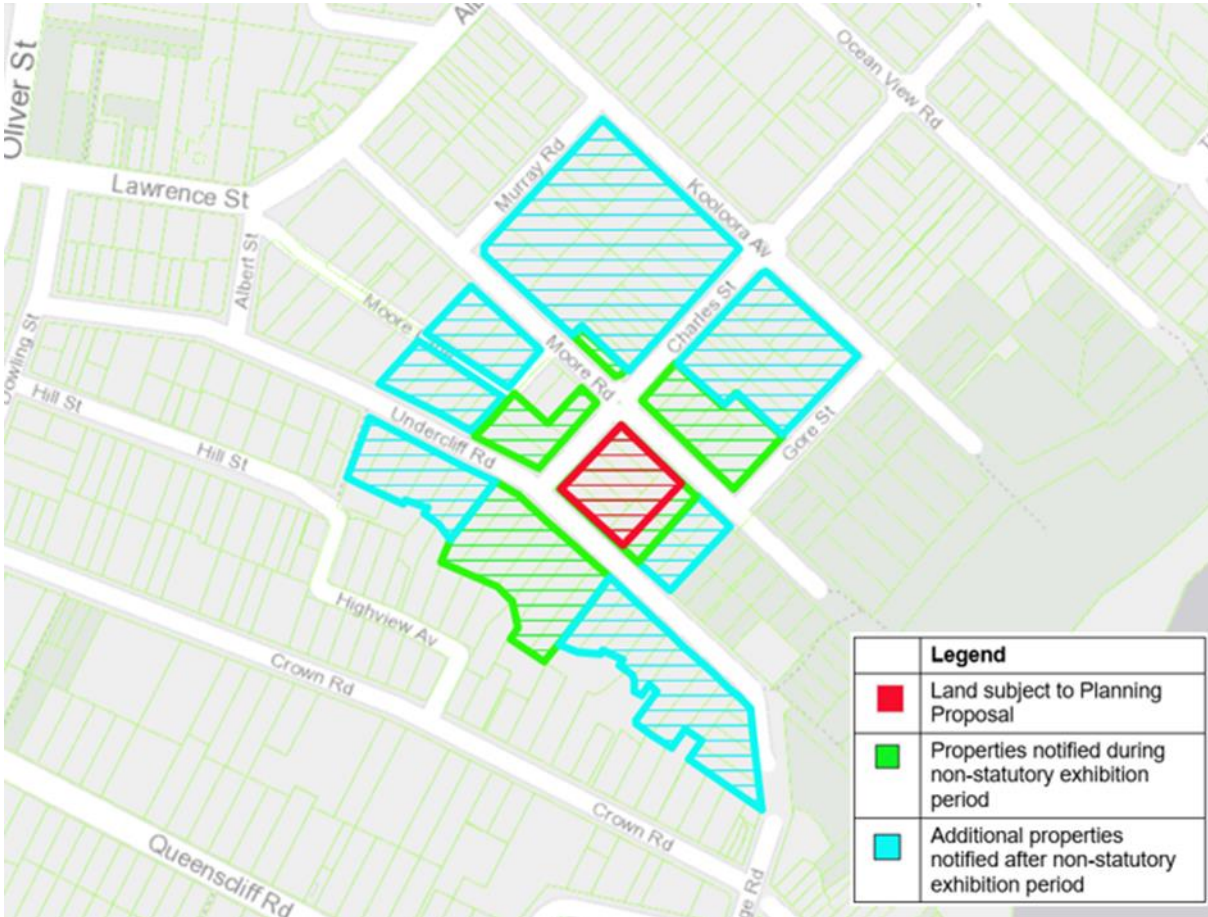


Figure 13 Map of properties notified

57 submissions were received up to 25 August, and a further 39 submissions received thereafter. The key themes from submissions have been distinguished between concerns on the additional use proposed on the land and those arising from the existing pub operations. Council staff response to each key theme is outlined in the table below.

Key themes from submissions	Council response
The public notification period was too short, and the notification area was inadequate.	<p>The non-statutory (pre-gateway) public exhibition of the applicant's proposal was conducted in accordance with Council's adopted Community Participation Plan. A sign was erected on the land on 8 August 2024 notifying of the application. Additionally, the application appeared in Council's weekly newsletter sent out on 9, 16 and 23 of August 2024.</p> <p>Additionally, the consultation period was extended, and a broader area of properties were notified. A total 96 unique submissions were received during a total 35-day consultation period.</p>

Key themes from submissions	Council response
<p>The proposed use is not consistent with the quiet, family-friendly, relaxed and residential character of the area.</p>	<p>The proposed hotel accommodation is compatible with the existing pub use, being on the same land and of the same ownership. The use will not detract from the surrounding character of the street - being a popular route between the local centre and Freshwater beach, Coast Walk and parks.</p> <p>The proposal would not prevent future development on the site from being designed to be visually compatible with the surrounding streetscape.</p>
<p>Freshwater is not suitable for and does not need tourist accommodation.</p>	<p>Freshwater is an accessible and attractive neighbourhood centre with access to the Coast Walk and Freshwater Beach.</p> <p>Recognising that there are limited accommodation options on the beaches, Council's Destination Northern Beaches identified the need for opportunities to 'support development of boutique small-scale accommodation'.</p>
<p>The proposal adversely impacts on the heritage qualities of the existing pub.</p>	<p>The Harbord Hotel is a local heritage item, being Item I74 - Harbord Beach Hotel at 29 Moore Street, Freshwater, listed in Schedule 5 of WLEP 2011. According to the Warringah Heritage Inventory, Item I74 - Harbord Beach Hotel reads as follows:</p> <p><u>Statement of Significance</u> A rare example of an inter-war hotel building which shows influences of the Californian bungalow style. Historically provides evidence of the early development of social and recreational facilities to serve the growing population. Local landmark.</p> <p><u>Physical Description</u> Two storey building with rendered masonry walls. Tiled hipped, jerkin headed and gabled roof. Terrace on first floor supported by arcaded verandah. A number of modifications include surrounding wall, beer garden, bottle shop extension and window modifications.</p> <p>Council's Heritage team advised that there are 'no objections to the intended use of the site as hotel accommodation, as it is considered to be complimentary to the former use of the site as a hotel' and that 'although future new design in this heritage context can accommodate a rich variety of interpretation and architectural expression, considerations should be given to a sympathetic scale and built-form with articulated façade treatment that reflects the street subdivision patterns and setbacks, and use of sympathetic materials and colour scheme. Respectfully combining history and heritage with modern design achieves an urban environment that demonstrates shared values and contributes to a sense of place and identity.'</p> <p>This advice is more relevant for any future development application on the land since this planning proposal is not seeking any changes to the built form controls in WLEP 2011.</p>
<p>The design of the proposed development is too visually imposing and bulky.</p>	<p>The supporting Concept Architectural Plans are indicative only and the design of future development on the site is subject to a development application.</p>

Key themes from submissions	Council response
<p>The proposed hotel overlooks onto neighbouring properties.</p>	<p>It is considered that the proposal will not prevent the design of future buildings on the site from being visually compatible with the streetscape, however Council will prepare site-specific DCP built form controls and exhibit draft DCP amendments during the statutory public exhibition period (subject to any Gateway Determination) to:</p> <ul style="list-style-type: none"> • address concerns raised in the submissions regarding privacy and the built form • provide an adequate buffer between the proposed hotel accommodation use and neighbouring residential properties • provide certainty to the community regarding the design of future development on the site. <p>If the site is rezoned, a development application would then be required to be assessed and approved before any construction could occur. The community would have further opportunity to provide submissions and review the proposed development application during its public exhibition period.</p>
<p>Existing Pub Operations - Local residents are impacted by anti-social behavior, violence, and litter associated with the pub.</p>	<p>Council is satisfied that the proposed use of hotel accommodation would attract less anti-social behaviour compared to an alternative scenario where the existing pub use is extended across the whole site under the existing Additional Permitted Uses clause in Schedule 1 of WLEP 2011.</p> <p>Existing anti-social behavior, violence, and litter concerns are managed via Council's Compliance team, NSW Liquor & Gaming and NSW Police.</p> <p>Future development on the site would also be subject to a development application and the conditions of consent.</p>
<p>The proposal would exacerbate noise impacts of the existing pub operations e.g. air conditioning units, machinery, collection of glass bottles, and create new noise sources e.g. hotel guests on balconies, swimming pool.</p>	<p>Council's Environmental Health team has not raised any noise concerns regarding the proposal. Any development on the site is subject to a development application where an acoustic report would be required.</p> <p>The proposed hotel accommodation is a desirable buffer between noise sources from the existing pub operations and nearby receiver properties on Undercliff Road. Council has amended the applicant's proposal to constrain 'hotel or motel accommodation' to the south-eastern portion of the site, and to remove the applicant's proposal to add 'pubs' as an additional permitted use on 64 Undercliff Road. This change is included in Council's planning proposal report to be submitted for a Gateway Determination (Attachment 1).</p>
<p>The proposal would exacerbate existing traffic congestion impacts</p>	<p>Council's Transport Network team has advised that the proposal's traffic generation impacts are not a significant concern, and the proposed hotel accommodation use is likely to generate less car trips than from the already permissible pub use. See Section C – Environmental, Social and Economic Impact of this report, and Attachment 2.</p>
<p>There is not enough on-street parking for local residents, especially on Undercliff Rd and the proposal would exacerbate existing parking issues.</p>	<p>Council staff are satisfied that the site can accommodate sufficient off-street parking requirements under the WDCP 2011.</p>

Internal Referrals

Internal referral comments were received from Council's Place & Economic Development, Development Engineering, Transport, Urban Design, Landscape Architecture, Aboriginal Heritage Office, Coast, Catchments, Environmental Health and Heritage teams.

Key advice from these comments informed the assessment of the applicant's planning proposal in the sections above. There were no concerns raised from the referrals that cannot be mitigated and addressed in the Development Application stage or before the statutory public exhibition of the planning proposal.

Future Amendments to WDCP 2011

To mitigate the impact of a non-residential use on neighbouring residential properties, Council will develop site specific built form controls to ensure that future development complements the site's residential context and scale.

As discussed in 'Section C – Environmental, Social and Economic Impact' of this report, site-specific DCP built form controls, in particular setbacks and building envelopes, will be developed by Council to address community concerns regarding privacy and visual impact, and to provide an adequate buffer between the hotel use and neighbouring residential properties.

The proposed amendments to the WDCP 2011 will be publicly exhibited with the planning proposal after a Gateway Determination is received. This is in line with the Panel's recommendations related to site-specific DCP amendments.

TIMING

If supported by Council the attached planning proposal will be submitted to the Department, seeking a Gateway Determination. Tasks associated with the progress of the planning proposal are tabled below.

Task	Anticipated timeframe
Anticipated commencement date (Gateway Determination)	February 2025
Anticipated timeframe for the completion of required technical information (if required by Gateway Determination)	March 2025
Timeframe for government agency consultation (pre and post exhibition as required by Gateway Determination)	March 2025
Commencement and completion dates for public exhibition period	April 2025
Timeframe for consideration of submissions	June 2025
Timeframe for the consideration of a proposal post exhibition	June 2025
Date of submission to the Department to finalise the LEP	July 2025
Anticipated date the local plan-making authority will make the plan (if authorised)	September 2025
Anticipated date the local plan-making authority will forward to the PCO for publication	September 2025

Council will be required to formally exhibit the planning proposal in accordance with any requirements outlined in the Gateway Determination. The planning proposal will be exhibited with the new site-specific built form controls for the site (as an amendment to WDCP 2011).

Following exhibition, the matter will be reported back to Council for final consideration.

FINANCIAL CONSIDERATIONS

The assessment of the applicant’s proposal is funded by the prescribed application fee set out in Council’s Fees and Charges 2024/2025 and does not have an adverse impact on Council’s budget.

GOVERNANCE AND RISK CONSIDERATIONS

The planning proposal is unlikely to generate significant risk or governance issues.

ENVIRONMENTAL CONSIDERATIONS

An assessment of the planning proposal has determined that it is unlikely to have adverse environmental impacts on the subject site or surrounding land.

SOCIAL CONSIDERATIONS

The proposal is likely to have a positive social impact on the community as it facilitates the development of hotel accommodation on the Harbord Hotel site, thereby reducing the potential footprint of the ‘pubs’ use.

LINK TO STRATEGY

This report relates to the Community Strategic Plan Outcomes and Goals:

- Environmental sustainability - Goal 5 Our built environment is developed in line with best practice sustainability principles.
- Community and belonging - Goal 7 Our diverse community is supported to participate in their chosen cultural life.
- Housing, places and spaces - Goal 12 Our community has access to spaces that enable healthy and active living and allow for a broad range of creative, sporting and recreational opportunities to be enjoyed.
- Vibrant local economy - Goal 15 Our centres are sustainable, encompassing a diverse range of businesses that attract visitation and provide work, education, leisure and social opportunities.
- Partnership and participation - Goal 21 Our community is engaged in decision making processes.

Reporting team	Strategic & Place Planning
TRIM file ref	2024/639715
Attachments	⇒1 Council prepared Planning Proposal Report for submission to DPHI (Included In Attachments Booklet) ⇒2 Council Assessment and Planning Proposal Report sent to the Northern Beaches Local Planning Panel (Included In Attachments Booklet)

13.0 TRANSPORT AND ASSETS DIVISION REPORTS

ITEM 13.1 CURL CURL TO FRESHWATER CONNECTIVITY AND STREETScape UPGRADE PROJECT

PURPOSE

The purpose of this report is to present findings of the independent design reviews into the design of the Curl Curl to Freshwater separate cycleway and provide recommendations for Council to consider for implementation of the project.

EXECUTIVE SUMMARY

- At its meeting on 30 April 2024 Council considered the findings of community and stakeholder consultation and resolved to seek further expert reviews of the project design for a separated cycleway, new raised crossings and road safety improvements in Bennett Street Curl Curl and Oliver Street Freshwater.
- Feedback has been received from independent consultants Urbis and Arcadis with designs considered to be largely in-line with relevant guidelines and considered to be safer than the current road layout for all users.
- Design enhancements were made based on expert feedback, including TfNSW Active Transport Strategy team, which has resulted in the elevation of the cycleway to footpath level by extending the kerb to create separation from parked cars as well as widening the vehicle travel lane to an average of 3.1 meters.
- The revised design retains the existing mature trees along the route, with grass road reserve retained as a buffer between the pedestrian footpath and the cycleway.
- There has been a slight reduction in the loss of car parking spaces in the revised design to 27 parking spaces.
- The revised design, while superior in its outcomes, is a more expensive solution and as such the entire project scope is not able to be delivered through the existing NSW State Government Federal Stimulus Safer Schools Program grant funded budget.
- As such, the works are proposed to be delivered in stages with additional grant funding to be sought for the the unfunded portions of the project.

RECOMMENDATION

That Council:

1. Note the outcomes of consultation with Transport for NSW and independent technical reviews undertaken by Urbis and Arcadis.
2. Endorse the revised design (Attachment 1) for the Curl Curl to Freshwater Connectivity and Streetscape Upgrade Project to proceed to delivery phase with the staging of works being subject to appropriate grant funding being available.

BACKGROUND

The Curl Curl to Freshwater Connectivity and Streetscape Upgrade project aims to deliver a range of improvements to make it easier and safer for people walking and bike riding in the area. The proposed separated two-way cycleway forms part of Council's district bike route linking our strategic centres of Manly, Brookvale and Dee Why, as identified in *the Northern Beaches Bike Plan 2020*. The route also includes onward connections south to the Spit Bridge and north to Narrabeen.

The consultation undertaken in November 2023 includes a range of proposed design features including:

- separated cycleway on the northern side of Bennett Street and eastern side of Oliver Street
- over 2,000 households able to walk to local primary schools using continuous routes with marked crossings
- eight new and improved crossings for people walking and bike riding
- 20km/h quiet safe street environment on Park Street
- two zebra crossings upgraded to a raised pedestrian crossing
- improved street landscaping, including new garden beds and trees while retaining existing mature trees
- two new bus stop platforms that will be disability compliant and enable quicker boarding and alighting of bus passengers
- wider lanes compared to previous project designs plus additional width at the bend of Oliver Street and Bennett Street
- more pavement space for children and families during pick-up and drop-off times outside Harbord Public School on Oliver Street
- wayfinding signage and line marking upgrades.

The project is proposed to be funded under the Federal Stimulus Road Safety Program – School Zone Infrastructure, to connect the existing safe cycling network in John Fisher Park to Freshwater Village and the new shared path to Manly. The funding program aims to improve road safety and provide active transport connections for children, local families and the school community.

Project History

Since this project began in 2021, three proposed designs have been presented to the community for consideration. The first proposed concept (23 August 2021 – 19 September 2021) was for a shared path. Council received 317 comments. Feedback from this consultation reflected community support for improving walking and cycling connections but suggested Council consider a separated cycleway.

The second proposed concept was for a separated cycleway (17 November 2021 – 15 December 2021). Council received 681 comments demonstrating support for improved connectivity. It was noted that over half the respondents supported one of the three following options being a separated cycleway, a separated cycleway narrowed to retain parking, or a shared path. Feedback also indicated a quarter of respondents did not support any proposal.

Considering the mixed feedback from the community, an updated design was developed to keep parking along both sides of the streets and include a separated cycleway. This was endorsed at the Local Traffic Committee in April 2022, with a change to run the cycleway on the northern side of Bennett Street to improve safety and linkages to existing and future cycleways. A Road Safety Audit (RSA) was undertaken in July 2022 which informed further design improvements. Residents were notified in November 2022 that this design would be progressing to construction. Work

commenced in June 2023 to install this revised design which was placed on hold following community concern.

DISCUSSION

At its meeting on 30 April 2024, Council resolved (Resolution 087/24):

That Council:

1. *Defer the decision to enable additional information to be sought.*
2. *Work with Transport for NSW's Active Travel Team and experts in Road Space Reallocation with the view to refining the design option/s for a separated dedicated bike path in Oliver Street, with the goal of trying to:*
 - a. *Address relevant safety issues identified in the safety audit.*
 - b. *Minimise the number of car spaces lost.*

The project team have been provided reviews of the exhibited plans by:

- Transport for NSW Cities & Active Transport Division
- Urbis – safety by design review
- Arcadis - technical review

These reviews resulted in a number of improvements to the updated design (Attachment 1), which are summarised below. Reports by Urbis and Arcadis are attached to this report.

Transport for NSW

Council staff met with Transport for NSW Active Transport Strategy, Network Safety Services and Network Operations teams and obtained feedback to improve the proposed design.

“TfNSW's Active Transport team has reviewed the exhibited designs for the Curl Curl to Freshwater Connectivity and Streetscape Upgrade project and met with the Northern Beaches Council project team.

We provided council with guidance and feedback to refine their design noting that the design is largely in line with transport standards including the Cycleway Design Toolbox, Walking Space Guide and Draft Design of Road and Streets Guide.

Transport's Active Transport team has no objections to the draft design noting that the final design may still need to be reviewed by the Local Traffic Committee and Transport's Network Safety Services and Network Operations teams.”

Potential improvements suggested from TfNSW included:

- consider widening the cycleway and buffer median to improve rider safety and amenity. Alternatively consider a footpath level cycleway which can feel functionally wider than road level cycleways. Footpath level cycleways can be easier for people to navigate including people stepping out of cars or putting out bins. An example is Livingstone Road in Marrickville which faced similar design constraints
- if proceeding with a road level cycleway consider an interrupted median that aligns with the front and rear of parked vehicles so that car passengers are stepping onto flat ground
- consider providing a continuous protected cycleway through roundabouts or alternatively consider replacing roundabouts with stop controlled cross junctions to address roundabout conflict
- Council's proposal for a High Pedestrian Activity Area (HPAA) will support the project by encouraging safe driver behaviour and improving rider access

- improving Disability Discrimination Act (DDA) compliance for this project would be an added benefit for the community.

Council's project team considered the feedback and revised designs to raise the cycleway to footpath level, providing vertical separation between bikes and vehicles and removing the possible trip hazard. This locates the cycleway as an extension of the footpath area, with parked cars located along the new kerb which removes the need for raised separators. Trees in the nature strip would then remain to separate the existing footpath and the new cycleway.

A footpath level cycleway design provides more useable and effective width of the cycleway. This design change also assists with addressing the concerns raised by the community during consultation including concerns from residents around navigating driveways and the placement of bins for collection as driveways will be extended to the new kerb alignment.

The sections of shared path near the Harbord Literary institute have been removed from the design allowing the cycleway on Oliver Street to progress all the way through to the intersection with Lawrence Street.

Short sections of shared user paths are proposed at existing roundabouts and locations close to raised pedestrian crossing. Re-building the roundabouts is outside the current scope of this project, however there is provision of priority crossings at each intersection along the route.

Staff will consider the suggestion for stop controlled cross junctions as part of the High Pedestrian Activity Area project subject to further investigations.

Finally, a design change has been made to add tactile ground surface indicators to ensure DDA (Disability Discrimination Act) compliance.

Independent Safety by Design Review – Urbis

Urbis were commissioned to undertake an independent safety by design assessment of the project with an aim to provide a holistic assessment of the road safety outcomes achieved by the project when compared to what exists on the ground today. A peer-review of this assessment was undertaken by Safe System Solutions.

A number of recommendations were identified to further enhance the road safety and user experience outcomes of the streetscape upgrade. A full overview of recommendations can be found in the report attached (Attachment 2).

- Provision of additional traffic calming and pavement markings on Park Street to reduce motor vehicle speeds, ensuring users of the separated cycleway facility have direct and safe access to Curl Curl Lagoon off road path.
- Minor changes to cycleway and kerb line alignments, particularly relating to kerb build-outs and shared user crossings.
- It was noted that Council's desired design speed for Oliver Street and Bennett Street is 40km/h. This is considered appropriate along the length of the corridor to improve safety for all users, particularly vulnerable road users.
- A major design change considered during the review is the potential for provision of a raised cycleway at footpath level. This addresses a number of design comments including providing a wider effective cycleway by removing kerb, drainage grates or crossover elements and reducing the likelihood of accumulation of debris and leaves along the cycleway. Implementation of a footpath level cycleway would remove the road safety benefit arising from raising the cycleway near bus stops or pedestrian crossing points to reduce bike rider speeds. It would also place cyclists and pedestrians in closer proximity without grades separation, potentially leading to increased risk of pedestrian and bike rider conflict. It was noted this is still a better outcome for pedestrians and bike riders than a shared path.
- While the report does state a preference for retaining the cycleway at road level, the compromises for this road in this location, including lane width, leads to the raised cycleway being a preferred overall solution.

Arcadis Technical Review

Council commissioned Arcadis to complete a Technical Review as Road Space Reallocation experts to review the design, overall feasibility of the scheme and identify opportunities to improve overall project outcomes.

This review concluded:

The assessed design is an appropriate solution for the corridor, responding to the local context and providing a safer road environment for all road users.

The technical review found that the design generally complies with current standards and guidelines with three exceptions leading to recommendations for:

- clear delineation for cyclists and/or pedestrians in shared path areas to reduce chances of conflict in these locations
- improve buffer between the cycleway path and parked vehicles to reduce car door encroachment into the cycleway path
- warning tactile ground surface indicators to support disability design compliance.

Further alterations recommended to address critical design challenges

- Provide gaps in the cycleway path separators to allow cyclists to depart/join the cycleway path.
- Clearly demarcate transition areas between shared areas and the cycleway path.

Further recommendations for Council to consider can be reviewed in the attached report (Attachment 3) noting all have been addressed below.

Design improvements implemented based on recommendations:

The Project team undertook the original revised design work based on the feedback from Transport for NSW. Further design refinements were made as a result of the recommendations to enhance road safety outcomes (Urbis), to ensure compliance with current standards and guidelines (Arcadis) and to address critical design challenges (Arcadis). The revised design (Attachment 1) has been reviewed by TfNSW as an independent check of the changes to the previous design. The redesign includes the following:

- The cycleway has been raised to footpath level with kerb moved to separate parked cars from the cycleway path. The parking lane width (2.1m) which is consistent with current state and the travel lane width is now also consistent with the current state at 3.1m wide.
 - Addresses feedback from TfNSW to improve rider safety and amenity by improving the functional width of the cycleway. This design can be easier for people to navigate including people stepping out of cars or putting bins out for collection. This design effectively extends driveways, reducing confusion for residents navigating their driveways.
 - Addresses feedback from TfNSW and Arcadis to consider providing gaps in raised separators to reduce trip hazard risk as the median separator will no longer be required.
 - Addresses feedback from Arcadis to improve buffer between the cycleway path and parked vehicles to reduce car door encroachment into the cycleway as the kerb and gutter will provide buffer space.
 - Provides a wider effective cycleway by removing kerb, drainage grates or crossover elements and reducing the likelihood of accumulation of debris and leaves along the cycleway (addresses feedback from Urbis).

- Staff note Urbis's considerations that a footpath level cycleway provides less vertical separation between the footpath and the cycleway and removes the benefit of raising the cycleway near bus stops and pedestrian crossing points to reduce bike rider speeds. Additional rumble strips and line marking in approach to crossings to slow bikes down will be further considered. The design retains the nature strip and existing trees which provide a buffer between the cycleway and the pedestrian footpath.
- Improved signage and line marking with pavement decals have been included in the designs to clearly demarcate transition areas between shared areas and the cycleway including on approaches to intersections and along the school frontage (Addresses feedback from Arcadis & Urbis).
- Shared path areas have been removed including in front of Harbord Public School and in front of the Harbord Literary Institute (near intersection of Oliver Street and Lawrence street) with designs amended to have a separate walking and bike riding facility. Shared areas along the route are only used at some intersections where there are space constraints. Appropriate signage and linemarking have been included at these locations. (Addresses feedback from Transport for NSW).
 - This addresses feedback to provide a consistent corridor cross-section by providing a raised, separated cycleway path alongside the school. (Addresses feedback from Arcadis)
- Warning tactile ground surface indicators have been added to the design to support compliance with Disability Discrimination Act (DDA) requirements. (Addresses feedback from Transport for NSW and Arcadis).
- Pavement markings and cycleway symbols have been added to the design for Park Street to formalise it as a full 20km/h quietway. Recommendations for kerb blisters and marking of travel and parking lanes are not proposed due to funding constraints (Addresses feedback from Urbis).
- Staff have reviewed the on street parking along the proposed route and based on the previous assessment where a total of 28 parking spaces were to be removed. The updated design has attempted to minimise additional parking loss in response to the review, with a further parking loss of two parking spaces being required. However, the bus stop removal at 83 Oliver Street results in 3 parking spaces being returned to the community and as such the revised design now only removes 27 parking spaces.
- Minor changes to cycleway and kerbline alignments, particularly relating to kerb build-outs and shared user crossings (Addresses feedback from Urbis).
 - Kerb build-out on the western side of northern leg of Oliver Street and Wyndora Avenue roundabout to reduce crossing distance (Addresses feedback from Urbis)
 - Extended the zebra line marking to the footpath to ensure bike riders give way to pedestrians at the crossing across Oliver Street South of Johnson Street (Addresses feedback from Urbis).
 - One on-street car space has been removed on the western side of Oliver Street to the South of Soldiers Avenue to improve sight distance to crossing pedestrians (Addresses feedback from Urbis).

Other considerations in response to 'nice to have' feedback

- Council will consider recommendations for modal filters as part of any future High Pedestrian Activity Area proposal. (Addresses feedback from Urbis).
- Kerb build-outs at Soldiers Avenue intersection are not possible due to our need to accommodate turning paths for articulated busses. (Addresses feedback from Urbis).
- Parking bays have been marked out in the design (Addresses feedback from Arcadis).

- Providing a diversion (E.g. bend in the cycleway) ahead of each pedestrian crossing to slow bikes is not possible in some locations due to space constraints. (Addresses feedback from Arcadis). Rumble strips and pavement markers have been added to the designs to assist with slowing bikes at pedestrian crossing points.
- The inconsistent approach to bus stops along the route is intentional to trial in-lane bus stopping to balance impacts on vehicle movement. Along the route bus stops are either in-lane or school only bus stops. The design does not provided in-lane stopping for school only bus stops due to lower bus volumes. (Addresses feedback from Arcadis).
- Removing areas of shared paths at some intersections would require re-adjustment of the roundabout positioning. This would require reconstruction of the roundabout which is out of scope for this project. (Addresses feedback from Arcadis).
- Council is unable to provide a consistent approach to roundabouts by providing additional space to allow a smooth transition for cyclists due to space constraints (Addresses feedback from Arcadis).
- Introduce bike parking or planting to kerb outstands – Unfortunately there is not enough space for bike parking and planting has been removed from the design in some of these locations due to advice from council’s operational maintenance teams. (Addresses feedback from Arcadis).

CONSULTATION

Community consultation on the previous design was exhibited for 5 weeks from 6 November to 10 December 2023. The community engagement process was planned, implemented and reported in accordance with Council’s *Community Engagement Strategy 2022*. The level of impact of the project was identified as Level 2 (High-Local). The engagement approach was designed to ensure the engagement opportunities were appropriate and responsive to the high level of community interest in the proposal.

The community engagement approach aimed to provide accessible information to promote meaningful community and stakeholder’s participation, identify community concerns, understand local knowledge and values, and facilitate the involvement of those affected by or interested in a project. Engagement tools and communication channels were used to promote community participation. These included public drop-in meetings, face to face, phone and online meetings with individual community members; resident block meetings; regular electronic direct mail (EDM) updates; Social media posts; on-site signage along the project route; Have Your Say website project page; detailed and accessible proposed designs, maps of proposed bike connections, school walking maps and parking adjustments; before and after artists impressions; previous consultation reports, links to Council reports and minutes from the Local Traffic Committee meetings and the Frequently asked questions (FAQ) section was regularly updated.

High-level findings from the 758 submissions (across all feedback channels) show 394 of respondents supported the exhibited design, 196 provided feedback indicating they either did not support the design and/or felt improvements could be made to it, 143 of respondents had mixed views (for example, some expressed they supported the need for the proposal while also suggesting changes/improvements) while the remaining 25 of respondents were unclear about their view of the design. This indicates there is support for the revised design being implemented with some changes or improvements. During the consultation a petition containing a significant number of signatures was received objecting to the project and this was distributed to Councillors as per the standard Council petition process.

More detail on community engagement findings including an independent community engagement report can be found in the report to Council 30 April 2024 Item 13.4.

TIMING

As this project is not fully funded, timing of the delivery of the entire project will be subject to finalising the additional funding required for the works, with the project currently planned to be delivered in stages. The works would aim to be delivered around the school holiday periods as much as possible to allow the works near Harbord Public School to proceed without impacting safety and to minimise disruption at this location for the school community.

FINANCIAL CONSIDERATIONS

The revised design recommended in this report results in a reasonably significant change to the project costs. As a result, the ability to deliver the entirety of the project is not feasible within the existing NSW State Government Federal Stimulus Safer Schools Program grant. As such, it is proposed to progress the project in stages and to seek additional funding for the works that is currently unfunded.

GOVERNANCE AND RISK CONSIDERATIONS

The recommendation supports the effective delivery of Council's adopted Move Northern Beaches Transport Strategy 2038 and the directions relating to the Northern Beaches Bike Plan 2020 by making safer for people walking and riding bikes.

This strategy and plan are in line with the NSW Government plans and vision for a 30-minute city. This includes publications such as the NSW Long Term Transport Master Plan 2012, Sydney's Cycling Future 2013, Future Transport Strategy 2056, and the Greater Sydney Commission's North District Plan which all view safe walking and cycling as an important mode of transport to support Sydney's long-term growth.

The technical reviews undertaken by Transport for NSW, Urbis and Arcadis were undertaken to identify risks and improve safety. The three reviews found that overall, the proposed cycleway and streetscape upgrades result in a net positive outcome for road users and an overall improvement of existing conditions. Recommendations for further enhancements have been considered and addressed in this report, noting that the normal steps required in the delivery stage of projects, including planning reviews and approvals, will still need to be completed.

ENVIRONMENTAL CONSIDERATIONS

This project has the potential to help reduce vehicle emissions by providing alternative travel options including walking and bike riding in the area. The recommendation to proceed with a separated cycleway design will support the retention of mature trees along the route with additional garden elements added along the route where possible.

SOCIAL CONSIDERATIONS

The recommendations in this report will have positive social outcomes for the community through provision of calmer streets, promotion of walking and bike riding and improved landscaping design which will create a sense of pride. It is envisaged that the project will encourage children to walk and or bike ride independently to school. Typically, projects of this nature improve the social connection of residents as they can use the public space, in this case promoting walking and riding to school which increases social interactions.

LINK TO STRATEGY

This project relates to MOVE – Northern Beaches Transport Strategy:

- **Theme 1 – Accessible and liveable Places**
 - Action 1. Create and enhance 'Places for People' that are integrated with public transport, creating vibrant, connected places with wide footpaths, safe cycling options and where the car is not the first option.

• **Theme 2 – Active Travel**

- Action 1. Prioritise smart, active travel network improvements (through technology, end of trip facilities, and way-finding signage). Expand footpath and shared path networks to improve connectivity and safety, making walking and cycling attractive alternatives to the car.
- Action 2. Deliver safe, active travel across all modes of transport for school aged children and young people.
- Action 3. Provide a safe environment, both on and off-road for all users and end of trip facilities to make it a realistic option for commuting.
- Action 4. Expand cycle network to reduce conflict between road users.

This project contains deliverable elements of *the Northern Beaches Walking Plan* and *Northern Beaches Bike Plan* to provide safe infrastructure for vulnerable road users and improved walkability of our neighbourhoods.

The project also meets the design intent of *Northern Beaches Public Space Vision & Design Guidelines*.

This report relates to the Community Strategic Plan Outcomes and Goals:

- Environmental sustainability - Goal 5 Our built environment is developed in line with best practice sustainability principles.
- Transport, technology and connectivity - Goal 16 Our integrated transport networks meet the needs of our community and reduce carbon emissions.
- Transport, technology and connectivity - Goal 17 Our community can safely and efficiently travel within and beyond the Northern Beaches.
- Good governance - Goal 20 Our Council is proactive, and efficiently and effectively responds to, and delivers on, the evolving needs of the community.

Reporting team	Transport & Civil Infrastructure
TRIM file ref	2024/646258
Attachments	<ul style="list-style-type: none"> ⇒1 Revised Design - Oliver Street, Freshwater Cycleway Plan (Included In Attachments Booklet) ⇒2 Curl Curl to Freshwater - Safety By Design Review - Urbis (Included In Attachments Booklet) ⇒3 Curl Curl to Freshwater - Technical Review - road space reallocation - Arcadis (Included In Attachments Booklet)

14.0 NOTICES OF MOTION

ITEM 14.1 NOTICE OF MOTION NO 38/2024 - RESTORATION OF BUSHLAND

COUNCILLOR HRNJAK SUBMITTED THE FOLLOWING MOTION:

MOTION

That Council:

1. Notes the loss of 22ha of bushland as outlined in the State of our Region Report 2021-2024.
2. Reaffirms its commitment to protecting our tree canopy and bushland reserves.
3. Write to the relevant NSW Government Ministers requesting:
 - a. funding for the restoration or acquisition of at least 22ha of bushland on the Northern Beaches, and;
 - b. that future infrastructure and development allows for the net retention of tree canopy and bushland on the Northern Beaches.
4. Request a further report to Council with the NSW Government response including alternative options if necessary to achieve the 22ha of restoration.

BACKGROUND FROM COUNCILLOR HRNJAK

From 2021 to 2024 Council collectively lost 22ha from our bushland reserves largely through NSW Government infrastructure upgrades. For residents of the Northern Beaches, the environment is their number one priority. Reflecting this, Council's Bushland and Biodiversity Action Plan incorporated the strategic directions identified in the Protect. Create. Live. Environment and Climate Change Strategy 2040 to 'maintain' 15,584ha of bushland on the Northern Beaches. Unfortunately the 2021-2024 State of our Region Report found we had failed to meet that measure.

This motion will reaffirm our Council's position on the importance of our local environment to the State Government and ensure that future State projects retain as much bushland and canopy as possible while still delivering important infrastructure for our local community.

TRIM file ref 2024/797981

Attachments Nil

ITEM 14.2 NOTICE OF MOTION NO 39/2024 - OUTDOOR BALLOON BAN**COUNCILLOR HRNJAK SUBMITTED THE FOLLOWING MOTION:****MOTION**

That Council:

1. Note that Council's Waste Minimisation for Functions and Events Policy prohibits the sale and/or distribution of balloons at all public events and functions held on Council property and public open space.
2. Write to the Federal and NSW Environment ministers:
 - a. Outlining Northern Beaches' existing restrictions on balloons.
 - b. Requesting that State and Federal governments 'review the regulations on the sale and use of helium, especially relating to balloons; for them to educate the community on the harm of helium balloon releases; and ban on the use of gas filled balloons on government-controlled land'.

BACKGROUND FROM COUNCILLOR HRNJAK

Balloons can take years to break down. They may end up in waterways or the ocean, where they can be swallowed by marine animals. Turtles have even been found to selectively eat burst balloons because they look like jellyfish, their natural food.

Balloons, along with any ribbons or plastic disks attached, can harm animals by blocking their airways or becoming lodged in their intestines. Ribbons and strings from balloons can also become entangled around birds and other animals, making them unable to move.

Plastic ingestion by seabirds is common. Nearly half of all seabirds will eat plastic debris over their life. Studies have found that of all plastic pollution, balloons are most likely to kill seabirds.

Scientists predict that by 2050, we will have more plastic in the ocean than fish. If we want to protect our living planet for future generations, we need to act now.

Our community expects action, they don't want this problem to be left for the next generation to deal with. The State government needs to get on with this simple change.

Other states have already recognized the dangers and introduced bans on helium balloon releases. NSW is lagging behind, and inaction only exacerbates the problem.

TRIM file ref 2024/797983

Attachments Nil

ITEM 14.3 NOTICE OF MOTION NO 40/2024 - VALE PRU WAWN**COUNCILLORS KORZY AND HRNJAK SUBMITTED THE FOLLOWING MOTION:****MOTION**

That Council:

1. Acknowledge the significant contributions made by the late Pru Wawn to the Pittwater area and wider community through her work as a teacher, environmentalist and activist.
2. Express its condolences to Pru's family and friends, including her daughter Ruby and partner Scott, and the many groups of which she was a member.
3. Plant and maintain either a Spotted Gum Tree (*Corymbia maculata*) at Paradise Beach or a Swamp Mahogany (*Eucalyptus robusta*) at Clareville Beach, in Pru's honour.

BACKGROUND FROM COUNCILLORS KORZY AND HRNJAK

Tonight we recognise the contribution of Pru Wawn, one of the Northern Beaches' most committed and long standing environmental and social justice activists, who died on August 15, after a long fight with Motor Neurone Disease.

Pru was born on April 4, 1956, to Patsy and Geoff Wawn, former commodore of Royal Prince Alfred Sailing Club. She had a lifelong connection to Pittwater, growing up playing with her friends in the bush near her home in Newport. Having attended Newport Primary School and then joined the first year at Barrenjoey High School, it seemed Pru knew everyone in Pittwater!

Studying Art Education at the then Alexander Mackie College of Advanced Education (now part of the University of NSW) led her to a 38-year-long career as a high school teacher - apart from a two year sojourn in France. She was also a wonderfully expressive artist.

Pru was committed to public education and managed to combine this with activism by setting up an environment group for students at Mosman High - her last school before she retired. At protests in the city, she was always delighted and proud to run into her former students.

When her daughter Ruby followed in her footsteps to Barrenjoey High, Pru then joined the school's council-supported bushcare group, band committee and ended up as P&C president. In that role she secured funding to build an art shed, where students could practice ceramics, and initiated a community garden, which still flourishes on the school grounds.

A staunch socialist, Pru also fought unrelentingly for government action on climate change, environmental protection, and public health. She was often creative in her campaigning, having worn a koala suit at Blinking Lights corner to protest the destruction of forest for the Northern Beaches Hospital. To fight the closure of emergency and other acute services at Mona Vale Hospital, she donned nurses' garb to represent the late head of maternity there, Karen Draddy. She was extremely proud of her "MORE WIND, LESS GAS" sign that saw outings to multiple rallies and she supported the School Strikes for Climate from the beginning.

Pru was a member of Northern Beaches Greens for more than 20 years and had filled every one of our committee posts, including Convenor several times over, managed multiple election campaigns and finally stood for office herself at the 2019 federal poll in the seat of Mackellar.

Belonging to numerous other environmental and local organisations, Pru helped set up Canopy Keepers and was regenerating the Spotted Gum forest and understorey around her own home in Avalon. Her Newport childhood inspired a lifelong dedication to protecting the local bushland.

Pru was also a firm supporter of Aboriginal people and her work could be seen in her guerilla road signs, including the one reading "Bowen Bungaree Hill" at Newport on January 26 two years ago.

In 2019, she joined the Yaama Ngunna Baaka Corroboree tour to the Baaka (Darling) River with a group of likeminded city environmentalists. Organised by First Nations activist Bruce Shillingsworth, the tour witnessed how Aboriginal communities in far western NSW were coping during severe drought, including at Brewarrina, sister city to the Northern Beaches. Pru was deeply affected by what she saw and, on returning to the city, was a founding member of Water 4 Rivers - established to campaign for an end to corporate damming and pumping from rivers in southern Queensland and NSW.

Pru was diagnosed with Motor Neurone Disease two and a half years ago, after experiencing a bewildering array of symptoms for some time. Her love and support of the community was returned by her family and friends as she endured the disease and she passed away peacefully at home listening to a favourite Spotify playlist, her loved ones at her side.

Those of us who knew Pru miss her warmth, cheerful outlook, humour and friendly nature. She was incredibly generous and resourceful, at the same time very tough and immovable on a matter of principle.

To Pru's daughter Ruby, partner Scott, brother Bill and those touched by Pru's friendship, magnanimity and dedication, we extend our deepest sympathies.

Vale Pru Wawn, we miss you.

TRIM file ref	2024/799575
Attachments	Nil

15.0 QUESTIONS WITH NOTICE

**ITEM 15.1 QUESTION WITH NOTICE NO 7/2024 - SAFER NEIGHBOURHOODS
NARRABEEN TO MONA VALE - TIMELINES AND DECISION MAKING
PROCESS**

COUNCILLOR DE LUCA OAM SUBMITTED THE FOLLOWING QUESTIONS:

1. Noting that Council, in order to ensure that the Community has the opportunity to comment on the proposal, has extended the Submission period to 24 November 2024, could Council's management please outline the timeline for consideration of the Submission/proposals and the decision making process?
2. Can it please be confirmed that owners of properties in streets covered by the proposal were posted notification of it and can all those who have made Submissions please be written to by Council outlining the timeline for consideration of the proposals and the decision making process?
3. Is Council required to expend all of the State Government Grant money on the entirety of the proposals currently in the Narrabeen to Mona Vale public on Exhibition or can part of the funds be used for Ocean Street only?
4. If the current proposals for Narrabeen to Mona Vale are not approved, or only some, will the balance of the State Government Grant money be redirected to other areas in Narrabeen Ward or do the funds have to be returned to the NSW Government?

TRIM file ref	2024/799167
Attachments	Nil

**ITEM 15.2 QUESTION WITH NOTICE NO 8/2024 - PUBLIC SAFETY ISSUES -
WALTERS GORS PARK DEE WHY BEACH AND BOONDAH
RESERVE**

COUNCILLOR DE LUCA OAM SUBMITTED THE FOLLOWING QUESTIONS:

Following serious incidents at Walter Gors Park, Dee Why, Tent City - vicinity of Dee Why Beach Car Park and Boondah Reserve, Narrabeen:

1. Will Council introduce CCTV at these locations?
2. What is Council doing to improve safety and protect the community in these hot spots?

TRIM file ref 2024/799308

Attachments Nil

ITEM 15.3 QUESTION WITH NOTICE NO 9/2024 - PUBLIC SAFETY - INCIDENTS AT MANLY WHARF AND NORTH NARRABEEN BEACH - 2ND TO 3RD NOVEMBER 2024

COUNCILLOR DE LUCA OAM SUBMITTED THE FOLLOWING QUESTION:

In view of the public safety incidents over the weekend at Manly Wharf and North Narrabeen Beach and what occurred on Australia Day at Manly Wharf, what action has or will Council undertake with NSW Police to ensure the safety of our community?

TRIM file ref 2024/799429

Attachments Nil

17.0 MATTERS PROPOSED TO TAKE PLACE IN CLOSED SESSION

RECOMMENDATION

That:

1. In accordance with the requirements of section 10A of the *Local Government Act 1993* as addressed below, Council resolve to close the meeting to the public to consider and discuss:

- A. Item 17.1 Direct Service Delivery on the basis that it involves the receipt and discussion of personnel matters concerning particular individuals (other than councillors) [10A(2)(a) *Local Government Act 1993*].
- B. Item 17.2 Audit, Risk and Improvement Committee - Recruitment on the basis that it involves the receipt and discussion of personnel matters concerning particular individuals (other than councillors) [10A(2)(a) *Local Government Act 1993*].

This report discusses/provides advice concerning personnel matters.

- C. Item 17.3 RFT 2024/088 - Design and Construct Newport Beach to Bilgola Beach Coast Walk on the basis that it involves the receipt and discussion of commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it [10A(2)(d(i)) *Local Government Act 1993*].

This report discusses/provides advice concerning commercial tenders. On balance, the public interest in preserving the confidentiality of the information about the matter outweighs the public interest in maintaining openness and transparency in Council decision-making because the disclosure of this information would result in the release of commercial in confidence information.

- D. Item 17.4 RFT 2024/061 - Lease of Bilgola Beach Cafe on the basis that it involves the receipt and discussion of commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it [10A(2)(d(i)) *Local Government Act 1993*].

This report discusses/provides advice concerning commercial tenders. On balance, the public interest in preserving the confidentiality of the information about the matter outweighs the public interest in maintaining openness and transparency in Council decision-making because the disclosure of this information would result in the release of commercial in confidence information.

2. The resolutions passed by Council in closed session be made public after the conclusion of the closed session and such resolutions be recorded in the minutes of the Council meeting.
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18.0 REPORT OF RESOLUTIONS PASSED IN CLOSED SESSION

In accordance with Part 15 of the Code of Meeting Practice, resolutions passed during a meeting, or a part of a meeting, that is closed to the public must be made public by the chairperson as soon as practicable. The resolution must be recorded in the publicly available minutes of the meeting.
