

Fit for ~~our~~ the Future

JOINT SUBMISSION

City of Ryde

Hunter's Hill Council

Lane Cove Council

 City of Ryde



30 June 2015

FIT FOR OUR FUTURE - Joint Submission

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Attachment B - Professor Brian Dollery Compulsion Versus a Collaborative Regional Approach: An Empirical Analysis of Forced Amalgamation versus a Regional and Shared Services Approach May 2015

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Evidence supporting a Superior Proposal - A Joint Regional Authority

Attachment D - SGS Economics and Planning Northern Sydney Joint Organisation Business Case. May 2015

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Mayoral forewords



Clearly, Local Government must be an equal partner with the NSW Government in efforts to promote and grow Sydney as one of the world's leading cities. We believe the proposed collaborative model of a Joint Regional Authority is the progressive and superior option that will position the Northern Sydney region to play a critical role in the Sydney of the future.

Clr David Brooks-Horn - Lane Cove Mayor, Clr Richard Quinn - Hunter's Hill Mayor, and Clr Bill Pickering - City of Ryde Mayor.

Mayoral forewords

In 2014, the NSW Government announced a major local government reform initiative – Fit for the Future – that would significantly impact the way the Hunter’s Hill, Lane Cove and City of Ryde Councils operate.

Fit for the Future recommends reducing 41 Sydney metropolitan councils into 18 mega-councils through voluntary mergers or amalgamations.

In May 2015, following an extensive process of community consultation, residents within our three participating Councils overwhelmingly rejected the NSW Government’s amalgamation proposal. In fact, 70% of residents believe our region will not be better off under the auspice of a mega-council.

And we could not agree more!

In our considered view, the disruption and the opportunity cost of amalgamations to our communities far outweigh any potential benefits. Residents will suffer a dramatic reduction in local representation, and the quality and quantity of local government services – crucial services like child care, disability support, libraries, sporting and recreational facilities – will also be cut.

Under a mega-council the very essence of local government, namely our close connection with and responsiveness to our community, is lost.

By contrast, more than 80% of our residents are open to the exploration of a Joint Regional Authority between our three Councils: a collaborative model that will centralise key functions across the three council areas, including subregional planning, procurement, infrastructure delivery and other services where economies of scale exist.

Under this option, each Council and its community retains their unique local identity and, most importantly, the City of Ryde is not split.

Our Joint Regional Authority model is unique. We’ve developed it in a way that allows its expansion or application across other metropolitan councils. Further, our Councils offer to pilot a Joint Regional Authority, so that we can test this innovative solution on behalf of metropolitan Sydney.

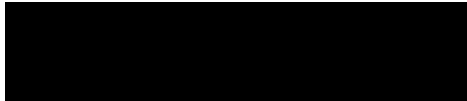
This document outlines the significant body of independent analysis, research and evidence by industry experts that validates our proposal and confirms that amalgamations do not work.

SGS Economics & Planning found the following:

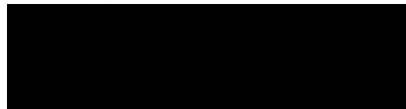
The analysis demonstrates that the Joint [Regional Authority] represents a customised approach to achieving scale and capacity and, given the disruption and costs associated with amalgamations, offers net benefits that amalgamations are unlikely to be able to match.

As elected leaders of our Councils we are convinced that the Joint Regional Authority will realise and harness strategic capacity potential for the region, in partnership with the NSW Government. We can achieve this while maintaining our individuality, local representation and proud heritage.

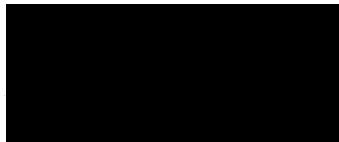
Clearly, Local Government must be an equal partner with the NSW Government in efforts to promote and grow Sydney as one of the world’s leading cities. We believe the proposed collaborative model of a Joint Regional Authority is the progressive and superior option that will position the Northern Sydney region to play a critical role in the Sydney of the future.



Clr David Brooks-Horn
- Lane Cove Mayor



Clr Richard Quinn
- Hunter’s Hill Mayor,



and Clr Bill Pickering
- City of Ryde Mayor.

Executive summary

City of Ryde, Hunter's Hill and Lane Cove:

- ✓ Have existing scale and capacity to stand alone
- ✓ Present a superior alternative: a Joint Regional Authority (JRA)
- ✓ Delegate subregional planning powers to the JRA
- ✓ Invite the NSW Government to participate in a pilot for the metropolitan JRA
- ✓ Based on independent evidence, reject the ILGRP's preferred options.

Executive summary

The City of Ryde, Hunter's Hill and Lane Cove Councils, in accord with our communities, believe local government is the government of communities and places, giving expression to people's aspirations for their neighbourhoods and town centres.

Our Councils have proven scale and capacity to deliver our well-established visions for our communities, to engage effectively with our business communities and, importantly, to work in partnership with all tiers of government.

Our Councils have jointly and separately assessed the Independent Local Government Review Panel's (ILGRP) report *Revitalising Local Government*. This report proposes that our Councils merge with Mosman, North Sydney and Willoughby, with one-third of the City of Ryde amalgamating with a larger Parramatta Council.

We reject these proposals with the strong support of our communities, and base this rejection on:

- empirical research
- extensive community engagement
- our considered view that mergers are an inelegant response to the sophisticated and multifaceted challenge of sustaining Sydney's global competitiveness.

The ILGRP's proposals will be detrimental for our communities:

- They have significant establishment costs
- They will reduce local representation
- They will undermine the effective delivery of current and future services
- They will significantly impede our momentum and restrain our ability to deliver optimum regional outcomes.

We do not accept that forced mergers are appropriate, but agree that a sophisticated strategic regional approach is critical to Sydney's future. It is for this reason that we propose a regional collaboration model that centralises subregional-scale planning and development functions, with a secondary focus on regional procurement and shared services.

We believe this proposal is a superior approach that will enhance the local government sector.

Our Councils are willing to participate in a pilot to test the JRA model, with Office of Local Government oversight. This will help to shape the JRA model and will ease the path towards the best allocation of functions to minimise duplication of services.

We have embodied this proposal in a Joint Regional Authority (JRA) model. The JRA model is a fit for purpose response, heralding a more integrated and functional regional approach to intergovernmental relationships, strategic decision making, service delivery and advocacy. It can be readily adapted for implementation anywhere in Metropolitan Sydney.

This approach fulfils the NSW Government's objectives to optimise regional infrastructure and strategic planning outcomes. It is built on the Joint Organisation model contemplated by the NSW Government and recommended by the ILGRP. It provides all the benefits of increased scale without the expensive and disruptive impacts of large-scale mergers.

Our Councils have signed a Memorandum of Understanding that indicates serious intent and willingness to collaborate and partner with the NSW Government to establish a successful JRA as a credible and progressive next step in the local government reform agenda.

Why we reject the ILGRP proposal

We have scale and capacity

This submission demonstrates that our Councils each have proven scale and capacity. It demonstrates that the ILGRP's assertions of economies of scale based on population size are illusory and have the potential to yield over-scaled councils that are too large to efficiently provide local services and engage effectively with their communities.

We meet the benchmarks

This submission presents evidence that our Councils currently meet or will meet the Fit for the Future benchmarks within the prescribed timeframe and beyond. It demonstrates the work and planning that each Council has undertaken to ensure long-term sustainability.

This submission errs on the side of caution and does not incorporate improvements (such as shared services) that would flow from the JRA model into the calculations that measure our performance against the benchmarks. We know, therefore, that subsequent improvements from the JRA will further enhance our fitness for the future in terms of financial performance.

Our communities support our proposal

This submission presents evidence of strong community support for:

- rejecting the ILGRP's proposal
- retaining each Council's identity
- exploring the JRA model.

Unlike Hornsby and Parramatta, we have not put forward any options whether the JRA, merger or boundary adjustment without first consulting with our communities.

The ILGRP proposal does not enhance scale and capacity

Empirical research shows that merger implementation patterns typically include, at minimum, a three-year embedding period that focuses on internal structure, operational alignment and day-to-day service delivery. This is followed by a period of system/process alignment; alignment of strategic plans; understanding the community's aspirations; and developing a single vision.

This implementation period could take between five to ten years in which there is virtually no focus on building and advancing a progressive strategic agenda for the merged entity. In a growing centre like Macquarie Park, for example, where the City of Ryde is continuing to champion its development, this strategic momentum would be lost – we do not wish to go down the path of Parramatta where achievement of a second CBD has stalled due to a lack of any coordinated State and local government strategic vision and a lacklustre level of business and investment confidence. The opportunity cost of shifting focus and resources away from a strategic view of operations and community building, is significant.

Furthermore, this submission shows that the efficiency of each Council suggested to merge with our Councils would reduce.

A JRA is a superior option

This submission presents a sound argument and business case that demonstrates the JRA of our three Councils is an economically viable, low cost and customised solution. It will enhance our strategic capacity and will be consistent with international best practice that uses strategic cross sectoral and intergovernmental collaboration to enable economic and social development and solve complex problems.

The JRA will be invested with a mandated collective authority to deliver subregional-scale planning and shared service functions on our behalf. It will function along the lines of the proposed Joint Organisations rather than voluntary Regional Organisations of Councils. The JRA could be further enhanced if more councils participate across Northern Sydney – an option our model allows for.

Our proposed JRA will have similar powers of a County Council, be governed by a Board of elected representatives and be serviced by an Executive Officer, with staff from member Councils, particularly those with subregional strategic and infrastructure planning expertise. The JRA will include a shared services function focused on delivering services where there are demonstrable economies of scale, including joint procurement services.

A JRA can be piloted

The JRA model would create a precedent. We propose a pilot to develop and get best value from the model and welcome the NSW Government's involvement to assist in the JRA's establishment and performance monitoring, and invite the Office of Local Government to work closely with the JRA Board.

The scale and scope of the JRA

The JRA will strengthen the economic competitiveness of the region and contribute to the nationally-significant productivity of Sydney's Global Economic Corridor and the metropolitan area as a whole.

The JRA will be a powerful, consultative and influential Authority, able to engage as an equal partner with other tiers of government and the Greater Sydney Commission.

The JRA will harness the growth potential and leverage the scale of investment arising from:

Macquarie Park,
Sydney's second largest
CBD and the fastest growing
centre in NSW with a
**growth rate of
6.8% in 2013**

\$802 million
in building approvals
in 2013 alone, the
fourth largest
in the Metropolitan area,
behind the City of Sydney,
Blacktown and Parramatta

\$106 million
in Voluntary Planning
Agreements over the last
four years and
\$56 million
in the pipeline

Major
population
growth
with the City of Ryde and
Lane Cove delivering
41% and 36%
growth respectively, the
highest growth rates north
of the Parramatta River

a major transit
orientated
development
in the heart of the revitalised
St Leonards that will
deliver 5,000
apartments

a combined population base of
216,000
people by 2031 - representing
8% of Sydney's
population.

About this submission

This submission articulates the reasons why the City of Ryde, Hunter's Hill and Lane Cove Councils reject the ILGRP's proposals and details the benefits of our proposed JRA.

In making these points, this submission begins with an introductory chapter that details background, subregional context, our collective decision making and the process to date.

The submission then dedicates a chapter to our proposed JRA model, in which we detail the many substantiated reasons to reject the ILGRP's proposals, before detailing the case for the JRA.

Our submission then covers the completed Template 2, as requested by the NSW Government in response to the Fit for the Future reforms, for each of our Councils.

Introduction



Introduction

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Introduction

This submission is developed by the City of Ryde, Hunter's Hill and Lane Cove Councils. It details our response to the Independent Local Government Review Panel's (ILGRP) proposals for the future of local government in metropolitan Sydney and addresses the NSW Government's Fit for the Future criteria.

The submission rejects the ILGRP's proposals, instead proposing a strong Joint Regional Authority (JRA).

1.1 Background

The NSW Government released its response to the recommendations of the ILGRP and the Local Government Act Taskforce in September 2014. This response was packaged under the banner of 'Fit for the Future'.

Under Fit for the Future, the majority of metropolitan councils are recommended for merger to create eight 'super' councils alongside 10 unchanged councils in a metropolitan region of 18 councils, representing a net reduction of 23 councils.

In response, NSW Councils have undertaken a self-assessment and prepared a road map to become 'Fit for the Future'. This document acts as the submission of the City of Ryde, Hunter's Hill and Lane Cove Councils.

Implicit in the ILGRP report is that merged councils be assessed as being 'fit' to operate in accordance with the needs of their stakeholders in the future. Merged councils will receive various forms of NSW Government assistance to achieve the merger and enhance capacity.

The Independent Pricing and Review Tribunal (IPART) was appointed by the NSW Government to perform the role of Expert Advisory Panel to assess whether Council proposals meet the Fit for the Future criteria. IPART published a Methodology for Assessment of Council Fit for the Future Proposals for public comment from 27 April to 25 May 2015. The final Assessment Methodology was released on 5 June 2015.

IPART will assess Council submissions in two parts: assessment against the Scale and Capacity Criteria and assessment of each Council's performance against the seven financial benchmarks. IPART has indicated that a Council does not meet the Scale and Capacity criteria if it does not submit the same proposal as preferred by the ILGRP, unless it presents a sound argument for 'no structural change' which clearly demonstrates why the option proposed by the Council is at least as good as or better than the merger option.

Table 1: Key elements of strategic capacity**Key elements of strategic capacity (ILGRP)**

1. More robust revenue base and increased discretionary spending
2. Scope to undertake new functions and major projects
3. Ability to employ wider range of skilled staff
4. Knowledge, creativity and innovation
5. Advanced skills in strategic planning and policy development
6. Effective regional collaboration
7. Credibility for more effective advocacy
8. Capable partner for State and Federal agencies
9. Resources to cope with complex and unexpected change
10. High quality political and managerial leadership.

1.2 Subregional context**Strategic characteristics**

The Global Economic Corridor extends from Macquarie Park in the City of Ryde, through the Sydney CBD and to Sydney Airport. It is a key concentration of jobs and economic activity in Sydney and influences each of our Councils.

In Sydney's north, the Global Economic Corridor focuses on:

- North Sydney – as the northern extension of the Global Sydney CBD
- St Leonards – a Strategic Centre with a health, commercial and residential focus
- Chatswood – a mixed-use Major Centre and cultural hub serving the lower North Shore axis of the Global Economic Corridor
- Macquarie Park – a strong, growing commercial technology and educational centre serving the North Ryde axis of the Global Economic Corridor.

The NSW Government's 2014 *A Plan for Growing Sydney* aims to grow high-skilled jobs, improve transport bottlenecks to strengthen economic activity in the corridor and invest in strategic centres to grow jobs and housing and create vibrant hubs of activity. Actions arising from the Plan in our area include:

- working with Council to retain a commercial core in Macquarie park for long-term employment growth
- focusing housing on urban activation precincts at Herring Road and Delhi Road in Macquarie Park as well as promoting housing growth in accessible centres
- creating a Sydney Metro Northwest interchange at Chatswood and planned rail capacity improvements via a second rail harbour crossing (Sydney Rapid Transit)
- investigating light rail links between Macquarie Park and Parramatta
- supporting medical and education hubs associated with Macquarie University and Macquarie University Private Hospital
- retaining a commercial core in St Leonards for long-term employment growth with capacity for additional mixed-use development including offices, health, retail, services and housing
- investigating potential future employment and housing opportunities associated with a Sydney Rapid Transit train station at St Leonards/Crows Nest.

Subregional groupings of Councils

A Plan for Growing Sydney includes all 11 councils north of the harbour and east of The Hills within a single North Subregion, whereas the ILGRP recognised three groupings:

- 'Lower North Shore' including six councils between Ryde and Mosman
- 'Northern Beaches' including Manly, Warringah and Pittwater
- 'Upper North Shore' including Ku-ring-gai and Hornsby.

The ILGRP also identified the western part of the City of Ryde in a grouping of three other councils focused on Parramatta. It argued that there is a close functional interaction between these councils and a need for unified local government to develop Parramatta as a second CBD. It further recognised that *A Plan for Growing Sydney* set an ambition to extend the Global Economic Corridor to Parramatta, Norwest and Sydney Olympic Park, and argued that incorporating the City of Ryde would strengthen this expansion and improve the socio-economic mix.

The ILGRP reasoning for merging the remaining eastern two-thirds of Ryde, Hunter's Hill and Lane Cove with Mosman, North Sydney, Willoughby is:

close functional interaction and economic/social links between these councils, the need for integrated strategic planning for Lower North Shore, development of major centres and management of Sydney Harbour foreshores.

1.3 Our response to the proposals

Our Councils have made identical resolutions to:

- reject the ILGRP's proposals
- complete the Fit for the Future Template 2 to demonstrate how we can address the criteria on a standalone basis
- form a JRA that will provide a superior option to the ILGRP's proposals
- sign a Memorandum of Understanding formalising our intent to collaborate and to work in partnership with the NSW Government.

In addition, the City of Ryde rejected the ILGRP's proposal to divide the local government area and place its western third within another merged council focused on Parramatta.

“

[The JRA] will compel the planning and design of local infrastructure to take account of the needs of a whole subregion and not just the concerns of a few neighbourhoods [and will] enable local government to understand and meaningfully interact with state and federal governments on subregional issues rather than purely local matters.

”

PERCY ALLAN, 2015

1.4 Our process

This submission presents a business case supported by strong research and evidence that demonstrates:

- the dis-benefits of the ILGRP's proposal, further reinforced by a broader analysis of the effectiveness of mergers in general undertaken by Professor Brian Dollery
- why our response is fit for the future and superior to the ILGRP's proposal in meeting the ILGRP's 10 elements of strategic capacity
- how the JRA will further enhance the scale and capacity of our Councils
- how options for shared services under a JRA deliver a superior result
- the strong community support for our Councils to stand alone and pursue their investigations into a JRA.

1.5 Our community engagement

Our Councils have extensively informed, consulted with and received feedback from our communities on Fit for the Future since 2013 by:

- holding Council meetings, councillor workshops and distributing relevant reports
- commissioning and exhibiting research on:
 - o the performance of each Council against Fit for the Future benchmarks
 - o the potential performance of the ILGRP's proposals
 - o empirical analysis of the performance of mergers across Australia
 - o a business case for a potential JRA
 - o the potential for a regional shared service centre
- delivering community information and awareness campaigns, including brochures and online papers
- holding community forums, workshops and public meetings
- conducting deliberative polling via telephone surveys and online community polls.

1.6 Critical steps

After Fit for the Future was announced in September 2014, the Councils within northern Sydney met to discuss each Council's position and options for response.

The key joint actions taken by these Councils, in particular Hunter's Hill, Lane Cove and City of Ryde, are listed below.

1)

30 October 2014: City of Ryde hosts Mayors, Councillors and senior staff from Hunter's Hill, Willoughby, Mosman, North Sydney, Lane Cove and Ku-ring-gai Councils.

Outcome: Undertake initial research on ILGRP proposals and alternate structures.

2)

12 November 2014: Lane Cove hosts Hunter's Hill, Ryde, Willoughby, Mosman, North Sydney, Lane Cove and Ku-ring-gai Councils to discuss a shared services model and joint organisation model.

Outcome: Mayors to consult with Councillors as to their preferred strategic direction and each Council submit their Fit for the Future financial criteria to understand the base case.

3)

27 November 2014: Lane Cove hosts Hunter's Hill, Ryde, Willoughby, Mosman, North Sydney, Lane Cove and Ku-ring-gai Councils to discuss base financial information and several options/structures.

Outcome: Conduct a Councillor forum to present information on merger and options.

4)

5 February 2015: Northern Sydney Councils Symposium (Ku-ring-gai, Ryde, Willoughby, Hunter's Hill, Lane Cove, North Sydney and Mosman) held at Willoughby Council to discuss next steps and alternative options including a shared services model or joint organisation.

Outcome: Councils individually consider their position (see Table 2)

TABLE 2: Timeline of Joint Actions

Council	Resolution	Date
City of Ryde	Resolved to stand alone and to explore a modified joint organisation	17 February 2015
Hunter's Hill	Resolved to stand alone and to explore an alternate model (joint organisation or ROC)	23 February 2015
Ku-ring-gai	Resolved to stand alone however did not resolve a position on exploring a modified joint organisation	24 February 2015
Lane Cove	Resolved to stand alone and to explore a modified joint organisation	16 February 2015
Mosman	Resolved to stand alone and to not participate in an investigation of a modified Joint Organisation (regional body)	17 February 2015
North Sydney	Resolved to stand alone and to decline to participate in exploring a joint organisation	16 March 2015
Willoughby	Resolved to explore options with community and to decline to be part of exploring a modified joint organisation	9 March 2015

5)

16 February 2015: Lane Cove Council resolves to explore a joint organisation.

6)

17 February 2015: The City of Ryde resolves to explore a joint organisation.

7)

23 February 2015: Hunter's Hill Council resolves to explore a joint organisation.

8)

March 2015: City of Ryde, Hunter's Hill and Lane Cove Councils engage independent advisers to support the preparation of a JRA business case:

- **SGS Economics and Planning:**
Prepare a business case including a cost benefit analysis of a JRA with a primary focus on strategic planning.
- **Professor Percy Allan:**
Advise on shared services, legal framework of a JRA and review the JRA business case.
- **Professor Brian Dollery:**
Provide empirical research into the impact of amalgamations; impact of the ILGRP's proposals; communities of interest and collaborative models compared to amalgamations.
- **Morrison Low:**
Engaged by City of Ryde, Hunter's Hill, Lane Cove Councils as well as Mosman and Willoughby, to review the ILGRP proposals.

9)

May-June 2015: City of Ryde, Hunter's Hill and Lane Cove Councils implement a coordinated community consultation program to seek feedback on available options.

10)

25 May 2015: City of Ryde, Hunter's Hill and Lane Cove Councils lodge a joint submission to IPART *Methodology for Assessment of Council Fit for the Future Proposals: Local Government - Consultation Paper*.

11)

28 May 2015: Joint Councillors Briefing provides an update on the joint submission and JRA business case.

12)

9 June 2015: City of Ryde Council endorses joint submission.

13)

9 June 2015: Hunter's Hill Council endorses joint submission.

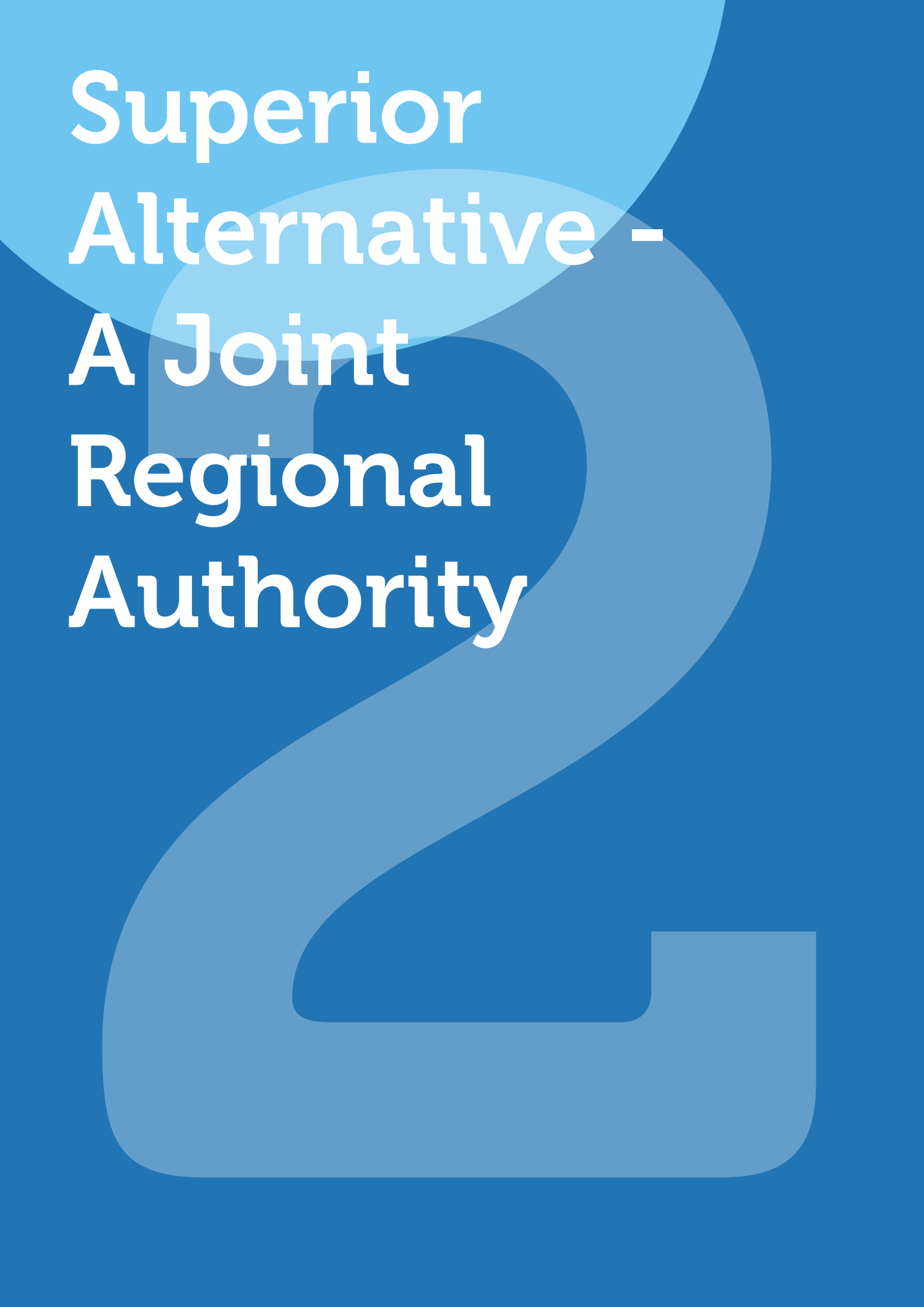
14)

15 June 2015: Lane Cove Council endorses joint submission.

1.7 Our conclusions and proposition

This extensive research, engagement and assessment process has determined a strong position against the ILGRP proposals and support for a JRA. This joint submission, therefore, confirms the following:

- **Our proposal for a strong JRA is a superior alternative to the ILGRP proposals.**
- **Our proposal demonstrates that the JRA meets the Fit for the Future scale and capacity criteria.**
- **A JRA in Metropolitan Sydney is a more viable and advantageous model than amalgamation.**
- **We support the proposition of the JRA being a pilot in Metropolitan Sydney and offer this opportunity to other northern Sydney Councils.**
- **Our Councils individually demonstrate scale and capacity. By contrast, an amalgamation that splits the City of Ryde and also includes North Sydney, Willoughby and Mosman Councils in a single merged council will not boost performance.**

The background is a solid blue color. It features several overlapping circles of different shades of blue. A large, light blue number '2' is positioned on the right side of the image, partially overlapping the text.

Superior Alternative - A Joint Regional Authority

Superior Alternative - A Joint Regional Authority

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Superior Alternative - A Joint Regional Authority

2.1 Introduction

Our Councils have long recognised and valued a regional approach to strategic planning, infrastructure delivery and advocacy, as evidenced through our significant contributions to the success of Northern Sydney Regional Organisation of Councils (NSROC). We share the NSW Government's vision for Sydney as a global city and agree that local government is a crucial partner in achieving this vision, through regional and subregional planning, strategic collaboration and meaningful intergovernmental relationships.

We do not, however, believe that mergers and amalgamations can unlock local government's strategic capacity potential nor improve regional governance. We believe there are better approaches that will be more conducive to strategic collaborations and enhanced collective action.

We have considered all available evidence and we are convinced that the disruption and the opportunity cost of amalgamations far outweigh any potential benefits:

- Mergers diminish the evolution of a highly functioning local government sector and delay significant reform for between five to ten years.
- Merger implementation patterns typically include, at a minimum, a three-year embedding period that focuses on internal structure and operational alignment and day to day service delivery, followed by a period of system/process alignment, then alignment of strategic plans, understanding the community's aspirations and developing a single vision. During this time, there is virtually no focus on building and advancing a progressive strategic agenda for the merged entity.
- The opportunity cost of shifting focus and resources from a strategic view of operations and community building is significant.

About the Joint Regional Authority

We want to avoid these issues and the significant upfront costs of mergers in our communities. We want to continue to advance our plans and take a strategic approach that has outstanding benefits for Sydney's overall competitiveness.

It is for these reasons that we propose a strategic regional collaboration model – a Joint Regional Authority (JRA) that will centralise subregional-scale planning and development functions, with a secondary focus on regional procurement and shared services. The JRA will deliver one set of regional infrastructure and subregional plan priorities, produce a regional Section 94 Plan, develop a single Local Environmental Plan (LEP), manage shared service provision and be the single point of contact for State and Federal agencies.

The scale and scope of the JRA

The JRA will strengthen the economic competitiveness of the region and contribute to the nationally-significant productivity of Sydney's Global Economic Corridor and the metropolitan area as a whole.

The JRA will be a powerful, consultative and influential Authority, able to engage as an equal partner with other tiers of government and the Greater Sydney Commission.

The JRA will harness the growth potential and leverage the scale of investment arising from:

- Macquarie Park, Sydney's second largest CBD and the fastest growing centre in NSW with a growth rate of 6.8% in 2013
- \$802 million in building approvals in 2013 alone, the fourth largest in the Metropolitan area, behind the City of Sydney, Blacktown and Parramatta;
- the \$106 million in Voluntary Planning Agreements over the last four years and \$53 million currently in the pipeline
- major population growth, with the City of Ryde and Lane Cove delivering 41% and 36% growth respectively, the highest growth rates north of the Parramatta River
- a major transit orientated development in the heart of the revitalised St Leonards that will deliver 5,000 apartments
- a combined population base of 216,000 people by 2031 - representing 8% of Sydney's population.

“The JRA proposal offers an optimal solution to the aspirations for metropolitan local government to more strongly assert itself on a subregional basis yet retain its close connection to local communities that want to maintain their identity within a subregion.”

PERCY ALLAN, 2015

Under the JRA model, each Council commits to mandatory participation (no opt-out) and the delegation or transfer (legislation permitting) of significant powers to the JRA to make binding, strategic decisions on behalf of all participating Councils.

We believe the proposed JRA is a superior and progressive alternative to the ILGRP proposals. It is a flexible and viable model of strategic collaboration that will realise and harness our strategic capacity potential. As a low-cost, customised solution, it is consistent with international best practice, where strategic cross-sectoral and intergovernmental collaboration can enable economic and social development and solve complex problems.

Importantly, the JRA also enjoys strong community support. In May 2015, independent research for our three Councils revealed overwhelming support to explore the JRA rather than agree to the ILGRP's proposals, with the proportion of the community in supporting the JRA as follows:

- City of Ryde: 81%
- Hunter's Hill: 80%
- Lane Cove: 82%¹

Furthermore, when consulted about the order of preference on the three available options, the combined result across all three councils (by Council demographic and size) show 92% of the community support the option to form a JRA as either their first or second preference. We have rigorously considered the feasibility and the workability of the proposed JRA and, with the strong support of our communities, submit it as a superior alternative to the ILGRP's proposals. We consider strategic regional collaboration, embodied in the JRA model, will:

- progress the NSW Government's aims, including aspirations for Metropolitan Sydney
- build on our strengths
- create better conditions for economic growth
- deliver a high capacity representative entity to progress our local communities' interests in metropolitan issues.

92% support the option to form a JRA as either their first or second preference.

MICROMEX DELIBERATIVE POLL, JUNE 2015

¹ Source: Micromex Telephone Survey May 2015

2.2 Rejecting the ILGRP's proposals

- Lower North Shore Councils

Our Councils have carefully considered the ILGRP proposals and reject them on the basis of extensive evidence as detailed in Section 1.4. Further, the City of Ryde categorically rejects the proposal to split the Council area which would see the western third of our community absorbed by a new entity focused on Parramatta.

This section summarises the arguments against the ILGRP's proposal.

Mergers are not an option

Professor Dollery's research (Attachment B) found:

- Empirical evidence on amalgamations falls overwhelmingly against forced amalgamation; there is little, if any, evidence that forced municipal mergers result in cost-savings.
- The weight of opinion in public inquiries suggests that the traditional Australian emphasis on council mergers is misplaced.
- An empirical analysis of the 2000-2004 NSW council amalgamations shows no difference in the performance of merged and unmerged councils using the Fit for the Future criteria.
- An empirical analysis of the 2008 Queensland amalgamations shows that most amalgamated councils now operate under diseconomies of scale.

Cost savings are illusory

Morrison Low (Attachment A) examined the implications of the ILGRP's proposal in three scenarios. The best case scenario showed that:

- Our Councils will meet the benchmarks by 2020; however, the merged entity under the ILGRP fails to meet the asset maintenance ratio.
- While the merged entity shows a downward trend in the real operating expenditure per capita, its per-capita expenditure will be higher than the per-capita expenditure of City of Ryde and Hunter's Hill, and on par with Lane Cove.
- The cost of creating the merged entity will be an estimated \$120 million in the short and medium term
- In the first three years the merged entity will accumulate deficits of \$62.2 million before starting to deliver savings
- Any potential financial benefit represents a 0.008% dividend on revenue over the period, meaning that the entity could only generate a financial benefit of \$59 million over the 10 year period to 2023 (assuming reduced staff levels, less councillors and a NSW Government grant),
- The potential benefits are heavily dependent on staff reductions if these assumptions are not realised fully (or realised over a longer time period) the entity would not produce any savings.



An analogous study of Queensland's 2008 council amalgamations showed that most amalgamated councils **now operate under diseconomies of scale (ie their benefits reduce with bigger size).**



PROFESSOR BRIAN
DOLLERY

Morrison Low found that in the best case scenario the entity could deliver \$59 in financial benefit and in the worst case scenario it could deliver a \$78 million deficit over the 10-year period.

Taking into account the research findings, combined with the risks of a loss of business and development confidence due to an uncertain investment climate and disruption to operations, as well as the risks articulated by both Professor Dollery and Morrison Low report, **we have concluded that there will be no net benefit from the merged entity and that the ILGRP proposal is an imprudent option and not in the public interest.**

Our conclusion is supported by Professor Dollery's research, which states:

An amalgamated entity ... would operate with decreasing returns to scale and an efficiency of just over 0.797. [It] would result in a significant decrease in efficiency for the Ryde and North Sydney Councils and a slight decrease in efficiency for the Lane Cove municipality.

Put differently, amalgamation would result in lower levels of efficiency for three of the councils and barely perceptual improvement for a fourth council (Hunter's Hill).

Given the high transformation costs, disruption to services, decrease in democracy, the redistribution of council liabilities and the decrease in financial sustainability which will accompany the proposed amalgamation, it is more than a little disconcerting that the proposed merger will only result in a material improvement in efficiency for two of the councils involved (Mosman and Willoughby).

No economies of scale

Clearly, the ILGRP proposal, resulting in a Council population of up to 370,000 by 2031, could deliver 'scale'. However, we do not believe that savings for most council services can be correlated with population size.

Professor Dollery's analysis showed no difference in the performance of merged and unmerged councils in previous NSW amalgamations, and his study of Queensland's 2008 council amalgamations showed the benefits of most amalgamated councils the bigger the council. In the context of delivering best value services to communities, these Councils deteriorated as they expanded.

Professor Dollery investigated the outcomes of the ILGRP proposals against two models:

- A multiple regression analysis, which proved that the ILGRP's assertion that large population sized councils deliver savings from economies of scale was false.
- A data envelopment analysis, which demonstrated most proposed Sydney amalgamations would yield over-scaled councils too large to efficiently provide local services.

There is no empirical justification for the ILGRP proposal; rather, the opposite can be shown: that the proposal would be detrimental to services and the ongoing viability of any merged entity. Indeed the follow up modelling not only questioned the likelihood of financial savings, but indicated diseconomies of scale for the longer term.

Professor Dollery further noted that the estimates for the merged entity exaggerate its financial sustainability:

- The estimates do not allow for the direct costs of the process of merging Councils which the Queensland amalgamation process in 2008 proved to involve millions of dollars.
- The estimates do not contain the additional expense that will follow on from the diseconomies of scale, as conclusively demonstrated in our empirical research
- They fail to include the inevitable higher costs from upward adjustments to harmonise service across a merged new entity.

Professor Dollery identified empirical research to demonstrate that service quality is usually raised to the level of the highest service quality among merging councils – which makes sense, as the community would not accept lower service standards. An increase in service quality will result in most services being provided at a higher unit cost (concomitant with higher unit quality).

Significant practical difficulties

Professor Dollery's investigation of the ILGRP's proposals found significant impediments in implementation including:

- challenges posed by disparities in rates, fees and charges, and capacities to pay
- problems determining democratic representation post-merger
- apportioning the burden of liabilities inherited by a newly merged council
- complications from dividing the City of Ryde
- a reduction in the four-year Commonwealth financial assistance grants post-merger
- concerns regarding information disclosure to local residents.

In addition to the practical difficulties in resolving each of these problems, the timeframe in which to address them and their potential impact on the quantum of the assumed benefits from the merger create a significant risk for long-term financial sustainability of the merged entity.

Communities of interest are not represented

Professor Dollery's investigation of the socio-economic profiles of our three Councils, North Sydney, Mosman and Willoughby Councils identified stark differences between some of the councils to the extent that a common 'community of interest' does not exist.

The area would move from representation of around one councillor per 6,000 residents, to one councillor per 20,000 by 2031 .

Local council representation reduced

The ILGRP proposal would have a population of 294,649 growing to 370,130 by 2031. It is currently represented by 61 councillors across the six LGAs. A merged council with an assumed 15 councillors would reduce local representation by around 80%. This cut would fall unevenly with Hunter's Hill and Mosman likely to be represented by only one councillor. The new merged entity would have a representation of around one councillor per 20,000 residents.

This will result in a significant loss of accessibility to elected representatives and undermine local democratic representation.

TABLE 3: Comparison of Councillor Representation

LGA	Councillors	Population/Councillor
Ryde	12	9,232
Hunters Hill	7	2,019
Lane Cove	9	3,747
Willoughby	13	5,553
North Sydney	13	5,213
Mosman	7	4,242
MERGED COUNCIL	15	20,059

Source: Morrison Low, 2015

Not all financial performance benchmarks are met

Taking into account the potential for savings and the financial performance of the merged entity, Morrison Low modelled an alternative scenario where the merged entity directed the operating surplus generated from 2019 onwards towards asset expenditure in order to meet the Fit for the Future benchmarks (see Table 4).

This shortfall in asset maintenance will be exacerbated over time as the new entity acquires new assets. This in turn will impact asset renewal and backlog performance in the long-term.

TABLE 4: Summary of merged council using Fit for the Future indicators

Benchmark	At Day one	Projected performance to 2020
Operating Performance	Does not meet the benchmark	Meets the benchmark
Own Source Revenue	Meets the benchmark	Meets the benchmark
Debt Service Cover	Meets the benchmark	Meets the benchmark
Asset Maintenance	Does not meet the benchmark	Does not meet the benchmark
Asset Renewal	Meets the benchmark	Meets the benchmark
Infrastructure Backlog	Does not meet the benchmark	Meets the benchmark
Real Operating Expenditure	Does not meet the benchmark	Meets the benchmark

Source: Morrison Low, 2015

2.2 Rejecting the ILGRP's proposals - Splitting the City of Ryde

The City of Ryde, with the backing of its community, categorically rejects the ILGRP's proposed option to split Ryde and merge the community within two mega-Councils.

City of Ryde has demonstrated strategic capacity to deliver on the vision of our community and the NSW Government's vision for Sydney. We are an equal partner in the system of government and constructively engage with the business community to provide opportunities for growth and investment.

Our robust review and analysis of the ILGRP's proposal has not found evidence of any significant benefits from any particular merger. Instead, we found significant and quantifiable data that illustrates such a merger will reduce the City's efficiency.

Our analysis of the ILGRP's stated objectives in splitting the City of Ryde found an overwhelming lack of consideration and knowledge of the impacts of the proposal, and the significant contribution the City of Ryde makes in realising the NSW Government's vision for Sydney.

The reasons cited in the ILGRP's report for splitting Ryde are

...As noted earlier, the Panel takes the view that Parramatta's development as the 'second CBD' and commercial focus of the western suburbs has been hampered by the constrained boundaries, relatively limited resources and low profile of the City Council. The option favoured by the Panel is a new local government area that includes the whole of Parramatta, Auburn and Holroyd plus parts of The Hills and Hornsby south of the M2, and roughly the western third of Ryde

(including the whole of Epping). Such an area would control very considerable resources and could undertake integrated planning for both the Parramatta CBD and complementary development in adjoining areas. It would have a population approaching 600,000 in 2031.'

*'... Incorporation of part of Ryde would strengthen link between Parramatta and 'Global Sydney Corridor' and improve scope for integrated planning around Epping station.'*²

The ILGRP's argument focuses on improving economic outcomes for Parramatta as a second CBD. **This takes a simplistic approach to a complex and multifaceted challenge: it does not consider Ryde's economic outputs and contribution to the NSW economy nor communities of interest patterns.** It further does not realise the benefits Macquarie Park offers as a credible second fastest growing CBD for global Sydney.

Further, this approach does not acknowledge the reality of ongoing approaches to growing Parramatta as Sydney's second CBD. Since the release of the 1968 *Sydney Region Outline Plan*, successive NSW Government planning policies have promoted the idea of a second CBD in Sydney's geographical centre, and yet Parramatta's growth has been as much about residential growth and growth in other uses. **It is yet to reach its potential, more than 40 years on; it has not become Sydney's second economic powerhouse.**

² Source ILGRP Final Report pages 101 and 104.

In complete contrast, Macquarie Park has grown, weathered the storm of the Global Financial Crisis, and remained a dedicated hub of the knowledge-intensive jobs that Sydney needs to compete in the 21st Century.

How has this occurred? Because the City of Ryde had a vision for Macquarie Park as an influential economic hub and has seen this vision come to fruition in less than 15 years. Rather than give in to pressure for other uses as has consistently occurred in Parramatta, this is a centre that is focused on economic output, playing a key role in Sydney's global competitiveness.

Our robust assessment of the ILGRP's proposals considered it's economic argument for Parramatta, analysed the proposal's impact on our economic contribution to the NSW economy, reviewed the communities of interest patterns and sought our community's feedback. Our assessment is set out below.

Macquarie Park

Since the NSW Government published *City of Cities: A Plan for Sydney's Future* in 2005, the planned role and contribution of various centres within the Global Economic Corridor has been deliberate and specific – this approach has not changed during the last decade.

Macquarie Park has always been defined as a strategic or specialised centre – different to a Regional City such as Parramatta due to its specific role and function within the economy of global Sydney.

We have embraced the NSW Government's centres policy during the last decade and attracted a restricted and specialised set of land uses to support the unique role of Macquarie Park in the NSW economy. Macquarie Park generates metropolitan-wide benefits and it should continue in this role.

Macquarie Park has a particular focus on a specialised agglomeration cluster of IT, education, technology, research and innovation. The broader range of land uses typically found in a CBD including residential, do not occur in this centre. Macquarie Park is:

- clustered around Macquarie University
- home to companies specialising in technology, innovation and research
- a knowledge hub that has created a billion dollar economy over the past 20 years
- an environment that supports the transfer of both local and global knowledge between different sectors
- operating efficiently and supporting the development of world-leading local industry capability.

Bisecting the City of Ryde and adding land to Parramatta will significantly compromise our effective successful and longstanding management of Macquarie Park. We have, since 2000 worked strategically with Macquarie University, State agencies and landowners to create jobs, economic growth and investment in this essential strategic centre.

The ILGRP's argument for splitting Ryde is, seemingly, grounded on economic principles. However, it fails to appreciate the NSW Government's vision for Sydney, as articulated in *A Plan for Growing Sydney*, and the reliance on the success of Macquarie Park to substantially contribute to the economic fortunes of NSW. It is an out-dated approach to only think of immediate economic principles, without considering the long-term adverse economic impacts on Macquarie Park – and, subsequently, on Sydney and NSW's economy.

The proposed split would at best place Macquarie Park and its environs at the periphery of one of the two proposed mega councils, and at worst, split this important strategic centre between two newly created local government authorities.

Either outcome will jeopardise the sustained and planned growth of Macquarie Park – success that we have achieved through the careful and successful stewardship.

Our strategic efforts have enabled Macquarie Park to develop into the second largest commercial centre in NSW. It is now poised to become the fourth largest commercial centre in the country. This is outstanding momentum, driven locally: we cannot afford to create uncertainty for businesses operating in Macquarie Park, nor the investors prospecting in Macquarie Park at a time of unparalleled growth.

Put simply, the ILGRP's clumsy and simplistic approach to this vital and unique State asset undermines the credibility of its objective to introduce a more efficient and effective arrangement to improve governance and economic viability.

We have reviewed several strategic centres that are split between two councils as a legacy of poor boundary decisions: Bondi Junction, Epping and Newtown. In each centre, a lack of coordination and strategic focus has impeded development and good place-making outcomes. Strategic planning, developing a coherent vision, delivery of local services and appropriate infrastructure been particular challenges for attracting investment and sustaining growth frustrating State agencies, chambers of commerce and property owners in their efforts to advance an economic development and growth agenda.

Macquarie Park and Parramatta

The role of Parramatta as the metropolitan area's second CBD is entirely different to that of Macquarie Park. It should remain a separate and distinct City CBD located 12km away in an adjoining local government area.

We absolutely support strong public transport links between Macquarie Park and Parramatta but believe the proposal to divide Macquarie Park and include half of the centre within an expanded Parramatta Council is inconsistent with established NSW Government policy.

The role of Parramatta CBD is to provide a full range of business, government, retail, cultural, residential, entertainment and recreational activities to serve its immediate population and also a broader regional catchment. It is a focal point where the large, growing region of Western Sydney can access good jobs, shopping, health, education, recreation and other services. It also contains a significant residential population. This is an entirely different proposition to the knowledge economy focus of Macquarie Park that we have nurtured for over a decade.

We agree with the NSW Government policy, stated in *A Plan for Growing Sydney* to include Parramatta within the Global Economic Corridor - its diverse mix of activities and density is of metropolitan significance and it has been designated by the NSW Government for significant growth. Therefore, the ILGRP's proposal to extend the economic area of influence of Parramatta CBD by amalgamating half of Macquarie Park into a larger Parramatta Council area is grossly inconsistent with existing NSW Government policy and could be compared to suggesting the Sydney CBD and Sydney Olympic Park should be merged to extend the economic area of influence of the Sydney CBD.

Communities of interest

In October 2013, we commissioned SGS Economics and Planning to undertake a desktop analysis of the ILGRP proposals (Attachment A). The report modelled the following options:

- Base case: current local government boundaries continued.
- Option 1 (ILGRP preferred option): the amalgamation of Auburn, Holroyd, Parramatta and Ryde and moving northern boundary of Parramatta and Western Ryde to M2.
- Option 1A: as per option 1 but without the East Ward of Ryde in the amalgamated boundaries.
- Option 2 (North Shore Option): the amalgamation of Hunter's Hill, Lane Cove, Ryde and Willoughby.

The SGS analysis concluded the following for Option 1:

- It performs worse than Option 2 in regards to TCorp financial sustainability indicators (and worse than the base case).
- The ratio of operating deficit to operating revenue is lowest (best) for Option 1 compared to the base case and Option 2.
- There will be higher average rates per property in the City of Ryde for residential and business than grouping of Councils to maintain total rate income.

SGS also examined communities of interest from the perspectives of household travel patterns for shopping, social/recreation and education as well as journey to work patterns. This showed that shopping and social trips from the City of Ryde generally move to the north and east. Education trips are heavily contained within the City of Ryde. This pattern indicates local communities of interest and the relationship between where people live and do their shopping and other local activities.

In terms of connections between where people live and work, the analysis showed a strong connection between people working at Macquarie Park and living within the City of Ryde or in adjoining areas to the immediate north or from the west, including Parramatta, Hornsby and the Hills Shire. People employed at Parramatta come from a broader regional catchment, including from the City of Ryde.

Travel time mapping for car trips illustrates an east-west connectivity for centres in the City of Ryde, and that Parramatta to the west and Chatswood to the east are accessible within 30-45 minutes at the morning peak by car. When considering the travel times from Parramatta as a regional centre and Chatswood as a major centre, the City of Ryde has good access from both centres.

Public transport accessibility mapping illustrates strong connections between the City of Ryde and the east through the Chatswood to Epping rail extension. Current transport connections to Parramatta by public transport are weaker without a Parramatta to Epping rail connection.

Splitting Ryde will not bring together communities with a close functional interaction or important economic and social links. The western portion of Ryde remains separate and isolated from Parramatta by the very real geographic barriers of the Parramatta River and the Main North Rail Line. There is little cross boundary flow between Ryde and its neighbouring Councils to the west and these suburbs retain a community identity associated with the City of Ryde that is based on a consistent socio-economic profile, long standing history and a common set of aspirations and values.

Community aspirations

Our community has repeatedly rejected the ILGRP's proposals since 2013. Our community has expressed strong support for the City of Ryde to maintain its integrity and local identity.

In a telephone survey of 600 residents in May 2013, the majority were opposed to amalgamations and, when pushed to choose a grouping, only 3% supported the split and merger of Ryde to the west. In June that year, we held a community meeting of 138 residents and found that the community was particularly concerned about the proposal to amalgamate parts of the City of Ryde with Parramatta, Auburn and Holroyd Councils. While most residents opposed amalgamation when pushed to make a choice, there was greater support for amalgamation with northern Councils on the basis of shared interests, identity, and an established relationship through NSROC. Only 1% supported the split and merger into a new council with a focus with Parramatta.

Subsequent community engagement has reinforced these preferences. A survey of 100 people at a community meeting in May 2015 found 83% opposed the split and merge option and 84.1% supported the City of Ryde standing alone. A June 2015 deliberative polling telephone survey of 600 people found that 71% were not supportive of splitting Ryde and being merged into two mega Councils and 74% supported the City of Ryde standing alone.

After two years of research, analysis and community consultation, we reject the ILGRP's proposals for the City of Ryde. Supported by our strong track record in delivering real outcomes, we have the strategic capacity to deliver on our community's vision and, in partnership with the NSW Government, will continue to contribute to a stronger Sydney and NSW.

2.3 How will the JRA work?

Our Councils are convinced that the JRA will produce better urban development outcomes across the subregion and will ensure our communities continue to enjoy functional, productive and liveable localities. Importantly, the success of the JRA is not underpinned by an increased rate of urban development. The key success is derived from the strategic collaboration in the spatial location of development and its infrastructure servicing.

To enable the JRA, all Councils have agreed to:

- delegate subregional strategic and infrastructure planning functions to the JRA to avoid duplication
- support a balanced urban development settlement pattern
- support and implement the adopted policies of the JRA through their local decisions on development applications.

The transfer of subregional strategic planning functions to the JRA will deliver improved shared spatial planning outputs and outcomes including:

- better plans for land use and infrastructure development
- more efficient decision making in relation to planning and development proposals
- more rapid advancement towards targeted subregional land use, infrastructure, social and economic development outcomes.

This section sets out the agreed powers and functions of the JRA.

Key Agreed Principles

- Subregional strategic planning functions are core JRA functions.
- Participating Councils may not 'opt out'.
- The JRA will have mandated support from member Councils on the subregional strategic planning and infrastructure agenda.
- Each Council will enable joint decision making.
- The JRA will incorporate a shared service element.

Agreed Powers of the JRA

- To plan for subregional land use and infrastructure.
- To develop a subregional Section 94 Plan.
- To represent all Councils in negotiations for subregional strategic planning and infrastructure matters.
- To undertake subregional advocacy.
- To procure subregional services and enter into subregional contracts.
- To apply for subregional grants.

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A JRA enables regional decision making to be lifted to a regional authority without detracting from the core role of local councils to serve local needs and aspirations.

”

PERCY ALLAN, 2015

Expert advice confirmed that the proposed JRA is feasible, more cost effective and a tailored response to the NSW Government's stated objectives .

Agreed strategic planning/infrastructure functions

- A single endorsed approach to subregional plan priorities and content.
- An agreed centres hierarchy/ collaboration that promotes subregional hubs (e.g. bulky goods, education precincts and IT precincts).
- A single endorsed set of priorities on State infrastructure (e.g. preferred location and scale of education, health, sport, transport and social infrastructure).
- A shared approach to local infrastructure planning that recognises capacity across borders.
- A harmonised subregional LEP and DCP to create common design standards
- A single subregional Section 94 Plan to produce a larger total fund, more flexibility and better liquidity.
- Shared strategic planning research resources.
- An obligation to seek the views of other Councils on matters of subregional interest.

Agreed subregional advocacy

- Joint representations and campaigns on key policy, funding and governance issues.
- A single approach to all levels of governments and the private sector on subregional matters such as light rail, tourism and economic development.
- Shared promotion of a common set of grant funding opportunities.
- No change to the approach to rating.

Non-core functions

The following non-core functions may be transferred to the JRA over time, following establishment.

Subregional economic development:

- Common subregional economic development plan and subregional tourism development plan.
- Shared prospectus for investment development/business and trade attraction and international relations.
- Council specialisation (centres of excellence) to identify and promote a Council for best practice.
- Shared support for identified clusters or hubs for a skill or industry.

Corporate and social planning:

- Collaboration on corporate and community plans.
- Integrated Community Strategic Plans.
- A joint approach to implementing State social policy targets/agendas such as youth, homelessness and inclusion policies.
- Pooled grant funding for subregional facilities such as the Sharing Sydney Harbour Access Program or the Metropolitan Greenspace Program, and cross boundary infrastructure.
- Building on economies of scale and institutionalise collaboration for procurement, accessing grants and service delivery (including the joint use of facilities)
- Common fees for facilities.

JRA is Scalable

Our cost benefit analysis examined the scalability of the JRA from three Councils to six and concluded that all improvements would be scalable and would increase for each new member council that participated.

JRA is Transferable

We have designed the JRA so that the primary focus on centralising subregional-scale planning and development functions is transferable and can be rolled out across Metropolitan Sydney. This gives greater impetus to the subregional planning focus of the NSW Government's long-term thinking for Sydney, as articulated in A Plan for Growing Sydney, and provides an accessible and equal playing field for each Council facing growth pressures as Sydney increases its global standing.

The concept of a JRA aligns with existing NSW Government policy to implement joint organisations in cases when mergers do not provide the best outcomes (Fit for the Future - Future Regional NSW Pilot JO Program), yet our model is highly suitable for metropolitan areas where coordinated and balanced urban settlements are important considerations.

This is also a very progressive and flexible outcome; by presenting the public with a delivery mechanism which allows for both JRAs and mergers, the NSW Government is not only showing its responsiveness to local concerns, it is showing that its Local Government Reform Policy is adaptable to the many differences in local government structure, form, culture and priorities across Metropolitan Sydney.

Further, a JRA model safeguards the NSW Government and Councils against the risks associated with a one-size-fits-all policy approach that in the past has failed to live up to expectations.

2.4 Governance

The diagram below depicts how the JRA will interact with each member Council, community and State agencies on subregional matters. This structure and governance is based on elements from the NSW Government's Joint Organisation pilots in regional NSW and the current NSROC and Hunter Councils' models.

The governance structure will be underpinned by a Charter to define its referral processes, accountability to member Councils and the community, and its relationship with State and Federal agencies.

The JRA will be:

- legally recognised through the *Local Government Act 1993*
- governed by a Board consisting of two elected representatives from each member Council, one of whom is to be the Mayor of that council
 - o each Council will appoint a second representative by resolution and appoint alternate representatives by resolution
 - o each Council will authorise its representatives to make binding decisions
 - o representatives are bound by their Council's decisions
 - o representatives will serve a two-year term and will not be remunerated for their role
 - o each representative will have one vote
 - o Board decisions will be made by unanimous voting agreement of its members
 - o The Board will elect a Chair and Deputy Chair
- supported by a General Managers' Advisory Committee.

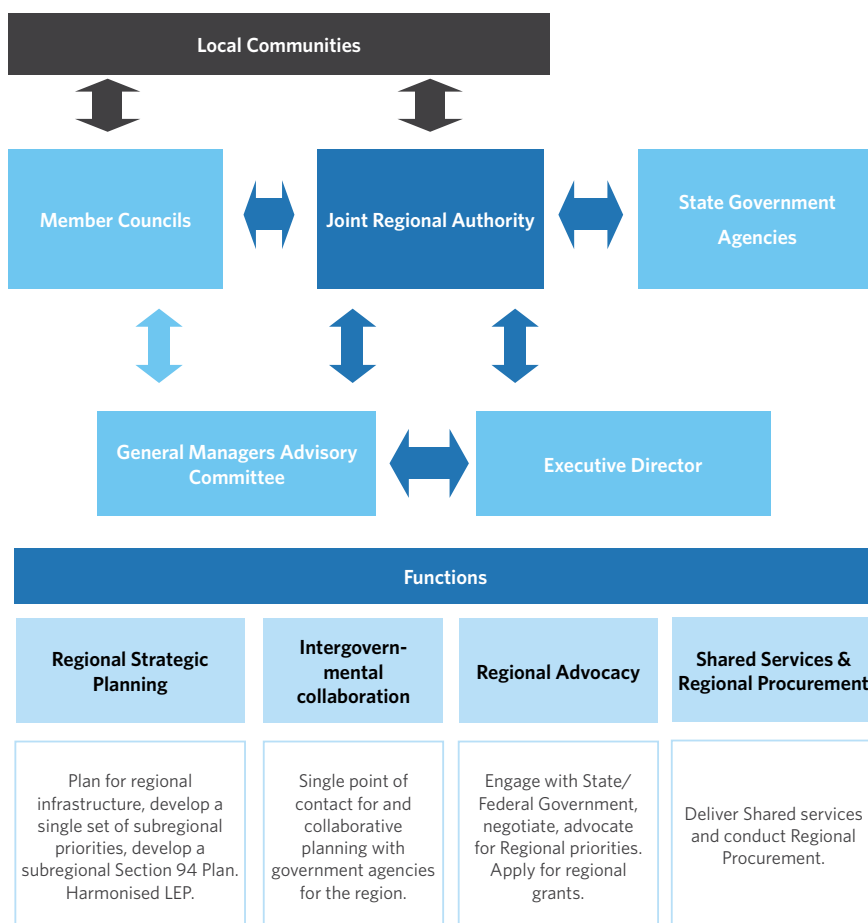


Figure 5:

2.5 Business Case

SGS Economics and Planning undertook a sophisticated business case of the JRA proposal. This was reviewed by Professor Percy Allan.

JRA is consistent with ILGRP regional objectives

The ILGRP included regional objectives for metropolitan areas such as northern Sydney. The JRA proposal meets these objectives by:

- creating a high capacity organisation that has the strategic capacity to plan and prioritise services and infrastructure at a subregional scale and has the authority, funds and expertise to deliver major projects as a true partner of the NSW Government
- requiring our Councils to be bound by the JRA's subregional strategic planning agenda, establishing an equitable basis for local government decision making across the subregion
- delivering *A Plan for Growing Sydney* by strengthening the Global Economic Corridor and strategic centres in the subregion to underpin Sydney as a global city
- offering a single point of contact to coordinate actions and to prepare and implement subregional strategies.

JRA demonstrates scale and capacity criteria as envisaged by the ILGRP

The transfer of subregional functions to a JRA would lift the capacity of our Councils to achieve a subregional strategic agenda while boosting each Council's ability to achieve the outcomes of their Community Strategic Plans. This is a customised approach to achieving the benefits of strategic capacity. The JRA will achieve each of the elements of strategic capacity as summarised below.

More robust revenue base and increased discretionary spending / Resources to cope with complex and unexpected change

The JRA will represent 216,000 to 427,000 people by 2031 (three or six councils respectively). It will reduce demand on the capital of participating Councils, enable them to depreciate assets more efficiently and offer greater surpluses to invest in infrastructure and enhanced services. This will also improve each Council's capacity to provide for and fund complex and unexpected change.

The JRA will achieve public resource savings and more effectively deploy funds by streamlining forward planning and development sequencing (including using pooled funds under a single Section 94 Plan), making better use of facilities across boundaries and subsequently delaying new capital expenditure.

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The cost savings from sharing back-office corporate-support services ... would range between \$2 million and \$4 million per annum after four years for the initial three member councils.

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PERCY ALLAN, 2015

Scope to undertake new functions and major projects

The strategic planning capacity to deliver and assess projects similar to the City of Ryde's urban renewal precincts will be available across the JRA. Potential new projects and functions will include economic development of specialised hubs, transport precincts and town centre redevelopments across local government boundaries.

Knowledge, creativity and innovation / Advanced skills in strategic planning and policy development

The combined strategic planning resources of the JRA will deliver economies of scope as teams can avoid duplication, share knowledge, research resources and develop specialisations. Enhanced in-house skills in transport and economic development planning will help deliver transit-oriented urban renewal to achieve the subregional planning agenda, and realise the economic benefits of an efficient city structure.

Effective regional collaboration

A JRA will build on economies of scale and institutionalise collaboration among participating councils for procurement, accessing grants and service delivery, including the joint use of facilities.

The JRA will provide a framework to enter into a single contract for services rather than multiple contracts across the participating Councils. As a single entity, it will more competitively access grant funding and have the flexibility to deploy matching council expenditure in the right place and right time to more rapidly achieve community plan outcomes.

Credibility for more effective advocacy

By 2031, the JRA could represent 8% of Sydney's population and an even higher proportion of its jobs. The JRA will adopt single clear positions for funding infrastructure priorities, economic hubs and social planning. This is a less parochial and more powerful bloc of interest to argue for subregional priorities such as light rail or economic development.

Capable partner for State and Federal agencies

The JRA will serve as a single point of contact for the NSW and Australian Governments to identify shared positions on regional planning, economic development and social policy issues. This replaces the need for individual negotiations and is critical to the smooth delivery of subregional strategy and social policy targets in partnership with the NSW Government.

In addition, shared, evidence-based subregional positions will provide a stronger justification for flow-on planning and investment decisions for State infrastructure

High quality political and managerial leadership

The JRA will be constituted by a Board of Mayors, serviced by a secretariat and with access to pooled strategic planning resources and a regional shared services centre. The Board's subregional mandate will transcend local government boundaries and broaden the scope for high quality decision making. This will improve the understanding and ability to deliver on the NSW Government's agenda. The more frequent interaction of Mayors and General Managers will also involve pooling of collective knowledge and expertise with the prospect of economies of scope.

Accountabilities will be established under the *Local Government Act 1993*. The JRA will be equipped to focus on subregional imperatives and will leave individual Councils better placed to lead their local constituents.

Cost benefit analysis

SGS Economic and Planning's cost benefit analysis of the JRA (Attachment D) found that the transfer of subregional functions to a JRA would give rise to one-off establishment costs for the JRA (year 1), as well as ongoing operating costs.

The cost benefit analysis assumed that the current operating costs associated with delivering the subregional functions across each Council simply transfers to the JRA. Some overlap has been assumed in years 1 and 2 (25% of existing operating costs), but no operating cost efficiencies have been factored in after this period. This is an inherently conservative assumption, as efficiencies could be generated through the JRA's relative economies of scale and scope.

Two key benefits have been identified:

- the acceleration of more efficient urban development and infrastructure provisioning
- private sector appeals savings from more effective planning decisions.

The JRA will achieve public resource savings and more effectively deploy funds by streamlining forward planning and development sequencing.

The JRA will play a significant role in **accelerating more efficient urban development and infrastructure provisioning**. We have substantial evidence that the spatial form of development impacts economic, social and environmental outcomes in the Australian context.

Our analysis assumes that the preferred form of future development for Sydney to 2031 applies at the subregional level – that is, that future housing and employment will be mainly accommodated into town centres, and that the benefits this approach will be accelerated by the JRA by five years.

These benefits includes the net benefits generated by savings in costs associated with infrastructure provisioning, transport congestion, environmental pollution, improved workforce productivity (through agglomeration economies) and land use efficiencies.

Another way of articulating this benefit is to say that the JRA ameliorates the risks of the subregion not developing in the most efficient locations.

Private sector appeals savings

from more effective planning decisions will be substantial. Making significant planning and development decisions at the subregional level will ensure consistency with adopted subregional policy. This avoids the cost of decisions related to planning proposals and the private costs of appeals, which act to ultimately overturn inconsistent decisions.

Historic rates of planning proposals and Class A appeals, and the rate at which appeals are upheld, have been used, as has the assessed avoided private sector cost of each appeal (approximately \$22,500).

The cost benefit analysis has identified, quantified and contrasted over time the costs and benefits of moving from the existing situation (base case) to two alternative JRA options:

- Base case: each Council continues to undertake subregional functions separately
- Option 1: Three Councils (Ryde, Hunter's Hill, Lane Cove) transfer subregional functions to a JRA
- Option 2: Six Councils (Ryde, Hunter's Hill, Lane Cove, Mosman, North Sydney, Willoughby) transfer subregional functions to a JRA.

“The Centre for International Economics assessed that for each new dwelling moving from a baseline distribution to the balanced centres distribution would generate a net benefit of ~\$1,800 per dwelling SGS 2015.”

SGS ECONOMICS & PLANNING

Proposed Extra Dwelling Targets 2034
Ryde 18,000
Lane Cove 6,000
Hunter's Hill 1,200

Assessed results

A discounted cashflow analysis, comparing the costs and benefits from 2016 to 2031, was used to evaluate the merit of moving from the Base Case to Option 1 and Option 2 (Table 6).

“The JRA would provide the scope to undertake new functions and coordinate major projects on a subregional basis. These might include new transport hubs, civic centres and recreation facilities extending across council boundaries.”

PERCY ALLAN, 2015

TABLE 6: JRA BCA Results

Economic Indicator	OPTION 1 (3 Council JRA)	OPTION 2 (6 Council JRA)
NET PRESENT VALUE (NPV) (Note: if NPV is positive, the option is worth pursuing)	\$523,044	\$3,401,971
BENEFIT COST RATIO (BCR) (Note: if BCR >1, the option is worth pursuing)	1.5	2.4
INTERNAL RATE OF RETURN (IRR) (Note: if IRR > discount rate, the option is worth pursuing)	17%	31%

Note: a real discount rate of 7% has been used.

Option 1 has a strongly positive NPV and BCR greater than 1. The results are further enhanced when considering Option 2. The results of this economic analysis do not take account of the strongly positive impact of including 10 to 20% operating cost savings from the shared service arrangement.

The results of the sensitivity analysis highlight that in terms of downside risk, the largest threats to the viability of the JRA rests with:

- operating cost penalties (if duplication exists among the JRA and participating Councils)
- the failure of the JRA to accelerate the movement towards more efficient urban development and infrastructure provisioning patterns

- the failure of the JRA to remedy inconsistent decisions with respect to planning proposals and development applications.

Most of these assumptions are inherently conservative, and there appears to be more upside potential for additional benefits than downside risk.

The distributional assessment indicates that ratepayers will bear any incremental establishment and operating costs, while the benefits will be more widely spread across local residents, commuters, workers, businesses and developers, as well as local and State infrastructure agencies. I therefore does not appear that a JRA will impose any disproportionate inequities among stakeholders.

SGS Conclusion: the JRA is a superior option

Based on the business case, SGS concludes that:

- The move to a JRA is both viable and advantageous - the benefits outweigh the costs considerably, and the improvements to strategic capacity are significant.
- The net benefits associated with Option 2 outweigh that of Option 1. The JRA will provide greater benefits if the six Councils transfer their subregional functions.

SGS found that the JRA will be most effective if participating Councils are not able to opt out of key decisions. By signing up to the subregional transfer of functions, each Council is also committing to support the JRA's plans and policies, and any decisions made in line with these plans and policies.

SGS found that the JRA represents a customised approach to achieving scale and capacity and, given the disruption and costs associated with amalgamations, offers net benefits that amalgamations cannot match.

Professor Allan's response to the question

Does the JRA address Fit for the Future objectives?

Key themes that emerge from the NSW Government's reasons for preferring mergers in Sydney and the Panel's preamble, are a desire for:

1. **Consistency** - Local councils need to harmonise their rules, regulations and services to make it easier for businesses and households to operate across the metropolitan area.
2. **Capacity** - Local councils need the strategic capacity and resources to work with the NSW Government on large infrastructure and public facilities to accommodate Sydney's growth.
3. **Choice** - Communities and regions need more options for the way local government is arranged and how it operates. One suite does not fit all.
4. **Cooperation** - The need to strengthen communities through partnerships so as to creating larger council areas to improve efficiency and effectiveness.

On each of these counts the proposed JRA passes muster.

Because professional urban planning advice would be provided by a single professional team located within the JRA, the JRA board, member councils (and hopefully associated regional and local planning panels) would share a **consistent** policy advisory framework in making infrastructure and development decisions.

As for **capacity**, a JRA would have the professional resources (if it involved a Shared Services Centre), the legal powers (through being a County Council) and the political stature (through having a board of Mayors) to interact with NSW Government ministers and agencies on a high-level strategic basis in regards to Sydney sub-regional matters.

On **choice**, a JRA would offer communities both the advantages of local governance on local matters through their existing councils and regional governance through a JRA representative of each member council to ensure major public infrastructure and private developments took account of both local and regional needs. No other model would offer this duality without adopting an expensive and constitutionally difficult fourth tier of government.

Finally, the JRA is the embodiment of **cooperation** since it would be a partnership between member councils to make cross-council planning and development decisions at a sub- regional level and (if a Shared Services Centre was adopted) to share back and front office services that offer economies of scale and scope.

All in all, the JRA proposal offers an optimal solution to the aspirations for metropolitan local government to more strongly assert itself on a sub-regional basis yet retain its close connection to local communities that want to maintain their identity within a sub-region.

2.6 Shared Services

Our research also considered shared services, where these had been implemented and how the JRA should include a shared services arrangement. Professor Allan found that the most efficient path to share those services that benefit from size, and keep activities best undertaken on a small scale inhouse. He identified the following shared services that could be undertaken by the JRA:

- **Finance:** accounts receivable, accounts payable, general ledger, billing and rates collections, travel and expense reimbursement and treasury
- **Personnel:** payroll, employee benefits, workers compensation insurance, training and education, time and leave administration and OHS compliance
- **Procurement:** requisitions management, receiving, sourcing and vendor management, stationery and stores, asset registers, property and fleet management, leasing, property insurances, cleaning, utilities and telecommunications
- **Systems:** desktop support, telecommunications, data centre operations, hardware/software acquisitions and disaster recovery
- **Corporate:** legal, security, printing, records and archives, call centre and library services
- **Planning:** Local and regional urban planning and development application processing when these services benefit from planners working collectively and consider regional and local impacts together.

His paper identifies potential savings of \$2 million per year, noting that initially there would be substantial costs of the establishment of a Shared Services Centre (SSC). He details examples of where shared services have both failed and succeeded and recommends a dedicated SSC be organised on the basis of a company limited by guarantee.

At this stage, our Councils support the concept of a shared services arrangement. Once the JRA is endorsed, the next steps are to:

- undertake a detailed business case and project plan to confirm the areas of shared services for implementing a SSC for approval
- establish the appropriate shared service delivery framework and entity
- establish KPIs and types of services in partnership with OLG if the NSW Government accepts are invitation to partner with us in piloting the JRA.

2.7 Piloting the JRA

Our Councils are willing to participate in a pilot to test the JRA model, with Office of Local Government oversight – that is how convinced we are of the merits of this model. We have designed the JRA for Sydney: it is highly suitable for a metropolitan area where coordinated and balanced urban settlements are important considerations.

Developing the JRA pilot with NSW Government involvement means we can shape its success, not only with additional guidance and financial support, but also with integrated priorities and preferences of two tiers of government. This means the JRA model can achieve overall outcomes for Sydneysiders, and get a step closer to the best allocation of functions to minimise duplication of services.

The pilot will also trial options for the SSC. The NSW Government has established pilots for joint organisations in rural NSW to resolve the best governance framework and address issues such as representation, accountability and decision making powers. The same criteria for assessing the suitability of rural joint organisations are relevant to northern Sydney and to the JRA (Table 6).

Establishing a JRA pilot program in Metropolitan Sydney is a discerning and progressive policy approach to the evolution of local government in the 21st Century. It ensures that the parts of the sector that are future ready and capable are supported and strengthened to immediately deliver benefits such as those arising from an accelerated and balanced approach to urban development. Delivery mechanisms that allow for both JRAs and mergers offer the NSW Government the flexibility to progress its Local Government Reform Policy. This responsive and adaptable approach will deliver more effective outcomes, will be better received, and can be easily defended.

Furthermore, this is a response that recognises community sentiment. As we've shown clearly, our communities are not convinced of the need for wholesale mergers or their potential to benefit communities, and we've seen anecdotal evidence of this playing out across the metropolitan area. We also recently saw the strength of community backlash in Western Australia's failed local government reforms and in the failed reforms to the NSW planning system. Communities care about what happens in their neighbourhoods and changes that may impact them locally. They own their local councils and they are passionate about having a say about how their local areas are governed.

This does not mean communities only want the status quo. We know that communities are open to new ways of organising and working when appropriately consulted. The communities of Ryde, Hunters Hill and Lane Cove have, as a result of considerable engagement, shown more than 80% support for the concept of the JRA. We believe it is vital that no matter what solution the NSW Government turns to, they genuinely consider the views of the community and in doing so acknowledge local government as the level of governance that is closest to the people.

It is clear that a number of councils have taken a stand alone position, based on the strength of the opposition in their communities. In the few cases where mergers or boundary adjustments have been proposed a stark lack of community consultation is often evident.

We also reiterate that instead of providing only opposition to the IGLRP's proposals, we are providing a contemporary, evidence-based solution that has the support of our communities, and one that we are prepared to test on behalf of Sydney's councils. The NSW Government's agreement to partner with us to develop and run a 12-month JRA pilot in Sydney would assist sound policy implementation. It will offer a viable choice to councils and their communities while allowing the NSW Government to transparently test and document the capability of councils to work on a subregional scale prior to making a permanent policy decision that defines 'appropriate scale'.

Criteria

The NSW Government is running pilots for joint organisations in rural NSW to resolve the best governance framework and address issues such as representation, accountability and decision making powers.

Our Councils also meet the same criteria for assessing the suitability of rural joint organisations for the JRA (Table 7).

TABLE 7: NSW Government's Criteria for Regional NSW Pilot JO Program

Criteria	Response from Councils
Boundaries – Demonstrate that the proposed Pilot aligns/nests in the State strategic planning regions. Ryde, Lane Cove and Hunter's Hill are within the northern Sydney grouping of six councils proposed for merger.	Our Councils are within the northern Sydney grouping of six councils proposed for merger
Statement of intent - Outline why your region seeks to be involved in the Pilot process – and why the region would make a good Pilot.	Our Councils are willing and informed on the processes and governance arrangements needed for a successful JRA model
Commitment from member councils – Demonstrate a level of support for the proposed purpose and core functions of JO and Pilot process.	Our resolutions and community feedback indicate strong awareness and support for a JRA proposal
Evidence of collaboration – Demonstrate evidence or a track record in the region of collaborative engagement.	Our Councils have reciprocal resolutions agreeing to work together on a regional collaboration model and to establish a JRA
Work program – Identify a proposed work program and indicate how it is appropriate for the JO.	Our Councils propose a high level action plan and have resolved to enter into a Memorandum of Understanding on their approach to establishing the JRA
Operational Matters Including Entity And Executive Officer – Identify the entity or body that will be used for the Pilot process.	Our Councils have outlined a governance model including staffing/resourcing arrangements in this submission.

2.8 Implementing a JRA: Draft Action Plan

Once the Minister for Local Government approves the JRA, our Councils will:

- formalise a Charter for the JRA that binds member Councils on how the JRA will operate
- provide the necessary documentation/business case for the JRA to be approved by the Minister for Local Government
- each Council to identify and commit required staff and resources to achieve the immediate subregional strategic planning outcomes
- prepare a four-year business plan for agreement by member councils and JRA on the objectives and outcomes and to confirm criteria to assess the JRA's performance.

Key Deliverables of the JRA

Our Councils have agreed that in its first year the JRA will:

- develop a statement of subregional priorities
- develop a subregional land use and infrastructure plan
- develop a single subregional Section 94 Plan
- be the single point of contact for State and federal agencies
- undertake subregional advocacy
- establish a one shared service
- undertake regional procurement.

Should the NSW Government accept our invitation to partner with us to pilot the JRA, we will work with the Office of Local Government to ensure that the JRA deliverables are inclusive of the NSW Government's priorities and to establish a joint list of actions and appropriate performance measures.

2.9 Measurement and continuous improvement

To ensure the efficacy of the JRA against its stated objectives, the Charter will require us to develop KPIs to be monitored and reported by the Board. The KPIs will link with the responsibilities and functions of the JRA such as:

- quality of a subregional strategic plan
- efficiency and efficacy of governance and decision making
- participation and active collaboration of State agencies in (pilot) JRA meetings
- identification of regional priorities and incorporation into relevant NSW Government policies and plans
- relationships with member councils, State agencies and other stakeholders
- annual operating budgets (to show that the recurrent investment in subregional planning functions)
- proportion of urban development accommodated in priority locations in the subregion to compare in-centre and out of centre development
- infrastructure investment costs per capita
- timeliness of joint planning decisions/proposals
- upholding rates of planning appeals.

Template 2



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 City of Ryde

Template 2

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Executive summary

The City of Ryde has the proven scale and capacity to deliver on our community's vision. We have demonstrated time and again that we can balance competing local and state interests, grow sustainably, engage with our neighbouring constituents and bring a prudent approach to our service delivery.

The City of Ryde is a thriving City. We systematically monitor, engage with and influence the context in which we operate and we have a clear strategy to achieve growth, balanced with a high level of amenity and a resilient community.

We will continue to maximise our potential, just as we have shown in our efforts to grow Macquarie Park into one of Australia's top-performing CBDs. We do this by:

- applying resources to improve transport networks
- striking the balance on the right housing density
- amassing the skills and governance needed to manage and leverage growth.

Importantly, our community supports the City's direction and vision. This recipe for success is a benchmark for municipal governance in Australia. We have leveraged our strategic capacity to bring together government, community and business to respond to challenges and opportunities and achieve the community's goals.

We enjoy a proven track record in fostering and delivering nationally significant commercial growth. We delivered uninterrupted growth in Macquarie Park through the Global Financial Crisis and the City as a whole has over 10,000 businesses providing employment for 90,000 people, with a Gross Regional Product (GRP) of over \$14 billion per annum. In the decade to 2013 our GRP grew at an average of 4.35% per annum, compared to the state average of 2.17% over the same period – all this within a weakened global economy.

We consistently and successfully negotiate agreements and manage developments of significant scale and benefit, commensurate with the scale of development more often found in global or capital city CBDs. Our Voluntary Planning Agreement (VPA) Policy in 2011, has driven the negotiation and execution of 13 VPAs valued at approximately \$36 million, with a further eight VPAs currently under negotiation at a value of \$38.7 million.

1.1 Executive summary

Our Council enjoys a robust and sustainable financial position and will comfortably meet the Fit for the Future financial benchmark by 2020. In 2013, our Financial Futures Program reviewed our financial position in the short, medium, and long-term and instigated a considered and holistic approach to financial management and planning. This ongoing program encompasses the development and implementation of several strategies, and, importantly, includes extensive community engagement to align our financial strategy with the community's priorities.

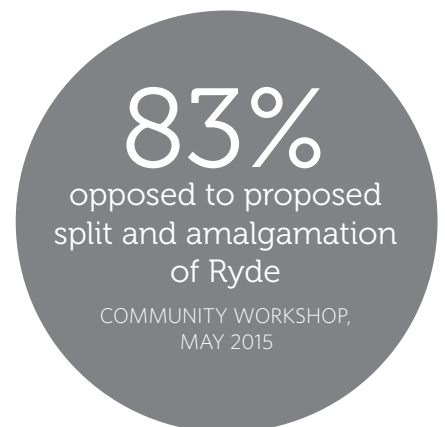
The Financial Futures Program has already delivered new property and investment portfolios, the VPA policy, a review of our Section 94 Plan, a number of Best Value Reviews of our operations and a Special Rate Variation. It has helped us to manage debt with a view to strategically positioning the City for the future.

In addition, a 2014 operational review delivered recurrent savings of \$1.9 million per annum by reducing staff costs and operational expenditure.

We support a regional approach to optimise strategic planning and infrastructure delivery, as incorporated into our proposed Joint Regional Authority (JRA) which will deliver one set of regional infrastructure and subregional plan priorities, produce a regional Section 94 Plan, develop a single LEP, manage shared service provision and be the single point of contact for State and Federal agencies.

We have engaged in a robust and lengthy conversation with our community on their preferred option for the future of Ryde since the review process commenced. Since 2013, our community has voiced strong opposition to amalgamations. In a 2013 community forum, 71% of the participants were opposed to the ILGRP's recommendations to split and merge the City of Ryde into two new Councils. As recently as May, the results show 83% opposed to the proposed split and amalgamation of the City of Ryde.

The community has consistently reiterated its strong objection to ILGRP's proposals and strongly supports a solution that allows Ryde to retain its identity and to stay independent. The community has indicated considerable support for exploring a JRA.



1 Our scale and capacity

1.2 Our scale and capacity

Strategic Capacity

The City of Ryde clearly and demonstrably possesses a scale and strategic capacity that makes it Fit for the Future, especially in terms of the elements of strategic capacity as defined by the ILGRP.

- The City of Ryde displays all the features of a thriving City.
- We systematically monitor, engage with and influence the context in which we operate.
- We have a clear strategy to achieve growth, balanced with a high level of amenity and a resilient community within a highly liveable city.
- We will continue to maximise potential by applying resources to improve transport networks, striking the balance on the right housing density, and amassing the skills and governance needed to manage and leverage growth.
- We enjoy the strong support of our community for our direction and vision.

We have succeeded by leveraging our strategic capacity to bring together government, community and business to achieve and resolve the community's goals and issues.

City of Ryde at a glance

- 40,651 square kms
- Over 153,000 people by 2031
- Predicted growth rate 25.04% to 2031
- 89,239 local jobs
- GRP \$14.11 billion
- Contains second largest CBD in NSW (behind Sydney)
- Contains the largest suburban shopping centre in NSW

ABS/NIEIR/Property Council for NSW/Macquarie Centre website

1.2 Our scale and capacity

Macquarie Park

In 2013, Macquarie Park became the fastest growing centre in NSW with a growth rate of 6.8%.

The success of Macquarie Park is our dividend to the State of NSW.

Macquarie Park is a sleek, highly connected hub of research, education, and high-tech industries. It is a nationally significant research and business centre bringing together global innovators and many of the Australia's top 100 companies.

The success and prosperity of Macquarie Park exemplifies the many benefits of our approach to good governance, vision, strategic leadership and forward thinking. Under our guidance, Macquarie Park is set to double in size over the next 20 years to become the fourth largest CBD in Australia, delivering over 40,000 more jobs by 2031.



Figure 8: Anticipated growth in employment and students adapted from source: ABS data 2011

How has this occurred?

We have adopted and maintained a considered, flexible and practical approach to strategic planning. Rather than provide student accommodation and general housing in the area, in early 2000 we identified the potential for an expanded business and technology precinct around Macquarie University and the CSIRO facilities in North Ryde.

We established a land-use planning framework to attract commercial development and lobbied and negotiated with State agencies to support our vision. Initially, this was pursued through strategic rezoning of land to encourage commercial uses. In 2001 we initiated a master-planning process to boost Macquarie Park and to ensure that growth was supported with appropriate infrastructure.

Working with State agencies in planning and transport, as well as the local community and commercial sector, we developed the *Macquarie Park Corridor, North Ryde Master Plan* (2004), in concert with the NSW Government's then-proposed rail link, allowing its delivery in 2008.

In 2004 Macquarie Park employed 29,000 people and was growing at a rate of 800 jobs a year. In 2015, thanks to the successful implementation of the City's Master Plan, Macquarie Park employs over 45,000 people.

Over the last two decades we have:

- rezoned over 200 hectares of industrial land to create a thriving business centre
- ensured there is the capacity for ongoing growth by protecting the commercial zoning
- developed the *Macquarie Park Corridor, North Ryde Master Plan* and the Macquarie Park Development Control Plan (DCP) to deliver best practice precinct design
- created a Macquarie Park Special Levy, which funds approximately \$1 million of public domain upgrades and marketing initiatives.

We have repeatedly made decisions to develop and maintain sustainable and sustained improvement and growth at Macquarie Park. This has required us to adhere to our vision to create a major innovation and knowledge hub in Sydney's north – rather than exploit the short-term financial boost that could be derived from inappropriate residential development in the centre, we took the tough decisions and refused to undermine our vision for short-term gains.

We continue to work towards Macquarie Park's success, pushing for infrastructure upgrades in collaboration with State agencies and the business community via the Urban Activation Precincts and initiatives such as our Light Rail Symposium and Transport Management Association.

What have we achieved?

Located approximately 12 kilometres north west of the Sydney CBD, Macquarie Park provides around 850,000 square metres of commercial space. It is NSW's second largest CBD.

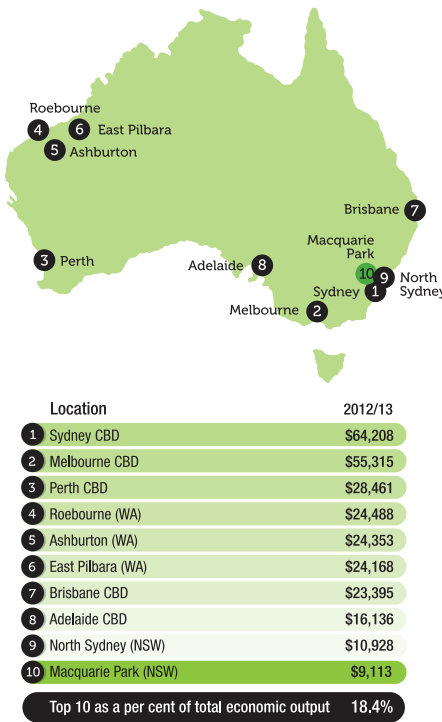
Our focus on Macquarie Park has achieved strong and steady growth for over a decade. While other commercial centres struggled with the impact of the Global Financial Crisis and the challenges of delivering sustained growth, Macquarie Park continued to grow. Our efforts mean Macquarie Park has the capacity to continue growing in the decades to come.

This is essential for Sydney as a global city. As commercial development opportunities dry up in the CBD, North Sydney and other centres such as Parramatta, Macquarie Park takes up the slack under the auspices of our dedicated framework to deliver more commercial floor space, attract more businesses, and deliver more infrastructure.

In recognition of our strategic planning direction, Macquarie Park has received specific attention within the NSW Government's major metropolitan planning strategies in the last decade, and is classified as a strategic centre in the 2014 *A Plan for Growing Sydney*. Macquarie Park is the northern anchor of the vitally important Global Economic Corridor and will be a focus for continued growth.

Modelling released by accounting firm PricewaterhouseCoopers in 2014 found that Macquarie Park's economic output was \$9.1 billion in the previous financial year, having doubled in a decade. It is the tenth biggest location in Australia for economic output.

Figure 9: Australia's top performing locations by gross profit



Top performing locations by gross profit.
Adapted from source: PWC Report 2014





\$9.1 billion

economic output, making
Macquarie Park the tenth
biggest location in Australia
for economic output.

PWC REPORT, 2014

Strategic governance and responsible leadership

Our long-term outlook and focus on continuous improvement long predates Fit for the Future. In 2010, after a review of international best practice; the NSW and Federal Government policy landscape; and an extensive community and business engagement program, we adopted an outcomes-focused operating model that set the foundation for an ambitious program to reshape our operations in line with the community's vision and NSW 2021 goals.

It is through this proactive, forward-looking process that we have evolved from a reasonably performing local government organisation that delivers its regulatory, maintenance and service outputs, into an organisation with a strategic agenda, focused on future growth, efficiency and productivity.

A distinguishing feature of our new operating model is a focus on internal and external collaboration to deliver results. The investment

to build our collaborative capacity is manifested in our productive relationships with the private sector, community sector, Macquarie University and State agencies – all underpinned by our successful engagement with our community.

Political leadership

Our success is underpinned by resilient and strong political leadership. Our Council's commitment to meaningfully engage with the community; to discuss tough issues and pragmatic realities; and to influence and be influenced by the community's vision, distinguishes it from its contemporaries.

Council successfully led our 'open for business' agenda with the private sector for investment while maintaining the integrity of the community's vision for Ryde as a family-friendly place with ample services and facilities. Council has actively advanced the vision for Sydney in partnership with State agencies, without giving up the right to ask hard questions and challenge proposals to deliver optimum results for our residents.

Council recently reversed its long-standing view on seeking Special Rate Variations. Convinced of the need for additional revenue to ensure the City's long-term sustainability, Council engaged in a frank conversation with the community to seek their endorsement - and gained the support of 78% of the community. Council's commitment to the community was that it would shore up the City of Ryde's financial future by finding \$2 million a year in savings in exchange for an annual \$2 million rate increase to fund infrastructure improvements.

Council's recent resolution to hold an international design competition to redevelop the highly significant and valuable Civic Centre is emblematic of its leadership maturity. Council reversed a 2012 decision to not develop this site, recognising a changed policy environment and its commitment to the community to safeguard our financial sustainability. The approach to go global in the search for an innovative and sensitive design solution is cognisant of community sentiment and the value it places on the Civic Centre as an iconic site.

CASE STUDY Scale and Capacity - International Design Competition

We recently committed \$700,000 to an international design competition to seek world-leading ideas for the redevelopment of our Civic Centre in the heart of the City of Ryde by September 2016. This positive approach will attract design excellence from around the world, and we expect submissions that will excite and inspire our community.

International design competitions are used in major cities to improve the quality of design, architecture and urban planning. By reaching out to the world's best, design competitions stimulate creativity and generate innovative ideas and solutions for complex and challenging situations.

Our decision to search globally for design excellence showcases a capacity that is usually associated with global or capital city CBDs. It also shows our ability to be flexible and adaptable as circumstances shift. Council's reversal of a 2012 decision not to redevelop the site shows our commitment to the community to safeguard our financial sustainability. It is a validation of our leadership maturity and strategic capacity.

The approach to go global in search of forward-looking and innovative solutions for the site is also cognisant of community sentiment and provides the opportunity to develop an original and innovative joint vision for the site. This approach will give Council and the community a unique opportunity to bring a vision to life – a vision that meets the needs of our existing community and future generations of the City of Ryde.

A successful international design competition is a contemporary approach that can only be achieved by a serious, mature and progressive City that comfortably competes on the world stage and attracts award-winning architects and designers.

Macquarie Park is another example of Council's strong and strategic leadership. Decisions to develop and maintain sustainable and sustained improvement and growth have taken precedence over short-term gains. Rather than exploit the growth of Macquarie Park in an ad-hoc manner by allowing inappropriate residential developments, Council has adhered to its sustainable vision, and taken tough decisions to support its long-term vision.

Equal partners in the system of government

Using world's best practice strategic planning, we are successfully leading the regional growth required to meet the demands of the growing metropolitan area. The City of Ryde has been the region's most consistent and best performer in terms of residential and commercial growth over the last decade. We have demonstrated capacity to deliver on regional goals, achieving a scale that is significant not just to the regional economy but also in terms of State and national economic output.

Leading northern Sydney's housing supply

We are delivering housing at a rate that will exceed the NSW Government's targets. Our 2010 Local Planning Study set out our plan to deliver growth and housing choice and guides our strategic land use planning. The study informed a new consolidated Local Environmental Plan (LEP), gazetted in 2014.

Our highly skilled Urban Planning Unit delivered this LEP, and this framework will mean we will easily reach a population of over 153,000 people by 2031.

Table 10: Department of Planning and Environment 2004 - 2031 Housing Targets

LGA	EXTRA DWELLINGS TARGET 2031
Ryde	12,000
Willoughby	6,800
North Sydney	5,500
Lane Cove	3,900
Hunter's Hill	1,200
Mosman	600
TOTAL	30,000

We have seized on the opportunity provided by steady housing demand and an 'open for business' approach to investment and developed and executed a Housing Strategy to provide for both growth and a mix of housing options by encouraging infill housing and higher density in town centres and around transport nodes.

We approved over 3,500 dwellings between 2011 and 2014 and we're set to approve over 1,000 more in 2014/15. This is in addition to significant urban renewal development in Meadowbank, North Ryde and Herring Road, expected to deliver approximately 7,000 new dwellings in the next five years.

We have successfully balanced our growth strategy with commensurate infrastructure, service and community engagement strategies to ensure optimum community benefit. With a community satisfaction rating of 89%, we have the support of our community for our urban development approach.

'Open for Business' - attracting investment and employment growth

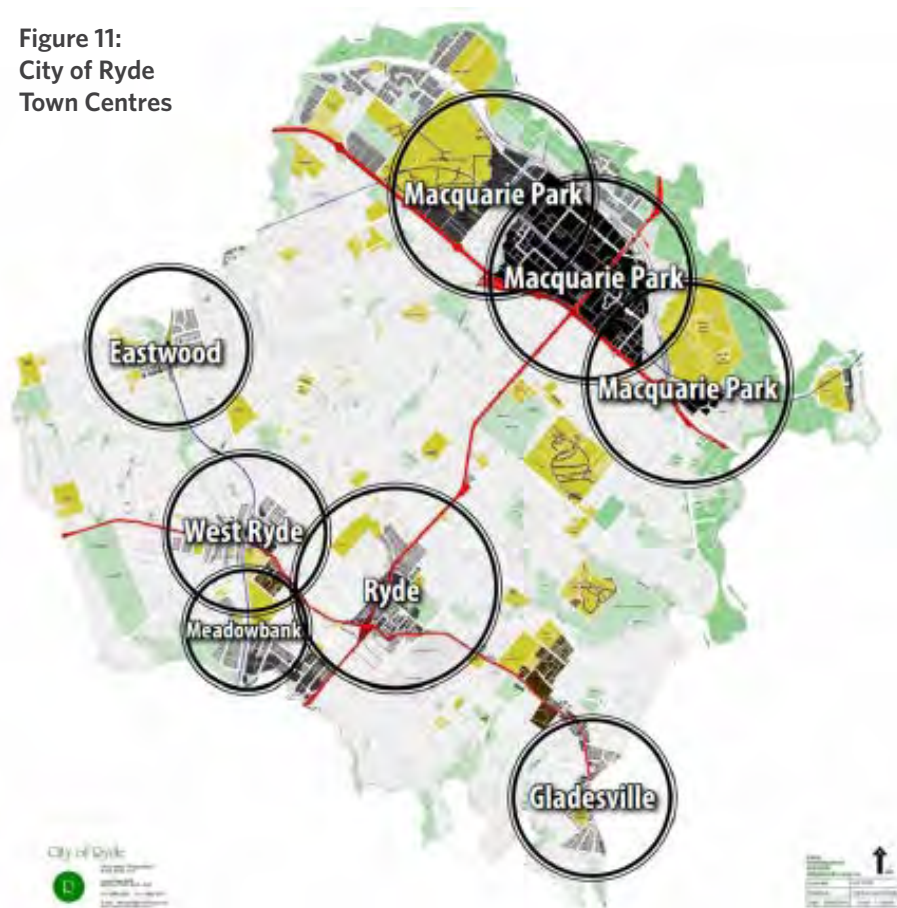
Our strategic capacity is well demonstrated in our capacity to foster and deliver nationally significant commercial growth. In addition to our success in guiding Macquarie Park through the Global Financial Crisis, the City of Ryde currently supports more than 10,000 businesses that provide jobs for 90,000 people. Our Gross Regional Product (GRP) sits at more than \$14 billion a year, and in the decade to 2013, this GRP grew at an average of 4.35% each year, compared to the State average of 2.17% over the same period.

The Commonwealth's Bureau of Infrastructure, Transport and Regional Economics identified the City of Ryde as a key jobs growth area in its 2013 report *Population Growth Jobs Growth and Commuting Flows - a Comparison of Australia's Four Largest Cities*. Since then, Macquarie Park has overtaken North Sydney as the second largest business district in NSW, further confirming its significance in NSW and our strategic capacity to plan and deliver an agglomeration economy with global competitiveness.

Beyond the inner city, the **key job growth areas** were Ryde in Sydney, Swan and Belmont in Perth, and Craigburn in Melbourne.

BUREAU OF INFRASTRUCTURE,
TRANSPORT AND REGIONAL
ECONOMICS

Figure 11:
City of Ryde
Town Centres



Strategy and vision - land use planning

Our commercial growth is underpinned by a strong economic vision, strategic planning and long-term partnerships with State agencies to spur the success of Macquarie Park.

We have remained focused in delivering our original vision to nurture Macquarie Park and deliver an outstanding economic hub for Sydney's north. We have resisted proposals that would compromise the economic cluster for short-term gain through inappropriate development and have successfully lobbied the NSW Government's support for our vision. This has protected Macquarie Park from inappropriate planning proposals and seen two neighbouring Urban Activation Precincts (UAP) modified to deliver appropriate density and the infrastructure necessary to integrate with Macquarie Park (up to 5,400 new homes in the Herring Road UAP and 3,000 new homes in the North Ryde Station Precinct).

Simultaneously, we have continuously refined planning controls to adjust to emerging markets and strategically promote Macquarie Park to attract investors who share our vision for the centre.

In recognition of our efforts, A Plan For Growing Sydney identifies Ryde as a centre for urban renewal and Macquarie Park as a strategic centre in the Global Economic Corridor. This brings the State framework into line with our plan for growth, further supporting our capacity to deliver on employment and housing growth goals.

This striking example of successful strategic land use planning demonstrates our strategic capacity, visionary leadership, highly skilled joint strategic planning ability and our role as partners in the system of government.

Strategy and vision - economic development

Our 2009 Economic Development Strategy set an ambitious program to enhance the economic wellbeing of the region. It committed us to the goals shared by State and Federal partners with a focus on enhancing the Global Economic Corridor, encouraging new economic activities, reducing red tape and providing the conditions for competitive private enterprises to flourish.

Under this Strategy we:

- delivered continued economic growth in Macquarie Park
- attracted world-class businesses such as Microsoft, Johnson & Johnson and Cochlear to Macquarie Park
- approved significant redevelopment to further grow the retail sector, approving over \$800 million worth of redevelopment in Top Ryde over the last decade as well as a \$440 million re-development of Macquarie Centre, to make it the largest suburban shopping centre in Sydney.

We continue to actively attract new business to NSW, delivering a globally-recognised brand for Macquarie Park with the Macquarie Park website and the Macquarie Park Prospectus (see www.macquariepark.com.au).



Macquarie Park to Parramatta Light Right Symposium (L-R) Prof Richie Howith, Ryde Mayor Bill Pickering, Parramatta Lord Mayor Scott Lloyd, Member for Bennelong John Alexander, Dr Michelle Zeibots UTS Institute for Sustainable Futures, Damien Tudehope Member for Epping, Vaughan Paul Vice President Human Resources OPTUS.

Collaboration and influence

We have cultivated a reputation as an innovative and effective partner that delivers results. We maintain a number of productive local and regional partnerships to deliver strategic outcomes as well as specific projects and initiatives.

We work alongside stakeholders to positively influence change, adopting a leadership role and facilitating partnerships between like-minded organisations to achieve economic development outcomes. Our Economic Development Advisory Committee and Macquarie Park Forum bring together strategic staff and stakeholders from the commercial and business community to implement our Economic Development Plan, shape our marketing, develop new services such as the Ryde Jobs and Skills Expo, and guide the delivery of infrastructure upgrades.

We continue to drive the agenda on transport and infrastructure matters and the provision of infrastructure for Macquarie Park, negotiating the delivery of regional infrastructure upgrades with the development industry and State agencies. We are leading the agenda to connect Macquarie Park to Parramatta with a new light rail corridor, convening a Light Rail Symposium and ensuring the proposed Western Sydney Light

Rail network supports the growth of the City of Ryde and Macquarie Park. (www.youtube.com/watch?v=a1zmeh_R03c)

We can lead on these key issues because we have the capacity, expertise and reputation to bring the relevant partners to the table and to achieve practical and deliverable outcomes.

Our Macquarie Futures Memorandum of Understanding (MoU) with Macquarie University harnesses the University's research capacity as a strategic asset to help us achieve our Community Strategic Plan goals. The MoU provides the framework for an enduring 'town and gown' relationship of international standing consisting of research partnerships (such as the Personal Mobility Device (PMD) project, shared project management resources and co-funded projects.

The University hosted the Light Rail Symposium and established the Transport and Logistics Open Network. We submitted a request for funding to leverage the network's research capacity to help deliver the infrastructure required for our two UAPs.

We play a pivotal role as partner for State agencies and community organisations pursuing collective goals and measurable social impact. In 2015 we are partnering with the Department of Family

and Community Services to pilot an innovative, world-class early intervention program to identify youth at risk of homelessness, school dropout and other issues.

We are recognised as a leader in the community development sector for our progressive approach to social policy and our ability to find innovative and collaborative solutions to complex social problems. Recently, the Department of Premier and Cabinet invited City of Ryde to be a trial site and a lead partner in their initiative to formalise community access to government-owned facilities across NSW.

We support the NSW Government through our investment in the non-government sector to achieve better services and results for individuals and communities. We work closely with large and small community organisations on collaborative projects, provide community hubs that facilitate integrated service provision, and, through our development programs, help to build the capabilities and capacities of the sector to tackle social challenges and achieve better social outcomes.

Our proven willingness and capacity to deliver growth, development, and infrastructure make the City of Ryde a reliable strategic partner with established and highly productive relationships with commercial and government partners.

Negotiating VPAs

Since implementing a VPA Policy in 2011, we have negotiated and executed 13 VPAs valued at approximately \$36 million, with a further eight VPAs currently under negotiation, which are to deliver a further \$38.7 million worth of public benefit. We consistently negotiate agreements and manage developments of significant scale and benefit, commensurate with the scale of development more often found in global or capital city CBDs.

In the case of Top Ryde Shopping Centre, the VPA not only delivered a new library, business and planning centre, with the revenue generating floor space, it also included a 99-year lease that requires the developer to maintain \$38 million of contingent assets that would otherwise be a burden to the ratepayer. In addition, we secured the delivery of infrastructure assets that have increased the development potential of our neighbouring Civic Centre site, which we are now moving to realise. This mix of benefits, focused on shifting the burden from the community, and the sheer size of the agreement in excess of \$10 million, is characteristic of our VPAs.

Our track record in negotiating large, successful VPAs is evidence of our strategic capacity and ability to work with the private sector efficiently and effectively. Moreover, the scale of agreements continues to grow, as the City of Ryde's reputation as being 'open for business' is a strong attractor for investment.

Our Planning and Business Centre is a one-stop-shop for developers and businesses where expert staff provide one-on-one assistance to facilitate development and business outcomes.

CASE STUDY

Scale and capacity

Libraries of the future – Ryde Library is recognised industry wide as a library of the future with its movable shelves, open and welcoming spaces that host functions, workshops and classes and performances. The library is also offers access to a huge range of reading material, information and a place to read, study and unwind.

Ryde's network of five branches and our well patronised online library provide a high quality service to our community, featuring:

- Professional, knowledgeable, adaptable and flexible library staff committed to continuous learning, best practice and excellent customer service
- New and revitalised library infrastructure at Ryde, West Ryde, Eastwood and North Ryde
- Print and online resources, including eBooks and eAudio collections
- A diverse range of community and culturally focused programs
- Access to technology, including training and free public WiFi.
- Benchmarking with other NSW public libraries reveals the strong performance of Ryde Library Service, with our libraries performing above median level.

There were 946,157 visitors at our libraries in 2012/13 compared with 579,936 at the Powerhouse Museum, 428,454 at the Australian Museum and 790,266 at the State Library of NSW. Of these figures, only the City of Ryde Libraries had increased attendance compared with previous years.

CASE STUDY

Ryde Library



Finances and revenue

We recognise the need to strengthen our revenue base and increase discretionary spending. Our Financial Futures Program, initiated in 2013, reviewed our financial position in the short, medium, and long-term and instigated a considered and holistic approach to financial management and planning.

This ongoing program encompasses the development and implementation of a number of strategies and, importantly, extensive Councillor and community engagement to ensure our financial strategy aligns with the community's priorities. Under this program we have developed our property and investment portfolios, implemented the VPA Policy, reviewed our Section 94 Contributions Plan, undertaken a number of Best Value Reviews of our operations, received a Special Rate Variation, and managed debt with a view to strategically positioning the City for the future. In addition, an operational review undertaken in 2014 delivered recurrent savings of \$1.9 million per annum by reducing staff costs and operational expenditure.

Since 2011, we developed a number of software solutions to enable integrated strategic planning, performance monitoring and project management. These systems have improved our budgeting, Integrated Planning and Reporting (IP&R) integration, corporate performance reporting, annual staff performance reviews,

“
The City of Ryde
was very competitive
in all key expenditure
benchmarks.
”

PWC REVIEW OF COUNCIL'S
FINANCIAL SUSTAINABILITY,
2014.

project management, customer request management, human resources functions and records management. By streamlining processes through simplification, integration, and useability, systems have been optimised to deliver quality customer services to our community with greater efficiency.

These efficiency gains have also been achieved as a result of our investment in the skills of our staff. We have upskilled our managers to improve our management quality and capacity. Since 2011/12, 32 managers received Diplomas of Management, 37 staff received Certificate IV qualifications in Frontline Management and 46 staff received Project Management Diplomas.

We now enjoy a culture of disciplined strategic, financial and project management leadership across the organisation. These efficiency savings have been reinvested into innovative activities, service delivery and further improvements. For example, substantial work has been undertaken in delivering improved eBusiness services to our community with 17 services activated through smartphone technology in the last year. We are working to extensively build on this over within the next three years.

CASE STUDY Scale and capacity

Livvi's Place all abilities playground

Livvi's Place is an all-inclusive playground we collaboratively funded and delivered in partnership with the Touched by Olivia Foundation. We brought together stakeholders from all levels of government, community groups, local businesses and identities on this multi-award winning project. The integrated creative design, which includes public art as well as playground equipment, is a benchmark in playground design and attracts an estimated 3,000 visitors every week.

Partners: Touched by Olivia Foundation, Lend Lease, NSW Government and Federal Government

Livvi's Place won the 2013 Australian Institute of Project Management's Project Management Excellence Award for "combining best practices, theory, design standards, and practicality [to promote] interaction with the natural environment through play and ensures that the landscape is appropriately integrated with the site." It also won the NSW Premier's People's Choice Award and NSW Minister for Planning and Infrastructure's Sydney Green Space Award.

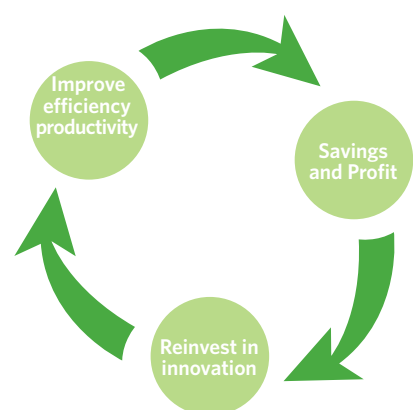
CASE STUDY
Livvi's Place
All Abilities
Playground



In May 2015, IPART granted us a Special Rate Variation (SRV) and inclusive of rate peg, of 7% permanent and cumulative for four years. This is the first general rate variation above pegging we have received since 1996/97.

The strong leadership provided by Council and the extensive community engagement undertaken as part of our Financial Futures Program saw the SRV application proceed with strong community and unanimous Councillor support. The SRV is part of a broader agreement we undertook with the community in 2010/11, when we established a new set of goals and strategies as the basis of our Outcomes Framework. The SRV confirms that our community recognises the successful realignment of the organisation around clear outcomes and is willing to contribute to the implementation of the necessary strategies we have put in place.

In conjunction with our other efforts to increase and diversify revenue, the SRV will strengthen our revenue base and allow us to deliver a targeted infrastructure maintenance and improvement program that will ensure our assets are maintained efficiently.



Strategic management of property investment portfolio

While rates are a key component of any council's revenue profile, we resolved to actively pursue a range of other revenue streams to create a more flexible and robust revenue base.

We have kept our debt ratio low and are poised to leverage our strong financial position to boost the ongoing return from our investment property portfolio. We have undertaken highest and best-use studies for key sites in our portfolio and identified \$110 million worth of development potential in the next one to two years, with an additional \$260 million in the medium term. We estimate that our investment property portfolio and developments will deliver over \$11 million a year when fully constructed. Work is underway to realise this potential, most recently exemplified in the acquisition of a key site to consolidate an existing holding. Our development of this site in Top Ryde, currently in its initial stages, will realise in excess of \$1 million per annum in recurrent revenue.

This work, in conjunction with the SRV, efficiency gains through Best Value Reviews, organisational reviews, and sound operational management, has achieved a robust revenue base and positioned us to manage our infrastructure assets sustainably and continue to deliver significant and sustainable growth.

CASE STUDY Scale and capacity

Ryde Aquatic and Leisure Centre

We are one of the few Councils with the scale and skills to run a profitable aquatic centre. Rather than provide a subsidised swimming facility we have developed the Ryde Aquatic Leisure Centre (RALC) to be a profitable and environmentally friendly facility.

Between 2009 and 2014 RALC delivered operating profit on average of around \$200,000 per annum. Some of these profits were re-invested in the site to reduce costs and the environmental footprint of the facility through a cogeneration plant to power the facility - as the highest energy-consuming Council-owned facility the savings are significant. This was provided by funding under the NSW Government's Waste and Sustainability Improvement Payments program, ensuring the upgrade was delivered at no cost to ratepayers.

Between November 2013 and October 2014, the plant reduced direct electricity costs by 37% and greenhouse gas emissions by 33%. Overall, the energy cost saving to the facility is approximately 20% resulting in savings of over \$130,000 per annum (subject to energy pricing).

CASE STUDY

Scale and capacity

THE AQUATIC & LEISURE CENTRE

\$200,000

OPERATING PROFIT PER ANNUM

THE PLANT SAVED

\$130,000

ELECTRICITY in 2013/14



The **Surf Ryder** is the latest addition to the centre's facilities. It is the first community aquatic centre in NSW to offer the thrill of riding a surfboard all year.

Leveraging opportunity to build community infrastructure

Over the last five years our collaborative skills and strategic capacity have attracted over \$25 million in funds from State and Federal sources to deliver services and infrastructure. This includes works that contribute to the national Roads to Recovery Program, regional road and transport upgrades and initiatives, and drainage and catchment management activities.

We recently negotiated a \$6 million funding agreement with the Department of Planning and Environment to construct a 7,000 square metre regional park in North Ryde. We identified the opportunity for land acquisition to provide a much needed facility to cater for the growth associated with the North Ryde Station Precinct and demonstrated its importance and the opportunity for it to be delivered under the Department's Precinct Support Scheme. The project will be co-funded and delivered using our project management capacity, skills and labour.

We also recently secured funding to upgrade a commuter car park in Eastwood. With the growth achieved under our Town Centre Upgrade program, we demonstrated the need and effectively lobbied for funding. We established a committee of local and State stakeholders and will deliver the project on behalf of the NSW Government.

Skills, knowledge, innovation

Our environment of innovation attracts progressive businesses and gives them the confidence and assistance required to pursue new solutions to our future challenges.

In April 2015, Australia's first hydrogen refuelling station was opened in Hyundai's Macquarie Park Headquarters. This type of cutting-edge innovation is only possible when businesses are unfettered by red tape and supported by local regulatory authorities. Indeed, we are dedicated to pursuing innovative solutions to local and regional issues and to designing the regulatory framework of the future to anticipate new technologies.

In 2012/13, in partnership with researchers from the Macquarie University Transport Group, we initiated and conducted a pilot trial of three different Personal Mobility Devices (PMD) to better understand the implications of future PMD use on pedestrian safety and infrastructure. The trial was one component of a larger project we initiated, funded through an Enterprise Partnership Grant, and enabled by a Ministerial Order issued by the NSW Minister for Roads with the endorsement of Transport for NSW.

While further trials are needed to explore the full potential for PMDs to be part of an integrated transport solution, the pilot demonstrates our capacity for innovation and confirms that we have the vision, the diversity of skills and strength to engage State and regional partners to tackle emerging issues.

CASE STUDY

Scale and capacity

West Ryde Community Hub - strategic collaboration with the private and community sectors

The West Ryde Community Hub is an \$18 million multipurpose community facility delivered through a VPA. It co-locates eight community services dedicated to improving the wellbeing of children and families and replaces three costly ageing assets with a single, purpose-built, low-maintenance asset, which not only increases service capacity and efficiency, but also includes commercial and retail tenancies to help defray operating costs and the depreciation of the building.

Rather than expand services by taking on additional staff, we have provided targeted subsidies, training and mentoring opportunities to encourage not-for-profit service providers to locate in the facility to further minimise the cost to ratepayers.

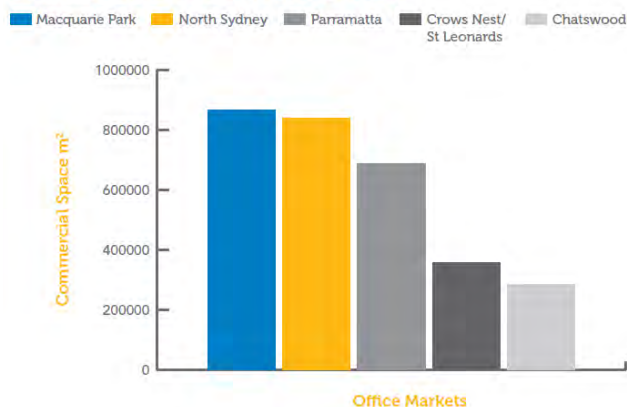
The Centre has already seen the benefits of joint projects with joint funding, mentoring and capacity building between the co-located services, and improved referral pathways for clients. For example, Relationships Australia is mentoring Korean Lifeline - a relatively new and specialised service. The sharing of offices, reception and facilities by Relationships Australia, Korean Lifeline and Good Beginnings also creates efficiencies and fosters the sharing of knowledge and experience.

\$18
MILLION
MULTIPURPOSE
COMMUNITY FACILITY
DELIVERED
THROUGH A VPA

CASE STUDY West Ryde Community Hub

The City of Ryde is dedicated to leveraging its skills and knowledge to turn traditionally subsidised services into profitable and sustainable enterprises. While many Councils have multipurpose community facilities, The West Ryde Community Hub is the only one run at a profit. In 2013/14 the facility achieved an operating profit of approximately \$300,000.

THE FACILITY ACHIEVED
\$300,000
OPERATING PROFIT in 2013/14

Figure 12: Commercial Office Markets in July, 2014

Source: Property Council for NSW, Office Market Report 2014

Strategic land use planning

Our visionary rezoning of industrial lands in Macquarie Park means the centre has the capacity to reach over two million square metres. The Macquarie Park DCP provides the detail and certainty developers require to confidently deliver the projects that will sustainably deliver this growth.

In addition, the Macquarie Park Corridor Planning Proposal incentives are provided for developments that include the implementation of roads and/or parks. This will minimise the financial impact on ratepayers as we continue to upgrade infrastructure and amenity in Macquarie Park to accommodate growth, and ensure the public domain and infrastructure improvements required by growth in the area are delivered by the development industry. The incentives work in conjunction with the DCP to provide a clear framework for Macquarie Park's ongoing growth.

Macquarie Park projects

We collect a Special Levy from properties in Macquarie Park, which provides approximately \$1 million per annum to be re-invested into the centre. Projects include infrastructure and public domain upgrades, marketing and transport management initiatives.

We initiated and chair the Macquarie Park Forum, an advisory committee that assists with the refinement and implementation of the *Macquarie Park Corridor, North Ryde Master Plan*. The forum consists of Council staff and representatives from the Macquarie Park community. It advises on the allocation of funds from the Special Levy and helps shape some of the projects the Levy funds, such as the Macquarie Park Marketing Plan.

The Transport Management Association (TMA), funded from the Levy in conjunction with Transport for NSW and direct contributions from member businesses, is the second TMA in Australia. It identifies and delivers programs to improve the efficiency of transport in and around Macquarie Park, with a focus on making it easier for employees to commute. It provides live traffic information, liaises with the City of Ryde and Transport for NSW on maintenance issues and scheduling of works, and provides resources to member businesses to assist with setting up sustainable transport options such as carpooling.

CASE STUDY

Transport Management Association: Connect Macquarie Park + North Ryde

The Transport Management Association (TMA) has run as a three-year pilot from July 2011 to June 2015. Its success has led to a further commitment of funds into 2015/16.

As only the second TMA in Australia (after Melbourne), our TMA members include the City of Ryde, Transport for NSW, AMP Capital, BOC, Canon Oceania, Goodman, Hunt & Hunt, Macquarie University, Metcash, Sydney Metro Northwest, Novartis, Optus and Ricoh Australia.

The TMA has delivered a ride share program; the inclusion of car share and travel plan requirements in planning instruments; and liaison between business community and Transport for NSW particularly in relation to the Sydney Metro Northwest.

The initial pilot was funded by our contribution of \$750,000, \$750,000 from Transport for NSW and a contribution from the business community of around \$100,000. We will provide \$200,000 to fund the TMA's continued operation in 2015/16, and the business community's contribution will grow to over \$150,000.

1.2 Our scale and capacity summary

We have diversified our revenue base

- Large VPAs and a flexible Section 94 Plan.
- Profit-making enterprises through innovative and collaborative approaches to service delivery.
- An Investment Property Portfolio to generate to new revenue streams.

We have demonstrated capacity to undertake new functions and major projects

- Two Urban Activation Precincts.
- A world-class business precinct with exemplary growth.
- Profit-making enterprises such as the Ryde Aquatic Leisure Centre and West Ryde Community Hub.
- Major developments and collaborative delivery of infrastructure upgrades.

We have a range of skilled staff and maintain key partnerships

- Award-winning and innovative projects such as Livvi's Place, the PMD Trial and the West Ryde Community Hub, combining planning, project management, design, policy, regulation, and asset delivery/management.
- Skilled planners delivering high levels of growth and creating a world-class business precinct.
- Macquarie Futures and Macquarie Park Forum leveraging the expertise of highly skilled researchers and business minds from top national and multinational corporations.

1 Our scale and capacity

We encourage and deliver projects and outcomes

- Innovative projects such as PMD Trial and West Ryde Community Hub.
- A world-class business precinct with exemplary growth.
- Attracting innovative business and establishing partnerships that foster research and innovation.
- Libraries of the future - as well as offering access to a huge range of reading material, information and a place to read, study and unwind, our libraries are designed as flexible space to host functions, workshops and classes and performances.

We hold advanced skills in strategic planning and policy development

- Awarded the 2013 Australian Institute of Landscape Architects' Award for Planning in Landscape Architecture - Children's Play Implementation Plan.
- Community Strategic Plan and organisation structure focused on outcomes.
- Financial Futures Program ensures sustainable financial management is integrated across Council.

We engage in effective regional collaboration

- A Regional Football Centre of Excellence to be based in Ryde through a partnership with local, regional and State football associations.
- Our Crime Prevention Plan named as an exemplar by the NSW Government because it the 12 Memoranda of Understanding with organisations to address safety in City of Ryde.
- Active participation in NSROC for the benefit of our community and provision of commercial construction waste recycling services to other NSROC Councils through the Porters Creek Recycling Operations.
- Coordinated approach to provision of sportsgrounds, including a common fees structure and future joint maintenance contract for synthetic surfaces.
- Long standing joint library service with Hunter's Hill Council.

1.2 Our Scale and Capacity

We are an effective advocate

- Two Urban Activation Precincts
- Large VPAs and a flexible Section 94 Plan thanks to credible and skilled negotiators delivering significant agreements and benefits.
- Attracting funding from a range of government and non-government partners who trust our delivery – collaboration and shared goals enables effective advocacy.

We are a capable partner for State and Federal agencies

- Setting the agenda on key regional issues such as growth and infrastructure.
- Two Urban Activation Precincts
- Funding from government and non-government partners.
- A world-class business precinct driving regional and national growth.

We have the resources to cope with complex and unexpected change

- Diverse revenue base, healthy reserves and prudent debt policy.
- Skilled staff across a diverse range of disciplines.
- Strong government and non-government partnerships.
- Well-structured, efficient, flexible organisation with sound policy framework.
- Strong leadership.

High quality political and managerial leadership

- Setting the agenda of key regional issues such as growth and infrastructure.
- A world-class business precinct driving regional and national growth.
- Community Strategic Plan and organisational structure focused on outcomes.
- Financial Futures Program ensures sustainable financial management across Council.

“

The @CityofRyde
Granny Smith Festival
made my
@NatGeoTravel list of
top Oct events.

”

MEGANHELTZEL VIA
TWITTER

2 Our current position

A rich and proud history

The City of Ryde is the third-oldest settlement in Sydney. The first land grants to eight marines and ten emancipated convicts were given in 1792. The area also has a rich Aboriginal history, holding strong connections to the traditional owners of the land - the Wallumedegal clan of the Dharug people.

A central, integrated and scenic location

Located in Sydney's central-north, 12 kilometres from the CBD and set in scenic surrounds, we are connected to metropolitan Sydney via:

- a major motorway
- eight essential state roads
- seven train stations
- two ferry wharfs
- an integrated bus network.

The City of Ryde encompasses around 40 square kilometres, including:

- Macquarie Park, at the northern end of the Global Economic Corridor
- the internationally acclaimed Macquarie University
- two colleges of TAFE
- two major rivers
- 16 suburbs
- four town centres
- 29 neighbourhood centres
- 200 hectares of natural areas
- 60 hectares of playing fields
- 207 parks including 99 playgrounds
- 10,000 businesses
- five public libraries
- 24 primary schools
- five high schools
- five hospitals
- one aquatic and leisure centre.

2.1 Our Local Government Area

A diverse, cultural and inclusive community

A large percentage of our diverse community is born overseas, with more than 42% speaking another language at home other than English.

We host some of Sydney's biggest cultural events including the Granny Smith Festival, now in its 30th year and enjoyed by nearly 90,000 people.

This is an inclusive community that supports the not-for-profit sector and self-sufficient community hubs.

A prosperous and growing City

The City is home to 114,598 residents and it plays a key role in the delivery of the goals outlined in the Sydney Metropolitan Strategy. Our economic development, particularly the Macquarie Park Corridor, contributes significantly to New South Wales with an economic output of \$9.1 billion per year. This precinct is master planned to become Australia's fourth largest CBD behind Sydney, Melbourne and Brisbane.

City of Ryde has over 10,000 businesses, employing around 90,000 people working in our City. Currently, 22% of our workforce live and work in Ryde, this is expected to rise as we continue to increase a mix of housing and as people seek opportunities closer to home.

The City is home to over 41,000 dwellings, with targets set by the NSW Government for an additional 12,000 dwellings by 2030. The shift towards one-person households is predicted to account for over 30% of all housing in Ryde by 2030.

A strategic and sustainable organisation

We manage 150 services, \$2.5 billion of assets, and an annual budget in excess of \$136 million.

Community involvement and engagement is at the heart of good governance and our strategic direction meets the aspirations of our local community through a strong Integrated Performance and Reporting (IP&R) framework and long-term planning that is respected among our peers and industry.

We have formed collaborative partnerships across all levels of government, with educational institutions and with many not-for-profit sector and private sector organisations. These partnerships have delivered against agreed strategic outcomes and place us favourably for a sustainable future.

2 Our current position



2.2 Key Challenges and Opportunities

Strengths

City of Ryde has a high level of engagement with its community.

Our Own Source Operating Revenue Ratio has been above the benchmark in the last three years indicating Council's financial flexibility.

We have had adequate liquidity as identified by an Unrestricted Current Ratio above benchmark.

Our Community Strategic Plan and organisation structure is focused on delivering outcomes and this filters through all our IP&R documentation.

In May 2015, IPART granted the City of Ryde a Special Rate Variation of 7% permanent and cumulative for four years.

We initiated our Financial Futures Program in 2013 to review our financial position in the short, medium, and long-term and to instigate a considered and holistic approach to financial management and planning.

Under this Program, we have already developed its property and investment portfolios, implemented a VPA Policy, reviewed our Section 94 Plan, undertaken a number of Best Value Reviews of our operations, received a Special Rate Variation, and managed debt with a view to strategically positioning the City for the future.

An operational review in 2014 delivered recurrent savings of \$1.95 million per annum by reducing staff costs and operational expenditure.

Since implementing a VPA Policy in 2011, we have negotiated and executed 13 VPAs, valued at approximately \$36 million, with a further eight VPAs under negotiation, which will deliver a further \$38.7 million worth of public benefit.

We are the region's most consistent and best performer in terms of residential and commercial growth over the last decade, with Macquarie Park overtaking North Sydney as the second largest business district in NSW. Macquarie Park has the capacity for an additional 1.15 million square metres of commercial floorspace allowing sustainable growth into the future.

Grants obtained from 2011/12-2014/15 to deliver services or infrastructure and reduce the burden on rate payers:

- RMS grants for capital works: \$3,798,743
- Other grants: \$22,183,474

We partner with other NSROC Councils in a regional tender for the disposal of waste.

We have again entered into an arrangement for the procurement of large and small market electricity and large market Gas supplies through SSROC.

We also provide services to other NSROC Councils through our Porters Creek Recycling Operations. Construction waste is received, recycled and sold back to neighbouring Councils. This is undertaken on a commercial operation basis.

Services are also provided to Hunter's Hill Council (Gladesville Town Centre) and other Government Authorities (Ferry Wharves), where services are low risk and high return.

The split between contractors and day labour (55% contract 45% in-house) provides for flexible and efficient service delivery, with specialist non-core services contracted out to achieve better quality and value and core activities undertaken in-house in accordance with our strengths.

Flexibility to reverse decisions in response to changes in external policy environment.

2.2 Key Challenges and Opportunities

Opportunities

Overhead Allocation Model project to give more accurate costing for our fees and charges.

Our financial flexibility as indicated by the Operating Ratio and Own Source Operating Revenue Ratio is generally in line with the group average.

We have more relative capacity to utilise further borrowings than the group 3 average as we have a stronger debt-service coverage ratio (DSCR) and Interest Cover Ratio.

We are in a sufficient liquidity position and are above the group average liquidity level with all funds held within cash and cash equivalents as opposed to investments.

Recognising that greater housing supply is required to deal with Sydney's growth, we are delivering housing at a rate that will exceed the NSW Department of Planning's targets.

We are also securing future growth through the Macquarie Park Corridor Master Plan and the Macquarie Park DCP. Under these plans, Macquarie Park will become the fourth largest CBD in Australia.

Council's exploration of non-rate revenue sources expected to be adopted by Council in September 2015.

Result of the City of Ryde's Property Strategy scheduled for completion in 2016, to realise our Investment Property Portfolio potential of \$110 million worth of development in the short-term and a further \$260 million in the medium-term which would deliver \$11 million in revenue per annum.

Redevelopment of the significant Civic Centre site through an International Design Competition.

The Joint Regional Authority will enhance our subregional planning and procurement to enhance the subregion's scale and capacity.

Enhancement and efficiency opportunities in Council's management of its sport and recreational facilities resulting from the City of Ryde Sports and Recreation Strategy scheduled for completion in 2016 .

2.2 Key Challenges and Opportunities

Weaknesses

TCorp in 2013 identified the following weaknesses for the City of Ryde, most of which have now been addressed and all will be addressed by 2020.

We reported a \$78.9 million infrastructure backlog in 2012 which represents 8.8% of our infrastructure asset value of \$896.6 million.

Our reported backlog has remained at a similar level since 2009.

Cancellation of the Civic Centre redevelopment added a to the infrastructure backlog total as the upgrade costs of the Civic Centre were not included in the backlog total in 2012 on the assumption that the Civic Centre was to be replaced.

Asset maintenance funding has been on a downward trend, decreasing below the benchmark and group average in 2012. Asset renewals have been below benchmark since 2010 but increased above the group average in 2012.

Our Capital Expenditure Ratio is marginally above the group 3 average; however, the group has a comparatively high level of Infrastructure Backlog.

Threats

We face a number of issues that threaten our strong ongoing performance, including:

- legislative changes by the NSW and Commonwealth Governments
- the impacts of interest rate movements that could reduce investment income or increase interest rate liabilities
- the ability to manage sustainable growth while meeting community expectations

- the impact of growth and development on the environment and traffic congestion
- increasing costs for assets and infrastructure
- the possibility of forced amalgamation.

2 Our current position

2.3 Performance against the Fit for the Future benchmarks Sustainability

2.3 Sustainability benchmarks

Measure/ benchmark	2013/2014 Performance	Achieves FFTF Benchmark?	Forecast 2016/2017 Performance	Achieves FFTF Benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-0.004	No	0.017	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	77%	Yes	93.3%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	96.9%	No	130.5%	Yes

2.3 Performance against the Fit for the Future benchmarks

Infrastructure & Service Management

2.3 Infrastructure & Service Management benchmarks				
Measure/ benchmark	2013/2014 Performance	Achieves FFTF Benchmark?	Forecast 2016/2017 Performance	Achieves FFTF Benchmark?
Infrastructure Backlog Ratio (Less than 2%)	8.48%	No	3.63%	No Meet by: 2019-20 1.48%
Asset Maintenance Ratio (Greater than 60% average over 3 years)	95.48%	No	112.95%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0.68%	Yes	1.10%	Yes

If the Fit for the Future benchmarks are not being achieved, please indicate why.

Infrastructure Backlog Ratio

We measure backlog as those assets that are “overdue for renewal”, being the assets that have reached Condition 5, and are not programmed for renewal due to insufficient funding. We have reviewed our assets and their useful life based for funding levels for future renewals, and used the actual age at which we would renew the asset, and not the design life of the assets.

For road pavements which represent the largest infrastructure asset type, the useful life has changed from 25 years to 45 years, with full failure (closure or removal from service) at 50 years. Therefore, a section of pavement becomes “due for renewal” at 46 years of age, and if not programmed for renewal by that age, it becomes part of any backlog.

Our backlog of Condition 5 assets at 30 June 2014 was \$29 million, which is expected to be \$12.9 million at 30 June 2024. This takes into account those assets that are Condition 3 and Condition 4 that will degrade over the next nine years and become due for renewal.

We have determined that this is an acceptable level of backlog.

Debt Service Ratio

The above results are based on our 2014-24 LTFP and do not include a decision of Council to use borrowings to develop four of its investment properties over four years. This level of borrowing will be reflected in our 2015-2025 LTFP. We have listed development of an Infrastructure Funding Strategy, inclusive of a Borrowing Policy, as a priority in our Improvement Plan.

2 Our current position

2.3 Performance against the Fit for the Future benchmarks Efficiency

2.3 Efficiency benchmarks				
Measure/ benchmark	2013/2014 Performance	Achieves FFTF Benchmark?	Forecast 2016/2017 Performance	Achieves FFTF Benchmark?
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	0.720	Yes	0.722	Yes

The trend over 5 years is as follows:

Expected improvement in performance

Benchmark	2013/14 ³	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	0.720	0.748	0.725	0.722	0.705	0.706	0.701

In 2014/15, as part of its financial sustainability measures, Council allocated the \$1.9 million savings and efficiency gains to Asset Maintenance. This reprioritisation is shown in the slight elevation in the Real Operating Expenditure Per Capita result for 2014/15, after which a down-ward trend is indicated.

2.3 Performance against the Fit for the Future benchmarks

Assumptions Underpinning Council's Benchmark Results.

Our benchmark results are based on Council's adopted 2014-2024 long-term Financial Plan (LTFP) including the SRV application which was approved 19 May 2015, and independently reviewed by our external Auditors PricewaterhouseCoopers (PwC). The LTFP and the assumptions underpinning its calculations are included in Attachment L.

We have taken a conservative approach to the assumptions in the LTFP. Our Improvement Plan includes a number of strategies to continue to improve our performance, to ensure that we meet or exceed the benchmarks.

Key points to note in interpreting our results are:

- The forecasts do not include any future Section 94 contributions. In the past three years, we have averaged \$11.61 million per annum in actual contributions.
- As part of our ongoing program of improvements, a forecasting model for Section 94 contributions is under development and will be applied from 2016/17 allowing a prudent approach to budgeting for future Section 94 contributions in the LTFP. These forecasts will be based on relevant variables such as the planning framework, existing housing stock, growth rates and other factors.

- No increases have been applied to the value of our assets and the values are maintained at 2013/14 levels. Given past trends we expect the value of assets will increase over the 10 year period. This increase will have a positive result on our performance against the Infrastructure benchmarks. Once our asset depreciation modelling is finalised to enable tracking the movement of assets through condition ratings, we will revise our forecasting of asset values into the LTFP. We expect this to occur within the Improvement Plan period.
- Depreciation is forecasted by indexing 2013/14 results over the long-term. With our significant infrastructure renewal-focused capital works program, it is expected that depreciation will decrease (or at the very least remain constant) over the next 10 years as a result of the movement of assets back to satisfactory conditions. Once our depreciation forecasting model is finalised the LTFP will be adjusted. We expect this to occur within the Improvement Plan period.

We note that when comparing

the 2014-2024 LTFP, the 2013/14 Financial Statements and the Fit for the Future benchmark result calculations, some inconsistency appears. Note that:

1. In the LTFP, the Debt Service formula excludes all grants and contributions, including Operating grants, whereas the Fit for the Future Debt Service formula only excludes Capital grants.
2. In the Financial Statements 2013/14 the Depreciable Land Improvements, Swimming Pools and Open Space Infrastructure were not included in Special Schedule 7. This error was identified as part of the independent review of our benchmark results by PwC and has been adjusted for future statements.
3. Prior to refining our asset management plan and sub-plans in 2014/15, we had been calculating backlog based on assets in Conditions 4 and 5. We reviewed our Asset Management approach after receiving expert advice from PwC and Jeff Roorda and Associates. In 2013/14 we defined our backlog as those assets that are rated 5 and 'considered at the risk of failure or failed' and are overdue for renewal.
4. The formula underpinning our

backlog projections is based on the \$29 million in backlog calculated in 2013/14 and adding the value of 20% of Condition 4 assets, less the amount allocated for asset renewals. We plan to develop a more accurate forecasting model as part of our strategic asset capability improvement plan.

5. We note that the Financial Indicator results produced in our SRV application in February 2015 were based on Council's unrestricted general funds rather than the consolidated financial results. Our performance against the benchmarks calculations are based on consolidated financial results.

Assumptions underpinning LTFP 2014-24

The following assumptions underpinned the financial expenditure and revenue figures for the LTFP, based on the original budget for 2013/14 as the starting point, indexed with additional adjustments, depending on budget bids and other known factors.

Revenue Forecasts

Rates and Annual Charges

Revenue - Rate pegging depends on determination of IPART but has been loosely correlated with the CPI from the previous year over the last 10 years. We have used the approved rate peg of 2.30% for 2014/15, 7% for 2015/16 to 2018/19 and a conservative 2.60% increase per year thereafter.

Total Additional Rates - All additional rating income above the normal rate pegging amount, approved as part of our SRV application, will be raised as a Special Rate, and unspent funds will be restricted to an Infrastructure Renewal Reserve.

Efficiency Savings - \$2.5 million, from 1 July 2015 has been projected in to the LTFP, as a result of internal savings across our operations. This is made up of \$1.9 million in expenditure savings and \$0.6 million in additional revenue.

Domestic Waste Charges - We estimate an increase of 5% for 2014/15, 15% for 2015/16 and 5% increase per year thereafter.

Macquarie Park Special Rate - We have estimated an increase of 2.30% for 2014/2015, and a conservative 2.60% increase per year thereafter. Any funds not utilised for works in that area are transferred to a reserve and held there until used for that specific purpose.

Investment Income - The return on our investments is based on maintaining approximately the same level of investments. It is based on the original budget for investment income in 2013/14. Better metrics around the amount of investment income generated, will be modelled in future iterations of the LTFP. The projections are based on CPI increases.

Operating Grants and Contributions - The operating grants and contributions are based on the known recurring grants that we receive each year for items under the Base Budget. Funding from Non-Capital Projects has only been included for the duration of the project.

Capital Contributions - Capital contributions have only been included where they are known or certain. Section 94 contributions have not been budgeted, as we now only brings them to account when received. Projected works for the first year in the operational plan only include expenditure to the equivalent of the funds received to date and on hand.

No increase in capital contributions has been allowed in the LTFP.

Borrowings - Our annual funding shortfall is a result of a deficiency of annual revenue. While borrowing is always a funding option, loans would not resolve the Council's on-going annual funding shortfall. Council have utilised loans for 'lumpy' renewals, such as buildings, and it is proposed to maintain that position. We have also had identified the use of loans for one-off acquisitions, funding developments in our investment property portfolio or for subsidised loans under the NSW Government's Local Infrastructure Renewal Scheme.

Sale of Assets - Due to our limited asset base, we adopted the position to not sell our assets. Rather, we are planning to redevelop its investment portfolio to increase our annual revenue from the leasing/rental returns. This approach will reduce our dependency on rate income, in the medium to long-term.

Reserves - Externally restricted reserves will grow over the period of the LTFP, from \$17.39 million as at 30 June 2015 to \$21.56 million as at 30 June 2022. The majority of growth belongs to the Macquarie Park Special Rate, as the full scope of works under that special rate have not yet been determined, so the funds are projected to be put aside until the exact works are identified and have been endorsed.

Expenditure Forecasts

Employee Costs - We have used the negotiated Award change, 3.25% for 2014/15 and estimated an increase of 2.60% per year from 2015/16 onwards.

Material and Contracts - We have estimated an increase of 3% per year for 2014/15 and 2015/16 and a conservative 2.60% increase per year thereafter. The increase is no higher than the CPI%, as we need to find productivity gains from the resources we consume, as a significant proportion of expenditure related to construction and oil-based products such as the bitumen used in sheeting roads. We cannot continue to allow costs such as these to continue to spiral out of control, and must limit their increase, which may result in a reduction of the level of service we provide.

Borrowing Costs - The outstanding loans as at 30 June 2014 are projected to be \$6,604,838. The interest payable based on the commitments for the current outstanding loans will be down to \$228,000 by 2023/24.

Depreciation - Depreciation has been estimated in 2014/15 at \$15.08 million rising to \$21.07 million in 2023/24. This is down from the 2013/14 budgeted amount of \$21.20 million. When the Asset Management Plans are fully developed a more accurate depreciation forecast will be undertaken. Better forecasting of depreciation underpins one of our actions to achieving our first strategy. "1.1 Council maintains stringent control over its operational costs over the 2016-2020 period."

Insurance - We have estimated an increase of 4% for 2014/15, and a conservative 2.60% increase per year thereafter.

IT Licensing Costs - We have estimated an increase of 4% for 2014/15, and a conservative 2.60% increase per year thereafter.

Contractors (Concrete Works and External Roadworks) - We estimate an increase of 6% per year for 2014/15 and 2015/14 and a conservative 2.60% increase per year thereafter.

Electricity - We estimate an increase of 8% for 2014/15, 5% for 2015/16 and a rolling percentage each year, with a sharp increase every four years of 8% in the year that we come off the latest contract.

Street Lighting - We estimate an increase of 8% for 2014/15, 5% for 2015/16 and a rolling percentage each year, with a sharp increase every four years of 8% in the year that we come off the latest contract.

Capital Works Program - The capital expenditure has been projected from the budget for the 2014-2018 Delivery Plan. The Infrastructure and Building Renewals expenditure is approximately \$7.69 million per year and Other Renewals, Expansion or New Works is \$9.56 million per year (due to funding sources), giving a total of \$17.25 million per year, on average over the next 10 years.

Reserves - The present rate of spending on operating and capital works shows the level of internally restricted reserves will increase from \$42.13 million as at 30 June 2015 to \$58.75 million as at 30 June 2022, with some reserves being overspent and funded from other reserves as internal loans.

Better forecasting of depreciation

Depreciation was revised for the 2013/14 financial year, which resulted in a decrease of approximately \$2.5 million for 2013/14 from the previous year, and a reduction over the original budget of \$4.68 million.

As per the Financial Statements we said:

“As at 30 June 2013 Council had revised the useful lives of its Infrastructure and Building assets and their remaining lives, effective 1 July 2013”.

We also moved to a condition basis for calculating the depreciation, which determines the remaining useful life, based on its condition. To support this, we commenced a rolling inspection of our infrastructure assets, plus reviews as part of our ongoing maintenance works, so that condition data is as current as possible.

While this is not true ‘condition-based’ depreciation we adopted a new method of depreciation, by breaking each of its asset categories into five condition ratings. Within each of these condition ratings, we reviewed and determined both the useful life and loss of future benefit, while the asset traverses through that condition rating. Therefore, while in each condition rating, the asset will have a straight line depreciation, which will increase as the condition rating increases.

Condition 5 represents assets due for renewal but still in service, so will hold a residual value until renewed.

Depreciation is no longer a representation of the inter-generational funding required for asset renewal. This funding model is represented by a straight line depreciation over the useful life to the intervention point, being the end of Condition 4.

For the purpose of the LTFP, we take the current known depreciation and use an index for this. The reasoning behind this is that as Assets age, they move from Condition 1 to 2, from 2 to 3, and so on. As the condition rating decreases, the cost of depreciation increases as the asset deteriorates quicker.

We need a more comprehensive model for both depreciation and maintenance that will predict the movement in depreciation and maintenance requirements, so that we have a better basis on which to predict both of these.

There will be an improvement in the Operating Performance result when better modelling is available, as depreciation has been indexed, as a conservative measure. The modelling will result in a decrease in depreciation cost.

3 Fit for our Future

Sustainability

3.1 Fit for the Future Sustainability

Summarise your Council's key strategies to improve performance against the Sustainability benchmarks in the 2016-2020 period, including the outcomes you expect to achieve.

Our efforts to achieve financial sustainability began many years ago. We engaged Morrison Low to review of our assets and the funding needed for those assets in 2006, resulting in our first LTFP. This was based on the level of expenditure required to fund asset maintenance and renewal. In 2006, the shortfall of funding was identified as between \$8 million and \$10 million.

We then began a series of structural changes, technology improvements and a program of best value reviews; engaged with the community and the elected representatives to set a vision for the City; and developed commensurate measures to address both the vision and the organisation's financial sustainability. In short, we reengineered the way we did business, embedding flexibility, internally aligning its operations with the Community Strategic Plan, Delivery Plan, Operational Plan, personal performance plans, supported by a suite of performance measures and aligning with NSW Government's priorities and plans. At this time we focused significantly on our assets and their management.

In March 2013, the NSW Treasury Corporation (TCorp) reviewed our financial sustainability and rated Council as 'Sound' with a 'Negative Outlook', due to the lack of sufficient annual funding for asset renewal. We accelerated our Asset Management efforts to identify the short-fall in funding, our asset renewal and maintenance priorities, documenting in detail the condition of its assets and adopting:

- 1) a more sophisticated life cycle-based funding model for asset renewal and maintenance
- 2) an asset condition-based accounting and management model.

We also increased our focus on cost containment strategies. In the formulation of our Four Year Delivery Plan and One Year Operational Plans since 2012, we introduced very tight budget measures to ensure our operations and services are delivered at 'best value for money'. We imposed a strict budget framework towards a 'zero base' budgetary approach, resulting in 0% increases in discretionary budget areas, requiring all project expenditure to be deleted from our Base Budget and requiring a Business Case to justify all projects (Capital and Non-Capital).

In 2013/14, in addition to the budgeting initiative, we:

- reviewed our structure and reduced our staff establishment throughout the 2013/14 with positions not being replaced. Fourteen positions were deleted from our establishment producing ongoing annual savings of \$1.5 million and reducing Council's establishment to 473, less than its 2009 levels. These savings were brought into account in Quarter 1, 2014/15.
- undertook Best Value Reviews of key business processes such as the development application process, communications and events.

To supplement salary savings we reduced our operating costs by \$400,000 from our Base Budget. These efficiency gains allowed us to direct these funds to additional asset maintenance.

A PwC review of our LTFP and overall financial performance compared to other similar sized Councils also confirmed the amounts quoted as the annual shortfall of funding were accurate. This review confirmed the TCorp assessment and the need for additional annual funding of \$10 million (\$2 million for maintenance and \$8 million for renewal). PwC also advised us to increase revenue through an Special Rate Variation (SRV), as it was competitive to all key expenditure indicators when benchmarked to other Councils, and recommended not to further reduce Council's expenditure.

After a 13-month community engagement process, we applied for and was successful in attaining a SRV of 7% (inclusive of the rate peg) over four years, to address our infrastructure renewal and backlog. The additional funds are budgeted for asset renewal using today's service levels as the benchmark.

Council's Fit for the Future Strategies

Our focus over the Fit for the Future Improvement Plan will be to maintain our strategies, implement the SRV priorities and to undertake strategies that will safeguard our long-term future.

Our Improvement Plan across all three sets of benchmarks focuses on stringent cost control, monitoring and controlling service levels, identifying non-rate sources of revenue, adopting a long-term infrastructure funding strategy (including use of borrowing, user pays strategy and monetising assets), refining our modelling for depreciation, maintenance and renewal, setting service level standards with the community for non-civil assets and continuing a program of continuous improvement.

We expect the Improvement Plan ensure we meet the Fit for the Future benchmarks over the 10 year horizon. It will also build our capacity to manage, maintain and renew our assets over their life.

Explain the key assumptions that underpin your strategies and expected outcomes.

Our work to date in cost containment, review of our operations, asset management and the attainment of a SRV means that we will meet all seven benchmarks by the end of the improvement period.

Our Improvement Plan will focus on strategies that will:

- maintain financial health;
- underpin longer-term sustainability above and beyond the injection of the SRV.

Our performance against the Fit for the Future benchmarks is based on our 2014-24 LTFP. We have taken a conservative approach to the assumptions in the LTFP as outlined below. The Improvement Plan includes a number of strategies to help develop prudent forecasting models for traditionally imprecise categories.

These assumptions are very conservative:

- The forecasts do not include potential Section 94 contributions that have equated to \$11.61 million a year in the past three years.
- These contributions were omitted from forecasts due to the unpredictable nature of development. We expect to finalise a forecasting model for Section 94 in 2015/16 allowing a prudent approach to budget for Section 94 contributions in the LTFP.

- The value of assets are maintained at 2013/14 levels. Given past trends we expect the value of assets will increase over the 10-year period. This increase will have a positive result on our performance against the Infrastructure benchmarks.
- Once our asset depreciation modelling is finalised, we will revise our forecasting of asset values in the LTFP. We expect this to occur within the Improvement Plan period.
- Depreciation is forecasted by indexing 2013/14 results over the long-term. Under our significant asset renewal capital works program, we expect that depreciation will decrease (or at the very least remain constant) over the next 10 years, as a result of the movement of assets back to satisfactory conditions.
- Once our depreciation forecasting model is finalised the LTFP will be adjusted. We expect this to occur within the Improvement Plan period.

3.1 Our strategies and outcomes for Sustainability

Objective 1) City of Ryde achieves all Sustainability benchmarks by the end of the 2016-2020 timeframe and beyond			
Strategies	Key milestones	Outcome	Impact on other measures
1.1 Council maintains stringent control over its operational costs over the 2016-2020 period	1.1.1 Council achieves surplus as forecast in the LTFP by 2020 1.1.2 Annual Budget Planning Process complete each year 1.1.3 Forecasting model developed for depreciation, renewal and maintenance of assets By 2017 1.1.4 Investigation into the possibility of outsourcing of services	Council's 2016-2026 LTFP reflects forecasting results and shows an improvement on 2014-2024 LTFP Discretionary spending growth is maintained at 2014/15 levels Contained growth in operating expenditure in line with forecasts in LTFP Continuation and improvement of current budget control and review process including: - Indexing control - Central allocation of budgets for Operating and Capital expenditure - Central approval for changes to staff establishment Council's Operating Performance Ratio increases from current 2013/14 result deficit of -0.04 to forecasted surplus of 0.047 by 2020	This strategy has a positive impact on the following strategies: 1.2 Increase Council's Own Source Revenue (reduce reliance on rates revenue) 2.1 Improve City of Ryde's Strategic Asset Management capability 2.2 To meet the benchmark of <2% for Infrastructure backlog ratio by 2020 and beyond 2.3 To continue meeting asset maintenance ratio on or above 100% to 2020 3.1 Implement following program of continuous improvement by 2020
Strategies	Key milestones	Outcome	Impact on other measures
1.2 Increase Council's Own Source Revenue (reduce reliance on rates revenue)	1.2.1 Develop and adopt City of Ryde Property Strategy 1.2.2 Overhead Cost Allocation Project completed to establish 'true' cost of service 1.2.3 Planning proposal for advertising signage considered by Council 1.2.4 Complete other projects that investigate how to raise additional income from sources other than rates including investment property 1.2.5 Implement expansion of current external works capability	Council's non rate revenue ratio increases using the 2013/14 results as benchmark Council adopts projects in the 2016-2020 Delivery Plan to develop Council's property investment portfolio Council adopts revenue generating projects in the 2016-2020 Delivery Plan Council adjusts its Fees and Charges taking into consideration the 'true' cost of services in the 2016-2020 Delivery Plan Expanded capacity for external works services (example cleaning for Hunter's Hill Council in Gladesville)	This strategy has a positive impact on the following strategies: 1.1 Council maintains stringent control over its operational costs over the 2016-2020 period 1.3 Making strategic use of available funding 2.2 To meet the benchmark of <2% for Infrastructure backlog ratio by 2020 and beyond 2.3 To continue meeting asset maintenance ratio on or above 100% to 2020 3.1 Implement following program of continuous improvement by 2020

Objective 1) City of Ryde achieves all Sustainability benchmarks by the end of the 2016-2020 timeframe and beyond			
Strategies	Key milestones	Outcome	Impact on other measures
1.3 Making strategic use of available funding	1.3.1 Council adopts an Infrastructure Funding Strategy 1.3.2 Council adopts policy on Borrowing Strategy 1.3.3 Department of Planning and Environment considers Council's Section 94A plan by 2016/17 1.3.4 Clearly established and documented Service Levels for assets 1.3.5 Continue to maintain levels of VPA outcomes 20% above applicable Section 94 contribution rate 1.3.6 Council investigates further use of grant funding and subsidies	Council's infrastructure funding strategy and borrowing policy is reflected in the LTFP and Delivery Plan Council adopts use of strategic borrowing to purchase additional income producing assets and to renew key assets Section 94A plan gazetted or if not approved to be reviewed Allocation of Section 94A funding to schedule of priority works Strategic utilisation of grant funding and subsidies for Capital and Non Capital Projects	This strategy has a positive impact on the following strategies: 1.1 Council maintains stringent control over its operational costs over the 2016-2020 period 1.2 Increase Council's Own Source Revenue (reduce reliance on rates revenue) 2.1 Improve City of Ryde's Strategic Asset Management capability 2.2 To meet the benchmark of <2% for Infrastructure backlog ratio by 2020 and beyond 2.3 To continue meeting asset maintenance ratio on or above 100% to 2020 2.4 To develop an Infrastructure Funding Strategy including a Borrowing Policy 3.1 Implement following program of continuous improvement by 2020
Strategies	Key milestones	Outcome	Impact on other measures
1.4 Implementation of Special Rate Variation Asset Works	1.4.1 Works identified in SRV application are completed each year 1.4.2 Schedule of renewal works developed for sports-fields and facilities 1.4.3 Asset data is reviewed and updated	Council's Asset Renewal ratio increases from current 2013/14 result of 96.85% to forecasted 122.31% by 2020	This strategy has a positive impact on the following strategies: 2.1 Improve City of Ryde's Strategic Asset Management capability 2.2 To meet the benchmark of <2% for Infrastructure backlog ratio by 2020 and beyond 2.3 To continue meeting asset maintenance ratio on or above 100% to 2020

3 Fit for our Future

Infrastructure and Service Management

3.2 Fit for the Future

Infrastructure and Service Management

Summarise your council's key strategies to improve performance against the Infrastructure and service management benchmarks in the 2016-2020 period, including the outcomes you expect to achieve.

We will meet all the Infrastructure and Service Management benchmarks by 2019/20 (see section 3.1).

Over the Improvement Plan period, we will concentrate on improving its Strategic Asset Management Capability. We reassessed our asset management capability using the IPWEA Self-Assessment in 2014, and reached a score of 40 (an improvement from 19 in 2012). We intend to reach 60 (above Local Government Industry best practice) by 2020 and the strategies in the Improvement Plan reflect this intent.

We will establish service levels and standards in consultation with the community, focusing on parks and reserves, sporting and recreation facilities and community buildings. We expect to refine asset sub-plans to include renewal/maintenance works and schedules and to adopt an asset management policy. In this period, we also expect to finalise forecasting models to assist in prudent budgeting of renewal and maintenance and to have adopted a long-term infrastructure financial strategy.

We will develop metrics to estimate asset maintenance and operating costs, aiming to find the optimal balance between spending on maintenance and spending on renewal, so that we intervene or renew assets at the right time.

Explain the key assumptions that underpin your strategies and expected outcomes.

Our current situation

We provide a high level of customer service to more than 110,000 residents.

We are responsible for an extensive range of assets, valued at over \$2 billion. These assets include infrastructure used by the community every day, such as land, roads, footpaths, drains, cycleways, buildings, parks, playgrounds, sporting and leisure facilities and natural areas. These assets deteriorate over time and require ongoing maintenance or replacement.

Asset Maintenance

In 2013/14, we undertook trend analysis of maintenance costs over a three year period, and found a shortfall of \$2 million per annum for maintenance. To address this, we re-directed \$1.9 million of the \$2.5 million efficiency gains we achieved as part of our organisational cost and efficiency savings and to asset maintenance.

How we rate the condition of assets

- Our assets are graded 1-5, with the condition 1 'as new' through to condition 5, which is 'considered at the risk of failure or failed'.
- Assets quality service standards are graded 5-1, with 5 fit for purpose and 1 not fit for purpose.
- We define our backlog as assets that are rated 5 and 'considered to be at the risk of failure or failed'.

Use of SRV to fund Assets

With the approved SRV, we attained an average annual 7% rate increase for the next four years, commencing 2015/16 (including the rate peg increase of 2.4%), to maintain services at their current level, and provide additional funding for renewing the City's infrastructure. By implementing the works identified in our 2015-2019 Delivery Plan, which includes our SRV, we will bring our infrastructure backlog ratio back within the benchmark of 2% by the end of 2020. We forecast the result to be 1.48%.

Improvements in Asset Planning

As part of our Improvement Plan Council we propose funding an additional position for four years from 2016-2020 to:

- enhance asset plans and sub-plans to include service standards and long-term maintenance, rehabilitation and replacement cost projections and linked to our Enterprise Risk Management system
- develop an Infrastructure Funding Strategy to develop better financial modelling to better target the spend on assets
- review and refine our Asset Management Strategy and Policy as part of IP&R process
- identify acceptable/satisfactory asset service standards
- Create and implement metrics to ensure maintenance of service standards to identified levels
- consult with the community on expected service levels
- achieve community satisfaction with service levels to inform the next Community Strategic Plan review.

This work will underpin our ability to manage the sustainability of our assets into the future and will ensure we meet all the Infrastructure and Service Management benchmarks in the long-term. By the end of this Improvement Plan period, we will have further improved our Resourcing Strategy and our ability to gather more accurate data, and will have established reliable modelling to monitor our assets and keep them to the expected service levels that meet community expectations.

3.2 Our strategies and outcomes for Infrastructure and Service Management

Objective 2) City of Ryde achieves all Infrastructure and Service Management benchmarks by the end of the 2016-2020 timeframe and beyond

Strategies	Key milestones	Outcome	Impact on other measures
2.1 Improve City of Ryde's Strategic Asset Management capability	2.1.1 Council funds additional resources to complete update of Asset Plans and Sub Plans and to complete Infrastructure Financial Funding Strategy in 2016/17 2.1.2 Asset Management Strategy and Policy updated and reported to Council in 2017/18 2.1.3 Asset data is reviewed and updated on a rolling program over 5 years 2.1.4 Asset Sub Plans are reviewed and enhancements made by 2020 including following asset classes: - Buildings - Playspaces and Sporting Fields - Parks and Reserves - RALC - Traffic and Parking - Library and Cultural 2.1.5 Community consultation undertaken to inform knowledge of expected service levels 2.1.6 IPWEA self-assessment conducted again in 2020 and then every four years. 2.1.7 New service standard metrics created and tested and data capture occurs on regular basis from 2020 2.1.8 Asset Sub Plans Linked to Enterprise Risk Management Plan by 2020	City of Ryde improves Asset Management Capability score from 40 (2014 state) to 60 (desired state) by 2020 Asset Management Strategy and Policy continually reviewed and refined as part of IP&R process Asset Sub Plans include service standards reflecting community expectations, long-term maintenance, rehabilitation and replacement cost projections and linked to Enterprise Risk Management system Robust program of asset data capture LTFP reflects the Infrastructure Financial Strategy Council adopts Satisfactory Asset service Standards (by asset class), taking into account community feedback, financial capacity and asset condition Council adopts measurement metrics to monitor service standards against adopted identified levels Community satisfaction with service levels informs the next Community Strategic Plan review	This strategy has a positive impact on the following strategies: 1.1 Council maintains stringent control over its operational costs over the 2016-2020 period 1.3 Making strategic use of available funding 2.1 Improve City of Ryde's Strategic Asset Management capability 1.4 Implementation of Special Rate Variation Asset Works 2.2 To meet the benchmark of <2% for Infrastructure backlog ratio by 2020 and beyond 2.3 To continue meeting asset maintenance ratio on or above 100% to 2020 2.4 To develop an Infrastructure Funding Strategy including a Borrowing Policy 3.1 Implement following program of continuous improvement by 2020.

Objective 2) City of Ryde achieves all Infrastructure and Service Management benchmarks by the end of the 2016-2020 timeframe and beyond

Strategies	Key milestones	Outcome	Impact on other measures
2.2 To meet the benchmark of <2% for Infrastructure backlog ratio by 2020 and beyond	2.2.1 Works identified in SRV schedules are finalised by end of 2018/19 financial year. 2.2.2 Delivery Plan 2016-2020 identified Capital Works program completed 2.2.3 Asset data capture and testing is completed annually and on an ongoing basis 2.2.4 Infrastructure Funding Strategy documented and implemented in LTFP, Budget and Planning process	Council meets the Infrastructure Backlog Benchmark Council refines its definition of backlog and identifies the optimum intervention point for renewal. Council can fund its infrastructure renewal into the future at current service levels	This strategy has a positive impact on the following strategies: 1.1 Council maintains stringent control over its operational costs over the 2016-2020 period 1.2 Increase Council's Own Source Revenue (reduce reliance on rates revenue) 1.3 Making strategic use of available funding 1.4 Implementation of Special Rate Variation Asset Works 2.1 Improve City of Ryde's Strategic Asset Management capability 2.3 To continue meeting asset maintenance ratio on or above 100% to 2020.
2.3 To continue meeting asset maintenance ratio on or above 100% to 2020	2.3.1 Asset Management Plans identify optimum level of funding for maintenance 2.3.2 New maintenance schedules complete using updated information from Asset Management Plans	Council meets the Asset Renewal Benchmark Council is able to fund maintenance of assets at the appropriate level for condition of asset More accurate budgeting for maintenance of assets and spending levels maintained at optimum levels over the LTFP period	This strategy has a positive impact on the following strategies: 1.1 Council maintains stringent control over its operational costs over the 2016-2020 period 1.2 Increase Council's Own Source Revenue (reduce reliance on rates revenue) 1.3 Making strategic use of available funding 1.4 Implementation of Special Rate Variation Asset Works 2.1 Improve City of Ryde's Strategic Asset Management capability
2.4 To develop an Infrastructure Funding Strategy including a Borrowing Policy	2.4.1 Development of an Infrastructure Funding Strategy to establish Council's position on - Levels and purpose of borrowing - Identification and monetisation of existing assets - Use of Developer Contributions (S94A) - Treatment of on-going maintenance/operating of contributed assets 2.4.2 Identify and confirm existing assets that can be transformed into income producing assets 2.4.3 Implementation of Property Strategy 2.4.4 Infrastructure Funding Strategy adopted by council	Council's LTFP reflects Council's ability to fund asset renewal into the future to identified Service levels Council's performance against the Debt Service Benchmark reaches optimum level (between 1-20) Council adopts a schedule of asset monetisation and acquisition of income producing assets	This strategy has a positive impact on the following strategies: 1.1 Council maintains stringent control over its operational costs over the 2016-2020 period 1.2 Increase Council's Own Source Revenue (reduce reliance on rates revenue) 1.3 Making strategic use of available funding 2.1 Improve City of Ryde's Strategic Asset Management capability

3 Fit for our Future

Efficiency

3.3 Fit for the Future

Efficiency

Summarise your council's key strategies to improve performance against the efficiency measures in the 2016-2020 period, including the outcomes you expect to achieve.

Our long-standing continuous improvement program aims to improve efficiency and value for money, and contain costs (see section 3.1). As a result, we expect to meet this benchmark in the Improvement Plan period.

In 2013, we initiated a major organisation-wide savings drive, reducing staff numbers by 14 positions, down to 473 Full Time Equivalent positions. This produced an annual saving of \$1.5 million. This savings drive also reduced operating expenses of \$400,000 arriving at a total of \$1.9 million.

To address the identified funding gap in Asset Maintenance, we redirected these savings to asset maintenance. The savings were brought to account in the 2014/15 Delivery Plan.

We consider our 2014/15 performance (0.748) under the Real Operating Expenditure Per Capita (ROEPC) criteria to be an optimum benchmark and we intend to maintain and improve on this result over the next 10 years.

We also intend to continue our program of Best Value Reviews in key functions, implement the results of the 2014 Procurement Best Value Review and refine its measurement metrics to track performance against ROEPC benchmarks.

We will formalise our shared service and regional procurement arrangements with neighbouring Councils, which we expect will positively impact on our ROEPC performance.

3.3 Fit for the Future

Efficiency

Explain the key assumptions that underpin your strategies and expected outcomes.

System Improvements

We have actively improved our information systems to improve Customer Service delivery and productivity.

These initial systems have covered our budgeting, our General Ledger in coding Council's IP&R integration, Corporate Performance Reporting (Quarterly/Annually), Performance Development System (Annual Performance Review for staff), scanning of plans/documents, Project Management/Business Cases, Works and orders linked to Council's Customer Request Management System, CHRIS Kiosk that manages the online approval of all staff leave/reporting and SCOUT online recruiting, TRIM integration across core systems.

We invested significantly to optimise our systems to deliver quality customer services and improve productivity including improved eBusiness services, with 17 services activated through smart-phone technology last year.

These system improvements will allow us to maintain the recently delivered efficiency and productivity gains.

Productivity Gains

Over the last three years we have created the internal capacity to undertake functions that were previously externally procured. We also reviewed our procurement activities with a focus on regional collaboration and ensuring value for money. In 2013/14 we undertook 72 separate formal procurement processes.

A sample of these savings/productivity improvements are below:

Table 13: Productivity gains

Service reviews	Savings Per Annum \$ ('000s)
Reduced advertising costs	150
Undertook customer satisfaction - surveys in-house	140
Savings in graphic design	50
Printing reductions	40
Telecommunications	150
Waste Collections/ Recycling	400
Electricity	100

Public Works Operations

After a review and market testing exercise, we instigated a split between contractors and day labour (55% contract 45% in-house) in our approach to service delivery. This provides for flexible and efficient service delivery, with specialist non-core services contracted out to achieve better quality and value and core activities undertaken in-house in accordance with our strengths. Certain services are also delivered by a mixture of contractors and in-house labour to boost efficiency and capacity.

This integrated split, with an equal in-house (140 operational staff) and contractor mix is unique to the City of Ryde when compared to other NSROC Councils. It optimises efficiency while also providing workforce flexibility and responsive customer service.

3.3 Our strategies and outcomes for Efficiency

Objective 3) City of Ryde maintains and improves on the Real Operating Expenditure Per Capita at 2014/15 levels

Strategies	Key milestones	Outcome	Impact on other measures
3.1 Implement following program of continuous improvement by 2020	3.1.1 Best Value Review Program scheduled and process documented 3.1.2 Best Value Review are scheduled in the Delivery Plan and completed for following Service Units or Council Services: - Finance Unit- particular focus on management accounting - Capital Works delivery management (PDU) - Operations, Maintenance and Works process (Processes related to Works and Assets system) - Parks and Venues Booking - Business Improvement (ODBIG) function - IP&R Process - Tree Management - Review of Council's Civic and Community Events 3.1.3 Review of existing performance measurement metrics complete 3.1.4 Collection of baseline data for new measurement metrics and for benchmark purposes 3.1.5 Implement stage two phase two of the 2014/15 Procurement Best Value Review recommendations 3.1.6 Continue to refine and improve supporting systems and processes to improve productivity 3.1.7 Adopt Real Operating Expenditure per Capita as a Corporate Indicator	Council maintains its performance against ROEPC at 2014/15 levels and improves in the long-term. City of Ryde's demonstrates through all financial and other key indicators, that it is competitive and provides best value Results of the 8 nominated Best Value reviews incorporated into Council's Delivery and Operational plans. Council maintains and improves its Customer Satisfaction rating against its 2013/14 result	This strategy has a positive impact on the following strategies: 1.1 Council maintains stringent control over its operational costs over the 2016-2020 period 1.2 Increase Council's Own Source Revenue (reduce reliance on rates revenue) 1.3 Making strategic use of available funding 2.1 Improve City of Ryde's Strategic Asset Management capability

3.4 Improvement Action Plan

City of Ryde

Summarise the key improvement actions that will be achieved in the first year of your plan.

The Improvement Action Plan is as described in sections 3.1 – 3.3 of this proposal. Below are the major milestones that it will take, to achieve the actions that will be incorporated as part of the 2016/17 Operational Plan.

The Projects and costings can be viewed in 2015-2019 Four Year Delivery Plan including One Year Operational Plan 2015/16, found on our website at www.ryde.nsw.gov.au. Reference to the relevant page is provided in the table below.

Actions	Milestones	Base Budget, Non-Capital or Capital	Reference
Community consultation undertaken to gain knowledge of expected service levels and advise community on available service levels for all assets, in formulating Council's Community Strategic Plan (CSP)	- CSP Community Engagement Plan revised and updated - CSP Community Engagement undertaken - Report on Engagement completed and reported back to Council in consideration of review of CSP	Non-Capital Project	2015-2019 Four Year Delivery Plan including One Year Operational Plan 2015/16 Strategic City Program Project - Community Strategic Plan Review (Page: 62)
Review of the Community Strategic Plan	- Updated analysis of related regional plans - Review and update Community Outcomes, Goals, Strategies - Preparation of first draft of CSP document - Assessment of the impact of changes in the CSP on business systems and structure and recommending how to implement any changes - Incorporating the revised Community Indicators within the CSP - Preparing final draft CSP for submission to Council	Non-Capital Project	2015-2019 Four Year Delivery Plan including One Year Operational Plan 2015/16 Strategic City Program Project - Community Strategic Plan Review (Page: 62)

Actions	Milestones	Base Budget, Non-Capital or Capital	Reference
Council funds additional resources to complete update of Asset Plans and Sub Plans and to complete Infrastructure Financial Funding Strategy in 2016/17	▪ Business Case approved for additional position funded for 4 years ▪ Recruitment of the position ▪ Update and complete Asset Plans/Sub Plans to facilitate delivery of the Asset Renewal Program	Non-Capital Project	2015-2019 Four Year Delivery Plan including One Year Operational Plan 2015/16 Internal Corporate Services Program Projects - Fit for the Future Action Plan Implementation (Page: 73) Fit for the Future Strategic Asset Management Capability (Page: 73)
Overhead Cost Allocation Project complete and adopted by Council	▪ Council endorses findings of project ▪ Adoption of overhead cost allocation model and principles to identify Community Service Obligation (CSO) ▪ Test the model by piloting selected services, detailing the CSOs in the Fees and Charges in 2016/17	Non-Capital Project	2015-2019 Four Year Delivery Plan including One Year Operational Plan 2015/16 Internal Corporate Services Program Project - Business Management Financial Reporting (Page: 73)
Development of City of Ryde Property Strategy and adoption by Council	▪ Property strategy developed in 2015/16 ▪ Property strategy adopted by council, including identification of priority projects ▪ Council endorses implementation plan for property strategy	Non-Capital Project	2015-2019 Four Year Delivery Plan including One Year Operational Plan 2015/16 Property Portfolio Program Project - Property Strategy Plan (Page: 44)
Department of Planning consider Council's Section 94A Plan by 2016-17	▪ In 2015 Council advertises its Section 94A Plan ▪ Council endorse Section 94A Plan, for Department of Planning's approval ▪ Section 94A Plan approved by Department of Planning ▪ Section 94A works schedule and funding incorporated into Resourcing Strategy and Delivery Plan for 2016/17	Non-Capital Project	2016-2020 Four Year Delivery Plan including One Year Operational Plan 2016/17 Internal Corporate Services Program (Page: 73)

Actions	Milestones	Base Budget, Non-Capital or Capital	Reference
Works identified in SRV application are completed each year	- Annual Capital Works Schedules for those programs identified in the SRV application are complete by end of each respective financial year 2015/16 - 2018/19 - Details of SRV funds received and expended reported in each Annual Report 2015/16 - 2018/19	Capital Projects	2015-2019 Four Year Delivery Plan including One Year Operational Plan 2015/16 Identified in the Projects by program in the Delivery Plan (Page: 36-74)
Annual Budget Planning Process complete each year	- Budget Workshops complete from October 2016 to April 2017 - New Four Year Delivery Plan 2017 - 2021 including Operational Plan 2017/18 adopted by council for exhibition April 2017 - Final Delivery Plan adopted by council June 2017	Base Budget	2015-2019 Four Year Delivery Plan including One Year Operational Plan 2015/16 Internal Corporate Services Program 2016/17 Annual Budget Planning Process (Page: 73)
Best Value Review are completed for following Service Units or Council Services: - Business Improvement (ODBIG) function and processes - Capital Works delivery management - Project Development Unit (PDU)	- Best Value review completed for Business Improvement (ODBIG) function and processes from July 2016 - December 2016 - Best Value review completed for Service Unit Project Development Unit from December 2016 - June 2017 - Best Value review completed for Council's Civic and Community Events from September 2016 - March 2017.	Non-Capital Project	2015-2019 Four Year Delivery Plan including One Year Operational Plan 2015/16 Internal Corporate Services Program Project - Fit for the Future Action Plan Implementation Best Value Review Program (Page: 73)

3.4 Improvement Action Plan

City of Ryde

Outline the process that underpinned the development of your Action Plan.

The City of Ryde Improvement Plan for 2016/17 to 2019/20 was developed in line with our budgeting and Integrated Planning and Reporting (IP&R) review process.

Our annual budgeting workshops occur from October – April each financial year. This includes the forward planning of the next four years of the Delivery Plan, with projects and actions using the projections of the revised LTFP and Asset Management Plans. Council then adopts the Draft Delivery Plan and Operational Plan in April each year for public exhibition of 28 days. Following exhibition, the Draft Delivery Plan is then reported back to Council in June for consideration of community feedback and adoption.

In addition to this process, Council has also formed a specific multidisciplinary Fit for the Future project group, with a member from each group within Council and this project group has reviewed all of our IP&R documentation including our recent work completed on our SRV application and formulated further strategies in compiling the City of Ryde's Improvement Plan. This plan will assist our City to achieve Council's long-term sustainability, beyond the Fit for the Future benchmarks by 2020.

The Improvement Plan has been developed in consultation with Council's Executive Team and Councillors, as a result of a number of workshops being held with our Councillors.

The final Improvement Plan was submitted and formally adopted by Council at its meeting on 9 June 2015.

3.5 Other Actions Considered

City of Ryde

In preparing your Improvement Action Plan, you may have considered other strategies/actions but decided not to adopt them. Please identify what these strategies/actions were and explain why you chose not to pursue them.

Other improvement plan strategies which could be undertaken by Council to meet the Fit for the Future benchmarks (but are not presently proposed) include the following:

- Significantly increased user fees and charges beyond the proposed increases forecast in our LTFP
- Discontinuing services or significantly reducing the level of services provided
- The above two points were ruled out due to information gathered during our extensive community consultation over the last two years during our Financial Future program. It was decided that in line with what the community want, neither were options Council should pursue
- A further Special Rate Variation (SRV) or another application to increase the already approved SRV in the improvement plan period – Council has already undertaken a special variation application in 2014/15 which was approved by IPART and entirely directed to infrastructure asset renewal. This is fundamental to Council's asset renewal funding strategy for the next 10 years.

Overall, Council views that its regular IP&R and Budgeting reviews along with further strategies outlined in the improvement plan above will be sufficient for the City of Ryde to remain a strong and sustainable local government entity.

4 Fit for our Future



4.1 How will our plan improve performance City of Ryde

Council's calculations in forecasting Council's Fit For The Future results have been independently reviewed by PwC. (ATTACHED)

- Ryde's FFTF indicators are predicated on Council being successful with a SRV of 7% over 4 years, if successful, then Council meets all the FFTF Benchmarks in 2019/20
- Council has been conservative in its approach to the FFTF benchmarks. It is therefore likely that the actual results could improve on those that have been projected.

TABLE 4.1 Expected improvement in performance

Benchmark	2013/14 ³	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to breakeven average over 3 years)	-0.004	-0.054	0.006	0.017	0.047	0.052	0.047	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	82%	91.6%	92.8%	93.3%	93.5%	93.6%	93.7%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	96.85%	84.9%	141.3%	130.5%	130.9%	125.5%	122.3%	Yes
Infrastructure Backlog Ratio (Less than 2%)	8.48%	4.36%	4.44%	3.63%	2.63%	2.04%	1.48%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	91.22%	88.65%	108.2%	112.95%	107.61%	110.86%	113.54%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0.68%	1.14%	1.15%	1.10%	1.05%	1.01%	0.48%	Yes
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	0.720	0.748	0.725	0.722	0.705	0.706	0.701	Yes

Attachments:

- Self-assessment results
- Long Term Financial Plan 2014-2024 Option B
- 3 year average

5 Fit for our Future



5.1 Our Plan in Action

City of Ryde

How will your council implement your Improvement Action Plan?

Our Improvement Plan is integrated with the Delivery Plan 2015-2019 and Operational Plan 2015/16, which means that the projects will form part of the relevant Service Unit Business Plan and relevant staff work plans. We will be employing a temporary resource to ensure the coordination and implementation of the key strategies.

The implementation of the Improvement Action Plan will be monitored through established processes within our organisation; quarterly reporting to the Executive Team and to Council, Service Unit Business Plan reporting and staff performance management processes.

6 Community Engagement Strategy



6.1 How we consulted the community

City of Ryde

Council has a clear mandate from its community

Our response to the ILGRP's proposals is underpinned by our community's views. We have informed and consulted our community on this issue since early 2013.

Our comprehensive awareness and engagement program has resulted in feedback from over 3,000 residents. We can say with absolute confidence that we have a clear understanding of our community's position on this issue.

Consultation identified fierce opposition to any form of forced amalgamation. The proposed split of the City of Ryde was particularly alarming to our residents. Our engagement program found that the community demonstrates a high level of pride in and attachment to their community, and places a high level of importance on local representation, decision makers' knowledge of local needs and issues, and Council being accessible and accountable.

Through the engagement process the community's views firmed as the level of awareness of the issues increased.

Through our engagement program, we found that our community is generally supportive of efforts to improve the governance and financial sustainability of local government, though many felt that these outcomes could be achieved without amalgamation. In particular, our community workshops cited NSROC as a well-functioning regional network that already achieves efficiencies through collaboration.

This sentiment was particularly clear in the 2015 engagement results. While our residents continued to be staunchly against forced amalgamations, they expressed an openness to regional collaboration and to exploring a JRA. In fact, over 80% of residents indicated that they were supportive of the JRA option.

Table 14: Community engagement results summary

	2013	March 2015	May/June 2015
Community workshop:	71% opposed to proposed split and amalgamation		83% opposed to proposed split and amalgamation
Telephone survey:	56% opposed to proposed split and amalgamation	86% opposed to proposed split and amalgamation	71% opposed to proposed split and amalgamation
Online survey:	65% opposed to proposed split and amalgamation	81.12% opposed to proposed split and amalgamation	74% opposed to proposed split and amalgamation

Our 24-month community engagement program has informed the community of all available options, the ILGRP’s objectives and proposals, and the NSW Government’s Fit for the Future initiative and its rationale. Our objective has been to present factually unbiased information to residents in a simplified format and with thorough explanations of the process and potential outcomes. On this basis we say with confidence that we have a strong mandate from our community to reject the ILGRP’s proposals and pursue the option of a JRA.

We invest significant amount of time and resources in strengthening our relationship with our community and we’ve achieved this by leveraging opportunities to develop a genuine connection. Our community is passionate about voicing their opinions, and it is our responsibility and commitment to listen and ultimately provide ongoing service improvement and delivery. A 2013 Community Perception Survey indicated that 83% of residents expressed satisfaction with the services we provide. This rating is above the metropolitan average and a strong indicator of our connectedness with our residents.

Council’s commitment to community engagement

We are committed to the ongoing engagement of our community in all matters that impact the local government area and its community members.

We are a member of the International Association of Public Participation (IAP2) which advocates for involving those who are affected by the decision to be involved in the decision making process. The IAP2 spectrum provides a solid structure by which we assess the level of involvement our stakeholders require to be able to participate in a meaningful way.

We apply the IAP2 framework to all our engagement initiatives. In regards to the Fit for the Future program, we applied the ‘consult’ methodology from the spectrum which aims to “obtain public feedback on analysis, alternatives and / or decisions”.

Table 15: Engagement Strategy Timeline of program

Timeline
May 2013 Community Telephone Survey with 450 respondents
June 2013 Community Meeting - 140 attendees Discussed panel’s recommendations
June 2013 Response to Independent Panel included community feedback
October 2013 Independent Panel Final report back to the State Government
September 2014 ‘Fit for the Future’ Program released by NSW Government
February 2015 Council Resolution - Reject recommendations Investigate Joint Organisation alternative
March 2015 Community awareness campaign - Bring the issue to the attention of community
March 2015 Telephone Survey with 450 participants Gain understanding of community sentiment
March 2015 Online Community Poll with more than 1,000 responses
May 2015 Joint Councils Telephone Survey Understand community sentiment for ‘Fit for Future’ options
May 2015 Community Meeting

6.1 How we consulted the community

Engagement Strategy

May 2013

Telephone Survey Micromex Research

We took a proactive approach to consult our community early to understand their desired approach to the issue of local government reform. Our consultation strategy included independent research of a demographically representative sample of 600 residents which provided a maximum sampling error of plus or minus 4% at 95% confidence. The key results were:

- 70% of residents were aware of the issue.
- 93% of residents indicated it is important to be consulted with about this issue.
- 56% of residents were not very/not at all supportive of the amalgamation option and 22% were supportive/very supportive.
- If pressed, the preferred merge option was to merge eastwards (42%); however, 38% still opposed amalgamation outright.
- Only 3% of residents supported the ILGRP's proposed merger with Parramatta, Holroyd and Auburn.

June 2013

Community Meeting Urbis Consulting

A community workshop in June 2013 gave participants an opportunity to find out more about the proposals and provide their feedback. At the meeting's conclusion, attendees were asked to vote on a series of questions with results recorded and provided live.

It was clear that participants did not support amalgamation generally, especially not amalgamation with Parramatta, Holroyd and Auburn. 57% of attendees indicated they were not supportive of amalgamation.

When asked to vote on amalgamation options, 1% supported an amalgamation with Parramatta, Auburn and Holroyd (noting that the majority present did not support amalgamation at all).

March 2015

Community Awareness Campaign

Our extensive communications campaign built awareness of the proposals and ensure the community was informed when providing feedback. Activities included:

Communications include:

- banners across the City including the Civic Centre, Smart Poles and fence banners
- direct Mail with a Letter from the Mayor to 55,000 households
- a note in the rates notice to 34,000 ratepayers
- letterbox drop to 55,000 households promoting the Community meetings
- letterbox drop to 55,000 households inviting residents to participate in the survey
- weekly advertising in the Council Column of the local paper
- advertising on bus shelters and bus backs
- awareness on our Facebook and Twitter accounts
- Twitterstorm #KeepCouncilsLocal
- e-newsletters 15,000 email addresses.

After the awareness campaign, 80% of participants of the Micromex random telephone survey were aware of the proposed amalgamations, well in excess of the Micromex Fit for the Future benchmark of 59%.

6.1 How we consulted the community

Community Feedback

March 2015

Telephone Survey (Ryde only)
Micromex Research
Participants 450

Overall satisfaction with our performance is strong and has increased since 2013, with 89% rating our performance at least 'somewhat satisfactory'. In relation to Fit for the Future, 39% of residents indicated that they knew the plan a little. 62% of residents claimed they were aware the NSW Government was looking to split Ryde Council to create two new 'Super Councils'. Most common first awareness of this proposal was via 'Council mailout' (37%) and 'newspaper' (31%).

A large percentage of residents did not support the creation of the 'Super Councils', with only 14% indicating they were 'supportive' to 'completely supportive' of this proposal. 77% indicated a preference for Council to standalone and explore regional efficiencies with other councils.

Key drivers for preferring to stand alone were:

- Large councils would neglect the concerns/issues of the local community.
- There is satisfaction with the ability and efficiency of Council.
- Local, small scale councils are more efficient and responsive.

A copy of the questionnaire and detailed results is attached at Attachment I.

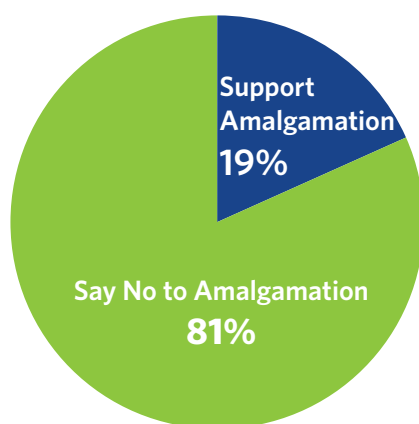
March 2015

Online Poll
City of Ryde
Participants 1177

Online Poll of 1,177 participants in the City of Ryde from 10 March 2015 to 14 May 2015.

Only 18.88% of respondents supported the ILGRP's proposals.

Figure 16: Online Poll results



Joint initiative of three Councils City of Ryde, Hunters Hill and Lane Cove

Our three Councils created a joint community engagement strategy which included community meetings in each Council area; an independent, statistically valid and demographically representative telephone poll; and an online survey based on the three options available to each Council, with a particular interest in understanding what level of community support existed for the JRA.

The process for the independent telephone polling required pre-recruitment of 600 in Ryde and Lane Cove and 400 people in Hunters Hill. The recruited community members were sent an information package outlining in detail (see Attachment I, J, K) the options available to Councils and additional information on the JRA.

May 2015

Community Meeting

Urbis Consulting
Participants 100

Live polling (see attached Urbis report) on the night used the same three questions :

- When asked how supportive they were of Council being split and merged into two mega Councils, 83% stated they were "not at all supportive".
- When asked how supportive they were of Council standing alone, 84.1% registered a level of support, from "completely supportive" to "somewhat supportive".
- When asked how supportive they were of Council standing alone and exploring the option of a JRA, 83.8% registered a level of support, from "completely supportive" to "somewhat supportive"
- At the end of the meeting 63% of attendees felt we had provided enough information for them to make an informed opinion. For the remaining 37%, the common theme was that they felt they needed more clarity on the functions of the JRA.

June 2015

Joint Telephone survey

Micromex Consulting

The detailed results of this survey are attached in Attachment I with the high level results for Ryde as follows::

- 71% not supportive of splitting Ryde and being merged into two mega Councils
- 74% supportive of Council standing alone
- 81% supportive of Council exploring a Joint Regional Authority with Lane Cove and Hunter's Hill.

June 2015

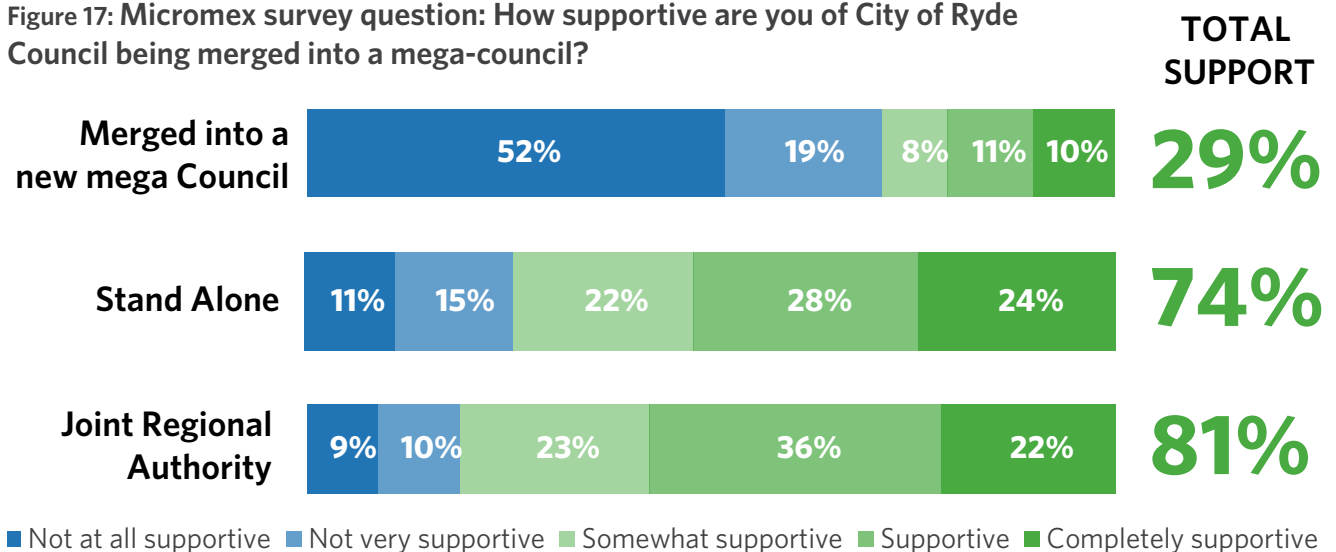
Online Survey

An online survey was created using the same questions as asked in the telephone survey and ensuring that the information package was also available on all three Council websites.

- Between 818-825 residents responded to this survey
- 75% were not supportive of Council being merged with 5 other Councils
- 70% supportive of Council standing alone
- 41% supportive of Council exploring a Joint Regional Authority with City of Ryde and Hunter's Hill Councils

As the telephone survey results were sourced from a random sample of Council residents and weighted to the age and gender profile of the Council, the online survey results serve largely as a complimentary community consultation piece, to provide an indicative measure of community opinion. As the online survey was readily accessible to any resident wanting to participate, with no further weighting applied, unlike the telephone survey (sample error is plus or minus 5.7% at 95% confidence), the level of sample error is unknown.

Figure 17: Micromex survey question: How supportive are you of City of Ryde Council being merged into a mega-council?





Template 2

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HUNTER'S HILL TOWN HALL.

1866

Executive summary

Hunter's Hill Council has a proud and strong history and firmly believes that a Joint Regional Authority (JRA) will provide both economic and structural advantages to further strengthen its community of interest and importantly meet the ILGRP's criteria for scale and capacity, financial sustainability, infrastructure management and efficiency.

We have analysed our long-term performance and all associated benchmarks in determining our viability both now and into the future. A series of financial strategies and objectives have been the key to our solid financial position and continuing success in managing our financial affairs.

While we have financial and legislative challenges both now and over the next few years, adhering to our financial objectives will continue to maintain our sound position. The basis for our objectives in delivering a sound long-term Financial Plan (LTFP) include:

- undertaking financial planning and forecasting of revenue and expenditure
- investing surplus funds to provide secure and optimum return
- making capital improvements to ensure programming within parameters of available funding
- maintaining the current ratio/liquidity to ensure funding levels are sufficient to finance recurrent operations and liquidity requirements
- pursuing loan funding to finance capital improvements.
- creating and maintaining financial reserves.

These financial objectives coupled with the key benefits of a JRA will ensure maximum benefits to our community by:

- making better use of our existing local facilities
- achieving more efficient urban development patterns as better plans are made and investment decisions are more consistent with these plans
- amplifying benefits from pooled grant funding
- better achieving social plan outcomes
- enhancing policy and grant funding success (leading to a more rapid achievement of funding priorities)
- delaying or avoiding new capital expenditure for planned state infrastructure
- adjusting towards identified objectives or alleviating social exclusion, which will free up Council to focus on services that are done best locally.

“

There is no compelling evidence that centralising all local council activities in a single mega-council produces cost efficiencies.

”

PERCY ALLAN &
ASSOCIATES

“

Empirical evidence on amalgamation falls overwhelmingly against forced amalgamation.... shared services and other kinds of inter-council collaboration best secure the advantages of scale.

”

BRIAN DOLLERY



1 Our scale and capacity

1.1 More robust revenue base

Hunter's Hill Council meets all of the Fit for the Future financial criteria by 2018, indicating it has effective strategies in place to deliver a more robust revenue base. These strategies include:

- 1: Robust rate related revenue - this is achieved through a strategy of close community engagement, support for and achievement of special rate variations to deliver services required above and beyond the capacity of the rate peg base.
- 2: Optimisation and growth of non-rate related revenue - this is achieved through a combination of measures including strategic management of councils land and built assets, fees and charges strategies, Strategic partnerships with community groups, private investment and or grant organisations to raise funds and grant money for public good improvements.
- 3: Rezoning / Strategic redevelopment and Revitalisation of HHLGA commercial zones, including the Hunter's Hill Shopping Village, Gladesville and Boronia park, delivering community benefits and investment in public amenity through Section 94 and other contributions.

4: Prudent financial management including the use of loans where appropriate.

5: Productivity measures to deliver most efficient operation spend, such as HHC staff capping and upskilling programme.

6: Strategic Regional alliances - through NSROC, and other regional alliances, HHC has a strong history of working with regional councils to deliver efficiencies in procurement and services - eg NSROC waste management agreement and Ryde-Hunters Hill library sharing service.

7: Enhanced regional alliances - the formation of a strengthened JRA is projected to further improve the robustness of Hunter's Hill Council revenue base, through sub regional and regional strategic planning efficiencies and combined Section 94 contributions, to identify and deliver regional priorities.

These have delivered significant discretionary spend and a level of strategic capacity, effectively delivering 20% additional capacity to council operations.

We have a strong Special Rate Variation (SRV) history, with a diverse and strategic asset program. We currently have SRVs in place for environmental works, community facilities asset infrastructure, roads and footpaths, kerb and gutter renewal. This collective program stimulates our Asset Management Strategies and in turn successfully fulfils our community's expectations regarding superior levels of service.

We have boosted our revenue base for asset management through a combination of loans, special rate levies and approvals for borrowing each year. In addition, our non-resident paid parking schemes in key locations within the local government area, our partnerships with mobile phone company providers, and a review of asset sales and development activities have built a strong and robust revenue base.

Our population is expected to increase at a rate of 1.1% per annum, notwithstanding the future major redevelopment along the Victoria Road corridor in Gladesville, which is expected to significantly deliver diverse housing stock and attract large sector commercial business interests.



1.2 Scope to undertake new functions and major projects

Hunter's Hill Council's capacity to undertake new functions and major projects is supported by our robust revenue base, our skill at effective collaboration and our strategic regional alliance strategy. Some examples include:

- collaborating with Sydney Harbour Federation Trust and Roads and Maritime NSW to deliver major revitalisation projects such as Woolwich Dock, Clarkes Point Reserve upgrade and carpark and Woolwich marina: collaborating with The NSW Government for revitalisation of the Huntleys Cove Wharf; and entering into private partnership for restoration and adaptive re-use of "The Priory".
- partnering on a regional basis to deliver waste contract services
- piloting service delivery review software for the local government industry through Local Government Professionals NSW
- collaborating with neighbouring councils to share best practice methods in strategic planning, human resources, sustainability and community services
- liaising with State agencies to deliver major infrastructure projects.

1.3 Ability to employ wider range of skilled staff

Our workforce is multi-skilled across a number of key operational and service delivery areas. While workforce levels have remain unchanged in recent years, we emphasise the ability for staff to work collaboratively both internally and regionally. The following strategies attract a wider range of skilled staff:

- targeting recruitment for critical roles
- encouraging secondments across internal departments
- attracting skilled volunteers, trainees and interns through mentoring programs
- motivating/upskilling existing staff through succession planning
- developing internal working teams on a project basis
- offering stretch assignments to challenge and motivate new and potential staff
- training staff to encourage diversity within the existing workforce
- enabling staff to participate in managerial challenges.

1.4 Knowledge, creativity and innovation

We continually deliver on best practice and modernism in delivering services and projects to the local and broader community including:

- Knowledge, creativity and innovation in heritage and conservation management such as the formation of a specialist Conservation Advisory Panel, and Environment Projects & Advisory Group to assist Council oversee the sensitive restoration and development of heritage items, green space and built form within the local conservation areas.
- Completed a state of the art amenities block at Riverglade Reserve which highlights best practice ecologically sustainable development principles. This totally self-contained operation incorporates an environmentally friendly, on-site waste water treatment system. The system is powered by solar power, generated by the solar panels located on the roof of the building and the whole system is remotely monitored 24 hours per day, seven days per week to ensure it operates effectively and meets all health standard requirements.
- Strong track record and specialist skills in partnering with Government, National Trust, Sydney Harbour Federation Trust, and other local regional agencies, to undertake important heritage and conservation initiatives such as redevelopment of the Woolwich Dock, Clarke's Point Reserve, and Woolwich Marina.
- Knowledge, creativity and innovation is also a strong focus for our Council internal functions and delivery such as workforce planning.
- Winning the LGNSW Excellence Award in Human Resources Management in 2014 for the design and implementation of an innovative Performance Review and Development System. This system aligns every employee's individual objectives to those of the Council's overall objectives, as outlined in the Community Strategic Plan and Delivery and Operational Plans.
- Finalist in 2015 LG Professionals Award for Workforce Planning.
- Council has a vibrant annual events program which draws large crowds from across the region. The 61st Hunter's Hill Art Exhibition has just concluded attracting over 900 entries and with \$20,000 in prize money. This will be followed up in July by the Harbour Sculptures Exhibition in Clarkes Point and a youth art exhibition later in the year. In addition, a crowd of 20,000 people regularly attends the Moocooboola Festival – a community celebration of the local area held every August at Boronia Park.

CASE STUDY

The Hunter's Hill Art Prize

Running for 61 years, the Hunter's Hill Art Prize is the meeting place of established and emerging artists, and an annual celebration of an outstanding selection of Australian art and sculpture.

The Prize and its accompanying exhibition includes 350 artworks across three historic venues. It commenced in 1955 as "a most important event in the history of Sydney" according to the Mayor of Hunter's Hill, Alex A. Harding. He went on to say that he hoped it would be "the forerunner of many others, here and elsewhere, in awakening a greater interest in the arts generally and in our own Municipality in particular."

The exhibition is sponsored by a number of local businesses and is supported by a Festival of Art weekend, a weekend of art, music, food and wine over two days, with free art classes, free children's sculpture classes, tours, food, music and wine. A Pop-Up Program brings art of many of Hunter's Hill's cafes and restaurants.

Key to the exhibition's success is the increased prize money of \$23,000 thanks to sponsorships, as well as online entries. Entries grew from 700 in 2014 to 900 in 2015. Sales increased 63% to more than \$90,000.

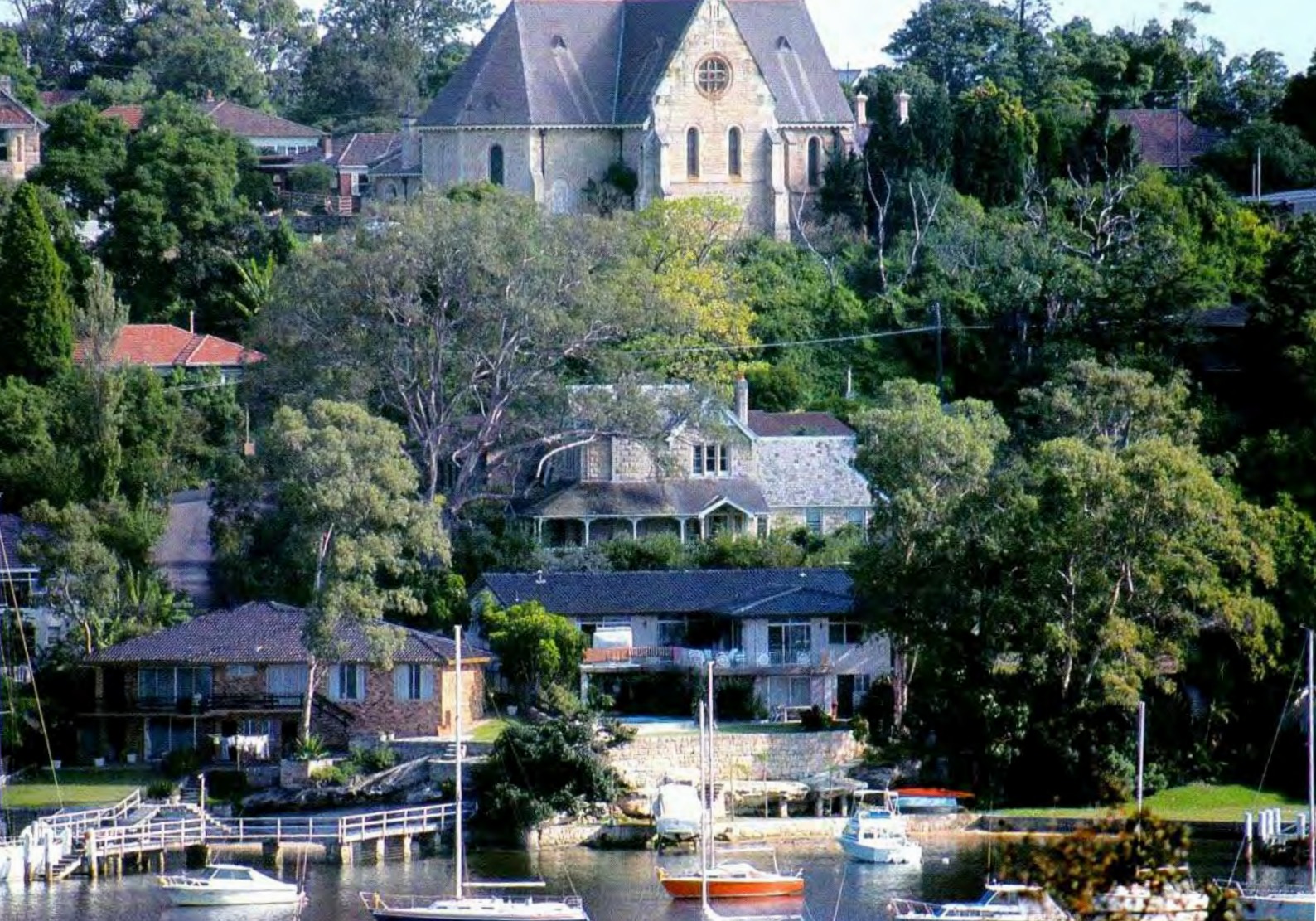
The Hunter's Hill Art Prize and exhibition is continuing to grow. As its budget has lifted from around \$10,000 in 2007 to almost \$90,000 in 2015, the event will continue to develop while maintaining a negative cash cost to Council.

CASE STUDY
Hunter's Hill
Art Prize

2015 EXHIBITION
\$23,000
PRIZEMONEY

2015 EXHIBITION
\$90,000
SALES





1.5 Advanced skills in strategic planning and policy development

The council is a leader and strategic decision maker in heritage planning and conservation, meeting housing targets in the Metro Strategy effective advocacy and plying a key role in successfully advocating for the M2/F3 Tunnel.

(Northern Sydney Joint Organisation Justification & Business Case, SGS Economics, 2015, P.12)

Our strategic planning arm commenced a period of intensive review of all planning documents to ensure the policy and controls in these documents facilitated the community's vision. The scope of the review and the quality of the policy embedded in the resulting documents demonstrates advanced strategic planning and policy skills:

- We engaged a private consultancy to work closely with us on Future Gladesville, which established the community's aspirations for the Gladesville area. The engagement drove changes to the building controls for Gladesville and the community's voice is now a strong element in an innovative consolidated DCP. An ex-director of the Department of Planning and Environment is using the Future Gladesville project as a case study in his PhD addressing the nexus between engagement and strategic planning.
- We revitalised our Section 94a Contributions Plan to reflect our urbanised environment and provide a stream of income to maintain or augment our heritage buildings, garden areas, parks and reserves.
- We updated our Local Environmental Plans (LEPs) into one Standard LEP while working with State agencies such as the NSW Office of Environment and Heritage and the then Department of Planning and Infrastructure to produce an exemplary planning instrument.
- We consolidated 28 Development Control Plans (DCPs) into one document to eradicate duplicated controls and streamline our strategic planning capabilities
- We instigated new protections for our Significant Tree Register. This gives a new level of rigour to the documentation supporting a significant tree listing. The resulting register and accompanying historical information is exemplary.

1.2 Our Scale and Capacity

1.6 Effective regional collaboration

Hunter's Hill Council has long recognised the critical importance of effective regional collaboration, and has played a key leadership role in this field. Hunter's Hill Council was one of the lead councils playing a role in the formation, development and support of NSROC, and councils General Manager and Mayor have taken on key leadership roles in the organisation. Hunter's Hills Mayor is currently Chair of NSROC. NSROC has achieved many successful outcomes in terms of regional strategic planning, regional advocacy and delivering shared services efficiencies for its member councils. Hunter's Hill Council continues to pursue a strategy of strong and effective regional collaboration and considers that this would be enhanced by the proposed Joint Regional Authority. The most significant and effective regional collaboration has been by seven of the NSROC councils working with their respective Waste Managers to deliver a Regional Waste Tender due for implementation in July 2016. This Strategy will improve our funding opportunities through the NSW Environment Protection Authority's Waste Less, Recycle More initiative and also offers economies of scale by implementing projects over multiple council areas.

Our road resurfacing works have also been undertaken within the contract awarded through the combined NSROC regional tender process. This tender is renewed annually or biannually to ensure the most competitive market prices are available. NSROC has received in excess of \$600,000 in rebate payments to date from this process.

We have various group purchasing arrangements through NSROC and SHOROC as well as extensively using contracts available through prescribed bodies such as LGP (Local Government Procurement) and NSWBuy for the majority of its procurement. Collaborative procurement helps us to achieve the best value through economies of scale as well as increased efficiency by reducing administrative time and expense in ensuring compliance, due diligence and probity.

The Joint Library Service Agreement between the City of Ryde and Hunter's Hill Council, which operates the Gladesville Library, commenced in 1957. Since this time the City of Ryde has been providing a library service to residents of the Hunter's Hill Council for an annual contribution fee.

1.7 Credibility for more effective advocacy

We have a clear and sustained track record in delivering effective advocacy, including:

- providing strong local government leadership with our Mayor chairing NSROC and working cooperatively as a group of councils for the benefit of the region and advocates on regional priorities.
- gaining regular and large scale grants to fund environmental and heritage conservation built environment programs
- advising and cooperating with State agencies including the NSW Environmental Trust and the Office of Environment & Heritage in delivering estuary management programs, which include bush regeneration and stormwater works.

1.8 Capable partner for State and Federal agencies

'Council has strong involvement in regional collaboration with the Mayor being President of NSROC, making significant contributions to regional planning, advocating for regional infrastructure, procurement and shared services. Hunters Hill has a strong culture of innovation through regional partnering in the case of the Federal Governments Red Tape Reduction program and locally a dynamic community engagement approach which has delivered higher participation.'

(Northern Sydney Joint Organisation Justification & Business Case, SGS Economics, 2015, P.12)

Our collaboration with State and Commonwealth agencies is a key strength in delivering services the public. Examples include:

- collaborating with the Sydney Harbour Federation Trust in a shared service arrangement to manage the Clarkes Point Reserve Car Park
- partnering with Roads and Maritime Services, who engaged us to project manage the design and construction of the Margaret Street boat ramp and car park
- collaborating with Transport NSW who are funding the Huntleys Point Wharf improvement works to the value of \$600,700. We will project manage this venture.

1.9 Resources to cope with complex and unexpected change

Hunter's Hill Council has robust mechanisms for coping with complex and unexpected change. These have evolved and developed over its 160 years of doing just that. Our strength in this area comes from strategies designed; to deliver sound financial management; to maintain our close ties to the community; to maintain our levels of community volunteering and engagement; to our staff upskilling and development programmes, and to our commitment to partnering and developing effective collaborative regional alliances.

We consistently employ the following resources to enable complex financial, staffing and servicing change:

- a secure and consistent revenue base via rates and SRVs
- a flexible Delivery Program and Operational Plan changing to the needs of the local community
- a Section 94A program that ensures our capital works program is completed according to the changing needs of the local community via the IP&R framework
- a workforce that is renowned for its multidisciplinary qualifications enabling change, growth, promotion and best practice
- a skilled, supportive and professional group of Councillors who enable staff, challenge obstacles, promote change management and assist with complicated services and projects.
- an innovative Conservation Advisory Panel (CAP) with specialist heritage qualifications to advice on appropriate heritage matters.

1.10 High quality political and managerial leadership

Our Mayor, Richard Quinn, is respected throughout the region for his transparent and professional attitude in dealing with issues affecting local and regional communities. Cllr Quinn advocates via his roles as the Chair of NSROC and the Chair of the Metropolitan Mayors Association.

Our General Manager, Barry Smith, has a number of key roles providing guidance, advice, support and direction to strategic stakeholders. He is a member of the Fit for the Future Ministerial Advisory Group (MAG) providing advice to the Minister of Local Government and is President of Local Government Professionals Australia NSW, providing over 800 members throughout NSW with leadership to assist in developing their careers through peer networking, professional support and industry insight. Mr Smith also advises local and regional issues to State and Federal Members including The Hon Anthony Roberts MP and The Hon Joe Hockey MP.

Additionally, our Senior Management Team works in collaboration with councils across Sydney, sits on various advisory committees and provides a high level of liaison with organisations such as the National Trust, NSW Heritage Office, Crown Lands, NSW Heath, RMS, Maritime Services and the Sydney Harbour Trust.

CASE STUDY

Scale and capacity

'Future Gladesville' Project

On 7 April 2014, Council resolved to commence a strategic review of its Consolidated Development Control Plan with stage one being a review of the controls that apply to commercially zoned land with the focus being the Gladesville Village Centre.

In August 2014 Council engaged the consultancy Place Partners to assist with this work and establish the communities aspirations for the look and feel of a "Future Gladesville" (a map of the project area is available via the provided Future Gladesville webpage)

From September to November 2014, Council staff and the consultancy Place Partners worked to engage with the Gladesville Community on both sides of Victoria Road. There were approximately 770 people who actively engaged in the project by either completing an online survey, a survey slip or attending a "Future Gladesville" workshop or focus group.

The results of the engagement are summarised in the report 'Future Gladesville Engagement Findings Report Community Directions'.

The engagement findings are currently being used to direct amendments to the Hunters Hill Consolidated Development Control Plan (DCP) 2013 - Chapter 4.4 Gladesville Village Centre. It is anticipated that the amended Chapter 4.4 will be ready for public exhibition in July 2015.

CASE STUDY

Moocooboola Festival

Since 1980, we have coordinated the Moocooboola Festival on the first Sunday of August each year.

Moocooboola is a fantastic day of celebration that attracts around 20,000 people throughout the day. Key to its success is the move to the Boronia Park Ovals, right at the heart of Hunters Hill, surrounded by bushland yet offering city views. We now also hold the event on a Sunday and incorporate a stronger environmental focus, an Art Tent and much more entertainment and family activities.

Over 200 stalls participate in our market bazaar, offering arts and crafts, designer clothing and jewellery, plants, antiques, bric a brac, and community and environmental information. The Hunters Hill Hotel Tent offers beer and wine, great food and live entertainment, and a further three stages offer music and performance for all ages.

The day is also perfect for young kids, with a free animal farm, circus playground, games and challenges, jumping castle and much more.



2 Our Current Position

2.1 Our Local Government Area

Our history, heritage and built environment

Hunter's Hill Council was founded in 1861. It is one of the oldest local government areas in Australia and has retained its current boundaries since inception. The area's cultural and natural heritage significance of both pre and post European settlement, has been recognised by the National Trust, the Heritage Council of NSW and the Australian Heritage Commission and has resulted in 75% of the Municipality being listed as a Conservation Area.

The original inhabitants of Hunters Hill were the Wallumedegal clan of the Dharug people. Archaeological sites remain in pockets of bushland, with axe-grinding grooves, rock engravings, hand stencils and middens a reminder of the area's Indigenous inhabitant.¹

European settlement dates back to 1795 when land was first farmed. Growth was minimal until the late 1840s when many sandstone mansions were constructed and a monastery was established.

From the time of early development, Hunters Hill was markedly different from the terrace-house suburbs found elsewhere in Sydney. Restricted early transportation routes linking the peninsula to Sydney created a pattern of land use characterised by detached houses in a garden setting. Even with the opening of Gladesville Bridge in 1871, establishing a road linking the peninsula with Sydney and leading to an increase in population, terrace housing did not flourish.

Progression took place from the 1880s to the early 1900s, spurred by subdivision, the establishment of a regular ferry service, the opening of several bridges and growth in the shipbuilding industry.

Hunters Hill was neither an extension of the CBD nor a rural township but its unique location afforded it a village atmosphere that set it apart from the remainder of Sydney then and now. With this in mind, we actively seek to ensure that new development is sympathetic to the existing environment to maintain this character for present and future generations.

Our identity

The Municipality sits on a peninsula surrounded by the Lane Cove and Parramatta Rivers with two commuter ferry wharfs and examples of our nation's early shipbuilding and maritime industry on display at Woolwich Dock and Clarkes Point Reserve. We enjoy a rich and diverse tree canopy and significant urban reserves, bushland and parks that form part of the Great North Walk.

Our Municipality is a very contained community with a strong identity. The area is predominantly residential with four village centres: Hunters Hill, Boronia Park, Woolwich and a larger commercial area in Gladesville. We are committed to education and learning and the area boasts four high schools and four primary schools.

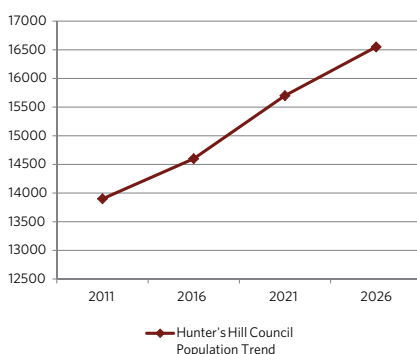
¹ (Beverley Sherry, 2009, Sydney Journal, Hunters Hill).

2.1 Our Local Government Area

Our current population of 14,500 is expected to increase by 26% by 2031. Couples with children are the most common household type and we are home to a slightly higher proportion of people under 17 as well as a larger proportion of people over 60 than the State average. (25.7% were aged 60 years and over, compared with 20.3% in NSW). The Municipality has six large aged accommodation facilities, and has a much larger percentage of over 80 year olds than NSW (8.3% compared to 4.2%) with 26% of residents were born overseas.

Average incomes are high, with low unemployment and high levels of tertiary qualifications. There is a much larger proportion (40.1%) of high income households (those earning \$2,500 per week or more), compared to the Sydney average (23.6%). However, there are also pockets of disadvantage with a significant number of low-income earners (10.1% households) and a high proportion of households renting from Housing NSW (6.9%).

Figure 18:
Hunter's Hill Population Trend



Community involvement, engagement and connection is high. Over a quarter of the population participates in voluntary work, and we facilitate a wide variety of community advisory committees and volunteer programs.

We have always supported the many voluntary not for profit organisations in the area and have a policy of fostering and partnering with community managed services rather than directly providing community services. This has resulted in strong independent local organisations that provide children's services, aged services, leisure, environmental and local advocacy.

Our assets and sustainability

Enhanced management of our natural and built environment has led to increased community awareness and recognition of the need for Hunter's Hill Council to fulfil the outcomes of its Community Strategic Plan 2030. This community-driven document guides the future actions of environmental longevity, built development/redevelopment, diversification of housing stock and seeking new modes of revenue, which have the potential to contribute, protect and conserve people and place assets in Hunters Hill.

Hunters Hill is characterised by the following assets:

- 6 suburbs
- 3 ferry wharfs
- 4 high schools
- 3 primary schools
- 5 child care centres
- 5 playgroup centres
- 10 playgrounds
- 6 aged care facilities
- 3 village areas
- 1 major commercial area
- 19 community buildings
- 100+ bush care volunteers
- 200 plant species
- 80 species of birds
- 33 hectares of bush land
- 2 major roads (Victoria and Burns Bay Road)
- 70kms of road network
- 2km of regional roads
- 87km of footpaths and cycleways
- 109km of kerb and gutter
- 2 bridges
- 50 sqm of open space per capita
- 1 hospital
- 515 heritage items
- 7 heritage conservation areas (70% of the local government area)

2 Our current position



2.2 Key Challenges and Opportunities

The table below summarises some of our key challenges and opportunities

Strengths	Weaknesses
▪ Maintaining long-term environmental and financial sustainability ▪ Maintaining TCorp's Financial Strength Rating (FSR) rating ▪ Collaborating regionally through NSROC – shared services ▪ Collaborating/partnering with local, State and Federal Governments in delivering major projects ▪ Succeeding in grant funding ▪ Retaining our Council staff (0% increase in staffing numbers in 20 years) ▪ Retaining local services ▪ Preserving heritage controls.	▪ Meeting population growth targets over the long term ▪ Increasing demands on existing assets ▪ Maintaining heritage controls ▪ Supplying affordable housing ▪ Meeting the needs of an ageing population.
Opportunities	Threats
▪ Providing population, employment and commercial growth via the redevelopment of the Victoria Rd Corridor in Gladesville ▪ Diversifying sources of income ▪ Diversifying existing housing stock ▪ Creating productivity savings via service reviews ▪ Working as a JRA as identified by regional shared services, including: ▪ Centralising Strategic Planning ▪ Road network planning ▪ Major infrastructure projects ▪ Partnering for advocacy ▪ Service delivery efficiencies.	▪ Legislative change by State and Federal Governments ▪ Significantly reducing community of interest and identity from a potential merger ▪ Imposing increases from NSW Government fees and charges, e.g. street lighting, emergency services ▪ Increasing costs for assets or infrastructure ▪ Forced amalgamations.

2 Our current position

2.3 Performance against the Fit for the Future benchmarks Sustainability

2.3 Sustainability benchmarks

Measure/ benchmark	2013/2014 Performance	Achieves FFTF Benchmark?	Forecast 2016/2017 Performance	Achieves FFTF Benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-0.088	No	-0.0425	No ¹
Own Source Revenue Ratio (Greater than 60% average over 3 years)	88.4%	Yes	91.19%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	37.2%	No	91.58%	No ¹

¹ Operating Performance Ratio will be achieved by 2018/19 and Building and Infrastructure Renewal will be achieved by 2017/18

2.3 Performance against the Fit for the Future benchmarks

Sustainability

If the Fit for the Future benchmarks are not being achieved, please indicate why.

1. Operating Performance Ratio

There is a direct correlation between the operating result and revaluations increasing the depreciation charge.

While service levels have been maintained and staffing levels remaining the same, reduced incomes through falling interest rates and the freeze on FAG Grants have contributed.

Despite this and the need to make additional productivity improvements through the full increase in the Local Government Cost Index not being passed on in the rate peg amount, our forecast results are improving.

To complete the return to surplus we need an ongoing Operational Special Rate Variation. This has been included in the 2017/18 forecasts to coincide with the renewal of the SRV for Community Facilities.

The Operating Performance Ratio on a three-year average returns to positive in 2018/19 and on an annual basis from 2017/18.

The ratio is impacted by one-off projects for 2014/15 Major Review of Development Control Plan \$200,000 (1.5%) and Waste Performance Improvement Projects \$110,000 (0.8%).

Four-yearly allowance for Council elections, even though budgeted for by cash reserve or restriction over the four years will cause an operational blip in that year.

	Year %	3 Year Average %
14/15	-7.98	-7.02
15/16	-2.91	-5.00
16/17	-1.85	-4.25
17/18	+1.14	-1.21
18/19	+1.56	+0.28
19/20	+0.71	+1.14

Additional income generated by investment of revenue from asset sales in income producing assets; i.e. Rationalisation of assets to income generating will also have an impact (See Item 4.1 in this template).

This additional revenue has countered other revenue losses previously mentioned and helped to reduce the deficit as have the following:

- No increases in staffing levels.
- Increased productivity through IT e.g. Electronic Business Paper.
- Savings by Joint Projects e.g. or Ryde contracted for street cleaning in Gladesville.

2. Building & Infrastructure Renewals

Council's SRVs for Infrastructure

Roads commencing 2012/13 and other infrastructure commencing 2014/15 has directed funds previously used for loan repayments into asset renewals with the projected Annual Renewal Ratio for 2015/16 exceeding the benchmark at 101.81% and continuing into the foreseeable future. However, the three year average does not exceed the benchmark until 2017/18.

Also, this Ratio does not take into consideration any capital expenditure made on Plant and Equipment replacement, which can be significant.

2.3 Performance against the Fit for the Future benchmarks

Infrastructure & Service Management

2.3 Infrastructure & Service Management benchmarks

Measure/ benchmark	2013/2014 Performance	Achieves FFTF Benchmark?	Forecast 2016/2017 Performance	Achieves FFTF Benchmark?
Infrastructure Backlog Ratio (Less than 2%)	8.11%	No	1.73%	Yes
Asset Maintenance Ratio (Greater than 60% average over 3 years)	104.1%	Yes	101.8%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	2.44%	Yes	0.50%	Yes

2.3 Performance against the Fit for the Future benchmarks

Efficiency

2.3 Efficiency benchmarks

Measure/ benchmark	2013/2014 Performance	Achieves FFTF Benchmark?	Forecast 2016/2017 Performance	Achieves FFTF Benchmark?
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	0.82%	No	0.79%	Yes

If the Fit for the Future benchmarks are not being achieved, please indicate why.

Real Operating Expenditure per Capita

The 5 year trend overall by 2016/17 falls which achieves the benchmark. However, there is a slight hiccup in the current year 2014/15

13	.85
14	.82
15	.86 *
16	.80
17	.79

Additional expenditure in the current year, (as mentioned in the Operating Performance Ratio) of Development Control Plan \$200,000 and Waste Performance Projects \$110,000 is partly responsible for this.

By 2019/20 there will be a conforming 5 year trend with the current forecasts.

3 Fit for our Future

Sustainability

3.1 Fit for the Future Sustainability

Summarise your council's key strategies to improve performance against the sustainability benchmarks in the 2016-2020 period, including the outcomes you expect to achieve.

FINANCIAL STRATEGIES & OBJECTIVES

The following series of financial strategies and objectives have been the key to Council's solid financial position and continuing success in managing its financial affairs and becoming Fit for the Future.

While there are financial challenges facing us both now and over the next few years adhering to these strategies and objectives will continue to assist Council in maintaining a sound financial position.

Financial Objectives

At the Ordinary Meeting on 16th December 1996, Council adopted a report recommending a series of financial policies and objectives to be referred to in the preparation of the 1997/98 Budget Estimates and Financial Plan. These objectives are reviewed annually and are still considered to be relevant and provide a solid financial foundation for Council.

Objective No. 1 – Financial Planning

To ensure the achievement of adopted financial objectives and policies through the planning and forecasting of revenue and expenditure

Objective No. 2 – Investment of Surplus Funds (Investment of Portfolio)

To provide for the secure and optimum return on the investment of surplus funds.

Objective No. 3 – Capital Improvements

To ensure improvements are programmed and undertaken within the parameters of available funding.

Objective No. 4 – Current Ratio/ Liquidity

To ensure Council's level of funds is sufficient to finance recurrent operations, meet liquidity requirements and secure Council's financial position against possible future setbacks.

Objective No. 5 – Loan Funding

To provide necessary financing for capital improvements within the parameters of Council's debt servicing capacity and annual allocations by the Department of Local Government

Objective No. 6 – Creation and Maintenance of Financial Reserves

To ensure Council's level of reserves is sufficient so that:

Specific projects and events to be undertaken in the future, such as the replacement of existing assets, can be financed by the planned transfer of funds in the periods leading up to the undertaking of the project; and

Specific expenditures, which fluctuate over time, such as the payment of employee leave entitlements and gratuities can be funded if necessary from reserves to prevent a material effect on the budget and financial result for a particular year.

3.1 Fit for the Future

Sustainability

Economic Assumptions

A significant consideration of the strategic planning process is the need to forecast the possible impact of key economic indicators on Council's operations. Therefore, the Budget Estimates and Financial Plan are based upon a number of broad economic assumptions.

1. Information provided by Deloitte Access Economics Forecasts December 2014 Outlook.

2. A new three-year award to be negotiated in 2017.

3. Rate peg limit set by IPART and historical movements.

These are summarised in the table below:

In addition the following financial initiatives will be progressed:

1. Council will seek a Special Rate Variation (SRV) in 2017/18 for continuing the expiring special rate for Community Facilities (to keep 4-16%) plus an operational increase (4-5%).

2. Continue to pursue land sales of under or non-performing assets to generate additional income through re investment in income-producing assets (or bank investments).

3. Provide additional infrastructure renewal to assist in reduction of Asset Backlog and addressing Asset Condition Ratings.

		1	2	3	4	5	6	7	8	9	10
Indicator	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	%	%	%	%	%	%	%	%	%	%	%
Inflation - CPI											
December 2014 Outlook	2.0	2.9	2.9	2.4	2.4	2.4	2.5	2.5	2.5	2.4	2.4
Wages & Salary Growth											
December 2014 Outlook	2.8	2.6	3.0	3.2	3.3	3.4	3.4	3.5	3.5	3.3	3.3
Award Increases July	3.0**	2.7	2.8								
Interest Rates											
December 2014 Outlook											
- Investments	2.7	2.5	3.4	3.6	3.6	3.9	4.3	4.5	4.4	4.3	4.3
Rates											
Rate Peg Limit	2.3	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

3.1 Fit for the Future Sustainability

Objective	Strategies	Key Milestones	Outcome	Impact on Other Measures
Increase operating revenue	Achieve an operating surplus in all budget years	Council achieves surplus as forecast in LTFP	Improved operating performance ratio	Improved infrastructure ratios
	Increase in and participation in regional shared services	Reduced costs	Improved operating performance ratio	Improved infrastructure ratios
	"	Increased value for money	Improved services (levels)	Improved infrastructure ratios
Increase own source revenue	Continue special rate structure strategy	Council achieves surplus as forecast in LTFP	Improved operating performance ratio	Improved infrastructure ratios
	Sale of underperforming assets through Property Plan	Council achieves surplus as forecast in LTFP	Improved operating performance ratio	Improved infrastructure ratios
	Investment in income producing assets through Property Plan	Council achieves surplus as forecast in LTFP	Improved operating performance ratio	Improved infrastructure ratios
Increase expenditure on building and asset renewals	Continue adopted infrastructure funding strategy based on special rates	Council achieves surplus as forecast in LTFP	Improved operating performance ratio	Improved infrastructure ratios
	Determine service levels for assets	Agreed service levels included in Asset Management Plans	Improved building and asset renewal ratio	Improved infrastructure ratios

3.1 Fit for the Future

Sustainability

Strategies

The main contributor to Council revenue in the LTFP is land rates.

The rate structure is based on the following strategies identified by Council and the community through a number of sources and included in the LTFP. These include:

1. Maintaining equity on cost sharing and revenue raising
2. The need to maintain a level of expenditure on infrastructure and capital works
3. The need to continue implementation of sustainability initiatives contained in the Environmental Management Plan
4. The need to protect Council's operational revenue base from being eroded by statutory and legislative changes and devolution of powers to Local councils without the provision of additional funding or adequate recognition of financial impact.

Since 1977, certain council revenues have been regulated in NSW under an arrangement known as 'rate pegging'. Rate pegging sets the maximum percentage increase to general revenue for councils. General revenue mainly comprises rates revenue, but also includes certain annual user charges.

A special rate variation allows councils to increase general income above the rate peg. Special variations are permitted under the provisions of the Local Government Act 1993 (NSW).

A council may apply for a special rate variation for reasons such as:

- Funding new or enhanced community services to meet growing demand in the community
- Funding the development and/or maintenance of essential community infrastructure
- Funding projects of regional significance, and
- Covering special or unique cost pressures that the council faces.

The adopted rate structure is designed to provide financial sustainability and certainty to rate revenue through a series of special rates that have community approval. Continuation of the present revenue structure of special rates to fund Capital Works is essential to the long-term financial sustainability of Council, as is an increase in the general rate to meet the additional costs of street lighting, increasing energy costs, payment of additional superannuation contributions, increases in the Fire & Rescue Levy and the impacts of the carbon tax.

The structure is as follows.

CURRENT RATE STRUCTURE [inc SRV's]

The current rate structure is:

General Rates

Residential

A wholly ad valorem rate that applies to all residential properties (Except where the minimum rate applies)

Business

A base rate plus an ad valorem rate

AND

Special Rates

Community Facilities Asset Infrastructure Special Rate Levy (Rate Increase of 4.16% in 2007/08)

Introduced in 2007/08 the income raised by the levy, funds capital works identified in the Asset Management Plans for Buildings and Parks and Recreation. This special rate is applicable to all rateable properties.

This rate expires on 30 June 2017.

Environmental Special Rate Levy (Rate Increase of 2.17% in 2013/14)

3.1 Fit for the Future Sustainability

Introduced in 2013/14 the income raised by the levy, funds stormwater and environmental projects identified in the Environmental Management Plan. This special rate is applicable to all rateable properties.

This rate expires on 30 June 2023.

Roads and Operations Special Rate
(Rate Increase of 6.8% in 2012/13)

Introduced in 2012/13 this rate provides funds to meet costs associated with maintenance and operation of Road assets. This special rate is applicable to all rateable properties.

This rate expires on 30 June 2022.

Other Infrastructure Special Rate
(Rate Increase of 3.1% in 2013/2014)

Introduced in 2013/14 the income raised by the levy of this rate assists with costs associated with footpaths, kerbing and traffic infrastructure. This special rate is applicable to all rateable properties.

This rate expires on 30 June 2023.

Council has adopted and is developing a number of alternate strategies and revenue opportunities. A commitment to these strategies, backed by sound financial discipline and adherence to adopted financial objectives will enable Council to remain a sustainable and vibrant local government entity that is able to meet the needs of its community.

ALTERNATE REVENUE SOURCES

Additional revenue will also be required to fund initiatives and projects identified by the community during the community strategic planning process. A number of alternative funding options have also been considered and these will also need to be prioritised.

Non-Resident Paid Parking Revenue

As outlined in the SRV applications, paid parking in Clarke's Point Reserve and Buffalo Creek Reserve commenced in 2014.

Council has also previously resolved to undertake community consultation in conjunction with an investigation into the possible commencement of Non-Resident Paid Parking at Valentia Street Wharf and Huntley's Point Wharf. Due to the complexity that arose from the Woolwich Scheme, the involvement of Crown Lands and the need to amend Plans of Management, this matter was deferred.

Mobile Phone Tower Revenue

Council has been successful in negotiating with a number of mobile phone providers the installation of facilities on Council owned land for which an annual rental is paid.

These facilities are currently located at Boronia Park (1) within the floodlighting towers and the Council Chambers (2) chimney.

The Capital Works Program is to be the beneficiary of any future revenue gained from parking or mobile phone tower rental, as Council is unlikely to receive any funding support from the State or Federal Government other than on a dollar for dollar basis, if any, or where Council borrows monies to fund its capital works.

The purpose of this philosophy is to ensure that revenue from these alternate sources is not simply placed into general revenue to meet operating costs, but to be set aside for capital works projects that would otherwise not happen, or take an unacceptable timeframe to achieve.

3.1 Fit for the Future

Sustainability

Asset Sales & Development Activities

Council is investigating the feasibility of a number of development opportunities and/or asset sales.

Partial Road Closure and Proposed Subdivision – Serpentine Rd, Hunters Hill

Council is considering a proposal to close part of an unmade road, aggregate the part closed with adjoining Council land and dispose of the resultant lot created by subdivision. Preliminary notification to residents has been undertaken and survey work commenced.

The proceeds may be expended on Capital Works such as Roads, Parks and Reserves and Community Facilities and Buildings.

Alternatively, Council may decide to retire some or all of the debt raised to fund the Footpath Improvement Program.

Council has obtained care, control and management of 'The Priory'. A proportion of these proceeds could also be expended on identified repair and restoration works required on the property and its curtilage.

Development Opportunities

A revised LEP and DCP to guide the future development of Gladesville, has been completed and gazetted. This work was undertaken in conjunction with Ryde City Council.

Council owns a number of properties within the precinct that may present development or re-development opportunities to Council.

Sale or Joint Venture Development of Commercial Property – No. 4, 6 and 10 Cowell Street, Gladesville

Council owns commercially zoned vacant land at No. 4 and No. 6 Cowell Street and occupied land at No. 10 and has entered a contract for sale with adjoining property owners for a sum in excess of \$9 million, which has been included in the LTFP.

Proceeds from sales, or revenue earned, could be used for strategic re-investment to fund ongoing initiatives including capital works.

Signal Hill car park construction and redevelopment – No.3A Cowell Street, Gladesville

This site is classified as operational land.

Council has identified the need to increase the number of car parking spaces for shoppers and has identified that an underground parking station could be constructed at the Signal Hill Car Park (Cowell Street).

Although commercial property owners often fund these types of projects, there are an insufficient number of commercial properties in Gladesville to create a Special Parking Rate for the purpose of funding the whole project.

Construction could also be funded by way of 'user pays' fees from the introduction of paid parking for the car park.

Council is considering the construction of two levels of underground parking on the basis of creating a commercial car park.

A DA has been approved for this project with an allowance being included for the car parking requirements of any future development on the ground level car park land.

The ground level car park land has been zoned 3(b) Business General in the new LEP and the site could then be developed or sold via an expression of interest process, which may or may not include the underground car park.

Proceeds from sales, or revenue earned, could be used for strategic re-investment to fund ongoing initiatives including capital works.

3.1 Fit for the Future

Sustainability

6 Pittwater Road (Early Childhood Centre)

This site is located in the Ryde City Council area and adjoins the Gladesville Library.

There is a possibility that the City of Ryde Council (CoR) may seek an opportunity to re-develop their substantial land holdings in this area in conjunction with the Gladesville Masterplan and it would be logical that this site is included in any future proposals. CoR has recently commissioned consultants to consider development options for the site.

Proceeds from sales, or revenue earned, could be used for strategic re-investment to fund ongoing initiatives including capital works.

40, 42, 44, 46& 48 Gladesville Road, Hunters Hill

These sites have been re-zoned within the Hunters Hill Village Masterplan for the purpose of using a potential redevelopment opportunity to construct new and significantly improved community facilities and car parking.

The LEP for Hunters Hill Village has been gazetted and plan for a potential development strategy is being developed and will be placed on public exhibition in 2012.

Proceeds from sales, or revenue earned, could be used for strategic re-investment to fund ongoing initiatives including capital works.

3 Fit for our
Future

Infrastructure and Service Management

3.2 Fit for the Future

Infrastructure and Service Management

Summarise your council's key strategies to improve performance against the infrastructure and service management benchmarks in the 2016-2020 period, including the outcomes you expect to achieve.

Hunter's Hill Council will achieve all infrastructure and service benchmarks by 2020 and beyond.

Since the late 1940s Council's population has doubled and by the early part of the 21st century, it is expected to increase by another 20%. At that time the Council's infrastructure will have to support an above average aging community and yet still play its part in the globalisation of our economy.

Assets held long-term attract liabilities in terms of the costs for ongoing operation and maintenance, both of which are prodigious and climbing steadily as the stock ages. On the basis of industry norms and the foregoing estimates of replacement value, the annual maintenance and operating cost for public sector assets in this Council is in the range of \$3-6 million.

Therefore the Council's portfolio of assets is both an investment in the future of the community.

It is imperative for local government at all levels to pay critical attention to aligning infrastructure resources with community needs to provide sustainable levels of service.

To respond to this imperative Council has invested in and developed comprehensive and sophisticated Asset Management Plans for the following classes of assets and established a 10-year Capital Works Program to address asset maintenance for inclusion in the long-term Financial Plan.

The proposed 2012/2013 - 2021/22 Capital Work Program (as amended) is contained in the draft long-term Financial Plan. In summary the program contained in the following table.

Council has used and will continue to use a series of special rates [SRVs] to fund asset and works as also contained the long-term Financial Plan.

3.2 Fit for the Future

Infrastructure and Service Management

Objective	Strategies	Key Milestones	Outcome	Impact on Other Measures
1) Hunter's Hill Council achieves all Infrastructure and Service Management benchmarks by the end of the 2016-2020 timeframe and beyond				
Reduce the infrastructure backlog ratio	Ensure works identified as funded by Special Rates are completed	Delivery plan Capital Works are completed on time and on budget	Benchmark of <2.0% is met	Asset ratios met
	Review and refine Asset Management Plans and reflect costs in LTFP	Asset funding requirement is included in LTFP, budget and planning process	Benchmark of <2.0% is met	Asset ratios met
Increase the asset maintenance ratio	Asset Management Plans contain identified maintenance requirements and funding needs	Maintenance funding requirement is included in LTFP, budget and planning process	Asset maintenance ratio of = or > than 100.0% is met	Asset ratios met
Decrease the debt service ratio	Develop a long-term borrowing plan for asset management	Match debt levels with special rates and Section 94 funds	Debt service ratio of between 1-20 is met at all times in LTFP	Asset ratios met
	Develop a long-term borrowing plan for asset management	Borrowing funded by offset revenue streams or sustainable expenditure reductions	Debt service ratio of between 1-20 is met at all times in LTFP	Asset ratios met
	Investment in income producing assets through Property Plan	Council achieves surplus as forecast in LTFP	Improved operating performance ratio	Improved infrastructure ratios
Increase expenditure on building and asset renewals	Continue adopted infrastructure funding strategy based on special rates	Council achieves surplus as forecast in LTFP	Improved operating performance ratio	Improved infrastructure ratios
	Determine service levels for assets	Agreed service levels included in Asset Management Plans	Improved building and asset renewal ratio	Improved infrastructure ratios

3.2 Fit for the Future

Infrastructure and Service Management

The key assumptions underpinning Councils approach are as contained in our Asset Management Plan

Council's asset management planning enables it to demonstrate to the community how its asset portfolio will support service delivery priorities and needs into the future.

Fundamentally, asset management plans are a method of ensuring Council's physical assets are able to support the provision of services to levels that the community expects and can afford. The asset plan answers a series of questions:

- What assets do we have?
- What condition are they in?
- What works are required?
- Do they meet current service requirements?
- Do they meet current legislative requirements?
- Can they meet service requirements into the future?
- Do we need to change our assets?
- Are there other ways of providing assets?
- How do we maintain them?

These asset management plans provide Council and the community with an analysis of the current status of Council's asset base and the future planning for the assets.

The plans take into account the likely future demands on the assets. The main increase in demand will be through increased population/density which will:

- Increase traffic counts
- Change demographic
- Increase demand for traffic management and parking

Financial Planning

The asset management plans provide an estimated long-term financial plan relating to the operation, maintenance, renewal and new asset expenditure for roads and road related assets.

The financial plan is based on the "ideal" expenditure require to keep assets in their current condition or allow for improvement in the overall condition of a group of assets. It is reasonable to assume that as the percentage of this "ideal" decreases to actual expenditure, then the condition of the asset will decrease over time. This is the critical decision for Council = at what point is the actual expenditure leading to acceptable level of service/standard of asset.

Existing Asset Management Practices of Improvement Program

Council is at an early stage in the development of asset management practices. In accordance with the International/Infrastructure Management Manual (IIMM), Council's practices are of a "basic" level.

Accordingly, an improvement program has been developed and is included in the body of each plan.

The three practice categories are:

- Processes and methodologies
- Information system
- Knowledge and data

The successful combination of these practices ensures that the level of service required by the community is provided at the most economical cost.

Over time Council will need to determine what level of asset management is practical, affordable and appropriate for its operations.

Future revisions of Asset Management Plans will move towards a more "Advanced" level of asset management using a "bottom up" approach for gathering information for individual assets to support the optimisation of activities and programs to meet revised and agreed service levels. The focus of future Plans developed in this manner will include risk and performance optimisation, risk based strategies, use of predictive methods and optimised decision making techniques.

3.2 Fit for the Future

Infrastructure and Service Management

Prioritising Expenditure

Roads (Roads and Road Related Assets Management Plan)

Hunters Hill Council commissioned ARRB Group Ltd to prepare a valuation of all Council road assets as at 30 June 2010. The road assets considered in the valuation were:

- Pavement surfacing layer
- Pavement base layer
- Kerb
- Footpath
- Street signs
- Road structures (islands, speed humps, roundabouts).

A field survey was undertaken from over the complete 53km road network. Video data captured in this survey was then rated for condition and collated into the segmentation used in the valuation.

The valuation method was adapted from the Australian Infrastructure Financial Management Guidelines and straight line depreciation was selected to account for the deterioration of an asset over its useful life.

The total value of Hunters Hill Council's road assets is about \$42,000,000. The valuation also found that the average Pavement Condition Index of the Hunters Hill road network is 71.4%. This figure suggests that the average Council road surface may be classified as in 'good' condition.

The supporting documentation to report includes:

1. A valuation spread sheet containing detailed calculations
2. A complete set of rated data detailing the present condition of all Council road assets
3. Video data of all Council roads
4. Hawkeye data viewing software.

Priorities have been determined using the data collected for the PMS (Pavement Management System), measuring the condition of the road and the likely funding pool available each year.

If the funding pool decreases or increases adjustments to the program will be made accordingly.

3.2 Fit for the Future

Infrastructure and Service Management

Building Assets (Building Assets Management Plan)

In 2008/09 Council commissioned a Community Facilities Review. A subsequent community facility provision audit indicated the following trends:

- Most facilities are leased (9 out of the 13) with long-term commercial or specific purpose tenants(e.g. childcare facilities)
- Council is experiencing a reasonable rate of cost recovery on most community facilities however this is declining.
- There are limited facilities available for adhoc and/or irregular hire or use
- Of the 3 facilities available for public and irregular use i.e. (Town Hall, Gladesville Road Community Centre, Fairland Hall) both Gladesville Rd Community Centre and Fairland Hall are heavily booked. The Town Hall is unavailable due to cost and other issues
- There are limited facilities available for a broad range of multipurpose community, social, cultural and recreation activities at the one venue
- Many of the long-term leased buildings have limited or no expansion capacity to meet changing and increasing demand

A condition audit of facilities was also undertaken and indicated the following main issues:

- With a couple of notable exceptions i.e. Gladesville Road Community Centre/Hall and Riverside Pre-School, most assets are ageing and will require significant capital expenditure in the next 10 years to maintain their serviceable life
- Most facilities are non-compliant with current DDA and/or BCA codes
- Any future significant upgrades to these facilities would require compliance at significant cost
- Many facilities do not meet the needs of existing users in terms of size, layout, parking and amenity and need significant financial investment to meet these requirements
- The age and condition of many community facilities limits the amount and type of use available now and in the future
- There are a significant number of ageing community facilities that require major redevelopment or replacing

The documents resulting from this review are included in Volume 2 of the Building Assets Plan and are the basis for determining priorities in the capital works program included in the LTTP.

The current Special Rate for Community Facilities Asset Infrastructure (expiring in 2016/17) provides funding for the plan, which will not be completed by this date.

If the funding pool decreases or increases adjustments to the program will be made accordingly.

All valuations for buildings are current having been provided by Scott Fullarton Valuation Services in 2010 to meet Australian Accounting Standards and insurance purposes.

3.2 Fit for the Future

Infrastructure and Service Management

Parks & Recreation (Parks and Recreation Asset Management Plan)

Capital Works are currently funded by the Special Rate for the Reserves Improvement Program 2003/04 – 2012/13, expiring on 30 June 2013 and as works will not be completed by this date Council is seeking to continue this Special Rate as part of its overall 10-year rate strategy.

All valuations for park and reserve buildings are current having been provided by Scott Fullarton Valuation Services in 2010 to meet Australian Accounting Standards and insurance purposes.

If the funding pool decreases or increases adjustments to the program will be made accordingly.

Stormwater (Stormwater Asset Management Plan) Capital Works are currently funded by the Special Rate for the Environmental Works 2003/04 – 2012/13, expiring on 30 June 2013 and as works will not be completed by this date Council is seeking to continue this Special Rate as part of its overall 10-year rate strategy.

However the Capital Works Program will be revised to reflect the Stormwater Asset Management Plan and the Stormwater Management Action Plans prepared for Council by Storm Consulting Pty Ltd.

Council has an adopted Total Asset Management Policy and in line with the policy a series of 10-year works programs have been compiled and are included in the Delivery Program and LTFP.

If the funding pool decreases or increases adjustments to the program will be made accordingly.

Capital Works Project Funding

Council has an adopted Total Asset Management and the Asset Management Plan is represented through the Capital Works Program.

Budget allocations for asset maintenance and replacement identified in the Capital Works Program have been done so utilising a 10-year program that has been prepared by Council staff for the purpose of identifying Councils longer-term financial commitments toward important community assets.

The proposed Capital Works Program is being funded by a combination of loans, special rate levies, section 94A funds, or alternative revenue sources.

	Outcome Area	1	2
1.	Roads	3,062,680	306,268
2.	Road Related Assets	455,500	45,550
3.	Building Assets	810,000	81,000
4.	Parks & Recreation	2,952,500	295,250
5.	Stormwater	795,500	79,550
6.	Environmental	621,500	62,150
	TOTAL	\$8,697,800	\$869,768

3.2 Fit for the Future

Infrastructure and Service Management

Borrowing to Fund Capital Works

Council's loan borrowings are restricted by loan borrowing limits applied by the Department of Local Government as part of the Federal Global Loan Borrowing Limitations. Council makes submissions and seeks approval for borrowing on an annual basis.

Council's Base Loan Program was \$2.5 million with repayments funded from a Special Local Loan Rate (Compulsory Acquisition of Foreshore Land and Seawalls).

In 2007/2008 Council borrowed an additional \$500,000 to implement a 10-year footpath improvement program.

Council's base loan program may be expanded where funds are required for additional programs. It is proposed that any additional loan funding will be used primarily for projects that are able to fund the debt servicing costs through income production, or through reduced expenditure requirements. Council will be debt free by the end of the 2017 calendar year.

Levels of Service

Fundamentally, asset management plans include the setting of levels of services for Council.

At this stage, levels of service are being developed to support Council's strategic goals.

These goals have been articulated in the Community Strategic Plan, which has been adopted by Council in 2011.

Levels of service are intended to:

- Inform the community of the proposed type and standard of service to be offered.
- Assist with the identification of the costs and benefits of services.
- Provide guidance for current and future services to be offered, the manner of the service delivery and definition of the specific levels of service which Council wishes to achieve.

Levels of services are based on:

- Strategic and corporate goals
- Legislative requirements
- Availability of resources and financial environment.

3 Fit for our Future

Efficiency

3.3 Fit for the Future

Efficiency

Summarise your council's key strategies to improve performance against the efficiency measures in the 2016-2020 period, including the outcomes you expect to achieve.

Objective	Strategies	Key Milestones	Outcome	Impact on Other Measures
1) Hunter's Hill Council achieves all efficiency measures by the end of the 2016-2020 timeframe and beyond				
Decrease real operating expenditure per capita over time.	Continue to implement IT productivity improvement program	Cumulative savings continue an upward trend	Real operating expenditure is reduced over time	Improved operating performance ratio
	On-going service reviews using Revu Map are commenced	Additional service reviews completed	Real operating expenditure is reduced over time	Improved operating performance ratio
	PwC benchmarking tool continues to be used to identify service improvement areas and results	Additional service reviews identified	Real operating expenditure is reduced over time	Improved operating performance ratio
Comparative analysis with benchmarks	Real operating expenditure is reduced over time	Improved operating performance ratio	Agreed KPI's	Improved operating performance ratio
	Council regional analysis and comparison tool continues to be used to identify service improvement areas and results	Additional service reviews identified	Agreed Regional KPI's	Improved operating performance ratio
Comparative analysis with similar councils or regions	Compare performance and results with others	Annual comparative review	Agreed Regional KPI's	Improved operating performance ratio

3.3 Fit for the Future

Efficiency

Service Reviews (Continuous Improvement)

Council has been undertaking service reviews for quite some time and the following table includes a list of more significant projects.

In 2000/01 Council implemented a number of cost saving measures involving the contracting of street sweeping services and the rationalisation of staffing operations in parks and reserves. The annual savings from these initiatives are estimated to be in excess of \$100,000 per annum.
Increased productivity from Council ranging and regulatory services has seen an increase in revenue to the extent that the service is self-funded.
A re-negotiation of the joint library agreement with Ryde City Council that restricts annual increases to the rate -pegging increase will realise a \$250,000 saving over the five-year life of the agreement.
A revised tender agreement for Councils domestic waste collection service enabled Council to introduce a 'green' waste service without increasing the domestic waste service charge in 2006/07. It is estimated that this arrangement has saved each ratepayer \$10-\$20 per year.
In 2007/08 Council implemented Smart Forms a range of standard forms used in Councils for applications. The project was funded under the RRIF Federal Government program. The benefits realisation study undertaken in conjunction with the project indicates a recurrent saving of \$10 for every dollar expended.
The implementation of the project realises significant benefits and savings to ratepayers and small business.

Explain the key assumptions that underpin your strategies and expected outcomes.

To support this process Council will be implementing a new software package (Revu Map) to provide assistance and productivity improvements in the process itself. The cost of the package is \$5,000 plus one days training for staff involved.

It is envisaged that a reduction of up to seven working days will be achieved in each process review at a cost saving of about \$8,000 and reduction in lost time to normal work.

NSW local government

The Local Government 'Operational and Management Effectiveness Report' is a joint project between Local Government Professionals (NSW) and PwC involving over eighty (80) NSW Councils. This unique industry-led self-assessment survey created by LG Professionals, NSW in collaboration with PwC provides all participating councils with deeper insights on relevant council operations and is designed to complement OLG government reporting initiatives.

PwC is drawing on its extensive experience in both local government and in the development, delivery and analysis of a variety of business process surveys across multiple industries, to provide benchmarking insights that offer practical direction to assist Councils in starting to make improvements. The report provides a level of information,

detail and comparison that is simply not available elsewhere that will assist in decision-making about service reviews and continuous improvement at a substantially less cost than we could do it ourselves.

The benefits to participating in this type of survey should allow councils to:

- Evaluate their own practices to understand current operational and management performance
- Identify areas of focus when striving to optimise operational excellence
- Understand how Australian business and in some cases international business performs in the area of workforce, operations and finance using results from similar surveys conducted by PwC both in Australia and globally.

3.3 Fit for the Future

Efficiency

The report has a focus on five (5) key areas at this time:

1. Workforce
2. Finance
3. Operations
4. Risk Management
5. Corporate Leadership

A copy of the most recent Hunters Hill Survey Report is appended to this submission.

LG Professionals, NSW have also provided NSW councils the opportunity to be more in control of their own future with the NSW Council Regional Analysis and Comparative Tool.

This new tool will be implemented during the second half of 2015 and gives council even greater diagnostic abilities to find and assess performance against other NSW councils who 'look more like them' in nature, with additional council, area and regional profile data added to the existing key survey metrics that are already collected.

Council will also be able to view and compare with other councils in their own Regional Organisations of Councils (ROC) area, allowing for greater learning, discussion, constructive comparison and insights to support future local and regional strategy development and planning.

Council will be able to:

- a) Actively filter, compare, and analyse in more depth their own council's performance against similar council survey data from across the state (anonymously).
- b) Access a specific ROC picture of comparative performance – a new opt in feature for all councils in a ROC
- c) Have a new complete ongoing local and regional intelligence framework on hand for all ROC councils who participate.

The cost of this tool is around \$3,500 and provides a level of analysis and comparison to assist decision-making that would otherwise not be available to Council.

Workforce Plan

The Workforce Plan sets out the issues, evidence and strategies required to deliver a sustainable Hunter's Hill Council workforce capable of continuing to deliver high quality services to our community to 2015 and deliver on our vision. It builds upon the directions set out in the 2020 Strategic Plan and 2012 - 2016 Delivery Program and its associated budget and is aligned with the overarching NSW Planning and Reporting framework.

The Workforce Plan is focused on retaining staff, developing leaders, up-skilling managers, and positioning Council as an employer of choice.

Our Workforce Plan is underpinned by the Workforce Planning framework. This is pictured and described in more detail below:



3.3 Fit for the Future

Efficiency

The Workforce Plan highlights a number of positive factors.

- Evidence suggests that Council has a good reputation, an enviable work culture and offers competitive employment conditions and benefits;
- Managers have identified that a number of 'future leaders' exist across Council;
- Many existing staff may have the potential to fill critical positions in the future, (provided specific qualifications are acquired and further training is undertaken);
- The global economic crises may lessen the impact of candidates in short supply (in the short-term).

To address workforce issues identified in the Workforce Plan and

to ensure any workforce gaps are minimised, the following general strategies should be adopted:

1. Continue to attract and recruit staff from a wider applicant pool so as to allow Council to become a career pathway for a range of potential new recruits – i.e. consider age diversity (both young and mature), people from diverse backgrounds (multicultural, indigenous Australians, women with children, people with a disability)
2. Focus on retaining appropriately skilled staff, including retaining our older workforce as well as younger generations;
3. Continue to strengthen our reputation as an employer of choice, thereby assisting with attraction and retention; and
4. Offer continuous learning and development opportunities for all staff and accelerate the development of the next generation of leaders, thereby ensuring any skill gaps are reduced.

An aim in budget preparation has been to ensure that our current workforce is retained and Council is not forced to shed staff to meet its bottom line target. A number of staff expenditure reductions were adopted for 2010/11 and the following will be continued through to 2015/16:

No additional staff appointments (unless offset by additional funding or productivity improvements).

Limited paid overtime. Any overtime is to be taken as time-in-lieu.

Productivity Improvements

In previous SRV applications Council has been asked to identify any productivity improvements. The table below identifies some of those improvements and the continued monitoring and savings, plus our ability to continue to do more with less and virtually maintaining unchanges staffing levels.

Examples of Productivity Savings

INFORMATION TECHNOLOGY - Productivity Savings					
DA tracking (RRIF Project)	Year	DA tracking web hits	Estimated "real" hits	Estimated savings	Cumulative savings
	2007	2,178	726	5,808	5,808
	2008	4,786	1,595	12,760	18,568
	2009	4,602	1,534	12,272	30,840
	2010	1,969	656	5,248	36,088
	2011	4,853	1,618	12,944	49,032
	2012	4,045	1,348	10,784	59,816
	2013	4,565	1,521	12,168	71,984
	2014	4,499	1,499	11,992	83,976
					356,112

3.3 Fit for the Future

Efficiency

INFORMATION TECHNOLOGY - Productivity Savings					
Upgrade payroll system	Year	Pay runs	Payroll Officer rate	Estimated savings	Cumulative savings
	2007	51	31	1,604	1,604
	2008	52	36	1,846	3,450
	2009	53	38	1,990	5,441
	2010	52	39	2,015	7,456
	2011	52	42	2,164	8,247
	2012	52	43	2,218	10,465
	2013	52	44	2,291	12,756
	2014	52	45	2,365	15,121
					64,540
Review/Wireless ISP link	Year	Annual service saving	Annual staff pay saving	Estimated savings	Cumulative savings
	2010	1,236	1,500	2,736	2,736
	2011	1,236	1,500	2,736	5,472
	2012	1,236	1,500	2,736	8,208
	2013	1,236	1,500	2,736	10,944
	2014	1,236	1,500	2,736	13,680
					41,040
Photocopier contract renewal	Year	Annual lease	Annual copy estimated charges	Annual costs	Annual savings
	2010	23,076	22,873	45,949	
	2011	19,751	18,701	38,452	7,242
	2012	19,751	17,002	36,753	9,196
	2013	19,751	18,374	38,125	7,824
	2014	20,626	1,790	22,416	15,709
					39,971
VOIP implementation	Year	Annual maintenance	Annual call charges	Annual costs	Annual savings
	2010	6,363	33,491	39,855	
	2011	3,630	9,460	13,090	26,765
	2012	3,630	5,611	9,241	3,849
	2013	3,630	5,263	8,893	348
	2014	3,630	8,659	12,289	3,396
					34,358

3.4 Improvement Action Plan

Hunter's Hill Council

Actions	Milestones	Financial Impact	Target Date
Revaluation of roads	New	See LTFP	July 2015
Service reviews using Revu Map	Additional service reviews completed	\$0 direct	June 2016
Continuing IT productivity program	Continued productivity savings >\$100k	\$0 direct	June 2016
PwC benchmarking tool continues to be used to identify service improvement areas and results	Additional service reviews identified		
Comparative analysis with benchmarks	\$0 direct	June 2016	
Council regional analysis and comparison tool continues to be used to identify service improvement areas and results	Additional service reviews identified		
Comparative analysis with benchmarks	\$0 direct	June 2016	
Community consultation Application for Special Rate Variation in 2017/18 for expiring SRV for Community Facilities to continue the SRV and an additional amount for operational expenses.	Consultation July-Oct 2016	\$40,000	October 2016
Application for Special Rate Variation in 2017/18 for expiring SRV for Community Facilities to continue the SRV (4.16%) and an additional (4.5%) for operational expenses.	Notification of application	See LTFP	December 2016
Application for Special Rate Variation	Submission of application	See LTFP	February 2017
Application for Special Rate Variation	Approval of application	See LTFP	May 2017

3.4 Improvement Action Plan

Hunter's Hill Council

Outline the process that underpinned the development of your Action Plan.

Outline the process that underpinned the development of your Action Plan.

Hunters Hill Councils Improvement plan for the 2016/17 -2019/20 years was developed in line with our Budgeting and Integrated Planning and Reporting (IP&R) review process.

Our annual budgeting workshops occur from February - April each financial year. An independent facilitator is used to assist Council in this annual process.

This process includes the forward planning of the next four years of the delivery plan with projects and actions using the projections of a revised LTFP and Asset Management Plans.

Council then adopts the Draft Delivery Program and Operational Plan in May each year to enable public exhibition for 28 days and then adoption by council before the end of the financial year in June.

In addition to this process Councils Senior Management Team (SMT) is project team for the review all IP&R reporting and review and any SRV applications (when required) or any other strategies that make up the Improvement plan so that we can achieve long-term sustainability beyond the Fit for the Future benchmarks by 2020.

The improvement plan was also developed in consultation with Council and formulated during a number of FFTF workshops.

The final improvement plan was put into a report to Council and formally adopted on 09 June 2015.

3.5 Other Actions Considered

Hunter's Hill Council

In preparing your Improvement Action Plan, you may have considered other strategies/actions but decided not to adopt them. Please identify what these strategies/actions were and explain why you chose not to pursue them.

Other improvement plan strategies which could be undertaken by Council to meet the Fit for the Future benchmarks (but are not presently proposed) include the following:

- Significantly increased user fees and charges beyond the proposed increases forecast in the LTFFP.
- Discontinuing services or significantly reducing the level of services provided e.g. Joint library service with Ryde City Council (2016/17 contribution in excess of \$700,000)

The above two points were ruled out due to information gathered during community consultation over the last two years. It was decided that in line with what the community want, neither were options Council should pursue.

Overall, Council views that its regular IP&R and Budgeting reviews along with further strategies outlined in the improvement plan above will be enough to remain a strong and sustainable local government entity



4 Fit for our Future



4.1 How will our plan improve performance Hunter's Hill Council

TABLE 4.1 Expected improvement in performance

Benchmark	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to breakeven average over 3 years)	-0.0888	-0.0702	-0.0500	-0.0425	-0.0121	0.0028	0.0114	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	88.36%	88.37%	89.93%	91.19%	92.75%	92.88%	92.93%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	37.20%	58.19%	80.46%	91.58%	104.95%	105.98%	105.95%	Yes
Infrastructure Backlog Ratio (Less than 2%)	8.11%	1.78%	1.75%	1.73%	1.67%	1.57%	1.52%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	104.10%	106.56%	105.09%	101.80%	102.99%	102.91%	102.93%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	2.48%	1.49%	0.52%	0.50%	0.40%	0.24%	0.08%	Yes
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	0.82%	0.86%	0.80%	0.79%	0.78%	0.77%	0.76%	Yes

5 Fit for our Future



5.1 Our plan in action

Hunter's Hill Council

How will your council implement your Improvement Action Plan?

Council's Improvement Plan is integrated with the Delivery Plan 2015-2019 and Operational Plan 2015-16, which means that the projects will form part of the relevant Service Unit Business Plan and relevant staff work plans. Council will be employing a coordination and implementation of the key strategies.

The implementation of the Improvement Action Plan will be monitored through established processes within Council; quarterly reporting to the Senior Management Team and to Council and staff performance management processes.

Action Plan	
Actions	Milestones
Cambron	A specialist reporting tool developed for Council that allows reporting on the CSP, Delivery Program and Operational Plan on a regular basis. Action plan initiatives have been included in the Delivery Program. It also includes a performance monitoring and development tool that is linked to the Delivery Program and Operational Plan for discussion in twice yearly performance reviews.
Quarterly budget review	Statutory reporting on the LTFP and Operational Plan
Monthly cost reports	Reporting on Capital Works program
OLG Comparative measures	Statutory financial reporting
PwC benchmarking tool continues to be used to identify service improvement areas and results	Provides council with deeper insights on relevant council operations and is designed to complement OLG government comparative data.
Community Surveys	Provides council with a thorough understanding of community priorities
Staff Surveys	Enables council to monitor and address staff improvement programs

6 Community Engagement Strategy



6.1 How we consulted the community Hunter's Hill Council

We have a clear mandate from our community and a history of strong opposition to amalgamation.

As far back as 2003, over 80% of residents have opposed a proposed forced amalgamation. We received survey feedback, over 200 telephone calls and 100 protestors opposing the possible merger of Hunter's Hill. A similar community sentiment exists in 2015.

This sentiment was particularly clear in the 2015 engagement results from community meetings with 82% not supportive or not at all supportive of a merger. While the majority of our residents continued to be staunchly against forced amalgamations, they expressed an openness to regional collaboration and to exploring a JRA. Over 80% of residents indicated they supported this alternative option.

We are committed to working with our community and we value community feedback when making decisions. To formulate our response to the ILGRP's proposal, we have engaged with our community since 2013.

Joint initiative of three Councils City of Ryde, Hunters Hill and Lane Cove

Our three Councils created a joint community engagement strategy which included community meetings in each Council area; an independent, statistically valid and demographically representative telephone poll; and an online survey based on the three options available to each Council, with a particular interest in understanding what level of community support existed for the JRA.

The process for the independent telephone polling required pre-recruitment of 600 in Ryde and Lane Cove and 400 people in Hunters Hill. The recruited community members were sent an information package outlining in detail (see Attachment I, J, K) the options available to Councils and additional information on the JRA.

May 2015

Community Meeting

Hunter's Hill Council held two community information meetings. The first on 6 May 2015 was to inform the community regarding the three options outlined in the information package; merge as per ILGRP preferred option; stand alone; or a superior alternative (JRA model). 81 community members Attended.

A second meeting was held on 3 June 2015 to provide detailed information on the potential JRA model.

Live polling on the night of the 6 May used three questions (as attached in the Urbis report):

- When asked how supportive they were of proposed merger with five other Councils, 82% stated they were "not at all supportive"
- When asked how supportive they were of Council standing alone 73% registered a level of support, from "completely supportive" to "somewhat supportive"
- When asked how supportive they were of Council standing alone and exploring at JRA, 86% registered a level of support, from "completely supportive" to "somewhat supportive"

6.1 How we consulted the community

Hunter’s Hill Council

May 2015

Deliberative Polling via Telephone Survey - Micromex Consulting
Participants 400

The detailed results of this survey are attached in Attachment J with the high level results for Hunters Hill as follows:

- 64% not supportive of Council being merged with 5 other Councils
- 59% supportive of Council standing alone
- 81% supportive of Council standing alone and exploring a Joint Regional Authority with Lane Cove and City of Ryde Councils

June 2015

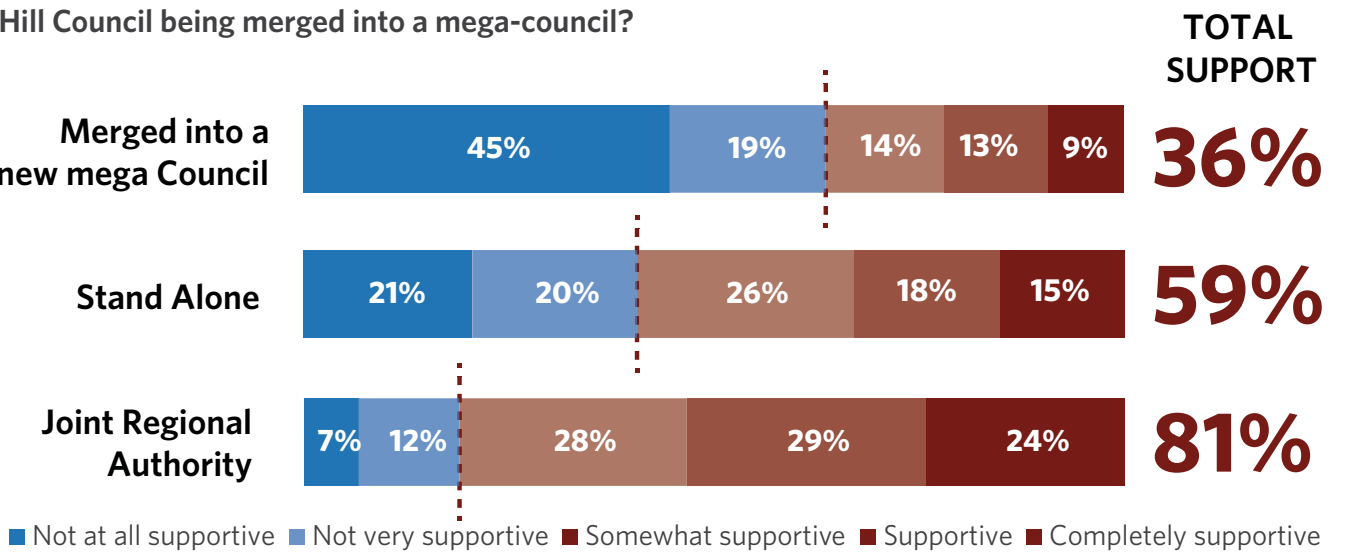
Online survey

An online survey was created using the same questions as asked in the telephone survey and ensuring that the information package was also available on all three Council websites.

- 348 residents responded to this survey
- 56% were not supportive of Council being merged with 5 other Councils
- 53% supportive of Council standing alone
- 56% supportive of Council exploring a Joint Regional Authority with City of Ryde and Hunter’s Hill Councils.

As the telephone survey results were sourced from a random sample of Council residents and weighted to the age and gender profile of the Council, the online survey results serve largely as a complimentary community consultation piece, to provide an indicative measure of community opinion. As the online survey was readily accessible to any resident wanting to participate, with no further weighting applied, unlike the telephone survey (sample error is plus or minus 4.9% at 95% confidence), the level of sample error is unknown.

Figure 20: Micromex survey question: How supportive are you of Hunter’s Hill Council being merged into a mega-council?



Source: Micromex Deliberative Poll, Attachment J, page 26.

Date	Action Taken	Outcome
May 2015	Coordinated consultation with the City of Ryde and Lane Cove Councils Community information meeting No. 1 including live polling	82% opposed to ILGRP's proposals 73% support for Hunters Hill to stand alone 86% support exploring a JRA
May/June 2015	Community meeting No. 2	Detailed information provided on JRA model.
April/May 2015	Radio interviews to build community awareness.	Mayor responding to key questions regarding likely impacts on residents as a result of the ILGRP's proposals.
June 2014/ May 2015	Advertisements and editorials in local media	Raising awareness of Fit for the Future criteria and deadlines.
March/April	Letter to every household from the Mayor providing background and inviting residents to a public consultation session.	Raising awareness of issues facing Hunters Hill from the local government reform process.
March 2015	Council newsletter to community	Awareness of Fit for the Future reform process.
March 2014	Newsletter to build community awareness	Advised residents that the ILGRP and Local Government Acts Taskforce were released and available online
July 2013	Newsletter to every household advising outcome of public meeting and to build community awareness of results of public meeting and confirmation of community mandate rejecting forced amalgamations.	Council confirms community mandate rejecting forced amalgamations.
June 2013	Public meeting to seek community feedback on ILGRP's draft report	250 people attended the meeting resulting in the following resolutions: 1. That Hunters Hill Municipality retains its independence and historic boundaries. 2. That the NSW Government recognises and protects the significant character and heritage values of Hunters Hill Municipality and the whole of the State. 3. That the NSW Planning 'White Paper' and draft Bill, the draft Metropolitan Strategy and the Local Government Review Panel final discussion papers do not reflect the following goals in NSW 2021: - Goal 32- 'People to have a real say and be involved in localised decision making', and - Goal 27- 'Recognising and protecting the State's most significant heritage places and values', and that these discussion papers should be withdrawn, given their current flawed content.
March 2013	Newsletter to build community awareness.	Advice to residents that Hunter's Hill Council is firmly opposed to any proposed forced amalgamations
2012 December	Newsletter to build community awareness.	The ILGRP will provide recommendations to the NSW Government on governance, structure and financial sustainability to improve the strength and effectiveness of Local Government in NSW.
May 2012	Newsletter to every household and published on Council website to build community awareness.	Awareness about the review of local government in NSW.



Template 2

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1 Executive Summary

Lane Cove is an agile, responsive Council with a strong history of providing quality services that meet the needs of our predominantly residential community.

We enjoy high customer satisfaction levels and a strong sense of community following significant investment in social capital. We will see a 29% increase in residents over the next 10 years, we are already addressing our infrastructure backlog and already meet the existing financial benchmarks for Fit for the Future (except that Council has no debt).

Our local ratepayers have a lot at stake in considering the options for their future. We have fostered an informed conversation with the community about the Fit for the Future reforms since June 2013. Subsequent public information sessions identified community concerns regarding potential loss of democracy, our sense of community, and our ongoing engagement as well as any impact on the quality of facilities and services. Our community supports a Joint Regional Authority (JRA) which focuses on regional strategic planning and advocacy, intergovernmental collaboration and shared services delivery.

94%

Customer
Satisfaction

COMMUNITY
SATISFACTION SURVEY,
NOVEMBER 2014

1.1 Executive Summary

Our strong financial sustainability, infrastructure and service management and efficiency results demonstrate our ability to meet the current Fit for the Future criteria. For example, we have achieved:

- an operating performance ratio of 0.016% over three years
- a building and infrastructure asset renewal ratio of 181.3% over three years
- an infrastructure backlog ratio of 1.79%
- real operating expenditure per capita of 0.93.

Anticipated growth in the rating base of 1.25% per annum, estimated annual increases in both operating and capital grants and contributions such as Voluntary Planning Agreements (VPAs) will further strengthen this position. Our Major Projects Strategy self-funds new infrastructure projects including a \$55 million bus/rail interchange for St Leonards (normally funded by the NSW Government), new parking, recreation and community facilities, providing ongoing commercial returns on our assets.

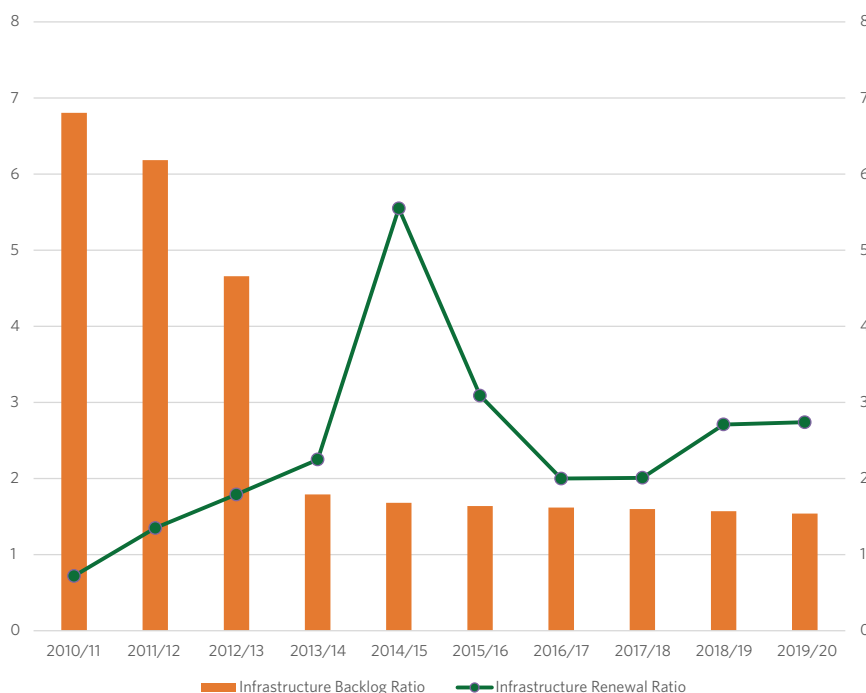
To further improve on our existing benchmarks, we are aiming to:

- implement the long-term Financial Plan (LTFP) (we have outperformed our LTFP over the past five years)
- continue our service review program to improve efficiency, effectiveness and service delivery.
- develop a regional Learning and Development program delivering effective targeted training and cost savings.

As a result, we will not only continue to achieve our benchmarks, we will be participating in a process backed by our community. We can then continue to maintain our ability to respond to the community's needs as reflected by our high customer satisfaction levels (94%).

The proposed JRA addresses the community's concerns and also meets the objectives set out under the Fit for the Future. It will be a superior example of how communities, Councils and the NSW Government can work together.

Figure 21: Addressing the backlog



1 Our Scale and Capacity

1.2 Our scale and capacity

Lane Cove Council meets all the Fit for the Future benchmarks, delivers service efficiency while maintaining customer satisfaction at 94%, and with population growth of 29% to 2031, it demonstrates a high level of scale and capacity.

With this strong base of strategic capacity we are keen to continue adopting innovative initiatives by becoming a founding member of a metropolitan JRA.

We have demonstrated ability to balance scale by initiating high-value, innovative State infrastructure projects while still remaining agile enough to respond to the high levels of service expected by our community. In addition to continuing our existing capacity to provide a robust revenue base and attract and retain skilled staff, our culture of innovation, creativity and flexibility in the face of change will be further strengthened by the additional efficiencies gained through a JRA.

Our Major Projects Strategy self-funds new infrastructure projects; and in the past two years we have been involved in initiating over \$220 million in major projects, including driving a \$55 million bus/rail interchange for St Leonards – infrastructure that would normally be funded by the NSW Government.

To complement this process, we produced a St Leonards Public Domain Master Plan and commenced a Master Plan for St Leonards South in anticipation of NSW Government housing targets for the precinct. This proactive approach allowed us to leverage development contributions through a number of VPAs.

This is consistent with our capacity to lead the way when it comes to implementing new legislation and overcoming local challenges. For example, we were one of the first Councils to produce a Local Environmental Plan (LEP) utilising the NSW Government's Standard Template and won the LGSA's R.H.Dougherty Excellence in Communication Award 2008 for our LEP community consultation process which attracted over 1,400 submissions. This process predated the NSW Government's proposed planning reforms and our processes were included in the proposed reforms. We were also one of the first Councils in NSW to implement an Independent Hearing and Assessment Panel in 2011 with full decision-making powers, and the first Council in NSW to produce a cultural plan under the NSW Government's new program in 2003.

We use creative responses to provide open space in an increasingly dense, urban environment. In 2014 we built two synthetic sporting fields and upgraded lighting to extend use of the fields at Blackman Park, resulting in 20% additional utilisation. The facility is the largest state-of-the-art, multi-purpose field on the North Shore. It meets national sports accreditation and improves regional access to sporting grounds.

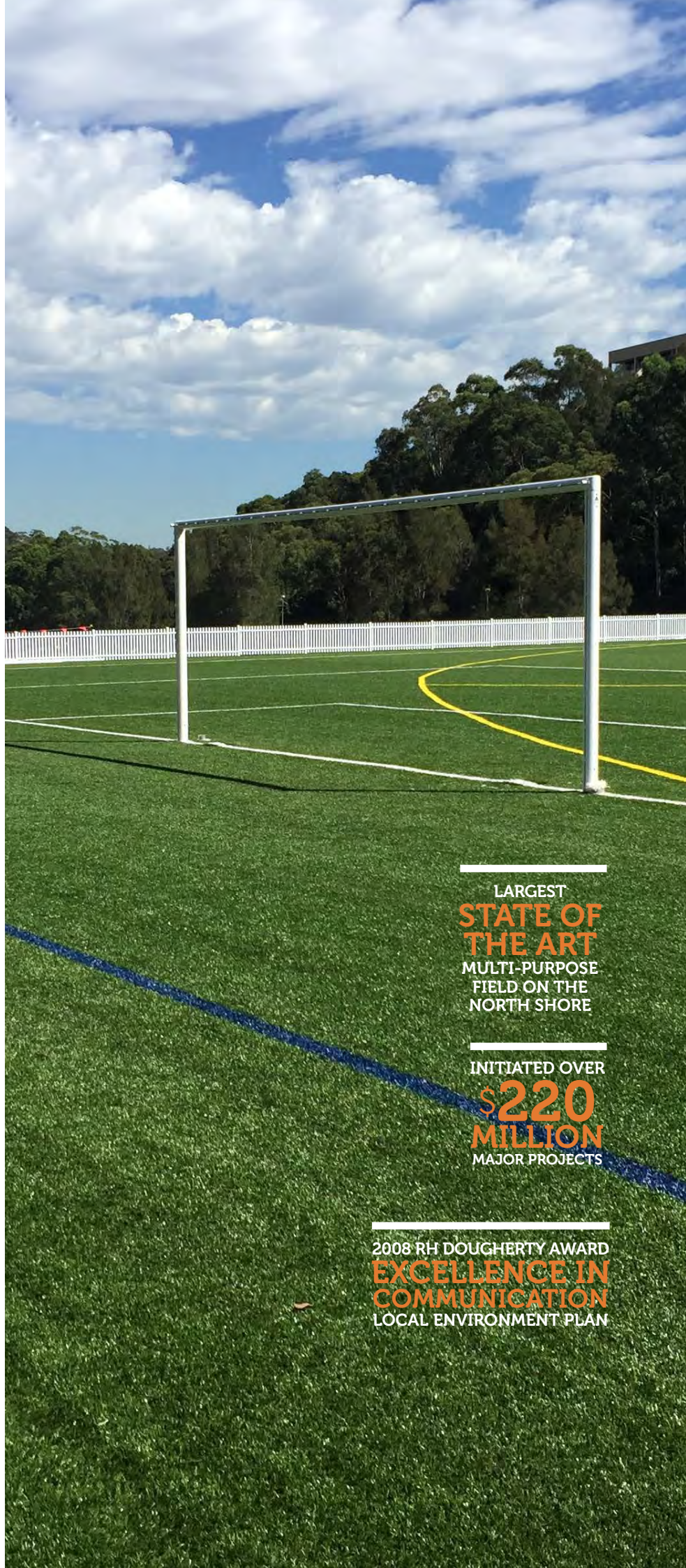
Likewise we are aiming to provide 5,000 square metres of open space parkland at the site of a car park in the Lane Cove village centre by building an underground car park and retail area with the park located above.

Even more innovative is the construction of a 6,000 square metres open space over the railway line at St Leonards that will provide open space to coincide with the activation of this transport hub and residential area.

Further strategic capacity is created through an asset commercialisation strategy as part of the Major Projects Plan. For example, Lane Cove Aquatic Centre (which has a 30% higher visitation rate than the national average for aquatic centres) returns \$500,000 every year. Existing community facilities as well as investment and new facilities will deliver a significant discretionary spend equivalent to 11.2% in Operating Income over the next 10 years.

We have demonstrated capacity to develop national and globally-recognised programs including the Age-Friendly Strategy and Love Where You Live programs. We were the first Council in NSW and one of only seven in Australia to be accepted into the World Health Organisation's Age-Friendly Network. We were also the first council in Australia to be recognised as a Very Neighbourly Organisation as a result of our Love Where You Live campaign.

We constantly advocate for our community. We played a lead role in influencing changes to the 10/50 Vegetation Clearing Code, increasing penalties for misuse of disabled parking spaces and changes to proposed planning reforms. We have also provided support for strategic government projects; for example, we lobbied for the construction of the Lane Cove Tunnel, recognising its role as a core piece of infrastructure in the metropolitan transport network. We undertook demand analysis for the project and engaged a project coordinator to manage issues associated with the impact on the community.



LARGEST
**STATE OF
THE ART**
MULTI-PURPOSE
FIELD ON THE
NORTH SHORE

INITIATED OVER
**\$220
MILLION**
MAJOR PROJECTS

2008 RH DOUGHERTY AWARD
**EXCELLENCE IN
COMMUNICATION**
LOCAL ENVIRONMENT PLAN

1.2 Our scale and capacity

More robust revenue base and increased discretionary spending

The best indicators of the Council's financial position are the liquidity ratio and the debt service ratio. Those are both above benchmarks... and that's where you've been for a long time.

PwC audit report, 2014

Our Major Projects strategy delivers \$220 million in assets and community facilities. We have achieved ongoing commercial returns through Council-owned shops, child care centres and car parks. A rating review in 2013/14 provided more equitable distribution in rating between house and unit developments and resulted in a 7% increase in minimum rates over the five years from 2014/15.

We are also leveraging many benefits for our community and our financial sustainability through large VPAs.

Scope to undertake new functions and major projects

We have planned the delivery of the bus/rail interchange at St Leonards – a function normally provided by the NSW Government. The further \$220 million in major projects in the past two years include:

- a \$40 million Seniors Living Development to address seniors living opportunities, with the proceeds utilised to provide a multipurpose indoor sports facility
- the \$65 million Lane Cove Village Redevelopment which involves turning 176 space car park into a new 500 space underground car park, with one layer of below ground retail and a 5,500 square metre park on top
- the \$33 million Little Lane Redevelopment creating 200 public car parking spaces, 1,045 square metres of community spaces and 550 square metres of retail space and residential units.

Additional projects include:

- Blackman Park Synthetic Sports Fields and Scout Hall/Amenities Building (\$10 million)
- new community centre and park at 314 Burns Bay Road (\$5 million)
- Lane Cove Aquatic Leisure Centre upgrade and gym extension (\$4.5 million)
- Stokes Street community facility (\$4.5 million)
- Lane Cove Plaza streetscape upgrade (\$4 million).

Knowledge, creativity and innovation

We go beyond the normal delivery of services to support our community and achieve our vision. For example, we established Lane Cove ALIVE as an independent entity to facilitate the sustainable growth and development of businesses within Lane Cove Village, and we have also looked to joint ventures to fund community infrastructure at Lane Cove Market Square and Library, Little Lane public car park and other community facilities and residential developments.

We have undertaken service reviews to improve efficiency, effectiveness and services. This has achieved the right contemporary outcomes for the 21st Century, such as online Section 603 and Section 149 conveyancing certificates, online payroll and electronic invoicing, and electronic ordering approvals. We also invented ticketless parking for our commercial car park, saving on printing and providing faster entry/exit times

Our external partnerships for direct services by community – such as Lane Cove Community Aid – have resulted in strong community services and significant grants program. We also support grassroots projects including first Men's Shed in Australia; Project 504 (incubator art space); Different Degrees Theatre Ensemble; and our Bushcare program. The Bushcare techniques developed in Lane Cove are now being used around Australia.

1.2 Our scale and capacity

Advanced skills in strategic planning and policy development

We have been at the forefront of strategic planning and implementing statewide planning instruments and have set stringent performance indicators at both strategic and operational levels. We were one of the first councils to implement an LEP using the NSW Government's standard template and our consultation was so strong, we won the 2008 RH Dougherty Award for Excellence in Communication.

We established an Independent Hearing and Assessment Panel in 2011 to consider development applications with delegated authority to determine applications and we were the first Council in NSW to produce a cultural plan under the NSW Government's guidelines.

We have developed the St Leonards Public Domain Master Plan and St Leonards South Master Plan in advance of the NSW Government's housing targets for the precinct. This work has been underpinned by transport oriented development principles.

Due to high land value, we have leveraged VPAs valued at \$70 million to date to deliver regional and local infrastructure (see case studies, page 188).

We also advocated for policy changes to 10/50 Vegetation Clearing Code using a strong evidence base that saw our Council become the first to receive endorsement of its modified bushfire prone land map.

Effective regional collaboration

NSROC is hosted at our Council building.

Shared services delivery and advocacy through NSROC has included the regional waste disposal tender, Aboriginal Heritage Program, regional asphalt tender, Metropool Insurance and Risk Scheme, Shorelink Regional Library Support Services, Northern Sydney Internal Audit Service, family day care, the Emergency Management Committee, the State Emergency Service and the regional community recycling centre.

We also initiated procurement collaboration between NSROC and Local Government Procurement (LGP). We have also collaborated with North Sydney and Willoughby Councils in the 2008 St Leonards Plan.

Credibility for more effective advocacy

We work with NSROC to advocate for regional issues.

We also advocate strongly on behalf of our community – for example, we have a strong community partnership to keep a comprehensive database of trees impacted by the incorrect use of the 10/50 vegetation code. This partnership led to us becoming the first council to have its revised bushfire prone land maps endorsed by the Rural Fire Service.

We have also has shown our ability to advocate for large-scale infrastructure by commissioning reports that demonstrated the case for the Lane Cove Tunnel.

Further, we have adopted a globally-recognised Age Friendly Strategy to advocate for issues related to an ageing community within a local and global context.

“The best indicators of the Council's financial position are the liquidity ratio and the debt service ratio. Those are both above benchmarks...and that's where you've been for a long time.”

PwC AUDIT REPORT,
2014

1.2 Our Scale and Capacity

Capable partner for State and Federal agencies

Our early adoption of the NSW Government's LEP standard template helped us to achieve our NSW Government housing targets well ahead of requirements. We worked with Transport for NSW to plan for the self-funded delivery of St Leonards bus/rail interchange and we have engaged with the Commonwealth Department of Industry and Science as a Community Energy Efficiency Program partner.

We have also partnered with the NSW Environmental Protection Authority for new vegetation collection, resulting in two-thirds Council-funding to a one-third NSW Government grant.

We regularly receive a range of grants and consistently deliver the required outcomes of these, particularly in environmental restoration framework.

Council resources to cope with complex and unexpected change

We have the capacity to compete in a global marketplace for highly skilled and qualified staff and we continue to attract and retain new employees with an annualised turnover of 9.76%. We can report a high level of staff satisfaction.

Ongoing sources of revenue include income from VPAs and our asset commercialisation strategy. We have a policy of not employing additional staff without revenue stream.

High quality political and managerial leadership

Our strategic and stable elected Council leads our culture of community consultation with significant consultation distribution list and participation. We have a demonstrated ability to attract quality staff from within the global employment market and both our Councillors and managerial staff act in representative capacities such as the Vice President of NSROC, Convenor of the General Managers Group for NSROC and the Joint Regional Planning Panel.

We have the leadership and commitment to make tough decisions through sound engagement, resulting in widespread community support for our two past special rate variations (sustainability levy and infrastructure levy, both at 6%).

Strategic Capacity - Community Wellbeing Index

Many indicators around performance tend to focus on a Council's efficiency and effectiveness. We knew that if we were to be a sustainable community we needed to be able to measure the community's wellbeing.

Our commitment to building and measuring social capital is evidenced in our recent work with the UTS: Centre for Local Government (UTS:CLG) which developed several wellbeing indicators to provide subjective measures that will establish the level of wellbeing within the Lane Cove community via our own Community Wellbeing Index

The Community Wellbeing Index help inform us of current trends and issues within the local community. Our with the UTS: CLG ensures that the Index reflects the latest national and international research. This project is a significant example of industry best-practice.

Council completed its first Wellbeing Survey in June 2015. With the annual Community Satisfaction Survey, our data and NSW Government data sources, we will have a robust baseline to understand the level of wellbeing in Lane Cove.

The survey will be repeated every two years allowing changes in attitudes to be tracked over time. It will inform Council and the community as to the current state of Lane Cove and provide understanding and direction for activities within our Community Strategic Plan. The process addresses the subjective areas that can otherwise be difficult to incorporate into the Integrated Planning and Reporting Framework.

Our Community Wellbeing Index provides a way for us to go above and beyond our financial measures of success to ensure we understands the social needs of our community.

CASE STUDY Scale and capacity



CASE STUDY

Scale and capacity

Building Social Capital - **Love Where You Live Lane Cove**



Lane Cove is known for its 'village atmosphere' which is built on a collective community identity amongst existing and new residents.

"'Identity' is crucial to people's wellbeing...it shapes their habits, attitudes, what they take for granted and how they relate to others - all features that are central to community life".¹

Many of Council's Plans acknowledge this importance by identifying a number of outcomes that aim to connect the community. Love Where You Live is a Council-wide approach to develop and maintain civic pride in Lane Cove and its village identity.

Social identity plays an important role in a sustainable community. Without a safe, connected community it is difficult to encourage residents to adopt sustainable behaviour. Love Where You Live provides a collective identity for Lane Cove and promotes a sense of community spirit which encourages a safe, connected and vibrant community.

The campaign was developed as a three year project. In its first year, it has focused on developing a collective identity for Lane Cove. This process unearthed so many wonderful things to celebrate in Lane Cove resulting in a diverse brand suite:

Love Where You Live, ... Play, ... Shop, ..Work, ...Read, ...Swim Eat

By developing a series of descriptors the identity provides significant strength to existing activities (for example, Lane Cove has a popular Aquatic Centre and Ocean Baths which benefit from Love Where You Swim) and actively foster areas of

community interest and economic development (for example, Love Where You Shop and Eat recognises the village shops surrounding Lane Cove Plaza which is the hub of the local community). The "Meet the Neighbours Events" Council has introduced under the program promotes social cohesion (Love Where You Live).

The completion of several major projects complementing the branding suite including the completion of our Aquatic Centre Renovations (Swim), New Synthetic Sports Fields (Play) and New Plaza Upgrade (Live & Shop). Council also ran its first Lane Cove Literary Award which tied in perfectly with the Love Where You Read brand. Additionally, discover Lane Cove packs were identified as beneficial to new residents moving into the area but were not called 'Welcome Packs' as is often the case. This meant the resource is applicable to existing residents who may wish to find out more about their community.

More than 20 initiatives have been delivered via a mix of mediums including: printed collateral; events; public art; online content; formal reports; and recognition of the program on a National level.

¹ Identities and Social Action: Connecting Communities for a change. p8
A.Gilchrist, 2010.



Love **WHERE**
you **LIVE**
LANE COVE
© Lane Cove Council



More than
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CASE STUDY

Scale and capacity

Strategic Capacity - Negotiating Voluntary Planning Agreements (VPA's) with the Private Sector

Since 2013, Lane Cove has implemented a Voluntary Planning Agreement Policy which has seen VPAs entered into valued at approximately \$70 million, with a further VPA currently under negotiation, which will deliver a further \$14 million worth of public benefit to the community.

Lane Cove consistently negotiates agreements and manages developments of significant scale and community benefit, commensurate with the scale of development more often found in larger CBD's.

In the case of St Leonards, Lane Cove has identified a need for bus/rail interchange facilities and 5000sqm park at St Leonards which has been costed at \$55 million and will be funded through VPA's with developers of high density unit developments. VPA's will also provide affordable key worker housing, up to 300 public car spaces, open space and community facilities such as a Library in St Leonards. Additionally, in other areas of Lane Cove VPA's have been negotiated to deliver community assets such as open space, bushland including trails and interpretation, bus shelters, community bus and contributions to public infrastructure.

Lane Cove's significant track record in negotiating large scale, successful VPAs is evidence of Council's strategic Capacity and ability to work with the private sector in an efficient and effective manner.

Moreover, the scale of agreements continues to grow as Council seeks to manage the rapid population growth and move to high density developments with regional scale projects such as the proposed St Leonards bus/rail interchange.



Strategic Capacity - Managing infrastructure

Lane Cove, like all levels of government, must balance the demand of its funds for new infrastructure while still maintaining existing infrastructure. Lane Cove has committed to addressing its infrastructure backlog by funding infrastructure renewal through traditional revenue streams at greater than depreciation and delivering new infrastructure through alternate revenue streams. To this end, Council in 2007 adopted the Major Projects Strategic Plan (2007 - 2016) which draws together in a single strategy the delivery of capital projects identified by Council and the community in the Community Strategic Plan - Lane Cove 2025 and other Council plans

By recycling and leveraging existing assets in conjunction with Section 94 funds derived from the increasing population, it ensures new assets required by the community are delivered, intergenerational equity is achieved and the LGA can cope with significant population growth rates. The Strategy has thus far seen \$220 million in projects delivered or initiated.

CASE STUDY Scale and capacity



2 Our Current Position

2.1 Our Local Government Area

Lane Cove is an agile and responsive Council located on Sydney's lower North Shore.

Our vision is "Lane Cove for a better quality of life" and we aim to be aware of, and responsive to, the diverse needs and aspirations of the Lane Cove community.

Open space comprises 14% of the area with all residents living within a few hundred metres of local bushland. Lane Cove is attractive as a place to live because of its leafy environment, village atmosphere, family tradition, convenience to employment and public transport, proximity to the business centres of Sydney and the North Shore and good shopping.

The area is residentially-focused with an industrial park and a pedestrian village plaza at the heart of the retail precinct. Half of our residents live in apartment blocks with a 29% increase in population by 2031 meaning the number of apartment-dwellers will also increase. The demographic profile shows an increase in young families and also an ageing population.

Based on the 2011 Census, 65% of residents are employed full-time with 27% employed part-time. Two-thirds of the labour force has a Bachelor's degree or higher with the largest occupation of employed people being professionals (41%) followed by managers (18%).

Just over a quarter of residents speak a language at home in addition to English and 36.8% are born overseas. The most prevalent cultural and linguistically diverse (CALD) community is Chinese, representing 8.4% of residents born in overseas countries, and 2.7% of the total Lane Cove population. Indigenous Australians make up 0.3% of the population.

High quality community facilities include a modern 3,000 square metre library (with the highest borrowings per capita in NSW for the past 11 years); an Aquatic Leisure Centre that exceeds the national standards (almost double the average income and 30% higher visitation rates); a versatile art gallery space; the largest synthetic sporting field complex on the North Shore; award-winning sporting grounds; Greenwich Baths; Carisbrook House Museum; and an extensive network of bushwalking tracks and bike paths.

2.1 Our Local Government Area

There is a strong sense of community in Lane Cove with the North Shore's highest level of community grants per capita; ongoing recognition of community achievement through Citizenship Awards programs; a strong Bushcare volunteer program with over 2,000 volunteer hours annually; a successful Love Where You Live campaign; and more community events run by Council than there are days in the year. Lane Cove also has a long history of community and advocacy groups starting their State and national campaigns within Lane Cove.

Our community prides itself on its village atmosphere and this has become even more apparent during the community consultation on mergers where the issue of representation and efficient access to Council services continues to be raised. With a customer satisfaction rate of 94% the community currently enjoys, and therefore expects, a flexible, approachable local council with above-average performances in asset, renewal ratio; financial sustainability and local service delivery via quality facilities, resources and funding.

In 2007, the NSW Department of Local Government described our Council as having "strong leadership that is well positioned to strategically address the future needs for the Lane Cove Local Government Area". This same report it was acknowledged that in financial terms, we were healthy and performing better than accepted industry standards.

Annual Expenditure on Community Grants		
Council	Total Expenditure	Per head
Lane Cove*	\$157,735	\$ 4.68
Ryde	\$130,000	\$ 1.17
Hunter's Hill	\$10,000	\$ 0.71
Willoughby	\$70,210	\$ 0.98
North Sydney	\$16,500	\$ 0.24
Mosman	\$50,000	\$ 1.69

* Excludes Lane Cove and Northside Community Services

2 Our current position

2.2 Key Challenges and Opportunities

Our community is facing an increase in housing density following the growth and urban consolidation targets set by the NSW Government. With this comes the opportunity for us to demonstrate our ability to understand our community's needs and provide for their future. We are also able to identify the benefits associated with St Leonards being identified as a strategic centre in *A Plan for Growing Sydney*.

In addition to our strong LEP, our culture of strategic planning allows us to plan innovative projects that leverage our population growth, the potential of our assets and increased revenue base. Given the limited growth in Lane Cove over the past 30 years, we are constantly managing community expectations around population growth targets. Our responsiveness to community concerns via consultation, transparency, representation and timely communication ensures an efficient response to this challenge. For example, we undertook extensive consultation with the community when recently reviewing the minimum rate to achieve a more even rating burden between unit owners and traditional residential allotment owners.

This not only ensures more equitable distribution of rating but reflects a local community issue. Lane Cove is one of only two councils to have recognised and responded to this equity issue.

The 2013 Division of Local Government *Local Government Infrastructure Audit* gave our a moderate asset rating and identified a relatively low per capita infrastructure backlog. We are addressing this with one of the highest infrastructure renewal ratios, consistently above 150% over the past three years. This is grounded in a strong financial outlook which saw TCorp assess our financial sustainability as the highest among NSROC Councils.

We are also well-placed to implement sustainability initiatives through an ongoing sustainability levy that goes beyond environmental needs to also address economic, social, energy, water and other efficiency measures. This has already developed financial and infrastructure benefits.

2.2 Key Challenges and Opportunities

The below table summarises some of the key challenges and opportunities faced by Lane Cove:

Strengths	Weaknesses
▪ Council already meets all FFTF benchmarks, with further improvement in performance over time ▪ A functional, stable, highly skilled and strategic Council of elected members and staff ▪ Ongoing Sustainability Levy and Infrastructure Levy ▪ 2012 TCorp financial sustainability assessment of sound, the highest of all NSROC councils despite Lane Cove being the second smallest in the region ▪ Up to date Resourcing Strategies ▪ Strong sense of community and engagement ▪ Strong advocacy capacity i.e. 10/50 Vegetation Clearing Code, planning reforms and Lane Cove Tunnel ▪ Existing regional work with NSROC, for example road asphalt, internal audit, library services and waste disposal tender ▪ High socio-economic demographic that can articulate its wants and needs.	▪ Lack of affordable housing ▪ Insufficient schools to accommodate population growth targets ▪ Requirement for more frequent and flexible public transport.
Opportunities	Threats
▪ Increasing revenue base and leveraging provision of infrastructure through Section 94 Plans and VPAs ▪ Major Project Plan delivering infrastructure and community facilities underpinned by ongoing commercial returns without debt ▪ Program of continuous improvement and service reviews to provide further savings and increased discretionary spending ▪ Planning for future growth such as the St Leonards South and Public Domain Master Plans to ensure quality housing supply.	▪ Managing sustainable growth within community expectations ▪ Impact of growth on the environment and traffic congestion ▪ Political decisions regarding issues such as cost shifting and rate pegging ▪ Cost of acquiring assets and infrastructure ▪ Risks associated with amalgamation including transitional costs, diminution of representation, merger partners financial sustainability and loss of community identity.

2 Our current position

2.3 Performance against the Fit for the Future benchmarks Sustainability

2.3 Performance against the Fit for the Future benchmarks Sustainability

Measure/ benchmark	2013/2014 Performance	Achieves FFTF Benchmark?	Forecast 2016/2017 Performance	Achieves FFTF Benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	0.016%	Yes	0.0115%	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	77.0%	Yes	72.44%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	181.3%	Yes	354.92%	Yes

2.3 Performance against the Fit for the Future benchmarks

Infrastructure & Management

2.3 Performance against the Fit for the Future benchmarks

Infrastructure & Service Management

Measure/ benchmark	2013/2014 Performance	Achieves FFTF Benchmark?	Forecast 2016/2017 Performance	Achieves FFTF Benchmark?
Infrastructure Backlog Ratio (Less than 2%)	1.79%	Yes	1.62%	Yes
Asset Maintenance Ratio (Greater than 60% average over 3 years)	126.3%	Yes	131.3%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0	0	0	N/A

If the Fit for the Future benchmarks are not being achieved, please indicate why.

Lane Cove Council is Debt Free.

2.3 Performance against the Fit for the Future benchmarks

Efficiency

2.3 Performance against the Fit for the Future benchmarks

Efficiency

Measure/ benchmark	2013/2014 Performance	Achieves FFTF Benchmark?	Forecast 2016/2017 Performance	Achieves FFTF Benchmark?
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	0.93	Yes	0.88	Yes

3 Fit for our Future

Sustainability

3.1 Fit for the Future Sustainability

Summarise your Council's key strategies to improve performance against the Sustainability benchmarks in the 2016-2020 period, including the outcomes you expect to achieve.

Lane Cove Council met all the Fit for the Future Ratios and Benchmarks at the completion of the 2013/14 Financial Statements. Sustainability is not only built into our LTFP but is integrated into our Asset Management Plans and Work Force Strategic Plan that form our Resourcing Strategy. Benchmarks and ratios are not only met but continue to improve over the life of the Plan.

In 2013 TCorp rated us as having a sound financial position and moderately sustainable. The report identified areas of improvement including long-term operating results, Infrastructure Backlog and Infrastructure renewal. In 2011 a Special Rate Variation (SRV) for an Infrastructure Levy was approved and coincided with the finalisation of our Asset Management Strategy.

We have achieved Building and Infrastructure Renewal ratios of 179% in 2012/13, 224% in 2013/14 and projected to be 555% for 2014/15, well in excess of the target of 100%. This is evidence of our ability to reduce the infrastructure backlog.

We have continued to improve our operating performance with a continuous focus on cost control through budget accountability and services reviews to improve efficiency, effectiveness and customer service.

PwC's Audit Report of the 2013/14 Financial Reports also assessed the Council's financial position and reported that the overall financial position is sound.

“

Council is considered to be in a sound and stable financial position. **All financial indicators are better than accepted industry benchmarks.**

”

PwC 2013/14 AUDIT REPORT

“

The best indicators of the Council's financial position are the liquidity ratio and the debt service ratio. **These are both above benchmarks... and that's where you've been for a long time.**

”

PwC 2013/14 AUDIT REPORT

3.1 Fit for the Future Sustainability

Explain the key assumptions that underpin your strategies and expected outcomes.

Using the 2013/14 Financial Statements as the base year for the 2015 review of the LTFP and having met all industry Ratios and Benchmarks (including Fit for the Future) the following objectives and assumptions have been incorporated for future sustainability:

LTFP Objectives

The LTFP intends to achieve the following objectives over the 10 year timeframe:

1. Maintain or improve the existing service levels to the community
2. Maintain a strong cash position
3. Maintain a surplus in the annual budget
4. Maintain a sufficient Employee Leave Entitlements Cash Reserve based on the age and entitlements of all staff in accordance with our Workforce Strategy
5. Capital expenditure on asset renewal, upgrades and extensions exceed depreciation to reduce infrastructure backlog
6. Continue to reduce real operating costs per capita.

Depreciation Forecasts

For the purpose of the LTFP, we take the current known depreciation and index it. Depreciation has been estimated in 2014/2015 at \$6,559 million rising to \$7,996 million in 2024/25.

We will undertake a more accurate depreciation forecast when our Asset Management Plans are fully developed.

Capital expenditure for renewals is set at 20% of operating expenditure which exceeds depreciation (17%) plus 50% of Capital Grants and Contributions (mainly Section 94 contributions) for 2017 and 2018 and 75% for the remaining years. Our LTFP is conservative and does not incorporate proposed major projects that are not committed to or adopted by Council.

As the LTFP is revised each year, major projects and revenue streams will be included when we can model commitment and certainty.

When New Capital Projects are committed to from the Major Projects Plan or from the remainder of Capital Contributions we will review the LTFP and adjust depreciation accordingly.

3.1 Fit for the Future Sustainability

Assumptions and Forecasts

The 2013/14 Financial Statements, Current 2014/15 Budget and the Proposed 2015/16 estimates are the base years for the LTFP. The following conservative assumptions have been used to forecast growth in both income and expenditure over the next 10 years.

Category	Commentary	Assumption
Rates	Indexed by estimated NSW Government rate pegging.	2.7%
Rates and Annual Charges Growth	Growth based on new properties, 3,900 additional dwellings by 2031.	1.25%
User Charges and Fees	Estimated annual increases	3%
Interest and Investment Revenue	Not indexed to CPI, based on average real expected yield of	4.5%
Grants and Contributions – Operating	Estimated annual increases	3%
Grants and Contributions – Capital	Estimated annual increases	3%
Other Revenue	Estimated annual increases	3.5%
Category	Commentary	Assumption
Employee Benefits and On Costs	In line with award entitlements and on-costs including estimated Superannuation levy increases and Workers Compensation costs etc.	4.5%
Materials and Contracts	Based on estimated annual increases	2.6%
Depreciation	Based on estimated annual increases	2.0%
Other Expenses	Includes government levies and utilities, based on estimated annual increases	2.6%

We remain debt free but will consider borrowings where revenue producing assets provide a positive return to cover future debt servicing costs as part of the major capital works program.

3.1 Our strategies and outcomes for Sustainability

Objective	Strategies	Key Milestones	Outcome	Impact on Other Measures
1) Lane Cove Council continues to achieve all Sustainability benchmarks by the end of the 2016-2020 timeframe and beyond				
1. Lane Cove Council to continue to meet and exceed all industry benchmarks	Prepare Annual Estimates and Quarterly Reviews that meet and improve upon all benchmarks.	Completion of Long Term Financial Plan review on an annual basis and based on Annual Financial Statements and Annual Estimates.	Council's Annual Long Term Financial Plan continues to meet and exceed industry benchmarks.	Suitable Renewal and maintenance for infrastructure and Workforce Strategies are catered for.
2. Continues improvement program i.e. service reviews	An ongoing program of service reviews is scheduled to achieve operational efficiencies	Achievement of target	Continued reductions in the Real Operating Expenditure ratio	Enhanced customer satisfaction and operational KPIs where appropriate Reducing cost per capita
3. Ensure Financial Sustainability	Council maintains stringent control over its operational costs over the 2015-2024 period.	Council achieves annual surpluses as forecast in the LTFP to 2024. Annual Budget Planning Process complete each year.	Council's 2015-2025 LTFP reflects forecasted results and shows continuous improvements throughout the plan. Contained growth in operating expenditure in line with forecasts in LTFP. Council's Operating Performance Ratio increases from current 2013/14 result deficit of 0.016 to forecasted surplus of 0.431 by 2025.	Financial Sustainability enhances funding for asset renewals that maintains our assets at a satisfactory standard and reduces the infrastructure backlog

3.1 Our strategies and outcomes for Sustainability

Objective	Strategies	Key Milestones	Outcome	Impact on Other Measures
1) Lane Cove Council continues to achieve all Sustainability benchmarks by the end of the 2016-2020 timeframe and beyond				
4. Maximise returns for Community on Council Assets	Increase Council's Own Source Revenue	Review and Implementation of Projects contained within the Major Projects Plan. Overhead Cost Allocation Project completed to establish 'true' cost of facilities and services.	Council adopts revenue generating projects in the Major Projects Plan.	Revise the Long Term Financial Plan on an annual basis. Where Major Projects are committed to changes will be required to reflect alterations to performance ratios and depreciation.

3

Fit for our
Future

Infrastructure and Service Management

3.2 Fit for the Future

Infrastructure and Service Management

Summarise your council's key strategies to improve performance against the Infrastructure and service management benchmarks in the 2016-2020 period, including the outcomes you expect to achieve.

With the completion of the 2013/14 Financial Statements, review of the LTFP and Asset Management Plan, it is clear we currently meet all industry Benchmarks and Ratios for Backlog, Renewal and Maintenance. These continue to improve through the life of the long-term planning process.

The Infrastructure SRV approved in 2011 combined with increased revenue streams from significant population growth i.e. minimum rate review, Section 94 contributions and VPAs, provide the platform to provide an appropriate level of funds now and in the LTFP.

Assumptions and Forecasts:

- The equivalent of 20% of Operating Expenditure will be allocated for the renewal of existing Infrastructure on an annual basis. This ensures that expenditure on the renewal of assets exceeds depreciation.
- 75% of Capital Grants and Contributions (mainly Section 94) are spent on existing assets on an annual basis. This provides for renewal ratios trending to approximately 300%.
- Revaluation of Infrastructure on an annual basis will ensure that only one Asset Register exists at the end of each Financial Year.
- Required annual maintenance follows industry standards set by Institute of Public Works Engineering Australasia.
- Cost to bring Infrastructure to a Satisfactory Standard (based on Condition 3) is 50% of replacement cost for an asset assessed at condition 5 and 25% of replacement cost for an asset assessed at condition 4.

3.2 Our strategies and outcomes for Infrastructure and Service Management

Objective	Strategies	Key Milestones	Outcome	Impact on Other Measures
1) Lane Cove Council achieves all Sustainability benchmarks by the end of the 2016-2020 timeframe and beyond				
1. Lane Cove Council to continue to meet and exceed Infrastructure Backlog, Renewal and Maintenance Ratios	Review Asset Management Plans Annually to ensure that Benchmarks, Service Standards and Unit Rates are updated and relevant to meet and improve upon all benchmarks.	Completion and reporting of revised Asset Management Plans.	Council's Asset Management Plans provide sufficient renewal and maintenance to meet and exceed industry benchmarks.	Suitable Renewal and maintenance for infrastructure and Workforce Strategies are catered for in the long-term Financial Plan.
2. To achieve an unqualified audit of Asset Management Plans and Special Schedule 7 calculations and ratios.	Engage a suitably qualified auditor to carry out audit to validate Council's current position in relation to Backlog, Renewal and Maintenance.	Audit to be carried out following completion of the 2014/15 Financial Statements.	Unqualified Audit.	Justification and validation of Council's sustainable position.
3. Ensure Asset Management Targets are Achieved and/or Exceeded	Improve Lane Cove's Strategic Asset Management Plan	Asset Management Strategy and Policy Updated and reported to Council in 2015. Asset data is reviewed and updated on a rolling program over 5 years. Community consultation undertaken to inform knowledge of expected service levels	Asset Management Strategy and Policy continually reviewed and refined as part of IP&R process. Robust program of asset data capture. LTFP reflects the Asset Management Plans. Community satisfaction with service levels informs the next Community Strategic Plan review.	Improved data will refine the calculations for resources required in the LTFP and Workforce Strategy.



3 Fit for our Future

Efficiency

3.3 Fit for the Future

Efficiency

Summarise your council's key strategies to improve performance against the efficiency measures in the 2016-2020 period, including the outcomes you expect to achieve.

Our long-standing continuous improvement program improves efficiency and value for money, and has a stringent cost containment focus. Service review initiatives have resulted in efficiency gains in processes such as online conveyancing certificates (Section 603 and Section 149 certificates), electronic processing and automation of invoices, electronic recording of staff attendances, fast-track tree removal and trimming applications. Additionally, our ongoing internal audit program focuses on service delivery improvements and strengthening governance processes.

Our culture of efficiency extends to projects that also deliver environmental benefits. Our investment in energy efficiency initiatives such as upgrading of lighting within Council buildings, parks and irrigation systems are also achieving return on investment. For example recent upgrades within the Council Chambers and offices through a heating, ventilation and air conditioning (HVAC) system together with a Building Management System is projected to reduce energy usage and associated costs by up to 33% on previous years. Solar hot water systems have been installed in 10 community facilities with expected savings of 432MW of electricity over 10 years and irrigation and lighting initiatives in parks and reserves are expected to derive additional savings ensuring they are only used when required.

Our long history and commitment to resource sharing initiatives provide benefits to the community in terms of cost savings and service delivery. Projects include:

- Member of Metropool and United Independent Pools to share risks, costs and efficiencies in risk management programs and training with other member Councils. In terms of size, we represent 8% of Metropool yet pay 5% of the contributions due to successful risk management strategies and resulting low number of claims.
- Member of Shorelink which provides shared regional library services for the North Shore.
- Shared State Emergency Services with Willoughby Council.
- Shared internal audit service with six other north shore councils providing cost savings on the program as well as information sharing and learning benefits.
- Shared Family Day Care administration with Willoughby Council.
- Participating in a number of NSROC joint procurement projects including regional waste, learning and development and facilitated collaboration between NSROC and Local Government Procurement to access preferred suppliers.

3.3 Fit for the Future

Efficiency

We received a resident satisfaction rating of 94% in our 2014 Customer Satisfaction Survey. We are aware of, and responsive to, the diverse needs and aspirations of our community. For example, we hold an email consultation list that represents close to 25% of the total population that not only provides timely and convenient opportunities to provide feedback, the average 30% open rate shows a high readership and is one of the most efficient cost-per-intervention ratios. We plan to further develop our customer service by implementing an online Community Hub allowing online booking of community facilities, additional online payment services and information on local community groups, businesses and services.

We attained an Infrastructure Levy in 2011 to support the implementation of our Asset Management Strategies developed to ensure sufficient allocation of funds to infrastructure renewal and maintenance as well as to reduce the infrastructure backlog. We have utilised qualified external contractors to undertake condition assessments of all assets based on industry best practice. We also invested in the Assetic software which helps us to identify costs to bring and maintain assets at satisfactory standards and to ensure we attain best value for money in investing in infrastructure.

The 2013/14 Financial Statements, Current 2014/15 Budget and the Proposed 2015/16 estimates are the base years for the LTFP. The following conservative assumptions have been used to forecast growth in both income and expenditure over the next 10 years.

Category	Commentary	Assumption
Rates	Indexed by estimated NSW Government rate pegging.	2.7%
Rates and Annual Charges Growth	Growth based on new properties, 3,900 additional dwellings by 2031.	1.25%
User Charges and Fees	Estimated annual increases	3%
Interest and Investment Revenue	Not indexed to CPI, based on average real expected yield of	4.5%
Grants and Contributions – Operating	Estimated annual increases	3%
Grants and Contributions – Capital	Estimated annual increases	3%
Other Revenue	Estimated annual increases	3.5%

3.3 Our strategies and outcomes for Efficiency

Objective	Strategies	Key Milestones	Outcome	Impact on Other Measures
1) Lane Cove Council achieves all Sustainability benchmarks by the end of the 2016-2020 timeframe and beyond				
Lane Cove maintains and improves on the FFTF Benchmarks including Real Operating Expenditure Per Capita at 2013/14 levels.	Ongoing program of continuous improvement.	Service Review Program scheduled and process documented. - Service Reviews are scheduled in the Delivery Plan and completed as per program; - Review of existing performance measurement metrics complete; - Collection of baseline data for new measurement metrics and for benchmarks purposes; - Continue to refine and improve supporting systems and processes to improve productivity; and - Adopt Real Operating Expenditure per Capita as a Corporate Indicator.	Council maintains its performance against FFTF benchmarks and improves in the long-term. Lane Cove demonstrates through all financial and other key indicators that it is competitive and provides best value. Council maintains and improves its Customer Satisfaction rating against it's 2014 result.	Maintaining assets at a satisfactory standard and reducing the infrastructure backlog and improving on all ratios should see a steady increase in customer satisfaction ratings.

3.4 Improvement Action Plan

Lane Cove Council

Action Plan	
Actions	Milestones
1. We achieved all benchmarks and ratios as at the end of the Financial Year 2013/14, except we have no debt. However, we propose maintaining and improving on our strong financial position through achievement of even more sustainable ratios as per the LTFFP.	• Achieve benchmarks as outlined in the long-term Financial Plan.
2. We are committed to a program of continuous improvement through service reviews which achieve operational efficiencies. Past examples include the review of processes for managing the removal and trimming of trees applications (a key issue for Lane Cove), and electronic processing of invoices reducing associated cost and turnaround times. Delivery of learning and development on a regional basis is a target for the coming year in conjunction with NSROC and information sharing on strategies such as maintaining low absenteeism and high retention of staff are proposed as an outcome of the PwC Benchmark report. Our Continuous Improvement Program includes an ongoing Internal Audit Program. Audits for 2015/16 include Grant Administration, DA processing and compliance, Payroll, Accounts Payable, leave and attendance and project management.	• Create a regional Learning and Development program delivering effective targeted training and cost savings • Complete audits and program for addressing/ implementing individual audit recommendations established
3. Subject to the outcome of the FFTF process, develop a process and timetable to establish the proposed JRA.	Establish the JRA including governance framework and transitional arrangements

Outline the process that underpinned the development of your Action Plan.

As we have achieved all benchmarks and ratios, actions to maintain and improve our financial position have been developed in house and where appropriate in consultation with our community. They are outlined in our IP&R framework documents particularly the LTFFP, Asset Management Plans and Workforce Management Plans.

3.4 Improvement Action Plan

Lane Cove Council

In preparing your Improvement Action Plan, you may have considered other strategies/actions but decided not to adopt them. Please identify what these strategies/actions were and explain why you chose not to pursue them.

Due to our strong financial position meeting all FFTF Benchmarks (now and for the long-term) our suite of strategies such as the Major Projects Plan and Resourcing Strategies which underpin our core IP&R framework; and our ability to address concerns expressed by community about loss of local democracy and sense of community; we have formally resolved its opposition to any forced amalgamations and the ILGRP's proposals. Therefore, we did not pursue any merger arrangements. We have, however, worked with the City of Ryde and Hunter's Hill Council on the JRA proposal.

4 Fit for our Future



4.1 How will our plan improve performance Lane Cove Council

TABLE 4.1 Expected improvement in performance

Benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to breakeven average over 3 years)	0.94%	0.92%	1.15%	1.00%	1.30%	1.77%	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	78.35%	72.43%	72.44%	72.68%	72.77%	72.95%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	337.33%	362.87%	354.92%	236.80%	224.00%	248.70%	Yes
Infrastructure Backlog Ratio (Less than 2%)	1.68%	1.64%	1.62%	1.60%	1.57%	1.54%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	139.17%	131.34%	131.3%	134.02%	136.03%	136.03%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	0	0	0	0	0	0	0
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	0.90%	0.90%	0.88	0.86	0.84	0.82	Yes

If, after implementing your plan, your Council may still not achieve all of the Fit for the Future benchmarks, please explain the likely reasons why.

We will continue to meet all Fit for the Future Benchmarks.

However, while debt is not proposed at this stage, we may consider debt into the future for projects providing debt coverage through commercial returns.

5 Fit for our Future



5.1 Our plan in action

Lane Cove Council

The Improvement Action Plan is linked to performance against our Resourcing Strategies particularly the long-term Financial Plan and Asset Management Strategies, except for the establishment of the JRA

Our General Manager and the Executive will be responsible for delivery of Actions and monitoring of performance.

Where appropriate, KPIs will be developed with performance monitored in conjunction with existing corporate KPIs on a monthly basis at Executive Meetings. Key issues will be reported to Council as part of the monthly snapshot report. Key actions will also be reported as part of the IP&R framework.

In regard to the establishment of the JRA, we expect an interim Board would be established to develop terms of reference, governance framework core business aims and objectives and other transition arrangements. Individual Council representatives will report back to their respective Councils on progress and achieving strategies.

6 Community Engagement Results



6.1 How we consulted the community Lane Cove Council

Lane Cove is an informed community with the conversation about reforms beginning with a special Council-wide newsletter in June 2013. Subsequent public information sessions identified community concerns such as the potential loss of democracy, losing our sense of community, not being engaged, and any impact on the quality of facilities and services. We also participated in meetings with all Councils in the proposed merged entity culminating in a forum at Chatswood in January. The full process is seen in Table 2.

Results from the community consultation and deliberative poll show that the case for a merger was rigorously considered as one-third of the community showed support for this option.

The clear majority of community support, however, was for a JRA that will focus on regional strategic planning and advocacy, intergovernmental collaboration and shared services delivery.

Table 21: Community Engagement timeline

May 2013

Local Government Reform paper release.

June 2013

Community newsletter and information session.

Council responds to revitalising local government - opposed to forced mergers.

September 2014

'Fit for the Future' program released.

October 2014

Community information session. Fit for the Future report.

Special Community Meeting - resolution to reaffirm Council's position & further engage the community.

February 2015

Council Resolution - reject recommendations and investigate Joint Regional Organisation alternative.

March 2015

Community awareness campaign including a newsletter.

May 2015

Community meeting and community consultation.

Joint Council commencement of online survey and deliberative poll.

92%

support the option to form a JRA as either their first or second preference.

MICROMEX DELIBERATIVE POLL, JUNE 2015

Joint initiative of three Councils City of Ryde, Hunters Hill and Lane Cove

Our three Councils created a joint community engagement strategy which included community meetings in each Council area; an independent, statistically valid and demographically representative telephone poll; and an online survey based on the three options available to each Council, with a particular interest in understanding what level of community support existed for the JRA.

The process for the independent telephone polling required pre-recruitment of 600 in Ryde and Lane Cove and 400 people in Hunters Hill. The recruited community members were sent an information package outlining in detail (see appendix I, J, K) the options available to Councils and additional information on the JRA.

May 2015

Community Meeting

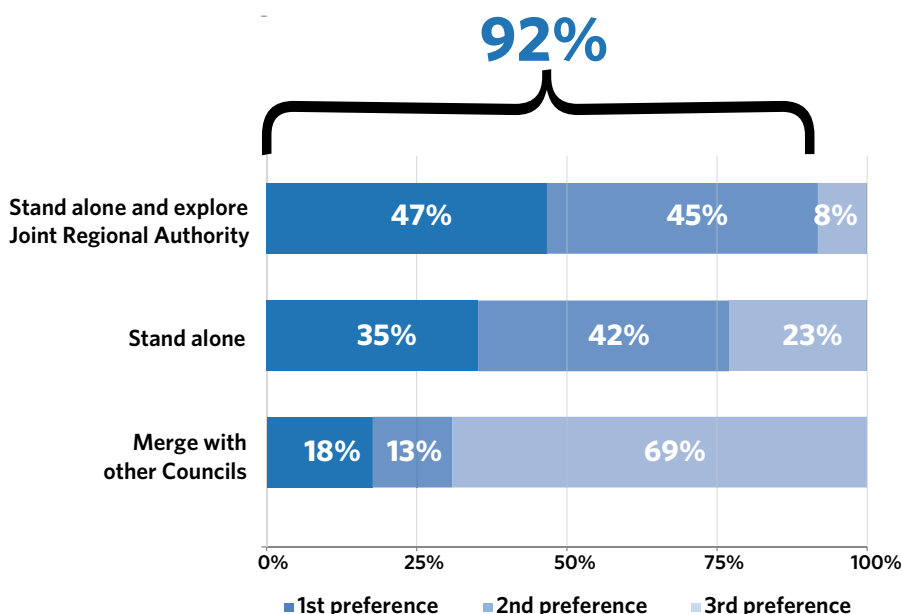
Urbis Consulting

Lane Cove Council had more than 50 community members present at its meeting on Thursday 7 May.

Live polling was conducted on the night, using the same three questions (live polling results attached in Urbis report), with the summary as follows:

- When asked how supportive they were of proposed merger with 5 other Councils, 93% stated they were “not at all supportive”
- When asked how supportive they were of Council standing alone 85.5% registered a level of support, from “completely supportive to somewhat supportive”
- When asked how supportive they were of Council standing alone and exploring the option of a Joint Regional Authority, 82.2% registered a level of support, from “completely supportive to somewhat supportive”

**Figure 22: Micromex survey question:
Which of the three options is your most preferred option?**



Source: Micromex Deliberative Poll, Attachment K, page 32.

June 2015

Deliberative Polling via Telephone survey

Micromex Consulting

The detailed results of this survey are attached in Attachment K with the high level results for Lane Cove as follows:

- 70% not supportive of Council being merged with 5 other Councils
- 75% supportive of Council standing alone
- 82% supportive of Council exploring a Joint Regional Authority with City of Ryde and Hunters Hill Councils
- When asked to rank their preferred option 92% of respondents listed the Joint Regional Authority as their first or second preference.

June 2015

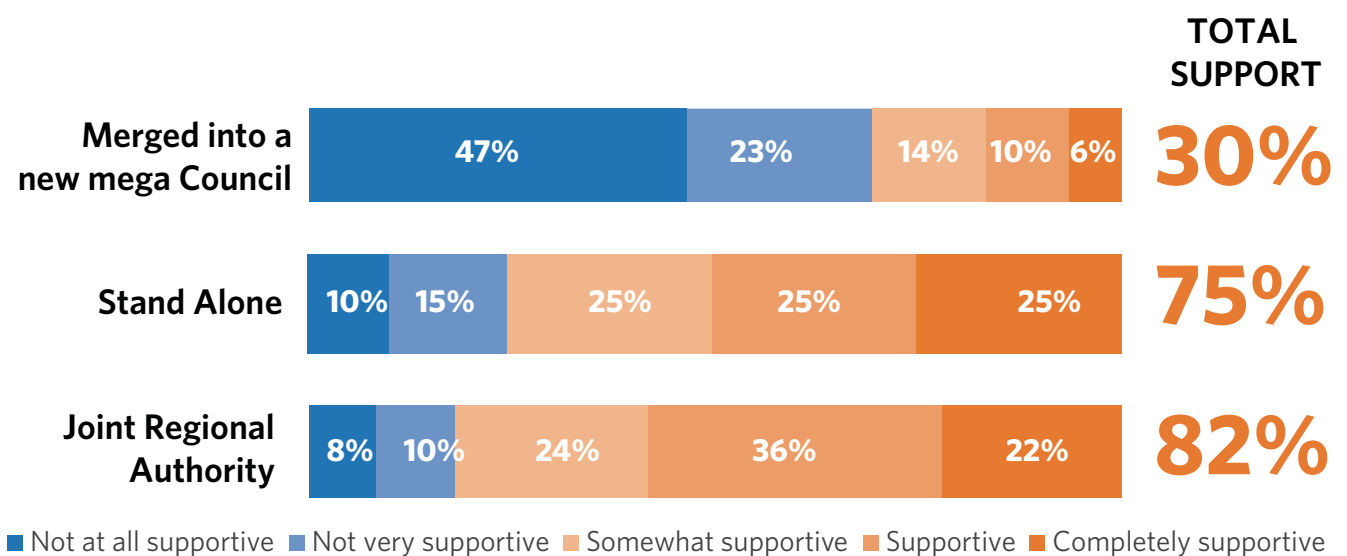
Online survey

An online survey was created using the same questions as asked in the telephone survey and ensuring that the information package was also available on all three Council websites.

- 990 respondents
- 70% not supportive of Council being merged with 5 other Councils
- 66% supportive of Council standing alone
- 69% supportive of Council exploring a Joint Regional Authority with City of Ryde and Hunters Hill Councils.

As the telephone survey results were sourced from a random sample of Council residents and weighted to the age and gender profile of the Council, the online survey results serve largely as a complimentary community consultation piece, to provide an indicative measure of community opinion. As the online survey was readily accessible to any resident wanting to participate, with no further weighting applied, unlike the telephone survey (sample error is plus or minus 4.9% at 95% confidence), the level of sample error is unknown.

Figure 23: Micromex survey question: How supportive are you of Lane Cove Council being merged into a mega-council?



Source: Micromex Deliberative Poll, Attachment K, page 26.

Date	Action Taken	Outcome
May 2013	Special Edition newsletter	Delivered to 10,000+ ratepayers. Provided direct communication to all residents regarding the proposed reforms in 2013.
12 June 2013	Community information session and community consultation	100+ residents attended. Residents raised concerns regarding as reflected in our response to the Future Directions consultation paper.
July 2014	New Council website launched	Local government reform on website homepage under 'Hot Topics' providing access to Future Directions paper. Improved access for the community to all relevant information.
15 September 2014	Council Meeting	Council resolution to oppose forced amalgamation and request meeting with Minister for Local Government
26 September 2014	E-newsletter invitation to public meeting	7,600+ emails sent. 34% open rate = 2,590 residents read email
3 October 2014	Reminder e-newsletter to public meeting	7,600+ emails sent. 33% open rate = 2,510 residents read email
8 October 2014	Public meeting	100+ residents attended. Similar themes to initial consultation arose again - local democracy, loss of sense of community, impacts on efficiencies and access to staff/Councillors.
13 October 2014	Council Meeting	Resolution to initiate a public awareness campaign that highlights the most important issues for our community and reasons for our decisions.
16 October 2014	Meeting with Minister for Local Government	Copy of the presentation made to the Minister available on our website.
29 October 2014	E-newsletter update to the community	7,500+ emails sent. 35% open rate = 2,640 residents read email.
October 2014	Council website - Fit for the Future page	Fit for the Future logo, details and link to NSW Government reports provided to the community.
October 2014	Article in The Village Observer on Fit for the Future	Distribution to 19,000 people monthly. Council works with the Editor on articles which are of significant interest to the community.
January 2015	E-newsletter notification of Extraordinary Council Meeting re Fit for the Future	7,100+ emails sent. 40% open rate = 2,800 read email.
21 January 2015	Extraordinary Council Meeting re Fit for the Future	Thirteen members of the public attended to speak on the matter. Council resolved to involve and engage the community in a communications campaign.

Date	Action Taken	Outcome
January 2015	North Shore Times coverage on the Council meeting	Keeping local residents informed of the reforms. Council liaises with the media on issues of importance to the local community.
March 2015	Keep Councils Local	Council updated its website and provided an update on the recent activities of Council including meeting with other Councils.
March 2015	Mayoral Column update in The Village Observer	Distribution to 19,000 people monthly. Updating the community on our upcoming activities regarding Fit for the Future.
March 2015	Article in The Village Observer on Fit for the Future	Distribution to 19,000 people monthly. Raising community awareness of the issue.
25 March 2015	Letter to ratepayers	Letter to over 10,000 ratepayers to provide them with information on the Fit for the Future campaign and our upcoming consultation process including a public meeting on 7 May.
April 2015	Mayoral Column update in The Village Observer	Updating the community on our upcoming activities.
April 2015	Quarterly Newsletter	Front page update on proposed reforms. Sent to 10,000+ ratepayers and distributed online and in hardcopy at local facilities
29 April 2015	E-newsletter to residents regarding public meeting	7,100+ emails sent. 25% open rate = 1,775 read email.
17-20 April 2015	Recruitment for Deliberative Poll	600 participants agree to take part in Deliberative Poll.
7 May 2015	Public Meeting on Fit for the Future	Results as above.
8 May 2015	Public Survey launched	Opt-in survey that includes the same information as the deliberative poll though separate to the poll results.
15 May 2015	Letter to ratepayers	Letter to over 10,000 ratepayers to provide them with information on the Fit for the Future campaign and our upcoming consultation process including the results of the public meeting held on 7 May.
18- 25 May 2015	Deliberative Poll conducted	Results as above.

Attachments



4) Evidence Documents and Attachments

Evidence supporting rejection of ILGRP recommended merger

- Attachment A - Morrison Low Review of ILGRP recommendations relating to a proposed merger of the whole of Hunters Hill, Lane Cove, Mosman, North Sydney, Willoughby and two thirds of Ryde Council. June 2015
- Attachment B - Professor Brian Dollery Compulsion Versus a Collaborative Regional Approach: An Empirical Analysis of Forced Amalgamation versus a Regional and Shared Services Approach May 2015
- Attachment C - SGS Economics and Planning Review of ILGRP's Structural Change Options. October 2013

Evidence supporting a Superior Proposal - A Joint Regional Authority

- Attachment D - SGS Economics and Planning Northern Sydney Joint Organisation Business Case. May 2015
- Attachment E - Percy Allan & Associates Pty Ltd A Regional Joint Organisation Structure. May 2015
- Attachment F - Percy Allan & Associates Pty Ltd Shared Service Centre Migration Plan. May 2015

Community Engagement Attachments

- Attachment G - Community Meetings Live Polling Results - City of Ryde, Hunter's Hill, Lane Cove. May 2015
- Attachment H - Urbis Report - Fit for the Future Community Forums. May 2015
- Attachment I - Micromex Survey Results - City of Ryde. May 2015
- Attachment J - Micromex Survey Results - Hunter's Hill. May 2015
- Attachment K - Micromex Survey Results - Lane Cove. May 2015

Template 2 Attachments

- Attachment L - City of Ryde Resourcing Strategy
- Attachment M - City of Ryde Self-Assessment
- Attachment N - Hunter's Hill Council Resourcing Strategy
- Attachment O - Hunter's Hill Council Self-Assessment
- Attachment P - Lane Cove Council Resourcing Strategy
- Attachment Q - Lane Cove Council Self-Assessment
- Attachment R - Online Survey Results (All three councils)
- Attachment S - Council Resolutions

Attachment T - Professor Percy Allan- Review of Joint Regional Authority Model, June 2015

Attachment A

Morrison Low

Review of ILGRP recommendations relating to a proposed merger of the whole of Hunters Hill, Lane Cove, Mosman, North Sydney, Willoughby and two thirds of Ryde Council.

June 2015

Attachment B

Professor Brian Dollery

Compulsion Versus a Collaborative Regional Approach: An Empirical Analysis of Forced Amalgamation versus a Regional and Shared Services Approach

May 2015

Attachment C

SGS Economics and Planning

Review of ILGRP's Structural Change Options.

October 2013

Attachment D

SGS Economics and Planning

Northern Sydney Joint Organisation Business Case.

May 2015

Attachment E

Percy Allan & Associates Pty Ltd

A Regional Joint Organisation Structure.

May 2015

Attachment F

Percy Allan & Associates Pty Ltd

Shared Service Centre Migration Plan.

May 2015

Attachment G

Community Meetings Live Polling Results - City of Ryde, Hunter's Hill, Lane Cove.

May 2015

Attachment H

Urbis Report

**Fit for the Future Community
Forums.**

May 2015

Attachment I

Micromex

Survey Results - City of Ryde.

May 2015

Attachment J

Micromex

Survey Results - Hunter's Hill.

May 2015

Attachment K

Micromex

Survey Results - Lane Cove.

May 2015

Attachment L

City of Ryde Resourcing Strategy

Attachment M

City of Ryde Self-Assessment

Attachment N

Hunter's Hill Council Resourcing Strategy

Attachment O

Hunter's Hill Council Self-Assessment

Attachment P

Lane Cove Council Resourcing Strategy

Attachment Q

Lane Cove Council Self-Assessment

Attachment R

Online Survey Results (All three councils)

Attachment S

Council Resolutions

Attachment T

Professor Percy Allan

Review of Joint Regional Authority Model.

June 2015

Fit for our Future

JOINT SUBMISSION

City of Ryde
Hunter's Hill Council
Lane Cove Council

 City of Ryde

